NOTICE: For Applicants planning to submit an Application on or before January 26, 2018, ANYTHING that would have been due on March 1, 2018 will be due on January 26, 2018. Anything due after March 1, 2018 maintains its original due date.
2018 HTC
Full Application

Part 1 Tab 1

Application Certification
October 25, 2018

Andrew Sinnott  
Texas Department of Housing and Community Affairs  
221 East 11th Street  
Austin, TX 78701  

RE: Mistletoe Station - TDHCA #17259  

Dear Andrew:  

Per 10 TAC 13.5(d)(2), please accept this letter as a request for a finding of eligibility, required for projects that have previously been awarded Department funds. Mistletoe Station received an award of $1,500,000 in 9% Housing Tax Credits (HTC) in 2017. The project has just begun construction in the City of Fort Worth.  

Saigebrook Development, LLC respectfully requests that the TDHCA Board find Mistletoe Station eligible for additional Departmental funding in the form of MFDL TCAP funds, pursuant to our MFDL application submitted on October 25, 2018. If approved, this would bring the total MFDL funding for Mistletoe Station to $1,500,000, allowable under the Multifamily Direct Loan NOFA.  

Circumstances beyond our control which could not have been prevented or foreseen have led us to seek additional Departmental funding. During permitting, the City of Fort Worth increased the regional stormwater infrastructure improvements required from an estimated cost of $2M to more than $4M at final contract value. In addition, equity pricing dropped at closing from $0.915 down to $0.86 which created a large need for additional funds. To help fill the gap left by the reduced equity proceeds, we pursued and received soft debt financing from the City of Fort Worth in the form of HOME funds, as well as additional reimbursement of infrastructure costs from the TIF. Based on the application for MFDL TCAP funds, we would still be deferring over $715,000 in developer fees.  

If approved, we will commit to designating eight MFDL units to serve those at 30% AMI. In total, the development will bring 74 affordable units to a market which is in need of affordable housing, a high opportunity census tract that has not received any affordable housing in the last 15 years. We ask the Board to consider the substantial benefit to the project of the risk mitigation resulting from an award of $1,500,000 in MFDL funds.  

Sincerely,  

Lisa Stephens  
President
2018 Multifamily Uniform Application Certification
Mailing Address: P.O. Box 13941, Austin, TX 78771-3941
Physical Address: 221 East 11th Street, Austin, TX 78701

Development Name: Mistletoe Station

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

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

Mistletoe Station, LLC

Applicant Entity Name

By: [Signature]

Signature of Authorized Representative

Lisa M. Stephens

Printed Name

President

Title

10-19-18

Date

Sworn to and subscribed before me on the ______ day of __________, 2018.

by

Lisa M. Stephens

(Personalized Seal)

KATHERINE E JOHNSON
Notary Public, State of Texas
County of TARRANT
My Commission Expires March 29, 2020

Notary Public Signature

My Commission Expires: March 29, 2020

10/17/2018 4:36 PM
Required for Tax Exempt Bond Developments only

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

Development Name: NA

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

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

<table>
<thead>
<tr>
<th>Board Meeting Date</th>
<th>75 Day Deadline</th>
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</thead>
<tbody>
<tr>
<td>January 18, 2018</td>
<td>November 3, 2017</td>
</tr>
<tr>
<td>February 22, 2018</td>
<td>December 8, 2017</td>
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<tr>
<td>March 22, 2018</td>
<td>January 5, 2018</td>
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<tr>
<td>April 26, 2018</td>
<td>February 9, 2018</td>
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<tr>
<td>May 24, 2018</td>
<td>March 9, 2018</td>
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<td>June 28, 2018</td>
<td>April 13, 2018</td>
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<tr>
<td>July 12, 2018</td>
<td>April 27, 2018</td>
</tr>
<tr>
<td>July 26, 2018</td>
<td>May 11, 2018</td>
</tr>
</tbody>
</table>
An Inducement Resolution has been approved by the Bond Issuer and a copy has been provided behind Tab 8.
2018 HTC Full Application

Part 1 Tab 2

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

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

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

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

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

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

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

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

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

The Development will adhere to the Texas Property Code relating to security devices and other applicable requirements for residential tenancies, and will adhere to local building codes or, if no local building codes are in place, then to the most recent version of the International Building Code.

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

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

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

The Development Owner is and will remain in compliance with state and federal laws, including but not limited to, fair housing laws, including Chapter 301, Property Code, Title VIII of the Civil Rights Act of 1968 (42 U.S.C. §§3601 et seq.), the Fair Housing Amendments Act of 1988 (42 U.S.C. §§3601 et seq.), the Civil Rights Act of 1964 (42 U.S.C. §2000a et seq.), the Americans with Disabilities Act of 1990 (42 U.S.C. §§12101 et seq.), the Rehabilitation Act of 1973 (29 U.S.C. §§701 et seq.), Fair Housing Accessibility, the Texas Fair Housing Act; and the Development is designed consistent with the Fair Housing Act Design Manual produced by HUD, and the Texas Accessibility Standards. (§2306.257; §2306.6705(7))

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

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

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

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

The Development Owner agrees to implement a plan to use Historically Underutilized Businesses (HUB) in the development process consistent with the Historically Underutilized Business Guidelines for contracting with the State of Texas. The Development Owner will be required to submit a report of the success of the plan as part of the cost certification documentation, in order to receive IRS Forms 8609 or, if the Development does not have Housing Tax Credits, release of retainage.
The Applicant will attempt to ensure that at least 30% of the construction and management businesses with which the Applicant contracts in connection with the Development are Minority Owned Businesses as further described in Tex. Gov’t Code §2306.6734.

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

**Accessibility Requirements**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Signature

Lisa M. Stephens

Printed Name

President

Title

10-19-18

Date

THE STATE OF Texas §

COUNTY OF Tarrant §

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

GIVEN UNDER MY HAND AND SEAL OF OFFICE this 19th day of October 2018

(Seal)

KATHERINE E JOHNSON
Notary ID # 130604693
My Commission Expires March 29, 2020

Notary Public Signature
Undesirable Site Features

Regarding the railroad’s proximity to the site, in a letter that follows, Fort Worth confirmed that multi-family units are permitted with zero (0) setback from the railroad right of way. In addition, a resolution of support from Fort Worth follows that reiterates the zero setback. The TDHCA board found the site to be eligible at its meeting on July 13, 2017. A transcript of this meeting also follows.
February 10, 2017

Texas Department of Housing and Community Affairs
LIHTC Program
221 East 11th Street
Austin, Texas 78701-2410

Re: Mistletoe Station, TDHCA App # 17259
Fort Worth, Texas
Mistletoe Heights Addition, Block B
Frisco Addition, Block 3R

To Whom it May Concern:

This letter is to confirm that pursuant to City of Fort Worth ordinances that multifamily buildings and accessory uses are permitted with zero (0) setback from the railroad right of way immediately adjacent to the west of Mistletoe Heights Addition, Block B. This site is on the edge of the City of Fort Worth’s Near Southside Development District. The Development District was developed after an extensive program of community participation and professional analysis reviewing all aspects of context for development in the district, including setbacks, uses and building form. Railroad adjacency was considered, and a decision was made to implement façade standards for railroad adjacent property without imposing an additional setback for residential or other uses.

Accordingly, the proposed multifamily use without additional setback from the railroad right of way is consistent with the designation for this site under the Near Southside Development Standards adopted by City Council Ordinance for the Near Southside Development District, representing the zoning for the property. The use also conforms with the 2016 City of Fort Worth Comprehensive Plan adopted by City Council ordinance within the last year, and the Near Southside Redevelopment Plan adopted in 2015 by Fort Worth Southside Development District, Inc., the nonprofit administering the Tax Increment
Financing and Project Plan adopted by City Council ordinance for City of Fort Worth TIF District #4.

The City of Fort Worth was developed as a railroad hub. There are 193 railroad crossings in the downtown Fort Worth Area. The downtown area is experiencing a surge of multifamily residential development, including twelve stories of luxury residential condominiums directly above the Texas & Pacific Railroad Terminal. Following the successful conversion of the old Montgomery Ward’s warehouse immediately adjacent to a Fort Worth & Western Railroad line, new high end high density multifamily residences are also springing up in the City’s West 7th area, probably the hottest, most desirable market in the City for new apartments in a dense pedestrian pattern that would have been impossible if the City had required residences to be set back from rail line right of way. Consistent with our obligation to HUD to affirmatively further fair housing, the City can’t require setbacks from rail lines for workforce and affordable housing when market rate housing has been so successful in these areas.

The developer of the proposed Mistletoe Station project has informed us that it will take affirmative measures to abate sound in the design and construction of the project as well as provide appropriate safety measures such as fencing. In addition, consistent with the City’s plan for this area, the City and the adjacent neighborhood are well into the process of creating a Railroad Quiet Zone that includes the Mistletoe intersection. This process was initiated over a year ago.

Given these considerations, the City of Fort Worth would allow multifamily development in the proposed location if all site plan requirements are met.

Sincerely,

[Signature]

Senior Planner
A Resolution

NO. 4752-02-2017

SUPPORTING A HOUSING TAX CREDIT APPLICATION FOR MISTLETOE STATION AND COMMITMENT OF DEVELOPMENT FUNDING

WHEREAS, the City’s 2016 Comprehensive Plan is supportive of the preservation, improvement, and development of quality affordable accessible rental and ownership housing;

WHEREAS, the City’s 2013-2018 Consolidated Plan makes the development of quality affordable accessible rental housing units for low income residents of the City a high priority;

WHEREAS, Mistletoe Station, LLC, an affiliate of Saigebrook Development, LLC, has proposed a development for affordable multifamily rental housing named Mistletoe Station to be located at 1916 Mistletoe Boulevard and 2116 Beckham Place in the City of Fort Worth;

WHEREAS Mistletoe Station, LLC has advised the City that it intends to submit an application to the Texas Department of Housing and Community Affairs (“TDHCA”) for 2017 Competitive (9%) Housing Tax Credits for the Mistletoe Station, a new complex consisting of approximately 78 units, of which at least five percent (5%) of the total units will be dedicated for Permanent Supportive Housing units and at least five percent (5%) of the total units will be market rate units;

WHEREAS, TDHCA’s 2017 Qualified Allocation Plan (“QAP”) provides that an application for Housing Tax Credits may qualify for up to seventeen (17) points for a resolution of support from the governing body of the jurisdiction in which the proposed development site is located;

WHEREAS, the QAP also awards one (1) point for a commitment of development funding from the city in which the proposed development site is located; and

WHEREAS, Mistletoe Station is located adjacent to a railroad and its associated easement, and the City Planning and Zoning Codes and Ordinances provide that a development located adjacent to such an easement is permitted with 0' of required setback.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF FORT WORTH, TEXAS:

The City of Fort Worth, acting through its City Council, hereby confirms that it supports the application of Mistletoe Station, LLC to the Texas Department of Housing and Community Affairs for 2017 Competitive (9%) Housing Tax Credits for the purpose of the development of the Mistletoe Station to be located at 1916 Mistletoe Boulevard and 2116 Beckham Place (TDHCA Application No. 17259), and that this formal action has been taken to put on record the opinion expressed by the City Council of the City of Fort Worth.
The City of Fort Worth, acting through its City Council, additionally confirms that it will commit to fee waivers in an amount not exceed $2,500.00 to Mistletoe Station, LLC conditioned upon receipt of Housing Tax Credits. The City Council also finds that the waiver of such fees serves the public purpose of providing quality, accessible, affordable housing to low and moderate income households in accordance with the City’s Comprehensive Plan and Action Plan, and that adequate controls are in place through the City’s Neighborhood Services Department to carry out such public purpose.

The City of Fort Worth, acting through its City Council, further confirms that the City has not first received any funding for this purpose from the applicant, affiliates of the applicant, consultant, general contractor or guarantor of the proposed development or any party associated in any way with the applicant, Mistletoe Station, LLC.

Adopted this 21st day of February, 2017.

ATTEST:

By: [Signature]

Mary J. Kayser, City Secretary
MR. BRADEN: I would make a motion that the Board not accept the staff recommendation.

MS. BINGHAM ESCAREÑO: Okay. So Mr. Braden makes a recommendation not to -- makes a motion to not accept staff's recommendation.

MR. BRADEN: Go ahead, Beau.

MR. ECCLES: I was going to suggest that that be phrased perhaps in the affirmative. Are you moving that the site be found to be eligible?

MR. BRADEN: Okay. I'll restate my motion. I move that the site be found to be eligible on the basis that I think the resolution passed by the city council for the City of Fort Worth is indication that its local ordinances permit a zero setback as interpreted by the city.

MS. BINGHAM ESCAREÑO: Mr. Braden moves to find site eligible. Is there a second?

MS. RESÉNDIZ: Second.

MS. BINGHAM ESCAREÑO: Ms. Reséndiz seconds. Any further discussion on this item?

(No response.)

MS. BINGHAM ESCAREÑO: All those in favor, aye?

(A chorus of ayes.

MS. BINGHAM ESCAREÑO: Opposed, same sign?

(No response.)
MS. BINGHAM ESCAREÑO: Motion carries. Thank you very much. Thank you, guys.

All right. So we're going to -- Marni, you want to do 17368 --

MS. HOLLOWAY: Yes.

MS. BINGHAM ESCAREÑO: -- next?

MS. HOLLOWAY: Cielo.

MS. BINGHAM ESCAREÑO: 17368 is Cielo McAllen.

MS. HOLLOWAY: This proposed development has the same issue, a proximity to railroads. Review of the development site indicates a mixed use area, including industrial and residential uses surrounding. The eastern property line is at the easement for the tracts, which curves around to a portion of the southern border of the site.

According to the site plan, the applicant plans to construct a fence separating the site from the railroad easement. And staff estimates that the closest units will be approximately 30 feet from the track.

An official from the City of McAllen states in a letter that they are unaware of any McAllen ordinance that prohibits the apartments being in that proximity. That there is no ordinance preventing multifamily development near railroad tracks does not the requirements of the rule, which we've all heard a number of times now.
$§10.202$ of the Uniform Multifamily Rules identifies situations in which an Application or Applicant may be ineligible for Department funding. Applicants must provide disclosure of all potential instances of ineligibility, along with evidence of appropriate corrective action taken and accepted by the Department or mitigating factors to be considered. Documentation should be attached behind this tab.

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

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

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

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

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

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

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

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

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

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

Neither Applicant nor any other member of the Development Team has misrepresented to a subcontractor the extent to which the Developer has benefited from contracts or financial assistance that has been awarded by a public agency, including the scope of the Developer's participation in contracts with the agency and the amount of financial assistance awarded to the Developer by the agency.

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

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

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

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

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

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

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

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

For any Development utilizing Housing Tax Credit or Tax-Exempt Bonds, at all times during the two-year period preceding the date the Application Round begins (or for Tax-Exempt Bond Developments any time during the two-year period preceding the date the Application is submitted to the Department), the Applicant or a Related Party is not or has not been a member of the Board or employed by the Department as the Executive Director, Chief of Staff, General Counsel, a Deputy Executive Director, the Director of Multifamily Finance, the Chief of Compliance, the Director of Real Estate Analysis, a manager over the program for which an Application has been submitted, or any person exercising such responsibilities regardless of job title; or in violation of §2306.6733 of the Tex. Gov’t Code.

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

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

All housing developments with which Applicant, Development Owner, Developer, Guarantor and/or Principal thereof participating, are in compliance with: state and federal fair housing laws, including Chapter 301, Property Code, the Texas Fair Housing Act; Title VIII of the Civil Rights Act of 1968 (42 U.S.C. Section 3601 et seq.); and the Fair Housing Amendments Act of 1988 (42 U.S.C. Section 3601 et seq.); the Civil Rights Act of 1964 (42 U.S.C. Section 2000a et seq.); the Americans with Disabilities Act of 1990 (42 U.S.C. Section 12101 et seq.); and the Rehabilitation Act of 1973 (29 U.S.C. Section 701 et seq.).

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

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

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

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

Lisa M. Stephens
Printed Name

President
Title

10-19-18
Date

THE STATE OF Texas

COUNTY OF Tarrant

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

GIVEN UNDER MY HAND AND SEAL OF OFFICE this 19th day of October 2018

(Seal)

KATHERINE E JOHNSON
Notary ID # 130604692
My Commission Expires March 29, 2020

Notary Public Signature
2018 Applicant Eligibility Certification

By: Megan D. Lasch

Signature of Authorized Representative

Megan D. Lasch

Printed Name

President

Title

10-18-18

Date

THE STATE OF TEXAS §

COUNTY OF TRAVIS §

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

GIVEN UNDER MY HAND AND SEAL OF OFFICE this 18th day of October, 2018

(Seal)

SANDY L. HEGEDUS
Notary Public, State of Texas
Comm. Expires 07-26-2021
Notary ID 131226314

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

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

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

http://www.tdhca.state.tx.us/multifamily/apply-for-funds.htm
I (We) hereby make application to the Texas Department of Housing and Community Affairs (the “Department”) for an award of Multifamily Direct Loan funds, which may be composed of HOME Investment Partnerships Program (“HOME”), Tax Credit Assistance Program Repayment Funds “TCAP RF,” Neighborhood Stabilization Program Round 1 Program Income (“NSP1 PI”), and/or National Housing Trust Fund (“NHTF”). The undersigned hereby acknowledges that an award by the Department does not warrant that the Development is deemed qualified to receive such award. I (We) agree that the Department or any of its directors, officers, employees, and agents will not be held responsible or liable for any representations made to the undersigned or its investors relating to the Multifamily Direct Loan; therefore, I (We) assume the risk of all damages, losses, costs, and expenses related thereto and agree to indemnify and save harmless the Department and any of its officers, employees, and agents against any and all claims, suits, losses, damages, costs, and expenses of any kind and of any nature that the Department may hereinafter suffer, incur, or pay arising out of its decision concerning this application for Multifamily Direct Loan funds or the use of information concerning the Multifamily Direct Loan.

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

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

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

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

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

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

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

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

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

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

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

I (We) certify that I (We) do not and will not knowingly employ an undocumented worker, where "undocumented worker" means an individual who, at the time of employment, is not lawfully admitted for permanent residence to the United States or authorized under law to be employed in that manner in the United States.
If, after receiving a public subsidy, I (We), am convicted of a violation under 8 U.S.C Section 1324a (f), I (We) shall repay the amount of the public subsidy with interest, at the rate and according to the other terms provided by an agreement under Texas Government Code Section 2264.053, not later than the 120th day after the date TDHCA notifies Name of Applicant of the violation.

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

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

**Lead Based Paint**

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

1) Applicability 24 CFR §35.115 – A copy of a statement indicating that the property is covered by or exempt from Lead Safe Housing Rule.
   a) If the property is exempt, the file should include the reason for the exemption and no further documentation is required.
   b) If the property is covered by the Rule, the file should include the appropriate documentation to indicate basic compliance, as listed below:
      i) Summary Paint Testing Report or Presumption Notice 24 CFR §35.930(a) – A copy of any report to indicate the presence of lead-based paint (LBP) for projects receiving up to $5,000 per unit in rehabilitation assistance. If no testing was performed, then LBP is presumed to be on all disturbed surfaces;
ii) Notice of Evaluation 24 CFR §35.125(a) – A copy of a notice demonstrating that an evaluation summary was provided to residents following a lead-based-paint inspection, risk assessment or paint testing;

iii) Clearance Report 24 CFR §35.930(b) (3) – A report indicating a “clearance examination” was performed of the work site upon completion; and

iv) Notice of Hazard Reduction Completion 24 CFR §35.125(b) – Upon completion, a copy of a notice to show that a LBP remediation summary was provided to residents.

Threshold Certification

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

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

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

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

All applicants applying under the 2018-1 Multifamily Direct Loan Notice of Funding Availability (NOFA) must read and initial after each of the following sections regarding federal cross cutting requirements in the boxes below.
HUD Section 3

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

[Initial]

Environmental

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

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

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

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

I (We) understand that the environmental effects of each activity carried out with an award of NHTF funds must be assessed in accordance with the provisions of CPD Notice 16-14.
I (We) certify that I (we) have read and understand the requirements in 24 CFR §58.22 or CPD Notice 16-14, and I (we) understand that acquisition of the site, even with non-HUD funds, prior to completion of the environmental review process will jeopardize any federal funding.

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

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

(Initial)

**Relocation and Anti-Displacement**

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

If occupied, the occupant(s) are owners __________ tenants ________

**Displacement of Existing Tenants**

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

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

**Demolition and Conversion**

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

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

Lisa M. Stephens

Printed Name

President

Title

10-19-18

Date

THE STATE OF TEXAS

COUNTY OF Tarrant

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

GIVEN UNDER MY HAND AND SEAL OF OFFICE this 19th day of October 2018.

[Notary Public Signature]
Provide the contact information for the Applicant and any staff responsible for Administrative Deficiencies and/or clarifications to the Application.

<table>
<thead>
<tr>
<th>1. Applicant Contact Information</th>
<th></th>
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<tbody>
<tr>
<td>Name: Lisa Stephens</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Phone: (352) 213-8700</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Email: <a href="mailto:lisa@saigebrook.com">lisa@saigebrook.com</a></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mailing Address: 5501-A Balcones Dr. #302</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Street: 5501-A Balcones Dr. #302</td>
<td></td>
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<tr>
<td>Zip: 78731</td>
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<tr>
<td>Office: (352) 213-8700</td>
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<td>Mobile: (352) 213-8700</td>
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<td>Extension: NA</td>
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<th>2. Second Contact</th>
</tr>
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<tbody>
<tr>
<td>Name: Alyssa Carpenter</td>
</tr>
<tr>
<td>Phone: (512) 789-1295</td>
</tr>
<tr>
<td>Email: <a href="mailto:aicarpen@gmail.com">aicarpen@gmail.com</a></td>
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<tr>
<th>3. Consultant Contact (if applicable)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Name: Alyssa Carpenter</td>
</tr>
<tr>
<td>Phone: (512) 789-1295</td>
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</tr>
<tr>
<td>Mailing Address: 1305 E 6th St, Ste 12</td>
</tr>
<tr>
<td>Street: 1305 E 6th St, Ste 12</td>
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<tr>
<td>City: 1305 E 6th St, Ste 12</td>
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<tr>
<td>State: TX</td>
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2018 HTC
Full Application

Part 1 Tab 6

Self Score Form
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<th>Criteria Promoting Development of High Quality Housing</th>
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| High Quality Housing Total                            | 0             |

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<td>Tenant Services</td>
<td>§11.9(c)(3)</td>
<td>10</td>
</tr>
<tr>
<td>Opportunity Index</td>
<td>§11.9(c)(4)</td>
<td>7</td>
</tr>
<tr>
<td>Underserved Area</td>
<td>§11.9(c)(5)</td>
<td>3</td>
</tr>
<tr>
<td>Tenant Populations with Special Needs</td>
<td>§11.9(c)(6)</td>
<td>2</td>
</tr>
<tr>
<td>Proximity to the Urban Core</td>
<td>§11.9(c)(7)</td>
<td>0</td>
</tr>
<tr>
<td>Readiness to Proceed in Disaster Impacted Counties</td>
<td>§11.9(c)(8)</td>
<td></td>
</tr>
</tbody>
</table>

| Serve and Support Texans Most in Need Total           | 22            |

<table>
<thead>
<tr>
<th>Criteria Promoting Community Support and Engagement</th>
<th>QAP Reference</th>
<th>Points Selected</th>
</tr>
</thead>
<tbody>
<tr>
<td>Local Government Support</td>
<td>§11.9(d)(1)</td>
<td></td>
</tr>
<tr>
<td>Commitment of Development Funding by Local Political Subdivision</td>
<td>§11.9(d)(2)</td>
<td>0</td>
</tr>
<tr>
<td>Declared Disaster Area</td>
<td>§11.9(d)(3)</td>
<td>0</td>
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<tr>
<td>Quantifiable Community Participation</td>
<td>§11.9(d)(4)</td>
<td></td>
</tr>
<tr>
<td>Community Support from State Representative</td>
<td>§11.9(d)(5)</td>
<td></td>
</tr>
<tr>
<td>Input from Community Organizations</td>
<td>§11.9(d)(6)</td>
<td></td>
</tr>
<tr>
<td>Concerted Revitalization Plan</td>
<td>§11.9(d)(7)</td>
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| Community Support and Engagement Total                | 0             |

<table>
<thead>
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<th>Criteria Promoting the Efficient Use of Limited Resources and Applicant Accountability</th>
<th>QAP Reference</th>
<th>Points Selected</th>
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<tbody>
<tr>
<td>Financial Feasibility</td>
<td>§11.9(e)(1)</td>
<td>0</td>
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<tr>
<td>Cost of Development per Square Foot</td>
<td>§11.9(e)(2)</td>
<td>11</td>
</tr>
<tr>
<td>Pre-application Participation</td>
<td>§11.9(e)(3)</td>
<td>0</td>
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<tr>
<td>Leveraging of Private, State, and Federal Resources</td>
<td>§11.9(e)(4)</td>
<td>0</td>
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<td>Extended Affordability</td>
<td>§11.9(e)(5)</td>
<td>0</td>
</tr>
<tr>
<td>Historic Preservation</td>
<td>§11.9(e)(6)</td>
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</tr>
<tr>
<td>Right of First Refusal</td>
<td>§11.9(e)(7)</td>
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</tr>
<tr>
<td>Funding Request Amount</td>
<td>§11.9(e)(8)</td>
<td>0</td>
</tr>
</tbody>
</table>

| Efficient Use of Limited Resources and Applicant Accountability Total                   | 11            |
| Points Deductions                                                                     | §11.9(f)      |                 |

| Total Application Self Score | 33            |
2018 HTC
Full Application

Part 2 Tab 7

Site Information Form
Part I
Site Information Form Part I

1. Development Address (All Programs)

1916 Mistletoe Blvd

Address

91683.00

City

Zoning Designation:

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

2. Census Tract Information (All Programs)

4843910280

Median Household Income: 91683.00

Census Tract Number (11 digits)

QCT?

The poverty rate for the census tract is above 40% (55% for Regions 11 or 13), and the Undesirable Neighborhood Characteristics Report and required documentation has been submitted.

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

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

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

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

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


Development Site is appropriately zoned? Yes

Zoning Designation: NS-T5

Entire Development Site is outside the 100 year floodplain. Yes


Residents of the proposed development will attend:

<table>
<thead>
<tr>
<th>School Name</th>
<th>Grades X through X</th>
<th>Met Standard Rating?</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lily B Clayton Elem</td>
<td>K through</td>
<td></td>
<td>5</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>McLean 6th</td>
<td>6 through</td>
<td></td>
<td>6</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>McLean Middle</td>
<td>7 through</td>
<td></td>
<td>8</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Paschal High</td>
<td>9 through</td>
<td></td>
<td>12</td>
<td>Yes</td>
<td>Yes</td>
</tr>
</tbody>
</table>

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

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

If revised form submitted, date of submission: _________________
2018 HTC
Full Application

Part 2 Tab 8

Supporting Documentation for Site Information Form Part I
Supporting Documentation for the Site Information Form Part I

- Street Map with Site Drawn and Identified
- Census Tract Map with Development Site Identified
- Evidence of Zoning and/or Evidence of Re-Zoning Process
- Evidence of Flood Zone Designation
- School Attendance Zone Map with Development labeled;
- 2017 TEA accountability information for each school;
- Educational Quality (all Applications)
- UNCR if a school in the attendance zone has not achieved Met Standard for three consecutive years and has failed by at least one point in the most recent year.

For Tax-Exempt Bond Applications:
- The resolution of no objection to satisfy requirements of §10.204(4) of the Uniform Multifamily Rules is included
- The resolution of no objection to satisfy requirements of §10.204(4) of the Uniform Multifamily Rules is not included and will be provided under separate cover no later than 14 days prior to the Board meeting selected in Tab 1b
2018 HTC
Full Application

Part 2 Tab 8

Supporting Documents:
Street Map
Mistletoe Station
Street Map

Source: Google Maps
2018 HTC
Full Application

Part 2 Tab 8

Supporting Documents:
Census Tract Map

Select Year

- 2017
- 2016
2018 HTC
Full Application

Part 2 Tab 8

Supporting Documents:
2x Per Capita Resolution/
1 Mile 3 Year Resolution/
30% HTC Resolution

NA
2018 HTC
Full Application

Part 2 Tab 8

Supporting Documents:
Evidence of Zoning
February 8, 2017

Lisa Stephens
Saigebrook Development, LLC
421 West 3rd Street, Ste. 1504
Austin, TX 78701

RE: 1916 Mistletoe Blvd
     Frisco Addition Block 3R Lot 1-R1

To whom it may concern:

The above referenced property is currently shown on the City of Fort Worth Zoning Map and is zoned “NS-T5” Near Southside District. This zoning district allows the use for Mixed-Use Projects such as one-family attached dwellings, multi-family dwellings, retail, and medical office. The regulations for “NS-T5” Near Southside are described in Ordinance No. 13896, Chapter 4, Article 4.1305 the ordinance has no required setback from the railroad, and therefore development adjacent to the railroad is permissible. A copy of Chapter 4, Article 4.1305 is available at http://fortworthtexas.gov/zoning/. A duplicated portion of the City of Fort Worth zoning map, which encompasses the location of the above-referenced property, is also attached and made part of this letter.

Should you need additional information, contact Evelyn Vasquez at (817) 392-8026.
For compliance and existing use structure guidelines contact Laura Voltmann at (817) 392-8015.

Sincerely,

Dana Burghdorf, AICP
Assistant Director, Planning Division

DLB/ev
February 8, 2017

Lisa Stephens
Saigebrook Development, LLC
421 West 3rd Street, Ste. 1504
Austin, TX 78701

RE: 2116 Beckham Place
Mistletoe Heights Addition-Ft. Worth Block B Lot C

To whom it may concern:

The above referenced property is currently shown on the City of Fort Worth Zoning Map and is zoned “NS-T5” Near Southside District. This zoning district allows the use for Mixed-Use Projects such as one-family attached dwellings, multi-family dwellings, retail, and medical office. The regulations for “NS-T5” Near Southside are described in Ordinance No. 13896, Chapter 4, Article 4.1305 the ordinance has no setback from the railroad, and therefore development adjacent to the railroad is permissible. A copy of Chapter 4, Article 4.1305 is available at http://fortworthtexas.gov/zoning/. A duplicated portion of the City of Forth Worth zoning map, which encompasses the location of the above-referenced property, is also attached and made part of this letter.

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Sincerely,

Dana Burghdoff, AICP
Assistant Director, Planning Division

DLB/ev
2018 HTC
Full Application

Part 2 Tab 8

Supporting Documents:
Flood Zone Designation
2018 HTC
Full Application

Part 2 Tab 8

Supporting Documents:
Educational Quality
Welcome to SchoolSite Locator!

Enter an address in the search box at the top to find your schools of attendance!

If you do not know the specific address, or if it cannot be found, just click anywhere on the map to find the schools for that neighborhood.

1916 Mistletoe Blvd, Fort Worth, Texas, 76114
Score: 100% | Locator: USA.StreetAddress

**Lily B Clayton ES**
[Serving grades K-5]
2000 Park Place Avenue Fort Worth
(817) 814-5400
NOTES: School #: 116
School Actions:

**McLean MS**
[Serving grades 7-8]
3816 Stadium Drive Fort Worth
(817) 814-5300
NOTES: School #: 050
School Actions:

**Paschal HS**
[Serving grades 9-12]
3001 Forest Park Blvd Fort Worth
(817) 814-5000
NOTES: School #: 010

http://apps.schoolsitelocator.com/?districtcode=72947
Welcome to SchoolSite Locator!

**Lily B Clayton ES**
[Serving grades K-5]
2000 Park Place Aveue  Fort Worth  
(817) 814-5400  
NOTES: School #: 116

**McLean MS**
[Serving grades 7-8]
3816 Stadium Drive  Fort Worth  
(817) 814-5300  
NOTES: School #: 050

**Paschal HS**
[Serving grades 9-12]
3001 Forest Park Blvd  Fort Worth  
(817) 814-5000  
NOTES: School #: 010

**McLean 6th Grade**
[Serving grades 6]
3201 South Hills Avenue  Fort Worth  
(817) 814-5700  
NOTES: School #: 069

1916 Mistletoe Blvd, Fort Worth, Texas, 76104  
Score: 100% | Locator: USA.StreetAddress
Accountability Rating

Met Standard

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

Did Not Meet Standards on
- NONE

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

Performance Index Report

<table>
<thead>
<tr>
<th>Index</th>
<th>Points Earned</th>
<th>Maximum Points</th>
<th>Index Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 - Student Achievement</td>
<td>547</td>
<td>662</td>
<td>83</td>
</tr>
<tr>
<td>2 - Student Progress</td>
<td>355</td>
<td>800</td>
<td>44</td>
</tr>
<tr>
<td>3 - Closing Performance Gaps</td>
<td>661</td>
<td>1,600</td>
<td>41</td>
</tr>
<tr>
<td>4 - Postsecondary Readiness</td>
<td>57.0</td>
<td>N/A</td>
<td>57</td>
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</tbody>
</table>

System Safeguards

Number and Percentage of Indicators Met

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Met Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Performance Rates</td>
<td>16 out of 18 = 89%</td>
</tr>
<tr>
<td>Participation Rates</td>
<td>10 out of 10 = 100%</td>
</tr>
<tr>
<td>Graduation Rates</td>
<td>N/A</td>
</tr>
</tbody>
</table>

Total: 26 out of 28 = 93%

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

Distinction Designation

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

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

Performance Index Report

Performance Index Summary

<table>
<thead>
<tr>
<th>Index</th>
<th>Points Earned</th>
<th>Maximum Points</th>
<th>Index Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 - Student Achievement</td>
<td>780</td>
<td>1,014</td>
<td>77</td>
</tr>
<tr>
<td>2 - Student Progress</td>
<td>388</td>
<td>1,200</td>
<td>32</td>
</tr>
<tr>
<td>3 - Closing Performance Gaps</td>
<td>323</td>
<td>800</td>
<td>40</td>
</tr>
<tr>
<td>4 - Postsecondary Readiness</td>
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<tr>
<td>STAAR Score</td>
<td>43.7</td>
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<tr>
<td>Graduation Rate Score</td>
<td>N/A</td>
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</tr>
<tr>
<td>Graduation Plan Score</td>
<td>N/A</td>
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</tr>
<tr>
<td>Postsecondary Component Score</td>
<td>N/A</td>
<td></td>
<td></td>
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</table>

System Safeguards

Number and Percentage of Indicators Met

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Met Rate</th>
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</thead>
<tbody>
<tr>
<td>Performance Rates</td>
<td>10 out of 12 = 83%</td>
</tr>
<tr>
<td>Participation Rates</td>
<td>12 out of 12 = 100%</td>
</tr>
<tr>
<td>Graduation Rates</td>
<td>N/A</td>
</tr>
<tr>
<td>Total</td>
<td>22 out of 24 = 92%</td>
</tr>
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</table>

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

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

Performance Index Report

<table>
<thead>
<tr>
<th>Index</th>
<th>Points Earned</th>
<th>Maximum Points</th>
<th>Index Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 - Student Achievement</td>
<td>2,665</td>
<td>3,473</td>
<td>77</td>
</tr>
<tr>
<td>2 - Student Progress</td>
<td>720</td>
<td>1,600</td>
<td>45</td>
</tr>
<tr>
<td>3 - Closing Performance Gaps</td>
<td>891</td>
<td>2,400</td>
<td>37</td>
</tr>
<tr>
<td>4 - Postsecondary Readiness</td>
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<tr>
<td>STAAR Score</td>
<td>48.0</td>
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<tr>
<td>Graduation Rate Score</td>
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</tr>
<tr>
<td>Graduation Plan Score</td>
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<td></td>
</tr>
<tr>
<td>Postsecondary Component Score</td>
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</table>

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

TEA | Academics | Performance Reporting Page 1 August 15, 2017
TREASURER AGENCY
2017 Accountability Summary
PASCHAL H S (220905010) - FORT WORTH ISD

Accountability Rating
Met Standard

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

Performance Index Report

- Index 1: Student Achievement (Target Score=60)
  - Points Earned: 80
- Index 2: Student Progress (Target Score=17)
  - Points Earned: 26
- Index 3: Closing Performance Gaps (Target Score=30)
  - Points Earned: 46
- Index 4: Postsecondary Readiness (Target Score=60)
  - Points Earned: 84

Performance Index Summary

<table>
<thead>
<tr>
<th>Index</th>
<th>Points Earned</th>
<th>Maximum Points</th>
<th>Index Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 - Student Achievement</td>
<td>2,473</td>
<td>3,092</td>
<td>80</td>
</tr>
<tr>
<td>2 - Student Progress</td>
<td>316</td>
<td>1,200</td>
<td>26</td>
</tr>
<tr>
<td>3 - Closing Performance Gaps</td>
<td>1,115</td>
<td>2,400</td>
<td>46</td>
</tr>
<tr>
<td>4 - Postsecondary Readiness</td>
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<tr>
<td>STAAR Score</td>
<td>17.4</td>
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<td>Graduation Rate Score</td>
<td>23.6</td>
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<td>Graduation Plan Score</td>
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<tr>
<td>Postsecondary Component Score</td>
<td>18.4</td>
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System Safeguards

<table>
<thead>
<tr>
<th>Number and Percentage of Indicators Met</th>
</tr>
</thead>
<tbody>
<tr>
<td>Performance Rates</td>
</tr>
<tr>
<td>Participation Rates</td>
</tr>
<tr>
<td>Graduation Rates</td>
</tr>
<tr>
<td>Total</td>
</tr>
</tbody>
</table>

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TEA | Academics | Performance Reporting  Page 1  August 15, 2017
2018 HTC
Full Application

Part 2 Tab 8

Supporting Documents:
Bond Application
No Objection Resolution

NA
2018 HTC
Full Application

Part 2 Tab 9

Site Information Form
Part II
### Site Information Form Part II

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

<table>
<thead>
<tr>
<th>Development Site is located entirely within a census tract that has a poverty rate that is less than 20% or that is less than the median poverty rate for the region, whichever is higher.</th>
</tr>
</thead>
<tbody>
<tr>
<td>AND</td>
</tr>
<tr>
<td>The census tract has a median household income rate in the two highest quartiles within the region.</td>
</tr>
<tr>
<td>OR</td>
</tr>
<tr>
<td>The census tract has a median household income in the third quartile within the region, and is contiguous to a census tract in the first or second quartile without physical barriers such as highways or rivers between, and the Development Site is no more than 2 miles from the boundary between the census tracts. A map showing the Development Site, location of the border, scale showing distance, and other applicable evidence is included.</td>
</tr>
</tbody>
</table>

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

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

<table>
<thead>
<tr>
<th>public transportation route (.5 mile)</th>
<th>indoor recreation facility available to public (1 mile)</th>
</tr>
</thead>
<tbody>
<tr>
<td>full service grocery store (1 mile)</td>
<td>outdoor recreation facility available to public (1 mile)</td>
</tr>
<tr>
<td>pharmacy (1 mile)</td>
<td>community, civic or service organization (1 mile)</td>
</tr>
<tr>
<td>health-related facility (3 miles)</td>
<td>licensed center serving children (2 miles)</td>
</tr>
<tr>
<td>public library (1 mile)</td>
<td></td>
</tr>
<tr>
<td>university or community college (5 miles)</td>
<td></td>
</tr>
<tr>
<td>census tract with ≥27% associate degrees adults aged ≥2</td>
<td></td>
</tr>
</tbody>
</table>

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

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
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<tr>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

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

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
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<td></td>
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No members of the Applicant or Affiliates had an ownership position in a selected amenity or served on the board or staff of a nonprofit that owned or managed a selected amenity within the year preceding the Pre-Application Final Delivery Date.

**Application is seeking points for Opportunity Index.**

**Total Points Claimed:** 7

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

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

- Wholly or partially within a Colonia *(Note: Not eligible if application qualifies for Opportunity Index points)*;
- Entirely within the boundaries of an Economically Distressed Area *(Note: Not eligible if application qualifies for Opportunity Index points)*;
- Entirely within a census tract that does not have a Development that was awarded less than 30 years ago according to the Department’s property inventory tab of the Site Demographic Characteristics Report;
- Yes Entirely within a census tract that does not have a Development that was awarded less than 15 years ago according to the Department’s property inventory tab of the Site Demographic Characteristics Report;
- Entirely within a census tract whose boundaries are wholly within an incorporated area and the census tract itself and all of its contiguous census tracts do not have a Development that was awarded less than 15 years ago according to the Department’s property inventory tab of the Site Demographic Characteristics Report. This item will apply in Places with a population of 150,000 or more, and will not apply in the At-Risk Set-Aside.

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<tr>
<th>Contiguous Census Tract #</th>
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**Total Points Claimed:** 3

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

- Development Site is located in a Place with a population over 200,000 and is not in the At-Risk Set-Aside.
- AND Population of Place is 200,000-499,999 and Development is located w/in 2 miles of the main municipal government administration building.
- OR Population of Place is 500,000 or more and Development is located w/in 4 miles of the main municipal government administration building.

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

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

Region: 3 Urban

- Development is in an Urban Area.
- Application includes a copy of the plan or a link to the online plan and a description of where specific information required can be found in the plan.
- Plan is current at the time of Application and officially continues for a minimum of three years thereafter.
- Plan has been adopted by the municipality or county and resolution or certification is attached.
- Letter from appropriate local official, target area map, and supporting documentation are provided.
- Development is explicitly identified by the municipality or county as contributing more than any other to the concerted revitalization efforts of the municipality, county or distinct district; resolution stating such is provided.
- Evidence of sufficient, documented and committed funding to accomplish the plan's purposes on its established timetable is provided.
- No points were claimed for Opportunity Index, but location would qualify for at least 4 points under §11.9(c)(4)(B):

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

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

OR
<table>
<thead>
<tr>
<th>Requirement</th>
<th>Points Claimed</th>
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<td>Development is in a Rural Area.</td>
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<td>Rehabilitation</td>
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<td>Demolition/Reconstruction</td>
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<tr>
<td>Development has been leased at 85% or more for the six months preceding Application by low income households (excluding unlivable units identified in CNA); AND</td>
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<tr>
<td>Development was constructed 25 or more years prior to Application submission as either public housing or as affordable housing with support from USDA, HUD, HOME, or CDBG; AND, if applicable, demolition and relocation of units has been determined locally to be necessary to comply with Affirmatively Furthering Fair Housing Rule or to create acceptable distance from Undesirable Neighborhood Characteristics.</td>
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<td>Development is explicitly identified in a resolution by the municipality or county as contributing more than any other to the concerted revitalization efforts of the municipality or county; letter from Governing Body stating such is provided behind this tab.</td>
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<tr>
<td>No points were claimed for Opportunity Index, but location would qualify for at least 4 points under §11.9(c)(4)(B):</td>
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<tr>
<td>A map showing the Development Site, scale showing radius, location of the amenities, and evidence that the amenity meets all requirements of the rule, as applicable, is included behind this tab.</td>
<td></td>
</tr>
<tr>
<td>No members of the Applicant or Affiliates had an ownership position in a selected amenity or served on the board or staff of a nonprofit that owned or managed a selected amenity within the year preceding the Pre-Application Final Delivery Date.</td>
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<tr>
<td>Application is seeking points for Concerted Revitalization.</td>
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<tr>
<td>Total Points Claimed:</td>
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<tr>
<td>5. §11.9(d)(3) - Declared Disaster Area Scoring (Competitive HTC Applications ONLY)</td>
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<tr>
<td>Development is located in an area that qualifies as a Declared Disaster Area as defined in §11.9(d)(3).</td>
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<td>Application is seeking points for Declared Disaster Area.</td>
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<tr>
<td>Total Points Claimed:</td>
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<tr>
<td>6. §11.9(c)(8) - Readiness to Proceed in Disaster Impacted Counties (Competitive HTC Applications ONLY)</td>
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<tr>
<td>Application meets all of the following requirements:</td>
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<tr>
<td>Application is for a proposed Development located in a county declared by FEMA to be eligible for individual assistance within the year proceeding the Full Application Delivery Date.</td>
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<tr>
<td>Application includes evidence that the Applicant will close all financing on or before October 31, 2018.</td>
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<tr>
<td>Application includes evidence that the Applicant will fully execute the construction contract on or before October 31, 2018.</td>
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<tr>
<td>Application includes evidence that appropriate zoning will be in place at award.</td>
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<tr>
<td>Application includes a DETAILED narrative description of each piece of evidence provided and how that evidence proves that the Applicant will close all financing and fully execute the construction contract on or before October 31, 2018.</td>
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<tr>
<td>Application is seeking points for Readiness to Proceed.</td>
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<td>Total Points Claimed:</td>
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2018 HTC
Full Application

Part 2 Tab 10

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

#### Opportunity Index (Competitive HTC and Direct Loan Only)
- Map with Development Site boundaries indicated, relative to census tract boundaries
- Map with Development Site boundaries indicated, relative to census tract boundaries; and contiguous census tract with evidence of no physical barriers between the tracts
- Map(s) of Community Assets with Development, radius, and each asset labeled
- Distances are measured from the nearest boundary of the Development Site to the nearest boundary of the property or easement containing the facility, unless otherwise noted. All measurements include ingress/egress and any easements
- For each amenity, supporting documentation to evidence how the amenity meets each requirement for the amenity
- Print-out from DFPS website confirming daycare licensed to serve relevant age groups ([http://www.dfps.state.tx.us/Child_Care/Search_Texas_Child_Care/ppFacilitySearchDayCare.asp](http://www.dfps.state.tx.us/Child_Care/Search_Texas_Child_Care/ppFacilitySearchDayCare.asp))
- Crime rate information for census tract from Neighborhood Scout or local data source dated after October 1, 2017, including the computation used to determine the crime rate ([https://www.neighborhoodscout.com](https://www.neighborhoodscout.com))
- Print-out from THECB website confirming accreditation of university or community college ([http://www.txhighereddata.org/Interactive/Institutions.cfm](http://www.txhighereddata.org/Interactive/Institutions.cfm))
- Evidence of regular and recurring substantive services provided by community, civic or service organization, as applicable
- Evidence amenity is operational or has started site work (for instance: website postings, newspaper ads, etc.); evidence of costs or membership fees, age restrictions, as applicable

#### Evidence of Underserved Area (Competitive HTC and Direct Loan Only)
- Evidence from Attorney General of Colonia boundaries; and
  - [https://www.texasattorneygeneral.gov/cpd/colonias](https://www.texasattorneygeneral.gov/cpd/colonias)
  - Letter from the appropriate local government official or other evidence that the colonia lacks infrastructure and the Development will enable the current dwellings to connect to such infrastructure; and
  - Map showing development site boundaries, relative to Colonia boundaries, and distance from Rio Grande river border.

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

- For other items:
  - Development must be awarded 2002 or earlier for 15-year threshold and 1987 or earlier for 30-year threshold. The Site Demographic Characteristics Report is posted on the Department’s website at [http://www.tdhca.state.tx.us/multifamily/apply-for-funds.htm](http://www.tdhca.state.tx.us/multifamily/apply-for-funds.htm)
  - Map with Development Site boundaries indicated, relative to census tract boundaries
  - Map with census tract boundaries indicated, relative to boundaries of incorporated area, if applicable
  - Map with all contiguous census tracts, if applicable
  - Proximity to Urban Core (Competitive HTC Only)
  - Map with the appropriate radius, City Hall location, and evidence of meetings regularly scheduled for City Council, City Commission, or similar governing body.
Concerted Revitalization Plan (Competitive HTC Only)

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

Rural:
- Evidence Development constructed 25 or more years prior to application (1992 or earlier)
- Evidence Development is public housing or affordable housing supported by USDA, HUD, HOME or CDBG
- Evidence demolition and relocation of units has been determined locally to be necessary to comply with Affirmatively Furthering Fair Housing Rule or to create acceptable distance from Undesirable Neighborhood Characteristics, if applicable.
- Resolution from appropriate Governing Body describing concerted revitalization effort and identifying Development as contributing more than any other to such effort.
- For each amenity, supporting documentation to evidence that the amenity meets each Opportunity Index requirement for the amenity

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

Readiness to Proceed
- The county in which the Development Site is located is listed on the 2018 List of Declared Disaster Areas eligible for points under 10 TAC §11.9(c)(8) (no further documentation is required).
- Evidence that the Applicant meets the requirements for Readiness to Proceed. Pursuant to 10 TAC 11.9(c)(8), the Application must include evidence that appropriate zoning will be in place at award (July 26, 2018).
  Application includes evidence that appropriate zoning will be in place at award.
  Further, the Application must include evidence that the Applicant will close all financing and fully execute the construction contract on or before the last business day of October 2018. Examples of the kinds of documentation that may be used to evidence those milestones are listed below. Applicants may select any of these items, or use the "Other" selections to describe the evidence presented.
  Each piece of evidence provided must be accompanied by a detailed narrative describing how that piece of evidence will allow the Applicant to meet the requirements. If evidence is not included behind this tab, use the space to describe where in the Application the evidence can be found. Evidence may include, but is not limited to:

- Loan or equity commitments with evidence of completed due diligence

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

- Documentation from lender of the lenders’ critical path schedule for underwriting and approval including when application fees will be paid and third party reports reviewed.
<table>
<thead>
<tr>
<th>Evidence from lender that the lenders’ third party reports have been ordered</th>
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<tr>
<td>Signed architect contract</td>
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<td>Critical path schedule with specific anticipated date for each milestone for site development and building permitting from the architect of record</td>
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<td>Permit-ready architectural plans</td>
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<tr>
<td>Evidence that Site Plan has been submitted for permit and received by the appropriate permitting authority</td>
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<tr>
<td>Description from architect of record of current stage of architectural plans</td>
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<tr>
<td>Evidence that site development permit application has been submitted and received by the appropriate permitting authority</td>
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<td>Description of timing for property acquisition</td>
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<td>Description of timing for construction permits</td>
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<td>Evidence of selection of construction contractor</td>
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<td>Description of timing for execution of construction contracts</td>
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<tr>
<td>For any applicable public entity, evidence that contract procurement(s) has been issued per 2 CFR 200</td>
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<td>For any applicable public entity, evidence that contract procurement(s) has been completed per 2 CFR 200</td>
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<td>Detailed construction schedule including groundbreaking, start of site work, start of vertical construction, etc.</td>
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<td>Project execution plan</td>
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<td>Other (describe):</td>
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2018 HTC
Full Application

Part 2 Tab 10

Supporting Documents:
Opportunity Index
Mistletoe Station
Opportunity Index

(II) Site is located less than 1/2 mile on accessible route from Fort Worth T Rte 6 bus stops
## Weekdays

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* Serves Vega Loop on trips NOT going to Hulen Mall. Monday - Friday only.

**PM Times**

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# Saturday

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## Saturday

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<th>From Downtown</th>
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**PM Times**

### Effective

May 22, 2016
New Care Pharmacy
@NewCarePharmacy

Reviews

4.9 ★★★★★  14 Reviews

Tell people what you think

Demola Jaiyeola★ ★★★★★  ·  August 6, 2015
A pharmacy with dedicated, caring and friendly staff. Fast and courteous service and FREE delivery service too. Love this pharmacy and highly recommend it to everyone.

Tori Williams★ ★★★★★  ·  November 26, 2014
Awesome pharmacy. Very helpful and knowledgeable, free delivery also.

Pharmacy/Drugstore in Fort Worth, Texas
4.9 ★★★★★  ·  Closed Now

New Care Pharmacy is a service-oriented pharmacy in the Dallas-Fort Worth metroplex. Our mission - to provide prompt and courteous service at great low prices.

196 people like this and 187 people follow this

17 people have been here

About

900 Jerome St, # 100
Fort Worth, TX 76104
(817) 924-7000
www.nc-pharmacy.com/
Pharmacy/Drugstore - Medical & Health
Opens tomorrow 9:00AM - 6:00PM
Closed Now

People

196 likes
17 visits
Finding us is easy. Just click on the “Get Direction” below to help you find your way here. We are expecting you...

New Care Pharmacy
New Care Pharmacy is a service-oriented pharmacy in the Dallas-Fort Worth metropolis. Our mission - to provide prompt and courteous service at great low prices.

@NEWCAREPHARMACY

Get Directions

Like
Comment
Share
Texas Pharmacy License # 28785

NEW CARE PHARMACY INC.

License Information

License Status  Active
License #  28785
Expiration Date  09/30/2019
Date License Issued  09/13/2013

Address
900 JEROME ST STE 100
FORT WORTH, TX  76104
County  TARRANT
Phone  (817) 924-7000

Pharmacy Details

Prior Disciplinary Orders*  No

* Information relating to disciplinary orders is current as of 30 days prior to this date. Please note that disciplinary orders entered more than 10 years ago are not available online. A written request for information regarding prior disciplinary orders may be submitted to the office of the Texas State Board of Pharmacy. Any disciplinary orders entered pursuant to Chapter 564 of the Texas Pharmacy Act are confidential and not subject to public disclosure.

Class of Pharmacy  Community Pharmacy
Type of Ownership  Corporation
Type of Pharmacy  Community Independent
# of Hospital beds

Employment Information

Pharmacist in Charge
JAIYEOLA, OLUFUNKE OLUWATOYIN

Pharmacy Profile

Accessible to disabled persons?  Yes
Participates in the Texas Medicaid program?  Yes
Translating services (Listed Below If Available)
Spanish
Other

Please note: The data regarding accessibility, translating services, and insurance participation is self-reported by the license holder and no warranty regarding the information is created. Therefore, neither the State of Texas nor the licensing agency accept any legal liability or responsibility or may be held liable or responsible for the accuracy, completeness, timeliness, or usefulness of this information. Should you have any concern as to the accuracy of the data in this system, please contact the license holder or facility for clarification.

Remedial Plans

Remedial plans (if any) are shown above and subject to removal at the end of the 5th fiscal year after the Board enters the plan.

Services Provided

No  Nuclear
Yes  Out-Patient Prescriptions
No  Ship Prescription Out of State
No  Class D (Expanded Formulary)
No  Class D (Alternative Visit Schedule)
No  Compounding Sterile-Risk Level Low
No  Compounding Sterile-Risk Level Med
No  Compounding Sterile-Risk Level High
Yes  Compounding Non-Sterile
No  24 Hour Service
No  Closed Door
No  Compounding, Office Use
Yes  Home Delivery
No  Infusion
Yes  Pharmacist Administered Immunizations
No  Veterinary Prescriptions

Remedial Plans

Remedial plans (if any) are shown above and subject to removal at the end of the 5th fiscal year after the Board enters the plan.

Services Provided

No  Nuclear
Yes  Out-Patient Prescriptions
No  Ship Prescription Out of State
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No  24 Hour Service
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No  Infusion
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No  Veterinary Prescriptions

Texas Pharmacist Employment Information

<table>
<thead>
<tr>
<th>Pharmacist Name</th>
<th>License #</th>
<th>Registr. Date</th>
<th>Expir. Date</th>
<th>Emp. Status</th>
<th>License Status</th>
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<tbody>
<tr>
<td>JAIYEOLA, OLUFUNKE OLUWATOYIN</td>
<td>40588</td>
<td>02/14/2002</td>
<td>05/31/2020</td>
<td>PIC</td>
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Texas Registered Technicians/Trainees Employment Information
The Texas State Board of Pharmacy certifies that it maintains the information for the license verification function of this website, performs daily updates to the website, and considers the website to be a secure, primary source for license verification.

### Technician/Trainee Information

<table>
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<tr>
<th>Technician/Trainee Name</th>
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<tr>
<td>AXLINE, CATHY RENE</td>
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No records to view

### Texas Pharmacy Owner Information

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<td>NEW CARE PHARMACY, INC</td>
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<td>JAIYEOLA, ADEMOLA</td>
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View 1 - 3 of 3

Page 1 of 1
Texas Health Fort Worth serves Fort Worth and surrounding communities with advanced medical treatments and an experienced staff that provides compassionate care. With a mission of improving the health of the people in the communities we serve, Texas Health Fort Worth and the physicians on its medical staff are committed to your well-being and the health and wellness of your family.

Texas Health Fort Worth offers:

- Bariatric Surgery (/fortworth/Pages/Services/Bariatric-Surgery.aspx)
- Business/Employee Health Services (/Pages/Services/Business-Employee-Health-Services.aspx)
- Cancer Care (/fortworth/Pages/Services/Cancer.aspx)
- Complementary and Alternative Medicine (/fortworth/Pages/Services/Complementary-and-Alternative-Medicine.aspx)
- Diabetes Care (/fortworth/Pages/Services/Diabetes.aspx)
- Emergency Department (/fortworth/Pages/Services/Emergency-Services.aspx)
- Executive Health Program (/fortworth/Pages/Services/Executive-Health-Program.aspx)
- Fitness Center (/fortworth/Pages/Fitness-Center.aspx)
- Heart and Vascular (/fortworth/Pages/Services/Heart-and-Vascular.aspx)
- Home Health (/Pages/Services/Home-Health.aspx)
- Hospitalist Program (/fortworth/Pages/Services/Hospitalist-Program.aspx)
- Imaging (/fortworth/Pages/Services/Imaging.aspx)
- Kidney Transplant Program (/fortworth/Pages/Services/Kidney-Transplant-Program.aspx)
- Mobile Health Unit (/fortworth/Pages/Services/Cancer/Mobile-Health-Unit.aspx)
- Neurosciences (/fortworth/Pages/Services/Neurosciences.aspx)
- Occupational Health (/fortworth/Pages/Services/Occupational-Health.aspx)
- Orthopedics (/fortworth/Pages/Services/Orthopedics.aspx)
- Outpatient Surgery (/fortworth/Pages/Outpatient-Surgery/Outpatient-Surgery.aspx)
- Palliative Care (/fortworth/Pages/Services/Palliative-Care.aspx)
- Rehabilitation (/fortworth/Pages/Services/Rehabilitation.aspx)
- Senior Health and Wellness (/fortworth/Pages/Services/Senior-Health-and-Wellness.aspx)
- Sports Medicine (/sports-medicine/Pages/default.aspx)
- Stroke Care (/fortworth/Pages/Services/Stroke.aspx)
- Vascular and Interventional Radiology (/fortworth/Pages/Services/Vascular-and-Interventional-Radiology.aspx)
- Women and Infants Care (/fortworth/Pages/Services/Women-and-Infant-Services.aspx)
- Wound Care (/fortworth/Pages/Services/Wound-Care.aspx)
Texas Health Fort Worth has been named to U.S. News & World Report's list of best hospitals in the Dallas/Fort Worth area each year since the program's inception. The hospital is designated an Emergency Center of Excellence by Emergency Excellence, a national organization specializing in emergency department benchmarking, and has been voted the "Best Place to Have a Baby" 20 times by readers of Fort Worth Child magazine.

Texas Health Fort Worth is a 720-bed hospital conveniently located in the heart of Fort Worth, south of Interstate 30 at the corner of Pennsylvania Avenue and Henderson Street.

Follow these links for maps and directions (/fortworth/Pages/Patients-and-Visitors/Maps-and-Directions.aspx) or a phone directory (/fortworth/Pages/Patients-and-Visitors/Phone-Directory.aspx).

Follow this link to find a physician on the medical staff (/fortworth/Pages/PNRS/ProvidersSearchResult.aspx?PrimaryOrgUnitId=7) at Texas Health Fort Worth.

About Texas Health Fort Worth (/fortworth/Pages/About-Texas-Health-Fort-Worth.aspx)
Leadership (/fortworth/Pages/Leadership.aspx)
History (/fortworth/Pages/History.aspx)
Quality & Safety Measures (/fortworth/Pages/Quality-and-Patient-Safety.aspx)
Certifications & Honors (/fortworth/Pages/Certifications-and-Honors.aspx)
Fitness Center (/fortworth/Pages/Fitness-Center.aspx)

Multicultural and Community Health Improvement (/fortworth/Pages/Community-Engagement/Multicultural-and-Community-Health-Improvement.aspx)
Community Connect Tool (/fortworth/Pages/Community-Engagement/Community-Health-Improvement/Community-Connect.aspx)
Real Estate Operations (/fortworth/Pages/Real-Estate-Operations.aspx)

Quick Links
Physicians (/fortworth/Pages/PNRS/ProvidersSearchResult.aspx?PrimaryOrgUnitId=7)
Services (/fortworth/Pages/Services.aspx)
Patients & Visitors (/fortworth/Pages/Patients-and-Visitors.aspx)
Maps & Directions (/fortworth/Pages/Patients-and-Visitors/Maps-and-Directions.aspx)
Careers (/fortworth/Pages/Careers.aspx)
Research & Clinical Trials (/fortworth/Pages/Research.aspx)
Volunteer (/fortworth/Pages/Volunteer.aspx)

Awards
(Pages/National-Top-Workplace.aspx)
(Pages/American-Heart-Association-Gold-Achievement.aspx)

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Privacy Statement (/Pages/Privacy-Statement.aspx) | Disclaimer (/Pages/Disclaimer.aspx)
Child Care Search Result Details

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

Operation Number: 873817
Operation Type: Licensed Center
Program Provided: Child Care Program
Operation/Caregiver Name: Baylor All Saints Child Care and Preschool
Location Address: 1709 ENDERLY N
FORT WORTH, TX 76104
Mailing Address: 1709 ENDERLY N
FORT WORTH, TX 76104
Phone Number: 817-927-6249
County: TARRANT
Website Address: www.baylorhealth.com
Email Address:
Administrator/Director Name: Mary Catherine Perry
Type of Issuance: Full Permit
Issuance Date: 7/12/2007
Permit Renewal Due By Date: 7/12/2019
Conditions on Permit: No
Accepts Child-Care Subsidies: No
Hours of Operation: 06:00 AM-08:00 PM
Days of Operation: Monday - Friday
Total Capacity: 160
Licensed to Serve Ages: Infant, Toddler, Pre-Kindergarten, School
Total Capacity: 160
Number Of Admin Penalties: 0
Corrective Action: No
Adverse Action: No
Temporarily Closed: No
Three Year Inspection Summary

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

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

• In the last three years, Licensing conducted the following:

  12 - Inspections
  0 - Assessments
  6 - Self Reported Incidents
  2 - Reports

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

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

Three Year Compliance Summary

• During the last three years, 2299 standards were evaluated for compliance at this operation.

• Of the standards evaluated 3 deficiencies were cited.

  Click on the number of deficiencies to see additional details.

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

• The weights of the standard deficiencies cited in the past three years are as follows:

  1 was weighted as High
  2 were weighted as Medium - High
  0 were weighted as Medium
  0 were weighted as Medium - Low
Welcome to Baylor All Saints Child Care and Preschool

A great place to learn, discover and grow!

Our NAEYC accredited child care center can be found on the Baylor All Saints Medical Center Campus in the Hospital District of Fort Worth, near downtown. Founded in 1960, the Center is now open to community families & hospital employees, offering full and part time care for children 6 weeks to 5 years.

Our history is rich with many tenured staff. We believe in high quality care and preparing children for success in school and life. Children thrive here in an exploratory environment rich with Math, Language, Art and Science activities. Teachers foster each child's individual educational path by providing developmentally appropriate materials. We strongly believe that development is a journey, not a race!

Inquiring? Just give us a call 817-927-6249 or email us at catherpe@bhcs.com.
What parents are saying
Our greatest advocates are also our closest friends.

“You are such a blessing to our family! To know that I leave Maggie with someone who loves her, cares about her well-being, and is fantastic at teaching all the skills (and more!) that she needs to grow and thrive is something that money can’t buy. I can’t express to you how important you are!”

Meals
Nutritious snacks, breakfast, lunch and dinner provided daily

Get involved in our Enrichment Activities
Because knowledge is more than just the ABC’s.

Stretch-n-Crew (http://www.sngurbanfit.com)
Dancing Stars (Creative Dance & Ballet) (http://www.sngurbanfit.com)
Musical Theatre (http://kidswhocare.org)
Musical Expressions (http://sheila.sme@gmail.com)

Featured Parent Webinar
Parent Teacher Partnerships: The Keys to Successful Collaboration

Creating optimal parent teacher partnerships takes skill and know-how. Watch this video to help determine your goals, your responsibilities, and the line between advocating and over-involvement.

Bright Horizons Parent Community
The Bright Horizons Parent Community

(http://blogs.brighthorizons.com/familyroom/community/) is a great place for parents and educators to share ideas, get perspectives and ask questions. Looking for info on potty training your toddler or how to get your preschooler started with chores? This is the place for you.

Bright Spaces Help Children in Crisis
Spaces – special places for children in homeless and domestic violence shelters and other agencies – help children experiencing trauma. Bright Horizons teachers and employees help create Bright Spaces, support them through volunteering, and make a difference across hundreds of communities and serve thousands of children each year. To learn more, including how you could be involved, visit Making Connections Through Bright Spaces, a digital magazine celebrating the impact our programs make in people’s lives.

Related Information
A collection of links, articles and helpful information about Bright Horizons programs and services.

Parenting Tips & Advice from Kids’ Place CDC
(http://child-care-preschool.brighthorizons.com/tx/fortworth/kids/resources)

(http://www.brighthorizons.com/grr)
a publication for parents and teachers. With author interviews, illustrator spotlights, ...

From The Community
Talk, share, and make new friends. Swap recipes or favorite tunes.

Healthy Snacks
Posted by Kris-Ann

My two boys won’t snack on fruits or vegetables (or eat them with meals for that matter). I can get a banana in them once in a while, but they prefer snacks like popcorn, pretzels or crackers. Other than smoothies which are hit or miss in our house) any snack ideas that won’t spoil their lunch or dinner?

Read More

Visit the Community

Fairmount Community Library

We're a community library located in Fairmount, but open for all of Fort Worth.

About Us

The Fairmount Community Library is nestled in the Near South Side of Fort Worth. It is a historic neighborhood with lots of charm and funk. This library is operating only with the hard work and dedication of volunteers. It is our goal to offer free-wifi, a reading lounge and library with a coffee bar. We have an area for young children to play and learn, a classroom that can be rented out, an open patio to read and relax, and a place for neighbors to come and be able to learn together.

At the Fairmount Community Library, we are more that just books. We are a cooperative effort to empower knowledge and inspire creativity, open to everyone with a desire to learn and in need of a place to gather. We are a place where neighbors feel like family and are inspired to learn and create together.
We’d like to thank Cody Bonney (https://www.smartshoot.com/endoproductions) for filming and editing our first promo video. If you love what you see, and need film work, please consider Cody. Just click on his name above.

**Hours of Operation:**

- We are closed Mondays.
- Wednesdays and Fridays from 3-5
- Tuesdays and Thursdays from 3-7
- Saturdays from 10-4.

*In case of inclement weather, the library will close in accordance to Fort Worth ISD.

**Contact:**

1310 W. Allen Ave

Fort Worth TX 76110

tel: (817) 602-7573

e-mail: fairmountcommunitylibraryFW@gmail.com (mailto:fairmountcommunitylibraryFW@gmail.com)

To contact our Board President, please email: Alicia Bohannon (mailto:AliciaBohannonFCL@gmail.com)
The library is also home to Dreamy Life Records (https://www.facebook.com/dreamyliferecords). Dreamy Life is renting out our meeting room. Come check them out during their operating hours!

*Parking is available along the south side of Allen and on side streets. Please do not park on the north side of Allen or in the alley.

2 thoughts on “About Us”

February 26, 2015 at 3:27
MIKE BALDWIN says: am [REPLY]

1. Ladies, I really enjoyed reading my poetry at your first local poets reading. The impending ice storm just made it a little more exciting for everyone. Your welcome was so warm the cold outside was ignored. Let’s do it again soon. Best wishes for a fine community library.

February 26, 2015 at 4:43
FAIRMOUNTCOMMUNITYLIBRARYFW says: am [REPLY]

• Thanks so much Mike! We’re so glad you came out and braved the cold! We hope to see and hear you again at our next poetry event where we hope the weather will be more cooperative.

CREATE A FREE WEBSITE OR BLOG AT WORDPRESS.COM.
TCU: ABOUT

Quick Facts
For a New Path
Academic Divisions
AddRan College of Liberal Arts
Bob Schieffer College of Communication
Church Ties
College of Education
College of Fine Arts
College of Science & Engineering
Community Involvement
Fact Book
Fundraising
Harris College of Nursing & Health Sciences
History
Hornd Frog Athletics
Institutional Research
International Education
John V. Roach Honors College
Mary Couts Burnett Library
Neeley School of Business
Other Academic Highlights
Research
TCU At A Glance
The Campus
A World-Class University Experience

TCU At A Glance
(view video)

- Enrollment of 10,394
  - 8,892 undergraduates
  - 1,465 graduate students
- 119 undergraduate areas of study
- 53 master’s level programs
- 28 areas of doctoral study
- 2,152 employees
  - 630 full-time faculty members
  - 84 percent hold the highest degree in their discipline
- 2016-17 annual budget of $646 million
- Total investments as of June 30, 2016 of approximately $1.514 billion
- Freshman-to-sophomore retention rate of 91 percent
- Student/faculty ratio of about 13:1
- 88,800 living alumni
- Founded in 1873
- Estimated annual cost, including tuition, room and board, books and fees is $55,630

Our Mission
To educate individuals to think and act as ethical leaders and responsible citizens in the global community.

Our Vision
To be a world-class, values-centered university.

School Colors
Purple and White

School Mascot
The Horned Frog

Follow Us

Schools and Colleges
AddRan College of Liberal Arts
Bob Schieffer College of Communication
College of Education
College of Fine Arts
College of Science & Engineering

John V. Roach Honors College
Harris College of Nursing & Health Sciences
Neeley School of Business
Relationship with Brite Divinity School

University Programs
Intensive English Program
International Studies
Master of Liberal Arts
Ranch Management
Women and Gender Studies

Texas Christian University is accredited by the Commission on Colleges of the Southern Association of Colleges and Schools to award baccalaureate, masters, doctoral degrees. Contact the Commission on Colleges at 1866 Southern Lane, Decatur, Georgia 30033-4097 or call 404-679-4500 for questions about the accreditation of Texas Christian University.

http://www.tcu.edu/at-a-glance.asp
2018 HTC
Full Application

Part 2 Tab 10

Supporting Documents:
Underserved Area
Mistletoe Station
Underserved Area

This application qualifies for 3 points for Underserved Area under the following subsection:

(C) A census tract within the boundaries of an incorporated area that has not received a competitive tax credit allocation or a 4 percent non-competitive tax credit allocation for a Development within the past 15 years and continues to appear on the Department's inventory (3 points);

This application is located in census tract 48439102800. This census tract is completely incorporated. According to the HTC property inventory, this tract does not have an existing HTC allocation.

Source: US Census
City Government

Fort Worth, incorporated in 1873, adopted a council-manager form of government when it received its charter from the Texas Legislature in 1924.

In council-manager systems – the most popular form of government in the United States today – a city council appoints a city manager to administer and coordinate municipal operations and programs. In Fort Worth, council also appoints the city secretary, city attorney, city auditor, municipal court judges and citizens who serve on city boards and commissions.

City Council

Betsy Price
(Mayor)

Sal Espino
(District 2)

W.B. "Zim" Zimmerman
(District 3)

Cary Moon
(District 4)

Find your district

Use the address lookup tool to find your district. Individual district maps are available on council district pages.

Meeting Information

Council meetings, which are open to the public, are conducted three times a month at 7 p.m. Tuesdays in the Council Chamber at City Hall, 200 Texas St., unless otherwise posted.

Request to speak

City Council Work Sessions begin at 3 p.m. on meeting days in the City Council Conference Room at City Hall, 200 Texas St., unless otherwise posted.

See the city calendar for a detailed schedule.
2018 HTC
Full Application

Part 2 Tab 10

Supporting Documents:
Concerted Revitalization Plan

NA
2018 HTC
Full Application

Part 2 Tab 10

Supporting Documents: Declared Disaster Area

NA
2018 HTC
Full Application

Part 2 Tab 10

Supporting Documents: Readiness to Proceed

NA
2018 HTC
Full Application

Part 2 Tab 11

Site Information Form
Part III
### Site Information Form Part III

**Self Score Total:** 33

1. **Site Acreage**

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

<table>
<thead>
<tr>
<th>Site Control</th>
<th>Site Plan</th>
<th>Appraisal</th>
<th>ESA</th>
</tr>
</thead>
<tbody>
<tr>
<td>2.842</td>
<td>2.587</td>
<td>n/a</td>
<td>2.49</td>
</tr>
</tbody>
</table>

(* Should equal acreage indicated in site control documents less acreage intended to be dedicated, sold or used for public purpose and not to be encumbered by LURA (net acreage). The net acreage will be used for calculating density for all purposes.

Please provide an explanation of any discrepancies in site acreage below:

See attached explanation.

2. **Site Control - §10.204(10)**

The current owner of the Development Site is (If scattered site & more than one owner refer to Tab 13):

<table>
<thead>
<tr>
<th>Entity Name</th>
<th>Contact Name</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mistletoe Station, LLC</td>
<td>Lisa M. Stephens</td>
</tr>
<tr>
<td>5501-A Balcones Dr., #302</td>
<td></td>
</tr>
</tbody>
</table>

Address

<table>
<thead>
<tr>
<th>City</th>
<th>State</th>
<th>Zip</th>
<th>Date of Last Sale</th>
</tr>
</thead>
<tbody>
<tr>
<td>Austin</td>
<td>TX</td>
<td>78731</td>
<td>8/31/2018</td>
</tr>
</tbody>
</table>

Is the seller affiliated with the Applicant, Principal, sponsor, or any Development Team member?

If "Yes," please explain: 

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

Identify all of the sellers of the proposed property for the 36 months prior to the first day of the Application Acceptance Period and their relationship, if any, to members of the Development Team:

<table>
<thead>
<tr>
<th>Name</th>
<th>Relationship</th>
</tr>
</thead>
<tbody>
<tr>
<td>1700 Mistletoe Partners Ltd</td>
<td>none</td>
</tr>
<tr>
<td>Baylor All Saints Medical Center</td>
<td>none</td>
</tr>
<tr>
<td>City of Fort Worth</td>
<td>none</td>
</tr>
</tbody>
</table>

Site Control is in the form of:

- [ ] Contract for sale.
- [x] Recorded Warranty Deed with corresponding executed closing/settlement statement.
- [ ] Contract for lease.
- [x] Title Commitment or Title Policy is included behind this tab (per §10.204(12)).

3. **Site Control - §10.204(10)**

**Ingress/Egress and Easements (9% and 4% HTC Only) - §11.7**

Is land for ingress and/or egress and any easements held separate from the property described in the site control documents?

- [ ] No

If yes, describe how any such land is held. Identify the land owner and describe any agreements the Applicant has or will enter into with the land owner.

See attached explanation.
4. **30% increase in Eligible Basis "Boost" (9% and 4% HTC Only) - §11.4(c)**

Development qualifies for the boost for:

- Qualified Census tract that has less than 20% HTC Units per household
- Rural Development (Competitive HTC only)
- Development is entirely Supportive Housing (Competitive HTC Only)
- Development meets the criteria for the Opportunity Index as identified in §11.9(c)(4) of the Qualified Allocation Plan (Competitive HTC only)

- Development is in an area covered by a concerted revitalization plan and elects and is eligible for points under §11.9(d)(7), is not Elderly, and is not located in a QCT. (Competitive HTC only)

- Development includes an additional 10% of units at 30% AMI. Must be in addition to the number of units needed for any scoring item or any other funding source from MF Direct Loan requirements. (Competitive HTC only)

- Development is in a QCT with 20% or greater Housing Tax Credit Units per household, and a resolution from the Governing Body of the appropriate municipality or county allowing the construction of the Development is included behind Tab 8**

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

If a revised form is submitted, date of submission: ________________________
Site Control vs Site Plan acreage: The recorded Plat is 2.842 gross acres, the total of Lot 1 Block A (2.580 acres) and Lot 2 Block A (0.262 acres). Sandberry Drive ROW (0.255 acres) as dedicated by the plat will be subtracted from Lot 1 Block A and, therefore, the total 2.842 gross acres to leave a net final development site of 2.587 acres.

Site Control vs ESA acreage: The ESA used the CAD acreages of the parcels to determine the acreage, but the ESA provider confirmed that Beckham Place was also included in the assessment (see email attached with ESA).
Support Documentation from Site Information Part III Should be Included Behind this Tab.

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

Increase in Eligible Basis (30% Boost)

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

Site & Neighborhood Standards (New Construction Direct Loan only)

Confirm the following supporting documents are provided behind this tab.

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

SPECIAL WARRANTY DEED

STATE OF TEXAS

KNOW ALL MEN BY THESE PRESENTS:

COUNTY OF TARRANT

FOR VALUABLE CONSIDERATION, the receipt and adequacy of which are hereby acknowledged, 1700 MISTLETOE PARTNERS, LTD., a Texas limited partnership ("Grantor"), whose address is 951 West 7th Street, Fort Worth, Texas 76102, hereby grants, bargains, sells and conveys to MISTLETOE STATION, LLC, a Texas limited liability company ("Grantee") whose address is 5501-A Balcones Drive #302, Austin, Texas 78731, that certain real property located in the County of Tarrant, State of Texas, as more particularly described on Exhibit "A" attached hereto and incorporated herein by this reference (the "Land"), together with all of Grantor's right, title and interest in and to the fixtures and improvements located on the Land (the "Improvements"), and together with all rights, privileges and easements appurtenant to the Land, all water, wastewater and other utility rights relating to the Land and any and all easements, rights-of-way and other appurtenances used in connection with the beneficial use and enjoyment of the Land, in each case to the extent assignable (the "Appurtenances") (the Land, Improvements and Appurtenances collectively referred to as the "Property").

All or a portion of the consideration paid to Grantor was advanced by JPMorgan Chase Bank, N.A., a national banking association ("Beneficiary"), at the special instance and request of Grantee, which amount constitutes all or a portion of the proceeds of a loan from Beneficiary to Grantee evidenced by that certain Advance Promissory Note of even date herewith executed by Grantee in the original principal amount of $22,282,000.00 (the "Note"). The Note is secured by the vendor's lien and superior title herein retained by Grantor and assigned to Beneficiary and by the lien created by a Construction Deed of Trust, Absolute Assignment of Rents, Security Agreement and Financing Statement of even date herewith executed by Grantee in favor of Randall Durant, trustee, for the benefit of Beneficiary, covering the Property hereby conveyed. In consideration of Beneficiary making such loan which directly benefits Grantor, Grantor hereby transfers, sets over, assigns and conveys, without recourse and warranty of any kind unto Beneficiary, its successors and assigns, the vendor's lien and superior title herein retained and reserved against the Property hereby conveyed.

It is expressly agreed and stipulated that the vendor's lien and superior title is retained against the Property until the Note, and all interest accruing thereon, are fully paid according to its face and tenor, effect and reading, when this deed shall become absolute.

When Recorded Return To:
First American Title Insurance Company
National Commercial Services
420 S. Orange Ave, Suite 250
Orlando, Fl 32801
File No: NCS 629573
This conveyance is being made by Grantor and accepted by Grantee subject and subordinate to the exceptions and disclaimers specifically set forth herein and to the encumbrances and certain title exceptions (the “Permitted Exceptions”) set forth in Exhibit “B” attached hereto and made a part hereof for all purposes, but only to the extent that such exceptions are valid, existing, and, in fact, affect the Property.

TO HAVE AND TO HOLD the Property unto Grantee, and Grantee’s heirs, legal representatives, successors and assigns forever, and Grantor does hereby bind Grantor, and Grantor’s heirs, legal representatives, successors and assigns to WARRANT and FOREVER DEFEND, all and singular the Property unto Grantee and Grantee’s heirs, 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, subject, however, as aforesaid.

INASMUCH AS GRANTOR AFFORDED GRANTEE WITH AN OPPORTUNITY TO INSPECT THE PROPERTY DURING THE FEASIBILITY PERIOD, THE PROPERTY IS BEING SOLD AND CONVEYED “AS IS, WHERE IS, WITH ALL FAULTS,” WITHOUT ANY WARRANTIES, EXPRESS OR IMPLIED, EXCEPT FOR THE WARRANTY OF TITLE CONTAINED IN THIS SPECIAL WARRANTY DEED AND EXCEPT FOR ANY SPECIFIC WARRANTIES OR REPRESENTATIONS EXPRESSLY SET FORTH HEREIN. WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, EXCEPT AS SET FORTH HEREIN, GRANTOR HAS NOT MADE, DOES NOT MAKE AND SPECIFICALLY DISCLAIMS ANY REPRESENTATIONS, WARRANTIES, PROMISES, COVENANTS, AGREEMENTS OR GUARANTIES OF ANY KIND OR CHARACTER, WHATSOEVER, WHETHER EXPRESS OR IMPLIED, ORAL OR WRITTEN, PAST, PRESENT, OR FUTURE, OF, AS TO, CONCERNING OR WITH RESPECT TO (i) THE NATURE, QUALITY, OR CONDITION OF THE PROPERTY, INCLUDING, WITHOUT LIMITATION, THE SURFACE WATER, GROUND WATER, FLOODPLAIN OR FLOODWAY, SOIL AND GEOLOGY, OR THE PRESENCE OR ABSENCE OF ANY POLLUTANT, HAZARDOUS WASTE, GAS OR OTHER SUBSTANCE OR SOLID WASTE ON OR ABOUT THE PROPERTY, (ii) THE INCOME TO BE DERIVED FROM THE PROPERTY, (iii) THE SUITABILITY OF THE PROPERTY FOR ANY AND ALL ACTIVITIES AND USES WHICH GRANTEE MAY INTEND TO CONDUCT THEREON, (iv) THE COMPLIANCE OF OR BY THE PROPERTY OR ITS OPERATION WITH ANY LAWS, RULES, ORDINANCES OR REGULATIONS OF ANY GOVERNMENTAL AUTHORITY OR BODY HAVING JURISDICTION, (v) THE HABITABILITY, MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE OF THE PROPERTY, (vi) ANY OTHER MATTER RELATED TO OR CONCERNING THE PROPERTY, EXCEPT AS EXPRESSLY SET FORTH IN THE COMMERCIAL CONTRACT BY AND BETWEEN GRANTOR AND GRANTEE, AND GRANTEE SHALL NOT SEEK RE COURSE AGAINST GRANTOR ON ACCOUNT OF ANY LOSS, COST OR EXPENSE SUFFERED OR INCURRED BY GRANTEE WITH REGARD TO ANY OF THE MATTERS DESCRIBED IN CLAUSES (i) THROUGH (vi) ABOVE. THIS PROVISION WILL SURVIVE CLOSING AND THE FILING AND RECORDING OF THIS DEED.

For the same consideration, Grantor hereby GRANTS, BARGAINS, 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 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 adjacent to the Property.

Ad valorem taxes for the year of this deed have been prorated; accordingly, by its acceptance of this Deed, Grantee assumes responsibility to pay all ad valorem taxes on the Property for such year and all subsequent years.

Grantee’s Mailing Address: 5501-A Balcones Drive #302, Austin, Texas 78731

Signature Pages Follow
EXECUTED effective as of the 31st day of August, 2018.

GRANTOR:

1700 Mistletoe Partners, Ltd.
a Texas limited partnership

By: H.J.B. Management Company, L.L.C.,
a Texas limited liability company,
as General Partner

By: ____________________________
    Robert D. Benda, President

STATE OF TEXAS

County of Tarrant

This instrument was acknowledged before me on the 29th day of August 2018 by
Robert D. Benda, President of H.J.B. Management Company, L.L.C., a Texas limited liability
company, general partner of 1700 Mistletoe Partners, Ltd., a Texas limited partnership, on behalf
of said partnership.

WANDA BORDEN
Notary Public, State of Texas

Wanda Borden
Notary Public, State of Texas
GRANTEE:
Mistletoe Station, LLC, a Texas limited liability company

By: Saigebrook Mistletoe, LLC, a Texas limited liability company, its Managing Member

By: [Signature]
Lisa M. Stephens, President

STATE OF FLORIDA  Texas  §
COUNTY OF Travis  §

This instrument was acknowledged before me on the 30th day of August, 2018 by Lisa M. Stephens, President, Saigebrook Mistletoe, LLC.

After recording, return to:
EXHIBIT “A”
LEGAL DESCRIPTION OF THE LAND

TRACT I:

LOT 1-11, BLOCK 3R, OF FRISCO ADDITION, TO THE CITY OF FORT WORTH, TARRANT COUNTY, TEXAS, ACCORDING TO THE MAP OR PLAT THEREOF, RECORDED UNDER COUNTY CLERK’S FILE NO. D212125731, REAL PROPERTY RECORDS, TARRANT COUNTY, TEXAS.

TRACT II:

DESCRIPTION FOR A PART OF BLOCK B OF MISTLETOE HEIGHTS, AN ADDITION IN THE CITY OF FORT WORTH, TARRANT COUNTY, TEXAS, AS SAID BLOCK APPEARS UPON THE MAP RECORDED IN VOLUME 368, PAGE 5 OF THE TARRANT COUNTY DEED RECORDS AND EMBRACING A PORTION OF THE TRACT DESCRIBED IN THE DEED TO L. E. TREZEVANT RECORDED IN VOLUME 1929, PAGE 240 OF SAID DEED RECORDS, AND BEING DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

BEGINNING AT AN AXLE FOUND FOR THE SOUTHEAST CORNER OF SAID BLOCK B IN THE NORTH LINE OF BECKHAM PLACE AND BEING THE SOUTHWEST CORNER OF LOT 6 OF TREZEVANT SUBDIVISION, SAID AXLE BEING THE SOUTHEAST CORNER OF SAID TREZEVANT TRACT;

THEN ELSE SOUTH 59 DEGREES 33 MINUTES 00 SECONDS WEST, ALONG THE SOUTH LINE OF SAID TREZEVANT TRACT AND THE SAID NORTH LINE OF BECKHAM PLACE, 129.99 FEET TO A 3/8" IRON PIN FOUND FOR THE SOUTHERLY SOUTHEAST CORNER OF THE TRACT DESCRIBED IN THE DEED TO HELEN J. WILLIAMS, RECORDED IN VOLUME 5619, PAGE 93 OF THE SAID DEED RECORDS;

THEN ELSE NORTH 11 DEGREES 22 MINUTES 00 SECONDS WEST, ALONG THE SOUTHERLY EAST LINE OF SAID WILLIAMS TRACT 164.10 FEET TO A 3/8" IRON PIN SET WITH CAP MARKED, “AREA SURVEYING” FOR CORNER;

THEN ELSE NORTH 83 DEGREES 52 MINUTES 00 SECONDS EAST, ALONG A NORTELY SOUTH LINE OF SAID WILLIAMS TRACT, 82.84 FEET TO A 3/8" IRON PIN SET WITH CAP MARKED, “AREA SURVEYING” FOR THE NORTHELY SOUTHEAST CORNER OF SAID WILLIAMS TRACT;

THEN ELSE NORTH 03 DEGREES 57 MINUTES 00 SECONDS WEST, ALONG AN EAST LINE OF SAID WILLIAMS TRACT, 16.17 FEET TO A 3/8" IRON PIN SET WITH CAP MARKED, “AREA SURVEYING” FOR THE MOST SOUTHERLY SOUTHEAST CORNER OF LOT 1, BLOCK B-R, MISTLETOE HEIGHTS, ACCORDING TO PLAT RECORDED IN VOLUME 388-160, PAGE 1, PLAT RECORDS, TARRANT COUNTY, TEXAS;

THEN ELSE NORTH 06 DEGREES 05 MINUTES 23 SECONDS EAST, ALONG THE SOUTH LINE OF SAID LOT 1, 54.56 FEET TO A 3/8 INCH IRON PIN FOUND FOR THE NORTHWEST CORNER OF LOT 7 OF TREZEVANT SUBDIVISION;

THEN ELSE SOUTH 04 DEGREES 07 MINUTES 19 SECONDS EAST, ALONG THE EAST LINE SAID TREZEVANT TRACT AND THE WEST LINE OF TREZEVANT SUBDIVISION, 124.61 FEET TO THE POINT OF BEGINNING AND CONTAINING 0.424 OF AN ACRE OF LAND.

Together with Grantor’s interest, if any, in the Beckham Place Right-of-Way vacated by City of Fort Worth Ordinance No. 232378-06-2018.
EXHIBIT “B”  
PERMITTED EXCEPTIONS


3. Terms, conditions, and Stipulations in the Agreement by and between R. Price Hulsey and the City of Fort Worth October 11, 1984 in Volume 7977, Page 806 of the Deed Records of Tarrant County, Texas.


6. Mineral and/or royalty interest recorded April 20, 2007 in County Clerk’s File No. D2071368848, Official Records of Tarrant County, Texas.

7. Mineral and/or royalty interest recorded August 29, 2007 in County Clerk’s File No. D207307960, Official Records of Tarrant County, Texas.

8. Oil, Gas, and Mineral Lease recorded October 4, 2007 in County Clerk’s File No. D207354966 and as affected by County Clerk’s File No. D211087357 off the Official Records of Tarrant County, Texas.


10. Oil, Gas, and Mineral Lease recorded June 1, 2010 in County Clerk’s file No. D210128178 of the Official Records of Tarrant County, Texas.

11. Inclusion within the Regional Water District.
SPECIAL WARRANTY DEED

THE STATE OF TEXAS

KNOW ALL MEN BY THESE PRESENTS:

COUNTY OF TARRANT

BAYLOR ALL SAINTS MEDICAL CENTER, a Texas non-profit corporation, f/k/a All Saints Health System, a Texas non-profit corporation, f/k/a All Saints Episcopal Hospitals of Fort Worth, Inc. ("Grantor"), for and in consideration of the sum of $10.00 and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, has GRANTED, BARGAINED, SOLD, and CONVEYED and by these presents does GRANT, BARGAIN, SELL, and CONVEY unto MISTLETOE STATION, LLC, a Texas limited liability company ("Grantee"), the tract or parcel of land in Tarrant County, Texas, described in Exhibit A, together with all rights, titles, and interests appurtenant thereto including, without limitation, Grantor's interest, if any, in any and all adjacent streets, alleys, rights of way and any adjacent strips and gores, and the Beckham Place Right-of-Way vacated by Ordinance No. 23278-06-2018 (such land and interests are hereinafter collectively referred to as the "Property").

This Special Warranty Deed and the conveyance hereinabove set forth is executed by Grantor and accepted by Grantee subject to all easements, restrictions, reservations and covenants now of record and further subject to all matters that a current, accurate survey of the Property would show, together with the matters described in Exhibit B attached hereto and incorporated herein by this reference, to the extent the same are validly existing and applicable to the Property (hereinafter referred to collectively as the "Permitted Encumbrances"). This conveyance is also made subject and subordinate to the restrictive covenants (the "Special Restrictions") described in Exhibit C hereto and incorporated herein by reference for all purposes. The Special Restrictions shall be covenants and conditions running with the land and shall be binding upon and enforceable against Grantee, and Grantee's successors and assigns.

Grantee acknowledges that Grantee has independently and personally inspected the Property. The Property is hereby conveyed to and accepted by Grantee in its present condition, "AS IS, WITH ALL FAULTS, AND WITHOUT ANY WARRANTY WHATSOEVER, EXPRESS OR IMPLIED". Notwithstanding anything contained herein to the contrary, it is understood and agreed that Grantor and Grantor's agents or employees have not made and are not now making, and they specifically disclaim, any warranties, representations or guaranties of any kind or character, express or implied, oral or written, past, present or future, with respect to the Property, including, but not limited to, warranties, representations or guaranties as to (1) matters of title (other than Grantor's warranty of title set forth herein); (2) environmental matters relating to the Property or any portion thereof; (3) geological conditions, including, without limitation, subsidence, subsurface conditions, water table, underground water reservoirs, limitations regarding the withdrawal of water and earthquake faults and the resulting damage of past and/or future earthquakes; (4) whether, and to the extent to which the Property or any portion thereof is
affected by any stream (surface or underground), body of water, flood prone area, flood plain, floodway or special flood hazard; (5) drainage; (6) soil conditions, including the existence of instability, past soil repairs, soil additions or conditions of soil fill, or susceptibility to landslides, or the sufficiency of any under shoring; (7) zoning to which the Property or any portion thereof may be subject; (8) the availability of any utilities to the Property or any portion thereof including, without limitation, water, sewage, gas and electric; (9) usage of adjoining property; (10) access to the Property or any portion thereof; (11) the value, compliance with the plans and specifications, size, location, age, use, design, quality, description, suitability, structural integrity, operation, title to, or physical or financial condition of the Property or any portion thereof, or any income, expenses, charges, liens, encumbrances, rights or claims on or affecting or pertaining to the Property or any part thereof; (12) the presence of Hazardous Substances (as defined in the purchase and sale agreement (the "Sale Agreement") between Grantor and Grantee with respect to the Property) in or on, under or in the vicinity of the Property; (13) the condition or use of the Property or compliance of the Property with any or all past, present or future federal, state or local ordinances, rules, regulations or laws, building, fire or zoning ordinances, codes or other similar laws; (14) the existence or non-existence of underground storage tanks; (15) any other matter affecting the stability or integrity of the Property; (16) the potential for further development of the Property; (17) the existence of vested land use, zoning or building entitlements affecting the Property; (18) the merchantability of the Property or fitness of the Property for any particular purpose (Grantee affirming that Grantee has not relied on Grantor's or Grantor's agents' or employees' skill or judgment to select or furnish the Property for any particular purpose, and that Grantor makes no warranty that the Property is fit for any particular purpose); or (19) tax consequences. EXCEPT AS EXPRESSLY SET FORTH HEREIN OR IN THE SALE AGREEMENT, GRANTOR MAKES NO REPRESENTATIONS OR WARRANTIES OF ANY KIND TO GRANTEE, INCLUDING, WITHOUT LIMITATION, THE PHYSICAL CONDITION OF THE PROPERTY, OR THEIR SUITABILITY FOR ANY PARTICULAR PURPOSE OR OF MERCHANTABILITY. GRANTEE IS RelyING ON ITS INVESTIGATIONS OF THE PROPERTY IN DETERMINING WHETHER TO ACQUIRE IT. THE PROVISIONS OF THIS PARAGRAPH ARE A MATERIAL PART OF THE CONSIDERATION FOR GRANTOR EXECUTING THIS SPECIAL WARRANTY DEED, AND SHALL SURVIVE CLOSING.

TO HAVE AND TO HOLD the Property, together with all and singular the rights and appurtenances thereunto in anywise belonging, unto Grantee, its successors and assigns forever, and Grantor does hereby bind itself, its successors and assigns, to WARRANT AND FOREVER DEFEND all and singular the title to the Property unto the said Grantee, its successors and assigns against every person whomsoever lawfully claiming or to claim the same or any part thereof by, through, or under Grantor but not otherwise, subject to the Permitted Encumbrances.

All or a portion of the consideration paid to Grantor was advanced by JPMorgan Chase Bank, N.A., a national banking association ("Beneficiary"), at the special instance and request of Grantee, which amount constitutes all or a portion of the proceeds of a loan from Beneficiary to Grantee evidenced by that certain Advance Promissory Note of even date herewith executed by Grantee in the original principal amount of $22,282,000.00 (the "Note"). The Note is secured by the vendor's lien and superior title herein retained by Grantor and assigned to Beneficiary and by the lien created by a Construction Deed of Trust, Absolute Assignment of Rents, Security Agreement and Financing Statement of even date herewith executed by Grantee in favor of
Randall Durant, trustee, for the benefit of Beneficiary, covering the Property hereby conveyed. In consideration of Beneficiary making such loan which directly benefits Grantor, Grantor hereby transfers, sets over, assigns and conveys, without recourse and warranty of any kind unto Beneficiary, its successors and assigns, the vendor’s lien and superior title herein retained and reserved against the Property hereby conveyed.

It is expressly agreed and stipulated that the vendor’s lien and superior title is retained against the Property until the Note, and all interest accruing thereon, are fully paid according to its face and tenor, effect and reading, when this deed shall become absolute.

Grantee’s address is: c/o Saigebrook Development, LLC, 5501-A Balcones Drive #302, Austin, Texas 78731, Attention: Megan Lasch.

[THE REMAINDER OF THIS PAGE LEFT INTENTIONALLY BLANK]
EXECUTED as of August 21, 2018.

BAYLOR ALL SAINTS MEDICAL CENTER, a Texas non-profit corporation

By: [Signature]
Name: Michael Sanborn
Title: President

By: Baylor Scott & White Health, its agent

By: [Signature]
Name: John McWhorter
Title: Chief Operating Officer

THE STATE OF TEXAS

COUNTY OF TARRANT

This instrument was acknowledged before me on August 21, 2018, by Michael Sanborn, President of BAYLOR ALL SAINTS MEDICAL CENTER, a Texas non-profit corporation, on behalf of said non-profit corporation.

RAQUEL O ALAFA
My Notary ID # 11060816
Expires July 13, 2020

Notary Public, State of Texas

THE STATE OF TEXAS

COUNTY OF TARRANT

This instrument was acknowledged before me on August 23, 2018, by John McWhorter, C.O.O., of BAYLOR ALL SAINTS MEDICAL CENTER, by Baylor Scott & White Health, its agent, a Texas non-profit corporation, on behalf of said non-profit corporation.

BEVERLY ANN MARTIN
Notary Public, State of Texas
My Commission Expires June 15, 2019

Notary Public, State of Texas
EXHIBIT A

DESCRIPTION OF THE PROPERTY

BEING A PART OF BLOCK "B" OF MISTLETOE HEIGHTS ADDITION TO THE CITY OF FORT WORTH, TARRANT COUNTY, TEXAS, ACCORDING TO PLAT RECORDED IN VOLUME 388, PAGE 5, DEED RECORDS OF TARRANT COUNTY, TEXAS, SAID PART OF BLOCK "B" BEING DESCRIBED BY METES AND BOUNDS AS FOLLOWS:


THENCE NORTH 6 DEGREES 08 MINUTES WEST, ALONG SAID BLOCK LINE AND RIGHT-OF-WAY LINE, 402.2 FEET TO AN IRON;

THENCE NORTH 83 DEGREES 52 MINUTES EAST 98 FEET TO AN IRON;

THENCE SOUTH 6 DEGREES 08 MINUTES EAST 45 FEET TO AN IRON;

THENCE NORTH 83 DEGREES 52 MINUTES EAST 110-7/10 FEET TO AN IRON;

THENCE SOUTH 3 DEGREES 57 MINUTES EAST 132-1/10 FEET TO AN IRON;

THENCE SOUTH 83 DEGREES 52 MINUTES WEST 82-6/10 FEET TO AN IRON;

THENCE SOUTH 11 DEGREES 22 MINUTES EAST 164-4/10 FEET TO AN IRON IN THE SOUTH LINE OF SAID BLOCK B;

THENCE SOUTH 59 DEGREES 33 MINUTES WEST, ALONG SAID SOUTH LINE OF BLOCK B, 149-3/10 FEET TO THE PLACE OF BEGINNING.
EXHIBIT B

PERMITTED ENCUMBRANCES

1. Covenant, conditions or restrictions recorded in Volume 388-173, Page 11, Plat Records of Tarrant County, Texas; Cabinet B, Slide 2241, Plat Records of Tarrant County, Texas, and Instrument No. D212125731 Official Public Records of Tarrant County, Texas.

2. Inclusion within Regional Water District.

3. Easement:
   To: City of Fort Worth
   Purpose: Sanitary Sewer Easement
   Location: as depicted therein


5. Easement:
   To: City of Fort Worth
   Recorded: December 4, 1998 in County Clerk’s File No. D199046006, of the Official Records of Tarrant County, Texas.
   Purpose: Permanent Utility Easement
   Location: as depicted therein

6. Memorandum of Oil, Gas and Mineral Lease, and all terms, conditions and stipulations therein:
   Recorded: January 6, 2010 in County Clerk’s File No. 210002800 and affected by County Clerk’s File No. D211087357, of the Official Public Records, Tarrant County, Texas.
   Lessor: Baylor All Saints Medical Center
   Lessee: XTO Energy Inc.

7. Rights, if any, of third parties with respect to any and all utilities in place within Beckham Place (abandoned roadway easement), including but not limited to those set forth in Fort Worth City Ordinance No. 23278-06-2018.

8. Any and all unrecorded easements claimed, asserted or used by or through the City of Fort Worth, or any utility company by agreement with or permission of the City of Fort Worth.
EXHIBIT C

SPECIAL RESTRICTIONS

The conveyance of the Property is made subject and subordinate to the following Special Restrictions:

1. **Prohibited Uses.** The provision or operation of any of the following services or facilities shall not be permitted on the Property without the consent of Grantor, which consent shall be in Grantor's sole and absolute discretion:

   (a) outpatient or inpatient surgery services;

   (b) an oncology or radiation treatment facility;

   (c) rehabilitation, physical medicine or physical therapy services;

   (d) pain management clinic, center or services;

   (e) a laboratory (including, without limitation, a pathology laboratory, a clinical laboratory, a cardiac catheterization laboratory or a gastrointestinal laboratory);

   (f) wound care;

   (g) physician practice management company (PPMC) or management service organization (MSO) for physicians;

   (h) dialysis;

   (i) the sale or rental of durable medical equipment;

   (j) an emergency room, emergency department, casualty department, or other medical treatment facility specializing in acute care of patients who present without prior appointment, either by their own means or by ambulance; or

   (k) diagnostic or therapeutic testing services, including without limitation, all diagnostic imaging services, including without limitation:

      A. fluoroscopy;

      B. x-ray;

      C. plane film radiography;

      D. computerized tomography (CT);
E. ultrasound;
F. radiation therapy;
G. mammography and breast diagnostics;
H. nuclear medicine testing;
I. positron emission tomography (PET); or
J. magnetic resonance imaging (MRI).

(l) the sale, provision or other distribution of alcoholic beverages;

(m) a sexually-oriented or adult entertainment business, club or establishment of any nature and in any media;

(n) for the selling, marketing, leasing, advertising, displaying, exhibiting or distributing (whether on or off the Premises, including via the internet) of pornographic materials, products or media, sexually-oriented materials, products or media, or materials, products or media involving or depicting nudity or sexual, obscene or lewd acts;

(o) for elective abortion services; or

(p) stem cell harvesting from fetal tissue, or any form of genetic engineering for cloning or other technologies that supplant natural reproduction, excluding clinical artificial insemination provided to legally married adults.

2. **Permitted Use.** From the date of this Special Warranty Deed through the date which is thirty (30) years following the date of this Special Warranty Deed, the Property shall be used for multifamily dwelling apartment use only and no other use without the consent of Grantor, which consent shall be in Grantor’s sole and absolute discretion.

3. **Survival.** The Special Restrictions set forth in this Exhibit C shall be covenants and conditions running with the land and shall be binding upon and enforceable against Grantee and Grantee’s successors and assigns.
SPECIAL WARRANTY DEED
WITH VENDOR’S LIEN

DATE: August 31, 2018

GRANTOR: CITY OF FORT WORTH

GRANTOR’S MAILING ADDRESS: 200 TEXAS STREET
TARRANT COUNTY, FORT WORTH, TEXAS 76102

GRANTEE: MISTLETOE STATION, LLC.

GRANTEE’S MAILING ADDRESS: 5501A BALCONES DRIVE SUITE 302
AUSTIN, TEXAS 78731-2235

CONSIDERATION: Ten Dollars and no more, to be paid in lawful money of the United States.

PROPERTY (including any improvements):
See attached Exhibit “A”, attached hereto and incorporated herein for all purposes.

VENDOR’S LIEN
All or a portion of the consideration paid to Grantor was advanced by JPMorgan Chase Bank, N.A., a national banking association (“Beneficiary”), at the special instance and request of Grantee, which amount constitutes all or a portion of the proceeds of a loan from Beneficiary to Grantee evidenced by that certain Advance Promissory Note of even date herewith executed by Grantee in the original principal amount of $22,282,000.00 (the “Note”). The Note is secured by the vendor’s lien and superior title herein retained by Grantor and assigned to Beneficiary and by the lien created by a Construction Deed of Trust, Absolute Assignment of Rents, Security Agreement and Financing Statement of even date herewith executed by Grantee in favor of Randall Durant, trustee, for the benefit of Beneficiary, covering the Property hereby conveyed. In consideration of Beneficiary making such loan which directly benefits Grantor, Grantor hereby transfers, sets over, assigns and conveys, without recourse and warranty of any kind unto Beneficiary, its successors and assigns, the vendor’s lien and superior title herein retained and reserved against the Property hereby conveyed.

It is expressly agreed and stipulated that the vendor’s lien and superior title is retained against the Property until the Note, and all interest accruing thereon, are fully paid according to its face and tenor, effect and reading, when this deed shall become absolute.

RESERVATIONS FROM CONVEYANCE:
For Grantor and Grantor’s heirs, successors, and assigns forever, a reservation of all oil, gas, and other minerals in and under and that may be produced from the Property, however Grantor hereby waives any and all rights to conduct drilling, mining, exploratory and producing operations on the surface of the Property or to construct houses, pits, tanks, pipelines, compressors or similar structures thereon. If the mineral estate is subject to existing production or an existing lease, this reservation includes the production, the lease, and all benefits from it, provided that the lessee under such existing lease waives all rights conduct drilling, mining, exploratory and producing operations on the surface of the Property or to construct houses, pits, tanks, pipelines, compressors or similar structures thereon. The right to produce the oil, gas, hydrocarbons and any other minerals under the Property shall be exercised by conducting all such exploring, mining, drilling and producing operations on lands other than the Property.
EXCEPTIONS TO CONVEYANCE AND WARRANTY:

This conveyance is expressly made by Grantor and accepted by Grantee subject to any and all restrictions, existing easements, rights-of-way and prescriptive rights, whether of record or not; all presently recorded and validly existing instruments, covenants, conditions, zoning laws, regulations, ordinances of municipal and other governmental authorities and reservations, including, but not limited to, minerals previously reserved or conveyed, if any, relating to the property, but only to the extent that they are still in effect.

GRANTEE ACKNOWLEDGES AND AGREES THAT GRANTOR HAS NOT MADE, DOES NOT MAKE AND SPECIFICALLY NEGATES AND DISCLAIMS ANY REPRESENTATIONS, WARRANTIES, PROMISES, COVENANTS, AGREEMENTS OR GUARANTEES OF ANY KIND OR CHARACTER WHATSOEVER, WHETHER EXPRESS OR IMPLIED, ORAL OR WRITTEN, PAST, PRESENT OR FUTURE, OF, AS, TO CONCERNING OR WITH RESPECT TO (A) THE VALUE, NATURE, QUALITY OR CONDITION OF THE PROPERTY, INCLUDING, WITHOUT LIMITATION, THE WATER, SOIL, AND GEOLOGY, (B) THE INCOME TO BE DERIVED FROM THE PROPERTY, (C) THE SUITABILITY OF THE PROPERTY FOR ANY AND ALL ACTIVITIES AND USES WHICH GRANTEE MAY CONDUCT THEREON, (D) THE COMPLIANCE OF OR BY THE PROPERTY OR ITS OPERATION WITH ANY LAWS, RULES, ORDINANCES, OR REGULATIONS OF ANY APPLICABLE GOVERNMENTAL AUTHORITY OR BODY, (E) THE HABITABILITY, MERCHANDABILITY, MARKETABILITY, PROFITABILITY OR FITNESS FOR A PARTICULAR PURPOSE OF THE PROPERTY, (F) THE MANNER OR QUALITY OF THE CONSTRUCTION OR MATERIALS, IF ANY, INCORPORATED INTO THE PROPERTY, (G) THE MANNER, QUALITY, STATE OF REPAIR OR LACK OF REPAIR OF THE PROPERTY, OR (H) EXCEPT FOR THE WARRANTY OF TITLE IN THIS DEED, ANY OTHER MATTER WITH RESPECT TO THE PROPERTY, AND SPECIFICALLY, THAT GRANTOR HAS NOT MADE, DOES NOT MAKE AND SPECIFICALLY DISCLAIMS ANY REPRESENTATIONS REGARDING COMPLIANCE WITH ANY ENVIRONMENTAL PROTECTION, POLLUTION OR LAND USE LAWS, RULES, REGULATIONS, ORDERS OR REQUIREMENTS, INCLUDING SOLID WASTE, AS DEFINED BY THE U.S. ENVIRONMENTAL PROTECTION AGENCY REGULATIONS AT 40 C.F.R., PART 261, OR THE DISPOSAL OR EXISTENCE IN OR ON THE PROPERTY OF ANY HAZARDOUS SUBSTANCE, AS DEFINED BY THE COMPREHENSIVE ENVIRONMENT RESPONSE COMPENSATION AND LIABILITY ACT OF 1980, AS AMENDED, AND REGULATIONS PROMULGATED THEREUNDER. GRANTEE FURTHER ACKNOWLEDGES AND AGREES THAT HAVING BEEN GIVEN THE OPPORTUNITY TO INSPECT THE PROPERTY, GRANTEE IS RELYING SOLELY ON ITS OWN INVESTIGATION OF THE PROPERTY AND NOT ON ANY INFORMATION PROVIDED OR TO BE PROVIDED BY GRANTOR. AS A MATERIAL PART OF THE CONSIDERATION FOR THIS AGREEMENT, GRANTOR AND GRANTEE AGREE THAT GRANTEE IS TAKING THE PROPERTY “AS IS WITH ALL FAULTS” BASIS WITH ANY AND ALL LATENT AND PATENT DEFECTS AND THAT THERE IS NO WARRANTY BY GRANTOR THAT THE PROPERTY IS FIT FOR A PARTICULAR PURPOSE. GRANTEE ACKNOWLEDGES THAT IT IS NOT RELYING UPON ANY REPRESENTATIONS, STATEMENTS, ASSERTIONS OR NON-ASSERTIONS BY THE GRANTOR WITH RESPECT TO THE PROPERTY CONDITION, BUT IS RELYING SOLELY UPON ITS EXAMINATION OF THE PROPERTY. GRANTEE TAKES THE PROPERTY UNDER THE EXPRESS UNDERSTANDING THERE ARE NO EXPRESS OR IMPLIED WARRANTIES (EXCEPT FOR LIMITED WARRANTIES OF TITLE SET FORTH IN THE CLOSING DOCUMENTS). AFTER CLOSING, AS BETWEEN GRANTEE AND GRANTOR, THE RISK OF LIABILITY OR EXPENSE FOR ENVIRONMENTAL PROBLEMS, EVEN IF ARISING FROM EVENTS BEFORE CLOSING, WILL BE THE SOLE RESPONSIBILITY OF GRANTEE, REGARDLESS OF WHETHER THE ENVIRONMENTAL PROBLEMS WERE KNOWN OR UNKNOWN AT CLOSING. ONCE CLOSING HAS OCCURRED, GRANTEE INDEMNIFIES, HOLDS HARMLESS AND RELEASES GRANTOR FROM LIABILITY FOR ENVIRONMENTAL PROBLEMS AFFECTING THE PROPERTY, INCLUDING, BUT NOT LIMITED TO, UNDER THE COMPREHENSIVE ENVIRONMENTAL RESPONSE COMPENSATION AND
LIABILITY ACT (CERCLA), THE RESOURCE CONSERVATION AND RECOVERY ACT (RCRA), THE TEXAS SOLID WASTE DISPOSAL ACT OR THE TEXAS WATER CODE. GRANTEE INDEMNIFIES, HOLDS HARMLESS AND RELEASES GRANTOR FROM ANY LIABILITY FOR ENVIRONMENTAL PROBLEMS OR CONDITIONS AFFECTING THE PROPERTY ARISING AS THE RESULT OF GRANTOR'S OWN NEGLIGENCE OR THE NEGLIGENCE OF GRANTOR'S REPRESENTATIVES. GRANTEE INDEMNIFIES, HOLDS HARMLESS AND RELEASES GRANTOR FROM ANY LIABILITY FROM ANY AND ALL PRESENT OR FUTURE CLAIMS OR DEMANDS AND ANY AND ALL DAMAGES, LOSS, INJURY, LIABILITY CLAIMS OR COSTS, INCLUDING FINES, PENALTIES AND JUDGMENTS AND ATTORNEYS FEES ARISING FROM OR IN ANY WAY RELATED TO THE CONDITION OF THE PROPERTY ARISING AS A RESULT OF THEORIES OF PRODUCTS LIABILITY AND STRICT LIABILITY, OR UNDER NEW LAWS OR CHANGES TO EXISTING LAWS ENACTED AFTER THE EFFECTIVE DATE OF THIS DEED THAT WOULD OTHERWISE IMPOSE ON GRANTOR IN THIS TYPE OF TRANSACTION NEW LIABILITIES FOR ENVIRONMENTAL PROBLEMS OR CONDITIONS AFFECTING THE PROPERTY. PROVISIONS OF THIS SECTION SHALL SURVIVE THE CLOSING. IT IS UNDERSTOOD AND AGREED THAT THE PURCHASE PRICE HAS BEEN ADJUSTED BY PRIOR NEGOTIATION TO REFLECT THAT ALL OF THE PROPERTY IS SOLD BY GRANTOR AND PURCHASED BY GRANTEE SUBJECT TO THE FOREGOING. GRANTEE ACKNOWLEDGES AND ACCEPTS ALL THE TERMS AND PROVISIONS BY HIS ACCEPTANCE HEREOF.

Grantor, for the Consideration and subject to the Reservations from Conveyance and the Exceptions to Conveyance and Warranty, grants, sells, and conveys to Grantee the Property, together with all and singular the rights and appurtenances thereto in any way belonging, to have and to hold it to Grantee and Grantee's heirs, successors, and assigns forever. Grantor binds Grantor and Grantor's heirs and successors to warrant and forever defend all and singular the Property to Grantee and Grantee's heirs, successors, and assigns against every person whomsoever lawfully claiming or to claim the same or any part thereof when the claim is by, through, or under Grantor but not otherwise, except as to the Reservations from Conveyance and the Exceptions to Conveyance and Warranty.

When the context requires, singular nouns and pronouns include the plural.

GRANTOR

CITY OF FORT WORTH

[Signature]
Jesus J. Chapa, Assistant City Manager

Approved as to Form and Legality

[Signature]
Igann Guzman, Sr. Assistant City Attorney Section Chief

GRANTEE: Mistletoe Station, LLC
a Texas limited liability company

By: Saigebrook Mistletoe, LLC
a Texas limited liability company, its Managing Member

By:
Lisa Stephens, President
After Recording Please Return to:
City of Fort Worth – Real Property Management
200 Texas Street
Fort Worth, TX 76102
ACKNOWLEDGEMENT

THE STATE OF TEXAS §
COUNTY OF TARRANT §

BEFORE ME, the undersigned authority, on this day personally appeared Jesus J. Cruz, known to me to be the person and officer whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same as the act and deed and on behalf of the City of Fort Worth, a municipal corporation of Tarrant County, Texas, for the purposes and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this 29 day of August, 2018.

LINDA M. HURLINGER
My Notary ID # 124144748
Expires February 2, 2022

Linda M. Hurlinger
Notary Public in the State of Texas

ACKNOWLEDGEMENT

THE STATE OF TEXAS §
COUNTY OF Travis §

BEFORE ME, the undersigned authority, a Notary Public in and for the State of Texas, on this day personally appeared Lisa Stephens, known to me to the same person whose name is subscribed to the foregoing instrument, and acknowledged to me that the same was the act of MistlerStation, and that he/she executed the same as the act of MistlerStation, Inc., the purposes and consideration therein expressed and in the capacity therein stated.

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

SANDRA LETICIA DE LA CRUZ
My Notary ID # 131510961
Comm. Expires 03-29-2022
Notary Public in the State of Texas
Exhibit “A”
Legal Description of Property

Being a tract or parcel of land situated in the E.S. Harris Survey Abstract No. 688, City of Fort Worth, Tarrant County, Texas and being all of that tract of land described in deed to the City of Fort Worth as recorded in Volume 3418, Page 632 D.R.T.C.T. and being part of that called 0.4304 acre tract of land described in City of Fort Worth Ordinance No. 23278-06-2018 Vacating and Extinguishing a portion of Beckham Place and being more particularly described below:

BEGINNING at a 3/4-inch found iron rod for the southeast corner of said City of Fort Worth tract, being on the north right of way line of Mistletoe Boulevard (a variable width right of way);

THENCE North 89 degrees 22 minutes 55 seconds West, along said north right of way line, a distance of 50.32 feet to a point for corner at the intersection of said north right of way line with the east right of way line of Burlington Northern Santa Fe Railroad (100 foot wide right-of-way); THENCE North 06 degrees 00 minutes 10 seconds West, departing said north right of way line and along said east right of way line, a distance of 27.87 feet to a point for corner;

THENCE North 57 degrees 36 minutes 24 seconds East, departing said east right of way line, a distance of 54.84 feet to a point for corner; THENCE South 06 degrees 51 minutes 00 seconds East, a distance of 58.06 feet to the POINT OF BEGINNING AND CONTAINING 2,133 square feet or 0.0490 acres of land, more or less.
2018 HTC
Full Application

Part 2 Tab 12

Supporting Documents:
Title Policy
Owner's Policy of Title Insurance T-1

Any notice of claim and any other notice or statement in writing required to be given the Company under this Policy must be given to the Company at the address shown in Section 18 of the Conditions.

COVERED RISKS

SUBJECT TO THE EXCLUSIONS FROM COVERAGE, THE EXCEPTIONS FROM COVERAGE CONTAINED IN SCHEDULE B AND THE CONDITIONS, FIRST AMERICAN TITLE INSURANCE COMPANY, a Nebraska corporation (the “Company”) insures, as of Date of Policy and, to the extent stated in Covered Risks 9 and 10, after Date of Policy, against loss or damage, not exceeding the Amount of Insurance, sustained or incurred by the Insured by reason of:

1. Title being vested other than as stated in Schedule A.
2. Any defect in or lien or encumbrance on the Title. This Covered Risk includes but is not limited to insurance against loss from:
   (a) A defect in the Title caused by:
      (i) forgery, fraud, undue influence, duress, incompetency, incapacity or impersonation;
      (ii) failure of any person or Entity to have authorized a transfer or conveyance;
      (iii) a document affecting Title not properly created, executed, witnessed, sealed, acknowledged, notarized or delivered;
      (iv) failure to perform those acts necessary to create a document by electronic means authorized by law;
      (v) a document executed under a falsified, expired or otherwise invalid power of attorney;
      (vi) a document not properly filed, recorded or indexed in the Public Records including failure to perform those acts by electronic means authorized by law; or
      (vii) a defective judicial or administrative proceeding.
   (b) The lien of real estate taxes or assessments imposed on the Title by a governmental authority due or payable, but unpaid.
   (c) Any encroachment, encumbrance, violation, variation, or adverse circumstance affecting the Title that would be disclosed by an accurate and complete land survey of the Land. The term “encroachment” includes encroachments of existing improvements located on the Land onto adjoining land, and encroachments onto the Land of existing improvements located on adjoining land.
   (d) Any statutory or constitutional mechanic’s, contractor’s, or materialman’s lien for labor or materials having its inception on or before Date of Policy.
3. Lack of good and indefeasible Title.
4. No right of access to and from the Land.

(Covered Risks Continued on Page 2)

In Witness Whereof, First American Title Insurance Company has caused its corporate name to be hereunto affixed by its authorized officers as of Date of Policy shown in Schedule A.

First American Title Insurance Company

[Signatures]

Dennis J. Gilmore
President

Jeffrey S. Robinson
Secretary

(This Policy is valid only when Schedules A and B are attached)

TX T-1 Owner’s Policy of Title Insurance (Rev. 1-3-14)

Texas
COVERED RISKS (Continued)

5. The violation or enforcement of any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting or relating to:
   (a) the occupancy, use or enjoyment of the Land;
   (b) the character, dimensions or location of any improvement erected on the Land;
   (c) subdivision of land; or
   (d) environmental protection

   If a notice, describing any part of the Land, is recorded in the Public Records setting forth the violation or intention to enforce, but only to the extent of the violation or enforcement referred to in that notice.

6. An enforcement action based on the exercise of a governmental police power not covered by Covered Risk 5 if a notice of the enforcement action, describing any part of the Land, is recorded in the Public Records, but only to the extent of the enforcement referred to in that notice.

7. The exercise of the rights of eminent domain if a notice of the exercise, describing any part of the Land, is recorded in the Public Records.

8. Any taking by a governmental body that has occurred and is binding on the rights of a purchaser for value without Knowledge.

9. Title being vested other than as stated in Schedule A or being defective:
   (a) as a result of the avoidance in whole or in part, or from a court order providing an alternative remedy, of a transfer of all or any part of the title to or any interest in the Land occurring prior to the transaction vesting Title as shown in Schedule A because that prior transfer constituted a fraudulent or preferential transfer under federal bankruptcy, state insolvency or similar creditors' rights laws; or
   (b) because the instrument of transfer vesting Title as shown in Schedule A constitutes a preferential transfer under federal bankruptcy, state insolvency or similar creditors' rights laws by reason of the failure of its recording in the Public Records:
      (i) to be timely, or
      (ii) to impart notice of its existence to a purchaser for value or a judgment or lien creditor.

10. Any defect in or lien or encumbrance on the Title or other matter included in Covered Risks 1 through 9 that has been created or attached or has been filed or recorded in the Public Records subsequent to Date of Policy and prior to the recording of the deed or other instrument of transfer in the Public Records that vests Title as shown in Schedule A.

The Company will also pay the costs, attorneys' fees and expenses incurred in defense of any matter insured against by this Policy, but only to the extent provided in the Conditions.

EXCLUSIONS FROM COVERAGE

The following matters are expressly excluded from the coverage of this policy and the Company will not pay loss or damage, costs, attorneys' fees or expenses that arise by reason of:

1. (a) Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting or relating to:
   (i) the occupancy, use, or enjoyment of the Land;
   (ii) the character, dimensions or location of any improvement erected on the Land;
   (iii) subdivision of land; or
   (iv) environmental protection;

   or the effect of any violation of these laws, ordinances or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5.
   (b) Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 6.

2. Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.

3. Defects, liens, encumbrances, adverse claims or other matters:
   (a) created, suffered, assumed or agreed to by the Insured Claimant;
   (b) not Known to the Company, not recorded in the Public Records at Date of Policy, but Known to the Insured Claimant

   and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;
   (c) resulting in no loss or damage to the Insured Claimant;
   (d) attaching or created subsequent to Date of Policy (however, this does not modify or limit the coverage provided under Covered Risk 9 and 10); or
   (e) resulting in loss or damage that would not have been sustained if the Insured Claimant had paid value for the Title.

4. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that the transaction vesting the Title as shown in Schedule A, is:
   (a) a fraudulent conveyance or fraudulent transfer; or
   (b) a preferential transfer for any reason not stated in Covered Risk 9 of this policy.

5. Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching between Date of Policy and the date of recording of the deed or other instrument of transfer in the Public Records that vests Title as shown in Schedule A.

6. The refusal of any person to purchase, lease or lend money on the estate or interest covered hereby in the land described in Schedule A because of Unmarketable Title.
1. DEFINITION OF TERMS.

The following terms when used in this policy mean:

(a) "Amount of Insurance": the amount stated in Schedule A, as may be increased or decreased by endorsement to this policy, increased by Section 8(b), or decreased by Sections 10 and 11 of these Conditions.

(b) "Date of Policy": the date designated as "Date of Policy" in Schedule A.

(c) "Entity": A corporation, partnership, trust, limited liability company or other similar legal entity.

(d) "Insured": the insured named in Schedule A.

(i) The term "Insured" also includes:

(A) successors to the Title of the Insured by operation of law as distinguished from purchase, including heirs, devisees, survivors, personal representatives or next of kin;

(B) successors to an Insured by dissolution, merger, consolidation, distribution or reorganization;

(C) successors to an Insured by its conversion to another kind of Entity;

(D) a grantee of an Insured under a deed delivered without payment of actual valuable consideration conveying the Title;

(1) If the stock, shares, memberships, or other equity interests of the grantee are wholly-owned by the named Insured,

(2) If the grantee wholly owns the named Insured,

(3) If the grantee is wholly-owned by an affiliated Entity of the named Insured, provided the affiliated Entity and the named Insured are both wholly-owned by the same person or Entity, or

(4) If the grantee is a trustee or beneficiary of a trust created by a written instrument established by the Insured named in Schedule A for estate planning purposes.

(ii) With regard to (A), (B), (C) and (D) reserving, however, all rights and defenses as to any successor that the Company would have had against any predecessor Insured.

(e) "Insured Claimant": an Insured claiming loss or damage.

(f) "Knowledge" or "Known": actual knowledge, not constructive knowledge or notice that may be imputed to an Insured by reason of the Public Records or any other records that impart constructive notice of matters affecting the Title.

(g) "Land": the land described in Schedule A, and affixed improvements that by law constitute real property. The term "Land" does not include any property beyond the lines of the area described in Schedule A, nor any right, title, interest, estate or easement in abutting streets, roads, avenues, alleys, lanes, ways or waterways, but this does not modify or limit the extent that a right of access to and from the Land is insured by this policy.

(h) "Mortgage": mortgage, deed of trust, trust deed, or other security instrument, including one evidenced by electronic means authorized by law.

(i) "Public Records": records established under state statutes at Date of Policy for the purpose of imparting constructive notice of matters relating to real property to purchasers for value and without Knowledge. With respect to Covered Risk 5(d), "Public Records" shall also include environmental protection liens filed in the records of the clerk of the United States District Court for the district where the Land is located.

(j) "Title": the estate or interest described in Schedule A.

(k) "Unmarketable Title": Title affected by an alleged or apparent matter that would permit a prospective purchaser or lessee of the Title or lender on the Title to be released from the obligation to purchase, lease or lend if there is a contractual condition requiring the delivery of marketable title.

2. CONTINUATION OF INSURANCE.

The coverage of this policy shall continue in force as of Date of Policy in favor of an Insured, but only so long as the Insured retains an estate or interest in the Land, or holds an obligation secured by a purchase money Mortgage given by a purchaser from the Insured, or only so long as the Insured shall have liability by reason of warranties in any transfer or conveyance of the Title. This policy shall not continue in force in favor of any purchaser from the Insured of either (i) an estate or interest in the Land, or (ii) an obligation secured by a purchase money Mortgage given to the Insured.

3. NOTICE OF CLAIM TO BE GIVEN BY INSURED CLAIMANT.

The Insured shall notify the Company promptly in writing (i) in case of any litigation as set forth in Section 5(a) below, or (ii) in case Knowledge shall come to an Insured hereunder of any claim of title or interest that is adverse to the Title, as insured, and that might cause loss or damage for which the Company may be liable by virtue of this policy. If the Company is prejudiced by the failure of the Insured Claimant to provide prompt notice, the Company's liability to the Insured Claimant under the policy shall be reduced to the extent of the prejudice.

When, after the Date of the Policy, the Insured notifies the Company as required herein of a lien, encumbrance, adverse claim or other defect in Title insured by this policy that is not excluded or excepted from the coverage of this policy, the Company shall promptly investigate the charge to determine whether the lien, encumbrance, adverse claim or defect or other matter is valid and not barred by law or statute. The Company shall notify the Insured in writing, within a reasonable time, of its determination as to the validity or invalidity of the Insured's claim or charge under the policy. If the Company concludes that the lien, encumbrance, adverse claim or defect is not covered by this policy, or was otherwise addressed in the closing of the transaction in connection with which this policy was issued, the Company shall specifically advise the Insured of the reasons for its determination. If the Company concludes that the lien, encumbrance, adverse claim or defect is valid, the Company shall take one of the following actions: (i) institute the necessary proceedings to clear the lien, encumbrance, adverse claim or defect from the Title as insured; (ii) indemnify the Insured as provided in this policy; (iii) upon payment of appropriate premium and charges therefor, issue to the Insured Claimant or to a subsequent owner, mortgagor or holder of the estate or interest in the Land insured by this policy, a policy of
CONDITIONS (Continued)

In the event the Company is unable to determine the amount of loss or damage, the Company may, at its option, require as a condition of payment that the Insured Claimant furnish a signed proof of loss. The proof of loss must describe the defect, lien, encumbrance or other matter insured against by this policy that constitutes the basis of loss or damage and shall state, to the extent possible, the basis of calculating the amount of the loss or damage.

5. DEFENSE AND PROSECUTION OF ACTIONS.

(a) Upon written request by the Insured, and subject to the options contained in Sections 3 and 7 of these Conditions, the Company, at its own cost and without unreasonable delay, shall provide for the defense of an Insured in litigation in which any third party asserts a claim covered by this policy adverse to the Insured. This obligation is limited to only those stated causes of action alleging matters insured against by this policy. The Company shall have the right to select counsel of its choice (subject to the right of the Insured to object for reasonable cause) to represent the Insured as to those stated causes of action. It shall not be liable for and will not pay the fees of any other counsel. The Company will not pay any fees, costs or expenses incurred by the Insured in the defense of those causes of action that allege matters not insured against by this policy.

(b) The Company shall have the right, in addition to the options contained in Sections 3 and 7, at its own cost, to institute and prosecute any action or proceeding or to do any other act that in its opinion may be necessary or desirable to establish the Title, as insured, or to prevent or reduce loss or damage to the Insured. The Company may take any appropriate action under the terms of this policy, whether or not it shall be liable to the Insured. The exercise of these rights shall not be an admission of liability or waiver of any provision of this policy. If the Company exercises its rights under this subsection, it must do so diligently.

(c) Whenever the Company brings an action or asserts a defense as required or permitted by this policy, the Company may pursue the litigation to a final determination by a court of competent jurisdiction and it expressly reserves the right, in its sole discretion, to appeal from any adverse judgment or order.

6. DUTY OF INSURED CLAIMANT TO COOPERATE.

(a) In all cases where this policy permits or requires the Company to prosecute or provide for the defense of any action or proceeding and any appeals, the Insured shall secure to the Company the right to so prosecute or provide defense in the action or proceeding, including the right to use, at its option, the name of the Insured for this purpose. Whenever requested by the Company, the Insured, at the Company's expense, shall give the Company all reasonable aid (i) in securing evidence, obtaining witnesses, prosecuting or defending the action or proceeding, or effecting settlement, and (ii) in any other lawful act that in the opinion of the Company may be necessary or desirable to establish the Title or any other matter as insured. If the Company is prejudiced by the failure of the Insured to furnish the required cooperation, the Company's obligations to the Insured under the policy shall terminate, including any liability or obligation to defend, prosecute, or continue any litigation, with regard to the matter or matters requiring such cooperation.

(b) The Company may reasonably require the Insured Claimant to submit to examination under oath by any authorized representative of the Company and to produce for examination, inspection and copying, at such reasonable times and places as may be designated by the authorized representative of the Company, all records, in whatever medium maintained, including books, ledgers, checks, memoranda, correspondence, reports, e-mails, disks, tapes, and videos whether bearing a date before or after Date of Policy, that reasonably pertain to the loss or damage. Further, if requested by any authorized representative of the Company, the Insured Claimant shall grant its permission, in writing, for any authorized representative of the Company to examine, inspect and copy all of those records in the custody or control of a third party that reasonably pertain to the loss or damage. All information designated as confidential by the Insured Claimant provided to the Company pursuant to this Section shall not be disclosed to others unless, in the reasonable judgment of the Company, it is necessary in the administration of the claim. Failure of the Insured Claimant to submit for examination under oath, produce any reasonably requested information, or grant permission to secure reasonably necessary information from third parties as required in this subsection, unless prohibited by law or governmental regulation, shall terminate any liability of the Company under this policy as to that claim.

7. OPTIONS TO PAY OR OTHERWISE SETTLE CLAIMS; TERMINATION OF LIABILITY.

In case of a claim under this policy, the Company shall have the following additional options:

(a) To Pay or Tender Payment of the Amount of Insurance.

To pay or tender payment of the Amount of Insurance under this policy together with any costs, attorneys' fees and expenses incurred by the Insured Claimant that were authorized by the Company up to the time of payment or tender of payment and that the Company is obligated to pay.

Upon the exercise by the Company of this option, all liability and obligations of the Company to the Insured under this policy, other than to make the payment required in this subsection, shall terminate, including any liability or obligation to defend, prosecute, or continue any litigation.

(b) To Pay or Otherwise Settle With Parties Other than the Insured or With the Insured Claimant.

(i) To pay or otherwise settle with other parties for or in the name of an Insured Claimant any claim insured against under this policy. In addition, the Company will pay any costs, attorneys' fees and expenses incurred by the Insured Claimant that were authorized by the Company up to the time of payment and that the Company is
obligated to pay; or

(ii) to pay or otherwise settle with the Insured Claimant the loss or damage provided for under this policy, together with any costs, attorneys’ fees and expenses incurred by the Insured Claimant that were authorized by the Company up to the time of payment and that the Company is obligated to pay. Upon the exercise by the Company of either of the options provided for in subsections (b)(i) or (ii), the Company’s obligations to the Insured under this policy for the claimed loss or damage, other than the payments required to be made, shall terminate, including any liability or obligation to defend, prosecute or continue any litigation.

8. DETERMINATION AND EXTENT OF LIABILITY.

This policy is a contract of indemnity against actual monetary loss or damage sustained or incurred by the Insured Claimant who has suffered loss or damage by reason of matters insured against by this policy.

(a) The extent of liability of the Company for loss or damage under this policy shall not exceed the lesser of:

(i) the Amount of Insurance; or

(ii) the difference between the value of the Title as insured and the value of the Title subject to the risk insured against by this policy.

(b) If the Company pursues its rights under Section 3 or 5 and is unsuccessful in establishing the Title, as insured,

(i) the Amount of Insurance shall be increased by 10%, and

(ii) the Insured Claimant shall have the right to have the loss or damage determined either as of the date the claim was made by the Insured Claimant or as of the date it is settled and paid.

(c) In addition to the extent of liability under (a) and (b), the Company will also pay those costs, attorneys’ fees and expenses incurred in accordance with Sections 5 and 7 of these Conditions.

9. LIMITATION OF LIABILITY.

(a) If the Company establishes the Title, or removes the alleged defect, lien or encumbrance, or cures the lack of a right of access to or from the Land, all as insured, or takes action in accordance with Section 3 or 7, in a reasonably diligent manner by any method, including litigation and the completion of any appeals, it shall have fully performed its obligations with respect to that matter and shall not be liable for any loss or damage caused to the Insured.

(b) In the event of any litigation, including litigation by the Company or with the Company’s consent, the Company shall have no liability for loss or damage until there has been a final determination by a court of competent jurisdiction, and disposition of all appeals, adverse to the Title, as insured.

(c) The Company shall not be liable for loss or damage to the Insured for liability voluntarily assumed by the Insured in settling any claim or suit without the prior written consent of the Company.

10. REDUCTION OF INSURANCE; REDUCTION OR TERMINATION OF LIABILITY.

All payments under this policy, except payments made for costs, attorneys’ fees and expenses, shall reduce the Amount of Insurance by the amount of the payment.

11. LIABILITY NONCUMULATIVE.

The Amount of Insurance shall be reduced by any amount the Company pays under any policy insuring a Mortgage to which exception is taken in Schedule B or to which the Insured has agreed, assumed, or taken subject or which is executed by an Insured after Date of Policy and which is a charge or lien on the Title, and the amount so paid shall be deemed a payment to the Insured under this policy.

12. PAYMENT OF LOSS.

When liability and the extent of loss or damage have been definitely fixed in accordance with these Conditions, the payment shall be made within 30 days.

13. RIGHTS OF RECOVERY UPON PAYMENT OR SETTLEMENT.

(a) Whenever the Company shall have settled and paid a claim under this policy, it shall be subrogated and entitled to the rights of the Insured Claimant in the Title and all other rights and remedies in respect to the claim that the Insured Claimant has against any person or property, to the extent of the amount of any loss, costs, attorneys’ fees and expenses paid by the Company. If requested by the Company, the Insured Claimant shall execute documents to evidence the transfer to the Company of these rights and remedies. The Insured Claimant shall permit the Company to sue, compromise or settle in the name of the Insured Claimant and to use the name of the Insured Claimant in any transaction or litigation involving these rights and remedies.

If a payment on account of a claim does not fully cover the loss of the Insured Claimant, the Company shall defer the exercise of its right to recover until after the Insured Claimant shall have recovered its loss.

(b) The Company’s right of subrogation includes the rights of the Insured to indemnities, guaranties, other policies of insurance or bonds, notwithstanding any terms or conditions contained in those instruments that address subrogation rights.

14. ARBITRATION.

Either the Company or the Insured may demand that the claim or controversy shall be submitted to arbitration pursuant to the Title Insurance Arbitration Rules of the American Land Title Association ("Rules"). Except as provided in the Rules, there shall be no joinder or consolidation with claims or controversies of other persons. Arbitrable matters may include, but are not limited to, any controversy or claim between the Company and the Insured arising out of or relating to this policy, any service in connection with its issuance or the breach of a policy provision, or to any other controversy or claim arising out of the transaction giving rise to this policy. All arbitrable matters when the Amount of Insurance is $2,000,000 or less shall be arbitrated at the option of either the Company or the Insured, unless the Insured is an individual person (as distinguished from an Entity). All arbitrable matters when the Amount of Insurance is in excess of $2,000,000 shall be arbitrated only when agreed to by both the Company and the Insured. Arbitration pursuant to this policy and under the Rules shall be binding upon the parties. Judgment upon the award rendered by the Arbitrator(s) may be entered in any court of competent jurisdiction.
15. LIABILITY LIMITED TO THIS POLICY; POLICY ENTIRE CONTRACT.
   (a) This policy together with all endorsements, if any, attached to it by the Company is the entire policy and contract between the Insured and the Company. In interpreting any provision of this policy, this policy shall be construed as a whole.
   (b) Any claim of loss or damage that arises out of the status of the Title or by any action asserting such claim, shall be restricted to this policy.
   (c) Any amendment or endorsement to this policy must be in writing and authenticated by an authorized person, or expressly incorporated by Schedule A of this policy.
   (d) Each endorsement to this policy issued at any time is made a part of this policy and is subject to all of its terms and provisions. Except as the endorsement expressly states, it does not (i) modify any of the terms and provisions of the policy, (ii) modify any prior endorsement, (iii) extend the Date of Policy or (iv) increase the Amount of Insurance. Each Commitment, endorsement or other form, or provision in the Schedules to this policy that refers to a term defined in Section 1 of the Conditions shall be deemed to refer to the term regardless of whether the term is capitalized in the Commitment, endorsement or other form, or Schedule. Each Commitment, endorsement or other form, or provision in the Schedules that refers to the Conditions and Stipulations shall be deemed to refer to the Conditions of this policy.

16. SEVERABILITY.
   In the event any provision of this policy, in whole or in part, is held invalid or unenforceable under applicable law, the policy shall be deemed not to include that provision or such part held to be invalid and all other provisions shall remain in full force and effect.

17. CHOICE OF LAW; FORUM.
   (a) Choice of Law: The Insured acknowledges the Company has underwritten the risks covered by this policy and determined the premium charged therefor in reliance upon the law affecting interests in real property and applicable to the interpretation, rights, remedies or enforcement of policies of title insurance of the jurisdiction where the Land is located.
   Therefore, the court or an arbitrator shall apply the law of the jurisdiction where the Land is located to determine the validity of claims against the Title that are adverse to the insured, and in interpreting and enforcing the terms of this policy. In neither case shall the court or arbitrator apply its conflicts of laws principles to determine the applicable law.
   (b) Choice of Forum: Any litigation or other proceeding brought by the Insured against the Company must be filed only in a state or federal court within the United States of America or its territories having appropriate jurisdiction.

18. NOTICES, WHERE SENT.
   Any notice of claim and any other notice or statement in writing required to be given to the Company under this Policy must be given to the Company at First American Title Insurance Company, Attn: Claims National Intake Center, 1 First American Way, Santa Ana, California 92707. Phone: 888-632-1642.

First American Title
Name and Address of Title Insurance Company:
First American Title Insurance Company, 1 First American Way, Santa Ana, CA 92707.

File No.: NCS-829873-ORL

Date of Policy: September 4, 2018 at 3:02 P.M.

Address for Reference only: 1916 Mistletoe Boulevard, Fort Worth, TX 76104

Amount of Insurance: $27,960,472.00  Premium: $93,138.00

1. Name of Insured:
   Mistletoe Station, LLC, a Texas limited liability company

2. The estate or interest in the Land that is insured by this policy is:
   Fee Simple

3. Title is insured as vested in:
   Mistletoe Station, LLC, a Texas limited liability company

4. The land referred to in this policy is described as follows:

   **TRACT I:**

   LOT 1-R1, BLOCK 3R, OF FRISCO ADDITION, TO THE CITY OF FORT WORTH, TARRANT COUNTY, TEXAS, ACCORDING TO THE MAP OR PLAT THEREOF, RECORDED UNDER COUNTY CLERK’S FILE NO. D212125731, REAL PROPERTY RECORDS, TARRANT COUNTY, TEXAS.

   ALSO KNOWN AS

   **TRACT I:**

   BEING a tract of land in the E.S. Harris Survey, Abstract No. 688 in the City of Fort Worth, Tarrant County, Texas, being a part of that tract of land described as Tract 1 in Special Warranty Deed to 1700 Mistletoe Partners, Ltd., as recorded in County Clerk’s Document No. D207136848 in the Official Records of Tarrant County, Texas (O.R.T.C.T.), being all of Lot 1-R1 of Lots 1-R1 and 1-R2, Block 3R, Frisco Addition, an addition to the City of Fort Worth, Tarrant County, Texas, as recorded in County Clerk’s Document No. D212125731 O.R.T.C.T., being a part of Beckham Place (variable width right-of-way) and being more particularly described as follows:
BEGINNING at the northeast corner of said Lot 1-R1, from which a 1/2-inch found iron rod with plastic cap stamped "AREA SURVEYING" bears North 48 degrees 50 minutes 32 seconds East, a distance of 0.25 feet, and being on the south right-of-way line of Beckham Place (a variable width right-of-way);

THENCE South 00 degrees 42 minutes 24 seconds East, a distance of 203.93 feet to a 5/8-inch found iron rod for the southeast corner of said Lot 1-R1, being on the north right-of-way line of Mistletoe Boulevard (a variable width right-of-way);

THENCE North 89 degrees 22 minutes 55 seconds West, passing a 1/2-inch found iron rod with plastic cap stamped "GRANT ENG RPLS 4151" for the south end of a corner clip of said Lot 1-R-1 at a distance of 212.37 feet, and continuing for a total a distance of 222.37 feet to a 3/4-inch found iron rod for corner at the intersection of the projected said north right-of-way line and the projected east right-of-way line of said Beckham Place;

THENCE North 06 degrees 51 minutes 00 seconds West, passing a 1/2-inch found iron rod with plastic cap stamped "GRANT ENG RPLS 4151" for the north end of a corner clip of said Lot 1-R-1 at a distance of 10.00 feet, passing a 1/2-inch found iron rod with plastic cap stamped "GRANT ENG RPLS 4151" for the south end of a corner clip of said Lot 1-R-1 at a distance of 48.06 feet, and continuing for a total distance of 58.06 feet to a point for corner;

THENCE North 57 degrees 36 minutes 24 seconds East, passing a 1/2-inch found iron rod with plastic cap stamped "GRANT ENG RPLS 4151" for the north end of a corner clip of said Lot 1-R-1 at a distance of 10.00 feet, and continuing for a total distance of 268.55 feet to the POINT OF BEGINNING AND CONTAINING 29,702 square feet or 0.6819 acres of land, more or less.

TRACT II:

DESCRIPTION FOR A PART OF BLOCK B OF MISTLETOE HEIGHTS, AN ADDITION IN THE CITY OF FORT WORTH, TARRANT COUNTY, TEXAS, AS SAID BLOCK APPEARS UPON THE MAP RECORDED IN VOLUME 388, PAGE 5 OF THE TARRANT COUNTY DEED RECORDS AND EMBRACING A PORTION OF THE TRACT DESCRIBED IN THE DEED TO L. E. TREZEVANT RECORDED IN VOLUME 1929, PAGE 240 OF SAID DEED RECORDS, AND BEING DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

BEGINNING AT AN AXLE FOUND FOR THE SOUTHEAST CORNER OF SAID BLOCK B IN THE NORTH LINE OF BECKHAM PLACE AND BEING THE SOUTHWEST CORNER OF LOT 6 OF TREZEVANT SUBDIVISION, SAID AXLE BEING THE SOUTHEAST CORNER OF SAID TREZEVANT TRACT;

THENCE SOUTH 59 DEGREES 33 MINUTES 00 SECONDS WEST, ALONG THE SOUTH LINE OF SAID TREZEVANT TRACT AND THE SAID NORTH LINE OF BECKHAM PLACE, 129.99 FEET TO A ¾" IRON PIN FOUND FOR THE SOUTHERLY SOUTHEAST CORNER OF THE TRACT DESCRIBED IN THE DEED TO HELEN J. WILLIAMS, RECORDED IN VOLUME 5619, PAGE 93 OF THE SAID DEED RECORDS;

THENCE NORTH 11 DEGREES 22 MINUTES 00 SECONDS WEST, ALONG THE SOUTHERLY EAST LINE OF SAID WILLIAMS TRACT 164.10 FEET TO A ½" IRON PIN SET WITH CAP MARKED, "AREA SURVEYING" FOR CORNER;

THENCE NORTH 83 DEGREES 52 MINUTES 00 SECONDS EAST, ALONG A NORTHERLY SOUTH LINE OF SAID WILLIAMS TRACT, 82.64 FEET TO A ½" IRON PIN SET WITH CAP MARKED, "AREA SURVEYING" FOR THE NORTHERLY SOUTHEAST CORNER OF SAID WILLIAMS TRACT;

THENCE NORTH 03 DEGREES 57 MINUTES 00 SECONDS WEST, ALONG AN EAST LINE OF SAID WILLIAMS TRACT, 16.77 FEET TO A ½" IRON PIN SET WITH CAP MARKED, "AREA SURVEYING" FOR THE MOST SOUTHERLY SOUTHWEST CORNER OF LOT 1, BLOCK B-R, MISTLETOE HEIGHTS, ACCORDING TO PLAT RECORDED IN VOLUME 388-160, PAGE 1, PLAT RECORDS, TARRANT COUNTY, TEXAS;
THENENCE NORTH 86 DEGREES 05 MINUTES 23 SECONDS EAST, ALONG THE SOUTH LINE OF SAID LOT 1, 54.56 FEET TO A ¾ INCH IRON PIN FOUND FOR THE NORTHWEST CORNER OF LOT 7 OF TREZEVANT SUBDIVISION;

THENENCE SOUTH 04 DEGREES 07 MINUTES 19 SECONDS EAST, ALONG THE EAST LINE SAID TREZEVANT TRACT AND THE WEST LINE OF TREZEVANT SUBDIVISION, 124.61 FEET TO THE POINT OF BEGINNING AND CONTAINING 0.424 OF AN ACRE OF LAND.

ALSO KNOWN AS:

TRACT II:

BEING a tract of land in the E.S. Harris Survey, Abstract No. 688 in the City of Fort Worth, Tarrant County, Texas, being all of that called 0.424 acre tract of land described in General Warranty Deed With Mineral Reservations to 1700 Mistletoe Partners, Ltd., as recorded in County Clerk’s Document No. D207307960 in the Official Records of Tarrant County, Texas (O.R.T.C.T.), and being more particularly described as follows:

BEGINNING at a found axle for the southeast corner of said 0.424 acre tract, being on the north right-of-way line of Beckham Place (a variable width right-of-way);

THENENCE South 59 degrees 40 minutes 50 seconds West, along said north right-of-way line, a distance of 129.99 feet to a 3/4-inch found iron rod for the common southeast corner of that tract of land described in Warranty Deed to All Saints Episcopal Hospital of Fort Worth, Inc., as recorded in Volume 10876, Page 1719 O.R.T.C.T. and the southwest corner of said 0.424 acre tract;

THENENCE North 11 degrees 14 minutes 10 seconds West, departing said north right-of-way line, a distance of 164.21 feet to the common northwest corner of said 0.424 acre tract of land and an ell corner of said All Saints tract;

THENENCE North 83 degrees 59 minutes 50 seconds East, a distance of 82.91 feet to a common ell corner of said All Saints tract and said called 0.424 acre tract of land;

THENENCE North 03 degrees 50 minutes 10 seconds West, a distance of 16.58 feet to a 5/8-inch found iron rod for an ell corner of said 0.424 acre tract of land, the most southerly southwest corner of Lot 1 in Block B-R of Mistletoe Heights as recorded in Volume 388-160, Page 1 in the Plat Records of Tarrant County, Texas, and being on the east line of said All Saints tract;

THENENCE North 86 degrees 13 minutes 12 seconds East, a distance of 54.54 feet to a 5/8-inch found iron rod for the northeast corner of said called 0.424 acre tract of land, and being on the south line of said Lot 1;

THENENCE South 03 degrees 53 minutes 11 seconds East, a distance of 124.54 feet to the POINT OF BEGINNING AND CONTAINING 18,495 square feet or 0.4246 acres of land, more or less.

TRACT III:

BEING A PART OF BLOCK "B" OF MISTLETOE HEIGHTS ADDITION TO THE CITY OF FORT WORTH, TARRANT COUNTY, TEXAS, ACCORDING TO PLAT RECORDED IN VOLUME 388, PAGE 5, DEED RECORDS OF TARRANT COUNTY, TEXAS, SAID PART OF BLOCK "B" BEING DESCRIBED BY METES AND BOUNDS AS FOLLOWS:


THENENCE NORTH 6 DEGREES 08 MINUTES WEST, ALONG SAID BLOCK LINE AND RIGHT-OF-WAY LINE, 402.2 FEET TO AN IRON;
THENCE NORTH 83 DEGREES 52 MINUTES EAST 98 FEET TO AN IRON;

THENCE SOUTH 6 DEGREES 08 MINUTES EAST 45 FEET TO AN IRON;

THENCE NORTH 83 DEGREES 52 MINUTES EAST 110-7/10 FEET TO AN IRON;

THENCE SOUTH 3 DEGREES 57 MINUTES EAST 132-1/10 FEET TO AN IRON;

THENCE SOUTH 83 DEGREES 52 MINUTES WEST 82-6/10 FEET TO AN IRON;

THENCE SOUTH 11 DEGREES 22 MINUTES EAST 164-4/10 FEET TO AN IRON IN THE SOUTH LINE OF
SAID BLOCK B;

THENCE SOUTH 59 DEGREES 33 MINUTES WEST, ALONG SAID SOUTH LINE OF BLOCK B, 149-3/10
FEET TO THE PLACE OF BEGINNING.

ALSO KNOWN AS:

TRACT III:

BEING a tract of land in the E.S. Harris Survey, Abstract No. 688 in the City of Fort Worth, Tarrant
County, Texas, being all of that tract of land described in Warranty Deed to All Saints Episcopal Hospital
of Fort Worth, Inc., as recorded in Volume 10876, Page 1719 in the Official Records of Tarrant County,
Texas (O.R.T.C.T.), and being more particularly described as follows:

BEGINNING at a 1/2-inch found iron rod with plastic cap stamped "FULTON SURVEYING" for the common
northwest corner of said All Saints tract, the most westerly southwest corner of Lot 1 in Block B-R of
Mistletoe Heights as recorded in Volume 388-160, Page 1 in the Plat Records of Tarrant County, Texas,
and being on the east line of Burlington Northern Santa Fe Railroad (100 foot wide right-of-way);

THENCE North 84 degrees 06 minutes 47 seconds East, along the common line between said All Saints
tract and said Lot 1, a distance of 98.08 feet to a 1/2-inch found iron rod with plastic cap stamped
"GRANT ENG RPLS 4151" for a common ell corner of said All Saints tract and said Lot 1;

THENCE South 06 degrees 21 minutes 44 seconds East, continuing along said common line, a distance of
44.82 feet to a 1/2-inch found iron rod with plastic cap stamped "GRANT ENG RPLS 4151" for a common
ell corner of said All Saints tract and said Lot 1;

THENCE North 84 degrees 04 minutes 15 seconds East, continuing along said common line, a distance of
110.60 feet to a 5/8-inch found iron rod for the northeast corner of said All Saints tract and an ell corner
of said Lot 1;

THENCE South 03 degrees 50 minutes 10 seconds East, along the east line of said All Saints tract,
passing a 5/8-inch found iron rod for the most southerly southwest corner of said Lot 1, and an ell corner
of that called 0.424 acre tract of land described in General Warranty Deed With Mineral Reservations to
1700 Mistletoe Partners, Ltd., as recorded in County Clerk’s Document No. D207307960 O.R.T.C.T. at a
distance of 115.35 feet and continuing for a total distance of 131.94 feet to a point for a common ell
corner of said All Saints tract and said called 0.424 acre tract of land;

THENCE South 83 degrees 59 minutes 50 seconds West, departing said east line, a distance of 82.91
feet to the common northwest corner of said 0.424 acre tract of land and an ell corner of said All Saints
tract;

THENCE South 11 degrees 14 minutes 10 seconds East, a distance of 164.21 feet to a 3/4-inch found
iron rod for the common southeast corner of said All Saints tract, the southwest corner of said 0.424 acre
tract, and being on the north right-of-way line of Beckham Place (a variable width right-of-way);
THENCE South 59 degrees 40 minutes 50 seconds West, departing said east line and along said north right-of-way line, a distance of 149.29 feet to a 1/2-inch found iron rod with plastic cap stamped "GRANT ENG RPLS 4151" for corner on said east right-of-way line;

THENCE North 06 degrees 00 minutes 10 seconds West, departing said north right-of-way line and along said east right-of-way line, a distance of 402.00 feet to the POINT OF BEGINNING AND CONTAINING 56,858 square feet or 1.3053 acres of land, more or less.

TRACT IV:

Being a tract or parcel of land situated in the E.S. Harris Survey Abstract No. 688, City of Fort Worth, Tarrant County, Texas and being a portion of Beckham Place (a 60 foot right of way) as recorded in the Fort Worth Original Town, an addition to the City of Fort Worth (no recording information found) also shown on plat of Lots 18,2, Block 3-A Frisco Addition, as recorded in 388-173, Page 11 Plat Records Tarrant County Texas and being all of that tract of land described in deed to the City of Fort Worth as recorded in Volume 3418, Page 632 D.R.T.C.T. and the south right of way line being described in Residue of Beckham Place vacated by Ordinance No. 9104, being all of that called 0.4304 acre tract of land described in City of Fort Worth Ordinance No. 23278-06-2018 Vacating and Extinguishing a portion of Beckham Place, and being more particularly described below:

BEGINNING at a 1/2-inch found iron with cap stamped GRANT ENG RPLS 4151 being at the intersection of the north right of way line of Beckham Place (variable width right-of-way) and the east right of way line of Burlington Northern Santa Fe Railroad (100 foot wide right-of-way), and being the southwest corner of that tract of land described in Warranty Deed to All Saints Episcopal Hospital of Fort Worth Inc., recorded in Volume 876, Page 1719 Official Records Tarrant County Texas (O.R.T.C.T.);

THENCE North 59 degrees 40 minutes 50 seconds East, along the north right of way line of said Beckham Place, passing at a distance of 149.29 feet, a 3/4-inch iron rod for the southeast corner of said All Saints tract and being the southwest corner of 1700 Mistletoe Partners, Ltd., recorded in Document No. D207037960 O.R.T.C.T., and continuing for a total distance of 255.74 feet to a point for corner;

THENCE South 00 degrees 42 minutes 24 seconds East, over and across said Beckham Place, a distance of 70.58 feet to a point for corner being on the south right of way line of said Beckham Place;

THENCE South 57 degrees 36 minutes 24 seconds West, along said south right of way line, a distance of 198.04 feet to a point for corner at the point of intersection of said south right of way line and the east right of way line of said Beckham Place same being the east line of said City of Fort Worth tract;

THENCE South 06 degrees 51 minutes 00 seconds East, along said east right of way line, a distance of 58.06 feet to a point for corner being at the intersection of said east right of way line and the north right of way line of Mistletoe Boulevard (a variable width right of way);

THENCE North 89 degrees 22 minutes 55 seconds West, over and across said Beckham Place, a distance of 50.32 feet to a point for corner being on the east right of way line of said Burlington Northern Santa Fe Railroad;

THENCE North 06 degrees 00 minutes 10 seconds West, along said east right of way line, passing at a distance of 27.87 feet, the northwest corner of said City of Fort Worth tract, and continuing for a total distance of 105.25 feet to the POINT OF BEGINNING AND CONTAINING 18,744 square feet or 0.4303 acres of land, more or less.

LESS AND EXCEPT:

Being a tract or parcel of land situated in the E.S. Harris Survey Abstract No. 688, City of Fort Worth, Tarrant County, Texas and being all of that tract of land described in deed to the City of Fort Worth as recorded in Volume 3418, Page 632 D.R.T.C.T. and being more particularly described below:

BEGINNING at a 3/4-inch found iron rod for the southeast corner of said City of Fort Worth tract, being on the north right of way line of Mistletoe Boulevard (a variable width right of way);
THENCE North 89 degrees 22 minutes 55 seconds West, along said north right of way line, a distance of 50.32 feet to a point for corner at the intersection of said north right of way line with the east right of way line of Burlington Northern Santa Fe Railroad (100 foot wide right-of-way); THENCE North 06 degrees 00 minutes 10 seconds West, departing said north right of way line and along said east right of way line, a distance of 27.87 feet to a point for corner;

THENCE North 57 degrees 36 minutes 24 seconds East, departing said east right of way line, a distance of 54.84 feet to a point for corner; THENCE South 06 degrees 51 minutes 00 seconds East, a distance of 58.06 feet to the POINT OF BEGINNING AND CONTAINING 2,133 square feet or 0.0490 acres of land, more or less.

TRACT V:

Being a tract or parcel of land situated in the E.S. Harris Survey Abstract No. 688, City of Fort Worth, Tarrant County, Texas and being all of that tract of land described in deed to the City of Fort Worth as recorded in Volume 3418, Page 632 D.R.T.C.T. and being part of that called 0.4304 acre tract of land described in City of Fort Worth Ordinance No. 23278-06-2018 Vacating and Extinguishing a portion of Beckham Place and being more particularly described below:

BEGINNING at a 3/4-inch found iron rod for the southeast corner of said City of Fort Worth tract, being on the north right of way line of Mistletoe Boulevard (a variable width right of way); THENCE North 89 degrees 22 minutes 55 seconds West, along said north right of way line, a distance of 50.32 feet to a point for corner at the intersection of said north right of way line with the east right of way line of Burlington Northern Santa Fe Railroad (100 foot wide right-of-way); THENCE North 06 degrees 00 minutes 10 seconds West, departing said north right of way line and along said east right of way line, a distance of 27.87 feet to a point for corner;

THENCE North 57 degrees 36 minutes 24 seconds East, departing said east right of way line, a distance of 54.84 feet to a point for corner; THENCE South 06 degrees 51 minutes 00 seconds East, a distance of 58.06 feet to the POINT OF BEGINNING AND CONTAINING 2,133 square feet or 0.0490 acres of land, more or less.

TRACTS I, II, III, IV AND V ALSO KNOWN AS:

PLAT DESCRIPTION:

BEING a tract of land in the E.S. Harris Survey, Abstract No. 688 in the City of Fort Worth, Tarrant County, Texas, being all of that tract of land described as Tract 1 in Special Warranty Deed to 1700 Mistletoe Partners, Ltd., as recorded in County Clerk's Document No. D207136848 in the Official Records of Tarrant County, Texas (O.R.T.C.T.), and being all of Lot 1-R1 of Lots 1-R1 and 1-R2, Block 3R, Frisco Addition, an addition to the City of Fort Worth, Tarrant County, Texas, as recorded in County Clerk's Document No. D212125731 O.R.T.C.T., and being all of that tract of land described in Warranty Deed to All Saints Episcopal Hospital of Fort Worth, Inc., as recorded in Volume 10876, Page 1719 O.R.T.C.T., and being all of that called 0.424 acre tract of land described in General Warranty Deed With Mineral Reservations to 1700 Mistletoe Partners, Ltd., as recorded in County Clerk's Document No. D207307960 O.R.T.C.T., and being more particularly described as follows:

BEGINNING at a 5/8-inch found iron rod for the southeast corner of said Lot 1-R1, being on the north right-of-way line of Mistletoe Boulevard (a variable width right-of-way);

THENCE North 89 degrees 22 minutes 55 seconds West, along said north line, a distance of 272.69 feet to a 1/2-inch set iron rod with yellow plastic cap stamped "HALFP" (hereinafter referred to as "with cap") for corner on the east line of Burlington Northern Santa Fe Railroad (100 foot wide right-of-way);

THENCE North 06 degrees 00 minutes 10 seconds West, departing said north line and along said east line, a distance of 507.25 feet to a 1/2-inch found iron rod with plastic cap stamped "FULTON SURVEYING" for the northwest corner of said All Saints tract;
THENCE North 84 degrees 06 minutes 47 seconds East, departing said east line and along the north line of said All Saints tract, a distance of 98.08 feet to a 1/2-inch found iron rod with plastic cap stamped "GRANT ENG RPLS 4151" for corner;

THENCE South 06 degrees 21 minutes 44 seconds East, continuing along said north line, a distance of 44.82 feet to a 1/2-inch found iron rod with plastic cap stamped "GRANT ENG RPLS 4151" for corner;

THENCE North 84 degrees 04 minutes 15 seconds East, continuing along said north line, a distance of 110.60 feet to a 5/8-inch found iron rod for the northeast corner of said All Saints tract;

THENCE South 03 degrees 50 minutes 10 seconds East, departing said north line and along the east line of said All Saints tract, a distance of 115.35 feet to a 5/8-inch found iron rod for ell corner on the north line of said 0.424 acre tract;

THENCE North 86 degrees 13 minutes 12 seconds East, departing said east line and along said north line, a distance of 54.54 feet to a 5/8-inch found iron rod for the northeast corner of said 0.424 acre tract;

THENCE South 03 degrees 53 minutes 11 seconds East, departing said north line and along the east line of said 0.424 acre tract, a distance of 124.54 feet to a found axle for the southeast corner of said 0.424 acre tract, being on the north right-of-way line of Beckham Place (a variable width right-of-way);

THENCE South 59 degrees 40 minutes 50 seconds West, departing said east line and along said north line, a distance of 23.54 feet to a 1/2-inch set iron rod with cap for corner;

THENCE South 00 degrees 42 minutes 24 seconds East, departing said north line, a distance of 70.58 feet to a 1/2-inch set iron rod with cap for corner on the south right-of-way line of said Beckham Place;

THENCE North 57 degrees 36 minutes 24 seconds East, along said south line, a distance of 70.51 feet to a point for the northeast corner of said Lot 1-R1, from which a 1/2-inch found iron rod with plastic cap stamped "AREA SURVEYING" bears North 48 degrees 50 minutes 32 seconds East, a distance of 0.25 feet;

THENCE South 00 degrees 42 minutes 24 seconds East, departing said south line and along the east line of said Lot 1-R1, a distance of 203.93 feet to the POINT OF BEGINNING AND CONTAINING 123,799 square feet or 2.842 acres of land, more or less.

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.
Countersigned at San Antonio, Texas

BY: [Signature]

AUTHORIZED SIGNATORY
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:
   (the Company must either insert specific recording data or delete this exception)
   See Item 6 (a) below.

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.

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 right of access to that area or easement along and across that area.

5. Standby fees, taxes and assessments by any taxing authority for the year 2018, and subsequent years; and subsequent taxes and assessments by any taxing authority for prior years due to change in land usage or ownership, but not those taxes or assessments for prior years because of an exemption granted to a previous owner of the property under Section 11.13, Texas Tax Code, or because of improvements not assessed for a previous tax year.

6. The following matters and all terms of the documents creating or offering evidence of the matters:
   (the Company must insert matters or delete this exception)
   a. Any covenants, conditions or restrictions indicating a preference, limitation or discrimination based on race, color, religion, sex, handicap, familial status, or national origin are hereby deleted to the extent such covenants, conditions or restrictions violate 42 USC 3604 {c}. Recorded in Volume 388-173, Page 11 and Cabinet B, Slide 2241, of the Deed Records, and County Clerk's File No. D212125731.

b. This item has been intentionally deleted.
d. Survey prepared by Douglas A. Calhoun under Project No. 32590 dated August 24, 2018, revised August 29, 2018 shows the following:
   a. 1 story building encroaches onto 34' drainage easement, 35' sanitary sewer easement, 27.5' drainage easement, 15' sanitary sewer easement and 10' utility easement
   b. chain link fence encroaches onto northern boundary line
   c. overhead electrical lines traverse the property without the benefit of a recorded easement

e. This item has been intentionally deleted.

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

g. Easement as shown on the recorded plat and dedication and shown on Survey prepared by Douglas A. Calhoun under Project No. 32590 dated August 24, 2018, revised August 29, 2018:
   Purpose: Utility Easement
   Location: 5 feet in width along the Northerly and westerly property lines

   (Affects Tract I)

h. Easement as shown on the recorded plat and dedication and shown on Survey prepared by Douglas A. Calhoun under Project No. 32590 dated August 24, 2018, revised August 29, 2018:
   Purpose: Utility Easement
   Location: 10 feet in width along the Southerly property line

   (Affects Tract I)

i. Easement as shown on the recorded plat and dedication and shown on Survey prepared by Douglas A. Calhoun under Project No. 32590 dated August 24, 2018, revised August 29, 2018:
   Purpose: Sanitary Sewer Easement
   Location: 35 feet in width running North and South through the Westerly portion of the property

   (Affects Tract I)

j. Easement as shown on the recorded plat and dedication and shown on Survey prepared by Douglas A. Calhoun under Project No. 32590 dated August 24, 2018, revised August 29, 2018:
   Purpose: Drainage Easements
   Location: 27 feet 6 inches and 34 feet in width through the Northwesterly and Westerly portions of the property

   (Affects Tract I)

k. Easement as shown on the recorded plat and dedication and shown on Survey prepared by Douglas A. Calhoun under Project No. 32590 dated August 24, 2018, revised August 29, 2018:
   Purpose: Public Open Space Easement/Restriction
   Location: 10 feet in width along the Northwesterly and Southwesterly cut back corners

   (Affects Tract I)
l. Easement as shown on the recorded plat and dedication and shown on Survey prepared by Douglas A. Calhoun under Project No. 32590 dated August 24, 2018, revised August 29, 2018:
   Purpose: ROW Dedication
   Location: Northwesterly and Southwesterly corners

(Affects Tract I)

m. Easement as shown on Survey prepared by Douglas A. Calhoun under Project No. 32590 dated August 24, 2018, revised August 29, 2018:
   To: Texas Electric Service Company
   Recorded: February 03, 1959 in Volume 3288, Page 619, of the Deed Records, of Tarrant County, Texas.
   Purpose: Distribution Easement and Right-of-Way

(Affects Tract II)

n. Terms, Conditions, and Stipulations in the Agreement by and between:
   Parties: R. Price Hulsey and City of Fort Worth
   Recorded: October 11, 1984 in Volume 7977, Page 806, of the Deed records, of Tarrant County, Texas.
   Type: Covenant and Agreement regarding Storm Drain

(Affects Tract I)

o. Easement as shown on Survey prepared by Douglas A. Calhoun under Project No. 32590 dated August 24, 2018, revised August 29, 2018:
   To: City of Fort Worth
   Recorded: April 16, 1992 in Volume 10602, Page 1477, of the Deed records, of Tarrant County, Texas.
   Purpose: Sanitary Sewer Easement
   Location: along the Westerly Northwest portion of the property

(Affects Tract II)


(Affects Tract II)

q. Mineral and/or royalty interest:
   Recorded: April 20, 2007 in County Clerk’s File No. D207136848, of the Official records, of Tarrant County, Texas.
   Title to said interest has not been investigated subsequent to the date of the aforesaid instrument.

Waiver of Surface Rights contained therein.

(Affects Tract I)
r. Mineral and/or royalty interest with waiver of surface rights:
   Recorded: August 29, 2007 in County Clerk's File No. D207307960, of the Official records,
             of Tarrant County, Texas.
   Title to said interest has not been investigated subsequent to the date of the aforesaid instrument.

   (Affects Tract II)

s. Oil, Gas and Mineral Lease, and all terms, conditions and stipulations therein:
   Recorded: October 04, 2007 in County Clerk's File No. D207354966, and as affected by County
             Clerk's File No. D211087357, of the Official records, of Tarrant County, Texas.
   Lessor:    R. Price Hulsey aka Price Hulsey
   Lessee:   Four Sevens Energy Co., LLC
   Title to said interest has not been investigated subsequent to the date of the aforesaid instrument.

   (Affects Tract I)

u. Oil, Gas and Mineral Lease, and all terms, conditions and stipulations therein:
   Recorded: December 03, 2009 in County Clerk's File No. D209315968, and as affected by County
             Clerk's File No. D20187357, of the Official records, of Tarrant County, Texas.
   Lessor:    Fort Worth C & R, Inc.
   Lessee:   XTO Energy Inc.
   Title to said interest has not been investigated subsequent to the date of the aforesaid instrument.

   (Affects Tract II)

v. Inclusion within Regional Water District.

w. Easement:
   To: Texas Electric Service Company
   Recorded: February 03, 1959 in Volume 3288, Page 619, of the Deed Records,
            of Tarrant County, Texas.
   Purpose: Distribution Easement and Right-of-Way

   (Affects Tract III)

x. This item has been intentionally deleted.
y. Easement as shown on the Survey prepared by Douglas A. Calhoun under Project No. 32590 dated August 24, 2018, revised August 29, 2018:
   To: City of Fort Worth
   Recorded: April 20, 1992 in Volume 10737, Page 1243, of the Official records, of Tarrant County, Texas.
   Purpose: Sanitary Sewer Easement
   Location: as depicted therein

   (Affects Tract III)

z. This item has been intentionally deleted.


   (Affects Tract III)

bb. Easement as shown on Survey prepared by Douglas A. Calhoun under Project No. 32590 dated August 24, 2018, revised August 29, 2018:
   To: City of Fort Worth
   Recorded: December 04, 1998 in County Clerk’s File No. D199046006, of the Official records, of Tarrant County, Texas.
   Purpose: Permanent Utility Easement
   Location: as depicted therein

   (Affects Tract III)

c. Memorandum of Oil, Gas and Mineral Lease, and all terms, conditions and stipulations therein:
   Recorded: January 06, 2010 in County Clerk’s File No. 210002600 and affected by County Clerk’s File No. D211087357, of the Official Public Records, Tarrant County, Texas.
   Lessor: Baylor All Saints Medical Center
   Lessee: XTO Energy Inc.

   Title to said interest has not been investigated subsequent to the date of the aforesaid instrument.

   (Affects Tract III)

dd. This item has been intentionally deleted.

ee. Rights, if any, of third parties with respect to any and all existing remaining utilities within Beckham Place (abandoned roadway and easement) as set forth in Fort Worth City Ordinance No. 23278-06-2018.

   (Affects Tract IV and V)

ff. Any and all unrecorded easements claimed, asserted or used by or through the City of Fort Worth, or any utility company by agreement with or permission of the City of Fort Worth.

   (Affects Tract IV and V)
gg. Construction Deed of Trust, Absolute Assignment of Rents, Security Agreement and Financing Statement to secure a Note:
Grantor: Mistletoe Station, LLC, a Texas limited liability company
Trustee: Randall Durant, of Tarrant County, Texas
Beneficiary: JP Morgan Chase Bank, N.A., a national banking association
Dated: August 30, 2018
Recorded: September 4, 2018, in County Clerk's File No. D218197347, of the Official Public records, of Tarrant County, Texas.
Amount: $22,282,000.00

hh. Deed of Trust Security Agreement - Financing Statement to secure a Note:
Grantor: Mistletoe Station, LLC, a Texas limited liability company
Trustee: Vicki S. Ganske, Leann D. Guzman, or Paige Mebane
Beneficiary: Fort Worth Housing Finance Corporation, a Texas housing finance corporation
Dated: August 24, 2018
Recorded: September 4, 2018, in County Clerk's File No. D218197412, of the Official Public records, of Tarrant County, Texas.
Amount: $750,000.00

ii. Deed of Trust Security Agreement - Financing Statement to secure a Note:
Grantor: Mistletoe Station, LLC, a Texas limited liability company
Trustee: Vicki S. Ganske or Leann D. Guzman
Beneficiary: City of Fort Worth, a Texas municipal corporation
Dated: August 24, 2018
Recorded: September 4, 2018, in County Clerk's File No. D218197414, of the Official Public records, of Tarrant County, Texas.
Amount: $1,056,000.00

jj. Multifamily Deed of Trust, Assignment of Rents, Security Agreement and Fixture Filing to secure a Note:
Grantor: Mistletoe Station, LLC, a Texas limited liability company
Trustee: Karen Young
Beneficiary: Hunt Mortgage Partners, LLC, a Delaware limited liability company
Dated: August 31, 2018
Recorded: September 4, 2018, in County Clerk's File No. D218197524, of the Official Public records, of Tarrant County, Texas.
Amount: $249,000.00

Said lien being assigned to Federal Home Loan Mortgage Corporation by Assignment of Security Instrument:
Dated: August 31, 2018
Recorded: September 4, 2018, in County Clerk's File No. D218197525, of the Official Public records, of Tarrant County, Texas.


ll. Deed Restrictions as set forth in County Clerk's File No. D218197343, of the Official Records, Tarrant County, Texas.
mm. Any and all liens arising by reason of unpaid bills or claims for work performed or materials furnished in connection with improvements placed, or to be placed, upon the subject land. However, the Company does insure the Insured against loss, if any, sustained by the Insured under this Policy if such liens have been filed with the County Clerk of Tarrant County, Texas, prior to the date hereof.

nn. This item has been intentionally deleted.

oo. Financing Statement:
Debtor: Mistletoe Station, LLC
Secured Party: JP Morgan Chase Bank, N.A.
Recorded: September 4, 2018, in County Clerk's File No. D218197348, of the Official Public records, of Tarrant County, Texas.

pp. Terms, Conditions, and Stipulations in the Agreement by and between:
Parties: JP Morgan Chase Bank, N.A., a national banking association, Fort Worth Housing Finance Corporation, a Texas non-profit corporation, organized under the Texas Housing Finance Corporations Act and Mistletoe Station, LLC, a Texas limited liability company
Recorded: September 4, 2018 in County Clerk's File No. D218197413, of the Official Public records, of Tarrant County, Texas.
Type: Intercreditor and Subordination Agreement

qq. Terms, Conditions, and Stipulations in the Agreement by and between:
Parties: JP Morgan Chase Bank, N.A., a national banking association, City of Fort Worth, a Texas municipal corporation, organized under the Texas Housing Finance Corporations Act and Mistletoe Station, LLC, a Texas limited liability company
Recorded: September 4, 2018 in County Clerk's File No. D218197415, of the Official Public records, of Tarrant County, Texas.
Type: Intercreditor and Subordination Agreement

rr. Financing Statement:
Debtor: Mistletoe Station, LLC
Secured Party: Hunt Mortgage Partners, LLC
Assignee: Federal Home Loan Mortgage Corporation
Recorded: September 4, 2018, in County Clerk's File No. D218197526, of the Official Public records, of Tarrant County, Texas.

1. The insurance provided by this endorsement is subject to the exclusions in Section 5 of this endorsement; and the Exclusions from Coverage, the Exceptions from Coverage contained in Schedule B, and the Conditions in the policy.

2. For the purposes of this endorsement only:
   a. "Covenant" means a covenant, condition, limitation or restriction in a document or instrument in effect at Date of Policy.
   b. "Improvement" means a building, structure, road, walkway, driveway, or curb, affixed to either the Land or adjoining land and that by law constitutes real property, but excluding any crops, landscaping, lawn, shrubbery, or trees.
   c. "Private Right" means (i) an option to purchase; (ii) a right of first refusal; or (iii) a right of prior approval of a future purchaser or occupant.

3. The Company insures against loss or damage sustained by the Insured by reason of:
   a. A violation on the Land at Date of Policy of an enforceable Covenant, unless an exception in Schedule B of the policy identifies the violation;
   b. Enforced removal of an Improvement located on the Land at Date of Policy as a result of a violation, at Date of Policy, of a building setback line shown on a plat of subdivision recorded or filed in the Public Records, unless an exception in Schedule B of the policy identifies the violation;
   c. A notice of a violation, recorded in the Public Records at Date of Policy, of an enforceable Covenant relating to environmental protection describing any part of the Land and referring to that Covenant, but only to the extent of the violation of the Covenant referred to in that notice, unless an exception in Schedule B of the policy identifies the notice of the violation; or
   d. Enforcement of a Private Right in a Covenant affecting the Title at Date of Policy based on a transfer of Title on or before Date of Policy that causes a loss of the Insured's Title.

4. The Company insures against loss or damage sustained by reason of:
   a. An encroachment of:
      i. an Improvement located on the Land, at Date of Policy, onto adjoining land or onto that portion of the Land subject to an easement; or
      ii. an Improvement located on adjoining land onto the Land at Date of Policy unless an exception in Schedule B of the policy identifies the encroachment otherwise insured against in Sections 4.a.i. or 4.a.ii.; or
   b. A final court order or judgment requiring the removal from any land adjoining the Land of an encroachment identified in Schedule B; or
   c. Damage to an Improvement located on the Land, at Date of Policy that is located on or encroaches onto that portion of the Land subject to an easement excepted in Schedule B, which damage results from the exercise of the right to maintain the easement for the purpose for which it was granted or reserved; or
   d. Damage to an Improvement located on the Land on or after Date of Policy, resulting from the future exercise of a right to use the surface of the Land for the extraction or development of minerals or any other subsurface substances excepted from the description of the Land or excepted in Schedule B.
5. This endorsement does not insure against loss or damage (and the Company will not pay costs, attorneys' fees, or expenses) resulting from:
   a. any Covenant contained in an instrument creating a lease;
   b. any Covenant relating to obligations of any type to perform maintenance, repair, or remediation on the Land;
   c. except as provided in Paragraph 3.c, any Covenant relating to environmental protection of any kind or nature, including hazardous or toxic matters, conditions, or substances;
   d. contamination, explosion, fire, fracturing, vibration, earthquake, or subsidence; or
   e. negligence by a person or an Entity exercising a right to extract or develop minerals or other subsurface substances.

This endorsement is issued as part of the policy. Except as it expressly states, it does not (i) modify any of the terms and provisions of the policy, (ii) modify any prior endorsements, (iii) extend the Date of Policy, or (iv) increase the Amount of Insurance. To the extent a provision of the policy or a previous endorsement is inconsistent with an express provision of this endorsement, this endorsement controls. Otherwise, this endorsement is subject to all of the terms and provisions of the policy and of any prior endorsements.

Date: September 4, 2018

First American Title Insurance Company

Dennis J. Gelmire
President

Jeffrey S. Robinson
Secretary

First American Title Insurance Company

COUNTERSIGNED: __________________  Authorized Signature
Attached to Policy No.: NCS-829873 O

File No.: NCS-829873-ORL

Applies to all Parcel(s)

The Company insures the insured against loss which the insured shall sustain by reason of damage to improvements (excluding lawns, shrubbery, or trees) located on the Land on or after Date of Policy resulting from the future exercise of any right existing at Date of Policy to use the surface of the Land for the extraction or development of coal, lignite, oil, gas or other minerals excepted or excluded on Schedule A, Item 2 or excepted in Schedule B. This endorsement does not insure against loss resulting from subsidence.

This endorsement is issued as part of the policy. Except as it expressly states, it does not (i) modify any of the terms and provisions of the policy, (ii) modify any prior endorsements, (iii) extend the Date of Policy, or (iv) increase the Amount of Insurance. To the extent a provision of the policy or a previous endorsement is inconsistent with an express provision of this endorsement, this endorsement controls. Otherwise, this endorsement is subject to all of the terms and provisions of the policy and of any prior endorsements.

Date: September 4, 2018

First American Title Insurance Company

Dennis J. Gémore
President

Jeffrey S. Robinson
Secretary

First American Title Insurance Company

COUNTERSIGNED: [Signature] Authorized Signature
ACCESS ENDORSEMENT (T-23)

Issued by

First American Title Insurance Company

Attached to Policy No.: NCS-829873 0

File No.: NCS-829873-ORL

Issued by First American Title Insurance Company herein called the 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 Mistletoe Blvd. (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 of the terms and provisions of the policy and of any prior endorsements.

Date: September 4, 2018

First American Title Insurance Company

[Signature]

Dennis J. Gamero
President

[Signature]

Jeffrey S. Robinson
Secretary

First American Title Insurance Company

COUNTERSIGNED: [Signature]  Authorized Signature
ACCESS ENDORSEMENT (T-23)

Issued by

First American Title Insurance Company

Attached to Policy No.: NCS-829873 O

File No.: NCS-829873-ORL

Issued by First American Title Insurance Company herein called the 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 Beckham Place (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 of the terms and provisions of the policy and of any prior endorsements.

Date: September 4, 2018

First American Title Insurance Company

Dennis J. Gilmour
President

Jeffrey J. Robinson
Secretary

First American Title Insurance Company

COUNTERSIGNED: [Signature]  Authorized Signature

Form 5025548 (3-1-17)  Page 26 of 32

TX  T-1 Owner's Policy of Title Insurance (Rev. 1-3-14)

Texas
CONTIGUITY ENDORSEMENT T-25

Issued by

First American Title Insurance Company

Attached to Policy No.: NCS-829873 O

File No.: NCS-829873-ORL

Issued by First American Title Insurance Company HEREIN CALLED THE COMPANY

The Company hereby insures against loss or damage sustained by the insured by reason of:

(1) the failure of the northern boundary line of Tract I of the land to be contiguous to the southern boundary line of Tract IV; and the western boundary line of Tract II of the land to be contiguous to the eastern boundary line of Tract III; and the eastern boundary line of Tract V of the land to be contiguous to the western boundary line of Tract I; and the southern boundary line of Tract IV of the land to be contiguous to the northern boundary line of Tract V; and the northern boundary line of Tract IV to be contiguous to the southern boundary lines of Tract II and Tract III or;

(2) the presence of any gaps, strips or gores separating any of the contiguous boundary lines described above.

This endorsement is issued as part of the policy. Except as it expressly states, it does not (i) modify any of the terms and provisions of the policy, (ii) modify any prior endorsements, (iii) extend the Date of Policy, or (iv) increase the Amount of Insurance. To the extent a provision of the policy or a previous endorsement is inconsistent with an express provision of this endorsement, this endorsement controls. Otherwise, this endorsement is subject to all of the terms and provisions of the policy and of any prior endorsements.

Date: September 4, 2018

First American Title Insurance Company

Dennis J. Gilmore
President

Jeffrey S. Robinson
Secretary

First American Title Insurance Company

COUNTERSIGNED: [Signature]

Authorized Signature
ADDITIONAL INSURED
ENDORSEMENT T-26

Issued by
First American Title Insurance Company

File No.: NCS-829873 O

Attached to and Made a Part of Policy No.: NCS-829873-ORL

The Policy is hereby amended by adding as a named insured therein: Not Applicable

This endorsement does not extend the coverage of the policy to any later date than Date of Policy, nor does it impose any liability on the Company for loss or damage resulting from (1) failure of such added insured to acquire an insurable estate or interest in the land, or (2) any defect, lien or encumbrance attaching by reason of the acquisition of an estate or interest in the land by such added insured.

[X] Optional Coverage for Limited Liability Companies: [if box is checked]

The Company hereby agrees that, notwithstanding anything to the contrary contained in this policy, in the event of loss or damage insured under this policy, the company shall not deny liability under this policy or raise a defense to any claim made under this policy solely on the ground that, after the Date of Policy, a dissolution or termination of the limited liability company has occurred or a new limited liability company or other entity has been created by reason of any one or more:

(i) Transfer(s) of all or any part of the limited liability company members' interests in the insured to any transferee(s),

(ii) Withdrawal(s) of one or more of the members from the limited liability company, or

(iii) addition(s) of one or more persons or entities as members of the limited liability company;

provided that the insured limited liability company remains the record title holder and no new limited liability company is explicitly formed.

The Company reserves all of its rights and defenses under this policy which the Company would have had against the named insured or its constituent members before or after any withdrawal, transfer, or substitution.

This endorsement is issued as part of the policy. Except as it expressly states, it does not (i) modify any of the terms and provisions of the policy, (ii) modify any prior endorsements, (iii) extend the Date of Policy, or (iv) increase the Amount of Insurance. To the extent a provision of the policy or pervious endorsement is inconsistent with an express provision of this endorsement, this endorsement controls. Otherwise, this endorsement is subject to all of the terms and provision of the policy and of any prior endorsement.

This endorsement is made part of the policy and is subject to all of the terms and provisions thereof and of any prior endorsement thereto. Except to the extend 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.

Date: September 4, 2018
First American Title Insurance Company

Reduced

Dennis J. Gilmore
President

Jeffrey S. Robinson
Secretary

First American Title Insurance Company

COUNTERSIGNED: [Signature]

Authorized Signature
NON-IMPUTATION
ENDORSEMENT T-24

Issued by

First American Title Insurance Company

File No.: NCS-829873-ORL

Issued by First American Title Insurance Company HEREBIN THE COMPANY

Attached to and Forming Part of NCS-829873 O Policy of Title Insurance No.NCS-829873 O

The Company hereby agrees that it will not assert the provisions of Exclusions from Coverage 3(a), (b), or (e) to deny liability for loss or damage otherwise insured against under the terms of the policy solely by reason of the action or inaction or knowledge, as of Date of Policy, of

Mistletoe Station, LLC, a Texas limited liability company, Saigebrook Mistletoe, LLC, a Texas limited liability company and Lisa M. Stephens

whether or not imputed to the insured by operation of law, but only to the extent that

HCP-ILP, LLC, a Nevada limited liability company and HCP-SLP, LLC, a Nevada limited liability company

acquired its interest in the insured as a purchaser for value without actual knowledge of the asserted defect, lien, encumbrance, adverse claim, or other matter insured against by the policy.

This endorsement is made a part of the policy. Except as it expressly states, it does not (i) modify any of the terms and provisions of the policy, (ii) modify any prior endorsements, (iii) extend the Date of Policy, or (iv) increase the Amount of Insurance. To the extent a provision of the policy or a previous endorsement is inconsistent with an express provision of this endorsement, this endorsement controls. Otherwise, this endorsement is subject to all of the terms and provisions of the policy and of any prior endorsements.

Date: September 4, 2018

First American Title Insurance Company

Dennis J. Garnier
President

Jeffrey J. Robinson
Secretary

First American Title Insurance Company

COUNTERSIGNED:  
Authorized Signature

TX  T-1 Owner's Policy of Title Insurance (Rev. 1-3-14)
IMPORTANT NOTICE
To obtain information or make a complaint:
You may call First American Title Insurance Company’s toll-free telephone number for information or to make a complaint at:
1-888-632-1642
You may also write to First American Title Insurance Company at:
1 First American Way
Santa Ana, California 92707
You may contact the Texas Department of Insurance to obtain information on companies, coverages, rights or complaints at:
1-800-252-3439
You may write the Texas Department of Insurance:
P.O. Box 149104
Austin, TX 78714-9104
Fax: (512) 475-1771
Web: http://www.tdi.state.tx.us
E-mail: ConsumerProtection@tdi.state.tx.us

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

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

AVISO IMPORTANTE
Para obtener informacion o para someter una queja:
Usted puede llamar al numero de telefono gratis First American Title Insurance Company’s para informacion o para someter una queja al:
1-888-632-1642
Usted tambien puede escribir a First American Title Insurance Company:
1 First American Way
Santa Ana, California 92707
Puede comunicarse con el Departamento de Seguros de Texas para obtener informacion acerca de companias, coberturas, derechos o quejas al:
1-800-252-3439
Puede escribir al Departamento de Seguros de Texas:
P.O. Box 149104
Austin, TX 78714-9104
Fax: (512) 475-1771
Web: http://www.tdi.state.tx.us
E-mail: ConsumerProtection@tdi.state.tx.us

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

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

Privacy Information
We Are Committed to Safeguarding Customer Information

In order to better serve your needs now and in the future, we may ask you to provide us with certain information. We understand that you may be concerned about what we will do with such information — particularly any personal or financial information. We agree that you have a right to know how we will utilize the personal information you provide to us. Therefore, together with our subsidiaries we have adopted this Privacy Policy to govern the use and handling of your personal information.

Applicability
This Privacy Policy governs our use of the information that you provide to us. It does not govern the manner in which we may use information we have obtained from any other source, such as information obtained from a public record or from another person or entity. First American has also adopted broader guidelines that govern our use of personal information regardless of its source.

First American calls these guidelines its Fair Information Values.

Types of Information
Depending upon which of our services you are utilizing, the types of nonpublic personal information that we may collect include:

- Information we receive from you on applications, forms and in other communications to us, whether in writing, in person, by telephone or any other means;
- Information about your transactions with us, our affiliated companies, or others; and
- Information we receive from a consumer reporting agency.

Use of Information
We request information from you for our own legitimate business purposes and not for the benefit of any nonaffiliated party. Therefore, we will not release your information to nonaffiliated parties except: (1) as necessary for us to provide the product or service you have requested of us; or (2) as permitted by law. We may, however, store such information indefinitely, including the period after which any customer relationship has ceased. Such information may be used for any internal purpose, such as quality control efforts or customer analysis. We may also provide all of the types of nonpublic personal information listed above to one or more of our affiliated companies. Such affiliated companies include financial service providers, such as title insurers, property and casualty insurers, and trust and investment advisory companies, or companies involved in the provision of real estate services, such as appraisal companies, home warranty companies and escrow companies. Furthermore, we may also provide all the information we collect, as described above, to companies that perform marketing services on our behalf, on behalf of our affiliated companies or to other financial institutions with whom we or our affiliated companies have joint marketing agreements.

Former Customers
Even if you are no longer our customer, our Privacy Policy will continue to apply to you.

Confidentiality and Security
We will use our best efforts to ensure that no unauthorized parties have access to any of your information. We restrict access to nonpublic personal information about you to those individuals and entities who need to know that information to provide products or services to you. We will use our best efforts to train and oversee our employees and agents to ensure that your information will be handled responsibly and in accordance with this Privacy Policy and First American's Fair Information Values. We currently maintain physical, electronic, and procedural safeguards that comply with federal regulations to guard your nonpublic personal information.

Information Obtained Through Our Web Site
First American Financial Corporation is sensitive to privacy issues on the Internet. We believe it is important you know how we treat the information about you we receive on the Internet.

In general, you can visit First American's or its affiliates' Web sites on the World Wide Web without telling us who you are or revealing any information about yourself. Our Web servers collect the domain names, not the e-mail addresses, of visitors. This information is aggregated to measure the number of visits, average time spent on the site, pages viewed and similar information. First American uses this information to measure the use of our site and to develop ideas to improve the content of our site.

There are times, however, when we may need information from you, such as your name and email address. When information is needed, we will use our best efforts to let you know at the time of collection how we will use the personal information. Usually, the personal information we collect is used only by us to respond to your inquiry, process an order or allow you to access specific account/profile information. If you choose to share any personal information with us, we will only use it in accordance with the policies outlined above.

Business Relationships
First American Financial Corporation's site and its affiliates' sites may contain links to other Web sites. While we try to link only to sites that share our high standards and respect for privacy, we are not responsible for the content or the privacy practices employed by other sites.

Cookies
Some of First American's Web sites may make use of "cookie" technology to measure site activity and to customize information to your personal tastes. A cookie is an element of data that a Web site can send to your browser, which may then store the cookie on your hard drive.

FirstAm.com uses stored cookies. The goal of this technology is to better serve you when visiting our site, save you time when you are here and to provide you with a more meaningful and productive Web site experience.

Fair Information Values
Fairness We consider consumer expectations about their privacy in all our businesses. We only offer products and services that assure a favorable balance between consumer benefits and consumer privacy.

Public Record We believe that an open public record creates significant value for society, enhances consumer choice and creates consumer opportunity. We actively support an open public record and emphasize its importance and contribution to our economy.

Use We believe we should behave responsibly when we use information about a consumer in our business. We will obey the laws governing the collection, use and dissemination of data.

Accuracy We take reasonable steps to help assure the accuracy of the data we collect, use and disseminate. Where possible, we will take reasonable steps to correct inaccurate information.

When, as with the public record, we cannot correct inaccurate information, we will take all reasonable steps to assist consumers in identifying the source of the erroneous data so that the consumer can pursue the required corrections.

Education We endeavor to educate the users of our products and services, our employees and others in our industry about the importance of consumer privacy. We will instruct our employees on our fair information values and on the responsible collection and use of data. We will encourage others in our industry to collect and use information in a responsible manner.

Security We will maintain appropriate facilities and systems to protect against unauthorized access to and corruption of the data we maintain.

Form 50-PRIVACY (9/1/10) Page 1 of 1 Privacy Information (2001-2010 First American Financial Corporation)
2018 HTC
Full Application

Part 2 Tab 12

QCT/SADDA Map

NA
2018 HTC
Full Application

Part 2 Tab 12

Supporting Documents:
MFDL Site and Neighborhood Standards
Mistletoe Station is located in Fort Worth, TX -- the 15th-largest city in the United States and the fifth-largest city in the state of Texas. It has a total population of 796,614 people according to the 2011-2015 American Community Survey. According to this dataset, Fort Worth has 18.8% percent of individuals below the poverty level and the State of Texas has a 17.3% poverty rate.

The development site is located in 2010 census tract 48439102800 in Tarrant County, which has a 1% percent poverty rate. This percentage is considerably lower than the city and state rates. This census tract also has a high median household income compared to the city and state $91,683 compared to $53,214 for the city and $53,207 for the state. Additionally, this will be the first TDHCA HTC- and TCAP-financed development in the census tract.

Based on low poverty, high income, and a census tract that does not have another HTC-assisted housing development, this site offers greater opportunities for housing choice among low income households while avoiding concentrations of low income individuals.
May 31st, 2018

Bobby Garcia
200 N. Ector Dr.
Euless, TX 76039

Saigebrook Development, LLC.

Re: Northeast corner of Mistletoe & Beckham Pl

Please be advised that Oncor Electric Delivery Company LLC, a Delaware limited liability company, can provide electric service to the above referenced site. Service will be provided upon request in accordance with our tariffs and service regulations on file with the Public Utility Commission of Texas.

If you have questions or need additional information, please feel free to contact me.

Sincerely,

Bobby Garcia, E.I.T.
New Construction Manager
June 13, 2018

Hunt Mortgage Group
Stephanie Kitchens
Assistant VP
2525 McKinnon Street, Suite 300
Dallas, TX, 75201

AVAILABILITY OF WATER AND SANITARY SEWER FACILITIES TO SERVE:
1916 Mistletoe Blvd, Fort Worth, TX

To whom it may concern:

Water and sanitary sewer services may be available to the subject property under the terms and conditions of the City of Fort Worth’s standard policies and regulations relating to provision of water and sewer services. The developer will be responsible for all costs associated with service to the subject property.

There is a 12-inch water line located in Beckham and a 16-inch water line located in Mistletoe. There is also a 6-inch water line stub out to the property. Cut and plug any existing unused services and prior to demolition, must coordinate with Water Development. Please see corresponding exhibit specifying the location of available water lines to serve the subject site.

There is a 15-inch sanitary sewer line located in Beckham and a 24-inch sanitary sewer line running through the property. No permanent structures over, under, encroaching lines and their easements. Please see corresponding exhibit specifying the location of available water lines to serve the subject site.

A CFA or miscellaneous project will be required if the water or sewer lines are crossing over half of divided thoroughfare, across more than 40 linear feet of the street pavement, or if water meters or taps are larger than 2-inches.

Enclosed are water and sewer maps for your information.

Best Regards,

[Signature]
Vogesh Patel, P.E.
June 8, 2018

Kathy Turner
Development Assistant
Saigebrook Development, LLC
220 Adams Dr. Suite 280- pb138
Austin, TX 76086

RE: “Mistletoe Station” located at 1916 Mistletoe Blvd Ft. Worth TX 76104

Waste Management confirms that it has the requisite facilities needed to provide trash collection and recycling services within the City of Fort Worth.

Please be advised that Waste Management, a State of Texas limited liability company, is willing to contract with the development to provide trash collection and recycling services to the above referenced site.

If you have any questions, feel free to contact me at (972) 824-7730.

Sincerely,

Austin Farley
Outside Sales Representative
Afarley1@wm.com
Waste Management
520 E. Corporate Dr.
Suite #100 Lewisville, TX 75057
Tel (972)-824-7730
Fax (866)-539-7450
Travel Time Statement

Mistletoe Station

Mistletoe Station is located at 1916 Mistletoe Blvd within the Urban Core of Fort Worth, Texas – just Southwest of the downtown area. It is conveniently located less than a quarter mile from Interstate Highway 30 and approximately 1.5 miles from Interstate Highway 35W.

The Downtown and surrounding core area provide multiple and diverse places of employment for workers at all income levels, including lower income workers. Examples of downtown employment opportunities include XTO Energy, GM Financial, Pier 1 Imports, Oncor Electric. Additionally, Downtown Fort Worth is home to many nonprofit and government jobs. Within close proximity to the development site there are three hospitals including Baylor Scott & White All Saints Medical, Cooks Children’s Medical Center, and Texas Health Harris Methodist Hospital.

According to Downtown Fort Worth Inc., approximately 37,366 private employees work downtown. Add in government and nonprofit workers, that number swells to 46,215. On the public side, Tarrant County has the most downtown employees downtown with 2,600 full-time and temporary workers, while the City of Fort Worth has more than 2,300 at City Hall and adjacent offices.

Public transportation is widely available in the Downtown and entire Fort Worth Metro area and is provided by the Fort Worth Transportation Authority (known as the Trinity Metro). There are 43 fixed routes throughout the city, including a downtown bus circulator known as Molly the Trolley. In addition to Fort Worth, Trinity Metro operates buses in the suburbs of Blue Mound, Forest Hill, River Oaks and Sansom Park.

Single ride bus tickets are available for $2, with a reduced fair available for $1 for seniors, persons with disabilities, and Medicare card holders. Multi-ride passes are available and when bought at 7-day, month, or annual increments bring the per ride price down considerably.

Because of the close proximity of such large employment opportunities in the surrounding area, the travel times by car are estimated to be less than 20 minutes. The development site is also very close to the central station which gives easy access to routes that cover the entire city.

We believe that the travel time and cost via public transportation or private automobile, from the neighborhood to places of employment providing a range of jobs for lower-income workers, is not excessive.
### 2010 Demographic Profile Data

**Geography:** Census Tract 1028, Tarrant County, Texas

#### SEX AND AGE

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**Median age (years):** 42.9

#### 16 years and over

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#### Male population

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<tbody>
<tr>
<td>Total population</td>
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<tr>
<td>Under 5 years</td>
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<td>--------------------------</td>
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<td>65 to 69 years</td>
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| Female population        | 579    | 50.2    |
| Under 5 years            | 30     | 2.6     |
| 5 to 9 years             | 28     | 2.4     |
| 10 to 14 years           | 26     | 2.3     |
| 15 to 19 years           | 25     | 2.2     |
| 20 to 24 years           | 30     | 2.6     |
| 25 to 29 years           | 31     | 2.7     |
| 30 to 34 years           | 28     | 2.4     |
| 35 to 39 years           | 62     | 5.4     |
| 40 to 44 years           | 42     | 3.6     |
| 45 to 49 years           | 50     | 4.3     |
| 50 to 54 years           | 56     | 4.9     |
| 55 to 59 years           | 59     | 5.1     |
| 60 to 64 years           | 47     | 4.1     |
| 65 to 69 years           | 25     | 2.2     |
| 70 to 74 years           | 6      | 0.5     |
| 75 to 79 years           | 18     | 1.6     |
| 80 to 84 years           | 7      | 0.6     |
| 85 years and over        | 9      | 0.8     |

| Median age (years)       | 43.5   | ( X )   |
| 16 years and over        | 486    | 42.2    |
| 18 years and over        | 474    | 41.1    |
| 21 years and over        | 470    | 40.8    |
| 62 years and over        | 97     | 8.4     |
| 65 years and over        | 65     | 5.6     |

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**HOUSEHOLDS BY TYPE**

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<td>Husband-wife family</td>
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<td>Female householder, no husband present</td>
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**HOUSING OCCUPANCY**

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<tr>
<td>For rent</td>
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<tr>
<td>Rented, not occupied</td>
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<tr>
<td>For sale only</td>
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<tr>
<td>Sold, not occupied</td>
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<td>0.2</td>
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<tr>
<td>For seasonal, recreational, or occasional use</td>
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<tr>
<td>All other vacant</td>
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<td>Homeowner vacancy rate (percent) [8]</td>
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<td>( X )</td>
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<tr>
<td>Rental vacancy rate (percent) [9]</td>
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**HOUSING TENURE**

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<td>Owner-occupied housing units</td>
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<td>( X )</td>
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X Not applicable.

[1] Other Asian alone, or two or more Asian categories.
[2] Other Pacific Islander alone, or two or more Native Hawaiian and Other Pacific Islander categories.
[4] In combination with one or more of the other races listed. The six numbers may add to more than the total population, and the six
percentages may add to more than 100 percent because individuals may report more than one race.

[5] This category is composed of people whose origins are from the Dominican Republic, Spain, and Spanish-speaking Central or South American countries. It also includes general origin responses such as “Latino” or “Hispanic.”

[6] “Spouse” represents spouse of the householder. It does not reflect all spouses in a household. Responses of “same-sex spouse” were edited during processing to “unmarried partner.”

[7] “Family households” consist of a householder and one or more other people related to the householder by birth, marriage, or adoption. They do not include same-sex married couples even if the marriage was performed in a state issuing marriage certificates for same-sex couples. Same-sex couple households are included in the family households category if there is at least one additional person related to the householder by birth or adoption. Same-sex couple households with no relatives of the householder present are tabulated in nonfamily households. “Nonfamily households” consist of people living alone and households which do not have any members related to the householder.

[8] The homeowner vacancy rate is the proportion of the homeowner inventory that is vacant “for sale.” It is computed by dividing the total number of vacant units “for sale only” by the sum of owner-occupied units, vacant units that are “for sale only,” and vacant units that have been sold but not yet occupied; and then multiplying by 100.

[9] The rental vacancy rate is the proportion of the rental inventory that is vacant “for rent.” It is computed by dividing the total number of vacant units “for rent” by the sum of the renter-occupied units, vacant units that are “for rent,” and vacant units that have been rented but not yet occupied; and then multiplying by 100.

Source: U.S. Census Bureau, 2010 Census.
2010 Demographic Profile Data

NOTE: For more information on confidentiality protection, nonsampling error, and definitions, see http://www.census.gov/prod/cen2010/doc/dpsf.pdf.

**Geography: Fort Worth city, Texas**

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<td>Percent</td>
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Race alone or in combination with one or more other races: [4]

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<th>Number</th>
<th>Percent</th>
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<td>Some Other Race</td>
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</tbody>
</table>

HISPANIC OR LATINO

| Total population                                                      | 741,206 | 100.0   |
| Hispanic or Latino (of any race)                                     | 252,468 | 34.1    |
| Mexican                                                               | 219,653 | 29.6    |
| Puerto Rican                                                          | 5,650   | 0.8     |
| Cuban                                                                 | 1,495   | 0.2     |
| Other Hispanic or Latino [5]                                          | 25,670  | 3.5     |
| Not Hispanic or Latino                                                | 488,738 | 65.9    |

HISPANIC OR LATINO AND RACE

| Total population                                                      | 741,206 | 100.0   |
| Hispanic or Latino                                                    | 252,468 | 34.1    |
| White alone                                                           | 143,573 | 19.4    |
| Black or African American alone                                       | 3,192   | 0.4     |
| American Indian and Alaska Native alone                              | 2,281   | 0.3     |
| Asian alone                                                           | 520     | 0.1     |
| Native Hawaiian and Other Pacific Islander alone                     | 131     | 0.0     |
| Some Other Race alone                                                | 91,105  | 12.3    |
| Two or More Races                                                     | 11,666  | 1.6     |
| Not Hispanic or Latino                                                | 488,738 | 65.9    |
| White alone                                                           | 309,312 | 41.7    |
| Black or African American alone                                       | 136,941 | 18.5    |
| American Indian and Alaska Native alone                              | 2,481   | 0.3     |
| Asian alone                                                           | 27,095  | 3.7     |
| Native Hawaiian and Other Pacific Islander alone                     | 515     | 0.1     |
| Some Other Race alone                                                | 993     | 0.1     |
| Two or More Races                                                     | 11,301  | 1.5     |

RELATIONSHIP

<p>| Total population                                                      | 741,206 | 100.0   |
| In households                                                         | 727,229 | 98.1    |
| Householder                                                           | 262,652 | 35.4    |
| Child                                                                 | 242,714 | 32.7    |
| Own child under 18 years                                              | 188,393 | 25.4    |
| Other relatives                                                       | 60,907  | 8.2     |
| Under 18 years                                                        | 25,801  | 3.5     |
| 65 years and over                                                     | 5,937   | 0.8     |
| Nonrelatives                                                          | 38,798  | 5.2     |
| Under 18 years                                                        | 2,997   | 0.4     |
| 65 years and over                                                     | 1,166   | 0.2     |
| Unmarried partner                                                     | 16,774  | 2.3     |
| In group quarters                                                     | 13,977  | 1.9     |</p>
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<thead>
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<th>Percent</th>
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<tr>
<td>Female</td>
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<td>Noninstitutionalized population</td>
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<tr>
<td>Female</td>
<td>2,937</td>
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</table>

**HOUSEHOLDS BY TYPE**

| Total households                             | 262,652| 100.0     |
| Family households (families) [7]             | 176,923| 67.4     |
| With own children under 18 years             | 95,916 | 36.5     |
| Husband-wife family                          | 122,158| 46.5     |
| With own children under 18 years             | 64,734 | 24.6     |
| Male household, no wife present              | 14,602 | 5.6     |
| With own children under 18 years             | 7,314  | 2.8     |
| Female household, no husband present         | 40,163 | 15.3     |
| With own children under 18 years             | 23,868 | 9.1     |
| Nonfamily households [7]                     | 85,729 | 32.6     |
| Householder living alone                     | 69,613 | 26.5     |
| Male                                         | 32,445 | 12.4     |
| 65 years and over                            | 4,995  | 1.9     |
| Female                                       | 37,168 | 14.2     |
| 65 years and over                            | 12,374 | 4.7     |
| Households with individuals under 18 years   | 107,728| 41.0     |
| Households with individuals 65 years and over| 45,740 | 17.4     |
| Average household size                       | 2.77   | (X)     |
| Average family size [7]                      | 3.41   | (X)     |

**HOUSING OCCUPANCY**

| Total housing units                          | 291,086| 100.0     |
| Occupied housing units                       | 262,652| 90.2     |
| Vacant housing units                         | 28,434 | 9.8     |
| For rent                                     | 15,756 | 5.4     |
| Rented, not occupied                         | 542    | 0.2     |
| For sale only                                | 3,990  | 1.4     |
| Sold, not occupied                           | 646    | 0.2     |
| For seasonal, recreational, or occasional use| 1,085  | 0.4     |
| All other vacants                            | 6,415  | 2.2     |
| Homeowner vacancy rate (percent) [8]         | 2.5    | (X)     |
| Rental vacancy rate (percent) [9]            | 12.8   | (X)     |

**HOUSING TENURE**

| Occupied housing units                       | 262,652| 100.0     |
| Owner-occupied housing units                 | 155,420| 59.2     |
| Population in owner-occupied housing units   | 458,312| (X)     |
| Average household size of owner-occupied units| 2.95   | (X)     |
| Renter-occupied housing units                | 107,232| 40.8     |
| Population in renter-occupied housing units  | 268,917| (X)     |
| Average household size of renter-occupied units| 2.51   | (X)     |

X Not applicable.

[1] Other Asian alone, or two or more Asian categories.
[2] Other Pacific Islander alone, or two or more Native Hawaiian and Other Pacific Islander categories.
[4] In combination with one or more of the other races listed. The six numbers may add to more than the total population, and the six
percentages may add to more than 100 percent because individuals may report more than one race.

[5] This category is composed of people whose origins are from the Dominican Republic, Spain, and Spanish-speaking Central or South American countries. It also includes general origin responses such as “Latino” or “Hispanic.”

[6] “Spouse” represents spouse of the householder. It does not reflect all spouses in a household. Responses of “same-sex spouse” were edited during processing to “unmarried partner.”

[7] “Family households” consist of a householder and one or more other people related to the householder by birth, marriage, or adoption. They do not include same-sex married couples even if the marriage was performed in a state issuing marriage certificates for same-sex couples. Same-sex couple households are included in the family households category if there is at least one additional person related to the householder by birth or adoption. Same-sex couple households with no relatives of the householder present are tabulated in nonfamily households. “Nonfamily households” consist of people living alone and households which do not have any members related to the householder.

[8] The homeowner vacancy rate is the proportion of the homeowner inventory that is vacant “for sale.” It is computed by dividing the total number of vacant units “for sale only” by the sum of owner-occupied units, vacant units that are “for sale only,” and vacant units that have been sold but not yet occupied; and then multiplying by 100.

[9] The rental vacancy rate is the proportion of the rental inventory that is vacant “for rent.” It is computed by dividing the total number of vacant units “for rent” by the sum of the renter-occupied units, vacant units that are “for rent,” and vacant units that have been rented but not yet occupied; and then multiplying by 100.

Source: U.S. Census Bureau, 2010 Census.
2010 Demographic Profile Data

NOTE: For more information on confidentiality protection, nonsampling error, and definitions, see http://www.census.gov/prod/cen2010/doc/dpsf.pdf.

Geography: Tarrant County, Texas

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<th>Percent</th>
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</tr>
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<th>Percent</th>
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| Female population    | 921,799| 51.0    |
| Under 5 years        | 70,164 | 3.9     |
| 5 to 9 years         | 70,797 | 3.9     |
| 10 to 14 years       | 67,832 | 3.7     |
| 15 to 19 years       | 64,085 | 3.5     |
| 20 to 24 years       | 62,048 | 3.4     |
| 25 to 29 years       | 69,196 | 3.8     |
| 30 to 34 years       | 66,445 | 3.7     |
| 35 to 39 years       | 68,180 | 3.8     |
| 40 to 44 years       | 66,269 | 3.7     |
| 45 to 49 years       | 67,956 | 3.8     |
| 50 to 54 years       | 62,520 | 3.5     |
| 55 to 59 years       | 51,539 | 2.8     |
| 60 to 64 years       | 41,847 | 2.3     |
| 65 to 69 years       | 29,091 | 1.6     |
| 70 to 74 years       | 20,636 | 1.1     |
| 75 to 79 years       | 16,780 | 0.9     |
| 80 to 84 years       | 12,991 | 0.7     |
| 85 years and over    | 13,423 | 0.7     |
| Median age (years)   | 34.3   | (X)     |

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<td>Under 18 years</td>
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<td>Unmarried partner</td>
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<td>In group quarters</td>
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<td>8,241</td>
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<td>4,130</td>
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<td>4,111</td>
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## Institutionalized population

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<td>4,130</td>
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<td>0.3</td>
<td>0.2</td>
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<th>Noninstitutionalized population</th>
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<td>8,241</td>
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<td>4,111</td>
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<td>0.5</td>
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<tr>
<td>0.2</td>
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## Households by type

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<tr>
<td>Total households</td>
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<td>Family households (families) [7]</td>
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<tr>
<td>With own children under 18 years</td>
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<td>Husband-wife family</td>
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<td>With own children under 18 years</td>
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<td>Male household, no wife present</td>
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<tr>
<td>With own children under 18 years</td>
<td>17,301</td>
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<tr>
<td>Female household, no husband present</td>
<td>90,946</td>
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<td>With own children under 18 years</td>
<td>54,089</td>
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<td>Nonfamily households [7]</td>
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## Housing occupancy

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<td>657,134</td>
<td>91.9</td>
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<tr>
<td>Vacant housing units</td>
<td>57,669</td>
<td>8.1</td>
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<td>For rent</td>
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<tr>
<td>Rented, not occupied</td>
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<tr>
<td>For sale only</td>
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<tr>
<td>Sold, not occupied</td>
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<td>For seasonal, recreational, or occasional use</td>
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<td>Homeowner vacancy rate (percent) [8]</td>
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<td>Rental vacancy rate (percent) [9]</td>
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## Housing tenure

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<td>Owner-occupied housing units</td>
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<td>Population in owner-occupied housing units</td>
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<td>Average household size of owner-occupied units</td>
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<tr>
<td>Renter-occupied housing units</td>
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<td>Population in renter-occupied housing units</td>
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<tr>
<td>Average household size of renter-occupied units</td>
<td>2.46 (X)</td>
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X Not applicable.

[1] Other Asian alone, or two or more Asian categories.
[2] Other Pacific Islander alone, or two or more Native Hawaiian and Other Pacific Islander categories.
[4] In combination with one or more of the other races listed. The six numbers may add to more than the total population, and the six
percentages may add to more than 100 percent because individuals may report more than one race.

[5] This category is composed of people whose origins are from the Dominican Republic, Spain, and Spanish-speaking Central or South American countries. It also includes general origin responses such as "Latino" or "Hispanic."

[6] "Spouse" represents spouse of the householder. It does not reflect all spouses in a household. Responses of "same-sex spouse" were edited during processing to "unmarried partner."

[7] "Family households" consist of a householder and one or more other people related to the householder by birth, marriage, or adoption. They do not include same-sex married couples even if the marriage was performed in a state issuing marriage certificates for same-sex couples. Same-sex couple households are included in the family households category if there is at least one additional person related to the householder by birth or adoption. Same-sex couple households with no relatives of the householder present are tabulated in nonfamily households. "Nonfamily households" consist of people living alone and households which do not have any members related to the householder.

[8] The homeowner vacancy rate is the proportion of the homeowner inventory that is vacant “for sale.” It is computed by dividing the total number of vacant units “for sale only” by the sum of owner-occupied units, vacant units that are “for sale only,” and vacant units that have been sold but not yet occupied; and then multiplying by 100.

[9] The rental vacancy rate is the proportion of the rental inventory that is vacant “for rent.” It is computed by dividing the total number of vacant units “for rent” by the sum of the renter-occupied units, vacant units that are “for rent,” and vacant units that have been rented but not yet occupied; and then multiplying by 100.

Source: U.S. Census Bureau, 2010 Census.
2018 HTC
Full Application

Part 2 Tab 13

Multiple Site Information

NA
## Multiple Site Information Form

This exhibit is required if a development site is assembled by aggregating noncontiguous tracts conveyed by one contract, or tracts conveyed by more than one contract whether contiguous or not. For each contract, list the address, legal description and acreage of each tract. The sum of the acreages must equal or exceed the acreage of the corresponding site plan(s) before dedications and other foreseeable reductions. Provide a reconciliation of any discrepancy (dedications, takings, reserves for other uses, etc.). _Behind this form, provide a plat of the acquisitions that correspond to each distinct development site. The plat should state the dimensions of each tract and identify the address, legal description and acreage. If the development site boundaries do not match the boundaries of the platted acquisitions, provide an overlay plat of the development site._

<table>
<thead>
<tr>
<th>Contract Number</th>
<th>Census Tract</th>
<th>Acreage</th>
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<table>
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<th>Name of Seller Entity</th>
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<table>
<thead>
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**Did the seller acquire the property through foreclosure or deed in lieu of foreclosure?** No

**Is the seller affiliated with the Applicant, Principal, sponsor, or Development Team?** No

**If yes above, describe relationship:**

- NA

**Contract includes more than one tract/lot. Address, legal description, and acreage are below.**

- a.

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<thead>
<tr>
<th>Contract Number</th>
<th>Census Tract</th>
<th>Acreage</th>
<th>Date of Sale</th>
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<tr>
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<table>
<thead>
<tr>
<th>Street Address</th>
<th>City</th>
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</table>

<table>
<thead>
<tr>
<th>Contact Name for Seller</th>
<th>Name of Seller Entity</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Contact Name for Previous Seller</th>
<th>Name of Previous Seller Entity</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

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

**Did the seller acquire the property through foreclosure or deed in lieu of foreclosure?** No

**Is the seller affiliated with the Applicant, Principal, sponsor, or Development Team?** No

**If yes above, describe relationship:**

- NA

**Contract includes more than one tract/lot. Address, legal description, and acreage are below.**

- a.

**If a revised form is submitted, date of submission:**
<table>
<thead>
<tr>
<th>Contract Number</th>
<th>Census Tract</th>
<th>Acreage</th>
<th>Date of Sale</th>
</tr>
</thead>
<tbody>
<tr>
<td>Street Address</td>
<td>City</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contact Name for Seller</td>
<td>Name of Seller Entity</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contact Name for Previous Seller</td>
<td>Name of Previous Seller Entity</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Seller Address</td>
<td>City</td>
<td>State</td>
<td>Zip</td>
</tr>
</tbody>
</table>

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

Is the seller affiliated with the Applicant, Principal, sponsor, or Development Team? 

If yes above, describe relationship: 

If a revised form is submitted, date of submission: 

Contract includes more than one tract/lot. Address, legal description, and acreage are below.

<table>
<thead>
<tr>
<th>Address</th>
<th>Abbreviated Legal</th>
<th>Acres</th>
</tr>
</thead>
<tbody>
<tr>
<td>a.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>b.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>c.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contract Number</td>
<td>Census Tract</td>
<td>Acreage</td>
</tr>
<tr>
<td>-----------------</td>
<td>--------------</td>
<td>---------</td>
</tr>
<tr>
<td>Street Address</td>
<td>City</td>
<td></td>
</tr>
<tr>
<td>Contact Name for Seller</td>
<td>Name of Seller Entity</td>
<td></td>
</tr>
</tbody>
</table>

*Only list if owner has owned <36 mos.*

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

If a revised form is submitted, date of submission:

(Rows 135-433 are hidden. Unhide to use additional cells; items beyond the number provided can be created by using the copy/paste function below the available tables.)
2018 HTC
Full Application

Part 2 Tab 14

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

Please identify all elected officials which represent the Development Site.

<table>
<thead>
<tr>
<th>Elected Official</th>
<th>District</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kay Granger</td>
<td>12</td>
</tr>
<tr>
<td><strong>US Representative</strong></td>
<td></td>
</tr>
<tr>
<td>Konni Burton</td>
<td>10</td>
</tr>
<tr>
<td>State Senator</td>
<td></td>
</tr>
<tr>
<td>Craig Goldman</td>
<td>97</td>
</tr>
<tr>
<td>State Representative</td>
<td></td>
</tr>
<tr>
<td>Betsy Price</td>
<td></td>
</tr>
<tr>
<td>City Mayor</td>
<td></td>
</tr>
<tr>
<td>School Superintendent</td>
<td></td>
</tr>
<tr>
<td>Kent Paredes Scribner</td>
<td></td>
</tr>
<tr>
<td>Fort Worth ISD</td>
<td></td>
</tr>
<tr>
<td>Fort Worth</td>
<td></td>
</tr>
<tr>
<td><a href="mailto:Kent.scribner@fwisd.org">Kent.scribner@fwisd.org</a></td>
<td></td>
</tr>
<tr>
<td>Support Letter</td>
<td></td>
</tr>
<tr>
<td>B. Glen Whitley</td>
<td></td>
</tr>
<tr>
<td>County Judge</td>
<td></td>
</tr>
<tr>
<td>Tobi Jackson</td>
<td></td>
</tr>
<tr>
<td>Presiding officer of Board of Trustees</td>
<td></td>
</tr>
<tr>
<td>100 N. University</td>
<td></td>
</tr>
<tr>
<td>100 N. University</td>
<td></td>
</tr>
<tr>
<td><a href="mailto:tobi.jackson@fwisd.org">tobi.jackson@fwisd.org</a></td>
<td></td>
</tr>
<tr>
<td>76107</td>
<td></td>
</tr>
<tr>
<td>76107</td>
<td></td>
</tr>
</tbody>
</table>

**While Applicants are not required to notify US Representatives, the Department is required to notify them. Therefore, Applicant must identify the appropriate US Representative of the district containing the Development.**
<table>
<thead>
<tr>
<th>Name</th>
<th>Location</th>
<th>District/Precinct</th>
<th>Contact Information</th>
</tr>
</thead>
<tbody>
<tr>
<td>Roy Charles Brooks</td>
<td>Tarrant County</td>
<td>1</td>
<td>817-370-4500</td>
</tr>
<tr>
<td>Andy Nguyen</td>
<td>Tarrant County</td>
<td>2</td>
<td>817-548-3900</td>
</tr>
<tr>
<td>Gary Fickes</td>
<td>Tarrant County</td>
<td>3</td>
<td>817-581-3600</td>
</tr>
<tr>
<td>J.D. Johnson</td>
<td>Tarrant County</td>
<td>4</td>
<td>817-238-4400</td>
</tr>
<tr>
<td>Carlos E. Flores</td>
<td>Fort Worth</td>
<td>2</td>
<td><a href="mailto:district2@fortworthtexas.org">district2@fortworthtexas.org</a></td>
</tr>
<tr>
<td>Brian Byrd</td>
<td>Fort Worth</td>
<td>3</td>
<td><a href="mailto:district3@fortworthtexas.org">district3@fortworthtexas.org</a></td>
</tr>
<tr>
<td>Cary Moon</td>
<td>Fort Worth</td>
<td>4</td>
<td><a href="mailto:district4@fortworthtexas.org">district4@fortworthtexas.org</a></td>
</tr>
<tr>
<td>Gyna Bivens</td>
<td>Fort Worth</td>
<td>5</td>
<td><a href="mailto:district5@fortworthtexas.org">district5@fortworthtexas.org</a></td>
</tr>
<tr>
<td>Jungus Jordan</td>
<td>Fort Worth</td>
<td>6</td>
<td><a href="mailto:district6@fortworthtexas.org">district6@fortworthtexas.org</a></td>
</tr>
<tr>
<td>Dennis Shingleton</td>
<td>Fort Worth</td>
<td>7</td>
<td><a href="mailto:district7@fortworthtexas.org">district7@fortworthtexas.org</a></td>
</tr>
<tr>
<td>Kelly Allen Gray</td>
<td>Fort Worth</td>
<td>8</td>
<td><a href="mailto:district8@fortworthtexas.org">district8@fortworthtexas.org</a></td>
</tr>
<tr>
<td>Ann Zadeh</td>
<td>Fort Worth</td>
<td>9</td>
<td><a href="mailto:district9@fortworthtexas.org">district9@fortworthtexas.org</a></td>
</tr>
<tr>
<td>District/Precinct</td>
<td>Email or Phone</td>
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</tr>
</tbody>
</table>
2018 HTC
Full Application

Part 2 Tab 15

Neighborhood Organizations

NA
Organizations were identified in the Pre-Application, and there have been no changes.

(If above is checked, these forms may be left **BLANK**)

1. NA
   | Name of Organization | Contact Name |
   | Address | City |
   | Zip | Phone | Fax or Email |

2. 
   | Name of Organization | Contact Name |
   | Address | City |
   | Zip | Phone | Fax or Email |

3. 
   | Name of Organization | Contact Name |
   | Address | City |
   | Zip | Phone | Fax or Email |

4. 
   | Name of Organization | Contact Name |
   | Address | City |
   | Zip | Phone | Fax or Email |

5. 
<p>| Name of Organization | Contact Name |
| Address | City |
| Zip | Phone | Fax or Email |</p>
<table>
<thead>
<tr>
<th></th>
<th>Name of Organization</th>
<th>Contact Name</th>
</tr>
</thead>
<tbody>
<tr>
<td>6</td>
<td></td>
<td></td>
</tr>
<tr>
<td>7</td>
<td></td>
<td></td>
</tr>
<tr>
<td>8</td>
<td></td>
<td></td>
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<tr>
<td>9</td>
<td></td>
<td></td>
</tr>
<tr>
<td>10</td>
<td></td>
<td></td>
</tr>
<tr>
<td>11</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
2018 HTC
Full Application

Part 2 Tab 16

Certification of Notifications
CERTIFICATION OF NOTIFICATIONS (ALL PROGRAMS)

Pursuant to §10.203 of the Uniform Multifamily Rules, evidence of notifications includes this sworn affidavit, and the Elected Officials and Neighborhood Organizations Forms. All Applicants, or persons with signing authority, must complete Part 1 or Part 2 below:

Part 1.

- Notifications made at Pre-Application (Competitive HTC only):
  I (We) certify that The pre-application included evidence of these notifications pursuant to §10.203 of the Uniform Multifamily Rules, the pre-application met all threshold requirements, and no additional notifications were required with this full application.

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

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

Part 2. Notifications - Form and Content:

- I (we) certify that the notifications are not older than 3 months from the first day of the Application Acceptance Period for Competitive HTC Applications and not older than three (3) months prior to the date Parts 5 and 6 of the Application are submitted for Tax Exempt Bond Developments, and not older than three (3) months prior to the date the Application is submitted for all other Applications.

- I (we) certify that the notifications do not contain any false or misleading statements. Without limiting the generality of the foregoing, the notification does not create the impression that the proposed Development will serve a Target Population exclusively or as a preference without such targeting or preference being documented in the Application and is or will be in full compliance with all applicable state and federal laws, including state and federal fair housing laws.

- I (we) certify that the notifications or any other communications do not contain any statement that violates Department rules, statute, code, or federal requirements.

- I (We) certify that, in addition to all of the required neighborhood organizations, the following entities were notified in accordance with §10.203 of the Multifamily Uniform Rules. The notifications were in the format provided in the Application Notification Template. All of the following entities were notified and are correctly listed on the Elected Officials Form and Neighborhood Organizations Form:
  
  - Superintendent of the school district containing the Development;
  - Presiding officer of the board of trustees of the school district containing the Development;
  - Mayor of any municipality containing the Development;
  - All elected members of the Governing Body of any municipality containing the Development;
  - Presiding officer of the Governing Body of the county containing the Development;
  - All elected members of the Governing Body of the county containing the Development;
  - State senator of the district containing the Development; and
  - State representative of the district containing the Development.

- While not required to be submitted in this Application, I have kept evidence of all notifications made and this evidence may be requested by the Department at any time during the Application review.

Part 3. No Neighborhood Organizations exist (competitive HTC only):

- I (We) certify that no Neighborhood Organizations exist for which this Application would be eligible to receive points under §11.9(d)(4) of the QAP or for which notification is required.

Part 4. Certification

By: 

Signature of Applicant/Development Owner  

Lisa M. Stephens  
Printed Name  

Date: 10-19-18  
Notarize on next page
CERTIFICATION OF NOTIFICATIONS (continued)

Texas
Notary Public, State of

Tarrant
County of

March 29, 2020
My Commission expires

I, the undersigned, a Notary Public in and for said County and State, do hereby certify that name is signed to the foregoing statement, and who is known to be one in the same, has acknowledged before me on this date, that being informed of the contents of this statement, executed the same voluntarily on the date same foregoing statement bears.

Given under my hand and seal of office this 19th day of October, 2018

[Signature]
Notary Public Signature

Katherine E. Johnson
Notary ID # 130604693
My Commission Expires March 29, 2020
2018 HTC
Full Application

Part 3 Tab 17

Development Narrative
Development Narrative

1. The proposed Development is: (Check all that apply)

   - New Construction
   - and/or: ____________________________
     (adaptive reuse select New Construction here and adaptive reuse in next box)

   Previous TDHCA #   17259     If Acquisition/Rehab or Rehab, original construction year: NA

   If Reconstruction, Units Demolished NA Units Reconstructed NA

   If Adaptive Reuse, Additional Phase, or Scattered Site, include detailed information in the Narrative (4.) below.

2. The Target Population will be:

   - General

   Applicants seeking to be scored as Supportive Housing must select Supportive Housing as the population.

   §10.3(46) If Elderly Preference is selected, complete the statement below and submit supporting documentation behind this tab.

   Elderly Preference is based on funding from:

3. Staff Determinations regarding definitions of development activity obtained?

   ☐ If a determination under §10.3(b) of the Uniform Multifamily Rules was made prior to Application submission, provide a copy of such determination behind this tab.

4. Narrative

   Briefly describe the proposed Development, including any relevant information not already identified above.

   Mistletoe Station is a 110-unit multifamily development, including 36 market-rate units, located at 1916 Mistletoe in Fort Worth, TX. The development will consist of one, two, and three bedroom units which will be situated in two buildings. One building will be three stories, with one unit on the first floor in addition to leasing and amenity space and two floors of residential units above. The second building will be four story, with the first/ground floor used for parking and the second/third/fourth floors for residential units.

   If a revised form is submitted, date of submission: ______________________
5. **Funding Request:**

Complete the table below to describe this Application’s funding request. If applying for Multifamily Direct Loan funds, please select only one type of loan.

<table>
<thead>
<tr>
<th>Department Funds applying for with this Application</th>
<th>Requested Amount</th>
<th>If funds will be in the form of a Direct Loan by the Department or for Private Activity Bonds, the terms will be:</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Interest Rate (%)</td>
</tr>
<tr>
<td>Multifamily Direct Loan: Const. to Perm (Repayable)</td>
<td>$ 1,500,000</td>
<td>1.00%</td>
</tr>
<tr>
<td>Multifamily Direct Loan: Construction Only (Repayable)</td>
<td></td>
<td>0.00%</td>
</tr>
<tr>
<td>CHDO Operating Expenses Grant</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Housing Tax Credits</td>
<td>$ 1,500,000</td>
<td></td>
</tr>
<tr>
<td>Private Activity Mortgage Revenue</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

6. **§11.5 - Set-Aside (For Competitive HTC & Multifamily Direct Loan Applications Only)**

Identify any and all set-asides the application will be applying under with an “x”.

Set-Asides cannot be added or dropped from pre-application to full Application for Competitive HTC Applications.

<table>
<thead>
<tr>
<th>Competitive HTC Only</th>
<th>Multifamily Direct Loan Only</th>
</tr>
</thead>
<tbody>
<tr>
<td>At-Risk</td>
<td>CHDO</td>
</tr>
<tr>
<td>Nonprofit</td>
<td>SH/SR</td>
</tr>
<tr>
<td>USDA</td>
<td></td>
</tr>
</tbody>
</table>

By selecting the set-aside above, I, individually or as the general partner(s) or officers of the Applicant entity, confirm that I (we) are applying for the above-stated Set-Aside(s) and Allocations. To the best of my (our) knowledge and belief, the Applicant entity has met the requirements that make this Application eligible for this (these) Set-Aside(s) and Allocations and will adhere to all requirements and eligibility standards for the selected Set-Aside(s) and Allocations.

7. **Previously Awarded State and Federal Funding**

Has this site/activity previously applied for TDHCA funds? Yes

Has this site/activity previously received TDHCA funds? Yes

If "Yes" Enter Project Number: 17259 and TDHCA funding source: HTC

Has this site/activity previously received non-TDHCA federal funding? Yes

If yes, source: City of Fort Worth HOME funds

Will this site/activity receive non-TDHCA federal funding for costs described in this Application? Yes

8. **Qualified Low Income Housing Development Election (HTC Applications only)**

Pursuant to §42(g)(1)(A) & (B), the term “qualified low income housing development” means any project or residential rental property, if the Development meets one of the requirements below, whichever is elected by the taxpayer.” Once an election is made, it is irrevocable. Select only one:

- At least 20% or more of the residential units in such development are both rent restricted and occupied by individuals whose income is 50% or less of the area median gross income, adjusted for family size.
- At least 40% or more of the residential units in such development are both rent restricted and occupied by individuals whose income is 60% or less of the median gross income, adjusted for family size.

If a revised form is submitted, date of submission: [ ]
## 5. Funding Request

Complete the table below to describe this Application’s funding request. If applying for Multifamily Direct Loan funds, please select only one type of loan.

<table>
<thead>
<tr>
<th>Department Funds applying for with this Application</th>
<th>Requested Amount</th>
<th>If funds will be in the form of a Direct Loan by the Department or for Private Activity Bonds, the terms will be:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Multifamily Direct Loan: Const. to Perm (Repayable)</td>
<td>$ 1,500,000</td>
<td>Interest Rate (%) 1.00%  Amortization (Years) 30  Permanent Term (Years) 18</td>
</tr>
<tr>
<td>Multifamily Direct Loan: Construction Only (Repayable)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Multifamily Direct Loan: Const. to Perm. (Soft Repayable)</td>
<td></td>
<td>0.00%</td>
</tr>
<tr>
<td>CHDO Operating Expenses Grant</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Housing Tax Credits</td>
<td>$ 1,500,000</td>
<td></td>
</tr>
<tr>
<td>Private Activity Mortgage Revenue</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

## 6. §11.5 - Set-Aside (For Competitive HTC & Multifamily Direct Loan Applications Only)

Identify any and all set-asides the application will be applying under with an “x”. Set-Asides can not be added or dropped from pre-application to full Application for Competitive HTC Applications.

<table>
<thead>
<tr>
<th>Competitive HTC Only</th>
<th>Multifamily Direct Loan Only</th>
</tr>
</thead>
<tbody>
<tr>
<td>At-Risk</td>
<td></td>
</tr>
<tr>
<td>Nonprofit</td>
<td></td>
</tr>
<tr>
<td>USDA</td>
<td></td>
</tr>
<tr>
<td>CHDO</td>
<td></td>
</tr>
<tr>
<td>SH/SR</td>
<td></td>
</tr>
</tbody>
</table>

By selecting the set-aside above, I, individually or as the general partner(s) or officers of the Applicant entity, confirm that I (we) are applying for the above-stated Set-Aside(s) and Allocations. To the best of my (our) knowledge and belief, the Applicant entity has met the requirements that make this Application eligible for this (these) Set-Aside(s) and Allocations and will adhere to all requirements and eligibility standards for the selected Set-Aside(s) and Allocations.

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Has this site/activity previously applied for TDHCA funds? Yes

Has this site/activity previously received TDHCA funds? Yes

If “Yes” Enter Project Number: 17259 and TDHCA funding source: HTC

Has this site/activity previously received non-TDHCA federal funding? Yes

If yes, source: City of Fort Worth HOME funds

Will this site/activity receive non-TDHCA federal funding for costs described in this Application? Yes

## 8. Qualified Low Income Housing Development Election (HTC Applications only)

Pursuant to §42(g)(1)(A) & (B), the term “qualified low income housing development” means any project or residential rental property, if the Development meets one of the requirements below, whichever is elected by the taxpayer.” Once an election is made, it is irrevocable. Select only one:

- At least 20% or more of the residential units in such development are both rent restricted and occupied by individuals whose income is 50% or less of the area median gross income, adjusted for family size.

- At least 40% or more of the residential units in such development are both rent restricted and occupied by individuals whose income is 60% or less of the median gross income, adjusted for family size.

If a revised form is submitted, date of submission:
Development Activities

1. **Common Amenities (ALL Multifamily Applications §10.101(b)(5))**

<table>
<thead>
<tr>
<th># of Units</th>
<th>must qualify for</th>
<th>Points</th>
</tr>
</thead>
<tbody>
<tr>
<td>110</td>
<td></td>
<td>10</td>
</tr>
</tbody>
</table>

   Development will provide sufficient common amenities to qualify for the number of points indicated above, pursuant to §10.101(b)(5) of the Uniform Multifamily Rules. Applications for scattered site developments should refer to §10.101(b)(5)(B) of the Uniform Multifamily Rules.

2. **Unit Requirements (ALL Multifamily Applications §10.101(b)(6)(A) and (B))**

   A. **Unit Sizes**

   - Development is New Construction or Reconstruction and will meet the minimum Unit Size requirements:
     
     | Bedroom Size | 0 | 1 | 2 | 3 | 4 |
     |--------------|---|---|---|---|---|
     | Square Footage | 500 | 600 | 800 | 1,000 | 1,200 |

   OR:

   - Development is proposing Rehabilitation (excluding Reconstruction) or Supportive Housing, and does not adhere to the size requirements above.

   B. **Unit Amenities (For Competitive HTC Applications, see Tab 19 for Unit and Development Features)**

   - Application is a Tax Exempt Bond Development and will meet a minimum of seven (7) points as outlined in §10.101(b)(6)(B) of the Uniform Multifamily Rules.
   - Application is HOME only or other Department Direct Loan and will meet a minimum of four (4) points as outlined in §10.101(b)(6)(B) of the Uniform Multifamily Rules.

   **Rehabilitation Developments will start with a base score of three (3) points and Supportive Housing Developments will start with a base score of five (5) points.**

3. **Tenant Supportive Services (For Competitive HTC Applications and Direct Loan Applications seeking to qualify for points under §13.6, see Tab 19 for Tenant Services elections)**

   - Application is a Tax Exempt Bond Development and will meet a minimum of eight (8) points as outlined in §10.101(b)(7) of the Uniform Multifamily Rules.
   - Application is only requesting Direct Loan funds and will meet a minimum four (4) points as outlined in §10.101(b)(7) of the Uniform Multifamily Rules.

4. **Development Accessibility Requirements (ALL Multifamily Applications)**

   - Development will meet all specifications and accessibility requirements reflected in the Certification of Development Owner form pursuant to §10.101(b)(8) of the Uniform Multifamily Rules.

   **Yes**

   All units accessed by the ground floor or by elevator (“affected units”) comply with the visitability requirements in clauses (i) – (iii) of 10 TAC §10.101(b)(8)(B).

   and

   **Yes**

   Development has a minimum of 5% of all units in the development set aside for the mobility impaired and an additional 2% set aside for the hearing and/or visually impaired.

   Regardless of building type, all Units accessed by the ground floor or by elevator (“affected units”) must comply with the visitability requirements in clauses (i) – (iii) of 10 TAC §10.101(b)(8)(B).
**Development Activities**

1. **Common Amenities (ALL Multifamily Applications §10.101(b)(5))**

   - # of Units must qualify for **14** Points

     ✔ Development will provide sufficient common amenities to qualify for the number of points indicated above, pursuant to §10.101(b)(5) of the Uniform Multifamily Rules. Applications for scattered site developments should refer to §10.101(b)(5)(B) of the Uniform Multifamily Rules.

2. **Unit Requirements (ALL Multifamily Applications §10.101(b)(6)(A) and (B))**

   A. **Unit Sizes**

     ✔ Development is New Construction or Reconstruction and will meet the minimum Unit Size requirements:

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

   OR:

     Development is proposing Rehabilitation (excluding Reconstruction) or Supportive Housing, and does not adhere to the size requirements above.

   B. **Unit Amenities (For Competitive HTC Applications, see Tab 19 for Unit and Development Features)**

     ✔ Application is a Tax Exempt Bond Development and will meet a minimum of seven (7) points as outlined in §10.101(b)(6)(B) of the Uniform Multifamily Rules.

     ✔ Application is HOME only or other Department Direct Loan and will meet a minimum of four (4) points as outlined in §10.101(b)(6)(B) of the Uniform Multifamily Rules.

     **Rehabilitation Developments will start with a base score of three (3) points and Supportive Housing Developments will start with a base score of five (5) points.**

3. **Tenant Supportive Services (For Competitive HTC Applications and Direct Loan Applications seeking to qualify for points under §13.6, see Tab 19 for Tenant Services elections)**

   ✔ Application is a **Tax Exempt Bond Development** and will meet a minimum of eight (8) points as outlined in §10.101(b)(7) of the Uniform Multifamily Rules.

   ✔ Application is **only requesting Direct Loan funds** and will meet a minimum four (4) points as outlined in §10.101(b)(7) of the Uniform Multifamily Rules.

4. **Development Accessibility Requirements (ALL Multifamily Applications)**

   ✔ Development will meet all specifications and accessibility requirements reflected in the Certification of Development Owner form pursuant to §10.101(b)(8) of the Uniform Multifamily Rules.

     Yes

     All Units accessed by the ground floor or by elevator (“affected units”) comply with the visitability requirements in clauses (i) – (iii) of 10 TAC §10.101(b)(8)(B).

     and

     Yes

     Development has a minimum of 5% of all units in the development set aside for the mobility impaired and an additional 2% set aside for the hearing and/or visually impaired.

     **Regardless of building type,** all Units accessed by the ground floor or by elevator (“affected units”) must comply with the visitability requirements in clauses (i) – (iii) of 10 TAC §10.101(b)(8)(B).
2018 HTC
Full Application

Part 3 Tab 19

Development Activities Part II
1. **Size and Quality of Units (Competitive HTC Applications only) [§11.9(b)]**
   - Development is Rehabilitation and either Supportive Housing or USDA financed OR meets the minimum size requirements identified below:
   - **Points claimed:** 0
   - Specific amenities and quality features will be provided in every Unit at no extra charge to the tenant; Development will maintain the points selected and associated with those amenities as outlined in §10.101(b)(6)(B) of the Uniform Multifamily Rules.*
   
   * Direct Loan applicants proposing new construction or rehabilitation should be prepared to comply with requirements of the newly published Federal rule at 81 FR 92626, which requires installation of broadband infrastructure at the time of new construction or substantial rehabilitation of multifamily rental housing that is funded or supported by HUD.

2. **Rent Levels of Tenants and Tiebreaker (Direct Loan Applications only) [§13.6(e) and (f)]**
   - At least 20 percent of all low-income Units at 30% or less of AMGI* Points claimed: 0
   - At least 10 percent of all low-income Units at 30% or less of AMGI or, for a Development located in a Rural Area, 7.5 percent of all low-income Units at 30% or less of AMGI* Points claimed: 0
   - At least 5 percent of all low-income Units at 30% or less of AMGI* Points claimed: 0
   
   * Applicants electing to restrict units at 30% AMGI for Competitive HTC purposes may not count those units for point scoring under §13.6(e). However, 50% AMGI and 60% AMGI units that are layered with 30% AMGI units for Direct Loan purposes may count for point scoring under §13.6(e). Points claimed here will not appear on the Self Score tab.

3. **Income Levels of Tenants (Competitive HTC Applications only) [§11.9(c)(1)]**
   - 38 Total Number of Units at 50% or less of AMGI
   - 38 Number of 30% Units used to score points under §11.9(c)(2)*
   - 38 Number of Units at 50% or less of AMGI available to use for points under §11.9(c)(1)
   - 51.35% Percentage used for calculation of eligible points under §11.9(c)(1)
   
   Mark **only one** box below:
   - Development is located in a Non-Rural Area of the Dallas, Fort Worth, Houston, San Antonio or Austin MSA; or Points claimed: 0
   - Developments proposed in all other areas. Points claimed: 0
   
   * Applicants electing the 30% boost for additional 30% units are advised to ensure the units used to support the boost are not included in the units needed to achieve the Application's scoring elections.

4. **Rent Levels of Tenants (Competitive HTC Applications only) [§11.9(c)(2)]**
   - Mark **only one** box below:
   - At least 20% (less Units used for eligibility for boost) of all low-income Units are restricted at 30% or less of AMGI; Points claimed: 0
   - Development is Supportive Housing proposed by a Qualified Nonprofit Organization. Points claimed: 0
   - Development is urban and at least 10% (less Units used for eligibility for boost) of all low-income Units are restricted at 30% or less of AMGI; or Points claimed: 0
   - Development is located in a Rural Area and 7.5% (less Units used for eligibility for boost) of all low-income Units are restricted at 30% or less of AMGI; or Points claimed: 0
   - At least 5% of all low-income Units at 30% or less of AMGI Points claimed: 0

5. **Tenant Services (Competitive HTC Applications and Direct Loan Applications) [§11.9(c)(3) and §13.6(6)]**
   - Development will provide a combination of supportive services as identified in §10.101(b)(7) and those services will be recorded in the Development’s LURA.
   - Supportive Housing Development proposed by a Qualified Nonprofit Points claimed: 0
   - All other Developments. Points claimed: 0

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**Development Activities (Continued)**

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**Self Score:** 33
The Applicant certifies that the Development will contact local service providers, and will make Development community space available to them on a regularly-scheduled basis to provide outreach services and education to the tenants. Points Claimed: 1

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

Applicants scoring points under the Section 811 PRA program should pay close attention to the URA requirements included in Tab 21, Davis Bacon requirements under TAB 44 and the environmental clearance requirements included in Tab 47.

If pursuing these points, Applicants must try to score first with subparagraph (A) and then subparagraph (B). Only if an Applicant or Affiliate cannot meet the requirements of subparagraphs (A) or (B) may an Application qualify for points under subparagraph (C). Select only one scoring scenario below:

<table>
<thead>
<tr>
<th>Point Claimed</th>
<th>Scenario Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>Applicant or Affiliate has attached behind this tab an explanation and documentation regarding the Applicant’s or Affiliate’s lack of Ownership interest or Control of any Existing Development that is included on the List of Qualified Existing Developments for Multifamily Programs; Attached behind this tab is the executed Certification for Section 811 PRA Program Participation. Points Claimed: 2</td>
</tr>
<tr>
<td>B</td>
<td>If not scoring under A above, Applicant or Affiliate is committing at least 10 Units in the proposed Development for participation in the Section 811 PRA Program Attached behind this tab is the executed Certification for Section 811 PRA Program Participation. Points Claimed: 0</td>
</tr>
<tr>
<td>C</td>
<td>If cannot score under A or B above, Applicant elects to set-aside at least 5 percent of the total Units for Persons with Special Needs. MFDL Applications that are not layered with 2018 9% HTC cannot elect to score points under this item. The Department will require an initial minimum twelve-month period during which Units must either be occupied by Persons with Special Needs or held vacant, unless the units receive HOME funds from any source. Attached behind this tab is the executed Certification for Section 811 PRA Program Participation. Points Claimed: 0</td>
</tr>
</tbody>
</table>

**Application is seeking points for Tenant Populations.** Points Claimed: 2
<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
</table>
|7. | **Pre-Application Participation** (Competitive HTC Applications only) [§11.9(e)(3)]
- Development is requesting Pre-Application Points. 0 |
|8. | **Extended Affordability** (Competitive HTC Applications only) [§11.9(e)(5)]
- Development will maintain a 35 year Affordability Period. 0 |
|9. | **Historic Preservation** (Competitive HTC Applications only) [§11.9(e)(6)]
- Application requests points for Historic Preservation.
- Application contains a letter from the Texas Historical Commission (THC) determining preliminary eligibility for federal or state historic (rehabilitation) tax credits.
- Application includes documentation from the Texas Historical Commission that the property is currently a Certified Historic Structure or determining preliminary eligibility for status as a Certified Historic Structure.
- Development will be able to document receipt of historic tax credits by the time Forms 8609 are issued.
- At least 75% of the residential units will be within the Certified Historic Structure.
- Attached behind this tab are the THC letter and other documentation described above.
- Application is eligible for five (5) points. 0 |
|10. | **Right of First Refusal** (Competitive HTC Applications only) [§11.9(e)(7)]
- Development Owner agrees to provide a Right of First Refusal to purchase the Development upon or following the end of the Compliance Period. 0 |
|11. | **Funding Request Amount** (Competitive HTC Applications only) [§11.9(e)(8)]
- Application reflects funding request for no more than 100% of the amount available in the subregion or set-aside as of 12/5/2017. 0 |
SECTION 811 PROJECT RENTAL ASSISTANCE PROGRAM
OWNER PARTICIPATION AGREEMENT

This Section 811 Project Rental Assistance Program Owner Participation Agreement (the “Agreement”) is entered into on this 29th day of September, 2017, by and between Mistletoe Station, LLC, a Texas limited liability company (“Owner”) and the Texas Department of Housing and Community Affairs, a public and official agency of the State of Texas (“TDHCA”) (collectively, the “Parties”) for participation in the TDHCA Section 811 Project Rental Assistance Program with regards to housing units on certain multifamily rental housing properties consisting of a total of 10 units known as Mistletoe Station situated on real property located in the City of Fort Worth, County of Tarrant, State of Texas.

The parties enter into this Agreement in conjunction with the commitments made by the applicants of the following TDHCA Multifamily Housing Development Program Application(s) that were successfully awarded Direct Loan funds and/or a Competitive HTC to satisfy the requirements of 10 TAC §10.204 (16) (A) utilizing the Eligible Multifamily Property as the approved Existing Development to provide Section 811 PRA Program units:

<table>
<thead>
<tr>
<th>Application Number</th>
<th>Program: Direct Loan Funds or Competitive HTC</th>
<th>Proposed Development Name</th>
<th>Number of Section 811 PRA Program</th>
</tr>
</thead>
<tbody>
<tr>
<td>17259</td>
<td>Competitive HTC</td>
<td>Mistletoe Station</td>
<td>10</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Section 811 PRA Program Units</td>
<td></td>
<td></td>
<td>10</td>
</tr>
</tbody>
</table>

Each applicant for each application referenced above must provide the minimum number of Section 811 PRA Program units for each of their respective developments

Section 1
TERM

This Agreement shall be effective on the date executed by the authorized representative for TDHCA and shall remain in full force and end on the date which is 30 years from the date of execution or the expiration date of the Use Agreement, whichever period is longer, unless earlier terminated or amended in accordance with the provisions herein (“Term”).

Section 2
DEFINITIONS

Version 3: 2017
2.1 **General.** Unless the context clearly indicates otherwise, capitalized terms used shall have the meaning ascribed to them in this Agreement, provided that certain capitalized terms used and not defined herein shall have the meanings ascribed to them in or for the purposes of the Program Requirements.

A. **Assisted Units** means rental units made available to or occupied by an Eligible Tenant in Eligible Multifamily Properties receiving assistance under 42 U.S.C. § 8013(b)(3)(A).

B. **Contract Rent** means the total amount of rent specified in the Rental Assistance Contract (RAC) as payable to the Owner for the Assisted Unit.

C. **Cooperative Agreement** means the Section 811 Project Rental Assistance Program Cooperative Agreement including all exhibits and attachments thereto, by and between TDHCA as “Grantee” and HUD, entered into as a condition to and in consideration of TDHCA’s participation in the Section 811 Project Rental Assistance Program.

D. **Eligible Applicant** means an Extremely Low-Income Person with Disabilities, between the ages of 18 and 62, and Extremely Low Income Families, which includes at least one Person with a Disability, who is between the ages of 18 and 62 at the time of admission. The Person with a Disability must be eligible for community-based, long-term care services as provided through Medicaid waivers, Medicaid state plan options, comparable state funded services or other appropriate services related to the type of disability(ies) targeted under the Inter-Agency Partnership Agreement.

E. **Eligible Families** or **Eligible Family** shall have the same meaning as “Eligible Tenant.”

F. **Eligible Multifamily Property** or **Eligible Multifamily Properties** means any new or existing property owned by a private or public nonprofit, or for-profit entity with at least five (5) housing units and as specifically identified in the first paragraph on page one of this Agreement.

G. **Eligible Tenant** means an Eligible Applicant who are being referred to available Assisted Units in accordance with the Inter-Agency Partnership Agreement and for whom community-based, long-term care services are available at time of referral. Such services are voluntary; referral shall not be based on willingness to accept such services. Eligible Tenant also means an Extremely Low-Income Person with a Disability, between the ages of 18 and 62 at the time of referral, and Extremely Low-Income families, which includes at least one Person with a Disability, who is between the ages of 18 and 62 at the time of referral.

H. **Extremely Low-Income** means a household whose annual income does not exceed thirty percent (30%) of the median income for the area, as determined by HUD, with adjustments for smaller and larger families, except that HUD may establish income ceilings higher or lower than thirty percent (30%) of the median income for the area if HUD finds that such variations are necessary because of unusually high or low family
incomes. HUD’s income exclusions, as defined under 24 CFR §5.609 (as amended), apply in determining income eligibility and Eligible Tenant’s rent.

I. “HUD” means the U. S. Department of Housing and Urban Development.

J. “Inter-Agency Partnership Agreement” means the Inter-Agency Partnership Agreement between TDHCA and State Health and Human Services Medicaid Agency(ies) that provides a formal structure for collaboration to participate in TDHCA’s Section 811 Project Rental Assistance Program to develop permanent supportive housing for Extremely Low-Income Persons with Disabilities.

K. “Owner” means the entity that owns the Eligible Multifamily Property. Additionally, Owner means the entity named as such in the first paragraph on page 1 of this Agreement, its successors and assigns.

L. “Owner & Property Management Manual” means a set of guidelines designed to be an implementation tool for the Program, which allows the Owner and the Owner’s designated property manager to better administer the Program, which also includes adherence to the “Owner Occupancy Requirements” set forth in Section IV of HUD Notice H 2013-24.

M. “Persons with Disability” or “Persons with Disabilities” shall have the same meaning as defined under 42 U.S.C. §8013(k)(2) and 24 CFR §891.305.

N. “Program” means TDHCA’s Section 811 Project Rental Assistance Program under Section 811 of the Cranston-Gonzales National Affordable Housing Act [42 U.S.C. §8013(b)(3)(A)], as amended by the Frank Melville Supportive Housing Investment Act of 2010 (Public Law 111-374) designed to provide permanent supportive housing for Extremely Low-Income persons with disabilities receiving long term supports and services in the community.

O. “Program Requirements” means but is not limited to: (1) this Agreement; (2) Tex. Gov’t. Code Ann. Chapter 2306; (3) the applicable state program rules under Title 10, Part 1 of the Texas Administrative Code; (4) the Owner & Property Management Manual; (5) Part I of the Rental Assistance Contract attached as Exhibit 8 to the Cooperative Agreement; (6) Part II of the Rental Assistance Contract attached as Exhibit 9 to the Cooperative Agreement; (7) the Use Agreement; (8) Program Guidelines attached as Exhibit 5 to the Cooperative Agreement; (9) HUD Notice 2013-24 issued on August 23, 2013; (10) Section 811 of the Cranston-Gonzales National Affordable Housing Act [42 U.S.C. §8013(b)(3)(A)], as amended by the Frank Melville Supportive Housing Act of 2010 [Public Law 111-374]; (11) Consolidated and Further Continuing Appropriations Act of 2012 [Public Law 112-55]; (12) Notice of Funding Availability (NOFA) for Fiscal Year 2012 Section 811 Project Rental Assistance Program published on May 15, 2012 (13) Notice of Funding Availability (NOFA) for Fiscal Years 2013 Section 811 Project Rental Assistance Program published on March 4, 2014, and Technical Corrections to NOFA; and (14) all laws applicable to the Program.
P. “Rent


Rental Assistance Contract (RAC)” means the HUD contract (form HUD-92235-PRA and form HUD-92237-PRA) by and between TDHCA and the Owner of the Eligible Multifamily Property which sets forth additional terms, conditions and duties of the Parties with respect to the Eligible Multifamily Property and the Assisted Units.

Q. “Rental Assistance Payments” means the payment made by TDHCA to Owner as provided in the Rental Assistance Contract. Where the Assisted Units are leased to an Eligible Tenant, the payment is the difference between the Contract Rent and the Tenant Rent. An additional payment is made to the Eligible Tenant when the Utility Allowance is greater than the Total Tenant Payment. A vacancy payment may be made to the Owner when an Assisted Units is vacant, in accordance with the RAC and other Program Requirements.

R. “Target Population” means the specific group or groups of Eligible Applicants and Eligible Tenants described in TDHCA’s Inter-Agency Partnership Agreement who are intended to be solely served or to be prioritized under TDHCA’s Program.

S. “Tenant Rent” means the rent as defined in 24 CFR Part 5.

T. “Total Tenant Payment” means the payment as defined in 24 CFR Part 5.

U. “Utility Allowance” means the Utility Allowance as defined in 24 CFR Part 5.

V. “Use Agreement” means an agreement by and between TDHCA and Owner in the form prescribed by HUD under Exhibit 10 of the Cooperative Agreement (form HUD-92238-PRA) encumbering the Eligible Multifamily Property with restrictions and guidelines under the Program for operating Assisted Units during a thirty (30) year period, to be recorded in the official public property records in the county where the Eligible Multifamily Property is located.

Section 3
OWNER’S OBLIGATIONS AND LIABILITIES

3.1 Legal Authority

A. Contractual Authority. Owner assures and guarantees TDHCA that Owner possesses the legal authority to enter into this Agreement, to receive funds authorized by this Agreement, and to perform the services Owner has obligated itself to perform under this Agreement.

B. Signature Authority. The person(s) signing and executing this Agreement on behalf of Owner does hereby warrant and guarantee that he/she is duly authorized by Owner to execute this Agreement on behalf of Owner and to validly and legally bind Owner to all the terms, performances, and provisions of this Agreement.

Section 4
TDHCA OBLIGATIONS AND LIABILITIES
4.1 Program Funds

TDHCA shall not disburse Program funds under this Agreement until and unless the actual receipt by TDHCA of adequate federal or state funds to meet TDHCA's liabilities under this Agreement. If adequate funds are not available to make payments under this Agreement, TDHCA shall notify Owner in writing within a reasonable time after such fact is determined. In that event, this Agreement shall terminate and neither TDHCA nor Owner shall have any further rights or obligations hereunder.

4.2 TDHCA Point of Contact (“TDHCA POC”)

A. Appointment. TDHCA will appoint a staff person as the Point of Contact responsible for receiving the Program referrals from the referral agents. The current TDHCA POC is Bill Cranor and can be reached at bill.cranor@tdhca.state.tx.us.

B. Responsibilities. The TDHCA POC will maintain the waiting list for all Assisted Units within Eligible Multifamily Properties. The TDHCA POC is responsible for the various functions detailed in the Inter-Agency Partnership Agreement for the Program and is the main point of contact for Owner.

C. Changes; New Appointment. Should the TDHCA POC change, TDHCA will make reasonable attempts to notify the Parties of the change in TDHCA POC in accordance with the notice provision in Section 10.15 of this Agreement.

Section 5

PERFORMANCE

5.1 Use and Occupancy of Eligible Multifamily Property

A. Use of Eligible Multifamily Property. During the Term of this Agreement, the Owner will commit to the Program a set aside for Eligible Applicants and make available for occupancy by Eligible Applicants on a continuous basis (10) Assisted Units under this Agreement and an additional (0) Assisted Units committed by development owners under the TDHCA Multifamily Housing Development Program Applications identified in the second paragraph of page one of this Agreement, for a total of (10) Assisted Units on the Eligible Multifamily Property.

B. Assisted Units Requirements. An Assisted Unit must meet the following requirements:

1. The Assisted Unit does not have an existing use restriction for Persons with Disabilities.

2. The Assisted Unit has not been receiving any federal, state, or local project-based rental assistance or long-term operating assistance for the last six months.

3. The Assisted Unit does not have an existing use limited for persons 62 or older. If the Assisted Unit has an existing income or rent restriction, that restriction must be for an income or rent greater than thirty percent (30%) of the median family income for the area.
4. The types (e.g., accessible) and the specific number of Assisted Units (e.g., units 101, 201, etc.) will be “floating” (flexible) depending on the needs of the Program and the availability of the Assisted Units on the Eligible Multifamily Property.

C. Occupancy Requirements. Owner must comply with the following occupancy requirements:

1. If the Eligible Multifamily Property consists of less than 50 total units, then Owner must set aside no more than twenty-five percent (25%) of the total units in Eligible Multifamily Property as Assisted Units to be funded with payments under the Program, restricted to supportive housing for Persons with Disabilities, or have occupancy preferences as reflected in a contract or Use Agreement for Persons with Disabilities.

2. If the Eligible Multifamily Property consist of 50 or more total units, then Owner must set aside no more than eighteen percent (18%) of the total units in Eligible Multifamily Property as Assisted Units to be funded with payments under the Program, restricted to supportive housing for Persons with Disabilities, or have occupancy preferences as reflected in a contract or Use Agreement for Persons with Disabilities.

3. Owner is required to follow all applicable Program Requirements including but not limited to the following occupancy requirements found in HUD Handbook 4350.3 REV-1 and Housing Notices:
   a. H 2012-06, Enterprise Income Verification (EIV) System
   b. H 2012-26, Extension of Housing Notice 2011-25, Enterprise Income Verification (EIV) & You Brochure- Requirements for Distribution and Use
   c. H 2012-22, Further Encouragement for O/As to Adopt Optional Smoke-Free Housing Policies
   d. H 2012-11, State Registered Lifetime Sex Offenders in Federally Assisted Housing
   e. H 2012-09, Supplemental Information to Application for Assistance Regarding Identification of Family Member, Friend or Other Persons or Organization Supportive of a Tenant for Occupancy in HUD Assisted Housing

D. Use Agreements. The Owner must execute the Use Agreement, as found in Exhibit 10 of the Cooperative Agreement, before the execution of the RAC and comply with the following:

1. Use Agreement should be properly recorded according to local laws in the official public records on the Eligible Multifamily Property. The Owner shall provide to TDHCA within 30 days of its receipt of the recorded Use Agreement, a copy of the executed, recorded Use Agreement.
2. From the date this Agreement is entered into (see the first paragraph of this Agreement), the Owner shall not enter into any future use agreements or other subsidy programs that would diminish the number of Assisted Units that can be placed on the Eligible Multifamily Property.

TDHCA will enforce the provisions of the Use Agreement and RAC consistent with HUD’s internal control and fraud monitoring requirements.

5.2 Tenant Certifications, Reporting and Compliance

A. TRACS & EIV Systems. The Owner shall have appropriate software to access the Tenant Rental Assistance Certification System (TRACS) and the Enterprise Income Verification (EIV) System. The Owner shall be responsible for ensuring Program information is entered into these systems. The Owner agrees that TRACS is the only method for an Eligible Multifamily Property to request Project Rental Assistance payments.

B. Outside Vendors. The Owner has the right to refuse assistance from outside vendors hired by TDHCA, but is still required to satisfy the Program Requirements.

C. Tenant Certification. The Owner shall transmit Eligible Tenant’s certification and recertification data, transmit voucher data, and communicate errors electronically in a form consistent with HUD reporting requirements for HUD Secure Systems.

5.3 Tenant Selection and Screening

A. Target Population. TDHCA will screen Eligible Applicants for compliance with TDHCA’s Program Target Population criteria and do an initial screening for Program Requirements. The Inter-Agency Partnership Agreement describes the specific Target Population eligible for TDHCA’s Program. The Target Population can be revised with HUD approval.

B. Tenant Selection Plan. Upon the execution of this Agreement, the Owner will submit the Eligible Multifamily Property’s Tenant Selection Criteria, as defined by and in accordance with 10 TAC §10.610 (as amended), to TDHCA for approval. TDHCA will review the Tenant Selection Plan for compliance with existing Tenant Selection Criteria requirements and consistent with TDHCA’s Section 811 PRA Participant Selection Plan.

C. Tenant Eligibility and Selection. The Owner is responsible for ultimate eligibility and selection of an Eligible Tenant and will comply with the following:

1. The Owner must accept referrals of an Eligible Tenant from TDHCA and retain copies of all applications received. The Owner is responsible for notifying the prospective Eligible Tenant and TDHCA in writing regarding any denial of a prospective Eligible Tenant’s application to an Eligible Multifamily Property and the reason for said denial. In the notice of denial, the Owner is responsible for notifying the Eligible Tenant of the right to dispute a denial, as outlined in HUD Handbook.
4350.3. The results of the dispute must be sent to the Eligible Tenant and TDHCA in writing.

2. The Owner is responsible for determining age of the qualifying member of the Eligible Families. Eligible Family member must be at least 18 years of age and under the age of 62.

3. The Owner is responsible for criminal background screening as required by HUD Handbook 4350.3.

D. Verification of Income. The Owner is responsible for determining income of Eligible Families. The Owner shall verify income through the Enterprise Income Verification (EIV) System. The Owner must certify an Eligible Tenant and Eligible Families at least annually and verify their income.

5.4 Rental Assistance Contracts ("RAC")

A. Applicability. If requested by TDHCA, the Owner shall enter into a RAC. Not all properties with an Owner Participation Agreement will have a RAC, but when notified by TDHCA, the Eligible Multifamily Property must enter into a RAC(s) and begin serving Eligible Applicants. This Agreement is consistent and not in conflict with the RAC.

B. Notice. TDHCA agrees to provide written notice to the Owner if and when it intends to enter into a RAC with the Owner.

C. Assisted Units. TDHCA will determine the number of Units (up to the maximum listed in Section 5.1 of this Agreement) to place in the RAC(s) which may be fewer than the number of Units identified in Section 5.1 of this Agreement.

1. In addition, TDHCA will designate the bedroom composition of the Assisted Units, as required by the RAC. However, based on an actual Eligible Tenant, this may fluctuate. It is possible that an Eligible Multifamily Property will have a RAC for a different number of units than the number committed in the Participation Agreement.

2. If no additional applicants are referred to the property, the RAC may be amended to reduce the number of Assisted Units. Owners who have an executed RAC must continue to notify TDHCA in accordance with Section 5.8 of any vacancies for units not under a RAC if additional units were committed under the Agreement. For instance, if the Owner has committed 10 units under the Agreement and only has a RAC for five Assisted Units, the Owner must continue to notify TDHCA of all vacancies until there is a RAC for 10 Assisted Units.

D. Amendments. The Owner agrees to amend the RAC(s) upon request of TDHCA. Some examples are amendments that may either increase or decrease the total number of Assisted Units or increase or decrease the associated bedroom sizes; multiple amendments to the RAC may occur over time. The total number of Assisted Units in the
RAC will not exceed the number of Assisted Units committed in this Agreement, unless by request of the Owner.

E. **Contract Term.** TDHCA will specify the effective date of the RAC. During the first year of the RAC and with approval from HUD, the Owner may request to align the anniversary date of the RAC with existing federal or state housing programs layered on the Eligible Multifamily Property.

F. **Rent Increase.** Owners must submit a written request to TDHCA 30 days prior to the anniversary date of the RAC to request an annual increase.

G. **Utility Allowance.** The RAC will identify the TDHCA approved Utility Allowance being used for the Assisted Units for the Eligible Multifamily Property. The Owner must notify TDHCA if there are changes to the Utility Allowance calculation methodology being used.

H. **Termination.** Although TDHCA has discretion to terminate a RAC due to good cause, an Owner cannot opt-out of a RAC. The RAC survives a foreclosure, assignment, sale in lieu of foreclosure, or sale of the Eligible Multifamily Property, to the extent allowed by law.

I. **Foreclosure of Eligible Multifamily Property.** Upon foreclosure, assignment, sale in lieu of foreclosure, or sale of the Eligible Multifamily Property, to the extent allowed by law:

   1. The RAC shall be transferred to new owner by contractual agreement or by the new owner’s consent to comply with the RAC, as applicable;

   2. Rental Assistance Payments will continue uninterrupted in accordance with the terms of the RAC; and

   3. Voluntary and involuntary transfers or conveyances of property must adhere to the ownership transfer process in 10 TAC §10.406, as amended, regarding Ownership Transfer requests

5.5 **Advertising**

A. **Advertising Materials.** Upon the execution of this Agreement, the Owner must provide materials for the purpose of advertising the Eligible Multifamily Property, including but not limited to:

   1. Depictions of the units including floor plans

   2. Brochures

   3. Tenant Selection Criteria

   4. House Rules
5. Number and size of available units

6. Number of units with accessible features (including, but not limited to units designed to meet Uniform Federal Accessibility Standards, the Fair Housing Act, or the Americans with Disabilities Act)

7. Documentation on access to transportation and commercial facilities

8. Onsite amenities

B. Affirmative Marketing. TDHCA will be responsible for affirmatively marketing the Program to Eligible Applicants and will establish an affirmative fair housing marketing plan for its TDHCA Program which Owner will be required to follow when marketing Assisted Units.

C. Advertising. At any time, TDHCA may choose to advertise the Eligible Multifamily Property, even if the Eligible Multifamily Property has not yet entered into a RAC.

5.6 **Leasing Activities**

A. Segregation of Assisted Units. The Owner must take actions or adopt procedures to ensure that the Assisted Units are not segregated to one area of a building (such as on a particular floor or part of a floor in a building) or in certain sections within the Eligible Multifamily Property.

B. Form of Lease. The Owner will use the HUD Section 811 PRA Model Lease (HUD-92236-PRA), Exhibit 11 of the Cooperative Agreement, for all Eligible Families once a RAC is signed. The initial lease will be for not less than one year.

C. Communication. Owners are required to document in writing all communication between the Eligible Tenant and the Owner, or Owner-designated agent regarding applications, notifications, evictions, complaints, non-renewals and move outs.

D. Lease Renewals and Changes. The Owner must notify TDHCA of renewals of leases with Eligible Families and any changes to the terms of the lease.

5.7 **Rent**

A. Tenant Rent Payment. The Owner is responsible for remitting any Tenant Rent payment due to the Eligible Tenant if the Utility Allowance exceeds the Total Tenant Payment. The Owner will determine the Tenant Rent payment of the Eligible Tenant, based on HUD Handbook 4350.3, and is responsible for collecting the Tenant Rent payment.

B. Rent Increase. Owner must provide the Eligible Tenant with at least thirty (30) days notice before increasing rent.

C. Rent Restrictions. Owner will comply with the following rent restrictions:
1. If the Assisted Unit has a TDHCA enforced rent restriction that is equal to or lower than Fair Market Rent (“FMR”), the initial rent is the TDHCA enforced rent restriction.

2. If there is no existing TDHCA enforced rent restriction on the Unit, or the existing TDHCA enforced rent restriction is higher than FMR, TDHCA will work with the Owner to conduct a market analysis of the Eligible Multifamily Property to support that a rent higher than FMR is attainable.

3. After the signing of the original RAC with TDHCA, the Owner may request a new anniversary date to be consistent with other rent restrictions on the Eligible Multifamily Property allowed by TDHCA.

4. After the signing of the original RAC, upon request from the Owner to TDHCA, Rents may be adjusted on the anniversary date of the RAC.

5. Adjustments may not result in higher rents charged for an Assisted Unit as compared to a non-assisted unit. The calculation or methodology used for the annual increase amount will be identified in the Eligible Multifamily Property’s RAC.

6. Owner can submit a request for a rent increase or to change the contract anniversary date using HUD Form 92458.

5.8 Vacancy; Transfers; Eviction; Household Changes

A. Holding Assisted Units. Once an Owner signs a RAC, the Eligible Multifamily Property must hold an available Assisted Unit for 60 days while a qualified Eligible Applicant applies for and moves into the Assisted Unit.

B. Notification. Owner will notify TDHCA of determination of ineligibility or the termination of any participating Eligible Families or any member of a participating Eligible Family.

C. Temporary Vacancy. If the Owner is made aware, the Owner will notify TDHCA if the Eligible Tenant has vacated the Eligible Multifamily Property for more than two (2) weeks, but is continuing to pay rent. An example of this could be for temporary hospitalization.

D. Initial Lease-up. Owners of newly constructed, acquired and/or rehabilitated Eligible Multifamily Property must notify TDHCA no later than 180 days before the Eligible Multifamily Property will be available for initial move-in.

E. Vacancy. Once a RAC is executed, the Owner must notify TDHCA of the vacancy of any Unit, including those that have not previously been occupied by an Eligible Tenant, as soon as possible, not to exceed seven (7) calendar days from when the Owner learns that an Assisted Unit will become available. If the qualifying Eligible Tenant vacates the Assisted Unit, TDHCA will determine if the remaining family members are eligible for continued assistance from the Program.
F. **Vacancy Payment.** An Owner of an Eligible Multifamily Property that is not under a RAC may not receive a vacancy payment. TDHCA may make vacancy payments not to exceed 80% of the Contract Rent, during this time to the Eligible Multifamily Property, potentially for up to 60 days. After 60 days, the Owner may lease that Assisted Unit to a non-Eligible Tenant.

G. **Household Changes; Transfers.** Owners must notify TDHCA if the Eligible Tenant requests an Assisted Unit transfer. Owner will notify TDHCA of any household changes in an Assisted Unit within three (3) business days. If the Owner determines that, because of a change in household size, an Assisted Unit is smaller than appropriate for the Eligible Tenant to which it is leased or that the Assisted Unit is larger than appropriate, the Owner shall refer to TDHCA’s written policies regarding family size, unit transfers, and waitlist management. If the household is determined by TDHCA to no longer be eligible, TDHCA will notify the Owner. Rental Assistance Payments with respect to the Assisted Unit will not be reduced or terminated until the eligible household has been transferred to an appropriate size Assisted Unit.

H. **Eviction.** Before evicting an Eligible Tenant, the Owner must have accessed, at least once in the two (2) months prior to eviction, the Section 811 Project Rental Assistance Program’s Conflict Management process.

5.9 **Construction Standards, Accessibility, Inspections and Monitoring**

A. **Construction Standards.** Upon execution of a RAC, the Eligible Multifamily Property shall be required to conform to Uniform Physical Conditions Standards (UPCS) which is a uniform national standards established by HUD for housing that is decent, safe, sanitary, and in good repair. The site, building exterior, building systems, dwelling units and common areas of the Eligible Multifamily Property, as more specifically described in 24 CFR §5.703 must be inspected in any physical inspection of the property.

B. **Inspection.** Prior to occupancy, the Eligible Tenant must be given the opportunity to be present for the move-in unit inspection.

C. **Repair and Maintenance.** Owner will perform all repair and maintenance functions, including ordinary and extraordinary maintenance; will replace capital items; and will maintain the premises and equipment, appurtenant thereto, in good repair, safe and sanitary condition consistent with HUD and TDHCA requirements.

D. **Accessibility.** Owner must ensure that the Eligible Multifamily Property will meet or exceed the accessibility requirements under (1) 24 CFR Part 8, which implements Section 504 of the Rehabilitation Act of 1973; (2) the Fair Housing Act Design Manual, (3) Titles II and III of the Americans with Disabilities Act (42 U.S.C. §§12131-12189), as implemented by the U. S. Department of Justice regulations at 28 CFR Parts 35 and 36, and (4) the Federal Fair Housing Act as implemented by HUD at 24 CFR Part 100. However, Assisted Units can consist of a mix of accessible units for those persons with physical disabilities and non-accessible units for those persons without physical disabilities.
E. Accessible Transportation for Existing Properties. [Not applicable.] [If any Eligible Multifamily Properties have received or will be receiving Competitive (9%) Housing Tax Credits, a Direct Loan, or a Direct Loan layered with Tax-Exempt Bonds, Owner must ensure that the existing Eligible Multifamily Properties (Development where all of the units have been placed in service or are expected to be placed in service on or before December 31, 2018) in its portfolio or its affiliate’s portfolio, will meet one of the following requirements:

1. Owner agrees to provide at no cost to the Eligible Tenant accessible transportation when the property management office is open, such as cab vouchers or a specialized van on-site, to a bus or other public transit stop; or

2. The Eligible Multifamily Property is within a quarter mile of a bus or other public transit stop, or is served by a rural transportation service.]

5.10 Owner Training The Owner is obligated to train all property management staff on the requirements of the Program. The Owner will ensure that any new property management staff who is involved in serving Eligible Families review training materials found on the Program’s webpage including webinars, manuals and checklists.

Section 6
RECORDS AND REPORTING

6.1 Retention and Accessibility of Records

A. Retention. Owner shall establish and maintain sufficient records at its regular place of business, as specified by TDHCA and in accordance with Program Requirements, including records that demonstrate that each Eligible Tenant and Eligible Family assisted with funds provided under this Agreement is income eligible in accordance with Program Requirements.

B. Accessibility. Owner agrees that TDHCA, HUD, the Auditor of the State of Texas, the United States General Accounting Office, the Comptroller of the United States, or any of their duly authorized representatives, shall have the right to access and to examine all books, accounts, records, reports, files, and other papers or property belonging to or in use by Owner pertaining to this Agreement. Owner agrees to maintain such records at its regular place of business.

C. Open Records. Owner acknowledges that TDHCA is subject to the Texas Public Information Act (Chapter 552 of the Texas Government Code) and Owner agrees that funds received from the TDHCA are subject to the Texas Public Information Act and the exceptions to disclosure as provided under the Texas Public Information Act.

6.2 Reporting Requirements Owner shall submit to TDHCA such reports on the operation and performance of this Agreement as may be required by TDHCA, including but not limited to the reports specified in this section. Owner shall provide TDHCA with all reports.
necessary for TDHCA's compliance with 24 CFR Part 5, or any other federal or state law or regulation.

Section 7
AUDITS AND MONITORING

7.1 Audits, Uniform Administrative Requirements, Cost Principles, and Program Income

A. Uniform Administrative Requirements. Uniform administrative requirements, cost principles, and audit requirements are set forth in Program Regulations. The expenditure threshold requiring an audit is currently $750,000 of Federal funds, but may be adjusted in accordance with the Office of Management and Budget regulations.

B. Audit. TDHCA reserves the right to conduct additional audits of the funds received and performances rendered under this Agreement. Owner agrees to permit TDHCA or its authorized representative to audit Owner’s records and to obtain any documents, materials, or information necessary to facilitate such audit in compliance with the requirements of the Single Audit Act.

C. Program Income. Owner must have sufficient knowledge and experience to identify and account for program income as defined in 24 CFR Part 85 or 2 CFR §200.80, as applicable. All program income including interest earned on any award supported activity (if it generates program income it has to be accounted for whether it is paid to Owner or TDHCA or is used for a program purposes without pass back to Owner or TDHCA) is subject to the terms and conditions of the original grant and such U. S. Treasury rules as may apply. TDHCA will document receipt of program income, both principal and interest, and how the funds were used.

Section 8
TERMINATION; EVENT OF DEFAULT

8.1 Termination; Release If TDHCA determines, in its sole authority, that due to lack of demand over a period of time for the Eligible Multifamily Property by households interested in participating in the Program, if adequate funding is not available to meet the financial needs of the Assisted Units, or other good cause exists to terminate all or part of the Agreement, TDHCA will notify the Owner that they have been released from some or all of the obligations associated with the Program and file a release of the Use Agreement in the property records.

8.2 Event of Default Any of the following are events of default under this Agreement:

A. Any material failure by Owner to comply with this Agreement or the Program Requirements.
B. Any material misrepresentation by Owner at any time which, if known by TDHCA, would have resulted in the Owner not being able to participate in the Program or the Program funds not being disbursed.

C. If the Owner’s corporate structure liquidates, terminates, dissolves, merges, consolidates or fails to maintain good standing in the State of Texas, and such is not cured prior to causing material harm to Owner’s ability to perform under the terms of this Agreement or in accordance with the Program Requirements.

8.3 Remedies If an event of default is not remedied by Owner, TDHCA may take any of the following actions:

A. Terminate this Agreement and may assume Owner’s rights and obligations under the RAC.

B. Temporarily suspend disbursing any Program funds to Owner.

C. Suspend any Program funds held by Owner.

D. Impose any special additional requirements or conditions on the Owner.

Section 9 CROSS-CUTTING FEDERAL REQUIREMENTS

Section 9.1 Environmental Laws and Regulations

A. Compliance with Laws and Regulations. Owner must comply with, as applicable, any federal, state, or local law, statute, ordinance, or regulation, whether now or hereafter in effect, pertaining to health, industrial hygiene, or the environmental conditions on, under, or about the Land or the Improvements, including without limitation, the following, as now or hereafter amended:

2. Insecticide Fungicide and Rodenticide Act (7 U.S.C.A. §136 et seq.);
8. Clean Air Act (42 U.S.C.A. §7401 et seq.) (“CAA”);
10. Any corresponding state laws or ordinances including but not limited to Chapter 26 of the Texas Water Code regarding Water Quality Control;
12. Comprehensive Municipal Solid Waste Management, Resource Recovery, and Conservation Act (Chapter 363 of the Texas Health & Safety Code);
13. County Solid Waste Control Act (Chapter 364 of the Texas Health & Safety Code);
14. Texas Clean Air Act (Chapter 382 of the Texas Health & Safety Code);
15. Hazardous Communication Act (Chapter 502 of the Texas Health & Safety Code); and
16. Regulations, rules, guidelines, or standards promulgated pursuant to such laws, statute and regulations, as such statutes, regulations, rules, guidelines, and standards, as amended from time to time.

B. Environmental Review. The environmental effects of each activity carried out with funds provided under this Agreement must be assessed in accordance with the provisions of the Program Requirements, National Environmental Policy Act of 1969 (NEPA) (42 U.S.C. §432 et. seq.). Each such activity must have an environmental review completed and support documentation prepared in accordance with 10 TAC §10.305 complying with the NEPA, including screening for vapor encroachment following American Society for Testing and Materials (“ASTM”) 2600-10.

9.2 Labor Standards

A. Owner understands and acknowledges that every contract for the construction (rehabilitation, adaptive reuse, or new construction) of housing that includes twelve (12) or more units assisted with Program funds must contain provisions in accordance with Davis-Bacon Regulations.

B. Owner understands and acknowledges that every contract involving the employment of mechanics and laborers of said construction shall be subject to the provisions, as applicable, of the Contract Work Hours and Safety Standards Act, as amended (40 U.S.C. Sec. 3701 to 3708), Copeland (Anti-Kickback) Act (40 U.S.C. Sec. 3145), the Fair Labor Standards Act of 1938, as amended (29 U.S.C. 201, et. seq.) and Davis-Bacon and Related Acts (40 U.S.C. 3141-3148).

C. Owner further acknowledges that if more housing units are constructed than the anticipated eleven (11) or fewer housing units, it is the Owner’s responsibility to ensure that all the housing units will comply with these federal labor standards and requirements under the Davis-Bacon Act as supplemented by the U. S. Department of Labor regulations (“Labor Standards Provisions Applicable to Contracts Covering Federally Financed and Assisted Construction” at 29 CFR Part 5).
D. Owner also understands that structuring the proposed assistance for the rehabilitation or construction of housing under this Agreement to avoid the applicability of the Davis-Bacon Act is prohibited.

E. Construction contractors and subcontractors must comply with regulations issued under these federal acts described herein, with other federal laws, regulations pertaining to labor standards, including but not limited to “Labor Standards Provisions Applicable to Contracts Covering Federally Financed and Assisted Construction” at 29 CFR Part 5, HUD Federal Labor Provisions (HUD form 4010). (as applicable.

9.3 Lead-Based Paint Housing assisted with Program funds is subject to the Lead-Based Paint Poisoning Prevention Act (42 U.S.C. 4821-4846), the Residential Lead-Based Paint Hazard Reduction Act of 1992 (42 U.S.C. 4851-4856), and implementing regulations Title X of the 1992 Housing and Community Development Act at 24 CFR Part 35, (including subparts A, B, J, K, M and R). Owner shall also comply with the Lead: Renovation, Repair, and Painting Program Final Rule, 40 CFR Part 745 and Response to Children with Environmental Intervention Blood Lead Levels. Failure to comply with the lead-based paint requirements may be subject to sanctions and penalties pursuant to 24 CFR §35.170.

9.4 Limited English Proficiency Owner shall comply with the requirements in Executive Order 13166 of August 11, 2000, reprinted at 65 FR 50121, August 16, 2000 Improving Access to Services for Persons with Limited English Proficiency and 67 FR 41455. To ensure compliance the Owner must take reasonable steps to insure that LEP persons have meaningful access to the program and activities. Meaningful access may entail providing language assistance services, including oral and written translation, where necessary.

9.5 Procurement of Recovered Materials Owner, its subrecipients, and its contractors must comply with Section 6002 of the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act. The requirements of Section 6002 include procuring only items designated in guidelines of the Environmental Protection Agency (EPA) at 40 CFR Part 247 that contain the highest percentage of recovered materials practicable, consistent with maintaining a satisfactory level of competition, where the purchase price of the item exceeds $10,000 or the value of the quantity acquired by the preceding fiscal year exceeded $10,000; procuring solid waste management services in a manner that maximizes energy and resource recovery; and establishing an affirmative procurement program for procurement of recovered materials identified in the EPA guidelines.


9.7 Nondiscrimination, Fair Housing, Equal Access and Equal Opportunity

A. Equal Opportunity. The Owner agrees to carry out an Equal Employment Opportunity Program in keeping with the principles as provided in President’s Executive Order 11246 of September 24, 1965, as amended, and its implementing regulations at 41 CFR Part 60.
B. **Fair Housing Poster.** The Owner is required to place a fair housing poster (HUD-928.1 and HUD-9281.A) provided by TDHCA in the leasing office, online, or anywhere else rental activities occur pursuant to 24 CFR §200.620(e). A copy of the poster in Spanish and in English can be found at http://www.tdhca.state.tx.us/section-811-pra/participating-agents.htm.

C. **Nondiscrimination Laws.** Owner shall ensure that no person shall, on the grounds of race, color, religion, sex, disability, familial status, or national origin, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under, any Program or activity funded in whole or in part with funds provided under this Agreement. Owner shall follow Title VI of the Civil Rights Act of 1964, as amended (42 U.S.C. §2000d et seq.), the Age Discrimination Act of 1975 (42 U.S.C. §6101 et seq.) and its implementing regulations at 24 CFR Part 146, Titles II and III of the Americans with Disabilities Act (42 U.S.C. §§12131-12189; 47 U.S.C. §§155, 201, 218 and 255) as implemented by U. S. Department of Justice at 28 CFR Parts 35 and 36, Section 527 of the National Housing Act (12 U.S.C. §1701z-22), the Equal Credit Opportunity Act (15 U.S.C. §1691 et seq.), the Equal Opportunity in Housing (Executive Order 11063 as amended by Executive Order 12259) and its implementing regulations at 24 CFR Part 107 and The Fair Housing Act (42 U.S.C. §3601 et seq.), as implemented by HUD at 24 CFR Part 100-115.

D. **Affirmatively Furthering Fair Housing.** By Owner’s execution of the Agreement and pursuant to Section 808(e)(5) of the Fair Housing Act, Owner agrees to use funds in a manner that follows the State of Texas’ “Analysis of Impediments” or “Assessment of Fair Housing”, as applicable and as amended, and will maintain records in this regard.

E. **Protections for Victims of Domestic Violence, Dating Violence, Sexual Assault, or Stalking.** Subpart L of 24 CFR part 5 shall apply to the Assisted Units in Eligible Multifamily Properties

### 9.8 Security of Confidential Information

A. **Systems Confidentiality Protocols.** Owner must undertake customary and industry standard efforts to ensure that the systems developed and utilized under this Agreement protect the confidentiality of every Eligible Applicants’ and Eligible Tenants’ personal and financial information, both electronic and paper, including credit reports, whether the information is received from the Eligible Applicants’, Tenants’ or from another source. Owner must undertake customary and industry standard efforts so that neither they nor their systems vendors disclose any Eligible Applicants’ or Tenants’ personal or financial information to any third party, except for authorized personnel in accordance with this Agreement.

B. **Protected Health Information.** If Owner collects or receives documentation for disability, medical records or any other medical information in the course of administering the Program, Owner shall comply with the Protected Health Information state and federal laws and regulations, as applicable, under 10 TAC §1.24, Chapter 181 of

9.9 Real Property Acquisition and Relocation

Except as otherwise provided by federal statute, HUD-assisted programs or projects are subject to the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended (Uniform Act or URA) (42 U.S.C. 4601), and the government wide implementing regulations issued by the U.S. Department of Transportation at 49 CFR Part 24. The Uniform Act’s protections and assistance apply to acquisitions of real property and displacements resulting from the acquisition, rehabilitation, or demolition of real property for federal or federally assisted programs or projects. With certain limited exceptions, real property acquisitions for a HUD-assisted program or project must comply with 49 CFR Part 24, Subpart B. To be exempt from the URA’s acquisition policies, real property acquisitions conducted without the threat or use of eminent domain, commonly referred to as —voluntary acquisitions, the Owner must satisfy the applicable requirements of 49 CFR §24.101(b)(1) through (5). Evidence of compliance with these requirements must be maintained by the recipient. The URA’s relocation requirements remain applicable to any tenant who is displaced by an acquisition that meets the requirements of 49 CFR §24.101(b)(1) through (5).

The relocation requirements of the Uniform Act, and its implementing regulations at 49 CFR Part 24, cover any person who moves permanently from real property or moves personal property from real property as a direct result of acquisition, rehabilitation, or demolition for a program or project receiving HUD assistance. While there are no statutory provisions for temporary relocation under the URA, the URA regulations recognize that there are circumstances where a person will not be permanently displaced but may need to be moved from a project for a short period of time. Appendix A of the URA regulation (49 CFR §24.2(a)(9)(ii)(D)) explains that any tenant who has been temporarily relocated for a period beyond one year must be contacted by the displacing agency and offered URA relocation assistance.

Section 10
GENERAL PROVISIONS

10.1 Dispute Resolution; Conflict Management

A. Eligible Tenant Disputes. The Owner or Owner’s representative is required to participate in a Dispute Resolution process, as required by HUD, to resolve an appeal of an Eligible Tenant dispute with the Owner.

B. Agreement Disputes. In accordance with Section 2306.082 of the State Act, it is the TDHCA’s policy to encourage the use of appropriate alternative dispute resolution procedures (“ADR”) under the Governmental Dispute Resolution Act and the Negotiated Rulemaking Act (Chapters 2009 and 2006 respectively, Texas Government Code), to
assist in the fair and expeditious resolution of internal and external disputes involving the TDHCA and the use of negotiated rulemaking procedures for the adoption of TDHCA rules. As described in Chapter 154, Civil Practices and Remedies Code, ADR procedures include mediation. Except as prohibited by TDHCA’s ex parte communications policy, TDHCA encourages informal communications between TDHCA staff and the Owner, to exchange information and informally resolve disputes. TDHCA also has administrative appeals processes to fairly and expeditiously resolve disputes. If at any time the Owner would like to engage TDHCA in an ADR procedure, the Owner may send a proposal to TDHCA’s Dispute Resolution Coordinator. For additional information on TDHCA’s ADR policy, see TDHCA’s Alternative Dispute Resolution and Negotiated Rulemaking at 10 TAC §1.17.

C. Conflict Management. The purpose of the Conflict Management process is to address any concerns that Owner or Owner’s agent or representative may have with an Eligible Family. At any time, an Eligible Family may choose to give consent to their Section 811 service coordinator to work directly with the property manager of the Eligible Multifamily Property. However, such consent cannot be made a condition of tenancy.

10.2 Faith Based Activities

None of the performances rendered by Owner under this Agreement shall involve, and no direct funds received by Owner under this Agreement shall be used in support of any explicitly religious activity, such as worship, religious instruction, or proselytization. Any explicitly religious activity engaged in by Owner must be separate in time or location from the programs or services supported under this Agreement.

10.3 Political Aid and Legislative Influence Prohibited

A. None of the funds provided under this Agreement shall be used for influencing the outcome of any election, or the passage or defeat of any legislative measure. This prohibition shall not be construed to prevent any official or employee of the Developer from furnishing to any member of its governing body upon request, or to any other local or state official or employee or to any citizen, information in the hands of the employee or official not considered under law to be confidential information. Any action taken against an employee or official for supplying such information shall subject the person initiating the action to immediate dismissal from employment.

B. No funds provided under this Agreement may be used directly or indirectly to fund or support candidates for the legislative, executive, or judicial branches of government of the State of Texas or the government of the United States.

10.4 Certification Regarding Lobbying. Owner and each of its tiers shall comply with the restrictions on lobbying governed by the Byrd Anti-Lobbying Amendment (31 U.S.C. 1352) by executing the Certification Regarding Lobbying for Contracts, Grants, Loans and Cooperative Agreements attached hereto as Addendum A and incorporated herein for all relevant purposes.
10.5 **Compliance with Federal, State and Local Laws** Owners shall comply with all federal, state and local laws, statutes, ordinances, rules, regulations, orders and decrees of any court or administrative body or tribunal related to the activities and performances of Owner under this Agreement including, but not limited to (i) the Program Requirements, (ii) the federal laws under Part B, “Grantee Requirements,” of the Program Guidelines attached as Exhibit 5 of the Cooperative Agreement, (iii) Cross-Cutting Federal Requirements in Section 9 of this Agreement, (iv) the Environmental Laws and Regulations in Section 9.1 of this Agreement and (v) the Nondiscrimination, Fair Housing, Equal Access and Equal Opportunity laws in Section 9.7 of this Agreement.

10.6 **Litigation and Claims**

A. **Notice.** Owner shall give TDHCA immediate notice, in writing, of the occurrence of any of the following events:

1. any action, including any proceeding before an administrative agency, filed against Owner in connection with this Agreement; and

2. any claim against Owner, the cost and expense of which Owner may be entitled to be reimbursed by TDHCA.

B. **Copies of Relevant Documents.** Except as otherwise directed by TDHCA, Owner shall furnish immediately to TDHCA copies of all pertinent papers received by Owner with respect to such action or claim.

10.7 **Oral and Written Agreements** All oral and written agreements between the Parties to this Agreement relating to the subject matter of this Agreement that were made prior to the execution of this Agreement have been reduced to writing and are contained in this Agreement.

10.8 **Assignment** This Agreement is entered into by TDHCA and between Owner. Accordingly, it is not assignable by Owner without the prior written consent and agreement of the TDHCA, which consent may be withheld in its sole discretion.

10.9 **Severability** If any provision of this Agreement is held invalid, the remainder of the Agreement shall not be affected thereby and all other parts of this Agreement shall nevertheless be and remain in full force and effect and construed so as best to effectuate the intent of the Parties.

10.10 **Time is of the Essence** Time is of the essence with respect to Owner’s compliance with all agreements, terms and obligations under this Agreement.

10.11 **Force Majeure** If the obligations, including construction or rehabilitation of the improvements, are delayed by the following, an equitable adjustment will be made for delay or failure to perform hereunder:
A. Any of the following events: (i) catastrophic weather conditions or other extraordinary elements of nature or acts of God; (ii) acts of war (declared or undeclared), (iii) acts of terrorism, insurrection, riots, civil disorders, rebellion or sabotage; and (iv) quarantines, embargoes and other similar unusual actions of federal, provincial, local or foreign Governmental Authorities; and

B. The non-performing party is without fault in causing or failing to prevent the occurrence of such event, and such occurrence could not have been circumvented by reasonable precautions and could not have been prevented or circumvented through the use of commercially reasonable alternative sources, workaround plans or other means.

10.12 Changes and Amendments

A. Except as specifically provided otherwise in this Agreement or in the Program Requirements, any changes, additions, or deletions to the terms of this Agreement shall be in writing and executed by both Parties to this Agreement.

B. Any changes, additions, or deletions to the terms of this Agreement which are required by changes in federal or state law, or regulations, are automatically incorporated into this Agreement without the requirement of a written amendment hereto, and shall become effective on the date designated by such law or regulation.

10.13 Counterparts

This Agreement may be executed in one or more counterparts each of which shall be deemed an original but all of which together shall constitute one and the same instrument.

10.14 Facsimile Signatures

A. Signed signature pages may be transmitted by facsimile or electronic transmission, and any such signature shall have the same legal effect as an original. An executed facsimile or email copy will be sufficient to evidence the Parties’ agreement to any amendment, revision or change to this Agreement if it is made on a form provided by the TDHCA. If any party returns a copy by facsimile machine, the signing party intends the copy of its authorized signature printed by the receiving machine to be its original signature. If any party returns a copy by email, the signing party intends the copy of its authorized signature emailed to the receiving email to be its original signature.

B. A facsimile or electronic copy executed by both Parties will be sufficient to evidence the Parties agreement to any amendment, revision or change to this Agreement. If any Party returns this copy by facsimile machine or electronically, the signing party intends the copy of its authorized signature printed by the receiving machine, or the electronic copy, to be its original signature.

10.15 Notice

A. If notice is provided concerning this Agreement, notice may be given at the following (herein referred to as “Notice Address”):
1. **As to TDHCA:**

   TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS  
P. O. Box 13941  
Austin, Texas 78711-3941  
Attention: Spencer Duran  
Telephone: (512) 475-1784  
Fax: (512) 475-3935

2. **As to Owner:**

   Mistletoe Station, LLC  
   421 West 3rd Street, Suite 1504  
   Austin, TX 78701  
   Attention: Lisa Stephens  
   Telephone: 352-213-8700  
   E-mail address: lisa@saigebrook.com

   B. All notices or other communications hereunder shall be deemed given when delivered, 
   mailed by overnight service, or five days after mailing by certified or registered mail, 
   postage prepaid, return receipt requested, addressed to the appropriate Notice Address as 
   defined in the above Subsection A of this Section 10.15.

10.16 **Number; Gender**   Unless the context requires otherwise, the words of the masculine 
   gender shall include the feminine, and singular words shall include the plural.

10.17 **Venue and Jurisdiction** This Agreement shall be construed under and in accordance 
   with the laws of the State of Texas. Venue for any litigation regarding this Agreement shall be 
   fixed in any court of competent jurisdiction in Travis County, Texas; provided, however, the 
   foregoing shall not be construed as a waiver by either party of sovereign immunity, official 
   immunity or any other immunity or defense provided by law.

10.18 **Third Party Rights** Nothing in this Agreement shall be construed as creating any right 
   or any third party to enforce any provision of the Agreement, or to assert any claim against HUD 
   or TDHCA.
IN WITNESS WHEREOF, each of the Parties has executed this Agreement as of the dates written below.

TDHCA: TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS, a public and official agency of the State of Texas

By: ______________________________
Name: ______________________________
Its duly authorized officer or representative

Date: ______________________________

OWNER:

Mistletoe Station, LLC
(Entity Name)
a Texas limited liability company
(Entity Type)

By: ______________________________
Name: Lisa Stephens
Date: September 29, 2017
Title: President
The undersigned hereby certifies, to the best of its knowledge and belief, that:

1. No federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment or modification of any Federal contract, grant, loan, or cooperative agreement.

2. If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit standard form -LLL, "Disclosure Form to Report Lobbying", in accordance with its instructions.

3. The undersigned shall require that the language of this certification be included in the award documents for all sub-awards at all tiers (including subcontracts, sub-grants, and contracts under grants, loans, and cooperative agreements) and that all sub-recipients shall certify and disclose accordingly.

This certification is material representation of fact on which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by Section 1352, Title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than $10,000 and not more than $100,000 for each such failure.

Statement for Loan Guarantees and Loan Insurance

The undersigned states, to the best of its knowledge and belief, that:

If any funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this commitment providing for the United States to insure or guarantee a loan, the undersigned shall complete and submit Standard Form-LLL, “Disclosure Form to Report Lobbying,” in accordance with its instructions. Submission of this statement is a prerequisite for making or entering into this transaction imposed by Section 1352, Title 31, U.S. Code. Any person who fails to file the required statement shall be subject to a civil penalty of not less than $10,000 and not more than $100,000 for each such failure.
OWNER:

Mistletoe Station, LLC  
Texas limited liability company

<table>
<thead>
<tr>
<th>By:</th>
<th>__________________, a __________________,</th>
</tr>
</thead>
<tbody>
<tr>
<td>By:</td>
<td>[Signature]</td>
</tr>
<tr>
<td>Name:</td>
<td>Lisa Stephens</td>
</tr>
<tr>
<td>Title:</td>
<td>President</td>
</tr>
<tr>
<td>Date:</td>
<td>September 29, 2017</td>
</tr>
</tbody>
</table>
ADDENDUM B
Certification Regarding Drug-Free Workplace Requirements

This certification is required by the regulations implementing the Drug-Free Workplace Act of 1988: 45 CFR Part 76, Subpart, F. Sections 76.630(c) and (d)(2) and 76.645 (a)(1) and (b) provide that a Federal agency may designate a central receipt point for STATE-WIDE AND STATE AGENCY-WIDE certifications, and for notification of criminal drug convictions. For the U. S. Department of Health and Human Services, the central point is: Division of Grants Management and Oversight, Office of Management and Acquisition, U. S. Department of Health and Human Services, Room 517-D, 200 Independence Avenue, SW Washington, DC 20201.

The undersigned certifies that it will or will continue to provide a drug-free workplace by:

(a) Publishing a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance is prohibited in the grantee’s workplace and specifying the actions that will be taken against employees for violation of such prohibition;

(b) Establishing an ongoing drug-free awareness program to inform employees about-
   (1) The dangers of drug abuse in the workplace;
   (2) The grantee’s policy of maintaining a drug-free workplace;
   (3) Any available drug counseling, rehabilitation, and employee assistance programs; and
   (4) The penalties that may be imposed upon employees for drug abuse violations occurring in the workplace;

(c) Making it a requirement that each employee to be engaged in the performance of the grant be given a copy of the statement required by paragraph (a);

(d) Notifying the employee in the statement required by paragraph (a) that, as a condition of employment under the grant, the employee will-
   (1) Abide by the terms of the statement; and
   (2) Notify the employer in writing of his or her conviction for a violation of a criminal drug statute occurring in the workplace no later than five calendar days after such conviction;

(e) Notifying the agency in writing, within 10 calendar days after receiving notice under paragraph (d)(2) from an employee or otherwise receiving actual notice of such conviction. Employers of convicted employees must provide notice, including position title, to every grant officer or other designee on whose grant activity the convicted employee was working, unless the Federal agency has designated a central point for the receipt of such notices. Notice shall include the identification number(s) of each affected grant;
(f) Taking one of the following actions, within 30 calendar days of receiving notice under paragraph (d)(2), with respect to any employee who is so convicted-

(1) Taking appropriate personnel action against such an employee, up to and including termination, consistent with the requirements of the Rehabilitation Act of 1973, as amended; or

(2) Requiring such employee to participate satisfactorily in a drug abuse assistance or rehabilitation program approved for such purposes by a Federal, State, or local health, law enforcement, or other appropriate agency;

(g) Making a good faith effort to continue to maintain a drug-free workplace through implementation of paragraphs (a), (b), (c), (d), (e) and (f).

Place(s) of Performance [site(s) for the performance of work done in connection with the specific grant] (include street address, city, county, state, zip code):

1. 1916 Mistletoe Blvd  Fort Worth, TX 76104
2. 
3. 
4. 

Workplace identifications must include the actual address of buildings (or parts of buildings) or other sites where work under the grant takes place. Categorical descriptions may be used (e.g., all vehicles of a mass transit authority or State highway department while in operation, State employees in each local unemployment office, performers in concert halls or radio studios). If Owner does not identify the workplaces at the time of application, or upon award, if there is no application, the Owner must keep the identity of the workplace(s) on file in its office and make the information available for Federal inspection. Failure to identify all known workplaces constitutes a violation of the Owner’s drug-free workplace requirements.

If it is later determined that Owner knowingly rendered a false certification, or otherwise violates the requirements of the Drug-Free Workplace Act, TDHCA, in addition to any other remedies available to the Federal Government, may take action authorized under the Drug-Free Workplace Act.

OWNER:

Mistletoe Station, LLC, a Texas limited liability company

By: ________________________________, a ________________________________, its ________________________________

By: ________________________________
Name: Lisa Stephens
Title: President
Date: September 29, 2017
2018 HTC
Full Application

Part 3 Tab 20

Existing Development Information

NA
1. At-Risk Set-Aside (Competitive HTC Applications Only) [§11.5(3)]

Qualification: Must meet the requirements of an At-Risk Development in §11.5(3) of the Qualified Allocation Plan. Documentation must be submitted behind this tab showing that the Development meets the requirements of Texas Government Code §2306.6702(a)(5) and §11.5(3) of the 2017 Qualified Allocation Plan.

PART A: DOCUMENTATION MUST SHOW THAT THE SUBSIDY OR BENEFIT IS FROM ONE OF THE FOLLOWING APPROVED PROGRAMS (mark all that apply):

- [ ] Sections 221(d)(3) and (5), National Housing Act (12 U.S.C. Section 1715l)
- [ ] Section 236, National Housing Act (12 U.S.C. Section 1715z-1)
- [ ] Section 202, Housing Act of 1959 (12 U.S.C. Section 1701q)
- [ ] Section 101, Housing and Urban Development Act of 1965 (12 U.S.C. Section 1701s)
- [ ] The Section 8 Additional Assistance Program for housing developments with HUD-Insured and HUD-Held Mortgages administered by the U.S. Department of Housing and Urban Development as specified in 24 CFR Part 886, Subpart A.
- [ ] The Section 8 Housing Assistance Program for the Disposition of HUD-Owned Projects administered by the U.S. Department of Housing and Urban Development as specified by 24 CFR Part 886, Subpart C.
- [ ] Sections 514, 515, and 516, Housing Act of 1949 (42 U.S.C. Sections 1484, 1485 and 1486)
- [ ] Section 42, of the Internal Revenue Code of 1986 (26 U.S.C. Section 42)

IN ADDITION, THE SUBSIDY OR BENEFIT IS SUBJECT TO THE FOLLOWING CONDITIONS (mark all that apply):

- [ ] The stipulation to maintain affordability in the contract granting the subsidy is nearing expiration (i.e. expiration will occur within two (2) calendar years of July 31, 2018). See §11.5(3)(E) and (F) of the 2018 QAP concerning At-Risk developments qualifying under Section 42 of the Internal Revenue Code.
- [ ] The subsidy marked above is a HUD-insured or HUD-held mortgage nearing the end of its mortgage term (the term will end within two (2) calendar years of July 31, 2018), AND the mortgage is eligible for prepayment or has been prepaid.

PART B: DOCUMENTATION MUST SHOW THAT THE APPLICATION PROPOSSES TO REHABILITATE OR RECONSTRUCT HOUSING UNITS THAT:

- [ ] Are owned by a public housing authority or a public facility corporation created by a public housing authority under Chapter 303, Local Government Code and receive assistance under Section 9, United States Housing Act of 1937 (42 U.S.C. Section 1437g); OR
- [ ] Received assistance under Section 9, United States Housing Act of 1937 (42 U.S.C. Section 1437g) AND
- [ ] Are proposed to be disposed of or demolished by a public housing authority or a public facility corporation created by a public housing authority under Chapter 303, Local Government Code; OR

- [ ] Were disposed of or demolished within the 2 years preceding the application by a public housing authority or a public facility corporation created by a public housing authority under Chapter 303, Local Government Code; OR
- [ ] Receive assistance or will receive assistance through the Rental Assistance Demonstration (RAD) program of HUD as specified by the Consolidated and Further Continuing Appropriations Act of 2012 (Pub. L. No. 112-55) and its subsequent amendments, if the application for assistance through RAD is included in the applicable public housing authority’s plan that was most recently approved by HUD as specified by 24 C.F.R. Section 903.23.

PART C: THE APPLICATION PROPOSES RELOCATION OF EXISTING UNITS IN AN OTHERWISE QUALIFYING AT-RISK DEVELOPMENT AND DOCUMENTATION MUST SHOW THAT:

- [ ] The affordability restrictions and any At-Risk eligible subsidies are approved to be transferred with the Units proposed for Rehabilitation or Reconstruction prior to the tax credit Carryover deadline; AND
- [ ] The Application proposes the same number of restricted units; AND EITHER
PART D: REGULATORY BARRIERS NECESSITATE ELIMINATION OF ALL OR A PORTION OF THE FINANCIAL BENEFIT FOR THE DEVELOPMENT, AND:

- Evidence of the legal requirements that will unambiguously cause the loss of affordability is included.
- Development qualifies under §2306.6702(a)(5)(B); AND
  - No less than 25 percent of the proposed Units are public housing units supported by public housing operating subsidy, AND
  - Less than 100 percent of the public housing benefits are being transferred to the proposed Development and the Application includes an explanation of the disposition of the remaining public housing benefits along with a copy of the HUD-approved plan for demolition and disposition.

PART E: THE PROPOSED DEVELOPMENT IS ELIGIBLE TO REQUEST A QUALIFIED CONTRACT UNDER §42, AND THE APPLICATION INCLUDES:

- A copy of the recorded LURA and the first years’ IRS Forms 8609 for all buildings showing Part II of the form completed; AND
- If applicable, documentation from the original application regarding the right of first refusal.

Applications proposing the demolition and Reconstruction of Units will be considered New Construction.

2. Existing Development Assistance On Housing Rehabilitation Activities¹

Part A.

The existing Property is expected to have or continue the following benefit:

Provide a brief description of the restrictions or subsidies the existing Property will have or continue in the space below:

NA

A copy of the contract or agreement securing the funds identified above is provided behind this form.

- The source of funds is:
- The annual amount of funds is:
- The number of units receiving assistance:
- The term of the contract or agreement is (date):
- The expiration of the contract or agreement is (date):

Part B. Acquisition Of Existing Buildings (applicable only to HTC applications with Acquisition credits requested)

Date of the most recent sale or transfer of the building(s):

In the last ten years, did the previous owner perform rehabilitation work greater than 25% of the building’s adjusted basis?

Was the building occupied at any time during the last ten years?

Was the building occupied or suitable for occupancy at the time of purchase?

Will the acquisition meet the requirements of §42(d)(2)(B)(ii) relating to the 10-year placed in service rule?

If “Yes”, provide a copy of a title commitment that the Development meets the requirements of §42(d)(2)(B)(ii) as to the 10 year period.

If “No”, does the property qualify for a waiver under §42(d)(6)?

- If “Yes”, provide the waiver and/or other documentation.
- How many buildings will be acquired for the Development?
Is all the buildings currently under control by the Development Owner? 
If “No”, how many buildings are under control by the Development Owner? 
When will the remaining buildings be under control?

1Per §2306.008, TDHCA shall support the preservation of affordable housing for individuals with special needs and individuals and families of low income at any location considered necessary by TDHCA.

<table>
<thead>
<tr>
<th>Identification or address(es) of Building(s) under Owner's Control</th>
<th>Type of Control (Ownership, Option, Purchase Contract)</th>
<th>Expiration Date</th>
<th># of Units</th>
<th>Acquisition Cost of Building</th>
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Provide the information listed below concerning the acquisition of building(s) for the Development:

1. Building(s) acquired or to be acquired from:  
   - Related Party  
   - Unrelated Party

2. Building(s) acquired or to be acquired with Buyer’s Basis:  
   - Determined with reference to Seller’s Basis  
   - Not Determined with reference to Seller’s Basis

List below by building address, the date the building was placed in service (PIS), the date the building was or is planned for acquisition, and the number of years between the date the building was placed in service and acquisition. Attach separate sheet(s) with additional information if necessary.

<table>
<thead>
<tr>
<th>Building Address(es)</th>
<th>PIS date of building by most recent owner</th>
<th>Proposed Acquisition date by the Applicant</th>
<th>Years between PIS &amp; Acquisition</th>
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3. Lead Based Paint (Direct Loan Applications Only)

Development constructed before January 1, 1978  
No

Check each of the following that applies [24 CFR 35.115]:

- Emergency repairs to the property are being performed to safeguard against imminent danger to human life, health or safety, or to protect the property from further structural damage due to natural disaster, fire or structural collapse. The exemption applies only to repairs necessary to respond to the emergency.

- The property will not be used for human residential habitation. This does not apply to common areas such as hallways and stairways of residential and mixed-use properties.

- Housing “exclusively” for the elderly or persons with disabilities, with the provision that children less than six years of age will not reside in the dwelling unit.

- An inspection performed according to HUD standards found the property contained no lead-based paint.

- According to documented methodologies, lead-based paint has been identified and removed; and the property has achieved clearance.

- The rehabilitation will not disturb any painted surface.

- The property has no bedrooms.

- The property is currently vacant and will remain vacant until demolition.
2018 HTC
Full Application

Part 3 Tab 21

Occupied Developments

NA
Occupied Developments

Pursuant to §10.204(8)(G) of the Uniform Multifamily Rules, for any Application where any structure on the Development Site is occupied at any time after the beginning of the Application Acceptance Period, even if demolition is proposed, the following items must be provided.

- Historical monthly operating statements of the Development for twelve (12) consecutive months ending no more than three (3) months from the first day of the Application Acceptance Period; or
- The two (2) most recent consecutive annual operating statement summaries; or
- The most recent consecutive six (6) months of operating statements and the most recent available annual operating summary; or
- All monthly or annual operating summaries available.

AND

- A rent roll not more than six (6) months old as of the first day of the Application Acceptance Period that discloses the terms and rate of the lease, rental rates offered at the date of the rent roll, Unit mix, and tenant names or vacancy; and
- A written explanation of the process used to notify and consult with the tenants in preparing the Application; ($2306.6705(6)); and
- If applicable, evidence that the relocation plan has been submitted to the appropriate legal or governmental agency. ($2306.6705(6)); and
- A relocation plan outlining relocation requirements and a budget with an identified funding source that clearly describes relocation process, actions, and costs to the displaced and those not ($2306.6705(6)).

Optional, but only available to developments with no Section 811 PRA or Direct Loan funds. The current property owner is unwilling to provide one or more of the required documents above, and a signed statement from the Applicant attesting to that fact is submitted behind this tab.

Uniform Relocation Act (URA) Applicability for Section 811 PRA and Direct Loan Applications

- Participation in the Section 811 PRA program is by way of the occupied Rehabilitation (including reconstruction or Adaptive Reuse) Development proposed in the Application.
- Participation in the Section 811 PRA program is by way of the New Construction Development proposed in the Application, and includes the demolition of an occupied structure (e.g. single family house or mobile home).
- Application includes a request for Direct Loan funding (except for Supportive Housing and Soft Repayment TCAP-RF only).

(if none of the three boxes above is checked, you may skip the remainder of this section)

Each of the following items, as applicable, is provided behind this tab:

- Identification of any business, nonprofit organization, or farm on the site (that is not owned or controlled by the Seller);
- Dated General Information Notice(s) given to current occupants (other than owner occupied structures) including verification of tenant receipt;
- Dated Voluntary Acquisition Notification to Owner; and
- HUD Relocation Brochure issued to tenants that will be displaced (if known).

Relocation Certification for Section 811 PRA and Direct Loan Applications

The New Construction, Rehabilitation (including Adaptive Reuse), or demolition and Reconstruction of the proposed Development must be carried out in accordance with policies and procedures governing implementation of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 ("URA"), as amended, for the Section 811 PRA program under (49 CFR Part 24); and for Direct Loans under the Section 104(d) of the Housing and Community Development Act of 1974 ("Section 104(d)"), and the optional relocation policies adopted pursuant to 24 CFR 92.253(d).

A displaced person, business, farm, or nonprofit is covered under URA, regardless of income, if they are displaced by acquisition, rehabilitation, or demolition.

Signature of Applicant

Printed Name
Relocation Certification for Direct Loan Applications

For Direct Loan Applications (except for Supportive Housing and Soft Repayment Funds, which do not have to complete the rest of this section): A displaced person is covered under Section 104(d) if they are a low-income person displaced by demolition (including acquisition involving demolition) OR conversion (if market rent of the dwelling did not exceed the fair market rent before conversion).

Check all that apply:

☐ The activity involves demolition of existing occupied structures.

☐ The activity involves conversion of occupied rental property occupied by any tenant.

Applicants for Direct Loan funds that plan to rehabilitate, demolish and/or reconstruct occupied housing units must comply with the Section 104(d). By signing below, the Applicant certifies that they will comply with the Residential Anti-Displacement and Relocation Assistance Plan (RARAP) approved by the Department on June 1, 2012.

The RARAP, as approved follows the Housing and Community Development Act of 1974, and HUD regulations at 24 CFR §42.325. The Department, through its subgrantees, will offer relocation assistance for lower-income tenants who, in connection with an activity assisted under a Direct Loan move permanently or move personal property from real property as a direct result of the demolition of any dwelling unit or the conversion of a lower-income dwelling unit in accordance with the requirements of 24 CFR §42.350.

The purpose and goals of the RARAP is to:

1. Provide (through its subgrantees) Relocation Assistance
2. Minimize Displacement
3. Ensure a One-for-One Replacement of Lower-Income Dwelling Units

I (we) certify that I (we) have read and understand the Department’s approved Residential Anti-Displacement and Relocation Assistance Plan (RARAP), and I (we) will comply with all parts of the plan as they apply to this Application.

Signature of Applicant

Printed Name

Date
Elevations for each side of each building type and must include:
- a percentage estimate of the exterior composition of each elevation
- roof pitch

Photos of building elevations (Rehab and Adaptive Reuse not altering the unit configuration)
2018 HTC
Full Application

Part 3 Tab 23

Specifications and Building/Unit Type Configuration and Tab 23a, 23b, 23c Forms
### SPECIFICATIONS AND BUILDING/UNIT TYPE CONFIGURATION

Unit types should be entered from smallest to largest based on "# of Bedrooms" and "Sq. Ft. Per Unit." "Unit Label" should correspond to the unit label or name used on the unit floor plan. "Building Label" should conform to the building label or name on the building floor plan. The total number of units per unit type and totals for "Total # of Units" and "Total Sq Ft. for Unit Type" should match the rent schedule and site plan. If additional building types are needed, they are available by un-hiding columns Q through AA, and rows 51 through 79.

---

**Building Configuration (Check all that apply):**
- Single Family Construction
- SRO
- Transitional (per §42(i)(3)(B))
- Duplex
- Scattered Site
- Fourplex
- > 4 Units Per Building
- Townhome

**Development will have:**
- Fire Sprinklers (x)
- Elevators (2)
- # of Elevators
- Wt. Capacity

---

**Number of Parking Spaces (consistent with Architectural Drawings):**
- Free
- Paid
- Shed or Flat Roof Carport Spaces
- Detached Garage Spaces
- Attached Garage Spaces
- Uncovered Spaces
- Structured Parking Garage Spaces

---

**Floor Composition/Wall Height:**
- 100% Carpet/Vinyl/Resilient Flooring
- Ceiling Height
- 0% Ceramic Tile
- Upper Floor(s) Ceiling Height (Townhome Only)
- 0% Other

---

**Building Label**
- A
- B
- C

**Number of Buildings**
- 3
- 3
- 1

**Number of Units Per Building**

<table>
<thead>
<tr>
<th>Unit Type</th>
<th>Number of Stories</th>
<th># of Bedrooms</th>
<th>Sq. Ft. Per Unit</th>
<th>Number of Units Per Building</th>
<th>Total # of Units</th>
<th>Total Sq Ft for Unit Type</th>
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</thead>
<tbody>
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<td>14,450</td>
</tr>
<tr>
<td>C1</td>
<td>3</td>
<td>2</td>
<td>1,092</td>
<td>18</td>
<td>21</td>
<td>22,832</td>
</tr>
<tr>
<td>C2</td>
<td>3</td>
<td>2</td>
<td>1,092</td>
<td>1</td>
<td>1</td>
<td>1,092</td>
</tr>
</tbody>
</table>

**Totals**
- 90
- 20
- -
- -
- -
- -
- -
- -
- -

---

**Net Rentable Square Footage from Rent Schedule**

**Supportive Housing Applicants Only**

Enter the total development common area from the architect’s plans:

Ensure that this number matches your architectural drawings.

The additional square footage allowed for Supportive Housing per 11.9(e)(2) is:

The lesser of these two numbers added to NRA:

Use this number to figure points under 11.9(e)(2)

If a revised form is submitted, date of submission:
# Accessible Mobility Units Calculation

Include this worksheet in the Application (or a signed and certified worksheet provided by your accessibility professional that shows the calculations).

To the maximum extent feasible and subject to reasonable health and safety requirements, accessible units must be:
1. Distributed throughout the Unit types AND the Development; and

2. Made available in a sufficient range of sizes and amenities so that the choice of living arrangements of qualified persons with Disabilities is, as a whole, comparable to that of other persons eligible for housing assistance under the same program.

Multifamily Housing Developments covered by 10 TAC 10.101(b)(8)(A) must have a minimum of 5% of all units in the development set aside for the mobility impaired and an additional 2% must be set aside for the hearing and/or visually impaired.

<table>
<thead>
<tr>
<th>Mobility</th>
<th>Total Units</th>
<th>Required %</th>
<th>Calculated Units</th>
<th>Units Required</th>
<th>Units Proposed</th>
</tr>
</thead>
<tbody>
<tr>
<td>A 1/1 (650 sqft)</td>
<td>110</td>
<td>5%</td>
<td>5.5</td>
<td>6</td>
<td>6</td>
</tr>
<tr>
<td>B 2/2 (850 sqft)</td>
<td>21</td>
<td>5%</td>
<td>1.05</td>
<td>1.05</td>
<td>1</td>
</tr>
<tr>
<td>C 3/2 (1092 sqft)</td>
<td>67</td>
<td>5%</td>
<td>3.35</td>
<td>3.35</td>
<td>4</td>
</tr>
<tr>
<td>D</td>
<td>22</td>
<td>5%</td>
<td>1.1</td>
<td>1.1</td>
<td>1</td>
</tr>
<tr>
<td>E</td>
<td>5%</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Total</td>
<td>110</td>
<td>5%</td>
<td>5.5</td>
<td>5.5</td>
<td>6</td>
</tr>
</tbody>
</table>

*NOTE: If total is more than what is required, Applicant will select which Unit(s) not to include Under "Units Proposed"

**EXAMPLE:**

<table>
<thead>
<tr>
<th>Unit Description</th>
<th>Total Units</th>
<th>Required %</th>
<th>Calculated Units</th>
<th>Units Required</th>
<th>Units Proposed</th>
</tr>
</thead>
<tbody>
<tr>
<td>A 1/1 (650 sqft &amp; 806 sqft)</td>
<td>68</td>
<td>5%</td>
<td>3.4</td>
<td>4</td>
<td>4</td>
</tr>
<tr>
<td>1/1 (874sqft &amp; 806 sqft)</td>
<td>28</td>
<td>5%</td>
<td>1.4</td>
<td>1.4</td>
<td>1</td>
</tr>
<tr>
<td>2/2 (950 sqft &amp; 1008 sqft)</td>
<td>36</td>
<td>5%</td>
<td>1.8</td>
<td>1.8</td>
<td>2</td>
</tr>
<tr>
<td>3/2 (1120 sqft &amp; 1190 sqft)</td>
<td>4</td>
<td>5%</td>
<td>0.2</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>D</td>
<td>5%</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>E</td>
<td>5%</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Total</td>
<td>68</td>
<td>3.4</td>
<td>4.2</td>
<td>4</td>
<td>4</td>
</tr>
</tbody>
</table>

*NOTE: Required is 4, but calculation yields 4.2. Applicant selected which to round down Under "Units Proposed"

By signing below, I (WE) certify that the information above meets the requirements in Section 504 of the Rehabilitation Act of 1973 and implemented at 24 C.F.R. Part 8 as described in 10 TAC Chapter 1, Subchapter B. At least five percent (5%) of all dwelling units will be designed and built to be accessible for persons with mobility impairments.

By: ___________________________  Erik Earnshaw  
Signature  
Printed Name  

10/15/18  
Date  

BGO Architects  
Firm Name (if applicable)
## Accessible Hearing/Visual Units Calculation

Include this worksheet in the Application (or a signed and certified worksheet provided by your accessibility professional that shows the calculations).

To the maximum extent feasible and subject to reasonable health and safety requirements, accessible units must be:

1. Distributed throughout the Unit types AND the Development; and
2. Made available in a sufficient range of sizes and amenities so that the choice of living arrangements of qualified persons with Disabilities is, as a whole, comparable to that of other persons eligible for housing assistance under the same program.

Multifamily Housing Developments covered by 10 TAC 10.101(b)(8)(A) must have a minimum of 5% of all units in the development set aside for the mobility impaired and an additional 2% must be set aside for the hearing and/or visually impaired.

### Hearing/Visual Units Calculation

<table>
<thead>
<tr>
<th>Unit Description</th>
<th>Total Units</th>
<th>Required %</th>
<th>Calculated Units</th>
<th>Units Required (Rounded)</th>
<th>Units Proposed</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>110</td>
<td>2%</td>
<td>2.2</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>A 1/1 (650 sqft)</td>
<td>21</td>
<td>2%</td>
<td>0.42</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>B 2/2 (850 sqft)</td>
<td>67</td>
<td>2%</td>
<td>1.34</td>
<td>1.34</td>
<td>1</td>
</tr>
<tr>
<td>C 3/2 (1092 sqft)</td>
<td>22</td>
<td>2%</td>
<td>0.44</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>2%</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

*NOTE: If total is more than what is required, Applicant will select which to include under "Units Proposed"*

### Example

<table>
<thead>
<tr>
<th>Unit Description</th>
<th>Total Units</th>
<th>Required %</th>
<th>Calculated Units</th>
<th>Units Required (Rounded)</th>
<th>Units Proposed</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>68</td>
<td>2%</td>
<td>1.36</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>1/1</td>
<td>28</td>
<td>2%</td>
<td>0.56</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>2/2</td>
<td>36</td>
<td>2%</td>
<td>0.72</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>3/3</td>
<td>4</td>
<td>2%</td>
<td>0.08</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>D</td>
<td></td>
<td>2%</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>E</td>
<td></td>
<td>2%</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>68</td>
<td></td>
<td>1.36</td>
<td>3</td>
<td>2</td>
</tr>
</tbody>
</table>

*NOTE: Required is 2, but calculation yields 3. Applicant selected which Unit(s) to include under "Units Proposed"*

By signing below, I (WE) certify that the information above meets the requirements in Section 504 of the Rehabilitation Act of 1973 and implemented at 24 C.F.R. Part 8 as described in 10 TAC Chapter 1, Subchapter B. At least two percent (2%) of all dwelling units will be designed and built to be accessible for persons with hearing and/or visual impairment.

By: [Signature]  
Erik Earnshaw  
Date: 10/15/18  
BGO Architects  
Firm Name (if applicable)
# Accessible Parking Calculation

Include this worksheet in the Application (or a signed and certified worksheet provided by your accessibility professional that shows the calculations).

Parking requirements based on:
> https://www.huduser.gov/publications/pdf/fairhousingc

There must be one accessible space per accessible Unit located on the closest route to the Unit (ADA).

When parking is provided for leasing office and amenities, use ADA Table 208.2 to calculate.

When calculating additional spaces needed, use whichever yields the larger number of spaces.

If you have different kinds of parking, e.g. lot, carport, and garages, each has to meet the standards individually.

If there is a separate amenity (e.g. a pavilion in the back corner of property) that provides non-accessible spaces, at least one space would need to be an accessible.

**Use this chart to indicate number of parking spaces provided.**

enter the total number of parking spaces

enter the parking type and the number of spaces in each, starting with the surface lot (*see the example)

**make sure the totals match!**

<table>
<thead>
<tr>
<th>Total # of Spaces:</th>
<th>139</th>
</tr>
</thead>
<tbody>
<tr>
<td>Surface Lot</td>
<td>95</td>
</tr>
<tr>
<td>Street</td>
<td>30</td>
</tr>
<tr>
<td>Street (Carport)</td>
<td>14</td>
</tr>
<tr>
<td></td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>139</td>
</tr>
<tr>
<td>Percentage of Total</td>
<td>100</td>
</tr>
</tbody>
</table>

**EXAMPLE***

<table>
<thead>
<tr>
<th>Total # of Spaces:</th>
<th>450</th>
</tr>
</thead>
<tbody>
<tr>
<td>Surface Lot</td>
<td>300</td>
</tr>
<tr>
<td>Carports</td>
<td>100</td>
</tr>
<tr>
<td>Garages</td>
<td>50</td>
</tr>
<tr>
<td>Facility 4</td>
<td>0</td>
</tr>
<tr>
<td>Facility 5</td>
<td>450</td>
</tr>
<tr>
<td>Percentage of Total</td>
<td>100</td>
</tr>
</tbody>
</table>

**Use this chart to figure out accessible parking requirements.**

chart above must be completed first

In C32, enter the total number of accessible spaces required

(see Application Webinar, Part 3, from 0:00 - 14:20, or webinar slides starting at slide 136)

In D33, enter the number of units required per accessible Unit in the surface lot

In column F, distribute required van spaces among the different parking facilities

<table>
<thead>
<tr>
<th># Accessible Spaces:</th>
<th>10</th>
<th>Distribution</th>
<th>Van Spaces</th>
</tr>
</thead>
<tbody>
<tr>
<td>Surface Lot</td>
<td>6.8345324</td>
<td>7</td>
<td>1</td>
</tr>
<tr>
<td>Street</td>
<td>2.1582734</td>
<td>3</td>
<td>1</td>
</tr>
<tr>
<td>Street (Carport)</td>
<td>1.0071942</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>Total</td>
<td>10</td>
<td>12*</td>
<td>3</td>
</tr>
</tbody>
</table>

**EXAMPLE***

<table>
<thead>
<tr>
<th># Accessible Spaces:</th>
<th>16</th>
<th>Distribution</th>
<th>Van Spaces</th>
</tr>
</thead>
<tbody>
<tr>
<td>Surface lot</td>
<td>10.6666667</td>
<td>10</td>
<td>1</td>
</tr>
<tr>
<td>Carports</td>
<td>3.5555556</td>
<td>4</td>
<td>1</td>
</tr>
<tr>
<td>Garages</td>
<td>1.7777778</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>Facility 4</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Facility 5</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Total</td>
<td>16</td>
<td>16</td>
<td>3</td>
</tr>
</tbody>
</table>

*Owner spoke with Mike Podoloff of TDHCA and confirmed ten (10) handicap parking spaces is sufficient.

By signing below, I (WE) certify that the information above meets the requirements in the 2010 ADA Standards for Accessible Design Title III regulations at 28 CFR part 36, subpart D, and the 2004 ADA Accessibility Guidelines at 36 CFR part 1191, appendices B and D. There will be at least one accessible spot per accessible unit located on the closest route to the accessible unit. For every 6 or fraction of 6 accessible spaces required, at least one will be van accessible. Accessible spaces will be dispersed amongst the parking types provided.

By: _________________________

Signature

Date: 10/16/18

Erik Earnshaw

Printed Name

BGO Architects

Firm Name (if applicable)
2018 HTC Full Application

Part 4 Tab 24

Rent Schedule
<table>
<thead>
<tr>
<th>Program</th>
<th>Rent Designations (select from Drop down menu)</th>
<th>Rent Designations (see from Night)</th>
<th># of Units</th>
<th># of Bathrooms</th>
<th>Unit Size (Net Rentable Sq. Ft.)</th>
<th>Total Net Rentable Sq. Ft.</th>
<th>Program Rent Limit</th>
<th>Tenant Paid Utility Allow.</th>
<th>Rent Collected /Unit</th>
<th>Total Monthly Rent</th>
</tr>
</thead>
<tbody>
<tr>
<td>TC 30% 30%/30%</td>
<td>PBV</td>
<td>2</td>
<td>1</td>
<td>1</td>
<td>650</td>
<td>1,300</td>
<td>423</td>
<td>46</td>
<td>829</td>
<td>1,648</td>
</tr>
<tr>
<td>TC 50%</td>
<td></td>
<td>7</td>
<td>1</td>
<td>1</td>
<td>650</td>
<td>4,550</td>
<td>705</td>
<td>46</td>
<td>800</td>
<td>4,613</td>
</tr>
<tr>
<td>TC 60%</td>
<td></td>
<td>8</td>
<td>1</td>
<td>1</td>
<td>650</td>
<td>5,200</td>
<td>950</td>
<td>7</td>
<td>60</td>
<td>7,600</td>
</tr>
<tr>
<td>MR</td>
<td></td>
<td>6</td>
<td>2</td>
<td>2</td>
<td>850</td>
<td>18,700</td>
<td>950</td>
<td>18</td>
<td>950</td>
<td>21,098</td>
</tr>
<tr>
<td>TC 30% 30%/30%</td>
<td>PBV</td>
<td>15</td>
<td>2</td>
<td>2</td>
<td>850</td>
<td>12,750</td>
<td>846</td>
<td>56</td>
<td>790</td>
<td>11,850</td>
</tr>
<tr>
<td>TC 50%</td>
<td></td>
<td>22</td>
<td>2</td>
<td>2</td>
<td>850</td>
<td>22,100</td>
<td>1,250</td>
<td>32</td>
<td>59</td>
<td>25,350</td>
</tr>
<tr>
<td>TC 60%</td>
<td></td>
<td>26</td>
<td>3</td>
<td>2</td>
<td>1092</td>
<td>2,184</td>
<td>586</td>
<td>63</td>
<td>1,110</td>
<td>11,100</td>
</tr>
<tr>
<td>MR</td>
<td></td>
<td>8</td>
<td>3</td>
<td>2</td>
<td>1092</td>
<td>8,736</td>
<td>978</td>
<td>63</td>
<td>915</td>
<td>7,320</td>
</tr>
<tr>
<td>TC 30% 30%/30%</td>
<td>PBV</td>
<td>10</td>
<td>3</td>
<td>2</td>
<td>1092</td>
<td>10,920</td>
<td>1,173</td>
<td>63</td>
<td>1,110</td>
<td>11,100</td>
</tr>
<tr>
<td>MR</td>
<td></td>
<td>2</td>
<td>3</td>
<td>2</td>
<td>1092</td>
<td>2,184</td>
<td>1,485</td>
<td>2,970</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

TOTAL: 110

- Non Rental Income: $0.00 per unit/month for:
  - Retained Security Deposits, Late Fees, App Fees, Pet Fees, Interest Income: $2,200

- Total Non-Rental Income: $20,000 per unit/month = $220,000

- Total Gross Monthly Income: $112,317

- Provision for Vacancy & Collection Loss % of Potential Gross Income: 7.50% (8,424)

- Rental Concessions (enter as a negative number)

- Effective Gross Monthly Income: $103,893

- 12 = Effective Gross Annual Income: $1,246,715

If a revised form is submitted, date of submission: 237403.079
# Rent Schedule (Continued)

<table>
<thead>
<tr>
<th>HOUSING TAX CREDITS</th>
<th>% of Li</th>
<th>% of Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>TC30%</td>
<td>11%</td>
<td>7%</td>
</tr>
<tr>
<td>TC40%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>TC50%</td>
<td>41%</td>
<td>27%</td>
</tr>
<tr>
<td>TC60%</td>
<td>49%</td>
<td>33%</td>
</tr>
<tr>
<td>HTC Li Total</td>
<td></td>
<td></td>
</tr>
<tr>
<td>EO</td>
<td></td>
<td></td>
</tr>
<tr>
<td>MR</td>
<td></td>
<td></td>
</tr>
<tr>
<td>MR Total</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Units</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>MORTGAGE REVENUE BOND</th>
<th>% of Li</th>
<th>% of Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>MRB30%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>MRB40%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>MRB50%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>MRB60%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>MRB Li Total</td>
<td></td>
<td></td>
</tr>
<tr>
<td>MRBMR</td>
<td></td>
<td></td>
</tr>
<tr>
<td>MRBMR Total</td>
<td></td>
<td></td>
</tr>
<tr>
<td>MRB Total</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>NATIONAL HOUSING TRUST FUND</th>
<th>% of Li</th>
<th>% of Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>NTF30%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>NTF40%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>NTF50%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>NTF60%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>NTF80%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>NTF Li Total</td>
<td></td>
<td></td>
</tr>
<tr>
<td>MR</td>
<td></td>
<td></td>
</tr>
<tr>
<td>MR Total</td>
<td></td>
<td></td>
</tr>
<tr>
<td>HTF Total</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>DIRECT LOAN</th>
<th>% of Li</th>
<th>% of Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Direct Loan Li Total</td>
<td></td>
<td>100%</td>
</tr>
<tr>
<td>EO</td>
<td></td>
<td></td>
</tr>
<tr>
<td>MR</td>
<td></td>
<td></td>
</tr>
<tr>
<td>MR Total</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Direct Loan Total</td>
<td></td>
<td>0</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>OTHER</th>
<th>Total OT Units</th>
<th>8</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>BEDROOMS</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>0</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>21</td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>67</td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>22</td>
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</tr>
<tr>
<td>4</td>
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<td></td>
</tr>
<tr>
<td>5</td>
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<td></td>
</tr>
</tbody>
</table>

## ALLOCATION

- **ACQUISITION + HARD**
  - Cost Per Sq Ft: $158.53

- **BUILDING**
  - Cost Per Sq Ft: $109.26

---

**DO NOT USE THIS CALCULATION TO SCORE POINTS UNDER 11.9(e)(2).** At the end of the Development Cost Schedule, you will have the ability to adjust your eligible costs to qualify. Points will be entered there.
| TC 30% 30%/30% | 2 | 1 | 1.0 | 650 | 1,300 | 423 | 46 | 824 | 1,648 |
| TC 50% | 7 | 1 | 1.0 | 650 | 4,550 | 705 | 46 | 740 | 4,615 |
| TC 60% | 4 | 1 | 1.0 | 650 | 2,600 | 846 | 46 | 800 | 3,200 |
| MR | 8 | 1 | 1.0 | 650 | 5,200 | 950 | 46 | 900 | 5,760 |
| TC 30% 30%/30% | 4 | 2 | 2.0 | 850 | 3,400 | 507 | 56 | 917 | 3,688 |
| TC 50% LH/50% | 2 | 2 | 2.0 | 850 | 850 | 803 | 56 | 747 | 747 |
| TC 50% | 1 | 2 | 2.0 | 850 | 11,900 | 846 | 56 | 790 | 11,060 |
| TC 60% | 14 | 2 | 2.0 | 850 | 2,600 | 846 | 56 | 800 | 3,200 |
| MR | 22 | 2 | 2.0 | 850 | 18,700 | 1,015 | 56 | 790 | 11,060 |
| TC 30% 30%/30% | 2 | 3 | 2.0 | 1092 | 2,184 | 507 | 56 | 917 | 2,550 |
| TC 50% | 8 | 3 | 2.0 | 1092 | 10,920 | 1,275 | 56 | 790 | 11,060 |
| TC 60% | 10 | 3 | 2.0 | 1092 | 10,920 | 1,275 | 56 | 790 | 11,060 |
| MR | 2 | 3 | 2.0 | 1092 | 2,184 | 1,485 | 56 | 900 | 2,970 |

**PBV Contract Rents per award letter from FWHS:**
1br - $770  
2br - $973  
3br - $1,338
### Rent Schedule (Continued)

**Housing Tax Credits**

<table>
<thead>
<tr>
<th>% of LI</th>
<th>% of Total</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>TC30%</td>
<td>11%</td>
<td>7%</td>
</tr>
<tr>
<td>TC40%</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>TC50%</td>
<td>41%</td>
<td>27%</td>
</tr>
<tr>
<td>TC60%</td>
<td>49%</td>
<td>33%</td>
</tr>
<tr>
<td>HTC LI Total</td>
<td></td>
<td></td>
</tr>
<tr>
<td>EO</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>MR</td>
<td>36</td>
<td></td>
</tr>
<tr>
<td>MR Total</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Direct Loan**

<table>
<thead>
<tr>
<th>% of LI</th>
<th>% of Total</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>HH/80%</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>HH/60%</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>LH/50%</td>
<td>11%</td>
<td>11%</td>
</tr>
<tr>
<td>EO</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>MR</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>MR Total</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Direct Loan Total</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**National Housing Trust Fund**

<table>
<thead>
<tr>
<th>% of LI</th>
<th>% of Total</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>HTF30%</td>
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<td></td>
</tr>
<tr>
<td>HTF40%</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>HTF50%</td>
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<td></td>
</tr>
<tr>
<td>HTF60%</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>HTF80%</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>HTF LI Total</td>
<td></td>
<td></td>
</tr>
<tr>
<td>MR</td>
<td>0</td>
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<tr>
<td>MR Total</td>
<td></td>
<td></td>
</tr>
<tr>
<td>HTF Total</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Mortgage Revenue Bond**

<table>
<thead>
<tr>
<th>% of LI</th>
<th>% of Total</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>MRB30%</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>MRB40%</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>MRB50%</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>MRB60%</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>MRB LI Total</td>
<td></td>
<td></td>
</tr>
<tr>
<td>MRBMR</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>MRBMR Total</td>
<td></td>
<td></td>
</tr>
<tr>
<td>MRB Total</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Bedrooms**

<table>
<thead>
<tr>
<th>% of LI</th>
<th>% of Total</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>0</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>21</td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>67</td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>22</td>
<td></td>
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<tr>
<td>4</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>5</td>
<td>0</td>
<td></td>
</tr>
</tbody>
</table>

**Other**

<table>
<thead>
<tr>
<th>% of LI</th>
<th>% of Total</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>32</td>
</tr>
</tbody>
</table>

### Rent Schedule (Continued)

**Acquisition + Hard**

- **Cost Per Sq Ft**: $155.80
- **Building**: $155.80
- **Cost Per Sq Ft**: $109.26

---

*DO NOT USE THIS CALCULATION TO SCORE POINTS UNDER 11.9(e)(2). At the end of the Development Cost Schedule, you will have the ability to adjust your eligible costs to qualify. Points will be entered there.*
### Rent Schedule

**Private Activity Bond Priority (For Tax-Exempt Bond Developments ONLY):**

<table>
<thead>
<tr>
<th>Rent Designations (select from Drop down menu)</th>
<th>HTC Units</th>
<th>MF Direct Loan Units</th>
<th>National HTF Units</th>
<th>TDHCA MRB Units</th>
<th>Other/Subsidy</th>
<th># of Units</th>
<th># of Bedrooms</th>
<th># of Baths</th>
<th>Unit Size (Net Rentable Sq. Ft.)</th>
<th>Total Net Rentable Sq. Ft.</th>
<th>Program Rent Limit</th>
<th>Tenant Paid Utility Allow.</th>
<th>Rent Collected /Unit</th>
<th>Total Monthly Rent</th>
</tr>
</thead>
<tbody>
<tr>
<td>TC 30% 30%/30% PBV</td>
<td>2</td>
<td>1</td>
<td>1.0</td>
<td>650</td>
<td>1,300</td>
<td>423</td>
<td>38</td>
<td>82</td>
<td>1,648</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>TC 50%</td>
<td>7</td>
<td>1</td>
<td>1.0</td>
<td>650</td>
<td>4,550</td>
<td>705</td>
<td>38</td>
<td>77</td>
<td>4,669</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>TC 60%</td>
<td>4</td>
<td>1</td>
<td>1.0</td>
<td>650</td>
<td>2,600</td>
<td>846</td>
<td>38</td>
<td>80</td>
<td>3,232</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>MR</td>
<td>8</td>
<td>1</td>
<td>1.0</td>
<td>650</td>
<td>5,200</td>
<td>750</td>
<td>38</td>
<td>95</td>
<td>5,950</td>
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<td></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>TC 30% 30%/30% PBV</td>
<td>4</td>
<td>2</td>
<td>2.0</td>
<td>850</td>
<td>3,400</td>
<td>507</td>
<td>51</td>
<td>917</td>
<td>3,668</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>TC 50% L/H50%</td>
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<td>2</td>
<td>2.0</td>
<td>850</td>
<td>850</td>
<td>803</td>
<td>51</td>
<td>752</td>
<td>752</td>
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<td></td>
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<td></td>
</tr>
<tr>
<td>TC 50%</td>
<td>14</td>
<td>2</td>
<td>2.0</td>
<td>850</td>
<td>11,900</td>
<td>846</td>
<td>51</td>
<td>795</td>
<td>11,130</td>
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<td></td>
<td></td>
<td></td>
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<tr>
<td>TC 60%</td>
<td>22</td>
<td>2</td>
<td>2.0</td>
<td>850</td>
<td>18,700</td>
<td>1,015</td>
<td>51</td>
<td>964</td>
<td>21,208</td>
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<td>MR</td>
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<td>850</td>
<td>22,100</td>
<td>1,250</td>
<td>51</td>
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<td>32,500</td>
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</tr>
<tr>
<td>TC 30% 30%/30%</td>
<td>2</td>
<td>3</td>
<td>2.0</td>
<td>1092</td>
<td>2,184</td>
<td>586</td>
<td>65</td>
<td>1,275</td>
<td>2,550</td>
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</tr>
<tr>
<td>TC 50%</td>
<td>8</td>
<td>3</td>
<td>2.0</td>
<td>1092</td>
<td>8,736</td>
<td>973</td>
<td>65</td>
<td>913</td>
<td>7,304</td>
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<tr>
<td>TC 60%</td>
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<td>3</td>
<td>2.0</td>
<td>1092</td>
<td>10,920</td>
<td>1,173</td>
<td>65</td>
<td>1,108</td>
<td>11,080</td>
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</tr>
<tr>
<td>MR</td>
<td>2</td>
<td>3</td>
<td>2.0</td>
<td>1092</td>
<td>2,184</td>
<td></td>
<td></td>
<td></td>
<td>2,970</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**TOTAL**                                        | 110       | 94,624               |                     |                 |               | 110,311   |                     | 20.00                 |

| Non Rental Income                                 | $0.00 per unit/month for: | Retained Security Deposits, Late Fees, | 2,200 |
| Non Rental Income                                 | 20.00 per unit/month for: | App Fees, Pet Fees, Interest Income    |       |
| Non Rental Income                                 | 0.00 per unit/month       |                                      |       |
| TOTAL NONRENTAL INCOME                            | $20.00 per unit/month     |                                      |       |

**= POTENTIAL GROSS MONTHLY INCOME**                | 112,511 |

| = Provision for Vacancy & Collection Loss | % of Potential Gross Income: | (8,438) |
| = Rental Concessions (enter as a negative number) | Enter as a negative value |       |

**= EFFECTIVE GROSS MONTHLY INCOME**                | 104,073 |

* x 12 = EFFECTIVE GROSS ANNUAL INCOME             | 1,248,872 |

If a revised form is submitted, date of submission: 110/94,624
# Rent Schedule (Continued)

## Housing Tax Credits

<table>
<thead>
<tr>
<th>TC30%</th>
<th>% of Li</th>
<th>% of Total</th>
<th>% of Li</th>
<th>% of Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>11%</td>
<td>7%</td>
<td>8%</td>
<td>8%</td>
</tr>
<tr>
<td>TC40%</td>
<td>0</td>
<td>0</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>TC50%</td>
<td>41%</td>
<td>27%</td>
<td>30%</td>
<td>30%</td>
</tr>
<tr>
<td>TC60%</td>
<td>49%</td>
<td>33%</td>
<td>36%</td>
<td>36%</td>
</tr>
</tbody>
</table>

- HTC LI Total: 74
- EO: 0
- MR: 36
- MR Total: 36
- Total Units: 110

## Mortgage Revenue Bond

<table>
<thead>
<tr>
<th>MRB30%</th>
<th>% of Li</th>
<th>% of Total</th>
<th>% of Li</th>
<th>% of Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
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<td>0</td>
<td>0%</td>
<td>0%</td>
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<tr>
<td>MRB40%</td>
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</tr>
<tr>
<td>MRB60%</td>
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<td>0</td>
<td>0%</td>
<td>0%</td>
</tr>
</tbody>
</table>

- MRB LI Total: 0
- MBMR: 0
- MRBM Total: 0
- MRB Total: 0

## National Housing Trust Fund

<table>
<thead>
<tr>
<th>HTF30%</th>
<th>% of Li</th>
<th>% of Total</th>
<th>% of Li</th>
<th>% of Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>0</td>
<td>0</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>HTF40%</td>
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<tr>
<td>HTF50%</td>
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<td>0%</td>
</tr>
<tr>
<td>HTF60%</td>
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<td>0</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>HTF70%</td>
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<td>0</td>
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</tr>
<tr>
<td>HTF80%</td>
<td>0</td>
<td>0</td>
<td>0%</td>
<td>0%</td>
</tr>
</tbody>
</table>

- HTF LI Total: 0
- MR: 0
- MR Total: 0
- HTF Total: 0

## Direct Loan

- 30%: 89%
- LH/50%: 11%
- HH/60%: 11%
- HH/80%: 8%

- Direct Loan Li Total: 9
- EO: 0
- MR: 0
- MR Total: 0
- Direct Loan Total: 9

## Other

- Total OT Units: 32

### Acquisition + Hard

- Cost Per Sq Ft: $155.80

### Hard

- Cost Per Sq Ft: $155.80

### Building

- Cost Per Sq Ft: $109.26

---

*DO NOT USE THIS CALCULATION TO SCORE POINTS UNDER 11.9(e)(2). At the end of the Development Cost Schedule, you will have the ability to adjust your eligible costs to qualify. Points will be entered there.*
## Rent Schedule

Unit types must be entered from smallest to largest based on "# of Bedrooms" and "Unit Size", then within the same "# of Bedrooms" and "Unit Size" from lowest to highest "Rent Collected/Unit".

### Private Activity Bond Priority (For Tax-Exempt Bond Developments ONLY):

<table>
<thead>
<tr>
<th>Rent Designations (select from Drop down menu)</th>
<th>Rent Collected /Unit</th>
<th>Total Monthly Rent</th>
</tr>
</thead>
<tbody>
<tr>
<td>TC 30% 30%/30% PBV</td>
<td></td>
<td></td>
</tr>
<tr>
<td>TC 50%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>TC 60%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>MR</td>
<td></td>
<td></td>
</tr>
<tr>
<td>TC 30% 30%/30% PBV</td>
<td></td>
<td></td>
</tr>
<tr>
<td>TC 50%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>TC 60%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>MR</td>
<td></td>
<td></td>
</tr>
<tr>
<td>TC 30% 30%/30% PBV</td>
<td></td>
<td></td>
</tr>
<tr>
<td>TC 50%</td>
<td></td>
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</tr>
<tr>
<td>TC 60%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>MR</td>
<td></td>
<td></td>
</tr>
<tr>
<td>TC 30% 30%/30% PBV</td>
<td></td>
<td></td>
</tr>
<tr>
<td>TC 50%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>TC 60%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>MR</td>
<td></td>
<td></td>
</tr>
<tr>
<td>TC 30% 30%/30% PBV</td>
<td></td>
<td></td>
</tr>
<tr>
<td>TC 50%</td>
<td></td>
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<tr>
<td>TC 60%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>MR</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Rent Schedule Details

- **Non Rental Income**: $0.00 per unit/month for: Retained Security Deposits, Late Fees, App Fees, Pet Fees, Interest Income
- **Provision for Vacancy & Collection Loss**: 7.50% (8,424)
- **Rental Concessions**: Enter as a negative number

**TOTAL NONRENTAL INCOME**: $20.00

**POTENTIAL GROSS MONTHLY INCOME**: $112,317

**EFFECTIVE GROSS MONTHLY INCOME**: $103,893

x 12 = **EFFECTIVE GROSS ANNUAL INCOME**: $1,246,719

**If a revised form is submitted, date of submission:**

### Self Score Total: 33
## Rent Schedule (Continued)

<table>
<thead>
<tr>
<th>HOUSING TAX CREDITS</th>
<th>% of LI</th>
<th>% of Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>TC30%</td>
<td>11%</td>
<td>7%</td>
</tr>
<tr>
<td>TC40%</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>TC50%</td>
<td>41%</td>
<td>27%</td>
</tr>
<tr>
<td>TC60%</td>
<td>49%</td>
<td>33%</td>
</tr>
<tr>
<td>HTC LI Total</td>
<td></td>
<td></td>
</tr>
<tr>
<td>EO</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>MR</td>
<td>36</td>
<td></td>
</tr>
<tr>
<td>MR Total</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Units</td>
<td></td>
<td></td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>MORTGAGE REVENUE BOND</th>
<th>% of LI</th>
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<tr>
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<tr>
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<tr>
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<tr>
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<td>HH/80%</td>
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<td>Direct Loan LI Total</td>
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<tr>
<td>EO</td>
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<tr>
<td>MR</td>
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<tr>
<td>MR Total</td>
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<td>Direct Loan Total</td>
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| OTHER | Total OT Units | 32 |

### BEDROOMS

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<td>22</td>
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<tr>
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</tr>
<tr>
<td>5</td>
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</table>

### ACQUISITION + HARD

- **Cost Per Sq Ft**: $155.80
- **BUILDING**: $109.26

**DO NOT USE THIS CALCULATION TO SCORE POINTS UNDER 11.9(e)(2).** At the end of the Development Cost Schedule, you will have the ability to adjust your eligible costs to qualify. Points will be entered there.
<table>
<thead>
<tr>
<th>Program</th>
<th>Rent Limit</th>
<th>Tenant Paid Utility Allow.</th>
<th>Rent Collected /Unit</th>
<th>Total Monthly Rent</th>
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<tbody>
<tr>
<td>TC 30% 30%/30% PBV</td>
<td>650</td>
<td>1,300</td>
<td>423</td>
<td>38</td>
</tr>
<tr>
<td>TC 50%</td>
<td>650</td>
<td>4,550</td>
<td>705</td>
<td>38</td>
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<tr>
<td>TC 60%</td>
<td>650</td>
<td>2,600</td>
<td>846</td>
<td>38</td>
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<tr>
<td>MR</td>
<td>650</td>
<td>5,200</td>
<td>1,250</td>
<td>32,500</td>
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<tr>
<td>MR PBV</td>
<td>850</td>
<td>3,400</td>
<td>507</td>
<td>51</td>
</tr>
<tr>
<td>MR</td>
<td>850</td>
<td>11,900</td>
<td>846</td>
<td>51</td>
</tr>
<tr>
<td>TC 60%</td>
<td>850</td>
<td>18,700</td>
<td>1,015</td>
<td>51</td>
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<tr>
<td>MR PBV</td>
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<td>2,184</td>
<td>856</td>
<td>65</td>
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<td>2,184</td>
<td>1,485</td>
<td>2,970</td>
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</table>

Non Rental Income: $0.00 per unit/month

Retained Security Deposits, Late Fees, App Fees, Pet Fees, Interest Income

Total Nonrental Income = $20.00

Potential Gross Monthly Income = $12,554

Provision for Vacancy & Collection Loss % of Potential Gross Income: 7.50% (8,442)

Rental Concessions (enter as a negative number) Enter as a negative value

Effective Gross Monthly Income = 104,112

Effective Gross Annual Income = 1,249,349

If a revised form is submitted, date of submission:
Rent Schedule (Continued)

<table>
<thead>
<tr>
<th></th>
<th>% of Li</th>
<th>% of Total</th>
</tr>
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<tbody>
<tr>
<td>TC30%</td>
<td>11%</td>
<td>7%</td>
</tr>
<tr>
<td>TC40%</td>
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<tr>
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<td>41%</td>
<td>27%</td>
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<tr>
<td>TC60%</td>
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<td>33%</td>
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<tr>
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<tr>
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<td>0</td>
</tr>
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<td>HTF60%</td>
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<th>% of Total</th>
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<tbody>
<tr>
<td>ACQUISITION + HARD</td>
<td>$155.80</td>
<td>DO NOT USE THIS CALCULATION TO SCORE POINTS UNDER 11.9(e)(2). At the end of the Development Cost Schedule, you will have the ability to adjust your eligible costs to qualify. Points will be entered there.</td>
</tr>
<tr>
<td>HARD</td>
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</tr>
<tr>
<td>BUILDING</td>
<td>$109.26</td>
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</table>
### Rent Schedule

Unit types must be entered from smallest to largest based on “# of Bedrooms” and “Unit Size”, then within the same “# of Bedrooms” and “Unit Size” from lowest to highest “Rent Collected/Unit”.

**Private Activity Bond Priority (For Tax-Exempt Bond Developments ONLY):**

### Rent Designations

<table>
<thead>
<tr>
<th>HTC Units</th>
<th>MF Direct Loan Units (HOME Rent/Inc)</th>
<th>National HTF Units</th>
<th>TDHCA MRB Units</th>
<th>Other/Subsidy</th>
<th># of Units</th>
<th># of Bedrooms</th>
<th>Unit Size (Net Rentable Sq. Ft.)</th>
<th>Total Net Rentable Sq. Ft.</th>
<th>Program Rent Limit</th>
<th>Tenant Paid Utility Allow.</th>
<th>Rent Collected /Unit</th>
<th>Total Monthly Rent</th>
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<td>TC 30%</td>
<td>PBV</td>
<td>2</td>
<td>1</td>
<td>1.0</td>
<td>650</td>
<td>1,000</td>
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<td>38</td>
<td>824</td>
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<td>705</td>
<td>38</td>
<td>667</td>
<td>1,334</td>
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<td>1.0</td>
<td>650</td>
<td>3,250</td>
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<td>2.0</td>
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<td>507</td>
<td>51</td>
<td>917</td>
<td>3,668</td>
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<tr>
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<td>LH/50%</td>
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<td>51</td>
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<td>7,950</td>
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<td>913</td>
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<td>3</td>
<td>2.0</td>
<td>1092</td>
<td>2,184</td>
<td>978</td>
<td>65</td>
<td>1,250</td>
<td>3,528</td>
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<tr>
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<td>2.0</td>
<td>1092</td>
<td>6,552</td>
<td>978</td>
<td>65</td>
<td>913</td>
<td>5,478</td>
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<tr>
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<td>2.0</td>
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<td>1,173</td>
<td>65</td>
<td>1,108</td>
<td>11,080</td>
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<td>2.0</td>
<td>1092</td>
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<td>1,485</td>
<td>65</td>
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<td>2,734</td>
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### Rent Limits

<table>
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<tr>
<th>AMFI %</th>
<th>Number of Bedrooms</th>
<th>Number of Bathrooms</th>
<th>Rent Collected/Unit</th>
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<tbody>
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<tr>
<td>40</td>
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</tr>
<tr>
<td>Low</td>
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<tr>
<td>High</td>
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</tbody>
</table>

**Non Rental Income** $0.00 per unit/month for:
- Retained Security Deposits, Late Fees,
- App Fees, Pet Fees, Interest Income

**TOTAL NONRENTAL INCOME** $20.00 per unit/month

**POTENTIAL GROSS MONTHLY INCOME** 112,554

**Rental Concessions** (enter as a negative number)
- Provision for Vacancy & Collection Loss

**EFFECTIVE GROSS MONTHLY INCOME** 104,112

**EFFECTIVE GROSS ANNUAL INCOME** 1,249,349

If a revised form is submitted, date of submission: [ ]
### Rent Schedule (Continued)

<table>
<thead>
<tr>
<th>% of LI</th>
<th>% of Total</th>
</tr>
</thead>
</table>
| TC30%   | 11%        | 7%        | 8  
| TC40%   | 11%        | 7%        | 0  
| TC50%   | 41%        | 27%       | 30 |
| TC60%   | 49%        | 33%       | 36 |
| HTF30%  | 0          | 0         | 0  
| HTF40%  | 0          | 0         | 0  
| HTF50%  | 0          | 0         | 0  
| HTF60%  | 0          | 0         | 0  
| HTF70%  | 0          | 0         | 0  
| HTF80%  | 0          | 0         | 0  
| EO      | 0          | 0         | 0  
| MR      | 0          | 0         | 0  
| MR Total| 36         | 36        | 0  
| HTC LI Total| 74 | 74 | 0  
| Total Units| 110 | 110 | 0  

<table>
<thead>
<tr>
<th>% of LI</th>
<th>% of Total</th>
</tr>
</thead>
</table>
| MRB30%  | 0          | 0         | 0  
| MRB40%  | 0          | 0         | 0  
| MRB50%  | 0          | 0         | 0  
| MRB60%  | 0          | 0         | 0  
| MRB Li Total| 0 | 0 | 0  
| MRBMR   | 0          | 0         | 0  
| MRBMR Total| 0 | 0 | 0  
| MRB Total| 0          | 0         | 0  

<table>
<thead>
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<th>% of Total</th>
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</thead>
</table>
| 30%     | 0          | 0         | 0  
| LH/50%  | 100%       | 100%      | 9  
| HH/60%  | 0          | 0         | 0  
| HH/80%  | 0          | 0         | 0  
| Direct Loan Li Total| 9 | 9 | 0  
| EO      | 0          | 0         | 0  
| MR      | 0          | 0         | 0  
| MR Total| 0          | 0         | 0  
| Direct Loan Total| 9 | 9 | 0  

<table>
<thead>
<tr>
<th>% of LI</th>
<th>% of Total</th>
</tr>
</thead>
</table>
| OTHER   | 0          | 0         | 8  

### Bedroooms

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<td>4</td>
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<tr>
<td>5</td>
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</table>

### Other

<table>
<thead>
<tr>
<th>Cost Per Sq Ft</th>
</tr>
</thead>
</table>
| ACQUISITION + HARD | $155.80  
| HARD | $155.80  
| BUILDING | $109.26  

DO NOT USE THIS CALCULATION TO SCORE POINTS UNDER 11.9(e)(2). At the end of the Development Cost Schedule, you will have the ability to adjust your eligible costs to qualify. Points will be entered there.
2018 HTC
Full Application

Part 4 Tab 25

Utility Allowances
Utility Allowances [§10.614]

Applicant must attach to this form as documentation to support the “Utility Allowance” estimate used in completing the Rent Schedule provided in the Application. Where the Applicant uses any method that requires Department review, such review must have been requested prior to submission of the Application. Please see 10 TAC §10.614. This exhibit must clearly indicate which utility costs are included in the estimate.

If tenants will be required to pay any other mandatory fees (e.g. renter’s insurance) please provide an estimate, description and documentation of those as well.

<table>
<thead>
<tr>
<th>Utility</th>
<th>Who Pays</th>
<th>Energy Source</th>
<th>0BR</th>
<th>1BR</th>
<th>2BR</th>
<th>3BR</th>
<th>4BR</th>
<th>Source of Utility Allowance &amp; Effective Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Heating</td>
<td>Tenant</td>
<td>Electric</td>
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<td>Diamond Property Consultants</td>
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<tr>
<td>Cooking</td>
<td>Tenant</td>
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<td>7/1/2018</td>
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<tr>
<td>Other Electric</td>
<td>Tenant</td>
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<td>Approved by Fort Worth Housing</td>
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<tr>
<td>Air Conditioning</td>
<td>Tenant</td>
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<td>Sewer</td>
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<tr>
<td>Flat Fee</td>
<td>Tenant</td>
<td>Electric</td>
<td>$</td>
<td>$46</td>
<td>$56</td>
<td>$63</td>
<td>$72</td>
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<tr>
<td>Other</td>
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<td></td>
<td>$ -</td>
<td>$46</td>
<td>$56</td>
<td>$63</td>
<td>$72</td>
<td></td>
</tr>
</tbody>
</table>

Total Paid by Tenant

Other (Describe)

If a revised form is submitted, date of submission: __________________________
INTEROFFICE MEMORANDUM

TO: Barbara Asbury, Compliance and Planning Manager
FROM: Eric Vodicka, Management Analyst I
SUBJECT: Utility Allowance calculation for Mistletoe Station
DATE: August 16, 2018
THROUGH: Chad LaRoque, Housing Development and Grants Manager

Attached for your review are the following:


Discussion:

The Housing and Urban Development (HUD) Utility Schedule Model (HUSM) uses national data to estimate the utility allowance (UA) for specific areas of the country based off of the property’s zip code. The model utilizes national weather patterns, and multiple other sources to forecast usage patterns. By inputting rates from local utility providers, this model produces a UA that, unless otherwise justified, properties with HOME-assisted units and the associated Participating Jurisdiction (PJ) must abide by. However, “HOMEfires – Vol. 13 No. 2” explains that Participating Jurisdictions (PJ’s) may choose to not utilize the HUSM if they provide an estimated UA “based on project-specific factors such as size, orientation, building materials, mechanical systems and construction quality, as well as local climate conditions. Furthermore, 26 CFR 1.42-10(b)(4)(B) states that “A PJ may establish or approve a UA based on estimates obtained from a local utility company for each of the utilities used in the project.”

Diamond Property Consultants, Inc. (DPC) has been engaged by Mistletoe Station, LLC to assist in delivering updated utility allowance schedules for the property known as Mistletoe Station to-be-built in Fort Worth, TX. The methodology used for this property is the Utility Company Estimate Methodology as approved in 26 CFR 1.42-10 and in the Texas Administrative Code, Title 10, Part 1, Chapter 10, Subchapter F, Rule 10.614, Utility Allowances, referred to as the Written Estimate from a Local Provider Methodology.

Attached for your review is the Utility Allowance Report conducted by Diamond Property Consultants for the Mistletoe Station Project. The electric energy company consulted was Reliant Energy, and their estimate letter for the subject property is contained within their report.

For this project, the tenants will only be required to pay for their personal electric utility consumption. Water, sewer, trash, etc., will be property-paid.

Recommendation:

Staff recommends that the City adopt the Utility Allowance estimates set forth in the “2018 Utility Allowance Report for Mistletoe Station July 2018,” conducted by Diamond Property Consultants, Inc. Your signature below indicates your approval of these UA rates for Mistletoe Station.

Please call me at (817) 392-7583 if you have any questions.

Chad LaRoque, Housing Development and Grants Manager

Signature

Barbara Asbury, Compliance and Planning Manager

Signature
2018 UTILITY ALLOWANCE REPORT

for

MISTLETOE STATION

JULY 2018

SUBMITTED TO:
Mistletoe Station, LLC
c/o Saigebrook Development
5501-A Balcones Dr. #302
Austin, Texas 78731

SUBMITTED BY:
Diamond Property Consultants, Inc.
2113 Kings Pass
Heath, Texas 75032
Phone: (972) 475-9977

Authorized Signature: James Beats - President
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- Reliant Energy Letter

SECTION III  SUPPORTING DOCUMENTATION  .................................................. Page 6
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- Texas Administrative Code, Title 10, Part 1, Chapter 10, Subchapter F,
  Rule 10.614, Utility Allowances
- IRS 8823 Guide, rev. 01/2011, Chapter 18 regarding Utility Allowances

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SECTION I  METHODOLOGY USED TO CALCULATE UTILITY ALLOWANCES

I.A BACKGROUND
In accordance with regulations promulgated by the Department of the Treasury, through the Internal Revenue Service, owners of Low Income Housing Tax Credit ("LIHTC") financed properties are obligated to offer both (1) prescribed below market rents and (2) allowances for utilities to qualifying residents who reside on their properties. The IRS has issued specific guidelines and rules for the calculation of the below market rents and utility allowances, which are administered on the local level by the state housing credit agencies. Failure to comply with these regulations can result in serious penalties to the LIHTC owners. Copies of key regulations included in Section III of this report are:

- 26 CFR 1.42-10
- Texas Administrative Code, Title 10, Part 1, Chapter 10, Subchapter F, Rule 10.614, Utility Allowances
- IRS 8823 Guide, rev. 01/2011, Chapter 18 regarding Utility Allowances

In particular, Section 42.10 of the Income Tax Regulations (26 CFR 1.42-10) specially addresses Utility Allowances as they relate to affordable housing. Individual states have further adopted local guidelines for the administration of the basic IRS rules. Under the regulations owners are given the opportunity to select among several alternative methodologies for use in the calculation of the actual utility allowances that will be used on their specific properties. There are also restrictions on properties that are financed using certain types of government programs that limit the utility allowance calculation to a single method. For instance, Rural Housing Assistance and Department of Housing and Urban Development regulated properties may only use the utility allowance schedules issued by the proximate applicable Public Housing Authorities. For other properties, however, under the current regulations there are five methodologies approved in 26 CFR 1.42-10 which an owner may use for calculating the utility allowances:

1. The applicable Public Housing Authority (PHA) utility allowance established for the Section 8 Existing Housing Program.
2. Utility Company Estimate
3. Agency Estimate (also referred to by TDHCA as the actual use methodology)
4. The HUD Utility Model Schedule
5. The Energy Consumption Model.

I.B METHODOLOGY USED FOR THIS PROPERTY
Diamond Property Consultants, Inc. (DPC) has been engaged by Mistletoe Station, LLC to assist in delivering updated utility allowance schedules for the property known as Mistletoe Station to-be-built in Fort Worth, TX. The methodology used for this property is the Utility Company Estimate Methodology as approved in 26 CFR 1.42-10 and in the Texas Administrative Code, Title 10, Part 1, Chapter 10, Subchapter F, Rule 10.614, Utility Allowances, referred to as the Written Estimate From a Local Provider Methodology. The utility company estimate, used for the electric allowances, is provided on letterhead from Reliant Energy, a utility company providing service where the property is located. The letter is included in Section II of this report.

The utility company estimate letter was provided by a certain local utility provider, who are either actually serving the subject property or who has the capability and legal right to do so. In this case, the specific local provider responsible for issuing the utility company estimate letter is Reliant Energy ("Provider") as indicated by the enclosed letter. DPC requested the utility company estimate letter for the subject property using the policies and procedures as established by the Provider.
The following chart provides a breakdown of the utility allowances for Mistletoe Station, based on the enclosed utility company estimate letter **:


### Mistletoe Station

<table>
<thead>
<tr>
<th>ELECTRIC - Utility Allowances</th>
<th>1 BR</th>
<th>2 BR</th>
<th>3 BR</th>
</tr>
</thead>
<tbody>
<tr>
<td>TOTAL</td>
<td>$ 46.00</td>
<td>$ 56.00</td>
<td>$ 63.00</td>
</tr>
</tbody>
</table>

**NOTES:**
1. Water, sewer and trash are property paid and therefore not included in the resident paid allowances above.

** Utility company estimate letters are included on the following page:
   - Reliant Energy
Mistletoe Station
1916 Mistletoe Boulevard
Fort Worth, TX 76104

July 17, 2018

RE: Utility Allowance Estimate

To Whom It May Concern:

In our opinion, as of this date, the monthly utility charge estimates listed below would apply for the above noted property to be built within the service area of Reliant Energy:

<table>
<thead>
<tr>
<th>ELECTRIC - Utility Allowances</th>
<th>1 BR</th>
<th>2 BR</th>
<th>3 BR</th>
</tr>
</thead>
<tbody>
<tr>
<td>TOTAL</td>
<td>$ 46.00</td>
<td>$ 56.00</td>
<td>$ 63.00</td>
</tr>
</tbody>
</table>

NOTES:

1. At a minimum, the subject property is to be built subject to the 2009 International Energy Conservation Code (IECC).

2. Once built and ready for occupancy, the utility allowance estimates will be reviewed and revised using the Reliant Energy rates in effect at the time.

3. The above utility allowances are only an estimate.

4. The monthly utility charge estimates are for a unit of similar size and construction for the geographic area in which the building containing the unit is located.

5. The above utility allowances, by bedroom type, apply to all building configurations on this property.

6. Estimates based on an “Energy Conservative Household” and other criteria as defined by the U.S. Department of Housing and Urban Development (HUD).

7. Estimates include costs for heating; cooking; other electric (lighting, etc.); air conditioning; water heating; all monthly component charges.

Sincerely yours,

Joe Kaye, CAS
Senior Director
Builder/Multi-Family Division
December 12, 2018

Kit Sarai
Sarah Anderson Consulting
Austin, TX
kit@sarahandersonconsulting.com

RE: 2018 HTC and MFDL Application – proposed site located in Fort Worth, Texas

HTC File: 18505

Dear Mr. Sarai:

The Texas Department of Housing and Community Affairs (the Department) has calculated the utility allowance for a proposed 2018 Housing Tax Credit (“HTC”) and Multifamily Direct Loan (“MFDL”) application, located in Fort Worth, Texas using the HUD Utility Schedule Model in accordance with 10TAC §10.614(k)(4). This allowance is calculated based on the following representations:

1. That the residents are financially responsible for electricity and that the utility is not paid to or through the owner of the building based on an allocation formula or RUBS; and
2. That the only building type is Apartments (5+ units)

As a reminder, HTC buildings with MFDL units are considered to be HUD Regulated buildings under Treasury Regulation §1.42-10 and, as such, the applicable utility allowance for all rent restricted Units in the building is this utility allowance calculated for the MFDL program. No other utility method described in this section can be used by HUD-regulated buildings.

Please see attached schedule dated December 12, 2018. This allowance can be used for underwriting purposes. If you are successful in obtaining an allocation, the Owner may elect to use the Written Local Estimate, HUD Utility Schedule Model, Energy Consumption Model, or the Agency Estimate for leasing; however, a request identifying the chosen method to establish the utility allowance must be submitted to the Department for review and approval, at minimum, 90 days prior to the commencement of leasing activities. Please see §10.614(d) for guidance.

If you have any further questions, please contact Carolyn Metzger toll free in Texas at (800) 643-8204, directly at (512) 475-3802, or email: carolyn.metzger@tdhca.state.tx.us.

Sincerely,

Carolyn Metzger
Compliance Monitor
<table>
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<tr>
<th>Utility or Service</th>
<th>Monthly Dollar Allowances</th>
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<td>Space Heating</td>
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<td>Natural Gas</td>
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<tr>
<td>Bottled Gas</td>
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<td>Electric Resistance</td>
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<td>Electric Heat Pump</td>
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<td>Fuel Oil</td>
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<td>Electric</td>
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<td>Fuel Oil</td>
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<tr>
<td>Total</td>
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<tr>
<td>Total Allowance (Rounded Up)</td>
<td>$33.00</td>
</tr>
</tbody>
</table>
### Utility Allowances [§10.614]

Applicant must attach to this form as documentation to support the “Utility Allowance” estimate used in completing the Rent Schedule provided in the Application. Where the Applicant uses any method that requires Department review, such review must have been requested prior to submission of the Application. Please see 10 TAC §10.614. This exhibit must clearly indicate which utility costs are included in the estimate.

If tenants will be required to pay any other mandatory fees (e.g. renter's insurance) please provide an estimate, description and documentation of those as well.

<table>
<thead>
<tr>
<th>Utility</th>
<th>Who Pays</th>
<th>Energy Source</th>
<th>0BR</th>
<th>1BR</th>
<th>2BR</th>
<th>3BR</th>
<th>4BR</th>
<th>Source of Utility Allowance &amp; Effective Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Heating</td>
<td>Tenant</td>
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<td>$9</td>
<td>$11</td>
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<td>HUD Utility Model</td>
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<td>$21</td>
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<tr>
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<tr>
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<td>$51</td>
<td>$54</td>
<td>$ -</td>
<td>$ -</td>
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</tr>
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</table>

Other (Describe)

If a revised form is submitted, date of submission: ____________________________
## Utility Allowances [§10.614]

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<tbody>
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<td>Heating</td>
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<td>$9</td>
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<td>HUD Model Utility Allowances</td>
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<td>Other Electric</td>
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<td>Air Conditioning</td>
<td>Tenant</td>
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<td>Flat Fee</td>
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<tr>
<td><strong>Total Paid by Tenant</strong></td>
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<td>$-</td>
<td>$38</td>
<td>$51</td>
<td>$64</td>
<td>$-</td>
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</tbody>
</table>

Other (Describe)

---

If a revised form is submitted, date of submission: __________
SECTION III

SUPPORTING DOCUMENTATION

- 26 CFR 1.42-10
- Texas Administrative Code, Title 10, Part 1, Chapter 10, Subchapter F, Rule 10.614, Utility Allowances
- IRS 8823 Guide, rev. 01/2011, Chapter 18 regarding Utility Allowances
§ 1.42-10 Utility allowances.

(a) Inclusion of utility allowances in gross rent. If the cost of any utility (other than telephone, cable television, or Internet) for a residential rental unit is paid directly by the tenant(s), and not by or through the owner of the building, the gross rent for that unit includes the applicable utility allowance determined under this section. This section only applies for purposes of determining gross rent under section 42(g)(2)(B)(ii) as to rent-restricted units.

(b) Applicable utility allowances — (1) Buildings assisted by the Rural Housing Service. If a building receives assistance from the Rural Housing Service (RHS-assisted building), the applicable utility allowance for all rent-restricted units in the building is the utility allowance determined under the method prescribed by the Rural Housing Service (RHS) for the building (whether or not the building or its tenants also receive other state or federal assistance).

(2) Buildings with Rural Housing Service assisted tenants. If any tenant in a building receives RHS rental assistance payments (RHS tenant assistance), the applicable utility allowance for all rent-restricted units in the building (including any units occupied by tenants receiving rental assistance payments from the Department of Housing and Urban Development (HUD)) is the applicable RHS utility allowance.

(3) Buildings regulated by the Department of Housing and Urban Development. If neither a building nor any tenant in the building receives RHS housing assistance, and the rents and utility allowances of the building are reviewed by HUD on an annual basis (HUD-regulated building), the applicable utility allowance for all rent-restricted units in the building is the applicable HUD utility allowance.

(4) Other buildings. If a building is neither an RHS-assisted nor a HUD-regulated building, and no tenant in the building receives RHS tenant assistance, the applicable utility allowance for rent-restricted units in the building is determined under the following methods.

(i) Tenants receiving HUD rental assistance. The applicable utility allowance for any rent-restricted units occupied by tenants receiving HUD rental assistance payments (HUD tenant assistance) is the applicable Public Housing Authority (PHA) utility allowance established for the Section 8 Existing Housing Program.

(ii) Other tenants — (A) General rule. If none of the rules of paragraphs (b)(1), (2), (3), and (4)(i) of this section apply to any rent-restricted units in a building, the appropriate utility allowance for the units is the applicable PHA utility allowance. However, if a local utility company estimate is obtained for any unit in the building in accordance with paragraph (b)(4)(ii)(B) of this section, that estimate becomes the appropriate utility allowance for all rent-restricted units of similar size and construction in the building. This local utility company estimate procedure is not available for and does not apply to units to which the rules of paragraphs (b)(1), (2), (3), or (4)(i) of this section apply. However, if a local utility company estimate is obtained for any unit in the building under
paragraph (b)(4)(ii)(B) of this section, a State or local housing credit agency (Agency) provides a building owner with an estimate for any unit in a building under paragraph (b)(4)(ii)(C) of this section, a cost estimate is calculated using the HUD Utility Schedule Model under paragraph (b)(4)(ii)(D) of this section, or a cost estimate is calculated by an energy consumption model under paragraph (b)(4)(ii)(E) of this section, then the estimate under paragraph (b)(4)(ii)(B), (C), (D), or (E) becomes the applicable utility allowance for all rent-restricted units of similar size and construction in the building. Paragraphs (b)(4)(ii)(B), (C), (D), and (E) of this section do not apply to units to which the rules of paragraphs (b)(1), (2), (3), or (4)(i) of this section apply.

(B) Utility company estimate. Any interested party (including a low-income tenant, a building owner, or an Agency) may obtain a local utility company estimate for a unit. The estimate is obtained when the interested party receives, in writing, information from a local utility company providing the estimated cost of that utility for a unit of similar size and construction for the geographic area in which the building containing the unit is located. In the case of deregulated utility services, the interested party is required to obtain an estimate only from one utility company even if multiple companies can provide the same utility service to a unit. However, the utility company must offer utility services to the building in order for that utility company's rates to be used in calculating utility allowances. The estimate should include all component deregulated charges for providing the utility service. The local utility company estimate may be obtained by a building owner at any time during the building's extended use period (see section 42(h)(6)(D)) or, if the building does not have an extended use period, during the building's compliance period (see section 42(i)(1)). Unless the parties agree otherwise, costs incurred in obtaining the estimate are borne by the initiating party. The interested party that obtains the local utility company estimate (the initiating party) must retain the original of the utility company estimate and must furnish a copy of the local utility company estimate to the owner of the building (where the initiating party is not the owner), and the Agency that allocated credit to the building (where the initiating party is not the Agency). The owner of the building must make available copies of the utility company estimate to the tenants in the building.

(C) Agency estimate. A building owner may obtain a utility estimate for each unit in the building from the Agency that has jurisdiction over the building provided the Agency agrees to provide the estimate. The estimate is obtained when the building owner receives, in writing, information from the Agency providing the estimated per-unit cost of the utilities for units of similar size and construction for the geographic area in which the building containing the units is located. The Agency estimate may be obtained by a building owner at any time during the building's extended use period (see section 42(h)(6)(D)). Costs incurred in obtaining the estimate are borne by the building owner. In establishing an accurate utility allowance estimate for a particular building, an Agency (or an agent or other private contractor of the Agency that is a qualified professional within the meaning of paragraph (b)(4)(ii)(E) of this section) must take into account, among other things, local utility rates, property type, climate and degree-day variables by region in the State, taxes and fees on utility charges, building materials, and mechanical systems. If the Agency uses an agent or other private contractor to calculate the utility
estimates, the agent or contractor and the owner must not be related within the meaning of section 267(b) or 707(b). An Agency may also use actual utility company usage data and rates for the building. However, use of the Agency estimate is limited to the building's consumption data for the twelve-month period ending no earlier than 60 days prior to the beginning of the 90-day period under paragraph (c)(1) of this section and utility rates used for the Agency estimate must be no older than the rates in place 60 days prior to the beginning of the 90-day period under paragraph (c)(1) of this section. In the case of newly constructed or renovated buildings with less than 12 months of consumption data, the Agency (or an agent or other private contractor of the Agency that is a qualified professional within the meaning of paragraph (b)(4)(ii)(E) of this section) may use consumption data for the 12-month period of units of similar size and construction in the geographic area in which the building containing the units is located.

(D) HUD Utility Schedule Model. A building owner may calculate a utility estimate using the “HUD Utility Schedule Model” that can be found on the Low-Income Housing Tax Credits page at http://www.huduser.org/datasets/lihtc.html (or successor URL). Utility rates used for the HUD Utility Schedule Model must be no older than the rates in place 60 days prior to the beginning of the 90-day period under paragraph (c)(1) of this section.

(E) Energy consumption model. A building owner may calculate utility estimates using an energy and water and sewage consumption and analysis model (energy consumption model). The energy consumption model must, at a minimum, take into account specific factors including, but not limited to, unit size, building orientation, design and materials, mechanical systems, appliances, and characteristics of the building location. The utility consumption estimates must be calculated by either a properly licensed engineer or a qualified professional approved by the Agency that has jurisdiction over the building (together, qualified professional), and the qualified professional and the building owner must not be related within the meaning of section 267(b) or 707(b). Use of the energy consumption model is limited to the building's consumption data for the twelve-month period ending no earlier than 60 days prior to the beginning of the 90-day period under paragraph (c)(1) of this section, and utility rates used for the energy consumption model must be no older than the rates in place 60 days prior to the beginning of the 90-day period under paragraph (c)(1) of this section. In the case of newly constructed or renovated buildings with less than 12 months of consumption data, the qualified professional may use consumption data for the 12-month period of units of similar size and construction in the geographic area in which the building containing the units is located.

(c) Changes in applicable utility allowance —(1) In general. If, at any time during the building's extended use period (as defined in section 42(h)(6)(D)), the applicable utility allowance for units changes, the new utility allowance must be used to compute gross rents of the units due 90 days after the change (the 90-day period). For example, if rent must be lowered because a local utility company estimate is obtained that shows a higher utility cost than the otherwise applicable PHA utility allowance, the lower rent must be in effect for rent due at the end of the 90-day period. A building owner using a utility
under paragraph (b)(4)(ii)(B) of this section, the HUD Utility Schedule Model under paragraph (b)(4)(ii)(D) of this section, or an energy consumption model under paragraph (b)(4)(ii)(E) of this section must submit copies of the utility estimates to the Agency that has jurisdiction over the building and make the estimates available to all tenants in the building at the beginning of the 90-day period before the utility allowances can be used in determining the gross rent of rent-restricted units. An Agency may require additional information from the owner during the 90-day period. Any utility estimates obtained under the Agency estimate under paragraph (b)(4)(ii)(C) of this section must also be made available to all tenants in the building at the beginning of the 90-day period. The building owner must pay for all costs incurred in obtaining the estimates under paragraphs (b)(4)(ii)(B), (C), (D), and (E) of this section and providing the estimates to the Agency and the tenants. The building owner is not required to review the utility allowances, or implement new utility allowances, until the building has achieved 90 percent occupancy for a period of 90 consecutive days or the end of the first year of the credit period, whichever is earlier.

(2) Annual review. A building owner must review at least once during each calendar year the basis on which utility allowances have been established and must update the applicable utility allowance in accordance with paragraph (c)(1) of this section. The review must take into account any changes to the building such as any energy conservation measures that affect energy consumption and changes in utility rates.

(d) Record retention. The building owner must retain any utility consumption estimates and supporting data as part of the taxpayer’s records for purposes of §1.6001–1(a).

§10.614. Utility Allowances

(a) Purpose. The purpose of this section is to provide the guidelines for calculating a Utility Allowance under the Department's multifamily programs. The Department will cite noncompliance and/or not approve a Utility Allowance if it is not calculated in accordance with this section. Owners are required to comply with the provisions of this section, as well as, any existing federal or state program guidance.

(b) Definitions. The following words and terms, when used in this section, shall have the following meanings, unless the context clearly indicates otherwise. Other capitalized terms used in this section herein have the meaning assigned in Chapters 1, 2 and 10 of this part.

(1) Building Type. The HUD Office of Public and Indian Housing (“PIH”) characterizes building and unit configurations for HUD programs. The Department will defer to the guidance provided by HUD found at: http://portal.hud.gov/hudportal/documents/huddoc?id=DOC_11608.pdf (or successor Uniform Resource Locator (“URL”)) when making determinations regarding the appropriate building type(s) at a Development.

(2) Power to Choose. The Public Utility Commission of Texas database of retail electric providers in the areas of the state where the sale of electricity is open to retail competition http://www.powertochoose.org/ (or successor URL). In areas of the state where electric service is deregulated, the Department will verify the availability of residential service directly with the Utility Provider. If the Utility Provider is not listed as a provider of residential service in the Development’s ZIP code for an area that is deregulated, the request will not be approved.

(3) Component Charges. The actual cost associated with the billing of a residential utility. Each Utility Provider may publish specific utility service information in varying formats depending on the service area. Such costs include, but are not limited to:

   (A) Rate(s). The cost for the actual unit of measure for the utility (e.g. cost per kilowatt hour for electricity);

   (B) Fees. The cost associated with a residential utility that is incurred regardless of the amount of the utility the household consumes (e.g. Customer Charge); and,

   (C) Taxes. Taxes for electricity and gas are regulated by the Texas Comptroller of Public Accounts and can be found http://comptroller.texas.gov/ (or successor URL). Local Utility Providers have control of the tax structure related to water, sewer and trash. To identify if taxes are imposed for these utilities, obtain documentation directly from the Utility Provider.

(4) Multifamily Direct Loan (“MFDL”) - Funds provided through the HOME Program (“HOME”), Neighborhood Stabilization Program (“NSP”), National Housing Trust Fund (“NHTF”), Repayments from the Tax Credit Assistance Program (“TCAP RF”), or other program available through the Department, local political subdivision, or administrating agency for multifamily development that require a Utility Allowance. MFDLs may also include deferred forgivable loans or
other similar direct funding, regardless if it is required to be repaid. Housing Tax Credits, Tax Exempt Bonds and Project Based Vouchers are not MFDLs.

(5) Renewable Source. Energy produced from energy property described in IRC §48 or IRC §45(d)(1) through (4), (6), (9), or (11). The manner in which a resident is billed is limited to the rate at which the local Utility Provider would have charged the residents for the utility if that entity had provided it to them, and as may be further limited by the Texas Utilities Code or by regulation.

(6) Submetered Utility. A utility purchased from or through a local Utility Provider by the building Owner where the resident is billed directly by Owner of the building or to a third party billing company and the utility is:

(A) Based on the residents’ actual consumption of that utility and not an allocation method or Ratio Utility Billing System (“RUBS”); and,

(B) The rate at which the utility is billed does not exceed the rate incurred by the building owner for that utility.

(7) Utility Allowance. An estimate of the expected monthly cost of any utility for which a resident is financially responsible, other than telephone, cable television, or internet.

(A) For HTC, TCAP, Exchange buildings, and SHTF include:

(i) Utilities paid by the resident directly to the Utility Provider;

(ii) Submetered Utilities; and,

(iii) Renewable Source Utilities.

(B) For a Development with a MFDL, unless otherwise prescribed in the program’s Regulatory Agreement, include all utilities regardless of how they are paid.

(8) Utility Provider. The company that provides residential utility service (e.g. electric, gas, water, wastewater, and/or trash) to the buildings.

c) Methods. The following options are available to establish a Utility Allowance for all programs except Developments funded with MFDL funds, which are addressed in subsection (d) of this section.

(1) Rural Housing Services (“RHS”) buildings or buildings with RHS assisted residents. The applicable Utility Allowance for the Development will be determined under the method prescribed by the RHS (or successor agency). No other utility method described in this section can be used by RHS buildings or buildings with RHS assisted residents.

(2) HUD-Regulated buildings layered with any Department program. If neither the building nor any resident in the building receives RHS rental assistance payments, and the rents and the Utility Allowances of the building are regulated by HUD (HUD-regulated building), the applicable Utility Allowance for all rent restricted Units in the building is the applicable HUD Utility Allowance. No other utility method described in this section can be used by HUD-regulated buildings. Unless further guidance is received from the U.S. Department of Treasury or the Internal Revenue Service (“IRS”), the Department considers Developments awarded a MFDL (e.g. HOME) to be HUD-Regulated buildings.

(3) Other Buildings. For all other rent-restricted Units, Development Owners must use one of the methods described in subparagraphs (A) - (E) of this paragraph:
(A) Public Housing Authority ("PHA"). The Utility Allowance established by the applicable PHA for the Housing Choice Voucher Program. The Department will utilize the Texas Local Government Code, Chapter 392 to determine which PHA is the most applicable to the Development.

(i) If the PHA publishes different schedules based on Building Type, the Owner is responsible for implementing the correct schedule based on the Development's Building Type(s).

Example 614(1): The applicable PHA publishes a separate Utility Allowance schedule for Apartments (5+ units), one for Duplex/Townhomes and another for Single Family Homes. The Development consists of 20 buildings, ten of which are Apartments (5+ units) and the other ten buildings are Duplexes. The Owner must use the correct schedule for each Building Type.

(ii) In the event the PHA publishes a Utility Allowance schedule specifically for energy efficient units, and the Owner desires to use such a schedule, the Owner must demonstrate that the building(s) meet the housing authority's specifications for energy efficiency once every five years.

(iii) If the applicable PHA allowance lists flat fees for any utility, those flat fees must be included in the calculation of the Utility Allowance if the resident is responsible for that utility.

(iv) If the individual components of a Utility Allowance are not in whole number format, the correct way to calculate the total allowance is to add each amount and then round the total up to the next whole dollar. Example 614(2): Electric cooking is $8.63, Electric Heating is $5.27, Other Electric is $24.39, Water and Sewer is $15. The Utility Allowance in this example is $54.00.

(v) If an Owner chooses to implement a methodology as described in subparagraph (B), (C), (D), or (E) of this paragraph, for Units occupied by Section 8 voucher holders, the Utility Allowance remains the applicable PHA Utility Allowance established by the PHA from which the household's voucher is received.

(vi) If the Development is located in an area that does not have a municipal, county, or regional housing authority that publishes a Utility Allowance schedule for the Housing Choice Voucher Program, Owners must select an alternative methodology, unless the building(s) is located in the published Housing Choice Voucher service area of:

(I) A Council of Government created under Texas Local Government Code, Chapter 303, that operates a Housing Choice Voucher Program; or,

(II) The Department's Housing Choice Voucher Program.

(B) Written Local Estimate. The estimate must come from the local Utility Provider, be signed by the Utility Provider representative, and specifically include all Component Charges for providing the utility service.

(C) HUD Utility Schedule Model. The HUD Utility Schedule Model and related resources can be found at http://www.huduser.gov/portal/resources/utilallowance.html (or successor URL). Each item on the schedule must be displayed out two decimal places. The total allowance must be rounded up to the next whole dollar amount. The Component Charges used can be no older than those in effect 60 days prior to the beginning of the 90 day period described in paragraph (f)(3) of this section related to Effective Dates.
(i) The allowance must be calculated using the MS Excel version available at http://www.huduser.org/portal/resources/utilmodel.html (or successor URL), as updated from time to time, with no changes or adjustments made other than entry of the required information needed to complete the model.

(ii) In the event that the PHA code for the local PHA to the Development is not listed in “Location” tab of the workbook, the Department will use the PHA code for the PHA that is closest in distance to the Development using online mapping tools (e.g. MapQuest).

(iii) Green Discount. If the Owner elects any of the Green Discount options for a Development, documentation to evidence that the units and the buildings meet the Green Discount standard as prescribed in the model is required for the initial approval and every subsequent annual review. In the event the allowance is being calculated for an application of Department funding (e.g. 9% Housing Tax Credits), upon request, the Department will provide both the Green Discount and the non-Green Discount results for application purposes; however, to utilize the Green Discount allowance for leasing activities, the Owner must evidence that the units and buildings have met the Green Discount elected when the request is submitted as required in subsection (l) of this section.

(iv) Do not take into consideration any costs (e.g. penalty) or credits that a consumer would incur because of their actual usage. Example 614(3) The Electric Fact Label for ABC Electric Utility Provider provides a Credit Line of $40 per billing cycle that is applied to the bill when the usage is greater than 999 kWh and less that 2000 kWh. Example 614(4) A monthly minimum usage fee of $9.95 is applied when the usage is less than 1000 kWh in the billing cycle. When calculating the allowance, disregard these types costs or credits.

(D) Energy Consumption Model. The model must be calculated by a properly licensed mechanical engineer. The individual must not be related to the Owner within the meaning of §267(b) or §707(b) of the Code. The utility consumption estimate must, at minimum, take into consideration specific factors that include, but are not limited to, Unit size, building type and orientation, design and materials, mechanical systems, appliances, characteristics of building location, and available historical data. Component Charges used must be no older than in effect 60 days prior to the beginning of the 90 day period described in paragraph (f)(3) of this section related to Effective Dates; and,

(E) An allowance based upon an average of the actual use of similarly constructed and sized Units in the building using actual utility usage data and Component Charges, provided that the Development Owner has the written permission of the Department. This methodology is referred to as the "Actual Use Method." For a Development Owner to use the Actual Use Method they must:

   (i) Provide a minimum sample size of usage data for at least five Continuously Occupied Units of each Unit Type or 20 percent of each Unit Type whichever is greater. If there are less than five Units of any Unit Type, data for 100 percent of the Unit Type must be provided;

   (ii) Upload the information in subclause (I) - (IV) of this clause to the Development’s CMTS account no later than the beginning of the 90 day period after which the Owner intends to implement the allowance, reflecting data no older than 60 days prior to the 90 day implementation period described in described in paragraph (f)(3) of this section related to Effective Dates.
(I) An Excel spreadsheet listing each Unit for which data was obtained to meet the minimum sample size requirement of a Unit Type, the number of bedrooms, bathrooms and square footage for each Unit, the household's move-in date, the utility usage (e.g. actual kilowatt usage for electricity) for each month of the 12 month period for each Unit for which data was obtained, and the Component Charges in place at the time of the submission;

(II) All documentation obtained from the Utility Provider (or billing entity for the utility provider) and/or copies of actual utility bills gathered from the residents, including all usage data not needed to meet the minimum sample size requirement and any written correspondence from the utility provider;

(III) The rent roll showing occupancy as of the end of the month for the month in which the data was requested from the utility provider; and

(IV) Documentation of the current Utility Allowance used by the Development.

(iii) Upon receipt of the required information, the Department will determine if the Development Owner has provided the minimum information necessary to calculate an allowance using the Actual Use Method. If so, the Department shall calculate the Utility Allowance for each bedroom size using the guidelines described in subclause (I) - (V) of this clause;

(I) If data is obtained for more than the sample requirement for the Unit Type, all data will be used to calculate the allowance;

(II) If more than 12 months of data is provided for any Unit, only the data for the most current twelve 12 will be averaged;

(III) The allowance will be calculated by multiplying the average units of measure for the applicable utility (i.e., kilowatts over the last 12 months by the current rate) for all Unit Types within that bedroom size. For example, if sufficient data is supplied for 18 two bedroom/one bath Units, and 12 two bedroom/two bath Units, the data for all 30 Units will be averaged to calculate the allowance for all two bedroom Units;

(IV) The allowance will be rounded up to the next whole dollar amount. If allowances are calculated for different utilities, each utility’s allowance will be rounded up to the next whole dollar amount and then added together for the total allowance; and

(V) If the data submitted indicates zero usage for any month, the data for that Unit will not be used to calculate the Utility Allowance.

(iv) The Department will complete its evaluation and calculation within forty-five (45) days of receipt of all the information requested in clause (ii) of this subparagraph;

(d) In accordance with 24 CFR §92.252, for a MFDL in which the Department is the funding source, the Utility Allowance will be established in the following manner:

(1) For Developments that, as a result of funding, must calculate the Utility Allowance under HUD Multifamily Notice H-2014-4, as revised from time to time, the applicable Utility Allowance for all rent restricted Units in the building is the applicable Utility Allowance calculated under that Notice. No other utility method described in this section can be used.
(2) Other Buildings. The Utility Allowance may be initiated by the Owner using the methodologies described in subparagraphs (3)(B), (C), (D), or (E) of subsection (c) related to Methods.

(3) If a request is not received by October 1st, the Department will calculate the Utility Allowance using the HUD Utility Schedule Model. For property specific data, the Department will use:

(A) The information submitted in the Annual Owner’s Compliance Report;

(B) Entrance Interview Questionnaires submitted with prior onsite reviews; or,

(C) The owner may be contacted and required to complete the Utility Allowance Questionnaire. In such case, a five day period will be provided to return the completed questionnaire.

(D) Utilities will be evaluated in the following manner:

(i) For regulated utilities, the Department will contact the Utility Provider directly and apply the Component Charges in effect no later than 60 days before the allowance will be effective.

(ii) For deregulated utilities:

(I) The Department will use the Power to Choose website and search available Utility Providers by ZIP code;

(II) The plan chosen will be the median cost per kWh based on average price per kWh for the average monthly use of 1000 kWh of all available plans; and,

(III) The actual Component Charges from the plan chosen in effect no later than 60 days before the allowance will be effective will be entered into the Model.

(E) The Department will notify the Owner contact in CMTS of the new allowance and provide the backup for how the allowance was calculated. The owner will be provided a five day period to review the Department’s calculation and note any errors. Only errors related to the physical characteristics of the building(s) and utilities paid by the residents will be reconsidered; the utility plan and Utility Provider selected by the Department and Component Charges used in calculating the allowance will not be changed. During this five day period, the owner also has the opportunity to submit documentation and request use of any of the available Green Discounts.

(F) The allowance must be implemented for rent due in all program units thirty days after the Department notifies the Owner of the allowance.

(4) HTC Buildings, in which there are units under a MFDL program, are considered HUD-Regulated buildings and the applicable Utility Allowance for all rent restricted Units in the building is the Utility Allowance calculated under the MFDL program. No other utility method described in this section can be used by HUD-regulated buildings. If the Department is not the awarding jurisdiction, Owners are required to obtain the Utility Allowance established by the awarding jurisdiction, and to document all efforts to obtain such allowance to evidence due diligence in the event that the jurisdiction is nonresponsive. In such an event, provided that sufficient evidence of due diligence is demonstrated, the Department, in its sole discretion, may allow for the use of the methods described in (3)(A), (B), (C), or (D) of subsection (c) related to Methods to calculate and establish its utility allowance.

(e) Acceptable Documentation. For the Methods where utility specific information is required to calculate the allowance (e.g. base charges, cost per unit of measure, taxes) Owners should obtain documentation directly from the Utility Provider and/or Regulating State Agency. Any Component Charges related to
the utility that are published by the Utility Provider and/or Regulating State Agency must be included. In the case where a utility is billed to the Owner of the building(s) and the Owner is billing residents through a third party billing company, the Component Charges published by the Utility Provider and not the third party billing company will be used.

(f) Changes in the Utility Allowance. An Owner may not change Utility Allowance methods, start or stop charging residents for a utility without prior written approval from the Department. Example 614(5): A Housing Tax Credit Development has been paying for water and sewer since the beginning of the Compliance Period. In year 8, the Owner decides to require residents to pay for water and sewer. Prior written approval from the Department is required. Any such request must include the Utility Allowance Questionnaire found on the Department's website and supporting documentation.

1) The Department will review all requests, with the exception of the methodology prescribed in subparagraphs (3)(E) of subsection (c) related to Methods, within 90 days of the receipt of the request.

2) If the Owner fails to post the notice to the residents and simultaneously submit the request to the Department by the beginning of the 90 day period, the Department's approval or denial will be delayed for up to 90 days after Department notification. Example 614(6): The Owner has chosen to calculate the electric portion of the Utility Allowance using the written local estimate. The annual letter is dated July 5, 2014, and the notice to the residents was posted in the leasing office on July 5, 2014. However, the Owner failed to submit the request to the Department for review until September 15, 2014. Although the Notice to the Residents was dated the date of the letter from the utility provider, the Department was not provided the full 90 days for review. As a result, the allowance cannot be implemented by the owner until approved by the Department.

3) Effective dates. If the Owner uses the methodologies as described in subparagraphs (3)(A) of subsection (c) related to Methods of this section, any changes to the allowance can be implemented immediately, but must be implemented for rent due at least 90 days after the change. For methodologies as described in subparagraphs (3)(B), (C), (D) and (E) of subsection (c) related to Methods, the allowance cannot be implemented until the estimate is submitted to the Department and is made available to the residents by posting in a common area of the leasing office at the Development. This action must be taken by the beginning of the 90 day period in which the Owner intends to implement the Utility Allowance. Nothing in this section prohibits an Owner from reducing a resident’s rent prior to the end of the 90 day period when the proposed allowance would result in a gross rent issue.

Figure: 10 TAC §10.614

<table>
<thead>
<tr>
<th>Method</th>
<th>Beginning of 90 Day Notification Period</th>
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</thead>
<tbody>
<tr>
<td>Written Local Estimate</td>
<td>Date of letter from the Utility Provider</td>
</tr>
<tr>
<td>HUD Utility Schedule Model</td>
<td>Date entered as “Form Date”</td>
</tr>
<tr>
<td>Energy Consumption Model</td>
<td>60 days after the end of the last month of the 12 month period for which data was used to compute the estimate</td>
</tr>
<tr>
<td>Actual Use Method</td>
<td>Date the allowance is approved by the Department</td>
</tr>
</tbody>
</table>
(g) Requirements for Annual Review.

(1) RHS and HUD-Regulated Buildings. Owners must demonstrate that the utility allowance has been reviewed annually and in accordance with the RHS or HUD regulations.

(2) Buildings using the PHA Allowance. Owners are responsible for periodically determining if the applicable PHA released an updated schedule to ensure timely implementation. When the allowance changes or a new allowance is made available by the PHA, it can be implemented immediately, but must be implemented for rent due 90 days after the PHA releases an updated schedule.

(3) Written Local Estimate, HUD Utility Model Schedule and Energy Consumption Model. Owners must update the allowance once a calendar year. The update and all back up documentation required by the method must be submitted to the Department no later than October 1st of each year. However, Owners are encouraged to submit prior to the deadline to ensure the Department has time to review. At the same time the request is submitted to the Department, the Owner must post, at the Development, the Utility Allowance estimate in a common area of the leasing office where such notice is unobstructed and visible in plain sight. The Department will review the request for compliance with all applicable requirements and reasonableness. If, in comparison to other approved Utility Allowances for properties of similar size, construction and population in the same geographic area, the allowance does not appear reasonable or appears understated, the Department may require additional support and/or deny the request.

(4) Actual Use Method. Owners must update the allowance once a calendar year. The update and all back up documentation required by the method must be submitted to the Department no later than August 1st of each year. However, Owners are encouraged to submit prior to the deadline to ensure the Department has time to review.

(h) For Owners participating in the Department’s Section 811 Project Rental Assistance (“PRA”) Program, the Utility Allowance is the allowance established in accordance with this section related to the other multifamily program(s) at the Development. Example 614(7) ABC Apartments is an existing HTC Development now participating in the PRA Program. The residents pay for electricity and the Owner is using the PHA method to calculate the Utility Allowance for the HTC Program. The appropriate Utility Allowance for the PRA Program is the PHA method.

(i) Combining Methods. In general, Owners may combine any methodology described in this section for each utility service type paid directly by the resident and not by or through the Owner of the building (e.g. electric, gas). For example, if residents are responsible for electricity and gas, an Owner may use the appropriate PHA allowance to determine the gas portion of the allowance and use the Actual Use Method to determine the electric portion of the allowance. RHS and certain HUD-Regulated buildings are not allowed to combine methodologies.

(j) The Owner shall maintain and make available for inspection by the resident all documentation, including, but not limited to, the data, underlying assumptions and methodology that was used to calculate the allowance. Records shall be made available at the resident manager’s office during reasonable business hours or, if there is no resident manager, at the dwelling Unit of the resident at the convenience of both the Owner and resident.

(k) Utility Allowances for Applications.

(1) If the application includes RHS assisted buildings or tenants, the utility allowance is prescribed by the RHS program. No other method is allowed.
(2) If the application includes HUD-Regulated buildings for HUD programs other than a MFDL program the applicable Utility Allowance for all rent restricted Units in the building is the applicable HUD Utility Allowance. No other utility method is allowed.

(3) If the application includes a MFDL where the Department is the Participating Jurisdiction, the Department will establish the initial Utility Allowance in accordance with paragraph (3) subsection (d) of this section. In the event that the application has a MFDL from the Department and another Participating Jurisdiction, the Department will require the use of the allowance calculated by the Department.

(4) If the application includes a MFDL where the Department is the not the Participating Jurisdiction, Applicants are required to request in writing the Utility Allowance from the awarding jurisdiction. If the awarding jurisdiction does not respond or requests the Department to calculate the allowance, the Department will establish the initial Utility Allowance in accordance with paragraph (3) subsection (d) of this section.

(5) For all other applications, Applicants may calculate the utility allowance in accordance with (3)(A)(B),(C), (D), or (E) of subsection (c) related to Methods.

(A) Upon request, the Compliance Division will calculate or review an allowance within 21 days but no earlier than 90 days from when the application is due.

(B) Example 614(8) An application for a 9% HTC is due March 1, 2017. The applicant would like Department approval to use an alternative method by February 15, 2017. The request must be submitted to the Compliance Division no later than January 25, 2017, three weeks before February 15, 2017.

(C) Example 614(9) An Applicant intends to submit an application for a 4% HTC with Tax Exempt Bonds on August 11, 2017, and would like to use an alternative method. Because approval is needed prior to application submission, the request can be submitted no earlier than May 13, 2017, (90 days prior to August 11, 2017) and no later than July 21, 2017, (21 days prior to August 11, 2017).

(6) All Utility Allowance requests related to applications of funding must:

(A) Be submitted directly to ua_application@tdhca.state.tx.us. Requests not submitted to this email address will not be recognized.

(B) Include the “Utility Allowance Questionnaire for Applications” along with all required back up based on the method.

(7) If the Applicant is successful in obtaining an award, the Utility Allowance may be calculated in accordance with subsection (d) of this section.

(l) If Owners want to utilize the HUD Utility Schedule Model, the Written Local Estimate or the Energy Consumption Model to establish the initial Utility Allowance for the Development, the Owner must submit Utility Allowance documentation for Department approval, at minimum, 90 days prior to the commencement of leasing activities. This subsection does not preclude an Owner from changing to one of these methods after commencement of leasing.

(m) The Department reserves the right to outsource to a third party the review and approval of all or any Utility Allowance requests to use the Energy Consumption Model or when review requires the use of
expertise outside the resources of the Department. In accordance with Treasury Regulation §1.42-10(c) any costs associated with the review and approval shall be paid by the Owner.

(n) All requests described in this subsection must be complete and uploaded directly to the Development's CMTS account using the "Utility Allowance Documents" in the type field and “Utility Allowance” as the TDHCA Contact. The Department will not be able to approve requests that are incomplete and/or are not submitted correctly.
Guide for Completing Form 8823, Low-Income Housing Credit Agencies Report of Noncompliance or Building Disposition

The scope of this guide is limited to guidelines for preparing Form 8823 for submission to the IRS. Taxpayers are responsible for evaluating the tax consequences of noncompliance with IRC §42.

Audit Technique Guide

This material was designed specifically for training purposes only. Under no circumstances should the contents be used or cited as authority for setting or sustaining a technical position.

Internal Revenue Service

Training 23092-001
(Rev. 01-2011)
Chapter 18
Category 11m
Owner Did Not Properly Calculate Utility Allowance

Definition

This category is used to report noncompliance with the utility allowance requirements outlined in Treas. Reg. §1.42-10. An allowance for the cost of any utilities, other than telephone, cable television, or Internet, paid directly by the tenant(s) and not by or through the owner of the building is included in the computation of gross rent under IRC §42(g)(2)(B). A separate estimate is computed for each utility and different methods can be used to compute the individual utility allowances. The utility allowance is computed on a building-by-building basis. The maximum rent that may be paid by the tenant must be reduced by utility allowance(s) obtained in the following manner.

1. If a building receives assistance from the Rural Housing Service (RHS-assisted building) then the utility allowance is determined using the method prescribed by the Rural Housing Service (RHS) for the building, regardless of whether the building or its tenants also receive other state or federal assistance.

2. If any tenant in a building receives RHS rental assistance payments (RHS tenant assistance), the applicable utility allowance for all rent-restricted units is the applicable RHS utility allowance, including any units occupied by tenants receiving rental assistance payments from the Department of Housing and Urban Development (HUD).

3. If neither a building nor any tenant in the building receives RHS housing assistance, and the building’s rents and utility allowances are reviewed by HUD on an annual basis (HUD-regulated building), then the applicable HUD utility allowance is the utility allowance for all rent-restricted units in the building.

4. If a building is neither an RHS-assisted nor HUD-regulated, and no tenant receives RHS tenant assistance, the applicable utility allowance for any rent-restricted unit occupied by tenants receiving HUD rental assistance payments (HUD tenant assistance) is the applicable Public Housing Authority (PHA) utility allowance established for the Section 8 Existing Housing Program.

5. Taxable years beginning before July 29, 2008: If neither the building nor tenants are subject to the rules described in 1-4 above, then the local public housing authority (PHA) allowance is used. However, if an estimate is obtained for any unit from a utility company, that estimate is used as the utility allowance for all similar units in the building.

Taxable years beginning after July 28, 2008: If neither the building nor tenants are subject to the rules described in 1-4 above, then the local public housing authority (PHA) allowance is used. However, if an estimate is obtained for any unit in the building, that estimate is used as the utility allowance for all similar
units in the building. Estimates may be obtained from a local utility company or a state or local housing credit agency, or calculated using HUD’s Utility Schedule Model or an energy consumption model.1

Requirements for utility allowances are found in 24 CFR 982.517, Utility Allowance Schedule. The PHA must provide a utility allowance for utilities and services that are necessary in the locality to provide housing that complies with the housing quality standards. The PHA must classify utilities and other housing services according to specific categories and the allowance for each category must be separately stated.

Taxable Years Beginning Before July 29, 2008

State agencies reported that the local PHA utility allowances did not always reflect a fair approximation of actual utility costs for such buildings. Accordingly, until further guidance was provided in Treas. Reg. §1.42-10,2 taxpayers were allowed to calculate utility allowances for the rent-restricted units in the building based upon an average of the actual use of similarly constructed and sized units in the building using actual utility usage data and rates, provided that the taxpayer had written approval from the state agency.

If an owner computed the utility allowance estimates based on the expected or historical use by the LIHC buildings/units, the estimate must have been calculated in a reasonable manner and contemporaneously documented3 to show how the estimate was determined. State agencies were required to review the methodology used to calculate the estimate for reasonableness, and ensure that the estimate is computed accurately.

Some buildings in qualified low-income housing projects are sub-metered. Sub-metering measures tenants’ actual utility consumption, and tenants pay for the utilities they use. A sub-metering system typically includes a master meter, which is owned or controlled by the utility supplying the electricity, gas, or water, with overall utility consumption billed to the building owner. In a sub-metered system, building owners (or their agents) use unit-based meters to measure utility consumption and prepare a bill for each residential unit based on consumption. The building owners (or their agents) retain records of resident utility consumption, and tenants receive documentation of utility costs as specified in the lease.

Notice 2009-444 clarifies that, for purposes of Treas. Reg. §1.42-10(a), utility costs paid by a tenant based on actual consumption in a sub-metered rent-restricted unit are treated as paid directly by the tenant, and not by or through the owner of the building. For RHS-assisted buildings, buildings with RHS tenant assistance, HUD-regulated buildings, and rent-restricted units in other buildings occupied by tenants receiving HUD rental assistance, the applicable RHS or HUD rules apply. For all other tenants in rent-restricted units in other buildings:

1 The additional options for determining utility allowances apply to buildings subject to TD 9420, which was published on July 29, 2008, in the Federal Register. See reference #3 for additional information.
2 See footnote 1 above.
3 IRC §6001 requires all taxpayers to keep adequate records to support the items represented on their tax returns, including utility allowances.
4 I.R.B. 2009-21 1037
1. The utility rates charged to tenants in each sub-metered rent-restricted unit must be limited to the utility company rates incurred by the building owners (or their agents).

2. If building owners (or their agents) charge tenants a reasonable fee for the administrative costs of sub-metering, then the fee will not be considered gross rent under IRC §42(g)(2). The fee must not exceed an aggregate amount per unit of $5 per month unless State law provides otherwise.

3. If the costs for sewerage are based on the tenants’ actual water consumption determined with a sub-metering system and the sewerage costs are on a combined water and sewerage bill, then the tenants’ sewerage costs are treated as paid directly by the tenants for purposes of the utility allowances regulations.

Notice 2009-44 is effective for utility allowances subject to the effective date in Treas. Reg. §1.42-12(a)(4). Consistent with Treas. Reg. §1.42-12(a)(4), building owners (or their agents) may rely on Notice 2009-44 for any utility allowances effective no earlier than the first day of the building owner’s taxable year beginning on or after July 29, 2008.

**Utility Company Estimates**

Under Treas. Reg. §1.42-10(b)(4)(ii)(B), any interested party (tenant, owner, or state agency) may request a written estimated cost of that utility for a unit of similar size and construction for the geographic area in which the building is located. This estimate becomes the appropriate utility allowance for all rent-restricted units of similar size and construction in the building. The local utility estimate is not available to buildings/tenants subject to Rural Housing Service or HUD jurisdiction.

**Taxable Years Beginning Before July 29, 2008**

Before Treas. Reg. §1.42-10 was revised, the election to use a local utility company estimate was permanent; i.e., the taxpayer could not switch back and forth between the local PHA and utility company estimates. State agencies reported that although utility companies may have been willing to provide interested parties (owner, tenant, state agency) with an initial estimate, utility companies were increasingly unwilling to provide estimates on an on-going basis. Accordingly, until the regulation was revised, the IRS did not challenge the owner’s return to using the applicable PHA utility allowance, provided that:

1. The taxpayer has demonstrated to the state agency that the local utility company was unwilling to provide an updated estimate, and

2. The owner had written approval from the state agency to use a mutually agreed upon utility allowance.

**Taxable Years Beginning After July 28, 2008**

If neither the building nor tenants are subject to the rules described in 1-4 *on page 18-1,* then the local public housing authority (PHA) allowance is used. However, if an estimate is obtained for any unit in the building, that estimate is used as the utility allowance for all similar units in the building. Estimates may be obtained from a local
utility company or a state or local housing credit agency, or calculated using HUD’s Utility Schedule Model or an energy consumption model.

In the case of deregulated utility services, the interested party is required to obtain an estimate from only one utility company even if multiple companies can provide the same utility service to the unit. However:

1. The utility company must offer utility services to the building in order for that utility company’s rates to be used in calculating the utility allowance.

2. The estimate should include all component deregulated charges for providing the utility service.

The utility allowance is “obtained” when the building owner receives, in writing, information from the utility company providing the estimated per unit cost of the utility. Receipt of the information from the utility company begins the 90-day period after which the new utility allowance must be used to compute gross rents.

Under Treas. Reg. §1.42-10(b)(4)(ii)(C),5 a building owner may obtain a utility allowance from the state agency that has jurisdiction over the building, provided the state agency agrees to provide the estimate. The building owner may obtain a utility allowance at any time during the building’s extended use period6 and the associated costs are borne by the building owner.

The utility allowance is “obtained” when the building owner receives, in writing, information from the state agency providing the estimated per unit cost of the utility. Receipt of the information from the state agency begins the 90-day period after which the new utility allowance must be used to compute gross rents.

Factors to Consider

The utility allowance must take into account, among other things, (1) local utility rates, (2) property type, (3) climate and degree-day variables by region in the state, (4) taxes and fees on utility charges, (5) building materials, and (6) mechanical systems.

Actual Building Usage

The state agency may use actual utility company usage data and rates of the building for which the utility allowance is requested.

1. The data used to compute the estimate is limited to the building’s consumption data for a 12-month period ending no earlier than 60 days prior to the date the utility allowance will change. For newly constructed or renovated buildings with less than 12 months of consumption data, consumption data for the 12-month period for similarly sized and constructed units in the geographical area in which the building is located will be used.

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5 As amended by TD 9420.
6 Under IRC §42(h)(6)(D), the extended use period begins on the first day of the building’s 15-year compliance period under IRC §42(i)(1) and ends on the later of the date specified in the agreement or 15 years after the close of the compliance period.
2. The utility rates used to compute the estimates must be the rates in place 60 days prior to the date the utility allowance will change.

Estimates Provided by State Agency’s Agent or Private Contractor

A state agency may use an agent or other private contractor to calculate the utility estimates. The agent or contractor must be a properly licensed engineer or a qualified professional. A qualified professional must be (1) approved by the state/local housing credit agency having jurisdiction over the building, and (2) must not be related to the building owner within the meaning of IRC §§ 267(b)7 or 707(b).8

Under Treas. Reg. §1.42-10(b)(4)(D),9 a building owner may calculate a utility allowance using the “HUD Utility Schedule Model” that can be found on HUD’s Internet site, the Low-Income Housing Tax Credits page at www.huduser.org/datasets/lihtc.html or successor URL.

Utility rates used for the HUD Utility Schedule Model must be no older that the rates in place 60 days prior to the date the utility allowance will change.

The utility allowance is deemed “obtained” based on the date entered as the “Form Date” on the “Location” spreadsheet of the Utility Schedule Model. This date will also be reflected on the Form 52667, Allowances for Tenant-Furnished Utilities and Other Services. This date begins the 90-day period after which the new utility allowance must be used to compute gross rents.

Under Treas. Reg. §1.42-10(b)(4)(ii)(E),10 a building owner may calculate a utility allowance using an energy and water and sewage consumption analysis model (energy consumption model).

Factors to Consider

The energy consumption model must, at a minimum, take into account specific factors including, but not limited to: (1) unit size, (2) building orientation, design and materials, mechanical systems, appliances, and characteristics of the building location.

Building’s Consumption Data and Utility Rates

The data used to compute the estimate is limited to the building’s consumption data for a 12-month period ending no earlier than 60 days prior to the date the utility allowance will change. For newly constructed or renovated buildings with less than 12 months of consumption data, consumption data for the 12-month period for similarly sized and constructed units in the geographical area in which the building is located will be used.

The utility rates used for the energy consumption model must be the rates in place 60 days prior to the date the utility allowance will change.

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7 See note 1 at the end of the chapter.
8 See note 2 at the end of the chapter.
9 As amended by TD 9420.
10 As amended by TD 9420.
Estimates Provided by Licensed Engineer or Qualified Professional

The utility allowance must be prepared by a properly licensed engineer or a qualified professional. A qualified professional must be (1) approved by the state/local housing credit agency having jurisdiction over the building, and (2) must not be related to the building owner within the meaning of IRC §§ 267(b) or 707(b).

Under Treas. Reg. §1.42-10(c)(2), a building owner must review the basis on which utility allowances have been established at least once during each calendar year and must update the allowance if required. Building owners may choose to calculate new utility allowances more frequently than once during a calendar year, provided the owner complies with the requirement of Treas. Reg. §1.42-10, including the requirement to notify the state/local housing credit agency and tenants.

First Year of the Credit Period

No review is required until the building has achieved 90 percent occupancy for a period of 90 consecutive days, or by the end of the first year of the credit period, whichever is earlier. If the review is completed at the end of the year, the consumption rates as of December 31st of the first year of the credit period. Consequently, the 90-day period will begin no later March 1 of the year subsequent to the first year of the credit period.

Review Requirements

1. The review must take into account any changes to the building such as any energy conservation measures and affect energy consumption and changes in utility rates.

2. Owners may use different methods for computing the allowances for different utilities.

3. Owners are not prohibited from changing methods used for calculating a utility allowance in order to most accurately estimate the utility allowance.

If the applicable utility allowance for a unit changes, the new utility allowance must be used to compute gross rents of LIHC units due 90 days after the change. As a practical matter, utility allowances are usually reviewed when HUD updates the Area Median Gross Income (AMGI) for the location (which may change the allowable gross rent). If the applicable utility allowance for a unit changes, the new allowance must be used to compute gross rents due 90 days after the change.

PHA Utility Estimates

As explained in 24 CFR 982.517, Utility Allowance Schedule, paragraph (4)(c)(1), a PHA must review its schedule of utility allowances each year, and must revise its allowance for a utility category if there has been a change of 10 percent or more since the last time the utility allowance was revised. The 90-day implementation period begins when the PHA makes revised utility allowances available.

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11 See note 2 at the end of the chapter.

12 As amended by TD 9420.
If the applicable utility allowance for a unit changes, the new utility allowance must be used to compute gross rents of LIHC units due 90 days after the change (90-day period). However, an owner is not required to implement new utility allowances until the building has achieved 90 percent occupancy for a period of 90 days or by the end of the first year of the credit period, whichever is earlier.

**PHA Utility Estimates**

As explained in 24 CFR 982.517, Utility Allowance Schedule, paragraph (4)(c)(1), a PHA must review its schedule of utility allowances each year, and must revise its allowance for a utility category if there has been a change of 10 percent or more since the last time the utility allowance was revised. The 90-day implementation period begins when the PHA makes revised utility allowances available.

**Utility Company and State/Local Housing Credit Agency Estimates**

If an owner obtains a utility estimate from a local utility company or state/local housing credit agency, the 90-day period will begin with the receipt of the information. The date of receipt is determined based on the date of the correspondence.

**Example 1: Lower Estimate Obtained from Utility Company**

The rent for an LIHC building must be lowered because a local utility company estimate obtained by the owner shows a higher utility cost than the utility allowance currently being used. The utility company’s letter is dated August 15, 2008. The lower rent must be in effect for rent due after November 13, 2008.

**HUD’s Utility Schedule Model**

The date entered as the “Form Date” on the “Location” spreadsheet of the Utility Schedule Model and reflected on the Form 52667, Allowances for Tenant-Furnished Utilities and Other Services, begins the 90-day period after which the new utility allowance must be used to compute gross rents.

**Energy Consumption Model**

The 90-day period will begin 60 days after the end of the last month of the 12-month period for which data was used to compute the estimate.

**Notification Requirements**

1. If the owner obtained a utility allowance from a state or local housing credit agency, the owner must make the utility estimate available to all tenants in the building at the beginning of the 90-day period.

2. If the owner obtained a utility allowance from a utility company, using the HUD Utility Schedule Model, or calculated using an energy consumption model, the owner must (1) submit copies of the utility estimates to the agency having
jurisdiction over the building and (2) make the utility estimate available to all tenants in the building at the beginning of the 90-day period. An agency may require additional information from the owner during the 90-day period.

The building owner must pay all the costs incurred in obtaining the estimates from a utility company or state/local housing credit agency, HUD’s Utility Schedule Model, or an energy consumption model. The building owner also bears the costs of notifications to the tenants and state/local agency.

The building owner must retain any consumption estimates and supporting data as part of the taxpayer’s records for purposes of Treas. Reg. §1.6001-1(a). Under this requirement, taxpayers are required to keep such permanent books of account or records as are sufficient to establish the amount of gross income, deductions, credits, or other matters required to be shown by such person.

Under Treas. Reg. §1.6001-1, the IRS may require the owner to render such statements or keep such specific records as will enable the IRS to determine whether or not the owner is liable for tax. The books and records shall be kept at all times available for inspection by the IRS and shall be retained so long as the contents thereof may become material in the administration of the Internal Revenue Code.

In Compliance

Low-income housing projects are in compliance when the appropriate utility allowance is used, the utility allowance is properly calculated, rents are reduced for a utility allowance when utilities are paid directly by the tenant, *and the maximum gross rent is not exceeded. (See Chapter 11 for full discussion of Gross Rent.)*

Owners must demonstrate that that the basis on which utility allowances have been established (consumption and rates) have been reviewed at least once during each calendar year. If applicable, the owner must also demonstrate that (1) tenants and the state/local housing credit agency have been timely notified of any changes, and (2) the new utility allowance was used to compute gross rents for LIHC units due after the end of the 90-day period.13

Example 1: Utility Allowance Increases

The maximum gross rent is $500. The owner charged rent of $450, which reflected a $50 utility allowance; i.e., $450 rent + $50 utility allowance = $500 gross rent. The annual utility allowance estimate increases to $75. The owner reduces the rent to $425 based upon the increased utility allowance of $75; for a gross rent of $500 ($425 + $75 = $500).

13 The 90-day period applies to taxable years beginning after July 28, 2008 utility allowances.
Example 2: Local Utility Company No Longer Provides Estimates

The owner used estimates of utility use as provided by the local utility company to determine the utility allowance. The owner asked the local utility company for an updated estimate of use by similar units in the local area. The utility company informed the owner that they no longer provide estimates. The owner may select another method for computing the utility allowance.\(^\text{14}\)

Example 3: First Year of the Credit Period

An owner acquired an existing building and completed substantial rehabilitations. The building has 100 rental units and was placed in service on November 7, 2008. The owner elected to begin the credit period the year after the building was placed in service, on January 1, 2009. All 51 of the in-place tenants were determined to be income-qualified households at that time.

The owner chose to use the energy consumption model and correctly determined the utility allowance using consumption data for similarly sized and constructed units in the geographical area for the period November 1, 2007 through October 31, 2008 and the utility rate on October 31, 2008.

The owner rented the 91st unit in May of 2009 and maintained an occupancy rate of at least 94% through the end of August 2009. Since the owner had achieved 90% occupancy for 90 consecutive days, the owner was required to conduct a utility allowance review. If applicable, the utility allowances should be updated.

Example 4: Increased Utility Allowance Does Not Cause Rent to Exceed Limit

The maximum gross rent limit is $500, but the owner charged $415 rent and a $50 utility allowance for a total of $465. The utility allowance increases to $60 the next year. The owner makes no adjustment to the rent. The owner is in compliance. The owner is charging $415 rent and a $60 utility allowance for a total of $475, which continues to be below the gross rent limit of $500.

Out of Compliance

Low-income housing *units* are considered out of compliance when *gross rent exceeds the maximum gross rent limit. The following examples are errors that may result in noncompliance.*

1. The appropriate utility allowance is not used. *For example, an owner uses a local utility company’s estimate for a HUD-regulated building.*

\(^{14}\) Most of the optional methods are only available for taxable years beginning after July 28, 2008 utility allowances.
2. The utility allowance is not properly calculated. For example, an owner used a PHA schedule to determine the utility allowance for all-electric units, but failed to include the cost of electric heating. When the cost of electric heating is added to the utility allowance, gross rent exceeds the limit.

3. The owner failed to update rents for a revised utility allowance after the 90-day period.\(^{15}\)

Example 1: Increased Utility Allowance Causes Gross Rent to Exceed Limit

The maximum gross rent limit is $500, but the owner charged $445 rent and a $50 utility allowance for a total of $495. The utility allowance increased to $60 on April 1, 2010, but the owner did not adjust the rent. The owner is charging $445 rent and a $60 utility allowance for a total of $505, which exceeds the gross rent limit of $500. The owner is out of compliance beginning July 1, 2010; i.e., an owner has 60 days to implement new utility allowances.

Low-income buildings are also considered out of compliance if the owner cannot establish that the rent charged tenants does not exceed the gross rent limit. For the three fact patterns below, there is a presumption that the rent charged the tenant plus the utility allowance will exceed the gross rent limit until otherwise established.

1. Rents are not reduced for a utility allowance when utilities are paid directly by the tenant to the utility provider, even if the rent charged to the tenant is less than the maximum gross rent limit. For example, the gross rent limit is $700. The tenant’s rent is $575 and pays the utilities directly to the provider, but the owner cannot provide documentation of the utility allowance computation. The noncompliance date should be determined based on the facts and circumstances; i.e., when the owner ceased using a utility allowance.

2. The owner did not review the basis on which the utility allowance is established at least once during both the prior and current calendar year; i.e., the utility allowances are not current.\(^{16}\)

Example 2: Owner Failed to Review Utility Allowance Annually

An owner reviewed the utility allowance and determined that the allowance was $100 effective May 1, 2009. The owner was still relying on the $100 utility allowance when the state agency reviewed the owner’s compliance in April of 2011.

The building is out of compliance because the owner failed to review the utility allowance at least once during calendar year 2010. The noncompliance date is December 31, 2010.

\(^{15}\) Applies to taxable years beginning after July 28, 2008 utility allowances.

\(^{16}\) Applies to taxable years beginning after July 28, 2008 utility allowances.
NOTE: State agencies should be reviewing the most current utility allowance computations. In the example above, had the owner recognized the noncompliance issue and reviewed the utility allowances before the state agency contacted them to schedule its review, then the owner would have been in compliance at the time to the review.

3. The owner failed to maintain adequate documentation regarding the computation of utility allowances; without sufficient proof of the amount of the allowance and how it was estimated, there is no way to correctly compute the rent.

Example 3: Insufficient Documentation of Computation

An owner reviewed the utility allowance and determines that the utility allowance was $65 for 2009. The allowance was computed by a licensed professional approved by the state agency using an energy consumption model. Upon review by the state agency during a compliance review, the owner presented a one-page letter from the professional. While the utility allowance amount was disclosed in the letter, the letter was not signed or dated. Further, the letter did not describe the factors considered or the data used.

The state agency could not reasonably determine that the utility allowance was correct. The noncompliance date is December 31, 2009.

Back in Compliance

*Rent Exceeds Limit*

A unit is considered back in compliance when the rent charged is reduced and correctly reflects the utility allowance. The date of correction is date that the rents correctly reflect the utility allowance.

Example 1: Noncompliance Corrected

The maximum gross rent is $500. Beginning on March 1, 2003, the owner charged $450 rent and a $75 utility allowance; the total rent is $525. The rent is $25 over the ceiling. The error was discovered during a state agency’s review on April 13, 2004.

The owner immediately reduces the rent charged to $425 for rents due beginning on May 1, 2004. The effective date of the new rent, or May 1, 2004, is the date the units are back in compliance.

*No Utility Allowance*

*When an owner does not apply a utility allowance to reduce rent and account for utility costs paid directly by the tenant, the noncompliance can only be corrected by performing an annual review to determine a utility allowance using current information.*
1. If the rent paid plus the new utility allowance does not exceed the current maximum gross rent, then the owner is in compliance with the utility allowance requirements and no further action is required.

2. If the rent paid plus the new utility allowance exceeds the current maximum gross rent, the back in compliance date is the date the rents are reduced to reflect the new utility allowances.*

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*No Annual Review*

*If the owner has applied a utility allowance, but failed to conduct an annual review, then the noncompliance can be corrected in one of three ways.

1. A retroactive annual review can be performed using information applicable to the last date the annual review should have been performed. Assuming the owner can document compliance with the utility allowance that would have been in place and that the rents were restricted, no further action is required. The owner has clarified the noncompliance and, therefore, Form 8823 should not be filed.

2. A new annual review can be performed using current information. Assuming the owner is in compliance with the new utility allowance requirement and the rents are restricted, the owner is currently in compliance. No further action is required. The owner has clarified the noncompliance and, therefore, Form 8823 should not be filed.

3. In the event that either the retroactive annual review under (1) above or the new annual review under (2) above indicates that the utility allowance needs to be increased, the back in compliance date is the date the rents are reduced to reflect the new utility allowances.*

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*Insufficient Documentation*

*When the owner reviewed the utility allowance, but the computation of the utility allowance was not sufficiently documented, the owner should be provided an opportunity to perfect the documentation to the state agency’s satisfaction.

1. If the additional documentation is satisfactory and establishes that the owner is in compliance with the utility allowance requirements, then no further action is required since the owner has clarified the noncompliance; i.e., Form 8823 need not be filed.

2. If the owner cannot provide sufficient documentation, then the owner may repeat the annual review for the year in question using the same method and facts as used for the original annual review. If the results indicate that the owner is in compliance with the utility allowance requirement, then no further action is required since the owner has clarified the noncompliance; i.e., Form 8823 need not be filed.*

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*Reporting Noncompliance*

*Noncompliance should be reported whenever the rent paid by the tenant plus the correct utility allowance exceeds the maximum gross rent limit.
Example 1: Increased Utility Allowance Causes Rent to Exceed Limit

The maximum gross rent limit is $500, but the owner charged $415 rent and a $50 utility allowance for a total of $465. The utility allowance increases to $95 the next year. The owner should reduce the rent at least $10; i.e., $405 + $95 = $500.

However, the owner does not make the adjustment to the rent and is out of compliance; i.e., the low-income units are not rent restricted. The owner is charging $415 rent and a $95 utility allowance for a total of $410, which is more than gross rent limit of $500.

Noncompliance should not be reported if:

1. Regardless of the error, correcting the utility allowance does not cause the rent to exceed the gross rent limit, or
2. Noncompliance is corrected before the owner is notified of the state agency’s review.

The utility allowance requirement is a building-based rule. If the owner is noncompliant, the noncompliance will likely affect all the low-income units in the building. In which case, consideration should be given to whether the owner met the minimum set-aside under IRC §42(g)(1). See Chapter 10.*

References

1. Notice 89-6, 1989-1 C.B. 625
2. Treas. Reg. §1.42-10
3. TD 9420. Treas. Reg. §1.42-12(a) provides the following effective dates and transitional rules under TD 9420: The first sentence in §1.42-10(a), §1.42-10(b)(1), (2), (3), and (4), the last two sentences in §1.42-10(b)(4)(ii)(A), the third, fourth, and fifth sentences in §1.42-10(b)(4)(ii)(B), §1.42-10(b)(4)(ii)(C), (D), and (E), and §1.42-10(c) and (d) are applicable to a building owner’s taxable years beginning on or after July 29, 2008. Taxpayers may rely on these provisions before the beginning of the building owner’s taxable year beginning on or after July 29, 2008, provided that any utility allowances calculated under these provisions are effective no earlier than the first day of the building owner’s taxable year beginning on or after July 29, 2008. The utility allowances provisions that apply to taxable years beginning before July 29, 2008 are contained in §1.42-10 (see 26 CFR part 1 revised as of April 1, 2008).

Notes

1. IRC §267(b), Relationships…..
   (1) Members of a family, as defined in subsection (c)(4)\textsuperscript{17};
   (2) An individual and a corporation more than 50 percent in value of the outstanding stock of which is owned, directly or indirectly, by or for such individual;

\textsuperscript{17} The family of an individual shall include only his brothers and sisters (whether by the whole or half blood) spouse, ancestors, and lineal descendants.
(3) Two corporations which are members of the same controlled group (as defined in subsection (f)\(^{18}\))

(4) A grantor and a fiduciary of any trust

(5) A fiduciary of a trust and a fiduciary of another trust, if the same person is a grantor of both trusts

(6) A fiduciary of a trust and a beneficiary of such trust

(7) A fiduciary of a trust and a beneficiary of another trust, if the same person is a grantor of both trusts

(8) A fiduciary of a trust and a corporation more than 50 percent in value of the outstanding stock of which is owned, directly or indirectly, by or for the trust or by or for a person who is a grantor of the trust

(9) A person and an organization to which section 501 (relating to certain educational and charitable organizations which are exempt from tax) applies and which is controlled directly or indirectly by such person or (if such person is an individual) by members of the family of such individual

(10) A corporation and a partnership if the same persons own—

   (A) more than 50 percent in value of the outstanding stock of the corporation, and

   (B) more than 50 percent of the capital interest, or the profits interest, in the partnership

(11) An S corporation and another S corporation if the same persons own more than 50 percent in value of the outstanding stock of each corporation

(12) An S corporation and a C corporation, if the same persons own more than 50 percent in value of the outstanding stock of each corporation

(13) Except in the case of a sale or exchange in satisfaction of a pecuniary bequest, an executor of an estate and a beneficiary of such estate.

2. IRC §707(b)

   (1) --

   (A) a partnership and a person owning, directly or indirectly, more than 50 percent of the capital interest, or the profits interest, in such partnership, or

   (B) two partnerships in which the same persons own, directly or indirectly, more than 50 percent of the capital interests or profits interests.

   (2) --

   (3) Ownership of a capital or profits interest. For purposes of paragraphs (1) and (2) of this subsection, the ownership of a capital or profits interest in a partnership shall be determined in accordance with the rules for constructive ownership of stock provided in section 267(c) other than paragraph (3) of such section.

---

\(^{18}\) IRC §267(f) refers to IRC §1563 to define controlled groups for (1) parent-subsidiary groups, except that “more than 50 percent” is substituted for “at least 80 percent,” (2) brother-sister groups, (3) combinations of parent-subsidiary and brother-sister groups, and (4) certain insurance companies.
IV.A DISCLAIMERS

The following apply to any and all of the information, assumptions, and conclusions presented in this report by Diamond Property Consultants (“DPC”) pursuant to that contract with Mistletoe Station, LLC (“Client”) for delivering the enclosed utility company estimate letters and chart breakdown in Section II of this report (“Schedules”) for that multifamily property known as Mistletoe Station (“Property”). DPC shall collectively refer to the company itself as well as all officers, employees or sub-contractors thereof.

A. The utility company estimate letter was provided by a certain local utility provider, who are either actually serving the subject property or who have the capability and legal right to do so. In this case, the specific local provider responsible for issuing the utility company estimate letter is Reliant Energy (“Provider”) as indicated by the enclosed letter. DPC requested the utility company estimate letter for the subject property using the policies and procedures as established by the Provider.

B. The utility allowance schedules are intended to be estimates only, based on local utility company data which was deemed to be reliable. By providing the utility company estimate letter as set forth herein, neither the Providers or DPC warrants or guarantees that such estimates will cover the cost of utilities for all residents in all units under all circumstances.

C. By delivering the enclosed utility company estimate letters, DPC does not warrant or guarantee the present or future availability of any prices or performance of the Providers referenced herein.

D. The enclosed utility company estimate letter from the Provider applies exclusively to the Property and is intended for a specific purpose at that property and is absolutely not intended for use or application to any other properties, circumstances, parties, or purposes.

IV.B LICENSING / RIGHTS of DISTRIBUTION

The report was prepared using the Utility Company Estimate Methodology for comparative analysis of the Property exclusively. The enclosed Schedules are intended for the exclusive use of the Client only. Pursuant to the contractual arrangements between DPC and the Client, DPC hereby grants a license to the Client for the limited use, publication, distribution and reproduction of this report and Schedules as needed with respect to the Property and no other properties. DPC reserves all other proprietary rights in the report and Schedules.

In any situation where the Client, under the limited license to utilize this report and related information, that involves a permitted distribution to a third party, the Client agrees to ensure that DPC’s copyright and proprietary notices are clearly displayed on all reproductions of and excerpts from this report or the schedules. Use of this report or related Schedules by any housing authority, government, public, private entity or individual whatsoever, other than the Client for evaluation purposes only, is strictly forbidden.
2018 HTC
Full Application

Part 4 Tab 26

Annual Operating Expenses
## Annual Operating Expenses

### General & Administrative Expenses
- **Accounting**: $12,000
- **Advertising**: $13,200
- **Legal fees**: $3,300
- **Leased equipment**: $3,000
- **Postage & office supplies**: $6,600
- **Telephone**: $3,000
- **Other**: $4,800

*Total General & Administrative Expenses*: $42,900

### Payroll, Payroll Tax & Employee Benefits
- **Management**: $66,040
- **Maintenance**: $53,300
- **Other benefits/taxes**: $38,188

*Total Payroll, Payroll Tax & Employee Benefits*: $157,528

### Repairs & Maintenance
- **Elevator**: $10,000
- **Exterminating**: $1,650
- **Grounds**: $20,800
- **Make-ready**: $14,300
- **Repairs**: $21,450
- **Pool**: $3,000
- **Other alarm system**: $1,080

*Total Repairs & Maintenance*: $69,280

### Utilities
- **Electric**: $15,500
- **Natural gas**: $3,000
- **Trash**: $6,600
- **Water/Sewer**: $38,500
- **Other**: $2,100

*Total Utilities*: $60,600

### Annual Property Insurance
- **Rate per net rentable square foot**: $0.49

*Total Annual Property Insurance*: $46,000

### Property Taxes
- **Published Capitalization Rate**: 9.50%
- **Source**: Tarrant CAD

*Annual Property Taxes*: $117,700

### Reserve for Replacements
- **Annual reserves per unit**: $250

*Total Reserve for Replacements*: $27,500

### Other Expenses
- **Cable TV**: $2,100
- **Supportive Services (Staffing/Contracted Services)**
- **TDHCA Compliance fees**: $3,300
- **TDHCA Bond Administration Fees (TDHCA as Bond Issuer Only)**
- **Security**: $3,000
- **Other**: $3,000

*Total Other Expenses*: $5,400

### Total Annual Expenses
- **Expense per unit**: $5357
- **Expense to Income Ratio**: 47.26%

*NET OPERATING INCOME (before debt service)*: $657,475

### Annual Debt Service
- **Hunt Mortgage**: $509,678
- **TDHCA HOME**: $57,895
- **Fort Worth HFC**: $1,884
- **Fort Worth HOME**: $2,260

*TOTAL ANNUAL DEBT SERVICE*: $571,717

*NET CASH FLOW*: $85,758

---

If a revised form is submitted, date of submission: ___
## ANNUAL OPERATING EXPENSES

### General & Administrative Expenses

<table>
<thead>
<tr>
<th>Item</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accounting</td>
<td>$12,000</td>
</tr>
<tr>
<td>Advertising</td>
<td>$13,200</td>
</tr>
<tr>
<td>Legal fees</td>
<td>$3,300</td>
</tr>
<tr>
<td>Leased equipment</td>
<td>$6,600</td>
</tr>
<tr>
<td>Postage &amp; office supplies</td>
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<tr>
<td>Total General &amp; Administrative Expenses:</td>
<td>$42,900</td>
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</tbody>
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### Management Fee:

- Percent of Effective Gross Income: 5.00%
- $62,444

### Payroll, Payroll Tax & Employee Benefits

<table>
<thead>
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<th>Item</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Management</td>
<td>$66,040</td>
</tr>
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<td>$38,188</td>
</tr>
<tr>
<td>Total Payroll, Payroll Tax &amp; Employee Benefits:</td>
<td>$157,528</td>
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### Repairs & Maintenance

<table>
<thead>
<tr>
<th>Item</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Elevator</td>
<td>$10,000</td>
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<tr>
<td>Exterminating</td>
<td>$1,650</td>
</tr>
<tr>
<td>Grounds</td>
<td>$20,800</td>
</tr>
<tr>
<td>Make-ready</td>
<td>$14,300</td>
</tr>
<tr>
<td>Repairs</td>
<td>$21,450</td>
</tr>
<tr>
<td>Pool</td>
<td>$1,080</td>
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<tr>
<td>Other alarm system</td>
<td>$1,080</td>
</tr>
<tr>
<td>Total Repairs &amp; Maintenance:</td>
<td>$69,280</td>
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### Utilities (Enter Only Property Paid Expense)

<table>
<thead>
<tr>
<th>Item</th>
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</thead>
<tbody>
<tr>
<td>Electric</td>
<td>$15,500</td>
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<tr>
<td>Natural gas</td>
<td>$6,600</td>
</tr>
<tr>
<td>Trash</td>
<td>$6,600</td>
</tr>
<tr>
<td>Water/Sewer</td>
<td>$35,500</td>
</tr>
<tr>
<td>Other</td>
<td>$7,500</td>
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<tr>
<td>Total Utilities:</td>
<td>$60,600</td>
</tr>
</tbody>
</table>

### Annual Property Insurance:

- Rate per net rentable square foot: $0.49
- $46,000

### Property Taxes:

- Published Capitalization Rate: 9.50%
- Source: Tarrant CAD
- Annual Property Taxes: $117,700
- Payments in Lieu of Taxes: $0
- Total Property Taxes: $117,700

### Reserve for Replacements:

- Annual reserves per unit: $250
- $27,500

### Other Expenses

<table>
<thead>
<tr>
<th>Item</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cable TV</td>
<td>$2,100</td>
</tr>
<tr>
<td>Supportive Services (Staffing/Contracted Services)</td>
<td>$3,334</td>
</tr>
<tr>
<td>TDHCA Compliance fees</td>
<td>$3,334</td>
</tr>
<tr>
<td>TDHCA Bond Administration Fees (TDHCA as Bond Issuer Only)</td>
<td>$3,334</td>
</tr>
<tr>
<td>Security</td>
<td>$3,334</td>
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<tr>
<td>Other</td>
<td>$3,334</td>
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<tr>
<td>Total Other Expenses:</td>
<td>$5,434</td>
</tr>
</tbody>
</table>

### TOTAL ANNUAL EXPENSES

- Expense per unit: $5358
- $589,386

### NET OPERATING INCOME (before debt service)

- $659,486

### Annual Debt Service

<table>
<thead>
<tr>
<th>Item</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hunt Mortgage</td>
<td>$509,678</td>
</tr>
<tr>
<td>TDHCA HOME</td>
<td>$57,895</td>
</tr>
<tr>
<td>Fort Worth HFC</td>
<td>$1,884</td>
</tr>
<tr>
<td>Fort Worth HOME</td>
<td>$2,260</td>
</tr>
</tbody>
</table>

### TOTAL ANNUAL DEBT SERVICE

- Debt Coverage Ratio: 1.15
- $571,717

### NET CASH FLOW

- $87,769

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If a revised form is submitted, date of submission: __________
### ANNUAL OPERATING EXPENSES

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>General &amp; Administrative Expenses</strong></td>
<td></td>
</tr>
<tr>
<td>Accounting</td>
<td>$12,000</td>
</tr>
<tr>
<td>Advertising</td>
<td>$13,200</td>
</tr>
<tr>
<td>Legal fees</td>
<td>$3,300</td>
</tr>
<tr>
<td>Leased equipment</td>
<td></td>
</tr>
<tr>
<td>Postage &amp; office supplies</td>
<td>$6,600</td>
</tr>
<tr>
<td>Telephone</td>
<td>$3,000</td>
</tr>
<tr>
<td>Other</td>
<td>$4,800</td>
</tr>
<tr>
<td>Total General &amp; Administrative Expenses</td>
<td>$42,900</td>
</tr>
<tr>
<td><strong>Management Fee:</strong> Percent of Effective Gross Income:</td>
<td>5.00% $62,336</td>
</tr>
<tr>
<td><strong>Payroll, Payroll Tax &amp; Employee Benefits</strong></td>
<td></td>
</tr>
<tr>
<td>Management</td>
<td>$66,040</td>
</tr>
<tr>
<td>Maintenance</td>
<td>$53,300</td>
</tr>
<tr>
<td>Other benefits/taxes</td>
<td>$38,188</td>
</tr>
<tr>
<td>Total Payroll, Payroll Tax &amp; Employee Benefits:</td>
<td>$157,528</td>
</tr>
<tr>
<td><strong>Repairs &amp; Maintenance</strong></td>
<td></td>
</tr>
<tr>
<td>Elevator</td>
<td>$10,000</td>
</tr>
<tr>
<td>Exterminating</td>
<td>$1,650</td>
</tr>
<tr>
<td>Grounds</td>
<td>$20,800</td>
</tr>
<tr>
<td>Make-ready</td>
<td>$14,300</td>
</tr>
<tr>
<td>Repairs</td>
<td>$21,450</td>
</tr>
<tr>
<td>Pool</td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td>$1,080</td>
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<tr>
<td>Total Repairs &amp; Maintenance:</td>
<td>$69,280</td>
</tr>
<tr>
<td><strong>Utilities (Enter Only Property Paid Expense)</strong></td>
<td></td>
</tr>
<tr>
<td>Electric</td>
<td>$15,500</td>
</tr>
<tr>
<td>Natural gas</td>
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</tr>
<tr>
<td>Trash</td>
<td>$6,600</td>
</tr>
<tr>
<td>Water/Sewer</td>
<td>$38,500</td>
</tr>
<tr>
<td>Other</td>
<td></td>
</tr>
<tr>
<td>Total Utilities:</td>
<td>$60,600</td>
</tr>
<tr>
<td><strong>Annual Property Insurance:</strong> Rate per net rentable square foot:</td>
<td>$0.49 $46,000</td>
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<tr>
<td><strong>Property Taxes:</strong></td>
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</tr>
<tr>
<td>Published Capitalization Rate:</td>
<td>9.50%</td>
</tr>
<tr>
<td>Annual Property Taxes</td>
<td>$117,700</td>
</tr>
<tr>
<td>Payments in Lieu of Taxes</td>
<td></td>
</tr>
<tr>
<td>Total Property Taxes:</td>
<td>$117,700</td>
</tr>
<tr>
<td><strong>Reserve for Replacements:</strong> Annual reserves per unit:</td>
<td>$250 $27,500</td>
</tr>
<tr>
<td><strong>Other Expenses</strong></td>
<td></td>
</tr>
<tr>
<td>Cable TV</td>
<td>$2,100</td>
</tr>
<tr>
<td>Supportive Services (Staffing/Contracted Services)</td>
<td></td>
</tr>
<tr>
<td>TDHCA Compliance fees</td>
<td>$3,300</td>
</tr>
<tr>
<td>TDHCA Bond Administration Fees (TDHCA as Bond Issuer Only)</td>
<td></td>
</tr>
<tr>
<td>Security</td>
<td></td>
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<tr>
<td>Other</td>
<td></td>
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<tr>
<td>Total Other Expenses:</td>
<td>$5,400</td>
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<tr>
<td><strong>TOTAL ANNUAL EXPENSES</strong></td>
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<tr>
<td>Total Other Expenses:</td>
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<tr>
<td>Expense per unit:</td>
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<tr>
<td>Expense to Income Ratio:</td>
<td>47.26%</td>
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<tr>
<td><strong>NET OPERATING INCOME (Before debt service)</strong></td>
<td>$657,475</td>
</tr>
<tr>
<td><strong>Annual Debt Service</strong></td>
<td></td>
</tr>
<tr>
<td>Hunt Mortgage</td>
<td>$509,678</td>
</tr>
<tr>
<td>TDHCA HOME</td>
<td>$57,895</td>
</tr>
<tr>
<td>Fort Worth HFC</td>
<td>$1,884</td>
</tr>
<tr>
<td>Fort Worth HOME</td>
<td>$2,260</td>
</tr>
<tr>
<td>TOTAL ANNUAL DEBT SERVICE</td>
<td></td>
</tr>
<tr>
<td>Debt Coverage Ratio:</td>
<td>1.15 $571,717</td>
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<tr>
<td><strong>NET CASH FLOW</strong></td>
<td></td>
</tr>
<tr>
<td></td>
<td>$85,758</td>
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</tbody>
</table>

If a revised form is submitted, date of submission: ____________________________
# ANNUAL OPERATING EXPENSES

## General & Administrative Expenses
- Accounting: $12,000
- Advertising: $13,200
- Legal fees: $3,300
- Leased equipment: $%
- Postage & office supplies: $6,600
- Telephone: $3,000
- Other: $4,800
- Total General & Administrative Expenses: $42,900

## Management Fee
- Percent of Effective Gross Income: 5.00%
- $62,467

## Payroll, Payroll Tax & Employee Benefits
- Management: $66,040
- Maintenance: $53,300
- Other: $38,188
- Total Payroll, Payroll Tax & Employee Benefits: $157,528

## Repairs & Maintenance
- Elevator: $10,000
- Exterminating: $1,650
- Grounds: $20,800
- Make-ready: $14,300
- Repairs: $21,450
- Pool: $%
- Other: $1,080
- Total Repairs & Maintenance: $69,280

## Utilities (Enter Only Property Paid Expense)
- Electric: $15,500
- Natural gas: $%
- Trash: $6,600
- Water/Sewer: $38,500
- Other: $%
- Total Utilities: $60,600

## Annual Property Insurance
- Rate per net rentable square foot: $0.49
- $46,000

## Property Taxes
- Published Capitalization Rate: 9.50%
- Source: Tarrant CAD
- Annual Property Taxes: $117,700
- Payments in Lieu of Taxes: $%
- Total Property Taxes: $117,700

## Reserve for Replacements
- Annual reserves per unit: $250
- $27,500

## Other Expenses
- Cable TV: $2,100
- Supportive Services (Staffing/Contracted Services): $%
- TDHCA Compliance fees: $3,334
- TDHCA Bond Administration Fees (TDHCA as Bond Issuer Only): $%
- Security: $%
- Other: $%
- Total Other Expenses: $5,434

## TOTAL ANNUAL EXPENSES
- Expense per unit: $5358
- Total Annual Debt Service: $589,409
- Expense to Income Ratio: 47.18%

## NET OPERATING INCOME (before debt service)
- $659,940

## Annual Debt Service
- Hunt Mortgage: $509,678
- TDHCA HOME: $57,895
- Fort Worth HFC: $1,884
- Fort Worth HOME: $2,260

## TOTAL ANNUAL DEBT SERVICE
- Debt Coverage Ratio: 1.15
- $571,717

## NET CASH FLOW
- $88,223

If a revised form is submitted, date of submission: 

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*REA / 1-25-19 @ 12:15 PM / GK*
2018 HTC
Full Application

Part 4 Tab 27

Proforma
The pro forma should be based on the operating income and expense information for the base year (first year of stabilized occupancy using today's best estimates of market rents, restricted rents, rental income and expenses), and principal and interest debt service. The Department uses an annual growth rate of 2% for income and 3% for expenses. Written explanation for any deviations from these growth rates or for assumptions other than straight-line growth made during the proforma period should be attached to this exhibit.

### INCOME

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<th>Year</th>
<th>Year 1</th>
<th>Year 2</th>
<th>Year 3</th>
<th>Year 4</th>
<th>Year 5</th>
<th>Year 10</th>
<th>Year 15</th>
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<td>$28,576</td>
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<td>POTENTIAL GROSS ANNUAL INCOME</td>
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<td>Provision for Vacancy &amp; Collection Loss</td>
<td>($101,085)</td>
<td>($103,107)</td>
<td>($105,169)</td>
<td>($107,273)</td>
<td>($109,418)</td>
<td>($120,806)</td>
<td>($133,380)</td>
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<tr>
<td>Rental Concessions</td>
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<td>$0</td>
<td>$0</td>
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<tr>
<td>EFFECTIVE GROSS ANNUAL INCOME</td>
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### EXPENSES

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<tr>
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<th>Year 1</th>
<th>Year 2</th>
<th>Year 3</th>
<th>Year 4</th>
<th>Year 5</th>
<th>Year 10</th>
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<tr>
<td>General &amp; Administrative Expenses</td>
<td>$42,900</td>
<td>$44,187</td>
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<td>$8,168</td>
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<td>$765,772</td>
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### DEBT SERVICE

<table>
<thead>
<tr>
<th>Year</th>
<th>Year 1</th>
<th>Year 2</th>
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<tbody>
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<td>$35,687</td>
<td>$53,624</td>
</tr>
<tr>
<td>ANNUAL NET CASH FLOW</td>
<td>$85,758</td>
<td>$86,785</td>
<td>$87,813</td>
<td>$88,840</td>
<td>$89,866</td>
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<td>CUMULATIVE NET CASH FLOW</td>
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<td>$439,063</td>
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<td>1.15</td>
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# 15 Year Rental Housing Operating Pro Forma (All Programs)

The pro forma should be based on the operating income and expense information for the base year (first year of stabilized occupancy using today’s best estimates of market rents, restricted rents, rental income and expenses), and principal and interest debt service. The Department uses an annual growth rate of 2% for income and 3% for expenses. Written explanation for any deviations from these growth rates or for assumptions other than straight-line growth made during the proforma period should be attached to this exhibit.

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<tr>
<th>YEAR 1</th>
<th>YEAR 2</th>
<th>YEAR 3</th>
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<th>YEAR 10</th>
<th>YEAR 15</th>
</tr>
</thead>
<tbody>
<tr>
<td>POTENTIAL GROSS ANNUAL RENTAL INCOME</td>
<td>$1,323,732</td>
<td>$1,350,207</td>
<td>$1,377,211</td>
<td>$1,404,755</td>
<td>$1,432,850</td>
<td>$1,486,994</td>
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<td>$26,400</td>
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<tr>
<td>Rental Concessions</td>
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<tr>
<td>EFFECTIVE GROSS ANNUAL INCOME</td>
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### EXPENSES

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<tr>
<th></th>
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<td>$35,881</td>
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<tr>
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</table>

### NET OPERATING INCOME

<table>
<thead>
<tr>
<th></th>
<th>YEAR 1</th>
<th>YEAR 2</th>
<th>YEAR 3</th>
<th>YEAR 4</th>
<th>YEAR 5</th>
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<th>YEAR 15</th>
</tr>
</thead>
<tbody>
<tr>
<td>$659,486</td>
<td>$667,407</td>
<td>$675,327</td>
<td>$683,244</td>
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### DEBT SERVICE

<table>
<thead>
<tr>
<th></th>
<th>YEAR 1</th>
<th>YEAR 2</th>
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### NET CASH FLOW

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</tr>
</thead>
<tbody>
<tr>
<td>ANNUAL NET CASH FLOW</td>
<td>$87,769</td>
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<td>$89,906</td>
<td>$90,974</td>
<td>$92,042</td>
<td>$97,351</td>
<td>$102,531</td>
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<tr>
<td>CUMULATIVE NET CASH FLOW</td>
<td>$87,769</td>
<td>$176,606</td>
<td>$266,512</td>
<td>$357,486</td>
<td>$449,529</td>
<td>$542,871</td>
<td>$645,402</td>
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</table>

### Debt Coverage Ratio

<table>
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<tr>
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<tr>
<td>1.15</td>
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Signature, Authorized Representative, Construction or Permanent Lender

Printed Name

Phone:

Email:

Date

Signature, Authorized Representative, Syndicator

Printed Name

Date

If a revised form is submitted, date of submission:
### 15 Year Rental Housing Operating Pro Forma (All Programs)

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<tr>
<th>Year</th>
<th>Potential Gross Annual Rental Income</th>
<th>Secondary Income</th>
<th>Provision for Vacancy &amp; Collection Loss</th>
<th>Effective Gross Annual Income</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>$1,321,404</td>
<td>$26,400</td>
<td>($101,085)</td>
<td>$1,246,719</td>
</tr>
<tr>
<td>2</td>
<td>$1,347,832</td>
<td>$26,928</td>
<td>($103,107)</td>
<td>$1,271,653</td>
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<tr>
<td>3</td>
<td>$1,374,789</td>
<td>$27,467</td>
<td>($105,169)</td>
<td>$1,297,086</td>
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<tr>
<td>4</td>
<td>$1,402,284</td>
<td>$28,016</td>
<td>($107,273)</td>
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<tr>
<td>5</td>
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<td>($109,418)</td>
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<tr>
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<td>$1,645,019</td>
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</table>

#### EXPENSES

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<tr>
<th>Expense</th>
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<td>$86,785</td>
<td>$87,813</td>
<td>$88,840</td>
<td>$89,866</td>
<td>$94,950</td>
<td>$99,883</td>
</tr>
<tr>
<td>CUMULATIVE NET CASH FLOW</td>
<td>$95,758</td>
<td>$172,543</td>
<td>$260,356</td>
<td>$349,197</td>
<td>$439,063</td>
<td>$901,104</td>
<td>$1,388,188</td>
</tr>
</tbody>
</table>

#### Debt Coverage Ratio

<table>
<thead>
<tr>
<th>Year</th>
<th>Debt Coverage Ratio</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>1.15</td>
</tr>
<tr>
<td>2</td>
<td>1.15</td>
</tr>
<tr>
<td>3</td>
<td>1.15</td>
</tr>
<tr>
<td>4</td>
<td>1.15</td>
</tr>
<tr>
<td>5</td>
<td>1.15</td>
</tr>
<tr>
<td>10</td>
<td>1.15</td>
</tr>
<tr>
<td>15</td>
<td>1.15</td>
</tr>
</tbody>
</table>

By signing below I (we) are certifying that the above 15 Year pro forma, is consistent with the unit rental rate assumptions, total operating expenses, net operating income, and debt service coverage based on the bank’s current underwriting parameters and consistent with the loan terms indicated in the term sheet and preliminarily considered feasible pending further diligence review. The debt service for each year maintains no less than a 1.15 debt coverage ratio. (Signature only required if using this pro forma for points under §11.9(e)(1) relating to Financial Feasibility)

---

Signature, Authorized Representative, Construction or Permanent Lender

Printed Name

Date

Signature, Authorized Representative, Syndicator

Printed Name

Date

If a revised form is submitted, date of submission:
The pro forma should be based on the operating income and expense information for the base year (first year of stabilized occupancy using today’s best estimates of market rents, restricted rents, rental income and expenses), and principal and interest debt service. The Department uses an annual growth rate of 2% for income and 3% for expenses. Written explanation for any deviations from these growth rates or for assumptions other than straight-line growth made during the proforma period should be attached to this exhibit.

By signing below I (we) are certifying that the above 15 Year pro forma, is consistent with the unit rental rate assumptions, total operating expenses, net operating income, and debt service coverage based on the bank’s current underwriting parameters and consistent with the loan terms indicated in the term sheet and preliminarily considered feasible pending further diligence review. The debt service for each year maintains no less than a 1.15 debt coverage ratio. (Signature only required if using this pro forma for points under §11.9(e)(1) relating to Financial Feasibility)
2018 HTC
Full Application

Part 4 Tab 28

Offsite Cost Breakdown
Off-Site Cost Breakdown

This form must be submitted with the Development Cost Schedule if the development has offsite costs, whether those costs are included in the budget as a line item, embedded in the acquisition costs, or referenced in utility provider letters. Therefore, the total costs listed on this worksheet may or may not exactly correspond with those off-site costs indicated on the Development Costs Schedule. However, all costs listed here should be able to be justified in another place in the application.

Column A: The offsite activity reflected here should correspond to the offsite activity reflected in the Development Cost Schedule or other supporting documentation.

Columns B and C: In determining actual construction cost, two different methods may be used:

Column D: To arrive at total construction costs in Column D:

Column E: Any proposed activity involving the acquisition of real property, easements, rights-of-way, etc., must have the projected costs of this acquisition for the activity.

Column F: Engineering/architectural costs must be broken out by the offsite work activity.

Column G: Figures for Column G, Total Activity Cost, are obtained by adding together Columns D, E, and F to get the total costs.

**ALL contingency must be included in the Contingency line item on the Development Cost Schedule and NOT on this form**

**This form must be completed by a professional engineer licensed to practice in the State of Texas. His or her signature and registration seal must be on the form.**

<table>
<thead>
<tr>
<th>Activity</th>
<th>B. Labor or Unit Price</th>
<th>C. Materials or # of Units</th>
<th>D. Total Construction Costs</th>
<th>E. Acquisition Costs</th>
<th>F. Engineering / Architectural Costs</th>
<th>G. Total Activity Costs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Water &amp; Fire Hydrants</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$89,000.00</td>
</tr>
<tr>
<td>Off-site Utilities</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$1,852,000</td>
</tr>
<tr>
<td>Off-site Sanitary</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Off-site Paving</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$238,000</td>
</tr>
<tr>
<td>Site work - export dirt</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$22,736</td>
</tr>
<tr>
<td>Mobilization</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$103,900</td>
</tr>
<tr>
<td>General Requirements</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$103,900</td>
</tr>
<tr>
<td>GC Fee</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$2,409,536</td>
<td></td>
</tr>
</tbody>
</table>

Signature of Registered Engineer responsible for Budget Justification:

Cody R. Hodge

Printed Name:

10/12/18

Date

Seal of Cody R. Hodge

PROFESSIONAL ENGINEER

111476
2018 HTC
Full Application

Part 4 Tab 29

Site Work Cost Breakdown
Site Work Cost Breakdown

This form must be submitted with the Development Cost Schedule as justification of Site Work costs.

Column A: The Site Work activity reflected here must match the Site Work activity reflected in the Development Cost Schedule.

Columns B and C: In determining actual construction cost, two different methods may be used:
- The construction costs may be broken into labor (Column B) and materials (Column C) for the activity; OR
- The use of unit price (Column B) and the number of units (Column C) data for the activity.

Column D: To arrive at total construction costs in Column D:
- If based on labor and materials, add Column B and Column C together to arrive at total construction costs.
- If based on unit price measures, Column B is multiplied by Column C to arrive at total construction costs.

Column E: Any proposed activity involving the acquisition of real property, easements, rights-of-way, etc., must have the projected costs of this acquisition for the activity.

Column F: Engineering/architectural costs must be broken out by the Site Work activity.

Column G: Figures for Column G, Total Activity Cost, are obtained by adding together Columns D, E, and F to get the total costs.

**This form must be completed by a Third-Party engineer licensed to practice in the State of Texas. His or her signature and registration seal must be on the form.**

For Site Work costs that exceed $15,000 per Unit and are included in Eligible Basis, a CPA letter allocating which portions of those site costs should be included in Eligible Basis and which ones may be ineligible must be submitted behind this tab.

<table>
<thead>
<tr>
<th>A. Activity</th>
<th>B. Labor or Unit Price</th>
<th>C. Materials or # of Units</th>
<th>D. Total Construction Costs</th>
<th>E. Acquisition Costs</th>
<th>F. Engineering / Architectural Costs</th>
<th>G. Total Activity Costs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Water &amp; Fire Hydrants</td>
<td>$</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$ 35,000</td>
</tr>
<tr>
<td>Off-site Utilities</td>
<td>$</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$ 1,115,000</td>
</tr>
<tr>
<td>Off-site Sanitary</td>
<td>$</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$ 543,739</td>
</tr>
<tr>
<td>Off-site Paving</td>
<td>$</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$ 38,000</td>
</tr>
<tr>
<td>Street Signs</td>
<td>$</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$ 7,000</td>
</tr>
<tr>
<td>Mobilization</td>
<td>$</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$ 74,264</td>
</tr>
<tr>
<td>Street Lights</td>
<td>$</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$ 40,000</td>
</tr>
<tr>
<td>General Requirements</td>
<td>$</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$ 112,700</td>
</tr>
<tr>
<td>GC Fee</td>
<td>$</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$ 112,700</td>
</tr>
<tr>
<td>Landscape</td>
<td>$</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$ 25,000</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td><strong>2,103,403</strong></td>
</tr>
</tbody>
</table>

Signature of Registered Engineer: Cody R. Hodge
Printed Name: Cody R. Hodge
Date: 10/12/18
Seal: Cody R. Hodge
111476
Site Work Cost Breakdown

This form must be submitted with the Development Cost Schedule as justification of Site Work costs.

**Column A:** The Site Work activity reflected here must match the Site Work activity reflected in the Development Cost Schedule.

**Columns B and C:** In determining actual construction cost, two different methods may be used:
- The construction costs may be broken into labor (Column B) and materials (Column C) for the activity; **OR**
- The use of unit price (Column B) and the number of units (Column C) data for the activity.

**Column D:** To arrive at total construction costs in Column D:
- If based on labor and materials, add Column B and Column C together to arrive at total construction costs.
- If based on unit price measures, Column B is multiplied by Column C to arrive at total construction costs.

**Column E:** Any proposed activity involving the acquisition of real property, easements, rights-of-way, etc., must have the projected costs of this acquisition for the activity.

**Column F:** Engineering/architectural costs must be broken out by the Site Work activity.

**Column G:** Figures for Column G, Total Activity Cost, are obtained by adding together Columns D, E, and F to get the total costs.

---

**This form must be completed by a Third-Party engineer licensed to practice in the State of Texas. His or her signature and registration seal must be on the form.**

For Site Work costs that exceed $15,000 per Unit and are included in Eligible Basis, a CPA letter allocating which portions of those site costs should be included in Eligible Basis and which ones may be ineligible must be submitted behind this tab.

<table>
<thead>
<tr>
<th>Activity</th>
<th>Labor or Unit Price</th>
<th>Materials or # of Units</th>
<th>Total Construction Costs</th>
<th>Acquisition Costs</th>
<th>Engineering / Architectural Costs</th>
<th>Total Activity Costs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rough grading</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$194,200</td>
</tr>
<tr>
<td>Fine grading</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$253,200</td>
</tr>
<tr>
<td>On-site concrete</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$72,000</td>
</tr>
<tr>
<td>On-site electrical</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$70,000</td>
</tr>
<tr>
<td>On-site paving</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$35,000</td>
</tr>
<tr>
<td>On-site utilities</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Retaining Walls</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Striping, Lighting &amp; signs</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other (Mobilization)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td><strong>$624,400</strong></td>
</tr>
</tbody>
</table>

Signature of Registered Engineer: Cody Hodge

Printed Name: Cody Hodge

Date: 10/22/18

Seal: State of Texas Professional Engineer 111476
2018 HTC
Full Application

Part 4 Tab 30

Development Cost Schedule
This Development Cost Schedule must be consistent with the Summary Sources and Uses of Funds Statement. All Applications must complete the total development cost column and the Tax Payer Identification column. Only HTC applications must complete the Eligible Basis columns and the Requested Credit calculation below:

<table>
<thead>
<tr>
<th>TOTAL DEVELOPMENT SUMMARY</th>
<th></th>
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<tbody>
<tr>
<td>Total</td>
<td>Eligible Basis (If Applicable)</td>
</tr>
<tr>
<td>Cost</td>
<td>Acquisition</td>
</tr>
<tr>
<td>2,326,632</td>
<td>0</td>
</tr>
<tr>
<td>250,000</td>
<td>0</td>
</tr>
<tr>
<td><strong>Subtotal Acquisition Cost</strong></td>
<td><strong>Cost</strong></td>
</tr>
<tr>
<td><strong>$2,576,632</strong></td>
<td><strong>$0</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>OFF-SITES²</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Off-site concrete</td>
<td>1,852,000</td>
</tr>
<tr>
<td>Water &amp; fire hydrants</td>
<td>89,000</td>
</tr>
<tr>
<td>Off-site utilities</td>
<td></td>
</tr>
<tr>
<td>Sewer lateral(s)</td>
<td></td>
</tr>
<tr>
<td>Off-site paving</td>
<td>238,000</td>
</tr>
<tr>
<td>Off-site electrical</td>
<td></td>
</tr>
<tr>
<td>street sign, haul off, landscape mobilization &amp; gc fees</td>
<td>230,536</td>
</tr>
<tr>
<td><strong>Subtotal Off-Sites Cost</strong></td>
<td><strong>Cost</strong></td>
</tr>
<tr>
<td><strong>$2,409,536</strong></td>
<td><strong>$0</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>SITE WORK³</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Demolition</td>
<td></td>
</tr>
<tr>
<td>Asbestos Abatement (Demolition Only)</td>
<td></td>
</tr>
<tr>
<td>Detention</td>
<td></td>
</tr>
<tr>
<td>Rough grading</td>
<td>194,200</td>
</tr>
<tr>
<td>Fine grading</td>
<td>25,000</td>
</tr>
<tr>
<td>On-site concrete</td>
<td>253,200</td>
</tr>
<tr>
<td>On-site electrical</td>
<td>0</td>
</tr>
<tr>
<td>On-site paving</td>
<td>38,000</td>
</tr>
<tr>
<td>On-site utilities</td>
<td>1,765,739</td>
</tr>
<tr>
<td>Decorative masonry</td>
<td>70,000</td>
</tr>
<tr>
<td>Bumper stops, striping &amp; signs</td>
<td>47,000</td>
</tr>
<tr>
<td>mobilization &amp; gc fees</td>
<td>334,664</td>
</tr>
<tr>
<td><strong>Subtotal Site Work Cost</strong></td>
<td><strong>Cost</strong></td>
</tr>
<tr>
<td><strong>$2,727,803</strong></td>
<td><strong>$0</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>SITE AMENITIES</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Landscaping</td>
<td>35,000</td>
</tr>
<tr>
<td>Pool and decking</td>
<td></td>
</tr>
<tr>
<td>Athletic court(s), playground(s)</td>
<td>10,000</td>
</tr>
<tr>
<td>Fencing</td>
<td>4,900</td>
</tr>
<tr>
<td>Other (specify) - see footnote 1</td>
<td></td>
</tr>
<tr>
<td><strong>Subtotal Site Amenities Cost</strong></td>
<td><strong>Cost</strong></td>
</tr>
<tr>
<td><strong>$49,900</strong></td>
<td><strong>$0</strong></td>
</tr>
</tbody>
</table>

There are multiple site work forms as a result of having multiple contractors.
<table>
<thead>
<tr>
<th>Item</th>
<th>Before 11.9(e)(2)</th>
<th>Total Before 11.9(e)(2)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Concrete</td>
<td>2,223,000</td>
<td>2,223,000</td>
</tr>
<tr>
<td>Masonry</td>
<td>348,000</td>
<td>348,000</td>
</tr>
<tr>
<td>Metals</td>
<td>240,700</td>
<td>240,700</td>
</tr>
<tr>
<td>Woods and Plastics</td>
<td>2,389,500</td>
<td>2,389,500</td>
</tr>
<tr>
<td>Thermal and Moisture Protection</td>
<td>194,000</td>
<td>194,000</td>
</tr>
<tr>
<td>Roof Covering</td>
<td>180,600</td>
<td>180,600</td>
</tr>
<tr>
<td>Doors and Windows</td>
<td>329,500</td>
<td>329,500</td>
</tr>
<tr>
<td>Finishes</td>
<td>1,135,300</td>
<td>1,135,300</td>
</tr>
<tr>
<td>Specialties</td>
<td>28,600</td>
<td>28,600</td>
</tr>
<tr>
<td>Equipment</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Furnishings</td>
<td>426,000</td>
<td>426,000</td>
</tr>
<tr>
<td>Special Construction</td>
<td>470,000</td>
<td>470,000</td>
</tr>
<tr>
<td>Conveying Systems (Elevators)</td>
<td>98,400</td>
<td>98,400</td>
</tr>
<tr>
<td>Mechanical (HVAC, Plumbing)</td>
<td>1,300,000</td>
<td>1,300,000</td>
</tr>
<tr>
<td>Electrical</td>
<td>790,000</td>
<td>790,000</td>
</tr>
<tr>
<td>Subtotal Building Costs</td>
<td>$10,338,600</td>
<td>$10,338,600</td>
</tr>
<tr>
<td>Voluntary Eligible Building Costs (After 11.9(e)(2))*</td>
<td>$0.00 psf</td>
<td></td>
</tr>
<tr>
<td>Contingency</td>
<td>5.89%</td>
<td>$915,042</td>
</tr>
<tr>
<td>Commercial Space Costs</td>
<td>185,000</td>
<td>185,000</td>
</tr>
<tr>
<td>Subtotal Building Costs Before 11.9(e)(2)</td>
<td>$10,338,600</td>
<td>$0$10,338,600</td>
</tr>
<tr>
<td>TOTAL BUILDING COSTS &amp; SITE WORK</td>
<td>$13,116,303</td>
<td>$12,625,839</td>
</tr>
<tr>
<td>Contingency</td>
<td>5.89%</td>
<td>$915,042</td>
</tr>
<tr>
<td>TOTAL HARD COSTS</td>
<td>$16,440,881</td>
<td>$13,540,881</td>
</tr>
<tr>
<td>TOTAL CONSTRUCTION CONTRACT</td>
<td>$17,900,881</td>
<td>$14,742,172</td>
</tr>
<tr>
<td>Voluntary Eligible &quot;Hard Costs&quot; (After 11.9(e)(2))*</td>
<td>$0.00 psf</td>
<td></td>
</tr>
</tbody>
</table>

*To score points under §11.9(e)(2) related to Cost of Development per Square Foot, the Voluntary Eligible Building Costs OR the Voluntary Eligible Hard Costs indicated above must fall within the required thresholds. If voluntary costs are not entered, staff will consider the Subtotal Building Cost or the Total Construction Contract costs, as applicable. Enter score for Building OR Hard Costs at end of form.
## SOFT COSTS

<table>
<thead>
<tr>
<th>Item</th>
<th>Amount 1</th>
<th>Amount 2</th>
</tr>
</thead>
<tbody>
<tr>
<td>Architectural - Design fees</td>
<td>272,000</td>
<td>272,000</td>
</tr>
<tr>
<td>Architectural - Supervision fees</td>
<td>68,000</td>
<td>68,000</td>
</tr>
<tr>
<td>Engineering fees</td>
<td>395,000</td>
<td>395,000</td>
</tr>
<tr>
<td>Real estate attorney/other legal fees</td>
<td>225,000</td>
<td>168,750</td>
</tr>
<tr>
<td>Accounting fees</td>
<td>56,400</td>
<td>56,400</td>
</tr>
<tr>
<td>Impact Fees</td>
<td>55,000</td>
<td>55,000</td>
</tr>
<tr>
<td>Building permits &amp; related costs</td>
<td>84,501</td>
<td>84,501</td>
</tr>
<tr>
<td>Appraisal</td>
<td>2,700</td>
<td>2,700</td>
</tr>
<tr>
<td>Market analysis</td>
<td>8,000</td>
<td>8,000</td>
</tr>
<tr>
<td>Environmental assessment</td>
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</tr>
<tr>
<td>Soils report</td>
<td>20,000</td>
<td>20,000</td>
</tr>
<tr>
<td>Survey</td>
<td>288,000</td>
<td>288,000</td>
</tr>
<tr>
<td>Marketing</td>
<td>75,000</td>
<td></td>
</tr>
<tr>
<td>Hazard &amp; liability insurance</td>
<td>23,000</td>
<td></td>
</tr>
<tr>
<td>Real property taxes</td>
<td>124,099</td>
<td>92,599</td>
</tr>
<tr>
<td>Personal property taxes</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tenant relocation expenses</td>
<td>84,179</td>
<td>84,179</td>
</tr>
<tr>
<td>bldr’s risk, gl, comp ops ins</td>
<td>277,000</td>
<td>277,000</td>
</tr>
<tr>
<td>int des, ngbs cert, ffe</td>
<td>100,000</td>
<td>100,000</td>
</tr>
</tbody>
</table>

Subtotal Soft Cost: $2,204,879

## FINANCING:

### CONSTRUCTION LOAN(S)

<table>
<thead>
<tr>
<th>Item</th>
<th>Amount 1</th>
<th>Amount 2</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest</td>
<td>1,357,177</td>
<td>940,996</td>
</tr>
<tr>
<td>Loan origination fees</td>
<td>167,115</td>
<td>167,115</td>
</tr>
<tr>
<td>Title &amp; recording fees</td>
<td>160,000</td>
<td>160,000</td>
</tr>
<tr>
<td>Closing costs &amp; legal fees</td>
<td>50,000</td>
<td>45,000</td>
</tr>
<tr>
<td>Inspection fees</td>
<td>41,550</td>
<td>41,550</td>
</tr>
<tr>
<td>Credit Report</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Discount Points</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other (specify) - see footnote 1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other (specify) - see footnote 1</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### PERMANENT LOAN(S)

<table>
<thead>
<tr>
<th>Item</th>
<th>Amount 1</th>
<th>Amount 2</th>
</tr>
</thead>
<tbody>
<tr>
<td>Loan origination fees</td>
<td>81,000</td>
<td></td>
</tr>
<tr>
<td>Title &amp; recording fees</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Closing costs &amp; legal</td>
<td>56,500</td>
<td></td>
</tr>
<tr>
<td>Bond premium</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Credit report</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Discount points</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Credit enhancement fees</td>
<td></td>
<td></td>
</tr>
<tr>
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<td></td>
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</tr>
<tr>
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<td></td>
</tr>
<tr>
<td>Other (specify) - see footnote 1</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### BRIDGE LOAN(S)

<table>
<thead>
<tr>
<th>Item</th>
<th>Amount 1</th>
<th>Amount 2</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Loan origination fees</td>
<td></td>
<td></td>
</tr>
<tr>
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<td></td>
<td></td>
</tr>
<tr>
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<td></td>
<td></td>
</tr>
<tr>
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<td></td>
<td></td>
</tr>
<tr>
<td>Other (specify) - see footnote 1</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
### OTHER FINANCING COSTS

<table>
<thead>
<tr>
<th>Cost Type</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tax credit fees</td>
<td>$64,810</td>
</tr>
<tr>
<td>Tax and/or bond counsel</td>
<td></td>
</tr>
<tr>
<td>Payment bonds</td>
<td></td>
</tr>
<tr>
<td>Performance bonds</td>
<td>$199,300</td>
</tr>
<tr>
<td>Performance bonds</td>
<td>$199,300</td>
</tr>
<tr>
<td>Credit enhancement fees</td>
<td></td>
</tr>
<tr>
<td>Mortgage insurance premiums</td>
<td></td>
</tr>
<tr>
<td>Cost of underwriting &amp; issuance</td>
<td></td>
</tr>
<tr>
<td>Syndication organizational cost</td>
<td></td>
</tr>
<tr>
<td>Tax opinion</td>
<td></td>
</tr>
<tr>
<td>HFC 2nd Mtg and PDL</td>
<td>$25,500</td>
</tr>
<tr>
<td>Equity DD &amp; Legal</td>
<td>$100,000</td>
</tr>
</tbody>
</table>

**Total Financing Cost**

- **$2,304,952**
- **$0**
- **$1,579,461**

### DEVELOPER FEES

<table>
<thead>
<tr>
<th>Cost Type</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Housing consultant fees</td>
<td>$200,000</td>
</tr>
<tr>
<td>General &amp; administrative</td>
<td></td>
</tr>
<tr>
<td>Profit or fee</td>
<td>$2,527,585</td>
</tr>
</tbody>
</table>

**Subtotal Developer Fees**

- **$2,727,585**
- **$0**
- **$2,727,585**

### RESERVES

<table>
<thead>
<tr>
<th>Reserve Type</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rent-up</td>
<td>$540,000</td>
</tr>
<tr>
<td>Operating</td>
<td></td>
</tr>
<tr>
<td>Replacement</td>
<td></td>
</tr>
<tr>
<td>Escrows</td>
<td></td>
</tr>
</tbody>
</table>

**Subtotal Reserves**

- **$540,000**
- **$0**
- **$0**

### TOTAL HOUSING DEVELOPMENT COSTS

**$28,254,929**

**$0**

**$21,068,347**

---

**The following calculations are for HTC Applications only.**

**Deduct From Basis:**

- Federal grants used to finance costs in Eligible Basis
- Non-qualified non-recourse financing
- Non-qualified portion of higher quality units §42(d)(5)
- Historic Credits (residential portion only)

**Total Eligible Basis**

- **$0**
- **$21,068,347**

**Total Adjusted Basis**

- **$0**
- **$27,388,851**

**Applicable Fraction**

- **67%**

**Total Qualified Basis**

- **$18,424,480**
- **$0**
- **$18,424,480**

**Applicable Percentage**

- **9.00%**

**Credits Supported by Eligible Basis**

- **$1,658,203**
- **0**
- **$1,658,203**

**Requested Score for 11.9(e)(2)**

- **11**

**Name of contact for Cost Estimate:**

- **Lisa Stephens**

**Phone Number for Contact:**

- **352-213-8700**

**If a revised form is submitted, date of submission:**

- ****

---

*11.9(c)(2) Cost Per Square Foot: DO NOT ROUND! Applicants are advised to ensure that figure is not rounding down to the maximum dollar figure to support the elected points.*
This Development Cost Schedule must be consistent with the Summary Sources and Uses of Funds Statement. All Applications must complete the total development cost column and the Tax Payer Identification column. Only HTC applications must complete the Eligible Basis columns and the Requested Credit calculation below:

<table>
<thead>
<tr>
<th>TOTAL DEVELOPMENT SUMMARY</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Cost</td>
<td>$2,576,632</td>
</tr>
<tr>
<td>Eligible Basis (If Applicable)</td>
<td>$0</td>
</tr>
</tbody>
</table>

### ACQUISITION

<table>
<thead>
<tr>
<th>Item</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Site acquisition cost</td>
<td>$2,326,632</td>
</tr>
<tr>
<td>Existing building acquisition cost</td>
<td></td>
</tr>
<tr>
<td>Closing costs &amp; acq. legal fees</td>
<td>$250,000</td>
</tr>
<tr>
<td>Environmental</td>
<td>$0</td>
</tr>
<tr>
<td>Other (specify) - see footnote 1</td>
<td></td>
</tr>
<tr>
<td><strong>Subtotal Acquisition Cost</strong></td>
<td><strong>$2,576,632</strong></td>
</tr>
</tbody>
</table>

### OFF-SITES

<table>
<thead>
<tr>
<th>Item</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Off-site concrete</td>
<td>$1,852,000</td>
</tr>
<tr>
<td>Storm drains &amp; devices</td>
<td></td>
</tr>
<tr>
<td>Water &amp; fire hydrants</td>
<td>$89,000</td>
</tr>
<tr>
<td>Off-site utilities</td>
<td></td>
</tr>
<tr>
<td>Sewer lateral(s)</td>
<td></td>
</tr>
<tr>
<td>Off-site paving</td>
<td>$238,000</td>
</tr>
<tr>
<td>Off-site electrical</td>
<td></td>
</tr>
<tr>
<td>street sign, haul off, landscape mobilization &amp; gc fees</td>
<td>$230,536</td>
</tr>
<tr>
<td><strong>Subtotal Off-Sites Cost</strong></td>
<td><strong>$2,409,536</strong></td>
</tr>
</tbody>
</table>

### SITE WORK

<table>
<thead>
<tr>
<th>Item</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Demolition</td>
<td></td>
</tr>
<tr>
<td>Asbestos Abatement (Demolition Only)</td>
<td></td>
</tr>
<tr>
<td>Detention</td>
<td></td>
</tr>
<tr>
<td>Rough grading</td>
<td>$194,200</td>
</tr>
<tr>
<td>Fine grading</td>
<td>$25,000</td>
</tr>
<tr>
<td>On-site concrete</td>
<td>$253,200</td>
</tr>
<tr>
<td>On-site electrical</td>
<td>$0</td>
</tr>
<tr>
<td>On-site paving</td>
<td>$38,000</td>
</tr>
<tr>
<td>On-site utilities</td>
<td>$1,765,739</td>
</tr>
<tr>
<td>Decorative masonry</td>
<td>$70,000</td>
</tr>
<tr>
<td>Bumper stops, striping &amp; signs mobilization &amp; gc fees</td>
<td>$47,000</td>
</tr>
<tr>
<td><strong>Subtotal Site Work Cost</strong></td>
<td><strong>$2,727,803</strong></td>
</tr>
</tbody>
</table>

### SITE AMENITIES

<table>
<thead>
<tr>
<th>Item</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Landscaping</td>
<td>$35,000</td>
</tr>
<tr>
<td>Pool and decking</td>
<td></td>
</tr>
<tr>
<td>Athletic court(s), playground(s)</td>
<td>$10,000</td>
</tr>
<tr>
<td>Fencing</td>
<td>$4,900</td>
</tr>
<tr>
<td>Other (specify) - see footnote 1</td>
<td></td>
</tr>
<tr>
<td><strong>Subtotal Site Amenities Cost</strong></td>
<td><strong>$49,900</strong></td>
</tr>
</tbody>
</table>

---

There are multiple site work forms as a result of having multiple contractors.
**BUILDING COSTS***:

<table>
<thead>
<tr>
<th>Item</th>
<th>Cost Before</th>
<th>Cost After</th>
</tr>
</thead>
<tbody>
<tr>
<td>Concrete</td>
<td>2,223,000</td>
<td>2,223,000</td>
</tr>
<tr>
<td>Masonry</td>
<td>348,000</td>
<td>348,000</td>
</tr>
<tr>
<td>Metals</td>
<td>240,700</td>
<td>240,700</td>
</tr>
<tr>
<td>Woods and Plastics</td>
<td>2,389,500</td>
<td>2,389,500</td>
</tr>
<tr>
<td>Thermal and Moisture Protection</td>
<td>194,000</td>
<td>194,000</td>
</tr>
<tr>
<td>Roof Covering</td>
<td>180,600</td>
<td>180,600</td>
</tr>
<tr>
<td>Doors and Windows</td>
<td>329,500</td>
<td>329,500</td>
</tr>
<tr>
<td>Finishes</td>
<td>1,135,300</td>
<td>1,135,300</td>
</tr>
<tr>
<td>Specialties</td>
<td>28,600</td>
<td>28,600</td>
</tr>
<tr>
<td>Equipment</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Furnishings</td>
<td>426,000</td>
<td>426,000</td>
</tr>
<tr>
<td>Special Construction</td>
<td>470,000</td>
<td>470,000</td>
</tr>
<tr>
<td>Conveying Systems (Elevators)</td>
<td>98,400</td>
<td>98,400</td>
</tr>
<tr>
<td>Mechanical (HVAC; Plumbing)</td>
<td>1,300,000</td>
<td>1,300,000</td>
</tr>
<tr>
<td>Electrical</td>
<td>790,000</td>
<td>790,000</td>
</tr>
</tbody>
</table>

**Individually itemize costs below:**

<table>
<thead>
<tr>
<th>Item</th>
<th>Cost Before</th>
<th>Cost After</th>
</tr>
</thead>
<tbody>
<tr>
<td>Detached Community Facilities/Building</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Carports and/or Garages</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Lead-Based Paint Abatement</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Asbestos Abatement (Rehabilitation Only)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Structured Parking</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Commercial Space Costs</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>casing contingency</strong></td>
<td>185,000</td>
<td>185,000</td>
</tr>
</tbody>
</table>

**Subtotal Building Costs**

Before 11.9(e)(2)

Voluntary Eligible Building Costs (After 11.9(e)(2))*

 Enter amount to be used to achieve desired score.

$0.00 psf

**TOTAL BUILDING COSTS & SITE WORK**

(including site amenities)

<table>
<thead>
<tr>
<th>Contingency</th>
<th>Cost Before</th>
<th>Cost After</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>5.89%</td>
<td>$915,042</td>
</tr>
</tbody>
</table>

**TOTAL HARD COSTS**

<table>
<thead>
<tr>
<th>Other Construction Costs</th>
<th>% THC</th>
<th>Cost Before</th>
<th>Cost After</th>
</tr>
</thead>
<tbody>
<tr>
<td>General requirements (&lt;6%)</td>
<td>3.58%</td>
<td>587,843</td>
<td>483,678</td>
</tr>
<tr>
<td>Field supervision (within GR limit)</td>
<td>1.73%</td>
<td>284,314</td>
<td>233,934</td>
</tr>
<tr>
<td>Contractor profit (&lt;6%)</td>
<td>3.58%</td>
<td>587,843</td>
<td>483,678</td>
</tr>
</tbody>
</table>

**TOTAL CONTRACTOR FEES**

Before 11.9(e)(2)

Voluntary Eligible “Hard Costs” (After 11.9(e)(2))*

 Enter amount to be used to achieve desired score.

$0.00 psf

**TOTAL CONSTRUCTION CONTRACT**

Before 11.9(e)(2)

<table>
<thead>
<tr>
<th>Cost Before</th>
<th>Cost After</th>
</tr>
</thead>
<tbody>
<tr>
<td>$17,900,881</td>
<td>$0</td>
</tr>
</tbody>
</table>

*To score points under §11.9(e)(2) related to Cost of Development per Square Foot, the Voluntary Eligible Building Costs OR the Voluntary Eligible Hard Costs indicated above must fall within the required thresholds. If voluntary costs are not entered, staff will consider the Subtotal Building Cost or the Total Construction Contract costs, as applicable. Enter score for Building OR Hard Costs at end of form.
### SOFT COSTS

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Architectural - Design fees</td>
<td>272,000</td>
<td>272,000</td>
</tr>
<tr>
<td>Architectural - Supervision fees</td>
<td>68,000</td>
<td>68,000</td>
</tr>
<tr>
<td>Engineering fees</td>
<td>395,000</td>
<td>395,000</td>
</tr>
<tr>
<td>Real estate attorney/other legal fees</td>
<td>225,000</td>
<td>168,750</td>
</tr>
<tr>
<td>Accounting fees</td>
<td>56,400</td>
<td>56,400</td>
</tr>
<tr>
<td>Impact Fees</td>
<td>55,000</td>
<td>55,000</td>
</tr>
<tr>
<td>Building permits &amp; related costs</td>
<td>84,501</td>
<td>84,501</td>
</tr>
<tr>
<td>Appraisal</td>
<td>2,700</td>
<td>2,700</td>
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<tr>
<td>Environmental assessment</td>
<td>8,000</td>
<td>8,000</td>
</tr>
<tr>
<td>Soils report</td>
<td>47,000</td>
<td>47,000</td>
</tr>
<tr>
<td>Survey</td>
<td>20,000</td>
<td>20,000</td>
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<tr>
<td>Marketing</td>
<td>288,000</td>
<td>288,000</td>
</tr>
<tr>
<td>Hazard &amp; liability insurance</td>
<td>75,000</td>
<td></td>
</tr>
<tr>
<td>Real property taxes</td>
<td>23,000</td>
<td>92,599</td>
</tr>
<tr>
<td>Personal property taxes</td>
<td></td>
<td></td>
</tr>
<tr>
<td>FHWS General Contractor Fee</td>
<td>84,179</td>
<td>84,179</td>
</tr>
<tr>
<td>Builder's risk, gl, comp ops ins</td>
<td>277,000</td>
<td>277,000</td>
</tr>
<tr>
<td>int des, ngbs cert, ffe</td>
<td>100,000</td>
<td>100,000</td>
</tr>
<tr>
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<td><strong>$2,204,879</strong></td>
<td><strong>$0</strong></td>
</tr>
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**CONSTRUCTION LOAN(S)**

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<td>45,000</td>
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<td>Inspection fees</td>
<td>41,550</td>
<td>41,550</td>
</tr>
<tr>
<td>Credit Report</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Discount Points</td>
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<td></td>
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<td></td>
</tr>
<tr>
<td>Other (specify) - see footnote 1</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**PERMANENT LOAN(S)**

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Loan origination fees</td>
<td>83,000</td>
<td></td>
</tr>
<tr>
<td>Title &amp; recording fees</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Closing costs &amp; legal</td>
<td>56,500</td>
<td></td>
</tr>
<tr>
<td>Bond premium</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Credit report</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Discount points</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Credit enhancement fees</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Prepaid MIP</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other (specify) - see footnote 1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other (specify) - see footnote 1</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**BRIDGE LOAN(S)**

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Loan origination fees</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Title &amp; recording fees</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Closing costs &amp; legal</td>
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<td></td>
</tr>
<tr>
<td>Other (specify) - see footnote 1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other (specify) - see footnote 1</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
### OTHER FINANCING COSTS

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tax credit fees</td>
<td>64,810</td>
</tr>
<tr>
<td>Tax and/or bond counsel</td>
<td></td>
</tr>
<tr>
<td>Payment bonds</td>
<td></td>
</tr>
<tr>
<td>Performance bonds</td>
<td>199,300</td>
</tr>
<tr>
<td>Performance bonds</td>
<td>199,300</td>
</tr>
<tr>
<td>Credit enhancement fees</td>
<td></td>
</tr>
<tr>
<td>Mortgage insurance premiums</td>
<td></td>
</tr>
<tr>
<td>Cost of underwriting &amp; issuance</td>
<td></td>
</tr>
<tr>
<td>Syndication organizational cost</td>
<td></td>
</tr>
<tr>
<td>Tax opinion</td>
<td></td>
</tr>
<tr>
<td>HFC 2nd Mtg and PDL</td>
<td>25,500</td>
</tr>
<tr>
<td>Major &amp; Legal</td>
<td>100,000</td>
</tr>
</tbody>
</table>

**Subtotal Financing Cost**

- $2,304,952
- $0
- $1,579,461

### DEVELOPER FEES

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
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<tbody>
<tr>
<td>Housing consultant fees</td>
<td>200,000</td>
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<tr>
<td>General &amp; administrative</td>
<td></td>
</tr>
<tr>
<td>Profit or fee</td>
<td>2,527,585</td>
</tr>
</tbody>
</table>

**Subtotal Developer Fees**

- $2,727,585
- $0
- $2,727,585

### RESERVES

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rent-up</td>
<td>$40,000</td>
</tr>
<tr>
<td>Operating</td>
<td></td>
</tr>
<tr>
<td>Replacement</td>
<td></td>
</tr>
<tr>
<td>Escrows</td>
<td></td>
</tr>
</tbody>
</table>

**Subtotal Reserves**

- $540,000
- $0
- $0

### TOTAL HOUSING DEVELOPMENT COSTS

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rent-up</td>
<td>$40,000</td>
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<tr>
<td>Replacement</td>
<td></td>
</tr>
<tr>
<td>Escrows</td>
<td></td>
</tr>
</tbody>
</table>

**Subtotal Reserves**

- $540,000
- $0
- $0

**TOTAL HOUSING DEVELOPMENT COSTS**

- $28,254,929
- $0
- $21,068,347

---

The following calculations are for HTC Applications only.

### Deduct From Basis:

- Federal grants used to finance costs in Eligible Basis
- Non-qualified non-recourse financing
- Non-qualified portion of higher quality units §42(d)(5)
- Historic Credits (residential portion only)

**Total Eligible Basis**

- $0
- $21,068,347

**Total Adjusted Basis**

- $0
- $27,388,851

**Applicable Fraction**

- 67%

**Total Qualified Basis**

- $18,424,480
- $0

**Applicable Percentage**

- 9.00%

**Credits Supported by Eligible Basis**

- $1,658,203
- $0
- $1,658,203

---

*11.9(c)(2) Cost Per Square Foot: DO NOT ROUND! Applicants are advised to ensure that figure is not rounding down to the maximum dollar figure to support the elected points.*

**Requested Score for 11.9(e)(2)**

- 11

---

Name of contact for Cost Estimate: Lisa Stephens

Phone Number for Contact: 352-213-8700

If a revised form is submitted, date of submission:
MISTLETOE STATION, LLC

INDEPENDENT ACCOUNTANT’S REPORT
ON APPLYING AGREED UPON PROCEDURES

OCTOBER 17, 2018
INDEPENDENT ACCOUNTANT’S REPORT
ON APPLYING AGREED UPON PROCEDURES

To: Mistletoe Station, LLC (the “Owner”)
5501-A Balcones Dr. #302
Austin, TX 78731

RE: Name of Property: Mistletoe Station (the “Property”)
Name of Applicant: Mistletoe Station, LLC (the “Company”)

We have performed the procedures enumerated below, which were agreed to by the Texas Department of Housing and Community Affairs (the “Agency”) and at the request of the Owner (collectively the “specified parties”), solely to assist you with respect to determining whether certain site work and off-site costs are expected to be includable in eligible basis per the tax credit application documents of the Owner submitted to the Agency. The Owner is responsible for determining whether certain site improvements are expected to be includable in eligible basis. The sufficiency of these procedures is solely the responsibility of the specified parties. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Our procedures and associated findings are as follows:

1. We read the detailed cost breakdown for all estimated site work and off-site costs, completed by a third party engineer, licensed to practice in the State of Texas, and the development cost schedule, provided by the Company, to identify total estimated site-work costs.

   Finding: We determined the detailed cost breakdown for estimated site work and off-site work for the Property agrees to the detailed site work estimate prepared by Cody R. Hodge, P.E. (the “Licensed Professional Engineer”) and dated as of October 17, 2018.

2. We read the pertinent portions of the Internal Revenue Cost Section 42 and the Treasury Regulations (“IRC 42”) to determine the definition of eligible basis. We also read Internal Revenue Service Technical Advice Memoranda 200043015, 200043016, 200043017, 200044004, 200044005 and 200203013, along with IRS Revenue Ruling 2002-9 (the “TAMs”), to identify which costs can be included into eligible basis.

   Finding: We determined the definition of eligible basis, as it pertains to the inclusion of site work costs in eligible basis.

3. We read pertinent portions of the 2018 Housing Tax Credit Program Qualified Allocation Plan (the “QAP”) and the 2018 Uniform Multifamily Rules (the “Uniform Rules”) for the
Finding: We determined that the expected site work costs exceeded $15,000 per unit. Therefore, the Owner is required to provide a letter from a certified public accountant allocating which portions of those site work costs should be included in eligible basis.

4. We discussed the estimated site work costs, the accounting treatment of the site work costs, and the eligible basis treatment of the site work costs with the Company.

Finding: We determined that $1,612,939 of expected site work costs are includable in eligible basis.

5. We read IRS Private Letter Ruling 200916007 (“PLR 200916007”).

Finding: Site work and off-site costs totaling $2,900,000 are being paid for by the City and are not included in total costs or eligible basis.

6. We discussed the estimated site work and off-site costs and their respective accounting treatments with the Owner.

Finding: The $2,900,000 funded by City proceeds are not included in total costs or eligible costs. Site work not funded by the City in the amount of $1,612,939 is included in both total costs and eligible basis.

Based on our understanding of the TAMs, and representations made to us by the Owner regarding the probable character and nature of the estimated site work costs and off-site costs, we determined that estimated site work costs of $1,612,939 is potentially includable in eligible basis at cost certification, based on estimates of site work costs of $1,612,939 by the Registered Professional Engineer for the Property. The breakout of site work from the application is as follows:

<table>
<thead>
<tr>
<th>Total Costs</th>
<th>Eligible Basis</th>
</tr>
</thead>
<tbody>
<tr>
<td>Site work cost</td>
<td>$1,612,939</td>
</tr>
<tr>
<td>Total costs</td>
<td>$1,612,939</td>
</tr>
</tbody>
</table>

The final determination of site work and off-site costs that are includable in eligible basis of the Property at cost certification cannot be made until the site work is completed, and the character and nature of the site work can be evaluated. Furthermore, the Owner’s treatment of site work and off-site costs is not free from challenge by the IRS and the final outcome of these issues in an IRS examination is not free from doubt.

The author of this document’s written tax advice did not intend nor write the advice to be used to avoid any penalty imposed by a taxing authority, nor may any recipient of this document use this document’s written tax advice for that purpose. This document’s tax advice was written specifically to support the promotion or marketing of the matter addressed by the written tax advice. Therefore,
any recipient of this document should seek an independent tax professional’s advice regarding the recipient’s particular circumstances.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to, and did not; conduct an examination or review, the objective of which would be the expression of an opinion or a conclusion on whether the estimated site work costs are expected to be includable in eligible basis. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the specified parties, is not intended to be, and should not be used by anyone other than those specified parties.

Tidwell Group, LLC

Atlanta, Georgia
October 18, 2018

Contact person for questions about this report: Jeremy Densmore
Phone#: (470) 273-6619
E-Mail: jeremy.densmore@tidwellgroup.com
2018 HTC
Full Application

Part 4 Tab 31

Financing Narrative and
Summary of Sources and Uses
## Financing Narrative and Summary of Sources and Uses

Describe all sources of funds. Information must be consistent with the information provided throughout the Application (i.e. Financing Narrative, Term Sheets and Development Cost Schedule).

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<th>Funding Description</th>
<th>Construction Period</th>
<th>Permanent Period</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Loan/Equity Amount</td>
<td>Interest Rate (%)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Loan/Equity Amount</td>
</tr>
<tr>
<td>TDHCA</td>
<td>MF Direct Loan Const. to Perm. (Repayable)</td>
<td>$1,500,000</td>
<td>1.00%</td>
</tr>
<tr>
<td>TDHCA</td>
<td>MF Direct Loan Const. Only (Repayable)</td>
<td>$0</td>
<td>0.00%</td>
</tr>
<tr>
<td>TDHCA</td>
<td>Multifamily Direct Loan (Soft Repayable)</td>
<td>$0</td>
<td>0.00%</td>
</tr>
<tr>
<td>TDHCA</td>
<td>Mortgage Revenue Bond</td>
<td>$0</td>
<td>0.00%</td>
</tr>
<tr>
<td>JP Morgan Chase</td>
<td>Conventional Loan $22,282,000</td>
<td>4.69%</td>
<td>1st</td>
</tr>
<tr>
<td>Hunt Mortgage</td>
<td>Local Government Loan $750,000</td>
<td>4.69%</td>
<td>3rd</td>
</tr>
<tr>
<td>Fort Worth HFC</td>
<td>Local Government Loan $1,056,000</td>
<td>0.00%</td>
<td>2nd</td>
</tr>
<tr>
<td>Fort Worth HOME</td>
<td>Local Government Loan $750,000</td>
<td>2.00%</td>
<td>35</td>
</tr>
<tr>
<td></td>
<td></td>
<td>$1,056,000</td>
<td>1.00%</td>
</tr>
</tbody>
</table>

### Third Party Equity

- **Hunt Capital Partners**: $1,500,000 (0.00%) $1,289,871 (0.00%) $12,898,709 (0.00%)

### Grant

- **Sagebrook Development, LLC**: $1,377,058 (0.00%) $715,865 (0.00%)

### Other

- **Deferred Developer Fee**: $0 (0.00%) $0 (0.00%)

### Total Sources of Funds

$28,254,929

### Total Uses of Funds

$28,254,929

**INSTRUCTIONS**: Describe the sources of funds that will finance Development. The description must include construction, permanent, and bridge loans, and all other types of funds to be used for development. The information must be consistent with all other documentation in this section. Provide sufficient detail to identify the source and explain the use (in terms of the timing and any specific uses) of each type of funds to be contributed. In addition, describe/explain replacement reserves. Finally, describe/explain operating items. The narrative must include rents, operating subsidies, project based assistance, and all other sources of funds for operations. In the foregoing discussion of both development and operating funds, specify the status (dates and deadlines) for applications, approvals and closings, etc., associated with the commitments.

Describe the sources and uses of funds (specify the status (dates and deadlines) for applications, approvals and closings, etc., associated with the commitments). For Direct Loan or Tax-Exempt Bond Applications that contemplate an FHA-insured loan, this includes the anticipated date that FHA application will be submitted to HUD (if not already submitted).

Construction financing will be provided by JP Morgan Chase in the form of a construction loan in the amount of $22,282,000. The construction loan will be priced at a rate of 4.69%. Permanent financing will be provided by Hunt Mortgage in the form of a conventional loan in the amount of $8,300,000. The permanent loan will carry an interest rate of 5.11% and amortize over 35 years with a 15 year term. Hunt Capital Partners will be providing the equity based on an estimated Tax Credit allocation of $1,500,000 per annum. Hunt Capital Partners is proposing a pricing of $0.86 per LIHTC to purchase a 99.99% interest in the LLC that will own and operate the Property which amounts to total capital contributions of $12,898,709. Hunt Capital Partners will provide 10% of the total equity during construction, or $1,289,871. It is currently estimated that $715,865 of Developer Fees will be deferred and repaid within 15 years from the cash flow.

Describe the replacement reserves:

The Syndicator, Hunt Capital Partners, is requiring Replacement Reserves of $5,000 per unit per year, Operating Reserves of $540,000.

Describe the operating items (rents, operating subsidies, project-based assistance, etc., and specify the status (dates and deadlines) for applications, approvals and closings, etc., associated with the commitments).

The project has been awarded 8 Project Based Vouchers and will enter into the contract upon receiving the Certificate of Occupancy.

By signing below I acknowledge that the amounts and terms of all anticipated sources of funds as stated above are consistent with the assumptions of my institution as one of the providers of funds.

---

**Signature, Authorized Representative, Construction or Permanent Lender**

**Telephone:**

**Email address:**

If a revised form is submitted, date of submission:
## Financing Narrative and Summary of Sources and Uses

Describe all sources of funds. Information must be consistent with the information provided throughout the Application (i.e. Financing Narrative, Term Sheets and Development Cost Schedule).

<table>
<thead>
<tr>
<th>Financing Participants</th>
<th>Funding Description</th>
<th>Construction Period</th>
<th>Lien Position</th>
<th>Permanent Period</th>
<th>Lien Position</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Loan/Equity Amount</td>
<td>Interest Rate (%)</td>
<td>Loan/Equity Amount</td>
<td>Interest Rate (%)</td>
</tr>
<tr>
<td>TDHCA</td>
<td>MF Direct Loan Const. To Perm. (Repayable)</td>
<td>$1,500,000</td>
<td>1.00%</td>
<td>4th</td>
<td>$1,500,000</td>
</tr>
<tr>
<td>TDHCA</td>
<td>MF Direct Loan Const. Only (Repayable)</td>
<td>$0</td>
<td>0.00%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>TDHCA</td>
<td>Multifamily Direct Loan (Soft Repayable)</td>
<td>$0</td>
<td>0.00%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>TDHCA</td>
<td>Mortgage Revenue Bond</td>
<td>$0</td>
<td>0.00%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>JP Morgan Chase</td>
<td>Conventional Loan</td>
<td>$22,282,000</td>
<td>4.69%</td>
<td>1st</td>
<td></td>
</tr>
<tr>
<td>Hunt Mortgage</td>
<td>Conventional Loan</td>
<td>$8,300,000</td>
<td>5.11%</td>
<td>35</td>
<td>15</td>
</tr>
<tr>
<td>Fort Worth HFC</td>
<td>Local Government Loan</td>
<td>$750,000</td>
<td>4.69%</td>
<td>3rd</td>
<td>$750,000</td>
</tr>
<tr>
<td>Fort Worth HOME</td>
<td>Local Government Loan</td>
<td>$1,056,000</td>
<td>0.00%</td>
<td>2nd</td>
<td>$1,056,000</td>
</tr>
<tr>
<td><strong>Third Party Equity</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Hunt Capital Partners</td>
<td>HTC</td>
<td>$1,500,000</td>
<td>$1,289,871</td>
<td>$12,898,709</td>
<td>0.86</td>
</tr>
<tr>
<td><strong>Grant</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Deferred Developer Fee</strong></td>
<td>Saigebrook Development, LLC</td>
<td>$1,377,058</td>
<td>$715,865</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Other</strong></td>
<td></td>
<td></td>
<td></td>
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<td></td>
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INSTRUCTIONS: Describe the sources of funds that will finance Development. The description must include construction, permanent, and bridge loans, and all other types of funds to be used for development. The information must be consistent with all other documentation in this section. Provide sufficient detail to identify the source and explain the use (in terms of the timing and any specific uses) of each type of funds to be contributed. In addition, describe/explain replacement reserves. Finally, describe/explain operating items. The narrative must include rents, operating subsidies, project-based assistance, and all other sources of funds for operations. In the foregoing discussion of both development and operating funds, specify the status (dates and deadlines) for applications, approvals, and closings, etc., associated with the commitments.

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Describe the replacement reserves:

The Syndicator, Hunt Capital Partners, is requiring Replacement Reserves of $250 per unit per year, Operating Reserves of $540,000.

Describe the operating items (rents, operating subsidies, project-based assistance, etc., and specify the status (dates and deadlines) for applications, approvals, and closings, etc., associated with the commitments):

The project has been awarded 8 Project Based Vouchers and will enter into the contract upon receiving the Certificate of Occupancy.
By signing below I acknowledge that the amounts and terms of all anticipated sources of funds as stated above are consistent with the assumptions of my institution as one of the providers of funds.

<table>
<thead>
<tr>
<th>Signature, Authorized Representative, Construction or Permanent Lender</th>
<th>Printed Name</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Olivia C. Ochoa</td>
<td></td>
<td>11/15/18</td>
</tr>
</tbody>
</table>

Telephone: 214-965-2678
Email address: olivia.c.ochoa@chase.com

If a revised form is submitted, date of submission: __________
## Financing Narrative and Summary of Sources and Uses

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<th>Permanent Period</th>
<th>Perm Position</th>
</tr>
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<tbody>
<tr>
<td></td>
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<td></td>
<td></td>
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</table>
The project has been awarded 8 Project Based Vouchers and will enter into the contract upon receiving the Certificate of Occupancy.

<table>
<thead>
<tr>
<th>Source of Funds</th>
<th>Direct Loan Match</th>
<th>Reimbursement</th>
<th>City Reimbursement of Costs</th>
<th>Total Sources of Funds</th>
<th>Total Uses of Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td>TIF Reimbursement of Costs</td>
<td>$2,900,000</td>
<td></td>
<td>$134,355</td>
<td>$28,254,929</td>
<td>$28,254,929</td>
</tr>
</tbody>
</table>

**INSTRUCTIONS:** Describe the sources of funds that will finance Development. The description must include construction, permanent, and bridge loans, and all other types of funds to be used for development. The information must be consistent with all other documentation in this section. Provide sufficient detail to identify the source and explain the use (in terms of the timing and any specific uses) of each type of funds to be contributed. In addition, describe/explain replacement reserves. Finally, describe/explain operating items. The narrative must include rents, operating subsidies, project based assistance, and all other sources of funds for operations. In the foregoing discussion of both development and operating funds, specify the status (dates and deadlines) for applications, approvals and closings, etc., associated with the commitments.

Construction financing will be provided by JP Morgan Chase in the form of a construction loan in the amount of $22,282,000. The construction loan will be priced at a rate of 4.69%. Permanent financing will be provided by Hunt Mortgage in the form of a conventional loan in the amount of $8,300,000. The perm loan will carry an interest rate of 5.11% and amortize over 35 years with a 15 year term. Hunt Capital Partners will be providing the equity based on an estimated Tax Credit allocation of $1,500,000 per annum. Hunt Capital Partners is proposing pricing of $0.86 per LIHTC to purchase a 99.99% interest in the LLC that will own and operate the Property which amounts to total capital contributions of $12,898,710. Hunt Capital Partners will provide 10% of the total equity during construction, or $1,289,871. It is currently estimated that $715,865 of Developer Fees will be deferred and repaid within 15 years from the cash flow.

**Describe the replacement reserves:**

The Syndicator, Hunt Capital Partners, is requiring Replacement Reserves of $250 per unit per year, Operating Reserves of $540,000.

**Describe the operating items (rents, operating subsidies, project based assistance, etc., and specify the status (dates and deadlines) for applications, approvals and closings, etc., associated with the commitments:**

The project has been awarded 8 Project Based Vouchers and will enter into the contract upon receiving the Certificate of Occupancy.
By signing below I acknowledge that the amounts and terms of all anticipated sources of funds as stated above are consistent with the assumptions of my institution as one of the providers of funds.

Signature, Authorized Representative, Construction or Permanent Lender: [Signature]

Omar Chaudhry

Printed Name

Date: 11/14/18

Telephone: 972-803-3416

Email address: Omar.Chaudhry@huntcompanies.com

If a revised form is submitted, date of submission: [Blank]
Hi Lisa,

Regarding the HFC loan, the Resolution states that it will be only subordinate to first lien permanent financing. After consulting with Vicki Ganske the HFC Attorney, we feel we do need to let the Board know of the TCAP funding and the fact that the HFC lien position may have to subordinate to the TCAP lien. At the very minimum, we would do a short presentation and ask for a resolution. In saying that, we are willing to work with you and TDHCA to help you secure TCAP funding. Additionally, the City's HOME loan approval was subject to subordination only to first lien permanent financing and the HFC loan, if necessary we’ll do an M&C to change.

Thanks

Chad LaRoque

Housing Development and Grants Manager

City of Ft. Worth Neighborhood Services

Chad.LaRoque@fortworthtexas.gov

817-392-2661
2018 HTC
Full Application

Part 4 Tab 32
Multifamily Direct Loan
Financial Capacity

NA
Financial Capacity, Owner Equity, and Appraisal Requirements (Multifamily Direct Loan Applications Only, if applicable) [§13.8(c)(5) and (6)]

Financial Capacity (10 TAC §13.8(c)(5))
If the Department’s Direct Loan amounts to more than 50% of the Total Housing Development Cost, except for Developments also financed through the USDA §515 program, the Application MUST include:

- A letter from a Third Party CPA verifying the capacity of the Applicant, Developer, or Development Owner to provide at least 10% of the Total Housing Development Cost as a short term loan for Development; OR
- Evidence of a line of credit or equivalent tool equal to at least 10% of the Total Housing Development Cost from a financial institution that is available for use during the proposed development activities.

Owner Equity and Appraisal Requirements (10 TAC §13.8(c)(6))
If the Direct Loan is the only source of Department funding for the Development (no HTC being requested), the Development Owner MUST provide:

- equity in an amount not less than 20% of Total Housing Development Costs; and
- if proposing new construction, an "as completed" appraisal pursuant to 10 TAC §10.304 which results in total repayable loan to value of not greater than 80%; or
- if proposing rehabilitation, the "as is" appraisal required by 10 TAC §10.205(4) may meet this requirement without needing an "as completed" appraisal provided the loan to value is not greater than 80%

As a result of providing owner equity in an amount greater than 5% of Total Housing Development Costs, the following must be provided in accordance with 10 TAC §10.204(7)(C):

- A letter - not older than 6 months from the date the of Application submission - from a Third Party CPA verifying the capacity of the Development Owner to provide the proposed financing with funds that are not otherwise committed or pledged; and
- A letter - not older than 6 months from the date the of Application submission - from the Development Owner’s bank or banks confirming that such funds are and will remain available at commitment and until the required investment is completed.
Match Funds (Multifamily Direct Loan Applications Only) [§10.204(7)(E)]

Match in the amount of at least 5% of the Multifamily Direct Loan funds requested must be documented with a letter from the anticipated provider of Match indicating the provider's willingness and ability to make a financial commitment should the Development receive an award of Multifamily Direct Loan funds. The information provided must be consistent with all other documentation in the Application.

Indicate the amount and source of Match funds in the appropriate spaces in the table below.

Generally, a Related Party contribution to the Development is not considered eligible Match. Please see 10 TAC §13.2(8) as well as the Match Guidance below.

<table>
<thead>
<tr>
<th>Type of Match Pledged</th>
<th>Pledged Amount</th>
<th>Source of Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td>Non-Federal Grants</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Waived, foregone or deferred fees and charges (ex: debris removal and container fees, tap fees, building permits, other mandatory fees charged by the local municipality)</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>CANNOT INCLUDE DEVELOPER FEES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Below Market Interest Rate Loan</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Property Tax Abatement</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Donated Non-Professional Labor</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Non-Federally Funded Infrastructure</td>
<td>$2,734,355</td>
<td>TIF &amp; City Reimbursement</td>
</tr>
<tr>
<td>Rental Value of Donated Use of Site Preparation or Construction Equipment</td>
<td>$2,734,355</td>
<td>TIF &amp; City Reimbursement</td>
</tr>
<tr>
<td>Donated Construction Materials</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Donated Site Preparation</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Donated Demolition Services</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Donated Real Property</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Value of Match Pledged</td>
<td>$2,734,355</td>
<td></td>
</tr>
<tr>
<td>Total Amount of MF Direct Loan funds Requested</td>
<td>$1,500,000</td>
<td></td>
</tr>
<tr>
<td>Percentage of MF Direct Loan Funds to be Matched (Total Value of Match /MF Direct Loan Funds Requested)</td>
<td>182.29%</td>
<td></td>
</tr>
</tbody>
</table>
1. Please see the revised Rent Schedule which includes an additional 2 bedroom Direct Loan unit.

2. Please see the enclosed Sources & Uses signed by both the lender and the syndicator acknowledging the amounts and terms of all other sources of funds.
   The HOME and HFC loans have already closed; therefore, the lien positions have already been established as 2nd and 3rd respectively. To summarize, the primary perm loan will be in 1st lien position, with the HOME loan in 2nd lien position, the HFC loan in 3rd lien position and the TDHCA loan in 4th lien position. However, given that the HOME and HFC loans are both smaller than the TDHCA Direct Loan and cash flow contingent, we currently anticipate that both the HOME loan and the HFC loan will subordinate to the TDHCA Direct Loan.
   Both the HOME loan and the HFC loan are cash flow loans subject to surplus cash flow.

3. The $2.9MM in TIF funds awarded by the City is being counted towards the match requirements. The TIF funds will go towards reimbursing the developer for infrastructure costs. Please see the enclosed Developer Agreement and City Resolution.

4. The Commitment Letter was executed; therefore, the expiration date is not applicable. The Commitment Letter only expires if it is not timely executed.

5. This item is to be disregarded per Cris Simpkins.

6. Please see the enclosed AFHMP 2529-0013 expiring 12/31/2016.
RESOLUTION

Board of Directors
Tax Increment Reinvestment Zone Number Four, City of Fort Worth, Texas
(Southside TIF)

AUTHORIZING EXECUTION OF A TAX INCREMENT FINANCING (TIF) DEVELOPMENT AGREEMENT BETWEEN THE BOARD OF DIRECTORS OF TAX INCREMENT REINVESTMENT ZONE NUMBER FOUR AND MISTLETOE STATION, LLC FOR PUBLIC IMPROVEMENTS ASSOCIATED WITH THE DEVELOPMENT LOCATED IN MISTLETOE HEIGHTS ADDITION, BLOCK B, LOTS C AND D AND FRISCO ADDITION, BLOCK 3R, LOT 1-R1

WHEREAS, the Board of Directors (the “Board”) of Tax Increment Reinvestment Zone Number Four, City of Fort Worth, Texas (the “TIF District”) desires to promote the development and redevelopment of the Southside Development District area as authorized by the Fort Worth City Council and state law; and

WHEREAS, on August 30, 1999, the Board adopted a Project and Financing Plan (the “Plan”) for the TIF District, which was approved by the City Council by ordinance and in accordance with Section 311.011 of the Texas Tax Code, and which was subsequently updated by the Board on November 1, 2012, and approved by City Council on December 11, 2012; and

WHEREAS, in accordance with Section 311.010 of the Texas Tax Code, the Board may use TIF revenue only for the types and kinds of projects set forth in the Plan; and

WHEREAS, the Plan identifies public improvements that benefit the general public and facilitate development of the TIF district as an eligible expense; and

WHEREAS, Mistletoe Station, LLC (“Developer”) has proposed the new construction of multi-family apartment complex that will include between 100 and 110 mixed-income residential units, a community clubhouse with business center, a 24-hour access fitness center, sidewalk connections along Mistletoe Boulevard, west of the railroad tracks adjacent to the Development (expenditure of approximately $15,000.00), and up to $50,000.00 in traffic calming measures on Mistletoe Boulevard (“Development”); and

WHEREAS, the Developer has requested up to $2,600,000.00 from the Board to fund certain public improvements associated with the Development; and

WHEREAS, required public improvements will consist of storm sewer relocation and replacement, water line removal and replacement, and street improvements (“Public Improvements”); and

WHEREAS, consistent with the Plan, the Board now wishes to approve a Tax Increment Financing Development Agreement with the Developer to fund or reimburse Developer for the Public Improvements.

NOW, THEREFORE, BE IT RESOLVED:

Section 1. That the Board hereby authorizes a Tax Increment Financing Development Agreement with Developer for the use of tax increment to fund or reimburse the costs of the Public Improvements up to $2,600,000.00.

Section 2. That the Development shall begin by March 31, 2018 and be completed no later than March 31, 2020.

Section 3. That the Chairperson of the Board is authorized to sign this Resolution on the Board’s behalf and execute all necessary agreements and related documents in accordance with this Resolution.
Section 4. That this Resolution shall take effect immediately from and after its passage.

Approved: ________________________________
Ann Zadeh, Chair
RESOLUTION

Board of Directors
Tax Increment Reinvestment Zone Number Four, City of Fort Worth, Texas
(Southside TIF)

AUTHORIZING EXECUTION OF AMENDMENT NUMBER ONE TO A TAX INCREMENT FINANCING (TIF) DEVELOPMENT AGREEMENT BETWEEN THE BOARD OF DIRECTORS OF TAX INCREMENT REINVESTMENT ZONE NUMBER FOUR AND MISTLETOE STATION, LLC, TO INCREASE TOTAL DEVELOPMENT COSTS AND FUNDING FOR PUBLIC IMPROVEMENTS AND INFRASTRUCTURE ASSOCIATED WITH THE MISTLETOE STATION RESIDENTIAL DEVELOPMENT.

WHEREAS, the Board of Directors (the “Board”) of Tax Increment Reinvestment Zone Number Four, City of Fort Worth, Texas (the “TIF District”) desires to promote the development and redevelopment of the Southside Development District area as authorized by the Fort Worth City Council and state law; and

WHEREAS, on August 30, 1999, the Board adopted a Project and Financing Plan (the “Plan”) for the TIF District, which was approved by the City Council by ordinance and in accordance with Section 311.011 of the Texas Tax Code, and which was subsequently updated by the Board on November 1, 2012, and approved by City Council December 11, 2012; and

WHEREAS, in accordance with Section 311.010 of the Texas Tax Code, the Board may use TIF revenue only for the types and kinds of projects set forth in the Plan; and

WHEREAS, the Plan identifies public improvements that benefit the general public and facilitate development of the TIF district as an eligible expense; and

WHEREAS, the Board and Mistletoe Station, LLC (“Developer”) are currently parties to a Tax Increment Financing Development Agreement (Resolution Number 2017-08; August 23, 2017) (“Agreement”) to fund or reimburse Developer for certain public improvements associated with the new construction of a mixed-income multifamily apartment community located along Mistletoe Boulevard along the FW&W Railroad (“Development”),

WHEREAS, on July 18, 2018, the Board approved Resolution Number 2017-08-A1 revising the project start date in the Agreement from March 31, 2018 to September 30, 2018; and

WHEREAS, the Agreement requires the Developer to expend at least $20.2 million on the Development to receive $2,600,000 in reimbursement from the TIF District for eligible public improvements and infrastructure expenses; and

WHEREAS, primarily as a result of engineering modifications and construction requirements associated with the relocation and upgrade of City storm sewer infrastructure, construction costs for previously approved TIF reimbursables have increased substantially, as has the amount of investment, and the Developer is requesting additional funding in an amount not to exceed $300,000; and

WHEREAS, consistent with the Plan, the Board now wishes to approve Amendment Number One to the Agreement to increase funding from $2,600,000 to an amount not to exceed $2,900,000 and, subsequently, increase the amount that Developer is required to expend on the Development from $20.2 million to $25 million.
NOW THEREFORE, BE IT RESOLVED:

Section 1. The Board hereby authorizes execution of Amendment Number One to the Agreement to: (i) increase funding from $2,600,000 to an amount not to exceed $2,900,000 and (ii) increase the amount that Developer is required to expend on the Development from $20.2 million to $25 million.

Section 2. That the Chairperson of the Board is authorized to sign this Resolution on the Board’s behalf and execute all necessary agreements and related documents in accordance with this Resolution.

Section 3. That this Resolution shall take effect immediately from and after its passage.

Approved:  

[Signature]  
Ann Zadeh, Chair
TAX INCREMENT FINANCING
DEVELOPMENT AGREEMENT
Mistletoe Station Apartments
Mistletoe Heights Addition Block B: Lots C & D and Frisco Addition Block: 3R Lot: 1-R1

This TAX INCREMENT FINANCING DEVELOPMENT AGREEMENT ("Agreement") is entered into by and between the BOARD OF DIRECTORS OF TAX INCREMENT REINVESTMENT ZONE NUMBER FOUR, CITY OF FORT WORTH, TEXAS (the "Board"), an administrative body appointed in accordance with Chapter 311 of the Texas Tax Code (the "TIF Act") to oversee the administration of Tax Increment Reinvestment Zone Number Four, City of Fort Worth, Texas, a reinvestment zone designated by ordinance of the City of Fort Worth ("City") in accordance with the TIF Act, and MISTLETOE STATION, LLC ("Developer"), a Texas Limited Liability Company.

The Board and Developer hereby agree that the following statements are true and correct and constitute the basis upon which the Board and Developer have entered into this Agreement:

A. On November 25, 1997 the City Council adopted Ordinance No. 13259, establishing Tax Increment Reinvestment Zone Number Four, City of Fort Worth, Texas (the "TIF District"), and establishing the tax increment fund of the TIF District (the "TIF Fund").

B. On August 30, 1999 the Board adopted a project and financing plan for the TIF District, as amended by the Board on November 1, 2012 pursuant to Board Resolution No. Resolution No. 2012-2 (collectively the "TIF Project Plan"). The TIF Project Plan was approved by the City Council on August 31, 1999, as amended by the City Council on December 11, 2012, pursuant to Ordinance No. 20536-12-2012.

C. Developer proposes to complete construction of a new three-story and four-story apartment complex that will include between 100 and 110 mixed-income residential units, a community clubhouse with business center, a fitness center, and the following public improvements: storm sewer relocation and replacement north and south of Mistletoe Boulevard; water line removal and replacement; roadway and street improvements complying with all applicable City ordinances, rules, and regulations; new five-foot concrete sidewalks connecting to existing sidewalks west of the railroad tracks; and effective and reasonable traffic calming improvements on Mistletoe Boulevard to slow speeds and mitigate cut-through traffic between the railroad the development and Forest Park Boulevard in accordance with the description set forth in Exhibit "A," which is attached hereto and hereby made a part of this Agreement for all purposes (the "Development"). The Development is located entirely within the TIF District or otherwise directly benefits the TIF District. Developer has requested that the Board reimburse Developer for certain cost associated with the following public improvements associated with the Development: (1) storm sewer relocation and replacement, (2) water line removal and replacement, and (3) street improvements,
all of which are more specifically outlined and set forth in Exhibit “B,” which is attached hereto and hereby made a part of this Agreement for all purposes (the “Project”).

D. The TIF Project Plan specifically authorizes the Board to enter into agreements dedicating revenue from the TIF fund for public improvements within the TIF District. Accordingly, the costs of the Project qualify as lawful “project costs,” as that term is defined in Section 311.002(1) of the TIF Act (“Project Cost”). Accordingly, the Board is willing to reimburse Developer certain Project Costs solely in accordance with and pursuant to this Agreement.

NOW, THEREFORE, the Board and Developer, for and in consideration of the terms and conditions set forth herein, do hereby contract, covenant and agree as follows:

1. **DEVELOPER’S OBLIGATIONS.**

1.1. **Completion of Development and Project.**

1.1.1 Developer must expend or cause to be expended at least Twenty Million Two Hundred Thousand Dollars and No Cents ($20,200,000.00) in Total Development Costs on the Development (“Total Development Costs”). For purposes of this Agreement, Total Development Costs means the costs of site development and construction of the Development including the following: expenditure of approximately $15,000.00 on sidewalk connections along Mistletoe Boulevard; expenditure of up to $50,000.00 in traffic calming measures on Mistletoe Boulevard; design and consultant fees; contractor fees and construction costs; financing costs; permit and street rental fees; project management fees; legal fees; leasing commissions, tenant improvement and tenant relocation costs; tenant improvement reserves for non-leased space; the costs of equipment, supplies and materials associated with such site development and construction costs; and the costs of newly-purchased equipment, appliances, fixtures, furniture and furnishings installed in the Development. The land value for the Development shall not be included in the Total Development Costs.

1.1.2 For purposes of this Agreement, the Development will be deemed completed on the date as of which the Administrator issues a Certificate of Completion (as hereinafter defined) in accordance with Section 2.2.3. The Development must be completed in accordance with this Agreement on or before March 31, 2020 (the “Completion Deadline”).

1.1.3 If the Total Development Costs are less than Twenty Million Two Hundred Thousand Dollars and No Cents ($20,200,000.00), then the Reimbursement (as hereinafter defined) shall be reduced by a percentage equal to the percentage of the shortfall in Total Development Costs.
1.1.4 All costs incurred pursuant to the Project shall be advanced and paid for by
Developer and shall not, in any event, be paid by the Board except as a reimbursement to
Developer in accordance with this Agreement. The Project must be completed in accordance
with this Agreement by the Completion Deadline, subject to confirmation by Near Southside,
Inc., which serves as the TIF’s administrator (the “Administrator”), and issuance of a
Certificate of Completion pursuant to and in accordance with Section 2.2.3.

1.1.5 Developer will coordinate with the Administrator to develop the traffic
calming design plan, which must be approved by the City prior to the start of construction
for the traffic calming improvements.

1.2. **Approval of Plans and Specifications.**

1.2.1 Notwithstanding anything to the contrary herein, Developer will not be
eligible for reimbursement by the Board for any Reimbursement, as defined in Section 2.1
hereof, until the Administrator and the City have approved in writing all required plans,
specifications and cost estimates relative to the Project. In addition, Developer will
coordinate with the Administrator to develop the traffic calming design plan, which must
also be approved by the City prior to the start of construction on said improvements.

1.2.2 Plans for the Development shall not deviate from the Project as approved
by the Board, except minor modifications as authorized by this Section 1.2. All Project
plans, specifications and work must conform to all applicable federal, state and local laws,
ordinances, rules and regulations, including, but not limited to, federal copyright,
trademark and patent laws. Developer hereby certifies that it has secured the rights to use
the plans for the Development and to submit the plans to the Board, the Administrator or
the City, as necessary, for approval. Approval of any plans and specifications relating to
the Project or the traffic calming devices by the Administrator and the City shall not
constitute or be deemed (i) to be a release of the responsibility or liability of Developer or
any of its contractors; their officers, agents, employees and subcontractors, for the accuracy
or the competency of the plans and specifications, including, but not limited to, any related
investigations, surveys, designs, working drawings and specifications or other documents,
or (ii) an assumption of any responsibility or liability by the Board or the City for any
negligent act, error, or omission in the conduct or preparation of any investigation, surveys,
designs, working drawings and specifications or other documents by Developer or any of
its contractors; their officers, agents, employees and subcontractors. Upon written approval
of the Administrator, Developer may make minor plan modifications that do not affect the
overall design concept or reduce the size, capacities, capabilities, or quality of the Project
so long as the Project is otherwise completed as described herein and as approved by the
Board.
1.3. **Third Party Contractors.**

1.3.1 Developer may enter into agreements with third party contractors to undertake all or any portion of the Project ("**Third Party Contracts**"), provided that all such agreements executed after the Effective Date of this Agreement contain (i) a provision, similar in form to Section 5 of this Agreement, pursuant to which the contractor and any subcontractors involved in the Project agree to release, indemnify, defend and hold harmless the Board and the City from any and all damages arising as a result of or in relation to the Project and any work thereunder (except to the extent caused by the gross negligence or willful misconduct of the Board or the City) and for any negligent acts or omissions or intentional misconduct of the contractor, any subcontractors and Developer, and their officers, agents, servants and employees; (ii) a requirement that the contractor provide Developer with a bond or bonds, which Developer shall forward to the City, that guarantees the faithful performance and completion of all construction work covered by the contract and full payment for all wages for labor and services and of all bills for materials, supplies and equipment used in the performance of the contract; (iii) a requirement that the contractor provide insurance in accordance with the minimum requirements set forth in Section 4 of this Agreement; (iv) a requirement that the contractor comply with all Legal Requirements, as addressed and defined in Section 10 of this Agreement; and (v) a goal for participation in the Project by disadvantaged and minority- and woman-owned businesses (collectively "**M/WBEs**"); as addressed in Section 1.6 of this Agreement. All of the requirements contained in this Section 1.3 shall hereinafter be referred to as the "**Third Party Contract Provisions**."

1.3.2 **IF DEVELOPER ENTERS INTO ANY THIRD PARTY CONTRACT THAT DOES NOT CONTAIN ALL OF THE ABOVE THIRD PARTY CONTRACT PROVISIONS, REGARDLESS OF WHETHER DEVELOPER ENTERED INTO THE THIRD PARTY CONTRACT PRIOR TO THE EFFECTIVE DATE OF THIS AGREEMENT, AND TO THE EXTENT THAT ANY CLAIMS, DEMANDS, LAWSUITS, OR OTHER ACTIONS FOR DAMAGES OF ANY KIND, INCLUDING, BUT NOT LIMITED TO, PROPERTY LOSS, PROPERTY DAMAGE AND PERSONAL INJURY OF ANY KIND, INCLUDING, BUT NOT LIMITED TO, DEATH, TO ANY AND ALL PERSONS, OF ANY KIND OR CHARACTER, WHETHER REAL OR ASSERTED, ARISE UNDER, ON ACCOUNT OF OR IN RELATION TO THE THIRD PARTY CONTRACT FOR WHICH THE CONTRACTOR THEREUNDER WOULD HAVE BEEN REQUIRED TO INDEMNIFY, DEFEND AND HOLD HARMLESS THE BOARD AND THE CITY IF THE THIRD PARTY CONTRACT PROVISIONS HAD BEEN INCLUDED IN THE THIRD PARTY CONTRACT ("THIRD PARTY CONTRACT DAMAGES"), THEN DEVELOPER, AT DEVELOPER'S OWN EXPENSE, SHALL INDEMNIFY, DEFEND (WITH COUNSEL REASONABLY ACCEPTABLE TO THE INDEMNIFIED PARTIES HEREIN) AND HOLD HARMLESS THE BOARD AND**
THE CITY, THEIR OFFICERS, MEMBERS, AGENTS, SERVANTS, EMPLOYEES AND VOLUNTEERS, FROM AND AGAINST ANY SUCH THIRD PARTY CONTRACT DAMAGES.

1.4. Community Facilities Agreements.

For any work under the Project that is anticipated to occur in the City's public rights-of-way, easements, other City-owned property or other property owned by a governmental agency (collectively, "Public Property"), Developer will not undertake or cause to be undertaken any Project work thereon until Developer has received written approval by the owner of the Public Property. In the case of Project work that is anticipated to occur in the City's public rights-of-way, easements or other City-owned property, Developer will notify the City in writing and request a written opinion as to whether Developer must enter into a Community Facilities Agreement or other written document with the City. If any such document is required, Developer will not undertake or cause to be undertaken any affected Project work until the Community Facilities Agreement or other required written document has been executed by all parties and is in full force and effect. Developer hereby agrees to comply with all terms and conditions of any Community Facilities Agreement or other required written document with the City covering any portion of the Project work.

1.5. Financial Guaranty.

In addition to bonds provided by any third party contractors pursuant to Section 1.3 of this Agreement, Developer may not initiate or cause initiation of construction of any portion of the Project until Developer has provided the Board with adequate financial security to guaranty Developer's completion of the work once it has started. Developer shall provide its financial guaranty to the Board in one of the following forms, which shall be released upon issuance of the Certificate of Completion:

1.5.1. Bonds.

Developer shall deliver to the City a bond or bonds, executed by a corporate surety in accordance with Texas Government Code, Chapter 2253, as amended, in the full amount of each construction contract or project. The bond(s) shall guarantee (i) the satisfactory completion of the construction work to be undertaken and (ii) full payments to all persons, firms, corporations or other entities with whom Developer has a direct relationship for the performance of such construction work; or
1.5.2. Escrow Pledge Agreement.

Developer shall place a cash deposit equal to one hundred twenty-five percent (125%) of the full amount of the cost of each construction contract or project (the additional percentage taking into account change orders) in escrow with an escrow agent in the City that is acceptable to the Board, in which case (i) the Board and Developer will use reasonable efforts to negotiate an escrow agreement with such escrow agent regarding the disposition of funds in escrow and (ii) Developer shall pay all costs associated with such escrow arrangement. The escrow agreement will outline a process under which Developer may receive draws from the escrowed funds in order to pay the costs of the Project after the Board has verified completion of the construction work for which payment is sought and, if a contractor was used for such construction work, that all parties associated with such work have been fully paid.

1.6. M/WBE Goals.

In satisfaction of the Board’s obligations under Section 311.0101 of the TIF Act, Developer shall consult with the City’s Minority/Women Business Enterprise Office in establishing a goal for Developer to utilize M/WBEs in undertaking any work on the Project following the date of execution of this Agreement.

1.7. Deadlines for Completion of Development and Project.

Developer shall cause the entire Development, including, without limitation the Project, to be completed by not later than Completion Deadline. For purposes of this Agreement, the Administrator will issue a Certificate of Completion when (i) the City has issued at least a temporary certificate of occupancy for full human occupancy of the entire Development and (ii) the Developer has complied with the requirements for completion in accordance with Section 2.2.3 of this Agreement.

1.8 Payment of All Taxes.

Developer will not allow any applicable ad valorem real property taxes with respect to the land or the Development, or any ad valorem taxes with respect to any tangible personal property located on the land or within the Development (owned by Developer or its affiliates), to become delinquent without following in a timely and proper manner the legal procedures for protest and/or contest of any such ad valorem real property or tangible personal property taxes.
2. **REIMBURSEMENT BY BOARD.**

2.1. **Amount of Reimbursement.**

Provided that Developer has completed the entire Development, including, without limitation, the Project, by the Completion Deadline in accordance with this Agreement and has complied with all other terms and conditions of this Agreement, and subject to the provisions of Section 6 of this Agreement, the Board will reimburse Developer the Developer's Qualified Costs upon completion of the Project not to exceed the lesser of (i) Developer’s Qualified Costs in completing the Project or (ii) Two Million Six Hundred Thousand and No Cents ($2,600,000.00) of Developer’s Qualified Costs in completing the Project (the “Reimbursement”) within thirty (30) calendar days following issuance of a Certificate of Completion (as defined in Section 2.2.3 of this Agreement) and as more specifically provided in this Section 2; provided, however, that if there are not sufficient revenues in the TIF Fund at such time, the financial obligations of the Board to Developer under this Agreement will be carried forward without interest to the next fiscal year of the TIF District in which there are sufficient revenues in the TIF Fund to satisfy such obligations. For purposes of this Agreement, “Qualified Costs” means the actual costs incurred by Developer in completing the Project, provided that those Qualified Costs are for Project work that is specifically described in and authorized by Exhibit “B” and are also allowable Project Costs under the TIF Act. In no event will the Board pay Developer any portion of the Reimbursement prior to issuance of a Certificate of Completion in accordance with Section 2.2.3 or reimburse Developer for any Qualified Costs in excess of Two Million Six Hundred Thousand and No Cents ($2,600,000.00) (“Maximum Reimbursement Amount”).

2.2. **Process for Reimbursement.**

2.2.1. **Inspections.**

Prior to issuance of the Certificate of Completion, at any time during normal office hours and following reasonable notice to Developer, the Board and any authorized designee shall have, and Developer shall provide, access to the Project site in order for the Board and any authorized designee to inspect the Project in order to ascertain Developer’s compliance with this Agreement. In addition, the Board and any authorized designee shall have the right to inspect all work undertaken on the Project in order for the Board or any authorized designee to inspect and evaluate such work. Developer shall cooperate fully with the Board during any such inspection or evaluation.
2.2.2. Audits.

At any time prior to issuance of a Certificate of Completion issued pursuant to Section 2.2.3 of this Agreement and for a period of two (2) years thereafter, the Board shall have the right to have audited the financial and business records of the Developer that relate to the Project (collectively, the “Records”) in order to assist the Board in verifying that any given expenditure by Developer qualifies as a Qualified Cost under Section 2.1 of this Agreement. Developer shall make all Records available to the Board or any authorized designee at the Fort Worth Municipal Building, 200 Texas Street or at another location in the City following reasonable advance notice by the Board and shall otherwise cooperate fully with the Board during any audit. Notwithstanding anything to the contrary herein, this Section 2.2.2 shall survive termination or expiration of this Agreement.

2.2.3 Certificate of Completion.

Once the Development has received the requisite certificate of occupancy from the City in accordance with Section 1.7(i); and all work on the Development, including, without limitation, the Project, has been completed by the Completion Deadline; and Developer has complied with all of its obligations under any Community Facilities Agreement or other required written document between Developer and the City relating to the Project, Developer shall submit a completion report, signed by an officer of Developer, to the Administrator. Such completion report shall state (i) the specific work completed under the Development; (ii) the specific work completed under the Project; (iii) the amount of money that Developer paid for completion of the Project and that Developer claims as a Qualified Cost; and (iv) all supporting invoices and other documents showing that such amounts were actually paid by Developer. Subject to the provisions of this Section 2.2, the Administrator will issue a certificate of completion to Developer within thirty (30) calendar days following receipt of Developer’s completion report that sets forth the actual amount of Reimbursement that Developer will be entitled to receive under this Agreement (“Certificate of Completion”).

2.3. Limited to Available TIF Funds.

Notwithstanding anything to the contrary herein, and subject to Section 2.4, Developer understands and agrees that the Board will be required to pay the Reimbursement only from available revenues in the TIF Fund that are attributable solely to tax increment (as defined in Section 311.012 of the Texas Tax Code) generated annually from property located in the TIF District and deposited into the TIF Fund in accordance with the TIF Act.
2.4. **Priority of Payment.**

Notwithstanding anything to the contrary herein, Developer understands and agrees that any obligation of the Board to pay all or any portion of the Reimbursement Amount shall be subject and subordinate to the Board’s right to retain reserves in the TIF Fund in any fiscal year to meet all existing contractual obligations of the Board. Specifically and without limiting the generality of the foregoing, the following payments, as obligated by the following existing contractual obligations, shall have priority over payment by the Board of all or any portion of the Reimbursement Amount:

(i) Payments made pursuant to that certain Agreement by and among the City, the Board, and the Central City Local Government Corporation dated to be effective December 7, 2005 (Magnolia Green Parking Garage);

(ii) Payment made pursuant to that certain Tax Increment Financing Development Agreement between the Board and Fort Worth Southside Development District, Inc. approved by the Board on July 27, 2006 (Oleander Walk Phase II);

(iii) Payment made pursuant to that certain Tax Increment Financing Development Agreement between the Board, Fort Worth South, Inc. and the City, approved by the Board on June 24, 2009 (Magnolia Streetscape Repair and Maintenance, Phase III);

(iv) Payment made pursuant to that certain Tax Increment Financing Development Agreement between the Board and the Dalal Group, LLC for streetscape improvements approved by the Board on March 29, 2012 (1410 S. Jennings Ave.);

(v) Payment made pursuant to that certain Tax Increment Financing Development Agreement between the Board and Fort Worth South, Inc. for 100% design and engineering associated with South Main approved by the Board on November 1, 2012 (100% Engineering, Design, Construction for S. Main);

(vi) Payment made pursuant to that certain Tax Increment Funding Agreement between the Board and the City of Fort Worth for public improvements associated with the 2014 CIP Match approved by the Board on November 6, 2013 (2014 CIP/TIF Street Improvement);

(vii) Payment made pursuant to that certain Tax Increment Financing Development Agreement between the Board and Fort Worth Bike Sharing for System Support associated with the Bike Share Stations located within the TIF#4 Boundary, approved by the Board on August 12, 2015 (Fort Worth Bike Share)
(viii) Payment made pursuant to Amendment No.2 to a Tax Increment Financing Development Agreement between the Board and Fort Worth South, Inc., to authorize a multi-year TIF Maintenance Agreement with Fort Worth South, Inc. for annual landscaping, fertilizing, grass cutting, trash pick-up, pedestrian lighting, and irrigation of the Watts Park, approved by the Board on December 16, 2015 (Watts Park Maintenance continued)

(ix) Payment made pursuant to that certain Tax Increment Financing Development Agreement between the Board and Oleander Investments, LLC for public improvements associated with Lang Partners Oleander Apartments approved by the Board on April 6, 2016 (Lang Partners Oleander Apartments);

(x) Payment made pursuant to that certain Tax Increment Financing Development Agreement between the Board and 117 St. Louis, LLC for public improvements associated with Dickson-Jenkins Building approved by the Board on April 6, 2016 (Dickson-Jenkins Building);

(xi) Payment made pursuant to that certain Tax Increment Financing Development Agreement between the Board and Columbia Plaza Medical Center Fort Worth Subsidiary, L.P. for public improvements associated with Plaza Medical Center approved by the Board on April 6, 2016 (Plaza Medical Center);

(xii) Payment made pursuant to that certain Tax Increment Financing Development Agreement between the Board and 1455 Magnolia, LLC for public improvements associated with 1455 Magnolia approved by the Board on April 6, 2016 (1455 Magnolia);

(xiii) Payment made pursuant to that certain Tax Increment Financing Development Agreement between the Board and Near Southside, Inc. for Traffic and Circulation Studies on Eighth Avenue and Hemphill Street approved by the Board on April 6, 2016 (Eighth and Hemphill Circulation Studies)

(xiv) Payment made pursuant to that certain Tax Increment Financing Development Agreement between the Board and StoneHawk Capital Partners, LLC for public improvements associated with the development of an apartment complex located between E. Broadway Ave. and E. Annie St., Crawford St. and S. Jones St., approved by the Board on August 3, 2016 (East Broadway Apartments)

(xv) Payment made pursuant to that certain Tax Increment Financing Development Agreement with Melchiors Holdings, LLC for public improvements associated with the development of a newly constructed three-story, commercial building with
approximately 30 small rental office spaces located at 1201 & 1205 Evans Ave. and 912 E. Oleaner St.; Graves & McDaniel #1 Sub Block: 1; Lot 1A; Lot 2; & Lot 32A, approved by the Board on December 7, 2016 (Container Office Building)

(xvi) Payment made pursuant to that certain Tax Increment Financing Development Agreement between the Board and Daggett Southside Holdings, LLC for public improvements associated with the development of a newly constructed three-story mixed-use building located at 209 St. Louis Ave., 208 & 214 Galveston Ave., Smith-Jones & Daggett Addition, Block 3, Lot 9, 10, 11, 12 approved by the Board on April 19, 2017 (209 St. Louis Ave., 208 and 214 Galveston Ave. Mixed-Use);

(xvii) Payment made pursuant to that certain Tax Increment Financing Development Agreement between the Board and Fort Worth South, Inc. for final design, engineering, and construction of two public parks located on parcels adjacent to the E. Broadway Apartments project located on E. Broadway Ave. approved by the Board on April 19, 2017 (S. Main Village Public Parks Final Design/ Engineering/Construction);

(xviii) Payment made pursuant to that certain Tax Increment Financing Funding Agreement between the Board and Fort Worth South, Inc. for final design and construction of accessibility ramps and other sidewalk improvements along the south side of W. Vickery Boulevard between College Ave. and Lipscomb approved by the Board on April 19, 2017 (W. Vickery Boulevard Accessibility Improvements);

(xix) Payment made pursuant to that certain Tax Increment Financing Development Agreement between the Board and SoMa District Development, LLC for public improvements associated with the development of a remodel and restoration of four 1920’s buildings fronting South Main Street and transformation of the public alley behind the building into a public plaza and play space located at 105 and 125 S. Main St., Daggett 2nd Addition, Block 3, Lots 2, 3A., 3B, and 4 approved by the Board on June 7, 2017 (SoMa District Development);

(xx) Payment made pursuant to that certain Tax Increment Financing Development Agreement between the Board and Dolabi Development, LLC for public improvements associated with the development of hotel, parking garage, residential condominiums located at McClellan’s Sub Division Block 3, Lots 1, 2, 3, 4, 5, 6, 13, 14, 15, 16 and Block 4, Lots at 9R, 10R, 11, 12, 13, 14, 15, 16 approved by the Board on June 7, 2017 (Magnolia Mixed-Use - Infrastructure)

(xxii) Payment made pursuant to that certain Tax Increment Financing Development Agreement between the Board and Central City Local Government Corporation to
fund an easement for 150 public parking spaces associated with the development of a newly constructed hotel, 16-20 unit for-purchase residential condominiums, approximate 400 space parking garage, and a public storm water detention/green space located on McClellan’s Sub Division Block 3, Lots 1, 2, 3, 4, 5, 6, 13, 14, 15, 16 and Block 4, Lots at 9R, 10R, 11, 12, 13, 14, 15, 16 at 1200, 1201, 1204, 1205, 1211, 1212, 1214, 1215, 1217 S. Henderson St.; 1201 & 1215 5th Ave.; 1120 W. Magnolia Ave. approved by the Board on June 7, 2017 (Magnolia Mixed Use - Parking)

3. TERM.

The term of this Agreement shall be effective as of August 23, 2017 ("Effective Date") and expire upon the earlier of (i) the complete performance of all obligations and conditions precedent by the Board and Developer; (ii) termination by either the Board or Developer as permitted by this Agreement; or (iii) termination of the TIF District in accordance with Section 311.017 of the TIF Act.

4. INSURANCE.

4.1 Developer shall maintain at all times, in full force and effect, a policy or policies of insurance as specified in this Section 4, naming the Board and the City as additional insureds and covering all risks related to the Project. The insurance required hereunder may be met by a combination of self-insurance and primary or excess policies. Developer shall provide proof of all requirements stated herein to the Administrator prior to beginning any work on the Project.

4.1.1 Types and Amounts of Coverage Required

- **Commercial General Liability:** $500,000 per occurrence.
- **Automobile Liability:** $500,000 per occurrence, covering all automobiles used in the undertaking of the Public Improvement, if any.
- **Excess Liability Umbrella:** $1 million.
- **Worker's Compensation:** As required by law.

4.2 Miscellaneous

4.2.1 Revisions to Required Coverage. These insurance requirements shall be subject to change upon a reasonable request by the City's Risk Manager. Within fourteen (14) calendar days of receipt of written notice of any such request, Developer agrees to comply with such revised insurance requirements. Policies
shall not have exclusions that nullify or alter the required lines of coverage, or decrease the limits of said coverages required by this Agreement, unless such endorsements are approved in writing by the City’s Risk Manager. The policy or policies of insurance shall be endorsed to provide that no material changes in coverage, including, but not limited to, cancellation, termination, non-renewal, or amendment, shall be made without thirty (30) days’ prior written notice to the City and Board.

4.2.2 Underwriters and Certificates. Developer shall procure and maintain its insurance with underwriters who are authorized to do business in the State of Texas and who are acceptable to the City and Board in terms of solvency and financial strength. Within ten (10) business days following execution of this Agreement, Developer shall furnish the City and Board with certificates of insurance signed by the respective companies as proof that it has obtained the types and amounts of insurance coverage required herein. In addition, Developer shall, on demand, provide the City with evidence that it has maintained such coverage in full force and effect.

4.2.3 Deductibles. Deductible or self-insured retention limits on any line of coverage required herein shall not exceed $1,000,000.00 in the annual aggregate unless the limit per occurrence or per line of coverage, or aggregate is otherwise approved by the City.

4.2.4 Waiver of Subrogation. Developer shall require all insurance policies to contain a waiver of subrogation endorsement in favor of the City and Board.

4.2.5 No Limitation of Liability. The insurance requirements set forth in this section and any recovery by the City or Board of any sum by reason of any insurance policy required under this Agreement shall in no way be construed or affected to limit or in any way affect Developer’s liability to the City or other persons as provided by this Agreement or law.

5. INDEMNIFICATION.

5.1 Developer agrees to defend, indemnify and hold harmless the TIF Board, its officers, agents, representatives, and employees, and the City, its officers, agents, representatives, and employees, from and against any and all claims, lawsuits, costs and expenses for personal injury (including death, property damage or other harm for which recovery of damages is sought that may arise out of or be occasioned by developer’s breach of any of the terms or provisions of this Agreement, or by any negligent act or omission.
OF DEVELOPER, ITS OFFICERS, AGENTS, ASSOCIATES, EMPLOYEES,
CONTRACTORS (OTHER THAN THE BOARD AND THE CITY) OR SUBCONTRACTORS,
IN THE PERFORMANCE OF THIS AGREEMENT, INCLUDING, BUT NOT LIMITED TO,
THE UNDERTAKING OF THE DEVELOPMENT AND THE PROJECT. IN THE EVENT
OF JOINT AND CONCURRENT NEGLIGENCE OF BOTH DEVELOPER AND THE
BOARD, RESPONSIBILITY, IF ANY, SHALL BE APPORTIONED COMPARATIVELY IN
ACCORDANCE WITH THE LAWS OF THE STATE OF TEXAS, WITHOUT, HOWEVER,
WAIVING ANY GOVERNMENTAL IMMUNITY AVAILABLE TO THE BOARD AND THE
CITY UNDER TEXAS OR FEDERAL LAW. THE PROVISIONS OF THIS PARAGRAPH
ARE SOLELY FOR THE BENEFIT OF THE PARTIES HERETO AND THE CITY AND
ARE NOT INTENDED TO CREATE OR GRANT ANY RIGHTS, CONTRACTUAL OR
OTHERWISE, TO ANY OTHER PERSON OR ENTITY.

5.2 DEVELOPER HEREBY ACKNOWLEDGES THAT NEITHER THE BOARD
NOR THE CITY CAN GUARANTEE OR CONTROL THE TAXABLE APPRAISED VALUE
OF PROPERTY WITHIN THE TIF DISTRICT, AND THUS CANNOT GUARANTEE OR
CONTROL THE AMOUNT OF TAX INCREMENT THAT MAY BE DEPOSITED INTO THE
TIF FUND THROUGHOUT OR AT ANY TIME DURING THE TERM OF THE TIF
DISTRICT. DEVELOPER HAS ENTERED INTO THIS AGREEMENT WITHOUT
RELYING ON ANY ASSERTIONS, REPRESENTATIONS OR ASSUMPTION THAT MAY
HAVE BEEN MADE BY THE BOARD AND/OR THE CITY, THEIR OFFICERS, AGENTS,
SERVANTS AND EMPLOYEES, WITH RESPECT TO THE TIF DISTRICT'S FINANCING
PLAN AND THE POTENTIAL IMPACT OF TAX INCREMENT THAT MAY BE
DEPOSITED INTO THE TIF FUND THROUGHOUT OR AT ANY TIME DURING THE
TERM OF THE TIF DISTRICT. DEVELOPER HEREBY AGREES TO RELEASE AND
HOLD HARMLESS THE BOARD AND THE CITY, THEIR OFFICERS, AGENTS,
SERVANTS, EMPLOYEES AND CONTRACTORS, FOR ANY DAMAGES OR CLAIMS,
INCLUDING, BUT NOT LIMITED TO, DAMAGES FOR LOST INVESTMENT, LOST OR
UNREALIZED PROFITS OR INVESTMENT, AND LOST OR UNREALIZED FINANCING,
THAT MAY ARISE OUT OF OR BE OCCASIONED BY A FAILURE OF THE TIF
DISTRICT TO PRODUCE SUFFICIENT TAX INCREMENT TO SUPPORT ALL OF THE
BOARD'S FINANCIAL OBLIGATIONS UNDER THIS AGREEMENT OR TO MEET ANY
FINANCIAL BENCHMARKS, MILESTONES OR PERFORMANCES ANTICIPATED BY
DEVELOPER

6. DEFAULT.

6.1. Failure to Start Development and Project.

Developer shall have acquired all building permits on or before September 30,
2018, as same may be extended by the Board pursuant to an amendment to this Agreement
executed in accordance with the requirements of Section 20 (the “Start Date”). If
Developer has not acquired building permits in accordance with this section, the Board shall have a unilateral right, but not the obligation, to terminate this Agreement immediately by providing written notice to Developer, in which case neither Developer, nor any other entity performing on behalf of Developer, shall be entitled to receive any of the Reimbursement.

6.2. **Failure to Complete Development and Project.**

If Developer has not completed the entire Development and Project by the Completion Deadline, the Board will have a unilateral right, but not the obligation, to terminate this Agreement immediately by providing written notice to Developer, in which case Developer shall not be entitled to receive any of the Reimbursement.

6.3. **Failure to Comply with Other Terms or Conditions.**

If either party defaults under any provision of this Agreement other than as addressed in Sections 6.1 or 6.2, the non-defaulting party shall provide the defaulting party with a written notice that specifies the nature of the default. The defaulting party will have thirty (30) calendar days following receipt of such written notice to cure the default. After such time, if the default remains uncured, the non-defaulting party may, at its option, terminate this Agreement and pursue any and all other available remedies without the necessity of further notice to or demand upon the defaulting party; provided that (i) if the defaulting party proceeds in good faith and with due diligence to cure the default within thirty (30) calendar days, but reasonably needs additional time to cure the default fully, then the non-defaulting party will not be entitled to pursue the above remedies, and (ii) if the non-defaulting party elects to terminate this Agreement as a remedy for default, it will notify the defaulting party in writing.

7. **SUCCESSORS AND ASSIGNS.**

Developer may not assign its rights or obligations under this Agreement to any other party without the advance written approval of the Board, which shall not be unreasonably withheld or delayed, provided that the any proposed assignee first executes an agreement with the board pursuant to which the assignee agrees to be bound by the duties and obligations of Developer hereunder. This Agreement shall be binding on and inure to the benefit of the parties, their respective successors and assigns.

8. **NOTICES.**

All written notices called for or required by this Agreement shall be addressed to the following, or such other party or address as either party designates in writing, by certified mail, postage prepaid, or by hand delivery:
Near Southside, Inc:

Board of Directors
Southside TIF
Attn: Paul F. Paine, Administrator
1606 Mistletoe Boulevard
Fort Worth, TX 76104

with a copy to:

City of Fort Worth
Director, Economic Development Department
and City Attorney
200 Texas Street
Fort Worth, TX 76102

Developer:

Mistletoe Station, LLC
Attn: Megan Lasch
5501-A Balcones Dr. #302
Austin, Texas 78731

9. VENUE AND CHOICE OF LAW.

This Agreement shall be construed in accordance with the laws of the State of Texas and applicable ordinances, rules, regulations or policies of the City. Venue for any action under this Agreement shall lie in the State Courts of Tarrant County, Texas, or the United States District Court for the Northern District of Texas, Fort Worth Division. This Agreement is performable in Tarrant County, Texas.

10. COMPLIANCE WITH LEGAL REQUIREMENTS.

This Agreement is subject to all applicable federal, state and local laws, ordinances, rules and regulations, including, but not limited to, all provisions of the City’s Charter and ordinances, as amended, and violation of the same shall constitute a default under this Agreement. In undertaking any work on the Project, Developer, its officers, agents, servants, employees, contractors and subcontractors shall comply with all federal, state and local laws and all ordinances, rules and regulations of the City, as such laws, ordinances, rules and regulations exist or may hereafter be amended or adopted (collectively, “Legal Requirements”).

11. NO WAIVER.

The failure of either party to insist upon the performance of any term or provision of this Agreement or to exercise any right granted hereunder shall not constitute a waiver of that party’s right to insist upon appropriate performance or to assert any such right on any future occasion.
12. **GOVERNMENTAL POWERS.**

   It is understood that by execution of this Agreement, neither the Board nor the City waives or surrenders any of their governmental powers or immunities.

13. **FORCE MAJEURE.**

   It is expressly understood and agreed by the parties to this Agreement that if the performance of any obligations hereunder is delayed by reason of war, civil commotion, acts of God, inclement weather, governmental restrictions, regulations, or interferences, unreasonable delays by the City in issuing any permits or certificates of occupancy or conducting any inspections of or with respect to the Project (based on the amount of time that the City customarily requires in undertaking such activities and based on the then-current workload of the City department(s) responsible for undertaking such activities), or delays caused by unforeseen construction or site issues, fire or other casualty, court injunction, necessary condemnation proceedings, acts of the other party, its affiliates/related entities and/or their contractors, or any actions or inactions of third parties or other circumstances which are reasonably beyond the control of the party obligated or permitted under the terms of this Agreement to do or perform the same, regardless of whether any such circumstance is similar to any of those enumerated or not, the party so obligated or permitted shall be excused from doing or performing the same during such period of delay, so that the time period applicable to such design or construction requirement shall be extended for a period of time equal to the period such party was delayed.

14. **BOARD REPRESENTATIVE.**

   Developer understands and agrees that, in addition to the Administrator, the Board, in its sole discretion, may also appoint certain City staff members, a City department or another entity to serve as its representative in carrying out any or all of the responsibilities of the Board hereunder, and that references to “the Board” in this Agreement mean the Board in its entirety or any such designated representative.

15. **NO THIRD PARTY RIGHTS.**

   This Agreement is solely for the benefit of the parties hereto and is not intended to create or grant any rights, contractual or otherwise, to any other person or entity.

16. **SEVERABILITY.**

   If any provision of this Agreement is held to be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired.
17. **COUNTERPARTS.**

This Agreement may be executed in any number of counterparts, each of which shall be deemed an original and constitute one and the same instrument.

18. **CAPTIONS.**

The captions to the various clauses of this Agreement are for informational purposes only and shall not alter the substance of the terms and conditions of this Agreement.

19. **BOYCOTT**

Developer acknowledges that in accordance with Chapter 2270 of the Texas Government Code, the Board is prohibited from entering into a contract with a company for goods or services unless the contract contains a written verification from the company that it: (1) does not boycott Israel; and (2) will not boycott Israel during the term of the contract. The terms “boycott Israel" and “company” shall have the meanings ascribed to those terms in Section 808.001 of the Texas Government Code. **By signing this Agreement, Developer certifies that Developer’s signature provides written verification to the Board that Developer: (1) does not boycott Israel; and (2) will not boycott Israel during the term of the Agreement.**

20. **ENTIRETY OF AGREEMENT.**

This Agreement, including any exhibits attached hereto and any documents incorporated herein by reference, contains the entire understanding and agreement between the Board and Developer, their assigns and successors in interest, as to the matters contained herein. Any prior or contemporaneous oral or written agreement is hereby declared null and void to the extent in conflict with any provision of this Agreement. This Agreement shall not be amended unless executed in writing by both parties and approved by the Board in an open meeting held in accordance with Chapter 551 of the Texas Government Code.
IN WITNESS WHEREOF, the undersigned have caused this Agreement to be executed effective as of the Effective Date:

BOARD OF DIRECTORS OF TAX INCREMENT REINVESTMENT ZONE NUMBER FOUR CITY OF FORT WORTH, TEXAS:

By: ___________________________
   Ann Zadeh
   Chairman

DEVELOPER,
Mistletoe Station, LLC,
a Texas Limited Liability Company

By: Saigebrook Mistletoe, LLC
   a Texas Limited Liability Company, its managing member:

By: ___________________________
   Lisa Stephens
   Managing Member

Approved as to form and legality:

By: ___________________________
   Tyler F. Wallach
   Senior Assistant City Attorney

Date of Board Approval: August 23, 2017

Contract Compliance Manager:

By signing, I acknowledge that I am the person responsible for the monitoring and administration of this contract, including ensuring all performance and reporting requirements.

Name: ____________________________
Title: Business Development Coordinator

Agreement for Mistletoe Station Apartments
TIF Development Agreement
between Southside TIF and Mistletoe Station, LLC
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Rev. 08/2016
v20160818
EXHIBIT “A”

DEVELOPMENT DESCRIPTION

Development Description Detail Narrative:

A new three-story and four-story apartment complex that will include between 100 and 110 mixed-income residential units, a community clubhouse with business center, a fitness center, and the following public improvements: storm sewer relocation and replacement north and south of Mistletoe Boulevard; water line removal and replacement; roadside and street improvements complying with all applicable City ordinances, rules, and regulations; new five-foot concrete sidewalks connecting to existing sidewalks west of the railroad tracks (expenditure of approximately $15,000); and effective and reasonable traffic calming improvements on Mistletoe Boulevard to slow speeds and mitigate cut-through traffic between the railroad and Forest Park Boulevard (expenditure not to exceed $50,000).

Legal Description of Property:
Mistletoe Heights Addition, Block B, Lots C and D and Frisco Addition, Block 3R, Lot 1-R1

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<th>PROJECT DATA</th>
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<td>Units:</td>
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<td>One Bedroom: 650 Area (SF): 9 12 21 19% Building:</td>
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<tr>
<td>Three Bedrooms: 1,092 Area (SF): 4 18 22 20% Building:</td>
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<tr>
<td>Total: 94,624 Area (SF): 20 90 110 Units</td>
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<td>Total Parking Provided: 141 Spaces</td>
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<td>1.28 Spaces/Unit</td>
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Agreement for Mistletoe Station Apartments
TIF Development Agreement
between Southside TIF and Mistletoe Station, LLC
Page 20 of 27

Rev. 08/2016
v20160318
CONCEPTUAL RENDERINGS
EXHIBIT “B”

PROJECT DESCRIPTION AND COSTS

Project Description, including Cost Estimate
Storm sewer relocation and replacement north and south of Mistletoe Boulevard; sanitary sewer and water line removal and replacement as shown in Exhibit A; roadside and street improvements, including a realignment of the current Beckham Street, that comply with all applicable City ordinances, rules, and regulations, including, without limitations, the Near Southside design standards and any Urban Design Commission approvals.

The cost of each line item of the following budget is an estimate only. The actual cost of a particular line item may exceed or be less than the estimated cost without penalty to Developer. It is expected that the aggregate costs of the Project will exceed the Maximum Reimbursement Amount specified in Section 2.1 of the Agreement, but the amount of the Reimbursement payable under this Agreement shall not exceed such Maximum Reimbursement Amount.

Project Budget and Eligible TIF Costs:

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<th>Budget Item No.</th>
<th>Description</th>
<th>Specification Section No.</th>
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TOTAL UNIT I: WATER IMPROVEMENTS | 124,000.00 |
### UNIT II: SANITARY SEWER IMPROVEMENTS

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**TOTAL UNIT II: SANITARY SEWER IMPROVEMENTS:** 74000.00

### UNIT III: DRAINAGE IMPROVEMENTS

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**TOTAL UNIT III: DRAINAGE IMPROVEMENTS:** 200200.00

### UNIT IV: PAYING IMPROVEMENTS

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**TOTAL UNIT IV: PAYING IMPROVEMENTS:** 253000.00
The document appears to be a bid proposal for construction work, specifically for lighting improvements. It includes various items and their specifications, quantities, unit prices, and total values. Here is the text converted into a plain text representation:

### Bid Proposal

**Project Item Information**

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<th>Bid Item No.</th>
<th>Description</th>
<th>Specification Section No.</th>
<th>Unit of Measure</th>
<th>Std Quantity</th>
<th>Unit Price</th>
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**TOTAL UNIT V: STREET LIGHTING IMPROVEMENTS**

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**Bid Summary**

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### Bid Proposal

**Project Item Information**

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**Bid Summary**

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**Total Construction Bid**

|          |                                                               |                           |                 |             |           | $489,739.00 |

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Agreement for Mistletoe Station Apartments
TIF Development Agreement
between Southside TIF and Mistletoe Station, LLC
Page 27 of 27
Rev. 08/2016
v20160918
2018 HTC
Full Application

Part 4 Tab 34

Finance Scoring
### Finance Scoring (for Competitive HTC Applications ONLY)

| Self Score Total | 33 |

#### 1. Commitment of Development Funding by Local Political Subdivision (§11.9(d)(2))

**Name of the Local Political Subdivision providing the funding:**

- **NA**

- A letter from an official of the political subdivision stating that the political subdivision will provide a loan, grant, reduced fees or contribution of other value type, and the terms under which it will be provided is in the application.

- The dollar value of the contribution must be in the letter and must equal $500 or more if Urban and $250 or more if Rural or USDA.

- The commitment of development funding is reflected in the Application as a financial benefit to the Development, i.e. reported as a source of funds on the Sources and Uses Form and/or reflected in a lower cost in the Development Cost Schedule, such as notation of a reduction in building permits and related costs.

**Total Points Claimed:** 0

#### 2. Financial Feasibility (§11.9(e)(1))

- Eligible Pro-Forma and letter stating the Development is financially feasible.

- Eligible Pro-Forma and letter stating Development and Principals are acceptable.

**Total Points Claimed:** 0

#### 3. Leveraging of Private, State, and Federal Resources (§2306.6725(a)(3); §11.9(e)(4))

- Percent of Units restricted to serve households at or below 30% of AMGI
  - 7.27%

- HTC funding request as a percent of Total Housing Development Cost
  - 5.31%

**Eligibility for points:**

- Development Leverages CDBG Disaster Recovery, HOPE VI, RAD or Choice Neighborhood Funding
  - 0

- Housing Tax Credit Request
  - 3

- Housing Tax Credit Request
  - 2

- Housing Tax Credit Request
  - 1

*Be sure no more than 50% of Developer fees are deferred.*

**Total Points Claimed:** 0
2018 HTC
Full Application

Part 4 Tab 35

Finance Supporting Documents
ALL SUPPORTING DOCUMENTS MUST BE CONSISTENT WITH THE SOURCES AND USES

- Executed Pro Forma from Permanent or Construction Lender
- Letter from lender regarding approval of Principals (consistent with Template)
- Evidence of all Permanent and Construction Financing (term sheets, loan agreements)
- Evidence of any Gap Financing, terms included
- Evidence of any Owner Contributions, with financial support if required
- Evidence of Equity Financing (HTC applications only)
- Letter from Texas Historical Commission (THC) indicating preliminary eligibility for historic (rehabilitation) tax credits and documentation of Certified Historic Structure status as detailed in QAP §11.9(e)(6) was submitted behind TAB 19.
- Letter from Local Political Subdivision evidencing a loan, grant, reduced fees or contribution of other value to benefit the Development. [QAP §11.9(d)(2)]
- Evidence of Rental Assistance/Subsidy
2018 HTC
Full Application

Part 4 Tab 35

Supporting Documents:
Construction and Permanent Financing Letters and
Gap Financing and/or Owner Contributions
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.

CONSTRUCTION DEED OF TRUST, ABSOLUTE ASSIGNMENT OF RENTS, SECURITY AGREEMENT AND FINANCING STATEMENT

THE STATE OF TEXAS

COUNTY OF TARRANT

THIS CONSTRUCTION DEED OF TRUST, ABSOLUTE ASSIGNMENT OF RENTS, SECURITY AGREEMENT AND FINANCING STATEMENT (this “Deed of Trust”) is made by MISTLETOE STATION, LLC, a Texas limited liability company, organized under the laws of the State of Texas, file number 802794224 (“Mortgagor”), to Randall Durant, of Tarrant County, Texas, as Trustee (“Trustee”), for the benefit of JPMORGAN CHASE BANK, N.A., a national banking association (“Mortgagee”).

For $10 and other consideration, the receipt and sufficiency of which are hereby acknowledged, subject to the Permitted Encumbrances, Mortgagor grants to Trustee the Mortgaged Property (defined below) in trust, to secure the payment of the Debt (defined below), and grants a security interest in, pledges and assigns to Mortgagee, all Collateral (defined below) owned by Mortgagor or in which Mortgagor has rights or the power to transfer rights and all Collateral in which Mortgagor later acquires ownership, other rights or the power to transfer rights, to secure payment of the Debt. As additional consideration, Mortgagorollarally assigns to Mortgagee the Rents (defined below) as security for the Debt. The conveyance of the Mortgaged Property is subject to the Permitted Encumbrances (defined below). Mortgagor agrees as follows:

1. Definitions. In addition to the terms defined elsewhere in this Deed of Trust, the following terms should have the meanings assigned to each of them:

   (a) “Collateral” means all property described in the definition of Mortgaged Property, to the extent it is personal property under applicable law, and all proceeds thereof and of any other Mortgaged Property, including but not limited to all interest, dividends, cash, instruments and other personal property now or hereafter received, receivable or otherwise distributed in connection with the sale, lease, license, exchange or other disposition of any of the Mortgaged Property, together with all books and other records of Mortgagor relating thereto.

   (b) “Debt” means all obligations under and with respect to the Credit Support and Funding Agreement dated of even date herewith (as
may be modified, amended, restated, and supplemented, the "Loan Agreement") between Mortgagor and Mortgagee, including, without limitation (1) the indebtedness evidenced by that certain Advance Promissory Note dated of even date herewith in the maximum principal amount of Twenty-Two Million Two Hundred Eighty-Two Thousand and No/100 Dollars ($22,282,000.00) (the "Note") to evidence a future advance loan in the maximum principal amount of $22,282,000.00; (2) all amounts for which Mortgagor may become obligated to Mortgagee pursuant to this Deed of Trust; (3) any and all obligations, contingent or otherwise, whether now existing or hereafter arising, under or in connection with a Swap Agreement (as defined in the Loan Agreement); (4) all reimbursement obligations of Mortgagor to Mortgagee under and with respect to the Bank Letter of Credit (as that term is defined in the Loan Agreement); and (5) all obligations of Mortgagor under any other documents from time to time evidencing, securing or relating to the debt evidenced by the Loan Agreement and the Note (collectively, including the Loan Agreement and the Note, the "Loan Documents"). Debt includes all extensions, renewals and modifications of the Note, whether or not evidenced by a new promissory note or other instrument or other record.

(c) "Mortgaged Property"

(1) A tract or parcel of land located in Fort Worth, Tarrant County, Texas described in Exhibit "A" (the "Land"), and including (i) all of Mortgagor's interest in the bed of any stream, creek, or waterway or any street, road, right-of-way or easement, open or proposed, on or adjacent to the Land; (ii) all of Mortgagor's interest in any strips and gores between the Land and any abutting properties; and (iii) all rights of ingress and egress, and all other present or future easements and rights appurtenant to, serving or benefiting the Land;

(2) All improvements of every type now or later located on the Land (the "Improvements");

(3) All equipment and all materials and other goods of every type now or later situated upon the Land and (i) intended to be incorporated into the Improvements or (ii) that are or become fixtures related to the Land or the Improvements;

(4) All other goods of every type, including inventory, equipment, farm equipment and farm products now owned or later acquired by Mortgagor and now or later situated on the Land or in
the Improvements and that facilitate the use or occupancy of the Improvements; and

(5) All of Mortgagor’s rights in the following:

(i) All present and future contracts between Mortgagor and any original contractor (as defined in Texas Property Code Chapter 53) or any other person relating to construction or improvement (including furnishing materials or supplies for construction or improvement) of any Mortgaged Property;

(ii) All present and future plans, specifications and drawings prepared by any architect or engineer relating to the Mortgaged Property, and all present and future agreements between Mortgagor and any person relating to the provision of architectural, engineering or other design services relating to the Mortgaged Property;

(iii) Any commitment of any lender or investor other than Mortgagee to finance or invest in Mortgagor’s interest in any of the Mortgaged Property;

(iv) Any completion, performance, payment or other bond relating to any of the Mortgaged Property or any contract for construction on the Mortgaged Property;

(v) All existing and future subleases entered into by Mortgagor as lessor (whether written or oral) of any of the Mortgaged Property (the “Leases”), maintenance and other contracts relating to the Land or the Improvements, all tenant deposits under any Leases, all licenses, permits, certificates, accounts, instruments, documents, letter of credit rights, letters of credit, moneys, investment property, deposit accounts, general intangibles (including trade names and symbols used in connection with the Land or the Improvements), supporting obligations, wastewater, fresh water and other utility capacity and facilities available to or allocated to the Land or the Improvements, and all other present or future rights and privileges relating to the Land or the Improvements;

(vi) To the extent Mortgagor has rights therein, all water and water rights, timber, crops, and mineral interests pertaining to the Land;
(vii) All rights (but not obligations) under any contracts relating to Mortgagor's interest in the Land and the Improvements (including, without limitation, sales contracts and purchase options and all management agreements, development agreements, cable television agreements, laundry contracts, maintenance contracts, and other service contracts);

(viii) All letter of credit rights, investment property, environmental site assessments and soils tests, and general intangibles (including, without limitation, trademarks, tradenames and symbols) arising from or by virtue of any transactions related to Mortgagor's interest in the Land and the Improvements or personal property;

(ix) All permits, licenses, franchises, certificates, and other rights and privileges obtained in connection with the Land and the Improvements (including, without limitation, any form of reservation for utility capacity that may be granted by any governmental subdivision);

(x) All proceeds arising from or by virtue of the sale, lease or other disposition of the fee interest in the Land, the Improvements, or the Personal Property;

(xi) All proceeds (including premium refunds) of each policy of insurance relating to Mortgagor's interest in the Land or the Improvements; and

(xii) All proceeds from the taking of any of the Land, the Improvements, or any rights appurtenant thereto by right of eminent domain or by private or other purchase in lieu thereof, including change of grade of streets, curb cuts or other rights of access, for any public or quasi-public use under any law;

(6) If and to the extent permitted and enforceable by applicable law, all right, title, and interest of Mortgagor in and to any Low-Income Housing Tax Credit (as that term is used in Section 42 of the Internal Revenue Code of 1986, as amended) relating to the Mortgaged Property and the use thereof;

(7) All right, title and interest in all development fees due on or with respect to the Mortgaged Property;
(8) All supporting obligations relating to any of the Mortgaged Property;

(9) All Mortgagor's rights (but not its obligations) under any documents, contract rights, accounts, permanent loan and other commitments, construction contracts, engineering contracts, and architectural and design agreements, environmental site assessments and soils tests, and general intangibles (including, without limitation, trademarks, trade names and symbols) arising from or by virtue of any transactions related to the Land, the Improvements or Personal Property;

(10) Other interests of every kind and character that Mortgagor now has or at any time hereafter acquires in and to the Land, Improvements, and Personal Property described herein, including rights of ingress and egress and all reversionary rights or interests of Mortgagor with respect to such property.; and

(11) All of Mortgagor's right, title, and interest in and to the Community Facilities Agreement entered into by Mortgagor with the City of Fort Worth, and all of Mortgagor's right to escrowed funds in connection therewith, to the extent assignable.

(d) "Permitted Encumbrances" means the liens, easements and encumbrances to title described on Exhibit "B", to the extent each is valid, subsisting and affects title to the Mortgaged Property.

(e) "Rents" means all rent, royalties, bonuses, issues, profits, and other revenue, benefits, or income from the Mortgaged Property, including all rent and other income under all existing or future Leases.

(f) All terms used herein shall have the same definitions herein as specified in the Uniform Commercial Code as enacted in the State of Texas and as the same may be amended from time to time (the "UCC") unless otherwise defined herein.

2. Mortgagor's Representations and Agreements.

(a) Taxes and Other Impositions. Mortgagor will pay all taxes, assessments, standby fees, homeowners' or condominium association assessments and other impositions (collectively, "impositions") levied or
assessed against any of the Mortgaged Property by any governmental authority or any other person, before the Impositions become delinquent, and Mortgagor will provide receipts of all Impositions payments to Mortgagee promptly upon request. If Mortgagor fails to do so, Mortgagee may pay them, together with all costs and penalties thereon, at Mortgagor’s expense; provided, however, that Mortgagor may contest in good faith in accordance with the terms and conditions of the Loan Agreement, in lieu of paying such taxes and assessments as they become due and payable, by appropriate proceedings, the validity thereof (to the extent and as provided for in the Loan Agreement). Pending such contest, Mortgagor shall not be deemed in default hereunder because of such nonpayment if, prior to delinquency of the asserted tax or assessment, Mortgagor furnishes Mortgagee an indemnity bond secured by a deposit in cash or other security acceptable to Mortgagee, or with a surety acceptable to Mortgagee, in the amount of the tax or assessment being contested by Mortgagor plus a reasonable additional sum to pay all costs, interest and penalties that may be imposed or incurred in connection therewith, conditioned that such tax or assessment, with interest, cost and penalties, be paid as herein stipulated, and if Mortgagor promptly pays any amount adjudged by a court of competent jurisdiction to be due, with all costs, penalties and interest thereon, on or before the date such judgment becomes final; provided that in any event the tax, assessment, penalties, interest and costs shall be paid prior to the date on which any writ or order is issued under which the Mortgaged Property may be sold in satisfaction thereof. Any irreconcilable inconsistency between this Section 2(a) and the Loan Agreement shall be governed by the Loan Agreement.

(b) **Insurance.** Mortgagor shall, at its sole cost and expense, obtain and maintain (a) title insurance (in the form of a commitment, binder or policy as Mortgagee may require), and (b) insurance required by the terms of the Loan Agreement. Mortgagor shall deliver the policies of insurance to Mortgagee promptly as issued; and, if Mortgagor fails to do so, Mortgagee, at its option, may procure such insurance at Mortgagor’s expense. All renewal and substitute policies of insurance shall be delivered at the office of the Mortgagee, premiums paid, at least thirty (30) days before termination of policies theretofore delivered to Mortgagee. In case of loss, the proceeds of the insurance policies shall be collected and applied as set forth in Section 2(o) below. If any loss shall occur at any time when an Event of Default is then continuing, Mortgagee shall be entitled to the benefit of all insurance held by or for any Mortgagor, to the same extent as if it had been made payable to Mortgagee, and upon foreclosure hereunder, Mortgagee shall become the owner thereof.

(c) **Deposits.** Mortgagor will, if requested by Mortgagee (which request shall only be made during the continuance of an Event of Default), deposit with Mortgagee each month an amount equal to (i) 1/12 of the annual premiums for all insurance required under this Deed of Trust, and (ii) 1/12 of the annual Impositions to become due in connection with the
Mortgaged Property, as estimated by Mortgagee. At least 15 days before any Impositions would become delinquent or any insurance premium is due, Mortgagor will deliver to Mortgagee a statement showing the amount of Impositions or premium due and the party or governmental authority to which the amount is payable. If funds on deposit with Mortgagee are insufficient to make all payments due, Mortgagor will deposit with Mortgagee the amount of any deficiency. Mortgagee will hold deposited funds on behalf of Mortgagor for payment of Impositions and insurance, but if an "Event of Default" then exists, Mortgagee may apply deposited funds to payment of the Debt.

(d) Maintenance of Property. Mortgagor will maintain the Mortgaged Property in good condition, subject to ordinary wear and tear. If the Mortgaged Property is damaged by any cause, Mortgagor will promptly restore the Mortgaged Property to substantially its condition prior to such damage. Mortgagor will not allow any material part of the Mortgaged Property to be torn down, removed or materially altered after completion of construction without Mortgagee's prior written consent, not to be unreasonably withheld, conditioned or delayed. All insurance proceeds will be paid to Mortgagor and Mortgagor may use any available insurance or condemnation proceeds for the restoration to the extent permitted by this Deed of Trust and the Loan Agreement (provided, if an Event of Default is continuing, Mortgagee shall have the option as it determines, in its sole discretion, to apply the proceeds to the Debt instead of using for restoration).

(e) Title to Property. Subject to the Permitted Encumbrances, Mortgagor will warrant and defend Trustee's title to and Mortgagee's security interest in the Mortgaged Property against any person who claims any of it. No person owns any lien or other interest in the Mortgaged Property except the lien and security interest created by this Deed of Trust, other liens and security interests for the benefit of Mortgagee, Permitted Encumbrances, tenant leases which are Approved Leases under and as defined in the Loan Agreement, and the statutory lien for taxes not yet due. No person other than Mortgagee owns any interest in the Rents. No lien document or financing statement affecting any Mortgaged Property or the Rents, other than lien documents and financing statements in favor of Mortgagee and the Permitted Encumbrances, is on file in any public office. If any person claims any interest or encumbrance, except for Permitted Encumbrances and tenant leases which are Approved Leases under the Loan Agreement, Mortgagor will promptly remove any such adverse claim, lien or encumbrance from the Mortgaged Property or the Rents. Mortgagor will give Mortgagee prompt notice of an assertion by any person of any interest or encumbrance affecting, or any legal proceeding affecting, any part of the Mortgaged Property or the Rents. Mortgagor will take any action Mortgagee reasonably requires to protect, assure or enforce the lien and security interest of
this Deed of Trust and the assignment of the Rents. This paragraph will survive termination or foreclosure of this Deed of Trust.

(f) Books and Records. Mortgagor will maintain accurate and complete books and other records regarding the Mortgaged Property, including finances, leases and the physical condition of the Mortgaged Property. All financial accounting records will be maintained consistent with generally accepted accounting principles, consistently applied.

(g) Inspection. Subject to the terms of the Approved Leases under and as defined in the Loan Agreement, in addition to and without limiting the terms of the Loan Agreement, upon three days prior written notice to Mortgagor (no notice will be required during the continuance of an Event of Default), Mortgagor will (i) permit Mortgagee at all reasonable times to go upon, examine and inspect the Mortgaged Property, including making appraisals and environmental assessments, (ii) furnish all information Mortgagee reasonably requests relating to the development and operation of the Mortgaged Property, (iii) permit Mortgagee to make copies of such information, and (iv) if Mortgagee reasonably believes Hazardous Materials to be present on the Mortgaged Property, permit Mortgagee to perform environmental assessments of the Mortgaged Property and in connection therewith to take away samples of air, building materials, soil and water.

(h) Homestead. Mortgagor represents that at the time of execution and delivery of this Deed of Trust, no part of the Mortgaged Property is any part of Mortgagor's homestead.

(i) INDEMNITY. IN ADDITION TO AND WITHOUT IN ANY WAY LIMITING THE TERMS AND PROVISIONS OF THE LOAN AGREEMENT, MORTGAGOR SHALL, AT ITS SOLE COST AND EXPENSE, PROTECT, DEFEND, INDEMNIFY, RELEASE AND HOLD HARMLESS THE INDEMNIFIED PARTIES (AS DEFINED BELOW) FROM AND AGAINST ANY AND ALL REASONABLE CLAIMS, SUITS, LIABILITIES (EXCLUDING STRICT LIABILITIES), ACTIONS, PROCEEDINGS, OBLIGATIONS, DEBTS, DAMAGES (EXCLUDING CONSEQUENTIAL DAMAGES), LOSSES, COSTS, EXPENSES, FINES, PENALTIES, CHARGES, FEES, JUDGMENTS, AWARDS, AMOUNTS PAID IN SETTLEMENT, PUNITIVE DAMAGES, OF WHATEVER KIND OR NATURE (INCLUDING BUT NOT LIMITED TO REASONABLE ATTORNEYS' FEES AND OTHER COSTS OF DEFENSE) (THE "LOSSES") IMPOSED UPON OR INCURRED BY OR ASSERTED AGAINST ANY INDEMNIFIED PARTIES AND DIRECTLY OR INDIRECTLY ARISING OUT OF OR IN ANY WAY RELATING TO ANY ONE OR MORE OF THE FOLLOWING: (I) OWNERSHIP OF THIS DEED OF TRUST, THE MORTGAGED PROPERTY OR ANY INTEREST THEREIN OR RECEIPT OF ANY RENTS; (II) ANY AMENDMENT TO, OR RESTRUCTURING OF, THE DEBT, THIS DEED OF TRUST OR ANY OTHER LOAN DOCUMENT; (III) ANY AND ALL LAWFUL
ACTION THAT MAY BE TAKEN BY MORTGAGEE IN CONNECTION WITH
THE ENFORCEMENT OF THE PROVISIONS OF THIS DEED OF TRUST, THE
NOTE OR ANY OF THE OTHER LOAN DOCUMENTS, WHETHER OR NOT
SUIT IS FILED IN CONNECTION WITH SAME, OR IN CONNECTION WITH
MORTGAGOR, ANY GUARANTOR AND/OR ANY MEMBER, PARTNER,
JOINT VENTURER OR SHAREHOLDER THEREOF BECOMING A PARTY TO
A VOLUNTARY OR INVOLUNTARY FEDERAL OR STATE BANKRUPTCY,
INSOLVENCY OR SIMILAR PROCEEDING; (IV) ANY ACCIDENT, INJURY TO
OR DEATH OF PERSONS OR LOSS OF OR DAMAGE TO PROPERTY
OCcurring IN, ON OR ABOUT THE MORTGAGED PROPERTY OR ANY
PART THEREOF OR ON THE ADJOINING SIDEWALKS, CURBS, ADJACENT
PROPERTY OR ADJACENT PARKING AREAS, STREETS OR WAYS; (V)
ANY USE, NONUSE OR CONDITION IN, ON OR ABOUT THE MORTGAGED
PROPERTY OR ANY PART THEREOF OR ON THE ADJOINING SIDEWALKS,
CURBS, ADJACENT PROPERTY OR ADJACENT PARKING AREAS,
STREETS OR WAYS; (VI) ANY FAILURE ON THE PART OF MORTGAGOR
TO PERFORM OR BE IN COMPLIANCE WITH ANY OF THE TERMS OF THIS
DEED OF TRUST; (VII) PERFORMANCE OF ANY LABOR OR SERVICES OR
THE FURNISHING OF ANY MATERIALS OR OTHER PROPERTY IN
RESPECT OF THE MORTGAGED PROPERTY OR ANY PART THEREOF;
(VIII) THE FAILURE OF ANY PERSON TO FILE TIMELY WITH THE
INTERNAL REVENUE SERVICE AN ACCURATE FORM 1099-B, STATEMENT
FOR RECIPIENTS OF PROCEEDS FROM REAL ESTATE, BROKER AND
BARTER EXCHANGE TRANSACTIONS, WHICH MAY BE REQUIRED IN
CONNECTION WITH THIS DEED OF TRUST, OR TO SUPPLY A COPY
THEREOF IN A TIMELY FASHION TO THE RECIPIENT OF THE PROCEEDS
OF THE TRANSACTION IN CONNECTION WITH WHICH THIS DEED OF
TRUST IS MADE; (IX) ANY FAILURE OF THE MORTGAGED PROPERTY OR
ANY USE THEREOF TO BE IN COMPLIANCE WITH ANY APPLICABLE
LAWS (AS DEFINED IN SECTION 4 HEREOF); (X) THE ENFORCEMENT BY
ANY INDEMNIFIED PARTY OF THE PROVISIONS OF THIS SECTION 2(I); (XI)
ANY AND ALL CLAIMS AND DEMANDS WHATSOEVER WHICH MAY BE
ASSERTED AGAINST MORTGAGEE (OTHER THAN BY ANY INDEMNIFIED
PARTY) BY REASON OF ANY ALLEGED OBLIGATIONS OR
UNDERTAKINGS ON ITS PART TO PERFORM OR DISCHARGE ANY OF
THE TERMS, COVENANTS, OR AGREEMENTS CONTAINED IN ANY LEASE;
(XII) THE PAYMENT OF ANY COMMISSION, CHARGE OR BROKERAGE FEE
TO ANYONE WHICH MAY BE PAYABLE IN CONNECTION WITH THE
FUNDING OF THE DEBT EVIDENCED BY THE NOTE AND SECURED BY
THIS DEED OF TRUST OR ANY OTHER DEBT; OR (XIII) ANY
MISREPRESENTATION MADE BY MORTGAGOR IN THIS DEED OF TRUST
OR ANY OTHER LOAN DOCUMENT. NOTWITHSTANDING THE
FOREGOING, MORTGAGOR SHALL NOT BE LIABLE TO ANY INDEMNIFIED
PARTY FOR THAT PORTION OF ANY LOSS ARISING SOLELY AS THE
RESULT OF THE GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF AN
INDEMNIFIED PARTY (OR ANY PARTY ACTING ON BEHALF OF AN INDEMNIFIED PARTY) OR ARISES IN CONNECTION WITH AN ACTION OR INACTION THAT OCCURS AFTER MORTGAGOR NO LONGER OWNS THE LAND AND THE IMPROVEMENTS. ANY AMOUNTS PAYABLE TO MORTGAGEE BY REASON OF THE APPLICATION OF THIS SECTION 2(I) SHALL BECOME IMMEDIATELY DUE AND PAYABLE UPON DEMAND AND SHALL BEAR INTEREST AT THE RATE PROVIDED IN THE NOTE FOR PAST DUE AMOUNTS FROM THE DATE OF DEMAND TO THE DATE OF PAYMENT. FOR PURPOSES OF THIS SECTION 2(I), THE TERM "INDEMNIFIED PARTIES" MEANS MORTGAGEE AND ANY PERSON OR ENTITY WHO IS OR WILL HAVE BEEN INVOLVED IN THE ORIGINATION OF THE DEBT, ANY PERSON OR ENTITY WHO IS OR WILL HAVE BEEN INVOLVED IN THE SERVICING OF THE DEBT, ANY PERSON OR ENTITY IN WHOM THE ENCUMBRANCES AND SECURITY INTERESTS CREATED BY THIS DEED OF TRUST IS OR WILL HAVE BEEN RECORDED, PERSONS AND ENTITIES WHO MAY HOLD OR ACQUIRE WILL HAVE HELD A FULL OR PARTIAL INTEREST IN THE DEBT AS WELL AS THE RESPECTIVE DIRECTORS, OFFICERS, SHAREHOLDERS, PARTNERS, MEMBERS, EMPLOYEES, AGENTS, SERVANTS, REPRESENTATIVES, AFFILIATES, SUBSIDIARIES, PARTICIPANTS, SUCCESSORS AND ASSIGNS OF ANY AND ALL OF THE FOREGOING (INCLUDING BUT NOT LIMITED TO ANY OTHER PERSON OR ENTITY WHO HOLDS OR ACQUIRES OR WILL HAVE HELD A PARTICIPATION OR OTHER FULL OR PARTIAL INTEREST IN THE DEBT OR THE MORTGAGED PROPERTY, WHETHER DURING THE TERM OF THE LOAN EVIDENCED BY THE NOTE OR AS A PART OF OR FOLLOWING A FORECLOSURE OF THIS DEED OF TRUST AND INCLUDING, BUT NOT LIMITED TO, ANY SUCCESSORS BY MERGER, CONSOLIDATION OR ACQUISITION OF ALL OR A SUBSTANTIAL PORTION OF MORTGAGEE’S ASSETS AND BUSINESS). THIS SECTION WILL SURVIVE THE TERMINATION OR FORECLOSURE OF THIS DEED OF TRUST.

(j) Additional Representations and Agreements Relating to Leases and Rents.

(i) (A) All existing Leases are valid, unmodified and in full force and effect, (B) no Rents have been discounted, set off or compromised, and Mortgagor is not aware of any facts which might result in discount, set off or compromise of any Rents (except as may be part of Mortgagor’s initial leasing-up of the Improvements, but in no event in a manner which would impair Mortgagor achieving stabilization requirements of its permanent lender), (C) Mortgagor has not received from any tenant any funds or deposits that are not reflected in the current books and records of Mortgagor reviewed by Mortgagee, and (D) to Mortgagor’s knowledge, no
lessee is in default under any Lease. To Mortgagor’s knowledge, no lessor default exists under any Lease.

(ii) Mortgagor will not execute any Lease except in accordance with the Loan Agreement. Mortgagor will enforce the obligations of all lessees under all Leases. Except as provided for in the Loan Agreement, Mortgagor will not amend, renew, terminate, or surrender, or waive or release the obligations of any lessee under, any Lease without the prior written approval of Mortgagee, except in connection with Mortgagor’s customary business practice as contemplated on the date of this Deed of Trust.

(iii) Mortgagor will not collect any Rents more than one month in advance of the time earned other than Rent collected and held as a security deposit in the normal course of business and pursuant to the form of Lease approved by Mortgagee (“Early Rent Payments”). Mortgagee’s collateral assignment under Section 7 does not extend to Early Rent Payments, and if Mortgagor receives any Early Rent Payments, unless Mortgagee shall otherwise request that the Early Rent Payments be paid to Mortgagee to be applied against the Debt, Mortgagor shall hold such Early Rent Payments as security for the Debt.

(iv) Mortgagor will perform all of its obligations under the Leases in accordance with accepted industry standards in McAllen, Texas. Mortgagor will promptly execute and, if requested, record any additional assignment documents requested by Mortgagee in connection with any Leases in effect at the time of such request (including Leases in effect on the date of this Deed of Trust). Mortgagor will give Mortgagee prompt notice of any default by any party to a Lease alleged by any lessee or sublessee (except for in connection residential leases).

(v) Any property manager of the Mortgaged Property is the agent of Mortgagor for purposes of this Deed of Trust, and therefore any property manager must comply with all requirements imposed on Mortgagor by this Deed of Trust.

(k) Mortgagee’s Rights. If Mortgagor fails to perform any obligation under this Deed of Trust beyond any applicable notice and cure period, Mortgagee may perform, but Mortgagee’s performance will not waive Mortgagor’s default. Without limiting the generality of the foregoing, if at any time Mortgagor has not made available to Mortgagee written evidence that all insurance required hereunder is in full force and effect, Mortgagee shall have the right, without notice to Mortgagor or any other party to take such action as
Mortgagee deems necessary to protect its interest in the Mortgaged Property, including without limitation, the obtaining of such insurance coverage as Mortgagee in its sole discretion deems appropriate. If Mortgagee secures required insurance, Mortgagee may secure the insurance only in its own name and may insure only its interest in the Mortgaged Property.

(I) Mortgagor's Location and Name. The address set forth in Section 17 of this Deed of Trust is Mortgagor's place of business. Mortgagor's name as set forth above in this Deed of Trust is its correct name as indicated on the public record of Mortgagor's jurisdiction of organization which shows Mortgagor to have been organized. Mortgagor has properly filed of record in the appropriate filing offices all those trade names and has delivered to Mortgagee a list of all of Mortgagor's assumed or trade names. Mortgagor will promptly notify Mortgagee of any change in Mortgagor's location, name, identity, organizational structure as a limited liability company or jurisdiction of organization.

(m) Utility Capacity. Mortgagor shall not transfer, sell, assign or convey, either in whole or in part, other than to Mortgagee, any capacity for utilities which may be available to the Mortgaged Property. Mortgagor acknowledges that without the availability of utilities to the Mortgaged Property the value of the collateral would be significantly diminished and that the credit being extended under the Debt is based upon such availability.

(n) Flood Plain. Except as disclosed to Mortgagee in writing prior to the date of this Deed of Trust, neither the Mortgaged Property nor any part thereof is located within an area that has been designated or identified as an area having special flood hazards or flood prone characteristics by the Secretary of Housing and Urban Development, the Federal Emergency Management Agency, or by any other official or agency as shall from time to time be authorized by federal or state law to make such designation pursuant to the National Flood Insurance Act of 1968 or the Flood Disaster Protection Act of 1973, as such Acts may, from time to time, be amended and in effect, or pursuant to any other national or state program of flood insurance (the "Flood Plain"), or in the alternative, if any of the Improvements are situated on any portion of the Land that does lie within the Flood Plain, (a) Mortgagor will immediately notify Mortgagee in writing and (b) Mortgagor will maintain at all times during the existence of the Debt flood insurance with respect to the Mortgaged Property in amounts not less than the maximum limit of insurance coverage then available with respect to the Mortgaged Property pursuant to any and all national and state flood insurance programs then in effect or the amount of the Debt, whichever is less, and cause all insurance so carried to be made payable to Mortgagee pursuant to a standard mortgagee clause, without contribution, and cause all such policies to be delivered to Mortgagee as required by Section 2(b) hereof.
(o) **Collection and Application of Insurance and Condemnation Proceeds.** Mortgagor assigns to Mortgagee, all amounts received by Mortgagor or Mortgagee as proceeds of insurance and proceeds of condemnation proceedings as additional security for the Debt. Mortgagor will promptly give Mortgagee notice of any material damage to or condemnation proceeding affecting the Mortgaged Property. After prior notice to Mortgagor (which notice will only be provided if no Event of Default is then continuing), Mortgagee may file or prosecute (or both) any insurance or condemnation claim. After prior notice to Mortgagor (which notice will only be provided if no Event of Default is then continuing), Mortgagee may collect and give receipts for any money payable under any insurance policy by reason of loss of or damage to the Improvements. After prior notice to Mortgagor (which notice will only be provided if no Event of Default is then continuing), Mortgagee may settle or compromise, on any terms and for any reasonable amount it selects, the liability of any insurance company or companies on any policy, and execute and deliver releases and discharges of liability binding Mortgagor and Mortgagee. After prior notice to Mortgagor (which notice will only be provided if no Event of Default is then continuing), Mortgagee may collect and give receipts for any money payable to Mortgagor because of condemnation proceedings affecting any Mortgaged Property. Mortgagor **RELEASES** Mortgagee from any liability in connection with any settlement or compromise of any insurance or condemnation claim, except that portion of liability resulting solely and exclusively from Mortgagee's (or any Indemnified Party's) own gross negligence or intentional misconduct, and in accordance with the foregoing, Mortgagee shall apply all insurance or condemnation proceeds, first to Mortgagee's expenses in connection with the insurance or condemnation claim, and second, if an Event of Default is continuing or if the conditions of clause (ii) are not otherwise satisfied, (i) to the Debt in any order Mortgagee selects, or (ii) to the repair or improvement of the Mortgaged Property in any manner Mortgagee selects, applying the remaining money, if any, after completion of repairs or improvement required for restoration of damage to the Mortgaged Property, to the Debt in any order Mortgagee selects; provided that if no Event of Default is then continuing and the proceeds of the policies and any additional sums provided by Mortgagor (including deferral of development fees) are enough to rebuild and restore the Improvements in a manner and time frame acceptable to Mortgagee, Mortgagor may request from Mortgagee and Mortgagee shall make to Mortgagor (subject to all requirements set forth in this Deed of Trust and otherwise in the same manner as payments are made on the Note under the Loan Agreement), payments of the proceeds of the policies, net of all retainage requirements of applicable laws, to rebuild and restore the Improvements on a lien free basis. If any loss shall occur at any time during the occurrence of an Event of Default, Mortgagee shall be entitled to the benefit of all insurance held by or for Mortgagor, to the same extent as if it had been made payable to Mortgagee. Notwithstanding any contrary provision of this Deed of Trust or any other Loan Document, Mortgagee shall apply insurance or condemnation proceeds only to restoration, reconstruction, or repair of the
Mortgaged Property to substantially the condition preceding the casualty or condemnation, or to a lesser condition approved by Mortgagee in its reasonable discretion (any of them, "Restoration") but only if that Restoration is feasible as hereinafter provided. Restoration shall be deemed feasible if all of the following conditions are met: (i) Mortgagor is not in breach or default of any provisions of this Deed of Trust or any other Loan Document; (ii) Mortgagee reasonably determines that there will be sufficient funds for Restoration (whether from insurance proceeds, a condemnation award or settlement, or other funds that may be provided by Mortgagor or other lenders); (iii) Mortgagor determines that Restoration will be completed prior to the maturity date of the Loan and the restoration will put the Mortgaged Property in the condition preceding the applicable casualty or condemnation; and (iv) Mortgagee determines that the operating income of the Mortgaged Property following Restoration will be sufficient to meet all obligations to the Mortgagee under this Deed of Trust and other Loan Documents. If the Restoration is not feasible, the proceeds of the casualty or condemnation shall be applied to the Debt. Mortgagee shall pay to Mortgagor payments of the proceeds of the policies (net of all retainage requirements of applicable laws) to so rebuild and restore the Improvements on a lien free basis. If any loss shall occur at any time during the occurrence of an Event of Default, Mortgagee shall be entitled to the benefit of all insurance held by or for any Mortgagor, to the same extent as if it had been made payable to Mortgagee.

3. [RESERVED].

4. Compliance with Laws. Mortgagor shall promptly comply in all material respects with all existing and future federal, state and local laws, orders, ordinances, governmental rules and regulations or court orders affecting or which may be interpreted to affect the Mortgaged Property, or the use thereof ("Applicable Laws"). Mortgagor shall from time to time, upon Mortgagee's request, provide Mortgagee with evidence satisfactory to Mortgagee that the Mortgaged Property and the use thereof comply in all material respects with all Applicable Laws or are exempt from compliance with Applicable Laws. Mortgagor shall give prompt notice to Mortgagee of the receipt by Mortgagor of any notice related to a violation of any Applicable Laws and of the commencement of any proceedings or investigations which relate to compliance with Applicable Laws.

5. Advances and Attorneys' Fees. Mortgagor will pay, or reimburse Mortgagee for, all reasonable costs and expenses of every character incurred from time to time in connection with this Deed of Trust and the Debt, including costs and expenses incurred (a) for mortgage or recording taxes, (b) to satisfy any obligation of Mortgagor under this Deed of Trust or to protect the Mortgaged Property, (c) in connection with the evaluation, monitoring or administration of the Debt or the Mortgaged Property (whether or not an Event of Default has occurred), and (d) in connection with the exercise of Mortgagee's rights and remedies. Costs and expenses
include reasonable fees and expenses of outside counsel and other outside professionals and charges imposed for the services of attorneys and other professionals employed by Mortgagee or its affiliates. Any amount owing under this Section will be due and payable on demand and will bear interest from the date of expenditure by Mortgagee until paid at the rate provided in the applicable Note for past due principal.

6. **Events of Default; Acceleration; Appointment of Receiver.** Each of the following events is called an **"Event of Default"**:

(a) Any **"Event of Default,"** under and as defined in the Loan Agreement occurs;

(b) At any time that Mortgagee’s security interests and liens granted hereunder are not prior to all other security interests, liens or other interests in the Mortgaged Property except Permitted Encumbrances, items permitted by the terms of the Loan Agreement, and junior service contracts related to the operation of the Improvements to the extent such service contracts may be terminated with no more than 30 days notice;

(c) Mortgagor fails to comply with or becomes subject to any administrative or judicial proceeding under any federal, state or local hazardous waste or environmental law, asset forfeiture or similar law which may result in the forfeiture of property, or other law where non-compliance may have a significant effect on the Mortgaged Property or on Mortgagor's ability to pay any Debt and such proceeding is not dismissed within 60 days after its commencement;

(d) Mortgagee determines, based on information available to it, that there is a defect in Mortgagor's title to any of the Mortgaged Property which is not a Permitted Encumbrance, or any person (including Mortgagor) alleges that (i) a lien or encumbrance exists on any Mortgaged Property equal or superior to the lien of this Deed of Trust, other than Permitted Encumbrances and other liens expressly permitted under the terms of the Loan Documents, or (ii) the lien of this Deed of Trust is subject to a homestead claim or other claim, and in any such case Mortgagor fails, within 30 days after written demand by Mortgagee, to correct such title defect or to remove or bond around it in a manner satisfactory to Mortgagee, said lien, encumbrance, homestead claim or other claim, or a writ of execution is levied against the interest of Mortgagor in the Mortgaged Property; and

(e) Mortgagor sells, transfers, pledges, encumbers, grants a security interest in, or otherwise disposes of all or any part of or interest in the Land or the Improvements (including the granting of any easement) other than Permitted Encumbrances or a Permitted Transfer or as otherwise approved in writing by Mortgagee or expressly authorized under the Loan Agreement, or if the title to all or any of the Mortgaged Property (other than items of personalty that have become obsolete or worn beyond practical use and that have been replaced by
adequate substitutes owned by Mortgagor and having a value equal to or greater than the replaced items when new and other than Approved Leases under and as defined in the Loan Agreement) becomes vested in any party other than Mortgagor, whether by operation of law or otherwise. Mortgagee may consent to any action under this paragraph in its reasonable discretion, and if it consents it may impose any reasonable requirements for consent that it wishes (provided that in the case of consenting to the granting of easements, the Mortgagee may not unreasonably withhold its consent). Notwithstanding the foregoing, it is agreed that a taking that arises pursuant to a condemnation, to the extent that such condemnation occurs in accordance with this Deed of Trust, shall not require the consent of Mortgagee as that in such case, without limiting the other provisions of this Deed of Trust, Mortgagee’s consent shall be deemed to have been given. Notwithstanding the foregoing or anything to the contrary in this Deed of Trust, Mortgagor and its members or beneficial owners may transfer its or their ownership interest and other interests to the extent permitted by the Loan Agreement and the Operating Agreement (under and as defined in the Loan Agreement).

If any Event of Default occurs and is continuing, Mortgagee may, without demand, presentment or notice of any kind (including notice of default, notice of intent to accelerate the maturity of the Debt, or notice of actual acceleration, all of which Mortgagor waives, except as specifically required by the terms of this Deed of Trust and the Loan Agreement, all of which Mortgagor waives), declare all of the Debt immediately due and payable, and may request that Trustee exercise any of Trustee’s remedies under this Deed of Trust. In addition, if an Event of Default occurs and is continuing, Trustee will be entitled as a matter of right to the appointment of a receiver or receivers of the Mortgaged Property, and of all its rent and other income. Notwithstanding the appointment of any receiver, Trustee will be entitled to the possession and control of any cash or instruments that this Deed of Trust requires Mortgagor to deliver or pay to Trustee. If an Event of Default occurs and is continuing, Mortgagee may demand that Mortgagor surrender possession of the Mortgaged Property to Mortgagee. If Mortgagee takes possession of the Mortgaged Property, Mortgagee will not be liable to Mortgagor for any rental of the Mortgaged Property, nor for any failure to rent or inadequacy of rental of the Mortgaged Property, nor for any damage to or waste of the Mortgaged Property, WHETHER OR NOT DUE TO MORTGAGEE’S NEGLIGENCE, except as a result of the gross negligence or willful misconduct of Mortgagee and/or any other Indemnified Party. Mortgagee shall, notwithstanding anything to the contrary herein or in any of the other Loan Documents, have no right or claim to the low income housing tax credits allocated to the Land and Improvements unless and until Mortgagee shall foreclose on the Mortgaged Property or accept a deed in lieu of foreclosure.

7. **Terms of Assignment of Rents; Collection and Application of Rents.** The transfer and assignment of the Rents provided for in this Deed of Trust is irrevocable. Mortgagee grants to Mortgagor a limited license (the "License") to possess and use the Leases and the Rents. If an Event of Default occurs, the License will automatically
terminate. Thereafter, Mortgagee will have the absolute and continuing right (but not the obligation) to collect, demand, sue for, recover, receive and give receipts for any Rent. Mortgagee has no responsibility to exercise diligence in collecting Rents. After deducting the expenses of collection, Mortgagee will apply the net proceeds of collection as a credit upon any portion of the Debt selected by Mortgagee, whether or not that portion of the Debt is due and payable. If an Event of Default occurs and is continuing, Mortgagor authorizes and directs any lessee of the Mortgaged Property to deliver any such payment to Mortgagee, and any lessee’s obligation to Mortgagor will be absolutely discharged to the extent of its payment to Mortgagee. If Mortgagor receives any Rents after the termination of Mortgagor’s license, Mortgagor will hold the Rents in trust for Mortgagee and promptly pay them to Mortgagee. After the termination of Mortgagor’s license, Mortgagor will keep Rents segregated from all other funds. Mortgagee is not required to give any credit against the Debt for the assignment of Rents until Rents are actually paid to Mortgagee. Mortgagor’s obligations to Mortgagee will be discharged only to the extent that net Rents are received by Mortgagee and not disbursed to Mortgagor or paid by Mortgagee for expenses relating to the Land and Improvements. The assignment of rents will not cause Mortgagee to be a mortgagee-in-possession. If the License is terminated, Mortgagee’s possession of the Rents will not act as a waiver of any default by Mortgagor or as an affirmation of any Lease by Mortgagee if Mortgagee later becomes the purchaser of the Mortgaged Property at any foreclosure sale. Mortgagee may at its option subordinate the lien of this Deed of Trust to any Lease. The assignment of rents will terminate upon termination of this Deed of Trust. If the Mortgaged Property is sold pursuant to the terms of this Deed of Trust, the assignment of rents will terminate and the purchaser of the Mortgaged Property will have the right to all Rents free of the assignment. Notwithstanding anything in the foregoing to the contrary or any other provision hereof or in any of the Loan Documents to the contrary, all provisions related to the assignment of rents are subject to the terms, provisions, and conditions of the Texas Assignment of Rents Act (“TARA”), as codified in Tex. Prop. Code, Chapter 64, as the same may be amended, modified or supplemented from time to time. To the extent that specific terms and requirements of this Deed of Trust or any other Loan Document, including the Loan Agreement, conflict with the specific terms and requirements of TARA, (i) to the extent such terms and requirements of TARA may be superseded by an agreement between the parties, the specific terms and requirements of this Deed of Trust or the other Loan Documents hereby supersede such specific terms and requirements of TARA; and (ii) to the extent that such terms and requirements of TARA cannot be superseded by an agreement between the parties, the specific terms and requirements of TARA shall control, and the parties further agree that all other terms and requirements of this Deed of Trust or the other Loan Documents shall not otherwise be impaired or superseded thereby and shall remain in full force and effect.

8. Trustee’s Sale.

(a) If an Event of Default occurs and is continuing, Trustee will, at the request of Mortgagee, sell all or any part of the Mortgaged Property as an entirety or in parcels, by one sale or by several sales held at one time or at different times, all as
Trustee in Trustee’s discretion elects. The sale will be made in accordance with Texas Property Code Section 51.002 or any successor statute. If the Land is situated in more than one county, then required notices will be given in both or all of such counties, the Mortgaged Property may be sold in either or any such county, and such notices shall designate the county where the Mortgaged Property will be sold. The affidavit of any person having knowledge of the facts to the effect that required notices were posted, filed or mailed will be prima facie evidence of the facts recited in the affidavit. The Trustee’s deed at any such sale will be with general warranty, and Mortgagor will warrant and forever defend the title of the purchaser or purchasers, subject to the Permitted Encumbrances (if then applicable). Mortgagee may be the purchaser at any sale made hereunder, and credit the sale price against the Debt. Any deed so executed by Trustee will be prima facie proof of all factual matters stated in it. The purchaser or purchasers named in any such deed, and all persons subsequently dealing with the property purported to be thereby conveyed, will be fully protected in relying upon the truthfulness of factual matters stated in the deed. After any Trustee’s sale, Mortgagor will surrender immediate possession and control of the property purchased to the purchaser. If Mortgagor fails to surrender possession, Mortgagor will be a tenant at will.

(b) Mortgagee may at any time before the sale direct Trustee to abandon the sale, and may at any time thereafter direct Trustee to again commence foreclosure. Whether or not foreclosure is commenced by Trustee, Mortgagee may at any time after an Event of Default occurs and is continuing, institute suit for collection of all or any part of the Debt or foreclosure of the lien of this Deed of Trust or both. If Mortgagee institutes suit for collection of the Debt and foreclosure of the lien of this Deed of Trust, Mortgagee may at any time before the entry of final judgment dismiss the same, and require Trustee to sell the Mortgaged Property in accordance with the provisions of this Deed of Trust. No single sale or series of sales under this Deed of Trust or by judicial foreclosure will extinguish the lien or exhaust the power of sale under this Deed of Trust except with respect to the items of property sold.

(c) Trustee will apply the proceeds of sale, first to the payment of all expenses of the sale, second to the payment of the Debt in any order Mortgagee chooses and third the balance, if any, to any person who is entitled to it. This paragraph does not give any right, remedy or claim to any holder of any obligation or lien, other than Mortgagee.

(d) If at any foreclosure sale of the Mortgaged Property, the Mortgagee bids on the Mortgaged Property and the bid is credited by Mortgagee to the applicable Note, the bid will be applied to the balance of the applicable Note.

9. **Alternative Procedures under UCC.** In addition to all other rights and remedies granted in this Deed of Trust, after an Event of Default occurs and is continuing, Mortgagee will have all rights and remedies of a secured party after default under the UCC and other applicable law, including without limitation, the right to take possession of the Collateral, and for that purpose Mortgagee may enter upon the Mortgaged Property and lawfully remove any Collateral. Mortgagee may require
Mortgagor to assemble the Collateral and make it available to Mortgagee at a reasonably convenient place Mortgagee designates. Mortgagee may provide a copy of this Deed of Trust to any account debtor or other person liable on or having any interest in any Collateral. Except for the reasonable safe custody of any Collateral in its possession and accounting for moneys actually received by it and except as expressly provided in the UCC, Mortgagee will have no duty as to any Collateral, including any duty to preserve rights against prior parties. Mortgagee is not required to take possession of any Collateral prior to any sale, or to have any Collateral present at any sale. Mortgagee may sell part of the Collateral without waiving its right to proceed against the remaining Collateral. If any sale is not completed or is defective in the opinion of Mortgagee, Mortgagee may make a subsequent sale of the same Collateral. Any bill of sale or other record evidencing any foreclosure sale will be prima facie evidence of the factual matters recorded therein. If a sale of Collateral is conducted in conformity with customary practices of banks disposing of similar property, the sale will be deemed commercially reasonable, but Mortgagee will have no obligation to advertise or to sell Collateral on credit. However, if Mortgagee sells any of the Collateral upon credit, Mortgagor will be credited only with payments actually made by the purchaser, received by Mortgagee and applied to the indebtedness of the purchaser with respect to the sale. In the event the purchaser fails to pay for the Collateral, Mortgagee may resell the Collateral and Mortgagor shall be credited with the proceeds of the sale. In addition, Mortgagor waives any and all rights that Mortgagor may have to a judicial hearing in advance of the enforcement of any of Mortgagee’s rights hereunder, including without limitation, its rights following an Event of Default to take immediate possession of the Collateral and to exercise its rights with respect thereto. By exercising its rights, Mortgagee will not become liable for, and Mortgagor will not be released from, any of Mortgagor’s duties or obligations under any accounts, general intangibles or Leases included in the Collateral. All remedies in this Deed of Trust are cumulative of any and all other legal, equitable or contractual remedies available to Mortgagee and any such remedies may be exercised simultaneously or in any order as determined by Mortgagee. Mortgagor irrevocably appoints Mortgagee as its attorney-in-fact to do all things Mortgagor is required to do under this Deed of Trust. This appointment is coupled with an interest and shall survive the death or disability of Mortgagor; provided however, this appointment shall not be effective until the occurrence and during the continuance of any Event of Default.

10. Standards for Exercising Remedies. To the extent that applicable law imposes duties on Mortgagee to exercise remedies in a commercially reasonable manner, Mortgagor acknowledges and agrees that it is not commercially unreasonable for Mortgagee (a) to fail to incur expenses reasonably deemed significant by Mortgagee to prepare any Collateral for disposition or otherwise to complete raw material for work-in-process into finished goods or other finished products for disposition, (b) to fail to obtain third party consents for access to Collateral to be disposed of, or to obtain or if not required by other law, to fail to obtain governmental or third party consents for the collection or disposition of the Collateral to be collected or disposed of, (c) to fail to exercise collection remedies against account debtors or other persons obligated on Collateral or to remove liens on or any adverse claims against the Collateral, (d) to
exercise collection remedies against account debtors and other persons obligated on Collateral directly or through the use of collection agencies and other collection specialists, (e) to advertise dispositions of Collateral through publications or media of general circulation, whether or not the Collateral is of a specialized nature, (f) to contact other persons, whether or not in the same business as Mortgagor, for expressions of interest in acquiring all or any portion of the Collateral, (g) to hire one or more professional auctioneers to assist in the disposition of Collateral, whether or not the Collateral is of a specialized nature, (h) to dispose of Collateral by utilizing Internet sites that provide for the auction of assets of the types included in the Collateral or that have the reasonable capability of doing so, or that match buyers and sellers of assets, (i) to dispose of assets in wholesale rather than retail markets, (j) to disclaim disposition warranties, (k) to purchase insurance or credit enhancements to insure Mortgagee against risks of loss, collection or disposition of Collateral or to provide Mortgagee a guaranteed return from the collection or disposition of Collateral, (l) to the extent deemed appropriate by Mortgagee, to obtain the services of brokers, investment bankers, consultants and other professionals (including Mortgagee and its affiliates) to assist Mortgagee in the collection or disposition of any of the Collateral or (m) to comply with any applicable state or federal law requirement in connection with the disposition or collection of the Collateral. Mortgagor acknowledges that this Section is intended to provide non-exhaustive indications of what actions or omissions by Mortgagee would not be commercially unreasonable in Mortgagee's exercise of remedies against the Collateral and that other actions or omissions by Mortgagee shall not be deemed commercially unreasonable solely by not being included in this Section. Without limitation upon the foregoing, nothing contained in this Section shall be construed to grant any rights to Mortgagor or to impose any duties upon Mortgagee that would not have been granted or imposed by this Deed of Trust or by applicable law in the absence of this Section.

11. **Change of Trustee.** Trustee may be removed at any time with or without cause, at the option of Mortgagee, by written declaration of removal executed by Mortgagee; without any notice to or demand upon Trustee, Mortgagor or any other person. If at any time Trustee is removed, dies or refuses, fails or is unable to act as Trustee, Mortgagee may appoint any person as successor Trustee hereunder, without any formality other than a written declaration of appointment executed by Mortgagee. Immediately upon appointment, the successor Trustee so appointed automatically will be vested with all the estate and title in the Mortgaged Property, and with all of the rights, powers, privileges, authority, options and discretions, and charged with all of the duties and liabilities, vested in or imposed upon Trustee by this instrument, and any conveyance executed by any successor Trustee will have the same effect and validity as if executed by the Trustee named in this Deed of Trust.

12. **INDEMNIFICATION OF TRUSTEE. EXCEPT FOR GROSS NEGLIGENCE OR WILLFUL MISCONDUCT, TRUSTEE SHALL NOT BE LIABLE FOR ANY ACT OR OMISSION OR ERROR OF JUDGMENT. TRUSTEE MAY RELY ON ANY DOCUMENT BELIEVED BY HIM IN GOOD FAITH TO BE GENUINE. ALL MONEY RECEIVED BY TRUSTEE SHALL, UNTIL USED OR APPLIED AS HEREIN**
PROVIDED, BE HELD IN TRUST, BUT NEED NOT BE SEGREGATED (EXCEPT TO
THE EXTENT REQUIRED BY LAW), AND TRUSTEE SHALL NOT BE LIABLE FOR
INTEREST THEREON. MORTGAGOR HEREBY INDEMNIFIES TRUSTEE AGAINST
ALL LIABILITY AND REASONABLE EXPENSES THAT HE MAY INCUR IN THE
PERFORMANCE OF HIS DUTIES HEREUNDER, EXCEPT TO THE EXTENT THE
SAME RESULTS FROM TRUSTEE’S GROSS NEGLIGENCE OR WILLFUL
MISCONDUCT.

13. Fair Market Value for Calculating Deficiencies. If Mortgagee sues
Mortgagor or any other party obligated on the Debt or any guarantor of any Debt to
collect any deficiency owing after foreclosure of the Mortgaged Property, “fair market
value” of the Mortgaged Property under Sections 51.003, 51.004, and 51.005 of the
Texas Property Code (as amended from time to time) (the “Deficiency Statutes”) will
be determined as follows:

(a) Any valuation of the Mortgaged Property will be based on “as is”
    condition on the foreclosure date, without any assumption or expectation that the
    Mortgaged Property will be repaired or improved in any manner before a resale
    of the Mortgaged Property after foreclosure.

(b) Any valuation will assume that the foreclosure purchaser desires
    resale of the Mortgaged Property for cash promptly (but no later than twelve
    months) following the foreclosure sale.

(c) All reasonable closing costs customarily borne by the seller in a
    commercial real estate transaction, including brokerage commissions, title
    insurance, a survey of the Mortgaged Property, tax prorations, attorney’s fees,
    and marketing costs, will be deducted from the gross fair market value of the
    Mortgaged Property.

(d) Any valuation will further discount the gross fair market value of the
    Mortgaged Property to account for any estimated holding costs associated with
    maintaining the Mortgaged Property pending sale, including utilities expenses,
    property management fees, taxes and assessments, and other maintenance
    expenses.

(e) Any expert opinion testimony given or considered in connection
    with a determination of the fair market value of the Mortgaged Property must be
    given by persons who have at least five years experience in appraising property
    similar to the Mortgaged Property and who have conducted and prepared a
    complete written appraisal of the Mortgaged Property taking into consideration
    the factors set forth above.

14. All Security Cumulative; Subrogation; Waiver of Marshaling. The
    execution of this Deed of Trust does not impair any other security for the payment of
    any Debt. Mortgagee may take additional security for any Debt in the future without
altering or impairing the lien of this Deed of Trust. Mortgagee may release any Mortgaged Property or any other security for the Debt without altering or impairing the lien of this Deed of Trust as to the Mortgaged Property not released. All present and future security will be cumulative. Mortgagee is subrogated to all rights, liens or interests in any of the Mortgaged Property securing the payment of any obligation satisfied or paid off out of the proceeds of the loans evidenced by the Note. Mortgagor waives any right of marshaling of assets or sale in inverse order of alienation, and all present or future appraisal rights and equity of redemption rights.

15. Limitations on Amount of Interest. Mortgagor and Mortgagee intend to conform strictly to applicable usury laws. Therefore, the total amount of interest (as defined under applicable law) contracted for, charged or collected under the Debt or this Deed of Trust will never exceed the highest amount permitted by applicable law. If Mortgagee contracts for, charges or receives any excess interest, it will be deemed a mistake. Any unlawful contract or charge will be automatically reformed to conform to applicable law, and if Mortgagee has received excess interest, Mortgagee will either refund the excess to Mortgagor or credit the excess on the unpaid amounts owing under the Debt or this Deed of Trust. All amounts constituting interest will be spread throughout the full term of the Debt in determining whether interest exceeds lawful amounts.

16. Financing Statement; Mortgagor's Covenants; Further Assurances. This Deed of Trust covers, among other Collateral, goods that are or are to become fixtures related to the Land and the Improvements. This Deed of Trust is to be filed in the real property records as a fixture filing, and may be filed as an initial financing statement in any other place which is necessary or desirable to perfect the security interests granted herein. The secured party is Mortgagee and the mailing address of the secured party is set forth in Section 17. The debtor is Mortgagor and the mailing address of the debtor is set forth in Section 17. The first paragraph of this Deed of Trust indicates whether Mortgagor is an individual or an organization and if Mortgagor is an organization, its jurisdiction of organization and organizational identification number, if any. Mortgagor is the record owner of the Mortgaged Property. Mortgagee may file this Deed of Trust, or any financing statements or amendments thereto or other record wherever Mortgagee believes necessary or appropriate to perfect the security interests granted herein, including but not limited to any official filing office, or in any other recording or registration system. The financing statement or other record may (a) indicate the Collateral as being of an equal or lesser scope or with greater detail than set forth in this Deed of Trust and (b) contain any other information required by the UCC or other law regarding the notification of a security interest, lien, assignment or other right to direct disposition, for the sufficiency of the filing office's or other registrar's acceptance of any financing statement or amendments thereto or other record including (i) if Mortgagor is an organization, the type of organization and any organization identification number issued to Mortgagor and (ii) in the case of a financing statement filed as a fixture filing, a sufficient description of real property to which the Collateral relates. Mortgagor ratifies its authorization for Mortgagee's filing of any financing statements covering the Collateral in any jurisdiction on or after the date hereof. A photographic or other reproduction of this Deed of Trust or any financing
statement relating to this Deed of Trust will be sufficient as a financing statement. Mortgagor will take any reasonable action requested by Mortgagee to establish and maintain control by Mortgagee of any Collateral consisting of deposit accounts, letter of credit rights and investment property and to create, attach, perfect, protect, assure the first priority of and to enforce the liens and security interests granted hereunder.

17. Notices. Except as otherwise provided, any notice, request or demand under this Deed of Trust must be in writing and will be sufficient if either delivered personally or deposited in the United States mail in a postpaid envelope addressed to the mailing address set forth below. A party may designate a different address by notice given in compliance with this Section. Any notice to Mortgagee must be sent or delivered to the officer named below or to another officer designated for receipt of such notices by Mortgagee. The names and mailing addresses of Mortgagor and Mortgagee are as follows:

**Mortgagor:**

Mistletoe Station, LLC  
5501-A Balcones Drive, #302  
Austin, TX 78731

With a copy to:

**Investor Limited Partner:**

c/o Hunt Capital Partners, LLC  
15910 Ventura Blvd., Suite 1100  
Encino, California 91436  
Attention: Jeffrey N. Weiss

And to:

Ballard Spahr LLP  
1735 Market Street, 51st Floor  
Philadelphia, PA 19103  
Attention: Jere Thompson

**Mortgagee:**

JPMorgan Chase Bank, N.A.  
2200 Ross Avenue, Floor 9  
Dallas, Texas 75201  
Attention: Olivio Ochoa  
(TX1-2951)

18. Additional Agreements. This Deed of Trust benefits the successors, assigns and legal representatives of Trustee and Mortgagee and binds any successors or transferees of Mortgagor (however, this provision does not permit Mortgagor to transfer the Mortgaged Property). Each reference to Mortgagor, Trustee or Mortgagee includes their respective successors, assigns and legal representatives. No modification or waiver of this Deed of Trust will be effective unless in writing and signed by Mortgagee. Mortgagee may waive any default without waiving any other prior or subsequent default. Mortgagee’s failure to exercise or delay in exercising any rights
under this Deed of Trust will not operate as a waiver of those rights. If any provision of this Deed of Trust is unenforceable or invalid, that provision will not affect the enforceability or validity of any other provision. If the application of any provision of this Deed of Trust to any person or circumstance is illegal or unenforceable, that application will not affect the legality or enforceability of the provision as to any other person or circumstance. If more than one person executes this Deed of Trust as Mortgagor, their obligations under this Deed of Trust are joint and several.

19. **Rules of Construction.** The section headings or captions in this instrument are for convenience and are not a part of this Deed of Trust for any purpose. Any action permitted to Mortgagee may be taken by any authorized officer, employee or agent of Mortgagee, or any attorney, accountant, environmental consultant or other advisor or professional retained by Mortgagee. Use of the term “including” does not imply any limitation on (but may expand) the antecedent reference. Unless the context clearly requires otherwise, the term “may” does not imply any obligation to act. Any reference to exhibits or schedules means the exhibits or schedules to this Deed of Trust, which are fully incorporated by reference into this Deed of Trust. Any reference to a particular document includes all modifications, supplements, replacements, renewals or extensions of that document, but this rule of construction does not authorize amendment of any document without Mortgagee’s consent.

20. **Waivers.** Mortgagor waives all suretyship defenses that may lawfully be waived, including but not limited to notice of acceptance of this Deed of Trust, notice of the incurrence, acquisition or subordination of any Debt, credit extended, collateral received or delivered or other action taken in reliance on this Deed of Trust, notices and all other demands and notices of any description. With respect to both Debt and the Mortgaged Property, Mortgagor assents to any extension or postponement of the time of payment or any other indulgence, to any substitution, exchange or release of or failure to perfect Mortgagee’s security interest or lien in any of the Mortgaged Property, to the addition or release of any person primarily or secondarily liable, to the acceptance of partial payment thereon and the settlement, compromising or adjusting of any thereof, all in such manner and at such time or times as Mortgagee may deem advisable. To the extent not prohibited by applicable law, Mortgagor further waives (i) diligence and promptness in preserving liability of any person on the Debt, and in collecting or bringing suit to collect the Debt; (ii) all rights, if any, of Mortgagor under Rule 31, Texas Rules of Civil Procedure, or Chapter 43 of the Texas Civil Practices and Remedies Code, or Section 17.001 of the Texas Civil Practice and Remedies Code; (iii) to the extent Mortgagor is subject to the Texas Business Organizations Code (“TBOC”), compliance by Mortgagee with Section 152.306(b) of TBOC; (iv) notice of extensions, renewals, modifications, rearrangements and substitutions of the Debt; and (v) failure to pay any of the Debt as it matures, any other default, Event of Default, and adverse change in any obligor’s or any Mortgagor’s financial condition, release or substitution of collateral, subordination of Mortgagee’s rights in any collateral, and every other notice of every kind. Nothing in this Deed of Trust is intended to waive or vary the rights and duties of Mortgagee or the rights and duties of Mortgagor or any obligor in violation of Section 9.602 of the UCC.
21. Construction Mortgage. This Deed of Trust is a "construction mortgage" under Section 9.334(h) of the UCC and Section 2A.309 of the Texas Business and Commerce Code to the extent that it secures an obligation incurred for the construction of the Improvements.

22. Governing Law. This Deed of Trust shall be governed by Texas law, without giving effect to choice of law provisions. Jurisdiction and venue shall be Tarrant County, Texas.

23. No Oral Agreements. THIS WRITTEN AGREEMENT AND THE OTHER LOAN DOCUMENTS REPRESENT THE FINAL AGREEMENT BETWEEN THE PARTIES AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS, OR SUBSEQUENT ORAL AGREEMENTS BETWEEN THE PARTIES. THERE ARE NO UNWRITTEN ORAL AGREEMENTS BETWEEN THE PARTIES.

24. Limitation of Pledge. Notwithstanding anything herein to the contrary, Mortgagee agrees that the conveyance, pledge, assignment and security interest in and to the low income housing tax credit associated with the Land and Improvements (as set forth in subsection 6 of the definition of Mortgaged Property) shall not be effective or enforceable unless and until Mortgagee (or its successor or assigns, including without limitation any purchaser at foreclosure) acquires title to the Land and Improvements by foreclosure or deed in lieu of foreclosure, or otherwise.

25. WAIVER OF JURY TRIAL. EACH PARTY HERETO HEREBY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS DEED OF TRUST OR THE TRANSACTIONS CONTEMPLATED HEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS DEED OF TRUST BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.

26. WAIVER OF SPECIAL DAMAGES. TO THE EXTENT PERMITTED BY APPLICABLE LAW, THE MORTGAGOR AND MORTGAGEE SHALL NOT ASSERT, AND HEREBY WAIVE, ANY CLAIM AGAINST THE OTHER, ON ANY THEORY OF LIABILITY, FOR SPECIAL, INDIRECT, CONSEQUENTIAL OR PUNITIVE DAMAGES (AS OPPOSED TO DIRECT OR ACTUAL DAMAGES) ARISING OUT OF, IN CONNECTION WITH, OR AS A RESULT OF, THIS DEED OF TRUST OR ANY DEED OF TRUST OR INSTRUMENT CONTEMPLATED HEREBY, THE TRANSACTIONS,
27. **EXTENDED USE AGREEMENT.** Mortgagee agrees that the lien of this Instrument shall be subordinate to any extended low-income housing commitment (as such term is defined in Section 42(h)(6)(B) of the Internal Revenue Code) (the "**Extended Use Agreement**") recorded against the Mortgaged Property; provided that such Extended Use Agreement, by its terms, must terminate upon foreclosure under this Instrument or upon a transfer of the Mortgaged Property by instrument in lieu of foreclosure, in accordance with Section 42(h)(6)(e) of the Internal Revenue Code.

Mortgagor has executed this Deed of Trust on the date set forth in the acknowledgment below to be effective as of August 30, 2018.
Mortgagor certification for all Non-individuals: Mortgagor certifies that it is organized under the laws of the State of Texas.

MISTLETOE STATION, LLC, a Texas limited liability company

By: Saigebrook Mistletoe, LLC, a Texas limited liability company, its managing member

By: [Signature]
Lisa M. Stephens,
President

STATE OF TEXAS

COUNTY OF Harris

This instrument was acknowledged before me on the 21st day of August, 2018, by Lisa M. Stephens, President of Saigebrook Mistletoe, LLC, a Texas limited liability company, on behalf of said limited liability company, managing member of MISTLETOE STATION, LLC, a Texas limited liability company.

Notary Public, State of Texas

Exhibit A - Description of Land
Exhibit B - Permitted Encumbrances

SIGNATURE PAGE TO DEED OF TRUST

HOU 408832219
Mortgagee is executing this Deed of Trust solely to acknowledge its agreement to the Jury Waiver above, the notice given under Section 26.02 of the Texas Business and Commerce Code and to comply with the waiver requirement of TBOC. Mortgagee’s failure to execute or authenticate this Deed of Trust will not invalidate this Deed of Trust.

JPMORGAN CHASE BANK, N.A.

By: [Signature]

Olivio C. Ochoa, Authorized Officer

THE STATE OF TEXAS

COUNTY OF Dallas

This instrument was acknowledged before me on the 20th day of August, 2018, by Olivio C. Ochoa, as Authorized Officer of JPMORGAN CHASE BANK, N.A., a national banking association, on behalf of said banking association.

CHRIS MASCORRO
NOTARY PUBLIC, State of Texas

Return to:

JPMorgan Chase Bank, N.A.
712 Main Street
Floor: 06
Houston, TX 77002

SIGNATURE PAGE TO DEED OF TRUST

HOU 40832219
**TRACT I:**

LOT 1-R1, BLOCK 3R, OF FRISCO ADDITION, TO THE CITY OF FORT WORTH, TARRANT COUNTY, TEXAS, ACCORDING TO THE MAP OR PLAT THEREOF, RECORDED UNDER COUNTY CLERK'S FILE NO. D212125731, REAL PROPERTY RECORDS, TARRANT COUNTY, TEXAS.

ALSO KNOWN AS

**TRACT I:**

BEING a tract of land in the E.S. Harris Survey, Abstract No. 688 in the City of Fort Worth, Tarrant County, Texas, being a part of that tract of land described as Tract 1 in Special Warranty Deed to 1700 Mistletoe Partners, Ltd., as recorded in County Clerk's Document No. D207136348 in the Official Records of Tarrant County, Texas (O.R.T.C.T.), being all of Lot 1-R1 of Lots 1-R1 and 1-R2, Block 3R, Frisco Addition, an addition to the City of Fort Worth, Tarrant County, Texas, as recorded in County Clerk's Document No. D212125731 O.R.T.C.T., being a part of Beckham Place (variable width right-of-way) and being more particularly described as follows:

BEGINNING at the northeast corner of said Lot 1-R1, from which a 1/2-inch found iron rod with plastic cap stamped "AREA SURVEYING" bears North 48 degrees 50 minutes 32 seconds East, a distance of 0.25 feet, and being on the south right-of-way line of Beckham Place (a variable width right-of-way);

THENCE South 00 degrees 42 minutes 24 seconds East, a distance of 203.93 feet to a 5/8-inch found iron rod for the southeast corner of said Lot 1-R1, being on the north right-of-way line of Mistletoe Boulevard (a variable width right-of-way);

THENCE North 89 degrees 22 minutes 55 seconds West, passing a 1/2-inch found iron rod with plastic cap stamped "GRANT ENG RPLS 4151" for the south end of a corner clip of said Lot 1-R-1 at a distance of 212.37 feet, and continuing for a total a distance of 222.37 feet to a 3/4-inch found iron rod for corner at the intersection of the projected said north right-of-way line and the projected east right-of-way line of said Beckham Place;

THENCE North 06 degrees 51 minutes 00 seconds West, passing a 1/2-inch found iron rod with plastic cap stamped "GRANT ENG RPLS 4151" for the north end of a corner clip of said Lot 1-R-1 at a distance of 10.00 feet, passing a 1/2-inch found iron rod with plastic cap stamped "GRANT ENG RPLS 4151" for the south end of a corner clip of said Lot 1-R-1 at a distance of 48.06 feet, and continuing for a total distance of 58.06 feet to a point for corner;

THENCE North 57 degrees 36 minutes 24 seconds East, passing a 1/2-inch found iron rod with plastic cap stamped "GRANT ENG RPLS 4151" for the north end of a corner clip of said Lot 1-R-1 at a distance of 10.00 feet, and continuing for a total distance of 268.55 feet to the POINT OF BEGINNING AND CONTAINING 29,702 square feet or 0.6819 acres of land, more or less.
TRACT II:

DESCRIPTION FOR A PART OF BLOCK B OF MISTLETOE HEIGHTS, AN ADDITION IN THE CITY OF FORT WORTH, TARRANT COUNTY, TEXAS, AS SAID BLOCK APPEARS UPON THE MAP RECORDED IN VOLUME 388, PAGE 5 OF THE TARRANT COUNTY DEED RECORDS AND EMBRACING A PORTION OF THE TRACT DESCRIBED IN THE DEED TO L. E. TREZEVANT RECORDED IN VOLUME 1929, PAGE 240 OF SAID DEED RECORDS, AND BEING DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

BEGINNING AT AN AXLE FOUND FOR THE SOUTHEAST CORNER OF SAID BLOCK B IN THE NORTH LINE OF BECKHAM PLACE AND BEING THE SOUTHWEST CORNER OF LOT 5 OF TREZEVANT SUBDIVISION, SAID AXLE BEING THE SOUTHEAST CORNER OF SAID TREZEVANT TRACT;

THENCE SOUTH 59 DEGREES 33 MINUTES 00 SECONDS WEST, ALONG THE SOUTH LINE OF SAID TREZEVANT TRACT AND THE SAID NORTH LINE OF BECKHAM PLACE, 129.99 FEET TO A ¾" IRON PIN FOUND FOR THE SOUTHERLY SOUTHEAST CORNER OF THE TRACT DESCRIBED IN THE DEED TO HELEN J. WILLIAMS, RECORDED IN VOLUME 5619, PAGE 93 OF THE SAID DEED RECORDS;

THENCE NORTH 11 DEGREES 22 MINUTES 00 SECONDS WEST, ALONG THE SOUTHERLY EAST LINE OF SAID WILLIAMS TRACT 164.10 FEET TO A ½" IRON PIN SET WITH CAP MARKED, "AREA SURVEYING" FOR CORNER;

THENCE NORTH 83 DEGREES 52 MINUTES 00 SECONDS EAST, ALONG A NORTHERLY SOUTH LINE OF SAID WILLIAMS TRACT, 82.64 FEET TO A ½" IRON PIN SET WITH CAP MARKED, "AREA SURVEYING" FOR THE NORTHERLY SOUTHEAST CORNER OF SAID WILLIAMS TRACT;

THENCE NORTH 03 DEGREES 57 MINUTES 00 SECONDS WEST, ALONG AN EAST LINE OF SAID WILLIAMS TRACT, 16.77 FEET TO A ½" IRON PIN SET WITH CAP MARKED, "AREA SURVEYING" FOR THE MOST SOUTHERLY SOUTHWEST CORNER OF LOT 1, BLOCK B-R, MISTLETOE HEIGHTS, ACCORDING TO PLAT RECORDED IN VOLUME 388-160, PAGE 1, PLAT RECORDS, TARRANT COUNTY, TEXAS;

THENCE NORTH 86 DEGREES 05 MINUTES 23 SECONDS EAST, ALONG THE SOUTH LINE OF SAID LOT 1, 54.56 FEET TO A ¾ INCH IRON PIN FOUND FOR THE NORTHWEST CORNER OF LOT 7 OF TREZEVANT SUBDIVISION;

THENCE SOUTH 04 DEGREES 07 MINUTES 19 SECONDS EAST, ALONG THE EAST LINE SAID TREZEVANT TRACT AND THE WEST LINE OF TREZEVANT SUBDIVISION, 124.61 FEET TO THE POINT OF BEGINNING AND CONTAINING 0.424 OF AN ACRE OF LAND.
ALSO KNOWN AS:

TRACT II:

BEING a tract of land in the E.S. Harris Survey, Abstract No. 688 in the City of Fort Worth, Tarrant County, Texas, being all of that called 0.424 acre tract of land described in General Warranty Deed With Mineral Reservations to 1700 Mistletoe Partners, Ltd., as recorded in County Clerk’s Document No. D207307960 in the Official Records of Tarrant County, Texas (O.R.T.C.T.), and being more particularly described as follows:

BEGINNING at a found axle for the southeast corner of said 0.424 acre tract, being on the north right-of-way line of Beckham Place (a variable width right-of-way);

THENCE South 59 degrees 40 minutes 50 seconds West, along said north right-of-way line, a distance of 129.99 feet to a 3/4-inch found iron rod for the common southeast corner of that tract of land described in Warranty Deed to All Saints Episcopal Hospital of Fort Worth, Inc., as recorded in Volume 10876, Page 1719 O.R.T.C.T. and the southwest corner of said 0.424 acre tract;

THENCE North 11 degrees 14 minutes 10 seconds West, departing said north right-of-way line, a distance of 164.21 feet to the common northwest corner of said 0.424 acre tract of land and an ell corner of said All Saints tract;

THENCE North 83 degrees 59 minutes 50 seconds East, a distance of 82.91 feet to a common ell corner of said All Saints tract and said called 0.424 acre tract of land;

THENCE North 03 degrees 50 minutes 10 seconds West, a distance of 16.58 feet to a 5/8-inch found iron rod for an ell corner of said 0.424 acre tract of land, the most southerly southwest corner of Lot 1 in Block B-R of Mistletoe Heights as recorded in Volume 388-160, Page 1 in the Plat Records of Tarrant County, Texas, and being on the east line of said All Saints tract;

THENCE North 86 degrees 13 minutes 12 seconds East, a distance of 54.54 feet to a 5/8-inch found iron rod for the northeast corner of said called 0.424 acre tract of land, and being on the south line of said Lot 1;

THENCE South 03 degrees 53 minutes 11 seconds East, a distance of 124.54 feet to the POINT OF BEGINNING AND CONTAINING 18,495 square feet or 0.4246 acres of land, more or less.

TRACT III:

BEING A PART OF BLOCK "B" OF MISTLETOE HEIGHTS ADDITION TO THE CITY OF FORT WORTH, TARRANT COUNTY, TEXAS, ACCORDING TO PLAT RECORDED IN VOLUME 388, PAGE 5, DEED RECORDS
OF TARRANT COUNTY, TEXAS, SAID PART OF BLOCK "B" BEING DESCRIBED BY METES AND BOUNDS AS FOLLOWS:


THENCE NORTH 6 DEGREES 08 MINUTES WEST, ALONG SAID BLOCK LINE AND RIGHT-OF-WAY LINE, 402.2 FEET TO AN IRON;

THENCE NORTH 83 DEGREES 52 MINUTES EAST 98 FEET TO AN IRON;

THENCE SOUTH 6 DEGREES 08 MINUTES EAST 45 FEET TO AN IRON;

THENCE NORTH 83 DEGREES 52 MINUTES EAST 110-7/10 FEET TO AN IRON;

THENCE SOUTH 3 DEGREES 57 MINUTES EAST 132-1/10 FEET TO AN IRON;

THENCE SOUTH 83 DEGREES 52 MINUTES WEST 82-6/10 FEET TO AN IRON;

THENCE SOUTH 11 DEGREES 22 MINUTES EAST 164-4/10 FEET TO AN IRON IN THE SOUTH LINE OF SAID BLOCK B;

THENCE SOUTH 59 DEGREES 33 MINUTES WEST, ALONG SAID SOUTH LINE OF BLOCK B, 149-3/10 FEET TO THE PLACE OF BEGINNING.

ALSO KNOWN AS:

TRACT III:

BEING a tract of land in the E.S. Harris Survey, Abstract No. 688 in the City of Fort Worth, Tarrant County, Texas, being all of that tract of land described in Warranty Deed to All Saints Episcopal Hospital of Fort Worth, Inc., as recorded in Volume 10876, Page 1719 in the Official Records of Tarrant County, Texas (O.R.T.C.T.), and being more particularly described as follows:

BEGINNING at a 1/2-inch found iron rod with plastic cap stamped "FULTON SURVEYING" for the common northwest corner of said All Saints tract, the most westerly southwest corner of Lot 1 in Block B-R of Mistletoe Heights as recorded in Volume 388-160, Page 1 in the Plat Records of Tarrant County, Texas, and being on the east line of Burlington Northern Santa Fe Railroad (100 foot wide right-of-way);
THENCE North 84 degrees 06 minutes 47 seconds East, along the common line between said All Saints tract and said Lot 1, a distance of 98.08 feet to a 1/2-inch found iron rod with plastic cap stamped "GRANT ENG RPLS 4151" for a common ell corner of said All Saints tract and said Lot 1;

THENCE South 06 degrees 21 minutes 44 seconds East, continuing along said common line, a distance of 44.82 feet to a 1/2-inch found iron rod with plastic cap stamped "GRANT ENG RPLS 4151" for a common ell corner of said All Saints tract and said Lot 1;

THENCE North 84 degrees 04 minutes 15 seconds East, continuing along said common line, a distance of 110.60 feet to a 5/8-inch found iron rod for the northeast corner of said All Saints tract and an ell corner of said Lot 1;

THENCE South 03 degrees 50 minutes 10 seconds East, along the east line of said All Saints tract, passing a 5/8-inch found iron rod for the most southerly southwest corner of said Lot 1, and an ell corner of that called 0.424 acre tract of land described in General Warranty Deed With Mineral Reservations to 1700 Mistletoe Partners, Ltd., as recorded in County Clerk's Document No. D207307960 O.R.T.C.T. at a distance of 115.35 feet and continuing for a total distance of 131.94 feet to a point for a common ell corner of said All Saints tract and said called 0.424 acre tract of land;

THENCE South 83 degrees 59 minutes 50 seconds West, departing said east line, a distance of 82.91 feet to the common northwest corner of said 0.424 acre tract of land and an ell corner of said All Saints tract;

THENCE South 11 degrees 14 minutes 10 seconds East, a distance of 164.21 feet to a 3/4-inch found iron rod for the common southeast corner of said All Saints tract, the southwest corner of said 0.424 acre tract, and being on the north right-of-way line of Beckham Place (a variable width right-of-way);

THENCE South 59 degrees 40 minutes 50 seconds West, departing said east line and along said north right-of-way line, a distance of 149.29 feet to a 1/2-inch found iron rod with plastic cap stamped "GRANT ENG RPLS 4151" for corner on said east right-of-way line;

THENCE North 06 degrees 00 minutes 10 seconds West, departing said north right-of-way line and along said east right-of-way line, a distance of 402.00 feet to the POINT OF BEGINNING AND CONTAINING 55,858 square feet or 1.3053 acres of land, more or less.

TRACT IV:

Being a tract or parcel of land situated in the E.S. Harris Survey Abstract No. 688, City of Fort Worth, Tarrant County, Texas and being a portion of Beckham Place (a 60 foot right of way) as recorded in the Fort Worth Original Town, an addition to the City of Fort Worth (no recording information found) also shown on plat of Lots 1&2, Block 3-A Frisco Addition, as recorded in 388-173, Page 11 Plat Records Tarrant County Texas and being all of that tract of land described in deed to the City of Fort Worth as recorded in Volume 3418, Page 632 D.R.T.C.T. and the south right of way line being described in Residue of Beckham Place vacated by Ordinance No. 9104, being all of that called 0.4304 acre tract of land
described in City of Fort Worth Ordinance No. 23278-06-2018 Vacating and Extinguishing a portion of Beckham Place, and being more particularly described below:

BEGINNING at a 1/2-inch found iron with cap stamped GRANT ENG RPLS 4151 being at the intersection of the north right of way line of Beckham Place (variable width right-of-way) and the east right of way line of Burlington Northern Santa Fe Railroad (100 foot wide right-of-way), and being the southwest corner of that tract of land described in Warranty Deed to All Saints Episcopal Hospital of Fort Worth Inc., recorded in Volume 10876, Page 1719 Official Records Tarrant County Texas (O.R.T.C.T.);

THENCE North 59 degrees 40 minutes 50 seconds East, along the north right of way line of said Beckham Place, passing at a distance of 149.29 feet, a 3/4-inch iron rod for the southeast corner of said All Saints tract and being the southwest corner of 1700 Mistletoe Partners, Ltd., recorded in Document No. D207307960 O.R.T.C.T., and continuing for a total distance of 255.74 feet to a point for corner;

THENCE South 00 degrees 42 minutes 24 seconds East, over and across said Beckham Place, a distance of 70.58 feet to a point for corner being on the south right of way line of said Beckham Place;

THENCE South 57 degrees 36 minutes 24 seconds West, along said south right of way line, a distance of 198.04 feet to a point for corner at the point of intersection of said south right of way line and the east right of way line of said Beckham Place same being the east line of said City of Fort Worth tract;

THENCE South 06 degrees 51 minutes 00 seconds East, along said east right of way line, a distance of 58.06 feet to a point for corner being at the intersection of said east right of way line and the north right of way line of Mistletoe Boulevard (a variable width right of way);

THENCE North 89 degrees 22 minutes 55 seconds West, over and across said Beckham Place, a distance of 50.32 feet to a point for corner being on the east right of way line of said Burlington Northern Santa Fe Railroad;

THENCE North 06 degrees 00 minutes 10 seconds West, along said east right of way line, passing at a distance of 27.87 feet, the northwest corner of said City of Fort Worth tract, and continuing for a total distance of 105.25 feet to the POINT OF BEGINNING AND CONTAINING 18,744 square feet or 0.4303 acres of land, more or less.

LESS AND EXCEPT:

Being a tract or parcel of land situated in the E.S. Harris Survey Abstract No. 688, City of Fort Worth, Tarrant County, Texas and being all of that tract of land described in deed to the City of Fort Worth as recorded in Volume 3418, Page 632 D.R.T.C.T. and being more particularly described below:

BEGINNING at a 3/4-inch found iron rod for the southeast corner of said City of Fort Worth tract, being on the north right of way line of Mistletoe Boulevard (a variable width right of way);
THENCE North 89 degrees 22 minutes 55 seconds West, along said north right of way line, a distance of 50.32 feet to a point for corner at the intersection of said north right of way line with the east right of way line of Burlington Northern Santa Fe Railroad (100 foot wide right-of-way); THENCE North 06 degrees 00 minutes 10 seconds West, departing said north right of way line and along said east right of way line, a distance of 27.87 feet to a point for corner;

THENCE North 57 degrees 36 minutes 24 seconds East, departing said east right of way line, a distance of 54.84 feet to a point for corner; THENCE South 06 degrees 51 minutes 00 seconds East, a distance of 58.06 feet to the POINT OF BEGINNING AND CONTAINING 2,133 square feet or 0.0490 acres of land, more or less.

TRACT V:

Being a tract or parcel of land situated in the E.S. Harris Survey Abstract No. 688, City of Fort Worth, Tarrant County, Texas and being all of that tract of land described in deed to the City of Fort Worth as recorded in Volume 3418, Page 632 D.R.T.C.T. and being part of that called 0.4304 acre tract of land described in City of Fort Worth Ordinance No. 23278-06-2018 Vacating and Extinguishing a portion of Beckham Place and being more particularly described below:

BEGINNING at a 3/4-inch found iron rod for the southeast corner of said City of Fort Worth tract, being on the north right of way line of Mistletoe Boulevard (a variable width right of way);

THENCE North 89 degrees 22 minutes 55 seconds West, along said north right of way line, a distance of 50.32 feet to a point for corner at the intersection of said north right of way line with the east right of way line of Burlington Northern Santa Fe Railroad (100 foot wide right-of-way); THENCE North 06 degrees 00 minutes 10 seconds West, departing said north right of way line and along said east right of way line, a distance of 27.87 feet to a point for corner;

THENCE North 57 degrees 36 minutes 24 seconds East, departing said east right of way line, a distance of 54.84 feet to a point for corner; THENCE South 06 degrees 51 minutes 00 seconds East, a distance of 58.06 feet to the POINT OF BEGINNING AND CONTAINING 2,133 square feet or 0.0490 acres of land, more or less.

TRACTS I, II, III, IV AND V ALSO KNOWN AS:

PLAT DESCRIPTION:

BEING a tract of land in the E.S. Harris Survey, Abstract No. 688 in the City of Fort Worth, Tarrant County, Texas, being all of that tract of land described as Tract 1 in Special Warranty Deed to 1700 Mistletoe Partners, Ltd., as recorded in County Clerk’s Document No. D207136648 in the Official Records of Tarrant County, Texas (O.R.T.C.T.), and being all of Lot 1-R1 of Lots 1-R1 and 1-R2, Block 3R, Frisco Addition, an addition to the City of Fort Worth, Tarrant County, Texas, as recorded in County Clerk’s Document No. D212125731 O.R.T.C.T., and being all of that tract of land described in Warranty Deed to All Saints Episcopal Hospital of Fort Worth, Inc., as recorded in Volume 10876, Page 1719 O.R.T.C.T.,
and being all of that called 0.424 acre tract of land described in General Warranty Deed With Mineral Reservations to 1700 Mistletoe Partners, Ltd., as recorded in County Clerk’s Document No. D207307960 O.R.T.C.T., and being more particularly described as follows:

BEGINNING at a 5/8-inch found iron rod for the southeast corner of said Lot 1-R1, being on the north right-of-way line of Mistletoe Boulevard (a variable width right-of-way);

THENCE North 89 degrees 22 minutes 55 seconds West, along said north line, a distance of 272.69 feet to a 1/2-inch set iron rod with yellow plastic cap stamped “HALFF” (hereinafter referred to as “with cap”) for corner on the east line of Burlington Northern Santa Fe Railroad (100 foot wide right-of-way);

THENCE North 06 degrees 00 minutes 10 seconds West, departing said north line and along said east line, a distance of 507.25 feet to a 1/2-inch found iron rod with plastic cap stamped “FULTON SURVEYING” for the northwest corner of said All Saints tract;

THENCE North 84 degrees 06 minutes 47 seconds East, departing said east line and along the north line of said All Saints tract, a distance of 98.08 feet to a 1/2-inch found iron rod with plastic cap stamped “GRANT ENG RPLS 4151” for corner;

THENCE South 06 degrees 21 minutes 44 seconds East, continuing along said north line, a distance of 44.82 feet to a 1/2-inch found iron rod with plastic cap stamped “GRANT ENG RPLS 4151” for corner;

THENCE North 84 degrees 04 minutes 15 seconds East, continuing along said north line, a distance of 110.60 feet to a 5/8-inch found iron rod for the northeast corner of said All Saints tract;

THENCE South 03 degrees 50 minutes 10 seconds East, departing said north line and along the east line of said All Saints tract, a distance of 115.35 feet to a 5/8-inch found iron rod for ell corner on the north line of said 0.424 acre tract;

THENCE North 86 degrees 13 minutes 12 seconds East, departing said east line and along said north line, a distance of 54.54 feet to a 5/8-inch found iron rod for the northeast corner of said 0.424 acre tract;

THENCE South 03 degrees 53 minutes 11 seconds East, departing said north line and along the east line of said 0.424 acre tract, a distance of 124.54 feet to a found axle for the southeast corner of said 0.424 acre tract, being on the north right-of-way line of Beckham Place (a variable width right-of-way);

THENCE South 59 degrees 40 minutes 50 seconds West, departing said east line and along said north line, a distance of 23.54 feet to a 1/2-inch set iron rod with cap for corner;

THENCE South 00 degrees 42 minutes 24 seconds East, departing said north line, a distance of 70.58 feet to a 1/2-inch set iron rod with cap for corner on the south right-of-way line of said Beckham Place;
THENCE North 57 degrees 36 minutes 24 seconds East, along said south line, a distance of 70.51 feet to a point for the northeast corner of said Lot 1-R1, from which a 1/2-inch found iron rod with plastic cap stamped "AREA SURVEYING" bears North 48 degrees 50 minutes 32 seconds East, a distance of 0.25 feet;

THENCE South 00 degrees 42 minutes 24 seconds East, departing said south line and along the east line of said Lot 1-R1, a distance of 203.93 feet to the POINT OF BEGINNING AND CONTAINING 123,799 square feet or 2.842 acres of land, more or less.
August 31, 2018

VIA ELECTRONIC MAIL

Mistletoe Station, LLC (“Borrower”)
c/o Lisa Stephens
5501-A Balcones Drive #302
Austin, TX 78731
Attn:   Lisa Stephens (Email: lisa@saigebrook.com)

Re:   Property Name and Address: Mistletoe Station (the “Property”)
      1916 Mistletoe Boulevard
      2116 Beckham Place
      Fort Worth, TX 76104

Borrower:    Mistletoe Station, LLC
Product:   Fixed Rate Mortgage
Freddie Mac Loan Number: 501240241
Hunt Loan Number:  4006988

Ladies and Gentlemen:

This letter is a commitment (“Commitment”) by Hunt Mortgage Partners, LLC, a wholly-owned subsidiary of Hunt Real Estate Capital, LLC (“Seller” or “Lender”), to provide a loan (the “Mortgage”) to the above-referenced borrower (“Borrower”) and secured by Borrower’s interest in the above-referenced property (“Property”). Upon Borrower’s timely acceptance of this Commitment in the manner provided in Part A below and subject to satisfaction of the conditions precedent set forth in this Commitment, this Commitment will obligate Lender to provide, and will obligate Borrower to accept the Mortgage in accordance with the provisions and conditions set forth in this Commitment. The Mortgage to the Borrower is being made in accordance with, and subject to, the requirements, terms and conditions of Freddie Mac's Multifamily Seller/Servicer Guide and any and all Guide updates and Lender memos, as amended from time to time (collectively, the “Guide”), and all other requirements of Freddie Mac which are conditions to its purchase of the Mortgage (collectively, the “Freddie Mac Requirements”). The Borrower acknowledges that Lender intends to sell this Mortgage to Freddie Mac and that Freddie Mac intends to sell this Mortgage into a commercial mortgage-backed securitization or similar type execution, and this Mortgage will not be held by Lender or in Freddie Mac’s portfolio.
A. Expiration; Acceptance of the Commitment.

1. Expiration.
   This Commitment will expire at 3:00 p.m. Eastern time on August 31, 2018 ("Expiration Date"), at which time, this Commitment will become null and void.

2. Acceptance.
   If Borrower desires to accept this Commitment, Borrower must:
   (a) execute one original of this Commitment and cause it to be received by Lender via electronic mail in Adobe pdf format no later than the Expiration Date; and
   (b) Deliver to Lender the Good Faith Deposit as provided in Part K(5) of this Commitment.

B. Interest Rate Lock and Selection of Other Loan Terms.

1. If Borrower accepts this Commitment in the manner provided in Part A above, then Borrower will have until the Expiration Date ("Rate Lock Period") to lock the interest rate ("Interest Rate Lock"). If the Borrower fails to Interest Rate Lock prior to the Expiration Date, Lender may extend the Rate Lock Period for an additional five (5) Business Days ("Extended Rate Lock Period"); provided, however, as consideration for extending the Rate Lock Period, Lender may, in its sole and absolute discretion, change the Interest Rate Spread (set forth in Exhibit A) or the Applicable Benchmark US Treasury Security (set forth in Exhibit A).

2. Borrower must communicate to Lender its desire to Interest Rate Lock during the Rate Lock Period or the Extended Rate Lock Period, as applicable, by telephoning the Lender at 212.521.6336 between the hours of 10:00 a.m. and 3:00 p.m. Eastern time.

3. In the event that Lender cannot reach Freddie Mac, or Freddie Mac (i) does not have access to its Multifamily Processing System ("MPS") and/or “real time” market yields on the applicable US Treasury Security (currently accessed via Bloomberg) and as a result (ii) is delayed in completing Interest Rate Lock or is unable to Interest Rate Lock at the time the Seller communicates its Interest Rate Lock, Lender will not be liable for any damages whether direct or consequential.

4. This Commitment and the closing of the Mortgage ("Conversion") is expressly conditioned and subject to Borrower’s satisfaction of each of the following:
(a) The satisfaction in full of all conditions and covenants set forth in this Commitment.

(b) The documents and instruments evidencing and securing the Mortgage (collectively, the “Loan Documents”) have been prepared by and approved by Lender and Lender’s Legal Counsel.

(c) All conditions of the Lender’s Legal Counsel’s closing checklist have been satisfied on or before thirty (30) days prior to the Forward Commitment Maturity Date (as defined on Exhibit A).

(d) All fees, costs and expenses required to be paid by this Commitment on or before the Expiration Date shall have been paid in full.

(e) Rate Lock shall have occurred, on or before the Expiration Date.

(f) All Freddie Mac Requirements shall have been satisfied.

(g) Truth of Representations and Warranties. There shall not have been any error or misstatement in, or omission from, any representation or warranty made by the Borrower in the loan application or this Commitment and all documents or materials submitted to Lender in connection therewith.

(h) There shall be no uncured default or breach by the Borrower hereunder or upon the execution thereof under any of the Loan Documents.

(i) All fees, costs and expenses required to be paid by this Commitment on or before the Conversion Date shall have been paid in full.

(j) Timely acceptance and performance of the obligations hereunder. TIME IS OF THE ESSENCE.

(k) No proceedings that would, in the Lender’s opinion, adversely affect the Borrower’s ability to meet the Mortgage obligation, the value of the Property, or the marketability of the Mortgage or the Property or in any other manner are unacceptable to Lender in its sole discretion, may be pending against the Borrower, any Guarantor, any Designated Entity for Transfers or against the Property.
(l) Lender shall have reviewed and approved, in its sole discretion, all agreements, documents, instruments, certificate, reports, surveys, papers and matters subject to Lender’s and/or Freddie Mac's review and approval under the terms and conditions of this Commitment. There shall have been no material changes in the structure and principals of the Borrower entity or in the Property operations not reflected in the application for the Loan submitted to Lender.

5. No material adverse change shall have occurred in the business, affairs, operations, prospects or financial position of the Property, the Borrower, the Guarantor, the Designated Entity for Transfers or any individuals or entities listed as sponsors in the Borrower’s loan application in comparison with the most current information previously submitted to the Lender prior to the date of this Commitment. The Borrower understands that the Lender’s willingness to proceed with the transaction described herein is made in full reliance upon financial statements and other documentation previously submitted by or on behalf of Borrower, the Guarantor, and the Designated Entity for Transfers to the Lender and that Lender may, at its option, terminate this Commitment and its obligation hereunder upon any such material adverse change.

At its option, Lender may waive in writing any Condition to Closing. In the event of failure of any Condition to Closing, absent a written waiver by Lender or an extension of time granted by Lender for satisfaction of the Condition to Closing, in its sole discretion, this Commitment shall expire and Lender shall have no further obligations under this Commitment.

C. Obligation to Close Mortgage and accept Exhibit A

1. On or after the date of the Interest Rate Lock ("Rate Lock Date"), Lender will deliver to Borrower a completed Exhibit A to evidence the loan terms and Forward Commitment Maturity Date. Borrower must execute and deliver the completed Exhibit A to Lender via electronic mail in Adobe pdf format no later than 3:00pm EST the Business Day immediately following its receipt. Failure by Borrower to execute and return the Exhibit A in a timely manner will constitute a nondelivery as defined herein.

2. This Commitment and the closing of the Mortgage are expressly conditioned upon and subject to the Freddie Mac agreement to purchase the Mortgage from Lender. Upon acceptance by the Borrower of the terms
of this Commitment, and prior to Interest Rate Lock, Lender will accept a corresponding binding Mortgage Purchase Commitment from Freddie Mac.

D. Material Differences.
Lender will not be obligated to provide the Loan if Borrower’s financial position (or that of any Guarantor, Designated Entity for Transfers or Borrower Principal), the condition of the Property, rental income, or any other feature of the transaction differs materially from that which was disclosed to Lender in the full underwriting package.

E. MORTGAGE DELIVERY; ACCEPTANCE OF MORTGAGE DELIVERY.

1. Mortgage Delivery.

a. Conversion Mortgage Underwriting. At such time as Seller determines that each of the Conditions to Conversion set forth in this Commitment is satisfied (or, if not satisfied, Seller determines to request a waiver of such condition by Freddie Mac), Seller shall deliver to Freddie Mac the TAH Cash Conversion Underwriting Package, together with the proposed Conversion schedule (“Conversion Date Notification”). Seller shall deliver the TAH Cash Conversion Underwriting Package and the Conversion Date Notification to Freddie Mac no later than sixty (60) days prior to the proposed Conversion date, which Conversion date must be on or before the maturity date of this Commitment (“Forward Commitment Maturity Date”). Borrower shall deliver to Seller all items and information required by Seller to complete the TAH Cash Conversion Underwriting Package no later than ninety (90) days prior to the proposed Conversion date.

b. Notification of Acceptance of Conversion Underwriting. After Freddie Mac completes its underwriting, Freddie Mac shall notify Seller of its approval or rejection of the package. If approved, Freddie Mac shall deliver to Seller a written notification specifying the Actual Mortgage Amount (as determined in accordance with Schedule 1 to Exhibit B attached to this Commitment) and any other terms and conditions of Conversion by executing the Conversion Acceptance Letter (“Conversion Acceptance Notification”).

c. Conversion Notice; Escrow Delivery. After Freddie Mac has executed the Conversion Acceptance Letter, Seller shall notify Freddie Mac, with a copy to the construction lender and the Borrower, of the Conversion date (“Conversion Notice”). The Conversion Notice shall be delivered to
Freddie Mac no later than fifteen (15) days prior to the Conversion date and shall contain the following information: the name, address, telephone number, facsimile number and email address of the escrow agent or title company to be used for closing the Mortgage; a request for the cancellation and return of the Delivery Assurance Note; and a request for the release of the Delivery Assurance Mortgage. On or after Seller’s delivery of the Conversion Notice and prior to the Forward Commitment Maturity Date, Seller shall prepare and deliver a Conversion escrow agreement that satisfies the requirements of the Guide, and is otherwise mutually acceptable to Freddie Mac and Seller, to the escrow agent or title company for the closing of the Mortgage ("Escrow Agent"). Upon Freddie Mac’s receipt of the Conversion Notice and prior to the Forward Commitment Maturity Date, Freddie Mac will coordinate with Seller the delivery of the following items to the Escrow Agent: (i) the Commitment Fee (by check or wire transfer); (ii) the Delivery Assurance Fee (by check or wire transfer), as applicable, the Delivery Assurance Note (marked paid and cancelled) and a release of the Delivery Assurance Mortgage; and (iii) any other escrow documents held by Freddie Mac. Freddie Mac will authorize the release of the foregoing escrowed items upon the terms and conditions set forth in this Commitment and the Guide.

Conversion shall occur, if at all, on or before the Forward Commitment Maturity Date.

d. Extension of Forward Commitment Maturity Date. The Forward Commitment Maturity Date may be extended for up to two (2) periods of up to six (6) months each, upon full and timely satisfaction of each and all of the conditions to extension set forth in the Guide ("Conditions of Extension"). There shall be no charge for the first six-month extension. Freddie Mac will charge a fee to hold the original interest rate set forth in Exhibit A in connection with a subsequent extension. The Borrower is responsible for all fees and costs associated with any such extension.

If the Forward Commitment Maturity Date is extended, the term “Forward Commitment Maturity Date” as used in this Commitment, means the original Forward Commitment Maturity Date, as extended pursuant to the Conditions to Extension.

F. Acceptance of Mortgage Delivery. Seller’s obligation to make the Mortgage is subject to Seller’s determination that each of the conditions precedent to Conversion set forth in this Commitment, including the Exhibits and Addenda attached to this Commitment, and the Guide (collectively, “Conditions to Conversion”) have been and remain satisfied. Upon the failure of any Condition
to Conversion prior to the Conversion date, absent a written waiver thereof by Seller’s, this Commitment shall terminate and shall be of no force or effect, and Seller’s shall have no further obligations under this Commitment; provided, however, that Seller’s shall be entitled to the payment of any applicable fees as provided herein.

G. **Loan Agreement.**
All references to the Loan Agreement will mean the Multifamily Loan and Security Agreement.

H. **Delivery of Opinion Letter:** Borrower acknowledges and agrees that as part of the loan closing process it is required to deliver to Lender certain legal opinion letters in form and substance acceptable to the Freddie Mac addressing, among other things, enforceability (under certain circumstances), due formation, execution and delivery, non-consolidation (under certain circumstances) and such other matters as may be required by Freddie Mac (collectively if more than one, the "Opinion Letter"). In order to properly review the Opinion Letter, Freddie Mac must receive a draft of the Opinion Letter, with analysis and recommendations from Lender, not less than three (3) Business Days prior to the anticipated consummation of the loan transaction. Accordingly, Borrower acknowledges and agrees to deliver to Lender, not less than five (5) Business Days prior to the anticipated consummation of the loan transaction, a draft Opinion Letter for review. Borrower acknowledges and agrees that Lender will not be responsible for reviewing any Opinion Letter received less than three (3) Business Days prior to the anticipated consummation of the loan transaction and that Borrower's failure to timely deliver such Opinion Letter may result in the consummation of the loan transaction being delayed. Borrower further acknowledges and agrees that neither Lender nor Freddie Mac will be responsible for any loss, costs or damages incurred by Borrower as a result of the consummation of the loan transaction being delayed due to the failure of Borrower to timely deliver a draft Opinion Letter.

I. **Assignment**
Lender will have the right to assign or otherwise transfer this Commitment to any affiliate or subsidiary of Lender or Freddie Mac without the consent of Borrower ("Assignment"). After an Assignment, all references to Lender or Freddie Mac in this Commitment or in the Guide will be deemed to refer to such affiliate or subsidiary of Lender or Freddie Mac to which the assignment has been made.

J. **Riders**
Unless it is expressly stated that a Rider can be found on Exhibit E, all Riders can be located on the Freddie Mac web site.
K. Lender and Freddie Mac Fees and Expenses.

1. **Application Fee.** Borrower previously paid to Lender the Application Fee in the amount of $25,000 (the “Application Fee”), which includes and a non-refundable Processing Fee in the amount of $3,500. The Lender shall use the Application Fee to defray the cost of the third party reports. In the event the actual costs and expenses exceed the Application Fee, Borrower agrees to pay such excess amount. The Application Fee will be held without obligation to pay or credit interest thereon. Any shortage will be paid at the closing of the Mortgage.

2. **Legal Fee Deposit.** Borrower previously paid to Lender the Legal Fee Deposit in the amount of $5,000 (the “Legal Fee Deposit”). The Lender shall use the Legal Fee Deposit to be applied and used towards payment of legal fee due to Lender’s counsel at Conversion.

3. **Freddie Mac Application Fee.** The Borrower previously paid to Lender the Freddie Mac Application Fee in the amount of $7,850.00 (the “Freddie Mac Application Fee”). Lender reserves the right to collect any difference is the amount collected and the actual Freddie Mac Application Fee at Closing.

4. **Lender Origination Fee.** The Borrower agrees to pay to the Lender a non-refundable Lender Origination Fee in the amount of $83,000.00 (the “Lender Origination Fee”) in consideration of the Lender originating and underwriting the Mortgage. The Lender Origination Fee shall be earned upon acceptance of this Commitment and shall be due and payable at Interest Rate Lock.

5. **Good Faith Deposit.** As a precondition to the Interest Rate Lock, Borrower shall deposit with Lender the Good Faith Deposit in an amount equal to two percent (2%) of the Mortgage Amount ($166,000.00) (the “Good Faith Deposit” or the “Commitment Fee”) to secure the performance of Borrower's obligations under this Commitment. The Good Faith Deposit must be received by Lender in immediately available funds prior to the Interest Rate Lock. If after closing Borrower delivers to Lender a Letter of Credit in the amount of 1% of the Mortgage Amount (1/2 of the Good Faith Deposit) satisfactory to Lender and Freddie Mac in their sole discretion, Lender will return 1% of the Mortgage Amount to Borrower. Lender will continue to hold 1% of the Mortgage Amount and the Letter of Credit as the Good Faith Deposit. If for any reason closing and funding of the Mortgage does not occur within the timeframe required by this Commitment or the Mortgage is not delivered to and accepted by
Freddie Mac for purchase by the expiration date set forth in the Freddie Mac Commitment, the Good Faith Deposit will be non-refundable. Following the review and approval of the Loan Documents by Freddie Mac and the purchase of the Mortgage by Freddie Mac, the Good Faith Deposit will be refundable without interest. Within approximately two (2) Business Days thereafter, Lender shall refund the balance of the Good Faith Deposit to the Borrower.

6. **Authorized Mortgage Deduction and Expenses.** The Borrower will pay all expenses incurred incident to the making of this Mortgage, including but not limited to charges for appraisal fees, title examination and insurance, recording and filing fees, closing costs, inspecting engineers fees, escrow fees, mortgage tax, revenue stamps, a legal fee estimated to be in the amount of $25,000.00 at Interest Rate Lock (“Estimated Rate Lock Legal Fee”) and estimated to be in the amount of $15,000.00 at Conversion (“Estimated Conversion Legal Fee”, and together with the Estimated Rate Lock Legal Fee, the “Estimated Legal Fee”) to cover the Lender’s attorneys’ fees and expenses, and bond and insurance premiums and any fees, expenses and costs of Freddie Mac, including but not limited to outside counsel to Freddie Mac, if needed. The Estimated Legal Fee is only an estimate of the legal fees and expenses which will be incurred in connection with the transaction described herein and the Borrower shall be obligated to pay the entire legal fees and expenses of the Lender whether or not they exceed the Estimated Legal Fee. The Lender is authorized, at its option, to pay and deduct from the proceeds of the Mortgage or the Freddie Mac Application Fee, the aforementioned items, fees, expenses and costs and any sums necessary to pay prior liens and establish good title.

L. **Fee to Assure Mandatory Delivery.**

a. **Option to Delivery Assurance Fee.** In consideration of Lender’s agreement to fix the interest rate for the Mortgage in accordance with Part B. of this Commitment, Borrower agrees to deliver the Mortgage to Lender in accordance with the terms of this Commitment. The Borrower agrees to pay Lender a delivery assurance fee (“Delivery Assurance Fee”) in an amount equal to the percentage of the Maximum Mortgage Amount set forth in Exhibit A. Borrower shall deliver the Delivery Assurance Fee to Lender prior to Rate Lock. The Delivery Assurance Fee shall be held by Freddie Mac and shall be retained by Freddie Mac if the Mortgage is not delivered to Freddie Mac unless it is refunded to Borrower in accordance with the terms of this Commitment. Borrower agrees to close the
Mortgage with the Lender pursuant to the terms of this Commitment.

b. **Refund to Borrower.** The Delivery Assurance Fee shall be refundable to Borrower if the Mortgage is delivered to Freddie Mac on or before the Forward Commitment Maturity Date or the Mortgage fails to close or be delivered to Freddie Mac as a result of (i) a material adverse change in the rental income, expenses for operation of the Property or physical condition of the Property due to fire or other casualty to the Property which is not within the control of Borrower, or (ii) a Rejection or Nondelivery (as such terms are defined in the Breakage Provision (defined below)) for any reason not set forth in paragraph 2(a) in the subsection entitled “Borrower’s Obligation upon a Rejection or Nondelivery” in the required Breakage Provision set forth in Section M. Remedies.

c. **Option to Deliver Cash, Letter of Credit or Delivery Assurance Note.** The Delivery Assurance Fee shall be payable by Borrower in cash, by letter of credit or by a demand promissory note executed by Borrower in favor of Seller ("Delivery Assurance Note"), in the amount of the Delivery Assurance Fee in the form attached in Exhibit E hereto. The Delivery Assurance Note will secure Borrower’s obligation to Seller to pay the Borrower Breakage Fee. The entire outstanding principal balance of the Delivery Assurance Note, or the appropriate portion of the Delivery Assurance Note, will be due and payable on demand by Seller at such time as Seller is entitled to retain the Delivery Assurance Fee, in whole or in part, in payment of the Borrower Breakage Fee under the terms of the Seller Permanent Loan Commitment.

i. The Delivery Assurance Note must be in the form attached in Exhibit E.

ii. Borrower’s obligation under the Delivery Assurance Note must be secured by a recorded mortgage, deed of trust or deed to secure debt on the Property (the “Delivery Assurance Mortgage”).

iii. If Borrower elects to deliver the Delivery Assurance Note in lieu of a cash payment or a letter of credit, Borrower shall execute the Delivery Assurance Note and the Delivery Assurance Mortgage upon Borrower’s execution of this Commitment.

iv. The Delivery Assurance Note shall be due and payable by Borrower on the earlier of (a) the Forward Commitment Maturity Date or (b) the date on which the Commitment Fee and/or Seller Breakage Fee (defined below) are/is due. If the Delivery
Assurance Fee is to be refunded pursuant to the provisions of Section 3.b. above, the Delivery Assurance Note shall be cancelled by return of the original Delivery Assurance Note to Borrower and the Delivery Assurance Mortgage released of record.

v. Lender agrees that the Delivery Assurance Mortgage shall be subordinate to the security instrument securing the Construction Loan.

M. Remedies.

1. Obligation to Pay Damages
   Borrower acknowledges that Lender is accepting this Commitment in reliance on the agreement of the Federal Home Loan Mortgage Corporation (“Freddie Mac”) to lock the interest rate under its forward commitment with Lender with respect to the mortgage to be sold to Freddie Mac (“Freddie Mac Commitment”). Borrower further acknowledges that if after Interest Rate Lock (as defined in the Freddie Mac Commitment) Lender fails to deliver the proposed Mortgage to Freddie Mac for any reason, Freddie Mac will suffer damages as a result of its reliance upon the agreement of Lender to deliver the Mortgage to Freddie Mac, and that Lender will be obligated to pay Freddie Mac a breakage fee (“Seller Breakage Fee”) in payment of such damages.

2. Borrower’s Obligation upon a Rejection or Nondelivery
   a. If Lender enters into an Interest Rate Lock with Freddie Mac for the Mortgage and if Freddie Mac rejects the Mortgage (“Rejection”) for purchase for any of the reasons set forth below or fails to purchase the Mortgage (“Nondelivery”) for any of the reasons set forth below, then in addition to the Application Fee the Borrower must pay a breakage fee (“Borrower Breakage Fee”) to Lender, upon demand, as liquidated damages:
      i. If the Borrower fails to deliver in a timely manner (1) the Commitment Fee, (2) the Delivery Assurance Fee or (3) by the date required by Lender the information necessary for Lender to deliver a complete and correct full TAH Cash Conversion Underwriting Package (as defined in the Freddie Mac Commitment).
      ii. Any representation, warranty, statement, certificate or other information made or furnished to Lender or Freddie Mac in connection with the Mortgage is false or misleading in any material respect as of the date made.
iii. There has been a material adverse change in the rental income, operation of the Property, physical condition of the Property (except for a Rejection for the reason set forth in subsection (b)(i) below) or title to the Property from that which was disclosed in writing to Lender or Freddie Mac.

iv. The Borrower fails or is unable to satisfy any Condition to Conversion, except if such failure or inability is due to Lender’s failure to perform its obligations under this Commitment and the Freddie Mac Multifamily Seller/Servicer Guide, as may be amended and supplemented from time to time as permitted by the Freddie Mac Commitment (unless Freddie Mac elects to accept delivery of the Mortgage notwithstanding Lender’s failure to perform).

v. The Borrower fails or is unable to execute all required loan documents or in any other way fails or is unable to consummate the loan transaction as required by and in accordance with the terms and conditions of this Commitment or any commitment that results from this Commitment by the Forward Commitment Maturity Date.

b. If Lender enters into an Interest Rate Lock with Freddie Mac for the Mortgage and there is a Rejection or Nondelivery for any of the reasons set forth below then Borrower will be responsible for the Application Fee only and Lender will return the Delivery Assurance Fee.

i. There has been a material adverse change in the rental income, expenses for operation of the Property or physical condition of the Property due to fire or other casualty to the Property which is not within the control of the Borrower.

ii. There is a Rejection for a reason not set forth in subsection (a) above.

3. Calculation of the Borrower Breakage Fee
The Borrower Breakage Fee will be the greater of (A) or (B) below, provided however, that in no event will the Borrower Breakage Fee exceed 2% of the Rate Locked Mortgage Amount:

(A) 0.5% of the Rate Locked Mortgage Amount; or
(B) the product obtained by multiplying:

(i) the Rate Locked Mortgage Amount
   by

(ii) the value obtained by subtracting
   a. the Monthly Yield Rate at Breakage less 3.9583 basis points
   from
   b. the Monthly Yield Rate at Rate-Lock
   by

(iii) the Present Value Factor

For purposes of this Section 3 the following definitions will apply:

**Breakage Date:** the earliest of (i) the date of a Rejection of the Mortgage, (ii) the date the Borrower notifies Lender or Freddie Mac that it will not or cannot originate the Mortgage, (iii) the date Lender notifies Freddie Mac in writing of its inability to deliver the Mortgage, or (iv) the Mandatory Delivery Date.

**Rate Locked Mortgage Amount:** the Maximum Mortgage Amount set forth in Exhibit A to the Freddie Mac Commitment.

**Yield Rate at Breakage:** as of the close of the trading session on the Breakage Date, the yield rate with a maturity equal to the term of the Index set forth in Exhibit A to the Freddie Mac Commitment, found among the Daily Treasury Yield Curve Rates, commonly known as the Constant Maturity Treasury (CMT) rates, as reported on the U.S. Department of the Treasury website.

The Yield Rate at Breakage will be expressed as a decimal to two digits.

If no published CMT maturity matches the term of the Index, Lender will interpolate as a decimal to two digits the yield rate between (i) the CMT with a maturity closest to, but shorter than, the term of the Index, and (ii) the CMT with a maturity closest to, but longer than, the term of the Index, as follows:

\[
A = \text{yield rate for } \frac{B - A}{D - C} + \frac{A}{X - C}
\]
shorter than the term of the Index

B = yield rate for the CMT with a maturity longer than the term of the Index

C = number of months to maturity for the CMT maturity shorter than the term of the Index

D = number of months to maturity for the CMT maturity longer than the term of the Index

E = number of months in the term of the Index

In the event the U.S. Department of the Treasury ceases publication of the CMT rates, the Yield Rate at Breakage will equal the yield rate on the U.S. Treasury security which is not callable or indexed to inflation and which has a maturity closest to (but not shorter than) the term of the Index.

The selection of an alternate security pursuant to this Section will be made in Freddie Mac’s discretion.

**Monthly Yield Rate at Breakage**: the Yield Rate at Breakage divided by 12

**Yield Rate at Rate-Lock**: the yield rate on the Index at rate lock (set forth in Exhibit A to the Freddie Mac Commitment)

**Monthly Yield Rate at Rate-Lock**: the Yield Rate at Rate Lock divided by 12

**Present Value Factor**: the factor that discounts to present value the costs resulting to Freddie Mac from the difference in the Yield Rate at Rate-Lock and the Yield Rate at Breakage calculated using the following formula:

\[
\frac{1 - (1 + r)^n}{r}
\]

\[r = \text{Monthly Yield Rate at Breakage}
\]

\[n = \text{the number of months in the Mortgage term (set forth in Exhibit A to the Freddie Mac Commitment)}
\]

4. **Assignment of Borrower Breakage Fee to Freddie Mac**

Lender intends to assign the Borrower’s obligation to pay the Borrower Breakage Fee under this Commitment to Freddie Mac in payment of its obligation to pay any Breakage Fee it owes to Freddie Mac in connection with the Mortgage. Borrower hereby consents to the assignment to Freddie Mac by Lender of Borrower’s obligation to pay the Borrower Breakage Fee under this Commitment. Borrower acknowledges that any such assignment to Freddie Mac will in no way alter or diminish Borrower’s obligation to Lender under this Commitment;
provided, however, to the extent that Borrower has paid the Borrower Breakage Fee to Freddie Mac directly, Lender will not be entitled to collect such fee. Borrower confirms and acknowledges that if the Borrower Breakage Fee becomes due, pursuant to such assignment, Freddie Mac may demand that Borrower pay the Borrower Breakage Fee directly to Freddie Mac and Freddie Mac will not be required to pursue its remedies first against Lender.

5. Waiver of Right to Assert Defenses
By execution of this Commitment, Borrower waives, to the fullest extent permitted by applicable law, the right to assert against Freddie Mac as assignee of Lender, any claim or defense to the claim assigned that arises out of transactions or relationships between Borrower and Lender, including, but not limited to, claims or defenses for fraud or set-off. By execution of this Commitment, Borrower acknowledges and agrees that this waiver is entered into knowingly and voluntarily with the benefit of competent legal counsel.

6. Waiver of Right to Contest Liquidated Damages
By execution of this Commitment, Borrower waives, to the fullest extent permitted by applicable law, any defense as to the validity of any liquidated damages set forth in this Commitment on the grounds that such liquidated damages are void as penalties or are not reasonably related to the actual damages. By execution of this Commitment, Borrower acknowledges and agrees that this waiver is entered into knowingly and voluntarily with the benefit of competent legal counsel.

7. Credit for Delivery Assurance Fee
Freddie Mac will credit the amount of the Delivery Assurance Fee collected in cash and held by it to the amount of the Borrower Breakage Fee owed to it by the Borrower.

N. Termination. This Commitment shall, at the Lender’s option, be terminated in the event that:

1. Rate Lock has not occurred prior to the Expiration Date; any of the items required to be delivered under this Commitment are not delivered within the time and in the form and manner as required by this Commitment, or there is any other default in or failure to comply with any of the terms or conditions of this Commitment;

2. The Borrower, the Guarantor or the Designated Entity for Transfers shall have made a general assignment for the benefit of creditors, admitted in writing, its inability to pay debts as they become due, filed a petition for bankruptcy, been adjudicated a bankrupt or insolvent, filed a petition
seeking any reorganization, an arrangement, composition, readjustment, liquidation, dissolution or similar relief under any present or future statute, law or regulation, filed an answer admitting or proceeding, sought or consented to or acquiesced in any appointment of a trustee, receiver or liquidator for the Borrower, the Guarantor or the Designated Entity for Transfers for any material part of any of their properties or assets, committed an act of bankruptcy, discontinued business as a going concern, suspended business, or any involuntary proceedings against the Borrower, the Guarantor or the Designated Entity for Transfer seeking any reorganization, bankruptcy, arrangement, composition, readjustment, liquidation, dissolution, receivership for similar relief under any present or future statute, law or regulation shall have been filed; or

3. The Mortgage shall not have been closed by thirty (30) days prior to the Forward Commitment Maturity Date and funded by the Forward Commitment Maturity Date.

O. Governing Law. The rights and obligations of the parties with respect to this Commitment shall be determined in accordance with the laws of the State of New York. This Commitment shall be governed by and construed in accordance with the laws of the State of New York. The Mortgage Loan Documents shall be governed by the laws of the state in which the Property is located.

P. Publicity. The Borrower understands that the Lender may publicize the financing described herein in the local media and elsewhere and may include in any publicity release the Borrower’s name, a general description of the Property and the terms of the financing. The Borrower consents to all such publicity.
Exhibits
The following Exhibits, if marked with an “X”, are attached to this Commitment and are an integral part of this Commitment:

[X] Exhibit A   Interest Rate Lock and Loan Terms Confirmation Sheet
[X] Exhibit B   Mortgage Terms
[X] Exhibit C   Product Terms
[X] Exhibit D   Additional Terms and Conditions
[X] Exhibit E   Additional Documents (Including Borrower Requested and Approved Loan Document Modifications)
[X] Exhibit F   Other Lender Requirements
[X] Exhibit G   General/Special Closing Conditions
[X] Exhibit H   ACH Form

[SIGNATURE PAGE AND ACCEPTANCE CONTINUE ON NEXT PAGE]
Please call Suzanne Cope if you have any questions about this Commitment. We look forward to your acceptance of this Commitment and the delivery of the Loan.

Sincerely,

HUNT MORTGAGE PARTNERS, LLC,
a Delaware limited liability company

By: _______________________

April Swan-Rosney
Vice President

[DOCUMENT EXECUTION CONTINUES ON THE FOLLOWING PAGE]
AGREED AND ACCEPTED BY

Mistletoe Station, LLC, a Texas limited liability company

By: Saigebrook Mistletoe, LLC, a Texas limited liability company, its Managing Member

By: _________________________

Lisa Stephens, President
ADDENDUM A

BREAKAGE PROVISIONS
(Revised 06-01-2015)

Borrower: Mistletoe Station, LLC
Property: Mistletoe Station

1. Obligation to Pay Damages
   Borrower acknowledges that _______________________
   [SELLER TO INSERT SELLER’S NAME] (“Lender”) is accepting this application from or
   making this commitment to Borrower (“Commitment”) in reliance on the
   agreement of the Federal Home Loan Mortgage Corporation (“Freddie Mac”) to
   lock the interest rate under its forward commitment with Lender with respect to
   the mortgage to be sold to Freddie Mac (“Freddie Mac Commitment”).
   Borrower further acknowledges that if after Interest Rate Lock (as defined in the
   Freddie Mac Commitment) Lender fails to deliver the proposed Mortgage to
   Freddie Mac for any reason, Freddie Mac will suffer damages as a result of its
   reliance upon the agreement of Lender to deliver the Mortgage to Freddie Mac,
   and that Lender will be obligated to pay Freddie Mac a breakage fee (“Seller
   Breakage Fee”) in payment of such damages.

2. Borrower’s Obligation upon a Rejection or Nondelivery
   a. If Lender enters into an Interest Rate Lock with Freddie Mac for the
      Mortgage and if Freddie Mac rejects the Mortgage (“Rejection”) for
      purchase for any of the reasons set forth below or fails to purchase the
      Mortgage (“Nondelivery”) for any of the reasons set forth below, then in
      addition to the Application Fee the Borrower must pay a breakage fee
      (“Borrower Breakage Fee”) to Lender, upon demand, as liquidated
      damages:

   i. If the Borrower fails to deliver in a timely manner (1) the
      Commitment Fee, (2) the Delivery Assurance Fee or (3)
      [by________ (AT SELLER’S OPTION, SELLER MAY
      INSERT DATE)] the information necessary for Lender to deliver
      a complete and correct full TAH Cash Conversion Underwriting
      Package (as defined in the Freddie Mac Commitment).

   ii. Any representation, warranty, statement, certificate or other
      information made or furnished to Lender or Freddie Mac in
connection with the Mortgage is false or misleading in any material respect as of the date made.

iii. There has been a material adverse change in the rental income, operation of the Property, physical condition of the Property (except for a Rejection for the reason set forth in subsection (b)(i) below) or title to the Property from that which was disclosed in writing to Lender or Freddie Mac.

iv. The Borrower fails or is unable to satisfy any Condition to Conversion, except if such failure or inability is due to Lender’s failure to perform its obligations under this Commitment and the Freddie Mac Multifamily Seller/Servicer Guide, as may be amended and supplemented from time to time as permitted by the Freddie Mac Commitment (unless Freddie Mac elects to accept delivery of the Mortgage notwithstanding Lender’s failure to perform).

v. The Borrower fails or is unable to execute all required loan documents or in any other way fails or is unable to consummate the loan transaction as required by and in accordance with the terms and conditions of this Commitment or any commitment that results from this Commitment by the Forward Commitment Maturity Date.

b. If Lender enters into an Interest Rate Lock with Freddie Mac for the Mortgage and there is a Rejection or Nondelivery for any of the reasons set forth below then Borrower will be responsible for the Application Fee only and Lender will return the Delivery Assurance Fee.

i. There has been a material adverse change in the rental income, expenses for operation of the Property or physical condition of the Property due to fire or other casualty to the Property which is not within the control of the Borrower.

ii. There is a Rejection for a reason not set forth in subsection (a) above.

3. Calculation of the Borrower Breakage Fee

The Borrower Breakage Fee will be the greater of (A) or (B) below, provided however, that in no event will the Borrower Breakage Fee exceed 2% of the Rate Locked Mortgage Amount:
(A) 0.5% of the **Rate Locked Mortgage Amount**; or

(B) the product obtained by multiplying:

(i) the **Rate Locked Mortgage Amount** by

(ii) the value obtained by subtracting
   a. the **Monthly Yield Rate at Breakage** less 3.9583 basis points

from

   b. the **Monthly Applicable Yield Rate at Rate-Lock**

   by

(iii) the **Present Value Factor**

For purposes of this Section 3 the following definitions will apply:

**Breakage Date:** the earliest to occur of (i) the date of a Rejection of the Mortgage, (ii) the date the Borrower notifies Lender or Freddie Mac in writing that it will not or cannot originate the Mortgage, (iii) the date Lender notifies Freddie Mac in writing of its inability to deliver the Mortgage, or (iv) the Mandatory Delivery Date.

**Rate Locked Mortgage Amount:** the Maximum Mortgage Amount set forth in **Exhibit A** to the Freddie Mac Commitment.

**Yield Rate at Breakage:** as of the close of the trading session on the Breakage Date, the yield rate with a maturity equal to the term of the Index set forth in **Exhibit A** to the Freddie Mac Commitment, found among the Daily Treasury Yield Curve Rates, commonly known as the Constant Maturity Treasury (CMT) rates, as reported on the U.S. Department of the Treasury website.

The Yield Rate at Breakage will be expressed as a decimal to two digits.

If no published CMT maturity matches the term of the Index, Lender will interpolate as a decimal to two digits the yield rate between (i) the CMT with a maturity closest to, but shorter than, the term of the Index, and (ii) the CMT with a maturity closest to, but longer than, the term of the Index, as follows:
A = yield rate for the CMT with a maturity shorter than the term of the Index
B = yield rate for the CMT with a maturity longer than the term of the Index
C = number of months to maturity for the CMT maturity shorter than the term of the Index
D = number of months to maturity for the CMT maturity longer than the term of the Index
E = number of months in the term of the Index

In the event the U.S. Department of the Treasury ceases publication of the CMT rates, the Yield Rate at Breakage will equal the yield rate on the U.S. Treasury security which is not callable or indexed to inflation and which has a maturity closest to (but not shorter than) the term of the Index.

The selection of an alternate security pursuant to this Section will be made in Freddie Mac’s discretion.

**Monthly Yield Rate at Breakage:** the Yield Rate at Breakage divided by 12

**Applicable Yield Rate at Rate Lock:** the yield rate on the Index at Rate Lock (set forth in Exhibit A to the Freddie Mac Commitment)

**Monthly Applicable Yield Rate at Rate-Lock:** the Applicable Yield Rate at Rate Lock divided by 12

**Present Value Factor:** the factor that discounts to present value the costs resulting to Freddie Mac from the difference in the Applicable Yield Rate at Rate-Lock and the Yield Rate at Breakage calculated using the following formula:

\[
\frac{1 - (1 + r)^n}{r}
\]

\[r = \text{Monthly Yield Rate at Breakage}\]
\[n = \text{the number of months in the Mortgage term (set forth in Exhibit A to the Freddie Mac Commitment)}\]

4. **Assignment of Borrower Breakage Fee to Freddie Mac**
Lender intends to assign the Borrower’s obligation to pay the Borrower Breakage Fee under this Commitment to Freddie Mac in payment of its obligation to pay any Breakage Fee it owes to Freddie Mac in connection with the Mortgage. Borrower hereby consents to the assignment to Freddie Mac by Lender of Borrower’s obligation to pay the Borrower Breakage Fee under this Commitment. Borrower acknowledges that any such assignment to Freddie Mac will in no way alter or diminish Borrower’s obligation to Lender under this Commitment; provided, however, to the extent that Borrower has paid the Borrower Breakage Fee to Freddie Mac directly, Lender will not be entitled to collect such fee. Borrower confirms and acknowledges that if the Borrower Breakage Fee becomes due, pursuant to such assignment, Freddie Mac may demand that Borrower pay the Borrower Breakage Fee directly to Freddie Mac and Freddie Mac will not be required to pursue its remedies first against Lender.

5. Waiver of Right to Assert Defenses
By execution of this Commitment, Borrower waives, to the fullest extent permitted by applicable law, the right to assert against Freddie Mac as assignee of Lender, any claim or defense to the claim assigned that arises out of transactions or relationships between Borrower and Lender, including, but not limited to, claims or defenses for fraud or set-off. By execution of this Commitment, Borrower acknowledges and agrees that this waiver is entered into knowingly and voluntarily with the benefit of competent legal counsel.

6. Waiver of Right to Contest Liquidated Damages
By execution of this Commitment, Borrower waives, to the fullest extent permitted by applicable law, any defense as to the validity of any liquidated damages set forth in this Commitment on the grounds that such liquidated damages are void as penalties or are not reasonably related to the actual damages. By execution of this Commitment, Borrower acknowledges and agrees that this waiver is entered into knowingly and voluntarily with the benefit of competent legal counsel.

7. Credit for Delivery Assurance Fee
Freddie Mac will credit the amount of the Delivery Assurance Fee collected in cash and held by it to the amount of the Borrower Breakage Fee owed to it by the Borrower.
EXHIBIT A

INTEREST RATE LOCK AND MORTGAGE TERMS CONFIRMATION SHEET

Property: Mistletoe Station
Freddie Mac Loan Number: 501240241
Hunt Loan Number: 4006988
Lender: Hunt Mortgage Partners, LLC

Date of Interest Rate Lock: ___________________________________________

I. Mortgage.

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Maximum Mortgage Amount</strong></td>
<td>$ ______________</td>
</tr>
<tr>
<td><strong>Maximum Annual Debt Service Amount</strong></td>
<td>IO amount $</td>
</tr>
<tr>
<td></td>
<td>P&amp;I amount $</td>
</tr>
<tr>
<td><strong>a. Minimum Mortgage Amount at Conversion</strong></td>
<td>90% of the Maximum Mortgage Amount</td>
</tr>
<tr>
<td><strong>b.</strong></td>
<td></td>
</tr>
<tr>
<td><strong>c. Monthly payment</strong></td>
<td>Interest-only term of 12 months</td>
</tr>
<tr>
<td></td>
<td>Interest-only per diem payment</td>
</tr>
<tr>
<td></td>
<td>$ ______________</td>
</tr>
<tr>
<td></td>
<td>P&amp;I payment after interest-only term</td>
</tr>
<tr>
<td></td>
<td>$ ______________</td>
</tr>
<tr>
<td></td>
<td>The per diem amount above is an approximation. The actual calculation of the monthly interest-only payment will be made in accordance with Section 3 of the Note.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Index</th>
<th>10-year US Treasury Security</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mortgage interest rate</td>
<td>%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Term</th>
<th>180 months</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Amortization Period</strong></td>
<td>N/A for interest only period then amortization based on 420 months for remaining term</td>
</tr>
</tbody>
</table>
Yield Maintenance Period, if any

174 months
See Exhibit B for further information regarding prepayment.

II. Forward Commitment Maturity Date; Mandatory Delivery Date; Application and Commitment Fees.

<table>
<thead>
<tr>
<th>Description</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>Forward Commitment Maturity Date</td>
<td>8/1/2020</td>
</tr>
<tr>
<td>Mandatory Delivery Date</td>
<td>The earlier of (i) 30 days after Conversion and (ii) the Forward Commitment Maturity Date</td>
</tr>
<tr>
<td>Freddie Mac Application Fee</td>
<td>$8,300</td>
</tr>
<tr>
<td>Freddie Mac Commitment Fee Percentage</td>
<td>2%</td>
</tr>
<tr>
<td>Freddie Mac Delivery Assurance Fee Percentage</td>
<td>3%</td>
</tr>
</tbody>
</table>

III. Determination of Actual Mortgage Amount.

<table>
<thead>
<tr>
<th>Description</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>Original Underwritten Debt Coverage Ratio*</td>
<td>1.15 to 1.00</td>
</tr>
<tr>
<td>Minimum Debt Coverage Ratio for Product Type</td>
<td>1.15 to 1.00</td>
</tr>
<tr>
<td>Underwritten Expenses</td>
<td>$5,826/unit including $250/unit for replacement reserves, plus actual insurance premiums and real estate tax expenses**</td>
</tr>
<tr>
<td>Underwritten Net Operating Income (NOI)*</td>
<td>$606,830</td>
</tr>
</tbody>
</table>
| Underwritten Loan to Value Ratios*              | __________% (Mortgage)  
__________% (Mortgage combined with Subordinate Financing, if any) |

* Actual Mortgage Amount at Conversion to be determined in accordance with Schedule 1 to Exhibit B attached to this Commitment.
** Insurance premiums currently estimated to be $418/unit; and real estate taxes currently estimated to be approximately $1,253/unit.
RATE-LOCK TERMS AGREED TO AND ACCEPTED BY BORROWER:

Mistletoe Station, LLC, a Texas limited liability company

By: Saigebrook Mistletoe, LLC, a Texas limited liability company, its Managing Member

By: _________________________

Lisa Stephens, President

Date Property was or will be acquired by Borrower: _____ __, 20__
### EXHIBIT B

**MORTGAGE TERMS**

<table>
<thead>
<tr>
<th>No.</th>
<th><strong>Borrower</strong> Name/Type of Entity</th>
<th>Mistletoe Station, LLC, a limited liability company formed in Texas.</th>
<th>Borrower must be a Single Purpose Entity (as defined in the Loan Agreement). If Borrower is a single member limited liability company, it must be formed in Delaware if required by the Guide.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td><strong>Borrower</strong> Base Recourse</td>
<td>No Borrower base recourse.</td>
<td></td>
</tr>
<tr>
<td>2.</td>
<td><strong>Designated Entity for Transfers</strong></td>
<td>The “Designated Entity for Transfers” to be listed in Exhibit I of the Loan Agreement is/are:</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Saigebrook Mistletoe, LLC</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Saigebrook Development, LLC</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>• O-SDA Mistletoe, LLC</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>• O-SDA Industries, LLC</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>• HCP SLP, LLC</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>• HCP-ILP, LLC</td>
<td></td>
</tr>
<tr>
<td>3.</td>
<td><strong>SPE Equity Owner</strong></td>
<td>SPE Equity Owner is not applicable.</td>
<td></td>
</tr>
<tr>
<td>4.</td>
<td><strong>Proposed Maximum Mortgage Amount</strong></td>
<td>Proposed Maximum Mortgage Amount of $8,300,000</td>
<td>The proposed Maximum Mortgage Amount is based on a maximum Benchmark US Treasury Security of 3.09%. The actual Maximum Mortgage Amount will be calculated at Interest Rate Lock and will be rounded down to the nearest $1,000 increment.</td>
</tr>
<tr>
<td>5.</td>
<td><strong>Method of Calculating</strong></td>
<td>Actual/360</td>
<td></td>
</tr>
<tr>
<td>Interest</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>----------</td>
<td>---</td>
<td></td>
<td></td>
</tr>
<tr>
<td>7. <strong>Term</strong></td>
<td>180 months</td>
<td></td>
<td></td>
</tr>
<tr>
<td>8. <strong>Amortization</strong></td>
<td>N/A for Interest-only period of 12 months then amortization based on 420 months for remaining term</td>
<td></td>
<td></td>
</tr>
<tr>
<td>9. <strong>Proposed Maximum Annual Debt Service</strong></td>
<td>For purposes of determining the actual Maximum Mortgage Amount at Interest Rate Lock, the proposed maximum annual debt service will be $523,823.40 (reflects maximum annual debt service during the P&amp;I period).</td>
<td></td>
<td></td>
</tr>
<tr>
<td>10. <strong>Prepayment</strong></td>
<td>Window period will be the 3 consecutive months before the end of the term. See Exhibit D. During the yield maintenance period, yield maintenance formula with a minimum prepayment premium of 1%. After yield maintenance period expires until the window period – prepayment premium of 1% of the amount prepaid (except for 5-year loans, which do not have a 1% prepayment premium period).</td>
<td></td>
<td></td>
</tr>
<tr>
<td>11. <strong>Yield Maintenance Period</strong></td>
<td>Yield maintenance period ends 174 months after origination.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
| 12. **Property Information** | Land area: 2.842 acres  
No. of units: 110  
No. of buildings: 2  
No. of stories: 3 and 4  
No. of parking spaces: 141  
Garage(s): 1  
Elevators: 1  
Other buildings: Amenities located on the Property  
___ swimming pool  
___ clubhouse  
___ tennis courts  
X other recreational or athletic facilities: Leasing/Community Center, Business Center, Multipurpose Room, Fitness Center  
X other amenities: Barbeque Grills and Picnic Tables  
___ Cooperative  
___ Yes  
X No  
Ground lease  
___ Subordinate |
| 13. Property Management /Fee | Management company’s name: **Accolade Property Management, Inc.**  
The Property management fee must be subordinated to Mortgage. |
|-----------------------------|------------------------------------------------------------------|
| 14. Guaranty               | Guarantor’s name: Saigebrook Development, LLC  
Base guaranty of 0%  
Guarantor’s name: O-SDA Industries, LLC  
Base guaranty of 0%  
Guarantor’s name: Lisa M. Stephens  
Base guaranty of 0%  
Guarantor’s name: Megan D. Lasch  
Base guaranty of 0%  
**Financial covenants required? No**  
If yes, see Exhibit D for further information. (In the event of a conflict between this section and Exhibit D, Exhibit D will control). |
| 15. Required Occupancy/ Rental Income at Origination | N/A |
| 16. Escrows                | Insurance Collect  
Taxes or payments in lieu of taxes (PILOT) Collect  
Water, sewer Defer  
Ground Rent N/A  
Other Charges Defer |
| 17. Monthly Replacement Reserves | $0 initial deposit  
$2,292 monthly deposit  
Amount of monthly deposit will be reviewed every 10 years.  
Monthly payments - Funded  
The “Rider to Multifamily Loan and Security Agreement – |
<table>
<thead>
<tr>
<th>Requirement</th>
<th>Requirement Information</th>
</tr>
</thead>
<tbody>
<tr>
<td>Replacement Reserve Fund – Immediate Deposits</td>
<td>“must be attached to the Loan Agreement.”</td>
</tr>
<tr>
<td>18. Priority Repairs</td>
<td>To be determined at Conversion</td>
</tr>
<tr>
<td>19. Other Required Reserves/Deposits at Loan Origination</td>
<td>The following reserves and/or deposits marked with an “X” will be required:</td>
</tr>
<tr>
<td></td>
<td>- Additional Deposit for Replacement Reserve</td>
</tr>
<tr>
<td></td>
<td>- Debt Service Reserve</td>
</tr>
<tr>
<td></td>
<td>- Green Improvements Deposit</td>
</tr>
<tr>
<td></td>
<td>- Lease-Up Reserve</td>
</tr>
<tr>
<td></td>
<td>- Rental Achievement Reserve</td>
</tr>
<tr>
<td></td>
<td>- Section 8 Housing Assistance Payment Reserve</td>
</tr>
<tr>
<td></td>
<td>- Student Housing Seasonality Reserve</td>
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<tr>
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<td>- Student Housing Pre-Leasing Debt Service Reserve</td>
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<td>- Tax Abatement Reserve</td>
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<td>- Value-Add Reserve</td>
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<tr>
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<td>- Rate Cap Reserve</td>
</tr>
<tr>
<td></td>
<td>- Other: ____________________</td>
</tr>
<tr>
<td></td>
<td>X None of the above</td>
</tr>
<tr>
<td></td>
<td>See Exhibit D for additional information regarding the above deposits and reserve funds. (In the event of a conflict between this section and Exhibit D, Exhibit D will control).</td>
</tr>
<tr>
<td>20. Operational Repairs</td>
<td>To be determined at Conversion</td>
</tr>
<tr>
<td>21. Assumptions</td>
<td>Loan Assumptions will be permitted as specified in Section 7.05 of the Loan Agreement.</td>
</tr>
<tr>
<td>22. Intrafamily Transfers</td>
<td>Preapproved Intrafamily Transfers will be permitted as specified in Section 7.04 of the Loan Agreement.</td>
</tr>
<tr>
<td>23. Moisture Management Plan</td>
<td>Not Required</td>
</tr>
<tr>
<td>24. Terrorism Insurance</td>
<td>Required</td>
</tr>
<tr>
<td>25. Earthquake Insurance</td>
<td>N/A</td>
</tr>
<tr>
<td>26. O&amp;M Program(s)</td>
<td>To be determined at Conversion</td>
</tr>
<tr>
<td>27. Survey</td>
<td>A current survey is required in accordance with the requirements set forth in Guide.</td>
</tr>
<tr>
<td>28. Low-Income Units/Rent Restrictions</td>
<td>Number of Units/Percentage of AMI:</td>
</tr>
<tr>
<td>---------------------------------------</td>
<td>-----------------------------------</td>
</tr>
<tr>
<td></td>
<td>8 units shall be rented to low income persons with incomes at or below 30% of the area median income</td>
</tr>
<tr>
<td></td>
<td>30 units shall be rented to low income persons with incomes at or below 50% of the area median income</td>
</tr>
<tr>
<td></td>
<td>36 units shall be rented to low income persons with incomes at or below 60% of the area median income</td>
</tr>
<tr>
<td>Other Unit Restrictions:</td>
<td>Low HOME units will be rented to households whose annual incomes do not exceed 50% of the Area Median Income (“AMI”) with rents limited at 30% of the adjusted income of a family whose income equals 50% of AMI with applicable adjustment for the bedroom size of the relevant housing unit. The subject property will contain 3 Low HOME Units.</td>
</tr>
<tr>
<td></td>
<td>High HOME units will be rented to households whose annual incomes do not exceed 80% of the Area Median Income (“AMI”) with rents limited at 30% of the adjusted income of a family whose income equals 65% of AMI with applicable adjustment for the bedroom size of the relevant housing unit. The subject property will contain 8 High HOME Units.</td>
</tr>
<tr>
<td></td>
<td>Pursuant to Exhibit L of the Contract, the Development Owner must comply with the Permanent Supportive Housing Program (the “PSH Program”). The PSH Program requires that eight (8) units provide supportive services to assist homeless persons with disabilities to live independently.</td>
</tr>
<tr>
<td></td>
<td>Pursuant to Section 14 of the Contract, five (5%) percent of the units (but not less than one (1) unit) in a newly constructed multifamily project must be accessible to individuals with mobility impairments and an additional two (2%) percent of the units (but not less than one (1) unit) must be accessible to individuals with sensory impairments.</td>
</tr>
</tbody>
</table>

| 29. Debt/Equity Transaction. | N/A |

| 30. Freddie | N/A |
Mac’s Counsel Fees
SCHEDULE 1 TO EXHIBIT B

CONDITIONS TO CONVERSION

d. The conditions set forth in this Schedule 1 to Exhibit B (collectively, the “Conditions to Conversion”) must be satisfied on the date of submission of the TAH Cash Conversion Underwriting Package by Seller to Freddie Mac, and on the Conversion date.

1. Completion of Construction or Rehabilitation. The Borrower shall have completed the construction and/or rehabilitation of the Improvements (as defined below) on the Property, located at the address described on the first page of this Commitment (including all amenities, landscaping, signage, parking and the like, except for minor punch list and weather-sensitive items for which sufficient funds have been reserved in a repair escrow) (i) in a good and workmanlike manner and substantially in accordance with the Approved Plans (as defined below), (ii) on a lien-free basis, (iii) in compliance in all material respects with all applicable Legal Requirements (as defined below), including, without limitation, all applicable laws, building codes, zoning requirements, subdivision requirements, fire and safety laws, the requirements of the Americans with Disabilities Act and, if applicable, the design and construction requirements established pursuant to the Fair Housing Act, as amended, and (iv) in compliance with the environmental requirements of the Guide and this Commitment. The TAH Cash Conversion Underwriting Package shall contain evidence of such completion as may be requested by Freddie Mac.

The duties and responsibilities of the Seller during construction are set forth in the Guide.

2. Requirements for Borrower; Guarantor(s); Designated Entity for Transfers; Borrower Principal. Except in accordance with the requirements set forth below, the identity of the Borrower and Guarantor(s) shall remain as set forth in Exhibit B to this Commitment. There shall be no reduction in the direct or indirect ownership or control of the Borrower by any Designated Entity for Transfers or Borrower Principal. There shall be no material adverse change in the condition, financial or otherwise, of the Borrower, any partner of the Borrower (if Borrower is a partnership), any member of Borrower (if Borrower is a limited liability company), any Guarantor, Designated Entity for Transfers or Borrower Principal from that which was disclosed to Freddie Mac in Seller’s full underwriting package for the Forward Commitment.

Notwithstanding the forgoing, Freddie Mac agrees that the Mortgage may be delivered by Seller with a different Borrower (a “Substitute Borrower”), provided that the Substitute Borrower satisfies the Substitute Borrower
Requirements set forth below. As a condition to Freddie Mac’s approval of a Substitute Borrower, the Substitute Borrower must satisfy all requirements of this Commitment and the Guide, as applicable, for a qualifying borrower, including but not limited to the following (hereinafter collectively referred to as the “
Substitute Borrower Requirements”):

a. The Substitute Borrower, its Borrower Principals, including the tax credit investor limited partner, and the Substitute Borrower’s Management Agent (the “
Substitute Management Agent”), must satisfy all credit and underwriting requirements of this Commitment and the Guide;

b. If required by Freddie Mac, one or more individuals or entities identified by Seller in accordance with the Substitute Borrower Requirements must be identified and must agree to act as guarantors (the “
Substitute Guarantors”) with respect to the Mortgage;

c. The Mortgage must underwrite on the same terms with the Substitute Borrower as with Borrower or, with the consent of Freddie Mac, if the Mortgage fails to underwrite on the same terms with the Substitute Borrower, Exhibit A and/or Exhibit B to this Commitment may be amended to reflect such new and additional terms and conditions as are required to satisfy the Guide requirements for the Mortgage with the Substitute Borrower;

d. Under a written commitment issued by Seller to the Substitute Borrower, the Substitute Borrower and the Substitute Guarantors must acknowledge and agree in writing, and without exception, to all the provisions, covenants, terms and conditions of this Commitment, including but not limited to the Minimum Occupancy Requirement (as set forth in Section 3 of this Schedule 1 to Exhibit B);

e. Any and all conditions to transfer of the Property of tax credit allocating agency of the state in which the Property is located and set forth in any of the Approved Subordinate Financing documents or the commitments for Approved Subordinate Financing must be complied with to the satisfaction of Freddie Mac at the sole cost and expense of the Substitute Borrower or the construction lender; and

f. Freddie Mac must be reimbursed in full for all costs, expenses and fees, including review fees, as applicable and attorney’s fees incurred by or otherwise owing to Freddie Mac in connection with substitution of the Substitute Borrower.
3. **Minimum Occupancy Requirement.** No less than eighty-five percent (85%) of the Units (as defined below) at the Property have been physically occupied and leased, under Acceptable Leases, for not less than ninety (90) consecutive calendar days immediately preceding the date of submission of the TAH Cash Conversion Underwriting Package by Seller to Freddie Mac, and on the Conversion date no less than 85% of the Units at the Property are so occupied and leased. For each month from and after the date construction and/or rehabilitation of any of the Improvements on the Property is completed, through and including the Conversion date, the Borrower shall provide to Seller a current rent roll for that month, each certified as true and correct by the Borrower and the property manager for the Property, and such other information as may be reasonably required be Seller and/or Freddie Mac to determine the physical occupancy of the Property.

4. **Debt Coverage Ratio (DCR) Requirement.** The Property must have a Debt Coverage Ratio of (i) greater than or equal to the Minimum Debt Coverage Ratio for Product Type and (ii) no more than ten (10) basis points lower than the Original Underwritten Debt Coverage Ratio, as determined by Freddie Mac.

5. **Determination of Actual Mortgage Amount.** Freddie Mac shall have determined the amount of the Mortgage using the requirements set forth in the Guide (“Actual Mortgage Amount”); provided that the Actual Mortgage Amount shall not exceed the Maximum Mortgage Amount and, unless waived in writing by Freddie Mac, which waiver shall be made by Freddie Mac in its sole discretion, must be equal to or greater than the Minimum Mortgage Amount at Conversion, each as set forth in Exhibit A of this Commitment.

If the Actual Mortgage Amount is (i) less than the Maximum Mortgage Amount, or (ii) less than the Minimum Mortgage Amount at Conversion and Freddie Mac has agreed to purchase the Mortgage, the Borrower must demonstrate to Freddie Mac’s satisfaction, prior to the Conversion date, that the Borrower has secured a source of funds acceptable to Freddie Mac (“Additional Source of Funds”), to cover the difference between the Maximum Mortgage Amount and the Actual Mortgage Amount (“Loan Differential”).

If the Borrower will incur additional debt to cover all or a portion of the Loan Differential, the additional debt must be subordinated to the Mortgage, and the terms, conditions and documentation of the additional debt must meet the requirements for subordinate financing as set forth in the Guide.

Notwithstanding the forgoing, upon completion and lease up of the Property, and prior to the origination of the Mortgage, if the performance of the Property exceeds the pro-forma rents, occupancy and other criteria used by Freddie Mac to underwrite the Mortgage prior to the issuance of this Commitment, upon the
written request of Seller, Freddie Mac will review and consider re-underwriting the Mortgage to determine if Freddie Mac will advance additional funds in connection with its purchase of the Mortgage. The interest rate, amount of proceeds, if any, and other terms shall be determined by Freddie Mac at the time of such request.

6. **Equity Contributions; Other Funds.** Assurances and evidence that Borrower: (a) has received or will receive, fully and timely, all equity contributions to be made to the Borrower as of the Conversion date, and has properly applied such equity contributions, proceeds, and other cash to the Property to the extent received, and (b) has funded or will fund, fully and timely, all cash required to be invested in the Property.

Assurances and evidence that (A) either (i) all Approved Subordinate Financing has been or will be received by the Borrower as of the Conversion date; or (ii), if and to the extent any Approved Subordinate Financing has not or will not be received on or before the Conversion date (the “Approved Subordinate Financing Shortfall”), the Borrower has received or will receive, fully and timely, additional equity contributions from one or more of its partners in an amount equal the Approved Subordinate Financing Shortfall as of the Conversion date, and (B) such amounts have been or will be applied to the Property.

7. **Low-Income Housing Tax Credits.** Assurances and evidence that: (i) the Property is eligible for low-income housing tax credits; (ii) the Borrower has taken all steps necessary to obtain allocation of such low-income housing tax credits to the Property in the required amount; and (iii) the Property must (A) meet the requirements of a “qualified low-income housing project” within the meaning of Section 42(g) of the Code and of a “qualified residential rental project” within the meaning of Section 142(d) of the Code and (B) at all times must have been in compliance with all (1) federal, state and local low-income housing and other requirements applicable to the Property and (2) any applicable requirements of the Code, and the final, proposed and temporary regulations issued under the Code.

8. **Title and Survey.** The TAH Cash Conversion Underwriting Package shall contain (i) an update to the analysis of and recommendation as to the exceptions to title from Seller and Seller’s counsel and (ii) an ALTA “as-built” survey of the completed construction and/or rehabilitation of the Improvements on the Property, prepared by a licensed surveyor, certified to Seller, Freddie Mac and the title insurance company and which shall otherwise conform with Freddie Mac’s then-current survey requirements.

9. **Appraisal:** Reserved.
10. **Updated Environmental Report and Post-Construction Analysis Report.** Freddie Mac shall have received for review an updated Phase I environmental report, if required pursuant to this Commitment and/or the *Guide*, and post-construction analysis report, which shall include, among other things, an on-site inspection and identification of any deferred maintenance or life safety hazards issues.

11. **Other Real Estate Due Diligence.** In addition to those items required by Paragraphs 9 and 10 above, review of any other agreements, documents, instruments, certificates, reports, papers and matters which are subject to Freddie Mac’s review and approval under the terms of this Commitment and the *Guide*.

12. **Absence of Change in Law.** There shall be no (i) change in federal or state law, (ii) pending or proposed legislation, (iii) decision or pending decision of any court or administrative body, (iv) ruling or regulation (including any final, temporary or proposed federal regulation), (v) official pronouncement, or (vi) other action or event that, in Freddie Mac’s sole judgment, materially adversely affects or may materially adversely affect, directly or indirectly, the transactions to be effected pursuant to this Commitment or Freddie Mac’s ability to purchase the Mortgage.

13. **Compliance with Regulatory Agreement.** The TAH Cash Conversion Underwriting Package shall also contain all regulatory agreements affecting the Property as well as evidence, satisfactory to Freddie Mac, of the Property’s compliance with the terms of each. Seller’s counsel shall provide Freddie Mac with a Regulatory Agreement Analysis for each regulatory agreement affecting the Property.

14. **Absence of Default.** There shall be no uncured default, or the continuation of any event that may with the passage of time cause a default, under (a) any of the Purchase and Servicing Documents, (b) the Mortgage Documents, (c) any Approved Subordinate Financing or (d) any organizational document of the Borrower. Further, an Event of Insolvency shall not have occurred at any time.

15. **Truth of Representations and Warranties.** There shall be no material error or misstatement in, or omission from, any representation or warranty made by Seller in the full underwriting package for the Forward Commitment or the TAH Cash Conversion Underwriting Package or by the Borrower in the Mortgage Documents.

16. **Payment of Fees.** All fees required by this Commitment and the *Guide* shall be paid in a timely manner and in accordance with the requirements of this Commitment and the *Guide*. 
17. **Execution and Recordation of Documents.** The release of the mortgage and security interest of the construction lender must have been executed and recorded or delivered in escrow for recording under arrangements satisfactory to Freddie Mac.

18. **Gap or Bridge Financing Repaid.** Assurances and evidence that any gap or bridge financing provided to the Borrower has been or will be, as of the Conversion date, paid in full and all liens imposed on the Borrower in connection with such financing have been or will be released as of the Conversion date, including, but not limited to, the release from record of all related liens on the Property.

19. **Building Law Ordinance Insurance.** If required by Freddie Mac, building law ordinance insurance, if applicable, shall be provided on or before the Conversion date, in form and substance acceptable to Freddie Mac.

20. **Additional Conditions to Conversion.** The following additional conditions to Conversion shall have been satisfied:

- Wood-damaging insect inspection report or a certification from the Property’s current pest control provider, when required
- Low-Income Housing Credit Allocation and Certification – IRS Form 8609
- Evidence of Insurance -- Form 1133, Seller/Servicer Certification of Insurance Coverage, and other insurance documentation
- Management plan or management agreement, updated, or statement of no material change, if there have been no material changes since the origination of the Mortgage
- Moisture Management Plan, or statement of no material change, if there have been no material changes since the origination of the Mortgage
- Borrower final total project cost certification
- Post-construction analysis report
- Seller certification and disclosure of any HUD 2530 issues relating to the Borrower Principal and Property Manager, if applicable
- HAP Contract Analysis
- Executed HAP Contract in form acceptable to Freddie Mac with respect to 8 units to be covered by project-based Section 8 Vouchers (term of contract to be 20 years).
21. **Other Conditions.** All conditions to Conversion and Freddie Mac’s purchase of the Mortgage set forth in this Commitment and the Guide must have been satisfied.

22. **Definitions.** As used in this Schedule 1 to Exhibit B, the following terms have the following meanings:

   e. “Acceptable Leases” means legally valid, binding and enforceable written lease agreements with bona fide residential tenants (excluding employees of the Borrower or any affiliate of the Borrower) providing for initial lease terms of not less than six (6) months and complying with all applicable laws and with the Guide.

   f. “Acceptable Other Income” means any other income actually collected by the Borrower from (1) laundry, (2) vending, (3) cable, (4) utility reimbursements from tenants, (5) short term lease premiums (up to a maximum of 5% of the units in the Property, net of any prepaid revenues), (6) parking (net of any prepaid revenues), and (7) any other type of income actually collected by the Borrower from the Property that is acceptable to and approved by Freddie Mac, each for the applicable period, as calculated by Freddie Mac. For the purposes of this Commitment, Acceptable Other Income does not include pet fee income, corporate rental income or interest income.

   g. “Actual Fixed Expenses” means (1) real estate taxes and assessments for the Property, (2) insurance premiums, (3) operating expenses, including the Management Fee, (4) the amount of the monthly replacement reserve deposit specified in the Exhibit B to this Commitment (even if such deposit is deferred) and (5) the amount of other required reserves, if any, as set out in this Commitment, any Approved Subordinate Financing or the organizational documents of the Borrower.

   h. “Actual NOI” shall mean the positive, annualized amount by which the Effective Gross Income exceeds the Expenses for the Property, as determined by Freddie Mac in its sole discretion.

   i. “Approved Plans” shall mean the plans, specifications, drawings, sketches, reports, budget and completion schedule and materials specified in Seller’s Forward Commitment Underwriting File submitted to and approved by Freddie Mac prior to the Rate Lock Date, together with such
changes as have been approved for the Improvements pursuant to this Schedule 1 to Exhibit B.

j. “Bad Debt” means that portion of Gross Potential Rent which is assumed not to be collected by the Borrower due to tenant non-payment.

k. “Concessions” means (1) rental abatements, (2) “free” rent, (3) inducements and (4) other incentives.

l. “Debt Coverage Ratio” means the ratio of Actual NOI to the annual debt service, as determined by Freddie Mac.

m. “Effective Gross Income” means the positive annualized amount of the Gross Potential Rent, net of the Concessions, subject to the Vacancy Rate, minus Bad Debt, plus the Acceptable Other Income.

n. “Event of Insolvency” shall mean any of the following events with respect to Borrower or any Guarantor, Designated Entity for Transfers or Borrower Principal: (a) any of the foregoing shall: (i) voluntarily be adjudicated as bankrupt or Insolvent; (ii) seek, consent to or fail to vacate the appointment of a receiver or trustee for itself or for all or any part of its property or assets; (iii) file a petition seeking relief under the Bankruptcy Code or commencing any other Insolvency Proceedings; (iv) make a general assignment for the benefit of creditors; (v) admit in writing its insolvency, bankruptcy or inability to pay its debts as they come due; (vi) have all or any substantial portion of its assets attached, seized, subjected to a writ or distress warrant, or otherwise levied upon; or (vii) be unable to or fail to pay its debts as they mature; (b) any Governmental Authority shall enter an order, judgment or decree appointing a receiver or trustee for Borrower or any Guarantor, Designated Entity for Transfers or Borrower Principal for all or any part of its property or assets; (c) a petition is filed against Borrower or any Guarantor, Designated Entity for Transfers or Borrower Principal seeking relief under the Bankruptcy Code or commencing any other Insolvency Proceedings; or (d) any of Borrower or any Guarantor, Designated Entity for Transfers or Borrower Principal is put on probation or its activities are restricted in any manner by any Governmental Authority, or becomes subject to any order, judgment, decree, finding or regulatory action that would adversely affect such person’s ability to comply in all respects with the terms and conditions of this Commitment, the Seller Permanent Loan Commitment, the Mortgage, the Construction Loan documents, or any other document, instrument or certificate executed and delivered, or required to be executed and delivered, pursuant thereto.
o. “Expenses” the greater of (1) the annualized Actual Fixed Expenses and (2) the Underwritten Expenses.

p. “Gross Potential Rent” means the sum of (1) actual monthly rents under Acceptable Leases identified in each of certified rent rolls for the ninety (90) consecutive calendar days preceding the submission of the TAH Cash Conversion Underwriting Package and (2) achievable monthly rents attributable to residential vacant units, calculated at the lesser of market rents or, if applicable, maximum allowable low-income housing tax credit rents (less utility allowance). (Market rents attributable to units occupied by employees and model units may not be included in the calculation of Gross Potential Rent.)

q. “Governmental Authority” shall mean the United States of America, any state, commonwealth, district, territory, municipality, foreign state, or other foreign or domestic government, or department, agency, board, commission, or instrumentality of any of the foregoing.

r. “Insolvency Proceedings” shall mean any reorganization, liquidation, dissolution, receivership or other action or proceeding under the Bankruptcy Code or any other federal, state or local laws affecting the rights of debtors and/or creditors generally, whether voluntary or involuntary.

s. “Improvements” shall mean all of the improvements (whether existing or to be constructed and, if existing, without regard to whether being rehabilitated) that are, or will become, a part of the Property.

t. “Insolvent” shall have the meaning of the same defined term set forth in section 101(32) of the Bankruptcy Code and/or under any other federal, state, or local laws affecting the rights of debtors and/or creditors generally.

u. “Legal Requirements” shall mean any treaty, convention, statute, law, regulation, ordinance, permit, license, variance, certificate, consent, clearance, closure, exemption, injunction, judgment, order, decree, settlement agreement, decision, action or requirement of any Governmental Authority.
v. “Management Fee” means the greater of (i) market fees, as determined by Freddie Mac, (ii) the actual management fees under the management agreement submitted in the TAH Cash Conversion Underwriting Package or (iii) the underwritten management fee in the amount of $62,387.

w. “Minimum Debt Coverage Ratio for Product Type” means the ratio set forth in Exhibit A to this Commitment.

x. “Original Underwritten Debt Coverage Ratio” means the ratio set forth in Exhibit A to this Commitment.

y. “Underwritten Expenses” means the amount set forth in Exhibit A to this Commitment.

z. “Units” shall mean, collectively, the residential rental housing in the Property.

aa. “Vacancy Rate” means the greater of (i) 5%, (ii) market vacancy percentage for similarly restricted properties in the market, as determined by Freddie Mac, or (iii) actual vacancy percentage for the Property. Units occupied by employees and model units will be deemed occupied for purposes of calculating the vacancy rate.
EXHIBIT C

PRODUCT TERMS

Property: Mistletoe Station
Freddie Mac Loan Number: 501240241
Hunt Loan Number: 4006988
Lender: Hunt Mortgage Partners, LLC

1. Yield Maintenance Only
   The “Multifamily Note – Fixed Rate – Yield Maintenance Only” must be used.

2. Loan to Value
   a. Based on the Proposed Maximum Mortgage Amount, the loan-to-value ratio at origination (the “LTV at Origination”) of the Mortgage will be 57%.
   b. The LTV at Origination set forth above may be adjusted at rate-lock if the actual Mortgage amount differs from the Proposed Maximum Mortgage Amount.
   c. The “Maximum Combined LTV” in Article XII of the Loan Agreement must be completed with the lesser of
      (i) 80%, or
      (ii) either (A) the LTV at Origination defined in this Exhibit C, or (B) the LTV at Origination in Exhibit A if it differs from this Exhibit C, in each case rounded up to the nearest percentage evenly divisible by 5. For example, if the LTV at Origination is 71%, insert 75% as the “Maximum Combined LTV.” If the LTV at Origination is 76%, insert 80% as the “Maximum Combined LTV.”

3. Additional Conditions for Mortgage Less Than or Equal to $15,000,000
   The “Rider to Multifamily Loan and Security Agreement – Single Purpose Entity Borrower (Loans $15,000,000 or Less)” must be attached to the Loan Agreement.
EXHIBIT D

ADDITIONAL TERMS AND CONDITIONS

Property: Mistletoe Station
Freddie Mac Loan Number: 501240241
Hunt Loan Number: 4006988
Lender: Hunt Mortgage Partners, LLC

1. **Organizational Chart**
   a. A requirement of the Loan Agreement is that an organizational chart of Borrower as of the date of the origination of the Mortgage be attached to the Loan Agreement as an Exhibit. The organizational chart must include the full legal name of each entity, type of entity, formation jurisdiction and percentage of ownership.
   
   b. The organizational chart must show all owners of each entity that is a Designated Entity for Transfers.
   
   c. Lender reserves the right to specify an additional entity or entities as a Designated Entity for Transfers based on any organizational chart submitted to it after the date of this Commitment. Lender’s specifying an additional entity or entities as a Designated Entity for Transfers will not be a material modification to this Commitment and will not entitle Borrower to the return of the Delivery Assurance Fee.
   
   d. The organizational chart of Borrower is attached as Exhibit D-1.

2. **Modifications to Loan Documents**
   In addition to all other modifications required by this Commitment, Lender will permit the modifications to the Loan Documents set forth in Exhibit E, if any. Please note that for future mortgages involving the same Borrower Principal, the pricing for such future mortgages with the same or similar modifications may be increased as a result of such modifications. In addition, some or all of such modifications may no longer be available under Freddie Mac’s then-applicable policies or requirements.

3. **Current Property Financial Statements**
   At origination of the Mortgage the Borrower must provide a current property financial statement, presented in a month–to-month format.
   
   a. For any Mortgage originated from the first of the month up to and including the 15th of the month, the property financial statement must cover the Property’s performance between the date of the last certified property financial statement included in the full underwriting package and
the end of the month two months prior to the month in which the Mortgage was originated. For example, if the Mortgage is originated on April 14, then the income and expense statement must cover the period of time through February 28.

b. For any Mortgage originated from the 16th of the month or later, the property financial statement must cover the Property’s performance between the date of the last certified property financial statement included in the full underwriting package and the end of the month just prior to the month in which the Origination Date occurs. For example, if the Mortgage is originated on April 17, the income and expense statement must cover the period of time through March 31.

4. Property Improvement Alterations
   a. The percentage in the definition of “Minimum Occupancy” in the Glossary of the Loan Agreement must be completed with 85%.
   
   b. If the version of the Loan Agreement being used contains a definition of “Property Improvement Total Amount” in Article XII, the blank in such definition must be completed with “N/A”.

5. Interest Rate Lock “Subject to” the Following Conditions.
   a. Prior to Interest Rate Lock, the following documents must be submitted for Lender’s review and approval at Lender’s discretion:
      
      • N/A
      
   b. Upon Lender’s receipt and review of these documents, this Commitment may be modified, but such modification will be deemed to have been part of this Commitment as issued.

6. Regulatory Agreement or Rent Restriction Agreement
   a. The Property is subject to a Home Developer Rental Contract (the “HOME Regulatory Agreement”) in favor of City of Fort Worth, Texas. The HOME Regulatory Agreement will terminate in twenty (20) years from the date the project status is changed to “complete” in HUD’s project tracking system.
   
   b. The “Rider to Multifamily Loan and Security Agreement - Regulatory Agreement” must be attached to the Loan Agreement.
   
   c. The HOME Regulatory Agreement will not terminate upon foreclosure of the Security Instrument or upon a transfer of the Property by instrument in lieu of foreclosure.
   
   d. The HOME Regulatory Agreement will be subject to the HOME
7. **Regulatory Agreement or Rent Restriction Agreement**
   a. The Property is subject to a Deed Restriction – Home Funds (“Deed Restriction Regulatory Agreement”) in favor of City of Fort Worth, Texas. The Deed Restriction Regulatory Agreement will terminate in twenty (20) years from the date the project status is changed to “complete” in HUD’s project tracking system.
   
b. The “Rider to Multifamily Loan and Security Agreement - Regulatory Agreement” must be attached to the Loan Agreement.
   
c. The Deed Restriction Regulatory Agreement will not terminate upon foreclosure of the Security Instrument or upon a transfer of the Property by instrument in lieu of foreclosure.
   
d. The Deed Restrictions Regulatory Agreement will be subject to the HOME Subordination Agreement (defined below).
   
e. The “Rider to Multifamily Note – Regulatory Agreement Default Recourse” must be added to the Note.

8. **HAP Contract Requirements**
   a. The “Rider to Multifamily Loan and Security Agreement – Section 8 Housing Assistance Payments Contract” must be attached to the Loan Agreement.
   
b. The PBV consent as attached as part of Exhibit E will be executed – there is no form of same on the Freddie website.
   
c. The “Rider to Financing Statement Exhibit B - Housing Assistance Payments Contract” must be attached to the Financing Statement.
   
d. In the event that any portion of the HAP Contract is illegible or the HAP Contract submitted to Lender is not a complete contract (i.e., includes all amendments and renewals since the date of the original HAP Contract), Section 9(c) of the Note must be modified to add the following subsection:

   (___) Any reduction in payments made under the HAP Contract as a result of conditions, requirements, limitations or other information contained in, or required by, any portion of the HAP Contract that is either (i) illegible or (ii) not delivered to Lender prior to the date
9. **Tax Credits Properties**
   a. The Property is subject to a Low-Income Housing Tax Credit Regulatory Agreement or Extended Use Agreement.
   
   b. The “Rider to Multifamily Loan and Security Agreement - Tax Credit Properties” must be attached to the Loan Agreement.
   
   c. The “Rider to Multifamily Note - Tax Credit Properties” must be added to the Note.
   
   d. The “Rider to Multifamily Loan and Security Agreement - Tax Credit Properties” may include Section B.

10. **Subordinate Debt.**
    a. Freddie Mac has approved the following subordinate debt:
       i. Subordinate Lender: Fort Worth Housing Finance Corporation
       ii. Maximum Amount of Subordinate Loan: $750,000
       iii. Maximum Interest Rate (percent; type): 2% following conversion
       iv. Payment Terms: P&I based on a 35-year amortization schedule due and payable in equal annual installments out of 75% of surplus cash as defined in the subordination agreement
       v. Term: 6 months after the maturity date of the permanent loan
       vi. Affordability Restrictions: None
       vii. Affordability Period: None
       viii. Reserves: None
       ix. Security; Collateral: Subordinate mortgage on the Property
       x. Guarantor for Subordinate Loan: None
       xi. Recourse: No

    b. The Subordination Agreement as attached in Exhibit E will be executed.

    c. The “Rider to Multifamily Loan and Security Agreement - Subordinate Debt” must be attached to the Loan Agreement.
c. Copies of all of the loan documents executed in connection with the Subordinate Debt, including but not limited to the note, security instrument, guaranty and Subordination Agreement, must be delivered to Lender as part of the final delivery package. A copy of the recorded security instrument must be delivered with the Subordinate Debt loan documents, even if delivered as part of the title exception documents.

11. **Subordinate Debt.**
   a. Freddie Mac has approved the following subordinate debt:
      
      i. Subordinate Lender: City of Fort Worth, Texas
      
      ii. Maximum Amount of Subordinate Loan: $1,056,000
      
      iii. Maximum Interest Rate (percent; type): 1% following conversion
      
      iv. Payment Terms: P&I in equal annual installments only payable from 75% of surplus cash as defined in the subordination agreement
      
      v. Term: 6 months after the maturity date of the permanent loan
      
      vi. Affordability Restrictions: Low HOME units will be rented to households whose annual incomes do not exceed 50% of the Area Median Income (“AMI”) with rents limited at 30% of the adjusted income of a family whose income equals 50% of AMI with applicable adjustment for the bedroom size of the relevant housing unit. The subject property will contain 3 Low HOME Units.

      High HOME units will be rented to households whose annual incomes do not exceed 80% of the Area Median Income (“AMI”) with rents limited at 30% of the adjusted income of a family whose income equals 65% of AMI with applicable adjustment for the bedroom size of the relevant housing unit. The subject property will contain 8 High HOME Units.
      
      vii. Affordability Period: 20 years
      
      viii. Reserves: None
      
      ix. Security; Collateral: Subordinate mortgage on the Property
      
      x. Guarantor for Subordinate Loan: None
      
      xi. Recourse: No
b. The Subordination Agreement as attached in Exhibit E will be executed.

c. The “Rider to Multifamily Loan and Security Agreement - Subordinate Debt” must be attached to the Loan Agreement.

d. Copies of all of the loan documents executed in connection with the Subordinate Debt, including but not limited to the note, security instrument, guaranty and Subordination Agreement, must be delivered to Lender as part of the final delivery package. A copy of the recorded security instrument must be delivered with the Subordinate Debt loan documents, even if delivered as part of the title exception documents.

12. Recycled SPE Borrower

a. Borrower may be a “recycled” entity, provided Borrower can make each of the Underwriting Representations and the Separateness Representations set forth in the Recycled Borrower Certification (“Certificate”) found on the Freddie Mac website.

i. The Certificate must be from an individual (A) who is an officer, member or general partner either of Borrower or of an entity with a controlling interest in Borrower, and (B) who is competent to address each of the matters set forth in the Certificate.

ii. The Certificate must be delivered as part of the final delivery package but will not be considered a “Loan Document” for purposes of the opinions or the Omnibus Assignment.

b. If Borrower is required to deliver a nonconsolidation opinion in connection with the closing of the Mortgage, all organizational documents, loan documents, Underwriting Representations and/or Separateness Representations must be provided to nonconsolidation counsel for review and incorporation into the nonconsolidation opinion.

c. The “Rider to Multifamily Loan and Security Agreement - Recycled Borrower” must be attached to the Loan Agreement.

d. Borrower and any Guarantor will be personally liable for any losses incurred by Lender as a result of any of the Underwriting Representations or the Separateness Representations being untrue when made. The “Rider to Multifamily Note - Recycled Borrower and/or Recycled SPE Equity Owner” must be attached to the Note.
13. **Guarantor Minimum Net Worth/Liquidity**
   a. The Guaranty must be modified to add a new Section by attaching the “Rider to Guaranty - Minimum Net Worth/ Liquidity” (“Minimum Net Worth/ Liquidity Rider”).
   b. The required minimum net worth will be $2,049,284 and the required minimum liquid assets will be $261,912.
   c. The “Rider to Multifamily Loan and Security Agreement – Guarantor Requirements” must be attached to the Loan Agreement.”
EXHIBIT D-1
FINAL ORGANIZATIONAL CHART OF BORROWER
EXHIBIT E

ADDITIONAL DOCUMENTS (INCLUDING BORROWER REQUESTED LOAN DOCUMENT MODIFICATIONS)

Property: Mistletoe Station
Freddie Mac Loan Number: 501240241
Hunt Loan Number: 4006988
Lender: Hunt Mortgage Partners, LLC

Delivery Assurance Note (see attached).
DELIVERY ASSURANCE NOTE

$____________________  As of ______________, 20___

FOR VALUE RECEIVED, _______________________________ ("Borrower"), promises to pay to the order of _______________________________ ("Lender"), its successors and assigns (Lender, together with its successors and assigns, is sometimes referred to in this Note as the “Holder”), the principal sum of _______________________________ AND NO/100 DOLLARS ($_____________) plus interest on the unpaid principal balance from time to time outstanding at the rate set forth in this Promissory Note (the “Note”).

1. Permanent Financing Commitments. This Note is entered into in connection with (a) Lender’s commitment to Borrower, dated ____________________, 20__ (the “Permanent Loan Commitment”), pursuant to which Lender has committed, upon fulfillment of the conditions set forth in the Permanent Loan Commitment, to make a permanent loan (the “Mortgage Loan”) to Borrower in an amount up to $_________________ (the “Maximum Mortgage Loan Amount”) at the Mortgage Loan Rate and (b) the commitment of Freddie Mac to Lender, dated ____________________, 20__ (the “Forward Commitment”), pursuant to which Freddie Mac has committed, upon fulfillment of the conditions set forth in the Forward Commitment, to accept delivery of, and to purchase, the Mortgage Loan. All capitalized terms used in this Note which are not otherwise defined in this Note shall have the meanings given to them in the Forward Commitment.

2. Delivery Assurance Fee. In consideration of Lender’s commitment to originate the Mortgage Loan, and Freddie Mac’s commitment to purchase the Mortgage Loan, in accordance with the terms, respectively, of the Permanent Loan Commitment and the Forward Commitment, Borrower has agreed to pay a fee (the “Delivery Assurance Fee”) in an amount equal to three percent (3%) of the Maximum Mortgage Loan Amount. Borrower has executed and delivered this Note to evidence Borrower’s obligation and agreement to pay the Delivery Assurance Fee in accordance with the requirements of the Permanent Loan Commitment. This Note will be endorsed, assigned and delivered by Lender to Freddie Mac in accordance with the requirements of the Forward Commitment.

3. Maturity; Cancellation of Note. This Note shall be due and payable in full on the earlier of (a) the date on which all conditions of the Forward Commitment have been satisfied (subject to Freddie Mac’s right to waive any conditions of the Forward Commitment), (b) the Forward Commitment Maturity Date, or (c) the date on which the Commitment Fee and/or Borrower Breakage Fee are due. Notwithstanding the foregoing, this Note shall be cancelled by the return of the original to Borrower without requirement of payment under this
Note if either (1) the Mortgage Loan closes on or before the Forward Commitment Maturity Date (including any extensions of the Forward Commitment Maturity Date under the terms of the Forward Commitment and the Permanent Loan Commitment) or (2) the Mortgage Loan fails to close for either of the following reasons:

i. the failure of any Condition to Conversion to be satisfied due to Lender’s failure to perform its obligations under the Permanent Loan Commitment, the Guide or the Guidelines (unless Freddie Mac elects to accept delivery of the Mortgage Loan notwithstanding Lender’s failure to perform); or

ii. any failure of delivery of the Mortgage Loan to Freddie Mac due to a material adverse change in the rental income, expenses for operation of the Property or physical condition of the Property due to fire or other casualty to the Property which is not within the control of Borrower.

4. **Security.** The indebtedness evidenced by this Note is to be secured by a certain mortgage, deed of trust or deed to secure debt (the “Security Instrument”), dated as of the date of this Note, from Borrower for the benefit of Lender, encumbering certain real property known as _______________ and located at ____________________ (“Mortgaged Property”) as more particularly described in the Security Instrument.

5. **Default.** The failure of Borrower to pay when due any principal of or interest on this Note shall constitute a default under this Note (a “Default”). On the occurrence of a Default, Holder may, at its option, declare the amounts due under this Note immediately due and payable, and may exercise any and all rights and remedies available to it under this Note and the Security Instrument.

6. **Default Interest Only.** This Note shall bear no interest unless and until the occurrence of a Default, after which this Note shall bear interest at the per annum rate of five percent (5%) over the Prime Rate. For purposes of this Note, the term “Prime Rate” shall mean the highest prime rate published on the applicable date in the “Money Rates” column of The Wall Street Journal. Changes in the rate of interest payable on this Note shall be effective on the first day of each calendar month, based on the Prime Rate published on such date (or the Prime Rate published on the first business day immediately preceding the first day of the calendar month in the event the first calendar day of the month falls on a weekend or on another day on which The Wall Street Journal is not published). If The Wall Street Journal remains unpublished for more than one full calendar month, ceases to publish a prime rate or ceases to exist, Holder shall choose a substitute index in good faith, and such substitute shall thereafter be the index for the Prime Rate. Interest under this Note shall be computed on the basis of a 360-day year consisting of twelve (12) thirty (30) - day months. Except where otherwise specifically provided, any reference in this Note to a period of “days” means calendar days, not Business Days. Each payment of interest shall be in an amount equal to all interest accrued but unpaid on the principal balance under this Note as of the due date of such interest payment.
7. **Limits on Personal Liability.** Borrower shall have no personal liability under this Note or the Security Instrument for the repayment of the indebtedness evidenced by this Note, and Lender's only recourse for the satisfaction of such indebtedness shall be Lender's exercise of its rights and remedies with respect to the Mortgaged Property and any other collateral held by Lender as security for the indebtedness.

8. **Miscellaneous.** Each right, power and remedy of Holder under this Note or under applicable laws shall be cumulative and concurrent, and the exercise of any one or more of them shall not preclude the simultaneous or later exercise by Holder of any or all such other rights, powers or remedies. No failure or delay by Holder to insist upon the strict performance of any one or more provisions of this Note or to exercise any right, power or remedy consequent upon a Default under this Note shall constitute a waiver thereof or preclude Holder from exercising any such right, power or remedy. No modification, change, waiver or amendment of this Note shall be deemed to be made unless in writing signed by the party to be charged. Borrower hereby waives demand, presentment for payment, protest, notice of dishonor and notice of protest. This Note shall inure to the benefit of and be binding upon the parties and their respective successors and assigns. The invalidity, illegality or unenforceability of any provision of this Note shall not affect or impair the validity, legality or enforceability of any other provision.
IN WITNESS WHEREOF, Borrower has executed this Note as of the date and year first above written.

BORROWER:

[____________________________________]

By: ______________________________________
Name: 
Title: 

Freddie Mac Commitment
LIHTC – Unfunded Forward Rate Lock (04/30/2018)
PAY TO THE ORDER OF _______________________________________

WITHOUT RECOLUSE.

LENDER:

[______________________________]

By: ____________________________
Name: __________________________
Title: __________________________

MULTIFAMILY DEED OF TRUST,
 ASSIGNMENT OF RENTS,
SECURITY AGREEMENT AND FIXTURE FILING

TEXAS

(Revised 10-11-2017)

[PROJECT]
THIS MULTIFAMILY DEED OF TRUST, ASSIGNMENT OF RENTS, SECURITY AGREEMENT AND FIXTURE FILING (“Instrument”) is made to be effective this _____ day of ______________, ______, by ___________________________________, a ____________________ organized and existing under the laws of _______________________________________________________, whose address is ________________________________________________________________________________, as trustor (“Borrower”), to _____________________________________________________, as trustee (“Trustee”), for the benefit of ___________________________________________, a ____________________ organized and existing under the laws of ____________________________________, whose address is ________________________________________________________________________________, as beneficiary (“Lender”). Borrower’s organizational identification number, if applicable, is ________________.

RE bâtal

Borrower, in consideration of the Indebtedness and the trust created by this Instrument, irrevocably grants, conveys and assigns to Trustee, in trust, with power of sale, the Mortgaged Property, including the Land located in                     County, State of Texas and described in Exhibit A attached to this Instrument, to have and to hold the Mortgaged Property unto Trustee, Trustee’s successor in trust and Trustee’s assigns forever.

AGREEMENT

TO SECURE TO LENDER the repayment of the Indebtedness evidenced by Borrower’s Multifamily Note payable to Lender, dated as of the date of this Instrument, and maturing on __________, ______ (“Maturity Date”), in the principal amount of $______________, and all renewals, extensions and modifications of the Indebtedness, and the performance of the covenants and agreements of Borrower contained in the Loan Agreement or any other Loan Document.

Borrower warrants and represents that Borrower is lawfully seized of the Mortgaged Property and has the right, power and authority to grant, convey and assign the Mortgaged Property, and that the Mortgaged Property is unencumbered, except as shown on the schedule of exceptions to coverage in the title policy issued to and accepted by Lender contemporaneously with the execution and recordation of this Instrument and insuring Lender’s interest in the Mortgaged Property (“Schedule of Title Exceptions”). Borrower covenants that Borrower will warrant and
defend generally the title to the Mortgaged Property against all claims and demands, subject to any easements and restrictions listed in the Schedule of Title Exceptions.

UNIFORM COVENANTS

(Revised 5-5-2017)

Covenants. In consideration of the mutual promises set forth in this Instrument, Borrower and Lender covenant and agree as follows:

Definitions. The following terms, when used in this Instrument (including when used in the above recitals), will have the following meanings and any capitalized term not specifically defined in this Instrument will have the meaning ascribed to that term in the Note:

“Attorneys’ Fees and Costs” means (a) fees and out-of-pocket costs of Lender’s and Loan Servicer’s attorneys, as applicable, including costs of Lender’s and Loan Servicer’s in-house counsel, support staff costs, costs of preparing for litigation, computerized research, telephone and facsimile transmission expenses, mileage, deposition costs, postage, duplicating, process service, videotaping and similar costs and expenses; (b) costs and fees of expert witnesses, including appraisers; (c) investigatory fees; and (d) the costs for any opinion required by Lender pursuant to the terms of the Loan Documents.

“Borrower” means all Persons identified as “Borrower” in the first paragraph of this Instrument, together with their successors and assigns.

“Business Day” means any day other than a Saturday, a Sunday or any other day on which Lender or the national banking associations are not open for business.

“Event of Default” means the occurrence of any event described in Section 8.

“Fixtures” means all property owned by Borrower which is attached to the Land or the Improvements so as to constitute a fixture under applicable law, including: machinery, equipment, engines, boilers, incinerators and installed building materials; systems and equipment for the purpose of supplying or distributing heating, cooling, electricity, gas, water, air or light; antennas, cable, wiring and conduits used in connection with radio, television, security, fire prevention or fire detection or otherwise used to carry electronic signals; telephone systems and equipment; elevators and related machinery and equipment; fire detection, prevention and extinguishing systems and apparatus; security and access control systems and apparatus; plumbing systems; water heaters, ranges, stoves, microwave ovens, refrigerators, dishwashers, garbage disposers, washers, dryers and other appliances; light fixtures, awnings, storm windows and storm doors; pictures, screens, blinds, shades, curtains and curtain rods; mirrors; cabinets, paneling, rugs and floor and wall coverings; fences, trees and plants; swimming pools; and exercise equipment.
“Governmental Authority” means any board, commission, department, agency or body of any municipal, county, state or federal governmental unit, or any subdivision of any of them, that has or acquires jurisdiction over the Mortgaged Property, or the use, operation or improvement of the Mortgaged Property, or over Borrower.

“Improvements” means the buildings, structures, improvements now constructed or at any time in the future constructed or placed upon the Land, including any future alterations, replacements and additions.

“Indebtedness” means the principal of, interest at the fixed or variable rate set forth in the Note on, and all other amounts due at any time under, the Note, this Instrument or any other Loan Document, including prepayment premiums, late charges, default interest, and advances as provided in Section 7 to protect the security of this Instrument.

“Land” means the land described in Exhibit A.

“Leases” means all present and future leases, subleases, licenses, concessions or grants or other possessory interests now or hereafter in force, whether oral or written, covering or affecting the Mortgaged Property, or any portion of the Mortgaged Property (including proprietary leases or occupancy agreements if Borrower is a cooperative housing corporation), and all modifications, extensions or renewals.

“Lender” means the entity identified as “Lender” in the first paragraph of this Instrument, or any subsequent holder of the Note.

“Loan Documents” means the Note, this Instrument and any other documents now or in the future executed by Borrower, any guarantor or any other Person in connection with the loan evidenced by the Note, including the Permanent Loan Commitment, as such documents may be amended from time to time.

“Loan Servicer” means the entity that from time to time is designated by Lender or its designee to collect payments and deposits and receive Notices under the Note, this Instrument and any other Loan Document, and otherwise to service the loan evidenced by the Note for the benefit of Lender. Unless Borrower receives Notice to the contrary, the Loan Servicer is the entity identified as “Lender” in the first paragraph of this Instrument.

“Mortgaged Property” means all of Borrower’s present and future right, title and interest in and to all of the following:

(a) The Land.

(b) The Improvements.

(c) The Fixtures.
(d) The Personalty.

(e) All current and future rights, including air rights, development rights, zoning rights and other similar rights or interests, easements, tenements, rights of way, strips and gores of land, streets, alleys, roads, sewer rights, waters, watercourses and appurtenances related to or benefiting the Land or the Improvements, or both, and all rights-of-way, streets, alleys and roads which may have been or may in the future be vacated.

(f) All proceeds paid or to be paid by any insurer of the Land, the Improvements, the Fixtures, the Personalty or any other part of the Mortgaged Property, whether or not Borrower obtained the insurance pursuant to Lender’s requirement.

(g) All awards, payments and other compensation made or to be made by any municipal, state or federal authority with respect to the Land, the Improvements, the Fixtures, the Personalty or any other part of the Mortgaged Property, including any awards or settlements resulting from condemnation proceedings or the total or partial taking of the Land, the Improvements, the Fixtures, the Personalty or any other part of the Mortgaged Property under the power of eminent domain or otherwise and including any conveyance in lieu thereof.

(h) All contracts, options and other agreements for the sale of the Land, or the Leasehold Estate, as applicable, the Improvements, the Fixtures, the Personalty or any other part of the Mortgaged Property entered into by Borrower now or in the future, including cash or securities deposited to secure performance by parties of their obligations.

(i) All proceeds from the conversion, voluntary or involuntary, of any of the items described in subsections (a) through (h) inclusive into cash or liquidated claims, and the right to collect such proceeds.

(j) Intentionally deleted.

(k) All earnings, royalties, accounts receivable, issues and profits from the Land, the Improvements or any other part of the Mortgaged Property, and all undisbursed proceeds of the loan secured by this Instrument.

(l) Intentionally deleted.

(m) All refunds or rebates of Taxes or insurance premiums by Governmental Authority or insurance company (other than refunds applicable to periods before the real property tax year in which this Instrument is dated).
(n) All tenant security deposits which have not been forfeited by any tenant under any Lease and any bond or other security in lieu of such deposits.

(o) All names under or by which any of the above Mortgaged Property may be operated or known, and all trademarks, trade names, and goodwill relating to any of the Mortgaged Property.

(p) Intentionally deleted.

(q) Intentionally deleted.

“Note” means the Delivery Assurance Note executed by Borrower in favor of Lender and dated as of the date of this Instrument, including all schedules, riders, allonges and addenda, as such Delivery Assurance Note may be amended, modified and/or restated from time to time.

“Notice” or “Notices” means all notices, demands and other communication required under the Loan Documents, provided in accordance with the requirements of Section 14 of this Instrument.

“Permanent Loan Commitment” means Lender’s commitment to Borrower dated ____________.

“Person” means any natural person, sole proprietorship, corporation, general partnership, limited partnership, limited liability company, limited liability partnership, limited liability limited partnership, joint venture, association, joint stock company, bank, trust, estate, unincorporated organization, any federal, state, county or municipal government (or any agency or political subdivision thereof), endowment fund or any other form of entity.

“Personalty” means all of the following:

(a) Accounts (including deposit accounts) of Borrower related to the Mortgaged Property.

(b) Equipment and inventory owned by Borrower, which are used now or in the future in connection with the ownership, management or operation of the Land or Improvements or are located on the Land or Improvements, including furniture, furnishings, machinery, building materials, goods, supplies, tools, books, records (whether in written or electronic form) and computer equipment (hardware and software).

(c) Other tangible personal property owned by Borrower which is used now or in the future in connection with the ownership, management or operation of the Land or Improvements or is located on the Land or in the Improvements, including ranges,
stoves, microwave ovens, refrigerators, dishwashers, garbage disposers, washers, dryers and other appliances (other than Fixtures).

(d) Any operating agreements relating to the Land or the Improvements.

(e) Any surveys, plans and specifications and contracts for architectural, engineering and construction services relating to the Land or the Improvements.

(f) All other intangible property, general intangibles and rights relating to the operation of, or used in connection with, the Land or the Improvements, including all governmental permits relating to any activities on the Land and including subsidy or similar payments received from any sources, including a Governmental Authority.

(g) Any rights of Borrower in or under letters of credit.

“Property Jurisdiction” means the jurisdiction in which the Land is located.

“Taxes” means all taxes, assessments, vault rentals and other charges, if any, whether general, special or otherwise, including all assessments for schools, public betterments and general or local improvements, which are levied, assessed or imposed by any public authority or quasi-public authority, and which, if not paid, will become a Lien on the Land or the Improvements.

2. Uniform Commercial Code Security Agreement.

(a) This Instrument is also a security agreement under the Uniform Commercial Code for any of the Mortgaged Property which, under applicable law, may be subjected to a security interest under the Uniform Commercial Code, for the purpose of securing Borrower’s obligations under this Instrument and to further secure Borrower’s obligations under the Note, this Instrument and other Loan Documents, whether such Mortgaged Property is owned now or acquired in the future, and all products and cash and non-cash proceeds thereof (collectively, “UCC Collateral”), and by this Instrument, Borrower grants to Lender a security interest in the UCC Collateral. To the extent necessary under applicable law, Borrower hereby authorizes Lender to prepare and file financing statements, continuation statements and financing statement amendments in such form as Lender may require to perfect or continue the perfection of this security interest.

(b) Unless Borrower gives Notice to Lender within 30 days after the occurrence of any of the following, and executes and delivers to Lender modifications or supplements of this Instrument (and any financing statement which may be filed in connection with this Instrument) as Lender may require, Borrower will not (i) change its name, identity, structure or jurisdiction of organization; (ii) change the location of its place of business (or chief executive office if more than one
place of business); or (iii) add to or change any location at which any of the Mortgaged Property is stored, held or located.

(c) If an Event of Default has occurred and is continuing, Lender will have the remedies of a secured party under the Uniform Commercial Code, in addition to all remedies provided by this Instrument or existing under applicable law. In exercising any remedies, Lender may exercise its remedies against the UCC Collateral separately or together, and in any order, without in any way affecting the availability of Lender’s other remedies.

(d) This Instrument also constitutes a financing statement with respect to any part of the Mortgaged Property that is or may become a Fixture, if permitted by applicable law.

3. Intentionally omitted.

4. Intentionally deleted.

5. Intentionally deleted.

6. **Application of Payments.** If at any time Lender receives, from Borrower or otherwise, any amount applicable to the Indebtedness which is less than all amounts due and payable at such time, then Lender may apply that payment to amounts then due and payable in any manner and in any order determined by Lender, in Lender’s discretion. Neither Lender’s acceptance of an amount that is less than all amounts then due and payable nor Lender’s application of such payment in the manner authorized will constitute or be deemed to constitute either a waiver of the unpaid amounts or an accord and satisfaction. Notwithstanding the application of any such amount to the Indebtedness, Borrower’s obligations under this Instrument, the Note and all other Loan Documents will remain unchanged.

7. **Protection of Lender’s Security; Instrument Secures Future Advances.**

(a) If Borrower fails to perform any of its obligations under this Instrument or any other Loan Document, or if any action or proceeding is commenced which purports to affect the Mortgaged Property, Lender’s security or Lender’s rights under this Instrument, including eminent domain, insolvency, code enforcement, civil or criminal forfeiture, enforcement of Hazardous Materials Laws, fraudulent conveyance or reorganizations or proceedings involving a bankrupt or decedent, then Lender at Lender’s option may make such appearances, file such documents, disburse such sums and take such actions as Lender reasonably deems necessary to perform such obligations of Borrower and to protect Lender’s interest, including all of the following:
(i) Lender may pay Attorneys’ Fees and Costs.

(ii) Lender may pay fees and out-of-pocket expenses of accountants, inspectors and consultants.

(iii) Lender may enter upon the Mortgaged Property to make repairs or secure the Mortgaged Property.

(iv) Lender may procure the insurance policies as the Lender deems reasonable.

(v) Lender may pay any amounts which Borrower has failed to pay under this Instrument.

(vi) Intentionally deleted.

(vii) Lender may make advances to pay, satisfy or discharge any obligation of Borrower for the payment of money that is secured by a Prior Lien.

(b) Any amounts disbursed by Lender under this Section 7, or under any other provision of this Instrument that treats such disbursement as being made under this Section 7, will be secured by this Instrument, will be added to, and become part of, the principal component of the Indebtedness, will be immediately due and payable and will bear interest from the date of disbursement until paid at the Default Rate.

(c) Nothing in this Section 7 will require Lender to incur any expense or take any action.

8. Events of Default. A Default under the Note will constitute an Event of Default under this Instrument.

9. Remedies Cumulative. Each right and remedy provided in this Instrument is distinct from all other rights or remedies under this Instrument, or any other Loan Document or afforded by applicable law or equity, and each will be cumulative and may be exercised concurrently, independently or successively, in any order. Lender’s exercise of any particular right or remedy will not in any way prevent Lender from exercising any other right or remedy available to Lender. Lender may exercise any such remedies from time to time and as often as Lender chooses.

10. Waiver of Statute of Limitations, Offsets, and Counterclaims. Borrower waives the right to assert any statute of limitations as a bar to the enforcement of the Lien of this Instrument or to any action brought to enforce any Loan Document. Borrower hereby waives the right to assert a counterclaim, other than a compulsory counterclaim, in any action or proceeding brought against it by Lender or otherwise to offset any obligations to make the payments required by the Loan Documents. No failure by Lender to perform
any of its obligations under this Instrument will be a valid defense to, or result in any 
offset against, any payments that Borrower is obligated to make under any of the Loan 
Documents.

11. Waiver of Marshalling.

(a) Notwithstanding the existence of any other security interests in the Mortgaged 
Property held by Lender or by any other party, Lender will have the right to 
determine the order in which any or all of the Mortgaged Property will be 
subjected to the remedies provided in this Instrument, the Note, or any other Loan 
Document or applicable law. Lender will have the right to determine the order in 
which any or all portions of the Indebtedness are satisfied from the proceeds 
realized upon the exercise of such remedies.

(b) Borrower and any party who now or in the future acquires a security interest in 
the Mortgaged Property and who has actual or constructive notice of this 
Instrument waives any and all right to require the marshalling of assets or to 
require that any of the Mortgaged Property be sold in the inverse order of 
alienation or that any of the Mortgaged Property be sold in parcels or as an 
entirety in connection with the exercise of any of the remedies permitted by 
applicable law or provided in this Instrument.

12. Further Assurances; Lender’s Expenses.

(a) Borrower will deliver, at its sole cost and expense, all further acts, deeds, 
conveyances, assignments, estoppel certificates, financing statements or 
amendments, transfers and assurances as Lender may require from time to time in 
order to better assure, grant and convey to Lender the rights intended to be 
granted, now or in the future, to Lender under this Instrument and the Loan 
Documents.

(b) Borrower acknowledges and agrees that, in connection with each request by 
Borrower under this Instrument or any Loan Document, Borrower will pay all 
reasonable Attorneys’ Fees and Costs and expenses incurred by Lender, including 
any fees payable in accordance with any request for further assurances or an 
estoppel certificate, regardless of whether the matter is approved, denied or 
withdrawn. Any amounts payable by Borrower under this Instrument or under any 
other Loan Document will be deemed a part of the Indebtedness, will be secured 
by this Instrument and will bear interest at the Default Rate if not fully paid 
within 10 days of written demand for payment.

13. Governing Law; Consent to Jurisdiction and Venue. This Instrument, and any Loan 
Document which does not itself expressly identify the law that is to apply to it, will be 
governed by the laws of the Property Jurisdiction. Borrower agrees that any controversy 
arising under or in relation to the Note, this Instrument or any other Loan Document may 
be litigated in the Property Jurisdiction. The state and federal courts and authorities with
jurisdiction in the Property Jurisdiction will have jurisdiction over all controversies that may arise under or in relation to the Note, any security for the Indebtedness or any other Loan Document. Borrower irrevocably consents to service, jurisdiction and venue of such courts for any such litigation and waives any other venue to which it might be entitled by virtue of domicile, habitual residence or otherwise. However, nothing in this Section 13 is intended to limit Lender’s right to bring any suit, action or proceeding relating to matters under this Instrument in any court of any other jurisdiction.


(a) All Notices under or concerning this Instrument will be in writing. Each Notice will be deemed given on the earliest to occur of: (i) the date when the Notice is received by the addressee, (ii) the first Business Day after the Notice is delivered to a recognized overnight courier service, with arrangements made for payment of charges for next Business Day delivery, or (iii) the third Business Day after the Notice is deposited in the United States mail with postage prepaid, certified mail, return receipt requested. Addresses for Notice are as follows:

<table>
<thead>
<tr>
<th>If to Lender:</th>
<th>Attention:</th>
</tr>
</thead>
<tbody>
<tr>
<td>If to Borrower:</td>
<td>Attention:</td>
</tr>
</tbody>
</table>

(b) Any party to this Instrument may change the address to which Notices intended for it are to be directed by means of Notice given to the other party in accordance with this Section 14. Each party agrees that it will not refuse or reject delivery of any Notice given in accordance with this Section 14, that it will acknowledge, in writing, the receipt of any Notice upon request by the other party and that any Notice rejected or refused by it will be deemed for purposes of this Section 14 to have been received by the rejecting party on the date so refused or rejected, as conclusively established by the records of the U.S. Postal Service or the courier service.

(c) Any Notice under the Note and any other Loan Document that does not specify how Notices are to be given will be given in accordance with this Section 14.

15. Successors and Assigns Bound. This Instrument will bind the respective successors and assigns of Borrower and Lender, and the rights granted by this Instrument will inure to Lender’s successors and assigns.
16. **Joint and Several Liability.** If more than one Person signs this Instrument as Borrower, the obligations of such Persons will be joint and several.

17. **Relationship of Parties; No Third Party Beneficiary.**

   (a) The relationship between Lender and Borrower will be solely that of creditor and debtor, respectively, and nothing contained in this Instrument will create any other relationship between Lender and Borrower. Nothing contained in this Instrument will constitute Lender as a joint venturer, partner or agent of Borrower, or render Lender liable for any debts, obligations, acts, omissions, representations or contracts of Borrower.

   (b) No creditor of any party to this Instrument and no other Person will be a third party beneficiary of this Instrument or any other Loan Document. Without limiting the generality of the preceding sentence, (i) any arrangement ("Servicing Arrangement") between Lender and any Loan Servicer for loss sharing or interim advancement of funds will constitute a contractual obligation of such Loan Servicer that is independent of the obligation of Borrower for the payment of the Indebtedness, (ii) Borrower will not be a third party beneficiary of any Servicing Arrangement, and (iii) no payment by the Loan Servicer under any Servicing Arrangement will reduce the amount of the Indebtedness.

18. **Severability; Amendments.**

   (a) The invalidity or unenforceability of any provision of this Instrument will not affect the validity or enforceability of any other provision, and all other provisions will remain in full force and effect. This Instrument contains the entire agreement among the parties as to the rights granted and the obligations assumed in this Instrument.

   (b) This Instrument may not be amended or modified except by a writing signed by the party against whom enforcement is sought.

19. **Construction.**

   (a) The captions and headings of the Sections of this Instrument are for convenience only and will be disregarded in construing this Instrument. Any reference in this Instrument to a “Section” will, unless otherwise explicitly provided, be construed as referring to a Section of this Instrument.

   (b) Any reference in this Instrument to a statute or regulation will be construed as referring to that statute or regulation as amended from time to time.

   (c) Use of the singular in this Instrument includes the plural and use of the plural includes the singular.
(d) As used in this Instrument, the term “including” means “including, but not limited to” and the term “includes” means “includes without limitation.”

(e) The use of one gender includes the other gender, as the context may require.

(f) Unless the context requires otherwise any definition of or reference to any agreement, instrument or other document in this Instrument will be construed as referring to such agreement, instrument or other document as from time to time amended, supplemented or otherwise modified (subject to any restrictions on such amendments, supplements or modifications set forth in this Instrument).

(g) Any reference in this Instrument to any person will be construed to include such person’s successors and assigns.

20. **Subrogation.** If, and to the extent that, the proceeds of the loan evidenced by the Note, or subsequent advances under Section 7, are used to pay, satisfy or discharge a Prior Lien, such loan proceeds or advances will be deemed to have been advanced by Lender at Borrower’s request, and Lender will automatically, and without further action on its part, be subrogated to the rights, including Lien priority, of the owner or holder of the obligation secured by the Prior Lien, whether or not the Prior Lien is released.

END OF UNIFORM COVENANTS; STATE-SPECIFIC PROVISIONS FOLLOW

21-30. Reserved.

31. **Acceleration; Remedies.**

(a) At any time during the existence of an Event of Default, Lender, at Lender’s option, may declare the Indebtedness to be immediately due and payable without further demand, and may invoke the power of sale and any other remedies permitted by Texas law or provided in this Instrument, the Loan Agreement or in any other Loan Document. Borrower acknowledges that the power of sale granted in this Instrument may be exercised by Lender without prior judicial hearing. Lender will be entitled to collect all costs and expenses incurred in pursuing such remedies, including Attorneys’ Fees and Costs, costs of documentary evidence, abstracts and title reports.

(b) If Lender invokes the power of sale, Lender may, by and through the Trustee, or otherwise, sell or offer for sale the Mortgaged Property in such portions, order and parcels as Lender may determine, with or without having first taken possession of the Mortgaged Property, to the highest bidder for cash at public auction. Such sale will be made at the courthouse door of the county in which all or any part of the Land to be sold is situated (whether the parts or parcel, if any, situated in different counties are contiguous or not, and without the necessity of having any Personalty present at such sale) on the first Tuesday of any month
between the hours of 10:00 a.m. and 4:00 p.m. (or, if the first Tuesday of the month falls on January 1 or July 4, the date of the foreclosure sale will be the first Wednesday of such month), after advertising the time, place and terms of sale and that portion of the Mortgaged Property to be sold by posting or causing to be posted written or printed notice of sale at least 21 days before the date of the sale at the courthouse door of the county in which the sale is to be made and at the courthouse door of any other county in which a portion of the Land may be situated, and by filing such notice with the County Clerk(s) of the county(s) in which all or a portion of the Land may be situated, which notice may be posted and filed by the Trustee acting, or by any person acting for the Trustee, and Lender has, at least 21 days before the date of the sale, served written or printed notice of the proposed sale by certified mail on each debtor obligated to pay the Indebtedness according to Lender’s records by the deposit of such notice, enclosed in a postpaid wrapper, properly addressed to such debtor at debtor’s most recent address as shown by Lender’s records, in a post office or official depository under the care and custody of the United States Postal Service. The affidavit of any person having knowledge of the facts to the effect that such service was completed will be *prima facie* evidence of the fact of service.

(c) Trustee will deliver to the purchaser at the sale, within a reasonable time after the sale, a deed conveying the Mortgaged Property so sold in fee simple with covenants of general warranty. Borrower covenants and agrees to defend generally the purchaser’s title to the Mortgaged Property against all claims and demands. The recitals in Trustee’s deed will be *prima facie* evidence of the truth of the statements contained in those recitals. Trustee will apply the proceeds of the sale in the following order: (i) to all reasonable costs and expenses of the sale, including reasonable Trustee’s fees not to exceed 5% of the gross sales price, Attorneys’ Fees and Costs and costs of title evidence; (ii) to the Indebtedness in such order as Lender, in Lender’s discretion, directs; and (iii) the excess, if any, to the person or persons legally entitled to the excess.

(d) If all or any part of the Mortgaged Property is sold pursuant to this Section, Borrower will be divested of any and all interest and claim to the Mortgaged Property, including any interest or claim to all insurance policies, utility deposits, bonds, loan commitments and other intangible property included as a part of the Mortgaged Property. Additionally, after a sale of all or any part of the Land, Improvements, Fixtures and Personalty, Borrower will be considered a tenant at sufferance of the purchaser of the same, and the purchaser will be entitled to immediate possession of such property. If Borrower will fail to vacate the Mortgaged Property immediately, the purchaser may and will have the right, without further notice to Borrower, to go into any justice court in any precinct or county in which the Mortgaged Property is located and file an action in forcible entry and detainer, which action will lie against Borrower or its assigns or legal representatives, as a tenant at sufferance. This remedy is cumulative of any and all remedies the purchaser may have under this Instrument or otherwise.
(e) In the event an interest in any of the Mortgaged Property is foreclosed upon pursuant to a judicial or nonjudicial foreclosure sale, Borrower agrees as follows: notwithstanding the provisions of Sections 51.003, 51.004, and 51.005 of the Texas Property Code (as the same may be amended from time to time), and to the extent permitted by law, Borrower agrees that Lender will be entitled to seek a deficiency judgment from Borrower and any other party obligated on the Note equal to the difference between the amount owing on the Note and the amount for which the Mortgaged Property was sold pursuant to judicial or nonjudicial foreclosure sale. Borrower expressly recognizes that this Section constitutes a waiver of the above-cited provisions of the Texas Property Code which would otherwise permit Borrower and other persons against whom a recovery of deficiencies is sought or Guarantor independently (even absent the initiation of deficiency proceedings against them) to present competent evidence of the fair market value of the Mortgaged Property as of the date of the foreclosure sale and offset against any deficiency the amount by which the foreclosure sale price is determined to be less than such fair market value. Borrower further recognizes and agrees that this waiver creates an irrebuttable presumption that the foreclosure sale price is equal to the fair market value of the Mortgaged Property for purposes of calculating deficiencies owed by Borrower, Guarantor, and others against whom recovery of a deficiency is sought. Alternatively, in the event the waiver provided for in this Section is determined by a court of competent jurisdiction to be unenforceable, in any action for a deficiency after a foreclosure under this Instrument, if any person against whom recovery is sought requests the court in which the action is pending to determine the fair market value of the Mortgaged Property, as of the date of the foreclosure sale, the following will be the basis of the court’s determination of fair market value:

(i) The Mortgaged Property will be valued “as is” and in its condition as of the date of foreclosure, and no assumption of increased value because of post-foreclosure repairs, refurbishment, restorations or improvements will be made.

(ii) Any adverse effect on the marketability of title because of the foreclosure or because of any other title condition not existing as of the date of this Instrument will be considered.

(iii) The valuation of the Mortgaged Property will be based upon an assumption that the foreclosure purchaser desires a prompt resale of the Mortgaged Property for cash within a 6 month-period after foreclosure.

(iv) Although the Mortgaged Property may be disposed of more quickly by the foreclosure purchaser, the gross valuation of the Mortgaged Property as of the date of foreclosure will be discounted for a hypothetical reasonable holding period (not to exceed 6 months) at a monthly rate equal to the average monthly interest rate on the Note for the 12 months before the date of foreclosure.
(v) The gross valuation of the Mortgaged Property as of the date of foreclosure will be further discounted and reduced by reasonable estimated costs of disposition, including brokerage commissions, title policy premiums, environmental assessment and clean-up costs, tax and assessment, prorations, costs to comply with legal requirements and Attorneys’ Fees and Costs.

(vi) Expert opinion testimony will be considered only from a licensed appraiser certified by the State of Texas and, to the extent permitted under Texas law, a member of the Appraisal Institute, having at least 5 years’ experience in appraising property similar to the Mortgaged Property in the county where the Mortgaged Property is located, and who has conducted and prepared a complete written appraisal of the Mortgaged Property taking into considerations the factors set forth in this Instrument; no expert opinion testimony will be considered without such written appraisal.

(vii) Evidence of comparable sales will be considered only if also included in the expert opinion testimony and written appraisal referred to in subsection (vi), above.

(viii) An affidavit executed by Lender to the effect that the foreclosure bid accepted by Trustee was equal to or greater than the value of the Mortgaged Property determined by Lender based upon the factors and methods set forth in subsections (i) through (vii) above before the foreclosure will constitute *prima facie* evidence that the foreclosure bid was equal to or greater than the fair market value of the Mortgaged Property on the foreclosure date.

(f) Lender may, at Lender’s option, comply with these provisions in the manner permitted or required by Title 5, Section 51.002 of the Texas Property Code (relating to the sale of real estate) or by Chapter 9 of the Texas Business and Commerce Code (relating to the sale of collateral after default by a debtor), as those titles and chapters now exist or may be amended or succeeded in the future, or by any other present or future articles or enactments relating to same subject. Unless expressly excluded, the Mortgaged Property will include Rents collected before a foreclosure sale, but attributable to the period following the foreclosure sale, and Borrower will pay such Rents to the purchaser at such sale.

(g) At any such sale, all of the following will be true:

(i) Whether made under the power contained in this Instrument, Section 51.002 of the Texas Property Code, Chapter 9 of the Texas Business and Commerce Code, any other legal requirement or by virtue of any judicial proceedings or any other legal right, remedy or recourse, it will not be necessary for Trustee to have physically present, or to have
constructive possession of, the Mortgaged Property. Borrower will deliver to Trustee any portion of the Mortgaged Property not actually or constructively possessed by Trustee immediately upon demand by Trustee and the title to and right of possession of any such property will pass to the purchaser as completely as if the property had been actually present and delivered to the purchaser at the sale.

(ii) Each instrument of conveyance executed by Trustee will contain a general warranty of title, binding upon Borrower.

(iii) The recitals contained in any instrument of conveyance made by Trustee will conclusively establish the truth and accuracy of the matters recited in the Instrument, including nonpayment of the Indebtedness and the advertisement and conduct of the sale in the manner provided in this Instrument and otherwise by law and the appointment of any successor Trustee.

(iv) All prerequisites to the validity of the sale will be conclusively presumed to have been satisfied.

(v) The receipt of Trustee or of such other party or officer making the sale will be sufficient to discharge to the purchaser or purchasers for such purchaser(s)’ purchase money, and no such purchaser or purchasers, or such purchaser(s)’ assigns or personal representatives, will thereafter be obligated to see to the application of such purchase money or be in any way answerable for any loss, misapplication or nonapplication of such purchase money.

(vi) To the fullest extent permitted by law, Borrower will be completely and irrevocably divested of all of Borrower’s right, title, interest, claim and demand whatsoever, either at law or in equity, in and to the property sold, and such sale will be a perpetual bar to any claim to all or any part of the property sold, both at law and in equity, against Borrower and against any person claiming by, through or under Borrower.

(vii) To the extent and under such circumstances as are permitted by law, Lender may be a purchaser at any such sale.

32. **Release.** Upon payment of the Indebtedness, Lender will release this Instrument. Borrower will pay Lender’s reasonable costs incurred in releasing this Instrument.

33. **Trustee.**

(a) Trustee may resign by giving of notice of such resignation in writing to Lender. If Trustee will die, resign or become disqualified from acting under this Instrument or will fail or refuse to act in accordance with this Instrument when requested by
Lender or if for any reason and without cause Lender will prefer to appoint a substitute trustee to act instead of the original Trustee named in this Instrument or any prior successor or substitute trustee, Lender will have full power to appoint a substitute trustee and, if preferred, several substitute trustees in succession who will succeed to all the estate, rights, powers and duties of the original Trustee named in this Instrument. Such appointment may be executed by an authorized officer, agent or attorney-in-fact of Lender (whether acting pursuant to a power of attorney or otherwise), and such appointment will be conclusively presumed to be executed with authority and will be valid and sufficient without proof of any action by Lender.

(b) Any successor Trustee appointed pursuant to this Section will, without any further act, deed or conveyance, become vested with all the estates, properties, rights, powers and trusts of the predecessor Trustee with like effect as if originally named as Trustee in this Instrument; but, nevertheless, upon the written request of Lender or such successor Trustee, the Trustee ceasing to act will execute and deliver an instrument transferring to such successor Trustee, all the estates, properties, rights, powers and trusts of the Trustee so ceasing to act, and will duly assign, transfer and deliver any of the property and monies held by the Trustee ceasing to act to the successor Trustee.

(c) Trustee may authorize one or more parties to act on Trustee’s behalf to perform the ministerial functions required of Trustee under this Instrument, including the transmittal and posting of any notices.

34. **Vendor’s Lien.** To the extent a vendor’s lien is retained in that certain deed conveying the Mortgaged Property to Borrower and dated on or about the date of this Instrument, such vendor’s lien has been assigned to Lender, the Note is primarily secured by said vendor’s lien, and this Instrument is additional security therefore.

35. **No Fiduciary Duty.** Lender owes no fiduciary or other special duty to Borrower.

36. **Fixture Filing.** This Instrument is also a fixture filing under the Uniform Commercial Code of Texas.

37. **Additional Provisions Regarding Assignment Of Rents.** Section 3 will not be construed to require a pro tanto or other reduction of the Indebtedness resulting from the assignment of Rents. If the provisions of Section 3 and the preceding sentence cause the assignment of Rents in Section 3 to be deemed to be an assignment for additional security only, Lender will be entitled to all rights, benefits and remedies attendant to such collateral assignment. The assignment of Rents contained in Section 3 will terminate upon the release of this Instrument.

38. **Loan Charges.** Borrower and Lender intend at all times to comply with the laws of the State of Texas governing the maximum rate or amount of interest payable on or in connection with the Indebtedness (or applicable United States federal law to the extent
that it permits Lender to contract for, charge, take, reserve or receive a greater amount of interest than under Texas law. If the applicable law is ever judicially interpreted so as to render usurious any amount payable under the Note, this Instrument or any other Loan Document, or contracted for, charged, taken, reserved or received with respect to the Indebtedness, or if acceleration of the maturity of the Indebtedness, or if any prepayment by Borrower results in Borrower having paid any interest in excess of that permitted by any applicable law, then Borrower and Lender expressly intend that all excess amounts collected by Lender will be applied to reduce the unpaid principal balance of the Indebtedness (or, if the Indebtedness has been or would thereby be paid in full, will be refunded to Borrower), and the provisions of the Note, this Instrument and the other Loan Documents immediately will be deemed reformed and the amounts thereafter collectible under the Loan Documents reduced, without the necessity of the execution of any new documents, so as to comply with any applicable law, but so as to permit the recovery of the fullest amount otherwise payable under the Loan Documents. The right to accelerate the maturity of the Indebtedness does not include the right to accelerate any interest which has not otherwise accrued on the date of such acceleration, and Lender does not intend to collect any unearned interest in the event of acceleration. All sums paid or agreed to be paid to Lender for the use, forbearance or detention of the Indebtedness will, to the extent permitted by any applicable law, be amortized, prorated, allocated and spread throughout the full term of the Indebtedness until payment in full so that the rate or amount of interest on account of the Indebtedness does not exceed the applicable usury ceiling. Notwithstanding any provision contained in the Note, this Instrument or any other Loan Document that permits the compounding of interest, including any provision by which any accrued interest is added to the principal amount of the Indebtedness, the total amount of interest that Borrower is obligated to pay and Lender is entitled to receive with respect to the Indebtedness will not exceed the amount calculated on a simple (i.e., noncompounded) interest basis at the maximum rate on principal amounts actually advanced to or for the account of Borrower, including all current and prior advances and any advances made pursuant to the Instrument or any other Loan Document (such as for the payment of Impositions and similar expenses or costs).

39. ENTIRE AGREEMENT. THIS INSTRUMENT, THE NOTE AND THE OTHER LOAN DOCUMENTS REPRESENT THE FINAL AGREEMENT BETWEEN THE PARTIES AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS OR SUBSEQUENT ORAL AGREEMENTS. THERE ARE NO UNWRITTEN ORAL AGREEMENTS BETWEEN THE PARTIES.

40. WAIVER OF TRIAL BY JURY.

(a) BORROWER AND LENDER EACH COVENANTS AND AGREES NOT TO ELECT A TRIAL BY JURY WITH RESPECT TO ANY ISSUE ARISING OUT OF THIS INSTRUMENT OR THE RELATIONSHIP BETWEEN THE PARTIES AS BORROWER AND LENDER THAT IS TRIABLE OF RIGHT BY A JURY.
Borrower and Lender each waives any right to trial by jury with respect to such issue to the extent that any such right exists now or in the future. This waiver of right to trial by jury is separately given by each party, knowingly and voluntarily with the benefit of competent legal counsel.

41. Notice of Additional Provisions Regarding Insurance. Any terms to the contrary contained in this instrument notwithstanding, the following requirements are hereby imposed pursuant to Section 307.052 of the Texas Finance Code:

(a) Borrower is required to: (i) keep the mortgaged property insured against damage in an amount equal to the indebtedness, (ii) purchase the insurance from an insurer that is authorized to do business in the state of Texas or an eligible surplus lines insurer, and (iii) name the Lender as the person to be paid under the policy in the event of loss.

(b) If Borrower fails to comply with subsection (a) above, Lender may, but will not be obligated to, obtain collateral protection insurance on behalf of Borrower at Borrower's expense.

42. Attached Riders. The following Riders are attached to this Instrument:

[LIST EACH RIDER ATTACHED OR STATE “NONE”]

43. Attached Exhibits. The following Exhibits, if marked with an “X” in the space provided, are attached to this Instrument:

| Exhibit A Description of the Land (required) |
| Exhibit B Modifications to Instrument |
| Exhibit C Ground Lease Description (if applicable) |

44. Subordination. This Mortgage is subject and subordinate in all respects to those certain mortgages listed in Exhibit D, attached hereto, (collectively, the “Superior Mortgages”).
45. **Standstill.** Notwithstanding anything contained herein to the contrary, for so long as the Superior Mortgage is outstanding, the Lender will not (i) commence foreclosure proceedings with respect to the Premises under the Note or this Mortgage, (ii) join with any other creditor in commencing any bankruptcy reorganization arrangement, insolvency or liquidation proceedings with respect to Borrower, or (iii) otherwise exercise any other rights or remedies under or in respect of this Mortgage or the Note secured hereby.

**REMAINDER OF PAGE INTENTIONALLY LEFT BLANK**
IN WITNESS WHEREOF, Borrower has signed and delivered this Instrument or has caused this Instrument to be signed and delivered by its duly authorized representative.

[INSERT SIGNATURE]
(Public Housing Agency)
Project-based Voucher Section 8 Contract Administration

CONSENT TO ASSIGNMENT
OF PBV CONTRACT
AS SECURITY FOR FREDDIE MAC FINANCING

IDENTIFICATION OF ACC AND PBV CONTRACT

Project Name:
Project Location:

______________________________________________________________________________

______________________________________________________________________________
DEFINITIONS

CONTRACT ADMINISTRATOR. PHA acting as contract administrator with HUD.

FREDDIE MAC. The Federal Home Loan Mortgage Corporation (Freddie Mac).

PBV CONTRACT. The Project Based Voucher Housing Assistance Payments Contract for units in the project. The PBV Contract was entered
between the owner and the Contract Administrator pursuant to Section 8 of the United States Housing Act of 1937 (42 U.S.C. 1437f).

PHA. Public Housing Agency.

PROJECT. The project identified in section I of the consent to assignment.

ASSIGNMENT OF PBV CONTRACT.

The PBV Contract (including any interest in the PBV Contract or any payments under the PBV Contract) may not be assigned without the prior written consent of the contract administrator. Assignment includes the creation of a security interest in the PBV Contract, or any sale, conveyance or other transfer of the PBV Contract, voluntary or involuntary, to any assignee, transferee or successor in interest.

The owner has advised the contract administrator that the owner wants to assign the owner’s interest in the PBV Contract to the lender, as security for a loan by the lender to the owner, and that the lender will assign the loan to Freddie Mac.

The contract administrator consents to the assignment of the PBV Contract by the owner to the lender as security for the loan, and consents that the lender may assign its security interest in the PBV Contract to Freddie Mac. The consent to assignment is not consent for any other or further assignment of the PBV Contract (including any interest in the PBV Contract or any payments under the PBV Contract) by the owner, lender or Freddie Mac, to any other assignee, transferee or successor in interest.
EFFECT OF CONSENT TO ASSIGNMENT.

The contract administrator is not a party to the loan or the loan documents, nor to any assignment of the PBV Contract by the owner to the lender, nor to any assignment of the PBV Contract or the loan to Freddie Mac. Issuance of the consent to assignment does not signify that the contract administrator has reviewed, approved or agreed to the terms of any financing or refinancing; to any term of the loan documents; or to the terms of any assignment by the owner to the lender, or by the lender to Freddie Mac.

The consent to assignment of the PBV Contract does not change the terms of the PBV Contract in any way, and does not change the rights or obligations of the contract administrator or the owner under the PBV Contract.

The creation or transfer of any security interest in the PBV Contract is limited to amounts payable under the PBV Contract in accordance with the terms of the PBV Contract.

The grant of consent by the contract administrator to assignment of the PBV Contract by the owner to the lender, and the grant of consent by the contract administrator to assignment of the PBV Contract by the lender to Freddie Mac, does not constitute consent to any further assignment or other transfer of the PBV Contract or of any interest in the property, including any further assignment or transfer to any assignee, transferee or successor in interest.

EXERCISE OF SECURITY INTEREST – Assignee assumption of PBV Contract obligations.

Notwithstanding the contract administrator’s grant of consent to assignment by the owner of a security interest in the PBV Contract to the lender, and to further assignment of such security interest by the lender to Freddie Mac, the assignee (lender or Freddie Mac) may not exercise any rights or remedies against the contract administrator under the PBV Contract, and shall not have any right to receive housing assistance
payments that may be payable to the owner under the PBV Contract, until and unless the assignee seeking to exercise such rights or remedies, or to receive such payments, has executed and delivered, in a form acceptable to the contract administrator in accordance with HUD requirements, an agreement by the assignee to comply with all the terms of the PBV Contract, and to assume all obligations of the owner under the PBV Contract.

PAYMENT TO ASSIGNEE.

When the assignee (lender or Freddie Mac) notifies the contract administrator, in writing, that housing assistance payments payable pursuant to the PBV Contract should be directed to the assignee, the contract administrator may make such payments to the assignee instead of the owner. In making such payments, the contract administrator is not required to consider or make any inquiry as to the existence of a default under the loan documents, but may rely on notice by the assignee; and any payments by the contract administrator to the assignee shall be credited against amounts payable by the contract administrator to the owner pursuant to the PBV Contract.

WHEN ASSIGNMENT IS PROHIBITED.

The consent to assignment shall be void ab initio if HUD determines that any assignee, or any principal or interested party of the assignee, is debarred, suspended or subject to a limited denial of participation under 24 CFR part 24, or is listed on the U.S. General Services Administration list of parties excluded from Federal procurement or nonprocurement programs.
PUBLIC HOUSING AGENCY

By:________________________________________
Signature of authorized representative

________________________________________
Name and official title (Print)

Date:____________________________________
OWNER AGREEMENT

The owner has read the terms of the contract administrator’s consent to assignment of the HAP Contract by the owner to the lender, and by the lender to Freddie Mac. In consideration for the contract administrator’s grant of such consent to assignment, the owner agrees to all the terms of the consent to assignment, and agrees that any assignment by the owner is subject to all such terms.

OWNER

Name of Owner (Print)

BORROWER:

Date: ________________________________
SUBORDINATION AGREEMENT

GOVERNMENTAL ENTITY

(Revised 1-29-2018)

THIS SUBORDINATION AGREEMENT ("Agreement") is entered into this ___ day of __________, 20__, by and between (i) [SELLER/SERVICER], a __________ organized and existing under the laws of the [State] [Commonwealth] of _________ ("Senior Mortgagee") and (ii) [GOVERNMENTAL ENTITY], a __________ organized and existing under the laws of the [State] [Commonwealth] of _________ ("Subordinate Mortgagee").

RECITALS

A. [NAME OF BORROWER], a [limited partnership/limited liability company/corporation] organized under the laws of the [State] [Commonwealth] of _________ ("Borrower") is the owner of certain land located in ________ County, [STATE], described in Exhibit A ("Land"). The Land is improved with a multifamily rental housing project ("Improvements").

B. Senior Mortgagee has made or is making a loan to Borrower in the original principal amount of $______________ ("Senior Loan") upon the terms and conditions of a Multifamily Loan and Security Agreement dated as of __________ between Senior Mortgagee and Borrower ("Senior Loan Agreement") in connection with the Mortgaged Property. The Senior Loan is secured by a [NAME OF SENIOR MORTGAGE] dated as of __________ ("Senior Mortgage") encumbering the Land, the Improvements and related personal and other property described and defined in the Senior Mortgage as the "Mortgaged Property."

C. Pursuant to a [NAME OF SUBORDINATE LOAN AGREEMENT] dated [as of] __________ between Subordinate Mortgagee and Borrower ("Subordinate Loan Agreement"), Subordinate Mortgagee has made or is making a loan to Borrower in the original principal amount of $______________ ("Subordinate Loan"). The Subordinate Loan is or will be secured by a [NAME OF SUBORDINATE MORTGAGE] dated [as of] __________ ("Subordinate Mortgage") encumbering all or a portion of the Mortgaged Property.

D. The Senior Mortgage [is] [will be] recorded in [DESCRIBE APPLICABLE RECORDING OFFICE] ("Recording Office") at [INSERT RECORDING INFORMATION IF KNOWN]. The Subordinate Mortgage [is] [will be] recorded in the Recording Office at [INSERT RECORDING INFORMATION IF KNOWN].
E. The execution and delivery of this Agreement is a condition of Senior Mortgagee’s [CHOOSE ONE: making of the Senior Loan OR consenting to Subordinate Mortgagee’s making of the Subordinate Loan and Borrower’s granting of the Subordinate Mortgage].

AGREEMENT

NOW, THEREFORE, for valuable consideration, the receipt and sufficiency of which are acknowledged, the parties agree as follows:

1. Definitions. The following terms, when used in this Agreement (including, as appropriate, when used in the above recitals), will have the following meanings.

   (a) The terms “Condemnation,” “Imposition Deposits,” “Impositions,” “Leases,” “Rents” and “Restoration,” as well as any term used in this Agreement and not otherwise defined in this Agreement, will have the meanings given to those terms in the Senior Loan Agreement.

   (b) “Bankruptcy Proceeding” means any bankruptcy, reorganization, insolvency, composition, restructuring, dissolution, liquidation, receivership, assignment for the benefit of creditors, or custodianship action or proceeding under any federal or state law with respect to Borrower, any guarantor of any of the Senior Indebtedness, any of their respective properties, or any of their respective partners, members, officers, directors, or shareholders.

   (c) “Borrower” means all persons or entities identified as “Borrower” in the first Recital of this Agreement, together with their successors and assigns, and any other person or entity who acquires title to the Mortgaged Property after the date of this Agreement; provided that the term “Borrower” will not include Senior Mortgagee if Senior Mortgagee acquires title to the Mortgaged Property.

   (d) “Casualty” means the occurrence of damage to or loss of all or any portion of the Mortgaged Property by fire or other casualty.

   (e) “Enforcement Action” means any of the following actions taken by or at the direction of Subordinate Mortgagee: the acceleration of all or any part of the Subordinate Indebtedness, the advertising of or commencement of any foreclosure or trustee’s sale proceedings, the exercise of any power of sale, the acceptance of a deed or assignment in lieu of foreclosure or sale, the collecting of Rents, the obtaining of or seeking of the appointment of a receiver, the seeking of default interest, the taking of possession or control of any of the Mortgaged Property, the commencement of any suit or other legal, administrative, or arbitration proceeding based upon the Subordinate Note or any other of the
Subordinate Loan Documents, the exercising of any banker’s lien or rights of set-off or recoupment, or the exercise of any other remedial action against Borrower, any other party liable for any of the Subordinate Indebtedness or obligated under any of the Subordinate Loan Documents, or the Mortgaged Property.

(f) “Enforcement Action Notice” means a written notice from Subordinate Mortgagee to Senior Mortgagee, given following one or more Subordinate Mortgage Default(s) and the expiration of any notice or cure periods provided for such Subordinate Mortgage Default(s) in the Subordinate Loan Documents, setting forth in reasonable detail the Subordinate Mortgage Default(s) and the Enforcement Actions proposed to be taken by Subordinate Mortgagee.

(g) “Loss Proceeds” means all monies received or to be received under any insurance policy, from any condemning authority, or from any other source, as a result of any Condemnation or Casualty.

(h) “Notice” is defined in Section 7(e).

(i) “Regulatory Agreement” means the [NAME OF REGULATORY AGREEMENT, DEED RESTRICTIONS, OR LAND USE RESTRICTIONS] between Borrower and Subordinate Mortgagee dated [as of] __________, and [recorded] [to be recorded] [at] [INSERT RECORDING INFORMATION IF AVAILABLE] in the Recording Office of __________, County, [NAME OF STATE OR COMMONWEALTH].

(j) “Senior Indebtedness” means the “Indebtedness” as defined in the Senior Loan Agreement.

(k) “Senior Loan Documents” means the “Loan Documents” as defined in the Senior Loan Agreement.

(l) “Senior Mortgage Default” means any act, failure to act, event, condition, or occurrence which constitutes, or which with the giving of Notice or the passage of time, or both, would constitute, an “Event of Default” as defined in the Senior Loan Agreement.

(m) “Senior Mortgagee” means the “Lender” as defined in the Senior Mortgage. When any other person or entity becomes the legal holder of the Senior Note, such other person or entity will automatically become Senior Mortgagee.

(n) “Senior Note” means the promissory note or other evidence of the Senior Indebtedness referred to in the Senior Loan Agreement and any replacement of the Senior Note.
(o) “Subordinate Indebtedness” means all sums evidenced or secured or guaranteed by, or otherwise due and payable to Subordinate Mortgagee pursuant to, the Subordinate Loan Documents.

(p) “Subordinate Loan Documents” means the Subordinate Mortgage, the Subordinate Note, the Subordinate Loan Agreement, the Regulatory Agreement and all other documents at any time evidencing, securing, guaranteeing, or otherwise delivered in connection with the Subordinate Indebtedness, as the same may be amended.

(q) “Subordinate Mortgage Default” means any act, failure to act, event, condition, or occurrence which allows (but for any contrary provision of this Agreement), or which with the giving of Notice or the passage of time, or both, would allow (but for any contrary provision of this Agreement), Subordinate Mortgagee to take an Enforcement Action.

(r) “Subordinate Mortgagee” means the person or entity named as such in the first paragraph of this Agreement and any other person or entity who becomes the legal holder of the Subordinate Note after the date of this Agreement.

(s) “Subordinate Note” means the promissory note or other evidence of the Subordinate Indebtedness referred to in the Subordinate Mortgage and any replacement of the Subordinate Note.

[PROVISION FOR SOFT DEBT]

(t) “Surplus Cash” means, with respect to any period, any revenues of Borrower remaining after paying, or setting aside funds for paying, all of the following:

(i) All sums due or currently required to be paid under the Senior Loan Documents, including any Imposition Deposits.

(ii) All deposits to any replacement reserve, completion/repair reserve or other reserve or escrow required by the Senior Loan Documents that are due or currently payable.

(iii) All reasonable operating expenses of the Mortgaged Property, including real estate taxes, insurance premiums, utilities, building maintenance, painting and repairs, management fees, payroll, administrative expenses, legal expenses and audit expenses (excluding any developer fees payable with respect to the Mortgaged Property).
2. **Subordination of Subordinate Indebtedness.**

(a) The Subordinate Indebtedness is and will at all times continue to be subject and subordinate in right of payment to the prior payment in full of the Senior Indebtedness.

(b) Until the occurrence of a Senior Mortgage Default, Subordinate Mortgagee will be entitled to retain for its own account all payments made on account of the principal of and interest on the Subordinate Indebtedness in accordance with the requirements of the Subordinate Loan Documents; provided no such payment is made more than 10 days in advance of its due date **[PROVISION FOR SOFT DEBT]**, and provided further that no such payment exceeds 75% of then available Surplus Cash. However, immediately upon Subordinate Mortgagee’s receipt of Notice or actual knowledge of a Senior Mortgage Default, Subordinate Mortgagee will not accept any payments on account of the Subordinate Indebtedness, and the provisions of Section 2(c) of this Agreement will apply. Subordinate Mortgagee acknowledges that a Subordinate Mortgage Default constitutes a Senior Mortgage Default. Accordingly, upon the occurrence of a Subordinate Mortgage Default, Subordinate Mortgagee will be deemed to have actual knowledge of a Senior Mortgage Default.

(c) If (i) Subordinate Mortgagee receives any payment, property, or asset of any kind or in any form on account of the Subordinate Indebtedness (including any proceeds from any Enforcement Action) after a Senior Mortgage Default of which Subordinate Mortgagee has actual knowledge (or is deemed to have actual knowledge as provided in 2(b) above) or has been given Notice, or (ii) Subordinate Mortgagee receives, voluntarily or involuntarily, by operation of law or otherwise, any payment, property, or asset in or in connection with any Bankruptcy Proceeding, such payment, property, or asset will be received and held in trust for Senior Mortgagee. Subordinate Mortgagee will promptly remit, in kind and properly endorsed as necessary, all such payments, properties, and assets to Senior Mortgagee. Senior Mortgagee will apply any payment, asset, or property so received from Subordinate Mortgagee to the Senior Indebtedness in such order, amount (with respect to any asset or property other than immediately available funds), and manner as Senior Mortgagee determines in its sole and absolute discretion.

(d) Without limiting the complete subordination of the Subordinate Indebtedness to the payment in full of the Senior Indebtedness, in any Bankruptcy Proceeding, upon any payment or distribution (whether in cash, property, securities, or otherwise) to creditors (i) the Senior Indebtedness will first be paid in full in cash before Subordinate Mortgagee will be entitled to receive any payment or other distribution on account of or in respect of the Subordinate Indebtedness, and (ii) until all of the Senior Indebtedness is paid in full in cash, any payment or distribution to which Subordinate Mortgagee would be entitled but for this
Agreement (whether in cash, property, or other assets) will be made to Senior Mortgagee.

(e) The subordination of the Subordinate Indebtedness will continue if any payment under the Senior Loan Documents (whether by or on behalf of Borrower, as proceeds of security or enforcement of any right of set-off or otherwise) is for any reason repaid or returned to Borrower or its insolvent estate, or avoided, set aside or required to be paid to Borrower, a trustee, receiver or other similar party under any bankruptcy, insolvency, receivership or similar law. In such event, any or all of the Senior Indebtedness originally intended to be satisfied will be deemed to be reinstated and outstanding to the extent of any repayment, return, or other action, as if such payment on account of the Senior Indebtedness had not been made.

[PROVISION FOR SOFT DEBT]

(f) In addition to the limitations set forth above, Subordinate Mortgagee agrees that the Subordinate Indebtedness will be payable solely from not more than 75% of Surplus Cash while the Senior Indebtedness remains outstanding.

3. **Subordination of Subordinate Loan Documents.**

(a) Each of the Subordinate Loan Documents is, and will at all times remain, subject and subordinate in all respects to the liens, terms, covenants, conditions, operations, and effects of each of the Senior Loan Documents.

(b) The subordination of the Subordinate Loan Documents and of the Subordinate Indebtedness will apply and continue notwithstanding (i) the actual date and time of execution, delivery, recording, filing or perfection of each of the Senior Loan Documents and of each of the Subordinate Loan Documents, and (ii) the availability of any collateral to Senior Mortgagee, including the availability of any collateral other than the Mortgaged Property.

(c) By reason of, and without in any way limiting, the full subordination of the Subordinate Indebtedness and the Subordinate Loan Documents provided for in this Agreement, all rights and claims of Subordinate Mortgagee under the Subordinate Loan Documents in or to all or any portion of the Mortgaged Property are expressly subject and subordinate in all respects to the rights and claims of Senior Mortgagee under the Senior Loan Documents in or to the Mortgaged Property.

(d) If Subordinate Mortgagee, by indemnification, subrogation or otherwise, acquires any lien, estate, right or other interest in any of the Mortgaged Property, then that lien, estate, right or other interest will be fully subject and subordinate to the receipt by Senior Mortgagee of payment in full of the Senior Indebtedness, and to the Senior Loan Documents, to the same extent as the Subordinate Indebtedness and the Subordinate Loan Documents are subordinate pursuant to this Agreement.

(a) Subordinate Mortgagee represents and warrants that each of the following is true:

(i) Subordinate Mortgagee is now the owner and holder of the Subordinate Loan Documents.

(ii) The Subordinate Loan Documents are now in full force and effect.

(iii) The Subordinate Loan Documents have not been modified or amended.

(iv) No Subordinate Mortgage Default has occurred.

(v) The current unpaid principal balance of the Subordinate Indebtedness is $\ldots$.

(vi) No scheduled monthly payments under the Subordinate Note have been or will be prepaid.

(vii) None of the rights of Subordinate Mortgagee under any of the Subordinate Loan Documents are subject to the rights of any third parties, by way of subrogation, indemnification or otherwise.

(b) Without the prior written consent of Senior Mortgagee in each instance, Subordinate Mortgagee will not do any of the following:

(i) Amend, modify, waive, extend, renew, or replace any provision of any of the Subordinate Loan Documents.

(ii) Pledge, assign, transfer, convey, or sell any interest in the Subordinate Indebtedness or any of the Subordinate Loan Documents.

(iii) Accept any payment on account of the Subordinate Indebtedness other than a regularly scheduled payment of interest or principal and interest made not earlier than 10 days prior to its due date, or as expressly authorized in Section 4(i) below [IF SOFT DEBT: and not in excess of 75% of then available Surplus Cash].

(iv) Take any action which has the effect of increasing the Subordinate Indebtedness.

(v) Appear in, defend or bring any action to protect Subordinate Mortgagee’s interest in the Mortgaged Property.
(vi) Take any action concerning environmental matters affecting the Mortgaged Property.

(c) Subordinate Mortgagee will deliver to Senior Mortgagee a copy of each Notice received or delivered by Subordinate Mortgagee pursuant to the Subordinate Loan Documents or in connection with the Subordinate Indebtedness, simultaneously with Subordinate Mortgagee’s delivery or receipt of such Notice. Senior Mortgagee will deliver to Subordinate Mortgagee in the manner required in Section 5(b) a copy of each Notice of a Senior Mortgage Default delivered to Borrower by Senior Mortgagee. Neither giving nor failing to give a Notice to Senior Mortgagee or Subordinate Mortgagee pursuant to this Section 4(c) will affect the validity of any Notice given by Senior Mortgagee or Subordinate Mortgagee to Borrower, as between Borrower and such of Senior Mortgagee or Subordinate Mortgagee as provided the Notice to Borrower.

(d) Without the prior written consent of Senior Mortgagee in each instance, Subordinate Mortgagee will not commence, or join with any other creditor in commencing, any Bankruptcy Proceeding. In the event of a Bankruptcy Proceeding, Subordinate Mortgagee will not vote affirmatively in favor of any plan of reorganization or liquidation unless Senior Mortgagee has also voted affirmatively in favor of such plan. In the event of any Bankruptcy Proceeding, Subordinate Mortgagee will not contest the continued accrual of interest on the Senior Indebtedness, in accordance with and at the rates specified in the Senior Loan Documents, both for periods before and for periods after the commencement of such Bankruptcy Proceedings.

(e) Whenever the Subordinate Loan Documents give Subordinate Mortgagee approval or consent rights with respect to any matter, and a right of approval or consent with regard to the same or substantially the same matter is also granted to Senior Mortgagee pursuant to the Senior Loan Documents or otherwise, Senior Mortgagee’s approval or consent or failure to approve or consent, as the case may be, will be binding on Subordinate Mortgagee. None of the other provisions of this Section 4 are intended to be in any way in limitation of the provisions of this Section 4(e).

(f) All requirements pertaining to insurance under the Subordinate Loan Documents (including requirements relating to amounts and types of coverages, deductibles and special endorsements) will be deemed satisfied if Borrower complies with the insurance requirements under the Senior Loan Documents and of Senior Mortgagee. All original policies of insurance required pursuant to the Senior Loan Documents will be held by Senior Mortgagee. Nothing in this Section 4(f) will preclude Subordinate Mortgagee from requiring that it be named as a mortgagee and loss payee, as its interest may appear, under all policies of property damage insurance maintained by Borrower with respect to the Mortgaged Property, provided such action does not affect the priority of payment of Loss Proceeds, or that Subordinate Mortgagee be named as an additional insured under all policies
of liability insurance maintained by Borrower with respect to the Mortgaged Property.

(g) In the event of a Condemnation or a Casualty, all of the following provisions will apply:

(i) The rights of Subordinate Mortgagee (under the Subordinate Loan Documents or otherwise) to participate in any proceeding or action relating to a Condemnation or a Casualty, or to participate or join in any settlement of, or to adjust, any claims resulting from a Condemnation or a Casualty, will be and remain subordinate in all respects to Senior Mortgagee’s rights under the Senior Loan Documents with respect thereto, and Subordinate Mortgagee will be bound by any settlement or adjustment of a claim resulting from a Condemnation or a Casualty made by Senior Mortgagee.

(ii) All Loss Proceeds will be applied either to payment of the costs and expenses of Restoration or to payment on account of the Senior Indebtedness, as and in the manner determined by Senior Mortgagee in its sole discretion.

(iii) If Senior Mortgagee applies or releases Loss Proceeds for the purposes of Restoration of the Mortgaged Property, then Subordinate Mortgagee will release for such purpose all of its right, title and interest, if any, in and to such Loss Proceeds. If Senior Mortgagee holds Loss Proceeds, or monitors the disbursement thereof, Subordinate Mortgagee will not do so. Nothing contained in this Agreement will be deemed to require Senior Mortgagee to act for or on behalf of Subordinate Mortgagee in connection with any Restoration or to hold or monitor any Loss Proceeds in trust for or otherwise on behalf of Subordinate Mortgagee, and all or any Loss Proceeds may be commingled with any funds of Senior Mortgagee.

(iv) If Senior Mortgagee elects to apply Loss Proceeds to payment on account of the Senior Indebtedness, and if the application of such Loss Proceeds results in the payment in full of the entire Senior Indebtedness, any remaining Loss Proceeds held by Senior Mortgagee will be paid to Subordinate Mortgagee unless another party has asserted a claim to the remaining Loss Proceeds.

(h) Subordinate Mortgagee will enter into attornment and non-disturbance agreements with all tenants under commercial or retail Leases, if any, to whom Senior Mortgagee has granted attornment and non-disturbance, on the same terms and conditions given by Senior Mortgagee.

(i) Except as provided in this Section 4(i), and regardless of any contrary provision in the Subordinate Loan Documents, Subordinate Mortgagee will not collect
payments for the purpose of escrowing for any cost or expense related to the
Mortgaged Property or for any portion of the Subordinate Indebtedness. However,
if Senior Mortgagee is not collecting escrow payments for one or more
Impositions, Subordinate Mortgagee may collect escrow payments for such
Impositions; provided that all payments so collected by Subordinate Mortgagee
will be held in trust by Subordinate Mortgagee to be applied only to the payment
of such Impositions.

(j) Within 10 days after request by Senior Mortgagee, Subordinate Mortgagee will
furnish Senior Mortgagee with a statement, duly acknowledged and certified
setting forth the then-current amount and terms of the Subordinate Indebtedness,
confirming that there exists no default under the Subordinate Loan Documents (or
describing any default that does exist), and certifying to such other information
with respect to the Subordinate Indebtedness as Senior Mortgagee may request.

(k) Senior Mortgagee may amend, waive, postpone, extend, renew, replace, reduce or
otherwise modify any provisions of the Senior Loan Documents without the
necessity of obtaining the consent of or providing Notice to Subordinate
Mortgagor, and without affecting any of the provisions of this Agreement.
Notwithstanding the foregoing, Senior Mortgagee may not modify any provision
of the Senior Loan Documents that increases the Senior Indebtedness, except for
increases in the Senior Indebtedness that result from advances made by Senior
Mortgagee to protect the security or lien priority of Senior Mortgagee under the
Senior Loan Documents or to cure defaults under the Subordinate Loan
Documents.

5. Default Under Loan Documents.

(a) For a period of 90 days following delivery to Senior Mortgagee of an
Enforcement Action Notice, Senior Mortgagee will have the right, but not the
obligation, to cure any Subordinate Mortgage Default, provided that if such
Subordinate Mortgage Default is a non-monetary default and is not capable of
being cured within such 90-day period and Senior Mortgagee has commenced and
is diligently pursuing such cure to completion, Senior Mortgagee will have such
additional period of time as may be required to cure such Subordinate Mortgage
Default or until such time, if ever, as Senior Mortgagee (i) discontinues its pursuit
of any cure and/or (ii) delivers to Subordinate Mortgagee Senior Mortgagee’s
written consent to the Enforcement Action described in the Enforcement Action
Notice. Senior Mortgagee will not be subrogated to the rights of Subordinate
Mortgagee under the Subordinate Loan Documents by reason of Senior
Mortgagee having cured any Subordinate Mortgage Default. However,
Subordinate Mortgagee acknowledges that all amounts advanced or expended by
Senior Mortgagee in accordance with the Senior Loan Documents or to cure a
Subordinate Mortgage Default will be added to and become a part of the Senior
Indebtedness and will be secured by the lien of the Senior Mortgage.

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(b) Senior Mortgagee will deliver to Subordinate Mortgagee a copy of any Notice sent by Senior Mortgagee to Borrower of a Senior Mortgage Default within 5 Business Days of sending such Notice to Borrower. Failure of Senior Mortgagee to send Notice to Subordinate Mortgagee will not prevent the exercise of Senior Mortgagee’s rights and remedies under the Senior Loan Documents. Subordinate Mortgagee will have the right, but not the obligation, to cure any monetary Senior Mortgage Default within 30 days following the date of such Notice; provided, however, that Senior Mortgagee will be entitled during such 30-day period to continue to pursue its remedies under the Senior Loan Documents. Subordinate Mortgagee may, within 90 days after the date of the Notice, cure a non-monetary Senior Mortgage Default if during such 90-day period, Subordinate Mortgagee keeps current all payments required by the Senior Loan Documents. If such a non-monetary Senior Mortgage Default creates an unacceptable level of risk relative to the Mortgaged Property, or Senior Mortgagee’s secured position relative to the Mortgaged Property, as determined by Senior Mortgagee in its sole discretion, then during such 90-day period Senior Mortgagee may exercise all available rights and remedies to protect and preserve the Mortgaged Property and the Rents, revenues and other proceeds from the Mortgaged Property. Subordinate Mortgagee will not be subrogated to the rights of Senior Mortgagee under the Senior Loan Documents by reason of Subordinate Mortgagee having cured any Senior Mortgage Default. However, Senior Mortgagee acknowledges that all amounts paid by Subordinate Mortgagee to Senior Mortgagee to cure a Senior Mortgage Default will be deemed to have been advanced by Subordinate Mortgagee pursuant to, and will be secured by the lien of, the Subordinate Mortgage. Notwithstanding anything in this Section 5(b) to the contrary, Subordinate Mortgagee’s right to cure any Senior Mortgage Default will terminate immediately upon the occurrence of any Bankruptcy Proceeding.

(c) In the event of a Subordinate Mortgage Default, Subordinate Mortgagee will not commence any Enforcement Action until 90 days after Subordinate Mortgagee has delivered to Senior Mortgagee an Enforcement Action Notice with respect to such Enforcement Action, provided that during such 90-day period or such longer period as provided in Section 5(a), Subordinate Mortgagee will be entitled to seek specific performance to enforce covenants and agreements of Borrower relating to income, rent, or affordability restrictions contained in the Regulatory Agreement, subject to Senior Mortgagee’s right to cure a Subordinate Mortgage Default set forth in Section 5(a). Subordinate Mortgagee may not commence any other Enforcement Action, including any foreclosure action under the Subordinate Loan Documents, until the earlier of (i) the expiration of such 90-day period or such longer period as provided in Section 5(a), or (ii) the delivery by Senior Mortgagee to Subordinate Mortgagee of Senior Mortgagee’s written consent to such Enforcement Action by Subordinate Mortgagee. Subordinate Mortgagee acknowledges that Senior Mortgagee may grant or refuse consent to Subordinate Mortgagee’s Enforcement Action in Senior Mortgagee’s sole and absolute discretion. At the expiration of such 90-day period or such longer period as provided in Section 5(a) and, subject to Senior Mortgagee’s right to cure set forth
in Section 5(a), Subordinate Mortgagee may commence any Enforcement Action. Any Enforcement Action on the part of Subordinate Mortgagee will be subject to the provisions of this Agreement. Subordinate Mortgagee acknowledges that the provisions of this Section 5(c) are fair and reasonable under the circumstances, that Subordinate Mortgagee has received a substantial benefit from Senior Mortgagee having granted its consent to the Subordinate Mortgage, and that Senior Mortgagee would not have granted such consent without the inclusion of these provisions in this Agreement.

(d) Senior Mortgagee may pursue all rights and remedies available to it under the Senior Loan Documents, at law, or in equity, regardless of any Enforcement Action Notice or Enforcement Action by Subordinate Mortgagee. No action or failure to act on the part of Senior Mortgagee in the event of a Subordinate Mortgage Default or commencement of an Enforcement Action will constitute a waiver on the part of Senior Mortgagee of any provision of the Senior Loan Documents or this Agreement.

(e) If the Enforcement Action taken by Subordinate Mortgagee is the appointment of a receiver for any of the Mortgaged Property, all of the Rents, issues, profits and proceeds collected by the receiver will be paid and applied by the receiver solely to and for the benefit of Senior Mortgagee until the Senior Indebtedness will have been paid in full.

(f) Subordinate Mortgagee consents to and authorizes the release by Senior Mortgagee of all or any portion of the Mortgaged Property from the lien, operation, and effect of the Senior Loan Documents. Subordinate Mortgagee waives to the fullest extent permitted by law, all equitable or other rights it may have (i) in connection with the release of all or any portion of the Mortgaged Property, (ii) to require the separate sale of any portion of the Mortgaged Property, (iii) to require Senior Mortgagee to exhaust its remedies against all or any portion of the Mortgaged Property or any combination of portions of the Mortgaged Property or any other collateral for the Senior Indebtedness, or (iv) to require Senior Mortgagee to proceed against Borrower, any other party that may be liable for any of the Senior Indebtedness (including any general partner of Borrower if Borrower is a partnership), all or any portion of the Mortgaged Property or combination of portions of the Mortgaged Property or any other collateral, before proceeding against all or such portions or combination of portions of the Mortgaged Property as Senior Mortgagee determines. [ADD FOR CALIFORNIA TRANSACTIONS: Subordinate Mortgagee waives to the fullest extent permitted by law any and all benefits under California Civil Code Sections 2845, 2849 and 2850.] Subordinate Mortgagee consents to and authorizes, at the option of Senior Mortgagee, the sale, either separately or together, of all or any portion of the Mortgaged Property. Subordinate Mortgagee acknowledges that without Notice to Subordinate Mortgagee and without affecting any of the provisions of this Agreement, Senior Mortgagee may (i) extend the time for or waive any payment or performance under the Senior Loan Documents; (ii)
modify or amend in any respect any provision of the Senior Loan Documents; and
(iii) modify, exchange, surrender, release, and otherwise deal with any additional
collateral for the Senior Indebtedness.

(g) If any party other than Borrower (including Senior Mortgagee) acquires title to
any of the Mortgaged Property pursuant to a foreclosure of, or trustee’s sale or
other exercise of any power of sale under, the Senior Mortgage conducted in
accordance with applicable law, the lien, operation, and effect of the Subordinate
Mortgage and other Subordinate Loan Documents automatically will terminate
with respect to such Mortgaged Property.

6. Refinancing. Subordinate Mortgagee agrees that its agreement to subordinate hereunder
will extend to any new mortgage debt which is for the purpose of refinancing all or any
part of the Senior Indebtedness (including reasonable and necessary costs associated with
the closing and/or the refinancing, and any reasonable increase in proceeds for
rehabilitation in the context of a preservation transaction). All terms and covenants of
this Agreement will inure to the benefit of any holder of any such refinanced debt, and all
references to the Senior Loan Documents and Senior Mortgagee will mean, respectively,
the refinance loan documents and the holder of such refinanced debt.


(a) This Agreement represents the entire understanding and agreement between the
parties with regard to the matters addressed herein, and will supersede and cancel
any prior agreements with regard to such matters.

(b) If there is any conflict or inconsistency between the terms of the Subordinate
Loan Documents and the terms of this Agreement, then the terms of this
Agreement will control.

(c) This Agreement will be binding upon and will inure to the benefit of the
respective legal successors and permitted assigns of the parties to this Agreement.
No other party will be entitled to any benefits under this Agreement, whether as a
third-party beneficiary or otherwise.

(d) If any one or more of the provisions contained in this Agreement, or any
application of any such provisions, is invalid, illegal, or unenforceable in any
respect, the validity, legality, enforceability, and application of the remaining
provisions contained in this Agreement will not in any way be affected or
impaired.

(e) Each notice, request, demand, consent, approval or other communication
(collectively, “Notices,” and singly, a “Notice”) which is required or permitted to
be given pursuant to this Agreement will be in writing and will be deemed to have
been duly and sufficiently given if (i) personally delivered with proof of delivery
(any Notice so delivered will be deemed to have been received at the time so
delivered), or (ii) sent by a national overnight courier service (such as FedEx) designating earliest available delivery (any Notice so delivered will be deemed to have been received on the next Business Day following receipt by the courier), or (iii) sent by United States registered or certified mail, return receipt requested, postage prepaid, at a post office regularly maintained by the United States Postal Service (any Notice so sent will be deemed to have been received on the date of delivery as confirmed by the return receipt), addressed to the respective parties as follows:

Notices intended for Senior Mortgagee will be addressed to:

[Name]
[Address]
Attention:
Facsimile:
Telephone:

Notices intended for Subordinate Mortgagee will be addressed to:

[Name]
[Address]
Attention:
Facsimile:
Telephone:

Any party, by Notice given pursuant to this Section, may change the person or persons and/or address or addresses, or designate an additional person or persons or an additional address or addresses, for its Notices, but Notice of a change of address will only be effective upon receipt. Neither party will refuse or reject delivery of any Notice given in accordance with this Section.

(f) Upon Notice from Senior Mortgagee, Subordinate Mortgagee will execute and deliver such additional instruments and documents, and will take such actions, as are required by Senior Mortgagee in order to further evidence or implement the provisions and intent of this Agreement.

(g) This Agreement will be governed by the laws of the State in which the Land is located.

(h) Each person executing this Agreement on behalf of a party hereto represents and warrants that such person is duly and validly authorized to do so on behalf of such party with full right and authority to execute this Agreement and to bind such party with respect to all of its obligations under this Agreement.
(i) No failure or delay on the part of any party to this Agreement in exercising any right, power, or remedy under this Agreement will operate as a waiver of such right, power, or remedy, nor will any single or partial exercise of any such right, power or remedy preclude any other or further exercise of such right, power, or remedy or the exercise of any other right, power or remedy under this Agreement.

(j) Each party to this Agreement acknowledges that if any party fails to comply with its obligations under this Agreement, the other parties will have all rights available at law and in equity, including the right to obtain specific performance of the obligations of such defaulting party and injunctive relief.

(k) This Agreement may be assigned at any time by Senior Mortgagee to any subsequent holder of the Senior Note.

(l) This Agreement may be amended, changed, modified, altered or terminated only by a written instrument signed by the parties to this Agreement or their successors or assigns.

(m) This Agreement may be executed in two or more counterparts, each of which will be deemed an original but all of which together will constitute one and the same instrument.

(n) The term of this Agreement will commence on the date of this Agreement and will continue until the earliest to occur of the following events: (i) the payment of all of the Senior Indebtedness; provided that this Agreement will be reinstated in the event any payment on account of the Senior Indebtedness is avoided, set aside, rescinded or repaid by Senior Mortgagee as described in Section 2(e) of this Agreement, (ii) the payment of all of the Subordinate Indebtedness other than by reason of payments which Subordinate Mortgagee is obligated to remit to Senior Mortgagee pursuant to this Agreement, (iii) the acquisition by Senior Mortgagee or by a third party purchaser of title to the Mortgaged Property pursuant to a foreclosure of, deed in lieu of foreclosure, or trustee’s sale or other exercise of a power of sale or similar disposition under the Senior Mortgage; or (iv) with the prior written consent of Senior Mortgagee, without limiting the provisions of Section 5(d), the acquisition by Subordinate Mortgagee of title to the Mortgaged Property subject to the Senior Mortgage pursuant to a foreclosure, or a deed in lieu of foreclosure, of (or the exercise of a power of sale under) the Subordinate Mortgage.

(o) This Agreement does not constitute an approval by Senior Mortgagee of the terms of the Subordinate Loan Documents.

(p) Nothing in this Agreement or in any of the Senior Loan Documents or Subordinate Loan Documents will be deemed to constitute Senior Mortgagee as a joint venturer or partner of Subordinate Mortgagee.
(q) Nothing in this Agreement is intended, nor will it be construed, to in any way limit the exercise by Subordinate Mortgagee of its governmental powers (including police, regulatory and taxing powers) with respect to Borrower or the Mortgaged Property to the same extent as if it were not a party to this Agreement or the transactions contemplated by this Agreement.

[SIGNATURE AND ACKNOWLEDGMENT PAGES FOLLOW]
IN WITNESS WHEREOF, the parties have duly executed this Agreement as of the day and year first above written.

SENIOR MORTGAGEE:

[NAME OF SELLER/SERVICER]

By: ______________________________________
Name: ___________________________________
Title: ____________________________________

[Notary Block for recordation]

[SIGNATURE APPEARS ON FOLLOWING PAGE]
SUBORDINATE MORTGAGEE:

[GOVERNMENTAL ENTITY]

By: ______________________________________
Name: ___________________________________
Title: ____________________________________

[Notary Block for recordation]
CONSENT OF BORROWER

Borrower acknowledges receipt of a copy of this Subordination Agreement, dated __________, 20__ by and between [NAME OF SELLER/SERVICER] and [NAME OF GOVERNMENTAL ENTITY] and consents to the agreement of the parties set forth in this Agreement.

[NAME OF BORROWER]

By: __________________________
Name: _________________________
Title: __________________________
Date: __________________________

[Notary Block for recordation]
MODIFICATIONS TO MULTIFAMILY LOAN AND SECURITY AGREEMENT

The following modifications are made to the Agreement which precedes this Exhibit:

1. **Section 6.12 (f)** shall be hereby deleted in its entirety and replaced with the following:

   (f) **Remedial Work.** If any investigation, site monitoring, containment, clean-up, Restoration or other remedial work ("Remedial Work") is necessary to comply with any Hazardous Materials Law or order of any Governmental Authority that has or acquires jurisdiction over the Mortgaged Property or the use, operation or improvement of the Mortgaged Property, or is otherwise required by Lender as a consequence of any Prohibited Activity or Condition or to prevent the occurrence of a Prohibited Activity or Condition, Borrower will, by the earlier of (i) the applicable deadline required by Hazardous Materials Law, or (ii) 30 days after Notice from Lender demanding such action, begin performing the Remedial Work (*subject to its receipt of all applicable permits*), and thereafter diligently prosecute it to completion, and must in any event complete the work by the time required by applicable Hazardous Materials Law. If Borrower fails to begin on a timely basis or diligently prosecute any required Remedial Work, Lender may, at its option, cause the Remedial Work to be completed, in which case Borrower will reimburse Lender on demand for the cost of doing so. Any reimbursement due from Borrower to Lender will become part of the Indebtedness as provided in Section 9.02.

2. **Section 10.02(i)** shall be deleted in its entirety and shall be replaced with the following:

   (i) **Other Obligations.** The provisions of this Article X will be in addition to any and all other obligations and liabilities that Borrower may have under applicable law or under other Loan Documents, and each Indemnitee will be entitled to indemnification under this Article X without regard to whether Lender or that Indemnitee has exercised any rights against the Mortgaged Property or any other security, pursued any rights against any Guarantor, or pursued any other rights available under the Loan Documents or applicable law. If Borrower consists of more than one Person, the obligation of those Persons to indemnify the Indemnitees under this Article X will be joint and several. The obligation of Borrower to indemnify the Indemnitees under this Article X will survive any repayment or discharge of the Indebtedness, any foreclosure proceeding, any foreclosure sale, any delivery of any deed in lieu of foreclosure, and any release of record of the Lien of the Security Instrument. Notwithstanding the foregoing, if Lender has never been a mortgagee-in-possession of, or held title to, the Mortgaged Property, Borrower will have no obligation to indemnify the Indemnitees under this Article X after the date of the release of record of the Lien of the Security Instrument by payment in full at the Maturity Date or by voluntary prepayment in full. **Notwithstanding anything in this Section 10.02(i) to the contrary, this shall not apply to the introduction and initial release of Hazardous Materials on the Mortgaged Property from and after the date that Lender acquires title and has assumed possession and control of the
Mortgaged Property through power of sale, foreclosure or a deed in lieu of foreclosure (the “Transfer Date”); provided, however, that Borrower shall bear the burden of proof that the introduction and initial release of such Hazardous Materials (i) occurred subsequent to the Transfer Date, (ii) did not occur as a result of any action, or failure to act of Borrower or any Affiliate of Borrower, in, on, under or near the Mortgaged Property, and (iii) did not occur as a result of any Prohibited Activities or Conditions which occurred prior to the Transfer Date.
EXHIBIT F
Other Lender Requirements

Expiration Date: 3:00 pm EST on August 31, 2018

Fees and Deposits:

Application Fee: $25,000 (Received with Application – includes Processing Fee of $3,500.00)

Freddie Mac Application Fee: .10% of the Mortgage Amount

Lender Origination Fee: 1.00% of the Mortgage Amount

Good Faith Deposit: 2% of Mortgage Amount at Interest Rate Lock

Borrower Breakage Fee: Up to 2% of Mortgage Amount at Interest Rate Lock calculated pursuant to the Breakage Fee provisions of Addendum A to this Commitment (to be evidenced by a Delivery Assurance Note and Multifamily Delivery Assurance Mortgage, Assignment of Rents and Security Agreement)

Legal Fee Deposit: $5,000.00 (Received with Application)

Lender’s Counsel Fee & Expense estimate:

Lender’s Counsel:
Evan E. Blau
Cassin & Cassin LLP
711 Third Avenue
New York, NY 10017
eblau@cassinllp.com

Wire Instructions for Good Faith Deposit:
Account Name: Hunt Mortgage Partners, LLC
Account No. 4124113424
Bank Name: Wells Fargo Bank, N.A.
1901 Harrison Street, 5th Floor
Oakland, CA 94612
ABA No.: 121 000 248
Reference: Mistletoe Station - Loan #4006988
EXHIBIT G
General/Special Closing Conditions

1. **General.** The form and substance of all documents and items submitted by the Borrower hereunder must be acceptable to the Lender, Freddie Mac and the Lender’s Counsel.

2. **Additional Documents.** The Borrower shall deliver to the Lender all other documents, instruments and other items required by the Lender in connection with making the Loan under the Freddie Mac Program.

3. **Rate Lock Documents.** The borrower shall deliver to Lender the following documents prior to locking the interest rate.

   (a) Finalized Plan and Cost Review Report
   (b) Evidence of Hunt Capital Partners, LLC approval of transaction as tax credit equity investor.
   (c) Evidence of JP Morgan Chase approval of transaction as construction lender.

*Freddie Mac requires delivery of a Good Standing Certificate dated within 30-days of loan origination

(For any Borrower and/or SPE Equity Owner that is formed in a state other than the Property Jurisdiction, Freddie Mac requires that such entity be qualified to transact business as a foreign entity in the Property Jurisdiction)

4. **Closing Documents.** The obligations of the Lender to make the Loan is subject to the following conversion closing conditions: See Section 20 to Schedule 1 to Exhibit B.
**Exhibit H**

**ACH AUTHORIZATION FORM**

Please complete this form and enclose a voided check with your correct address and bank's address.

**YOU WILL BE NOTIFIED WHEN YOUR INFORMATION HAS BEEN APPROVED AND WHEN YOUR FIRST ACH DEBIT WILL OCCUR.**

**AUTOMATIC MORTGAGE PAYMENT AUTHORIZATION LOAN #4006988**

I hereby authorize Hunt (“Hunt”) to initiate debit entries to the account indicated below. The amount charged may vary due to adjustments in escrow and interest installments if applicable. I understand that if my charge date were to fall on a weekend or holiday, my automatic draft will occur on the previous business day before the weekend or holiday. This authority is to remain in full force and effect until Hunt has received written notification from me of its termination in such time and in such a manner as to afford Hunt a reasonable opportunity to act on it.

*PLEASE CONTINUE MAKING PAYMENTS BY CHECK. YOU WILL BE NOTIFIED WHEN THE AUTOMATIC PAYMENT WILL BEGIN.*

<table>
<thead>
<tr>
<th>Charge Date:</th>
<th>5th of Month</th>
</tr>
</thead>
<tbody>
<tr>
<td>Borrower Name:</td>
<td>Mistletoe Station, LLC</td>
</tr>
<tr>
<td>Bank Name/Branch:</td>
<td></td>
</tr>
<tr>
<td>Bank Address:</td>
<td></td>
</tr>
<tr>
<td>Bank Contact:</td>
<td></td>
</tr>
<tr>
<td>Bank Phone Number:</td>
<td></td>
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<tr>
<td>Checking/Saving Account Number:</td>
<td></td>
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<tr>
<td>Account Name:</td>
<td></td>
</tr>
<tr>
<td>ACH Routing (ABA) Number:</td>
<td></td>
</tr>
<tr>
<td>Account Holder’s Phone Number:</td>
<td></td>
</tr>
<tr>
<td>Authorized Account Holder’s Signature:</td>
<td></td>
</tr>
<tr>
<td>Date:</td>
<td></td>
</tr>
</tbody>
</table>

*BE SURE TO ENCLOSE A VOIED CHECK TO ENSURE ACCOUNT ACCURACY*

I understand and agree that Hunt will not be liable for any payment that may not be honored, intentionally or inadvertently, even if such dishonor results in foreclosure. Hunt may elect to discontinue this automatic debit procedure at any time. Installment amounts debited shall not be a waiver of the right to collect actual amounts due under your loan, such as any balloon payment due at maturity. This authority is to remain in effect until my further written notice.
LOAN AGREEMENT
FWHFC Funds

Date: August 24, 2018

Borrower: Mistletoe Station, LLC

Mailing address: 5501-A Balcones Drive, #302
Austin, TX 78731
Phone: 830-330-0762
Fax: N/A
Type of entity: Limited Liability Corporation
State of organization: Texas
Federal tax identification number: ________

Lender: Fort Worth Housing Finance Corporation

Mailing address: 200 Texas St., Fort Worth, Texas 76102
Phone: 817-392-7322
Fax: N/A
Loan officer: Alice Cruz

Title Company:

Name: First American Title Company
GF No.: ________
Closfer: Metta Grier

Mailing address: 420 S. Orange Avenue, Suite 250
Orlando, FL 32801
Phone: 407-541-3224
Fax: 888-216-9921

Note:

Date: August 24, 2018
Original Principal Amount: $750,000.00
Maturity date: 6 months after the Maturity Date of the Permanent Loan, as defined in this Loan Agreement
Lien Position: 2nd lien after construction/permanent loan from JP Morgan Chase Bank, N.A.

Use of Loan Proceeds:

Land acquisition and approved predevelopment soft costs for the development of the Mistletoe Station Apartments, a new approximately 110-unit multifamily apartment
complex (the “Project”). Approved predevelopment soft costs shall be those shown on an approved budget or on the approved final Settlement Statement for the closing of the acquisition of the Land.

**Origination Fee:** 1% of the total principal amount

**Collateral:**

Real Property: See attached Exhibit “A”, incorporated herein as if copied in full
Prior liens: Construction/permanent loan from JP Morgan Chase Bank, N.A.

**Loan Documents:**

Loan Agreement, Note and Deed of Trust

**Subordination Agreement:**

Intercreditor and Subordination Agreement
Senior Lender: JP Morgan Chase Bank, N.A.
Senior Loan: $22,282,000
Senior Loan Documents: As described therein

**HOME Loan:**

Lender: City of Fort Worth (“City”)
Loan Amount: $1,056,000.00
HOME Contract: City Secretary Contract No. 51121
Maturity Date: Expiration of the 20 year Affordability Period described in the HOME Contract
Lien Position: 3rd lien after construction/permanent loan from JP Morgan Chase Bank, NA and FWHFC Loan
Project Coordinator: Alice Cruz

**Additional Loan Requirements:**

Borrower must comply with all of the terms and conditions of the HOME Contract including the Affordability Requirements and the terms and conditions of the HOME Loan.

**The Loan**

Subject to the terms and conditions of this Loan Agreement, Lender will lend Borrower the Original Principal Amount as represented by the Note (the “Loan”), and Borrower agrees to pay the Note.
Clauses and Covenants

A. Conditions Precedent to Loan

The obligation of Lender to make the Loan is conditioned on—

1. the execution and delivery of the Loan Documents;

2. the accuracy, in all material respects, of all representations and warranties in the Loan Documents;

3. no default existing under the Loan Documents;

4. payment of all expenses incurred by Lender in connection with the Loan and the Loan Documents; and

5. Lender’s receipt, in a form acceptable to Lender, of—

   a. certification from Borrower’s authorized representative for any Borrower that is an entity attaching (i) a copy of Borrower’s organizational documents, (ii) the approval of Borrower’s governing authority for the execution and delivery of the Loan Documents, and (iii) specimen signatures from all Borrower representatives authorized to execute the Loan Documents;

   b. certification from governmental authorities for any Borrower that is an entity confirming Borrower’s existence, if applicable, and Borrower’s account status with the Texas comptroller of public accounts;

   c. appraisal of the Real Property;

   d. survey plat of the Real Property endorsed in favor of Lender;

   e. environmental assessment of the Real Property;

   f. commitment for issuance of a lender’s policy of title insurance in the Original Principal Amount insuring the validity of Lender’s lien on the Real Property and confirming that no liens exist on the Real Property other than those liens permitted by the Loan Documents;

   g. the most recent pro forma for the Project;

   h. proof of insurance required by the Loan Documents; and

   i. payment and performance bond naming Lender as co-obligee;

   together with all other documents, instruments, and certificates reasonably requested by Lender.
B. **Borrower’s Representations**

To induce Lender to enter into this Loan Agreement and to make the Loan, Borrower represents to Lender that—

1. **Borrower—**
   
   a. has the power and authority needed to execute and deliver the Loan Documents and to perform Borrower’s obligations under the Loan Documents;
   
   b. possesses all permits, registrations, approvals, consents, licenses, trademarks, trademark rights, trade names, trade name rights, and copyrights needed to conduct Borrower’s business;
   
   c. was validly formed and exists under the laws of the State of Texas;
   
   d. is in good standing under the laws of the State of Texas and all other jurisdictions where the nature of Borrower’s business makes qualification necessary; and
   
   e. is qualified to do business under the laws of the State of Texas and all other jurisdictions where the nature of Borrower’s business makes qualification necessary;

2. the execution, delivery, and performance of the Loan Documents executed by Borrower have been duly authorized and do not and will not (a) contravene or violate any legal requirement; (b) result in the breach of, or constitute a default under, any instrument to which Borrower is a party or by which any of Borrower’s property may be bound or affected; or (c) result in a requirement to create any lien on any of Borrower’s property other than liens granted to Lender on the Collateral;

3. the Loan Documents are legal, valid, and binding obligations of the parties executing the documents;

4. **Borrower has good and indefeasible title to the Real Property and has good title to the Personal Property, free and clear of all liens except (a) as disclosed in the Loan Documents; (b) liens for ad valorem taxes, general and special assessments, and other governmental charges not yet due or payable; and (c) liens granted to Senior Lender, Lender, and the City for its HOME Loan;**

5. **the pro forma for the Project delivered to Lender fairly presents the financial condition and the results of Borrower’s operations as of the dates and for the periods indicated, and no material adverse change has occurred in the assets, liabilities, financial condition, or business of Borrower since the dates of the pro forma;**

6. **Borrower has no knowledge of any litigation or administrative claim, action, or proceeding, pending or threatened, against Borrower or directly involving the Collateral before**
or by any governmental authority that, if adversely determined, could have a material adverse
effect on Borrower or the Project;

7. there is no outstanding adverse judgment, writ, order, injunction, award, or decree
affecting Borrower, the Collateral, or the Project;

8. Borrower is not in default under any agreement to which Borrower is bound or to
which any of the collateral is subject that could have a material adverse effect on Borrower, the
Collateral, or the Project;

9. all information and documentation, including the pro forma, supplied to Lender
and all statements made to Lender by or on behalf of Borrower are correct and complete in all
material respects as of the date made;

10. Except as previously disclosed to Lender, Borrower has no knowledge of the Real
Property being used for the production, release, or disposal of hazardous wastes or materials;

11. the Real Property is taxed and billed separately from any other property for ad
valorem tax purposes;

12. no part of the Real Property is located within a flood zone;

13. Borrower’s financial records have been prepared and maintained in accordance
with good accounting practices consistently applied and reflect all moneys due or to become due
from or to Borrower; and

14. Borrower has filed all required tax returns and paid all taxes shown thereon to be
due, except those for which extensions have been obtained and those that are being contested in
good faith and for which appropriate reserves have been established and disclosed in writing to
Lender.

C. Affirmative Covenants

Borrower will—

1. apply all proceeds from the sale, collection, or other disposition of the Collateral
to amounts owing on the Note unless the Loan Documents authorize an alternate use of the
proceeds;

2. comply with the Additional Loan Requirements;

3. operate Borrower’s business in accordance with all applicable legal requirements;

4. keep at Borrower’s address, or such other place as Lender may approve, accounts
and records reflecting the operation of Borrower’s business and copies of all written contracts,
leases, and other instruments that affect the Collateral;
5. prepare Borrower’s financial records in compliance with good accounting practices consistently applied;

6. permit Lender to examine and make copies of Borrower’s books, records, contracts, leases, and other instruments at any reasonable time and with prior reasonable written notice;

7. deliver to Lender, at Lender’s request from time to time, Borrower’s tax returns and internally prepared and, annually audited, financial statements of Borrower prepared in accordance with good accounting practices consistently applied, in detail reasonably satisfactory to Lender and certified to be true and correct by the chief financial officer of Borrower and accompanied by an opinion of an independent certified public accountant;

8. execute, acknowledge as required, and deliver to Lender, at Lender’s request from time to time, at Borrower’s expense, any document needed by Lender to (a) correct any defect, error, omission, or ambiguity in the Loan Documents; (b) comply with Borrower’s obligations under the Loan Documents; (c) make subject to and perfect the liens and security interests of the Loan Documents any property intended to be covered thereby; and (d) protect, perfect, or preserve the liens and the security interests of the Loan Documents against third persons or make any recordings, file any notices, or obtain any consents requested by Lender in connection therewith;

9. notify Lender promptly (a) on acquiring knowledge of the occurrence of any event of default under the Loan Documents; (b) if any of Borrower’s property is surrendered in satisfaction of a debt or obligation or on acquiring knowledge that any of Guarantor’s property was surrendered in satisfaction of a debt or obligation; and (c) of any litigation, arbitration, mediation, or proceedings before any governmental agency that could have a material adverse effect on Borrower or the Collateral or on acquiring knowledge of any litigation, arbitration, mediation, or proceedings before any governmental agency that could have a material adverse effect on Guarantor;

10. pay promptly on demand all expenses in connection with (a) the negotiation, preparation, execution, filing, recording, rerecording, modification, and supplementation of the Loan Documents; (b) the collection of the Note; (c) the protection of the Collateral; (d) the collection, enforcement, sale, or other disposition of the Collateral; and (e) the performance by Lender of any of Borrower’s obligations under the Loan Documents;

11. use the Note proceeds for the purposes permitted in this Loan Agreement; and

12. do all things necessary to preserve Borrower’s existence, qualifications, rights, and franchises in all jurisdictions where Borrower does business.

D. Negative Covenant

Borrower will not—
1. use or allow the use of the Collateral in any manner that (a) constitutes a public or private nuisance; (b) makes void, voidable, or cancelable, or increases the premium of, any insurance required by the Loan Documents; or (c) lessens the value of the Collateral, other than as a result of ordinary wear and tear from the Collateral’s intended use or casualty;

2. purchase, acquire, or lease any property from, or sell, transfer, or lease any property to, any equity owner, manager, director, officer, agent, or employee of Borrower, or any person or entity controlled by, controlling, or under common control with Borrower, except on terms then customarily available between unrelated parties in substantially similar transactions;

3. lend money to, or guarantee the payment or performance of any liability or obligation of, any person;

4. materially change the nature of Borrower’s business or enter into any business that is substantially different from Borrower’s existing business;

5. incur any indebtedness other than the Note, except for the commercial loans for the construction/permanent financing of the Project, the HOME Loan, and ordinary trade payables in connection with the ownership and operation of the Property;

6. create or permit any mortgage, security interest, or lien on any Collateral other than mortgages, security interests, or liens existing at the date of this Loan Agreement and disclosed to Lender or created pursuant to the Loan Documents or the documents evidencing and securing the HOME Loan;

7. during the construction of the Project, purchase or redeem any of Borrower’s ownership interests except as set forth in Borrower’s First Amended and Restated Operating Agreement ("Company Agreement") and except that the Borrower’s Investor Member interest shall be freely transferable and any amendment to the Company Agreement to effectuate such transfers shall not require Lender consent, declare or pay any dividends, or make any distribution to the holders of any of Borrower’s ownership interests. Once the Project’s construction loan is converted to a permanent loan, Borrower may make distributions in accordance with the Company Agreement;

8. sell, transfer, convey, or lease any Collateral except for sales and leases in the ordinary course of business and on the conditions provided in the Loan Documents;

9. acquire all or substantially all of the assets or ownership interests of any third party; or

10. liquidate or dissolve, or become a party to any merger or consolidation.

**E. Default and Remedies**

1. A default exists if—

   a. Borrower fails to timely pay the Note;
b. a party fails to perform any obligation or covenant in any of the Loan Documents;

c. any warranty, covenant, or representation made by a party in any of the Loan Documents is false in any material respect when made;

d. a receiver is appointed for any party executing any of the Loan Documents, or for any of the Collateral;

e. any Collateral is assigned for the benefit of creditors;

f. a bankruptcy or insolvency proceeding is commenced by a party executing any of the Loan Documents;

g. a bankruptcy or insolvency proceeding is commenced against a party executing any of the Loan Documents, and the proceeding continues without dismissal for sixty days, the party against whom the proceeding is commenced admits the material allegations of the petition against it, or an order for relief is entered;

h. any of the following parties is dissolved, begins to wind up its affairs, is authorized by its governing body or persons to dissolve or wind up its affairs, or any event occurs or condition exists that permits the dissolution or winding up of the affairs of any of the following parties: Borrower, a partnership of which Borrower is a general partner, or any other obligated party executing any of the Loan Documents; or

i. any Collateral is impaired by uninsured loss, theft, damage, or destruction, or by levy and execution, or by issuance of an official writ or order of seizure, unless it is promptly replaced with collateral of like kind and quality or restored to its former condition.

2. If a default exists beyond any applicable notice and cure period, Lender may—

a. declare the unpaid principal balance, earned interest, and any other amounts owed on the Note immediately due; and

b. exercise against Borrower, the Collateral, and any other party executing the Loan Documents any rights and remedies available to Lender under the Loan Documents, subject to the terms of the Subordination Agreements.

3. Notwithstanding any other provision in the Loan Documents, in the event of a monetary event of default, before exercising any of Lender’s remedies under the Loan Documents, Lender will first give Borrower notice of default and Borrower will have 15 days after delivery of notice in which to cure the default. Notwithstanding anything to the contrary, if a non-monetary event of default occurs under the terms of any of the Loan documents, prior to
exercising any remedies, Lender shall give Grantor and Grantor’s managing member and each of
Grantor’s investor members, as identified in the Company Agreement, simultaneous written notice
of such default. If the default is reasonably capable of being cured within 30 days, Borrower and
each of its managing member or investor members on behalf of Borrower shall have such period to
effect a cure prior to exercise of remedies by Lender under the Loan documents. If the default is
such that it is not reasonably capable of being cured within 30 days, and if Borrower or Borrower’s
managing member or investor members (a) initiates corrective action within said period, and (b)
diligently, continually, and in good faith works to effect a cure as soon as possible, then Borrower or
Borrower’s managing member or investor members on behalf of Borrower shall have such
additional time as is reasonably necessary to cure the default prior to exercise of any remedies by
Lender. In no event shall Lender be precluded from exercising remedies if its security becomes or
is about to become materially jeopardized by any failure to cure a default or the default is not cured
within 180 days after the first notice of default is given. If the default is not cured within the time
periods stated above after notice is delivered, Borrower and each surety, endorser, and guarantor
waive all demand for payment, presentation for payment, notice of intention to accelerate
maturity, notice of acceleration of maturity, protest, and notice of protest, to the extent permitted
by law.

4. Any notice of default furnished to Borrower shall also be furnished to HCP-ILP,
LLC, a Nevada limited liability company, the Investor Member, (“Investor Member”) at the
following address:

15910 Ventura Boulevard, Suite 1100
Encino, California 91436

With copy to:

Ballard Spahr LLP
1735 Market St, 51st Floor
Philadelphia, Pennsylvania 19103

5. Borrower and Lender agree that the Investor Member shall have the right, but not
the obligation, to cure any default by or complete any obligation of the Borrower under the Loan
Documents during the cure period or completion period provided therein, and the parties hereto
agree to accept any such cure or completion tendered by the Investor Member.

F. Payment of Funds to Developer

FWHFC Funds will be disbursed to Developer at Closing. FWHFC will hold back
$50,000.00 of the FWHFC Funds until City verifies that the first HOME Unit has been leased to
a HOME Eligible Household under the HOME Contract.

G. General Provisions

1. Any notice required or permitted under this Loan Agreement must be in writing.
Any notice required herein will be deemed to be delivered (whether actually received or not)
when deposited with the United States Postal Service, postage prepaid, certified mail, return
receipt requested, and addressed to the intended recipient at the address provided in this Loan Agreement. Notice may also be given by regular mail, personal delivery, courier delivery, facsimile transmission, or other commercially reasonable means and will be effective when actually received. Any address for notice may be changed by notice delivered as provided herein.

2. The Loan Documents, including any of their exhibits and attachments, constitute the entire agreement of the parties. There are no representations, agreements, warranties, or promises pertaining to the Loan that are not in those documents.

3. This Loan Agreement may be amended only by an instrument in writing signed by the parties.

4. Borrower may not assign this Loan Agreement or any of Borrower’s rights under it without Lender’s prior written consent, and any attempted assignment is void. This Loan Agreement binds, benefits, and may be enforced by the parties and their successors in interest.

5. Except as otherwise provided in the Loan Documents, Borrower and each surety, endorser, and guarantor waive all demand for payment, presentation for payment, notice of intention to accelerate maturity, notice of acceleration of maturity, protest, and notice of protest, to the extent permitted by law.

6. No remedy, right, or power conferred on Lender in this Loan Agreement is intended to be exclusive of any other remedy, right, or power now or hereafter existing at law, in equity, or otherwise, and all remedies, rights, and powers are cumulative.

7. This Loan Agreement will be construed under the laws of the State of Texas, without regard to choice-of-law rules of any jurisdiction and is to be performed where the Note is payable.

8. Interest on the Note will not exceed the maximum amount of non-usurious interest that may be contracted for, taken, reserved, charged, or received under law. Any interest in excess of that maximum amount will be credited on the principal of the Note or, if that has been paid, refunded. On any acceleration or required or permitted prepayment, any excess will be canceled automatically as of the acceleration or prepayment or, if already paid, credited on the principal of the Note or, if the principal of the Note has been paid, refunded. This provision overrides any conflicting provisions in this and all other Loan Documents.

9. It is not a waiver of default if the non-defaulting party fails to declare immediately a default or delays taking any action. Pursuit of any remedies set forth in this agreement does not preclude pursuit of other remedies in the other Loan Documents or provided by law.

10. There are no third-party beneficiaries of this Loan Agreement.

11. If any provision of this Loan Agreement is determined to be invalid or unenforceable, the validity or enforceability of any other provision will not be affected.
12. The rule of construction that ambiguities in a document will be construed against the party who drafted it will not be applied in interpreting this Loan Agreement.

13. The parties’ relationship is an ordinary commercial relationship, and the parties do not intend to create the relationship of principal and agent, partnership, joint venture, or any other special relationship. Lender in exercising Lender’s rights and performing Lender’s obligations under the Loan Documents owes no fiduciary duty to Borrower.

14. If this agreement is executed in multiple counterparts, all counterparts taken together will constitute this Loan Agreement.

15. If Lender agrees to waive or defer any of the requirements of this Loan Agreement as a condition precedent to the advance of the proceeds of the Note, Borrower will provide any deferred information or documentation within 30 days after the advance.

16. In the event of any conflict among the provisions of this Loan Agreement and any of the Loan Documents, the more restrictive provision will control.

17. When the context requires, singular nouns and pronouns include the plural.

18. The term Note includes all extensions and renewals of the Note.

[SIGNATURES TO FOLLOW]
THE WRITTEN LOAN AGREEMENT REPRESENTS THE FINAL AGREEMENT BETWEEN THE PARTIES AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS, OR SUBSEQUENT ORAL AGREEMENTS OF THE PARTIES.

THERE ARE NO UNWRITTEN ORAL AGREEMENTS BETWEEN THE PARTIES.

Executed in 4 duplicate originals to be effective as.

MISTLETOE STATION, LLC, a Texas limited liability company

By: SAIGEBROOK MISTLETOE, LLC, a Texas limited liability company, its Managing Member

[Signature]
Lisa Stephens, President

FORT WORTH HOUSING FINANCE CORPORATION,
a Texas housing finance corporation

By: Fernando Costa, General Manager
THE WRITTEN LOAN AGREEMENT REPRESENTS THE FINAL AGREEMENT BETWEEN THE PARTIES AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS, OR SUBSEQUENT ORAL AGREEMENTS OF THE PARTIES.

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Executed in 4 duplicate originals to be effective as.

MISTLETOE STATION, LLC, a Texas limited liability company

By: SAIGEBROOK MISTLETOE, LLC, a Texas limited liability company, its Managing Member

By: Lisa Stephens, President

FORT WORTH HOUSING FINANCE CORPORATION,

a Texas housing finance corporation

By: Fernando Costa, General Manager
Insurance Rider to Loan Agreement

Loan Agreement

Date: August 24, 2018

Borrower: Mistletoe Station, LLC.

Lender: Fort Worth Housing Finance Corporation

This insurance rider is part of the Loan Agreement.

To the extent that Borrower has employees, Borrower will maintain coverage in the form of insurance or bond in the amount of $1,806,000.00, which is the total amount of the Loan and the HOME Loan, to insure against loss from the fraud, theft or dishonesty of any of Borrower’s officers, agents, trustees, directors or employees. The proceeds of such insurance or bond shall be used to reimburse Lender and City for any and all loss of the Loan Proceeds and/or the HOME Funds occasioned by such misconduct. To effectuate such reimbursement, such fidelity coverage shall include a rider stating that reimbursement for any loss or losses shall name the Lender and the City as a Loss Payee.

Borrower shall furnish to Lender, in a timely manner, but not later than 30 days after the closing of the Loan, certificates of insurance as proof that it has secured and paid for policies of commercial insurance as specified herein. If Lender has not received such certificates as set forth herein, Borrower shall be in default of this Loan Agreement and City may at its option, terminate this Loan Agreement. In that event of default and termination, Borrower shall return the Loan Proceeds to Lender with 15 days of written notice of termination and Lender shall release its Deed of Trust and the parties shall have no further obligations to each other under this Loan Agreement. If Borrower fails to return the Loan Proceeds to Lender within 15 days of written notice of termination of this Loan Agreement, Lender may exercise all of its remedies under the Loan Documents.

Such insurance shall cover all insurable risks incident to or in connection with the execution, performance, attempted performance or nonperformance of this Loan Agreement. Borrower shall maintain, or require its general contractor to maintain, the following coverages and limits thereof:

**Commercial General Liability (CGL) Insurance**
- $1,000,000 each occurrence
- $2,000,000 aggregate limit

**Workers’ Compensation Insurance**

**Part A: Statutory Limits**

**Part B: Employer’s Liability**
- $100,000 each accident
- $100,000 disease-each employee
- $500,000 disease-policy limit
Note: Such insurance shall cover employees performing work on any and all projects including but not limited to construction, demolition, and rehabilitation. Borrower or its contractors shall maintain coverages, if applicable. In the event the respective contractors do not maintain coverage, Borrower shall maintain the coverage on such contractor, if applicable, for each applicable contract.

**Additional Requirements**

Such insurance amounts shall be revised upward at Lender’s reasonable option and no more frequently than once every 12 months, and Borrower shall revise such amounts within 30 days following notice to Borrower of such requirements.

Borrower will submit to Lender documentation that it, and its general contractor, have obtained insurance coverage and have executed bonds as required in this Loan Agreement prior to payment of any monies provided hereunder.

Where applicable and appropriate, insurance policies required herein shall be endorsed to include Lender as an additional insured as its interest may appear. Additional insured parties shall include employees, officers, agents, and volunteers of Lender.

The Workers’ Compensation Insurance policy shall be endorsed to include a waiver of subrogation, also referred to as a waiver of rights of recovery, in favor of Lender.

Any failure on part of Lender to request certificate(s) of insurance shall not be construed as a waiver of such requirement or as a waiver of the insurance requirements themselves.

Insurers of Borrower’s insurance policies shall be licensed to do business in the state of Texas by the Department of Insurance or be otherwise eligible and authorized to do business in the state of Texas. Insurers shall be acceptable to Lender insofar as their financial strength and solvency and each such company shall have a current minimum A.M. Best Key Rating Guide rating of A: VII or other equivalent insurance industry standard rating otherwise approved by Lender.

Deductible limits on the foregoing insurance policies shall be at commercially reasonable levels, and in no event exceed $100,000 per occurrence.

In the event there are any local, federal or other regulatory insurance or bonding requirements for the Project, and such requirements exceed those specified herein, the former shall prevail.

Borrower shall require its contractors to maintain applicable insurance coverages, limits, and other requirements as those specified herein; and, Borrower shall require its contractors to provide Borrower with certificate(s) of insurance documenting such coverage. Also, Borrower shall require its contractors to have Lender and City endorsed as additional insureds (as their interest may appear) on their respective insurance policies where applicable and appropriate.

Professional Liability coverage shall be in force and may be provided on a claim’s made basis. This coverage may also be referred to as Management Liability, and shall protect the insured
against claims arising out of alleged errors in judgment, breaches of duty and wrongful acts arising out of their management duties.

Borrower shall require its builder, or its Prime Subcontractor, as applicable, to maintain builders risk insurance at the value of the construction.
EXHIBIT “A”

Legal Description
TRACT I:

LOT 1-R1, BLOCK 3R, OF FRISCO ADDITION, TO THE CITY OF FORT WORTH, TARRANT COUNTY, TEXAS, ACCORDING TO THE MAP OR PLAT THEREOF, RECORDED UNDER COUNTY CLERK'S FILE NO. D212125731, REAL PROPERTY RECORDS, TARRANT COUNTY, TEXAS.

ALSO KNOWN AS

TRACT I:

BEING a tract of land in the E.S. Harris Survey, Abstract No. 688 in the City of Fort Worth, Tarrant County, Texas, being a part of that tract of land described as Tract 1 in Special Warranty Deed to 1700 Mistletoe Partners, Ltd., as recorded in County Clerk's Document No. D207136848 in the Official Records of Tarrant County, Texas (O.R.T.C.T.), being all of Lot 1-R1 of Lots 1-R1 and 1-R2, Block 3R, Frisco Addition, an addition to the City of Fort Worth, Tarrant County, Texas, as recorded in County Clerk's Document No. D212125731 O.R.T.C.T., being a part of Beckham Place (variable width right-of-way) and being more particularly described as follows:

BEGINNING at the northeast corner of said Lot 1-R1, from which a 1/2-inch found iron rod with plastic cap stamped "AREA SURVEYING" bears North 48 degrees 50 minutes 32 seconds East, a distance of 0.25 feet, and being on the south right-of-way line of Beckham Place (a variable width right-of-way);

THENCE South 00 degrees 42 minutes 24 seconds East, a distance of 203.93 feet to a 5/8-inch found iron rod for the southeast corner of said Lot 1-R1, being on the north right-of-way line of Mistletoe Boulevard (a variable width right-of-way);

THENCE North 89 degrees 22 minutes 55 seconds West, passing a 1/2-inch found iron rod with plastic cap stamped "GRANT ENG RPLS 4151" for the south end of a corner clip of said Lot 1-R-1 at a distance of 212.37 feet, and continuing for a total a distance of 222.37 feet to a 3/4-inch found iron rod for corner at the intersection of the projected said north right-of-way line and the projected east right-of-way line of said Beckham Place;

THENCE North 06 degrees 51 minutes 00 seconds West, passing a 1/2-inch found iron rod with plastic cap stamped "GRANT ENG RPLS 4151" for the north end of a corner clip of said Lot 1-R-1 at a distance of 10.00 feet, passing a 1/2-inch found iron rod with plastic cap stamped "GRANT ENG RPLS 4151" for the south end of a corner clip of said Lot 1-R-1 at a distance of 48.06 feet, and continuing for a total distance of 58.06 feet to a point for corner;

THENCE North 57 degrees 36 minutes 24 seconds East, passing a 1/2-inch found iron rod with plastic cap stamped "GRANT ENG RPLS 4151" for the north end of a corner clip of said Lot 1-R-1 at a distance of 10.00 feet, and continuing for a total distance of 268.55 feet to the POINT OF BEGINNING AND CONTAINING 29,702 square feet or 0.6819 acres of land, more or less.
TRACT II:

DESCRIPTION FOR A PART OF BLOCK B OF MISTLETOE HEIGHTS, AN ADDITION IN THE CITY OF FORT WORTH, TARRANT COUNTY, TEXAS, AS SAID BLOCK APPEARS UPON THE MAP RECORDED IN VOLUME 388, PAGE 5 OF THE TARRANT COUNTY DEED RECORDS AND EMBRACING A PORTION OF THE TRACT DESCRIBED IN THE DEED TO L. E. TREZEVANT RECORDED IN VOLUME 1929, PAGE 240 OF SAID DEED RECORDS, AND BEING DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

BEGINNING AT AN AXLE FOUND FOR THE SOUTHEAST CORNER OF SAID BLOCK B IN THE NORTH LINE OF BECKHAM PLACE AND BEING THE SOUTHWEST CORNER OF LOT 6 OF TREZEVANT SUBDIVISION, SAID AXLE BEING THE SOUTHEAST CORNER OF SAID TREZEVANT TRACT;

THENCE SOUTH 59 DEGREES 33 MINUTES 00 SECONDS WEST, ALONG THE SOUTH LINE OF SAID TREZEVANT TRACT AND THE SAID NORTH LINE OF BECKHAM PLACE, 129.99 FEET TO A ¾" IRON PIN FOUND FOR THE SOUTHERLY SOUTHEAST CORNER OF THE TRACT DESCRIBED IN THE DEED TO HELEN J. WILLIAMS, RECORDED IN VOLUME 5619, PAGE 93 OF THE SAID DEED RECORDS;

THENCE NORTH 11 DEGREES 22 MINUTES 00 SECONDS WEST, ALONG THE SOUTHERLY EAST LINE OF SAID WILLIAMS TRACT 164.10 FEET TO A ½" IRON PIN SET WITH CAP MARKED, "AREA SURVEYING" FOR CORNER;

THENCE NORTH 83 DEGREES 52 MINUTES 00 SECONDS EAST, ALONG A NORTHERLY SOUTH LINE OF SAID WILLIAMS TRACT, 82.64 FEET TO A ½" IRON PIN SET WITH CAP MARKED, "AREA SURVEYING" FOR THE NORTHERLY SOUTHEAST CORNER OF SAID WILLIAMS TRACT;

THENCE NORTH 03 DEGREES 57 MINUTES 00 SECONDS WEST, ALONG AN EAST LINE OF SAID WILLIAMS TRACT, 16.77 FEET TO A ½" IRON PIN SET WITH CAP MARKED, "AREA SURVEYING" FOR THE MOST SOUTHERLY SOUTHEAST CORNER OF LOT 1, BLOCK B-R, MISTLETOE HEIGHTS, ACCORDING TO PLAT RECORDED IN VOLUME 388-160, PAGE 1, PLAT RECORDS, TARRANT COUNTY, TEXAS;

THENCE NORTH 86 DEGREES 05 MINUTES 23 SECONDS EAST, ALONG THE SOUTH LINE OF SAID LOT 1, 54.56 FEET TO A ¾ INCH IRON PIN FOUND FOR THE NORTHWEST CORNER OF LOT 7 OF TREZEVANT SUBDIVISION;

THENCE SOUTH 04 DEGREES 07 MINUTES 19 SECONDS EAST, ALONG THE EAST LINE SAID TREZEVANT TRACT AND THE WEST LINE OF TREZEVANT SUBDIVISION, 124.61 FEET TO THE POINT OF BEGINNING AND CONTAINING 0.424 OF AN ACRE OF LAND.

ALSO KNOWN AS:

TRACT II:
BEING a tract of land in the E.S. Harris Survey, Abstract No. 688 in the City of Fort Worth, Tarrant County, Texas, being all of that called 0.424 acre tract of land described in General Warranty Deed With Mineral Reservations to 1700 Mistletoe Partners, Ltd., as recorded in County Clerk's Document No. D207307960 in the Official Records of Tarrant County, Texas (O.R.T.C.T.), and being more particularly described as follows:

BEGINNING at a found axle for the southeast corner of said 0.424 acre tract, being on the north right-of-way line of Beckham Place (a variable width right-of-way);

THENCE South 59 degrees 40 minutes 50 seconds West, along said north right-of-way line, a distance of 129.99 feet to a 3/4-inch found iron rod for the common southeast corner of that tract of land described in Warranty Deed to All Saints Episcopal Hospital of Fort Worth, Inc., as recorded in Volume 10876, Page 1719 O.R.T.C.T. and the southwest corner of said 0.424 acre tract;

THENCE North 11 degrees 14 minutes 10 seconds West, departing said north right-of-way line, a distance of 164.21 feet to the common northwest corner of said 0.424 acre tract of land and an ell corner of said All Saints tract;

THENCE North 83 degrees 59 minutes 50 seconds East, a distance of 82.91 feet to a common ell corner of said All Saints tract and said called 0.424 acre tract of land;

THENCE North 03 degrees 50 minutes 10 seconds West, a distance of 16.58 feet to a 5/8-inch found iron rod for an ell corner of said 0.424 acre tract of land, the most southerly southwest corner of Lot 1 in Block B-R of Mistletoe Heights as recorded in Volume 388-160, Page 1 in the Plat Records of Tarrant County, Texas, and being on the east line of said All Saints tract;

THENCE North 86 degrees 13 minutes 12 seconds East, a distance of 54.54 feet to a 5/8-inch found iron rod for the northeast corner of said called 0.424 acre tract of land, and being on the south line of said Lot 1;

THENCE South 03 degrees 53 minutes 11 seconds East, a distance of 124.54 feet to the POINT OF BEGINNING AND CONTAINING 18,495 square feet or 0.4246 acres of land, more or less.

TRACT III:

BEING A PART OF BLOCK "B" OF MISTLETOE HEIGHTS ADDITION TO THE CITY OF FORT WORTH, TARRANT COUNTY, TEXAS, ACCORDING TO PLAT RECORDED IN VOLUME 388, PAGE 5, DEED RECORDS OF TARRANT COUNTY, TEXAS, SAID PART OF BLOCK "B" BEING DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

THENCE NORTH 6 DEGREES 08 MINUTES WEST, ALONG SAID BLOCK LINE AND RIGHT-OF-WAY LINE, 402.2 FEET TO AN IRON;

THENCE NORTH 83 DEGREES 52 MINUTES EAST 98 FEET TO AN IRON;

THENCE SOUTH 6 DEGREES 08 MINUTES EAST 45 FEET TO AN IRON;

THENCE NORTH 83 DEGREES 52 MINUTES EAST 110-7/10 FEET TO AN IRON;

THENCE SOUTH 3 DEGREES 57 MINUTES EAST 132-1/10 FEET TO AN IRON;

THENCE SOUTH 83 DEGREES 52 MINUTES WEST 82-6/10 FEET TO AN IRON;

THENCE SOUTH 11 DEGREES 22 MINUTES EAST 164-4/10 FEET TO AN IRON IN THE SOUTH LINE OF SAID BLOCK B;

THENCE SOUTH 59 DEGREES 33 MINUTES WEST, ALONG SAID SOUTH LINE OF BLOCK B, 149-3/10 FEET TO THE PLACE OF BEGINNING.

ALSO KNOWN AS:

TRACT III:

BEING a tract of land in the E.S. Harris Survey, Abstract No. 688 in the City of Fort Worth, Tarrant County, Texas, being all of that tract of land described in Warranty Deed to All Saints Episcopal Hospital of Fort Worth, Inc., as recorded in Volume 10876, Page 1719 in the Official Records of Tarrant County, Texas (O.R.T.C.T.), and being more particularly described as follows:

BEGINNING at a 1/2-inch found iron rod with plastic cap stamped "FULTON SURVEYING" for the common northwest corner of said All Saints tract, the most westerly southwest corner of Lot 1 in Block B-R of Mistletoe Heights as recorded in Volume 388-160, Page 1 in the Plat Records of Tarrant County, Texas, and being on the east line of Burlington Northern Santa Fe Railroad (100 foot wide right-of-way);

THENCE North 84 degrees 06 minutes 47 seconds East, along the common line between said All Saints tract and said Lot 1, a distance of 98.08 feet to a 1/2-inch found iron rod with plastic cap stamped "GRANT ENG RPLS 4151" for a common ell corner of said All Saints tract and said Lot 1;
THENCE South 06 degrees 21 minutes 44 seconds East, continuing along said common line, a distance of 44.82 feet to a 1/2-inch found iron rod with plastic cap stamped "GRANT ENG RPLS 4151" for a common ell corner of said All Saints tract and said Lot 1;

THENCE North 84 degrees 04 minutes 15 seconds East, continuing along said common line, a distance of 110.60 feet to a 5/8-inch found iron rod for the northeast corner of said All Saints tract and an ell corner of said Lot 1;

THENCE South 03 degrees 50 minutes 10 seconds East, along the east line of said All Saints tract, passing a 5/8-inch found iron rod for the most southerly southwest corner of said Lot 1, and an ell corner of that called 0.424 acre tract of land described in General Warranty Deed With Mineral Reservations to 1700 Mistletoe Partners, Ltd., as recorded in County Clerk's Document No. D207307960 O.R.T.C.T. at a distance of 115.35 feet and continuing for a total distance of 131.94 feet to a point for a common ell corner of said All Saints tract and said called 0.424 acre tract of land;

THENCE South 83 degrees 59 minutes 50 seconds West, departing said east line, a distance of 82.91 feet to the common northwest corner of said 0.424 acre tract of land and an ell corner of said All Saints tract;

THENCE South 11 degrees 14 minutes 10 seconds East, a distance of 164.21 feet to a 3/4-inch found iron rod for the common southeast corner of said All Saints tract, the southwest corner of said 0.424 acre tract, and being on the north right-of-way line of Beckham Place (a variable width right-of-way);

THENCE South 59 degrees 40 minutes 50 seconds West, departing said east line and along said north right-of-way line, a distance of 149.29 feet to a 1/2-inch found iron rod with plastic cap stamped "GRANT ENG RPLS 4151" for corner on said east right-of-way line;

THENCE North 06 degrees 00 minutes 10 seconds West, departing said north right-of-way line and along said east right-of-way line, a distance of 402.00 feet to the POINT OF BEGINNING AND CONTAINING 56,858 square feet or 1.3053 acres of land, more or less.

**TRACT IV:**

Being a tract or parcel of land situated in the E.S. Harris Survey Abstract No. 688, City of Fort Worth, Tarrant County, Texas and being a portion of Beckham Place (a 60 foot right of way) as recorded in the Fort Worth Original Town, an addition to the City of Fort Worth (no recording information found) also shown on plat of Lots 1&2, Block 3A Frisco Addition, as recorded in 388-173, Page 11 Plat Records Tarrant County Texas and being all of that tract of land described in deed to the City of Fort Worth as recorded in Volume 3418, Page 632 D.R.T.C.T. and the south right of way line being described in Residue of Beckham Place vacated by Ordinance No. 9104, being all of that called 0.4304 acre tract of land described in City of Fort Worth Ordinance No. 23278-06-2018 Vacating and Extinguishing a portion of Beckham Place, and being more particularly described below:
BEGINNING at a 1/2-inch found iron with cap stamped GRANT ENG RPLS 4151 being at the intersection of the north right of way line of Beckham Place (variable width right-of-way) and the east right of way line of Burlington Northern Santa Fe Railroad (100 foot wide right-of-way), and being the southwest corner of that tract of land described in Warranty Deed to All Saints Episcopal Hospital of Fort Worth Inc., recorded in Volume 10876, Page 1719 Official Records Tarrant County Texas (O.R.T.C.T.);

THENCE North 59 degrees 40 minutes 50 seconds East, along the north right of way line of said Beckham Place, passing at a distance of 149.29 feet, a 3/4-inch iron rod for the southeast corner of said All Saints tract and being the southwest corner of 1700 Mistletoe Partners, Ltd., recorded in Document No. D207307960 O.R.T.C.T., and continuing for a total distance of 255.74 feet to a point for corner;

THENCE South 00 degrees 42 minutes 24 seconds East, over and across said Beckham Place, a distance of 70.58 feet to a point for corner being on the south right of way line of said Beckham Place;

THENCE South 57 degrees 36 minutes 24 seconds West, along said south right of way line, a distance of 198.04 feet to a point for corner at the point of intersection of said south right of way line and the east right of way line of said Beckham Place same being the east line of said City of Fort Worth tract;

THENCE South 06 degrees 51 minutes 00 seconds East, along said east right of way line, a distance of 58.06 feet to a point for corner being at the intersection of said east right of way line and the north right of way line of Mistletoe Boulevard (a variable width right of way);

THENCE North 89 degrees 22 minutes 55 seconds West, over and across said Beckham Place, a distance of 50.32 feet to a point for corner being on the east right of way line of said Burlington Northern Santa Fe Railroad;

THENCE North 06 degrees 00 minutes 10 seconds West, along said east right of way line, passing at a distance of 27.87 feet, the northwest corner of said City of Fort Worth tract, and continuing for a total distance of 105.25 feet to the POINT OF BEGINNING AND CONTAINING 18,744 square feet or 0.4303 acres of land, more or less.

LESS AND EXCEPT:

Being a tract or parcel of land situated in the E.S. Harris Survey Abstract No. 688, City of Fort Worth, Tarrant County, Texas and being all of that tract of land described in deed to the City of Fort Worth as recorded in Volume 3418, Page 532 D.R.T.C.T. and being more particularly described below:

BEGINNING at a 3/4-inch found iron rod for the southeast corner of said City of Fort Worth tract, being on the north right of way line of Mistletoe Boulevard (a variable width right of way);

THENCE North 89 degrees 22 minutes 55 seconds West, along said north right of way line, a distance of 50.32 feet to a point for corner at the intersection of said north right of way line with the east right of way line of Burlington Northern Santa Fe Railroad (100 foot wide right-of-way); THENCE North 06
degrees 00 minutes 10 seconds West, departing said north right of way line and along said east right of way line, a distance of 27.87 feet to a point for corner;

THENCE North 57 degrees 36 minutes 24 seconds East, departing said east right of way line, a distance of 54.84 feet to a point for corner; THENCE South 06 degrees 51 minutes 00 seconds East, a distance of 58.06 feet to the POINT OF BEGINNING AND CONTAINING 2,133 square feet or 0.0490 acres of land, more or less.

TRACT V:

Being a tract or parcel of land situated in the E.S. Harris Survey Abstract No. 688, City of Fort Worth, Tarrant County, Texas and being all of that tract of land described in deed to the City of Fort Worth as recorded in Volume 3418, Page 632 D.R.T.C.T. and being part of that called 0.4304 acre tract of land described in City of Fort Worth Ordinance No. 23278-06-2018 Vacating and Extinguishing a portion of Beckham Place and being more particularly described below:

BEGINNING at a 3/4-inch found iron rod for the southeast corner of said City of Fort Worth tract, being on the north right of way line of Mistletoe Boulevard (a variable width right of way);

THENCE North 89 degrees 22 minutes 55 seconds West, along said north right of way line, a distance of 50.32 feet to a point for corner at the intersection of said north right of way line with the east right of way line of Burlington Northern Santa Fe Railroad (100 foot wide right-of-way); THENCE North 06 degrees 00 minutes 10 seconds West, departing said north right of way line and along said east right of way line, a distance of 27.87 feet to a point for corner;

THENCE North 57 degrees 36 minutes 24 seconds East, departing said east right of way line, a distance of 54.84 feet to a point for corner; THENCE South 06 degrees 51 minutes 00 seconds East, a distance of 58.06 feet to the POINT OF BEGINNING AND CONTAINING 2,133 square feet or 0.0490 acres of land, more or less.

TRACTS I, II, III, IV AND V ALSO KNOWN AS:

PLAT DESCRIPTION:

BEING a tract of land in the E.S. Harris Survey, Abstract No. 688 in the City of Fort Worth, Tarrant County, Texas, being all of that tract of land described as Tract 1 in Special Warranty Deed to 1700 Mistletoe Partners, Ltd., as recorded in County Clerk’s Document No. D207136848 in the Official Records of Tarrant County, Texas (O.R.T.C.T.), and being all of Lot 1-R1 of Lots 1-R1 and 1-R2, Block 3R, Frisco Addition, an addition to the City of Fort Worth, Tarrant County, Texas, as recorded in County Clerk’s Document No. D212125731 O.R.T.C.T., and being all of that tract of land described in Warranty Deed to All Saints Episcopal Hospital of Fort Worth, Inc., as recorded in Volume 10876, Page 1719 O.R.T.C.T., and being all of that called 0.424 acre tract of land described in General Warranty Deed With Mineral Reservations to 1700 Mistletoe Partners, Ltd., as recorded in County Clerk’s Document No. D207307960 O.R.T.C.T., and being more particularly described as follows:
BEGINNING at a 5/8-Inch found iron rod for the southeast corner of said Lot 1-R1, being on the north right-of-way line of Mistletoe Boulevard (a variable width right-of-way);

THENCE North 89 degrees 22 minutes 55 seconds West, along said north line and along said east line, a distance of 272.69 feet to a 1/2-inch set iron rod with yellow plastic cap stamped "HALFF" (hereinafter referred to as "with cap") for corner on the east line of Burlington Northern Santa Fe Railroad (100 foot wide right-of-way);

THENCE North 06 degrees 00 minutes 10 seconds West, departing said north line and along said east line, a distance of 507.25 feet to a 1/2-inch found iron rod with plastic cap stamped "FULTON SURVEYING" for the northwest corner of said All Saints tract;

THENCE North 84 degrees 06 minutes 47 seconds East, departing said east line and along the north line of said All Saints tract, a distance of 98.08 feet to a 1/2-inch found iron rod with plastic cap stamped "GRANT ENG RPLS 4151" for corner;

THENCE South 06 degrees 21 minutes 44 seconds East, continuing along said north line, a distance of 44.82 feet to a 1/2-inch found iron rod with plastic cap stamped "GRANT ENG RPLS 4151" for corner;

THENCE North 84 degrees 04 minutes 15 seconds East, continuing along said north line, a distance of 110.60 feet to a 5/8-inch found iron rod for the northeast corner of said All Saints tract;

THENCE South 03 degrees 50 minutes 10 seconds East, departing said north line and along the east line of said All Saints tract, a distance of 115.35 feet to a 5/8-Inch found iron rod for ell corner on the north line of said 0.424 acre tract;

THENCE North 86 degrees 13 minutes 12 seconds East, departing said east line and along said north line, a distance of 54.54 feet to a 5/8-inch found iron rod for the northeast corner of said 0.424 acre tract;

THENCE South 03 degrees 53 minutes 11 seconds East, departing said north line and along the east line of said 0.424 acre tract, a distance of 124.54 feet to a found axe for the southeast corner of said 0.424 acre tract, being on the north right-of-way line of Beckham Place (a variable width right-of-way);

THENCE South 59 degrees 40 minutes 50 seconds West, departing said east line and along said north line, a distance of 23.54 feet to a 1/2-inch set iron rod with cap for corner;

THENCE South 00 degrees 42 minutes 24 seconds East, departing said north line, a distance of 70.58 feet to a 1/2-inch set iron rod with cap for corner on the south right-of-way line of said Beckham Place;

THENCE North 57 degrees 36 minutes 24 seconds East, along said south line, a distance of 70.51 feet to a point for the northeast corner of said Lot 1-R1, from which a 1/2-inch found iron rod with plastic cap
stamped "AREA SURVEYING" bears North 48 degrees 50 minutes 32 seconds East, a distance of 0.25 feet;

THENCE South 00 degrees 42 minutes 24 seconds East, departing said south line and along the east line of said Lot 1-R1, a distance of 203.93 feet to the POINT OF BEGINNING AND CONTAINING 123,799 square feet or 2.842 acres of land, more or less.
Promissory Note
HOME Funds

Date: August 24, 2018

Borrower: Mistletoe Station, LLC, a Texas Limited Liability Company

Borrower's Mailing Address:

Mistletoe Station, LLC
5501-A Balcones Drive, #302
Austin, TX 78731

With a copy to:

Shutts & Bowen LLP
200 S. Biscayne Blvd., Ste. 4100
Miami, FL 33131
Attn: Robert Cheng

Lender: City of Fort Worth, a Texas municipal corporation

Place for Payment:

City of Fort Worth
Neighborhood Services Department
Attn: Assistant Director
200 Texas Street
Fort Worth, Tarrant County, Texas 76102, or any other place that Lender may designate in writing.

Principal Amount: $1,056,000.00

Loan Authority:
The loan evidenced by this Note (the “Loan”) is being made pursuant to the HOME Investment Partnerships Program authorized under Title II of the Cranston-Gonzalez National Affordable Housing Act of 1990, as amended, 42 USC 12701 et seq. (“HOME Program”) and the HOME Investment Partnerships Program Final Rule, as amended, 24 CFR Part 92 et seq. (the “HOME Regulations”) with HOME funds for the development of Mistletoe Station, a mixed income multifamily complex located in Fort Worth, Texas (the “Project”), all as more particularly described in a HOME Contract, City Secretary Contract No. 51121 between Grantor and Lender for the Loan (the “HOME Contract”).
Annual Interest Rate: During Construction, 0%. Upon Conversion, the lesser of 1% or the Long-Term Applicable Federal Rate ("AFR") on the date hereof, which is 3.06% simple interest

Final Payment Date:
6 months after the maturity date of the Borrower’s permanent loan, as more particularly defined in the Senior Loan Documents, as defined below.

Maturity Date: Expiration of the 20 year Affordability Period described in the HOME Contract

Annual Interest Rate on Matured, Unpaid Amounts: 12%

Subordination Agreements:
Intercreditor and Subordination Agreement
Senior Lender: JP Morgan Chase Bank, N.A.
Senior Loan: $22,282,000
Senior Loan Documents: As described therein

Intercreditor and Subordination Agreement
Senior Lender: Fort Worth Housing Finance Corporation
Senior Loan: $750,000
Senior Loan Documents: As described therein

Terms of Payment:
Payments of the Principal Amount and interest will be based on a 35 year amortization schedule. The Principal Amount and interest are due and payable in equal annual installments beginning June 30 after the date of Conversion as described in the HOME Contract and continuing annually until the Final Payment Date. At that time, the unpaid principal balance and accrued, unpaid interest will be payable in full. Payments will be applied first to accrued interest and the remainder to reduction of the Principal Amount. Interest will be calculated based on a 360 day per year factor applied to the actual days on which there exists an unpaid principal balance. Provided however, Principal Amount and interest are only payable from 75% of Surplus Cash for the immediately preceding calendar year. Principal and interest to the extent not paid from 75% of Surplus Cash shall be paid out of 75% of Borrower’s Surplus Cash in subsequent years. Notwithstanding anything provided herein, all unpaid Principal Amount and accrued and unpaid interest remaining outstanding shall be paid on or before the Final Payment Date. Interest shall accrue only from the date funds are advanced. "Surplus Cash" means the Cash Flow (as defined in the Operating Agreement) available to pay the HOME Loan as set forth in section 14.1(a) of the Operating Agreement.

This Note is the Note required in the HOME Contract and has been executed and delivered in accordance with that contract. The funds advanced by Lender are HOME funds and the HOME Contract requires that the 11 residential rental units described below and located on the Property must qualify and remain affordable rental housing in accordance with
the HOME Program and the HOME Regulations for the 20 year Affordability Period more particularly defined in the HOME Contract. The obligations described in the HOME Contract pertaining to the HOME Program and the HOME Regulations including the Affordability Period as well as the Loan evidenced by this Note will be in default if the HOME-assisted rental units located on the Property more particularly described in the HOME Contract do not remain affordable rental housing for the duration of the Affordability Period, subject to the "next available unit rule" under the Internal Revenue Code Section 42 (g) (2) (D). In the event of such default, Lender may invoke any remedies provided in the Contract or the Deed of Trust (hereinafter defined) for default.

Security for Payment:

This Note is secured by a Deed of Trust Security Agreement - Financing Statement dated August 24, 2018 from Borrower to Vicki S. Ganske, Trustee or Leann Guzman, Trustee (the "Deed of Trust") which covers the personal property described therein and the following real property:

As more particularly described in the attached Exhibit "A", incorporated herein by reference for all purposes.

Other Security for Payment: 

As set forth in the HOME Contract

Borrower promises to pay to the order of Lender the Principal Amount plus interest. This Note is payable at the Place for Payment and according to the Terms of Payment. All unpaid amounts are due by the Final Payment Date. After the Final Payment Date, Borrower promises to pay any unpaid principal balance plus interest at the Annual Interest Rate on Matured, Unpaid Amounts.

If Borrower defaults in the payment of this Note or in the performance of its obligations under the HOME Contract or that Loan Agreement between Borrower and the Fort Worth Housing Finance Corporation of even date (the "FWHFC Loan Agreement"), or in the performance of any obligation in any instrument securing or collateral to this Note or in any instrument securing Borrower's performance of the terms and conditions of the FWHFC Loan Agreement, Lender may invoke any remedies provided herein or in the Deed of Trust for default. If a monetary event of default occurs under the terms of any of the Loan documents, prior to exercising any remedies, Lender shall give Borrower and each of the members of the Borrower, as identified in the Borrower’s First Amended and Restated Operating Agreement (the “Company Agreement”), simultaneous written notice of such default. Borrower shall have a period of 15 days after such notice is given within which to cure the default prior to exercise of remedies by Lender under the Loan documents. Notwithstanding anything to the contrary, if a non-monetary event of default occurs under the terms of any of the Loan documents, prior to exercising any remedies, Lender shall give Borrower and each of the members of the Borrower as identified in the Company Agreement, simultaneous written notice of such default. If the default is reasonably capable of being cured within 30 days, Borrower shall have such period to effect a cure prior to exercise of remedies by Lender under the Loan documents. If the default is such that it is not reasonably capable of
being cured within 30 days, and if Borrower (a) initiates corrective action within said period, and (b) diligently, continually, and in good faith works to effect a cure as soon as possible, then Borrower shall have such additional time as is reasonably necessary to cure the default prior to exercise of any remedies by Lender. In no event shall Lender be precluded from exercising remedies if its security becomes or is about to become materially jeopardized by any failure to cure a default or the default is not cured within 180 days after the first notice of default is given. If the default is not cured after notice within the time periods stated above, Borrower and each surety, endorser, and guarantor waive all demand for payment, presentation for payment, notice of intention to accelerate maturity, notice of acceleration of maturity, protest, and notice of protest, to the extent permitted by law.

Borrower’s Investor “LP” Member, as identified in the Company Agreement, shall have the right to cure any default existing under the Loan documents, which right must be exercised by the later of (a) the cure period provided in the Loan documents, or (b) 15 days after receipt of written notice of default by the Investor “LP” Member. For the Investor “LP” Member to exercise effectively its cure rights, the Investor “LP” Member must fully pay the amount past due or perform the defaulted obligations, including the payment of any amounts due for legal expenses incurred in connection with the default. Notwithstanding anything to the contrary in the Loan documents, upon the occurrence of any default arising out of: (i) the bankruptcy, insolvency or assignment of assets for the benefit of creditors by the Managing Member of Borrower or by any Guarantor of the Loan, or (ii) the withdrawal from Borrower of the Borrower’s Managing Member, or the death or incapacity of a Guarantor, or (iii) a breach of the representations concerning such Managing Member or any Guarantor, the Limited Partner shall have the option, but not the obligation, within 45 days of receipt of written notice of such default from Lender, to cure any such default by appointing a substitute or additional Managing Member or Guarantor that is an affiliate of the Investor “LP” Member to act as such Managing Member or Guarantor. Any pledge to the Investor “LP” Member by Borrower’s Managing Member of the Managing Member’s interest in the Company Agreement as security for the performance of all of the Managing Member’s obligations under the Company Agreement shall not be an event of default under the Loan documents.

Borrower also promises to pay reasonable attorney's fees and court and other costs if this Note is placed in the hands of an attorney to collect or enforce the Note. These expenses will bear interest from the date of default at the Annual Interest Rate on Matured, Unpaid Amounts. Borrower will pay Lender these expenses and interest on demand at the Place for Payment. These expenses and interest will become part of the debt evidenced by the Note and will be secured by any security for payment.

Interest on the debt evidenced by this Note will not exceed the maximum rate or amount of non-usurious interest that may be contracted for, taken, reserved, charged, or received under law. Any interest in excess of that maximum amount will be credited on the Principal Amount or, if the Principal Amount has been paid, refunded. On any acceleration or required or permitted prepayment, any excess interest will be canceled automatically as of the acceleration or prepayment or, if the excess interest has already been paid, credited on the
Principal Amount or, if the Principal Amount has been paid, refunded. This provision overrides any conflicting provisions in this Note and all other instruments concerning the debt.

Each Borrower, as applicable, is responsible for all obligations represented by this Note.

Borrower may prepay this Note in any amount at any time before the Maturity Date without penalty or premium.

When the context requires, singular nouns and pronouns include the plural.

The indebtedness evidenced by this Note is and shall be subordinate in right of payment to the prior payment in full of the indebtedness to be hereafter evidenced by (i) promissory notes made by Borrower payable to JP Morgan Chase Bank, NA (the “Senior Lender”) (the “Senior Loan”) and (ii) to the Fort Worth Housing Finance Corporation (“FWHFC”) (the “FWHFC Loan”) to the extent and in the manner provided in those Subordination Agreements among Senior Lender, Borrower, FWHFC, and Lender (the “Subordination Agreements”), as more particularly described in the HOME Contract. The Deed of Trust securing this Note is and shall be subject and subordinate in all respects to the liens, terms, covenants and conditions of the documents evidencing the Senior Loan (“Senior Loan Documents”) and/or the FWHFC Loan (“FWHFC Loan Documents”). The rights and remedies of the payee and each subsequent holder of this Note under the Deed of Trust securing this Note are subject to the restrictions and limitations set forth in the Subordination Agreements and/or the Senior Loan Documents or the FWHFC Loan Documents. Each subsequent holder of this Note shall be deemed, by virtue of such holder’s acquisition of the Note, to have agreed to perform and observe all of the terms, covenants and conditions to be performed or observed by the Subordinate Lender under the Subordination Agreements.

Subject to the terms of the Subordination Agreements and any cure periods provided in the Senior Loan Documents and/or the FWHFC Loan Documents, if there is a default in payment of any part of principal or interest of the Senior Loan and/or the FWHFC Loan, or a breach of any covenants contained in the Senior Loan Documents and/or the FWHFC Loan Documents, the debt evidenced by this Note will immediately become payable at the option of Lender. If Borrower fails to perform any of Borrower’s obligations in the Senior Loan Documents and/or the FWHFC Loan Documents, and to the extent allowed by the Subordination Agreement, Lender may perform those obligations and be reimbursed by Borrower, on demand, at the Place for Payment for any amounts advanced, including attorney’s fees, plus interest on those amounts from the date of payment at the Annual Interest Rate on Matured, Unpaid Amounts. The amount to be reimbursed will be secured by all instruments securing this Note.

If any installment becomes overdue for more than 30 days, at Lender’s option a late payment charge of 5% of the amount then due may be charged in order to defray the expense of handling the delinquent payment.
A default exists under this Note beyond any applicable notice and cure period if (1) (a) Borrower or (b) any other person liable on any part of this Note (an "Other Obligated Party") fails to timely pay or perform any obligation or covenant in any written agreement between Lender and Borrower or such Other Obligated Party; (2) any warranty, covenant, or representation in this Note or in any other written agreement between Lender and Borrower or any Other Obligated Party is materially false when made; (3) a receiver is appointed for Borrower, any Other Obligated Party, or any property on which a lien or security interest is created as security (the "Collateral Security") for any part of this Note; (4) any Collateral Security is assigned for the benefit of creditors other than the holder(s) of the Senior Loan; (5) a bankruptcy or insolvency proceeding is commenced by Borrower or an Other Obligated Party; (6) (a) a bankruptcy or insolvency proceeding is commenced against Borrower or an Other Obligated Party and (b) the proceeding continues without dismissal for 90 days, the party against whom the proceeding is commenced admits the material allegations of the petition against it, or an order for relief is entered; (7) any of the following parties is dissolved, begins to wind up its affairs, is authorized to dissolve or wind up its affairs by its governing body or persons, or any event occurs or condition exists that permits the dissolution or winding up of the affairs of any of the following parties: (i) Borrower, or (ii) an Other Obligated Party; and (8) any Collateral Security is materially impaired by loss, theft, damage, levy and execution, issuance of an official writ or order of seizure, or destruction, unless it is promptly replaced with insurance proceeds, collateral security of like kind and quality or restored to its former condition.

The execution and delivery of this Note are required under the Contract.

If any provision of this Note conflicts with any provision of the HOME Contract, the Deed of Trust, the Deed Restriction or any other document evidencing the same transaction between Lender and Borrower, the provisions of the HOME Contract will govern to the extent of the conflict.

This Note will be construed under the laws of the state of Texas without regard to choice-of-law rules of any jurisdiction.

This Note is a nonrecourse obligation of Borrower. Neither Borrower nor any of its general and limited partners nor any other party shall have any personal liability for repayment of the Loan described in the Contract. The sole recourse of Lender under the Loan documents for repayment of the Loan shall be the exercise of its rights against the Security for Payment.

[SIGNATURE FOLLOWS]
THE HOME CONTRACT, NOTE AND THE DEED OF TRUST CONSTITUTE THE FINAL AGREEMENT OF THE PARTIES AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS, OR SUBSEQUENT ORAL AGREEMENTS OF THE PARTIES. THERE ARE NO UNWRITTEN ORAL AGREEMENTS BETWEEN THE PARTIES.

MISTLETOE STATION, LLC, a Texas limited liability company

By: SAIGEBROOK MISTLETOE, LLC, its Managing Member

By: ____________________________
    Lisa Stephens, President
EXHIBIT ‘A’

LEGAL DESCRIPTION
TRACT I:

LOT 1-R1, BLOCK 3R, OF FRISCO ADDITION, TO THE CITY OF FORT WORTH, TARRANT COUNTY, TEXAS, ACCORDING TO THE MAP OR PLAT THEREOF, RECORDED UNDER COUNTY CLERK'S FILE NO. D212125731, REAL PROPERTY RECORDS, TARRANT COUNTY, TEXAS.

ALSO KNOWN AS

TRACT I:

BEING a tract of land in the E.S. Harris Survey, Abstract No. 688 in the City of Fort Worth, Tarrant County, Texas, being a part of that tract of land described as Tract 1 in Special Warranty Deed to 1700 Misteltoe Partners, Ltd., as recorded in County Clerk's Document No. D207136848 in the Official Records of Tarrant County, Texas (O.R.T.C.T.), being all of Lot 1-R1 of Lots 1-R1 and 1-R2, Block 3R, Frisco Addition, an addition to the City of Fort Worth, Tarrant County, Texas, as recorded in County Clerk's Document No. D212125731 O.R.T.C.T., being a part of Beckham Place (variable width right-of-way) and being more particularly described as follows:

BEGINNING at the northeast corner of said Lot 1-R1, from which a 1/2-inch found iron rod with plastic cap stamped "AREA SURVEYING" bears North 48 degrees 50 minutes 32 seconds East, a distance of 0.25 feet, and being on the south right-of-way line of Beckham Place (a variable width right-of-way);

THENCE South 00 degrees 42 minutes 24 seconds East, a distance of 203.93 feet to a 5/8-inch found iron rod for the southeast corner of said Lot 1-R1, being on the north right-of-way line of Misteltoe Boulevard (a variable width right-of-way);

THENCE North 89 degrees 22 minutes 55 seconds West, passing a 1/2-inch found iron rod with plastic cap stamped "GRANT ENG RPLS 4151" for the south end of a corner clip of said Lot 1-R-1 at a distance of 212.37 feet, and continuing for a total a distance of 222.37 feet to a 3/4-inch found iron rod for corner at the intersection of the projected said north right-of-way line and the projected east right-of-way line of said Beckham Place;

THENCE North 06 degrees 51 minutes 00 seconds West, passing a 1/2-inch found iron rod with plastic cap stamped "GRANT ENG RPLS 4151" for the north end of a corner clip of said Lot 1-R-1 at a distance of 10.00 feet, passing a 1/2-inch found iron rod with plastic cap stamped "GRANT ENG RPLS 4151" for the south end of a corner clip of said Lot 1-R-1 at a distance of 48.06 feet, and continuing for a total distance of 58.06 feet to a point for corner;

THENCE North 57 degrees 36 minutes 24 seconds East, passing a 1/2-inch found iron rod with plastic cap stamped "GRANT ENG RPLS 4151" for the north end of a corner clip of said Lot 1-R-1 at a distance of 10.00 feet, and continuing for a total distance of 268.55 feet to the POINT OF BEGINNING AND CONTAINING 29,702 square feet or 0.6819 acres of land, more or less.
TRACT II:

DESCRIPTION FOR A PART OF BLOCK B OF MISTLETOE HEIGHTS, AN ADDITION IN THE CITY OF FORT WORTH, TARRANT COUNTY, TEXAS, AS SAID BLOCK APPEARS UPON THE MAP RECORDED IN VOLUME 388, PAGE 5 OF THE TARRANT COUNTY DEED RECORDS AND EMBRACING A PORTION OF THE TRACT DESCRIBED IN THE DEED TO L. E. TREZEVANT RECORDED IN VOLUME 1929, PAGE 240 OF SAID DEED RECORDS, AND BEING DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

BEGINNING AT AN AXLE FOUND FOR THE SOUTHEAST CORNER OF SAID BLOCK B IN THE NORTH LINE OF BECKHAM PLACE AND BEING THE SOUTHWEST CORNER OF LOT 6 OF TREZEVANT SUBDIVISION, SAID AXLE BEING THE SOUTHEAST CORNER OF SAID TREZEVANT TRACT;

THENENCE SOUTH 59 DEGREES 33 MINUTES 00 SECONDS WEST, ALONG THE SOUTH LINE OF SAID TREZEVANT TRACT AND THE SAID NORTH LINE OF BECKHAM PLACE, 129.99 FEET TO A ¼" IRON PIN FOUND FOR THE SOUTHERLY SOUTHEAST CORNER OF THE TRACT DESCRIBED IN THE DEED TO HELEN J. WILLIAMS, RECORDED IN VOLUME 5619, PAGE 93 OF THE SAID DEED RECORDS;

THENENCE NORTH 11 DEGREES 22 MINUTES 00 SECONDS WEST, ALONG THE SOUTHERLY EAST LINE OF SAID WILLIAMS TRACT 164.10 FEET TO A ½" IRON PIN SET WITH CAP MARKED, "AREA SURVEYING" FOR CORNER;

THENENCE NORTH 83 DEGREES 52 MINUTES 00 SECONDS EAST, ALONG A NORTHERLY SOUTH LINE OF SAID WILLIAMS TRACT, 82.64 FEET TO A ½" IRON PIN SET WITH CAP MARKED, "AREA SURVEYING" FOR THE NORTHERLY SOUTHEAST CORNER OF SAID WILLIAMS TRACT;

THENENCE NORTH 03 DEGREES 57 MINUTES 00 SECONDS WEST, ALONG AN EAST LINE OF SAID WILLIAMS TRACT, 16.77 FEET TO A ½" IRON PIN SET WITH CAP MARKED, "AREA SURVEYING" FOR THE MOST SOUTHERLY SOUTHEAST CORNER OF LOT 1, BLOCK B-R, MISTLETOE HEIGHTS, ACCORDING TO PLAT RECORDED IN VOLUME 388-160, PAGE 1, PLAT RECORDS, TARRANT COUNTY, TEXAS;

THENENCE NORTH 86 DEGREES 05 MINUTES 23 SECONDS EAST, ALONG THE SOUTH LINE OF SAID LOT 1, 54.56 FEET TO A ¼ INCH IRON PIN FOUND FOR THE NORTHWEST CORNER OF LOT 7 OF TREZEVANT SUBDIVISION;

THENENCE SOUTH 04 DEGREES 07 MINUTES 19 SECONDS EAST, ALONG THE EAST LINE SAID TREZEVANT TRACT AND THE WEST LINE OF TREZEVANT SUBDIVISION, 124.61 FEET TO THE POINT OF BEGINNING AND CONTAINING 0.424 OF AN ACRE OF LAND.

ALSO KNOWN AS:

TRACT II:
BEING a tract of land in the E.S. Harris Survey, Abstract No. 688 in the City of Fort Worth, Tarrant County, Texas, being all of that called 0.424 acre tract of land described in General Warranty Deed With Mineral Reservations to 1700 Mistletoe Partners, Ltd., as recorded in County Clerk's Document No. D207307960 in the Official Records of Tarrant County, Texas (O.R.T.C.T.), and being more particularly described as follows:

BEGINNING at a found axle for the southeast corner of said 0.424 acre tract, being on the north right-of-way line of Beckham Place (a variable width right-of-way);

THENCE South 59 degrees 40 minutes 50 seconds West, along said north right-of-way line, a distance of 129.99 feet to a 3/4-inch found iron rod for the common southeast corner of that tract of land described in Warranty Deed to All Saints Episcopal Hospital of Fort Worth, Inc., as recorded in Volume 10876, Page 1719 O.R.T.C.T. and the southwest corner of said 0.424 acre tract;

THENCE North 11 degrees 14 minutes 10 seconds West, departing said north right-of-way line, a distance of 164.21 feet to the common northwest corner of said 0.424 acre tract of land and an ell corner of said All Saints tract;

THENCE North 83 degrees 59 minutes 50 seconds East, a distance of 82.91 feet to a common ell corner of said All Saints tract and said called 0.424 acre tract of land;

THENCE North 03 degrees 50 minutes 10 seconds West, a distance of 16.58 feet to a 5/8-inch found iron rod for an ell corner of said 0.424 acre tract of land, the most southerly southwest corner of Lot 1 in Block B-R of Mistletoe Heights as recorded in Volume 388-160, Page 1 in the Plat Records of Tarrant County, Texas, and being on the cast line of said All Saints tract;

THENCE North 86 degrees 13 minutes 12 seconds East, a distance of 54.54 feet to a 5/8-inch found iron rod for the northeast corner of said called 0.424 acre tract of land, and being on the south line of said Lot 1;

THENCE South 03 degrees 53 minutes 11 seconds East, a distance of 124.54 feet to the POINT OF BEGINNING AND CONTAINING 18,495 square feet or 0.4246 acres of land, more or less.

TRACT III:

BEING A PART OF BLOCK "B" OF MISTLETOE HEIGHTS ADDITION TO THE CITY OF FORT WORTH, TARRANT COUNTY, TEXAS, ACCORDING TO PLAT RECORDED IN VOLUME 388, PAGE 5, DEED RECORDS OF TARRANT COUNTY, TEXAS, SAID PART OF BLOCK "B" BEING DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

THENCE NORTH 6 DEGREES 08 MINUTES WEST, ALONG SAID BLOCK LINE AND RIGHT-OF-WAY LINE, 402.2 FEET TO AN IRON;

THENCE NORTH 83 DEGREES 52 MINUTES EAST 98 FEET TO AN IRON;

THENCE SOUTH 6 DEGREES 08 MINUTES EAST 45 FEET TO AN IRON;

THENCE NORTH 83 DEGREES 52 MINUTES EAST 110-7/10 FEET TO AN IRON;

THENCE SOUTH 3 DEGREES 57 MINUTES EAST 132-1/10 FEET TO AN IRON;

THENCE SOUTH 83 DEGREES 52 MINUTES WEST 82-6/10 FEET TO AN IRON;

THENCE SOUTH 11 DEGREES 22 MINUTES EAST 164-4/10 FEET TO AN IRON IN THE SOUTH LINE OF SAID BLOCK B;

THENCE SOUTH 59 DEGREES 33 MINUTES WEST, ALONG SAID SOUTH LINE OF BLOCK B, 149-3/10 FEET TO THE PLACE OF BEGINNING.

ALSO KNOWN AS:

TRACT III:

BEING a tract of land in the E.S. Harris Survey, Abstract No. 688 in the City of Fort Worth, Tarrant County, Texas, being all of that tract of land described in Warranty Deed to All Saints Episcopal Hospital of Fort Worth, Inc., as recorded in Volume 10876, Page 1719 in the Official Records of Tarrant County, Texas (O.R.T.C.T.), and being more particularly described as follows:

BEGINNING at a 1/2-inch found iron rod with plastic cap stamped "FULTON SURVEYING" for the common northwest corner of said All Saints tract, the most westerly southwest corner of Lot 1 in Block B-R of Mistletoe Heights as recorded in Volume 388-160, Page 1 in the Plat Records of Tarrant County, Texas, and being on the east line of Burlington Northern Santa Fe Railroad (100 foot wide right-of-way);

THENCE North 84 degrees 06 minutes 47 seconds East, along the common line between said All Saints tract and said Lot 1, a distance of 98.08 feet to a 1/2-inch found iron rod with plastic cap stamped "GRANT ENG RPLS 4151" for a common ell corner of said All Saints tract and said Lot 1;
THENCE South 06 degrees 21 minutes 44 seconds East, continuing along said common line, a distance of 44.82 feet to a 1/2-inch found iron rod with plastic cap stamped "GRANT ENG RPLS 4151" for a common ell corner of said All Saints tract and said Lot 1;

THENCE North 84 degrees 04 minutes 15 seconds East, continuing along said common line, a distance of 110.60 feet to a 5/8-inch found iron rod for the northeast corner of said All Saints tract and an ell corner of said Lot 1;

THENCE South 03 degrees 50 minutes 10 seconds East, along the east line of said All Saints tract, passing a 5/8-inch found iron rod for the most southerly southwest corner of said Lot 1, and an ell corner of that called 0.424 acre tract of land described in General Warranty Deed With Mineral Reservations to 1700 Mistletoe Partners, Ltd., as recorded in County Clerk's Document No. D207307960 O.R.T.C.T. at a distance of 115.35 feet and continuing for a total distance of 131.94 feet to a point for a common ell corner of said All Saints tract and said called 0.424 acre tract of land;

THENCE South 83 degrees 59 minutes 50 seconds West, departing said east line, a distance of 82.91 feet to the common northwest corner of said 0.424 acre tract of land and an ell corner of said All Saints tract;

THENCE South 11 degrees 14 minutes 10 seconds East, a distance of 164.21 feet to a 3/4-inch found iron rod for the common southeast corner of said All Saints tract, the southwest corner of said 0.424 acre tract, and being on the north right-of-way line of Beckham Place (a variable width right-of-way);

THENCE South 59 degrees 40 minutes 50 seconds West, departing said east line and along said north right-of-way line, a distance of 149.29 feet to a 1/2-inch found iron rod with plastic cap stamped "GRANT ENG RPLS 4151" for corner on said east right-of-way line;

THENCE North 06 degrees 00 minutes 10 seconds West, departing said north right-of-way line and along said east right-of-way line, a distance of 402.00 feet to the POINT OF BEGINNING AND CONTAINING 56,858 square feet or 1.3053 acres of land, more or less.

TRACT IV:

Being a tract or parcel of land situated in the E.S. Harris Survey Abstract No. 688, City of Fort Worth, Tarrant County, Texas and being a portion of Beckham Place (a 60 foot right of way) as recorded in the Fort Worth Original Town, an addition to the City of Fort Worth (no recording information found) also shown on plat of Lots 18&2, Block 3-A Frisco Addition, as recorded in 388-173, Page 11 Plat Records Tarrant County Texas and being all of that tract of land described in deed to the City of Fort Worth as recorded in Volume 3418, Page 632 D.R.T.C.T. and the south right of way line being described in Residue of Beckham Place vacated by Ordinance No. 9104, being all of that called 0.4304 acre tract of land described in City of Fort Worth Ordinance No. 23278-06-2018 Vacating and Extinguishing a portion of Beckham Place, and being more particularly described below:
BEGINNING at a 1/2-inch found iron with cap stamped GRANT ENG RPLS 4151 being at the intersection of the north right of way line of Beckham Place (variable width right-of-way) and the east right of way line of Burlington Northern Santa Fe Railroad (100 foot wide right-of-way), and being the southwest corner of that tract of land described in Warranty Deed to All Saints Episcopal Hospital of Fort Worth Inc., recorded in Volume 10876, Page 1719 Official Records Tarrant County Texas (O.R.T.C.T.);

THENCE North 59 degrees 40 minutes 50 seconds East, along the north right of way line of said Beckham Place, passing at a distance of 149.29 feet, a 3/4-inch iron rod for the southeast corner of said All Saints tract and being the southwest corner of 1700 Mistletoe Partners, Ltd., recorded in Document No. D207307960 O.R.T.C.T., and continuing for a total distance of 255.74 feet to a point for corner;

THENCE South 00 degrees 42 minutes 24 seconds East, over and across said Beckham Place, a distance of 70.58 feet to a point for corner being on the south right of way line of said Beckham Place;

THENCE South 57 degrees 36 minutes 24 seconds West, along said south right of way line, a distance of 198.04 feet to a point for corner at the point of intersection of said south right of way line and the east right of way line of said Beckham Place same being the east line of said City of Fort Worth tract;

THENCE South 06 degrees 51 minutes 00 seconds East, along said east right of way line, a distance of 58.06 feet to a point for corner being at the intersection of said east right of way line and the north right of way line of Mistletoe Boulevard (a variable width right of way);

THENCE North 89 degrees 22 minutes 55 seconds West, over and across said Beckham Place, a distance of 50.32 feet to a point for corner being on the east right of way line of said Burlington Northern Santa Fe Railroad;

THENCE North 06 degrees 00 minutes 10 seconds West, along said east right of way line, passing at a distance of 27.87 feet, the northwest corner of said City of Fort Worth tract, and continuing for a total distance of 105.25 feet to the POINT OF BEGINNING AND CONTAINING 18,744 square feet or 0.4303 acres of land, more or less.

LESS AND EXCEPT:

Being a tract or parcel of land situated in the E.S. Harris Survey Abstract No. 688, City of Fort Worth, Tarrant County, Texas and being all of that tract of land described in deed to the City of Fort Worth as recorded in Volume 3418, Page 632 D.R.T.C.T. and being more particularly described below:

BEGINNING at a 3/4-inch found iron rod for the southeast corner of said City of Fort Worth tract, being on the north right of way line of Mistletoe Boulevard (a variable width right of way);

THENCE North 89 degrees 22 minutes 55 seconds West, along said north right of way line, a distance of 50.32 feet to a point for corner at the intersection of said north right of way line with the east right of way line of Burlington Northern Santa Fe Railroad (100 foot wide right-of-way); THENCE North 05
degrees 00 minutes 10 seconds West, departing said north right of way line and along said east right of way line, a distance of 27.87 feet to a point for corner;

THENCE North 57 degrees 36 minutes 24 seconds East, departing said east right of way line, a distance of 54.84 feet to a point for corner; THENCE South 06 degrees 51 minutes 00 seconds East, a distance of 58.06 feet to the POINT OF BEGINNING AND CONTAINING 2,133 square feet or 0.0490 acres of land, more or less.

TRACT V:

Being a tract or parcel of land situated in the E.S. Harris Survey Abstract No. 688, City of Fort Worth, Tarrant County, Texas and being all of that tract of land described in deed to the City of Fort Worth as recorded in Volume 3418, Page 632 D.R.T.C.T. and being part of that called 0.4304 acre tract of land described in City of Fort Worth Ordinance No. 23278-06-2018 Vacating and Extinguishing a portion of Beckham Place and being more particularly described below:

BEGINNING at a 3/4-inch found iron rod for the southeast corner of said City of Fort Worth tract, being on the north right of way line of Mistletoe Boulevard (a variable width right of way);

THENCE North 89 degrees 22 minutes 55 seconds West, along said north right of way line, a distance of 50.32 feet to a point for corner at the intersection of said north right of way line with the east right of way line of Burlington Northern Santa Fe Railroad (100 foot wide right-of-way); THENCE North 06 degrees 00 minutes 10 seconds West, departing said north right of way line and along said east right of way line, a distance of 27.87 feet to a point for corner;

THENCE North 57 degrees 36 minutes 24 seconds East, departing said east right of way line, a distance of 54.84 feet to a point for corner; THENCE South 06 degrees 51 minutes 00 seconds East, a distance of 58.06 feet to the POINT OF BEGINNING AND CONTAINING 2,133 square feet or 0.0490 acres of land, more or less.

TRACTS I, II, III, IV AND V ALSO KNOWN AS:

PLAT DESCRIPTION:

BEING a tract of land in the E.S. Harris Survey, Abstract No. 688 in the City of Fort Worth, Tarrant County, Texas, being all of that tract of land described as Tract 1 in Special Warranty Deed to 1700 Mistletoe Partners, Ltd., as recorded in County Clerk's Document No. D207136848 in the Official Records of Tarrant County, Texas (O.R.T.C.T.), and being all of Lot 1-R1 of Lots 1-R1 and 1-R2, Block 3R, Frisco Addition, an addition to the City of Fort Worth, Tarrant County, Texas, as recorded in County Clerk's Document No. D212125731 O.R.T.C.T., and being all of that tract of land described in Warranty Deed to All Saints Episcopal Hospital of Fort Worth, Inc., as recorded in Volume 10876, Page 1719 O.R.T.C.T., and being all of that called 0.424 acre tract of land described in General Warranty Deed With Mineral Reservations to 1700 Mistletoe Partners, Ltd., as recorded in County Clerk's Document No. D207307960 O.R.T.C.T., and being more particularly described as follows:
BEGINNING at a 5/8-inch found iron rod for the southeast corner of said Lot 1-R1, being on the north right-of-way line of Mistletoe Boulevard (a variable width right-of-way);

THENCE North 89 degrees 22 minutes 55 seconds West, along said north line, a distance of 272.69 feet to a 1/2-inch set iron rod with yellow plastic cap stamped "HALFF" (hereinafter referred to as "with cap") for corner on the east line of Burlington Northern Santa Fe Railroad (100 foot wide right-of-way);

THENCE North 06 degrees 00 minutes 10 seconds West, departing said north line and along said east line, a distance of 507.25 feet to a 1/2-inch found iron rod with plastic cap stamped "FULTON SURVEYING" for the northwest corner of said All Saints tract;

THENCE North 84 degrees 06 minutes 47 seconds East, departing said east line and along the north line of said All Saints tract, a distance of 98.08 feet to a 1/2-inch found iron rod with plastic cap stamped "GRANT ENG RPLS 4151" for corner;

THENCE South 06 degrees 21 minutes 44 seconds East, continuing along said north line, a distance of 44.82 feet to a 1/2-inch found iron rod with plastic cap stamped "GRANT ENG RPLS 4151" for corner;

THENCE North 84 degrees 04 minutes 15 seconds East, continuing along said north line, a distance of 110.60 feet to a 5/8-inch found iron rod for the northeast corner of said All Saints tract;

THENCE South 03 degrees 50 minutes 10 seconds East, departing said north line and along the east line of said All Saints tract, a distance of 115.35 feet to a 5/8-inch found iron rod for ell corner on the north line of said 0.424 acre tract;

THENCE North 86 degrees 13 minutes 12 seconds East, departing said east line and along said north line, a distance of 54.54 feet to a 5/8-inch found iron rod for the northeast corner of said 0.424 acre tract;

THENCE South 03 degrees 53 minutes 11 seconds East, departing said north line and along the east line of said 0.424 acre tract, a distance of 124.54 feet to a found axle for the southeast corner of said 0.424 acre tract, being on the north right-of-way line of Beckham Place (a variable width right-of-way);

THENCE South 59 degrees 40 minutes 50 seconds West, departing said east line and along said north line, a distance of 23.54 feet to a 1/2-inch set iron rod with cap for corner;

THENCE South 00 degrees 42 minutes 24 seconds East, departing said north line, a distance of 70.58 feet to a 1/2-inch set iron rod with cap for corner on the south right-of-way line of said Beckham Place;

THENCE North 57 degrees 36 minutes 24 seconds East, along said south line, a distance of 70.51 feet to a point for the northeast corner of said Lot 1-R1, from which a 1/2-inch found iron rod with plastic cap
stamped "AREA SURVEYING" bears North 48 degrees 50 minutes 32 seconds East, a distance of 0.25 feet;

THENCE South 00 degrees 42 minutes 24 seconds East, departing said south line and along the east line of said Lot 1-R1, a distance of 203.93 feet to the POINT OF BEGINNING AND CONTAINING 123,799 square feet or 2.842 acres of land, more or less.
RESOLUTION

Board of Directors
Tax Increment Reinvestment Zone Number Four, City of Fort Worth, Texas
(Southside TIF)

AUTHORIZING EXECUTION OF AMENDMENT NUMBER ONE TO A TAX INCREMENT FINANCING (TIF) DEVELOPMENT AGREEMENT BETWEEN THE BOARD OF DIRECTORS OF TAX INCREMENT REINVESTMENT ZONE NUMBER FOUR AND MISTLETOE STATION, LLC, TO INCREASE TOTAL DEVELOPMENT COSTS AND FUNDING FOR PUBLIC IMPROVEMENTS AND INFRASTRUCTURE ASSOCIATED WITH THE MISTLETOE STATION RESIDENTIAL DEVELOPMENT.

WHEREAS, the Board of Directors (the “Board”) of Tax Increment Reinvestment Zone Number Four, City of Fort Worth, Texas (the “TIF District”) desires to promote the development and redevelopment of the Southside Development District area as authorized by the Fort Worth City Council and state law; and

WHEREAS, on August 30, 1999, the Board adopted a Project and Financing Plan (the “Plan”) for the TIF District, which was approved by the City Council by ordinance and in accordance with Section 311.011 of the Texas Tax Code, and which was subsequently updated by the Board on November 1, 2012, and approved by City Council December 11, 2012; and

WHEREAS, in accordance with Section 311.010 of the Texas Tax Code, the Board may use TIF revenue only for the types and kinds of projects set forth in the Plan; and

WHEREAS, the Plan identifies public improvements that benefit the general public and facilitate development of the TIF district as an eligible expense; and

WHEREAS, the Board and Mistletoe Station, LLC (“Developer”) are currently parties to a Tax Increment Financing Development Agreement (Resolution Number 2017-08; August 23, 2017) (“Agreement”) to fund or reimburse Developer for certain public improvements associated with the new construction of a mixed-income multifamily apartment community located along Mistletoe Boulevard along the FW&W Railroad (“Development”),

WHEREAS, on July 18, 2018, the Board approved Resolution Number 2017-08-A1 revising the project start date in the Agreement from March 31, 2018 to September 30, 2018; and

WHEREAS, the Agreement requires the Developer to expend at least $20.2 million on the Development to receive $2,600,000 in reimbursement from the TIF District for eligible public improvements and infrastructure expenses; and

WHEREAS, primarily as a result of engineering modifications and construction requirements associated with the relocation and upgrade of City storm sewer infrastructure, construction costs for previously approved TIF reimbursables have increased substantially, as has the amount of investment, and the Developer is requesting additional funding in an amount not to exceed $300,000; and

WHEREAS, consistent with the Plan, the Board now wishes to approve Amendment Number One to the Agreement to increase funding from $2,600,000 to an amount not to exceed $2,900,000 and, subsequently, increase the amount that Developer is required to expend on the Development from $20.2 million to $25 million.
NOW THEREFORE, BE IT RESOLVED:

Section 1. The Board hereby authorizes execution of Amendment Number One to the Agreement to: (i) increase funding from $2,600,000 to an amount not to exceed $2,900,000 and (ii) increase the amount that Developer is required to expend on the Development from $20.2 million to $25 million.

Section 2. That the Chairperson of the Board is authorized to sign this Resolution on the Board’s behalf and execute all necessary agreements and related documents in accordance with this Resolution.

Section 3. That this Resolution shall take effect immediately from and after its passage.

Approved: 

Ann Zadeh, Chair
2018 HTC
Full Application

Part 4 Tab 35

Supporting Documents:
Rental Assistance

NA
July 30, 2018

Megan Lasch  
Mistletoe Station, LLC  
5501-A Balcones Dr. #302  
Austin, TX 78731

RE: Mistletoe Station PVB Award Letter

Dear Mrs. Lasch:

Fort Worth Housing Solutions of Fort Worth, TX ("FWHS") will provide Section 8 Project-Based Voucher assistance for 8 units to Mistletoe Station, LLC (Mistletoe Station) to be located at 1916 Mistletoe Blvd Fort Worth, TX 76104. This award is made pursuant to FWHS Request for Proposals for Project Based Vouchers, FWHS’ Administrative Plan for the Housing Choice Voucher Program, and your request, and is subject to approval of the Environmental Review and the Subsidy Layering Review required by the United States Department of Housing and Urban Development (HUD). The initial Housing Assistance Payment (HAP) Contract term will be for 20 years, with an option to renew for an additional 20 years and is subject to Congressional appropriations. The bedroom distribution and initial contract rents are listed below:

<table>
<thead>
<tr>
<th>Bedroom size</th>
<th>Number of Units</th>
<th>Initial Contract Rent* Per Unit</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>2</td>
<td>$770</td>
</tr>
<tr>
<td>2</td>
<td>4</td>
<td>$973</td>
</tr>
<tr>
<td>3</td>
<td>2</td>
<td>$1,338</td>
</tr>
</tbody>
</table>

*Subject to rent reasonableness determination.

Upon acceptance of this award as shown below, FWHS will forward a draft copy of a HAP contract for your review. The HAP will be executed after construction is completed and units pass inspection.

If you need further assistance or clarification regarding this award notification, please contact Sellarstean Mitchell at 817-333-3601 or smitchell@fwhs.org. Mrs. Mitchell will be your primary point of contact throughout the duration of your PBV contract award.

Sincerely,

Mary-Margaret Lemons  
President

Cc:

Accepted:  
Title: President  
Date: 8-1-18
2018 HTC
Full Application

Part 4 Tab 35

Supporting Documents:
Equity Letter
THE LIMITED LIABILITY COMPANY INTERESTS EVIDENCED BY THIS FIRST AMENDED AND RESTATED OPERATING AGREEMENT HAVE NOT BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION UNDER THE SECURITIES ACT OF 1933 (“1933 ACT”) OR PURSUANT TO APPLICABLE STATE SECURITIES LAWS (“BLUE SKY LAWS”). ACCORDINGLY, THE LIMITED LIABILITY COMPANY INTERESTS CANNOT BE RESOLD OR TRANSFERRED BY ANY PURCHASER THEREOF WITHOUT REGISTRATION OF THE SAME UNDER THE 1933 ACT AND THE BLUE SKY LAWS OF SUCH STATE(S) AS MAY BE APPLICABLE, EXCEPT IN A TRANSACTION WHICH IS EXEMPT FROM THE REGISTRATION REQUIREMENTS OF THE 1933 ACT AND THE BLUE SKY LAWS OR WHICH IS OTHERWISE IN COMPLIANCE THERewith. IN ADDITION, THE SALE OR TRANSFER OF SUCH LIMITED LIABILITY COMPANY INTERESTS IS SUBJECT TO CERTAIN RESTRICTIONS SET FORTH IN THIS AGREEMENT.
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MISTLETOE STATION, LLC  
A TEXAS LIMITED LIABILITY COMPANY

FIRST AMENDED AND restated OPERATING AGREEMENT

Preliminary Statement

Mistletoe Station, LLC (the “Company”) was formed as a Texas limited liability company as evidenced by a certificate of formation filed with the Office of the Secretary of the State of Texas (the “Filing Office”) on August 14, 2017 by and between Saigebrook Mistletoe, LLC, a Texas limited liability company, as a managing member (the “Co-Managing Member”) and Lisa M. Stephens, as an investor member (the “Withdrawing Investor Member”).

A Company Agreement was entered into with respect to the Company as of August 22, 2017 (the “Original Agreement”) by and between the Co-Managing Member and the Withdrawing Investor Member.

THIS FIRST AMENDED AND RESTATED OPERATING AGREEMENT (this “Agreement”) is made and entered into as of August 30, 2018 (the “Closing Date” or “Closing”) by and among the Co-Managing Member, O-SDA Mistletoe, LLC, a Texas limited liability company (the “Administrative Member”), HCP-ILP, LLC, a Nevada limited liability company (“Investor Member”), HCP-SLP, LLC, a Nevada limited liability company (the “Special Investor Member”), and the Withdrawing Investor Member.

NOW, THEREFORE, in consideration of the covenants and agreements hereinafter set forth, the parties hereto agree that the Original Agreement is hereby amended and restated in its entirety to read as follows:

ARTICLE 1  
DEFINED TERMS

In addition to the terms defined above, the following terms used in this Agreement shall have the meanings specified below:

Access Laws means the meaning set forth in Section 5.2(u).

Access Laws Certification means a certification to the Company concluding that the Apartment Complex is in compliance with applicable Access Laws, with such certification being prepared by the Architect.

Accountants means Tidwell Group of Birmingham, Alabama or such other firm of independent certified public accountants as may be engaged by the Managing Member at the expense of the Company with the Consent of the Investor Member, which Consent shall not be unreasonably withheld, conditioned or delayed, to prepare the Company income tax returns.

Actual Housing Tax Credits means, with respect to any period of time, the total amount of the Housing Tax Credits allocated by the Company to the Investor Member, representing
ninety-nine and ninety-nine hundredths percent (99.99%) of the Housing Tax Credits reported and claimed by the Company and its Members on their respective federal information and income tax returns, and not disallowed by any taxing authority.

**Additional Managing Member** has the meaning set forth in Section 9.2(a).

**Additional TIF Reimbursement** means the payments in the amount of $134,355 made by the City of Fort Worth to the Company pursuant to and in accordance with the City Council Action, which amount may be increased or decreased in an amount that may be forthcoming pursuant to another city council action or an agreement between the City of Fort Worth and the Company.

**Adjusted Capital Account** means, with respect to each Member, the Capital Account balance of such Member after giving effect to the following adjustments: (i) credit to such Capital Account the sum of (A) any amounts which such Member is obligated to restore pursuant to any provision of this Agreement, plus (B) an amount equal to such Member’s share of Company Minimum Gain as determined under Regulation Section 1.704-2(g)(1) and such Member’s share of Member Nonrecourse Debt Minimum Gain as determined under Regulation Section 1.704-2(i)(5), plus (C) any amounts which such Member is deemed to be obligated to restore pursuant to Regulation Section 1.704-1(b)(2)(ii)(c); and (ii) debit to such Capital Account the items described in Regulation Sections 1.704-1(b)(2)(ii)(d)(4), (5) and (6). The foregoing definition is intended to comply with the provisions of Regulation Section 1.704-1(b)(2)(ii)(d), and shall be interpreted consistently therewith.

**Administrative Member** means O-SDA Mistletoe, LLC, a Texas limited liability company, and any other Person admitted as an administrative member pursuant to this Agreement, and their respective successors pursuant to this Agreement, including a Replacement Managing Member.

**Administrative Member Pledge** means the Pledge and Security Agreement dated as of the date hereof by the Administrative Member for the benefit of the Investor Member in the form of Exhibit G-2, wherein the Administrative Member pledges and grants a first priority security interest in the Administrative Member’s Interest in the Company to secure the obligations of the Managing Member under this Agreement and the Developer under the Development Agreement.

**Affiliate** means, as to any named Person or Persons (or as to any Member if no Person is specifically named): (i) such Person; (ii) each member of the Immediate Family of such Person; (iii) each legal representative, successor or assignee of any Person referred to in the preceding clauses (i) or (ii); (iv) each trustee of a trust for the benefit of any Person referred to in the preceding clauses (i) or (ii); or (v) any other Person (a) who directly or indirectly controls, is controlled by, or is under common control with such Person, (b) who owns or controls ten percent (10%) or more of the outstanding voting securities of such Person, (c) of which ten percent (10%) or more of the outstanding voting securities is owned by such Person or any of the Persons referred to in the foregoing clauses (i) through (iii), (d) who is an officer, director, partner or trustee of such Person, or (e) for which such Person acts in the capacity of officer, director, partner or trustee.
**Affiliated Entity** means (a) a limited partnership in which the Managing Member, the Developer, any Guarantor or an Affiliate of the Managing Member, the Developer or the Guarantor is a general partner, and in which an Affiliate of Hunt is a limited partner, or (b) a limited liability company in which the Managing Member, the Developer, any Guarantor or an Affiliate of the Managing Member, the Developer or the Guarantor is a managing member, and in which an Affiliate of Hunt is a member.

**AFR** means the “applicable federal rate” as defined in Section 1274(d) of the Code.

**Agency** means Texas Department of Housing and Community Affairs, or any successor in its capacity as the housing credit agency of the State.

**Agreement** means this First Amended and Restated Operating Agreement, including all Exhibits hereto, as amended from time to time.

**AIA** means the American Institute of Architects.

**ALTA As-Built Survey** means a current recertification of the plat of survey for the Apartment Complex, which shall (i) be prepared by a land surveyor licensed in the state in which the Apartment Complex is located, (ii) be certified for the benefit of the Company, Investor Member and their successors and assigns, and Title Company as having been made in compliance with ALTA minimum detail requirements, and with such certification being otherwise in form and substance satisfactory to the Title Company and Investor Member, (iii) show the location of all improvements located within the boundaries of the Apartment Complex, and (iv) certifying at least: (a) the legal description and boundaries of the Apartment Complex; (b) that the location of each improvement located on the Apartment Complex does not encroach upon any setback lines or violate any building or other restriction of record; (c) the location of all easements appurtenant to or affecting the Apartment Complex, whether visible or of record; (d) the location of all encroachments into the Apartment Complex from buildings or other improvements on adjacent property; (e) all lot, set-back and building lines on the Apartment Complex; (f) all encroachments by the improvements located on the Apartment Complex over or onto any such easements or over any such lot, set-back or building lines created since the date of the prior survey; and (g) indicate whether the Apartment Complex is in a flood plain and other such items as may apply detailed in Exhibit Q.

**ALTA Survey** means a survey for the Apartment Complex prepared by a land surveyor licensed in the state in which the Apartment Complex is located and certified for the benefit of the Company, Investor Member and Title Company as having been made in compliance with ALTA minimum detail requirements, and with such certification being otherwise in form and substance satisfactory to the Title Company and Investor Member. The survey shall indicate whether the Apartment Complex is in a flood plain and other such items as may apply detailed in Exhibit Q.

**Amendment** has the meaning set forth in Section 4.16.

**Annual Budget** means a pro forma budget of the Company’s expected Cash Receipts and Cash Expenditures for any particular year, which is to be prepared in a sufficiently detailed
format reasonably acceptable to the Investor Member, and is to be submitted to the Investor Member as set forth in Section 18.7(a).

**Anti-Corruption Laws** means all laws, rules, statutes, codes and regulations of any governmental entity applicable to the Managing Member, its Affiliates or the Company concerning or relating to corruption or bribery, including laws prohibiting an offer, payment, promise to pay, or authorization of the payment or giving of money or anything else of value, to anyone, while knowing or believing that all or some portion of the money or thing of value will be offered, given, promised to, or retained by a Government Official or any other person for the purposes of obtaining or retaining business, securing any improper advantage or the improper performance of that person’s or Government Official’s function, or misuse of that person’s or Government Official’s position.

**Apartment Complex** means the Land and the 110 unit multifamily rental housing development and other improvements to be constructed, owned and operated thereon by the Company and to be known as Mistletoe Station, 1916 Mistletoe Blvd., Fort Worth, Tarrant County, Texas.

**Applicable Fraction** has the meaning set forth in Section 42(c)(1)(B) of the Code.

**Applicable Percentage** means the percentage by which the Qualified Basis of a building in the Apartment Complex is multiplied in order to determine the amount of Housing Tax Credits available to such building in the Apartment Complex, as more particularly defined in Code Section 42(b).

**Application** means the Company’s Low Income Housing Tax Credit Application for Credit Reservation submitted to and approved by the Agency for any undertaking with respect to the development and operation of the Apartment Complex, including any amendments thereto approved by the Agency.

**Architect** means BGO Architects, a Texas corporation, as the architect for the Apartment Complex pursuant to the Architect’s Contract, or such other Architect as Consented to by the Investor Member.

**Architect’s Contract** means the AIA Standard Form of Agreement Between Owner and Architect dated January 30, 2018 by and between the Company and the Architect.

**Asset Management Fee** has the meaning set forth in Section 10.5.

**Assignment** means a valid sale, exchange, pledge, transfer or other disposition of all or any portion of an Interest made in accordance with the terms of this Agreement.

**Backstop Guaranty Agreement** shall mean that certain Backstop Guaranty Agreement by the Guarantors for the benefit of Hunt dated the date hereof.

**Bankruptcy Code** has the meaning set forth in Section 7.2(b)(v).
**Building One** means the first of two buildings at the Apartment Complex, consisting of 7 Market Rate Units and 13 Housing Tax Credit Units.

**Building Two** means the second of two buildings at the Apartment Complex consisting of 29 Market Rate Units and 61 Housing Tax Credit Units.

**Business Day** means a day (other than a Saturday or Sunday) on which banks generally are open in New York, New York for the conduct of substantially all of their commercial lending activities.

**Capital Account** means the capital account of a Member as described in Section 13.6.

**Capital Contribution** means, with respect to each Member, the total value of cash or property contributed and agreed to be contributed to the Company by each Member pursuant to Article 4. Any reference in this Agreement to the Capital Contribution of a then Member shall include a Capital Contribution previously made by any prior Member for the Interest of such then Member.

**Capital Contribution Account** has the meaning set forth in Section 4.2(b)(ix).

**Capital Transaction** means any transaction the proceeds of which are attributable to the sale, refinance, exchange, transfer, assignment or other disposition (including a condemnation, to the extent proceeds are not used to rebuild the Apartment Complex, or foreclosure) of all or any portion of the Apartment Complex or a casualty (to the extent proceeds are not used to rebuild the Apartment Complex) affecting the Apartment Complex, but excluding the payment of Capital Contributions.

**Carryover Allocation** means the carryover allocation of Housing Tax Credits issued to the Company by the Agency on December 19, 2017 in an annual amount of not less than $1,500,000 made pursuant to Code Section 42(h)(1)(E) which requires the Apartment Complex be Placed in Service by the end of the second year after the date of the Carryover Allocation.

**Carryover Certification** means the written certification of the Accountants that the Company had incurred capitalizable costs with respect to the Apartment Complex within one (1) year after the date of the Carryover Allocation of at least ten percent (10%) of the Company’s reasonably expected basis in the Apartment Complex.

**Cash Expenditures** means all disbursements of cash during the applicable period, including, without limitation, cash expenditures for Operating Expenses, Debt Service Expense, including, but not limited to, the monthly funding of the Replacement Reserve and any other reserves required under this Agreement or by any Lender. Cash Expenditures shall not include payments and distributions to be made pursuant to Article 14 of this Agreement, refunds to tenants of security deposits, and expenditures from the Replacement Reserve and other reserves required to be maintained under this Agreement or by any Lender. For purposes of this definition, Cash Expenditures without a specific maturity date shall be paid on a sixty (60) day current basis.
**Cash Flow** means, for any period of time, the excess, if any, of Cash Receipts for such period over Cash Expenditures for such period.

**Cash From Capital Transaction** means the proceeds of a Capital Transaction after (i) payment of all reasonable and customary expenses associated with the Capital Transaction, (ii) repayment of all secured Company debts required by any Lender to be paid with respect to such Capital Transaction, and (iii) application of such proceeds to the repair and restoration of the Apartment Complex as provided under the terms of this Agreement. Cash from Capital Transaction shall not include Cash Flow or proceeds of any Loan.

**Cash Receipts** means all cash receipts of the Company from whatever source, including, without limitation, operating income, subsidy payments, interest or investment earnings on the Replacement Reserve or other reserves required by any Lender and assets of the Company, cash from the forfeiture or application of tenant security deposits and the cash from the release of reserves held by any Lender to the Company other than for application to the expense for which they were set aside. Cash Receipts shall not include Cash From Capital Transaction, cash from Capital Contributions, proceeds from a loan to the Company (including, without limitation, Operating Deficit Loans, IM Loans and MM Loans) and the deposit by tenants of security deposits and any interest payable to tenants thereon.


**Certificate** means the Certificate of Formation of the Company filed with the Filing Office on August 14, 2017, as such certificate may be amended from time to time.

**City Council Action** means the City Council Action approved on June 26, 2018 relating to the authorization of the Additional TIF Reimbursement.

**Closing Date** or **Closing** has the meaning set forth in the Preliminary Statement.

**CO-Issuance Date** means the date on which the issuance of all necessary certificates of occupancy or equivalent permits or licenses from the applicable governmental jurisdictions and authorities authorizing the occupancy of one hundred percent (100%) of the units in the Apartment Complex shall have occurred.

**Co-Managing Member** means Saigebrook Mistletoe, LLC, a Texas limited liability company, and any other Person admitted as a co-managing member pursuant to this Agreement, and their respective successors pursuant to this Agreement, including a Replacement Managing Member.

**Co-Managing Member Pledge** means the Pledge and Security Agreement dated as of the date hereof by the Co-Managing Member for the benefit of the Investor Member in the form of Exhibit G-1, wherein the Co-Managing Member pledges and grants a first priority security interest in the Co-Managing Member’s Interest in the Company to secure the obligations of the Managing Member under this Agreement and the Developer under the Development Agreement.
**Code** means the Internal Revenue Code of 1986, as amended from time to time, or any corresponding provision or provisions of succeeding law.

**Company** means Mistletoe Station, LLC, a Texas limited liability company.

**Company Minimum Gain** means the amount determined by computing, with respect to each Company Nonrecourse Liability, the amount of gain, if any, that would be realized by the Company if it disposed of (in a taxable transaction) the property subject to such liability in full satisfaction of such liability, and by then aggregating the amounts so computed. Such computations shall be made in a manner consistent with Regulation Sections 1.704-2(d) and (k).

**Company Nonrecourse Liability** means any Company liability (or portion thereof) for which no Member or Related Person bears the Economic Risk of Loss.

**Completion** means the date on which all of the following have occurred, in the reasonable judgment of the Investor Member: (i) Substantial Completion has been achieved; (ii) the lien-free and defect-free completion of Construction of the Apartment Complex in a good and workmanlike manner, in compliance with the Plans and Specifications with only such immaterial variations as to which Consent is not required under this Agreement and other changes approved by the Investor Member in accordance with the terms and provisions of this Agreement and the terms and provisions of the Project Documents; (iii) the issuance of all necessary permanent certificates of occupancy (with no outstanding issues relating to improvements of the Apartment Complex) from the applicable governmental jurisdictions and authorities for the Apartment Complex, allowing for immediate occupancy of one hundred percent (100%) of the Units, and any other written acknowledgement required by the Project Documents that the Apartment Complex has been completed satisfactorily and Placed in Service; (iv) delivery and installation in the Apartment Complex of all necessary and appropriate fixtures, equipment and personal property, including, without limitation, installation of all required appliances in the residential units in the Apartment Complex has occurred; (v) all amounts owing to the Contractor for the construction or rehabilitation of the Apartment Complex have been or will be with the Fourth Installment paid-in-full, as evidenced by a final application for payment (as evidenced by the Architect’s Certificate for Payment AIA Forms G702 and G703); (vi) the payment and release of all liens of subcontractors, materialmen, and other providers of labor, equipment, material and/or services to the Land and the Apartment Complex as evidenced by the receipt of all unconditional lien releases from all such subcontractors, materialmen and all other providers of labor, equipment, material and/or services to the Land and the Apartment Complex and (vii) the Completion Documentation has been provided to, and approved by, the Investor Member, with such approval not to be unreasonably withheld.

**Completion Date** means the date on which Completion is achieved.

**Completion Documentation** means any documentation that the Investor Member may reasonably require to demonstrate that the criteria for Completion have been satisfied, including but not limited to: (i) fully-executed AIA documents G704, G706, G706A, and (if a payment and performance bond had been issued) G707; (ii) a letter from the Contractor to the Company stating that the Contractor’s warranty has commenced; (iii) a letter from the Architect to the Company stating that all “work” described in the Construction Contract, including completion of...
all “punch work,” has been completed; (iv) the ALTA As-Built Survey; (v) electronic copies of the “as-built” plans and specifications; (vi) if applicable, chain-of-custody and disposal records for any Hazardous Material disposal; (vii) engineer certification pertaining to soil compaction and concrete stress testing; (viii) if applicable, written approval by appropriate professionals pertaining to the fulfillment of any “green building” or EnergyStar requirements; (ix) if requested by the Investor Member, or otherwise if required by the municipality, written approvals of completed work from the mechanical, electrical, plumbing, and/or landscape design professionals; (x) if applicable in the State, a copy of the filed public notice of completion; and (xi) if requested by the Investor Member due to reasonable concerns about the as-completed Apartment Complex’s compliance with Access Laws, an Access Laws Certification.

**Compliance Period** means with respect to each building in the Apartment Complex, the period of fifteen (15) taxable years beginning with the first taxable year of the Credit Period, as more particularly defined in Code Section 42(i).

**Consent** means the prior written consent or approval of the Investor Member at its sole discretion (except where otherwise stated) and/or any other Member, as the context may require, to do the act or thing for which the consent is solicited.

**Construction** means construction, renovation or rehabilitation, as applicable, of the Apartment Complex.

**Construction Contract** means, collectively, the General Contractor’s Construction Contract, the Sub-Contractor’s Construction Contract and the Public Bid Sub-Contractor Construction Contract.

**Construction Lender** means JPMorgan Chase Bank, N.A., in its capacity as holder of the Construction Loan, or its successors or assigns in such capacity, or such other Construction Lender subject to the Consent of the Investor Member.

**Construction Loan** means the construction loan in the maximum principal amount of $22,282,000 to be made to the Company by the Construction Lender at the Construction Loan Closing, which is to be evidenced by the promissory note given by the Company to the Construction Lender at the Construction Loan Closing, and which is to be secured by the Construction Mortgage and other related security documents and financing statements, the terms of which are subject to the Consent of the Investor Member.

**Construction Loan Draw** has the meaning set forth in Section 4.4.

**Construction Loan Closing** means the date upon which the Construction Loan is closed and the initial disbursement is made thereunder. The Construction Loan Closing is anticipated to occur on or before the Closing Date.

**Construction Mortgage** means the mortgage or deed of trust to be given by the Company at the Construction Loan Closing in favor of the Construction Lender, as holder of the Construction Loan, securing the Construction Loan.
**Construction Period** means the period commencing on Construction Loan Closing and ending on the Completion Date.

**Continued Compliance Sale** has the meaning set forth in Section 5.5.

**Contractor** means, collectively, General Contractor, the Sub-Contractor, the Public Bid Sub-Contractor or such other Contractor subject to the Consent of the Investor Member.

**Contribution Date** has the meaning set forth in Section 4.13.

**Controlling Interest** means the power to direct the management and policies of any Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise.

**Controlling Person** has the meaning given to it in the context of Section 15 of the Securities Act of 1933, as amended.

**Cost Certification** means the written certification of the Accountants, in form and substance satisfactory to the Investor Member, as to the itemized amounts of the acquisition, construction and development costs of the Apartment Complex and the Eligible Basis and Applicable Percentage pertaining to each building in the Apartment Complex, together with evidence of submission thereof to the Agency.

**Cost Savings** means the amount, if any, by which Permitted Sources exceed Development Costs.

**Counsel for the Company** means Shutts & Bowen LLP or such other firms as may be engaged by the Managing Member with Consent of the Investor Member.

**Credit Period** means the “credit period” with respect to each of the buildings in the Apartment Complex, as defined in Code Section 42(f).

**Credit Support and Funding Agreement** means that certain Credit Support and Funding Agreement by and between the Company and the Construction Lender dated as of August 30, 2018 relating to the Construction Loan.

**DDF Election** has the meaning set forth in Section 8.1(b).

**Debt Service Coverage Ratio** means, for the applicable period, the Net Operating Income divided by the Debt Service Expense. The calculation of the Debt Service Coverage Ratio shall be prepared by the Managing Member and approved in good faith by the Investor Member in its sole discretion, notwithstanding any other provision herein to the contrary.

**Debt Service Expense** means, with respect to any period, the debt service expense incurred by the Company on an accrual basis, including interest expense and required principal payments, late charges and any other fees and expenses incurred during such period and solely relating to the Permanent Loan; provided that where the Debt Service Expense is being calculated for purposes of Rental Achievement and Loan sizing pursuant to Section 8.4(a) for the
period prior to Permanent Loan Closing (other than in connection with calculation of Development Costs), it shall equal the Debt Service Expense that would have been incurred by the Company if Permanent Loan Closing (assuming the anticipated Permanent Loan terms at the time of the calculation) had occurred prior to such period.

**Default IM Loans** means IM Loans (or portions thereof) made pursuant to Section 4.12 that arise from a default by the Managing Member in its obligations to the Company under this Agreement. For example, an IM Loan made to fund Operating Deficits that the Managing Member failed to fund in breach of the Operating Deficit Guaranty shall constitute a Default IM Loan.

**Deferred Development Fee** means the deferred portion, if any, of the Development Fee payable by the Company to the Developer pursuant to the Development Agreement and Article 14. The amount of the Deferred Development Fee is expected to be $2,221,407.

**Deficit Restoration Contribution** has the meaning set forth in Section 4.2(c)(ii).

**Deficit Restoration Obligation** has the meaning set forth in Section 4.2(c)(ii).

**Developer** means, collectively, Saigebrook Development, LLC, a Florida limited liability company and O-SDA Industries, LLC, a Texas limited liability company.

**Developer Pledge** means the Pledge and Security Agreement dated as of the date hereof by the Developer for the benefit of the Investor Member in the form of Exhibit H.

**Development Agreement** means the Development Agreement dated as of August 30, 2018 between the Developer and the Company, in the form set forth in Exhibit E.

**Development Budget** means the construction, development and financing budget for the Apartment Complex, including, without limitation, the construction of the Apartment Complex, the furnishing of all personalty in connection therewith, and the operation of the Apartment Complex prior to Rental Achievement, which is attached hereto as Exhibit B, and any amendments thereto made with the Consent of the Investor Member.

**Development Costs** means all direct or indirect costs paid or accrued by the Company related to the acquisition of the Land and the development and Completion of the Apartment Complex through and including Rental Achievement, including, without limitation, all amounts due under and pursuant to the Construction Contract, all costs of completing punchlist items regardless of when incurred and all direct or indirect costs paid or accrued by the Company related to the operation of the Apartment Complex prior to and including Rental Achievement, including, without limitation, the following: (i) costs of acquiring, financing, developing and constructing the Apartment Complex, as described in and as contemplated by the Plans and Specifications and the Project Documents, including, without limitation, any construction cost overruns, the cost of any change orders and all costs necessary to achieve Completion and Rental Achievement; (ii) all Debt Service Expense which is due and payable or accrues at any time prior to Rental Achievement; (iii) all costs, payments and deposits needed to avoid a default under the Construction Loan, including, without limitation, all required deposits to satisfy any requirements of the Construction Lender and the Investor Member to keep the Construction Loan
“in balance”; (iv) all monthly payments required to be made to the Replacement Reserve upon and prior to Rental Achievement; (v) all costs and expenses relating to remedying any environmental problem or condition of Hazardous Materials that existed on or prior to Rental Achievement; (vi) all costs, expenses and other charges incurred in connection with the operation of the Apartment Complex on or prior to Rental Achievement, including, without limitation, local taxes, utilities, mortgage insurance premiums and casualty and liability insurance premiums and other amounts which are required pursuant to the Construction Loan; (vii) all other costs and expenses of the Company accrued on or prior to Rental Achievement, including, without limitation, legal fees, and fees of other professionals; (viii) any fees paid or due to the Managing Member and its Affiliates, including the Development Fee; (ix) all costs to achieve Construction Loan Closing, Permanent Loan Closing and Rental Achievement, including costs to date down Owner’s Title Policy; (x) funding of the Operating Reserve and any other reserve in accordance with Section 5.10 hereof; and (xi) the costs of on and off-site improvements required under the TIF Reimbursement Agreement and the City Council Action.

Development Deficit means, as of any date, the amount, if any, by which the Development Costs which the Company has an obligation to pay as of such date exceed the sum of Permitted Sources as of such date.

Development Fee means the fee payable by the Company to the Developer pursuant to the Development Agreement and as set forth in Section 5.9(a).

Due Diligence Documents means the documents requested and provided to the Investor Member in connection with its review of the transaction reflected herein.

Economic Risk of Loss has the meaning set forth in Regulation Section 1.752-2.

Eligible Basis has the meaning set forth in Code Section 42(d) and the Regulations and rulings thereunder.

Entity means any general partnership, limited partnership, corporation, limited liability company, joint venture, trust, business trust, cooperative, association, the State or any agency or political subdivision thereof.

Environmental Laws means any law, regulation, code, license, permit, order, judgment, decree or injunction from any governmental authority relating to the Clean Air Act, the Clean Water Act, the Resource Conservation and Recovery Act, the Toxic Substance Control Act, the Safe Drinking Water Control Act, CERCLA, the Occupational Safety and Health Act and any other federal, state or local laws, regulations, ordinances or decrees governing Hazardous Material or hazardous substances or the protection or preservation of public and/or human health or the environment (including air, water, soil and natural resources) or the presence, transportation, recycling, storage, treatment, use, handling, disposal, release or threat of release, or exposure to Hazardous Material, in each such case which has the force of law and is in force at the date of this Agreement.

Equity Lender means the financial institution which advances funds to the Investor Member to pay its Capital Contribution obligations under this Agreement.

Event of Bankruptcy means, with respect to the Company, a Managing Member, the Management Agent, a Guarantor or a Person with a Controlling Interest in any of them (i) the voluntary or involuntary filing of a petition in bankruptcy by or against such person under the federal Bankruptcy Code (11 U.S.C. §§1101 et seq.), as amended, or any successor statute thereto, or the commission of an act of bankruptcy (except if the filing of the petition in bankruptcy or act of bankruptcy is susceptible to cure or dismissal and is so cured or dismissed within ninety (90) days), (ii) the voluntary or involuntary commencement of an assignment for the benefit of creditors, a receivership or other insolvency proceeding pursuant to state law or as determined by court proceedings; or (iii) with respect to a Managing Member, any of the following:

(a) The making of an assignment for the benefit of creditors or the filing of a voluntary petition in bankruptcy by the Managing Member;

(b) The filing of an involuntary petition in bankruptcy against the Managing Member which is not dismissed within ninety (90) days after filing or the adjudication of the Managing Member as a bankrupt or insolvent;

(c) The filing by the Managing Member of a petition or answer seeking for the Managing Member any reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under any statute, law or rule;

(d) The filing by the Managing Member of an answer or other pleading admitting or failing to contest the material allegations of a petition filed against the Managing Member in any proceeding of a nature described under sub-paragraph (c) above;

(e) The seeking, consenting to or acquiescing in the appointment of a trustee, receiver or liquidator by any Person with a Controlling Interest in the Managing Member or of all or a substantial part of the Managing Member’s properties;
(f) The commencement of a proceeding against the Managing Member seeking reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under any statute, law or rule not dismissed within ninety (90) days after commencement of the proceeding;

(g) The appointment, without the Managing Member’s Consent, of a trustee, receiver or liquidator, either of the Managing Member or of all or a substantial part of the Managing Member’s properties, which is not vacated or stayed on or before the ninetieth (90th) day after such appointment and, if stayed, is not vacated on or before the ninetieth (90th) day after expiration of the stay;

(h) The inability of the Managing Member to pay its debts as they become due;

(i) The Managing Member becoming “insolvent” by the taking of any action or the making of any transfer or otherwise, as insolvency is or may be defined pursuant to the Federal Bankruptcy Code, the Uniform Fraudulent Transfers Act, any similar state or federal act or law, or the ruling of any court, or

(j) If either (I) any one or more judgments or orders against the Managing Member with respect to a claim or claims involving in the aggregate liabilities exceeding $50,000.00, which judgment or order is not covered in full by insurance or is not stayed, bonded, paid or discharged within thirty (30) days after such judgment or order, or (II) any writ of attachment or execution or any similar process is (A) issued or levied against such Person’s property and (B) is not discharged or stayed within thirty (30) days thereof.

**Event of Default** means an event of default listed in Section 7.1.

**Excess IM Loan Amount** means the amount, if any, by which the outstanding balance of all IM Loans, including principal and accrued interest, exceeds the outstanding balance of all MM Loans, including principal and accrued interest.

**Excess MM Loan Amount** means the amount, if any, by which the outstanding balance of all MM Loans, including principal and accrued interest, exceeds the outstanding balance of all IM Loans, including principal and accrued interest.

**Extended Use Agreement** means the extended low-income housing commitment executed by the Company and the Agency related to the Apartment Complex, which commitment satisfies the requirements of Code Section 42(h)(6)(B) which is required to be recorded prior to the end of the first year in which Housing Tax Credits are claimed.

**Facility** has the meaning given to it in CERCLA, and shall also include any meaning given to it in any similar state or local statutes, ordinances or regulations.

**Fifth Installment** has the meaning set forth in Section 4.2(b)(v).

**Filing Office** has the meaning set forth in the Preliminary Statement.
FinCen has the meaning set forth in Section 6.1(ggg).

First Installment has the meaning set forth in Section 4.2(b)(i).

Forms 8609 means the IRS Forms 8609 issued by the Agency for each residential building of the Apartment Complex which allocates Housing Tax Credits to such residential building.

Fourth Installment has the meaning set forth in Section 4.2(b)(iv).

Funding Conditions means the conditions to funding of the Investor Member’s Capital Contributions as set forth on Exhibit C hereto.

FWHFC Lender means Fort Worth Housing Finance Corporation, in its capacity as holder of the FWHFC Loan, or its successors or assigns in such capacity, or such other FWHFC subject to the Consent of the Investor Member.

FWHFC Loan means the construction and permanent loan in the maximum principal amount of $750,000, including accrued interest, to be made by the FWHFC Lender to the Company in part at the Construction Loan Closing, which is to be evidenced by the promissory note made by the Company in favor of the FWHFC Lender at the Construction Loan Closing, and which is to be secured by the FWHFC Mortgage and other related security documents and financing statements, the terms of which are subject to the Consent of the Investor Member.

FWHFC Mortgage means the mortgage or deed of trust made by the Company at the Construction Loan Closing in favor of the FWHFC Lender, as holder of the FWHFC Loan, securing the FWHFC Loan.

General Contractor means Fort Worth Housing Finance Corporation of Fort Worth, Texas, pursuant to the General Contractor’s Construction Contract.

General Contractor’s Construction Contract means the AIA Standard Form of Agreement Between Owner and Contractor dated August 16, 2018, by and between the Company and the General Contractor relating to the construction of the Apartment Complex, and subject to the Consent of the Investor Member.

Government Official means an officer, employee or official of a government, government owned or controlled entity, political party or public international organization, or a candidate for political office.

Gross Operating Revenues means, with respect to any given period of time, actual monthly collections from the customary operations of the Apartment Complex, including, without limitation, any and all of the following: (i) rent paid by tenants; (ii) rental assistance subsidy payments which are actually paid during such period or up to 90 days accrual; (iii) late charges and interest paid by tenants; (iv) rents, receipts and fees from cellular towers, laundry facilities and similar items; (v) fees from Apartment Complex amenities, including parking, cable television and telephone revenues; and (vi) earnings on the Replacement Reserve, Operating Reserve or other reserves, accounts and investments of the Company; (vii) tenant
security deposits forfeited by tenants or applied against amounts due from tenants; and (viii) any rental assistance subsidy payments received by the Company in excess of maximum rents allowed under Section 42 of the Code. Gross Operating Revenues shall not include any revenues from condemnation or casualty proceeds (other than rental interruption insurance), any cash advances from the Company, refunds or rebates from suppliers or vendors, revenue from the sale of any personal or real property of the Company. Gross Operating Revenues shall not include prepaid rent until such time the rent is due. For purposes of determining whether Rental Achievement has occurred, and the applicable Debt Service Coverage Ratio at any time, Gross Operating Revenues shall not exceed the amount of Gross Operating Revenues that could have been achieved by applying a 7% vacancy rate (5% for Section 8 Units) to potential gross income and shall specifically exclude (1) any non-project based rental assistance subsidy payments received by the Company in excess of maximum rents allowed under Section 42 of the Code, (2) fees from parking in excess of the amount underwritten by the Investor Member to be included in Gross Operating Revenues, (3) non-recurring or unpredictable sources of income such as late fees, penalties, security deposits, interest income on security deposits, prepaid rent and rental receipts prior to the month to which they relate, tenant application fees, interest or other income earned on investment of Company funds, and (4) rents paid by (a) any commercial space tenant, and (b) any tenant in a Housing Tax Credit Unit who does not qualify as low income under the requirements of Section 42 of the Code and the Project Documents.

**Groundbreaking Activities** has the meaning set forth in Section 6.1(eee).

**Guarantors** means, jointly and severally, the Co-Managing Member, the Administrative Member, the Developer, Lisa M. Stephens, individually and Megan D. Lasch, individually.

**Guaranty** means the guaranty of the performance of certain of the obligations of the Managing Member under this Agreement and the Developer under the Development Agreement for the benefit of the Investor Member given by the Guarantors, which Guaranty is in the form of Exhibit F.

**HAP Award Letter** means that certain Award Letter dated as of July 30, 2018 relating to the Section 8 Units in connection with the Apartment Complex.

**HAP Contract** means that certain Housing Assistance Payments Contract (HAP) for the Section 8 Units between the Company and Fort Worth Housing Solutions to be delivered at Completion in connection with the Apartment Complex, having a term of not less than fifteen (15) years, to provide for rental assistance in the form of project-based housing vouchers.

**Hazardous Material** has the collective meanings given to the terms “hazardous material”, “hazardous substances” and “hazardous wastes” in CERCLA, and to the term “radioactive materials” (including, without limitation, any source and special nuclear by-product material) as defined by or in the context of the Atomic Energy Act, 42 U.S.C. Section 2011 et seq., as amended or hereafter amended, and also includes any hazardous, toxic or polluting contaminant, substance or waste, including without limitation any solid waste, toxic substance, hazardous substance, hazardous material, hazardous chemical, pollutant or hazardous or acutely hazardous waste defined or qualifying as such in (or for purposes of) any Environmental Law. In addition, the term “Hazardous Material” also includes, but is not limited to, petroleum
Amended and Restated Operating Agreement

Mistletoe Station, LLC

(including, without limitation, crude oil and any fraction thereof), petroleum products, asbestos containing materials, microbial contaminants, polychlorinated biphenyls or lead-based paint, radon and any other substance known to be hazardous.

**HOME Act** has the meaning set forth in Section 6.1(q).

**HOME Lender** means the Agency, in its capacity as holder of the HOME Loan, or its successors or assigns in such capacity, or such other HOME Lender subject to the Consent of the Investor Member.

**HOME Loan** means the construction and permanent loan in the anticipated principal amount of $1,056,000 to be made to the Company by the HOME Lender in part at the Construction Loan Closing, which is to be evidenced by the promissory note given by the Company to the HOME Lender at the Construction Loan Closing, and which is to be secured by the HOME Mortgage and other related security documents and financing statements, the terms of which are subject to the Consent of the Investor Member.

**HOME Minimum Set-Aside Test** means the HOME Program set aside test required to be met by the Apartment Complex as set forth in the HOME Regulatory Agreement entered or to be entered into between the Company and the Agency in connection with the HOME Loan.

**HOME Mortgage** means the mortgage or deed of trust to be given by the Company at the Construction Loan Closing in favor of the HOME Lender, as holder of the HOME Loan, securing the HOME Loan.

**HOME Program** means the HOME Investment Partnerships Program established under the Cranston Gonzalez National Affordable Housing Act of 1990.

**Housing Tax Credit Compliance Guaranty** means the guaranty of the Managing Member to make payments described in Section 8.3.

**Housing Tax Credit Disallowance Event** means (a) the filing of a tax return by the Company or an amendment by the Company to a tax return evidencing a reduction in the Qualified Basis of the Apartment Complex causing a recapture or disallowance of Housing Tax Credits previously allocated to the Investor Member, (b) a reduction in the Qualified Basis or a change in the Applicable Percentage of the Apartment Complex following an assessment or audit by the Service which results in the assessment of a deficiency by the Service against the Company with respect to any Housing Tax Credits previously claimed in connection with the Apartment Complex, unless the Company shall timely file a petition with respect to such deficiency with the United States Tax Court or any other federal court of competent jurisdiction and the collection of such assessment shall be stayed pending the disposition of such petition, (c) a decision by the United States Tax Court or any other federal court of competent jurisdiction upholding the assessment of a deficiency against the Company associated with a reduction in Qualified Basis of the Apartment Complex or change in the Applicable Percentage with respect to any Housing Tax Credits previously claimed in connection with the Apartment Complex, unless the Company shall timely appeal such decision and the collection of such assessment shall be stayed pending the disposition of such appeal, or (d) the decision of a federal court of competent jurisdiction affirming such decision.
**Housing Tax Credit Excess** has the meaning set forth in Section 4.2(d).

**Housing Tax Credit Price** means $0.86.

**Housing Tax Credit Shortfall** means any reduction in Housing Tax Credits of which 99.99% are allocable to the Investor Member as a result of (a) Actual Housing Tax Credits being less than the Projected Housing Tax Credits (or, if applicable, the Revised Projected Housing Tax Credits), or (b) as a result of a Housing Tax Credit Disallowance Event.

**Housing Tax Credit Shortfall Payment** means any amounts payable by reason of the provisions of Section 4.2(d) or Section 8.3 as a result of a Housing Tax Credit Shortfall.

**Housing Tax Credit Units** has the meaning set forth in Section 6.1(p).

**Housing Tax Credits** means the low-income housing tax credits allowable to the Company pursuant to Code Section 42.

**Hunt** means Hunt Capital Partners, LLC, a Delaware limited liability company, or its successor in interest.

**Hunt Entity** means an Affiliate of Hunt or the Investor Member.

**Hunt Indemnified Parties** means the Investor Member, the Special Investor Member and their Affiliates, and all past and present officers, directors, managers, employees, partners, agents, shareholders, members, trustees, predecessors, successors, subrogees, attorneys, insurance carriers and assigns of the Investor Member, the Special Investor Member and their Affiliates. For the avoidance of doubt, any Person holding more than 10% of the investor member interests in the Investor Member or the Special Investor Member is an Affiliate of the Investor Member or the Special Investor Member, respectively, and shall constitute one of the Hunt Indemnified Parties.

**IM Loans** has the meaning set forth in Section 4.12.

**Immediate Family** means with respect to any Person, such Person’s spouse, parents, parents-in-law, descendants, nephews, nieces, brothers, sisters, brothers-in-law, sisters-in-law, children-in-law and grandchildren-in-law.

**Imputed Underpayment** means that amount of tax finally determined to be due under Section 6225 of the Code with respect to adjustments to the Company’s items of income, gain, loss, deduction, or credit for any Company taxable year.

**Initial 100% Occupancy** means that Construction has been completed and one hundred percent (100%) of all units (excluding the Market Rate Units) in the Apartment Complex including the Housing Tax Credit Units shall have been leased to and shall have been physically occupied by Qualified Tenants.

**Initial Operating Reserve Amount** has the meaning set forth in Section 5.10(b).
Initiating Member has the meaning set forth in Section 4.13.

Installment or Installments has the meaning set forth in Section 4.2(b).

Interest means the entire interest of a Member in the Company at any particular time, including the right of such Member to any and all benefits to which a Member may be entitled hereunder and the obligation of such Member to comply with the terms of this Agreement.

Investor Member means HCP-ILP, LLC, a Nevada limited liability company, its successors and/or assigns and any Person or Persons who replaces it as a Substitute Investor Member.

Involuntary Withdrawal has the meaning set forth in Section 7.2(b)(i).

Land means the tract of land currently owned or leased or to be purchased or leased by the Company upon which the Apartment Complex will be located, as more particularly described in Exhibit A hereto.

Lender means any Person who makes a loan to the Company for so long as such loan remains outstanding, or its successors and assigns in such capacity.

Lending Member has the meaning set forth in Section 4.16.

Limited Guaranty Agreement shall mean that certain Limited Guaranty by Hunt for the benefit of the Construction Lender dated the date hereof.

Limited Recourse Liability has the meaning set forth in Section 8.3(d).

Liquid Assets means cash or cash equivalents that can be converted to cash within forty-eight (48) hours.

Liquidator means the Managing Member or, if there is none at the time in question, such other Person who may be appointed in accordance with applicable law and who shall be responsible for taking all action necessary or appropriate to wind up the affairs of, and distribute the assets of, the Company upon its dissolution.

Loans means the Construction Loan, the Permanent Loan, the HOME Loan and the FWHFC Loan.

Management Agent means Accolade Property Management, Inc., a Texas corporation, and/or any successor or assign who is selected by the Managing Member with the Consent of the Investor Member to provide management services with respect to the Apartment Complex in accordance with Article 16.

Management Agreement means the agreement between the Company and the Management Agent substantially in the form attached hereto as Exhibit I, providing for the marketing and property management of the Apartment Complex by the Management Agent.
**Management Fee** means the fee payable by the Company to the Management Agent pursuant to the Management Agreement.

**Managing Member** means the Co-Managing Member and the Administrative Member and any other Person admitted as a managing member pursuant to this Agreement, and their respective successors pursuant to this Agreement, including the Replacement Managing Member.

**Managing Member Pledge** means the Co-Managing Member Pledge and the Administrative Member Pledge.

**Managing Member’s Special Capital Contribution** has the meaning set forth in Section 4.1(c).

**Market Rate Units** means the thirty six (36) dwelling units in the Apartment Complex not eligible for Housing Tax Credits and rented at market rates.

**Member** means the Co-Managing Member, the Administrative Member, the Investor Member and the Special Investor Member.

**Member Loans** means collectively the IM Loans and the MM Loans.

**Member Nonrecourse Debt** means any Company liability (a) that is considered nonrecourse under Regulation Section 1.1001-2 or for which the creditor’s right to repayment is limited to one or more assets of the Company and (b) for which any Member or Related Person bears the Economic Risk of Loss.

**Member Nonrecourse Debt Minimum Gain** means the amount of partner nonrecourse debt minimum gain and the net increase or decrease, as the case may be, in partner nonrecourse debt minimum gain determined in a manner consistent with Regulation Sections 1.704-2(d), 1.704-2(g)(3), 1.704-2(i)(3) and 1.704-2(k).

**Minimum Set-Aside Test** means the set aside test selected by the Company pursuant to Code Section 42(g) whereby at least forty percent (40%) of the Housing Tax Credit Units in the Apartment Complex must be occupied by individuals with incomes equal to sixty percent (60%) or less of area median income; provided, that 8 of the Housing Tax Credit Units must be occupied by persons whose incomes are at or below 30% of the established median gross income, 30 of the Housing Tax Credit Units must be occupied by persons whose incomes are at or below 50% of the established median gross income and 36 of the Housing Tax Credit Units must be occupied by persons whose incomes are at or below 60% of the established median gross income, as set forth in the Application and in all cases as adjusted for family size. There will be thirty six (36) Market Rate Units.

**MM Incentive Management Fee** means the fee payable by the Company to the Managing Member pursuant to the provisions of Sections 5.9(b) and 14.1(a).

**MM Loans** have the meaning set forth in Section 4.11.
**Net Operating Income** means, with respect to any given period of time, the aggregate Gross Operating Revenues for such period of time minus the aggregate Operating Expenses for such period of time.

**New Allocation** has the meaning set forth in Section 13.5(b).

**No Cure Sections** has the meaning set forth in Section 7.2(c)(i).

**Non-Initiating Members** has the meaning set forth in Section 4.13.

**Notice, Notification and Notify** each have the meaning set forth in Section 19.1.

**Notice of Default** has the meaning set forth in Section 7.2(a).

**O& M** has the meaning set forth in Section 6.2.

**Occupancy Commencement Date** means the first date a Unit is leased and occupied.

**Operating Deficit** means, for any specified period of time, the amount by which Cash Expenditures for such period exceeds Cash Receipts for such period.

**Operating Deficit Guaranty** means the guaranty of the Managing Member to fund Operating Deficits during the Operating Deficit Guaranty Period.

**Operating Deficit Loan** means a loan from a Managing Member to the Company to fund Operating Deficits pursuant to Section 8.2.

**Operating Deficit Loan Cap** has the meaning set forth in Section 8.2.

**Operating Deficit Guaranty Period** means the period commencing on Rental Achievement and terminating sixty (60) months after Rental Achievement, *provided that* such sixty (60) month period shall be extended for additional periods of twelve (12) consecutive months unless and until (i) the Company achieves an average Debt Service Coverage Ratio of at least 1.15 to 1.0 during the last twelve (12) calendar months of the Operating Deficit Guaranty Period as so extended and (ii) the balance of the Operating Reserve is at least the $540,000.

**Operating Expenses** means, with respect to any given period of time, all expenses of the Company in connection with the ownership, operation, leasing and occupancy of buildings in the Apartment Complex attributable to such period as determined on an accrual basis, (except that seasonal expenses shall be averaged over the entire year), excluding Debt Service Expense and all expenses and payments set forth in Section 14.1(a), but including, without limitation, any and all of the following: (i) general real estate taxes; (ii) special assessments or similar charges; (iii) personal property taxes, if any; (iv) sales and use taxes applicable to such operating expenses; (v) cost of utilities for the Apartment Complex; (vi) maintenance and repair costs of the Apartment Complex (to the extent not funded from the Replacement Reserve); (vii) operating and management expenses and fees; (viii) premiums of insurance carried on or with respect to the Apartment Complex; (ix) marketing costs, leasing commissions and advertisement and promotional costs, to obtain leases and the cost of work performed to ready space in the
Apartment Complex for occupancy under leases; (x) accounting and auditing fees and costs, attorneys’ fees and other administrative and general expenses and disbursements of the Company (excluding the Asset Management Fee and the MM Incentive Management Fee) in connection with the ownership, operation, leasing and management of the Apartment Complex and the Company; (xi) amounts required to fund the Replacement Reserve and any other reserve required pursuant hereto or under the Project Documents; and (xii) any capital expenditures not funded from reserves. For purposes of calculating the Debt Service Coverage Ratio at any time, Operating Expenses (excluding annual deposits for Replacement Reserves) means the greater of (1) actual Operating Expenses, as calculated in the preceding sentence, inclusive of fully assessed real estate taxes, or (2) $3,986 per unit times 110 per year plus actual real estate taxes if available, otherwise $1,318 per unit per year.

**Operating Reserve** has the meaning set forth in Section 5.10(b).

**Opinion of Counsel** means the opinion(s) of counsel to be rendered by Counsel for the Company and the Managing Member to the Investor Member and its counsel, as required herein, in form and substance satisfactory to the Investor Member.

**Original Agreement** has the meaning set forth in the Preliminary Statement.

**Partnership Representative** has the meaning set forth in Section 15.2(a).

**Payment Date** means the date which is seventy-five (75) days after the end of the Company’s fiscal year with respect to the preceding fiscal year.

**Percentage Interest** means ninety-nine and ninety-nine hundredths percent (99.99%) as to the Investor Member, two one-thousandth percent (0.002%) as to the Special Investor Member, forty eight one-thousandth percent (0.0048%) as to the Co-Managing Member and thirty two one-thousandth percent (0.0032%) as to the Administrative Member; provided, however, if a Replacement Managing Member replaces the Managing Member pursuant to Section 7.2(b)(i) and (ii), then the Replacement Managing Member shall have a Percentage Interest of eight one-thousandth percent (0.008%).

**Permanent Lender** means Hunt Mortgage Partners, LLC, in its capacity as maker and holder of the Permanent Loan, together with its successors and assigns in such capacity, or such other Permanent Lender subject to the Consent of the Investor Member.

**Permanent Loan** means the mortgage or deed of trust loan in the anticipated principal amount of $8,300,000 to be made to the Company by the Permanent Lender at Permanent Loan Closing, which will be evidenced by the promissory note to be given by the Company to the Permanent Lender at Permanent Loan Closing, which will be secured by the Permanent Mortgage and other related security documents and financing statements, the terms of which will be subject to the Consent of the Investor Member, and which will be nonrecourse to the Company and the Members from and after Permanent Loan Closing. Such Permanent Loan may be the Construction Loan that has satisfied the conditions to convert to a Permanent Loan.

**Permanent Loan Agreement** means that certain Multifamily Loan and Security Agreement entered into by and between the Permanent Lender and the Company.
**Permanent Loan Closing** means the first date upon which each of the following shall have occurred as reasonably determined and approved in writing by the Investor Member: (a) the Completion Date, (b) the Construction Loan shall have been repaid in full and all liens and pledges relating thereto shall have been released or the Construction Loan shall have been converted to a Permanent Loan, (c) the disbursement by the Permanent Lender of the proceeds of the Permanent Loan unless the Construction Loan shall have been converted to a Permanent Loan, (d) amortization of the Permanent Mortgage shall commence within thirty (30) days of the closing of the Permanent Loan; (e) receipt by the Investor Member of a date down of the Title Policy, if available; (f) full funding of all Loans; and (g) such other conditions as the Investor Member may require.

**Permanent Loan Commitment** means the written commitment of the Permanent Lender to make the Permanent Loan to the Company on the terms set forth in the Permanent Loan Commitment.

**Permanent Loan Shortfall** has the meaning set forth in Section 8.4(b).

**Permanent Mortgage** means the mortgage or deed of trust to be given by the Company at Permanent Loan Closing in favor of the Permanent Lender, as holder of the Permanent Loan, securing the Permanent Loan, which shall be the Construction Mortgage if the Construction Loan converts to the Permanent Loan.

**Permitted Sources** means (i) proceeds of the Loans; (ii) the right to defer the Development Fee pursuant to this Agreement and the Development Agreement; (iii) the Capital Contributions required by the Members under this Agreement (other than the Special Additional Capital Contribution, the Managing Member’s Special Capital Contribution and the Special Investor Member’s Special Capital Contribution); (iv) Cash Receipts prior to Rental Achievement; and (v) the TIF Reimbursement for costs incurred pursuant to the TIF Reimbursement Agreement and the Additional TIF Reimbursement for costs incurred pursuant to the City Council Action.

**Person** means any individual or Entity, and the heirs, executors, administrators, legal representatives, successors and assigns of such individual or Entity as the context may require.

**Placed in Service** or **Placement in Service** means the placement in service of all dwelling units in the Apartment Complex for purposes of Section 42 of the Code.

**Placed in Service Date** means the date by which all dwelling units in the Apartment Complex have been Placed in Service.

**Plans and Specifications** means the plans and specifications for the Apartment Complex stamped with the seal of an architect and/or engineer, which have been approved in writing by the Investor Member, and any changes thereto made in accordance with the terms of this Agreement. The Plans and Specifications approved by the Investor Member, and the date thereof, are listed on Exhibit P.

**Pledged Payments** has the meaning set forth in Section 5.11.
**Predevelopment Loan** means the pre-development loan made to the Company by HCP-ILP, LLC, a Nevada limited liability company on April 13, 2018 in the principal amount of $850,000, evidenced by the promissory note given by the Company to the HCP-ILP, LLC, a Nevada limited liability company, as amended by the Amendment to Predevelopment Loan dated as of June 21, 2018, and to be paid off with proceeds of the First Installment.

**Prime Rate** means the “prime rate” of interest as published in *The Wall Street Journal* from time to time.

**Project Documents** means and includes (i) all documentation related to the Loans; (ii) the Construction Contract, the Architect’s Agreement, the Development Agreement, the Guaranty, the Management Agreement and documentation relating thereto, (iii) the Plans and Specifications, (iv) the Application, (v) the reservation, Carryover Allocation, Carryover Certification and related documents pertaining to the Housing Tax Credits, (vi) the Extended Use Agreement, (vii) the HAP Award Letter, the HAP Contract and the Section 811 Subsidy Contract, (viii) the TIF Reimbursement Agreement and the City Council Action (ix) all other instruments delivered to (or required by) any Lender and/or any Agency, (x) the Managing Member Pledge and the Developer Pledge, (xi) the Purchase Option Agreement, and (xii) all other documents relating to the Apartment Complex and by which the Company is bound, in each case as amended or supplemented from time to time.

**Projected Housing Tax Credits** means Housing Tax Credits that the Managing Member has projected to be the total amount of the Housing Tax Credits which will be allocated to the Investor Member by the Company, constituting 99.99% of the Housing Tax Credits which are projected to be available to the Company. The Projected Housing Tax Credits as of the date hereof are allocated to the following Fiscal Years in the following respective amounts (subject to adjustment if the Projected Housing Tax Credits are revised pursuant to Section 4.2(d)):

<table>
<thead>
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<th>Fiscal Year</th>
<th>Amount</th>
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<tbody>
<tr>
<td>2019</td>
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<tr>
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<tr>
<td>2029</td>
<td>$1,455,935</td>
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<tr>
<td>2030</td>
<td>$64,183</td>
</tr>
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</table>

**Public Bid Sub-Contractor** means Rumsey Construction LLC, pursuant to that Public Bid Sub-Contractor’s Construction Contract.

**Public Bid Sub-Contractor’s Construction Contract** means the construction contract on DAP Bid Form, Project #101561 dated August 1, 2018, by and among the Company, the Public Bid Sub-Contractor and the City of Fort Worth relating to the construction of the Apartment Complex, and subject to the Consent of the Investor Member.
**Purchase Option Agreement** means the Purchase Option Agreement attached hereto as Exhibit O.

**Purposes** means the various reasons and purposes for which the Company has been formed as recited in Section 3.1.

**Qualified Basis** means that portion of the Eligible Basis of the Apartment Complex upon which the Company is able to receive Housing Tax Credits, as more particularly defined in Code Section 42(c).

**Qualified Income Offset Item** means (1) an allocation of loss or deduction that, as of the end of each year, reasonably is expected to be made (a) pursuant to Section 704(e)(2) of the Code to a donee of an interest in the Company, (b) pursuant to Section 706(d) of the Code as the result of a change in any Member’s Interest, or (c) pursuant to Regulation Section 1.751-1(b)(2)(ii) as the result of a distribution by the Company of unrealized receivables or inventory items and (2) a distribution that, as of the end of such year, reasonably is expected to be made to a Member to the extent it exceeds offsetting increases to such Member’s Capital Account which reasonably are expected to occur during or prior to the Company taxable year in which such distribution reasonably is expected to occur.

**Qualified Tenant** means a tenant (i) with income on the date of the initial occupancy of the tenant’s unit not exceeding that permitted by the Minimum Set-Aside Test or the HOME Minimum Set-Aside Test, as applicable, and any other additional set-asides applicable to the Apartment Complex, who leases a Unit in the Apartment Complex under a lease having an original term of not less than twelve (12) months and at a rent which satisfies the Rent Restriction Test and (ii) complying with any other requirements imposed by the Project Documents.

**Recourse Obligations** has the meaning set forth in Section 13.4(a).

**Regulations** means the regulations promulgated under the Code.

**Related Person** means a Person related to a Member within the meaning of Regulation Section 1.752-4(b).

**Rent Restriction Test** means the test pursuant to Code Section 42(g) whereby the gross rent, including utility allowances, charged to tenants of Housing Tax Credit Units in the Apartment Complex is not allowed to exceed thirty percent (30%) of the imputed income limitation levels applicable to such Housing Tax Credit Units based on the applicable area median income levels under the Minimum Set-Aside Test or the HOME Minimum Set-Aside Test, as applicable.

**Rental Achievement** means the first date on which the Apartment Complex has attained, as reasonably determined and approved by the Investor Member in writing, all of the following: (a) a 1.15 to 1.00 Debt Service Coverage Ratio with respect to the Permanent Loan, each month for a period of three (3) consecutive calendar months of operations ending within 60 days immediately preceding the anticipated date of Rental Achievement, (b) physical occupancy of at least ninety percent (90%) of the units in the Apartment Complex each month over the same
three (3) month period, including at least ninety percent (90%) of (i) Market Rate Units, and (ii) the Housing Tax Credit Units each month over the same three (3) month period by Qualified Tenants, (c) Permanent Loan Closing, (d) Initial 100% Occupancy, (e) no continuing Event of Default hereunder, and (f) continuing compliance with the Minimum Set Aside Test.

**Rental Assistance Agreement** means, collectively, the HAP Contract and, if applicable, the Section 811 Subsidy Contract.

**Replacement Managing Member** has the meaning set forth in Section 7.2(b)(ii).

**Replacement Reserve** means (a) the Replacement Reserve to be established by the Company and administered in accordance with Section 5.10(a), and (b) any funds of the Company held by any Lender as a reserve for repairs and replacements.

**Revised Projected Housing Tax Credits** has the meaning set forth in Section 4.2(d)(vii).

**Second Installment** has the meaning set forth in Section 4.2(b)(ii).

**Section 4.16 Capital Contributions** has the meaning set forth in Section 4.16.

**Section 8 Units** means the 8 units that are eligible to receive rental assistance in the form of project-based housing vouchers to be provided to the Company in connection with the HAP Contract.

**Section 811 Subsidy Contract** means, if applicable, a Section 811 Project Rental Assistance Contract to be entered into by the Company, as outlined in the Section 811 Project Rental Assistance Program Owner Participation Agreement to provide rental subsidy for any units that may be restricted at 50% or 60% of the established median gross income and occupied by Eligible Tenants (as defined in the Section 811 Subsidy Contract) for a term of not less than fifteen (15) years.

**Service** means the Internal Revenue Service.

**Shortfall Year** has the meaning set forth in Section 4.2(d)(ii).

**Special Additional Capital Contribution** has the meaning set forth in Section 4.2(c).

**Special Investor Member** means HCP-SLP, LLC, a Nevada limited liability company, and any Person or Persons who replace it as Substitute Investor Member.

**Special Investor Member’s Special Capital Contribution** has the meaning set forth in Section 4.1(c).

**State** means the State of Texas.

**Sub-Contractor** means Maker Bros Construction, of Addison, Texas, pursuant to that certain agreement between the City of Fort Worth and the Sub-Contractor.
**Sub-Contractor’s Construction Contract** means, collectively, (a) the AIA Standard Form of Agreement Between Contractor and Subcontractor dated August 16, 2018, by and between the Sub-Contractor and the General Contractor relating to the construction of the Apartment Complex, (b) the Supplemental Agreement by and between the Company and the Sub-Contractor dated as of August 20, 2018, and (c) the contract with the City of Fort Worth under a separate DAP Bid Form and DAP Agreement Project #101-489 dated August 6, 2018 between the Sub-Contractor and the Company.

**Substantial Completion** means the date on which all of the following have occurred to the reasonable satisfaction of the Investor Member: (i) the issuance of all necessary certificates of occupancy (which may be temporary or conditional) from the applicable governmental jurisdictions and authorities for the Apartment Complex, allowing for immediate occupancy of one hundred percent (100%) of the Units; (ii) completion of all “work” described in the Construction Contract, with the exception of “punch work” items; (iii) AIA document G704 containing a list of all “punch work” items and cost estimates provided by the Architect to the Company, with a copy to the Investor Member; and (iv) any necessary radon mitigation has occurred and all planned and required actions pertaining to Hazardous Materials have been properly completed.

**Substantial Completion Date** means the date on which Substantial Completion was achieved.

**Substitute Investor Member** means any Person admitted to the Company as an Investor Member or Special Investor Member pursuant to Section 11.2.

**Tax Law Change** means any change in the Code which occurs after the date of this Agreement. A Tax Law Change includes any changes in the Regulations.

**Ten Percent Test** means, with respect to the Carryover Allocation of Housing Tax Credits, that the Company’s basis in the Apartment Complex, which shall be determined by the Accountants, as of the date which is one year from the issuance date of the Carryover Allocation or such earlier date required by the Credit Agency, is greater than ten percent (10%) of the reasonably expected basis of the Apartment Complex as provided in Section 42(h)(1)(E) of the Code.

**Third Installment** has the meaning set forth in Section 4.2(b)(iii).

**TIF** means tax increment finance.

**TIF Reimbursement** means the TIF payments in the amount of $2,600,000 made by the City of Fort Worth to the Company in accordance with that certain TIF Reimbursement Agreement.

**TIF Reimbursement Agreement** means the Tax Increment Financing Development Agreement by and between the Board of Directors of Tax Increment Reinvestment Zone Number TIF District Number Four, City of Fort Worth, Texas and the Company relating to the TIF Reimbursement dated as of August 23, 2017.
**Title Commitment** means the commitment for title insurance issued by the Title Company evidencing ownership of the Apartment Complex in a form and substance acceptable to the Investor Member.

**Title Company** means First American Title Insurance Company.

**Title Policy** means the owner’s title insurance policy conforming to the requirements set forth in Exhibit Q to be issued to the Company by the Title Company pursuant to the Title Commitment, which policy will, among other things, update the title of the Apartment Complex through a date not earlier than the Construction Loan Closing, provide for insurance in an amount equal to not less than $27,960,472 and evidence the Company’s ownership of the Apartment Complex. The Title Policy shall be amended and, if available, its effective date brought forward in the manner set forth in this Agreement.

**Uniform Act** means the Texas Business Organizations Code, Title 3, Chapter 101, as may be amended from time to time during the term of the Company.

**Units** has the meaning set forth in Section 5.2(b).

**USA Patriot Act** means Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001, Public Law 107-56 of the United States of America, as amended from time to time, and the rules and regulations promulgated thereunder from time to time.

**Vessel** has the meaning given to it in CERCLA, and shall also include any meaning given to it in any similar state or local statutes, ordinances or regulations.

**Voluntary Withdrawal** means, as to any Managing Member, a Withdrawal or the assignment, pledge or encumbrance of any part of its Interest in violation of Section 9.1.

**Withdrawal** (including the forms “Withdraw,” “Withdrawing” and “Withdrawn”) means, as to a Managing Member, dissolution, liquidation, voluntary withdrawal or removal of the Managing Member from the Company for any reason, including whenever a Managing Member may no longer continue as Managing Member by law or pursuant to any terms of this Agreement. “Withdrawal” shall also mean the sale, assignment or transfer by a Managing Member of its interest as Managing Member.

**Withdrawing Investor Member** means Lisa M. Stephens, who is hereby withdrawing as Investor Member from the Company simultaneously with the admission of the Investor Member.

ARTICLE 2

NAME AND BUSINESS

2.1 Name; Continuation. The name of the Company is Mistletoe Station, LLC. The Members agree to continue the Company, which was formed pursuant to the provisions of the Uniform Act.
2.2 Admission. The Investor Member, Administrative Member and Special Investor Member are hereby admitted to the Company.

2.3 Withdrawal. The Withdrawing Investor Member hereby withdraws as a Member of the Company, and represents and warrants that she has no direct interest in the Company and is not directly entitled to any fees, distributions, compensation or payments from the Company and that she has no direct interest in any property or assets of the Company.

2.4 Office and Resident Agent. The principal office of the Company is 689 FM 3028, Millsap, Texas 76066 at which office there shall be maintained those records required by the Uniform Act to be kept by the Company. The Company may have such other or additional offices as The Managing Member shall deem desirable. The Managing Member may at any time change the location of the Company offices and shall give Notice thereof to the Investor Member. The Managing Member shall at all times maintain the principal office in the State.

(a) The name and address of the resident agent in the State for the Company for service of process is Antoinette M. Jackson, 811 Main Street, Suite 2900, Houston, Texas 77002.

2.5 Term and Dissolution. The term of the Company commenced August 17, 2017, the date of filing of the Certificate with the Secretary of State of the State, and shall continue until December 31, 2068, unless the Company is sooner dissolved in accordance with the provisions of this Agreement.

2.6 Filing of Certificate. Upon the execution of this Agreement by the parties hereto, the Managing Member shall take all actions necessary to assure the prompt filing of an amendment to the Certificate if and as required by the Uniform Act, including filing with the Secretary of the State of the State. All fees for filing shall be paid out of the Company’s assets. The Managing Member shall take all other necessary action required by law to perfect and maintain the Company as a limited liability company under the laws of the State, and shall register the Company under any assumed or fictitious name statute or similar law in force and effect in the State.

ARTICLE 3
PURPOSE OF THE COMPANY

3.1 Purpose of the Company. The purposes for which the Company has been formed and which shall determine its activities shall be the following: (a) to acquire, hold, invest in, construct, develop, improve, maintain, operate, lease, sell, mortgage and otherwise deal with the Apartment Complex; (b) to operate the Apartment Complex in accordance with Code Section 42 and any applicable Lender and Agency regulations and requirements; (c) to secure for the Investor Member the economic and tax advantages afforded by Code Section 42 pertaining to low income housing tax credits, and any other Federal or state tax credit programs, as applicable, and allocated under this Agreement; and (d) to assure all Members the economic, tax, investment and operational advantages allocated to them under this Agreement. The Company shall not engage in any other business or activity.
ARTICLE 4
MEMBERS, PERCENTAGE INTERESTS, CAPITAL CONTRIBUTIONS,
MEMBER LOANS

4.1 Managing Member.

(a) Name, Address and Percentage Interest. The Co-Managing Member’s name and address is Saigebrook Mistletoe, LLC, 220 Adams Drive Ste. 280 #138, Weatherford, Texas 76086. The Co-Managing Member’s Percentage Interest is forty eight one-thousandth percent (0.0048%). The Administrative Member’s name and address is O-SDA Mistletoe, LLC, 5714 Sam Houston Circle, Austin, Texas 78731. The Administrative Member’s Percentage Interest is thirty two one-thousandth percent (0.0032%)

(b) Capital Contributions. Concurrently with the execution of this Agreement, each Managing Member shall make a Capital Contribution to the Company in an amount equal to $100.00. Each Managing Member represents and warrants that as of the date of this Agreement the balance of its Capital Account is $100.00.

(c) Managing Member’s and Special Investor Member’s Special Capital Contributions. If the Company has not paid all or part of the Deferred Development Fee when the final payment is due pursuant to the terms of the Development Agreement (i.e. by the earlier of thirteen (13) years following the Placed in Service Date or December 31, 2032 or the date of liquidation of the Company) or, solely with respect to the Managing Member’s Special Capital Contribution, if the Managing Member Withdraws pursuant to Article 9 (including Involuntary Withdrawal), the Special Investor Member shall contribute to the Company an amount equal to its portion of the remaining balance of the Deferred Development Fee as set forth in the Development Agreement (the “Special Investor Member’s Special Capital Contribution”) and the Managing Member shall contribute to the Company an amount equal to the remaining balance of the Deferred Development Fee (the “Managing Member’s Special Capital Contribution”) and the Company shall thereupon pay the Deferred Development Fee. Notwithstanding the foregoing, the amount of the Special Investor Member’s Special Capital Contribution and the amount of the Managing Member’s Special Capital Contribution shall be reduced pro rata to the extent the Investor Member reasonably determines on or before the end of the first year of the Credit Period that any portion of the remaining balance of the Deferred Development Fee is not necessary to be included in Eligible Basis in order to allocate Projected Housing Tax Credits to the Investor Member throughout the period of eleven (11) taxable years beginning with the first taxable year of the Credit Period. Payments of the Deferred Development Fee pursuant to Section 14.1(a)(vi) shall be deemed applied first to the portion of the Deferred Development Fee represented by the Special Investor Member’s Special Capital Contribution and the Managing Member’s Special Capital Contribution, as adjusted herein, and then to the remaining balance of the Deferred Development Fee, if any. Other than as set forth in this Section 4.1(c) or as may be required by this Agreement, in no event shall any Managing Member make any additional Capital Contributions to the Company without the Consent of the Investor Member.

4.2 Investor Member.
(a) **Name, Address and Percentage Interest.** The Investor Member’s name and address is HCP-ILP, LLC. The name of the Special Investor Member is HCP-SLP, LLC. The address for each of the Investor Member and the Special Investor Member is 15910 Ventura Boulevard, Suite 1100, Encino, California 91436. The Investor Member’s Percentage Interest is ninety-nine and ninety-nine hundredths percent (99.99%) and the Special Investor Member’s Percentage Interest is two one-thousandth percent (0.002%).

(b) **Capital Contributions.** The Special Investor Member is not required to make any Capital Contribution except as provided in Section 4.1(c). The Investor Member will make Capital Contributions to the Company, subject to adjustment as provided in Section 4.2(d), of $12,898,710 representing the product of the Projected Housing Tax Credits and the Housing Tax Credit Price which will be paid to the Company in five installments (the “Installments”) as follows:

(i) **First Installment.** The Investor Member shall make a Capital Contribution in an amount equal to $1,289,871 (the “First Installment”) upon the latest of (i) the Closing Date and (ii) satisfaction of the Funding Conditions relating to the First Installment, with such funds to be used solely for site acquisition, development and construction costs, including an expense reimbursement of $65,000 to the Investor Member or an Affiliate of the Investor Member for its review and approval costs in connection with the Closing.

(ii) **Second Installment.** The Investor Member shall make a Capital Contribution in an amount equal to $644,963 (the “Second Installment”), subject to reduction as provided in Section 4.2(d), after the Investor Member has reasonably determined in its good faith discretion that all of the Funding Conditions relating to the Second Installment have been fully satisfied, with such funds to be used to pay hard and soft costs of the Construction as reasonably acceptable to the Investor Member.

(iii) **Third Installment.** The Investor Member shall make a Capital Contribution in an amount equal to $8,309,161 (the “Third Installment”), subject to reduction as provided in Section 4.2(d), after the Investor Member has reasonably determined in its good faith discretion that all of the Funding Conditions relating to the Third Installment have been fully satisfied, with such funds to be used first to pay hard and soft costs of the Construction as reasonably acceptable to the Investor Member and second to repay a portion of the Construction Loan.

(iv) **Fourth Installment.** The Investor Member shall make a Capital Contribution in an amount equal to $2,579,742 (the “Fourth Installment”), subject to adjustment as provided in Section 4.2(d) after the Investor Member has reasonably determined in its good faith discretion that all of the Funding Conditions relating to the Fourth Installment have been fully satisfied, with such funds to be used to first pay to pay hard and soft costs of the Construction as reasonably acceptable to the Investor Member, second to pay off the Construction Loan, third to fund the Operating Reserve and fourth to pay a portion of the Development Fee.

(v) **Fifth Installment.** The Investor Member shall make a Capital Contribution in an amount equal to $75,000 (the “Fifth Installment”), subject to adjustment as
provided in Section 4.2(d) after the Investor Member has reasonably determined in its good faith discretion that all of the Funding Conditions relating to the Fifth Installment have been fully satisfied, with such funds to be used to pay a portion of the Development Fee.

(vi) **Source of Funding of Installments.** The Investor Member, in its sole discretion, may fund any Installment on or prior to satisfaction of the Funding Conditions by providing funds from one or more of the following: (A) itself or (B) funds arranged by Hunt to be provided from any Entity as equity or debt but without any security interest in or lien on the Apartment Complex.

(vii) **Withholding of Capital Contributions.** The Investor Member may withhold any Installment if at any time it determines, in its sole discretion, that a Development Deficit exists or is projected to exist prior to such Installment, and shall not fund such Installment until such Development Deficit or projected Development Deficit is cured by the Managing Member.

(viii) **Changes in Capital Contributions.** The Members agree that so long as Permanent Loan Closing has not occurred and the Construction Loan remains outstanding, the Members shall not amend Section 4.2(b) of this Agreement without the written approval of the Construction Lender. Any amendment to this Agreement which is in violation of the terms of this Section 4.2(b)(viii) shall not be effective.

(ix) **Capital Contribution Account.** Notwithstanding anything in this Agreement to the contrary, the Members agree that so long as Permanent Loan Closing has not occurred and the Construction Loan remains outstanding, all Capital Contributions made by the Investor Member pursuant to this Agreement shall be paid by and deposited in an account established with the Construction Lender (the “Capital Contribution Account”). Amounts on deposit in the Capital Contribution Account will be disbursed by the Construction Lender as provided for in that certain Credit Support and Funding Agreement, of even date herewith, between the Company and the Construction Lender and relating to the Construction Loan.

(c) **Special Additional Capital Contributions and Investor Member Deficit Restoration Obligation.**

(i) If, in any fiscal year of the Company, the Investor Member’s Capital Account balance may be reduced to or below zero, the Investor Member may, in its sole and absolute discretion, make a special additional Capital Contribution to the Company in an amount reasonably required to avoid the reduction of the Investor Member’s Account balance to or below zero (a “Special Additional Capital Contribution”).

(ii) Notwithstanding any other provision herein to the contrary, the Investor Member hereby agrees, pursuant to this Section 4.2(c), that if there is a deficit balance in its Capital Account as of the last day of 2019, determined after taking into account all Capital Account adjustments for 2019, the Investor Member shall be unconditionally obligated to restore the amount of such deficit by contributing to the Company the dollar amount of such deficit (a “Deficit Restoration Contribution”), as so determined, not later than the last day of the year in which the liquidation of the Company or the Investor Member’s Interest in the Company occurs.
(or, if later, within 90 days after the date of such liquidation) (the “Deficit Restoration Obligation”); provided, however, that in no event shall the Deficit Restoration Obligation exceed the unpaid Capital Contribution Obligations of the Investor Member, as adjusted pursuant to Section 4.2(d). Any subsequent Capital Contributions of the Investor Member made in 2019 or thereafter shall reduce the Deficit Restoration Obligation on a dollar-for-dollar basis. If the dollar amount of such subsequent Capital Contributions equals or exceeds the Deficit Restoration Obligation, then the Deficit Restoration Obligation shall be deemed satisfied in full.

(iii) If the Investor Member makes a Special Additional Capital Contribution or a Deficit Restoration Contribution to the Company pursuant to this Section 4.2(c), the Investor Member shall receive a guaranteed payment pursuant to Section 4.9 for the use of its Special Additional Capital Contribution or Deficit Restoration Contribution, as applicable.

(d) Adjustment to Capital Contributions of the Investor Member.

(i) If upon the issuance of Forms 8609 by the Agency for any or all of the buildings comprising the Apartment Complex, or if upon delivery of the Cost Certification, the Investor Member (in its reasonable discretion) or the Accountants determine that there is a Housing Tax Credit Shortfall for the Credit Period because the Actual Housing Tax Credits available to the Investor Member pursuant to Section 42(a) of the Code are less than the Projected Housing Tax Credits (or, if applicable, the Revised Projected Housing Tax Credits for such year), the Investor Member’s Capital Contribution shall be reduced by a Housing Tax Credit Shortfall Payment equal to the Housing Tax Credit Shortfall multiplied by the Housing Tax Credit Price. If upon such issuance of Forms 8609 by the Agency, the Investor Member (in its reasonable discretion) or the Accountants determine that the Actual Housing Tax Credits available to the Investor Member pursuant to Section 42(a) of the Code are greater than the Projected Housing Tax Credits (or, if applicable, the Revised Projected Housing Tax Credits for such year), giving rise to a “Housing Tax Credit Excess,” then the Investor Member’s Capital Contribution shall be increased by an amount equal to the Housing Tax Credit Price multiplied by the Housing Tax Credit Excess; provided, however, that any such increase shall be subject to the limitation set forth in Section 4.2(d)(vi) hereof.

(ii) In the event that there is a Housing Tax Credit Shortfall because the Actual Housing Tax Credits for any of 2019 or 2020 (determined separately for each year) are less than the Projected Housing Tax Credits for such year (or, if applicable, the Revised Projected Housing Tax Credits for such year) solely by reason that the Applicable Fraction for such year with respect to any buildings in the Apartment Complex was, by reason of the application of Section 42(f)(2) of the Code, lower than the Applicable Fraction projected in the Projected Housing Tax Credits (or Revised Projected Housing Tax Credits, if applicable) (each, a “Shortfall Year”), as determined by the Investor Member, upon receipt of final Company tax returns for the subject year or in advance of receipt of such final Company tax returns, estimated on a monthly basis by the Investor Member, the Service or the Accountants, the Investor Member’s Capital Contribution shall be reduced by a Housing Tax Credit Shortfall Payment in an aggregate amount equal to the product of (x) Projected Housing Tax Credits (or if applicable, Revised Projected Housing Tax Credits) less Actual Housing Tax Credits delivered to the Investor Member for such Shortfall Year (determined separately for each year) and (y) $0.60.
Notwithstanding the foregoing, if any building in the Apartment Complex does not achieve Initial 100% Occupancy by the end of the first year of the Credit Period for such building and, as a result, any portion of the Housing Tax Credits with respect to such building will be available over 15 years, then the reduction to the Investor Member’s Capital Contribution shall be the sum of (1) the amount determined under the first sentence of this Section 4.2(d)(ii), plus (2) the amount, if any, that the Projected Housing Tax Credits (or, if applicable, the Revised Projected Housing Tax Credits) for years 2019 (year 1) through 2029 (year 11) exceed the Housing Tax Credits (or, if applicable, the Revised Projected Housing Tax Credits) projected to be available in years 2019 (year 1) through 2029 (year 11), as calculated by the Investor Member at the end of the first year of the Credit Period.

(iii) If at any time the Investor Member (in its reasonable discretion) or the Accountants determine that, for any Fiscal Year or portion thereof during the Company’s operation, by reason of any event other than an event described in Sections 4.2(d)(i) and/or 4.2(d)(ii) hereof (but not including a Tax Law Change or a transfer by the Investor Member of its Interests), there is (a) a Housing Tax Credit Shortfall because the Actual Housing Tax Credits for such Fiscal Year or portion thereof are less than the Projected Housing Tax Credits, or the Revised Projected Housing Tax Credits, if applicable, for such Fiscal Year or portion thereof, including, without limitation, the Apartment Complex not being Placed in Service by the end of the second calendar year after the year in which the Housing Tax Credits were allocated or the failure of the Company to operate the Apartment Complex so as to have 100% of the Housing Tax Credit Units therein eligible for the Housing Tax Credits, (b) a Housing Tax Credit Disallowance Event, or (c) a failure of the Company to allocate 99.99% of the Housing Tax Credits shown on the IRS Forms 8609 for each building comprising the Apartment Complex to the Investor Member over the Credit Period, the Investor Member’s Capital Contribution shall be reduced by a Housing Tax Credit Shortfall Payment equal to the Housing Tax Credit Shortfall and further reduced by all additions to the tax of the Investor Member, and all penalties and interest assessed (including, without limitation, the “recapture amount” provided for in Section 42(j)(2) of the Code) against the Investor Member or any of its constituent partners as a result of the event giving rise to the Housing Tax Credit Shortfall.

(iv) Whenever in this Section 4.2(d) it is provided that the Investor Member’s Capital Contribution shall be reduced, each remaining installment of the Investor Member’s Capital Contribution then outstanding shall be reduced first, if such deferral is permitted pursuant to Section 8.1(b), for scheduled payments of Development Fees, which shall become Deferred Development Fees and second, pro rata so that the aggregate contributions, when made, will total the new reduced amount of the Investor Member’s Capital Contribution. If the outstanding balance of the Investor Member’s Capital Contribution has been reduced to zero by reason of the aforesaid adjustments to the Investor Member’s Capital Contribution and/or payments previously made thereon or offsets applied thereto, then either (1) the Managing Member shall within fifteen (15) days make a Capital Contribution to the Company in the amount owed to the Investor Member (including, without limitation, interest thereon at 12% per annum from the date that the Investor Member’s Capital Contribution(s) were made), from its own funds, and shall cause the Company immediately to distribute such amount to the Investor Member, or (2) if tax counsel to the Investor Member determines that such a Capital Contribution and distribution would cause Company profits, losses, and credits to be allocated other than in accordance with the Percentage Interests of the Members, the Managing Member
shall pay the amount owed to the Investor Member (including, without limitation, any interest thereon at 12% per annum from the date that the Investor Member’s Capital Contribution(s) were made) plus any amount needed to cause the net amount of the payment received by the Investor Member to be the same, on an after-tax basis as the amount of payment that would have been received under clause (1) above), from their own funds, directly to the Investor Member; provided, however, to the extent that the Managing Member fails to pay any such amount owed to the Investor Member, such unpaid amounts shall be payable from Cash Flow and Sale or Refinancing Transaction Proceeds as provided in Sections 14.1(a) and 14.1(b), respectively, hereof, but the Managing Member shall remain in default hereunder.

(v) In the event that the Actual Housing Tax Credits for any of 2019 or 2020 (determined separately for each year) exceeds the Projected Housing Tax Credits for such year (or, if applicable, the Revised Projected Housing Tax Credits for such year) (an “Excess Year”), as determined by the Investor Member, upon receipt of the Company’s final tax returns for the subject year, the Investor Member’s Fourth Installment with respect to 2019 shall be increased by the “Housing Tax Credit Surplus Payment”, which is an aggregate amount equal to the product of (x) Actual Housing Tax Credits delivered to the Investor Member, less the Projected Housing Tax Credits (or if applicable, Revised Projected Housing Tax Credits) for the Excess Year, and (y) $0.45. With respect to 2020, the Housing Tax Credit Surplus Payment shall be paid within 30 days of such determination or, if the Fifth Installment is not yet due, upon the payment of the Fifth Installment. In no event shall any Housing Tax Credit Surplus Payment exceed $200,000 and shall be subject to the limitations set forth in Section 4.2(d)(vi). The Company shall use the increase in the Fourth Installment, Fifth Installment or, if the Fifth Installment has been paid, within 30 days of such determination, to (i) pay any amounts then owed to the Investor Member and/or Hunt, (ii) then to pay any unpaid Development Fee or Deferred Development Fee, (iii) then to repay any Development Deficit Loans then outstanding, and (iv) then distributed in accordance with Section 14.1(a) of this Agreement.

(vi) With respect to any increase in the Investor Member’s Capital Contribution pursuant to this Section 4.2(d), in no event shall the amount of the Investor Member’s Capital Contribution increase exceed 5% of the Investor Member’s Capital Contribution as originally set forth herein. To the extent that an increase in the amount of Housing Tax Credits would have otherwise resulted in an increase in excess of 5% of the Investor Member’s Capital Contribution, the Investor Member shall have the option to either (1) increase the Investor Member’s Capital Contribution in excess of such 5%, provided that such additional increase over 5% shall be based on the lesser of the Housing Tax Credit Price or the Investor Member’s then-current pricing available generally for investments in Housing Tax Credits, or (2) reduce its Interest so that the Investor Member shall be in the same economic position (i.e., the allocations provided in this Agreement shall be adjusted accordingly by the Managing Member) as if the increase in Housing Tax Credits had not resulted in an increase in the Investor Member’s Capital Contribution in excess of 5% thereof. Any Investor Member’s Capital Contribution payable as a result of any such increase in the available Housing Tax Credits pursuant to Section 4.2(d)(i) shall be payable with the Fifth Installment of the Investor Member’s Capital Contribution set forth herein, provided that all IRS Forms 8609 have been received.
(vii) Whenever there is an adjustment pursuant to this Section 4.2(d) to the Investor Member’s Capital Contribution and/or the Interest of the Investor Member, then the amount of the Projected Housing Tax Credits shall be increased or reduced, as the case may be, and shall thereafter be referred to as the “Revised Projected Housing Tax Credits”.

4.3 Reserved.

4.4 Draws. Prior to Permanent Loan Closing, the Investor Member shall be entitled to conduct monthly inspections of the progress of construction of the Apartment Complex, and review and approve construction draw requests (“Construction Loan Draw”). Each month prior to Permanent Loan Closing, the Managing Member shall provide proposed Construction Loan Draw requests to the Investor Member simultaneous with submission to the Construction Lender. The Investor Member shall Notify the Managing Member to the extent that it disapproves and requires changes in a Construction Loan Draw request within ten (10) Business Days after submission. The Managing Member will cause the Construction Loan documentation to require that the Managing Member shall not accept and the Construction Lender shall not disburse on Construction Loan Draws until approved by Construction Lender based on the finding of the Construction Lender’s construction consultant or the written approval of the Investor Member. In the event of conflict or inconsistency between this Section and the Credit Support and Funding Agreement, the terms and provisions of the Credit Support and Funding Agreement will dictate and govern the processing of Construction Loan Draws,

4.5 Liability of the Investor Member. No Investor Member shall be liable for any debts, liabilities, contracts or obligations of the Company and each Investor Member shall only be liable to pay their respective Capital Contributions as and when the same are due hereunder and under the Uniform Act.

4.6 Interest on Capital Contributions. No interest shall be paid on any Capital Contribution. No Member shall have the right to withdraw its Capital Contribution or to demand and receive property of the Company in return for its Capital Contribution, except as may be specifically provided in this Agreement or required by law.

4.7 Deposit of Capital Contributions. The cash portion of the Capital Contributions of each Member shall be deposited at the Managing Member’s discretion in a checking, savings and/or money market or similar account to be established and maintained in the name of the Company or invested in government securities or certificates of deposit issued by any bank. Thereafter, such amounts shall be utilized for the conduct of the Company business pursuant to the terms of this Agreement and withdrawals can only be made upon the signatures as the Managing Member determines with the Consent of the Investor Member.

4.8 Payment of Third Party Costs. The Company shall pay the legal fees, costs and expenses incurred by the Investor Member in connection with this Agreement, the due diligence activities of the Investor Member, the Closing and costs incurred in making the Capital Contributions pursuant to Section 4.2(b) of this Agreement in an amount of $65,000. To the extent that third party costs exceed $65,000, the Investor Member’s Capital Contribution may be increased at the option of the Investor Member and used by the Company to pay such costs.
4.9 Guaranteed Payment. No later than ninety (90) days after the end of the Company’s fiscal year, if the Investor Member has made a Special Additional Capital Contribution pursuant to Section 4.2(c), it shall receive, as a guaranteed payment for the use of its capital, an amount equal to the annual interest earned by the Company, if any, on such Special Capital Contributions. The Company shall invest any amounts contributed pursuant to Section 4.2(c) in a federally insured interest-bearing account in such banking institutions as the Managing Member shall determine in accordance with Section 4.7. Any guaranteed payment due to a Member shall be deemed an expense of the Company for purposes of determining Cash Flow. Any guaranteed payment which is not paid when due shall remain a liability of the Company and shall bear interest at the rate of 15% per year.

4.10 Return of Capital Contributions. Except as provided in this Agreement, no Member shall be entitled to demand or receive the return of its Capital Contribution.

4.11 MM Loans. The Managing Member has the right, but not the obligation, after funding all other obligations under this Agreement, including, without limitation, its obligation to fund Development Deficits under its Construction Completion Guaranty in accordance with Section 8.1 hereof or to fund Operating Deficits under its Operating Deficit Guaranty in accordance with Section 8.2 hereof, to make loans pursuant to this Section 4.11 to fund Operating Deficits of the Company or to fund other reasonable and necessary obligations of the Company (together with interest thereon, “MM Loans”); provided, however, that the Managing Member shall not have such right to make such MM Loans at any time when it has an unsatisfied obligation to pay Development Deficits and to make Operating Deficit Loans or to make a Managing Member Capital Contribution as required under this Agreement. MM Loans shall be on the following terms: (i) interest shall accrue on the MM Loans at an annual interest rate not to exceed 5% per annum, compounded annually; (ii) MM Loans shall be repayable solely as set forth in Sections 14.1(a), 14.1(b) and 17.2 of this Agreement; and (iii) MM Loans shall be an unsecured, nonrecourse obligation of the Company. By making a MM Loan, the Managing Member does not waive any claim of, or remedies with respect to, a default, if any, by the Investor Member in its obligations under this Agreement. Notwithstanding the foregoing, no MM Loan shall be made without the Consent of the Investor Member, which Consent shall not be unreasonably withheld, delayed or conditioned.

4.12 IM Loans. The Investor Member or its designee has the right, but not the obligation, to make loans pursuant to this Section to fund Operating Deficits of the Company or to fund other reasonable and necessary obligations of the Company (together with interest thereon, “IM Loans”). IM Loans shall be on the following terms: (i) interest shall accrue on Default IM Loans at an annual interest rate of eight percent (8%) per annum, compounded annually; (ii) interest shall accrue on the Excess IM Loan Amount (other than Default IM Loans) at an annual interest rate of eight percent (8%) per annum, compounded annually, and on any other IM Loans at an annual interest rate of eight percent (8%) per annum, compounded annually; (iii) IM Loans shall be repayable solely as set forth in Sections 14.1(a), 14.1(b) and 17.2 of this Agreement; and (iv) IM Loans shall be an unsecured, nonrecourse obligation of the Company. By making an IM Loan, neither the Investor Member, nor its designee, waives any claim of, or remedies with respect to, a default, if any, by the Managing Member in its obligations under this Agreement. The Members hereby agree that any Hunt Loan (as defined the Backstop Guaranty Agreement) shall be treated as an IM Loan.
4.13 Notice of Member Loans. Except for any Operating Deficit Loans that may be required of the Managing Member under the terms of this Agreement, if the Company shall require a Member Loan to fund Operating Deficits or to satisfy other reasonable and necessary obligations of the Company, a Member (the “Initiating Member”) may give the other Members (the “Non-Initiating Members”) Notice of the Initiating Member’s intent to fund a Member Loan, which Notice shall state (i) the total amount of such Member Loan proposed to be funded, (ii) the purpose for such Member Loan, and (iii) the proposed funding date of such Member Loan, which date (the “Contribution Date”) shall not be less than ten (10) days following the date of such Notice; provided that the Notice requirement shall be shortened to the extent necessary to permit a Member to fund a Member Loan for the purpose of curing a default under a Loan. The Initiating Member and the Non-Initiating Members shall each fund the portion of the Member Loan it agreed to make by the Contribution Date. If a Member fails to make such Member Loan to the Company on or before the Contribution Date, any Member who makes such Member’s share of the Member Loan may, at such Member’s option, advance to the Company the amount of the non-lending Member’s share of the Member Loan. No Member has the right to propose and fund a Member Loan to fund distributions and/or payments to be made pursuant to Sections 14.1(a), 14.1(b) or 17.2. Notwithstanding anything herein to the contrary, the Managing Member is obligated to make an Operating Deficit Loan during the Operating Deficit Guaranty Period and a MM Loan after the expiration of the Operating Deficit Guaranty Period to fund any Operating Deficits.

4.14 Documentation of Member Loans. At the request of a Member, any Member Loan shall be evidenced by a non-negotiable promissory note or notes reflecting any such Member Loans made during or prior to the preceding calendar quarter. Member Loans shall be unsecured loans by such Member. Except as set forth in Section 4.16, Member Loans shall not be considered Capital Contributions, and shall not increase such Member’s Capital Account.

4.15 Usury Savings Clause. Notwithstanding anything to the contrary herein or in any note evidencing a Member Loan, in no event shall interest accrue on any Member Loan at a rate in excess of the highest rate permitted by applicable law.

4.16 Capital Contribution Alternative. If a Member which has made or intends to make a Member Loan (a “Lending Member”) reasonably concludes that the operation of the usury savings clause in Section 4.15 will result in a reduction in the interest rate otherwise specified in Article 4, or if the Investor Member reasonably concludes that it may now have or sometime in the future likely will have a negative Capital Account, then the Lending Member may request that its existing or proposed Member Loans be restructured as Capital Contributions. In such event, all the Members shall cooperate to negotiate and execute an amendment to this Agreement (the “Amendment”), at the expense of the requesting Member, which shall include the following terms: (i) each of the Investor Member (or its designee) and the Managing Member has the right to make Capital Contributions pursuant to the Amendment (“Section 4.16 Capital Contributions”) either instead of making IM Loans and MM Loans, respectively, or to fund the concurrent repayment by the Company of IM Loans or MM Loans, respectively; (ii) with respect to such Section 4.16 Capital Contributions, the Member(s) making them shall be entitled to receive (A) guaranteed payments or a preferred return in amounts and at times corresponding to interest payments that would have been due had the Section 4.16 Capital Contributions been made as Member Loans, and (B) distributions as a return of capital in amounts and at times
corresponding to principal payments that would have been due had the Section 4.16 Capital Contributions been made as Member Loans; and (iii) Article 14 shall be revised to the maximum extent feasible to provide that such guaranteed payments or a preferred return and return of capital distributions shall have the same amounts, timing, priority of payment and tax consequences as the corresponding payments of Member Loans would have had. Notwithstanding the foregoing, the Investor Member shall have no obligation to consent to any Amendment pursuant to this Section 4.16, which it concludes could adversely affect the timing or amount of the allocation to the Investor Member of Housing Tax Credits, losses, income or gains.

ARTICLE 5
MANAGING MEMBER RIGHTS, DUTIES AND OBLIGATIONS

5.1 Management of the Company. Subject to the terms of this Agreement, the Managing Member shall have the sole and exclusive right to manage the business and affairs of the Company; provided, however, that the Managing Member must do so only so as to accomplish the Purposes of this Company. In so doing, the Managing Member shall take all actions necessary or appropriate to protect the interests of the Investor Member and the Company.

5.2 Duties and Obligations.

(a) The Managing Member shall ensure that all requirements shall be met which are necessary to obtain or achieve (i) compliance with the Minimum Set-Aside Test, the HOME Minimum Set-Aside Test, the Rent Restriction Test, and any other requirements necessary for the Apartment Complex to initially qualify, and to continue to qualify, for Housing Tax Credits, including all applicable requirements set forth in the Extended Use Agreement, (ii) issuance of Forms 8609, (iii) issuance of all necessary permanent, unconditional certificates of occupancy, including all governmental approvals required to permit occupancy of all of the apartment units in the Apartment Complex, (iv) Construction Loan Closing and Permanent Loan Closing; (v) compliance with all material provisions of the Project Documents, (vi) compliance with all provisions contained in the Application, including, without limitation, those as to which the Agency awarded points pursuant to its scoring or award procedures, and (vii) compliance with all provisions contained in the Carryover Allocation.

(b) During the period the Extended Use Agreement is in effect, the Managing Member shall (i) operate the Apartment Complex and cause the Management Agent to manage the Apartment Complex in such a manner that (A) sixty-seven (67%) of the residential rental units (not including any manager units) in the Apartment Complex will qualify as “low-income units” under Code Section 42(i)(3), (B) and the Applicable Fraction as defined in Section 42(c) of the Code is at least 65% for Building One and 67.8% for Building Two; (ii) operate the Apartment Complex and cause the Management Agent to manage the Apartment Complex in such a manner that no less than eighty percent (80%) of the gross income from the Apartment Complex in every year is rental income from or with respect to dwelling units in the Apartment Complex used to provide living accommodations not on a transient basis (“Units”); (iii) operate the Apartment Complex and cause the Management Agent to manage the Apartment Complex in such a manner that the Apartment Complex will qualify as a “qualified low-income housing
(c) The Managing Member shall promptly take all action which may be necessary or appropriate for the proper development, construction, maintenance and operation of the Apartment Complex in accordance with the provisions of this Agreement, the Project Documents and applicable laws and regulations including making any required Capital Contributions pursuant to Section 4.1 and as otherwise required by this Agreement.

(d) While conducting the business of the Company, the Managing Member shall not act in any manner which it knows or should have reasonably known after due inquiry will (i) cause the termination of the Company for federal income tax purposes without the Consent of the Investor Member, or (ii) cause the Company to be treated for federal income tax purposes as an association taxable as a corporation.

(e) The Managing Member shall, during and after the period in which it is a Member, provide the Company with such information and sign such documents as are necessary for the Company to make timely, accurate and complete submissions of federal and state income tax returns.

(f) The Managing Member shall use its best efforts to cause the Company to generate Cash Flow for distribution to the Members at the maximum realizable level in view of (i) any applicable Agency and other regulations, (ii) the Minimum Set-Aside Test and the HOME Minimum Set-Aside Test and (iii) the Rent Restriction Test, and, if necessary, the Managing Member shall also use its best efforts to obtain approvals and implementation of appropriate adjustments in the rental schedule of the Apartment Complex.

(g) The Managing Member shall cause the Company to obtain and keep in force, during the term of the Company, insurance in accordance with Exhibit D hereto. The Managing Member shall provide the Investor Member with written evidence of all insurance required by Exhibit D hereto, in each case in form and substance reasonably acceptable to the Investor Member and, for each particular insurance coverage, both (i) within fifteen (15) days after the first day on which such coverage is required by Exhibit D hereto and (ii) from time to time, as the Investor Member may reasonably request. The Managing Member shall provide the Investor Member with Notice of any cancellation, reduction in coverage, or other coverage changes within 15 days of receipt of notice from the insurance provider. The Investor Member shall have the right to acquire any insurance required by Exhibit D at the expense of the Company if the Managing Member fails to do so and such purchase shall not cure the Managing Member’s default hereunder. In addition, the Managing Member shall indemnify and hold the Hunt Indemnified Parties harmless from any loss suffered by the Hunt Indemnified Parties with respect to its investment in the Company and arising out of any uninsured loss suffered by the Company which would have been insured against by one or more of the policies of insurance described on Exhibit D hereto but which lapsed or which were not in force at the time of such loss because the Managing Member did not obtain or keep said policy or policies in force.
(h) The Managing Member has made (if applicable) and shall make such elections, or refrain from making such elections, with respect to the Housing Tax Credits as are necessary to achieve and maintain the maximum allowable Housing Tax Credits to the Investor Member, unless otherwise directed by the Investor Member. Any such elections (including elections made at the direction or with the Consent of the Investor Member) shall not reduce the obligations of the Managing Member pursuant to this Agreement. Notwithstanding the foregoing, the Investor Member must Consent, before any election is made to defer commencement of the Credit Period pursuant to Code Section 42(f)(1). In the event Building One is Placed in Service in 2019, but the Company is unable to deliver all or a portion of the Projected Housing Tax Credits for 2019, the Managing Member may defer the commencement of the Credit Period to 2020 without the Consent of the Investor Member.

(i) The Managing Member shall (i) not store or dispose of (except in compliance with all laws, including all Environmental Laws, ordinances, and regulations pertaining thereto) any Hazardous Material at the Apartment Complex; (ii) neither directly nor indirectly transport or arrange for the transport of any Hazardous Material (except in compliance with all laws, including all Environmental Laws, ordinances and regulations pertaining thereto) to or from the Apartment Complex; (iii) provide the Investor Member with Notice (A) upon any Managing Member’s obtaining knowledge of any potential or known release, or threat of release, of any Hazardous Material at or from the Apartment Complex; (B) upon any Managing Member’s receipt of any Notice to such effect from any federal, state, or other governmental authority by any other Person; and (C) upon any Managing Member’s obtaining knowledge of any incurrence of any expense or loss by any such governmental authority or third party in connection with the assessment, containment, or removal of any Hazardous Material at or from the Apartment Complex or any claim for loss or damage associated with Hazardous Materials at or from the Apartment Complex for which expense or loss the Managing Member may be liable or for which expense or loss a lien may be imposed on the Apartment Complex.

(j) The Managing Member shall use all reasonable efforts to maintain the Apartment Complex and the Land upon which it is located so that there is no discharge, release, spillage, uncontrolled loss or seepage of any oil, petroleum or chemical liquids or solids, liquid or gaseous products or Hazardous Material. The Managing Member shall use all best efforts to maintain the Apartment Complex and the Land so as not to violate any Environmental Laws. If any Hunt Indemnified Party becomes liable with respect to the Apartment Complex under any Environmental Law, the Managing Member shall indemnify and hold harmless such Hunt Indemnified Party (except to the extent attributable solely to direct actions of such Hunt Indemnified Party) for any and all costs, expenses (including reasonable attorneys’ fees necessarily incurred), damages or liabilities to the extent that such Hunt Indemnified Party is required to discharge such costs, expenses, damages, or liabilities in whole or in part. If any claim or loss described in the immediately preceding sentence is brought against any Hunt Indemnified Party, and such Hunt Indemnified Party notifies the Managing Member of the commencement thereof, as soon as practicable but in any event no later than 45 days after receipt of notice by the Investor Member, the Managing Member will be entitled to participate in, and, to the extent that it chooses to do so, to assume the investigation and defense thereof (including the employment of counsel reasonably satisfactory to the Hunt Indemnified Party), and the Managing Member will assume the payment of all fees and expenses relating to such investigation and defense and will have the right to negotiate and consent to settlement thereof.
provided such settlement expressly and unconditionally releases the Hunt Indemnified Party from all liabilities and obligations with respect to the claim without prejudice and the settlement would not otherwise materially adversely affect the Hunt Indemnified Party. Any one or more of the Hunt Indemnified Parties will have the right to employ separate counsel in any such action and to participate in the defense thereof, but after notice from the Managing Member to such Hunt Indemnified Party of its election to assume the defense thereof, the fees and expenses of such separate counsel will be at the expense of such Hunt Indemnified Party unless (i) the employment of such counsel and the payment of such fees and expenses by the Managing Member has been specifically authorized in writing by the Managing Member, (ii) the Managing Member has not employed counsel to have charge of the defense of such action within a reasonable time after receipt of a request by the Hunt Indemnified Party to assume the defense of the action, or (iii) counsel for such Hunt Indemnified Party or Parties has reasonably concluded that there may be material defenses available to it or them which are different from or additional to those available to the Managing Member and other Hunt Indemnified Parties (in which case, the Managing Member will not have the right to direct the defense of such action on behalf of such Hunt Indemnified Party and the fees and expenses of counsel necessary as a result of the occurrence of the events described in (i), (ii), or (iii) above will be borne by the Managing Member). The Managing Member will not be liable for any settlement of any such action effected without its Consent, but if settled with the Consent of the Managing Member or if there is a final judgment for the plaintiff in any such action as to which the Managing Member has received notice in writing as hereinabove required, the Managing Member agrees to indemnify and hold harmless the Hunt Indemnified Party from and against any loss or liability by reason of such settlement or judgment. The foregoing indemnification shall be a recourse obligation of the Managing Member, and shall survive the Withdrawal of the Managing Member. The Managing Member shall not be liable for any claims that arise from actions of others after its withdrawal or removal as a Managing Member under this Agreement, and no settlement of a claim of loss shall occur without the prior written Consent of the Managing Member.

(k) The Managing Member shall promptly request in writing of each Lender that such Lender provide the Investor Member copies of all notices delivered to the Managing Member or the Company under its Loan, and grant an opportunity for the Investor Member to cure any default under such Loan.

(l) The Managing Member shall cause the Company to maintain tenant deposits in separate accounts, which must be used solely to hold tenant deposits as security for the tenant rents and as security for damages. No funds may be used from such account for any other purpose, including payment of Operating Deficits of the Company.

(m) The Managing Member will execute on behalf of the Company all documents necessary to elect, pursuant to Sections 732, 734, 743, and 754 of the Code, to adjust the basis of the Company’s property upon the request of the Investor Member. The Managing Member shall cause the Company’s property to be depreciated in accordance with Sections 5.2(nn) and 18.4. The Managing Member will execute on behalf of the Company all documents necessary to elect, pursuant to Sections 732, 734, 743, and 754 of the Code, to adjust the basis of the Company’s property upon the request of the Investor Member. The Managing Member shall cause the Company to depreciate all of its applicable property in accordance with Section 5.2(nn) and 18.4(a).
(n) The Managing Member shall provide to the Investor Member for its approval a draft of the Cost Certification to be used by the Company in applying to the Agency for issuance of Form 8609 with respect to each building in the Apartment Complex at least five (5) Business Days prior to the date the Cost Certification is to be provided to the Agency. The Managing Member shall provide the initial Forms 8609 to the Investor Member within ten (10) days of receipt thereof by the Managing Member. Subject to the Agency providing the same, the Managing Member shall cause the Extended Use Agreement to be recorded in the appropriate real estate records no later than the last day of the year in which the Apartment Complex is Placed in Service.

(o) The Managing Member shall furnish to the Investor Member within three (3) Business Days of receipt thereof, a copy of any notice of default under a Loan or any of the Project Documents given to the Company or to the Managing Member by the Lender, and Notice of any occurrence which has or would, with the giving of notice or the passage of time, or both, become a violation or default under a Loan or any of the Project Documents. The Managing Member shall also furnish to the Investor Member within seven (7) Business Days of execution a copy of all amendments or changes to the articles, bylaws, certificates, partnership agreement, operating agreement or other organizational documents of the Managing Member or any Guarantor. The Managing Member shall promptly respond to all requests or inquiries made in writing by the Investor Member regarding matters affecting the Apartment Complex or the Company.

(p) The Managing Member shall use all reasonable efforts to cause the Apartment Complex to be kept in compliance with all applicable land use laws, regulations and ordinances.

(q) The Managing Member shall provide the Investor Member with Notice (and with copies of appropriate correspondence) within three (3) Business Days if the Company receives any writing from the Service or the Agency that the Apartment Complex or any portion thereof is not in compliance with the requirements of Code Section 42 or is subject to a Housing Tax Credit Disallowance Event or any other event that could result in an adjustment to the Housing Tax Credits, or losses allocable to the Investor Member.

(r) If any of the Housing Tax Credit Units fail at any time during the Compliance Period to constitute low-income units or if the Apartment Complex is not in compliance with the requirements contained in Code Section 42, the Managing Member agrees to Notify the Investor Member within three (3) Business Days of its knowledge of such event or occurrence and the Managing Member shall take all actions reasonably necessary to bring the Units or the Apartment Complex, as the case may be, into compliance with the requirements of Code Section 42, such that the Apartment Complex will qualify and continue to qualify for Housing Tax Credits during the Compliance Period as projected.

(s) The Managing Member is exclusively responsible for negotiating and performing all services incidental to (i) the Company’s acquisition of the Land, (ii) arranging of appropriate zoning, (iii) arranging of equity and permanent financing with respect to the Apartment Complex (including reviewing the State’s qualified allocation plan, applying for Housing Tax Credits and obtaining such marketing and feasibility studies and appraisals as it
deems reasonably necessary), (iv) contacting local government officials concerning access to utilities, public transportation and local ordinances, (v) performing environmental tests on the Land, (vi) negotiating the purchase of the Land and its related financing, (vii) arranging the permanent financing for the Company, and (viii) the organization and formation of the Company.

(t) The Apartment Complex will be operated in accordance with the Fair Housing Act, 42 U.S.C. § 3601 et seq., as amended, and in this regard, all employees and agents of the Managing Member will be appropriately trained and all required notices to tenants specified by the Fair Housing Act will occur in a timely manner. The Managing Member shall promptly provide to the Investor Member a copy of (i) the annual certification required to be submitted by the Company to the Agency pursuant to Regulation Section 1.42-5, including a copy of all required reports with respect to building code violations and the certification with respect to compliance with the Fair Housing Act and (ii) all communications received by the Managing Member or the Company with respect to compliance with, non-compliance with, or other matters relating to the Fair Housing Act.

(u) The Managing Member shall ensure that the Apartment Complex shall at all times comply with the applicable requirements of Section 504 of the Uniform Federal Accessibility Standards, where applicable and as amended, the Americans with Disabilities Act of 1990, the Americans with Disabilities Act Accessibility Guidelines for Buildings and Facilities, as now existing or hereafter amended or adopted, the Fair Housing Act Design Manual implemented in connection the Fair Housing Act, 42 U.S.C. § 3601 et seq., as amended as now existing or hereafter amended or adopted, any other federal and state and local laws and ordinances related to disabled access, and all statutes, rules, regulations, and orders of governmental bodies and regulatory agencies or orders or decrees of any court adopted or enacted with respect thereto including (collectively, the “Access Laws”). The Investor Member may also require from the Company an Access Laws Certification. Notwithstanding any provisions set forth herein or in any other document, the Managing Member shall not alter or permit any tenant or other person to alter the Apartment Complex in any manner which would increase the Managing Member’s responsibilities for compliance with the Access Laws without the prior written approval of the Investor Member. In connection with any such approval, the Investor Member may require from the Company an Access Laws Certification. Following Substantial Completion, the Apartment Complex will be operated in a manner that fully complies with applicable accessibility and barrier-free regulations such that if an enforcement action is brought against the Company, the Managing Member will use any and all of its own resources to promptly correct recorded deficiencies and shall immediately Notify the Investor Member of any such claims.

(v) The Managing Member shall give Notice to the Investor Member within three (3) Business Days of any violation or event of default, or any occurrence which would, with the giving of notice or the passage of time, or both, become a violation or event of default under any document executed by the Agency and relating to the Company. Neither the Company nor any Managing Member shall consent to any amendment or modification to any document executed by the Agency and relating to the Company without the prior Consent of the Investor Member.
(w) Without limitation, the Company, the Managing Member, and their Affiliates (i) are in compliance with Anti-Corruption Laws, and (ii) shall remain in compliance with Anti-Corruption Laws.

(x) The Managing Member shall from time to time take all actions as are necessary and appropriate to: (i) effectuate and permit the continuation of the Company as a limited liability company under the laws of the State, (ii) enable the Company to do business in the State, and (iii) protect the limited liability of the Investor Member under the laws and regulations of the State, including the preparation and filing of any certificate, document or instrument of the Company as may be required under the laws and regulations of the State.

(y) The Managing Member shall maintain books, files and records including tenant leasing files in compliance with the Code and the Regulations and which will adequately document the timing, amount and availability of the Housing Tax Credits. The Managing Member shall cause construction related files and files which document the initial qualification of the apartment units for Housing Tax Credits to be copied and stored off-site until the later of sixth (6th) year after the last day of the Compliance Period or for the time period required by Section 42 of the Code at the Managing Member’s principal place of business (which shall not be at the Apartment Complex) or at another off-site location over which the Managing Member has control. The Managing Member shall allow any Investor Member and its agents access to all such files during ordinary business hours; provided, however, that files stored off-site shall be provided within three (3) Business Days’ Notice from the Investor Member. All such files are property of the Company and not of the Managing Member.

(z) Except as otherwise required or permitted by this Agreement, the Managing Member shall not, without the Consent of the Investor Member, assign, pledge or otherwise encumber, for security or otherwise, any fees, payments or distributions to which the Managing Member is entitled from the Company or any Person pursuant to this Agreement or any Project Document, or any portion thereof or any right of the Managing Member thereto.

(aa) Each Managing Member shall not engage in any other business or activity other than that of being a Managing Member of the Company. Each Managing Member was formed exclusively for the purpose of acting as Managing Member of the Company and has never engaged in any other activity, business or endeavor. As of the date of this Agreement, neither Managing Member has liabilities nor indebtedness other than its liability for the debts of the Company, and neither Managing Member shall incur any indebtedness other than its liability for the debts of the Company. If either Managing Member determines it needs additional funds for any purpose, it shall obtain such funds solely from capital contributions from its members. Each Managing Member has observed and shall continue to observe all necessary or appropriate entity formalities in the conduct of its business. Each Managing Member shall keep its books and records and the Company’s books and records separate and distinct from those of its members and Affiliates. Each Managing Member shall clearly identify itself as a legal entity separate and distinct from its members and its Affiliates in all dealings with other Persons.

(bb) The construction and development of the Apartment Complex shall be undertaken and shall be completed in a timely and workmanlike manner in accordance with (i) all applicable requirements of the Construction Loan and the Project Documents, (ii) all
applicable requirements of all appropriate governmental entities, the violation of which would have, or would be likely to have, an adverse effect on the Apartment Complex or the Company, and (iii) the Plans and Specifications of the Apartment Complex as shown on Exhibit P that have been or shall be hereafter approved by the Investor Member and, to the extent required, the Lenders, and any applicable governmental entities, as such Plans and Specifications may be changed from time to time with the approval of the Investor Member and, to the extent required, the Lenders, and any applicable governmental entities. The Managing Member shall provide copies of all change orders to the Investor Member for its written approval promptly after the preparation and prior to the execution thereof.

(cc) The Managing Member shall cause the Company to keep all sources of funding “in balance,” as required by the Lenders and the Investor Member, and ensure that the Company has adequate sources of funds to timely achieve Permanent Loan Closing and satisfaction of other obligations of the Company in accordance with this Agreement.

(dd) Reserved.

(ee) The Managing Member shall prevent a default from occurring under the Project Documents resulting from a breach by the Managing Member, the Guarantors or their Affiliates of any term, condition or restriction applicable to such parties under the Project Documents, including, without limitation, a breach of a restriction on the ownership of the Managing Member or the financial condition of the Managing Member, the Guarantors or their Affiliates.

(ff) Neither the Managing Member nor its Affiliates will receive, directly or indirectly, from the Company or from any other Person, any fee, commission, compensation or other consideration in connection with (i) this Agreement, (ii) the acquisition of the Land and/or (iii) the construction or operation of the Apartment Complex, except for the payment of fees and distributions to the Managing Member under this Agreement and to the Developer under the Development Agreement.

(gg) The Company received points under the Agency’s Low-Income Housing Tax Credit ranking system pursuant to the Application. The Managing Member shall cause the Company to develop the Apartment Complex and manage the Company in a manner which is consistent with the award of the number of points assigned to the Application by the Agency, unless otherwise consented to by the Agency in writing and Consented to by the Investor Member.

(hh) The Managing Member shall cause the Accountants to certify the Eligible Basis of the Apartment Complex in conjunction with the Company’s application to the Agency for Forms 8609 and in conjunction with the audited cost certification of Eligible Basis.

(ii) The Managing Member shall provide to the Accountants and the Investor Member, promptly upon their request, such written documentation as is reasonably requested by the Accountants and the Investor Member in order to verify the determination of Eligible Basis, including documentation supporting the allocation of any costs incurred by the Company into the determination of Eligible Basis.
(jj) The Company will include in Eligible Basis only the Development Fee which is earned on or prior to the date the Apartment Complex is Placed in Service.

(kk) The Apartment Complex and all of (i) the fixtures, maintenance supplies, tools, equipment and the like now and to be owned by the Company or to be appurtenant to, or to be used in the operation of, the Apartment Complex, as well as (ii) the rents, revenues and profits earned from the operation of, the Apartment Complex, will be free and clear of all security interests and encumbrances except for any mortgages or security agreements (including financing statements) executed in connection with the Loans.

(ll) To the extent required by the Investor Member, ninety-seven percent (97%) payment and performance bonds issued by a financially viable, nationally recognized bonding company, or a letter of credit, in forms acceptable to the Investor Member naming the Investor Member as a dual obligee or payee, and in amounts satisfactory to the Investor Member, will be obtained by the Sub-Contractor and the Public-Bid Sub-Contractor at or before Construction Loan Closing and shall remain in full force and effect under terms and conditions as shall be acceptable to the Investor Member. The Managing Member shall promptly Notify the Investor Member of any claims made under the bonds or the letter of credit, as applicable.

(mm) In connection with the requirements of the Carryover Allocation, the Managing Member shall take all actions necessary and prepare all documents required in connection with the Company’s satisfaction of the Ten Percent Test and submit to the Agency the supporting documents therefor, including, without limitation, the Carryover Certification, by the date required by the Agency. The Managing Member shall deliver to the Investor Member all documents in support thereof, including, without limitation, the Carryover Certification, prior to submitting the Ten Percent Test documents to the Agency. Upon the Investor Member’s Consent, the Managing Member shall submit the Ten Percent Test documentation and the supporting documents therefor, including, without limitation, the Carryover Certification, to the Agency.

(nn) If a material defect is discovered in the construction of the Apartment Complex and such defect was known to the Managing Member or an Affiliate of the Managing Member and was not disclosed to the Investor Member in writing or was intentionally concealed by the Managing Member or such Affiliate, then the Managing Member shall promptly take such action as may be necessary, at the Managing Member’s sole expense, to correct such defective work to the satisfaction of the Investor Member.

(oo) The Managing Member shall cause the Company to make an election to be treated as an “electing real property trade or business” under Section 163(j)(7)(B) of the Code. The Managing Member shall seek the direction and/or Consent of the Investor Member prior to filing of the Company’s 2018 tax returns or such earlier time as such election is to be made. Once made, the election will be irrevocable.

5.3 Restrictions on Authority.

(a) Notwithstanding any other provision of this Agreement, the Managing Member shall have no authority to (1) knowingly perform any act in violation of applicable law,
Agency or other government regulations, requirements of the Lenders or the Project Documents or (2) even unknowingly, perform any act in violation of applicable law, Agency or other government regulations, requirements of the Lenders or the Project Documents if such act would or could materially adversely affect the Apartment Complex, the Company, any Investor Member or the Housing Tax Credits. In the event of any conflict between the terms of this Agreement and any applicable Agency or other government regulations or requirements of the Lender, the terms of such regulations or requirements shall govern. The Managing Member shall not have any authority to do any of the following acts without the Consent of the Investor Member:

(i) To have borrowings in excess of $10,000 in the aggregate at any one time outstanding on the general credit of the Company, except for the Loans, Operating Deficit Loans and IM Loans;

(ii) To borrow from the Company or commingle Company funds with funds of any other Person;

(iii) Following the Completion Date, to construct any new or replacement capital improvements on the Apartment Complex except as contemplated in the applicable Annual Budget, unless under emergency conditions;

(iv) To acquire any real property in addition to the Apartment Complex (including easements or similar rights necessary or convenient for the operation of the Apartment Complex);

(v) To finance or enter into any mortgage loan or other indebtedness, or to increase, decrease, amend or modify the terms of or refinance or repay (other than in accordance with its scheduled term or amortization) any Loan;

(vi) To acquire any personal property (tangible or intangible) at a cost in excess of $10,000 in any year except to the extent approved in the applicable Annual Budget, or use any Company property other than for a purpose of the Company as set forth in this Agreement;

(vii) To rent apartments in the Apartment Complex such that the Apartment Complex would not meet the requirements of the Minimum Set-Aside Test, the HOME Minimum Set-Aside Test and/or the Rent Restriction Test;

(viii) To sell, exchange, pledge or otherwise convey or transfer any portion of the Apartment Complex (including any land owned by the Company) or, all or any significant portion of the assets of the Company or any Member’s Interest in the Company, which Consent shall not be unreasonably withheld, conditioned or delayed after year fifteen (15) of the Credit Period;

(ix) To terminate or modify any agreement with any Agency;

(x) To cause the Company to commence a proceeding seeking any decree, relief, order or appointment in respect to the Company under the federal bankruptcy
laws, as now or hereafter constituted, or under any other federal or state bankruptcy, insolvency or similar law, or the appointment of a receiver, liquidator, assignee, custodian, trustee, sequestrator (or similar official) for the Company or for any substantial part of the Company’s business or property, or to cause the Company to consent to any such decree, relief, order or appointment instituted by any Person other than the Company;

(xi) To pledge or assign any of the Capital Contribution of the Investor Member or any proceeds thereof;

(xii) To amend the Architect’s Contract or the Construction Contract, including, without limitation, any change orders in excess of $50,000.00 per single change order and $250,000 in the aggregate; provided, however, that all deductive change orders, no matter how small and all change order that materially alter the scope of work, shall be subject to the Consent of the Investor Member;

(xiii) To cause the Company to amend the Development Agreement or any other agreement between the Company and any Managing Member or an Affiliate thereof;

(xiv) To do any act required to be approved or ratified by the Investor Member under the Uniform Act;

(xv) To admit an additional Investor Member;

(xvi) To substantially change the nature of the Company’s business;

(xvii) To permit the Company to engage in any activity inconsistent with the Company’s Purposes;

(xviii) To enter into any Project Document not executed prior to the date hereof, and/or to amend any Project Document;

(xix) To adopt any Annual Budget or make any modification to an approved Annual Budget, which Consent shall not be unreasonably withheld, conditioned or delayed;

(xx) To modify the Development Budget;

(xxi) To increase the Company’s total initial cost basis allocable to a class of property other than residential rental property by more than 25% of the amount set forth in the LIHTC Certificate attached hereto as Exhibit S;

(xxii) To change the Accountant or the Management Agent;

(xxiii) To sell, transfer, assign, pledge or otherwise convey the Interest of the Managing Member in the Company, or sell, transfer, assign, pledge or otherwise convey any interest in the Managing Member, except in connection with estate planning purposes (but only if (A) the Interest of the Managing Member is conveyed to a trust for the benefit of the spouse or children of Lisa M. Stephens and/or Megan D. Lasch, as the case may be, and (B) Lisa M.
Stephens or Megan D. Lasch continues to control the Co-Managing Member and Megan D. Lasch or Lisa M. Stephens continues to control the Administrative Member), or in any member, partner or shareholder of the Managing Member, as the case may be, or any other party in the line of ownership of such member, partner or shareholder, or permit the Developer to sell, transfer, assign, pledge or otherwise convey the interest of the Developer in the Development Agreement, or sell, transfer, assign, pledge or otherwise convey any interest in the Developer, or in any controlling member, partner or shareholder of the Developer, as the case may be, or any other party in the line of ownership of such member, partner or shareholder of the Developer, or voluntarily retire, withdraw or resign as the Managing Member of the Company; or

(xxiv) To make, amend or revoke any tax election required of or permitted to be made by the Company under the Code or the Regulations, including, without limitation, any election under Section 42 or Section 754 of the Code or make an election to defer the first year of Housing Tax Credits. In this regard, the Managing Member shall make any elections required or permitted under Section 42 of the Code requested in writing by the Investor Member;

(xxxv) To accept any grants on behalf of the Company.

5.4 Personal Services. The Managing Member or any Affiliates thereof shall have the right to contract or otherwise deal with the Company for the sale of goods or services to the Company in addition to those set forth herein, if (a) compensation paid or promised for such goods or services is reasonable (i.e., at fair market value) and is paid only for goods or services actually furnished to the Company, (b) the goods or services to be furnished shall be reasonable for and necessary to the Company, (c) the fees, terms and conditions of such transaction are at least as favorable to the Company as would be obtainable in an arm’s-length transaction, and (d) the Investor Member has given its Consent to the particular contract or other dealings between the Company and the Managing Member or its Affiliates. Any contract covering such transactions shall be in writing and shall be terminable without penalty on sixty (60) days’ Notice. Any payment made to the Managing Member or any Affiliate for such goods or services shall be fully disclosed to the Investor Member in writing in the reports required under Section 18.7. Neither the Managing Member nor any Affiliate shall, by the making of lump sum payments to any other Person for disbursement by such other Person, circumvent the provisions of this Section 5.4.

5.5 Continued Compliance Sale. Notwithstanding the foregoing, subject to the Purchase Option Agreement commitments in the Application, at any time after the Compliance Period, the Investor Member may request that the Company sell the Apartment Complex subject to the Extended Use Agreement (a “Continued Compliance Sale”)

(a) After receipt of a request for a Continued Compliance Sale, the Managing Member shall use its best efforts to find a third party purchaser for the Apartment Complex and to cause the Company to consummate a sale of the Apartment Complex subject to the Extended Use Agreement and on terms Consented to by the Investor Member. If such efforts are not successful on terms reasonably satisfactory to the Investor Member within six (6) months of the date of the Investor Member’s request, the Investor Member shall have the right thereafter to locate a purchaser for the Apartment Complex. If the Investor Member locates such a purchaser,
then the Managing Member shall be obligated to either (i) consent to the sale to such purchaser and execute all documents in connection with such sale or (ii) purchase the Investor Member’s Interest for an amount equal to what the Investor Member would have received for a sale of the Apartment Complex.

(b) At all times after the end of the Compliance Period, the Investor Member shall have the right, exercisable in its sole and absolute discretion, to put its entire Interest to the Managing Member (or its designee) for a price equal to $100.

5.6 Other Activities. Any Investor Member may engage independently or with others in other business ventures of every nature and description including the ownership, operation, management, syndication and development of competing real estate; neither the Company nor any other Member shall have any rights in and to such independent ventures or the income or profits derived therefrom.

5.7 Indemnification of the Managing Member.

(a) No Managing Member nor any Affiliate thereof shall have liability to the Company or to any Investor Member for any loss suffered by the Company which arises out of any action or inaction of such Managing Member or Affiliate thereof if such Managing Member or Affiliate thereof in good faith determined that such course of conduct was in the best interest of the Company and such course of conduct did not constitute gross negligence, misconduct, fraud or any breach of fiduciary duty of such Managing Member or Affiliate thereof.

(b) A Managing Member or any Affiliate thereof shall be indemnified by the Company against losses, judgments, liabilities, expenses and amounts paid in settlement of any claims sustained in connection with the Company, provided that all of the following conditions are met: (i) such Managing Member has determined, in good faith, that the course of conduct which caused the loss, judgment, liability, expense or amount paid in settlement was in the best interests of the Company; and (ii) such loss, judgment, liability, expense or amount paid in settlement was not the result of gross negligence, misconduct, fraud, breach of fiduciary duty on the part of such Managing Member or Affiliate thereof or breach of this Agreement; and (iii) such indemnification or agreement to hold harmless is recoverable only out of the assets of the Company, and not from the Investor Member.

(c) Subject to the provisions of Section 5.7(b), no Managing Member or any Affiliate thereof performing services for the Company shall be indemnified for any losses, liabilities or expenses arising from or out of an alleged violation of federal or state securities laws unless (i) there has been a successful adjudication on the merits of each count involving securities laws violations as to the particular indemnitee and the court approves the indemnification of such litigation costs, (ii) such claims have been dismissed with prejudice on the merits by a court of competent jurisdiction as to the particular indemnitee and the court approves the indemnification of such litigation costs or (iii) a court of competent jurisdiction approves a settlement of the claims against a particular indemnitee and the court finds that indemnification of the settlement and related costs should be made. In any claim for indemnification for federal or state securities law violations, the party seeking indemnification
shall, prior to seeking court approval for such indemnification, place before the court the positions of the Securities and Exchange Commission and any applicable state securities administrator with respect to the issue of indemnification for securities law violations.

(d) The Company shall not incur the cost of the portion of any insurance, other than public liability insurance, which insures any party against any liability as to which such party is herein prohibited from being indemnified.

5.8 Indemnification of the Company and the Hunt Indemnified Parties.

(a) The Managing Member shall indemnify, defend and hold harmless the Company and the Hunt Indemnified Parties, and the Company shall indemnify, defend, and hold harmless the Hunt Indemnified Parties, from and against any and all loss, damage and liability, cost or expense (including reasonable attorneys’ fees) which the Company or any Hunt Indemnified Party may incur by reason of the past, present or future actions or omissions of the Managing Member or any of their Affiliates constituting gross negligence, misconduct, fraud, breach of fiduciary duty or a breach or an Event of Default with respect to or under this Agreement; provided, however, that the foregoing indemnification shall not constitute a guaranty of the Permanent Loan.

(b) Notwithstanding the foregoing, no Managing Member shall be liable to a Hunt Indemnified Party or the Company for any act or omission for which the Company is required to indemnify such Managing Member under Section 5.7.

(c) The Managing Member shall indemnify, defend, and hold the Company and the Hunt Indemnified Parties harmless from and against any claims, suits, actions, debts, damages, costs, charges, losses, obligations, judgments and expenses of any nature whatsoever (other than actions caused by a third party on property outside of the Apartment Complex over which the Managing Member has no control and about which the Managing Member had no prior knowledge and no ability to prevent or mitigate the impact of those actions on the Apartment Complex) suffered or incurred by the Hunt Indemnified Parties and arising directly or indirectly out of the presence on, under or about the Apartment Complex of any Hazardous Substance, the use, generation, manufacture, storage or disposal of any Hazardous Substance on, under or about the Apartment Complex, or the violation of any Environmental Laws by the Managing Member or its representatives. The Managing Member shall further indemnify and hold harmless the Company and the Hunt Indemnified Parties and their respective Affiliates and successors from and against any claims, demands, losses, damages, liabilities, lawsuits and other proceedings, judgments, awards, costs and expenses including, without limitation, reasonable attorneys’ fees, arising directly or indirectly, in whole or in part, out of a breach of any or all of the representations, warranties and covenants contained in this Agreement. In case such action is brought against any Hunt Indemnified Party, and it notifies the Managing Member of the commencement thereof as soon as practicable, the Managing Member will be entitled to participate in, and, to the extent that it chooses so to do, to assume the investigation and defense thereof (including the employment of counsel reasonably satisfactory to the Hunt Indemnified Party), and the Managing Member will assume the payment of all fees and expenses relating to such investigation and defense and will have the right to negotiate and consent to settlement thereof provided such settlement expressly and unconditionally releases the Hunt Indemnified
Party from all liabilities and obligations with respect to the claim without prejudice and the settlement would not otherwise materially adversely affect the Hunt Indemnified Party. Any one or more of the Hunt Indemnified Parties will have the right to employ separate counsel in any such action and to participate in the defense thereof, but after notice from the Managing Member to such Hunt Indemnified Party of its election to assume the defense thereof, the fees and expenses of such separate counsel will be at the expense of such Hunt Indemnified Party unless (i) the employment of such counsel and the payment of such fees and expenses by the Managing Member has been specifically authorized in writing by the Managing Member, or (ii) the Managing Member has not employed counsel to have charge of the defense of such action within a reasonable time after receipt of a request by the Hunt Indemnified Party to assume the defense of the action, (iii) counsel for such Hunt Indemnified Party or Parties has reasonably concluded that there may be material defenses available to it or them which are different from or additional to those available to the Managing Member and other Hunt Indemnified Parties (in which case, the Managing Member will not have the right to direct the defense of such action on behalf of such Hunt Indemnified Party and the fees and expenses of counsel necessary as a result of the occurrence of the events described in (i), (ii), or (iii) above will be borne by the Managing Member). The Managing Member will not be liable for any settlement of any such action effected without its Consent, but if settled with the Consent of the Managing Member or if there is a final judgment for the plaintiff in any such action as to which the Managing Member has received notice in writing as hereinabove required, the Managing Member agrees to indemnify and hold harmless the Hunt Indemnified Party from and against any loss or liability by reason of such settlement or judgment. In addition to the foregoing indemnification, the Hunt Indemnified Parties may pursue any other available legal or equitable remedy against the Managing Member with respect to the Managing Member’s breach of any of the representations, warranties or covenants contained herein, including, without limitation, the Investor Member’s deferral of the payment of its Capital Contribution pursuant to Section 4.2.

(d) The indemnification rights contained in this Section 5.8 shall be recourse obligations of the Managing Member and shall survive dissolution of the Company and Withdrawal or Involuntary Withdrawal of the Managing Member (except that the Managing Member shall not be liable for claims arising solely from the actions of others after its Withdrawal or Involuntary Withdrawal) and shall be cumulative of, and in addition to, any and all rights, remedies and recourse to which the Hunt Indemnified Parties shall be entitled, whether pursuant to the provisions of this Agreement, at law or in equity.

(e) The Managing Member, on behalf of itself and the Company, hereby waives any and all claims it may now or in the future have against any Lender and the Investor Member relating to the Construction Mortgage or the Permanent Mortgage based in any way upon Lender’s status as an investor in the Investor Member.

5.9 Certain Payments to the Managing Member and Affiliates.

(a) Development Fee. The Company shall pay the Developer the Development Fee on the terms, at the times and in the manner set forth in the Development Agreement. The Development Agreement provides for a Development Fee equal to $2,527,585. No Development Fee shall be paid by the Company upon the occurrence of an Event of Default.
or the occurrence of an event, which with the giving of notice or the passage of time or both would result in an Event of Default.

(b) MM Incentive Management Fee. The Company shall pay the Managing Member an annual non-cumulative fee payable in arrears (the “MM Incentive Management Fee”), for services commencing at Rental Achievement in connection with the administration of the day-to-day business of the Company in an annual amount not to exceed $120,000. The MM Incentive Management Fee for each fiscal year of the Company shall be payable from Cash Flow in the manner and priority set forth in Section 14.1(a) and shall be prorated for a partial fiscal year.

(c) Payment of Development Fee and MM Incentive Management Fee. In the event of the occurrence of an Event of Default by the Managing Member under this Agreement, no Development Fee or MM Incentive Management Fee shall be paid, and there shall be no payments on any Operating Deficit Loans, MM Loans, and Excess MM Loans.

5.10 Reserve Accounts.

(a) The Managing Member shall establish and maintain the Replacement Reserve (the “Replacement Reserve”) to provide for working capital needs, improvements, replacements and any other contingencies of the Company as required by the Lenders and/or any Agency. Commencing on the date on which the first building in the Apartment Complex receives a certificate of occupancy or other license or permit allowing for the occupancy of such first building, the Managing Member shall cause the Company to deposit into Replacement Reserve from its Cash Receipts, the amount of $27,500 annually (the annual amount of contributions to the Replacement Reserve shall be funded in twelve (12) equal monthly payments), which amount shall be adjusted upward each year, commencing on the one year anniversary of the due date for the initial deposit to the Replacement Reserve, by three percent (3%). Following the 10th year of the Compliance Period, and every five (5) years thereafter, the Investor Member shall have the right to require a physical needs assessment for the Apartment Complex at the Company’s expense, which may result in adjustments to the Replacement Reserve. Withdrawals and expenditures from the Replacement Reserve shall be made only with the Consent of the Investor Member and are subject to any written approval which may be required by any Lender or Agency. If the terms of any loan impose more strict requirements regarding the funding and/or use of Replacement Reserve, such more strict requirements shall apply. If the Permanent Lender does not require that it shall hold and control the Replacement Reserve, then the Replacement Reserve shall be deposited at an FDIC commercial member bank selected by the Investor Member, in an account requiring the signature of the Investor Member for any withdrawals (including any interest earned on the account).

(b) The Managing Member shall cause to be established and maintained the Operating Reserve to fund Operating Deficits (the “Operating Reserve”). Concurrently with the Fourth Installment, the Managing Member shall cause the Company to deposit into the Operating Reserve the greater of $540,000 or an amount equal to six months of Operating Expenses and Debt Service Expense, as determined at the time of Rental Achievement and any contributions to the Operating Reserve required by the Agency or any Lender (the “Initial Operating Reserve Amount”). The Operating Reserve shall be deposited at an FDIC commercial member bank
selected by the Investor Member, in an account requiring the signature of the Investor Member for any withdrawals (including any interest earned on the account). Withdrawals and expenditures from the Operating Reserve shall be made only with the Consent of the Investor Member, which Consent shall not be unreasonably withheld, conditioned or delayed, and are not subject to any approval by any Lender or Agency. The Investor Member shall facilitate withdrawals without condition or delay, to such extent that the Managing Member requests to use any funds in the Operating Reserve in excess of $250,000 to pay Operating Deficits prior to funding under its Operating Deficit Guaranty; provided, however, that such funds shall not be applied against the Operating Deficit Loan Cap and shall not be available to pay fees to the Management Agent if it is an Affiliate of the Managing Member, the Developer, or Guarantors]. Notwithstanding anything to the contrary, the Managing Member shall cause the Company to increase the Operating Reserve from time to time to the extent necessary to cause the Company to comply with all Operating Reserve (or comparable reserve) requirements imposed, from time to time, by any Lender or the Agency. The Operating Reserve shall be maintained from Cash Flow throughout the Compliance Period at an amount equal to or exceeding the Initial Operating Reserve Amount, and shall not be subject to release prior to the end of the Compliance Period. Upon expiration of the Compliance Period, funds in the Operating Reserve shall be distributed pursuant to Section 14.1(a), except to the extent otherwise required by Section 17.2 of this Agreement, provided, however, that no distribution shall be made to the Managing Member pursuant to such sections if an Event of Default has occurred and is continuing under this Agreement. The release of the Operating Reserve shall not require the consent of the Permanent Lender.

5.11 Pledged Payments. To secure the payment and performance by the Managing Member and the Developer to Investor Member of the Managing Member’s obligations under this Agreement and the Developer’s obligations under the Development Agreement, the Managing Member, in accordance with the Managing Member Pledge, hereby collaterally assigns, pledges and grants a security interest to the Investor Member in all right, title and interest the Managing Member has in the right to receive any distributions and payments under this Agreement, payments with respect to Operating Deficit Loans and MM Loans and distributions of Cash Flow and Cash From Capital Transaction, and the Developer, in accordance with the Developer Pledge, hereby collaterally assigns, pledges and grants a security interest to the Investor Member in all right, title and interest the Developer has in the Development Agreement, including, without limitation, any payments of the Development Fee (collectively, the “Pledged Payments”). The Managing Member and the Developer, in accordance with the terms of the Managing Member Pledge and Developer Pledge, respectively, irrevocably direct the Company to pay to the Investor Member any Pledged Payments at any time that there is an unsatisfied obligation secured by the Pledged Payments. The Company and the Members shall treat any Pledged Payments made by the Company to the Investor Member as a payment by the Company to the Managing Member or the Developer, as applicable, of the particular Pledged Payment and a payment by the Managing Member or Developer, to the Investor Member, of the particular obligation which it secures. If there is more than one type of outstanding obligation secured at the time a Pledged Payment is made to the Investor Member, the Investor Member, in its sole discretion shall decide to which secured obligation the Pledged Payments shall be applied. This Section 5.11 shall constitute a security agreement under the laws of the State. In addition, the Managing Member and the Developer each grant the Investor Member a right of
offset against Pledged Payments with respect to all amounts due to the Managing Member under this Agreement and the Developer under the Development Agreement.

5.12 Assignment to Company. The Managing Member hereby transfers and assigns to the Company all of its right, title and interest in and to the Apartment Complex and in and to all of the Project Documents, including, without limitation, the following: (i) all contracts with architects, supervising architects, engineers and contractors with respect to the development of the Apartment Complex; (ii) all plans, specifications and working drawings heretofore prepared or obtained in connection with the Apartment Complex; (iii) all governmental commitments and approvals obtained, and applications therefor, including those relating to planning, zoning, building permits, Housing Tax Credits; (iv) any and all commitments with respect to the Loans; (v) any and all contracts or rights with respect to any agreements with the Lenders and any Agency; and (vi) any other work product related to the Apartment Complex and/or the Company, all of which, with respect to the Managing Member, shall have an agreed to value of $1.00.

5.13 Meetings. Any Member may call meetings of the Company for any matters for which the Investor Member may vote as set forth in this Agreement. Within seven (7) days after receipt of Notice requesting a meeting, which Notice shall state the purpose of a meeting, the Managing Member shall provide the Investor Member with Notice (either in person or by certified mail) of a meeting and the purpose of such meeting to be held on a date not less than ten (10) nor more than twenty (20) days after receipt of said request, at a time convenient to the Investor Member, except in the case of an emergency such meeting to be held within two (2) days after receipt of a request. All meetings shall be held at the principal office of the Company.

5.14 Purchase Option. The Co-Managing Member shall have the right to purchase with respect to the Apartment Complex in accordance with the terms set forth in the Purchase Option Agreement.

ARTICLE 6
MANAGING MEMBER REPRESENTATIONS AND WARRANTIES

6.1 Representations, Warranties and Covenants. The Managing Member represents, warrants and covenants to the Company and the Investor Member, and their counsel for purposes of providing certain tax and other opinions, that the following are presently true and accurate:

(a) The Company is a duly organized limited liability company validly existing and in good standing under the laws of the State and has complied with all filing requirements necessary for the protection of the Investor Member, and it has no assets other than those relating to the Apartment Complex and has never engaged in any business or incurred any liabilities other than in respect of the Apartment Complex. The Company has taken all requisite action in order to conduct lawfully its business in the State and is not qualified to do business in and is not required to so qualify in any jurisdiction other than the State.

(b) The Land is and will be zoned for the operation of the Apartment Complex as a permitted use. There is no violation by the Company or the Managing Member of any zoning or similar regulation applicable to the Apartment Complex which could have a material adverse effect thereon, or, to the best of the knowledge of the Managing Member after
due inquiry, of any environmental or similar regulation applicable to the Apartment Complex which could have a material adverse effect thereon, and the Company has complied with all applicable municipal and other laws, ordinances and regulations relating to such construction and use of the Apartment Complex.

(c) All appropriate public utilities, including water, electricity and gas (if called for in the Plans and Specifications), are or will be available and operating properly for each apartment unit in the Apartment Complex on the Occupancy Commencement Date.

(d) No event or proceeding (including, without limitation, legal actions or proceedings before any court, commission, administrative body or other governmental authority having jurisdiction over the zoning applicable to the Apartment Complex, labor disputes and acts of any governmental authority) has occurred or is pending or threatened to the best of the Managing Member’s knowledge after due inquiry, which may (i) materially adversely affect the Company, the Apartment Complex or related to the business or assets of the Company or of the Apartment Complex, or (ii) materially adversely affect the ability of the Managing Member or any of its Affiliates to perform their respective obligations hereunder or under any other agreement with respect to the Apartment Complex, other than legal proceedings which have been bonded against in such manner as to stay the effect of the proceedings or otherwise have been adequately provided for.

(e) No default (or event which, with the giving of notice or the passage of time or both, would constitute a default) has occurred and is continuing under this Agreement or under any material provision of the Project Documents, and the same are in full force and effect.

(f) There has been no violation by the Company, the Managing Member, the Guarantors or any Affiliate of the Managing Member or the Guarantors of Anti-Corruption Laws in connection with the execution of this Agreement, the Project Documents and all other instruments, documents and agreements pertaining to the Company or the Apartment Complex.

(g) After Permanent Loan Closing, no Member or Related Person will bear the Economic Risk of Loss with respect to the Permanent Loan. No Managing Member has, either on its own behalf or on behalf of the Company, incurred any financial responsibility with respect to the Company prior to the Closing Date, other than as disclosed in writing to the Investor Member or which will be satisfied at or prior to the execution of this Agreement.

(h) Reserved.

(i) Reserved.

(j) The Company owns a fee simple interest in the Apartment Complex, subject to no material liens, charges or encumbrances other than those which (i) are permitted by the Project Documents and are noted or excepted in the Title Commitment, or, after the issuance thereof, the Title Policy, and (ii) do not materially interfere with use of the Apartment Complex (or any part thereof) for its intended purpose or have a material adverse effect on the value of the Apartment Complex. The Managing Member has not made any misrepresentations or failed to make any disclosure that will or could result in the Company lacking title insurance coverage based on imputation of knowledge of the Managing Member to the Company.
(k) In the event there is an Additional TIF Reimbursement granted to the Company in excess of the $134,355 provided pursuant to the City Council Action, such excess funds shall be subject to the Consent of the Investor Member and shall be used first to pay hard and soft costs of the Construction as reasonably acceptable to the Investor Member and second to pay the portion of the Development Fee payable at the Fourth Installment.

(l) Reserved.

(m) The execution and delivery of all instruments and the performance of all acts heretofore or hereafter made or taken pertaining to the Company or the Apartment Complex by each Affiliate of the Managing Member which is a corporation or limited liability company have been or will be duly authorized by all necessary organizational action, and the consummation of any such transactions with or on behalf of the Company will not constitute a breach or violation of, or a default under, the charter, bylaws, operating agreement or other organizational documents of such Affiliate or any agreement by which such Affiliate or any of its properties is bound, nor constitute a violation of any law, administrative regulation or court decree.

(n) Any Managing Member which is a corporation or limited liability company has been duly organized, is validly existing and in good standing under the laws of its state of organization and has all requisite power to be a Managing Member and to perform its duties and obligations as contemplated by this Agreement and the Project Documents. Neither the execution and delivery by such Managing Member of this Agreement nor the performance of any of the actions of such Managing Member contemplated hereby has constituted or will constitute a violation of (i) the articles of organization, by-laws, operating agreements or other organizational documents of such Managing Member, (ii) any agreement by which such Managing Member is bound or to which any of its property or assets is subject, or (iii) any law, administrative regulation or court decree.

(o) The General Contractor’s Construction Contract has been entered into between the Company and the General Contractor, the Sub-Contractor’s Construction Contract has been entered into between the General Contractor and the Sub-Contractor and by and between the Company and the Sub-Contractor and the Public Bid Sub-Contractor’s Construction Contract has been entered into by and among the Company, the Public Bid Sub-Contractor and the City of Fort Worth. No other consideration or fee shall be paid to the General Contractor, Sub-Contractor and Public Bid Sub-Contractor in their capacity as the General Contractor, Sub-Contractor and Public Bid Sub-Contractor, respectively, for the Apartment Complex and work required pursuant to the TIF Reimbursement Agreement and the City Council Action, other than the amounts set forth in the General Contractor’s Construction Contract, Sub-Contractor’s Construction Contract and Public Bid Sub-Contractor’s Construction Contract, as applicable, the amount paid to the General Contractor by the Company at Closing pursuant to invoice #30 dated August 22, 2018 totaling $42,089 (constituting the first half of the total payment), the amount paid to the General Contractor by the Company totaling $42,089 (constituting the second half of the total payment), or as evidenced by change orders approved by the applicable Lenders and Consented to by the Investor Member; and all change orders to date have been paid in full. In addition, no consideration or fee shall be paid to the Developer or Managing Member by the General Contractor, Sub-Contractor or Public Bid Sub-Contractor.
The only tenant eligibility requirements or rent restrictions with which the Apartment Complex and the Company must comply, including restrictions necessary to receive the full amount of the Projected Housing Tax Credits, are the following:

(i) 74 of the 110 units are subject to the rent restrictions and occupancy limitations that apply to residential units that satisfy the Minimum Set-Aside Test or the HOME Minimum Set-Aside Test, as applicable for the term of the Extended Use Agreement and are leased to Qualified Tenants (the “Housing Tax Credit Units”).

(A) 8 of the 74 Housing Tax Credit Units are Section 8 Units.

(B) 11 of the 74 Housing Tax Credit Units are subject to requirements set forth in the HOME Act.

(ii) Unless the Investor Member gives its Consent, 36 of the 110 units shall be Market Rate Units and shall at all times be rented or available for rent as “free market” units without regard to any rent restrictions and occupancy limitations imposed under the Code, the Agency, the Extended Use Agreement or from any other source.

(q) The Managing Member acknowledges that the HOME Loan has been funded with the proceeds of HOME Program funds pursuant to the Cranston-Gonzalez National Affordable Housing Act of 1990, which is implemented by the HOME Investment Partnerships Program, 24 CFR Part 92, as amended (collectively, the “HOME Act”). The Managing Member shall cause the Company to comply in full with the HOME Act, if applicable, including, without limitation, rental restrictions and tenant income limitations, Davis-Bacon Act compliance requirements, and all requirements set forth in any regulatory agreement executed by the Company in connection with the HOME Loan.

(r) The term of the Extended Use Agreement will not exceed thirty-five (35) years and under the Extended Use Agreement.

(s) Saigebrook Development, LLC owns and shall continue to own at all times during the term hereof one hundred percent (100%) of all classes of interests of the Co-Managing Member and Lisa M. Stephens owns and shall continue to own at all times during the term hereof one hundred percent (100%) of all classes of interests of Saigebrook Development, LLC (subject to any estate planning transfers; provided that (A) any direct or indirect interest of Lisa M. Stephens in the Co-Managing Member is conveyed to a trust for the benefit of the spouse or children of Lisa M. Stephens, and (B) Lisa M. Stephens or Megan D. Lasch continues to control the Co-Managing Member). O-SDA Industries, LLC owns and shall continue to own at all times during the term hereof one hundred percent (100%) of all classes of interests of the Administrative Member and Megan D. Lasch owns and shall continue to own at all times during the term hereof one hundred percent (100%) of all classes of interests of O-SDA Industries, LLC (subject to any estate planning transfers; provided that (A) any direct or indirect interest of Megan D. Lasch in the Administrative Member is conveyed to a trust for the benefit of the spouse or children of Megan D. Lasch, and (B) Megan D. Lasch or Lisa M. Stephens continues to control the Administrative Member).

(t) Single Purpose Requirements.
(i) The Managing Member shall not engage, has not engaged and does not engage, in any business other than the business of making housing available to persons of low and moderate income other than with respect to the Market Rate Units and promoting social welfare and combating community deterioration, through acquisition, investment, funding, construction, rehabilitation, or any other means consistent with its charitable purposes.

(ii) The Managing Member shall not enter into and has not entered into any contract or agreement with any Affiliate of the Managing Member, any constituent party of the Managing Member, or any Affiliate of any constituent party, except upon terms and conditions that are intrinsically fair and substantially similar to those that would be available on an arm’s length basis with third parties other than any such party.

(iii) The Managing Member has and shall continue to pay its debts and liabilities from its own assets as the same shall become due. No Affiliate has paid any debts or liabilities on behalf of the Managing Member.

(iv) The Managing Member has and shall continue to maintain books, financial records and bank accounts that are separate and distinct from the books, financial records and bank accounts of any other Person including any Affiliate.

(v) The Managing Member has and shall continue to maintain separate annual financial statements prepared in accordance with generally accepted accounting principles, consistently applied, showing its assets and liabilities separate and distinct from those of any other entity; in the event the financial statements of the Managing Member are consolidated with the financial statements of any other entity, the Managing Member has and shall continue to cause to be included in such consolidated financial statements: (i) a narrative description of the separate assets, liabilities, business functions, operations and existence of the Managing Member to ensure that such separate assets, liabilities, business functions, operations and existence are readily distinguishable by any entity receiving or relying upon a copy of such consolidated financial statements; and (ii) a statement that the Managing Member’s assets and credit are not available to satisfy the debts of such other entity or any other person.

(vi) The Managing Member or its members has and shall continue to file its own tax returns and pay its own taxes required to be paid under applicable law.

(vii) The Managing Member has and shall continue to (i) hold itself out as an entity separate and distinct from any other Person; (ii) not identify itself or any of its affiliates as a division or part of the other; (iii) correct any known misunderstanding regarding its separate status; and (iv) use separate stationery, invoices, checks, and the like bearing its own name.

(viii) The Managing Member has and shall continue to conduct its business in its own name so as to avoid or correct any misunderstanding on the part of any creditor concerning the fact that any invoices and other statements of account from creditors of the Managing Member are to be addressed and mailed directly to the Managing Member, though this provision shall not prohibit such mail to be delivered to the Managing Member c/o any other entity.
(ix) The Managing Member has and intends to maintain adequate capital for the normal obligations reasonably foreseeable in a business of its size and character and in light of its contemplated business operations.

(x) The Managing Member has not and shall not commingle any of its assets, funds or liabilities with the assets, funds or liabilities of any other Person or Affiliate.

(xi) The Managing Member has and shall continue to maintain its assets in such a manner that it will not be costly or difficult to segregate, ascertain or identify its individual assets from those of any party.

(xii) Except as provided for in this Agreement or under the Loan documents, the Managing Member has not and shall not, (i) assume or guaranty the debts of any other Person in a manner that includes a pledge, encumbrance, transfer or hypothecation (whether by operation of law or otherwise) of any assets or interests of the Company or, (ii) hold itself out to be responsible for the debts of another Person in a manner that includes the pledge, encumbrance, transfer or hypothecation of any assets or interests of the Company (whether by operation of law or otherwise), or (iii) otherwise pledge, encumber, transfer or hypothecate the assets of the Company for the benefit of another Person or permit the same to occur, or (iv) hold the Company’s credit as being available to satisfy the obligations of any other Person.

(xiii) All transactions carried out by the Managing Member have been and will be, in all instances, made in good faith and without intent to hinder, delay or defraud creditors of the Managing Member.

(u) On each date of funding by the Investor Member of a Capital Contribution, the Company shall have good and marketable title to the Apartment Complex, subject only to the permitted exceptions set forth in Section 6.1(f). All real estate taxes, assessments, water and sewer charges and other municipal charges, to the extent due and owing, have been paid in full on the Apartment Complex.

(v) No representation, warranty or statement of the Managing Member in this Agreement or in any document, certificate or schedule furnished or to be furnished to any Investor Member pursuant hereto contains or will contain any untrue statement of a material fact or omits or will omit to state a material fact necessary to make the statements or facts contained therein not misleading.

(w) The Apartment Complex is not a scattered site project within the meaning of Code Section 42(g)(7).

(x) Reserved.

(y) The Managing Member represents, warrants and covenants that:

(i) By the Fourth Installment, the Accountants have certified that all amounts included in the determination of Eligible Basis as set forth in the Development Budget and in the Application are properly includable pursuant to the Code and Service rulings.
(ii) The Company’s total initial cost basis allocable to a class of property other than residential rental property shall not be increased by more than 25% of the amount set forth in the LIHTC Certificate attached hereto as Exhibit S.

(iii) No portion of the Apartment Complex’s Eligible Basis, including the portion of the Development Fee included in Eligible Basis, is allocable, under the Code and rulings issued by the Service, to land costs, organizational or syndication costs. Land preparation costs included in Eligible Basis are inextricably associated with depreciable assets of the Company.

(iv) Any portion of the Development Fee that is included in Eligible Basis, including any portion the payment of which is deferred, is properly includable in Eligible Basis under the Code and Service rulings.

(z) No Event of Bankruptcy has occurred with respect to the Managing Member, any Guarantor or any Affiliate of the Managing Member or any Guarantor.

(aa) Neither the Company nor any Managing Member has liabilities, contingent or otherwise, or pending or threatened litigation or any unasserted claim against any of them which would have a material adverse effect on the Managing Member, the Apartment Complex or the Company that have not been disclosed in writing to the Investor Member.

(bb) There is no litigation, demand, suit, action, inquiry, proceeding, investigation or claim pending or, to the best of the Managing Member’s knowledge, threatened, relating to any Anti-Corruption Laws with respect to the Company, the Managing Member, the Guarantor(s) or any Affiliate with respect to the Managing Member or the Guarantor(s).

(cc) All accounts of the Company required to be maintained under the terms of the Project Documents, including the Replacement Reserve, are currently funded to the levels required by the Lenders and/or any Agency, to the extent required by each such Lender and Agency.

(dd) Prior to Rental Achievement, the Guarantors will maintain collectively at least $1,000,000 in Liquid Assets. From the date of Rental Achievement through and including the Operating Deficit Guarantee Period, the Guarantors will maintain collectively at least $750,000 in Liquid Assets. After the expiration of the Operating Deficit Guarantee Period, the Guarantors will maintain collectively at least $500,000 in Liquid Assets; provided, that the requirements of this subsection shall be deemed satisfied in accordance with the Backstop Guaranty Agreement, so long as such agreement is in full force and effect regardless of whether Hunt is in default thereunder. The Managing Member shall Notify the Investor Member whenever the requirements of this Section 6.1(dd) are not satisfied. Any Development Fee paid at Closing will count towards the Guarantor’s Liquid Asset requirement on the date of Closing and any Development Fee paid at Rental Achievement shall count towards the Guarantor’s Liquid Asset requirement at Rental Achievement.

(ee) All payments and expenses required to be made or incurred in order to achieve Completion of the Apartment Complex in conformity with the Project Documents, to satisfy all requirements under the Project Documents and/or which form the basis for
determining the principal sum of the Permanent Loan and to pay the Development Fee (other than the Deferred Development Fee) have been or will be paid or provided for utilizing only the Permitted Sources.

(ff) The amount of Housing Tax Credits which are expected to be allocated by the Company to the Investor Member is as set forth in the definition of Projected Housing Tax Credits.

(gg) The Apartment Complex is being developed in a manner which satisfies, and shall continue to satisfy, all restrictions, including tenant income and rent restrictions, applicable to projects generating Housing Tax Credits.

(hh) None of the costs to develop and construct the Apartment Complex has been paid for, directly or indirectly, from the proceeds of bonds the interest on which is exempt from tax under Section 103 of the Code, and the Eligible Basis of the Apartment Complex shall not include any costs financed with the proceeds of a federally funded grant pursuant to Section 42(d)(5)(A) of the Code.

(ii) (A) The Managing Member has provided to the Investor Member a complete copy of the Environmental Documents. To the best of the knowledge of the Managing Member after due inquiry, except as disclosed in the Environmental Documents, no Managing Member, Affiliate of any Managing Member or Person for whose conduct any Managing Member is or was responsible has ever: (i) owned, occupied, or operated a Facility or Vessel on the Apartment Complex on which any Hazardous Material was or is stored, transported or disposed of (except if such storage, transport or disposal was and is at all times in compliance with all laws, including all Environmental Laws, ordinances and regulations pertaining thereto); (ii) directly or indirectly transported, or arranged for transport, of any Hazardous Material (except if such transport was and is at all times in compliance with all laws, including all Environmental Laws, ordinances and regulations pertaining thereto) to or from the Apartment Complex; (iii) caused or was legally responsible for any release or threat of release of any Hazardous Material to or from the Apartment Complex or the property adjacent thereto; (iv) received notification from any federal, state or other governmental authority or by any other Person of (x) any potential, known, or threat of release of any Hazardous Material at or from the Apartment Complex; or (y) the incurrence of any expense or loss by any such governmental authority or by any other Person in connection with the assessment, containment, or removal of any release or threat of release of any Hazardous Material from the Apartment Complex.

(B) In connection with the acquisition of the Apartment Complex, the Company obtained a “Phase I” environmental site assessment of the Apartment Complex which establishes an innocent landowner defense pursuant to Section 9601(35) of CERCLA. The Managing Member has reviewed the “Phase I” environmental site assessment (and any subsequent studies recommended therein) and believes the same to be true, correct and complete in all respects. To the best knowledge of the Managing Member, after due inquiry, there is no fact, circumstance, event or condition, previously or subsequently occurring, which would or does make any statement in such survey untrue, false or misleading. None of the Company, the Managing Member nor any of its Affiliates has given any waiver or release of
liability pursuant to any Environmental Law to any Person in the chain of title of the Land or the Apartment Complex.

(jj) To the best of the Managing Member’s knowledge, after due inquiry, except as disclosed by the Managing Member to the Investor Member in writing, neither the Company nor the Apartment Complex is in violation of any Environmental Law. Neither the Managing Member nor the Company has received any notice from any governmental agency or by any other Person that the Company, Apartment Complex or Land upon which it is located is in violation of any Environmental Law.

(kk) To the best of the Managing Member’s knowledge, after due inquiry, except as disclosed by the Managing Member to the Investor Member in writing or in the Environmental Documents, no Hazardous Material was ever or is now stored, transported or disposed of (except to the extent any such storage, transport or disposal was at all times in compliance with all laws, including all Environmental Laws, ordinances and regulations pertaining thereto) on the Land.

(ll) No Person or Entity other than the Company and those Persons holding indirect interests through the Company holds any equity interest in the Apartment Complex.

(mm) The Company has the sole responsibility to pay all maintenance and operating costs, including all taxes levied upon, and all insurance costs attributable to the Apartment Complex.

(nn) The Company, except to the extent that it is protected by insurance and excluding any risk borne by any Lender, bears the sole risk of loss if the Apartment Complex is destroyed or condemned, or if there is a diminution in value of the Apartment Complex.

(oo) No Person except the Company has the right to any proceeds after payment of all indebtedness, from the sale, refinancing or leasing of the Apartment Complex.

(pp) The fair market value of the Apartment Complex exceeds or, once constructed, is expected to exceed the total amount of indebtedness, including accrued interest thereon, encumbering the Apartment Complex and is expected to do so throughout the term of such indebtedness.

(qq) The Managing Member represents and warrants that (i) neither the Managing Member nor the Company has entered into any other enforceable agreement or commitment with any other Person to acquire the Housing Tax Credits, or, in the alternative, (ii) the Managing Member and/or the Company has obtained legally enforceable releases or termination agreements from other Persons with whom the Managing Member and/or the Company has previously entered into an agreement whereby said Persons may acquire the Housing Tax Credits. The Managing Member further warrants that it shall at all times indemnify and hold harmless the Hunt Indemnified Parties against and from any and all claims, suits, actions, damages, costs, judgments and expenses, of any nature whatsoever, suffered or incurred by the Hunt Indemnified Parties as a result of the Managing Member and/or the Company’s prior dealings, negotiations, agreements, and/or commitments with Persons.
(rr) The Managing Member has prepared its own financial analysis of the Apartment Complex and is not relying on any financial analysis, projection or forecast prepared by the Investor Member or any Affiliate thereof of the construction costs associated with the Apartment Complex or the Apartment Complex’s operations. There are sufficient sources of funds to complete the Apartment Complex in accordance with the Development Budget.

(ss) The Apartment Complex has been and will be constructed and operated in conformance with the Application submitted to the Agency.

(tt) No restrictions on the sale or refinancing of the Apartment Complex exist, other than restrictions under Code Section 42, the documents evidencing and securing the HOME Loan and the Extended Use Agreement, and no other such restrictions shall be placed upon the sale or refinancing of the Apartment Complex at any time while the Investor Member is an Investor Member without the Consent of the Investor Member.

(uu) The Company has not made, and will not make, an election to be taxable as a corporation.

(vv) Other than as specifically provided in this Agreement, a creditor who makes a loan to the Company shall not have or acquire at any time as a result of making the loan, any interest in the profits, capital or property of the Company other than as a secured creditor.

(ww) The Managing Member has disclosed in writing to the Investor Member all material actions with respect to the Company taken by the Managing Member prior to the date hereof.

(xx) All material documents relating to the Company and the Apartment Complex have been made available to the Investor Member.

(yy) The Managing Member acknowledges that no Lender is or will be acting on behalf of or as agent for the Investor Member in connection with the Construction Mortgage or the Permanent Mortgage.

(zz) The Managing Member, on behalf of itself and the Company, shall not bring any claim against any Lender or the Investor Member relating to the Construction Mortgage or the Permanent Mortgage based in any way upon Lender’s status as an investor in the Investor Member.

(aaa) Neither the Managing Member nor the Company (a) is in violation of the USA Patriot Act; (b) is a Person or entity described by section 1 of Executive Order 13224 of September 24, 2001, Blocking Property and Prohibiting Transactions with Persons who Commit, Threaten to Commit, or Support Terrorism, 66 Fed. Reg. 49,079 (2001), or (c) to the best knowledge and belief of the Managing Member, neither the Managing Member or the Company engages in any dealings or transactions, or is otherwise associated, with any such Persons or entities.

(bbb) The Managing Member acknowledges that the fees to be paid by the Company and described in this Agreement and all exhibits thereto, including the Development
Agreement, the Management Agreement and the Project Documents, are reasonable compensation for the services for which they will be paid.

(ccc) The Apartment Complex does not contain any commercial spaces.

(ddd) The Managing Member has performed suitable and adequate due diligence as is customary in the industry and, in connection therewith, and the Managing Member has discovered no condition (other than those previously disclosed to the Investor Member in writing) adverse to the development and operation of the Project or any of the assumptions, projections or pro formas delivered to the Investor Member.

(eee) The Managing Member shall Notify the Investor Member of any groundbreaking, grand opening, ribbon-cutting or other public relations ceremony relating to the Apartment Complex (collectively, “Groundbreaking Activities”). In addition, the Managing Member shall invite (in writing) a representative of the Investor Member to attend and actively participate in such Groundbreaking Activities, such written invitation shall be made no less than thirty (30) calendar days prior to the scheduled event. The Managing Member shall cause the Company to display a sign at the Apartment Complex during construction which clearly states the name of Hunt Capital Partners, LLC as the arranger of equity funds for the Project and at Hunt’s option, the name of the Investor Member or any member/partner of the Investor Member. The sign shall be erected, at the cost of the Company, in a prominent place on the site within fifteen (15) Business Days of receipt by the Managing Member of the Hunt Capital Partners, LLC image and directions. The Managing Member agrees to immediately remove such sign or reference to Hunt Capital Partners, LLC, its investors, and/or any member/partner of the Investor Member if requested by the Investor Member. The Managing Member hereby gives permission to the Investor Member, and any Affiliate thereof, to issue press releases and advertising relating to the equity commitment and the Investor Member’s participation in the transaction. Such media and marketing materials may include, among other things, photos, information about the location of the Apartment Complex, the number of units, the amenities associated with the Apartment Complex and the terms of the equity commitment. The Managing Member shall reference Hunt Capital Partners, LLC as the arranger of equity funds for the Project and at Hunt’s option, the name of the Investor Member or any member/partner of the Investor Member, in any press releases related to the Apartment Complex and shall provide the Investor Member with at least five (5) Business Days to review such items.

(ggg) to the Managing Member’s knowledge, it has complied in all material respects with, and has caused the Company to comply in all material respects with, all applicable local, state and federal laws, statutes, regulations, rules and ordinances (including, without limitation, (i) all applicable filing and disclosure requirements related thereto, (ii) the USA Patriot Act and (iii) the Currency and Foreign Transactions Reporting Act of 1970 and neither it nor the Company has entered into any transaction with any entity or country that, to its knowledge, is (A) sanctioned under Section 311 of the USA Patriot Act or (B) a Foreign Shell Bank; it has established anti-money laundering policies and procedures as may be required by the Bank Secrecy Act, as amended by USA Patriot Act, which policies and procedures shall also
apply, as applicable, to the Company, and is in full compliance with the Financial Crimes Enforcement Network of the U.S. Department of Treasury (“FinCen”) regulations.

(hhh) At the written direction of the Investor Member, the Managing Members shall cause the Company to make an election to be treated as an “electing real property trade or business” under Section 163(j)(7)(B) of the Code. The Managing Member shall not otherwise make the foregoing election without the written direction of, or with the Consent of, the Investor Member. The Managing Member shall seek the direction and/or Consent of the Investor Member prior to filing of the Company’s 2018 tax returns or such earlier time as such election is to be made. Once made, the election will be irrevocable.

All of the representations, warranties and covenants contained herein shall survive the date of Permanent Loan Closing and the funding date of each Installment made by the Investor Member. The Managing Member shall indemnify and hold harmless the Hunt Indemnified Parties against a breach of any of the foregoing representations, warranties and covenants and any damage, loss or claim caused thereby, including reasonable attorneys’ fees and costs and expenses of litigation and collection. In case such action is brought against any Hunt Indemnified Party, and it notifies the Managing Member of the commencement thereof as soon as practicable, the Managing Member will be entitled to participate in, and, to the extent that it chooses so to do, to assume the investigation and defense thereof (including the employment of counsel reasonably satisfactory to the Hunt Indemnified Party), and the Managing Member will assume the payment of all fees and expenses relating to such investigation and defense and will have the right to negotiate and consent to settlement thereof provided such settlement expressly and unconditionally releases the Hunt Indemnified Party from all liabilities and obligations with respect to the claim without prejudice and the settlement would not otherwise materially adversely affect the Hunt Indemnified Party. Any one or more of the Hunt Indemnified Parties will have the right to employ separate counsel in any such action and to participate in the defense thereof, but after notice from the Managing Member to such Hunt Indemnified Party of its election to assume the defense thereof, the fees and expenses of such separate counsel will be at the expense of such Hunt Indemnified Party unless (i) the employment of such counsel and the payment of such fees and expenses by the Managing Member has been specifically authorized in writing by the Managing Member, (ii) the Managing Member has not employed counsel to have charge of the defense of such action within a reasonable time after receipt of a request by the Hunt Indemnified Party to assume the defense of the action, or (iii) counsel for such Hunt Indemnified Party or Parties has reasonably concluded that there may be material defenses available to it or them which are different from or additional to those available to the Managing Member and other Hunt Indemnified Parties (in which case, the Managing Member will not have the right to direct the defense of such action on behalf of such Hunt Indemnified Party and the fees and expenses of counsel necessary as a result of the occurrence of the events described in (i), (ii), or (iii) above will be borne by the Managing Member). The Managing Member will not be liable for any settlement of any such action effected without its Consent, but if settled with the Consent of the Managing Member or if there is a final judgment for the plaintiff in any such action as to which the Managing Member has received Notice in writing as hereinabove required, the Managing Member agrees to indemnify and hold harmless the Hunt Indemnified Party from and against any loss or liability by reason of such settlement or judgment.
6.2 Environmental Representations, Warranties and Covenants. The Managing Member will establish operating and maintenance programs (an “O&M”) to instruct site staff and vendors on how to proceed when (i) maintaining the components of the electrical system that facilitate safe mixing of aluminum and copper components, and (ii) dealing with Hazardous Materials at the Apartment Complex, each as and if applicable. A copy of each such O&M report shall be furnished to the Investor Member and the Management Agent, and the Management Agreement shall obligate the Management Agent to act in accordance with the recommendations in any such O&M.

ARTICLE 7
EVENTS OF DEFAULT AND REMEDIES

7.1 Events of Default. Any one or more of the following events, whether described in Section 7.1(a) or Section 7.1(b) is an Event of Default under this Agreement, and the term “Event of Default,” wherever used herein, means any one of the following events, whatever the reason for such default and whether it shall be voluntary or involuntary or be effected by operation of law or pursuant to any judgment, decree or order of any court or any order, rule or regulation of any administrative or governmental body. The Events of Default described in Section 7.1(a) may also give rise to the Investor Member’s repurchase right as described in Section 7.2(b)(iv), however, after the Company’s receipt of Forms 8609 and the funding of the Fifth Installment, the Investor Member’s repurchase right shall terminate.

(a) Events of Default That Are Repurchase Triggers,

(i) acts or omissions of the Managing Member that either (A) constitute fraud, bad faith, gross negligence, misconduct, or breach of fiduciary duty with respect to any material matter in the discharge of its duties as the Managing Member or (B) results in or is likely to result in a material detriment to or an impairment of the Apartment Complex, the Company, the Housing Tax Credits or any assets of the Company;

(ii) a Loan shall have been declared in default by Lender, which gives the Lender the right to foreclose on the Apartment Complex;

(iii) the Permanent Loan Commitment is terminated or substantially modified and is not replaced with a commitment of equivalent terms, or any interest rate lock-in has expired and is not replaced with a rate lock of equivalent terms, or the Apartment Complex only qualifies for a permanent loan that is insufficient to balance the sources and uses of funds;

(iv) the Construction Loan is not fully repaid and the Permanent Loan is not funded in accordance with Section 8.4;

(v) other than due to a Tax Law Change, the amount of Actual Housing Tax Credits for any year are, or are projected by the Accountants after the issuance of Forms 8609 to be less than eighty percent (80%) of Projected Housing Tax Credits;

(vi) For any reason whatsoever, the Apartment Complex does not generate any Actual Housing Tax Credits during 2020;
(vii) Placement in Service does not occur on or before the later to occur of (a) December 31, 2019, or (b) the date required by the Code and the Agency to preserve the Housing Tax Credits;

(viii) reserved;

(ix) reserved;

(x) IRS Forms 8609 are not issued for all buildings in the Apartment Complex on or before the date required under the Code or by the Agency to claim the Housing Tax Credits for the Apartment Complex in the year available (subject, in either case, to delays in issuance thereof solely due to inaction of the Agency);

(xi) reserved;

(xii) Rental Achievement does not occur on or before February 28, 2021;

(xiii) a casualty shall have occurred with respect to the Apartment Complex and insurance proceeds are insufficient to fully restore the Apartment Complex to its condition immediately prior to such casualty, or the Apartment Complex is not fully restored to its condition immediately prior to such casualty within twenty-four (24) months of such casualty or such earlier date as may be required by the Code or the Agency to preserve the Housing Tax Credits;

(xiv) reserved;

(xv) the Ten Percent Test is not met within earlier of the time specified by Section 42(h)(1)(E) of the Code or the date required by the Agency;

(xvi) reserved;

(xvii) the Managing Member and/or the Company fail to comply with any requirement of the Agency which may have a material adverse effect on the Carryover Allocation, including, without limitation, a reduction in the Projected Housing Tax Credits;

(xviii) at any time prior to Completion, an action is commenced to abandon or permanently enjoin the construction of the Apartment Complex;

(xix) non-achievement of the Minimum Set-Aside Test and/or the Rent Restriction Test by the end of the first year of the Credit Period;

(xx) the Company fails to execute and record an Extended Use Agreement by the close of the first year of the Credit Period;

(xxi) the Company fails to achieve Initial 100% Occupancy on or before December 31, 2020;
(xxii) at any time prior to Rental Achievement, the Managing Member and/or the Developer fail to provide or cause to be provided any funds required to be provided by the Managing Member hereunder or by the Developer under the Development Agreement;

(xxiii) reserved;

(xxiv) the occurrence of an Event of Bankruptcy prior to Rental Achievement, with respect to the Managing Member, the Company, the Guarantor or the Developer, or a Person with a Controlling Interest in any of them;

(xxv) the Managing Member shall have conducted its own affairs or the affairs of the Company in such a manner as would (1) cause the termination of the Company for federal income tax purposes or (2) cause the Company to be treated for federal income tax purposes as an association taxable as a corporation; (3) cause the Company to fail to qualify as a limited liability company under the Uniform Act; or (4) cause the Investor Member to be liable for Company obligations in excess of its Capital Contribution; or (5) otherwise substantially reduce tax benefits or substantially increase tax liabilities of the Investor Member for which the Investor Member is not compensated under this Agreement; or

(xxvi) any change of control of the Managing Member without the Consent of the Investor Member.

(b) Events of Default That are Not Repurchase Triggers.

(i) the Company fails to pay on a timely basis any of its real estate or personal property tax obligations (including any payments-in-lieu-of-taxes) to any county, city, town or other local government;

(ii) the occurrence of an Event of Bankruptcy after Rental Achievement with respect to the Managing Member, the Company, a Guarantor, the Developer, or a Person with a Controlling Interest in any of them;

(iii) any commission of, indictment or conviction for, or pleading of, nolo contendere with respect to a felony by the Managing Member or a Controlling Person of the Managing Member, or an Affiliate of the Managing Member, or there be a complaint filed against the Managing Member or a Controlling Person of the Managing Member, or an Affiliate of the Managing Member, alleging violation of any anti-fraud, registration or reporting provision of state or federal securities law or a judgment rendered against the Managing Member, a Controlling Person of the Managing Member, or an Affiliate of the Managing Member as a defendant (or admit to liability) in any action based upon civil fraud or misrepresentation, or a debarment or otherwise declaration of ineligibility to participate in any federal program or the Managing Member, a Controlling Person of the Managing Member or an Affiliate of the Managing Member is indicted by a grand jury. In the event a Controlling Person of the Co-Managing Member or an Affiliate of the Co-Managing Member is under investigation by a grand jury, voting rights and control belonging to the Co-Managing Member’s Interest shall vest to the Administrative Member until the conclusion of the investigation or the receipt by the Investor Member of a satisfactory letter from the Attorney General of the United States or the Texas Attorney General, as applicable. In the event a Controlling Person of the Administrative
Member or an Affiliate of the Administrative Member is under investigation by a grand jury, voting rights and control belonging to the Administrative Member’s Interest shall vest to the Co-Managing Member until the conclusion of the investigation or the receipt by the Investor Member of a satisfactory letter from the Attorney General of the United States or the Texas Attorney General, as applicable. In the event a Controlling Person of both the Co-Managing Member and the Administrative Member or an Affiliate of the Co-Managing Member and an Affiliate of the Administrative Member is under investigation by a grand jury, voting rights and control belonging to the Interests of Co-Managing Member and the Administrative Member shall vest to the Special Investor Member until the conclusion of the investigation or the receipt by the Investor Member of a satisfactory letter from the Attorney General of the United States or the Texas Attorney General, as applicable;

(iv) a default by a Guarantor under the Guaranty;

(v) any representation or warranty made by the Managing Member herein, or in any document or certificate furnished to the Investor Member in connection herewith or pursuant hereto shall prove at any time to be false, incorrect or misleading as of the date made and which has an adverse impact upon the Company or the Investor Member;

(vi) the failure of the Managing Member to make any Capital Contributions or payments to the Investor Member required pursuant to Section 4.2(d);

(vii) the Managing Member shall fail in any respect to observe and perform or shall breach in any respect any covenant, condition, duty, obligation or agreement set forth in Articles 5, 6 and 8, which are not otherwise set forth in this Section and which has an adverse impact upon the Company or the Investor Member;

(viii) any act by the Managing Member outside the scope of its duties or obligations under this Agreement that has a material adverse effect on the Company, the Apartment Complex or the Investor Member;

(ix) the material breach by the Managing Member of any provision of this Agreement or a breach or default by the Company of any Project Document;

(x) the Apartment Complex or the Company is substantially mismanaged in any material respect;

(xi) the Managing Member fails to fund any Operating Deficits (regardless of whether the Operating Deficit Guaranty Period has expired or whether the Operating Deficit Cap has been reached);

(xii) the Managing Member withdraws, attempts to withdraw, or for any reason is deemed to have withdrawn from the Company;

(xiii) the Managing Member fails to provide or maintain any insurance required by this Agreement;
(xiv) the Managing Member shall have conducted its own affairs or the affairs of the Company in such a manner as would qualify as an event of removal or withdrawal with respect to a Managing Member under the Uniform Act;

(xv) a Loan shall have been declared in default by Lender;

(xvi) the Guarantors do not have Liquid Assets of at least $500,000 from June 30, 2019 through the end of the Compliance Period; or

(xvii) Hunt or any Affiliate thereof pays in the aggregate more than $500,000 pursuant any of Hunt’s guaranty obligations under the Limited Guaranty Agreement and the Backstop Guaranty Agreement.

7.2 Notice and Remedies.

(a) Notice. Prior to or concurrently with the enforcement of any remedy in Section 7.2(b), the Investor Member shall give Notice of an Event of Default (“Notice of Default”) to the Managing Member and, with respect to certain Events of Default set forth in Section 7.2(c) only, the Managing Member shall have the right to cure such Event of Default.

(b) Remedies.

(i) Upon the occurrence of an Event of Default (and if the Event of Default is subject to cure under Section 7.2(c), upon a failure to cure such Event of Default by the expiration of the applicable cure period), the Investor Member may elect that, such Managing Member (a) shall immediately cease to be a Managing Member, (b) shall no longer have any Interest, (c) shall not be entitled to receive any fees, including but not limited to the MM Incentive Management Fees, which have not been fully paid prior to the date of the occurrence of the Event of Default or payment with respect to any Operating Deficit Loans or MM Loans (such removal of the Managing Member shall be an “Involuntary Withdrawal”). Notwithstanding the foregoing, upon the occurrence of the Event of Default described in Section 7.1(b)(ii) hereof, the Involuntary Withdrawal of the Managing Member shall occur immediately upon the occurrence of the Event of Default, without any election by the Investor Member.

(ii) Upon an Event of Default (and if the Event of Default is subject to cure under Section 7.2(c), upon a failure to cure such Event of Default by the expiration of the applicable cure period), the Investor Member’s designee, which may be a Hunt Entity or a qualified non-profit organization if required by the Application, shall be admitted as a replacement Managing Member (the “Replacement Managing Member”) on the terms set forth herein without any further action by any other Member. Upon any such admission of the Replacement Managing Member, the former Managing Member’s interest in all items of profits, losses, credits, distributions and Percentage Interest shall be transferred to the Replacement Managing Member and the Replacement Managing Member shall be paid all fees and loans, including but not limited to MM Incentive Management Fees, Operating Deficit Loans and MM Loans, which would have been payable to the removed Managing Member had an Event of Default not occurred. In addition, the obligation to pay any Development Fee, or portion thereof, that is not paid with the Managing Member’s Special Capital Contribution in accordance with Section 4.1(c), shall be automatically assigned to the Replacement Managing Member. The
Replacement Managing Member shall be automatically admitted and become the managing member of the Company without the need for any approval from any Member, Agency or any Lender, unless otherwise required by the Agency or by any Lender, and shall be irrevocably delegated all of the power and authority of the Managing Member pursuant to Section 5.1. Each Member hereby grants to the Investor Member a special power of attorney, irrevocable to the extent permitted by law and coupled with an interest, to amend the Certificate and this Agreement and to do anything else which, in the view of the Investor Member, may be necessary or appropriate to accomplish the purposes of this Section 7.2(b)(ii) or to enable the Replacement Managing Member admitted pursuant to this Section 7.2(b)(ii) to manage the business of the Company. The admission of the Replacement Managing Member shall not relieve the former Managing Member of any of its obligations hereunder incurred as a Managing Member, and the former Managing Member shall fully indemnify and hold harmless the Replacement Managing Member from and against any and all losses, judgments, liabilities, expenses and amounts paid in settlement of any claims sustained in connection with its capacity as a Managing Member. For the avoidance of doubt, the Managing Member shall not be responsible for obligations incurred or arising from the actions or inactions of the Replacement Managing Member on or after the Replacement Managing Member is admitted to the Company or for claims arising after its removal and not attributable to the former Managing Member’s actions or inactions.

(iii) The Investor Member hereby is granted an irrevocable power of attorney, coupled with an interest, to execute any and all documents on behalf of the Members and the Company as shall be legally necessary and sufficient to effect all of the foregoing provisions of this Section 7.2, including, without limitation, any amendment to the Certificate and this Agreement.

(iv) Upon the occurrence of an Event of Default by the Managing Member described in Section 7.1(a), the Investor Member may, at its option, at any time, require the Managing Member to, and the Managing Member shall, purchase the Investor Member’s Interest in the Company for an amount equal to the Capital Contribution paid by the Investor Member (together with interest thereon at an annual interest rate of ten percent (10%) compounded annually from the date on which each installment of the Investor Member’s Capital Contribution was actually advanced to the Company) plus all expenses (including, without limitation, reasonable costs of in house and outside legal counsel and accountants) incurred by the Investor Member in connection with its participation in the Company and enforcing their rights hereunder, plus the repayment in full of all outstanding IM Loans plus any federal income tax liability incurred by the Investor Member as a result of the payment of any amounts pursuant to this Section 7.2(b)(iv) less Housing Tax Credits allocated to the Investor Member that have not been or will not be recaptured. Upon receipt of such amount, the Investor Member’s interest as an Investor Member in the Company shall terminate, the Investor Member shall transfer its interest in the Company to the Managing Member or its designees, and the Managing Member shall indemnify and hold harmless the Hunt Indemnified Parties from and against any losses, damages, liabilities, costs or expenses (including reasonable attorneys’ fees) to which the Hunt Indemnified Parties (as a result of its participation hereunder) may be subject. In case such action is brought against any Hunt Indemnified Party, and it notifies the Managing Member of the commencement thereof as soon as practicable, the Managing Member will be entitled to participate in, and, to the extent that it chooses so to do, to assume the investigation and defense thereof (including the employment of counsel reasonably satisfactory to the Hunt Indemnified
Party), and the Managing Member will assume the payment of all fees and expenses relating to such investigation and defense and will have the right to negotiate and consent to settlement thereof provided such settlement expressly and unconditionally releases the Hunt Indemnified Party from all liabilities and obligations with respect to the claim without prejudice and the settlement would not otherwise materially adversely affect the Hunt Indemnified Party. Any one or more of the Hunt Indemnified Parties will have the right to employ separate counsel in any such action and to participate in the defense thereof, but after Notice from the Managing Member to such Hunt Indemnified Party of its election to assume the defense thereof, the fees and expenses of such separate counsel will be at the expense of such Hunt Indemnified Party unless (i) the employment of such counsel and the payment of such fees and expenses by the Managing Member has been specifically authorized in writing by the Managing Member, or (ii) the Managing Member has not employed counsel to have charge of the defense of such action within a reasonable time after receipt of a request by the Hunt Indemnified Party to assume the defense of the action, (iii) counsel for such Hunt Indemnified Party or Parties has reasonably concluded that there may be material defenses available to it or them which are different from or additional to those available to the Managing Member and other Hunt Indemnified Parties (in which case, the Managing Member will not have the right to direct the defense of such action on behalf of such Hunt Indemnified Party and the fees and expenses of counsel necessary as a result of the occurrence of the events described in (i), (ii), or (iii) above will be borne by the Managing Member). The Managing Member will not be liable for any settlement of any such action effected without its Consent, but if settled with the Consent of the Managing Member or if there is a final judgment for the plaintiff in any such action as to which the Managing Member has received Notice as hereinafore required, the Managing Member agrees to indemnify and hold harmless the Hunt Indemnified Party from and against any loss or liability by reason of such settlement or judgment.

(v) The Managing Member, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, agrees that if the Managing Member becomes the subject of Bankruptcy proceedings pursuant to the United States Bankruptcy Code, as it may be amended (the “Bankruptcy Code”), then (i) any other Member shall thereupon be entitled to immediate relief from any automatic stay imposed by Section 362 of the Bankruptcy Code or otherwise, on or against the exercise of the rights and remedies available to such Member pursuant to this Agreement or otherwise, and (ii) any Member may apply or move the bankruptcy court in which the Bankruptcy proceedings are pending for a change of venue to the bankruptcy court where the Company has its principal place of business and the Managing Member agrees not to oppose or object to such application or motion in any way. The foregoing shall in no way preclude, restrict or prevent the Managing Member from filing for protection under the Bankruptcy Code.

(vi) This is an agreement under which applicable law excuses the Investor Member from accepting performance from any Managing Member which is a debtor in a case under the Bankruptcy Code, 11 U.S.C. § 101 et seq., from a trustee of any such debtor and from the assignee of any such debtor or trustee. The Managing Member acknowledges that the Investor Member has entered into this Agreement with the Managing Member in consideration of and in reliance upon its unique knowledge, experience and expertise, and that of its principals in the planning and implementation of the development of the Apartment Complex and in the area of affordable housing and development in general. The foregoing restriction on transfer is
based in part on the above factors. The Managing Member expressly agrees that the Investor Member shall not be required to accept performance under this Agreement from any person other than the Managing Member, including, without limitation, any trustee of the Managing Member appointed under the Bankruptcy Code, 11 U.S.C. § 101 et seq., and any assignee of any such trustee or any receiver or examiner appointed under federal or state law.

(vii) Upon the occurrence of an Event of Default, the Company shall withhold payment of any installment of fees payable pursuant to Section 5.9 and the Managing Member shall be liable for the Company’s payment of any and all installments of the Development Fee payable pursuant to the Development Agreement. All amounts so withheld by the Company under this Section 7.2(b)(vii) shall be promptly released to the payees thereof only after the Managing Member has cured the default justifying the withholding, as demonstrated by evidence acceptable to the Investor Member.

(viii) In addition to the foregoing remedies, the Investor Member can take suits, actions or proceedings in equity or at law, either for the specific performance of any covenant or contract contained herein or in aid or execution of any right herein granted, or for any legal or equitable remedy as the Investor Member shall deem most effectual to protect and enforce this Agreement, the Guaranty and the Project Documents.

(c) Cure. After Notice from the Investor Member pursuant to Section 7.2(a), the Managing Member shall have the following opportunity to cure only the following Events of Default:

(i) There shall be no cure period with respect to Events of Default described in Section 7.1(a). There shall be no cure period with respect to Events of Default described in any of Sections 7.1(b)(ii) and (iii) (the “No Cure Sections”).

(ii) The Managing Member shall have ten (10) Business Days from the date of the Notice of Default to cure a monetary Event of Default described in Sections 7.1(b)(i), (iv), (vi), (xi), (xvi) and (xvii) in a manner acceptable to the Investor Member in its sole discretion.

(iii) In the case of an Event of Default in Section 7.1(b) that is susceptible of cure, the Managing Member shall have thirty (30) days from the date of the Notice of Default to cure such Event of Default in a manner acceptable to the Investor Member in its sole discretion or, if the Managing Member commences such cure within thirty (30) days from the date of the Notice of Default and proceeds diligently and in good faith to cure such Event of Default, ninety (90) days from the date of the Notice of Default; but only if the failure to cure such Event of Default within such ninety (90) day period does not have, or in the sole judgment of the Investor Member, will not have, a material adverse effect on the Company, the Apartment Complex or the Investor Member.

(iv) With respect to any Event of Default attributable solely to the Co-Managing Member and for which such Event of Default has been cured by the Administrative Member, the Administrative Member shall have the right to replace the Co-Managing Member with another entity Consented to by the Investor Member. With respect to any Event of Default
attributable solely to the Administrative Member and for which such Event of Default has been
cured by the Co-Managing Member, the Co-Managing Member shall have the right to replace
the Administrative Member with another entity Consented to by the Investor Member.

(v) Any cure of an Event of Default by the Investor Member or an
Affiliate of the Investor Member shall not constitute a cure by the Managing Member.

7.3 Nonexclusive Remedies. No remedy herein conferred upon or reserved to the
Investor Member is intended to be exclusive of any other available remedy or remedies, but each
and every such remedy shall be cumulative and shall be in addition to every other remedy given
under this Agreement or now or hereafter existing at law or in equity or by statute. No delay or
omission to exercise any right or power accruing upon any Event of Default shall impair any
such right or power or shall be construed to be a waiver thereof, but any such right and power
may be exercised from time to time and as often as may be deemed expedient. In order to entitle
the Investor Member to exercise any remedy reserved to it in this Article, it shall not be
necessary to give any Notice other than such Notice as may be herein expressly required or as
may be required by law.

7.4 Attorney’s Fees and Expenses. If an Event of Default shall exist under this
Agreement and the Investor Member employs attorneys or incurs other expenses for the
collection of any amounts due hereunder, or for the enforcement of performance of any
obligation or agreement on the part of the Managing Member, Developer or Guarantor, the
Managing Member shall upon demand pay to the Investor Member the reasonable fees of such
attorneys and such other expenses so incurred.

7.5 Effect of Waiver. In the event any Event of Default is waived by the Investor
Member, such waiver shall be limited to the particular Event of Default so waived and shall not
be deemed to waive any other Event of Default hereunder. Any such waiver shall only be
effective if signed in writing by the Investor Member.

ARTICLE 8
MANAGING MEMBER GUARANTEES

8.1 Construction Completion Guaranty.

(a) The Managing Member shall:

(i) Cause all of the dwelling units in the Apartment Complex to be
Placed in Service on or before the later of (a) December 31, 2019 or (b) March 31, 2020 if the
date required by the Code and the Agency to preserve the Housing Tax Credits is extended
beyond December 31, 2019;

(ii) Achieve Completion on or before the date that is ninety (90) days
following the date set forth in Section 8.1(a)(i);

(iii) Cause the full funding of the HOME Loan and FWHFC Loan by
Permanent Loan Closing; and
(iv) Fulfill all actions required of the Company to assure that the Apartment Complex satisfies the Minimum Set-Aside Test and the Rent Restriction Test on or before the end of the first year of the Credit Period.

(b) The Managing Member hereby is obligated to pay all Development Deficits when and as incurred. The Company shall have no obligation to pay any Development Deficits. Any amounts funded by the Managing Member pursuant to this clause (b) shall not be treated as a Capital Contribution or a Member Loan and shall not be repaid by the Company. Such Development Deficits may, at the Managing Member’s election together with the prior Consent of the Investor Member, be paid by the Managing Member, through the deferral of additional Development Fee as set forth in Section 3(b) of the Development Agreement, causing a portion of the unpaid Development Fee then due (not to exceed the lesser of the amount such Development Deficits or the unpaid cash portion of the Development Fee then due to the Developer) to be changed to a Deferred Development Fee in the manner provided in Section 3(b) of the Development Agreement (a “DDF Election”), provided, the Investor Member shall Consent to such deferral only if the Investor Member determines, in its sole discretion, that all of the Deferred Development Fee (including any additional deferral to pay Development Costs) can be repaid by the Company through distributions from the cash flow waterfall under Section 14.1(a) within thirteen years after Rental Achievement, further provided that such Consent shall not be required if the Deferred Development Fee is not necessary to be included in the Eligible Basis in order to generate Projected Housing Tax Credits and the Investor Member’s Capital Account is expected to remain positive throughout the period of eleven (11) taxable years beginning with the first taxable year of the Credit Period.

(c) The Managing Member shall pay any Development Deficits pursuant to Section 8.1 by the earlier of (i) the date required to avoid a default or penalties under Company obligations, including, without limitation, the Loans, (ii) the date required to keep all sources of funding for the Apartment Complex “in balance,” (iii) the date required to keep all expenses without a specific maturity date paid on a sixty (60) day current basis or (iv) such earlier date as may be set forth in this Agreement.

(d) If, as the result of any failure by the Sub-Contractor to fulfill its obligations under that certain agreement between Sub-Contractor and General Contractor with respect to the Apartment Complex, a Development Deficit exists and the Guarantor makes a payment of such Development Deficit under the Guaranty, any liquidated damages payment received by the Partnership under the Construction Contract shall be paid to the Guarantor to the extent the Guarantor makes such a payment.

8.2 Operating Deficit Guaranty. Subject to the Managing Member’s right under Section 5.10(b) to use funds in the Operating Deficit Reserve to pay Operating Deficits, if at any time during the Operating Deficit Guaranty Period, an Operating Deficit shall exist, the Managing Member shall make an Operating Deficit Loan to the Company as shall be necessary to pay such Operating Deficits; provided, however, that the Managing Member shall not be obligated to make an Operating Deficit Loan if and to the extent such loan would cause the aggregate amount of all Operating Deficit Loans then outstanding to exceed $540,000 (the “Operating Deficit Loan Cap”). Any Operating Deficit Loan shall be on the following terms: (a) it shall be unsecured; (b) it shall not bear interest; (c) it shall be repayable solely from Cash
Flow and proceeds of a Capital Transaction at the time and in the amounts set forth in Sections 14.1(a), 14.1(b) and 17.2(b) of this Agreement; and (d) it shall be fully subordinated to payment of the Loans, IM Loans, MM Loans and indebtedness of the Company to all Persons other than Members. The Managing Member shall be required to fund Operating Deficits pursuant to this Section 8.2 by the earlier of (A) the date required to avoid a default or penalties under Company obligations, including, without limitation, the Loans, and (B) the date required to keep all expenses without a specific maturity date paid on a sixty (60) day current basis. Proceeds of an Operating Deficit Loan may not be used to pay fees to the Management Agent if it is an Affiliate of the Managing Member, the Developer, or the Guarantors.

8.3 Housing Tax Credit Compliance Guaranty.

(a) If, at any time after the earlier to occur of (i) the date that the Investor Member’s Capital Contribution obligation has been reduced to zero or (ii) the occurrence of an Event of Default, there is a Housing Tax Credit Shortfall other than as a result of a Housing Tax Credit Disallowance Event, the Managing Member shall promptly, but in any event within five (5) calendar days after demand, pay the Investor Member an amount equal to (1) the amount of the Housing Tax Credit Shortfall for the fiscal year immediately preceding the Payment Date, (2) all penalties and interest imposed by the Code and assessed against the Investor Member, by the Service with respect to any Housing Tax Credit Shortfall, and (3) an amount sufficient to pay any tax liability owed by the Investor Member resulting from the receipt from the Managing Member of the amounts specified in the foregoing clauses (1), (2) and this clause (3) (such calculation to be made assuming the Investor Member is subject to the highest federal and Texas state rate imposed on corporate taxpayers under the Code and applicable state law for the taxable year of the Investor Member in which such payment is taken into income by the Investor Member) together with interest on such amounts at the AFR accruing from such Payment Date if such payments in (i), (ii) and (iii) are not made on the Payment Date. There shall be no duplication between amounts paid under this Section 8.3(a) and amounts reflected as reductions in Capital Contributions (and/or payments by the Managing Member, if applicable) under Section 4.2(d).

(b) If at any time after the earlier to occur of (i) payment of the Investor Member’s Capital Contribution or (ii) the occurrence of an Event of Default, there is a Housing Tax Credit Disallowance Event, the Managing Member shall promptly, but in any event within five (5) days after demand, pay to the Investor Member the sum of the following amounts: (i) the amount of Housing Tax Credits previously allocated to the Investor Member, and subsequently disallowed because of such Housing Tax Credit Disallowance Event; (ii) the “credit recapture amount” (as defined in Code Section 42(j)(2)) allocated to the Investor Member because of such Housing Tax Credit Disallowance Event; (iii) all penalties and interest imposed by the Code and assessed against the Investor Member by the Service with respect to such Housing Tax Credit Disallowance Event; (iv) an amount sufficient to pay any tax liability owed by the Investor Member resulting from the receipt from the Managing Member of the amounts specified in the foregoing clauses (i), (ii), (iii), and this clause (iv) (such calculation to be made assuming the Investor Member is subject to the highest federal and Texas state rate imposed on corporate taxpayers under the Code and applicable state law for the taxable year of the Investor Member in which such payment is taken into income by the Investor Member) together with interest on such amounts at the AFR accruing from the date the Investor Member remits funds to
a taxing authority with respect to a Housing Tax Credit Disallowance Event; and (v) if the cause of the Housing Tax Credit Disallowance Event will in the determination of the Investor Member decrease the maximum amount of Housing Tax Credits that will be available to the Company and allocated to the Investor Member during the remainder of the Credit Period assuming full compliance with Code Section 42, then an amount equal to the total amount of such decrease. There shall be no duplication between amounts paid under this Section 8.3(b) and amounts reflected as reductions in Capital Contributions (and/or payments by the Managing Member, if applicable) under Section 4.2(d).

(c) If the Investor Member receives a payment under the Housing Tax Credit Compliance Guaranty and the Company has appealed the issue giving rise to such payment (but has not caused a stay of enforcement with respect to such issue), and if the Company prevails on such appeal based on a final ruling by a federal court of competent jurisdiction, then the Investor Member shall refund the excess payment under the Housing Tax Credit Compliance Guaranty which it had received.

(d) If there is a Tax Law Change, the Managing Member shall use its good faith, reasonable efforts to comply with such Tax Law Change and to avoid a Housing Tax Credit Shortfall or Housing Tax Credit Disallowance Event, based on such Tax Law Change. If despite the Managing Member’s good faith, reasonable efforts to comply with the Tax Law Change, such Tax Law Change results in a claim under Section 8.3 (a “Limited Recourse Liability”), then the sole recourse of the Investor Member with respect to the Limited Recourse Liability shall be to the Pledged Payments (excluding only payments of the Development Fee) and the Managing Member shall have no personal liability for the payment of such Limited Recourse Liability (unless and to the extent it wrongfully received Pledged Payments or otherwise breached this Agreement) that should have been made to the Investor Member in satisfaction of the Limited Recourse Liability.

8.4 Permanent Loan Funding Guaranty.

(a) The Managing Member irrevocably and unconditionally guarantees and covenants that the Company shall achieve Permanent Loan Closing (including repayment in full of the Construction Loan as and when due) and receive full funding of the Permanent Loan from the Permanent Lender on the terms set forth in the Permanent Loan Commitment, which include the following terms: (i) the principal amount of the Permanent Loan shall be $8,300,000 (as may be increased by the Permanent Lender); provided that in no event shall the principal amount of the Permanent Loan result in aggregate Debt Service Coverage Ratio being less than 1.15 to 1.00, as determined by the Investor Member in its good faith discretion); (ii) the interest rate shall be a fixed market interest rate for comparable loans; (iii) the maturity date of the Permanent Loan will be not less than fifteen (15) years from Permanent Loan Closing; (iv) the Permanent Loan shall amortize over a term of thirty five (35) years; (v) for the first two years of the Permanent Loan only interest payments shall be made; and (vi) the Permanent Loan shall be nonrecourse, except for customary carve-outs.

(b) A “Permanent Loan Shortfall” shall be the amount by which $8,300,000 exceeds the principal amount of the Permanent Loan necessary to obtain a Debt Service Coverage Ratio of 1.15 to 1.00. The Managing Member shall provide such funds to the
Company or, with the Consent of the Investor Member, defer the Managing Member’s portion of the Development Fee to be paid as a Deferred Development Fee, as may be necessary to pay for any Permanent Loan Shortfall before Permanent Loan Closing; provided, the Investor Member shall Consent to such deferral only if the Investor Member determines, in its sole discretion, that all of the Deferred Development Fee (including any additional deferral to pay Development Costs) can be repaid by the Company through distributions from the cash flow waterfall under Section 14.1(a) within thirteen years after the Placed in Service Date, further provided that such Consent shall not be required if the Deferred Development Fee is not necessary to be included in the Eligible Basis in order to allocate Projected Housing Tax Credits to the Investor Member and the Investor Member’s Capital Account is expected to remain positive throughout the period of eleven (11) taxable years beginning with the first taxable year of the Credit Period. Any amounts funded by the Managing Member pursuant to this clause (b) shall not be treated as a Capital Contribution or a Member Loan and shall not be repaid by the Company. The Permanent Loan Shortfall shall be used by the Company to reduce the principal amount of the Permanent Loan to result in an aggregate Debt Service Coverage Ratio of not less than 1.15 to 1.00.

8.5 Security Documents. As security for the foregoing guarantees and the other obligations of the Managing Member under this Agreement and the Developer under the Development Agreement and concurrently with the execution of this Agreement, the Managing Member shall cause to be delivered to the Investor Member the following documents: (a) Managing Member Pledge; (b) Developer Pledge; and (c) Guaranty.

ARTICLE 9
WITHDRAWAL OF THE MANAGING MEMBER; ADMISSION OF NEW MANAGING MEMBER; REMOVAL OF A MANAGING MEMBER

9.1 Withdrawal.

(a) Except for an Involuntary Withdrawal, the Managing Member may not Withdraw from the Company or sell, transfer assign or encumber its Interest without the Consent of the Investor Member.

(b) In the case of a Managing Member who is an individual, upon the death or adjudication of incompetence of such Managing Member, such Managing Member shall cease to be a Managing Member and shall have no Interest in the Company.

9.2 Admission of Additional Managing Member(s) under Certain Circumstances.

(a) Except as otherwise provided in Article 7, a Person shall be admitted as a Managing Member (the “Additional Managing Member”) of the Company only if the following terms and conditions are satisfied, or waived by the Investor Member:

(i) except as otherwise provided in Article 7 or in the event of the Withdrawal of the Managing Member, the admission of such Person has been consented to by the Managing Member or its successor;

(ii) the admission of such Person has been Consented to by the Investor Member and, if required, by the Agency and the Lenders;
(iii) the successor or additional Person has accepted and agreed in writing to be bound by (i) all the terms and provisions of this Agreement, and (ii) all the terms and provisions of the documents executed in connection with each of the Loans and the Extended Use Agreement, by executing counterparts thereof, if required by the Lenders and/or the Agency, as applicable, and (iii) all the terms and provisions of such other documents or instruments as may be required or appropriate in order to admit such Person as a Managing Member, and (iv) if required under the Uniform Act as a condition precedent to the admission of a Managing Member, an amendment to the Certificate has been filed;

(iv) such Person has provided the Company with evidence satisfactory to Counsel for the Company of its authority to become a Managing Member, to do business in the State and to be bound by the terms and provisions of this Agreement; and

(v) Counsel for the Company has rendered an opinion that the admission of the successor or additional Person is in conformity with the Uniform Act and that none of the actions taken in connection with the admission of the successor Person will cause the termination or dissolution of the Company or will cause it to be classified other than as a limited liability company for federal income tax purposes.

9.3 Effect of Voluntary Withdrawal of Managing Member.

(a) In the event of the Voluntary Withdrawal of the Managing Member, the business of the Company shall be continued by the other Managing Member(s); provided, however, that if the withdrawn Managing Member is then the sole Managing Member, or if such Managing Member withdraws from the Company in contravention of the provisions of Section 9.1 of this Agreement, then the Company shall be terminated, unless within ninety (90) days after receiving Notice of such withdrawal, a majority-in-interest of the other Members elect to designate a successor Managing Member and continue the Company upon the admission of such successor Managing Member to the Company.

(b) If, at the time of the Voluntary Withdrawal of a Managing Member, the withdrawing Managing Member was not the sole Managing Member of the Company, the remaining Managing Member or Managing Members shall immediately (i) give Notice to the Investor Member of such Withdrawal, and (ii) make such amendments to this Agreement and execute and file such amendments or documents or other instruments as are necessary to reflect the disposition of the Interest of the withdrawing Managing Member pursuant to this Section 9.3. The remaining Managing Member or Managing Members are hereby granted an irrevocable power of attorney, coupled with an interest, to execute any or all documents on behalf of the Members and the Company and to file such documents as may be required to effectuate the provisions of this Section 9.3.

(c) Upon a Voluntary Withdrawal, (i) the Managing Member shall cease to have any Interest in the Company, (ii) the Managing Member shall not be entitled to any distributions or allocations from the Company, (iii) the Managing Member shall not be entitled to any repayment of Operating Deficit Loans and (iv) the Managing Member shall not be entitled to any payments of the MM Incentive Management Fee relating to the period of time after the date of its withdrawal. The Managing Member shall be entitled, however, to receive any fees
expressly provided for under this Agreement which have been fully earned and accrued prior to
the date of Withdrawal, which fee shall be paid when and as specified in this Agreement and
shall be entitled to the payment of any MM Loans in the time and manner specified in this
Agreement.

(d) If the Managing Member Withdraws from the Company, including,
without limitation, an Involuntary Withdrawal, then the Managing Member shall be and shall
remain liable for all damages to the Investor Member resulting from the Withdrawal of the
Managing Member in breach of this Agreement and for all its obligations and liabilities under
this Agreement, including, without limitation, all its liabilities and obligations under Article 5
(including, without limitation, its obligation to make a Managing Member’s Special Capital
Contribution in an amount sufficient to pay the Deferred Development Fee on or before the date
of such Deferred Development Fee as required to be paid under this Agreement); provided,
however, that the Managing Member shall have no liability with respect to any actions or failure
to act on the part of any Replacement Managing Member or for claims arising after its removal
and not attributable to the former Managing Member’s actions or inactions.

(e) Upon a Voluntary Withdrawal, the Investor Member, or its designee shall,
at the sole option of the Investor Member, be admitted as a Replacement Managing Member on
the terms set forth in Section 7.2(b)(ii).

9.4 Effect of Involuntary Withdrawal of Managing Member. The effect of an
Involuntary Withdrawal of the Managing Member is set forth in Article 7.

ARTICLE 10
RIGHTS OF THE INVESTOR MEMBER

10.1 Management of the Company. No Investor Member shall have the right to take
part in the management or control of the business of the Company or to transact any business in
the name of the Company. No provision of this Agreement which makes the Consent of any
Investor Member a condition for the effectiveness of an action taken by the Managing Member is
intended and no such provision shall be construed to give any Investor Member any participation
in the control of the Company business.

10.2 Limitation on Liability of the Investor Member. The liability of each Investor
Member shall be limited to its Capital Contribution as and when payable under the provisions of
this Agreement, and as provided under the Uniform Act. No Investor Member shall have any
other liability to contribute money to, or in respect of the liabilities or obligations of, the
Company, nor shall any Investor Member be personally liable for any obligations of the
Company, except as and to the extent provided in the Uniform Act. No Investor Member shall
be obligated to make loans to the Company.

10.3 Other Activities. Any Investor Member may engage in or possess interests in
other business ventures of every kind and description for its own account, including, without
limitation, serving as managing or investor member of other companies which own, either
directly or through interests in other partnerships, government-assisted housing projects similar
to the Apartment Complex. Neither the Company nor any of the Members shall have any right
by virtue of this Agreement in or to such other business ventures to the income or profits derived therefrom.

10.4 Full Disclosure of and Right to Revise Information. The Investor Member shall have the right to review information pertaining to the Company which is possessed by the Managing Member, and the right to receive on a regular basis timely and accurate reports, schedules and accountings to the Company’s financial performance, in each case as may be required pursuant to this Agreement or as requested by the Investor Member.

10.5 Fees to Hunt and its Affiliates. Commencing on the date first Unit in the Apartment Complex is Placed in Service, Hunt, its successor or an Affiliate thereof, shall earn an annual fee (pro rata for first year) for its services in connection with the Company’s accounting matters relating to the Investor Member, and assisting with the preparation of tax returns and the reports required by Section 18.7 in the original amount of $7,500 and then adjusted annually to reflect a 3% annual increase (the “Asset Management Fee”). The Asset Management Fee shall be payable from Cash Flow and proceeds of a Capital Transaction, in the manner and priority set forth in Article 14 on April 1 of each year. If, however, Cash Flow in any fiscal year is insufficient to pay the full amount of Asset Management Fee, the Asset Management Fee shall accrue without interest and be payable to Hunt until such time there is sufficient Cash Flow in the manner and priority set forth in Article 14. Any Asset Management Fee earned prior to Rental Achievement shall accrue without interest until Rental Achievement at which time interest shall start to accrue on any unpaid portion.

10.6 Control Over Investor Member Decisions. Unless otherwise expressly provided, any decision required to be made by the Investor Member under this Agreement shall be made by the Investor Members. Any decision required to be made by the majority in interest of the Investor Members shall be made by the Investor Members of any class whose Percentage Interest in the Company exceeds fifty percent (50%) of the Percentage Interests of all Investor Members. The decision of the majority in interest of the Investor Members shall be effective after five (5) days’ Notice has been given to each Investor Member and the occurrence of any of the following: (i) a written document signed by the Investor Members; or (ii) a written document signed by the Investor Members who own more than fifty percent (50%) of the Percentage Interests of the Investor Members.

ARTICLE 11
TRANSFERABILITY OF INVESTOR MEMBER INTERESTS

11.1 Assignment or Pledge of Investor Member Interests.

(a) Each of the Investor Member or the Special Investor Member shall have the right at any time to make an Assignment of its Interests as follows:

(i) Prior to payment of all of its Capital Contributions:

(A) to any Person without the Consent or approval of the Managing Member or any other Member, provided that an Affiliate of the Investor Member will serve as the manager or general partner of such Person; and
(B) to a non-Affiliate with the approval of the Managing Member which approval shall not be unreasonably withheld or delayed.

(ii) After payment of its Capital Contributions:

(A) to any Person without any restriction.

In connection with the Investor Member’s admission into the Company and acquisition of their respective Interests, the Managing Member acknowledges that the Investor Member intends to assign its Interest subsequent to the Closing Date and may pledge its Interests to the Equity Lender. The Investor Member shall Notify the Managing Member as to any Assignment.

(b) The Investor Member or the Special Investor Member whose interest is being transferred shall pay such reasonable expenses as may be incurred by the Company in connection with such transfer.

(c) The Managing Member shall cooperate with the Investor Member and/or the Special Investor Member in facilitating such Assignment by promptly furnishing complete and accurate financial and other relevant data regarding the Company, the Apartment Complex, the Managing Member and Affiliates of the Managing Member and any other matters reasonably necessary in the judgment of the Investor Member or the Special Investor Member to facilitate such Assignment, including any amendments to this Agreement or the Project Documents so long as such amendments do not materially adversely affect the Managing Member.

(d) Within five (5) days of receipt of notification, the Managing Member shall execute the form of Assignment and shall cause Counsel for the Company, at the Managing Member’s expense, to deliver to the Investor Member an opinion as to the enforceability of such Assignment, if not already provided (the form of such Assignment is attached hereto as Exhibit M).

11.2 Admission of Substitute Investor Member.

(a) Subject to the other provisions of this Article 11, an assignee of the Interest of an Investor Member or the Special Investor Member (which shall be understood to include any purchaser, transferee, donee, or other recipient of any disposition of such Interest) shall be deemed admitted as a Substitute Investor Member of the Company only upon the satisfactory completion of the following:

(i) Consent of the Managing Member (which may not be unreasonably withheld), and the consent of the Permanent Lender, if required, has been given; such Consent of the Managing Member may be evidenced by the execution by the Managing Member of an amended Agreement and/or Certificate evidencing the admission of such Person as an Investor Member pursuant to the requirements of the Uniform Act; provided, however, the Investor Member may transfer its Interest to an Affiliate and to any tax credit syndication fund of which the Investor Member or an Affiliate thereof is the general partner or managing member, pursuant to the Assignment, in the form attached hereto as Exhibit M, without obtaining the consent of Managing Member or any Lender;
(ii) the assignee has accepted and agreed to be bound by the terms and provisions of this Agreement by executing a counterpart thereof or an appropriate amendment hereto, and such other documents or instruments as the Managing Member may reasonably require in order to effect the admission of such Person as an Investor Member or the Special Investor Member; and

(iii) if required by the Act, an amended Agreement and/or Certificate evidencing the admission of such Person as an Investor Member or the Special Investor Member shall be filed.

(b) For the purpose of allocation of profits, losses and credits, and for the purpose of distributing cash of the Company, a Substitute Investor Member shall be treated as having become, and as appearing in, the records of the Company as a Member upon its signing of an amendment to this Agreement agreeing to be bound hereby.

(c) The Managing Member shall cooperate with the Person seeking to become a Substitute Investor Member by preparing the documentation required by this Section and making all official filings and publications. The Company shall take all such action, including the filing, if required, of any amended Agreement and/or Certificate, if obtainable, evidencing the admission of any Person as an Investor Member, bringing forward the effective date of the Title Policy and issuing any new or modified endorsements to the Title Policy that the Substitute Investor Member may require, and the making of any other official filings and publications, as promptly as practicable after the satisfaction by the assignee of the Interest of an Investor Member of the conditions contained in this Article 11 to the admission of such Person as an Investor Member of the Company. Any cost or expense incurred in connection with such admission (including any transfer taxes) shall be borne by the Substitute Investor Member.

11.3 Rights of Assignee of Limited Liability Company Interest.

(a) Except as provided in this Article 11 and as required by operation of law, the Company shall not be obligated for any purpose whatsoever to recognize the assignment by any Investor Member of its Interest until the Company has received actual Notice thereof.

(b) Any Person who is the assignee of all or any portion of an Investor Member’s Interest, but does not become a Substitute Investor Member, and who desires to make a further assignment of such Interest, shall be subject to all the provisions of this Article 11 to the same extent and in the same manner as any Investor Member desiring to make an assignment of its Interest.

11.4 Equity Lender. The Members acknowledge that the Equity Lender may advance funds to the Investor Member and Special Investor Member prior to the admission of investors into the funds sponsored by the Investor Member and, to the extent that the Investor Member and Special Investor Member have loans outstanding from the Equity Lender in order to finance their Capital Contributions, all Members hereby Consent to the admission of the Equity Lender as a Substitute Investor Member if the Equity Lender finds itself in the position of enforcing certain remedies in connection with its loan to the Investor Member and Special Investor Member. Each Member hereby agrees to cooperate with the Equity Lender, as the Investor Member and Special
Investor Member may from time to time reasonably request, by delivering to the Equity Lender information concerning the Company and documents executed by such Member.

11.5 Funds Sponsored by Investor Member(s). All Members hereby agree to cooperate with the Investor Member, as may be reasonably requested by the Investor Member, in connection with the admission of investors into the funds sponsored by the Investor Member. In addition to such Opinion of Counsel (which Opinion of Counsel shall be at the expense of the Company), if the Investor Member request then the Managing Member shall cause, from time to time, one or more updates to the Opinion of Counsel to be delivered to the Investor Member, which updates shall be at the expense of the Company.

ARTICLE 12
BORROWINGS

12.1 Borrowings. The Company is authorized to receive Operating Deficit Loans, IM Loans and MM Loans on the terms set forth in this Agreement. In addition, if (a) additional funds are required by the Company for any purpose relating to the business of the Company or for any of its obligations, expenses, costs or expenditures, and (b) the Company has not received an Operating Deficit Loan, IM Loan or MM Loan to pay such amounts, then the Company may borrow such funds as are needed from a Person or organization other than a Member in accordance with the terms of this Section 12.1, for such period of time and on such terms as the Managing Member and the Investor Members may agree; provided, however, that no such additional loans shall be secured by any mortgage or other encumbrance on the property of the Company without the prior approval of the Investor Member and, to the extent required, the Consent of the Agency and/or the Lenders. Nothing in this Section 12.1 shall modify or affect the obligation of the Managing Member to make Operating Deficit Loans and to perform its obligations when and as required by this Agreement.

ARTICLE 13
ALLOCATIONS

13.1 Allocation of Profits, Losses and Housing Tax Credits from Operations. After giving effect to the special allocations set forth in Section 13.4, all profits, losses and Housing Tax Credits incurred or accrued by the Company, other than those arising from a Capital Transaction, shall be allocated to the Members in accordance with the Members’ Percentage Interests.

13.2 Allocation of Profits and Losses From Capital Transactions. After giving effect to the special allocations set forth in Section 13.4, all profits and losses recognized by the Company from a Capital Transaction in any fiscal year shall be allocated in the following manner:

(a) Profits. (i) First, profits shall be allocated to the Members with negative Adjusted Capital Account balances, that portion of profits (including any treated as ordinary income for federal income tax purposes) which is equal in amount to, and in proportion to, such Members’ respective negative Adjusted Capital Accounts in the Company; provided that no profit shall be allocated under this Section 13.2(a) to a Member once such Member’s Adjusted
Capital Account balance is brought to zero and (ii) second, profits in excess of the amount allocated under (i) shall be allocated to the Members in the amounts and to the extent necessary to increase the Members’ respective positive Capital Accounts so that the proceeds distributed in accordance with the Members’ respective positive Capital Account balances under Section 17.2(b)(iv) below will equal the amounts that would have been received if the proceeds were instead distributed under Section 14.1(b)(viii) below.

(b) Losses. (i) First, losses shall be allocated to the Members in the amount and to the extent necessary so that the proceeds distributed in accordance with the Members’ respective positive Capital Account balances under Section 17.2(b)(iv) below will equal the amounts that would have been received if the proceeds were instead distributed under Section 14.1(b)(viii) below, and (ii) second, any remaining losses shall be allocated to the Members in accordance with the manner in which they bear the economic risk of loss associated with such losses or, if none, to the Members in accordance with their Percentage Interests.

13.3 Determination of Profits and Losses. The terms “profits” and “losses” used in this Agreement shall mean income and losses, and each item of income, gain, loss, deduction or credit entering in to the computation thereof determined in accordance with the method of accounting followed by the Company and computed in accordance with Code Sections 703(a) and 704(b), and Regulation Section 1.704-1(b)(2)(iv). Every item of income, gain, loss, deduction, credit or tax preference entering into the computation of such profits or losses, or applicable to the period during which such profits and losses are allocated to such partner, shall be considered allocated to each Member in the same proportion as profits and losses are allocated to such Member.

13.4 Special Allocations. Notwithstanding the foregoing provisions of this Article 13:

(a) Recourse Obligations.

(i) If the Company incurs losses from extraordinary events that are not recovered from insurance or otherwise, including casualty losses, losses resulting from liability to third parties for tortious injury, losses resulting from a breach of legal duty by the Company or by the Managing Member, and losses resulting from other liabilities which are not incurred in the ordinary course of business ("Recourse Obligations"), such losses shall be allocated to the Managing Member. Nothing in this Section 13.4(a)(i) shall prevent the Company from recovering an extraordinary loss from a Managing Member who is liable therefor by law or under this Agreement.

(ii) If the Company incurs Recourse Obligations secured by Company property with respect to which the Managing Member or a related person of the Managing Member bears the risk of loss, then except to the extent otherwise required by the Regulations, deductions attributable to the Recourse Obligations shall be allocated to the Members in accordance with their Percentage Interests provided, however, that any such deductions which, if allocated to the Investor Members, would cause or increase a negative balance in their Capital Accounts shall be allocated to the Managing Member. Upon the disposition of such property, any income or gain shall be allocated first to the Managing Member to the extent of any
deductions specially allocated to the Managing Member under this Section 13.4(a)(ii) and then to
the Members in accordance with their Percentage Interests.

(b) **Recapture Allocation.** If any profit arises from the sale or other
disposition of any Company asset which shall be treated as ordinary income under the
depreciation recapture provisions of the Code including, but not limited to, Sections 1245 and
1250, then the full amount of such ordinary income shall be allocated among the Members in the
proportions that the Company deductions from the depreciation giving rise to such recapture
were actually allocated. If subsequently-enacted provisions of the Code result in other recapture
income, no allocation of such recapture income shall be made to any Member who has not
received the benefit of those items giving rise to such other recapture income.

(c) **Tax Allocations, Section 704(c).** Income, gain, loss and deduction with
respect to any asset which has a variation between its basis computed in accordance with
Regulation Section 1.704-1(b) and its basis computed for federal income tax purposes shall be
shared among the Members so as to take account of such variation in a manner consistent with
the principles of Section 704(c) of the Code and Regulation Section 1.704-1(b)(2)(iv)(g).

(d) **Minimum Gain Chargeback.** If there is a net decrease in Company
Minimum Gain during a Company taxable year, each Member will be allocated (without
duplication of items allocated in 13.4(a) and 13.4(b)) items of income and gain for such year
(and, if necessary, subsequent years) in proportion to, and to the extent of, an amount equal to
such Member’s share of the net decrease in Company Minimum Gain during the year, before any
other allocation of Company items for such taxable year. A Member shall not be subject to this
mandatory allocation of income or gain to the extent that any of the exceptions provided in
Regulation Section 1.704-2(f)(2)-(5) apply. All allocations pursuant to this Section 13.4(d) shall
be in accordance with Regulation Section 1.704-2(f). This provision is a “minimum gain
chargeback” within the meaning of Regulation 1.704-2(f) and shall be construed as such.

(e) **Member Nonrecourse Debt Minimum Gain.** If the Company incurs
Member Nonrecourse Liability in which a Member or a related person to the Member bears the
risk of loss, then partner nonrecourse deductions (within the meaning of Regulations Section
1.704-2(i)(2)) shall be allocated to such Member. If there is a net decrease in Member
Nonrecourse Debt Minimum Gain during a Company taxable year, then each Member with a
share of the minimum gain attributable to such debt at the beginning of such year will be
allocated items of income and gain for such year (and, if necessary, subsequent years) in an
amount equal to such Member’s share of the net decrease in Member Nonrecourse Debt
Minimum Gain during the year. A Member is not subject to this Member Nonrecourse Debt
Minimum Gain chargeback to the extent that any of the exceptions provided in Regulation
Section 1.704-2(i)(4) applied consistently with Regulation Section 1.704-2(f)(2)-(5) apply. Such
allocations shall be made in a manner consistent with the requirements of Regulation Section
1.704-2(i)(4) under Section 704 of the Code.

(f) **Qualified Income Offset.** If an Investor Member unexpectedly receives (i)
an allocation of loss or deduction or expenditures described in Section 705(a)(2)(B) of the Code
made (A) pursuant to Section 704(e)(2) of the Code to a donee of an Interest, (B) pursuant to
Section 706(d) of the Code as the result of a change in any Member’s Interest or (C) pursuant to
Regulation Section 1.751-1(b)(2)(ii) as a result of a distribution by the Company of unrealized receivables or inventory items or (ii) a distribution, and such allocation and/or distribution would cause the negative balance in such Member’s Capital Account to exceed (1) such Member’s share of Company Minimum Gain plus (2) the amount of such Member’s obligation (actual or deemed) to restore a negative balance in such Member’s Capital Account plus (3) such Member’s share of Member Nonrecourse Debt Minimum Gain, then such Member shall be allocated items of income and gain in an amount and manner sufficient to eliminate such negative balance as quickly as possible. For purposes of Section 13.6, a Member’s Capital Account shall be treated as reduced by Qualified Income Offset Items. This provision is a “qualified income offset” under the meaning of Regulation Section 1.704-1(b)(2)(ii)(d)(3) and shall be interpreted and applied in a manner consistent with such Regulation.

(g) Nondeductible Items. If any fee payable to any Managing Member or any Affiliate thereof shall instead be determined to be a nondeductible, noncapitalizable distribution from the Company to a Member for federal income tax purposes, then there shall be allocated to such Managing Member in the year(s) of payment an amount of gross income equal to the amount of such distribution in such year(s).

(h) Member Loans. If a Member makes any Member Loans pursuant to Article 4, any deductions or losses of the Company attributable to the use of those funds shall be specially allocated to such Member and if there is a repayment of all or part of such funds in any year, such Member shall be allocated in such year an amount of gross income equal to the amount of such repayment.

(i) Operating Deficit Loans. Subject to Section 13.4(a), if the Managing Member funds any Operating Deficit Loans pursuant to Section 8.2, any deductions or losses of the Company attributable to the use of those funds shall be specially allocated to the Managing Member, and if there is a repayment of all or part of such funds in any year, the Managing Member shall be allocated in such year an amount of gross income equal to the amount of such repayment.

(j) Gross Income Allocation for Unanticipated Gross Income. Notwithstanding any other provision of this Agreement, before any other allocation of gross income and gain is made under this Agreement, in the event that any unanticipated gross income arises from a subsequent recharacterization of a tax reporting position of the Company, it is the intent of the Members that all such gross income shall be allocated to the Managing Member.

(k) Gross Income Allocation for Unanticipated Fee Recharacterization. If any fee payable by the Company to any Member or any Affiliate thereof shall instead be determined to be a nondeductible, noncapitalizable distribution from the Company to a Member for federal income tax purposes, then there shall be allocated to such Member in the year of payment an amount of gross income equal to the amount of distribution in such year(s).

(l) Construction Period Income. One hundred percent (100%) of the Company’s net taxable income incurred during the Construction Period shall be specially allocated to the Managing Member.
(m) **Nonrecourse Deductions.** “Nonrecourse deductions” (within the meaning of Regulation Section 1.704-2(b)(1)) shall be allocated to the Members in accordance with their Percentage Interests. “Member nonrecourse deductions” (within the meaning of Regulation section 1.704-2(c)) shall be allocated to the Member who bears the economic risk of loss associated with such deductions, in accordance with Regulation Section 1.704-2(i).

13.5 **Authority of the Managing Member to Vary Allocations to Preserve and Protect the Members’ Intent.**

(a) It is the intent of the Members that each Member’s distributive share of profits, tax-exempt income, losses, non-deductible non-capitalizable expenditures and credits (and items thereof) shall be determined and allocated in accordance with this Agreement to the fullest extent permitted by Section 704(b) of the Code. In order to preserve and protect the determinations and allocations provided for in this Agreement, subject to the prior written Consent of the Investor Member, the Managing Member is hereby authorized and directed to allocate profits, tax-exempt income, losses, non-deductible non-capitalizable expenditures and credits (and items thereof) arising in any year differently than otherwise provided for in this Agreement to the extent that allocating profits, tax-exempt income, losses, non-deductible non-capitalizable expenditures or credits (or any item thereof) in the manner provided for herein would cause the determinations and allocations of each Member’s distributive share of profits, tax-exempt income, losses, non-deductible non-capitalizable expenditures or credits (or any item thereof) not to be permitted by Section 704(b) of the Code. Any allocation made pursuant to this Section 13.5 shall be deemed to be a complete substitute for any allocation otherwise provided for in this Agreement, and no amendment of this Agreement or approval of any Member shall be required.

(b) In making any allocation under Section 13.5(a) (a “New Allocation”), the Managing Member is authorized to act only after having been advised in writing by the Accountants or the Investor Member that, under Section 704(b) of the Code, (i) the New Allocation is necessary, and (ii) the New Allocation is the minimum modification of the allocations otherwise provided for in this Agreement necessary in order to assure that, either in the then-current year or in any preceding year, each Member’s distributive share of profits, tax-exempt income, losses, non-deductible non-capitalizable expenditures and credits (or any item thereof) in the manner provided for herein would cause the determinations and allocations of each Member’s distributive share of profits, tax-exempt income, losses, non-deductible non-capitalizable expenditures or credits (or any item thereof) not to be permitted by Section 704(b) of the Code. Any allocation made pursuant to this Section 13.5 shall be deemed to be a complete substitute for any allocation otherwise provided for in this Agreement, and no amendment of this Agreement or approval of any Member shall be required.

(c) If the Managing Member is required by Section 13.5(a) to make any New Allocation in a manner less favorable to the Investor Member than is otherwise provided for herein, then the Managing Member is authorized and directed, only after having been advised in writing by the Accountants or the Investor Member that such an allocation is permitted by Section 704(b) of the Code, to allocate profits, tax-exempt income, losses, non-deductible non-capitalizable expenditures and credits (and any item thereof) arising in later years in such manner so as to bring the allocations of profits, tax-exempt income, losses, non-deductible non-capitalizable expenditures and credits (and each item thereof) to the Members as nearly as possible to the allocations thereof otherwise contemplated by this Agreement.
(d) New Allocations made by the Managing Member under Section 13.5(a) and Section 13.5(c) in reliance upon the advice of the Accountants shall be deemed to be made pursuant to the fiduciary obligation of the Managing Member to the Company and the Members, and no such allocation shall give rise to any claim or cause of action by any Member.

13.6 Capital Account.

(a) An individual Capital Account shall be established and maintained on behalf of each Member, including any additional or Substitute Investor Member who shall hereafter receive an interest in the Company. In accordance with Regulation Section 1.704-1(b), the Capital Account of each Member shall consist of (i) the amount of cash such Member has contributed to the Company plus (ii) the fair market value of any property such Member has contributed to the Company net of any liabilities assumed by the Company or to which such property is subject plus (iii) the amount of profits or income (including tax-exempt income) allocated to such Member less (iv) the amount of losses and deductions allocated to such Member less (v) the amount of all cash distributed to such Member less (vi) the fair market value of any property distributed to such Member net of any liabilities assumed by such Member or to which such property is subject less (vii) such Member’s share of any other expenditures which are not deductible by the Company for federal income tax purposes or which are not allowable as additions to the basis of Company property and shall be (viii) subject to such other adjustments as may be required under the Code. Each Member’s Capital Account shall be maintained and adjusted in accordance with the Code and the Regulations. It is the intention of the partners that the Capital Accounts maintained under this Agreement be determined and maintained throughout the full term of this Agreement in accordance with the accounting rules of Regulation Section 1.704-1(b)(2)(iv), and the foregoing provisions shall be interpreted and applied in a manner consistent with such Regulation.

(b) If the Company is liquidated within the meaning of Regulation Section 1.704-1(b)(2)(ii)(g) and if the Managing Member’s Capital Account has a deficit balance (after giving effect to all contributions, distributions and allocations for all taxable years, including the year during which such liquidation occurs), the Managing Member shall make Capital Contributions in the amount of such deficit in compliance with Regulation Section 1.704-1(b)(2)(ii)(b)(3). Notwithstanding the foregoing, if the Company is liquidated within the meaning of Regulation Section 1.704-1(b)(2)(ii)(g) but no event has occurred under Section 17.1 to dissolve the Company, the Company assets shall not be liquidated, the Company’s liabilities shall not be paid or discharged, and the Company’s affairs shall not be wound up.

(c) The original Capital Account established for any Substitute Investor Member shall be in the same amount as, and shall replace, the Capital Account of the Member which such Substitute Investor Member succeeds, and, for the purposes of this Agreement, such Substitute Investor Member shall be deemed to have made the Capital Contribution, to the extent actually paid in, of the Member which such Substitute Investor Member succeeds. To the extent a Substitute Investor Member receives less than one hundred percent (100%) of the Interest of a Member it succeeds, the original Capital Account of such transferee Substitute Investor Member and his Capital Contribution shall be in proportion to the portion of the transferee Member’s Interest prior to the transfer which the transferee receives, and the Capital Account of the transferor Member who retains a portion of its former Interest and its Capital Contribution shall
continue, and not be replaced, in proportion to the portion of the transferor Member’s Interest prior to the transfer which the transferor Member retains. Nothing in this Section 13.6 shall affect the limitations on transferability of Interests set forth in Article 11.

13.7 Excess Nonrecourse Liabilities. The Members agree that, except as otherwise determined by the Investor Member pursuant to this Section, the Members’ interests in the Company profits for such purposes of determining such Members’ interests in Company profits for purposes of such Members’ share of the excess nonrecourse liabilities of the Company under Treasury Regulation Section 1.752-3(a)(3) shall be determined by the Members’ allocable share of profits from Section 13.2(a); provided, however, that the Members agree that, upon giving written notice to the Managing Member, the Investor Member shall have the right at any time to cause the Company to use the alternative method under Treasury Regulation Section 1.752-3(a)(3) if the Investor Member reasonably determines that such alternative method would (or could reasonably be expected to) avoid or mitigate any tax or economic detriment to the Investor Member or its Affiliates (as a result of an actual or pending change in law, change in circumstance or otherwise). Without limiting the foregoing, the Managing Member shall provide written notice to the Investor Member no later than 45 days following the close of any taxable year of the Company in which the Investor Member’s adjusted basis in the Company interest is or is reasonably likely to be zero.

ARTICLE 14
DISTRIBUTIONS AND PAYMENTS

14.1 Distributions and Payments of Cash Flow (Other than Cash From a Capital Transaction and Other Than in Connection with a Liquidation).

(a) Cash Flow. Subject to Agency and Lender approval (if required) and after Rental Achievement, Cash Flow of the Company for each fiscal year or portion thereof shall be applied and distributed on the following Payment Date in the following priority:

(i) to the Housing Tax Credit Shortfall Payment, if required under Section 4.2(d)(iii);

(ii) to the Investor Member or other Hunt Indemnified Parties to the extent of any amounts owing to it by reason of any indemnification or guaranty obligations of the Managing Member pursuant to this Agreement or of the Guarantors pursuant to the Guaranty;

(iii) (A) to the payment of the Excess IM Loan Amount, (B) then to the payment of the Excess MM Loan Amount, and (C) then to the payment of IM Loans and MM Loans, pro rata based on their respective outstanding balances;

(iv) to the repayment of the FWHFC Loan in an amount equal to the lesser of (i) the amount of the scheduled debt service payment then due on the FWHFC Loan or (ii) seventy-five percent (75%) of the remaining Cash Flow;

(v) to the payment of the Asset Management Fee for such year, and any accrued and unpaid Asset Management Fee;
(vi) one hundred percent (100%) of the remaining Cash Flow to the payment of any Deferred Development Fee as described in the Development Agreement;

(vii) to the repayment of the HOME Loan in an amount equal to the lesser of (i) the amount of the scheduled debt service payment then due on the HOME Loan or (ii) seventy-five percent (75%) of the remaining Cash Flow;

(viii) to replenish any draws from the Operating Reserve;

(ix) to the repayment of any Operating Deficit Loans;

(x) to the payment of any unpaid and accrued Management Agent fees under Section 16.2;

(xi) then:

(A) if the Managing Member’s Capital Account is less than or equal to zero, then until the Managing Member has received payments of the MM Incentive Management Fee under this clause 14.1(a)(xi)(A) equal to the maximum amount for the preceding fiscal year, Cash Flow under this clause 14.1(a)(xi)(A) shall be paid and distributed seventy percent (70%) to the Managing Member as payment of the MM Incentive Management Fee (of which 67.5% shall be paid to the Co-Managing Member and 32.5% shall be paid to the Administrative Member) up to a maximum of $120,000 per annum, and twenty percent (20%) to the Special Investor Member and ten percent (10%) to the Investor Member as a distribution;

(B) if the Managing Member’s Capital Account is greater than zero, then until the Managing Member’s Capital Account equals zero, Cash Flow under this clause 14.1(a)(xi)(B) shall be distributed seventy percent (70%) to the Managing Member as a distribution (of which 67.5% shall be paid to the Co-Managing Member and 32.5% shall be paid to the Administrative Member), and twenty percent (20%) to the Special Investor Member and ten percent (10%) to the Investor Member as a distribution; and

(xii) the balance thereof, if any, shall be paid and distributed seventy percent (70%) to the Managing Member (of which 67.5% shall be paid to the Co-Managing Member and 32.5% shall be paid to the Administrative Member), twenty percent (20%) to the Special Investor Member and ten percent (10%) to the Investor Member as a distribution.

Additionally, notwithstanding the foregoing, during such time as Agency and Lender regulations are applicable to the Apartment Complex, the total amount of Cash Flow which may be so distributed to the Members in respect to any fiscal year shall not exceed such amounts as Agency and Lender regulations permit to be distributed.

(b) Distributions of Cash From Capital Transaction (Other Than in Connection with a Liquidation). Within thirty (30) days of a Capital Transaction, Cash From Capital Transaction (other than a sale or other disposition of the property of the Company in connection with a liquidation and dissolution of the Company which is governed by Article 17 below) or cash proceeds from a refinancing of the Permanent Loan, shall be applied or distributed in the following order of priority:
(i) to the Housing Tax Credit Shortfall Payment if required under Section 4.2(d)(iii);

(ii) to the payment of any amounts owing to the Investor Member or other Hunt Indemnified Parties by reason of any unpaid indemnification or guaranty obligation of the Managing Member pursuant to this Agreement or of the Guarantors pursuant to the Guaranty;

(iii) (A) to the payment of the Excess IM Loan Amount, (B) then to the payment of the Excess MM Loan Amount and (C) then to the payment of IM Loans and MM Loans, pro rata based on their respective outstanding balances;

(iv) to the payment of the Asset Management Fee for such year, and any accrued and unpaid Asset Management Fee;

(v) to the payment of any outstanding Deferred Development Fee as described in the Development Agreement until paid;

(vi) to the repayment of any Operating Deficit Loans;

(vii) to the repayment of the FWHFC Loan and the HOME Loan, pro rata based on their respective outstanding balances; and

(viii) any balance 10% to the Investor Member, 20% the Special Investor Member and 70% to the Managing Member (of which 67.5% shall be paid to the Co-Managing Member and 32.5% shall be paid to the Administrative Member).

14.2 Distribution of Cost Savings. If Cost Savings exist, on the date no earlier than funding of the Fifth Installment, the Company shall use and distribute such savings as follows: (i) first, until the Deferred Development Fee has been paid in full, one hundred percent (100%) to the payment of the Deferred Development Fee; and (ii) then, one hundred percent (100%) as determined by the Investor Member in its sole discretion, either (A) to the repay the Permanent Loan and/or (B) to fund a supplemental operating reserve. The Investor Member shall determine the amount of Cost Savings on or before the date of funding of the Fourth Installment.

ARTICLE 15
PARTNERSHIP AUDIT PROCEDURES

15.1 Defined Terms. For purposes of this Article 15, the following terms shall have the meanings set forth below: Administrative Adjustment Request means an administrative adjustment request under Code Section 6227.

Affected Member means at any point in time, with respect to any Administrative Adjustment Request or proposed Partnership Adjustment, any person who is a then current Member or a Former Member.
Former Member means any Person who was a Reviewed Year Member but is not a Member in the year of an Administrative Adjustment Request or proposed Partnership Adjustment.

Imputed Underpayment has the meaning set forth in Section 6225 of the Code.

Partnership Adjustment means any adjustment to any item of income, gain, loss, deduction, or credit of the Company, or any Member’s distributive share thereof, in either case as described in any applicable Regulations or other guidance prescribed by the Service.

Reviewed Year means the Company taxable year to which a Partnership Adjustment relates.

Reviewed Year Member means any Person who held an interest in the Company at any time during the Reviewed Year.

Revised Partnership Audit Rules means Subchapter 63C of the Code (as amended by the Bipartisan Budget Act of 2015, P.L. 114-74 and the Protecting Americans from Tax Hikes Act of 2015, P.L. 114-113), and the Treasury Regulations promulgated thereunder, as amended from time to time.

Taxes means any tax, penalties, additions to tax, additional amounts, and interest as described in Section 6226 of the Code.

15.2 Partnership Representative

(a) Appointment and Designation. The Members hereby authorize the Company to appoint the Co-Managing Member as the initial partnership representative of the Company pursuant to Section 6223(a) of the Code (the “Partnership Representative”). The Partnership Representative shall timely designate, with the Consent of the Investor Member, an individual to serve as the sole individual through whom the Partnership Representative will act for purposes of the Revised Partnership Audit Rules (the “Designated Individual”). The Designated Individual must agree in writing to be bound by the same obligations and restrictions imposed on the Partnership Representative under this Article 15 prior to and as condition of such designation.

(b) Resignation; Revocation. The Company shall revoke the designation of the Co-Managing Member as the Partnership Representative for all taxable years during which such designation was in effect by written notice to the Partnership Representative and the Service: (i) upon withdrawal or removal of the Co-Managing Member for any reason, (ii) upon request of the Investor Member at a time when there exists any Event of Default and any notice of Partnership Adjustment has been issued by the Service, or (iii) upon request of the Investor Member in the event of a default by the Partnership Representative or Designated Individual of its/his/her duties and obligations under this Article 15. The designation of the Designated Individual as the Designated Individual shall automatically terminate on the effective date of the resignation or revocation of the applicable entity as Partnership Representative. If a Designated Individual becomes unable to perform the tasks required of a Designated Individual, no longer has the “capacity to act” within the meaning of the Revised Partnership Audit Rules, or the
Partnership Representative otherwise determines that such individual should be removed as the Designated Individual, the Partnership Representative shall promptly notify the Investor Member of such determination and take all necessary actions to effectuate the resignation of such individual as Designated Individual for all applicable taxable years. Notice of any revocation of a Partnership Representative or Designated Individual shall be given to the Service in the time and manner prescribed by the Service and shall include the designation of another Person selected by the Investor Member as the successor Partnership Representative and/or the designation of another Person selected by the Partnership Representative (with the Consent of the Investor Member) as the successor Designated Individual. The resigning or removed Partnership Representative and/or Designated Individual shall remain obligated hereunder in such capacity until the replacement is acknowledged by the Service. The Co-Managing Member hereby constitutes and appoints the Investor Member, with full power of substitution, its true and lawful attorney-in-fact in its name, place and stead to carry out fully the provisions of this Section 15.2(b) and take any action which the Investor Member may deem necessary or appropriate in connection herewith. The power of attorney hereby granted shall be deemed to be coupled with an interest, shall be irrevocable and shall survive and shall not be affected by the subsequent incapacity, dissolution, resignation, revocation or other termination of the Co-Managing Member as the Partnership Representative.

(c) Successor Partnership Representative. Any successor Partnership Representative and/or Designated Individual must satisfy all statutory and regulatory requirements imposed by the Revised Partnership Audit Rules and must agree in writing to be bound by the terms of this Article 15.

(d) Notice of Communications; Cooperation. The Partnership Representative shall: (i) give all Affected Members prompt notice of any inquiry, notice, or other communication received from the Service or other applicable tax authority regarding the tax treatment of the Company or the Members, (ii) consult with the Affected Members in good faith on the strategy and substance of any tax audit or contest, and (iii) shall, to the extent possible, give the Affected Members prior notice of and a reasonable opportunity to review and comment upon any written communication the Partnership Representative intends to make to any such taxing authority in connection with any examination, audit or other inquiry involving the Company and the nature and content of all actions to be taken and defenses to be raised by the Company in response to any tax audit or contest (including without limitation the decision to institute proceedings, whether administrative or judicial, and whether in response to a previous Service proceeding against the Company or otherwise. Without limiting the generality of the foregoing, the Company immediately shall send to all Affected Members copies of any notice of a proposed or final Partnership Adjustment received by the Company and/or the Partnership Representative from the Service. To the extent requested by the Affected Member and permitted under Treasury Regulations or by the Service or other taxing authority in a particular tax audit or contest, the Partnership Representative shall cooperate in allowing the Affected Member or its representative to participate, at its own expense, in such tax audit or contest.

(e) Duties and Limitations on Authority. The Partnership Representative and any Designated Individual shall have all power and authority of a partnership representative and designated individual, respectively, as set forth in Section 6223 of the Code, and shall represent the Company and its Members in all dealings with the Service and state and local taxing authorities.
authorities. If the Company receives notice of a final Partnership Adjustment from the Service, the Partnership Representative shall so notify the Affected Members, and if requested to do so by the Investor Member, (i) the Partnership Representative shall file a petition for readjustment within the time frame required by Treasury Regulations or Service guidance, and/or (ii) the Partnership Representative shall cause the Company to seek any and all available judicial review of such final Partnership Adjustment as is available under applicable law. Notwithstanding the foregoing, except as specifically provided in Section 15.3 below, the Partnership Representative shall not, without the Consent of the Investor Member (and, in the case of (C), (D) and (F), the Investor Member for the Reviewed Year), have any power or authority to do any or all of the following:

(A) make an election to opt out of the application of the Revised Partnership Audit Rules to the Company;

(B) make a Push-Out Election, or request a modification to an Imputed Underpayment;

(C) file an Administrative Adjustment Request;

(D) select any judicial forum for the litigation of any Company tax dispute;

(E) extend the statute of limitations for the Company; or,

(F) take any other action (or fail to take any action) that would have the effect of finally determining any tax audit or contest.

(f) Fiduciary Relationship. The relationship of the Partnership Representative to the Investor Member shall be that of a fiduciary, and the Partnership Representative shall have a fiduciary obligation to perform its duties in such manner as will serve the best interests of the Investor Member.

(g) Indemnification. To the extent of available funds, the Company shall indemnify the Partnership Representative against judgments, fines, amounts paid in settlement and expenses (including attorneys’ fees) reasonably incurred by the Partnership Representative in its capacity as the Partnership Representative, and not its capacity as a Member or a Former Member, in connection with any audit or administrative or judicial proceeding in which the Partnership Representative is involved solely by reason of being the Partnership Representative of the Company, provided that the same were not the result of negligence, misconduct, fraud, breach of fiduciary duty or breach of this Agreement on the part of the Partnership Representative and were the result of a course of conduct which the Partnership Representative, in good faith, reasonably believed to be in the best interests of the Investor Member and within the scope of its authority under this Article 15.

15.3 Modifications and Company Elections

(a) Modifications to Imputed Underpayment. If requested to do so by the Investor Member, the Managing Member shall request modification of an Imputed
Underpayment in accordance with any applicable Treasury Regulations, forms, instructions, and other guidance prescribed by the Service. With any such request, the Investor Member shall describe the modifications or adjustment factors that the Investor Member believes affect the calculation of the Imputed Underpayment in sufficient detail to substantiate the request for modification and timely provide all required supporting documents or information.

(b) **Amended Returns.** If requested to do by the Investor Member, the Partnership Representative shall request a modification of an Imputed Underpayment based on an amended return (or, to the extent permitted by law, any similar statement) filed by a Member (or its owners) that takes account of all of the Partnership Adjustments properly allocable to such Member (or its owners). Any such request shall be accompanied by an affidavit from the requesting Member that each required amended return (or similar statement) has been filed and all Taxes due as a result of taking into account the adjustments in the first affected year and all modification years have been paid, as required by any applicable Regulations, forms, instructions, and other guidance prescribed by the Service.

(c) **Push-Out Election.** If requested to do so by the Investor Member, the Partnership Representative shall timely make and implement an election (a “Push-Out Election”) under Section 6226 of the Code with respect to an Imputed Underpayment. Except as hereinafter provided, if a Push-Out Election is made, each Reviewed Year Member shall take into account its allocable share of the Partnership Adjustments that relate to the specified Imputed Underpayment (as determined with the Consent of the Investor Member for such Reviewed Year) and shall be liable for any Taxes as described in Section 6226 of the Code and any applicable Treasury Regulations or other guidance prescribed by the Service.

(d) **Reimbursement of Allocable Share of Imputed Underpayment.** If the Company becomes obligated to make an Imputed Underpayment under Code Section 6225, each of the Members (including any Former Member) to whom such liability relates (as determined with the Consent of the Investor Member) shall be obligated, within thirty (30) days after written notice from the Managing Member, to pay an amount that, on an After-Tax Basis if such payment is treated as a taxable payment to the Company, is equal to its allocable share of such amount to the Company; *provided, however*, that if and to the extent that the Company’s liability results from a loss, disallowance or recapture of Housing Tax Credits for which a Housing Tax Credit Shortfall Payment is due to such Person and has not been paid, the amount otherwise payable by such Person to the Company under this Section 15.3(d) shall be reduced by the amount of any unpaid Housing Tax Credit Shortfall Payment payable to such Person so that the Company will bear the portion of the Imputed Underpayment equal to such reduction, and such Housing Tax Credit Shortfall Payment shall be paid to the Company and applied to the Imputed Underpayment. Any amount not paid by a Member (or Former Member) within such 30-day period shall accrue interest at Prime Rate plus 2% until paid. Any such payment made by any Member shall be treated as a Capital Contribution and, if and to the extent permitted by the Code and Regulations, any Capital Account reduction attributable to the Imputed Underpayment shall be allocated to the Members in proportion to such Capital Contributions.

(e) **Withholding.** Notwithstanding anything to the contrary contained herein, the Managing Member shall cause the Company to withhold from any distribution or payment due to any Member (or Former Member) under this Agreement any amount due to the Company
from such Member (or Former Member) under clause (d) above. Any amount(s) so withheld shall be applied by the Company to discharge the obligation in respect of which such amount was withheld. All amounts withheld pursuant to the provisions of this Section 15.3(e) with respect to a Member (or Former Member) shall be treated as if such amounts were distributed or paid, as applicable, to such Member (or Former Member).

(f) **Indemnity.** To the extent that a portion of the Taxes imposed under Code Section 6225 relates to a Former Member, the Managing Member shall require such Former Member to indemnify the Company for its allocable portion of such tax (including any penalties, additions to tax, additional amounts, and interest) to the extent such amounts have not been withheld pursuant to the provisions of Section 15.3(e). Each Member acknowledges that, notwithstanding the transfer or liquidation of all or any portion of its Interest in the Company, it shall remain liable for Taxes with respect to its allocable share of income and gain of the Company for the Company’s taxable years (or portions thereof) prior to such transfer or liquidation and entitled to the Consent rights provided to it in this Article 15 with respect to such taxable years unless otherwise agreed to in writing by the Members during the taxable year(s) (or portion thereof) to which the Taxes relate and all Former Members during the Company’s taxable year(s) (or portion(s) thereof) to which the Taxes relate.

(g) **Continuing Obligations.** Whether the liability is assessed to the Company or the Members (or Former Members), the parties hereto acknowledge and agree that nothing in this Article 15 is intended, nor shall it be construed, to modify or waive any obligations of the Managing Member under this Agreement including, without limitation, the obligation to make a payment pursuant to the provisions of Section 4.2(d).

15.4 **Related Tax Items**

(a) **Tax Counsel or Accountants.** The Partnership Representative, with the reasonable Consent of the Investor Member, shall employ experienced tax counsel and/or accountants to represent the Company in connection with any audit or investigation of the Company by the Service or any other taxing authority and in connection with all subsequent administrative and judicial proceedings arising out of such audit. Such counsel and/or accountants shall be responsible for representing the Company; it shall be the responsibility of the Members, at their expense, to employ tax counsel or accountants to represent their respective separate interests.

(b) **Survival.** The rights and obligations of each Member or Former Member under this Section shall survive the transfer, redemption or liquidation by such Member of its Company Interest and the termination of this Agreement or the dissolution of the Company.

(c) **Amendments.** Upon the promulgation of revised Treasury Regulations implementing the Revised Partnership Audit Rules or upon further amendment of the Revised Partnership Audit Rules, the Members will evaluate and consider options available with respect to preserving the allocation of responsibility and authority described in this Article 15, while conforming with the applicable provisions of the Revised Partnership Audit Rules. The Members agree to work together in good faith to make elections and amend this Agreement (if
any party determines that an amendment is required) to maintain the intent of the parties with respect to the obligations and limitations of the Partnership Representative.

(d) State and Local Income Tax Matters. The provisions of this Article 15 shall also apply to state and local income tax matters affecting the Company to the extent the terms and conditions hereof have any application to audit procedures at the state and local level.

ARTICLE 16
MANAGEMENT AGENT

16.1 Appointment of Management Agent. The Managing Member shall cause the Company at all times during which the Company owns the Apartment Complex to engage a Management Agent subject to the approval of the Investor Member in its sole discretion (which may be a Managing Member or an Affiliate thereof if approved by the Investor Member in its sole discretion, and if approved by the Lenders and by the Agency, to the extent such approval by a Lender and/or the Agency is required) to provide management services for the Company with respect to the Apartment Complex pursuant to a Management Agreement meeting the requirements of this Agreement. Accolade Property Management, Inc. is approved as the initial Management Agent. Such engagement shall occur no later than the date on which the first certificate of occupancy for any unit in the Apartment Complex is issued and shall continue thereafter for so long as the Company owns the Apartment Complex. Concurrently with execution of the Management Agreement, the Management Agent shall execute and deliver to the Company and the Investor Member consent in the form attached hereto after the signature pages of the Members.

16.2 Management Agreement. The Management Agreement shall be subject to the Consent of the Investor Member in its sole discretion and, unless the Investor Member otherwise Consents, must satisfy the following terms and conditions: (a) the Company shall pay the Management Agent a monthly Management Fee not to exceed the greater of (a) five percent (5%) of the Gross Operating Revenues (as defined in the Management Agreement) of the Apartment Complex for the month preceding payment and (b) $2,000 per month; and (b) the Management Agreement must have a term which does not exceed one (1) year and provide that it is terminable by the Company on thirty (30) days’ Notice by the Company without cause. Notwithstanding the foregoing, if at any time the Management Agent is an Affiliate of any Managing Member, Guarantor or Developer, payment of the Management Fee shall be subordinated to payment of Operating Expenses, Debt Service Expenses and funding of any reserve required under this Agreement, and any portion of the Management Fee which is not paid shall accrue without interest and be paid from available Cash Flow in accordance with Section 14.1(a) hereof. If the Management Agent is an Affiliate of the Managing Member, the Developer or the Guarantors, then the Management Fee shall not be paid from either the Operating Reserve or an Operating Deficit Loan.

16.3 Removal of Management Agent. If (a) the Apartment Complex shall be subject to a building code violation the Investor Member shall deem material and which shall not have been timely cured after notice from the applicable agency or department; (b) an Event of Bankruptcy shall occur with respect to the Management Agent; (c) the Management Agent shall commit misconduct or negligence in the performance of its duties and obligations under the
Management Agreement, or fails to promptly and competently perform (after any applicable notice and cure period) all duties of the Management Agent under the Management Agreement or materially mismanage the Apartment Complex; (d) the Managing Member Withdraws; (e) there is change in ownership of the Managing Member without the Consent of the Investor Member; (f) the Management Agent is cited by any Agency for a violation or alleged violation of any applicable rules, regulations or requirements, including noncompliance with the Minimum Set-Aside Test, the HOME Minimum Set-Aside Test or any other Lender or Set-Aside Test, the Rent Restriction Test or any other Housing Tax Credit-related provision; (g) from or after Rental Achievement, the Company experiences Operating Deficits (prior to the effect of subordinating payment of the Management Fee, if applicable) for six (6) consecutive months; (h) the Company’s actual Housing Tax Credits are less than 95% of the Projected Housing Tax Credits or the Revised Projected Housing Tax Credits, as applicable, (i) the Management Agent fails to comply with any applicable compliance rule, recordkeeping and/or reporting requirement under Section 42 of the Code and the Regulations, rulings and policies related thereto (which is not timely cured); or (j) the Investor Member funds Default IM Loans or Excess IM Loans, then, upon Notice from the Investor Member and subject to any Lender or Agency approval, if required, the Managing Member must cause the Company to promptly terminate the Management Agreement with the Management Agent.

16.4 Replacement of Management Agent. Upon termination of the Management Agreement with the Management Agent, the Managing Member shall appoint a new Management Agent which is not an Affiliate of the Managing Member, Developer or Guarantor, subject to the Consent of the Investor Member, to the extent required, the Lenders, and on the terms set forth in Section 16.2.

ARTICLE 17
SALE, DISSOLUTION AND LIQUIDATION

17.1 Dissolution of the Company. The Company shall be dissolved upon the earlier of the expiration of the term of the Company, or upon:

(a) the Withdrawal of the Managing Member who is at that time the sole Managing Member, subject to the provisions of Section 7.2(b)(i), unless a majority in Interest of the other Members, within ninety (90) days after receiving Notice of such withdrawal, Bankruptcy, death, dissolution or adjudication of incompetence, elects to designate a successor Managing Member(s) and continue the Company upon the admission of such successor Managing Member(s) to the Company;

(b) the sale or other disposition of all or substantially all of the assets of the Company or liquidation as defined in Treasury Regulation Section 1.704-1(b)(2)(ii)(g);

(c) the election by the Managing Member, with the Consent of a majority in interest of the other Members; or

(d) any other event causing the dissolution of the Company under the laws of the State.

17.2 Winding Up and Liquidation.
(a) Upon the dissolution of the Company pursuant to Section 17.1, (i) a Certificate of Cancellation shall be filed in such offices within the State as may be required or appropriate, and (ii) the Company business shall be wound up and its assets liquidated as provided in this Section 17.2.

(b) The net proceeds resulting from the dissolution and liquidation of the Company shall be distributed and applied in the following order of priority:

(i) to the payment of all debts and liabilities of the Company (including amounts due pursuant to all Loans and all expenses of the Company incident to any such dissolution and liquidation), other than its Members and Affiliates;

(ii) to the payment of debts and liabilities (including unpaid fees) owed to the Members or their Affiliates by the Company for Company obligations (limited to those debts that have been Consented to by the Investor Member as provided in this Agreement); provided, however, that the foregoing debts and liabilities owed to the Members and their Affiliates shall be paid or repaid, as applicable, in the following order of priority, if and to the extent applicable: (A) to the payment of any amounts owing to the Investor Member or other Hunt Indemnified Parties by reason of any unpaid indemnification or guaranty obligation of the Managing Member pursuant to this Agreement or of the Guarantors pursuant to the Guaranty; (B) to the payment of any outstanding Excess IM Loan Amount until paid in full, then to the payment of the Excess MM Loan Amount and then to the payment of any remaining IM Loans and MM Loans pro rata based on their respective outstanding balances until paid in full; (C) to the payment of any accrued and unpaid Asset Management Fee; (D) to the payment of amounts due under the Development Agreement (including any Deferred Development Fee); (E) to the payment of amounts due with respect to Operating Deficit Loans; and (F) to the payment of any other such debts and liabilities;

(iii) to the setting up of any reserves which the Liquidator deems reasonably necessary for contingent, unmatured or unforeseen liabilities or obligations of the Company; and

(iv) thereafter, to the Members in accordance with the Members’ respective positive Capital Account balances as determined by taking into account all Capital Account adjustments required by Section 13.2 and otherwise required by this Agreement.

17.3 Rights and Obligations of Investor Member upon Dissolution. Except as otherwise expressly provided in this Agreement, the Investor Member and the Special Investor Member shall look solely to the assets of the Company for the return of its Capital Account balance. Notwithstanding the provisions of Section 17.2 or any other provision of this Agreement, except as otherwise elected by the Investor Member or the Special Investor Member pursuant to Section 4.2(c)(ii) or this Section 17.3, neither the Investor Member nor the Special Investor Member shall have any obligation to restore any deficit in its Capital Account upon the liquidation of the Company. Notwithstanding the foregoing, or anything to the contrary contained in this Agreement, the Investor Member and the Special Investor Member may from time to time elect to be obligated to restore a deficit in its Capital Account up to a limited dollar amount. Such election shall be made by the Investor Member’s or the Special Investor
Member’s delivery of a Notice of election to the Managing Member no later than April 15 following the taxable year for which such election is to be effective and shall specify the dollar amount of the deficit in its Capital Account that the Investor Member or the Special Investor Member agrees to restore. Such election shall be irrevocable and shall be binding on subsequent transferees of the Investor Member’s Company Interest or the Special Investor Member’s Company Interest.

17.4 **Filing of Certificate of Dissolution.** The Liquidator shall file all certificates and notices of the dissolution of the Company required by law. The Liquidator shall proceed without any unnecessary delay to sell and otherwise liquidate the Company’s property and assets; provided, however, that if the Liquidator shall determine that an immediate sale of part or all of the Company property would cause undue loss to the Members, then in order to avoid such loss, the Liquidator may, except to the extent provided by the Uniform Act, defer the liquidation as may be necessary to satisfy the debts and liabilities of the Company to Persons other than the Members. Upon the complete liquidation and distribution of the Company assets, the Members shall cease to be Members of the Company, and the Liquidator shall execute, acknowledge and cause to be filed all certificates and notices required by the law to terminate the Company. Upon the dissolution of the Company pursuant to Section 17.1, the Accountants shall promptly prepare, and the Liquidator shall furnish to each Member, a statement setting forth the assets and liabilities of the Company upon its dissolution. Promptly following the complete liquidation and distribution of the Company property and assets, the Accountants shall prepare, and the Liquidator shall furnish to each Member, a statement showing the manner in which the Company assets were liquidated and distributed.

**ARTICLE 18**

**BOOKS AND RECORDS, ACCOUNTING, TAX ELECTIONS, ETC.**

18.1 **Books and Records.** Every Member, or its duly authorized representatives, shall at all times have access to the records of the Company at the principal office of the Company at any and all reasonable times, and may inspect and copy any of such records. A list of the names and addresses of all of the Members shall be maintained as part of the books and records of the Company and shall be mailed to any Member upon request. The Company may charge reasonable costs for duplication and mailing.

18.2 **Bank Accounts.** Except as provided in Section 5.10 with respect to the Operating Reserve, the bank accounts of the Company shall be maintained in the Company’s name with one commercial bank as the Managing Member shall determine with the reasonable Consent of the Investor Member; provided, however, that no such account may be held in a bank which is an Affiliate of the Managing Member unless the Consent of the Investor Member shall have been received with respect thereto. Withdrawals shall be made only in the regular course of Company business on such signature or signatures as the Managing Member may determine. All deposits (including security deposits and other funds required to be escrowed by any Lender or Agency) and other funds not needed in the operation of the business shall be deposited, in the following:

- (a) cash deposits (including certificates of deposits) at commercial banks; (b) obligations of the United States or any State or Municipality, thereof, that have an initial or remaining term of 60 days or greater; or (c) money market mutual funds that are registered investment companies under the Investment Company Act of 1940. To the extent the Managing Member seeks to
invest in either (b) or (c), it agrees that it will hold such instrument for at least 60 days following such purchase prior to sale. The Managing Member agrees that it will monitor any investments to ensure that they comply with the aforesaid requirements and will promptly notify the Investor Member in the case of any instances of non-compliance have been detected. The Managing Member shall not be obligated to maximize the interest rates received on Company funds. Tenant security deposits shall be maintained in a bank account separate from any other bank accounts. The tenant security deposit account shall be maintained with a balance equal to the corresponding liability, and shall in all other respects comply with applicable laws.

18.3 Accountants.

(a) The Accountants shall prepare, for execution by the Managing Member, all tax returns of the Company. Prior to the filing of the Company tax returns, and in no event later than February 28 of each year, the Accountants shall deliver draft financial statements for the Company and the tax returns for such year to the Investor Member for its review and comment. If a dispute arises between the Accountants and the Investor Member over the proper preparation of the financial statements and the tax returns and such dispute cannot be resolved by the Accountants and the Investor Member by March 1 of such year, then the Investor Member shall make the final decision on whether any changes are necessary and must have a rationale for such decision. The Company shall reimburse the Investor Member or its Affiliates for all costs and expenses related to the aforementioned review.

(b) The Accountants shall audit and certify all annual financial reports to the Members in accordance with generally accepted auditing standards, and shall deliver a draft of such financial reports not later than February 28 of each year and a final version of such financial reports not later than March 31.

(c) If the Company fails to fulfill any of its obligations under Sections 18.3(a), 18.3(b) or 18.7 (a) within the time periods set forth therein, at any time thereafter upon Notice from the Investor Member that a change in the identity of the Accountants is desired and the foregoing failure is due to the Accountants second or more violation which caused such failure, the Managing Member, on behalf of the Company, shall promptly terminate the Company’s engagement of the Accountants, and the Consent of the Investor Member must be received to the appointment of replacement Accountants. If the Managing Member has not designated replacement Accountants within ten (10) days of the Notice from the Investor Member to replace the Accountants, then the Investor Member shall appoint replacement Accountants of its own choosing, the cost of which shall be borne by the Company as a Company expense. All Members hereby grant to the Investor Member a special power of attorney, irrevocable to the extent permitted by law, coupled with an interest, to so appoint replacement Accountants and to do anything else which in the view of the Investor Member may be necessary or appropriate to accomplish the purpose of this Section 18.3(c).

18.4 Cost Recovery and Elections.

(a) Except as otherwise required in Section 5.2(oo), the Managing Member shall also cause the Company to make an election to be treated as an “electing real property trade or business” under Section 163(j)(7)(B) of the Code and will cause the Company to use the
Alternative Depreciation System (ADS) to the extent required by such election. The Managing Member shall also cause the Company to use “bonus” depreciation to the extent not inconsistent with the foregoing.

(b) Subject to the provisions of Section 18.5, all other elections required or permitted to be made by the Company under the Code shall be made by the Managing Member with the Consent of the Investor Member.

18.5 Special Basis Adjustments. In the event of a transfer of all or any part of the Interest of the Investor Member or a transfer of all or any part of an interest of a partner of the Investor Member, the Company shall elect, upon the request of the Investor Member, pursuant to Section 754 of the Code, to adjust the basis of the Company property. Any adjustments made pursuant to said Section 754 shall affect only the successor in interest to the transferring Member or partner thereof. Each Member will furnish the Company all information necessary to give effect to such election.

18.6 Fiscal Year. The fiscal and tax year of the Company shall be the calendar year. The books of the Company shall be kept on an accrual basis.

18.7 Information Reporting to Members.

(a) The Managing Member shall cause to be prepared and distributed to all Persons who were Members at any time during a fiscal year of the Company:

(i) During the construction of the Apartment Complex, within fifteen (15) days after the end of each month, copies of draw requests which may be submitted simultaneously with the draw request provided to the Construction Lender.

(ii) During the initial lease-up period, and ending on the date on which Initial 100% Occupancy occurs:

(A) a leasing report provided weekly in the form approved by Investor Member;

(B) a vacancy report and rent roll provided monthly in the form approved by the Investor Member;

(C) a low income housing credit monitoring form, an occupancy/rental report in the form approved by the Investor Member, provided monthly in arrears, within seven (7) days of the end of the month being reported;

(D) on the last day of each calendar quarter until Initial 100% Occupancy has been achieved, copies of the complete tenant files for each tenant (including both returning and new tenants) initially occupying a unit during such quarter;

(iii) Within forty-five (45) days after the Occupancy Commencement Date, the Managing Member shall:
(A) cause the Accountants to prepare, and deliver to each Investor Member a Housing Tax Credit eligible basis worksheet for each building in the Apartment Complex, all in a form approved by the Investor Member;

(B) or cause the Management Agent to provide a draft of the Annual Budget.

(iv) The Company shall send to the Investor Member, on or before the tenth (10th) day of each month beginning with initial lease up of the Apartment Complex:

(A) copies of all applicable periodic reports covering the status of project operations from the previous period, as may be required by the Agency; and

(B) copies of all initial tenant leases and associated application information, including third party verification information and copy of the audit, for leases entered into or renewed during the preceding month, and as requested copies of all leases other than initial leases and any related back-up documentation.

(v) Within twenty (20) days after the end of each month, beginning with the month in which the Occupancy Commencement Date occurs, a report, which may be unaudited, that is reasonably satisfactory to the Investor Member, and at minimum contains each of the following:

(A) a consolidated balance sheet of the Company for the month then ended;

(B) a statement of income and expenses for the month then ended;

(C) a statement of cash flows for the month then ended;

(D) a year-to-date trial balance of all Company accounts, prepared using Microsoft Excel and showing a beginning balance, gross debits, gross credits, and an ending balance for each account;

(E) after Initial 100% Occupancy, rent rolls and occupancy/rental report for each month;

(F) a certification of the Managing Member that the Apartment Complex and its tenants are in compliance with all applicable federal, state and local requirements and regulations; and

(G) at the request of the Investor Member, such other information which would be pertinent to a reasonable investor regarding the Company and its activities during the month covered by the report.

(vi) No later than February 28 of each year, drafts of (A) a balance sheet as of the end of such fiscal year, a statement of income, a statement of partners’ equity, and
a statement of cash flows, each for the year then ended, all of which, except the statement of cash flows, shall be prepared in accordance with generally accepted accounting principles and accompanied by a report of the Accountant containing an opinion of the Accountant, and (B) a report of the activities of the Company during the period covered by the report. The report called for shall separately identify distributions from (1) Cash Flow from operations during the period, (2) Cash Flow from operations during a prior period which had been held as reserves, (3) proceeds from disposition of property and investments, (4) lease payments on net leases with builders and sellers, (5) reserves from the gross proceeds of the Capital Contribution of the Investor Member, (6) borrowed monies, and (7) transactions outside of the ordinary course of business with a description thereof.

(A) No later than March 31, but not prior to approval of the Investor Member, a final version of the aforementioned reports will be provided.

(B) No later than February 28, drafts of the Form K-1 and all other information which is necessary, in view of the Accountant, for the preparation of the Investor Member’s federal income tax returns.

(C) The final Form K-1 will be delivered to the Investor Member no later than March 31, but not prior to approval of the Investor Member, for the preceding fiscal year.

(vii) Within the latest of (a) forty-five (45) days after the end of each fiscal year of the Company or (b) two (2) weeks of receipt by the Company from the Agency, a copy of the annual report on Form(s) 8609A to be filed with the United States Treasury concerning the status of the Apartment Complex as low-income housing and, if required, a certificate to the appropriate state agency concerning the same and any reports filed in connection with the compliance monitoring conducted by the Agency on behalf of the State.

(viii) By November 1 of each year, a draft of the Annual Budget for the Company for the next year, which budget shall have been prepared by the Managing Member or the Management Agent and shall be subject to the approval of the Investor Member, with such approval not to be unreasonably withheld.

(b) Upon the written request of the Investor Member for further information with respect to any matter covered in item (a) above, the Managing Member shall furnish such information within thirty (30) days of receipt of such request.

(c) Prior to October 15 of each year, the Company shall send to the Investor Member an estimate of each Investor Member’s share of the Housing Tax Credits, profits and losses of the Company for federal income tax purposes for the current fiscal year. Such estimate shall be prepared by the Managing Member and the Accountants.

(d) Within ninety (90) days after the end of each fiscal year of the Company, the Managing Member shall provide to the Investor Member:

(i) a certification from the Managing Member that (A) all payments payable with respect to all Loans and all taxes and insurance with respect to the Apartment
Complex are current as of the date of the year-end report, (B) there is no default under the Project Documents or this Agreement, or if there is any such default, a detailed description thereof, and (C) there is no building, health or fire code violation or similar violation of a governmental law, ordinance or regulation against the Apartment Complex or, if there is any such violation, a detailed description thereof; and

(ii) a descriptive statement of all transactions during the fiscal year between the Company and any Managing Member or any Affiliate thereof, including the nature of the transaction and the payments involved.

(c) The Managing Member shall send the Investor Member a detailed report within five (5) Business Days after the occurrence of any of the following events:

(i) there is a default by the Company under any Project Document or in the payment of any mortgage, taxes, interest or other obligation on secured or unsecured debt;

(ii) any reserve has been reduced or terminated by application of funds therein for purposes materially different from those for which such reserve was established;

(iii) the Managing Member has received any notice of a fact which may materially affect further distributions or Housing Tax Credit allocations to any Investor Member; or

(iv) any Member has pledged or collateralized its Interest in the Company.

(f) On or before ninety (90) days after the expiration of each fiscal year of the Managing Member or its members, such Managing Member or its members shall send to the Investor Member copies of the balance sheet and income statement of such Managing Member or its members for such fiscal year, which financial statements shall be audited by an independent certified public accountant in the case of a Managing Member or its members which is an Entity.

(g) The Managing Member shall promptly send to the Investor Member a copy of each draw requisition with respect to the Loans and any notification or correspondence from any Lender indicating that any such draw will not be paid as requisitioned.

(h) Promptly upon receipt, the Managing Member shall send to the Investor Member copies of all documents evidencing any Carryover Allocation pursuant to Section Code 42(h) and the Form(s) 8609 evidencing the Housing Tax Credit allocation.

(i) Promptly after Permanent Loan Closing, the Managing Member shall send to the Investor Member closing binders containing photocopies of the fully-executed versions of all documents signed in connection with the Permanent Mortgage.

(j) The Managing Member hereby Consents to any Agency providing the Investor Member with copies of all material communications between any such office and the Managing Member and/or the Company, including any notices of default.
(k) The Managing Member shall promptly Notify the Investor Member if it becomes aware of any violation of Anti-Corruption Laws, or circumstances likely to give rise to such a violation by the Company, the Developer, the Managing Member, the Guarantors or any Affiliate of the Managing Member, the Developer or the Guarantors. Upon request by the Investor Member, the Managing Member will provide information verifying compliance with Anti-Corruption Laws by the Company, the Developer, the Managing Member, the Guarantors or any Affiliate of the Managing Member, the Developer or the Guarantors.

(l) If the Managing Member does not cause the Company to fulfill its obligations under this Section 18.7, the Managing Member shall pay as damages the sum of $100.00 per day to the Investor Member until such obligations shall have been fulfilled. Such damages shall be immediately paid by the Managing Member, and failure to so pay shall constitute a material default of the Managing Member hereunder. In addition, if the Managing Member shall so fail to pay, the Managing Member shall cease to be entitled to the MM Incentive Management Fee and to the payment of any Cash Flow or Capital Transaction proceeds to which it may otherwise be entitled hereunder. Such payments of the MM Incentive Management Fee, Cash Flow and Capital Transaction proceeds shall be restored only upon the payment of such damages in full, and any amount of such damages not so paid shall be deducted against payments of the MM Incentive Management Fee, Cash Flow and Capital Transaction proceeds due to the Managing Member. The imposition of this fee does not affect the other rights and remedies the Investor Member has under this Agreement and all such rights and remedies are expressly reserved.

18.8 Expenses of the Company. All expenses of the Company shall be billed directly to and paid by the Company.

18.9 Housing Tax Credit Compliance Records. Except to the extent that another record storage method shall have been Consented to by the Investor Member, the Managing Member shall cause all tenant leases, income certifications and other records required by the Code and the Agency to evidence that all tenants occupying Housing Tax Credit Units are Qualified Tenants to be stored in fireproof file cabinets in a secure location. Without limiting the foregoing, all such records relating to initial occupancy of each Low-Income Apartment Unit by Qualified Tenants and evidencing timely satisfaction of the Minimum Set-Aside Test and the HOME Minimum Set-Aside Test shall be stored for a period of not less than 21 years.

18.10 Compliance Audit. The Investor Member may, at its own expense, conduct or cause to be conducted an audit or review of the Company’s compliance with all regulations and procedures relating to the operation of the Apartment Complex as a qualified Tax Credit project within the meaning of Section 42(h) of the Code. Such audit or review shall be conducted upon not less than thirty (30) or more than ninety (90) days prior Notice. The Managing Member shall cooperate with any such audit by making appropriate personnel of the Managing Member and the Management Agent and all books and records of the Apartment Complex and Company available to the Investor Member or its representatives at the offices of the Company during regular business hours.

18.11 Inspections. The Investor Member, at its sole cost and expense, shall have the right to conduct physical inspections of the Apartment Complex on an annual basis (or more
frequently if the Investor Member in its sole discretion determines it necessary or advisable) and the Managing Member shall take all reasonable steps necessary to cooperate therewith.

18.12 Guarantors’ Financial Statements. The Managing Member shall cause to be delivered to the Investor Member financial statements of each of the Guarantors to include a schedule of contingent liabilities, together with bank statements for each Guarantor who is an individual, within ninety (90) days of the end of each fiscal year of such Guarantor, unless waived by the Investor Member in writing.

ARTICLE 19
GENERAL PROVISIONS

19.1 Notices. Any Notice or Notification called for under this Agreement shall be in writing and shall be deemed adequately given if actually delivered or if sent by registered or certified mail, postage prepaid, sent by express courier or electronic mail, to such Member at such Member’s address as specified below on the date of receipt thereof (or the next business day if the date of receipt is not a business day) (or in the case of registered or certified mail the date of registry thereof or the date of the certification receipt, as applicable) being deemed the date of such notice (“Notice”, “Notification” or “Notify”); provided, however that any written communication containing such information sent to such Member actually received by such Member shall constitute Notice for all purposes of this Agreement.

To the Investor Member or Special Investor Member: HCP-ILP, LLC
15910 Ventura Boulevard, Suite 1100
Encino, California 91436
Attention: Jeffrey N. Weiss
Email: jeff.weiss@huntcompanies.com

With a copy to: Ballard Spahr LLP
1735 Market Street, 51st Floor
Philadelphia, Pennsylvania 19103
Attention: Jere G. Thompson
Email: thompsonj@ballardspahr.com

To the Co-Managing Member: Saigebrook Mistletoe, LLC
220 Adams Drive Ste. 280 #138
Weatherford, Texas 76086
Attention: Lisa Stephens
Email: lisa@saigebrook.com

To the Administrative Member: O-SDA Mistletoe, LLC
5714 Sam Houston Circle
Austin, Texas 78731
Attention: Megan D. Lasch
Email: megan@o-sda.com
19.2 **Word Meanings.** The words such as “herein,” “hereinafter,” “hereof” and “hereunder” refer to this Agreement as a whole and not merely to a subdivision in which such words appear unless the context otherwise requires. The singular shall include the plural and the masculine gender shall include the feminine and neuter, and vice versa, unless the context otherwise requires. The words “includes,” “including” and the like shall in each case mean “including without limitation.” References to “Sections” and “Articles” refer to Sections and Articles of this Agreement, unless otherwise specified. References to any Regulations (permanent or temporary) or Revenue Procedures shall include any successor provisions.

19.3 **Binding Effect.** The covenants and agreements contained herein shall be binding upon and inure to the benefit of the heirs, executors, administrators, successors and assigns of the respective parties hereto.

19.4 **Applicable Law.** This Agreement shall be construed and enforced in accordance with the laws of the State.

19.5 **Counterparts.** This Agreement may be executed in several counterparts and all so executed shall constitute one agreement binding on all parties hereto, notwithstanding that all the parties have not signed the original or the same counterpart.

19.6 **Entire Agreement.** This Agreement sets forth all (and is intended by all parties to be an integration of all) of the representations, promises, agreements and understandings among the parties hereto with respect to the Company, the Company’s business and the property of the Company, and there are no representations, promises, agreements or understandings, oral or written, express or implied, among them other than as set forth or incorporated herein.

19.7 **Reserved.**

19.8 **Separability of Provisions.** Each provision of this Agreement shall be considered separable and (a) if for any reason any provision is determined to be invalid, such invalidity shall not impair the operation of or affect those portions of this Agreement which are valid, or (b) if for any reason any provision would cause any Investor Member to be bound by the obligations of the Company (other than the rules and regulations of any Agency and the requirements of any Lender), such provision or provisions shall be deemed void and of no effect.
19.9 **Paragraph Titles.** All article and section headings in this Agreement are for convenience of reference only and are not intended to qualify the meaning of any article or section.

19.10 **Project Lender Provisions.** Notwithstanding anything to the contrary, all required Lender consents must be obtained for the following actions: (a) permitting the withdrawal of a Managing Member from the Company; (b) admitting a new Managing Member to the Company; (c) substituting a Managing Member; (d) amending this Agreement or the Company’s Certificate of Formation; (e) selling all or substantially all of the Company’s assets; (f) dissolving, liquidating or terminating the Company; or (g) borrowing funds from a Managing Member or any third party.

19.11 **No Continuing Waiver.** The waiver by any party of any breach of this Agreement or any full or partial condition for performance hereunder shall not operate as or be construed to be a waiver of any subsequent breach or condition.

19.12 **Amendment Procedure.** This Agreement may be amended by the Managing Member only with the Consent of the Investor Member. To the extent that the Investor Member(s) has or have loans outstanding from the Equity Lender in order to finance their Capital Contribution(s), no amendment may be made to Article 14 without the Consent of the Equity Lender. The Managing Member agrees to execute amendments proposed by the Investor Member which do not affect the obligations of the Managing Member under this Agreement and (a) increase or impose upon the Investor Member or Special Investor Member the obligation to restore a deficit balance in its Capital Account, or (b) prospectively decrease the obligation of the Investor Member or Special Investor Member to restore a deficit balance in its Capital Account in a subsequent fiscal year of the Company. The Managing Member agrees to cooperate and to act promptly with respect to amendments proposed by the Investor Member.

19.13 **Waiver of Jury Trial.** (A) EACH OF THE PARTIES HERETO HEREBY KNOWINGLY, VOLUNTARILY AND INTENTIONALLY, AFTER OPPORTUNITY FOR CONSULTATION WITH INDEPENDENT COUNSEL, WAIVES ITS RIGHT TO TRIAL BY JURY IN ANY ACTION OR PROCEEDING TO ENFORCE OR DEFEND ANY RIGHTS OR OBLIGATIONS (I) UNDER THIS AGREEMENT, (II) ARISING FROM THE FINANCIAL RELATIONSHIP BETWEEN THE PARTIES IN CONNECTION WITH THIS AGREEMENT OR (III) ARISING FROM ANY COURSE OF DEALING, COURSE OF CONDUCT, STATEMENT (VERBAL OR WRITTEN) OR ACTION OF THE PARTIES IN CONNECTION WITH SUCH FINANCIAL RELATIONSHIP; (B) NO PARTY HERETO WILL SEEK TO CONSOLIDATE ANY SUCH ACTION IN WHICH A JURY TRIAL HAS BEEN WAIVED WITH ANY OTHER ACTION IN WHICH A JURY TRIAL HAS NOT BEEN OR CANNOT BE WAIVED; (C) THE PROVISIONS OF THIS SECTION HAVE BEEN FULLY NEGOTIATED BY THE PARTIES HERETO, AND THESE PROVISIONS SHALL BE SUBJECT TO NO EXCEPTIONS; (D) NO PARTY HERETO HAS IN ANY WAY AGREED WITH OR REPRESENTED TO ANY OTHER PARTY THAT THE PROVISIONS OF THIS SECTION WILL NOT BE FULLY ENFORCED IN ALL INSTANCES; AND (E) THIS SECTION IS A MATERIAL INDUCEMENT FOR THE INVESTOR MEMBER TO ENTER INTO THIS AGREEMENT.
19.14 **No Third-Party Rights.** No creditor or other third party having dealings with the Company shall have the right to enforce the right or obligation of any Member to make Capital Contributions or loans or to pursue any other right or remedy hereunder or at law or in equity, it being understood and agreed that the provisions of this Agreement shall be solely for the benefit of, and may be enforced solely by, the parties hereto and their respective successors and assigns. None of the rights or obligations of the Members herein set forth to make Capital Contributions or loans to the Company shall be deemed an asset of the Company for any purpose by any creditor or other third party until such Capital Contribution is made or loan is advanced nor may such rights or obligations be sold, transferred or assigned by the Company or pledged or encumbered by the Company to secure any debt or other obligation of the Company or of any of the Members. Without limiting the generality of the foregoing, a deficit Capital Account of a Member shall not be deemed to be a liability of such Member nor an asset or property of the Company.

19.15 **Forbearance.** Any forbearance by the Investor Member in exercising any right or remedy under this Agreement, or otherwise afforded by applicable law, shall not be a waiver of or preclude the exercise of any other right or remedy, or the subsequent exercise of any right or remedy. The enforcement by the Investor Member of any right herein shall not constitute an election by the Investor Member of remedies so as to preclude the exercise of any other right available to the Investor Member.

19.16 **Review with Counsel.** THE MEMBERS ACKNOWLEDGE THAT THEY HAVE READ AND UNDERSTOOD ALL THE PROVISIONS OF THIS AGREEMENT AND HAVE BEEN ADVISED BY COUNSEL AS NECESSARY OR APPROPRIATE.

**ARTICLE 20**
**SPE PROVISIONS**

20.1 **Single Purpose Entity Requirements.** All capitalized terms in this Article 20 shall have the meaning set forth in the Permanent Loan Agreement. Until the Indebtedness is paid in full, each Borrower and any SPE Equity Owner will remain a “Single Purpose Entity,” which means at all times since its formation and thereafter will satisfy each of the following conditions:

(a) It will not engage in any business or activity, other than the ownership, operation and maintenance of the Mortgaged Property and activities incidental thereto.

(b) It will not acquire, own, hold, lease, operate, manage, maintain, develop or improve any assets other than the Mortgaged Property and such Personality as may be necessary for the operation of the Mortgaged Property and will conduct and operate its business as presently conducted and operated.

(c) It will preserve its existence as an entity duly organized, validly existing and in good standing (if applicable) under the laws of the jurisdiction of its formation or organization and will do all things necessary to observe organizational formalities.

(d) It will not merge or consolidate with any other Person.
(e) It will not take any action to dissolve, wind-up, terminate or liquidate in whole or in part; to sell, transfer or otherwise dispose of all or substantially all of its assets; to change its legal structure; transfer or permit the direct or indirect transfer of any partnership, membership or other equity interests, as applicable, other than Transfers permitted under the Permanent Loan Agreement; issue additional partnership, membership or other equity interests, as applicable, or seek to accomplish any of the foregoing.

(f) It will not, without the prior unanimous written consent of all of Borrower’s partners, members, or shareholders, as applicable, and, if applicable, the prior unanimous written consent of 100% of the members of the board of directors or of the board of Managers of Borrower take any of the following actions:

(i) File any insolvency, or reorganization case or proceeding, to institute proceedings to have Borrower be adjudicated bankrupt or insolvent.

(ii) Institute proceedings under any applicable insolvency law.

(iii) Seek any relief under any law relating to relief from debts or the protection of debtors.

(iv) Consent to the filing or institution of bankruptcy or insolvency proceedings against Borrower.

(v) File a petition seeking, or consent to, reorganization or relief with respect to Borrower under any applicable federal or state law relating to bankruptcy or insolvency.

(vi) Seek or consent to the appointment of a receiver, liquidator, assignee, trustee, sequestrator, custodian, or any similar official for Borrower or a substantial part of its property.

(vii) Make any assignment for the benefit of creditors of Borrower.

(viii) Admit in writing Borrower’s inability to pay its debts generally as they become due.

(ix) Take action in furtherance of any of the foregoing.

(x) It will not amend or restate its organizational documents if such change would cause the provisions set forth in those organizational documents not to comply with the requirements set forth in this Section.

(g) It will not own any subsidiary or make any investment in, any other Person.

(h) It will not commingle its assets with the assets of any other Person and will hold all of its assets in its own name.
(i) It will not incur any debt, secured or unsecured, direct or contingent (including guaranteeing any obligation), other than the following: (A) The Indebtedness (and any further indebtedness as described in the Permanent Loan Agreement with regard to Supplemental Instruments). (B) Customary unsecured trade payables incurred in the ordinary course of owning and operating the Mortgaged Property provided the same are not evidenced by a promissory note, do not exceed, in the aggregate, at any time a maximum amount of 2% of the original principal amount of the Indebtedness and are paid within 60 days of the date incurred.

(j) It will maintain its records, books of account, bank accounts, financial statements, accounting records and other entity documents separate and apart from those of any other Person and will not list its assets as assets on the financial statement of any other Person; provided, however, that Borrower’s assets may be included in a consolidated financial statement of its Affiliate provided that (A) appropriate notation will be made on such consolidated financial statements to indicate the separateness of Borrower from such Affiliate and to indicate that Borrower’s assets and credit are not available to satisfy the debts and other obligations of such Affiliate or any other Person, and (B) such assets will also be listed on Borrower’s own separate balance sheet.

(k) Except for capital contributions or capital distributions permitted under the terms and conditions of its organizational documents, it will only enter into any contract or agreement with any general partner, member, shareholder, principal or Affiliate of Borrower or any Guarantor, or any general partner, member, principal or Affiliate thereof, upon terms and conditions that are commercially reasonable and substantially similar to those that would be available on an arm’s-length basis with third parties.

(l) It will not maintain its assets in such a manner that will be costly or difficult to segregate, ascertain or identify its individual assets from those of any other Person.

(m) It will not assume or guaranty (excluding any guaranty that has been executed and delivered in connection with the Note) the debts or obligations of any other Person, hold itself out to be responsible for the debts of another Person, pledge its assets to secure the obligations of any other Person or otherwise pledge its assets for the benefit of any other Person, or hold out its credit as being available to satisfy the obligations of any other Person.

(n) It will not make or permit to remain outstanding any loans or advances to any other Person except for those investments permitted under the Loan Documents and will not buy or hold evidence of indebtedness issued by any other Person (other than cash or investment-grade securities).

(o) It will file its own tax returns separate from those of any other Person, except if Borrower (A) is treated as a “disregarded entity” for tax purposes and is not required to file tax returns under applicable law or (B) is required by applicable law to file consolidated tax returns, and will pay any taxes required to be paid under applicable law.

(p) It will hold itself out to the public as a legal entity separate and distinct from any other Person and conduct its business solely in its own name, will correct any known
misunderstanding regarding its separate identity and will not identify itself or any of its Affiliates as a division or department of any other Person.

(q) It will maintain adequate capital for the normal obligations reasonably foreseeable in a business of its size and character and in light of its contemplated business operations and will pay its debts and liabilities from its own assets as the same become due; provided, however, nothing in this Section will require any member or partner of Borrower or any Borrower Principal to make any equity contribution to Borrower.

(r) It will allocate fairly and reasonably shared expenses with Affiliates (including shared office space) and use separate stationery, invoices and checks bearing its own name.

(s) It will pay (or cause the Property Manager to pay on behalf of Borrower from Borrower’s funds) its own liabilities (including salaries of its own employees) from its own funds; provided, however, nothing in this Section will require any member or partner of Borrower or any Borrower Principal to make any equity contribution to Borrower.

(t) It will not acquire obligations or securities of its partners, members, shareholders, or Affiliates, as applicable.

(u) Except as contemplated or permitted by the property management agreement with respect to the Property Manager, it will not permit any Affiliate or constituent party independent access to its bank accounts.

(v) It will maintain a sufficient number of employees (if any) in light of its contemplated business operations and pay the salaries of its own employees, if any, only from its own funds; provided, however, nothing in this Section will require any member or partner of Borrower or any Borrower Principal to make any equity contribution to Borrower.

(w) Reserved.

(x) Reserved.

(y) If an SPE Equity Owner is required pursuant to the Permanent Loan Agreement, if it is (A) a limited liability company with more than one member, then it has and will have at least one member that has satisfied and will satisfy the requirements of this Section and such member is its managing member, or (B) a limited partnership, then all of its general partners are SPE Equity Owners that have satisfied and will satisfy the requirements set forth in this Section.

(z) For the avoidance of doubt, none of the provisions in this Article 20 shall apply to the Investor Member or the Special Investor Member.

(SIGNATURES APPEAR ON THE FOLLOWING PAGE)
WITNESS the execution hereof as of the Closing Date.

CO-MANAGING MEMBER:

NEIGHBORBOOK MISTLETOE, LLC, a Texas limited liability company

By: Sagebrook Development, LLC, a Florida limited liability company, its managing member

By: 

Manager: Lisa H. Jennis
By: Manager

ADMINISTRATIVE MEMBER:

O-SDA MISTLETOE, LLC, a Texas limited liability company

By: O-SDA Industries, LLC, a Texas limited liability company, its sole member

By: 

Name: Megan D. Losos
In: Managing Member

(SIGNATURES CONTINUE ON THE FOLLOWING PAGE)
WITNESS the execution hereof as of the Closing Date.

CO-MANAGING MEMBER:

SAIGEBROOK MISTLETOE, LLC, a Texas limited liability company

By: Saigebrook Development, LLC, a Florida limited liability company, its managing member

By: ______________________
Name: Lisa M. Stephens
Its: Manager

ADMINISTRATIVE MEMBER:

O-SDA MISTLETOE, LLC, a Texas limited liability company

By: O-SDA Industries, LLC, a Texas limited liability company, its sole member

By: ______________________
Name: Megan D. Lasch
Its: Managing Member

(SIGNATURES CONTINUE ON THE FOLLOWING PAGE)
INVESTOR MEMBER:
HCP-ILP, LLC, a Nevada limited liability company
By: Hunt Capital Partners, LLC, a Delaware limited liability company, Its Manager
By: Jeffrey N. Weiss, President

SPECIAL INVESTOR MEMBER:
HCP-SLP, LLC, a Nevada limited liability company
By: Hunt Capital Partners, LLC, a Delaware limited liability company, its sole member
By: Jeffrey N. Weiss, President

(SIGNATURES CONTINUE ON THE FOLLOWING PAGE)
MANAGEMENT AGENT CONSENT AND AGREEMENT

The undersigned, being the Management Agent for Mistletoe Station, LLC (the "Company"), hereby consents to the provisions in Article 16 of the foregoing First Amended and Restated Operating Agreement of the Company, notwithstanding any provision of the Management Agreement to the contrary.

MANAGEMENT AGENT:

ACCOLADE PROPERTY MANAGEMENT, INC., a Texas corporation

By: [Signature]
Stephanie Baker, President
DEVELOPER CONSENT AND AGREEMENT

The undersigned, being the Developer for Nocatee Station, LLC (the "Company"), hereby consents to the provisions in Sections 4.1(a), 5.3(b), 5.4, 7.2(a),(b) and 8.3 of the foregoing First Amended and Restated Operating Agreement of the Company, notwithstanding any provision of the Development Agreement to the contrary.

DEVELOPER:
SAXEBROOK DEVELOPMENT, LLC, a Florida limited liability company
By: ____________________________
   Lisa M. Shepherd
   Lt. Manager

O-IDA INDUSTRIES, LLC, a Texas limited liability company
By: ____________________________
   Nancy Magen D. Land
   Lt. Managing Member
DEVELOPER CONSENT AND AGREEMENT

The undersigned, being the Developer for Mistletoe Station, LLC (the “Company”), hereby consents to the provisions in Sections 4.1(c), 5.9(a), 5.11, 7.2(b)(ii) and 8.5 of the foregoing First Amended and Restated Operating Agreement of the Company, notwithstanding any provision of the Development Agreement to the contrary.

DEVELOPER:

SAIGEBROOK DEVELOPMENT, LLC, a Florida limited liability company

By: ____________________________
Name: Lisa M. Stephens
Its: Manager

O-SDA INDUSTRIES, LLC, a Texas limited liability company

By: ____________________________
Name: Megan D. Lasch
Its: Managing Member
HUNT CONSENT AND AGREEMENT

The undersigned hereby executes this Agreement for the sole purpose of agreeing to the provisions of Section 6.1(fff) of the foregoing First Amended and Restated Operating Agreement of the Company, and agrees that provision may be enforced against the undersigned by the Company (or its assigns with respect thereto).

HUNT:

HUNT CAPITAL PARTNERS, LLC

By: [Signature]
Name: Jeffrey N. Weiss
Title: President
MEMBER INFORMATION SCHEDULE
TO THE
FIRST AMENDED AND RESTATED OPERATING AGREEMENT
MISTLETOE STATION, LLC

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<td>Saigebrook Mistletoe, LLC</td>
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<td>220 Adams Drive Ste. 280 #138</td>
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<td>Weatherford, Texas 76086</td>
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<td>Austin, Texas 78731</td>
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<td><strong>Investor Member:</strong></td>
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<td>15910 Ventura Boulevard, Suite 1100</td>
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<tr>
<td>Encino, California 91436</td>
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EXHIBIT A

LEGAL DESCRIPTION OF LAND

TRACT I:

LOT 1-R1, BLOCK 3R, OF FRISCO ADDITION, TO THE CITY OF FORT WORTH, TARRANT COUNTY, TEXAS, ACCORDING TO THE MAP OR PLAT THEREOF, RECORDED UNDER COUNTY CLERK’S FILE NO. D212125731, REAL PROPERTY RECORDS, TARRANT COUNTY, TEXAS.

ALSO KNOWN AS

TRACT I:

BEING a tract of land in the E.S. Harris Survey, Abstract No. 688 in the City of Fort Worth, Tarrant County, Texas, being a part of that tract of land described as Tract 1 in Special Warranty Deed to 1700 Mistletoe Partners, Ltd., as recorded in County Clerk’s Document No. D207136848 in the Official Records of Tarrant County, Texas (O.R.T.C.T.), being all of Lot 1-R1 of Lots 1-R1 and 1-R2, Block 3R, Frisco Addition, an addition to the City of Fort Worth, Tarrant County, Texas, as recorded in County Clerk’s Document No. D212125731 O.R.T.C.T., being a part of Beckham Place (variable width right-of-way) and being more particularly described as follows:

BEGINNING at the northeast corner of said Lot 1-R1, from which a 1/2-inch found iron rod with plastic cap stamped "AREA SURVEYING" bears North 48 degrees 50 minutes 32 seconds East, a distance of 0.25 feet, and being on the south right-of-way line of Beckham Place (a variable width right-of-way);

THENCE South 00 degrees 42 minutes 24 seconds East, a distance of 203.93 feet to a 5/8-inch found iron rod for the southeast corner of said Lot 1-R1, being on the north right-of-way line of Mistletoe Boulevard (a variable width right-of-way);

THENCE North 89 degrees 22 minutes 55 seconds West, passing a 1/2-inch found iron rod with plastic cap stamped "GRANT ENG RPLS 4151" for the south end of a corner clip of said Lot 1-R-1 at a distance of 212.37 feet, and continuing for a total a distance of 222.37 feet to a 3/4-inch found iron rod for corner at the intersection of the projected said north right-of-way line and the projected east right-of-way line of said Beckham Place;

THENCE North 06 degrees 51 minutes 00 seconds West, passing a 1/2-inch found iron rod with plastic cap stamped "GRANT ENG RPLS 4151" for the north end of a corner clip of said Lot 1-
R-1 at a distance of 10.00 feet, passing a 1/2-inch found iron rod with plastic cap stamped "GRANT ENG RPLS 4151" for the south end of a corner clip of said Lot 1-R-1 at a distance of 48.06 feet, and continuing for a total distance of 58.06 feet to a point for corner;

THENCE North 57 degrees 36 minutes 24 seconds East, passing a 1/2-inch found iron rod with plastic cap stamped "GRANT ENG RPLS 4151" for the north end of a corner clip of said Lot 1-R-1 at a distance of 10.00 feet, and continuing for a total distance of 268.55 feet to the POINT OF BEGINNING AND CONTAINING 29,702 square feet or 0.6819 acres of land, more or less.

TRACT II:

DESCRIPTION FOR A PART OF BLOCK B OF MISTLETOE HEIGHTS, AN ADDITION IN THE CITY OF FORT WORTH, TARRANT COUNTY, TEXAS, AS SAID BLOCK APPEARS UPON THE MAP RECORDED IN VOLUME 388, PAGE 5 OF THE TARRANT COUNTY DEED RECORDS AND EMBRACING A PORTION OF THE TRACT DESCRIBED IN THE DEED TO L. E. TREZEVANT RECORDED IN VOLUME 1929, PAGE 240 OF SAID DEED RECORDS, AND BEING DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

BEGINNING AT AN AXLE FOUND FOR THE SOUTHEAST CORNER OF SAID BLOCK B IN THE NORTH LINE OF BECKHAM PLACE AND BEING THE SOUTHWEST CORNER OF LOT 6 OF TREZEVANT SUBDIVISION, SAID AXLE BEING THE SOUTHEAST CORNER OF SAID TREZEVANT TRACT;

THENCE SOUTH 59 DEGREES 33 MINUTES 00 SECONDS WEST, ALONG THE SOUTH LINE OF SAID TREZEVANT TRACT AND THE SAID NORTH LINE OF BECKHAM PLACE, 129.99 FEET TO A ¾" IRON PIN FOUND FOR THE SOUTHERLY SOUTHEAST CORNER OF THE TRACT DESCRIBED IN THE DEED TO HELEN J. WILLIAMS, RECORDED IN VOLUME 5619, PAGE 93 OF THE SAID DEED RECORDS;

THENCE NORTH 11 DEGREES 22 MINUTES 00 SECONDS WEST, ALONG THE SOUTHERLY EAST LINE OF SAID WILLIAMS TRACT 164.10 FEET TO A ½" IRON PIN SET WITH CAP MARKED, "AREA SURVEYING" FOR CORNER;

THENCE NORTH 83 DEGREES 52 MINUTES 00 SECONDS EAST, ALONG A NORTHERLY SOUTH LINE OF SAID WILLIAMS TRACT, 82.64 FEET TO A ½" IRON PIN SET WITH CAP MARKED, "AREA SURVEYING" FOR THE NORTHERLY SOUTHEAST CORNER OF SAID WILLIAMS TRACT;

THENCE NORTH 03 DEGREES 57 MINUTES 00 SECONDS WEST, ALONG AN EAST LINE OF SAID WILLIAMS TRACT, 16.77 FEET TO A ½" IRON PIN SET WITH CAP
MARKED, "AREA SURVEYING" FOR THE MOST SOUTHERLY SOUTHWEST CORNER OF LOT 1, BLOCK B-R, MISTLETOE HEIGHTS, ACCORDING TO PLAT RECORDED IN VOLUME 388-160, PAGE 1, PLAT RECORDS, TARRANT COUNTY, TEXAS;

THENCE NORTH 86 DEGREES 05 MINUTES 23 SECONDS EAST, ALONG THE SOUTH LINE OF SAID LOT 1, 54.56 FEET TO A ¾ INCH IRON PIN FOUND FOR THE NORTHWEST CORNER OF LOT 7 OF TREZEVANT SUBDIVISION;

THENCE SOUTH 04 DEGREES 07 MINUTES 19 SECONDS EAST, ALONG THE EAST LINE SAID TREZEVANT TRACT AND THE WEST LINE OF TREZEVANT SUBDIVISION, 124.61 FEET TO THE POINT OF BEGINNING AND CONTAINING 0.424 OF AN ACRE OF LAND.

ALSO KNOWN AS:

TRACT II:

BEING a tract of land in the E.S. Harris Survey, Abstract No. 688 in the City of Fort Worth, Tarrant County, Texas, being all of that called 0.424 acre tract of land described in General Warranty Deed With Mineral Reservations to 1700 Mistletoe Partners, Ltd., as recorded in County Clerk’s Document No. D207307960 in the Official Records of Tarrant County, Texas (O.R.T.C.T.), and being more particularly described as follows:

BEGINNING at a found axle for the southeast corner of said 0.424 acre tract, being on the north right-of-way line of Beckham Place (a variable width right-of-way);

THENCE South 59 degrees 40 minutes 50 seconds West, along said north right-of-way line, a distance of 129.99 feet to a 3/4-inch found iron rod for the common southeast corner of that tract of land described in Warranty Deed to All Saints Episcopal Hospital of Fort Worth, Inc., as recorded in Volume 10876, Page 1719 O.R.T.C.T. and the southwest corner of said 0.424 acre tract of land;

THENCE North 11 degrees 14 minutes 10 seconds West, departing said north right-of-way line, a distance of 164.21 feet to the common northwest corner of said 0.424 acre tract of land and an ell corner of said All Saints tract;

THENCE North 83 degrees 59 minutes 50 seconds East, a distance of 82.91 feet to a common ell corner of said All Saints tract and said called 0.424 acre tract of land;
THENCE North 03 degrees 50 minutes 10 seconds West, a distance of 16.58 feet to a 5/8-inch found iron rod for an ell corner of said 0.424 acre tract of land, the most southerly southwest corner of Lot 1 in Block B-R of Mistletoe Heights as recorded in Volume 388-160, Page 1 in the Plat Records of Tarrant County, Texas, and being on the east line of said All Saints tract;

THENCE North 86 degrees 13 minutes 12 seconds East, a distance of 54.54 feet to a 5/8-inch found iron rod for the northeast corner of said called 0.424 acre tract of land, and being on the south line of said Lot 1;

THENCE South 03 degrees 53 minutes 11 seconds East, a distance of 124.54 feet to the POINT OF BEGINNING AND CONTAINING 18,495 square feet or 0.4246 acres of land, more or less.

TRACT III:

BEING A PART OF BLOCK "B" OF MISTLETOE HEIGHTS ADDITION TO THE CITY OF FORT WORTH, TARRANT COUNTY, TEXAS, ACCORDING TO PLAT RECORDED IN VOLUME 388, PAGE 5, DEED RECORDS OF TARRANT COUNTY, TEXAS, SAID PART OF BLOCK "B" BEING DESCRIBED BY METES AND BOUNDS AS FOLLOWS:


THENCE NORTH 6 DEGREES 08 MINUTES WEST, ALONG SAID BLOCK LINE AND RIGHT-OF-WAY LINE, 402.2 FEET TO AN IRON;

THENCE NORTH 83 DEGREES 52 MINUTES EAST 98 FEET TO AN IRON;

THENCE SOUTH 6 DEGREES 08 MINUTES EAST 45 FEET TO AN IRON;

THENCE NORTH 83 DEGREES 52 MINUTES EAST 110-7/10 FEET TO AN IRON;

THENCE SOUTH 3 DEGREES 57 MINUTES EAST 132-1/10 FEET TO AN IRON;

THENCE SOUTH 83 DEGREES 52 MINUTES WEST 82-6/10 FEET TO AN IRON;
THENCE SOUTH 11 DEGREES 22 MINUTES EAST 164-4/10 FEET TO AN IRON IN THE SOUTH LINE OF SAID BLOCK B;

THENCE SOUTH 59 DEGREES 33 MINUTES WEST, ALONG SAID SOUTH LINE OF BLOCK B, 149-3/10 FEET TO THE PLACE OF BEGINNING.

ALSO KNOWN AS:
TRACT III:

BEING a tract of land in the E.S. Harris Survey, Abstract No. 688 in the City of Fort Worth, Tarrant County, Texas, being all of that tract of land described in Warranty Deed to All Saints Episcopal Hospital of Fort Worth, Inc., as recorded in Volume 10876, Page 1719 in the Official Records of Tarrant County, Texas (O.R.T.C.T.), and being more particularly described as follows:

BEGINNING at a 1/2-inch found iron rod with plastic cap stamped "FULTON SURVEYING" for the common northwest corner of said All Saints tract, the most westerly southwest corner of Lot 1 in Block B-R of Mistletoe Heights as recorded in Volume 388-160, Page 1 in the Plat Records of Tarrant County, Texas, and being on the east line of Burlington Northern Santa Fe Railroad (100 foot wide right-of-way);

THENCE North 84 degrees 06 minutes 47 seconds East, along the common line between said All Saints tract and said Lot 1, a distance of 98.08 feet to a 1/2-inch found iron rod with plastic cap stamped "GRANT ENG RPLS 4151" for a common ell corner of said All Saints tract and said Lot 1;

THENCE South 06 degrees 21 minutes 44 seconds East, continuing along said common line, a distance of 44.82 feet to a 1/2-inch found iron rod with plastic cap stamped "GRANT ENG RPLS 4151" for a common ell corner of said All Saints tract and said Lot 1;

THENCE North 84 degrees 04 minutes 15 seconds East, continuing along said common line, a distance of 110.60 feet to a 5/8-inch found iron rod for the northeast corner of said All Saints tract and an ell corner of said Lot 1;

THENCE South 03 degrees 50 minutes 10 seconds East, along the east line of said All Saints tract, passing a 5/8-inch found iron rod for the most southerly southwest corner of said Lot 1, and an ell corner of that called 0.424 acre tract of land described in General Warranty Deed With Mineral Reservations to 1700 Mistletoe Partners, Ltd., as recorded in County Clerk’s Document
No. D207307960 O.R.T.C.T. at a distance of 115.35 feet and continuing for a total distance of 131.94 feet to a point for a common ell corner of said All Saints tract and said called 0.424 acre tract of land;

THENCE South 83 degrees 59 minutes 50 seconds West, departing said east line, a distance of 82.91 feet to the common northwest corner of said 0.424 acre tract of land and an ell corner of said All Saints tract;

THENCE South 11 degrees 14 minutes 10 seconds East, a distance of 164.21 feet to a 3/4-inch found iron rod for the common southeast corner of said All Saints tract, the southwest corner of said 0.424 acre tract, and being on the north right-of-way line of Beckham Place (a variable width right-of-way);

THENCE South 59 degrees 40 minutes 50 seconds West, departing said east line and along said north right-of-way line, a distance of 149.29 feet to a 1/2-inch found iron rod with plastic cap stamped "GRANT ENG RPLS 4151" for corner on said east right-of-way line;

THENCE North 06 degrees 00 minutes 10 seconds West, departing said north right-of-way line and along said east right-of-way line, a distance of 402.00 feet to the POINT OF BEGINNING AND CONTAINING 56,858 square feet or 1.3053 acres of land, more or less.

TRACT IV:

Being a tract or parcel of land situated in the E.S. Harris Survey Abstract No. 688, City of Fort Worth, Tarrant County, Texas and being a portion of Beckham Place (a 60 foot right of way) as recorded in the Fort Worth Original Town, an addition to the City of Fort Worth (no recording information found) also shown on plat of Lots 1&2, Block 3-A Frisco Addition, as recorded in 388-173, Page 11 Plat Records Tarrant County Texas and being all of that tract of land described in deed to the City of Fort Worth as recorded in Volume 3418, Page 632 D.R.T.C.T. and the south right of way line being described in Residue of Beckham Place vacated by Ordinance No. 9104, being all of that called 0.4304 acre tract of land described in City of Fort Worth Ordinance No. 23278-06-2018 Vacating and Extinguishing a portion of Beckham Place, and being more particularly described below:

BEGINNING at a 1/2-inch found iron with cap stamped GRANT ENG RPLS 4151 being at the intersection of the north right of way line of Beckham Place (variable width right-of-way) and the east right of way line of Burlington Northern Santa Fe Railroad (100 foot wide right-of-way), and being the southwest corner of that tract of land described in Warranty Deed to All Saints Episcopal Hospital of Fort Worth Inc., recorded in Volume 10876, Page 1719 Official Records Tarrant County Texas (O.R.T.C.T.);
THENCE North 59 degrees 40 minutes 50 seconds East, along the north right of way line of said Beckham Place, passing at a distance of 149.29 feet, a 3/4-inch iron rod for the southeast corner of said All Saints tract and being the southwest corner of 1700 Mistletoe Partners, Ltd., recorded in Document No. D207307960 O.R.T.C.T., and continuing for a total distance of 255.74 feet to a point for corner;

THENCE South 00 degrees 42 minutes 24 seconds East, over and across said Beckham Place, a distance of 70.58 feet to a point for corner being on the south right of way line of said Beckham Place;

THENCE South 57 degrees 36 minutes 24 seconds West, along said south right of way line, a distance of 198.04 feet to a point for corner at the point of intersection of said south right of way line and the east right of way line of said Beckham Place same being the east line of said City of Fort Worth tract;

THENCE South 06 degrees 51 minutes 00 seconds East, along said east right of way line, a distance of 58.06 feet to a point for corner being at the intersection of said east right of way line and the north right of way line of Mistletoe Boulevard (a variable width right of way);

THENCE North 89 degrees 22 minutes 55 seconds West, over and across said Beckham Place, a distance of 50.32 feet to a point for corner being on the east right of way line of said Burlington Northern Santa Fe Railroad;

THENCE North 06 degrees 00 minutes 10 seconds West, along said east right of way line, passing at a distance of 27.87 feet, the northwest corner of said City of Fort Worth tract, and continuing for a total distance of 105.25 feet to the POINT OF BEGINNING AND CONTAINING 18,744 square feet or 0.4303 acres of land, more or less.

LESS AND EXCEPT:

Being a tract or parcel of land situated in the E.S. Harris Survey Abstract No. 688, City of Fort Worth, Tarrant County, Texas and being all of that tract of land described in deed to the City of Fort Worth as recorded in Volume 3418, Page 632 D.R.T.C.T. and being more particularly described below:

BEGINNING at a 3/4-inch found iron rod for the southeast corner of said City of Fort Worth tract, being on the north right of way line of Mistletoe Boulevard (a variable width right of way),
THENCE North 89 degrees 22 minutes 55 seconds West, along said north right of way line, a distance of 50.32 feet to a point for corner at the intersection of said north right of way line with the east right of way line of Burlington Northern Santa Fe Railroad (100 foot wide right-of-way);
THENCE North 06 degrees 00 minutes 10 seconds West, departing said north right of way line and along said east right of way line, a distance of 27.87 feet to a point for corner;

THENCE North 57 degrees 36 minutes 24 seconds East, departing said east right of way line, a distance of 54.84 feet to a point for corner; THENCE South 06 degrees 51 minutes 00 seconds East, a distance of 58.06 feet to the POINT OF BEGINNING AND CONTAINING 2,133 square feet or 0.0490 acres of land, more or less.

TRACT V:

Being a tract or parcel of land situated in the E.S. Harris Survey Abstract No. 688, City of Fort Worth, Tarrant County, Texas and being all of that tract of land described in deed to the City of Fort Worth as recorded in Volume 3418, Page 632 D.R.T.C.T. and being part of that called 0.4304 acre tract of land described in City of Fort Worth Ordinance No. 23278-06-2018 Vacating and Extinguishing a portion of Beckham Place and being more particularly described below:

BEGINNING at a 3/4-inch found iron rod for the southeast corner of said City of Fort Worth tract, being on the north right of way line of Mistletoe Boulevard (a variable width right of way);

THENCE North 89 degrees 22 minutes 55 seconds West, along said north right of way line, a distance of 50.32 feet to a point for corner at the intersection of said north right of way line with the east right of way line of Burlington Northern Santa Fe Railroad (100 foot wide right-of-way);
THENCE North 06 degrees 00 minutes 10 seconds West, departing said north right of way line and along said east right of way line, a distance of 27.87 feet to a point for corner;

THENCE North 57 degrees 36 minutes 24 seconds East, departing said east right of way line, a distance of 54.84 feet to a point for corner; THENCE South 06 degrees 51 minutes 00 seconds East, a distance of 58.06 feet to the POINT OF BEGINNING AND CONTAINING 2,133 square feet or 0.0490 acres of land, more or less.

TRACTS I, II, III, IV AND V ALSO KNOWN AS:

PLAT DESCRIPTION:
BEING a tract of land in the E.S. Harris Survey, Abstract No. 688 in the City of Fort Worth, Tarrant County, Texas, being all of that tract of land described as Tract 1 in Special Warranty Deed to 1700 Mistletoe Partners, Ltd., as recorded in County Clerk’s Document No. D207136848 in the Official Records of Tarrant County, Texas (O.R.T.C.T.), and being all of Lot 1-R1 of Lots 1-R1 and 1-R2, Block 3R, Frisco Addition, an addition to the City of Fort Worth, Tarrant County, Texas, as recorded in County Clerk’s Document No. D212125731 O.R.T.C.T., and being all of that tract of land described in Warranty Deed to All Saints Episcopal Hospital of Fort Worth, Inc., as recorded in Volume 10876, Page 1719 O.R.T.C.T., and being all of that called 0.424 acre tract of land described in General Warranty Deed With Mineral Reservations to 1700 Mistletoe Partners, Ltd., as recorded in County Clerk’s Document No. D207307960 O.R.T.C.T., and being more particularly described as follows:

BEGINNING at a 5/8-inch found iron rod for the southeast corner of said Lot 1-R1, being on the north right-of-way line of Mistletoe Boulevard (a variable width right-of-way);

THENCE North 89 degrees 22 minutes 55 seconds West, along said north line, a distance of 272.69 feet to a 1/2-inch set iron rod with yellow plastic cap stamped "HALFF" (hereinafter referred to as "with cap") for corner on the east line of Burlington Northern Santa Fe Railroad (100 foot wide right-of-way);

THENCE North 06 degrees 00 minutes 10 seconds West, departing said north line and along said east line, a distance of 507.25 feet to a 1/2-inch found iron rod with plastic cap stamped "FULTON SURVEYING" for the northwest corner of said All Saints tract;

THENCE North 84 degrees 06 minutes 47 seconds East, departing said east line and along the north line of said All Saints tract, a distance of 98.08 feet to a 1/2-inch found iron rod with plastic cap stamped "GRANT ENG RPLS 4151" for corner;

THENCE South 06 degrees 21 minutes 44 seconds East, continuing along said north line, a distance of 44.82 feet to a 1/2-inch found iron rod with plastic cap stamped "GRANT ENG RPLS 4151" for corner;

THENCE North 84 degrees 04 minutes 15 seconds East, continuing along said north line, a distance of 110.60 feet to a 5/8-inch found iron rod for the northeast corner of said All Saints tract;

THENCE South 03 degrees 50 minutes 10 seconds East, departing said north line and along the east line of said All Saints tract, a distance of 115.35 feet to a 5/8-inch found iron rod for ell corner on the north line of said 0.424 acre tract;
THENCE North 86 degrees 13 minutes 12 seconds East, departing said east line and along said north line, a distance of 54.54 feet to a 5/8-inch found iron rod for the northeast corner of said 0.424 acre tract;

THENCE South 03 degrees 53 minutes 11 seconds East, departing said north line and along the east line of said 0.424 acre tract, a distance of 124.54 feet to a found axle for the southeast corner of said 0.424 acre tract, being on the north right-of-way line of Beckham Place (a variable width right-of-way);

THENCE South 59 degrees 40 minutes 50 seconds West, departing said east line and along said north line, a distance of 23.54 feet to a 1/2-inch set iron rod with cap for corner;

THENCE South 00 degrees 42 minutes 24 seconds East, departing said north line, a distance of 70.58 feet to a 1/2-inch set iron rod with cap for corner on the south right-of-way line of said Beckham Place;

THENCE North 57 degrees 36 minutes 24 seconds East, along said south line, a distance of 70.51 feet to a point for the northeast corner of said Lot 1-R1, from which a 1/2-inch found iron rod with plastic cap stamped "AREA SURVEYING" bears North 48 degrees 50 minutes 32 seconds East, a distance of 0.25 feet;

THENCE South 00 degrees 42 minutes 24 seconds East, departing said south line and along the east line of said Lot 1-R1, a distance of 203.93 feet to the POINT OF BEGINNING AND CONTAINING 123,799 square feet or 2.842 acres of land, more or less.
## EXHIBIT B

### DEVELOPMENT BUDGET, SOURCES AND USES

### SUMMARY OF LOANS

#### MISTLETOE STATION

<table>
<thead>
<tr>
<th>Development Budget</th>
<th>FTE Name</th>
<th>FTE per</th>
<th>% of Budget</th>
<th>Cost of Loans</th>
<th>% of Budget</th>
<th>Securities</th>
<th>% of Budget</th>
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</thead>
<tbody>
<tr>
<td></td>
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<td>Budget</td>
<td>Unit</td>
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<td>Land</td>
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<td>Roofing &amp; Siding</td>
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<tr>
<td>Site Work</td>
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<tr>
<td>Off Site Improv</td>
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<tr>
<td>Site Work + Off Site</td>
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**Total Precosts:** 7,873,785

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<tr>
<th>Precosts</th>
<th>Budget</th>
<th>% of Budget</th>
<th>Cost of Loans</th>
<th>% of Budget</th>
<th>Securities</th>
<th>% of Budget</th>
</tr>
</thead>
<tbody>
<tr>
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<tr>
<td>Total Pre-cost</td>
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<td>968,666</td>
<td>998,666</td>
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<td>Total Development</td>
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<td>968,666</td>
<td>998,666</td>
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### SUMMARY OF LOANS

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<tr>
<th>Lender</th>
<th>Related Party (Yes or No)</th>
<th>Principal Amount</th>
<th>Interest Rate</th>
<th>Hard Debt Payment Terms</th>
<th>Soft Debt Payment Terms</th>
<th>Construction or Permanent or Both</th>
<th>Maturity Date</th>
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<tr>
<td>JPMorgan Chase Bank, N.A.</td>
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<td>$22,282,000 Variable – expected to be 4.65%</td>
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<td>Construction</td>
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<td>Hunt Mortgage Partners, LLC</td>
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<td>$8,300,000</td>
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<td>Permanent</td>
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<td>FWHFC</td>
<td>no</td>
<td>$750,000 Same as Construction Loan during Construction and 2% after Conversion</td>
<td>Payable from Cash Flow – 35 year amortization</td>
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<td>15.5 years from Conversion</td>
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<td>Agency (HOME Loan)</td>
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</table>
EXHIBIT C

FUNDING CONDITIONS

Payment Certificate. The obligation of the Investor Member to pay each Installment (or disbursement of each Installment) is conditioned upon delivery by the Managing Member to the Investor Member of a written certificate (the “Payment Certificate”) in the form attached hereto as Exhibit R. The Payment Certificate for each Installment subsequent to the First Installment shall be dated and delivered not less than fifteen (15) nor more than thirty (30) days prior to the due date for such Installment.

First Installment Funding Conditions ($1,289,871)

1. Admission of the Investor Member to the Company.

2. Proof of property and liability insurance in accordance with Exhibit D to the Agreement.

3. No Event of Default of the Managing Member has occurred.

4. Receipt by the Investor Member of an LIHTC Certificate in the form attached hereto as Exhibit S.

5. Receipt by the Company of the Carryover Allocation and satisfaction by the Company of all conditions to the effectiveness of the Carryover Allocation which are to be satisfied prior to Closing imposed by the Code, the Agency or otherwise.

6. Receipt of the Permanent Loan commitment in a form acceptable to the Investor Member.

7. Closing and funding of the Construction Loan on terms approved by the Investor Member, with such funds to be used solely for site acquisition, development and construction costs, including an expense reimbursement of $65,000 to an Affiliate of the Investor Member for its review and approval costs in connection with the Closing.

8. Closing and initial funding of the FWHFC Loan on terms approved by the Investor Member, with such funds to be used solely for purposes set forth in the FWHFC Loan documents.

9. The Title Policy meeting the requirements set forth in Exhibit Q.

10. The Predevelopment Loan shall have been paid in full or will be paid in full concurrently with the funding of the First Installment.

11. An Opinion of Counsel of the Managing Member confirming such tax, corporate and partnership matters, and in such form, as the Investor Member or its counsel may reasonably request. Such opinion shall expressly permit reliance thereon by the Investor Member and counsel engaged by the Investor Member in connection with the admission of the
Investor Member to the Company and confirm that, upon an Assignment of the Investor Member’s Interest in the Company pursuant to an Assignment executed substantially in the form attached to the Agreement as Exhibit M, (1) the Assignee of the Investor Member’s Interest will, except for the payment of its Capital Contribution, have no liability with respect to obligations of the Company except as provided under the provisions of the Uniform Act, and (2) the Assignment will not affect the validity of the Guaranty Agreement, the benefits of which will run to the Assignee of the Investor Member’s Interest.

12. The Development Agreement between the Company and the Developer, in the form attached to the Agreement as Exhibit E, pursuant to which the Developer will be paid a Development Fee as described therein.

13. The Guaranty Agreement in the form attached to the Agreement as Exhibit F.

14. The ALTA Survey certified to the Company and the Investor Member and meeting the requirements set forth in Exhibit Q.

15. A construction contract and payment and performance bond in a form approved by the Investor Member.

16. The Management Agreement between the Company and the Management Agent, in the form attached to the Agreement as Exhibit I.

17. Building permits for the Apartment Complex or will issue letter.

18. The Due Diligence Documents and any other documents as the Investor Member may require in its sole and absolute discretion.

**Second Installment Funding Conditions ($644,936)**

1. No Event of Default of the Managing Member has occurred.

2. The Due Diligence Documents and any other documents as the Investor Member may require in its sole and absolute discretion.

3. Satisfaction of all conditions for the payment of the First Installment.


**Third Installment Funding Conditions ($8,309,161)**

1. Satisfaction of all conditions for the payment of the Second Installment.

2. Substantial Completion has occurred.

3. Receipt of Draws and related Draw Documents for Capital Contributions to pay costs of constructing the Apartment Complex, which are approved by the Investor Member pursuant to Section 4.4 of the Agreement.
4. Proof that all insurance requirements continue to be satisfied in accordance with Exhibit D to the Agreement.

5. Carryover Certification with paid invoices to confirm satisfaction of the Ten Percent Test.

6. If available, a date down endorsement to the Title Policy dated within thirty (30) days of funding the Third Installment, in form and substance reasonably acceptable to the Investor Member.

7. Unconditional lien waivers for previous Draws and Conditional lien waivers for current Draw.

8. A certification of the Managing Member, in form and substance acceptable to the Investor Member, confirming that any asserted violations of building codes or Environmental Laws that were to be corrected or remediated during Construction of the Apartment Complex have been timely and fully corrected or remediated in strict compliance with applicable law.

9. A report from the Investor Member’s construction consultant that Substantial Completion has been achieved, that completed construction work is good quality and generally in accordance with the Plans and Specifications and the Apartment Complex is completely operable and inhabitable. The Investor Member shall cause its consultant to deliver a copy of its report (or the pertinent portions thereof) promptly to the Managing Member if there are any construction or other development items which the Investor Member claims are unsatisfactory based upon the findings in the report.


11. Receipt of Draws and related Draw Documents for Capital Contributions to pay costs of constructing the Apartment Complex, which are approved by the Investor Member pursuant to Section 4.4 of the Agreement.

12. Updated Sources and Uses of Development Budget.

13. Proof that all insurance requirements continue to be satisfied in accordance with Exhibit D to the Agreement.

14. Receipt of all other reports required to be submitted to date according to Article 18, including but not limited to budgets, tax returns, audits and compliance documentation.

15. Such additional documentation as the Investor Member may reasonably require.

Fourth Installment Funding Conditions ($2,579,742)

1. Executed Permanent Loan documents (which may be delivered within five (5) business days after the Fourth Installment Funding if the Fourth Installment Funding is to happen concurrently with Permanent Loan Closing).

2. Completion has occurred, and all Completion Documentation has been received and approved by the Investor Member.

3. The ALTA As-Built Survey.

4. A final report from the Investor Member’s construction consultant that all design, site, construction and finishing work necessary for the completion of the Apartment Complex and any necessary utilities have been finished in a good and workmanlike manner, free from defects in design and construction and substantially in accordance with the Plans and Specifications, which shall additionally include evidence of the delivery and installation of all necessary and appropriate fixtures, equipment and personal property. The Investor Member shall cause its consultant to deliver a copy of its report (or the pertinent portions thereof) promptly to the Managing Member if there are any construction or other development items which the Investor Member claims are unsatisfactory based upon the findings in the report.

5. Rental Achievement.

6. Receipt by the Company of the TIF Reimbursement and the Additional TIF Reimbursement.

7. Receipt by the Company of the HAP.

8. If applicable, receipt of the executed Section 811 Subsidy Contract in a form acceptable to the Investor Member.

9. Satisfaction of all conditions for the payment of the Third Installment.

10. A “comfort letter” from the Managing Member’s counsel, stating that nothing has come to its attention which affects adversely the matters addressed in its opinions delivered at the First Installment.

11. An unaudited balance sheet of the Company, dated no earlier than thirty (30) days prior to such Installment, certified by the Managing Member as true, complete and correct.

12. An estimate of the likely adjustment to Capital Contributions, if any, that may be due under Section 4.2(d)(ii).

13. Evidence that all warranties relating to the Construction have been issued to the Company, including the commencement and termination date and product information.

14. Copies of all maintenance and operating agreements for the Apartment Complex.
15. Executed and recorded Extended Use Agreement; provided however, if a recorded copy is not yet available, evidence of submission of the executed Extended Use Agreement for recording.

16. Evidence that the Operating Reserve and Replacement Reserve have been funded in accordance with the terms of the Agreement.

17. Receipt by the Company of the Cost Certification and such documentation as may be reasonably required by the Investor Member to support the Cost Certification, together with an estimate of the likely adjustment to Capital Contributions, if any, that may be due under Section 4.2(d)(i).

18. Copies of all initial tenant files.

19. Update of each Guarantor’s financial statements to include a schedule of contingent liabilities, together with bank statements for each Guarantor who is an individual, dated no later than ninety (90) days prior to the Fourth Installment Funding.

20. Proof that all insurance requirements continue to be satisfied in accordance with Exhibit D to the Agreement.

21. Date down endorsement, if available, to the Title Policy dated on at the time of the Permanent Loan Closing Date, in form and substance reasonably acceptable to the Investor Member, and issuance of an ALTA zoning 3.1 endorsement, a comprehensive endorsement for improved land, a revised survey endorsement reflecting and referring to the ALTA As-Built Survey, and any other endorsements requested by the Investor Member, all in form reasonably satisfactory to the Investor Member.

22. Such additional documentation as the Investor Member may reasonably require.


**Fifth Installment Funding Conditions ($75,000)**

1. Receipt of Internal Revenue Service Forms 8609 for each building in the Apartment Complex.

2. Receipt of all other reports required to be submitted to date according to Article 18, including but not limited to budgets, tax returns, audits and compliance documentation.

3. The completion of Investor Member’s first year Tenant File Audit.

4. Certified Rent Roll(s).

5. Final calculation of the adjustments to Capital Contributions, if any, that may be due under Section 4.2(d)(i) and 4.2(d)(ii).
6. Proof that all insurance requirements continue to be satisfied in accordance with Exhibit D to the Agreement.

7. Satisfaction of all conditions for the payment of the Fourth Installment.

8. Such additional documentation as the Investor Member may reasonably require.

EXHIBIT D

INSURANCE REQUIREMENTS

I. Immediately upon purchase of the land and building(s) upon which new construction will take place and/or building(s) will be rehabilitated, and throughout the term of this Agreement, The Managing Member shall obtain, and maintain in full force and effect, the following policies of insurance for the Company:

A. Commercial General Liability Insurance:
   1. $1,000,000 per occurrence;
   2. $2,000,000 general aggregate;
   3. $2,000,000 product liability/completed operations aggregate;
   4. Personal and Advertising injury: $1,000,000;
   5. The Investor Member and any other party as designated by the Investor Member shall be included as an additional insured using form CG2026 Designated Person or Organization or form CG2027 Co-Owner of Insured Premise or its equivalent. If these or equivalent endorsements are not available it must specifically state on the certificate “Who is an insured includes all members & partners per policy form {state policy form number} attached”. The additional insured form/endorsement or policy form must be attached to the certificate of Insurance.
   6. Include Terrorism Coverage as per the Terrorism Risk Insurance Act of 2002 and as extended or equivalent replacement coverage if the Act is not extended, without any exclusions or limitations for Other Acts of Terrorism.
   7. Deductible/SIR not greater than $10,000; and
   8. Premium amount to be shown on certificate or copy of premium invoice or coverage proposal provided.

B. Automobile Insurance, only required if the Apartment Complex has employees or owns or uses any autos (must provide written statement stating the Apartment Complex has no employees, owns or uses any autos if proof of coverage is not provided):
   1. Liability with $1,000,000 combined single limit for personal injury and property damage (including all hired and non-owned vehicles).
   2. Physical Damage, including comprehensive and collision, for any owned autos

C. Worker’s Compensation Insurance, only required if the Company has employees (must provide written statement that the Company has no employees if proof of coverage is not provided):
1. State Benefits and Employer’s liability: $1,000,000.

D. Umbrella/Excess Liability Insurance:

1. $5,000,000 per occurrence and aggregate (primary and umbrella/excess liability can be combined to achieve minimum limit of $6,000,000 per occurrence and $7,000,000 Aggregate); Higher limits may be required depending project characteristics, location and size.

2. The Commercial General Liability, Automobile Liability and Employers Liability policies should be scheduled as underlying policies; and

E. All coverages to be shown on an ACORD 25 Form with 30 days’ Notice of Cancellation deleting the words “endeavor to” and “but failure to...”, listing the Investor Member and any other party as designated by the Investor Member as Certificate Holder. A separate certificate shall be issued for each requested Certificate Holder.

F. All coverage shall be primary and any insurance carried by the Investor Member or any other partners shall be excess and non-contributory. All insurance companies shall agree to waive their right of subrogation against the Investor Member or any other partners or party as designated by the Investor Member.

G. Other forms or types of insurance which the Investor Member may now or hereafter reasonably require.

II. Prior to the commencement of any construction or rehabilitation of the Apartment Complex, The Managing Member shall obtain (or cause to be obtained by the Contractor/Architect) and keep in force until construction is completed, accepted and initial occupancy of any portion of the Apartment Complex:

A. Builder’s Risk Insurance:

1. “Special Form” Builder’s Risk policy;

2. Replacement Cost;

3. New construction – limit of insurance must be equal to the full value of the completed project;

4. Rehabilitation/Reconstruction limit of insurance must be equal to the value of the building after demolition is completed, plus the full construction/rehab value, including labor;

5. Deductible not greater than $10,000;

6. Completed Value Form; Reporting form policies of any kind will not be acceptable.
7. Earthquake/DIC coverage for all properties located in UBC Seismic Zones 3 & 4; For projects with an approved seismic study indicating a loss prediction of less than 20%, earthquake insurance may be waived; with limits and deductibles that are acceptable to the Investor Member.

8. Flood coverage (for all properties located in FEMA Flood Zones A, V, and D); with limits equal to 50% of the replacement cost of the completed project.

9. Include Terrorism Coverage as per the Terrorism Risk Insurance Act of 2002 and as extended or equivalent replacement coverage if the Act is not extended, without any exclusions or limitations for Other Acts of Terrorism.

10. To be shown on an ACORD 27/28 Form with 30 days’ Notice of Cancellation deleting the words “endeavor to” and “but failure to…”, listing the Investor Member or any other party as designated by the Limited Liability Company as Certificate Holder and Loss Payee using form CP1218 or its equivalent with a waiver of subrogation; The loss payee form/endorsement must be attached to the certificate. A separate certificate shall be issued for each Certificate Holder.

11. Premium amount to be shown on certificate or copy of premium invoice or coverage proposal provided.

12. Soft Cost Endorsement, including increased engineering/architectural fees, interest expense, insurance, real estate taxes, and other miscellaneous expenses associated with project completion delays resulting from a loss.

13. Hail, Named Storms, Windstorm Coverage with deductibles that are acceptable to the Investor Member.

14. Waiver of Coinsurance or Agreed Amount Endorsement.

15. Policy shall contain a Permission to Occupy provision

16. Coverage shall include costs for Debris Removal

B. Evidence of insurance from the Contractor:

1. Worker’s Compensation insurance including state benefits and employers liability of not less than $1,000,000; with a waiver of subrogation in favor of the Company, the Investor Member and any other party as designated by the Investor Member.

2. Commercial Liability insurance coverage of $6,000,000 per occurrence and $7,000,000 aggregate naming the Company, the Investor Member and any other party as designated by the Investor Member as an Additional Insured including Products and Completed Operations for the appropriate statute of limitations.

3. Auto Liability insurance with limits not less than $1,000,000 combined single limit covering all owned, hired & non-owned autos.
4. Contractors Pollution Liability with limits not less than $1,000,000 per occurrence and aggregate if work involves any environmental remediation such as asbestos, lead or other pollutants on structures or the site.

5. All coverage shall be primary and any insurance carried by the Company, Investor Member or Members shall be excess and non-contributory. All insurance companies shall agree to waive their right of subrogation against the Company, the Investor Member or any other party as designated by the Investor Member.

6. To be shown on an ACORD 25 Form with 30 days’ Notice of Cancellation deleting the words “endeavor to” and “but failure to…”, listing the Company, the Investor Member and any other party designated by the Investor Member as Certificate Holder. A separate certificate shall be issued for each Certificate Holder.

7. The Managing Member shall make sure the Investor Member and any other party designated by the Investor Member are included in any construction contracts so as to trigger the benefit of any blanket additional insured, primary wording or waiver of subrogation insurance endorsements where written contract is required so that the above requirements are met.

C. Evidence of insurance from the Architect and Engineer:

1. Errors & Omissions insurance coverage of $1,000,000 per occurrence and in the aggregate; and

2. To be shown on an ACORD 25 Form with 30 days’ Notice of Cancellation deleting the words “endeavor to” and “but failure to…”, listing the Investor Member and any other party designated by the Investor Member as Certificate Holder.

III. Prior to the Occupancy Commencement Date, the Managing Member shall obtain, and shall maintain in full force and effect throughout the term of this Agreement, the following policies of insurance:

A. Property Insurance:

1. ”Special Form” policy at replacement cost excluding land;

2. Loss of Rents: greater than or equal to 12 months’ rental income, maximum deductible 72 hours

3. Building Contents: full replacement cost on “Special Form” basis;

4. Waiver of Co-insurance or agreed amount endorsement;

5. Include Terrorism Coverage as per the Terrorism Risk Insurance Act of 2002 and as extended or equivalent replacement coverage if the Act is not extended, without any exclusions or limitations for Other Acts of Terrorism.
6. Earthquake/DIC coverage (for all properties located in UBC Seismic Zones 3 & 4; Projects with an approved seismic study indicating a loss prediction of less than 20%, earthquake insurance may be waived); with limits and deductibles that are acceptable to the Investor Member.

7. Deductibles not greater than $10,000;

8. Flood coverage (for all properties located in FEMA Flood Zones A, V, and D) with limits not less than 50% of the replacement value of the completed project.

9. Hail, Named Storms, Windstorm Coverage with deductibles that are acceptable to the Investor Member.

10. Building Ordinance or Law A, B & C $500,000 for properties that contain any type of non-conformance under current building, zoning, or land use laws or ordinances.

11. Boiler & Machinery/Equipment Breakdown insurance at 100% replacement cost of building(s) that houses equipment with deductibles same as property insurance for all properties with any centralized HVAC, boiler, water heater or other type of pressure-fired vessel

12. To be shown on an ACORD Form 27/28 with 30 days’ Notice of Cancellation listing the Investor Member and any other party designated by the Investor Member as Certificate Holder and adding as Loss Payees per form CP 1218 (form/endorsement must be attached to the certificate) with a waiver of subrogation, with the words “endeavor to” and “but failure to” struck from the notice;

13. Premium amount to be shown on certificate or copy of premium invoice or coverage proposal provided

B. Management Agent Insurance:

1. Worker’s Compensation insurance including state benefits and employers liability of not less than $1,000,000; with a waiver of subrogation in favor of the Company, the Investor Member and any other party as designated by the Investor Member.

2. General Liability insurance coverage of $6,000,000 per occurrence and $7,000,000 aggregate; and

3. Professional Liability Insurance with limits of $1,000,000 per occurrence and aggregate with deductible/SIR not greater than $10,000

4. Auto Liability insurance with limits not less than $1,000,000 combined single limit covering all owned, hired & non-owned autos.

5. Employee Dishonesty Crime Coverage or similar Fidelity Bond coverage in an amount not less than the equivalent of 2 months gross income of the project.
6. To be shown on an ACORD Form 25 with 30 days’ Notice of Cancellation listing the Company, the Investor Member and any other party designated by the Investor Member as certificate holder with the words “endeavor to” and “but failure to” struck from the notice. A separate certificate shall be issued for each Certificate Holder.

IV. All policies of insurance described on this Exhibit D shall be underwritten by companies licensed to write such insurance in the state where the Apartment Complex is located and shall be rated in the A.M. Best’s Insurance Rating Guide with a rating of at least A VII. Notice of any replacement of any policy shall be made at least 10 days prior to such replacement, and shall be in the form of a copy of the replacement policy, or by certificate, as noted above. If any Acord Forms or other evidences of insurance do not contain a notice provision for the benefit of the Certificate Holder it shall be the obligation of the Managing Member to Notify all Certificate Holders of any cancelation, non-renewal or material reduction in coverage of all required insurance.

V. All liability insurance maintained by the Company and General Contractor shall include a provision that is primary and any such insurance maintained by the Investor Member or other party designated by the Investor Member is excess and non-contributory.

VI. All parties and their respective insurers are required and must agree to waive their rights of subrogation against the Investor Member or any other party designated by the Investor Member.

VII. The Managing Member is advised to obtain whatever additional insurance is deemed prudent to adequately protect the Company. These insurance requirements are considered minimum standards.
DEVELOPMENT AGREEMENT

THIS AGREEMENT (this “Agreement”) is made and entered into as of August 30, 2018, between Mistletoe Station, LLC, a Texas limited liability company (the “Company”), SAIGEBROOK DEVELOPMENT, LLC, a Florida limited liability company (“Saigebrook”) and O-SDA INDUSTRIES, LLC, a Texas limited liability company (“O-SDA” and together with Saigebrook, the “Developer”).

A. The Company is governed by its First Amended and Restated Operating Agreement dated as of August 30, 2018 (the “Operating Agreement”) (capitalized terms used herein without definition shall have the definitions given them in the Operating Agreement).

B. The Company has been formed to develop, construct, own, maintain and operate a 110-unit multifamily apartment complex intended for rental to families of low and moderate income and for rental to families at market rates, to be known as Mistletoe Station, and to be located at 1916 Mistletoe Blvd., Fort Worth, Tarrant County, Texas (the “Apartment Complex”).

C. Saigebrook Mistletoe, LLC, a Texas limited liability company, O-SDA Mistletoe, LLC, a Texas limited liability company, HCP-SLP, LLC, a Nevada limited liability company and HCP-ILP, LLC, a Nevada limited liability company (the “Investor Member”) are the sole Members in the Company.

D. The Company desires to appoint the Developer to provide certain services for the Company with respect to overseeing the development of the Apartment Complex until all development work is completed.

NOW, THEREFORE, in consideration of the foregoing, of the mutual promises of the parties hereto and of other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, it is agreed as follows:

1. Appointment. The Company hereby appoints the Developer to render services for the Company, and confirms and ratifies the appointment of the Developer with respect to services rendered for the Company to date, in supervising and overseeing the development of the Apartment Complex as herein contemplated.

2. Authority. In conformity with the provisions of the Operating Agreement, the Developer shall have, and has had, the authority and the obligation to:

   (a) select the architect (“Architect”), coordinate the preparation of the plans and specifications (the “Plans and Specifications”) and recommend alternative solutions whenever design details affect construction feasibility or schedules;

   (b) insure that the Plans and Specifications are in compliance with all applicable codes, laws, ordinances, rules and regulations;

   (c) cause the General Contractor to negotiate all necessary contracts and subcontracts (other than the Construction Contract) for the construction of the Apartment Complex;
(d) verify the utilization of the products and materials necessary to equip the Apartment Complex in a manner which satisfies all requirements of the Construction Loan and the Plans and Specifications;

(e) monitor disbursement and payment of amounts owed Architects and the subcontractors;

(f) insure that the Apartment Complex is constructed free and clear of all mechanics’ and materialmen’s liens;

(g) obtain an Architect’s certificate that the work on the Apartment Complex is substantially complete and inspect the Architect’s work;

(h) secure all building code approvals and obtain certificates of occupancy for all of the residential units of the Apartment Complex;

(i) cause the Apartment Complex to be completed in a prompt and expeditious manner, consistent with good workmanship, and in compliance with the following:

   (i) the Plans and Specifications as they may be amended by the agreement of the parties hereto and with the consent of the mortgagee under the Construction Loan; and

   (ii) any and all zoning regulations, county ordinances, including health, fire and safety regulations, and any other requirements of federal, state and local laws, rules, regulations and ordinances applicable to construction of the Apartment Complex;

(j) cause to be performed in a diligent and efficient manner the following:

   (i) construction of the Apartment Complex pursuant to the Plans and Specifications, including any required off-site work; and

   (ii) general administration and supervision of construction of the Apartment Complex;

(k) cause the General Contractor to administer and supervise activities of subcontractors and their employees and agents, and others employed as to the Apartment Complex in a manner which complies in all respects with the Construction Loan and the Plans and Specifications;

(l) keep, or cause to be kept, accounts and cost records as to the construction of the Apartment Complex;

(m) maintain, or cause to be maintained, at its expense, all office and accounting facilities and equipment necessary to adequately perform the foregoing functions;

(n) make available to the Company, during normal business hours and upon the Company’s written request, copies of all material contracts and subcontracts;
(o) deliver to the Company the ALTA As-Built Survey and “as-built” drawings of the Apartment Complex construction;

(p) cause the General Contractor to provide and periodically update an Apartment Complex construction time schedule which coordinates and integrates Architect’s services with construction schedules;

(q) cause the General Contractor to investigate and recommend a schedule for purchase by the Company of all materials and equipment requiring long lead time procurement, coordinate the schedule with Architect and expedite and coordinate delivery of such purchases;

(r) cause the General Contractor to prepare pre-qualification criteria for bidders interested in participating in the construction of the Apartment Complex, establish bidding schedules and conduct pre-bid conferences to familiarize bidders with the bidding documents and management techniques with any special systems, materials or methods;

(s) cause the General Contractor to receive bids, prepare bid analyses and make recommendations to the Company for award of contracts or rejection of bids;

(t) coordinate the work of Architect to complete the Apartment Complex in accordance with the objectives as to cost, time and quality, and provide sufficient personnel at the Apartment Complex with authority to achieve such objectives;

(u) cause the General Contractor to provide a detailed schedule of realistic activity sequences and durations, allocation of labor and materials and processing of shop drawings and samples;

(v) provide regular monitoring of the schedule as construction progresses, identify potential variances between scheduled and the probable Substantial Completion Date, review the schedule for work not started or incomplete, recommend to the Partnership Adjustments in the schedule to meet the probable Substantial Completion Date, provide summary reports of such monitoring, and document all changes in the schedule;

(w) recommend courses of action to the Company when requirements of subcontracts are not being fulfilled;

(x) revise and refine the approved estimate of construction cost, incorporate changes as they occur, and develop cash flow reports and forecasts as needed;

(y) provide regular monitoring of the approved estimate of construction cost, show actual costs for activities in process and estimates for uncompleted tasks, identify variances between actual and budgeted or estimated costs and advise the Company whenever projected Costs exceed budgets or estimates;

(z) cause the General Contractor to develop and implement a system for review and processing of change orders as to construction of the Apartment Complex;
(aa) develop and implement a procedure for the review and processing of applications by subcontractors for progress and final payments;

(bb) in collaboration with Architect, establish and implement procedures for expediting the processing and approval of shop drawings and samples; and

(cc) record the progress of the Apartment Complex and submit written progress reports to the Company and Architect, including the percentage of completion and the number and amounts of change orders.

Notwithstanding the foregoing, the Developer shall not provide any services which are the sole responsibility of the Managing Member, including, without limitation, the following: (i) organization of the Company and negotiation of any sale of a Company Interest; (ii) obtaining permanent financing for the Apartment Complex; and (iii) the acquisition and preparation of the Land prior to commencing construction of the Apartment Complex.

3. Development Fee.

(a) For services performed and to be performed under Sections 1 and 2 of this Agreement, the Company shall pay the Developer a Development Fee in the aggregate amount of Two Million Five Hundred Twenty Seven Thousand Five Hundred Eighty-Five Dollars ($2,527,585) as its sole compensation for the performance of its services under and in connection with this Agreement. Payment of the Development Fee shall be subject to the terms and conditions of the Operating Agreement. Subject to the terms of the Operating Agreement, the Company shall pay the Development Fee as follows: (i) $2,221,407 (of which $1,199,560 shall be paid to Saigebrook, $577,566 shall be paid to O-SDA and $444,281 shall be paid to the Special Investor Member) of the Development Fee shall be paid solely from the Cash Flow of the Company available pursuant to Section 14.1(a)(vi) of the Operating Agreement, from Cost Savings pursuant to Section 14.2, and from proceeds of the dissolution and liquidation of the Company pursuant to Section 17.2(b)(ii)(D) of the Operating Agreement (the “Deferred Development Fee”); (ii) $231,718 (of which $125,128 shall be paid to Saigebrook, $60,247 shall be paid to O-SDA and $46,343 shall be paid to the Special Investor Member) of the Development Fee shall be paid at the time the Investor Member makes the Fourth Installment, (iii) $75,000 (of which $40,500 shall be paid to Saigebrook, $19,500 shall be paid to O-SDA and $15,000 shall be paid to the Special Investor Member) of the Development Fee shall be paid at the time the Investor Member makes the Fifth Installment. The Development Fee, including but not limited to any Deferred Development Fee, shall be paid fifty-four percent (54%) to Saigebrook, twenty-six percent (26%) to O-SDA and twenty percent (20%) to the Special Investor Member, on a pro rata basis.

(b) Notwithstanding the foregoing, if, at any time prior to the payment of the Development Fee in full, including the Deferred Development Fee, there are Development Deficits required to be paid to Saigebrook and O-SDA by the Managing Member pursuant to Section 8.1(b) of the Operating Agreement, the Developer and the Company agree that the Managing Member shall have the right, with the Consent of the Investor Member, to elect to fund such Development Deficits by causing the Company and the Developer to change some or all of the cash portion of the Development Fee that would otherwise be paid to Saigebrook and
O-SDA in accordance with Sections 3(a)(ii) through (v) above (but in no event to exceed the lesser of $244,942 or the unpaid cash portion of 80% of the Development Fee payable to Saigebrook and O-SDA) into Deferred Development Fee (a “DDF Election”); provided, the Investor Member shall Consent to such deferral if the Investor Member determines, in its sole discretion, that all of the Deferred Development Fee (including any additional deferral to pay Development Costs) can be repaid by the Company through distributions from the cash flow waterfall under Section 14.1(a) within thirteen years after the Placed in Service Date, further provided that such Consent shall not be required if the Deferred Development Fee is not necessary to be included in the Eligible Basis in order to generate the Projected Housing Tax Credits and the Investor Member’s Capital Account is expected to remain positive throughout the period of eleven (11) taxable years beginning with the first taxable year of the Credit Period. Any Deferred Development Fee resulting from a DDF Election shall be paid in accordance with Section 3(a)(i) hereof and the payments to Saigebrook, O-SDA and the Special Investor Member shall be adjusted pro rata. In no event shall the total amount of the Development Fee be increased as a result of such DDF Election.

(c) No interest shall accrue on the outstanding Deferred Development Fee (including, without limitation, any Deferred Development Fee resulting from a DDF Election). All payments made to the Deferred Development Fee shall be applied to the outstanding balance of the Deferred Development Fee until the Deferred Development Fee is paid in full. Any outstanding balance shall be payable by the earlier of thirteen (13) years following the Placed in Service Date, December 31, 2032 or the date of liquidation of the Company.

(d) Notwithstanding the timing of the payment of the Capital Contributions of the Investor Member, in any event the Company shall pay the entire earned and accrued amount of the Development Fee (other than the Deferred Development Fee including, without limitation, any Deferred Development Fee resulting from a DDF Election) within three (3) years from the date of this Agreement.

(e) For those services performed on or before the Closing Date, as set forth in Section 2 hereof, twenty percent (20%) of the Development Fee shall be deemed earned as of such date. The balance of the Development Fee shall be earned during construction proportionate to the percentage of completion of construction, with the entire Development Fee earned upon issuance of certificates of occupancy for all buildings in the Apartment Complex.

4. Developer Guaranty of Costs of Construction. The Developer warrants that the aggregate costs to the Company for the items includable in Development as identified on the Development Budget shall not exceed the aggregate amounts for such items reflected on the Development Budget (the “Developer Cost Guaranty”). If the aggregate costs to the Company for the items includable in Development Costs exceed the aggregate amount for such items reflected in the Development Budget and such excess costs cannot be funded by Permitted Sources, including DDF Election, the Developer shall pay such excess when and as incurred. Any amounts paid by the Developer pursuant to this Section 4 shall not be repaid by the Company, shall not be credited to the Capital Amount of any Member, or otherwise change the interest of any Person in the Company, but shall be bound by the Developer under the terms of this Agreement.
5. **Withholding of Fee Payments.** If (a) the Developer or the Managing Member, or any successor Managing Member, shall not have substantially complied with any material provisions under this Agreement and the Operating Agreement, (b) an Event of Default has occurred under the Operating Agreement, (c) any financing commitment of any Lender or any agreement entered into by the Company for financing related to the Apartment Complex shall have terminated prior to its respective termination date(s), or (d) foreclosure proceedings have been commenced against the Apartment Complex, or against any apartment complex owned by an Affiliated Entity, then the Developer shall be in default of this Agreement, and the Company shall withhold payment of any installment of the fee payable to the Developer pursuant to Section 3 of this Agreement. All amounts so withheld by the Company under this Section 5 shall be promptly released to the Developer only after the Developer has cured the default justifying the withholding, as demonstrated by evidence reasonably acceptable to the Investor Member. Either Saigebrook or O-SDA shall be entitled to effect such cure on behalf of the Developer.

6. **Assignment of Fees.** The Developer shall not assign, pledge or otherwise encumber, for security or otherwise, the Development Fee set forth above to be made by the Company, or any portion(s) thereof or any right(s) of the Developer thereto, without the Consent of the Investor Member.

7. **Reserved.**

8. **Successors and Assigns.** This Agreement shall be binding on the parties hereto, their heirs, successors and assigns. However, this Agreement may not be assigned by any party hereto without the Consent of the Investor Member, nor may it be terminated without the Consent of the Investor Member.

9. **Termination.** If the Managing Member withdraws from the Company for any reason whatsoever, including the removal of the Managing Member pursuant to Section 7.2 of the Operating Agreement, this Agreement shall terminate effective on the date of such withdrawal (an “Early Termination”) unless the Company and the Investor Member otherwise elect in writing. If an Early Termination occurs, then Developer shall not be entitled to any payments of the Development Fee and the Developer shall forfeit as additional damages any Development Fee which has not been paid as of the date of such Early Termination. If an Early Termination occurs, the Developer shall remain liable for all damages, liabilities and claims (“Claims”) arising under or in connection with this Agreement which are based on acts or omissions prior to the date of such termination, including Claims which do not become manifest until after the date of such termination. The Developer shall have no right to terminate this Agreement without the Consent of the Company and the Investor Member, which Consent may be withheld in the sole discretion of any party. The Developer shall have no right to terminate this Agreement without the Consent of the Company and the Investor Member and both Saigebrook and O-SDA, which Consent may be withheld in the sole discretion of any party.

10. **No Lien Filings.** The Developer hereby represents, warrants and covenants that neither it nor its Affiliates shall file a mechanic’s lien, materialmen’s lien or other lien against the Apartment Complex or any other assets of the Company, and hereby waives and releases any right it may have or may hereafter acquire to file such a lien against the Apartment Complex or any other assets of the Company. The Developer shall indemnify and hold harmless the
Company and the Investor Member from any losses, damages, and/or liabilities, to or as a result of a breach of this provision.

11. **Separability of Provisions.** Each provision of this Agreement shall be considered separable and if for any reason any provision which is not essential to the effectuation of the basic purposes of this Agreement is determined to be invalid and contrary to any existing or future law, such invalidity shall not impair the operation of or affect those provisions of this Agreement which are valid.

12. **Counterparts.** This Agreement may be executed in several counterparts, each of which shall be deemed to be an original copy and all of which together shall constitute one agreement binding on all parties hereto, notwithstanding that all the parties shall not have signed the same counterpart.

13. **Waiver of Jury Trial.** EACH PARTY TO THIS AGREEMENT HEREBY EXPRESSLY WAIVES ANY RIGHT TO TRIAL BY JURY OF ANY CLAIM, DEMAND, ACTION OR CAUSE OF ACTION (a) ARISING UNDER THIS DEVELOPMENT AGREEMENT, INCLUDING, WITHOUT LIMITATION, ANY PRESENT OR FUTURE AMENDMENT HEREOF, OR (b) IN ANY WAY CONNECTED WITH OR RELATED OR INCIDENTAL TO THE DEALINGS OF THE PARTIES HERETO OR ANY OF THEM WITH RESPECT TO THIS AGREEMENT OR ANY OTHER INSTRUMENT, DOCUMENT OR AGREEMENT EXECUTED OR DELIVERED IN CONNECTION HEREWITH, OR THE TRANSACTIONS RELATED HERETO OR THEREO, IN EACH CASE WHETHER SUCH CLAIM, DEMAND, ACTION OR CAUSE OF ACTION IS NOW EXISTING OR HEREAFTER ARISING, AND WHETHER SOUNDING IN CONTRACT OR TORT OR OTHERWISE; AND EACH PARTY HEREBY AGREES AND CONSENTS THAT ANY SUCH CLAIM, DEMAND, ACTION OR CAUSE OF ACTION SHALL BE DECIDED BY COURT TRIAL WITHOUT A JURY AND THAT ANY PARTY TO THIS AGREEMENT MAY FILE AN ORIGINAL COUNTERPART OR A COPY OF THIS SECTION WITH ANY COURT AS WRITTEN EVIDENCE OF THE CONSENT OF THE PARTIES HERETO TO THE WAIVER OF ANY RIGHT THEY MIGHT OTHERWISE HAVE TO TRIAL BY JURY.

14. **No Continuing Waiver.** The waiver by any party of any breach of this Agreement shall not operate or be construed to be a waiver of any subsequent breach.

15. **Applicable Law.** This Agreement shall be construed and enforced in accordance with the laws of Texas.

16. **Third Party Beneficiary.** The Investor Member is a third party beneficiary of this Agreement, and the Company and the Developer hereby expressly agree that any amendment to this Agreement shall not be effective unless and until same is Consented to by the Investor Member.

(SIGNATURES APPEAR ON THE FOLLOWING PAGE)
IN WITNESS WHEREOF, the parties have caused this Development Agreement to be
duly executed as of the date first written above.

COMPANY:
MISTLETOE STATION, LLC, a Texas limited
liability company
By: Salgabrook Mistletoe, LLC, a Texas limited
liability company, its managing member
By: Salgabrook Development, LLC, a Florida
limited liability company, its managing member
By: ________________________________
Name: Lisa M. Nagy
Its: Manager

DEVELOPER:
SAGEBOOK DEVELOPMENT, LLC, a Florida
limited liability company
By: ________________________________
Name: Lisa M. Nagy
Its: Manager

O-RIA INDUSTRIES, LLC, a Texas limited
liability company
By: ________________________________
Name: Megan D. Lack
Its: Managing Member
IN WITNESS WHEREOF, the parties have caused this Development Agreement to be duly executed as of the date first written above.

COMPANY:

MISTLETOE STATION, LLC, a Texas limited liability company

By: Saigebrook Mistletoe, LLC, a Texas limited liability company, its managing member

By: Saigebrook Development, LLC, a Florida limited liability company, its managing member

By: ______________________________
Name: Lisa M. Stephens
Its: Manager

DEVELOPER:

SAIGEBROOK DEVELOPMENT, LLC, a Florida limited liability company

By: ______________________________
Name: Lisa M. Stephens
Its: Manager

O-SDA INDUSTRIES, LLC, a Texas limited liability company

By: ______________________________
Name: Megan D. Lasch
Its: Managing Member
EXHIBIT F

GUARANTY AGREEMENT
GUARANTY AGREEMENT

THIS GUARANTY AGREEMENT (this “Guaranty”), made as of August 30, 2018, is by SAIGEBROOK MISTLETOE, LLC, a Texas limited liability company (“Co-Managing Member”), O-SDA MISTLETOE, LLC, a Texas limited liability company (“Administrative Member”), SAIGEBROOK DEVELOPMENT, LLC, a Florida limited liability company (“Saigebrook Development”), O-SDA INDUSTRIES, LLC, a Texas limited liability company (“O-SDA Developer”), Lisa M. Stephens, individually and Megan D. Lasch, individually, (jointly and severally Co-Managing Member, Administrative Member, Saigebrook Development, O-SDA Developer, Lisa M. Stephens and Megan D. Lasch are individually and collectively referred to herein as the “Guarantors”), each of whose address is set forth below, for the benefit of HCP-ILP, LLC, a Nevada limited liability company (the “Investor Member”), whose address is 15910 Ventura Boulevard, Suite 1100, Encino, California 91436.

A. Co-Managing Member and Administrative Member are the managing members of Mistletoe Station, LLC, a Texas limited liability company (the “Company”).

B. The Company is governed by its First Amended and Restated Operating Agreement dated as of August 30, 2018 (the “Operating Agreement”). Capitalized terms used herein and not defined shall have the meanings given them in the Operating Agreement.

C. The Developer and the Company have entered into that certain Development Agreement dated as of the date hereof (the “Development Agreement”).

D. The Investor Member has been requested to enter into the Operating Agreement and the Company with the Managing Member.

E. Each Guarantor is, or is an Affiliate of, the Managing Member and/or the Developer, and believes it shall substantially benefit, directly or indirectly, from the Investor Member entering into the Operating Agreement and the Company with the Managing Member.

F. As a condition to entering into the Operating Agreement and the Company, the Guarantors to jointly and severally guarantee to the Investor Member certain of the obligations of the Managing Member under the Operating Agreement, of the Developer under the Development Agreement and certain other items as herein set forth.

NOW, THEREFORE, in order to induce the Investor Member to enter into the Operating Agreement and the Company in consideration of the premises and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, each Guarantor, in his, her or its respective individual and/or fiduciary capacity, hereby jointly and severally covenants and agrees as follows:

1. Each Guarantor irrevocably and unconditionally fully guarantees the due, prompt and complete performance of each and every one of the following obligations: (a) the payment and performance by the Managing Member of each and every obligation of the Managing Member due under Sections 4.2(d), 5.2(i), 5.2(j), 5.2(cc), 5.8(a), 5.8(c), 5.10(b), 7.2(b)(iv), 8.1, 8.2, 8.3 and 8.4 of the Operating Agreement; (b) the payment and performance by the Managing Member of each and every obligation of the Managing Member under the Managing Member
Pledge; and (c) the due, prompt and complete payment of all costs and expenses (including, without limitation, reasonable attorneys’ fees) incurred by the Investor Member in collection of the enforcement of this Guaranty against the Guarantors (the obligations described in this Paragraph 1 are hereinafter collectively referred to as the “Indebtedness”).

2. Each Guarantor hereby grants to the Investor Member, in the sole discretion of the Investor Member, and without notice to any Guarantor, the power and authority to deal in any lawful manner with the Indebtedness and the other obligations guaranteed hereby, and without limiting the generality of the foregoing, further power and authority, from time to time:

(a) to renew, compromise, extend, accelerate or otherwise change the time or place of payment of or to otherwise change the terms of the Indebtedness;

(b) to modify or to waive any of the terms of the Operating Agreement, the Development Agreement and/or any other obligations guaranteed hereby;

(c) to take and hold security for the payment of the Indebtedness and/or performance of the other obligations guaranteed hereby and to impair, exhaust, exchange, enforce, waive or release any such security;

(d) to direct the order or manner of sale of any such security as the Investor Member, in its sole discretion, may determine;

(e) to grant any indulgence, forbearance or waiver with respect to the Indebtedness or any of the other obligations guaranteed hereby;

(f) to release or waive rights against any one or more Guarantors without releasing or waiving any rights against any other Guarantor; and/or

(g) to agree to any valuation by the Investor Member of any collateral securing payment of any of the Indebtedness in any proceedings under the United States Bankruptcy Code concerning the Investor Member or the Guarantors.

The liability of each Guarantor hereunder shall not be affected, impaired or reduced in any way by any action taken by the Investor Member under the foregoing provisions or any other provision hereof, or by any delay, failure or refusal of the Investor Member to exercise any right or remedy either may have against the Managing Member or any other person, firm or corporation, including other guarantors, if any, liable for all or any part of the Indebtedness or any of the other obligations guaranteed hereby.

3. Prior to Rental Achievement, the Guarantors will maintain collectively at least $1,000,000 in Liquid Assets. From the date of Rental Achievement through and including the Operating Deficit Guarantee Period, the Guarantors will maintain collectively at least $750,000 in Liquid Assets. After the expiration of the Operating Deficit Guarantee Period, the Guarantors will maintain collectively at least $500,000 in Liquid Assets; provided, that the requirements of this Section 3 shall be deemed satisfied in accordance with the Backstop Guaranty Agreement, so long as such agreement is in full force and effect regardless of whether Hunt is in default.
The Managing Member shall Notify the Investor Member whenever the requirements of this Section 3 are not satisfied.

4. On or before ninety (90) days after the expiration of each fiscal year of each Guarantor, such Guarantor shall send to the Investor Member copies of the balance sheet and income statement of such Guarantor for such fiscal year.

5. The Guarantors agree that if any of the Indebtedness is not fully and timely paid or performed according to the tenor thereof, whether by acceleration or otherwise, the Guarantors shall immediately upon receipt of written demand therefor from the Investor Member pay all of the Indebtedness hereby guaranteed in like manner as if the Indebtedness constituted the direct and primary obligation of the Guarantors. The Guarantors shall not have any right of subrogation as a result of any payment hereunder or any other payment made by the Guarantors or a Guarantor on account of the Indebtedness, and each Guarantor hereby waives, releases and relinquishes any claim based on any right of subrogation, any claim for unjust enrichment or any other theory that would entitle a Guarantor to a claim against the Managing Member based on any payment made hereunder or otherwise on account of the Indebtedness until the Indebtedness is paid in full.

6. This Guaranty and the obligations of the Guarantors hereunder shall be continuing and irrevocable until the Indebtedness has been satisfied in full. Notwithstanding the foregoing or anything else set forth herein, and in addition thereto, if at any time all or any part of any payment received by the Investor Member from a Guarantor under or with respect to this Guaranty is or must be rescinded or returned for any reason whatsoever (including, without limitation, determination that said payment was a voidable preference or fraudulent transfer under insolvency, bankruptcy or reorganization laws), then Guarantors’ obligations hereunder shall to the extent of the payment rescinded or returned, be deemed to have continued in existence, notwithstanding such previous receipt of payment by the Investor Member, and Guarantors’ obligations hereunder shall continue to be effective or be reinstated as to such payment, all as though such previous payment to the Investor Member had never been made. The provisions of the foregoing sentence shall survive termination of this Guaranty, and shall remain a valid and binding obligation of each Guarantor until satisfied.

7. Each Guarantor hereby waives notice of acceptance of this Guaranty by the Investor Member, and this Guaranty shall immediately be binding upon each Guarantor. Any Guarantor who executes this Agreement shall be fully bound hereby regardless of whether or not any other Guarantor subsequently executes this Guaranty.

8. Each Guarantor hereby waives and agrees not to assert or take advantage of:

(a) any right to require the Managing Member or the Company to proceed against any other person or to proceed against or exhaust any security held by the Managing Member or the Company at any time or to pursue any other remedy in the Managing Member’s or Company’s power before proceeding against any one or more Guarantors hereunder;

(b) any right to require the Investor Member to proceed against the Managing Member or any other person or to proceed against or exhaust any security held by the Investor
Member at any time or to pursue any other remedy in the power of the Investor Member before proceeding against any one or more Guarantors hereunder;

(c) the defense of the statute of limitations in any action hereunder or in any action for the collection of the Indebtedness or the performance of any other obligations guaranteed hereby;

(d) any defense that may arise by reason of the incapacity, lack of authority, death or disability of any other person or persons or the failure of the Investor Member to file or enforce a claim against the estate (in administration, bankruptcy or any other proceeding) of any other person or persons;

(e) demand, presentment for payment, notice of non-payment, protest, notice of protest and all other notices of any kind, including, without limitation, notice of the existence, creation or incurring of any new or additional indebtedness or obligation or of any action or non-action on the part of the Investor Member or any endorser or creditor of either the Investor Member or any Guarantor or on the part of any other person whomsoever under this or any other instrument in connection with any obligation or evidence of indebtedness held by the Investor Member or in connection with the Indebtedness;

(f) any defense based upon an election of remedies by the Investor Member, and until the Indebtedness is paid in full, the right of Guarantors to proceed against the Investor Member for reimbursement, or both, or if contrary to the express agreement of the parties;

(g) any election by the Investor Member to exercise any right or remedy it may have against the Company or any security held by the Investor Member, including, without limitation, the right to foreclose upon any such security by judicial or non-judicial sale, without affecting or impairing in any way the liability of Guarantors hereunder, except to the extent the Indebtedness has been paid, and until the Indebtedness is paid in full, any default arising out of the absence, impairment or loss of any right of reimbursement, contribution or subrogation or any other right or remedy of the Guarantors against the Company or any such security whether resulting from such election by the Investor Member or otherwise. The Guarantors understand that if all or any part of the liability of the Company to the Investor Member for the Indebtedness is secured by real property the Guarantors shall be liable for the full amount of their liability hereunder, notwithstanding foreclosure on such real property by trustee sale or any other reason impairing the Guarantors’ right to proceed against the Company; and

(h) all duty or obligation on the part of the Investor Member to perfect, protect, not impair, retain or enforce any security for the payment of the Indebtedness or performance of any of the other obligations guaranteed hereby.

9. Until the Indebtedness is paid in full, all existing and future indebtedness of the Managing Member to the Guarantors or to any person controlled or owned in whole or in part by any of the Guarantors and, the right of the Guarantors to withdraw or to cause or permit any person controlled or owned in whole or in part by any of the Guarantors to withdraw any capital invested by any Guarantor or such person in the Managing Member, is hereby subordinated to the Indebtedness at any time after a default exists under the Indebtedness. Furthermore, at any
time after a default exists under the Indebtedness, without the prior written Consent of the Investor Member, such subordinated indebtedness shall not be paid and such capital shall not be withdrawn in whole or in part nor shall any Guarantor accept or cause or permit any person controlled or owned in whole or in part by a Guarantor to accept any payment of or on account of any such subordinated indebtedness or as a withdrawal of capital. Any payment received by the Guarantors in violation of this Guaranty shall be received by the person to whom paid in trust for the Investor Member, and Guarantors shall cause the same to be paid to the Investor Member immediately on account of the Indebtedness. No such payment shall reduce or affect in any manner the liability of the Guarantors under this Guaranty.

10. The amount of each Guarantor’s liability and all rights, powers and remedies of the Investor Member hereunder shall be cumulative and not alternative and such rights, powers and remedies shall be in addition to all rights, powers and remedies given to the Investor Member under the Operating Agreement, any document or agreement relating in any way to the terms and provisions thereof or otherwise by law. With respect to each Guarantor, this Guaranty is in addition to and exclusive of the guaranty of any other Guarantor executing this Guaranty or any other person or entity which guarantees the Indebtedness and/or the other obligations guaranteed hereby.

11. The liability of each Guarantor under this Guaranty shall be an absolute, direct, immediate and unconditional guarantee of payment and not of collectability. The obligations of each Guarantor hereunder are independent of the obligations of the Managing Member or any other party which may be initially or otherwise responsible for performance or payment of the obligations hereunder guaranteed and each other Guarantor, and, in the event of any default hereunder, a separate action or actions may be brought and prosecuted against any one or more Guarantors, whether or not the Managing Member is joined therein or a separate action or actions are brought against the Managing Member. The Investor Member may maintain successive actions for other defaults. The Investor Member’s rights hereunder shall not be exhausted by its exercise of any of their rights or remedies or by any such action or by any number of successive actions until and unless the Indebtedness has been paid in full.

12. The Investor Member, in its sole discretion, may at any time enter into agreements with the Managing Member or with any other person to amend, modify or change the Operating Agreement or any document or agreement relating in any way to the terms and provisions thereof, or may at any time waive or release any provision or provisions thereof and, with reference thereto, may make and enter into all such agreements as the Investor Member may deem proper or desirable, without any notice or further assent from any Guarantor and without in any manner impairing or affecting this Guaranty or any of the rights of the Investor Member or each Guarantor’s obligations hereunder.

13. The Guarantors hereby agree to pay to the Investor Member, upon demand, reasonable attorneys’ fees and all costs and other expenses which the Investor Member expends or incurs in collecting or compromising the Indebtedness or in enforcing this Guaranty against each Guarantor whether or not suit is filed, including, without limitation, all costs, attorneys’ fees and expenses incurred by the Investor Member in connection with any insolvency, bankruptcy, reorganization, arrangement or other similar proceedings involving a Guarantor which in any way affect the exercise by the Investor Member of its rights and remedies hereunder. Any and
all such costs, attorneys’ fees and expenses not so paid shall bear interest at an annual interest rate equal to the lesser of (i) 18%, or (ii) the highest rate permitted by applicable law, from the date incurred by the Investor Member until paid by the Guarantors.

14. Should any one or more provisions of this Guaranty be determined to be illegal or unenforceable, all other provisions nevertheless shall be effective.

15. No provision of this Guaranty or right of the Investor Member hereunder can be waived nor can any Guarantor be released from such Guarantor’s obligations hereunder except by a writing duly executed by the Investor Member. This Guaranty may not be modified, amended, revised, revoked, terminated, changed or varied in any way whatsoever except by the express terms of a writing duly executed by the Investor Member.

16. When the context and construction so require, all words used in the singular herein shall be deemed to have been used in the plural, and the masculine shall include the feminine and neuter and vice versa. The word “person” as used herein shall include any individual, company, firm, association, partnership, corporation, trust or other legal entity of any kind whatsoever.

17. If any or all of the Indebtedness is assigned by the Investor Member, this Guaranty shall automatically be assigned therewith in whole or in part, as applicable, without the need of any express assignment and when so assigned, each Guarantor shall be bound as set forth herein to the assignee(s) without in any manner affecting such Guarantor’s liability hereunder for any part of the Indebtedness retained by the Investor Member.

18. Each Guarantor is jointly and severally liable with each other Guarantor.

19. Co-Managing Member’s Employer Identification Number is 45-3062708. Administrative Member’s Employer Identification Number is 80-0641068. Saigebrook Development’s Employer Identification Number is 45-3062708. O-SDA Developer’s Employer Identification Number is 80-0641068. Lisa M. Stephens’ and Megan D. Lasch’s Social Security Numbers have been provided to the Investor Member.

20. This Guaranty shall inure to the benefit of and bind the heirs, legal representatives, administrators, executors, successors and assigns of the Investor Member and Guarantors.

21. This Guaranty shall be governed by and construed in accordance with the laws of the State of Texas without regard to principles of conflicts of law, except to the extent that any of such laws may now or hereafter be preempted by Federal law, in which case, such Federal law shall so govern and be controlling. In any action brought under or arising out of this Guaranty, each Guarantor hereby consents to the jurisdiction of any competent court within the State of Texas and consents to service of process by any means authorized by the laws of such state. Except as provided in any other written agreement now or at any time hereafter in force between the Investor Member and any Guarantor, this Guaranty shall constitute the entire agreement of Guarantors with the Investor Member with respect to the subject matter hereof, and no representation, understanding, promise or condition concerning the subject matter hereof shall be binding upon the Investor Member or any Guarantor unless expressed herein.
22. All notices, demands, requests or other communications to be sent by one party to the other hereunder or required by law shall be in writing and shall be deemed to have been validly given or served by delivery of same in person to the addressee or by depositing same with Federal Express for next business day delivery or by depositing same in the United States mail, postage prepaid, registered or certified mail, return receipt requested, addressed as follows:

Investor Member: HCP-ILP, LLC
15910 Ventura Boulevard, Suite 1100
Encino, California 91436
Attention: Jeffrey N. Weiss

Guarantors: Saigebrook Mistletoe, LLC
220 Adams Drive Ste. 280 #138
Weatherford, Texas 76086
Attention: Lisa Stephens

O-SDA Mistletoe, LLC
5714 Sam Houston Circle
Austin, Texas 78731
Attention: Megan D. Lasch

Saigebrook Development, LLC
220 Adams Drive Ste. 280 #138
Weatherford, Texas 76086
Attention: Lisa Stephens

O-SDA Industries, LLC
5714 Sam Houston Circle
Austin, Texas 78731
Attention: Megan D. Lasch

Lisa M. Stephens
689 FM 3028
Millsap, Texas 76066

Megan D. Lasch
5714 Sam Houston Circle
Austin, Texas 78731

All notices, demands and requests shall be effective upon such personal delivery or upon being deposited with Federal Express or in the United States mail as required above. However, with respect to notices, demands or requests so deposited with Federal Express or in the United States mail, the time period in which a response to any such notice, demand or request must be given shall commence to run from the next business day following any such deposit with Federal Express or, in the case of a deposit in the United States mail as provided above, the date on the return receipt of the notice, demand or request reflecting the date of delivery or rejection of the...
same by the addressee thereof. Rejection or other refusal to accept or the inability to deliver because of changed address of which no notice was given shall be deemed to be receipt of the notice, demand or request sent. By giving to the other party hereto at least 30 days’ written notice thereof in accordance with the provisions hereof, the parties hereto shall have the right from time to time to change their respective addresses and each shall have the right to specify as its address any other address within the United States of America.

23. Each Guarantor hereby agrees that this Guaranty, the Indebtedness and all other obligations guaranteed hereby shall remain in full force and effect at all times hereinafter until paid and/or performed in full notwithstanding any action or undertakings by, or against, the Investor Member, any Guarantor, and/or any partner and/or member in the Investor Member in any proceeding in the United States Bankruptcy Court, including, without limitation, any proceeding relating to valuation of collateral, election or imposition of secured or unsecured claim status upon claims by the Investor Member pursuant to any Chapter of the Bankruptcy Code or the Rules of Bankruptcy Procedure as same may be applicable from time to time.

24. EACH PARTY TO THIS AGREEMENT HEREBY EXPRESSLY WAIVES ANY RIGHT TO TRIAL BY JURY OF ANY CLAIM, DEMAND, ACTION OR CAUSE OF ACTION (a) ARISING UNDER THIS GUARANTY, INCLUDING, WITHOUT LIMITATION, ANY PRESENT OR FUTURE AMENDMENT HEREOF, OR (b) IN ANY WAY CONNECTED WITH OR RELATED OR INCIDENTAL TO THE DEALINGS OF THE PARTIES HERETO OR ANY OF THEM WITH RESPECT TO THIS GUARANTY OR ANY OTHER INSTRUMENT, DOCUMENT OR AGREEMENT EXECUTED OR DELIVERED IN CONNECTION HEREWITH, OR THE TRANSACTIONS RELATED HERETO OR THERETO, IN EACH CASE WHETHER SUCH CLAIM, DEMAND, ACTION OR CAUSE OF ACTION IS NOW EXISTING OR HEREAFTER ARISING, AND WHETHER SOUNDING IN CONTRACT OR TORT OR OTHERWISE; AND EACH PARTY HEREBY AGREES AND CONSENTS THAT ANY SUCH CLAIM, DEMAND, ACTION OR CAUSE OF ACTION SHALL BE DECIDED BY COURT TRIAL WITHOUT A JURY AND THAT ANY PARTY TO THIS AGREEMENT MAY FILE AN ORIGINAL COUNTERPART OR A COPY OF THIS SECTION WITH ANY COURT AS WRITTEN EVIDENCE OF THE CONSENT OF THE PARTIES HERETO TO THE WAIVER OF ANY RIGHT THEY MIGHT OTHERWISE HAVE TO TRIAL BY JURY.

25. Any married person who signs this Guaranty hereby agrees that recourse may be had against his or her separate property for all of his or her obligations.

26. This Guaranty may be executed in any number of counterparts, each of which shall be effective only upon delivery and thereafter shall be deemed an original, and all of which shall be taken to be one and the same instrument, with the same effect as if all parties hereto had signed the same signature page. Any signature page of this Guaranty may be detached from any counterpart of this Guaranty without impairing the legal effect of any signatures thereon and may be attached to another counterpart of this Guaranty identical in form hereto but having attached to it one or more additional signature pages. Execution by any Guarantor shall bind such Guarantor regardless of whether any one or more other Guarantors execute this Guaranty.
IN WITNESS WHEREOF, the undersigned Guarantors have executed this Guaranty as of the day and year first above written.

GUARANTORS:

SAGEBRIDGE MISTLETOE, LLC, a Texas limited liability company

By: Sagebridge Development, LLC, a Florida limited liability company, its managing member

[Signature]

Lisa M. Stephens
In: Manager

SAGEBRIDGE DEVELOPMENT, LLC, a Florida limited liability company

By: [Signature]

Lisa M. Stephens
In: Manager

Lisa M. Stephens, an individual
STATE OF TEXAS
COUNTY OF Tarrant

The foregoing instrument was acknowledged before me on the 2nd Day of August, 2018, by Lisa M. Stehno, as manager of Sagebrook Developers, LLC, managing member of Sagebrook Ventures, LLC.

WITNESS my hand and official seal.

My commission expires:

Kathleen C. Harris
Notary Public

STATE OF TEXAS
COUNTY OF Tarrant

The foregoing instrument was acknowledged before me on the 2nd Day of August, 2018, by Lisa M. Stehno, as manager of Sagebrook Developers, LLC.

WITNESS my hand and notarial seal.

My commission expires:

Kathleen C. Harris
Notary Public

STATE OF TEXAS
COUNTY OF Tarrant

The foregoing instrument was acknowledged before me on the 2nd Day of August, 2018, by Lisa M. Stehno, an individual.

WITNESS my hand and official seal.

My commission expires:

Kathleen C. Harris
Notary Public
O-SDA MISTLETOE, LLC, a Texas limited liability company

By: O-SDA Industries, LLC, a Texas limited liability company, its sole member

[Signature]

By:
Name: Megan D. Lasch
Its: Managing Member

O-SDA INDUSTRIES, LLC, a Texas limited liability company

[Signature]

By:
Name: Megan D. Lasch
Its: Managing Member

Megan D. Lasch, an individual
STATE OF TEXAS  )  
COUNTY OF Tarrant  ) ss.

The foregoing instrument was acknowledged before me this 21st day of August, 2018, by Megan D. Lasch, as managing member of O-SDA Industries, LLC.

WITNESS my hand and official seal.

My commission expires:

Notary Public

STATE OF TEXAS  )  
COUNTY OF Tarrant  ) ss.

The foregoing instrument was acknowledged before me this 21st day of August, 2018, by Megan D. Lasch, as sole member of O-SDA Mistletoe, LLC.

WITNESS my hand and official seal.

My commission expires:

Notary Public

STATE OF TEXAS  )  
COUNTY OF Tarrant  ) ss.

The foregoing instrument was acknowledged before me this 21st day of August, 2018, by Megan D. Lasch.

WITNESS my hand and official seal.

My commission expires:

Notary Public
SPOUSAL CONSENT TO GUARANTY

I acknowledge that I am the spouse of Lisa M. Stephens, a guarantor who signed that certain Guaranty Agreement (the “Guaranty Agreement”), dated as of August __, 2018 for the benefit of HCP-ILP, LLC, a Nevada limited liability company. I acknowledge that I have read the Guaranty Agreement and know its contents. I am aware that the Guaranty Agreement may affect community property, and I hereby consent to the terms of the Guaranty Agreement and agreed to be bound by the terms thereof. I hereby waive any right that I may have to set aside the Guaranty Agreement.

Dated: As of August 30, 2018

[Signature]

Print Name of Spouse

[Signature]

Signature of Spouse
SPOUSAL CONSENT TO GUARANTY

I acknowledge that I am the spouse of Megan D. Lasch, a guarantor who signed that certain Guaranty Agreement (the "Guaranty Agreement"), dated as of August ____, 2018 for the benefit of HCP-ILP, LLC, a Nevada limited liability company. I acknowledge that I have read the Guaranty Agreement and know its contents. I am aware that the Guaranty Agreement may affect community property, and I hereby consent to the terms of the Guaranty Agreement and agreed to be bound by the terms thereof. I hereby waive any right that I may have to set aside the Guaranty Agreement.

Dated: As of August 30, 2018

____________________
Print Name of Spouse

____________________
Signature of Spouse
EXHIBIT G-1

PLEDGE AND SECURITY AGREEMENT

(CO-MANAGING MEMBER)
PLEDGE AND SECURITY AGREEMENT

(Co-Managing Member)

THIS PLEDGE AND SECURITY AGREEMENT (this “Agreement”) is made as of August 30, 2018 by SAIGEBROOK MISTLETOE, LLC, a Texas limited liability company (“Saigebrook”), whose address is 220 Adams Drive Ste. 280 #138, Weatherford, Texas 76086 (the “Debtor”), for the benefit of HCP-ILP, LLC, a Nevada limited liability company (the “Secured Party”), whose address is 15910 Ventura Boulevard, Suite 1100, Encino, California 91436, Attention: Jeffrey N. Weiss.

A. Debtor is the managing member and Secured Party is the investor member in Mistletoe Station, LLC, a Texas limited liability company (the “Company”), and the Company is governed by its First Amended and Restated Operating Agreement dated as of August 30, 2018 (the “Operating Agreement”). Capitalized terms not otherwise defined herein shall have the definitions given them in the Operating Agreement.

B. Saigebrook Development, LLC, a Florida limited liability company and O-SDA Industries, LLC, a Texas limited liability company (collectively, the “Developer”), and the Company have entered into that certain Development Agreement dated as of August 30, 2018 (the “Development Agreement”), pursuant to which the Developer has been appointed to render certain services in connection with its supervising and overseeing the development of the “Apartment Complex” (as defined therein). Developer is an Affiliate of the Debtor.

C. In order to secure: (a) the full payment and performance by Debtor of all of Debtor’s obligations, duties, expenses and liabilities under or in connection with the Operating Agreement, as the Operating Agreement may be now or hereafter amended, modified or restated; and (b) the full payment and performance by the Developer of all of the Developer’s obligations, duties, expenses and liabilities under or in connection with the Development Agreement, as the Development Agreement may be now or hereafter amended, modified or restated (such obligations, duties, expenses and liabilities described in clauses (a) and (b) above are collectively referred to herein as the “Obligations”), Debtor is entering into this Agreement for the benefit of Secured Party.

NOW, THEREFORE, in order to induce Secured Party to enter into the Operating Agreement with the Debtor, and in consideration of the recitals, covenants and agreements set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereby agree as follows:

1. Definitions.

   (a) “Collateral” shall consist of all of the personal property of Debtor, wherever located, and whether now owned or hereafter acquired, including accounts, chattel paper, inventory, equipment, instruments (including promissory notes), investment property, documents, deposit accounts, letter of credit rights, general intangibles (including payment intangibles), and supporting obligations and including, without limitation, the following specific items of personal property:
(i) All of Debtor’s right, title and interest in the Company, whether now owned or hereafter acquired, including, without limitation, its general limited liability company interest in the Company and its right to receive distributions, allocations and payments under the Operating Agreement, as the Operating Agreement may be modified from time to time with the consent of Secured Party;

(ii) All fees and charges to be paid by the Company to Debtor, whether paid or unpaid, whether now owned or hereafter acquired, and whether arising under the Operating Agreement, or otherwise, including, without limitation, the MM Incentive Management Fee;

(iii) All indebtedness of the Company to Debtor of any kind or description, including, without limitation, Debtor’s right to receive payment of Operating Deficit Loans or other loans to the Company; and

(iv) To the extent not listed above as original collateral, all products and proceeds, whether cash proceeds or noncash proceeds, of any and all of the foregoing.

(b) “Event of Default” shall mean an event of default described in Paragraph 8 herein.

2. Pledge of Collateral and Grant of Security Interest. Debtor does hereby unconditionally and irrevocably assign, pledge, convey, transfer, deliver, set over and grant unto Secured Party, its successors and assigns, as security for Debtor’s complete and timely payment and performance of the Obligations, a continuing first priority security interest under the Uniform Commercial Code of the State of Texas in the Collateral. Debtor agrees, upon request, to deliver any other documents which Secured Party may reasonably request from time to time to further evidence, perfect or secure the liens and security interests created by this Agreement. Debtor acknowledges that Secured Party shall prepare and file UCC Financing Statements in the appropriate jurisdictions with respect to the Collateral and consents to such filing.

3. Delivery to Secured Party.

(a) Debtor agrees to execute and to cause all other necessary parties, and any successors and assigns thereof, to execute and deliver to Secured Party such other agreements, instruments and documentation as Secured Party may reasonably request from time to time to effect the conveyance, transfer, and grant to Secured Party of each and all of Debtor’s right, title and interest in and to the Collateral as security for the Obligations.

(b) Concurrently with the execution of this Agreement, Debtor shall cause the managing member and the investor member of the Company to execute the Consent and Waiver in the form attached hereto as Exhibit A (the “Consent”) evidencing the Consent of the managing member and the investor member to the assignment of Debtor’s limited liability company interests and its agreement to be bound by Paragraph 4 of this Agreement, and covenants to execute, if required by Secured Party, an amendment to the Agreement in such form as Secured Party may require to reflect the substitution of Secured Party in place of Debtor as a managing member in the Company. Debtor further agrees to execute and to cause the other members of the Company to execute and deliver to Secured Party such other agreements, instruments and
documentation as Secured Party may reasonably request from time to time to effectuate the conveyance, transfer, assignment and grant to Secured Party of all of Debtor’s right, title and interest in and to the Collateral and to evidence the substitution of Secured Party in place of Debtor as a managing member in the Company.

4. **Proceeds and Products of the Collateral.**

   (a) Unless and until there occurs an Event of Default, Secured Party agrees to forbear in exercising its right to receive all benefits pertaining to the Collateral, and Debtor shall be permitted to exercise all rights and to receive all benefits of the Collateral, including, without limitation, the right to exercise all voting, approval, consent and similar rights of Debtor pertaining to the Collateral, payments due under, proceeds, whether cash proceeds or noncash proceeds, and products of the Collateral and retain and enjoy the same, provided, however, that Debtor shall not cast any vote or give any approval, consent, waiver or ratification or take any action which would be inconsistent with or violate any provision of this Agreement.

   (b) Debtor acknowledges and agrees with Secured Party, that unless Secured Party otherwise consents, in Secured Party’s sole discretion, Debtor shall not exercise any voting, approval, consent or other rights with respect to the Collateral at any time (i) after the occurrence of an Event of Default, and (ii) delivery of notice from Secured Party instructing Debtor not to exercise any such voting, approval, consent or other rights with respect to the Collateral; provided, however, that Debtor shall exercise any such right it may have under the Operating Agreement with respect to the business affairs of the Company as is reasonably necessary to protect and preserve the Collateral.

   (c) Upon or at any time after the occurrence of an Event of Default, Secured Party, at its option to be exercised in its sole discretion, may exercise all rights and remedies granted under this Agreement, including, without limitation, the right to require the obligors under the Collateral to make all payments due under and to pay all proceeds, whether cash proceeds or noncash proceeds, and products of the Collateral to Secured Party. Upon the giving of any such notice, the security constituted by this Agreement shall become immediately enforceable by Secured Party, without any presentment, further demand, protest or other notice of any kind, all of which are hereby expressly and irrevocably waived by Debtor. Debtor hereby authorizes and directs each respective obligor under the agreements constituting the Collateral, upon receipt of written notice from Secured Party of an Event of Default by Debtor hereunder, to assign, set over, transfer, distribute, pay and deliver any and all Collateral or said payments, proceeds or products of the Collateral to Secured Party, at such address as Secured Party may direct, at such time and in such manner as Collateral and such payments, proceeds and products of the Collateral would otherwise be distributed, transferred, paid or delivered to Debtor. The respective obligors under the agreements constituting the Collateral shall be entitled to conclusively rely on such notice and make all such assignments and transfers of the Collateral and all such payments with respect to the Collateral and pay all such proceeds and products of the Collateral to Secured Party and shall have no liability to Debtor for any loss or damage Debtor may incur by reason of said reliance.

5. **No Assumption.** Notwithstanding any of the foregoing, whether or not an Event of Default has occurred, and whether or not Secured Party elects to foreclose on its security
interest in the Collateral as set forth herein, neither the execution of this Agreement, receipt by Secured Party of any of Debtor’s right, title and interest in and to the Collateral and the payments, proceeds and products of the Collateral, now or hereafter due to Debtor from any obligor of the Collateral, nor Secured Party’s foreclosure of its security interest in the Collateral, shall in any way be deemed to obligate Secured Party to assume any of Debtor’s obligations, duties, expenses or liabilities under the Collateral or any agreements constituting the Collateral, as presently existing or as hereafter amended, or under any and all other agreements now existing or hereafter drafted or executed (collectively, “Debtor’s Liabilities”), unless Secured Party otherwise agrees to assume any or all of Debtor’s Liabilities in writing. In the event of foreclosure by Secured Party of its security interest in the Collateral, Debtor shall remain bound and obligated to perform its Debtor’s Liabilities and Secured Party shall not be deemed to have assumed any of Debtor’s Liabilities, except as provided in the preceding sentence. If the entity or person acquiring the Collateral at a foreclosure sale elects to assume Debtor’s Liabilities, such assignee shall agree to be bound by the terms and provisions of the applicable agreement.

6. Indemnification. Debtor hereby agrees to indemnify, defend and hold Secured Party, its successors and assigns harmless from and against any and all damages, losses, claims, costs or expenses (including reasonable attorneys’ fees) and any other liabilities whatsoever that Secured Party or its successors or assigns may incur by reason of this Agreement or by reason of any assignment by Debtor of Debtor’s right, title and interest in and to any or all of the Collateral.

7. Representations, Warranties and Covenants. In addition to the representations made by Debtor in the Operating Agreement, Debtor makes the following representations and warranties, which shall be deemed to be continuing representations and warranties in favor of Secured Party, and covenants and agrees to perform all acts necessary to maintain the truth and correctness, in all material respects, of the following:

(a) Debtor owns the Collateral free and clear of all claims, liens or encumbrances.

(b) Debtor has delivered to Secured Party true and complete copies of the Operating Agreement and any other agreements pertinent to the Collateral, and such agreements are currently in full force and effect and have not been amended or modified except as disclosed to Secured Party in writing.

(c) Debtor has the full right and title to its interest in the Collateral and has the full power, legal right and authority to pledge, convey, transfer and assign such interest. None of the Collateral is subject to any existing or subsequent assignment, claim, lien, pledge, transfer or other security interest of any character, or to any attachment, levy, garnishment or other judicial process or to any claim for set-off, counterclaim, deduction or discount. Debtor shall not, without the prior written consent of Secured Party, which consent may be granted or denied in Secured Party’s sole discretion, further convey, transfer, set over or pledge to any party any of its interests in the Collateral. Debtor agrees to (i) warrant and defend its title to the Collateral and the security interest created by this Agreement against all claims of all persons (other than Secured Party and persons claiming through Secured Party), and (ii) maintain and preserve the Collateral and such security interests.
(d) Debtor’s Employer Identification Number is 45-3062708, and its principal place of business is located at 220 Adams Drive Ste. 280 #138, Weatherford, Texas 76086.

(e) Debtor agrees that it shall not, without at least thirty (30) days’ prior written notification to Secured Party, move or otherwise change its principal place of business or state of formation.

(f) Debtor shall not exercise any voting rights, or give any approvals, consents waiver or other ratifications in respect to the Collateral which would violate or contravene, or which would cause or otherwise authorize Debtor to violate or contravene, any provision of this Agreement.

(g) This Agreement and consummation of the transactions contemplated herein are not in conflict with and will not result in a breach of any of the terms, provisions or conditions of any other agreement or instrument to which Debtor may be bound, including, without limitation, the organizational documents for Debtor, or of any order, judgment, law, rule or regulation of any court or governmental body or administrative agency applicable to Debtor.

8. **Event of Default.** Each of the following shall constitute an Event of Default hereunder:

(a) An Event of Default (as defined in the Operating Agreement) has occurred under the Operating Agreement or the Development Agreement and such default shall not have been cured within any applicable grace period provided therein; or

(b) Any warranty, representation or statement of Debtor in this Agreement proves to have been false in any material respect when made or furnished; or

(c) There occurs the issuance of a writ, order of attachment or garnishment with respect to any of the Collateral and such writ, order of attachment or garnishment is not dismissed and removed within fifteen (15) days thereafter; or

(d) A material breach or violation of any covenant or agreement contained herein has occurred, which is not cured within ten (10) days after notice has been given to Debtor by Secured Party.

Any Event of Default under this Agreement shall be an event of default by Debtor under the Agreement.

9. **Remedies.**

(a) Upon the occurrence of an Event of Default, Secured Party may, by giving notice of such Event of Default, at its option, do any one or more of the following:

(i) Declare all of the Obligations secured hereby to be immediately due and payable, whereupon all unpaid principal and interest on said Obligations and other amounts declared due and payable shall become immediately due and payable without presentment, demand, protest or notice of any kind; and
(ii) Take possession of all or any of the Collateral, collect, and apply against the Obligations, all payments due, proceeds, whether cash proceeds or noncash proceeds, and products from any obligor under the agreements constituting the Collateral, that would otherwise be paid to Debtor; and

(iii) Either personally, or by means of a court appointed receiver, take possession of all or any of the Collateral and exclude therefrom Debtor and all others claiming under Debtor, and thereafter exercise all rights and powers of Debtor with respect to the Collateral or any part thereof. If Secured Party demands, or attempts to take possession of any of the Collateral in the exercise of any rights under this Agreement, Debtor promises and agrees to promptly turn over and deliver complete possession thereof to the Secured Party; and

(iv) Without notice to or demand upon Debtor, make such payments and do such acts as Secured Party may deem necessary to protect its security interest in the Collateral, including, without limitation, paying, purchasing, contesting or compromising any encumbrance, charge or lien which is prior to or superior to the security interest granted hereunder, and in exercising any such powers or authority to pay all expenses incurred in connection therewith; and

(v) Require Debtor to take all actions necessary to deliver such Collateral to Secured Party, or an agent or representative designated by it. Secured Party, and its agents and representatives, shall have the right to enter upon any or all of Debtor’s premises and property to exercise Secured Party’s rights hereunder; and

(vi) Foreclose upon this Agreement as herein provided or in any manner permitted by law, and exercise any and all of the rights and remedies conferred upon Secured Party by the Operating Agreement, or in any other document executed by Debtor in connection with the Obligations secured hereby, either concurrently or in such order as Secured Party may determine; and sell or cause to be sold in such order as Secured Party may determine, as a whole or in such parcels as Secured Party may determine, the Collateral, without affecting in any way the rights or remedies to which Secured Party may be entitled under the other such instruments; and

(vii) Sell or otherwise dispose of the Collateral at public sale, without having the Collateral at the place of sale, and upon terms and in such manner as Secured Party may determine. Secured Party may be a purchaser at any sale; and

(viii) Exercise any remedies of Secured Party under the Uniform Commercial Code of the State of Texas or any other applicable law; and

(ix) Exercise any remedies available to Secured Party under the Agreement, including, without limitation, the removal of Debtor as a Managing Member of the Company and exercise of any rights of offset in favor of Secured Party as a managing member of the Company; and

(x) Notwithstanding anything to the contrary contained in this Agreement, at any time after an Event of Default, Secured Party may, by delivering written notice to the Company and to Debtor, succeed, or designate its nominee or designee to succeed,
to all right, title and interest of Debtor (including, without limitation, the right, if any, to vote on or take any action with respect to Company matters) as a managing member of the Company in respect of the Collateral. Debtor hereby irrevocably authorizes and directs the Company on receipt of any such notice (a) to deem and treat Secured Party or such nominee or designee in all respects as a managing member (and not merely an assignee of a managing member) of the Company, entitled to exercise all the rights, powers and privileges (including the right to vote on or take any action with respect to Company matters pursuant to the Operating Agreement, to receive all distributions, to be credited with the capital account and to have all other rights, powers and privileges appertaining to the Collateral to which Debtor would have been entitled had the Collateral not been transferred to Secured Party or such nominee or designee), and (b) to file an amended certificate of Company, if required, admitting Secured Party or such nominee or designee as managing member of the Company in place of Debtor; and

(xi) The rights granted to Secured Party under this Agreement are of a special, unique, unusual and extraordinary character. The loss of any of such rights cannot reasonably or adequately be compensated by way of damages in any action at law, and any material breach by Debtor of any of Debtor’s covenants, agreements or obligations under this Agreement will cause Secured Party irreparable injury and damage. In the event of any such breach, Secured Party shall be entitled, as a matter of right, to injunctive relief or other equitable relief in any court of competent jurisdiction to prevent the violation or contravention of any of the provisions of this Agreement or to compel compliance with the terms of this Agreement by Debtor. Secured Party is absolutely and irrevocably authorized and empowered by Debtor to demand specific performance of each of the covenants and agreements of Debtor in this Agreement. Debtor hereby irrevocably waives any defense based on the adequacy of any remedy at law which might otherwise be asserted by Debtor as a bar to the remedy of specific performance in any action brought by Secured Party against Debtor to enforce any of the covenants or agreements of Debtor in this Agreement.

(b) Unless the Collateral is perishable or threatens to decline speedily in value or is of a type customarily sold on a recognized market, Secured Party shall give Debtor at least ten (10) days’ prior written notice of the time and place of any public sale of the Collateral subject to this Agreement or other intended disposition thereof to be made. Such notice shall be conclusively deemed to have been delivered to Debtor at the address set forth in Paragraph 7(d) of this Agreement, unless Debtor shall Notify Secured Party in writing of its change of its principal place of business and provide Secured Party with the address of its new principal place of business.

(c) The proceeds of any sale under Paragraph 9(a) above shall be applied as follows:

(i) To the repayment of the costs and expenses of retaking, holding and preparing for the sale and the selling of the Collateral (including actual legal expenses and attorneys’ fees) and the discharge of all assessments, encumbrances, charges or liens, if any, on the Collateral prior to the lien hereof (except any taxes, assessments, encumbrances, charges or liens subject to which such sale has been made);
(ii) To the payment of the whole amount then due and unpaid of the Obligations;

(iii) To the payment of all other amounts then secured hereby; and

(iv) The aggregate surplus, if any, shall be paid to Debtor in a lump sum, without recourse to Secured Party, or as a court of competent jurisdiction may direct.

(d) Secured Party has the right to enforce one or more remedies under this Agreement and under the Operating Agreement, successively or concurrently, and such action shall not operate to estop or prevent Secured Party from pursuing any further remedy which it may have, and any repossession or retaking or sale of the Collateral pursuant to the terms hereof shall not operate to release Debtor until full payment of any deficiency has been made in cash.

(e) DEBTOR ACKNOWLEDGES THAT SECURED PARTY MAY BE UNABLE TO EFFECT A PUBLIC SALE OF ALL OR ANY PART OF THE COLLATERAL AND MAY BE COMPELLED TO RESORT TO ONE OR MORE PRIVATE SALES TO A RESTRICTED GROUP OF PURCHASERS WHO WILL BE OBLIGATED TO AGREE, AMONG OTHER THINGS, TO ACQUIRE THE COLLATERAL FOR THEIR OWN ACCOUNT, FOR INVESTMENT AND NOT WITH A VIEW TO THE DISTRIBUTION OR RESALE THEREOF. DEBTOR FURTHER ACKNOWLEDGES THAT ANY SUCH PRIVATE SALES MAY BE AT PRICES AND ON TERMS LESS FAVORABLE THAN THOSE OF PUBLIC SALES, AND AGREES THAT SUCH PRIVATE SALES SHALL BE DEEMED TO HAVE BEEN MADE IN A COMMERCIALLY REASONABLE MANNER AND THAT SECURED PARTY HAS NO OBLIGATION TO DELAY SALE OF ANY COLLATERAL TO PERMIT THE ISSUER THEREOF TO REGISTER IT FOR PUBLIC SALE UNDER THE SECURITIES ACT OF 1933. DEBTOR AGREES THAT SECURED PARTY SHALL BE PERMITTED TO TAKE SUCH ACTIONS AS SECURED PARTY DEEMS REASONABLY NECESSARY IN DISPOSING OF THE COLLATERAL TO AVOID CONDUCTING A PUBLIC DISTRIBUTION OF SECURITIES IN VIOLATION OF THE SECURITIES ACT OF 1933 OR THE SECURITIES LAWS OF ANY STATE, AS NOW ENACTED OR AS THE SAME MAY IN THE FUTURE BE AMENDED, AND ACKNOWLEDGES THAT ANY SUCH ACTIONS SHALL BE COMMERCIALLY REASONABLE. IN ADDITION, DEBTOR AGREES TO EXECUTE, FROM TIME TO TIME, ANY AMENDMENT TO THIS AGREEMENT OR OTHER DOCUMENT AS SECURED PARTY MAY REASONABLY REQUIRE TO EVIDENCE THE ACKNOWLEDGMENTS AND CONSENTS OF DEBTOR SET FORTH IN THIS PARAGRAPH.

10. Right to Make Distributions. Except upon the occurrence and during the continuance of an Event of Default (without regard to any cure period), Debtor shall have the right without the consent of Secured Party to make distributions to its members ("Permitted Distributions") of proceeds of any distributions and payments received by Debtor from the Company or from any capital contributions of its members. Any such Permitted Distributions shall be free and clear of the lien created by this Agreement.
11. **Attorneys’ Fees.** Debtor agrees to pay to Secured Party, without demand, reasonable attorneys’ fees and all costs and other expenses which Secured Party expends or incurs in collecting any amounts payable by Debtor hereunder or in enforcing this Agreement against Debtor whether or not suit is filed.

12. **Further Documentation.** Debtor hereby agrees to execute, from time to time, one or more financing statements and such other instruments as may be required to perfect the security interest created hereby, including any continuation or amendments of such financing statements, and pay the cost of filing or recording the same in the public records specified by Secured Party.

13. **Waiver and Estoppel.** Debtor represents and acknowledges that it knowingly waives each and every one of the following rights, and agrees that it will be estopped from asserting any argument to the contrary: (a) any promptness in making any claim or demand hereunder; (b) any defense that may arise by reason of the incapacity, lack of authority, death or disability of Debtor or the failure to file or enforce a claim against Debtor’s estate (in administration, bankruptcy or any other proceeding); (c) any defense based upon an election of remedies by Secured Party which destroys or otherwise impairs any or all of the Collateral; (d) the right of Debtor to proceed against Secured Party or any other person, for reimbursement; (e) all duty or obligation of Secured Party to perfect, protect, retain or enforce any security for the payment of amounts payable by Debtor hereunder; and (f) any defense based on modification of the indebtedness secured hereby.

14. **Waiver of Jury Trial.** EACH PARTY TO THIS AGREEMENT HEREBY EXPRESSLY WAIVES ANY RIGHT TO TRIAL BY JURY OF ANY CLAIM, DEMAND, ACTION OR CAUSE OF ACTION (a) ARISING UNDER THIS AGREEMENT, INCLUDING, WITHOUT LIMITATION, ANY PRESENT OR FUTURE AMENDMENT HEREOF, OR (b) IN ANY WAY CONNECTED WITH OR RELATED OR INCIDENTAL TO THE DEALINGS OF THE PARTIES HERETO OR ANY OF THEM WITH RESPECT TO THIS AGREEMENT OR ANY OTHER INSTRUMENT, DOCUMENT OR AGREEMENT EXECUTED OR DELIVERED IN CONNECTION HEREWITH, OR THE TRANSACTIONS RELATED HERETO OR THERETO, IN EACH CASE WHETHER SUCH CLAIM, DEMAND, ACTION OR CAUSE OF ACTION IS NOW EXISTING OR HEREAFTER ARISING, AND WHETHER SOUNDING IN CONTRACT OR TORT OR OTHERWISE; AND EACH PARTY HEREBY AGREES AND CONSENTS THAT ANY SUCH CLAIM, DEMAND, ACTION OR CAUSE OF ACTION SHALL BE DECIDED BY COURT TRIAL WITHOUT A JURY AND THAT ANY PARTY TO THIS AGREEMENT MAY FILE AN ORIGINAL COUNTERPART OR A COPY OF THIS SECTION WITH ANY COURT AS WRITTEN EVIDENCE OF THE CONSENT OF THE PARTIES HERETO TO THE WAIVER OF ANY RIGHT THEY MIGHT OTHERWISE HAVE TO TRIAL BY JURY.

15. **No Continuing Waiver.** No delay or failure on the part of Secured Party in the exercise of any right or remedy against Debtor or any other party against whom Secured Party may have any rights, shall operate as a waiver of any agreement or obligation contained herein, and no single or partial exercise by Secured Party of any rights or remedies hereunder shall preclude other or further exercise thereof or other exercise of any other right or remedy whether
contained in this Agreement or in any of the other documents regarding the Obligations, including, without limitation, the Operating Agreement. No waiver of the rights of Secured Party hereunder or in connection herewith and no release of Debtor shall be effective unless in writing executed by Secured Party. No actions of Secured Party permitted under this Agreement shall in any way impair or affect the enforceability of any agreement or obligation contained herein.

16. Independent Obligations. The obligations of Debtor are independent of the obligations of any other party which may be initially or otherwise responsible for performance or payment of the Obligations, and a separate action or actions for payment, damages or performance may be brought and prosecuted by Secured Party against Debtor, individually, for the full amount of the Obligations then due and payable, whether or not an action is brought against any other party, whether or not Secured Party is involved in any proceedings and whether or not Secured Party or Debtor or other person is joined in any action or proceedings.

17. No Offset Rights of Debtor. No lawful act of commission or omission of any kind or at any time upon the part of Debtor shall in any way affect or impair the rights of Secured Party to enforce any right, power or benefit under this Agreement, and no set-off, recoupment, counterclaim, claim, reduction or diminution of any obligation or any defense of any kind or nature which Debtor has or may have against any Secured Party or against any other party shall be available against Secured Party in any suit or action brought by Secured Party to enforce any right, power or benefit under this Agreement.

18. Power of Attorney. Debtor hereby appoints Secured Party as its attorney-in-fact to execute and file on its behalf any financing statements, continuation statements or other documentation required to perfect or continue the security interest created hereby. This power, being coupled with an interest, shall be irrevocable until all amounts secured hereby have been paid, satisfied and discharged in full.

19. GOVERNING LAW. THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF TEXAS. THE PARTIES HERETO AGREE THAT IN THE EVENT OF DEFAULT, THIS AGREEMENT MAY BE ENFORCED IN ANY COURT OF COMPETENT JURISDICTION IN THE STATE OF TEXAS AND ANY STATE IN WHICH ALL OR ANY PART OF THE COLLATERAL IS LOCATED AND THEY DO HEREBY SUBMIT TO THE JURISDICTION OF ANY AND ALL SUCH COURTS REGARDLESS OF THEIR PRINCIPAL PLACE OF BUSINESS OR WHERE THIS AGREEMENT MAY BE EXECUTED.

20. Successors and Assigns. All agreements, covenants, conditions and provisions of this Agreement shall inure to the benefit of and be binding upon the respective successors and assigns of the parties hereto.

21. Notices. Whenever any party hereto shall desire to, or be required to, give or serve any notice, demand, request or other communication with respect to this Agreement, each such notice, demand, request or communication shall be in writing and shall be effective only if the same is delivered by personal service (including, without limitation, courier or express service) or mailed certified or registered mail, postage prepaid, return receipt requested, or sent
by electronic mail to the parties at the addresses and email addresses shown throughout this Agreement or such other addresses which the parties may provide to one another in accordance herewith. If notice is sent to Secured Party, a copy of such notice shall also be given to Jere G. Thompson, Esq., Ballard Spahr LLP, 1735 Market Street, 51st Floor, Philadelphia, Pennsylvania 19103; Email: thompsonj@ballardspahr.com. Notices delivered personally will be effective upon delivery to an authorized representative of the party at the designated address; notices sent by mail in accordance with the above paragraph will be effective upon execution by the addressee of the Return Receipt Requested.

22. **Consent of Debtor.** Debtor consents to the exercise by Secured Party of any rights of Debtor in accordance with the provisions of this Agreement.

23. **Severability.** Every provision of this Agreement is intended to be severable. If any term or provision hereof is declared by a court of competent jurisdiction to be illegal or invalid for any reason whatsoever, such illegality or invalidity shall not affect the legality or validity of the balance of the terms and provisions hereof, which terms and provisions shall remain binding and enforceable.

24. **Amendment.** This Agreement may be modified or rescinded only by a writing expressly relating to this Agreement and signed by all of the parties.

25. **Termination.** This Agreement shall terminate, and shall be of no further force or effect, upon the earlier to occur of the repayment in full of the Obligations of Debtor or upon the mutual consent of Debtor and Secured Party.

*(SIGNATURE APPEARS ON THE FOLLOWING PAGE)*
IN WITNESS WHEREOF, Debtor has executed this Pledge and Security Agreement as of the date first above written.

DEBTOR:
SAGEBROOK MISTLETOE, LLC, a Texas limited liability company

By: Sagebrook Development, LLC, a Florida limited liability company, its managing member

Dated: ____________________

Signature: __________________

Lisa H. Stephens
Manager
EXHIBIT A
TO
PLEDGE AND SECURITY AGREEMENT
(CO-MANAGING MEMBER)

CONSENT AND AGREEMENT OF MEMBERS
CONSENT TO SECURITY INTEREST AND AGREEMENT
OF MEMBERS OF
MISTLETOE STATION, LLC, A TEXAS LIMITED LIABILITY COMPANY

The undersigned, being all the members of Mistletoe Station, LLC, a Texas limited liability company (the “Company”), hereby represent and certify to HCP-ILP, LLC, a Nevada limited liability company (“Secured Party”), as follows:

Each has received notice from Secured Party that Secured Party has a security interest in the following: 100% of the Limited Liability Company Interest in the Company owned by Saigebrook Mistletoe, LLC, a Texas limited liability company and O-SDA Industries, LLC, a Texas limited liability company (“Debtor”), and registered to Debtor (the “Collateral”).

1. Other than the notice from Secured Party referred to above, the undersigned has not received any notice from any entity or person claiming an adverse claim against, lien on or security interest in the Collateral.

2. The security interest of Secured Party referred to above was duly registered in the books and records of the Company effective August 30, 2018.

3. Interests in the Company are not represented in any certificate, instrument or document, and such interest may be assigned, transferred or pledged without the party receiving such assignment, transfer or pledge taking physical possession of any certificate, instrument or document.

4. The Members hereby consent to the execution and delivery of the Pledge and Security Agreement by Debtor and agree hereby to be bound by Paragraph 4 thereof to assign, set over, transfer, distribute, pay and deliver the Collateral and any and all payments, proceeds or products due to Debtor under the Collateral to Secured Party.

5. The Members hereby consent to the admission of Secured Party, its nominee, designee or any person acquiring its interest under the Pledge and Security Agreement, as a managing member of the Company upon receipt of notice by Secured Party of an Event of Default by Debtor thereunder, and agree that Secured Party or such nominee, designee or person acquiring Secured Party’s interest thereunder shall not be deemed to have assumed any of Debtor’s liability by virtue of such admission as the managing member of the Company.

(SIGNATURES APPEAR ON THE FOLLOWING PAGE)
IN WITNESS WHEREOF, the undersigned have executed this Consent to Security Interest and Agreement of Members of Mishre Inc., LLC as of the date first above written.

CO-MANAGING MEMBER:

SAGEBOOK MISTLETOE, LLC, a Texas limited liability company

By: Sagebook Development, LLC, a Florida limited liability company, its managing member

By:

[Signature]

Name: [Name]
Title: [Title]

ADMINISTRATIVE MEMBER:

O-DMA MISTLETOE, LLC, a Texas limited liability company

By: O-DMA Industries, LLC, a Texas limited liability company, its sole member

[Signature]

Name: [Name]
Title: [Title]

[SIGNATURES CONTINUE ON THE FOLLOWING PAGE]
IN WITNESS WHEREOF, the undersigned have executed this Consent to Security Interest and Agreement of Members of Mistletoe Station, LLC as of the date first above written.

CO-MANAGING MEMBER:

SAIGEBROOK MISTLETOE, LLC, a Texas limited liability company

By: Saigebrook Development, LLC, a Florida limited liability company, its managing member

By: _______________________
Name: Lisa M. Stephens
Its: Manager

ADMINISTRATIVE MEMBER:

O-SDA MISTLETOE, LLC, a Texas limited liability company

By: O-SDA Industries, LLC, a Texas limited liability company, its sole member

By: _______________________
Name: Megan D. Lasch
Its: Managing Member

(SIGNATURES CONTINUE ON THE FOLLOWING PAGE)
INVESTOR MEMBER:

HCP-ILP, LLC, a Nevada limited liability company

By: Hunt Capital Partners, LLC, a Delaware limited liability company, Its Manager

By: ____________________________
    Jeffrey N. Weiss, President

SPECIAL INVESTOR MEMBER:

HCP-SLP, LLC, a Nevada limited liability company

By: Hunt Capital Partners, LLC, a Delaware limited liability company, its sole member

By: ____________________________
    Jeffrey N. Weiss, President
EXHIBIT G-2

PLEDGE AND SECURITY AGREEMENT

(Administrative Member)
PLEDGE AND SECURITY AGREEMENT

(Administrative Member)

THIS PLEDGE AND SECURITY AGREEMENT (this “Agreement”) is made as of August 30, 2018 by O-SDA Mistletoe, LLC, a Texas limited liability company (“O-SDA”), whose address is 5714 Sam Houston Circle, Austin, Texas 78731 (the “Debtor”), for the benefit of HCP-ILP, LLC, a Nevada limited liability company (the “Secured Party”), whose address is 15910 Ventura Boulevard, Suite 1100, Encino, California 91436, Attention: Jeffrey N. Weiss.

A. Debtor is the administrative member and Secured Party is the investor member in Mistletoe Station, LLC, a Texas limited liability company (the “Company”), and the Company is governed by its First Amended and Restated Operating Agreement dated as of August 30, 2018 (the “Operating Agreement”). Capitalized terms not otherwise defined herein shall have the definitions given them in the Operating Agreement.

B. Saigebrook Development, LLC, a Florida limited liability company and O-SDA Industries, LLC, a Texas limited liability company (collectively, the “Developer”), and the Company have entered into that certain Development Agreement dated as of August 30, 2018 (the “Development Agreement”), pursuant to which the Developer has been appointed to render certain services in connection with its supervising and overseeing the development of the “Apartment Complex” (as defined therein). Developer is an Affiliate of the Debtor.

C. In order to secure: (a) the full payment and performance by Debtor of all of Debtor’s obligations, duties, expenses and liabilities under or in connection with the Operating Agreement, as the Operating Agreement may be now or hereafter amended, modified or restated; and (b) the full payment and performance by the Developer of all of the Developer’s obligations, duties, expenses and liabilities under or in connection with the Development Agreement, as the Development Agreement may be now or hereafter amended, modified or restated (such obligations, duties, expenses and liabilities described in clauses (a) and (b) above are collectively referred to herein as the “Obligations”), Debtor is entering into this Agreement for the benefit of Secured Party.

NOW, THEREFORE, in order to induce Secured Party to enter into the Operating Agreement with the Debtor, and in consideration of the recitals, covenants and agreements set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereby agree as follows:

1. Definitions.

   (a) “Collateral” shall consist of all of the personal property of Debtor, wherever located, and whether now owned or hereafter acquired, including accounts, chattel paper, inventory, equipment, instruments (including promissory notes), investment property, documents, deposit accounts, letter of credit rights, general intangibles (including payment intangibles), and supporting obligations and including, without limitation, the following specific items of personal property:
(i) All of Debtor’s right, title and interest in the Company, whether now owned or hereafter acquired, including, without limitation, its general limited liability company interest in the Company and its right to receive distributions, allocations and payments under the Operating Agreement, as the Operating Agreement may be modified from time to time with the consent of Secured Party;

(ii) All fees and charges to be paid by the Company to Debtor, whether paid or unpaid, whether now owned or hereafter acquired, and whether arising under the Operating Agreement, or otherwise, including, without limitation, the MM Incentive Management Fee;

(iii) All indebtedness of the Company to Debtor of any kind or description, including, without limitation, Debtor’s right to receive payment of Operating Deficit Loans or other loans to the Company; and

(iv) To the extent not listed above as original collateral, all products and proceeds, whether cash proceeds or noncash proceeds, of any and all of the foregoing.

(b) “Event of Default” shall mean an event of default described in Paragraph 8 herein.

2. Pledge of Collateral and Grant of Security Interest. Debtor does hereby unconditionally and irrevocably assign, pledge, convey, transfer, deliver, set over and grant unto Secured Party, its successors and assigns, as security for Debtor’s complete and timely payment and performance of the Obligations, a continuing first priority security interest under the Uniform Commercial Code of the State of Texas in the Collateral. Debtor agrees, upon request, to deliver any other documents which Secured Party may reasonably request from time-to-time to further evidence, perfect or secure the liens and security interests created by this Agreement. Debtor acknowledges that Secured Party shall prepare and file UCC Financing Statements in the appropriate jurisdictions with respect to the Collateral and consents to such filing.

3. Delivery to Secured Party.

(a) Debtor agrees to execute and to cause all other necessary parties, and any successors and assigns thereof, to execute and deliver to Secured Party such other agreements, instruments and documentation as Secured Party may reasonably request from time to time to effect the conveyance, transfer, and grant to Secured Party of each and all of Debtor’s right, title and interest in and to the Collateral as security for the Obligations.

(b) Concurrently with the execution of this Agreement, Debtor shall cause the managing member and the investor member of the Company to execute the Consent and Waiver in the form attached hereto as Exhibit A (the “Consent”) evidencing the Consent of the managing member and the investor member to the assignment of Debtor’s limited liability company interests and its agreement to be bound by Paragraph 4 of this Agreement, and covenants to execute, if required by Secured Party, an amendment to the Agreement in such form as Secured Party may require to reflect the substitution of Secured Party in place of Debtor as a managing member in the Company. Debtor further agrees to execute and to cause the other members of the Company to execute and deliver to Secured Party such other agreements, instruments and
documentation as Secured Party may reasonably request from time to time to effectuate the conveyance, transfer, assignment and grant to Secured Party of all of Debtor’s right, title and interest in and to the Collateral and to evidence the substitution of Secured Party in place of Debtor as a managing member in the Company.

4. **Proceeds and Products of the Collateral.**

   (a) Unless and until there occurs an Event of Default, Secured Party agrees to forbear in exercising its right to receive all benefits pertaining to the Collateral, and Debtor shall be permitted to exercise all rights and to receive all benefits of the Collateral, including, without limitation, the right to exercise all voting, approval, consent and similar rights of Debtor pertaining to the Collateral, payments due under, proceeds, whether cash proceeds or noncash proceeds, and products of the Collateral and retain and enjoy the same, provided, however, that Debtor shall not cast any vote or give any approval, consent, waiver or ratification or take any action which would be inconsistent with or violate any provision of this Agreement.

   (b) Debtor acknowledges and agrees with Secured Party, that unless Secured Party otherwise consents, in Secured Party’s sole discretion, Debtor shall not exercise any voting, approval, consent or other rights with respect to the Collateral at any time (i) after the occurrence of an Event of Default, and (ii) delivery of notice from Secured Party instructing Debtor not to exercise any such voting, approval, consent or other rights with respect to the Collateral; provided, however, that Debtor shall exercise any such right it may have under the Operating Agreement with respect to the business affairs of the Company as is reasonably necessary to protect and preserve the Collateral.

   (c) Upon or at any time after the occurrence of an Event of Default, Secured Party, at its option to be exercised in its sole discretion, may exercise all rights and remedies granted under this Agreement, including, without limitation, the right to require the obligors under the Collateral to make all payments due under and to pay all proceeds, whether cash proceeds or noncash proceeds, and products of the Collateral to Secured Party. Upon the giving of any such notice, the security constituted by this Agreement shall become immediately enforceable by Secured Party, without any presentment, further demand, protest or other notice of any kind, all of which are hereby expressly and irrevocably waived by Debtor. Debtor hereby authorizes and directs each respective obligor under the agreements constituting the Collateral, upon receipt of written notice from Secured Party of an Event of Default by Debtor hereunder, to assign, set over, transfer, distribute, pay and deliver any and all Collateral or said payments, proceeds or products of the Collateral to Secured Party, at such address as Secured Party may direct, at such time and in such manner as Collateral and such payments, proceeds and products of the Collateral would otherwise be distributed, transferred, paid or delivered to Debtor. The respective obligors under the agreements constituting the Collateral shall be entitled to conclusively rely on such notice and make all such assignments and transfers of the Collateral and all such payments with respect to the Collateral and pay all such proceeds and products of the Collateral to Secured Party and shall have no liability to Debtor for any loss or damage Debtor may incur by reason of said reliance.

5. **No Assumption.** Notwithstanding any of the foregoing, whether or not an Event of Default has occurred, and whether or not Secured Party elects to foreclose on its security
interest in the Collateral as set forth herein, neither the execution of this Agreement, receipt by
Secured Party of any of Debtor’s right, title and interest in and to the Collateral and the
payments, proceeds and products of the Collateral, now or hereafter due to Debtor from any
obligor of the Collateral, nor Secured Party’s foreclosure of its security interest in the Collateral,
shall in any way be deemed to obligate Secured Party to assume any of Debtor’s obligations,
duties, expenses or liabilities under the Collateral or any agreements constituting the Collateral,
as presently existing or as hereafter amended, or under any and all other agreements now existing
or hereafter drafted or executed (collectively, “Debtor’s Liabilities”), unless Secured Party
otherwise agrees to assume any or all of Debtor’s Liabilities in writing. In the event of
foreclosure by Secured Party of its security interest in the Collateral, Debtor shall remain bound
and obligated to perform its Debtor’s Liabilities and Secured Party shall not be deemed to have
assumed any of Debtor’s Liabilities, except as provided in the preceding sentence. If the entity
or person acquiring the Collateral at a foreclosure sale elects to assume Debtor’s Liabilities, such
assignee shall agree to be bound by the terms and provisions of the applicable agreement.

6. Indemnification. Debtor hereby agrees to indemnify, defend and hold Secured
Party, its successors and assigns harmless from and against any and all damages, losses, claims,
costs or expenses (including reasonable attorneys’ fees) and any other liabilities whatsoever that
Secured Party or its successors or assigns may incur by reason of this Agreement or by reason of
any assignment by Debtor of Debtor’s right, title and interest in and to any or all of the
Collateral.

7. Representations, Warranties and Covenants. In addition to the representations
made by Debtor in the Operating Agreement, Debtor makes the following representations and
warranties, which shall be deemed to be continuing representations and warranties in favor of
Secured Party, and covenants and agrees to perform all acts necessary to maintain the truth and
correctness, in all material respects, of the following:

(a) Debtor owns the Collateral free and clear of all claims, liens or encumbrances.

(b) Debtor has delivered to Secured Party true and complete copies of the
Operating Agreement and any other agreements pertinent to the Collateral, and such agreements
are currently in full force and effect and have not been amended or modified except as disclosed
to Secured Party in writing.

(c) Debtor has the full right and title to its interest in the Collateral and has the
full power, legal right and authority to pledge, convey, transfer and assign such interest. None of
the Collateral is subject to any existing or subsequent assignment, claim, lien, pledge, transfer or
other security interest of any character, or to any attachment, levy, garnishment or other judicial
process or to any claim for set-off, counterclaim, deduction or discount. Debtor shall not,
without the prior written consent of Secured Party, which consent may be granted or denied in
Secured Party’s sole discretion, further convey, transfer, set over or pledge to any party any of its
interests in the Collateral. Debtor agrees to (i) warrant and defend its title to the Collateral and
the security interest created by this Agreement against all claims of all persons (other than
Secured Party and persons claiming through Secured Party), and (ii) maintain and preserve the
Collateral and such security interests.
(d) Debtor’s Employer Identification Number is 80-0641068, and its principal place of business is located at 5714 Sam Houston Circle, Austin, Texas 78731, Austin, Texas 78731.

(e) Debtor agrees that it shall not, without at least thirty (30) days’ prior written notification to Secured Party, move or otherwise change its principal place of business or state of formation.

(f) Debtor shall not exercise any voting rights, or give any approvals, consents, waiver or other ratifications in respect to the Collateral which would violate or contravene, or which would cause or otherwise authorize Debtor to violate or contravene, any provision of this Agreement.

(g) This Agreement and consummation of the transactions contemplated herein are not in conflict with and will not result in a breach of any of the terms, provisions or conditions of any other agreement or instrument to which Debtor may be bound, including, without limitation, the organizational documents for Debtor, or of any order, judgment, law, rule or regulation of any court or governmental body or administrative agency applicable to Debtor.

8. Event of Default. Each of the following shall constitute an Event of Default hereunder:

(a) An Event of Default (as defined in the Operating Agreement) has occurred under the Operating Agreement or the Development Agreement and such default shall not have been cured within any applicable grace period provided therein; or

(b) Any warranty, representation or statement of Debtor in this Agreement proves to have been false in any material respect when made or furnished; or

(c) There occurs the issuance of a writ, order of attachment or garnishment with respect to any of the Collateral and such writ, order of attachment or garnishment is not dismissed and removed within fifteen (15) days thereafter; or

(d) A material breach or violation of any covenant or agreement contained herein has occurred, which is not cured within ten (10) days after notice has been given to Debtor by Secured Party.

Any Event of Default under this Agreement shall be an event of default by Debtor under the Agreement.

9. Remedies.

(a) Upon the occurrence of an Event of Default, Secured Party may, by giving notice of such Event of Default, at its option, do any one or more of the following:

(i) Declare all of the Obligations secured hereby to be immediately due and payable, whereupon all unpaid principal and interest on said Obligations and other
amounts declared due and payable shall become immediately due and payable without presentment, demand, protest or notice of any kind; and

(ii) Take possession of all or any of the Collateral, collect, and apply against the Obligations, all payments due, proceeds, whether cash proceeds or noncash proceeds, and products from any obligor under the agreements constituting the Collateral, that would otherwise be paid to Debtor; and

(iii) Either personally, or by means of a court appointed receiver, take possession of all or any of the Collateral and exclude therefrom Debtor and all others claiming under Debtor, and thereafter exercise all rights and powers of Debtor with respect to the Collateral or any part thereof. If Secured Party demands, or attempts to take possession of any of the Collateral in the exercise of any rights under this Agreement, Debtor promises and agrees to promptly turn over and deliver complete possession thereof to the Secured Party; and

(iv) Without notice to or demand upon Debtor, make such payments and do such acts as Secured Party may deem necessary to protect its security interest in the Collateral, including, without limitation, paying, purchasing, contesting or compromising any encumbrance, charge or lien which is prior to or superior to the security interest granted hereunder, and in exercising any such powers or authority to pay all expenses incurred in connection therewith; and

(v) Require Debtor to take all actions necessary to deliver such Collateral to Secured Party, or an agent or representative designated by it. Secured Party, and its agents and representatives, shall have the right to enter upon any or all of Debtor’s premises and property to exercise Secured Party’s rights hereunder; and

(vi) Foreclose upon this Agreement as herein provided or in any manner permitted by law, and exercise any and all of the rights and remedies conferred upon Secured Party by the Operating Agreement, or in any other document executed by Debtor in connection with the Obligations secured hereby, either concurrently or in such order as Secured Party may determine; and sell or cause to be sold in such order as Secured Party may determine, as a whole or in such parcels as Secured Party may determine, the Collateral, without affecting in any way the rights or remedies to which Secured Party may be entitled under the other such instruments; and

(vii) Sell or otherwise dispose of the Collateral at public sale, without having the Collateral at the place of sale, and upon terms and in such manner as Secured Party may determine. Secured Party may be a purchaser at any sale; and

(viii) Exercise any remedies of Secured Party under the Uniform Commercial Code of the State of Texas or any other applicable law; and

(ix) Exercise any remedies available to Secured Party under the Agreement, including, without limitation, the removal of Debtor as a Managing Member of the Company and exercise of any rights of offset in favor of Secured Party as a managing member of the Company; and
(x) Notwithstanding anything to the contrary contained in this Agreement, at any time after an Event of Default, Secured Party may, by delivering written notice to the Company and to Debtor, succeed, or designate its nominee or designee to succeed, to all right, title and interest of Debtor (including, without limitation, the right, if any, to vote on or take any action with respect to Company matters) as a managing member of the Company in respect of the Collateral. Debtor hereby irrevocably authorizes and directs the Company on receipt of any such notice (a) to deem and treat Secured Party or such nominee or designee in all respects as a managing member (and not merely an assignee of a managing member) of the Company, entitled to exercise all the rights, powers and privileges (including the right to vote on or take any action with respect to Company matters pursuant to the Operating Agreement, to receive all distributions, to be credited with the capital account and to have all other rights, powers and privileges appertaining to the Collateral to which Debtor would have been entitled had the Collateral not been transferred to Secured Party or such nominee or designee), and (b) to file an amended certificate of Company, if required, admitting Secured Party or such nominee or designee as managing member of the Company in place of Debtor; and

(xi) The rights granted to Secured Party under this Agreement are of a special, unique, unusual and extraordinary character. The loss of any of such rights cannot reasonably or adequately be compensated by way of damages in any action at law, and any material breach by Debtor of any of Debtor’s covenants, agreements or obligations under this Agreement will cause Secured Party irreparable injury and damage. In the event of any such breach, Secured Party shall be entitled, as a matter of right, to injunctive relief or other equitable relief in any court of competent jurisdiction to prevent the violation or contravention of any of the provisions of this Agreement or to compel compliance with the terms of this Agreement by Debtor. Secured Party is absolutely and irrevocably authorized and empowered by Debtor to demand specific performance of each of the covenants and agreements of Debtor in this Agreement. Debtor hereby irrevocably waives any defense based on the adequacy of any remedy at law which might otherwise be asserted by Debtor as a bar to the remedy of specific performance in any action brought by Secured Party against Debtor to enforce any of the covenants or agreements of Debtor in this Agreement.

(b) Unless the Collateral is perishable or threatens to decline speedily in value or is of a type customarily sold on a recognized market, Secured Party shall give Debtor at least ten (10) days’ prior written notice of the time and place of any public sale of the Collateral subject to this Agreement or other intended disposition thereof to be made. Such notice shall be conclusively deemed to have been delivered to Debtor at the address set forth in Paragraph 7(d) of this Agreement, unless Debtor shall Notify Secured Party in writing of its change of its principal place of business and provide Secured Party with the address of its new principal place of business.

(c) The proceeds of any sale under Paragraph 9(a) above shall be applied as follows:

(i) To the repayment of the costs and expenses of retaking, holding and preparing for the sale and the selling of the Collateral (including actual legal expenses and attorneys’ fees) and the discharge of all assessments, encumbrances, charges or liens, if any, on
the Collateral prior to the lien hereof (except any taxes, assessments, encumbrances, charges or liens subject to which such sale has been made);

(ii) To the payment of the whole amount then due and unpaid of the Obligations;

(iii) To the payment of all other amounts then secured hereby; and

(iv) The aggregate surplus, if any, shall be paid to Debtor in a lump sum, without recourse to Secured Party, or as a court of competent jurisdiction may direct.

(d) Secured Party has the right to enforce one or more remedies under this Agreement and under the Operating Agreement, successively or concurrently, and such action shall not operate to estop or prevent Secured Party from pursuing any further remedy which it may have, and any repossession or retaking or sale of the Collateral pursuant to the terms hereof shall not operate to release Debtor until full payment of any deficiency has been made in cash.

(e) DEBTOR ACKNOWLEDGES THAT SECURED PARTY MAY BE UNABLE TO EFFECT A PUBLIC SALE OF ALL OR ANY PART OF THE COLLATERAL AND MAY BE COMPELLED TO RESORT TO ONE OR MORE PRIVATE SALES TO A RESTRICTED GROUP OF PURCHASERS WHO WILL BE OBLIGATED TO AGREE, AMONG OTHER THINGS, TO ACQUIRE THE COLLATERAL FOR THEIR OWN ACCOUNT, FOR INVESTMENT AND NOT WITH A VIEW TO THE DISTRIBUTION OR RESALE THEREOF. DEBTOR FURTHER ACKNOWLEDGES THAT ANY SUCH PRIVATE SALES MAY BE AT PRICES AND ON TERMS LESS FAVORABLE THAN THOSE OF PUBLIC SALES, AND AGREES THAT SUCH PRIVATE SALES SHALL BE DEEMED TO HAVE BEEN MADE IN A COMMERCIAL REASONABLE MANNER AND THAT SECURED PARTY HAS NO OBLIGATION TO DELAY SALE OF ANY COLLATERAL TO PERMIT THE ISSUER THEREOF TO REGISTER IT FOR PUBLIC SALE UNDER THE SECURITIES ACT OF 1933. DEBTOR AGREES THAT SECURED PARTY SHALL BE PERMITTED TO TAKE SUCH ACTIONS AS SECURED PARTY DEEMS REASONABLY NECESSARY IN DISPOSING OF THE COLLATERAL TO AVOID CONDUCTING A PUBLIC DISTRIBUTION OF SECURITIES IN VIOLATION OF THE SECURITIES ACT OF 1933 OR THE SECURITIES LAWS OF ANY STATE, AS NOW ENACTED OR AS THE SAME MAY IN THE FUTURE BE AMENDED, AND ACKNOWLEDGES THAT ANY SUCH ACTIONS SHALL BE COMMERCIAL REASONABLE. IN ADDITION, DEBTOR AGREES TO EXECUTE, FROM TIME TO TIME, ANY AMENDMENT TO THIS AGREEMENT OR OTHER DOCUMENT AS SECURED PARTY MAY REASONABLY REQUIRE TO EVIDENCE THE ACKNOWLEDGMENTS AND CONSENTS OF DEBTOR SET FORTH IN THIS PARAGRAPH.

10. Right to Make Distributions. Except upon the occurrence and during the continuance of an Event of Default (without regard to any cure period), Debtor shall have the right without the consent of Secured Party to make distributions to its members ("Permitted Distributions") of proceeds of any distributions and payments received by Debtor from the
Company or from any capital contributions of its members. Any such Permitted Distributions shall be free and clear of the lien created by this Agreement.

11. **Attorneys’ Fees.** Debtor agrees to pay to Secured Party, without demand, reasonable attorneys’ fees and all costs and other expenses which Secured Party expends or incurs in collecting any amounts payable by Debtor hereunder or in enforcing this Agreement against Debtor whether or not suit is filed.

12. **Further Documentation.** Debtor hereby agrees to execute, from time to time, one or more financing statements and such other instruments as may be required to perfect the security interest created hereby, including any continuation or amendments of such financing statements, and pay the cost of filing or recording the same in the public records specified by Secured Party.

13. **Waiver and Estoppel.** Debtor represents and acknowledges that it knowingly waives each and every one of the following rights, and agrees that it will be estopped from asserting any argument to the contrary: (a) any promptness in making any claim or demand hereunder; (b) any defense that may arise by reason of the incapacity, lack of authority, death or disability of Debtor or the failure to file or enforce a claim against Debtor’s estate (in administration, bankruptcy or any other proceeding); (c) any defense based upon an election of remedies by Secured Party which destroys or otherwise impairs any or all of the Collateral; (d) the right of Debtor to proceed against Secured Party or any other person, for reimbursement; (e) all duty or obligation of Secured Party to perfect, protect, retain or enforce any security for the payment of amounts payable by Debtor hereunder; and (f) any defense based on modification of the indebtedness secured hereby.

14. **Waiver of Jury Trial.** EACH PARTY TO THIS AGREEMENT HEREBY EXPRESSLY WAIVES ANY RIGHT TO TRIAL BY JURY OF ANY CLAIM, DEMAND, ACTION OR CAUSE OF ACTION (a) ARISING UNDER THIS AGREEMENT, INCLUDING, WITHOUT LIMITATION, ANY PRESENT OR FUTURE AMENDMENT HEREOF, OR (b) IN ANY WAY CONNECTED WITH OR RELATED OR INCIDENTAL TO THE DEALINGS OF THE PARTIES HERETO OR ANY OF THEM WITH RESPECT TO THIS AGREEMENT OR ANY OTHER INSTRUMENT, DOCUMENT OR AGREEMENT EXECUTED OR DELIVERED IN CONNECTION HEREWITH, OR THE TRANSACTIONS RELATED HERETO OR THERETO, IN EACH CASE WHETHER SUCH CLAIM, DEMAND, ACTION OR CAUSE OF ACTION IS NOW EXISTING OR HEREAFTER ARISING, AND WHETHER SOUNDING IN CONTRACT OR TORT OR OTHERWISE; AND EACH PARTY HEREBY AGREES AND CONSENTS THAT ANY SUCH CLAIM, DEMAND, ACTION OR CAUSE OF ACTION SHALL BE DECIDED BY COURT TRIAL WITHOUT A JURY AND THAT ANY PARTY TO THIS AGREEMENT MAY FILE AN ORIGINAL COUNTERPART OR A COPY OF THIS SECTION WITH ANY COURT AS WRITTEN EVIDENCE OF THE CONSENT OF THE PARTIES HERETO TO THE WAIVER OF ANY RIGHT THEY MIGHT OTHERWISE HAVE TO TRIAL BY JURY.

15. **No Continuing Waiver.** No delay or failure on the part of Secured Party in the exercise of any right or remedy against Debtor or any other party against whom Secured Party
may have any rights, shall operate as a waiver of any agreement or obligation contained herein, and no single or partial exercise by Secured Party of any rights or remedies hereunder shall preclude other or further exercise thereof or other exercise of any other right or remedy whether contained in this Agreement or in any of the other documents regarding the Obligations, including, without limitation, the Operating Agreement. No waiver of the rights of Secured Party hereunder or in connection herewith and no release of Debtor shall be effective unless in writing executed by Secured Party. No actions of Secured Party permitted under this Agreement shall in any way impair or affect the enforceability of any agreement or obligation contained herein.

16. **Independent Obligations.** The obligations of Debtor are independent of the obligations of any other party which may be initially or otherwise responsible for performance or payment of the Obligations, and a separate action or actions for payment, damages or performance may be brought and prosecuted by Secured Party against Debtor, individually, for the full amount of the Obligations then due and payable, whether or not an action is brought against any other party, whether or not Secured Party is involved in any proceedings and whether or not Secured Party or Debtor or other person is joined in any action or proceedings.

17. **No Offset Rights of Debtor.** No lawful act of commission or omission of any kind or at any time upon the part of Debtor shall in any way affect or impair the rights of Secured Party to enforce any right, power or benefit under this Agreement, and no set-off, recoupment, counterclaim, claim, reduction or diminution of any obligation or any defense of any kind or nature which Debtor has or may have against any Secured Party or against any other party shall be available against Secured Party in any suit or action brought by Secured Party to enforce any right, power or benefit under this Agreement.

18. **Power of Attorney.** Debtor hereby appoints Secured Party as its attorney-in-fact to execute and file on its behalf any financing statements, continuation statements or other documentation required to perfect or continue the security interest created hereby. This power, being coupled with an interest, shall be irrevocable until all amounts secured hereby have been paid, satisfied and discharged in full.

19. **GOVERNING LAW.** THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF TEXAS. THE PARTIES HERETO AGREE THAT IN THE EVENT OF DEFAULT, THIS AGREEMENT MAY BE ENFORCED IN ANY COURT OF COMPETENT JURISDICTION IN THE STATE OF TEXAS AND ANY STATE IN WHICH ALL OR ANY PART OF THE COLLATERAL IS LOCATED AND THEY DO HEREBY SUBMIT TO THE JURISDICTION OF ANY AND ALL SUCH COURTS REGARDLESS OF THEIR PRINCIPAL PLACE OF BUSINESS OR WHERE THIS AGREEMENT MAY BE EXECUTED.

20. **Successors and Assigns.** All agreements, covenants, conditions and provisions of this Agreement shall inure to the benefit of and be binding upon the respective successors and assigns of the parties hereto.

21. **Notices.** Whenever any party hereto shall desire to, or be required to, give or serve any notice, demand, request or other communication with respect to this Agreement, each
such notice, demand, request or communication shall be in writing and shall be effective only if
the same is delivered by personal service (including, without limitation, courier or express
service) or mailed certified or registered mail, postage prepaid, return receipt requested, or sent
by electronic mail to the parties at the addresses and email addresses shown throughout this
Agreement or such other addresses which the parties may provide to one another in accordance
herewith. If notice is sent to Secured Party, a copy of such notice shall also be given to Jere G.
Thompson, Esq., Ballard Spahr LLP, 1735 Market Street, 51st Floor, Philadelphia, Pennsylvania
19103; Email: thompsonj@ballardspahr.com. Notices delivered personally will be effective
upon delivery to an authorized representative of the party at the designated address; notices sent
by mail in accordance with the above paragraph will be effective upon execution by the
addressee of the Return Receipt Requested.

22. Consent of Debtor. Debtor consents to the exercise by Secured Party of any
rights of Debtor in accordance with the provisions of this Agreement.

23. Severability. Every provision of this Agreement is intended to be severable. If
any term or provision hereof is declared by a court of competent jurisdiction to be illegal or
invalid for any reason whatsoever, such illegality or invalidity shall not affect the legality or
validity of the balance of the terms and provisions hereof, which terms and provisions shall
remain binding and enforceable.

24. Amendment. This Agreement may be modified or rescinded only by a writing
expressly relating to this Agreement and signed by all of the parties.

25. Termination. This Agreement shall terminate, and shall be of no further force or
effect, upon the earlier to occur of the repayment in full of the Obligations of Debtor or upon the
mutual consent of Debtor and Secured Party.

(SIGNATURE APPEARS ON THE FOLLOWING PAGE)
IN WITNESS WHEREOF, Debtor has executed this Pledge and Security Agreement as of the date first above written.

DEBTOR:

O-SDA MISTLETOE, LLC, a Texas limited liability company

By: O-SDA Industries, LLC, a Texas limited liability company, its sole member

By:

Name: Megan D. Lasch
Its: Managing Member
EXHIBIT A
TO
PLEDGE AND SECURITY AGREEMENT
(ADMINISTRATIVE MEMBER)

CONSENT AND AGREEMENT OF MEMBERS
CONSENT TO SECURITY INTEREST AND AGREEMENT
OF MEMBERS OF
MISTLETOE STATION, LLC, A TEXAS LIMITED LIABILITY COMPANY

The undersigned, being all the members of Mistletoe Station, LLC, a Texas limited liability company (the “Company”), hereby represent and certify to HCP-ILP, LLC, a Nevada limited liability company (“Secured Party”), as follows:

Each has received notice from Secured Party that Secured Party has a security interest in the following: 100% of the Limited Liability Company Interest in the Company owned by Saigebrook Mistletoe, LLC, a Texas limited liability company and O-SDA Industries, LLC, a Texas limited liability company (“Debtor”), and registered to Debtor (the “Collateral”).

1. Other than the notice from Secured Party referred to above, the undersigned has not received any notice from any entity or person claiming an adverse claim against, lien on or security interest in the Collateral.

2. The security interest of Secured Party referred to above was duly registered in the books and records of the Company effective August 30, 2018.

3. Interests in the Company are not represented in any certificate, instrument or document, and such interest may be assigned, transferred or pledged without the party receiving such assignment, transfer or pledge taking physical possession of any certificate, instrument or document.

4. The Members hereby consent to the execution and delivery of the Pledge and Security Agreement by Debtor and agree hereby to be bound by Paragraph 4 thereof to assign, set over, transfer, distribute, pay and deliver the Collateral and any and all payments, proceeds or products due to Debtor under the Collateral to Secured Party.

5. The Members hereby consent to the admission of Secured Party, its nominee, designee or any person acquiring its interest under the Pledge and Security Agreement, as a managing member of the Company upon receipt of notice by Secured Party of an Event of Default by Debtor thereunder, and agree that Secured Party or such nominee, designee or person acquiring Secured Party’s interest thereunder shall not be deemed to have assumed any of Debtor’s liability by virtue of such admission as the managing member of the Company.

(SIGNATURES APPEAR ON THE FOLLOWING PAGE)
IN WITNESS WHEREOF, the undersigned have executed this Consent to Security Interest and Agreement of Members of Mistletoe Station, LLC as of the date first above written.

CO-MANAGING MEMBER:

SAGEBRUSH MISTLETOE, LLC, a Texas limited liability company

By: Sagebrush Development, LLC, a Florida limited liability company, its managing member

By:

[Signature]

Lisa M. Stephans
Manager

ADMINISTRATIVE MEMBER:

O-SA/MISTLETOE, LLC, a Texas limited liability company

By: O-SA/M Industries, LLC, a Texas limited liability company, its sole member

By:

[Signature]

Megan D. Lack
Manager

(SIGNATURES CONTINUE ON THE FOLLOWING PAGE)
IN WITNESS WHEREOF, the undersigned have executed this Consent to Security Interest and Agreement of Members of Mistletoe Station, LLC as of the date first above written.

CO-MANAGING MEMBER:

SAIGEBROOK MISTLETOE, LLC, a Texas limited liability company

By: Saigebrook Development, LLC, a Florida limited liability company, its managing member

By: ______________________
Name: Lisa M. Stephens
Its: Manager

ADMINISTRATIVE MEMBER:

O-SDA MISTLETOE, LLC, a Texas limited liability company

By: O-SDA Industries, LLC, a Texas limited liability company, its sole member

By: ______________________
Name: Megan D. Lasch
Its: Managing Member

(SIGNATURES CONTINUE ON THE FOLLOWING PAGE)
INVESTOR MEMBER:

HCP-ILP, LLC, a Nevada limited liability company

By: Hunt Capital Partners, LLC, a Delaware limited liability company, Its Manager

By: [Signature]

Jeffrey N. Weiss, President

SPECIAL INVESTOR MEMBER:

HCP-SLP, LLC, a Nevada limited liability company

By: Hunt Capital Partners, LLC, a Delaware limited liability company, its sole member

By: [Signature]

Jeffrey N. Weiss, President
EXHIBIT H

PLEDGE AND SECURITY AGREEMENT

(DEVELOPER)
PLEDGE AND SECURITY AGREEMENT

(Developer)

THIS PLEDGE AND SECURITY AGREEMENT (this “Agreement”) is made as of August 30, 2018, by SAIGEBROOK DEVELOPMENT, LLC, a Florida limited liability company (“Saigebrook”) and O-SDA Industries, LLC, a Texas limited liability company (“O-SDA” and together with Saigebrook, the “Debtor”), whose addresses are set forth below, for the benefit of the HCP-ILP, LLC, a Nevada limited liability company (the “Secured Party”), whose address is 15910 Ventura Boulevard, Suite 1100, Encino, California 91436, Attention: Jeffrey N. Weiss.

A. Saigebrook Mistletoe, LLC, a Texas limited liability company (the “Co-Managing Member”), is the co-managing member, O-SDA Mistletoe, LLC, a Texas limited liability company (the “Administrative Member”) is the administrative member and Secured Party is the investor member in Mistletoe Station, LLC, a Texas limited liability company (the “Company”), and the Company is governed by its First Amended and Restated Operating Agreement dated as of August 30, 2018 (the “Operating Agreement”). Capitalized terms not otherwise defined herein shall have the definitions given them in the Operating Agreement.

B. The Company and Debtor have entered into that certain Development Agreement (the “Development Agreement”) dated of even date herewith, wherein, among other things, the Company agrees to pay Debtor a Development Fee under the terms of the Development Agreement (the “Development Fee”).

C. In order to secure the full payment and performance by: (a) Debtor of all of Debtor’s obligations, duties, expenses and liabilities under or in connection with the Development Agreement as the Development Agreement may be now or hereafter amended, modified or restated; and (b) the Managing Member of all of the Managing Member’s obligations, duties, expenses and liabilities under or in connection with the Operating Agreement and the Managing Member Pledge, as the Operating Agreement and the Managing Member Pledge may be now or hereafter amended, modified or restated (such obligations, duties, expenses and liabilities set forth in clauses (a) and (b) hereof and all other sums of any kind which may or shall become due thereunder are collectively referred to herein as the “Obligations”), Debtor is entering into this Agreement for the benefit of Secured Party.

NOW, THEREFORE, in order to induce Secured Party to enter into the Operating Agreement with the Managing Member, and in consideration of the recitals, covenants and agreements set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereby agree as follows:

1. Definitions.

(a) “Collateral” shall mean the following:

(i) Any and all fees and charges to be paid by the Company to Debtor, whether paid or unpaid, whether now owned or hereafter acquired, and whether arising under the
Operating Agreement, the Development Agreement, or otherwise, including, without limitation, the Development Fee; and

(ii) All proceeds, whether cash proceeds or noncash proceeds, and products of any and all of the foregoing.

(b) “Event of Default” shall mean an event of default described in Paragraph 8 herein.

2. Pledge of Collateral and Grant of Security Interest. Debtor does hereby unconditionally and irrevocably assign, pledge, convey, transfer, deliver, set over and grant unto Secured Party, its successors and assigns, as security for Debtor’s, the Company’s and the Managing Member’s complete and timely payment and performance of the Obligations, a continuing first priority security interest under the Uniform Commercial Code of the State of Texas in the Collateral and Debtor agrees, upon request, to deliver any other documents which Secured Party may reasonably request from time-to-time to further evidence, perfect or secure the liens and security interests created by this Agreement. Debtor acknowledges that Secured Party shall prepare and file UCC Financing Statements suitable for filing in the appropriate jurisdictions with respect to the Collateral and consents to such filing.

3. Delivery to Secured Party. Debtor agrees to execute and to cause all other necessary parties, and any successors and assigns thereof, to execute and deliver to Secured Party such other agreements, instruments and documentation as Secured Party may reasonably request from time to time to effect the conveyance, transfer, and grant to Secured Party of each and all of Debtor’s right, title and interest in and to the Collateral as security for the Obligations.

4. Proceeds and Products of the Collateral.

(a) Unless and until there occurs an Event of Default, Secured Party agrees to forbear in exercising its right to receive all benefits pertaining to the Collateral, and Debtor shall be permitted to exercise all rights and to receive all benefits of the Collateral, including, without limitation, the right to exercise all voting, approval, consent and similar rights of Debtor pertaining to the Collateral, payments due under, proceeds, whether cash proceeds or noncash proceeds, and products of the Collateral and retain and enjoy the same, provided, however, that Debtor shall not cast any vote or give any approval, consent, waiver or ratification or take any action which would be inconsistent with or violate any provision of this Agreement.

(b) Debtor acknowledges and agrees with Secured Party, that unless Secured Party otherwise consents, in Secured Party’s sole discretion, Debtor shall not exercise any voting, approval, consent or other rights with respect to the Collateral at any time (i) after the occurrence of an Event of Default, and (ii) delivery of notice from Secured Party instructing Debtor not to exercise any such voting, approval, consent or other rights with respect to the Collateral; provided, however, that Debtor shall exercise any such right it may have under the Development Agreement as is reasonably necessary to protect and preserve the Collateral.

(c) Upon or at any time after the occurrence of an Event of Default, Secured Party, at its option to be exercised in its sole discretion, may exercise all rights and remedies granted under this Agreement, including, without limitation, the right to require the obligors
under the Collateral to make all payments due under and to pay all proceeds, whether cash proceeds or noncash proceeds, and products of the Collateral to Secured Party. Upon the giving of any such notice, the security constituted by this Agreement shall become immediately enforceable by Secured Party, without any presentment, further demand, protest or other notice of any kind, all of which are hereby expressly and irrevocably waived by Debtor. Debtor hereby authorizes and directs each respective obligor under the agreements constituting the Collateral, that upon receipt of written notice from Secured Party of an Event of Default by Debtor hereunder, to assign, set over, transfer, distribute, pay and deliver any and all Collateral or said payments, proceeds or products of the Collateral to Secured Party, at such address as Secured Party may direct, at such time and in such manner as Collateral and such payments, proceeds and products of the Collateral would otherwise be distributed, transferred, paid or delivered to Debtor. The respective obligors under the agreements constituting the Collateral shall be entitled to conclusively rely on such notice and make all such assignments and transfers of the Collateral and all such payments with respect to the Collateral and pay all such proceeds and products of the Collateral to Secured Party and shall have no liability to Debtor for any loss or damage Debtor may incur by reason of said reliance.

5. No Assumption. Notwithstanding any of the foregoing, whether or not an Event of Default has occurred, and whether or not Secured Party elects to foreclose on its security interest in the Collateral as set forth herein, neither the execution of this Agreement, receipt by Secured Party of any of Debtor’s right, title and interest in and to the Collateral and the payments, proceeds and products of the Collateral, nor Secured Party’s foreclosures of its security interest in the Collateral, shall in any way be deemed to obligate Secured Party to assume any of Debtor’s obligations, duties, expenses or liabilities under the Collateral or any agreements constituting the Collateral, as presently existing or as hereafter amended, or under any and all other agreements now existing or hereafter drafted or executed (collectively, “Debtor’s Liabilities”), unless Secured Party otherwise agrees to assume any or all of Debtor’s Liabilities in writing. In the event of foreclosure by Secured Party of its security interest in the Collateral, Debtor shall remain bound and obligated to perform its Debtor’s Liabilities and Secured Party shall not be deemed to have assumed any of Debtor’s Liabilities, except as provided in the preceding sentence. If the entity or person acquiring the Collateral at a foreclosure sale elects to assume Debtor’s Liabilities, such assignee shall agree to be bound by the terms and provisions of the applicable agreement.

6. Indemnification. Debtor hereby agrees to indemnify, defend and hold Secured Party, its successors and assigns harmless from and against any and all damages, losses, claims, costs or expenses (including reasonable attorneys’ fees) and any other liabilities whatsoever that Secured Party or its successors or assigns may incur by reason of this Agreement or by reason of any assignment by Debtor of Debtor’s right, title and interest in and to any or all of the Collateral.

7. Representations, Warranties and Covenants. In addition to the representations, warranties and covenants made by the Debtor in the Development Agreement, the Debtor makes the following representations and warranties, which shall be deemed to be continuing representations and warranties in favor of Secured Party, and covenants and agrees to perform all acts necessary to maintain the truth and correctness, in all material respects, of the following
(provided that, each such representation, warranty, and covenant is made by Saigebrook and O-SDA only as to itself and not the other Debtor):

(a) Debtor owns the Collateral free and clear of any and all claims, liens or encumbrances.

(b) Debtor has delivered to Secured Party true and complete copies of the Development Agreement and any other agreements pertinent to the Collateral, and such agreements are currently in full force and effect and have not been amended or modified except as disclosed to Secured Party in writing.

(c) Debtor has the full right and title to its interest in the Collateral and has the full power, legal right and authority to pledge, convey, transfer and assign such interest. None of the Collateral is subject to any existing or subsequent assignment, claim, lien, pledge, transfer or other security interest of any character, or to any attachment, levy, garnishment or other judicial process or to any claim for set-off, counterclaim, deduction or discount. Debtor shall not, without the prior written consent of Secured Party, which consent may be granted or denied in Secured Party’s sole discretion, further convey, transfer, set over or pledge to any party any of its interests in the Collateral. Debtor agrees to (i) warrant and defend its title to the Collateral and the security interest created by this Agreement against all claims of all persons (other than Secured Party and persons claiming through Secured Party), and (ii) maintain and preserve the Collateral and such security interests.

(d) Saigebrook’s Employer Identification Number is 45-3062708, and its principal place of business is located at 412 W 3rd Street, Suite 1504, Austin, Texas 78701. O-SDA’s Employer Identification Number is 80-0641068, and its principal place of business is located at 5714 Sam Houston Circle, Austin, Texas 78731.

(e) Debtor agrees that it shall not, without at least thirty (30) days’ prior written notification to Secured Party, move or otherwise change its principal place of business or state of formation.

(f) Debtor shall not exercise any voting rights, or give any approvals, consents waiver or other ratifications in respect to the Collateral which would violate or contravene, or which would cause or otherwise authorize Debtor to violate or contravene, any provision of this Agreement.

(g) This Agreement and consummation of the transactions contemplated herein are not in conflict with and will not result in a breach of any of the terms, provisions or conditions of any other agreement or instrument to which Debtor may be bound, including, without limitation, the organizational documents for Debtor, or of any order, judgment, law, rule or regulation of any court or governmental body or administrative agency applicable to Debtor.

8. Event of Default. Each of the following shall constitute an Event of Default hereunder:
(a) An event of default has occurred under the Development Agreement or the Operating Agreement, and such default shall not have been cured within any applicable grace period provided therein; or

(b) Any warranty, representation or statement of Debtor in this Agreement proves to have been false in any material respect when made or furnished; or

(c) There occurs the issuance of a writ, order of attachment or garnishment with respect to any of the Collateral and such writ, order of attachment or garnishment is not dismissed and removed within fifteen (15) days thereafter; or

(d) A material breach or violation of any covenant or agreement contained herein has occurred, which is not cured within ten (10) days after notice has been given to Debtor by Secured Party.

9. Remedies.

(a) Upon the occurrence of an Event of Default, Secured Party may, by giving notice of such Event of Default, at its option, do any one or more of the following:

(i) Declare all of the Obligations secured hereby to be immediately due and payable, whereupon all unpaid principal and interest on said Obligations and other amounts declared due and payable shall become immediately due and payable without presentment, demand, protest or notice of any kind; and

(ii) Take possession of all or any of the Collateral, collect, and apply against the Obligations, all payments due, proceeds, whether cash proceeds or noncash proceeds, and products from any obligor under the agreements constituting the Collateral, that would otherwise be paid to Debtor; and

(iii) Either personally, or by means of a court appointed receiver, take possession of all or any of the Collateral and exclude therefrom Debtor and all others claiming under Debtor, and thereafter exercise all rights and powers of Debtor with respect to the Collateral or any part thereof. If Secured Party demands, or attempts to take possession of any of the Collateral in the exercise of any rights under this Agreement, Debtor promises and agrees to promptly turn over and deliver complete possession thereof to the Secured Party; and

(iv) Without notice to or demand upon Debtor, make such payments and do such acts as Secured Party may deem necessary to protect its security interest in the Collateral, including, without limitation, paying, purchasing, contesting or compromising any encumbrance, charge or lien which is prior to or superior to the security interest granted hereunder, and in exercising any such powers or authority to pay all expenses incurred in connection therewith; and

(v) Require Debtor to take all actions necessary to deliver such Collateral to Secured Party, or an agent or representative designated by it. Secured Party, and its agents and representatives, shall have the right to enter upon any or all of Debtor’s premises and property to exercise the Secured Party’s rights hereunder; and
(vi) Foreclose upon this Agreement as herein provided or in any manner permitted by law, and exercise any and all of the rights and remedies conferred upon Secured Party by the Development Agreement or the Operating Agreement, or in any other document executed by Debtor in connection with the Obligations secured hereby, either concurrently or in such order as Secured Party may determine; and sell or cause to be sold in such order as Secured Party may determine, as a whole or in such parcels as Secured Party may determine, the Collateral, without affecting in any way the rights or remedies to which Secured Party may be entitled under the other such instruments; and

(vii) Sell or otherwise dispose of the Collateral at public sale, without having the Collateral at the place of sale, and upon terms and in such manner as Secured Party may determine. Any Secured Party may be a purchaser at any sale; and

(viii) Exercise any remedies of Secured Party under the Uniform Commercial Code of the State of Florida, Uniform Commercial Code of the State of Texas or any other applicable law; and

(ix) The rights granted to Secured Party under this Agreement are of a special, unique, unusual and extraordinary character. The loss of any of such rights cannot reasonably or adequately be compensated by way of damages in any action at law, and any material breach by Debtor of any of Debtor’s covenants, agreements or obligations under this Agreement will cause Secured Party irreparable injury and damage. In the event of any such breach, Secured Party shall be entitled, as a matter of right, to injunctive relief or other equitable relief in any court of competent jurisdiction to prevent the violation or contravention of any of the provisions of this Agreement or to compel compliance with the terms of this Agreement by Debtor. Secured Party is absolutely and irrevocably authorized and empowered by Debtor to demand specific performance of each of the covenants and agreements of Debtor in this Agreement. Debtor hereby irrevocably waives any defense based on the adequacy of any remedy at law which might otherwise be asserted by Debtor as a bar to the remedy of specific performance in any action brought by Secured Party against Debtor to enforce any of the covenants or agreements of Debtor in this Agreement.

(b) Unless the Collateral is perishable or threatens to decline speedily in value or is of a type customarily sold on a recognized market, Secured Party shall give Debtor at least ten (10) days’ prior written notice of the time and place of any public sale of the Collateral subject to this Agreement or other intended disposition thereof to be made. Such notice shall be conclusively deemed to have been delivered to Debtor at the address set forth in Paragraph 7(d) of this Agreement, unless Debtor shall Notify Secured Party in writing of its change of its principal place of business.

(c) The proceeds of any sale under Paragraph 9(a) above shall be applied as follows:

(x) To the repayment of the costs and expenses of retaking, holding and preparing for the sale and the selling of the Collateral (including actual legal expenses and attorneys’ fees) and the discharge of all assessments, encumbrances, charges or liens, if any, on
the Collateral prior to the lien hereof (except any taxes, assessments, encumbrances, charges or liens subject to which such sale has been made);

(xi) To the payment of the whole amount then due and unpaid of the Obligations;

(xii) To the payment of all other amounts then secured hereby; and

(xiii) The aggregate surplus, if any, shall be paid to Debtor in a lump sum, without recourse to Secured Party, or as a court of competent jurisdiction may direct.

d) Secured Party has the right to enforce one or more remedies hereunder and/or under the Development Agreement, successively or concurrently, and such action shall not operate to estop or prevent Secured Party from pursuing any further remedy which it may have, and any repossession or retaking or sale of the Collateral pursuant to the terms hereof shall not operate to release Debtor until full payment of any deficiency has been made in cash.

e) DEBTOR ACKNOWLEDGES THAT SECURED PARTY MAY BE UNABLE TO EFFECT A PUBLIC SALE OF ALL OR ANY PART OF THE COLLATERAL AND MAY BE COMPELLED TO RESORT TO ONE OR MORE PRIVATE SALES TO A RESTRICTED GROUP OF PURCHASERS WHO WILL BE OBLIGATED TO AGREE, AMONG OTHER THINGS, TO ACQUIRE THE COLLATERAL FOR THEIR OWN ACCOUNT, FOR INVESTMENT AND NOT WITH A VIEW TO THE DISTRIBUTION OR RESALE THEREOF. DEBTOR FURTHER ACKNOWLEDGES THAT ANY SUCH PRIVATE SALES MAY BE AT PRICES AND ON TERMS LESS FAVORABLE THAN THOSE OF PUBLIC SALES, AND AGREES THAT SUCH PRIVATE SALES SHALL BE DEEMED TO HAVE BEEN MADE IN A COMMERCIALLY REASONABLE MANNER AND THAT SECURED PARTY HAS NO OBLIGATION TO DELAY SALE OF ANY COLLATERAL TO PERMIT THE ISSUER THEREOF TO REGISTER IT FOR PUBLIC SALE UNDER THE SECURITIES ACT OF 1933. DEBTOR AGREES THAT SECURED PARTY SHALL BE PERMITTED TO TAKE SUCH ACTIONS AS SECURED PARTY DEEMS REASONABLY NECESSARY IN DISPOSING OF THE COLLATERAL TO AVOID CONDUCTING A PUBLIC DISTRIBUTION OF SECURITIES IN VIOLATION OF THE SECURITIES ACT OF 1933 OR THE SECURITIES LAWS OF ANY STATE, AS NOW ENACTED OR AS THE SAME MAY IN THE FUTURE BE AMENDED, AND ACKNOWLEDGES THAT ANY SUCH ACTIONS SHALL BE COMMERCIALLY REASONABLE. IN ADDITION, DEBTOR AGREES TO EXECUTE, FROM TIME TO TIME, ANY AMENDMENT TO THIS AGREEMENT OR OTHER DOCUMENT AS SECURED PARTY MAY REASONABLY REQUIRE TO EVIDENCE THE ACKNOWLEDGMENTS AND CONSENTS OF DEBTOR SET FORTH IN THIS PARAGRAPH.

10. Attorneys’ Fees. Debtor agrees to pay to Secured Party, without demand, reasonable attorneys’ fees and all costs and other expenses which Secured Party expends or incurs in collecting any amounts payable by Debtor hereunder or in enforcing this Agreement against Debtor, whether or not suit is filed.
11. **Further Documentation.** Debtor hereby agrees to execute, from time to time, one or more financing statements and such other instruments as may be required to perfect the security interest created hereby, including any continuation or amendments of such financing statements, and pay the cost of filing or recording the same in the public records specified by Secured Party.

12. **Waiver and Estoppel.** Debtor represents and acknowledges that it knowingly waives each and every one of the following rights, and agrees that it will be estopped from asserting any argument to the contrary: (a) any promptness in making any claim or demand hereunder; (b) any defense that may arise by reason of the incapacity, lack of authority, death or disability of Debtor or the failure to file or enforce a claim against Debtor’s estate (in administration, bankruptcy or any other proceeding); (c) any defense based upon an election of remedies by Secured Party which destroys or otherwise impairs any or all of the Collateral; (d) the right of Debtor to proceed against Secured Party or any other person, for reimbursement; (e) all duty or obligation of Secured Party to perfect, protect, retain or enforce any security for the payment of amounts payable by Debtor hereunder; and (f) any defense based on modification of the indebtedness secured hereby.

13. **Waiver of Jury Trial.** EACH PARTY TO THIS AGREEMENT HEREBY EXPRESSLY WAIVES ANY RIGHT TO TRIAL BY JURY OF ANY CLAIM, DEMAND, ACTION OR CAUSE OF ACTION (a) ARISING UNDER THIS AGREEMENT, INCLUDING, WITHOUT LIMITATION, ANY PRESENT OR FUTURE AMENDMENT HEREOF, OR (b) IN ANY WAY CONNECTED WITH OR RELATED OR INCIDENTAL TO THE DEALINGS OF THE PARTIES HERETO OR ANY OF THEM WITH RESPECT TO THIS AGREEMENT OR ANY OTHER INSTRUMENT, DOCUMENT OR AGREEMENT EXECUTED OR DELIVERED IN CONNECTION HEREWITH, OR THE TRANSACTIONS RELATED HERETO OR THERETO, IN EACH CASE WHETHER SUCH CLAIM, DEMAND, ACTION OR CAUSE OF ACTION IS NOW EXISTING OR HEREAFTER ARISING, AND WHETHER SOUNDING IN CONTRACT OR TORT OR OTHERWISE; AND EACH PARTY HEREBY AGREES AND CONSENTS THAT ANY SUCH CLAIM, DEMAND, ACTION OR CAUSE OF ACTION SHALL BE DECIDED BY COURT TRIAL WITHOUT A JURY AND THAT ANY PARTY TO THIS AGREEMENT MAY FILE AN ORIGINAL COUNTERPART OR A COPY OF THIS SECTION WITH ANY COURT AS WRITTEN EVIDENCE OF THE CONSENT OF THE PARTIES HERETO TO THE WAIVER OF ANY RIGHT THEY MIGHT OTHERWISE HAVE TO TRIAL BY JURY.

14. **No Continuing Waiver.** No delay or failure on the part of Secured Party in the exercise of any right or remedy against Debtor or any other party against whom Secured Party may have any rights, shall operate as a waiver of any agreement or obligation contained herein, and no single or partial exercise by Secured Party of any rights or remedies hereunder shall preclude other or further exercise thereof or other exercise of any other right or remedy whether contained in this Agreement or in any of the other documents regarding the Obligations, including, without limitation, the Development Agreement and the Operating Agreement. No waiver of the rights of Secured Party hereunder or in connection herewith and no release of Debtor shall be effective unless in writing executed by Secured Party. No actions of Secured
Party permitted under this Agreement shall in any way impair or affect the enforceability of any agreement or obligation contained herein.

15. **Independent Obligations.** The obligations of Debtor are independent of the obligations of any other party which may be initially or otherwise responsible for performance or payment of the Obligations, and a separate action or actions for payment, damages or performance may be brought and prosecuted by Secured Party against Debtor, individually, for the full amount of the Obligations then due and payable, whether or not an action is brought against any other party, whether or not Secured Party is involved in any proceedings and whether or not Secured Party or Debtor or other person is joined in any action or proceedings.

16. **No Offset Rights of Debtor.** No lawful act of commission or omission of any kind or at any time upon the part of Debtor shall in any way affect or impair the rights of Secured Party to enforce any right, power or benefit under this Agreement, and no set-off, recoupment, counterclaim, claim, reduction or diminution of any obligation or any defense of any kind or nature which Debtor has or may have against Secured Party or against any other party shall be available against Secured Party in any suit or action brought by Secured Party to enforce any right, power or benefit under this Agreement.

17. **Power of Attorney.** Debtor hereby appoints Secured Party as its attorney-in-fact to execute and file on its behalf any financing statements, continuation statements or other documentation required to perfect or continue the security interest created hereby. This power, being coupled with an interest, shall be irrevocable until all amounts secured hereby have been paid, satisfied and discharged in full.

18. **GOVERNING LAW.** THIS AGREEMENT SHALL BE GOVERNEBY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF TEXAS. THE PARTIES HERETO AGREE THAT IN THE EVENT OF DEFAULT, THIS AGREEMENT MAY BE ENFORCED IN ANY COURT OF COMPETENT JURISDICTION IN THE STATE OF TEXAS, AND ANY STATE IN WHICH ALL OR ANY PART OF THE COLLATERAL IS LOCATED AND THEY DO HEREBY SUBMIT TO THE JURISDICTION OF ANY AND ALL SUCH COURTS REGARDLESS OF THEIR PRINCIPAL PLACE OF BUSINESS OR WHERE THIS AGREEMENT MAY BE EXECUTED.

19. **Successors and Assigns.** All agreements, covenants, conditions and provisions of this Agreement shall inure to the benefit of and be binding upon the respective successors and assigns of the parties hereto.

20. **Notices.** Whenever any party hereto shall desire to, or be required to, give or serve any notice, demand, request or other communication with respect to this Agreement, each such notice, demand, request or communication shall be in writing and shall be effective only if the same is delivered by personal service (including, without limitation, courier or express service) or mailed certified or registered mail, postage prepaid, return receipt requested, or sent by electronic mail to the parties at the addresses and email addresses shown throughout this Agreement or such other addresses which the parties may provide to one another in accordance herewith. If notice is sent to Secured Party, a copy of such notice shall also be given to Jere G. Thompson, Esq., Ballard Spahr LLP, 1735 Market Street, 51st Floor, Philadelphia, Pennsylvania.
19103; Email: thompsonj@ballardspahr.com. Notices delivered personally will be effective upon delivery to an authorized representative of the party at the designated address; notices sent by mail in accordance with the above paragraph will be effective upon execution by the addressee of the Return Receipt Requested.

21. **Consent of Debtor.** Debtor consents to the exercise by Secured Party of any rights of Debtor in accordance with the provisions of this Agreement.

22. **Severability.** Every provision of this Agreement is intended to be severable. If any term or provision hereof is declared by a court of competent jurisdiction to be illegal or invalid for any reason whatsoever, such illegality or invalidity shall not affect the legality or validity of the balance of the terms and provisions hereof, which terms and provisions shall remain binding and enforceable.

23. **Amendment.** This Agreement may be modified or rescinded only by a writing expressly relating to this Agreement and signed by all of the parties.

24. **Termination.** This Agreement shall terminate, and shall be of no further force or effect, upon the earlier to occur of the repayment in full of the Obligations of Debtor or upon the mutual consent of Debtor and Secured Party.

25. **Expenses.** Debtor shall pay all reasonable out-of-pocket fees and charges incurred by Secured Party in connection with this Agreement and the documents entered into in connection therewith, including, without limitation, reasonable attorneys’ fees incurred by Secured Party.

(SIGNATURE APPEARS ON THE FOLLOWING PAGE)
IN WITNESS WHEREOF, Debtor has executed this Pledge and Security Agreement as of the date first above written.

DEBTOR:
SAIGEBOOK DEVELOPMENT, LLC, a Florida limited liability company

By: [Signature]
Name: Lisa A. Angliss
Title: Manager

O-SIA INDUSTRIES, LLC, a Texas limited liability company

By: [Signature]
Name: Megan D. Lauch
Title: Managing Member
IN WITNESS WHEREOF, Debtor has executed this Pledge and Security Agreement as of the date first above written.

DEBTOR:

SAIGEBROOK DEVELOPMENT, LLC, a Florida limited liability company

By: ______________________________
Name: Lisa M. Stephens
Its: Manager

O-SDA INDUSTRIES, LLC, a Texas limited liability company

By: ____________________________
Name: Megan D. Lasch
Its: Managing Member
EXHIBIT I

MANAGEMENT AGREEMENT
MANAGEMENT AGREEMENT

This Management Agreement (this “Agreement”) is made as of August 30, 2018, by and between Mistletoe Station, LLC, a Texas limited liability company, (the “Owner”) and Accolade Property Management, Inc., a Texas corporation (the “Operations Manager”).

Background

The Owner desires to appoint the Operations Manager, upon the terms and subject to the conditions set forth in this Agreement, as the sole and exclusive Operations Manager and exclusive rental representative for the premises described in this Agreement.

Statement of Agreement

This Agreement shall consist in its entirety of the terms stated within this Agreement and the following attachments:

Schedule I- Definitions
Schedule II-Monitoring and Compliance Procedures
Schedule III-Management Plan (with Exhibits)
Schedule IV-List of Development Documents
Schedule V-Form of Lease Documents (with attachments)
Schedule VI – Reporting Requirements
Schedule VII-Management Agreement Addendum
Schedule VII-Management and Marketing Plan Addendum

In consideration of the mutual promises set forth in this Agreement and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

SECTION 1
Appointment of Operations Manager

1.1 Appointment and Acceptance. Owner hereby appoints Operations Manager as sole and exclusive Operations Manager and exclusive rental representative for the Premises described in Section 1.2 upon the terms and conditions provided herein. Operations Manager accepts the appointment and agrees to furnish the services for the leasing and management of the Premises. Except as expressly set forth herein, this Agreement is not one of agency of the Operations Manager for and on behalf of the Owner, but one with the Operations Manager as an independent contractor in the business of managing properties.

1.2 Description of Premises. The premises to be managed by Operations Manager under this Agreement is known as MISTLETOE STATION APARTMENTS consisting of the apartments, land, buildings, and other improvements located at Fort Worth, Texas Tarrant County (the "Premises"). The Premises to be managed by the Operations Manager contains 110 residential units.
1.3 **Term.** The term of this Agreement shall commence on and shall thereafter continue from month to month unless terminated as provided in Section 21 herein.

1.4 **Management Office.** Owner shall, at no cost to Operations Manager, provide adequate space on the Premises for a management office. Owner shall pay, in compliance with the Approved Budget all expenses related to such office, including, but not limited to, furnishings, equipment, postage and office supplies, electricity and other utilities, and telephone.

1.5 **Agreement to Operate and Maintain.** In accepting this appointment, the Operations Manager hereby acknowledges that (i) the Development (as defined in Schedule I) is subject to restrictive covenants imposed by Texas Department of Housing and Community Affairs (“TDHCA”) in connection with its allocation of low income housing tax credits to the Development, and (ii) 74 of the units are to be operated and maintained as qualified low-income units under Section 42 of the Code (as such terms are defined in Section 42 of the Code). Operations Manager certifies to Owner that, as Operations Manager, it shall undertake and perform all of Owner’s management duties and responsibilities in compliance with Section 42 of the Code, and the Development Documents.

**SECTION 2**

**Bank Account**

2.1 **Operating Account.** Operations Manager shall maintain an account or accounts in the name of Owner and known collectively as the Mistletoe Station Apartments Operating Account held in agent capacity for the benefit of Owner (collectively, the "Operating Account"), for the deposit of receipts collected and funds for accounts payable as described herein, in a bank or other institution whose deposits are insured by the Federal Deposit Insurance Corporation ("FDIC") and in accordance with the Operating Agreement. Such depository shall be selected by Operations Manager subject to the approval of the Owner. Funds from the Premises in the Operating Account shall remain the property of Owner subject to disbursement of expenses by Operations Manager as described in this Agreement. The Operating Account shall be a non-interest bearing account. Owner shall have the right upon written notice to the bank, at any time, to terminate Operation Manager's authority to draw checks upon the Operating Account. Operations Manager shall not commingle the Operating Account with any other funds.

2.2 **Contingency Reserve.** Operations Manager shall be entitled to maintain the sum equal to one month's accounts payable invoices as a contingency reserve (the "Contingency Reserve") out of the receipts from the Premises. Owner agrees to Operations Manager's maintenance of the Contingency Reserve at all times in the Operating Account to enable Operations Manager to pay the obligations of Owner under this Agreement as they become due. Owner and Operations Manager shall review the amount of the Contingency Reserve from time to time and shall agree in writing on a new Contingency Reserve amount when such is required. In the event this Agreement is terminated or if the Operations Manager is replaced, all of the funds in the Contingency Reserve shall be immediately released to the Owner.

2.3 **Security Deposit Accounts.** Operations Manager shall maintain one or more separate accounts for tenant security deposits held in custodial capacity for certain residents (collectively, the "Security Deposit Account"). The Security Deposit Account shall be maintained in
accordance with applicable state or local laws, if any, and shall be maintained in an institution in which the Security Deposit Account is insured by the FDIC. Security Deposit Account balances shall not exceed levels which are fully insured by the FDIC. Operations Manager shall fully fund all security deposits into the Security Deposit Account, notwithstanding whether local law requires full funding. The Security Deposit Account shall be a segregated account that is distinct from the Operating Account and any other accounts relating to the Apartment Complex or the Operations Manager. The Security Deposit Account shall be the sole and exclusive property of the Owner and Operations Manager shall retain no interest therein. Operations Manager shall not commingle the Security Deposit Account with any other funds. Checks may be drawn upon the Security Deposit Account only by persons authorized by Owner in writing to sign checks, at least one of whom shall be a designee of Operations Manager. No loan shall be made from the Security Deposit Account. Operations Manager shall not use a "Standardized clearing account" for the Security Deposit Account. The Security Deposit Account shall be established in the name of the Operations Manager to be held in trust for the Owner.

2.4 Account Liability. In the event of bankruptcy or failure of a depository, Operations Manager shall not be liable for any funds or other matters related to the Operating Account, Security Deposit Account, or any other account established to carry out this Agreement, provided Operations Manager has complied with the provisions of this Section 2.

2.5 Fidelity Bond/Employee Dishonesty Insurance. The Operations Manager shall secure either a fidelity bond or employee dishonesty insurance with regard to on-site personnel, the cost of which shall be paid for by Operations Manager, as set forth in Schedule VII. The bond or employee dishonesty insurance covering on-site personnel must be in compliance with all mortgagee or beneficiary of any deed of trust, Investor Member, state and federal requirements applicable to the Premises. Other terms and conditions of the bond or insurance policy, including the amount thereof and the surety thereon or the insurer, as applicable, will be subject to the approval of the Owner.

SECTION 3
Collection of Rents and Other Receipts

3.1 Operations Manager's Authority. Operations Manager shall collect (and give receipts for, if necessary) all rents, charges, special charges and other amounts receivable on Owner's account in connection with the management and operation of the Premises. Such receipts (except tenants' security deposits, which shall be handled as specified in Sections 2.2 and 3.3 hereof) shall be deposited in the Operating Account maintained by Operations Manager for the Premises.

3.2 Special Charges. Operations Manager shall collect additional fees and charges from tenants, on Owner's behalf, to the extent permitted by the leases and by applicable law, including, but not limited to, the following: application fees, re-letting fees, pet fees and/or deposits administrative charges for late payment of rent, charges for returned or non-negotiable checks and credit-report fees.

3.3 Security Deposits. Operations Manager shall use diligent efforts to collect, and, upon collection, shall deposit and disburse tenants' security deposits in accordance with the terms of each tenant's lease. Operations Manager shall pay interest to tenants upon such security deposits
only if, and to the extent, required by law to do so; otherwise, the security deposit will be held in non-interest bearing accounts. Operations Manager shall comply with all applicable state or local laws concerning the responsibility for security deposits and interest, if any.

SECTION 4
Disbursements From Operating Account

4.1 Operating Expenses. From the Operating Account, Operations Manager is hereby authorized to pay or reimburse itself for all expenses and costs of operating the Premises and for all other sums due Operations Manager under this Agreement, including Operations Manager's compensation under Section 17, all subject to the terms of this Agreement and the Approved Budget (as defined in Section 6.1). Operations Manager shall use reasonable efforts to comply with the limitations on expenditures set forth in the Approved Budget (as defined herein). Operations Manager shall obtain Owner's prior written consent before incurring on behalf of Owner any single expenditure in excess of $5,000 excluding utility bills and other normal and recurring expenses included in the Approved Budget, except in an emergency in which case Operations Manager may incur such expenses as are reasonably necessary to protect life and property. Operations Manager shall notify Owner of any such emergency expenses as soon as practicable after they are incurred but in no event later than 3 days thereafter.

4.2 Debt Service. Owner has given Operations Manager notice that Operations Manager is to make debt service payments out of the proceeds from the Premises. Operations Manager shall have the authority to name a new Contingency Reserve amount pursuant to Section 2.2 of this Agreement for payment of such debt service, and Owner shall maintain this new Contingency Reserve at all times in the Operating Account.

4.3 Net Proceeds. To the extent that funds are available for any given calendar year, and after maintaining the Contingency Reserve as specified in Section 2.2, Operations Manager shall transmit cash balances to Owner annually by January 31 of each year at the direction of Owner, or at Owner’s election, at quarterly intervals. Such periodic cash balances shall be remitted to an entity to be provided by the Owner.

SECTION 5
Operations Manager Not Required To Advance Funds

5.1 Advances Not Required. In the event that the balance in the Operating Account is at any time insufficient to pay disbursements due and payable under Sections 4.1 and 4.2 above, Owner shall, promptly upon written notice, remit to Operations Manager sufficient funds to cover the deficiency and replenish the Contingency Reserve. In no event shall Operations Manager be required to advance any monies to Owner, to the Security Deposit Account, or to the Operating Account.

SECTION 6
Budget, Financial And Other Reports

6.1 Approved Budget. Operations Manager shall prepare and submit to Owner for Owner's approval a proposed operating budget (the "Proposed Budget") for the marketing, operation,
repair, maintenance and improvement of the Premises for each calendar year. The Proposed Budget for each calendar year shall be delivered to Owner no later than the immediately preceding October 15th of such calendar year, and Owner shall promptly review the Proposed Budget and discuss revisions, if any, with Operations Manager. Such budget, when approved by Owner, is herein referred to as the "Approved Budget". In the event that Owner fails to provide an Approved Budget within the time provided for in this Section 6.1, either party may terminate this Agreement pursuant to Section 21.1. An Approved Budget shall not be revised without the prior written consent of the Owner, which consent may be granted or withheld in Owner's sole and absolute discretion.

6.2 Reports. On or before the 15th day of each month, Operations Manager shall furnish Owner with the following reports: (i) a statement of income and expenses from the operation of the Premises during the previous month, with a comparison to the Approved Budget (ii) general ledger, (iii) rent roll, and (iv) comparative balance sheet between previous month and current month. In addition, Operations Manager shall, on a mutually acceptable schedule, prepare and submit to Owner such other reports as are reasonably requested by the Owner.

6.3 Owner's Right to Audit and Inspect Records. Owner shall have the right to perform periodic audits of all applicable accounts managed by Operations Manager, and the cost of such audit(s) shall be paid by Owner. Owner or its agents or accountants shall also have the right to inspect Operations Manager's records pertaining to the Premises at reasonable intervals during the term of this Agreement during normal business hours upon reasonable advance written notice.

SECTION 7
Advertising

7.1 Advertising. Consistent with the Approved Budget, Operations Manager is authorized to advertise the Premises or portions thereof for rent, using periodicals, signs, plans, brochures, or displays, or such other means as Operations Manager may deem proper and advisable, provided such advertising conforms to applicable law and to Owner's requirements, including, without limitation, all set-asides, rent restrictions and annual recertifications and other requirements in order to comply with Section 42 of the Code. Operations Manager is authorized to place signs on the Premises advertising the units located on the Premises for rent. The costs of such advertising shall be paid out of the Operating Account. All advertising shall make clear that Operations Manager is providing property management; provided, however, Operations Manager shall not use Owner's name in any such advertising literature without Owner's express written approval. All advertising campaigns shall be subject to Owner's approval, other than advertisements for individual units.

SECTION 8
Leasing And Renting

8.1 Owner's Authority to Lease Premises. Operations Manager shall use diligent efforts to keep the Premises rented by procuring tenants for the Premises. Operations Manager is authorized to negotiate, prepare, and execute all leases, including all renewals and extensions of leases, and to cancel and modify existing leases, which must comply with federal, state and local
laws, rules and regulations and the Development Documents. Operations Manager shall execute all leases as agent for Owner. All costs of leasing shall be paid out of the Operating Account. All leases (including renewals) shall be in writing and shall be for a term of not less than six (6) months and no more than twelve (12) months without prior written approval by Owner. The form of lease are attached as Schedule V (which includes leasing terms in accordance with the compliance requirements set forth on Schedule II), which forms shall be utilized without modification other than as approved in writing by Owner. Month-to-month tenancies shall only be permitted upon the expiration of a lease otherwise permitted hereunder; provided, however, under no circumstances shall any tenant occupy a unit on month-to-month basis for more than three (3) months without Owner's prior written approval.

8.2 No Other Rental Manager. During the term of this Agreement, Operations Manager shall have the exclusive right to lease the Premises, and Owner shall not authorize any other person, firm, corporation or other entity to negotiate or act as leasing or rental agent with respect to any leases for space in the Premises. Owner agrees to promptly forward all inquiries about leases to Operations Manager.

8.3 Rental Rates. Operations Manager acknowledges the Premises are subject to rental amount limitations and/or income qualifications, and acknowledges and agrees that it is not authorized to change or revise any rents, tenant charges, or deposits, and/or other charges chargeable with respect to the Premises, without the prior written approval of Owner.

8.4 Enforcement of Leases. Operations Manager is authorized to institute, in Owner's name, all legal actions or proceedings for the enforcement of any lease provision, for the collection of rent or other income from the Premises, or for any evicting or dispossession of tenants or other persons from the Premises. Operations Manager is authorized to sign and serve such notices as Operations Manager deems necessary for lease enforcement, including the collection of rent or other income. Operations Manager is authorized, when expedient, to settle, compromise, and release such legal actions or suit or reinstate such tenancies provided such settlement or compromise does not require payments exceeding $1,000 (exclusive of legal fees and court costs), or such other amount included in the Approved Budget, without the prior written approval of Owner. Reasonable attorney's fees (within the specific market), filing fees, court costs, and any and all other reasonable expenses incurred in connection with such actions and not recovered from tenants shall be paid out of the Operating Account or reimbursed directly to Operations Manager by Owner. Operations Manager will, subject to Owner's approval, select the attorney to handle such proceedings.

8.5 Internal Revenue Code Section 42. Operations Manager agrees that it will comply with Section 42 of the Internal Revenue Code of 1986, as amended (the “Code”) requirements relating to residential building operations including leasing and compliance monitoring and attendant activities, including without limitation, monitoring any and all rent amount limitations and income qualifications. The Operations Manager covenants that it will perform its services in accordance with the standards of the tax credit property management industry in the State of Texas, and will comply with all directives, requests for information, requests for compliance monitoring visits and the like from Texas Department of Housing and Community Affairs (TDHCA), including, without limitation, the Management and Marketing Plan Addendum attached hereto as Schedule VIII, which Operations Manager shall execute and deliver to Owner.
simultaneously with the execution of this Agreement. In the event of a conflict between any provision of this Agreement and the provisions of Schedule VIII attached hereto, the provisions of said Schedule VIII shall control.

SECTION 9
Employees

9.1 Operations Manager's Authority to Hire. Operations Manager is authorized to hire, supervise, discharge, and pay all employees, contractors, or other personnel necessary to be employed in the management, maintenance and operation of the Premises for compensation as provided in the Approved Budget. All such employees, other than independent contractors, shall upon hiring, and during their active employment on or in connection with the Premises, become employees of the Operations Manager or Operations Manager's affiliate, provided, however, that upon termination of Operations Manager, Owner shall be entitled, but shall have no obligation, to offer employment to any or all such employees.

9.2 Operations Manager. Operations Manager shall not discharge, relocate or otherwise remove the employee appointed as Property Manager without first giving five (5) business days’ written notice to the Owner unless any discharge is for cause, in which event no prior written notice to Owner shall be required but Operations Manager shall promptly notify Owner after any such discharge for cause.

9.3 Owner Pays Employees' Expenses. All wages and fringe benefits payable to Operations Manager's employees hired pursuant to paragraph 9.1 above and all local, state and federal taxes and assessments (including but not limited to Social Security taxes, unemployment insurance and worker's compensation insurance) incident to the employment of such personnel, shall, subject to the Approved Budget, be paid by Operations Manager out of the Operating Account and shall be treated as operating expenses.

9.4 Operations Manager's Authority To File Returns. Operations Manager shall do and perform all acts required of an employer with respect to the Premises and shall execute and file all payroll tax and other returns required under the applicable federal, state and local laws, regulations and/or ordinances governing employment and all other statements and reports pertaining to labor employed in connection with the Premises and under any similar federal or state law now or hereafter in force. Operations Manager shall be responsible for all amounts required to be paid under the foregoing laws; provided, however, Owner shall be responsible for reimbursing Property Manager for such costs in accordance with the Approved Budget, and Operations Manager shall pay the same from the Operating Account.

9.5 Worker's Compensation Insurance. Operations Manager shall, at Owner's expense, maintain worker's compensation insurance covering all liability of the Operations Manager as an employer in Texas of the employees at the Premises under established worker's compensation laws. Operations Manager may, with Owner’s prior written consent (which may be granted or withheld in Owner’s sole and absolute discretion), opt for a voluntary on the Job Injury Benefit Plan filed and maintained in accordance with, and as defined in, the provisions of the Employee Retirement Income Security Act of 1974 (ERISA) where state law allows and Operations Manager, with Owner’s prior consent, elects to withdraw from the state workers compensation
system, as long as the cost, including insurance premiums, does not exceed the cost of the state workers compensation system premium. Operations Manager shall provide Owner with a certificate evidencing such coverage and providing thirty (30) days’ written notice of cancellation or non-renewal. A copy of the insurance policy will be promptly furnished to Owner upon request.

SECTION 10
Expenses And Necessary Approvals

10.1 Ordinary Expenses. Consistent with the Approved Budget, and subject to Section 10.2, Operations Manager is authorized to make or cause to be made, through contracted services or otherwise, capital expenditures, all ordinary repairs and replacements reasonably necessary to preserve the Premises, and all alterations required to comply with lease requirements, governmental regulations or insurance requirements. Operations Manager is also authorized to incur expenses to decorate the Premises and, following written notice to the Owner, to purchase or rent, on Owner's behalf, all equipment, tools, appliances, materials, supplies, uniforms and other items reasonably necessary for the management, maintenance or operation of the Premises, subject to the Approved Budget. Such expenses shall be paid out of the Operating Account.

10.1.1 Contractor Insurance. Operations Manager shall require all contractors performing work on the Premises to carry comprehensive general liability coverage for $1,000,000 combined single limit including products, completed operations and contractual liability, for bodily injury and property damage, and automobile liability for $1,000,000 combined single limit for all owned, hired and non-owned vehicles as well as worker's compensation coverage for statutory limits; provided, however, that the parties may agree to lower insurance coverage if the circumstances so warrant and the Owner has given its prior written consent to the Operations Manager. Evidence of coverage is to be secured through a certificate of insurance, naming the Owner and Operations Manager as additional insured. The certificate must provide thirty (30) days written notice to Owner before any cancellation and/or non-renewal. The Operations Manager may require higher limits based on the nature of the work to be performed and amount of the contract. Upon written notice to and written approval by Owner, Operations Manager shall have the right to waive this provision when in its discretion it is in the best interest of the Premises to hire a contractor without such coverage.

10.2 Approval for Expenses. With respect to all of the pre-approved payments and expenditures which Operations Manager is authorized to make under this Agreement, Operations Manager shall not be authorized to incur or be reimbursed for, whether out of the Contingency Reserve, the Operating Account, or otherwise, any costs, fees or expenses for any item exceeding the amount provided therefore in the Approved Budget, provided, however, that for unbudgeted items, the expense to be incurred for any one item, maintenance, alteration, refurbishing or repair shall not exceed the sum of $1,500 and shall not in the aggregate exceed by more than $5,000 the total annual Approved Budget (exclusive of utilities and taxes), unless such expense is specifically authorized in writing by Owner, or is incurred under such circumstances as Operations Manager shall reasonably deem to be an emergency. In an emergency where repairs are immediately necessary for the preservation and safety of the Premises, or to avoid the suspension of any essential service to the Premises, or to avoid danger to life or property, or to
comply with federal, state or local law, the cost of such emergency repairs may be incurred by Operations Manager at Owner's expense without prior approval. Owner shall be notified in writing as soon as reasonably possible after any such repair. Operations Manager shall obtain Owner's written approval prior to retaining consultants and lawyers to perform unusual or extraordinary services (see Sec. 16.2) for the Premises.

SECTION 11
Contracts, Utilities And Services

Operations Manager is not authorized to negotiate contracts for nonrecurring items of expense, which have not been previously budgeted; Contracts for nonrecurring items of expense which have not been previously budgeted must be approved in writing by Owner before they are executed. Operations Manager shall, in Owner's name and at Owner's expense, make contracts on Owner's behalf for electricity, gas, telephone, fuel or water, and such other services as Operations Manager shall deem reasonably necessary or prudent for the operation of the Premises, provided such expenses are in the Approved Budget and provided further that all contracts for utilities and communications services shall be subject to the prior written approval of Owner. All utility deposits, if any, shall be Owner's responsibility, except that Operations Manager may pay utility deposits from the Operating Account at Owner's request. All such contracts shall contain substantially the provision contained in Section 21.5 hereof.

SECTION 12
Relationship of Operations Manager To Owner

The relationship of the Operations Manager to Owner shall be that of independent contractor and nothing in this Agreement shall be construed as creating a partnership, joint venture, employer, employee, or any other relationship between the parties to this Agreement or as requiring Operations Manager to bear any portion of losses arising out of or connected with the ownership or operation of the Premises. Operations Manager shall not at any time during the period of this Agreement be considered the agent of Owner, and neither party shall have the power to bind or obligate the other except as expressly set forth in this Agreement.

SECTION 13
Indemnification

13.1 Operations Manager Indemnification. Operations Manager will indemnify and hold Owner and its members, partners, directors, officers, employees, representatives, and agents harmless from and against any and all claims, costs, damages, losses, fines, penalties, liabilities, and expenses of any kind including, without limitation, (1) any attorney’s fees incurred, whether or not suit is brought, and at trial and at all appellate levels, arising from or in any way relating to any gross negligence by Operations Manager, or occurring by reason of any omission, neglect, or wrongdoing by Operations Manager or any of its officers, directors, owners, shareholders, employees, or agents arising from its duties in connection with the Premises and the performance of its obligations under this Agreement, (2) any act by Operations Manager (or any officer, agent, employee or contractor of Operations Manager) outside the scope of Operations Manager authority hereunder and (3) claims made by current or former employees or applicants for employment arising from hiring, supervising or firing the same. Operations Manager will, at its
sole cost and expense, defend and protect Owner from and against any and all such claims or demands except that such indemnity will be limited to losses not covered by insurance maintained by Owner, but subject to the provisions of Section 2.M. of Schedule VII. The provisions of this section will survive the termination of this Agreement.

13.2 Owner Indemnification. Owner will indemnify and hold Operations Manager and its shareholders, partners, directors, officers, employees, representatives, and agents harmless from and against any and all claims, costs, damages, losses, fines, penalties, liabilities, and expenses of any kind including, without limitation, any attorney’s fees incurred, whether or not suit is brought, and at trial and at all appellate levels, arising from or in any way relating to any gross negligence by Owner, or occurring by reason of any omission, neglect, or wrongdoing by Owner or any of its officers, directors, owners, members, employees, or agents arising from its duties in connection with the premises. Owner will, at its sole cost and expense, defend and protect Operations Manager from and against any and all such claims or demands except that such indemnity will be limited to losses not covered by insurance maintained by Operations Manager. The provisions of this section will survive the termination of this Agreement.

SECTION 14
Insurance and Taxes

14.1 Insurance. Owner shall obtain and keep in force insurance against physical damage (e.g., fire with extended coverage endorsement, windstorm, etc.) and primary liability insurance for loss, damage, or injury to property or persons which might arise out of the occupancy, management operation, or maintenance of the Premises in compliance with the requirements of TDHCA, Owner’s lenders and investors, naming the Owner and each beneficiary of a deed of trust as named insured. Operations Manager shall maintain at its own cost, secondary liability insurance as set forth Schedule VII, naming the Owner and each beneficiary of a deed of trust as additional insureds. Owner’s liability insurance shall name Operations Manager as an additional insured, shall state that it is primary insurance for any loss. Owner agrees to furnish Operations Manager and Operations Manager agrees to furnish Owner with certificates evidencing such insurance. Such policies shall be evidenced with a Certificate of Insurance provided to each other within thirty (30) days of the execution of this Agreement. Said policies shall provide that notice of default or cancellation shall be sent to each party as well as owner and shall require a minimum of thirty (30) days written notice to each party before any cancellation or non-renewal of said policies. Operations Manager shall obtain and maintain errors and omissions insurance or equivalent coverage to cover the Premises in amounts acceptable to Owner, acting reasonably, in accordance with the standards of the industry, and shall deliver proof of such coverage at Owner’s request. The Owner and Operations Manager acknowledge and agree to comply with the insurance requirements of the Development Documents. The Owner’s primary liability insurance policy will have a minimum combined single limit of not less than $1,000,000 each occurrence/$2,000,000 aggregate. Owner’s liability insurance must have no exclusions or limitations with respect to coverage for assault and battery, sexual assault and molestation, swimming pools and smoke detectors. In addition, the Owner shall carry an excess liability insurance policy with bodily injury and property damage combined single limits of not less than $5,000,000.
14.2 **Waiver of Subrogation.** Operations Manager and Owner waive all rights of subrogation against each other to the extent such waiver is permitted by insurers under the relevant property insurance policies.

14.3 **Taxes.** Operations Manager shall be responsible for monitoring all real estate and personal property taxes for the Premises to the extent such taxes are charged to the property (unless the Owner otherwise directs the Operations Manager). Upon written request by Owner, Operations Manager shall conduct any tax appeals to appropriate authorities. Notwithstanding said responsibility, Operations Manager shall not, under any circumstances, agree to any final resolution of the tax appeal proceeding without making a recommendation to, and obtaining final consent from, Owner. Operations Manager shall promptly forward copies of all tax bills and notices to Owner but Operations Manager shall account for, administer and pay all tax invoices and escrows pursuant to the Approved Budget unless otherwise directed in writing by Owner. Operations Manager may be authorized in writing by the Owner from time to time to hire a consultant, as an expense of the Premises, to conduct tax appeals for personal and property taxes.

**SECTION 15**

**Operations Manager Assumes No Liability**

Operations Manager assumes no liability whatsoever for any acts or omissions of Owner or any previous owners of the Premises, or any agent of either. Operations Manager assumes no liability for any failure of or default by any tenant in the payment of any rent or other charges due Owner or in the performance of any obligations owed by any tenant to Owner pursuant to any lease or otherwise. Nor does Operations Manager assume any liability for previously unknown violations of any Hazardous Materials Law or other environmental or other regulations which existed prior to, but do not become known until after commencement of the period this Agreement is in effect. Any such regulatory violations or hazards discovered by Operations Manager shall promptly be brought to the attention of Owner in writing.

**SECTION 16**

**Owner Responsible For Expenses of Litigation**

Owner shall pay reasonable expenses provided for in the Approved Budget and incurred by Operations Manager in obtaining legal advice in the ordinary course of landlord/tenant business regarding compliance with any law affecting the Premises or activities related to them; provided, however, that if the cost of obtaining such legal advice is reasonably anticipated to exceed $500 or is not specifically provided for in the Approved Budget, Operations Manager shall obtain Owner's written approval, in advance, to obtain such legal services.

**SECTION 17**

**Operations Manager's Compensation and Expenses**

During the term hereof, as compensation for the services provided by Operations Manager under this Agreement (and exclusive of reimbursement of expenses to which Operations Manager is entitled hereunder), Owner shall pay Operations Manager 5% of each month’s Effective Gross Income (see definition below) or $2,000 per month whichever is greater. The $2,000 per month minimum shall be earned during the lease up and will commence...
120 days prior to the anticipated date of the initial Certificate of Occupancy for the first building. Under no circumstance shall Operations Manager have a right to participate in proceeds of sale, insurance proceeds (except for rental income insurance proceeds) or condemnation proceeds. Payments due Operations Manager for periods of less than a calendar month shall be prorated over the number of days for which compensation is due. The base management fee amount set forth above shall be based upon the Effective Gross Income from the Premises during the preceding month. The term “Effective Gross Income” shall be deemed to include all rents and other income and charges actually received from the normal operation of the Premises, including, but not limited to, rents, parking fees, laundry income, as well as forfeited security deposits, pet deposits, and other fees and deposits, but excluding security deposits and other deposits which have not been forfeited, insurance proceeds other than proceeds for loss of rents or income, condemnation awards, sale or refinancing proceeds, reimbursement of any overpaid expenses, utility charges and other "pass-throughs" or items of expense billed to the tenant and paid by the Premises. Effective Gross Income shall NOT be deemed to include funds provided by Owner, income arising out of the sale of real property or the settlement of fire or other casualty losses or condemnation proceedings and items of a similar nature.

SECTION 18
Representations, Warranties and Covenants

18.1 Authority of Owner and Operations Manager. Owner and Operations Manager represent and warrant that they and their representatives executing this Agreement have full power and authority to enter into this Agreement. This Agreement is a legal, valid and binding obligation of Owner and Operations Manager.

18.2 Environmental Matters.

18.2.1 Owner's Environmental Representations and Warranties. Owner represents and warrants that, to the best of Owner's knowledge, (i) there are no Hazardous Materials (hereinafter defined) or Asbestos (hereinafter defined) on the Premises in violation of any Hazardous Materials Laws, and the Premises are in compliance with all applicable Hazardous Materials Law and (ii) no prior owner or occupant of the Premises has received any written notice or advice from any governmental agency or source whatsoever alleging a violation of any Hazardous Materials Laws with respect to or affecting the Premises.

18.2.2 Operations Manager's Environmental Responsibilities. Operations Manager covenants that Operations Manager shall not use, transport, store, dispose of, or in any manner deal with Hazardous Materials or Asbestos on the Premises, except for those Hazardous Materials necessary for the operation of the Premises and which are used and/or stored in full compliance with all Hazardous Materials Laws. Owner agrees to indemnify Operations Manager for costs and claims arising from the presence of Hazardous Materials, except to the extent that Hazardous Materials are present as a result of the negligence, misconduct or criminal activity of Operations Manager, after the date of this Agreement.

18.2.3 Environmental Definitions.
(a) The term "Hazardous Materials" as used in this Agreement shall include, without limitation, petroleum and petroleum products (excluding a small quantity of gasoline used in maintenance equipment on the Premises), flammable explosives, radioactive materials (excluding radioactive materials in smoke detectors), polychlorinated biphenyl, asbestos in any form that is or could become friable, hazardous waste, toxic or hazardous substances or other related materials whether in the form of chemical, element, compound, solution, mixture or otherwise including, but not limited to, those materials defined as "hazardous substances," "extremely hazardous substances," "hazardous chemicals," "hazardous materials," "toxic substances," "toxic chemicals," "air pollutants," "toxic pollutants," "hazardous wastes," "extremely hazardous waste," or "restricted hazardous waste" by Hazardous Materials Law.

(b) The term "Asbestos" as used in this Agreement shall mean any asbestos or material containing asbestos.

(c) The term "Hazardous Materials Law," as used in this Agreement, means any federal, state, or local law, ordinance or regulation or any court judgment or order of any federal, state or local agency or regulatory body applicable to the Premises relating to environmental or unsafe conditions including, but not limited to, those relating to the generation, manufacture, storage, handling, transportation, disposal, release, emission or discharge of Hazardous Materials and Asbestos, those in connection with the construction, fuel supply, power generation and transmission, waste disposal or any other operations or processes relating to the Premises, and those relating to the atmosphere, soil, surface, and ground water, wetlands, stream sediments and vegetation on, under, in or about the Premises. "Hazardous Materials Law" also shall include, but not be limited to, the Comprehensive Environmental Response, Compensation and Liability Act, the Emergency Planning and Community Right-to-Know Act of 1986, the Hazardous Materials Transportation Act, the Resource Conservation and Recovery Act, the Solid Waste Disposal Act, the Clean Water Act, the Clean Air Act, Toxic Substance Control Act, the Safe Drinking Water Act and the Occupational Safety and Health Act, and all regulations adopted in respect to the foregoing laws.

18.3 Operations Manager’s Licenses. Operations Manager represents that it shall qualify to do business and shall obtain and maintain such licenses as may be required for the performance by Operations Manager of its services under this Agreement.

SECTION 19
Structural Changes

Owner expressly withdraws from Operations Manager any power or authority to make any structural changes to the Premises, including, without limitation, in any building, or to make any other alterations or additions in or to any building or to any equipment in any building, or to incur any expense chargeable to Owner other than expenses related to exercising the express
powers vested in Operations Manager through this Agreement, without the prior written consent of Owner.

However, such emergency repairs as may be required because of danger to life or property, or which are immediately necessary for the preservation and safety of the tenants and occupants thereof, or required to avoid the suspension of any necessary service to the Premises, or to comply with any applicable federal, state, or local laws, regulations, or ordinances, shall be authorized by Section 10.2. Operations Manager shall promptly notify Owner of such emergency repairs.

SECTION 20
Building Compliance

Operations Manager does not assume and is given no responsibility for compliance of the Premises or any building thereon or any equipment therein with the requirements of any building codes or with any statute, ordinance law, or regulation of any governmental body or to any public authority or official thereof having jurisdiction, except to notify Owner promptly in writing or forward to Owner promptly any complaints, warnings, notices or summonses received by Operations Manager or if Operations Manager becomes aware of any actual or potential noncompliance relating to such matters. Owner represents that to the best of Owner's knowledge the Premises and all such equipment comply with all legal requirements, and Owner authorizes Operations Manager to disclose the ownership of the Premises to any such officials. Owner agrees to indemnify and hold Operations Manager, its representatives and employees harmless of and from all loss, cost, expense and liability whatsoever which may be imposed by reason of any present or future violation or alleged violation of such laws, ordinances, statutes or regulations provided, however, that Owner shall not be responsible to Operations Manager for any loss, cost, fee, fine, expense or liability in instances involving Operations Manager's gross negligence or willful misconduct.

SECTION 21
Termination

21.1 Termination By Either Party. This Agreement shall terminate for convenience, with or without cause, upon thirty (30) days' written notice given by either party to the other party. The Owner may terminate this Agreement immediately upon giving written notice to the Operations Manager in the event of (i) gross negligence or fraud by the Operations Manager in the performance of this Agreement, and (ii) Operations Manager’s deliberate or willful default under this Agreement.

21.2 Termination for Cause. Notwithstanding the foregoing, this Agreement shall terminate in any event, and all obligations of the parties hereunder shall cease (except as to liabilities or obligations which have accrued or arisen prior to such termination, or which accrue pursuant to Section 21.3 as a result of such termination, and obligations to insure and indemnify), upon the occurrence of any of the following events:

21.2.1 Breach of Agreement. Ten (10) days after the receipt of written notice by either party from the other party specifying in detail a material breach of this Agreement,
if such breach has not been cured within said ten (10) day period; or if such breach is of a nature that it cannot be cured within said ten (10) day period but can be cured within a reasonable time thereafter, if efforts to cure such breach have not commenced or such efforts are not proceeding and being continued diligently both during and after such ten (10) day period prior to the breach being cured. However, the breach of any obligation of either party hereunder to pay any monies to the other party under the terms of this Agreement shall be deemed to be curable within ten (10) days after the receipt of written notice thereof.

21.2.2 Excessive Damage. Upon the destruction of or substantial damage to the Premises by any cause, or the taking of all or a substantial portion of the Premises by eminent domain, in either case making it impossible or impracticable to continue operation of the Premises.

21.2.3 Misappropriation. Any misappropriation of funds held by Operations Manager for Owner or any other fraudulent act committed by Operations Manager against the interests of Owner.

21.2.4 Assignment. Assignment of this Agreement without the written consent of Owner.

21.2.5 Recapture Event. The occurrence of a Recapture Event with respect to any of the units as a result of any act or omission of Operations Manager. “Recapture Event” means the failure of the Premises to be a “qualified low-income housing project” (as defined in Section 42(g)(1) of the Code) or the failure of any designated low-income unit of the Premises to be a “low-income unit” (as defined in Section 42(i)(3) of the Code), as a result of which all or any portion of the low-income housing tax credit allowed to the Owner of the Premises or its members under Section 42 of the Code is subject to recapture pursuant to Section 42(j) of the Code and any of the partners of the Owner is subject to increased tax due to any “credit recapture amount” (as defined in Section 42(j)(2) of the Code).

21.3 Owner Responsible For Payments. Upon termination of or withdrawal from this Agreement, Owner shall remain liable for the obligations of any contract or outstanding bill executed by Operations Manager under this Agreement for and on behalf of Owner and shall be responsible for payment of all unpaid bills. In addition, Owner hereby agrees to indemnify Operations Manager, against any obligations or liabilities which Operations Manager may have properly incurred on Owner's behalf under this Agreement. Nothing contained herein shall be construed to imply any obligation of Owner to remain liable for any such obligations (or to provide security therefor) with respect to any liabilities incurred by Operations Manager in violation of this Agreement.

21.4 Payments Upon Termination. Operations Manager may withhold funds for twenty (20) days after the end of the month in which this Agreement is terminated, in order to pay bills previously incurred but not yet invoiced and to close accounts. Operations Manager shall deliver to Owner, within twenty (20) days after the end of the month in which this Agreement is terminated, any balance of monies due Owner and all tenant security deposits, or both, which
were held by Operations Manager with respect to the Premises, as well as a duly certified final accounting reflecting the balance of income and expenses with respect to the Premises as of and to the date of termination or withdrawal, and all records, contracts, leases, receipts for deposits, and other papers or documents which pertain to the Premises. In such event, unless otherwise requested in writing by Owner, Operations Manager will continue to perform its obligations hereunder and in accordance herewith for the remainder of the transition of management. Notwithstanding the foregoing, at Owner's option, Operations Manager shall remit all such funds and documents to Owner, other than fees and commissions (including past-due fees and commissions) due and owing to Operations Manager, immediately upon termination of this Agreement.

21.5 Termination Upon Foreclosure. This Agreement is subject to immediate termination in the event the Premises are subject to foreclosure, deed in lieu of foreclosure or the appointment of a receiver in anticipation of foreclosure at the option of the foreclosing entity, the recipient of the deed in lieu of foreclosure or the receiver; provided, however, that if this Agreement is not terminated within ninety (90) days after the institution of foreclosure proceedings or the delivery of the foreclosure deed (at the option of the foreclosing entity), the delivery of the deed in lieu of foreclosure or the appointment of the receiver, this Agreement can thereafter be terminated only upon thirty (30) days prior written notice of such successor owner or receiver or as otherwise permitted by this Agreement. If this Agreement is terminated under this provision, Operations Manager immediately shall surrender possession of the Premises, and any funds or documents in its possession effective on delivery of written notice from such foreclosing entity; provided, however, nothing contained herein shall impair the ability of Operations Manager to exercise any rights of offset contained in this Agreement.

21.6 Final Accounting. Within thirty (30) days after termination but in no event later than twenty (20) days after the end of the month in which this Agreement is terminated, Operations Manager shall deliver to Owner:

(a) A final accounting, reflecting the balance of income and expenses pertaining to the Premises as of the date of termination.

(b) All remaining funds held by Operations Manager with respect to the Premises after payment of the obligations referred to in Section 21.3.

(c) Any monies due Owner under this Agreement but received after such termination after deducting reimbursable expenses and fees due Operations Manager hereunder.

(d) Electronic copies of all Premises related information in any Operations Manager’s computer systems.

21.7 Surrender of Possession. Notwithstanding anything contained in this Agreement to the contrary immediately upon termination of this Agreement, Operations Manager shall surrender to Owner or its designee possession of the Premises, along with all materials, supplies and keys related to the Premises in Operations Manager’s possession or control.
SECTION 22
Special Provisions

22.1 Contracts With Affiliates of Operations Manager. Any contracts with, or payments or reimbursements to Operations Manager’s affiliates, related entities, employees (excluding on-site employees and budgeted items), directors or officers of any of them, shall be submitted to Owner for prior approval and shall be paid by joint check, signed by Owner and Operations Manager.

22.2 Operations Manager’s Head-office Costs. All head office costs, including post-conversion and transition IT day-to-day and course of business repairs, alterations, additions, but excluding Repair Coordination Fees, shall be for Operations Manager’s account at its cost and shall be paid by Operations Manager. Under no circumstances, will costs which are specific to the head office be borne by the Development for Owner.

22.3 Information Technology Equipment. Operations Manager will assess, at its own cost, the compatibility of each party’s information technology equipment (including the internet) for the Premises. Each of Owner and Operations Manager will be responsible for its own expert’s costs to achieve implementation and conversion of required equipment.

22.4 Investor Member. Investor Member as defined in the Owner’s Operating Agreement is intended to be a direct beneficiary of the provisions set forth herein and shall be entitled to bring an action to enforce the same independently of any rights of the Owner.

22.5 Compliance with Laws. Operations Manager shall be responsible for full compliance with federal, state and municipal laws, ordinances, regulations and orders relative to the leasing, use, operation, repair and maintenance of the Premises (including, without limitation, any applicable provisions of the Servicemembers Civil Relief Act, codified at 50 U.S.C. App. 501-597b) and with the rules, regulations or orders of the local Board of Fire Underwriters or other similar bodies (collectively, the “Government Requirements”). Subject to the other terms and provisions of this Agreement, Operations Manager shall use commercially reasonable efforts to promptly remedy any violation of any such law, ordinance, rule, regulation or order which comes to its attention at Owner’s expense.

SECTION 23
Special Provisions

All representations, warranties and indemnities of the parties contained herein shall survive the termination of this Agreement. If Operations Manager is or becomes involved in any proceeding or litigation by reason of having been Owner's Operations Manager, any provisions contained herein with respect to such proceedings or litigation shall apply as if this Agreement were still in effect.
SECTION 24  
Headings

All headings and subheadings employed within this Agreement are inserted only for convenience and ease of reference and are not to be considered in the construction or interpretation of any provision of this Agreement.

SECTION 25  
Force Majeure

Any delays in the performance of any obligation of Operations Manager or Owner under this Agreement shall be excused to the extent that such delays are caused by wars, national emergencies, natural disasters, strikes, labor disputes, utility failures, governmental regulations, riots, adverse weather, and other similar causes not within the control of Operations Manager or Owner, and any time periods required for performance shall be extended accordingly.

SECTION 26  
Complete Agreement

This Agreement, including any specified attachments, constitutes the entire agreement between Owner and Operations Manager with respect to the management and operation of the Premises and supersedes and replaces any and all previous management agreements oral or written entered into or negotiated between Owner and Operations Manager relating to the Premises covered by this Agreement. No change to this Agreement shall be valid unless made by supplemental written agreement executed and approved by Owner and Operations Manager. Any and all amendments, additions or deletions to this Agreement shall be null and void unless approved by Owner and Operations Manager in writing. Each party to this Agreement hereby acknowledges and agrees that the other party has made no warranties, representations, covenants or agreements, express or implied, to such party, other than those expressly set forth herein, and that each party, in entering into and executing this Agreement, has relied upon no warranties, representations, covenants or agreements, express or implied, to such party, other than those expressly set forth herein. In the event of a conflict between any provision of this Agreement and the provisions of Schedule VII attached hereto, the provisions of said Schedule VII shall control.

SECTION 27  
Rights Cumulative: No Waiver

No right or remedy herein conferred upon or reserved to either of the parties to this Agreement is intended to be exclusive of any other right or remedy, and each and every right and remedy shall be cumulative and in addition to any other right or remedy given under this Agreement or now or hereafter legally existing upon the occurrence of an event of default under this Agreement. The failure of either party to this Agreement to insist at any time upon the strict observance or performance of any of the provisions of this Agreement, or to exercise any right or remedy as provided in this Agreement, shall not impair any such right or remedy or be construed as a waiver or relinquishment of such right or remedy with respect to subsequent defaults. Every right and remedy given by this Agreement to the parties to it may be exercised from time to time and as often as may be deemed expedient by those parties.
SECTION 28
Applicable Law

The execution, interpretation and performance of this Agreement shall in all respects be controlled and governed by the laws of the State of Texas, without regard to its conflict of law principles.

SECTION 29
Notices

Any notices, demands, consents and reports necessary or provided for under this Agreement shall be in writing and shall be addressed as follows, or at such other address as Owner and Operations Manager individually may specify hereafter in writing:

Operations Manager: Accolade Property Management, Inc.
621 Cowboys Parkway, Suite 200
Irving, Texas 75063
Fax: (214) 496-0300
Attention: Stephanie Baker
e-mail address: sbaker@accoladepm.com

Owner: Mistletoe Station, LLC
c/o Saigebrook Development, LLC
Attention: Lisa Stephens
e-mail address: lisa@saigebrook.com

Such notice or other communication may be mailed by United States registered or certified mail, return receipt requested, postage prepaid, and may be deposited in a United States Post Office or a depository for the receipt of mail regularly maintained by the Post Office. Such notices, demands, consents and reports may also be delivered by hand or by any other receipted method or means permitted by applicable law, including overnight courier service, e-mail or facsimile. For purposes of this Agreement, notices shall be deemed to have been "given" or "delivered" upon the earlier of receipt thereof or three (3) business days hours after having been deposited in the United States mail as provided herein.

SECTION 30
Assignments

This Agreement shall be binding upon the parties hereto and their respective successors and assigns. Operations Manager shall not assign this Agreement or any of its duties hereunder, without the prior written consent of Owner. Any purported assignment of this Agreement by Operations Manager without this written consent shall be void and of no effect.
SECTION 31
Counterparts

This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same instrument.

(Remainder of page intentionally left blank)
IN WITNESS WHEREOF, the parties have executed this Management Agreement as of the date first set forth above.

OWNER:
MISTLETOE STATION, LLC, a Texas limited liability company

By: Sagebrook Mistletoe, LLC, a Texas limited liability company, its managing member

By: Sagebrook Development, LLC, a Florida limited liability company, its managing member

[Signature]
Manager

(SIGNATURES CONTINUE ON THE FOLLOWING PAGE)
MANAGEMENT AGENT:

ACCOLADE PROPERTY MANAGEMENT,
INC., a Texas corporation

By: ____________________________
Stephanie Baker, President
SCHEDULE I TO EXHIBIT I
MANAGEMENT AGREEMENT

DEFINITIONS

As used in the Agreement and the Schedules the following terms shall have the following meanings:

Approved Budget—Shall have the meaning given to it in Section 6.1.

Code—Shall have the meaning given to it in Section 8.5.

Contingency Reserve—Shall have the meaning given to it in Section 2.1.1.

Development—Shall mean 110 residential family housing units of which, 74 are Tax Credit Units, and together with a free standing clubhouse, related parking and amenities located on the Premises.

Development Documents—Shall mean all documents listed in Schedule IV, together with the Operating Agreement.

Hazardous Material Law—Shall have the meaning given to it in Section 18.2.3.

Operating Budget—Shall have the meaning given to it in Schedule II.

Operating Account—Shall have the meaning given to it in Section 2.1

Operating Agreement—Shall mean the Owner’s First Amended and Restated Operating Agreement as amended from time to time.

Security Deposit Account—Shall have the meaning given to it in Section 2.2.

Tax Credit Units—Shall mean the dwelling units in the Premises that are operated and maintained as tax credit units under an extended use covenant for Low Income Tax Credits issued by Texas Department of Housing and Community Affairs.
SCHEDULE II TO EXHIBIT I
MANAGEMENT AGREEMENT

MONITORING AND COMPLIANCE PROCEDURES

Tax Credit Compliance. Operations Manager acknowledges that compliance with IRC Section 42 and other applicable state and federal tax credit provision are critical to Owner obtaining tax credits under the LIHTC Program. Accordingly, Operations Manager shall take the following measures:

(A) Train and supervise all staff members of the Operations Manager regarding the rent and income restrictions of the Low Income Housing Tax Credit (LIHTC) Program

(B) Operations Manager will cooperate with Owner's certified public accountant with adjustments to the accounting books and in Owner’s preparation of all federal income tax returns.

(C) Maintain in the Development’s management and leasing office the maximum tenant income guidelines and the maximum rents which can be charged. Also, maintain in the management office the compliance handbook and the current utility allowance schedule published by the local housing authority.

(D) Assist staff members of the appropriate governing agency in monitoring compliance with the provisions in IRC Section 42. Operations Manager shall promptly file all required reports with such agency, and assist staff members of the agency in on-site inspections and audits.

(E) Interview and qualify prospective tenants in accordance with the tenant income eligibility requirements of the low-income housing tax credit law. Operations Manager shall review credit reports, prior landlord references, verify and certify tenant income and/or employment, notify tenant of acceptance or rejection.

(F) Obtain an annual income certification of income for each low-income qualified tenant on a tenant certification form.

(G) Obtain income verification documentation to support each tenant certification form.

(H) Obtain a monthly Unit Status Report documenting continuous occupancy of Tax Credit Units by eligible residents. The report may include the following information; building identification number (BIN), unit number, number of bedrooms, resident name, move-in date, move-out dates as applicable, number of household members, household income, resident paid rent, rental assistance (if any), utility allowance, unit designation, Income Certification effective date and Special needs status.

(I) Comply with all monitoring requirements of the Internal Revenue Service as published in Regulations 1.42-5.

Owner has provided to Operations Manager, and Operations Manager hereby acknowledges receipt of the all Development Documents necessary for Operations Manager to comply with the foregoing requirements including: the full and complete LIHTC application; copy of property's Land Use Restriction Agreement (LURA), Regulatory Agreements and/or Deed Restrictions for each type of funding (LIHTC,HTF, HOME, BOND); copy of Special Supportive Services contract (if applicable) and copies of activities within last 12 months including calendars, sign-in sheets, and flyers; copies of signed 8609s for each building (including Part II – bottom half); the signed Owner’s Designation of Administrator of Accounts and Electronic Compliance Reporting: Filing Agreement to allow access to current monthly Unit Status Report; copy of current income, rents, and Utility Allowance Schedule stating resident paid utilities and source (gas, electric, etc…); copy of last state audit, results, and any
recent response; inventory of all files on site at takeover; location of all 1st year files on site (originals) and shadow copies with Owner or Investor Member; copy of property’s current Affirmative Fair Housing Marketing Plan (935.2a) with back-up documentation and proof of affirmative marketing within the last 12 months; Resident Selection Criteria; and, for lease-up properties, a Lease-up Plan with a deadline schedule; allocation year of Tax Credits; and year Owner plans to begin claiming credits.
SCHEDULE III TO EXHIBIT I
MANAGEMENT AGREEMENT

MANAGEMENT PLAN
ACCOLADE PROPERTY MANAGEMENT, INC.
Mistletoe Station Apartments Management Plan

STATEMENT OF PURPOSE AND PHILOSOPHY

To fulfill affordable housing needs with quality, clean, decent and safe housing by providing such through prudent management practices in compliance with federal nondiscrimination regulation and in compliance with tax credit and Applicable Affordable Housing restrictions. Mistletoe Station Apartments is a development of 110 units reserved for families in Fort Worth, Texas. 74 units are LIHTC. As specified in the LURA 8 of the 110 households are reserved for Extremely Low Income Households (30%AMI), 30 reserved for households with 50% AMI households, 36 units reserved for 60% AMI households and 36 units for market households.

Summary of Apartment Management Services

Operations Manager will provide apartment community owners with service in the following areas:

1. Advertise, market, and lease apartments using the Federal Fair Housing Guidelines and Affirmative Marketing techniques to reach applicants least likely to apply.
2. Develop and implement community rules and regulations.
3. Hire and train management, maintenance and leasing teams.
4. Provide staff with operating directives and systems.
5. Ensure rental rates and deposits are compatible with market and within the guidelines of each program used to finance the premises.
6. Comply with all local state and federal Fair Housing laws.
7. Maintain the Premises with quality and decent, safe housing.

Operations Manager will operate utilizing their Policy and Procedure Manual and their Affordable Housing Policies and Procedures Manual. Other primary references will be the HUD Handbook(s), 8823 Guide and guidance provided by Texas Department of Housing and Community Affairs. Most importantly the Premises will be managed to meet all guidelines and restrictions defined in the Extended Use Agreement, the Regulatory and Operating Agreement.

We are pledged to the letter and spirit of the United States policy for the achievement of equal housing opportunities throughout the United States. We encourage and support an affirmative advertising and marketing program in which there are no barriers to obtaining housing because of race, sex, age, religion, color, familial status, national origin or handicap. This community will comply with state and federal fair housing and anti-discrimination laws.

Revised 8/75/17
Compliance with Federal Fair Housing, anti-discrimination laws and other compliance issues.

- It is the intent of Operations Manager and Owner to comply with state and federal fair housing and anti-discrimination laws.

- Any minimum income requirement for Section 8 participants will only be applied to the portion of the rent the prospective resident would pay, provided however that if Section 8 pays 100% of the rent for the unit Operations Manager and/or the Owner may establish other reasonable minimum income requirements to ensure that the tenant has the financial resources to meet daily living expenses. Minimum income requirements for Section 8 participants will not exceed the lesser of the minimum income requirements being applied to all other applicants or 2.5 times the portion of rent the tenant pays.

- All other screening criteria, including employment policies or procedures and other leasing criteria (such as rental history, criminal history, etc.) will be applied to applicants uniformly and in a manner consistent with the State and Federal Fair Housing Acts, Applicable Housing Requirements, Texas Department of Housing and Community Affairs, and Section 42 of the Code.

COMMUNICATIONS

1. Frequent verbal/written communication with Owner.
2. Provide necessary marketing plans and coordinate with Owner.
3. Provide tier level communications for resolution of resident and employee concerns or grievances.
4. Provide ongoing communication with the Owner in regards to Applicable Affordable Housing tenants, reporting, waiting lists, and compliance issues.
5. Provide periodic reporting to the compliance agency for Texas Department of Housing and Community Affairs.
6. Frequent verbal/ written communication with employees, maintaining and communicating procedural changes to Operations Manager’s Policy and Procedure Manual

MANAGEMENT AND TENANT SELECTION

1. Maintain regular office hours. For example, Monday-Friday 8:30-5:30, Saturday 10:00-5:00 and Sunday 1:00 to 5:00.
2. Administer lease terms and community policies and procedures.
3. Maintain satisfactory customer relations with residents.
4. Manage and communicate with staff for optimum performances.
5. Train the staff on fair housing policies and procedures, as well as, Operations Manager’s policies and procedures.
6. Inspect common grounds and areas for repairs or deficiencies.
7. Inspect vacant units for move-ready status and for quality assurance.
8. Inspect occupied units for high quality standards initially upon move-in and not less than twice annually.
9. Maintain records of lease files with all appropriate documentation of income qualifying status to support the move-in and recertification. Operations Manager’s Qualifying Standards will be used to initially qualify the tenant in addition to verification of income for the household. If at any time during the verification of the applicant’s status, management finds that the applicant does not meet the conditions or restrictions for occupancy, the applicant will be rejected. If the application is denied a written rejection letter will be sent to the applicant with the specific reason for the denial and the steps to appeal the decision. In any event, the applicant will be notified in writing of acceptance or denial. Exhibit A-Tenant Selection Qualifying Standards;
10. Review and certify each file for move in.
11. Review rent structure and utility allowances on a quarterly basis.
12. Maintain records of the Premises’ occupancy, efforts to market and lease the Premises, and resident retention efforts.
13. Cooperate and provide assistance to state compliance monitors.
14. Report any condition that could result in a life safety issue or liability for the Owner or Operations Manager to the management supervisor.
15. Resident programs: a social services program will be tailored to the Premises based on the facilities and will be multi-faceted to accommodate and meet the needs of all the residents. The resident services program will provide all programs required by all land-use restrictive covenant agreements applicable to the Premises.

SECTION 811 PROGRAM TENANT SELECTION
1. Referrals for available units will be made by TDHCA. Management will notify TDHCA of availability within 7 days of vacancy being known by management.
2. Target populations for these units will be: Persons with disabilities exiting institutions such as nursing facilities and Intermediate Care Facilities, Persons with serious mental illnesses and Youth and young adults with disabilities exiting foster care.

MARKETING AND WAITING LISTS
1. Administer the Affirmative Marketing Plan, Exhibit B
2. Update and report the market conditions and other comparable properties occupancy status.
3. Review Availability of units and implement marketing procedures to lease up.
4. Review and implement print and internet advertising to communicate, educate and entice the premises’ availability and presence as needed.
5. Outreach to community agencies, non-profits, support service agencies and major employers. Inform the PHA of availability of units.
6. Share and refer applicants from/to Mistletoe Station from other sites managed by APM when possible.
7. Assure prepared units are available for presentation.
8. Document all prospective residents through a guest card and report activity through management software. Follow up with all prospective residents.
9. Disclose the Qualifying Guidelines to each prospective resident during the onsite visit and tour of premises. (See Qualifying Guidelines with maximum income limits per household.)
10. An onsite waiting list will be maintained for all units and place Applicants on the list by date and time order and will be honored on a first come, first served basis. See Exhibit A-Tenant Selection for Wait List Procedure.

11. Reasonable accommodations will be implemented as described in Exhibit C.

RESIDENT SERVICES

1. Provide the following resident services in accordance with the terms of the LURA as required such as:
   - Provide Resident Activities on a monthly basis such as movie nights, energy conservation seminars, family game night, Saturday breakfasts; and
   - Homeownership Opportunity Program
   - Literacy Training
   - Employment Assistance Program-writing a resume, internet job search, dress for success, how to interview
   - On-site Health and Nutrition Programs-vital screenings, educational seminars, cooking for life, diabetes cookbooks, hygiene
   - Financial Counseling Program-how to improve your credit scores, maintain a bank account
   - Life Safety Training-CPR, First Aid classes, Child seat safety education

MAINTENANCE

1. Provide overall routine maintenance.
2. Prepare and make ready vacant units for habitation.
3. Recruit, hire, and train maintenance staff.
4. Administer bidding process for outside contract work or for purchases over the onsite purchasing limit.
5. Verify insurance and bond on contractors.
6. Administer Preventative Maintenance program.
7. Inspect work of contractors.
8. Conduct routine inspection for Premises condition and curb appeal.
9. Identify and notify Owner of any maintenance needs or capital expenditures.
10. Provide 24 hours/7 days per week emergency service response.
11. Maintain contracts and warranties.
12. A Redecorating Schedule will be maintained by maintenance to indicate when interiors of units will need carpet replacement, repainting, or new fixtures.
13. Maintenance and Management will be responsible for energy conservation through a proactive approach. A survey of lighting both on the exterior and interior will be performed noting any fixtures which can be lit with energy efficient bulbs. Exterior will be inspected for broken glass seals or cracks in windows, weatherproofing on doors or gaps in exterior envelope. Leaks and running toilets will be checked on all newly built units and upon move in and out by the residents. If a boiler system exists, a peak load system will be implemented if feasible. All vacant units will have the electric
circuit breakers turned off in mild weather. Irrigation systems will have rain sensors. Air filters will be replaced in all units on a regular basis.

SAFETY

1. Management will inform residents of any criminal activity within the community to better build a neighborhood watch.
2. Management will encourage resident participation in personal safety awareness and in reporting suspicious activities to management and police liaisons.
3. Tips for personal safety will be part of the community move in orientation package.

FINANCE-Accounts Receivable and Payable

1. Receive and process account payables.
2. Bill, receive, and post rent, deposits and receivables.
3. Make deposits in bank.
4. Pursue delinquent rents and maintain files/records.
5. Reconciliation of bank statements.
6. Provide assistance and cooperation for periodic audits.
7. Provide Owner with recommended annual budget.
8. Review Premises insurance.
9. Security Deposit dispositions will be completed timely and any deductions will be supported through posting of such charges on the office bulletin board. Deductions not standard to the schedule will be supported through contractor’s estimate or invoice for repair.
10. Reimbursable maintenance charges will be posted at the office bulletin board and distributed to the resident with their move in orientation packet.

RECORD KEEPING

1. Management will implement and maintain records on a per building basis.
2. Management will retain records of the entire first year credit period for at least 6 years beyond the tax credit compliance period. Other year’s records will be kept for 6 years beyond the due date with extensions for filing that year’s Federal Income Tax Return.
3. Privacy Rules—Management will use reasonable care to keep personal information of residents secure and use such information for only the purposes that it was provided.
4. Annual Report and Owner’s Certification will be submitted annually or as needed and maintained in a file.
5. A Premises history binder will be created and maintained with all critical documents such as # of units, BIN’s, set asides, square footages, extended use agreement, and operating restrictions.
MANAGEMENT PLAN
EXHIBIT A
MISTLETOE STATION APARTMENTS
EXAMPLE

QUALIFYING GUIDELINES

We are pledged to the letter and spirit of the United States policy for the achievement of equal housing opportunities throughout the United States. We encourage and support an affirmative advertising and marketing program in which there are no barriers to obtaining housing because of race, sex, age, religion, color, familial status, national origin or handicap. This community complies with state and federal fair housing and antidiscrimination laws. Income and rent restrictions apply at this community and are adhered to as required by the Texas Department of Housing and Community Affairs (TDHCA). All applicants are required to meet the following criteria in order to qualify to live here at our community. In accordance with the Violence Against Women Reauthorization Act of 2013 (VAWA), we will not deny admission on the basis that the applicant has been a victim of domestic violence, dating violence, sexual assault or stalking. The criteria will be applied uniformly in accordance with program guidelines and TDHCA rules.

All applicants will be reviewed based on the following written criteria:
Applicants must be 18 year of age or older unless Federal/State Regulations provide for an exception. Any persons under the age of 18 not meeting an exception provided by Federal/State Regulations must occupy an apartment with parent/guardian of legal age. All adult household members 18 years of age or older and not married will be required to complete a separate rental application. Applicants legally married will be required to complete a joint rental application. Applicants must meet all qualifying requirements of the affordable housing program (IRC Section 42). The same consideration for occupancy will be provided to applicants receiving Section 8 Rental Assistance. Any additions to the household during residency must be immediately reported to the office. The new household member is required to meet the qualifying guidelines and complete an Income Certification.

Occupancy Standards – No more than two persons will be allowed per bedroom plus a child who is twelve months old or less at the time of initial lease commencement or lease renewal. If the age of the resident’s child causes such occupancy standard to be exceeded during the term of the lease, the at the end of said lease term the household must either:

   a) Move to another available unit which has more bedrooms or;
   b) Vacate the residence with proper notice

<table>
<thead>
<tr>
<th>Bedroom Size</th>
<th>Maximum # of Occupants</th>
</tr>
</thead>
<tbody>
<tr>
<td>One Bedroom</td>
<td>2 Occupants</td>
</tr>
<tr>
<td>Two Bedroom</td>
<td>4 Occupants</td>
</tr>
<tr>
<td>Three Bedroom</td>
<td>6 Occupants</td>
</tr>
<tr>
<td>Four Bedroom</td>
<td>8 Occupants</td>
</tr>
</tbody>
</table>

Eligibility Requirements:

1. Income - Applicants not receiving Section 8 Rental Assistance must have a verifiable source(s) of income that meets or exceeds 2.5 times the resident paid portion of the rent. Roommates, married applicants and households will be allowed to combine their income to meet the income requirements. Applicants that receive Section 8 Rental Assistance must have a verifiable source (s) of income that meet meets 2.5 times the resident paid portion of the rent. Minimum income requirements for applicants at this community will be based on management guidelines as stated. Maximum allowable income for
federal and government regulated programs at this community will be determined and based on HUD guidelines. The following is the maximum allowable income limit for household size:

<table>
<thead>
<tr>
<th>Household Size</th>
<th>1 Person</th>
<th>2 Person</th>
<th>3 Person</th>
<th>4 Person</th>
<th>5 Person</th>
<th>6 Person</th>
</tr>
</thead>
<tbody>
<tr>
<td>30</td>
<td>$12,690</td>
<td>$14,490</td>
<td>$16,290</td>
<td>$18,090</td>
<td>$19,560</td>
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</tr>
<tr>
<td>50</td>
<td>$21,150</td>
<td>$24,150</td>
<td>$27,150</td>
<td>$30,150</td>
<td>$32,600</td>
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</tr>
<tr>
<td>60</td>
<td>$25,380</td>
<td>$28,980</td>
<td>$32,580</td>
<td>$36,180</td>
<td>$39,120</td>
<td>$42,000</td>
</tr>
</tbody>
</table>

- Applicant must have verifiable employment or income. Sources of verifiable income can include employment wages, unemployment wages, self-employment income, social security benefits, disability benefits, pension or retirement benefits, annuity benefits, child support and alimony. Non-verifiable income will result in automatic rejection.

- Income/Asset Verification: Each applicant is required to provide the staff with proof of income and assets prior to application approval. Acceptable forms of verification include two (2) months of current consecutive check stubs, third party employment verification, social security and pension award letters, court orders for child support and/or alimony, six (6) months of consecutive bank statements and interest/dividend from all investments. If self-employed, a copy of your last federal Tax Return with Schedule C. Recurring gifts that are received must be verifiable. Bank statements or canceled checks will be used to verify this source of income. If any source of income or assets cannot be substantially documented, third party verification will be obtained.

2. **Student Status** - A student is defined as an individual, who during each of five (5) calendar months during the calendar year is a full time student at an educational organization. Whether a student is full or part-time is determined by the educational institution. Please note, those five (5) calendar months need not be consecutive. Full-time student households that are income eligible must meet and provide documentation for one or more of the exceptions to be considered eligible: 1) household members that are married and file a joint tax return or eligible to file a joint tax return; 2) household consisting of single parent(s) and their child(ren), and both the parent(s) and the child(ren) are not a dependent of another individual; 3) an individual receiving assistance under Title IV of the Social Security Act (TANF Assistance); 4) an individual enrolled in a job training program receiving assistance under the Workforce Investment Act or under other similar federal, state or local laws; 5) an individual previously placed in foster care. This does not apply to an applicant moving into a market rate unit.

**Screening Guidelines:**

1. **Credit History** – A credit check will be completed on all applicants 18 years of age or older and in accordance with federal and state laws. No credit will be considered acceptable credit. Outstanding balances owed to a landlord or utility company will result in automatic denial. Unpaid medical bills and student loans will not be considered. A satisfactory rating is no more than four (4) derogatory lines on any account within the past 24 months. Previous bankruptcy or foreclosure requires an additional deposit of one month’s rent.

2. **Criminal History** – A criminal history will be completed on all applicants or occupants 18 years of age or older. Applications will be rejected for any of the following criminal conviction or deferred adjudicated sentences. The following criminal activity will result in automatic rejection of the application:

- All felony convictions or felony adjudicated sentences
➤ Misdemeanor convictions or adjudicated sentences that were violent, sexual, or drug or alcohol related in nature.

3. **Rental History** – Applicant must have a minimum of 6 months cumulative verifiable rental history or mortgage payment history within the last 24 months. Renting from a relative will not be acceptable as rental history because no contract performance can be determined. Home ownership must be verifiable via cancelled checks for a period of 6 consecutive months. If landlord cannot be contacted, 6 consecutive months of proof of payment must be verified and a copy of the lease contract must be provided. Applicants not having verifiable rental or mortgage history will have to provide an additional deposit with good credit or ½ month’s rent as a security deposit with no credit or credit with more than 4 lines derogatory on any account within the past 24 months. All disclosed prior rental history will be verified. An outstanding debt to a previous landlord or an outstanding NSF check that is not paid in full will result in automatic rejection. A prior eviction will result in an automatic rejection of the application.

**Falsification of Application** – In the event that an applicant falsifies their application paperwork, the applicant will be automatically rejected. The Owner has the right to hold all deposits paid to apply towards liquidated damages.

**Application Procedures:** Fully completed applications may be faxed, mailed or returned to the property during normal business hours (contact information is at the top of this document). If applications are faxed or emailed, original documentation is required at lease signing. The applicant’s application will be screened accordingly. An application fee will be collected from any applicant 18 years of age or older and will be based on the actual cost to process the application. Applicants who do not qualify will be notified in writing of the specific reason(s) for rejection within seven (7) days from the rejection date.

**Terms of Residency:** Each eligible, qualified applicant who accepts an apartment home will be required to sign an Initial Lease Agreement for a period of no less than one year.

**Apartment Transfers:** In order for a resident to transfer to another apartment home within the community, the resident must meet one of the following criteria:

➤ Have experienced a change in household composition;
➤ Have experienced a change in income which is permanent in nature;
➤ Requires a reasonable accommodation for a disability or is protected under the VAWA Act of 2013

All transfers must be approved by management and at least one of the criteria above must be met. The resident must reapply and qualify as an initial resident unless they are transferring to a unit within the same building. If a unit is not available, the resident will be placed and selected from the waitlist as described in the wait list procedure below.

**Reasonable Accommodations:** A person with a disability may request a reasonable accommodation during the application process and anytime during residency by submitting all requests in writing to the Management Office. Requests will be responded to within seven (7) business days of receipt.

**Defining Persons with Disabilities:**

➤ Any person having a physical or mental impairment that substantially limits one or more major life activities. Major life activities include walking, talking, seeing, hearing, breathing, performing manual tasks, learning and caring for oneself.

**Waitlist Procedure:** When there are more applicants than apartment vacancies at the property, management will establish and maintain an applicant waitlist for each Affordable Designation tier. The following procedures will be followed:
Applicants who fill out a TAA Rental Application and TAA Supplemental Rental Application will be placed on the waitlist once the application has been received at the management office in person or via mail, fax or email. They will be placed on the appropriate waitlist in chronological order by date and time it was received in the management office.

As a unit becomes available, the first position applicant will be contacted by management staff at the phone number provided on the application for possible residency. If we do not reach the applicant and do not hear back from the applicant within two (2) business days, management will contact the applicant a second time. If management is unable to reach the applicant within one (1) business day after the second attempt, the applicant will be removed from the waitlist. The next position applicant will then be contacted for the vacancy.

If the applicant declines the unit that is available, the applicant will be removed from the waitlist and the next position applicant will be contacted.

If the applicant is interested in the apartment that is available, the applicant must come to the office to complete an application within two (2) business days. Development staff will screen the household for criminal/credit and verify income, assets and student status.

If the applicant does not show up within two (2) business days to complete the application and bring requested documentation, management reserves the right to remove the applicant’s name from the waitlist.

The applicant is responsible for contacting property staff to update their information as it occurs. Property staff may periodically (at least annually) make contact with applicants in the form of a letter to confirm continued interest. If a response is not received within 14 days, the letter is undeliverable or a negative response is received, the applicant will be removed from the waitlist.

Priority for accessible units will be given, first, to an occupant residing at the property requiring the accessibility features. Second, to a qualified applicant on the list requiring accessibility features and third, to a qualified applicant on the list not requiring accessibility features. Priority will also be given to persons protected under VAWA.

The waitlist will be closed when it reaches 30 applicants for each bedroom size. The waitlist will open back up when the waitlist for each bedroom size is down to five (5) applicants.

**Pets:** No pets are allowed. This policy does not apply to households having a qualified service/assistance animal(s) for a disabled person. A reasonable accommodation request must be completed in writing to the property manager by the resident or prospective resident requiring a service assistance animal. Service animals will be allowed after third party verification has been received from a medical practitioner.

By signing below, you acknowledge that you have read and understand the Qualifying Guidelines described above for this community.

Applicant Signatures

_______________________  ______________________
                                      Date

_______________________  ______________________
                                      Date

_______________________  ______________________
                                      Date
MANAGEMENT PLAN
EXHIBIT B
AFFIRMATIVE FAIR HOUSING MARKETING PLAN
### Affirmative Fair Housing Marketing Plan (AFHMP) - Multifamily Housing

**Mistletoe Station**
1616 Mistletoe Blvd.
Fort Worth, TX 76104

<table>
<thead>
<tr>
<th>1a. Project Name &amp; Address (including City, County, State &amp; Zip Code)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mistletoe Station</td>
</tr>
<tr>
<td>1b. Project Contract Number</td>
</tr>
<tr>
<td>17280</td>
</tr>
<tr>
<td>1d. Census Tract</td>
</tr>
<tr>
<td>48439010200</td>
</tr>
<tr>
<td>1e. Housing/Expanded Housing Market Area</td>
</tr>
<tr>
<td>Housing Market Area: Tarrant County</td>
</tr>
<tr>
<td>Expanding Housing Market Area: Fort Worth - Arlington MSA</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>1f. Managing Agent Name, Address (including City, County, State &amp; Zip Code), Telephone Number &amp; Email Address</th>
</tr>
</thead>
<tbody>
<tr>
<td>Stephanie Baker, Accladeon Property Management, 521 Cowboys Parkway, Suite 200, Irving, TX 75063</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>1g. Application/Owner/Developer Name, Address (including City, County, State &amp; Zip Code), Telephone Number &amp; Email Address</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sagebrook Development LLC, 6536 N. Riverside Drive, Ste. 500-A, Fort Worth, TX 76117</td>
</tr>
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<table>
<thead>
<tr>
<th>1h. Entity Responsible for Marketing (check all that apply)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Owner</td>
</tr>
<tr>
<td>Dena Moreland, Compliance Director, 521 Cowboys Parkway, Suite 200, Irving, TX 75063</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>1i. To whom should approval and all correspondence concerning this AFHMP be sent? Indicate Name, Address (including City, State &amp; Zip Code), Telephone Number &amp; E-Mail Address.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dena Moreland, Compliance Director, 521 Cowboys Parkway, Suite 200, Irving, TX 75063</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>2a. Affirmative Fair Housing Marketing Plan</th>
</tr>
</thead>
<tbody>
<tr>
<td>Plan Type: Initial Plan</td>
</tr>
<tr>
<td>Reason(s) for current update:</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>2b. HUD-Approved Occupancy of the Project (check all that apply)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Elderly</td>
</tr>
</tbody>
</table>

| 2c. Date of Initial Occupancy |
| 09/01/2018 |

| 2d. Advertising Start Date |
| Advertising must begin at least 90 days prior to initial or renewed occupancy for new construction and substantial rehabilitation projects. |
| Date advertising began or will begin: 08/01/2018 |

For existing projects, select below the reason advertising will be used:

- To fill existing unit vacancies
- To place applicants on a waiting list (which currently has ___ individuals)
- To reopen a closed waiting list (which currently has ___ individuals)
3a. Demographics of Project and Housing Market Area
Complete and submit Worksheet 1.

3b. Targeted Marketing Activity
Based on your completed Worksheet 1, indicate which demographic group(s) in the housing market area is/are least likely to apply for the housing without special outreach efforts. (check all that apply)

- White
- American Indian or Alaska Native
- Asian
- Black or African American
- Native Hawaiian or Other Pacific Islander
- Hispanic or Latino
- Persons with Disabilities
- Families with Children
- Other ethnic group, religion, etc. (specify):

Veterans

4a. Residency Preference
Is the owner requesting a residency preference? If yes, complete questions 1 through 5. If no, proceed to Block 4b.

(1) Type [Please Select Type]

(2) Is the residency preference area:
The same as the AFHMP housing/expanded housing market area as described in Block 1a? [Please Select Yes or No]

The same as the residency preference area of the local PHA in whose jurisdiction the project is located? [Please Select Yes or No]

(3) What is the geographic area for the residency preference?

(4) What is the reason for having a residency preference?

(5) How do you plan to periodically evaluate your residency preference to ensure that it is in accordance with the non-discrimination and equal opportunity requirements in 24 CFR 5.105(e)?

Complete and submit Worksheet 2 when requesting a residency preference (see also 24 CFR 5.655(c)(1)) for residency preference requirements. The requirements in 24 CFR 5.655(c)(1) will be used by HUD as guidelines for evaluating residency preferences consistent with the applicable HUD program requirements. See also HUD Occupancy Handbook (4350.3) Chapter 4, Section 4.6 for additional guidance on preferences.

4b. Proposed Marketing Activities: Community Contacts
Complete and submit Worksheet 3 to describe your use of community contacts to market the project to those least likely to apply.

4c. Proposed Marketing Activities: Methods of Advertising
Complete and submit Worksheet 4 to describe your proposed methods of advertising that will be used to market to those least likely to apply. Attach copies of advertisements, radio and television scripts, internet advertisements, websites, and brochures, etc.
5a. Fair Housing Poster
The Fair Housing Poster must be prominently displayed in all offices in which sale or rental activity takes place (24 CFR 200.620(e)). Check below all locations where the Poster will be displayed.

- Rental Office
- Real Estate Office
- Model Unit
- Other (specify)

5b. Affirmative Fair Housing Marketing Plan
The AFHMP must be available for public inspection at all sale or rental offices (24 CFR 200.622b). Check below all locations where the AFHMP will be made available.

- Rental Office
- Real Estate Office
- Model Unit
- Other (specify)

5c. Project Site Sign
Project Site Signs, if any, must display in a conspicuous position the HUD approved Equal Housing Opportunity logo, slogan, or statement (24 CFR 200.620(f)). Check below all locations where the Project Site Sign will be displayed.

- Rental Office
- Real Estate Office
- Model Unit
- Entrance to Project
- Other (specify)

The size of the Project Site Sign will be _______ x _______.
The Equal Housing Opportunity logo or slogan or statement will be _______ x _______.

6. Evaluation of Marketing Activities
Explain the evaluation process you will use to determine whether your marketing activities have been successful in attracting individuals least likely to apply, how often you will make this determination, and how you will make decisions about future marketing based on the evaluation process.

The plan will be reviewed bi-annually to determine if the groups that are least likely to apply are represented at the property. Bi-annually, the Compliance Department will review the traffic from outreach sources to determine the effectiveness. Management will also send annual letters to target market group(s) to inform them of our property and affordable housing availability. In the event the targeted group(s) is not properly informed of our community, we will evaluate other options for outreach marketing to reach a broader spectrum of that particular group(s).
7a. Marketing Staff
What staff positions are/will be responsible for affirmative marketing?

Property Manager

7b. Staff Training and Assessment: AFHMP
(1) Has staff been trained on the AFHMP? Yes
(2) Has staff been instructed in writing and orally on non-discrimination and fair housing policies as required by 24 CFR 206.600(c)? Yes
(3) If yes, who provides instruction? Yearly training with online tools and/or through the Tarrant County Apartment Association.

7c. Tenant Selection Training/Staff
(1) Has staff been trained on tenant selection in accordance with the project's occupancy policy, including any residency preferences? Yes
(2) What staff positions are/will be responsible for tenant selection?

Dana Moreland, Compliance Director

7d. Staff Instruction/Training:
Describe AFHMP/Fair Housing Act staff training, already provided or to be provided, to whom it was/will be provided, content of training, and the dates of past and anticipated training. Please include copies of any AFHMP/Fair Housing Act staff training materials.

AFHMP Training: The Regional Supervisor or Compliance Director reviews the AFHMP Plan with employees on an annual basis and with new employees within the first week of hire. During this training, the current plan, current and previous marketing efforts are reviewed and explained.

Fair Housing Training: All employees must attend Fair Housing training as part of the new employee orientation and review the Fair Housing Policy regarding the company policy on Fair Housing. (see attached)

All new hires attend the next available Fair Housing training provided by the local apartment association and annually thereafter.
8. Additional Considerations

Is there anything else you would like to tell us about your AFHMP to help ensure that your program is marketed to those least likely to apply for housing in your project? Please attach additional sheets, as needed.

"As per the recent requirements as issued by the Department of Housing and Urban Development, all applications, Tenant Consent and Release documents, Resident Selection Plans, Leases, House Rules, etc. are available in other languages and/or will be translated for those persons who request this accommodation."

"In addition to households that would not normally apply, outreach to LEP has also been considered. Outreach and accommodation to LEP persons is done through various translated materials, referral to community liaisons proficient in the language of LEP persons, and bilingual staff, if necessary."

"Manager will also consider whether marketing materials in other languages need to be utilized. This info will be in both English and Spanish for those with Limited English Proficiency."

9. Review and Update

By signing this form, the applicant/respondent agrees to abide by all of its AFHMP and the requirements laid out in Section 8 of the Management Agreement.

In order to ensure continued compliance with HUD's Affirmative Fair Housing Marketing Regulations (see 24 CFR Part 200, Subpart M), I hereby certify that all the information stated herein, as well as any information provided in the accompaniment herewith, is true and accurate. Warning: HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties. (See 18 U.S.C. 1001, 1010, 1012; 31 U.S.C. 3720, 3802)

Signature of person submitting this Plan & Date of Submission (mm/dd/yyyy)

[Signature]

April 13, 2018

Name (type or print)

Dena Moreland

Title & Name of Company

Compliance Director, Accolade Property Management

For HUD-Office of Housing Use Only

Reviewing Official:

☐ Approval
☐ Disapproval

Signature & Date (mm/dd/yyyy)

[Signature]

Name (type or print)

[Name]

Title

[Title]

Previous editions are obsolete

Page 5 of 8

Form HUD-835-2A (01/2011)
Worksheet 3. Proposed Marketing Activities – Community Contacts (See AFHMP, Block 4b)

For each targeted marketing population designated as least likely to apply in Rick’s, identify at least one community contact organization you will use to facilitate outreach to the target population. This could be a social service agency, religious group, community center, etc. State the names of contact persons, their addresses, phone numbers, their role, and any other pertinent information needed to contact the target population. Please attach additional pages if necessary.

<table>
<thead>
<tr>
<th>Targeted Population(s)</th>
<th>Community Contact(s), including required information noted above.</th>
</tr>
</thead>
</table>
| Person with Disabilities | Beth Noah, Aging and Disability Resource Center of Tarrant County, 1300 Cleo Dr, Fort Worth, TX 76119  
Contact was made May 4, 2017 and again on Nov 21, 2017. |
| Hispanic/Latino         | John Hernandez, Fort Worth Hispanic Chamber of Commerce, 1327 North Main Street, Fort Worth TX 76104  
Contact was made May 4, 2017 and again on Nov 21, 2017. |
| Veterans                | Randy McGuire, Veterans Coalition of Tarrant County, 3840 Hulen Street, Ste. 500, Fort Worth, TX 76107  
Contact was made May 4, 2017 and again on Nov 21, 2017. |
| Asian                   | Yen Nguyen, Tarrant County Asian American Chamber of Commerce, 1818 E. Pioneer Pkwy., Arlington, TX 76010 |
| Black/African American  | Sultan Côte, Fort Worth Metropolitan Black Chamber of Commerce, 1150 South Freeway, Ste. 211, Fort Worth, TX 76104 |
MANAGEMENT PLAN
EXHIBIT C
REASONABLE ACCOMMODATIONS AND MODIFICATION POLICY

Mistletoe Station Apartments will follow Section 504 of the Rehabilitation Act (if applicable) and the Federal Fair Housing Act to provide reasonable accommodations and modifications upon request to all applicants, residents and employees with disabilities.

Mistletoe Station Apartments will seek to identify and eliminate situations or procedures which create a barrier to equal housing opportunity for all. In accordance with Section 504, Mistletoe Station Apartments will make reasonable accommodations for individuals with handicaps or disabilities (applicants or residents). Such accommodations may include changes in the method of administering policies, procedures, or services.

In reaching a reasonable accommodation with, or performing structural modification for otherwise qualified individuals with disabilities, Mistletoe Station Apartments is not required to:

a. make structural alterations that require the removal or altering of a load-bearing structure,
b. provide support services that are not already part of its housing programs,
c. take any action that would result in a fundamental alteration in the nature of the program or service, or
d. take any action that would result in an undue financial and administrative burden on the property, including structural impracticality as defined in the Uniform Federal Accessibility Standards (UFAS).
Accolade Property Management
Mistletoe Station

Unit # ___________________________ Number of Occupants ____________ Initial Certification □
Unit Type ___________________________ Move-in Date ____________________ Annual Recertification □
Resident Name ___________________________ Section 8 Resident Yes ____ No ____
Current Lease ___________________________ to ___________________________

Income Qualifications

Gross Annual Household Income $ __________

HTC PROGRAM - CIRCLE MAXIMUM ALLOWABLE INCOME FOR HOUSEHOLD SIZE

<table>
<thead>
<tr>
<th># of HH Members</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>6</th>
</tr>
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<tbody>
<tr>
<td>Initial Cert 36%</td>
<td>$15,000</td>
<td>$17,160</td>
<td>$19,290</td>
<td>$21,420</td>
<td>$23,160</td>
<td>$24,870</td>
</tr>
<tr>
<td>Initial Cert 50%</td>
<td>$25,000</td>
<td>$28,600</td>
<td>$32,150</td>
<td>$35,700</td>
<td>$38,600</td>
<td>$41,450</td>
</tr>
<tr>
<td>Initial Cert 60%</td>
<td>$30,000</td>
<td>$34,320</td>
<td>$38,580</td>
<td>$42,840</td>
<td>$46,320</td>
<td>$49,740</td>
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</table>

Rent Qualifications

Base Rent before Options per Lease Agreement $ __________

MAXIMUM RENT: (circle maximum allowable rent)

<table>
<thead>
<tr>
<th>30% Rent Limit</th>
<th>50% Rent Limit</th>
<th>60% Rent Limit</th>
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</thead>
<tbody>
<tr>
<td>Gross</td>
<td>UA</td>
<td>Net Rent</td>
</tr>
<tr>
<td>1 Bedroom</td>
<td>$402</td>
<td>$51</td>
</tr>
<tr>
<td>2 Bedroom</td>
<td>$482</td>
<td>$59</td>
</tr>
<tr>
<td>3 Bedroom</td>
<td>$557</td>
<td>$70</td>
</tr>
</tbody>
</table>

UA – Fort Worth PHA Effective Date: 04/02/2018

Additional Requirements

Student Status: (complete this section BEFORE approval)
Are ALL members F-T Students now, or planning on becoming, or were 5 months of the calendar year? Yes* No
If no, stop here. If Yes, answer below. Remember, proof of the exception must be in the file.

*If yes, which exception does this household meet?

Single parent with minor children Married and entitled to file a joint tax return
Individual previously placed in foster care JTPA Training Program
Individual receiving assistance under Title IV of the Social Security Act

HTC Program: 6 Units @ 30% 30 Units @ 50% 36 Units @ 60% 4 Units @ MKT – 78 Total Units
4 units set aside for persons with special needs.

8609’s – In lease up. Need compliance approval on all transfers. AECs must be completed for all units.

Final Check (complete at move in) Must be able to answer “YES” to all
Application/Release/Docs signed and dated by all parties? Yes ___ No ___
TIC, Lease & Addendum signed and dated by all parties? Yes ___ No ___
Computer dates/rents/options/demographics correct & complete? Yes ___ No ___

PROPERTY APPROVAL CORPORATE PRELIM OK FILE EXPIRES CORPORATE FINAL OK

DATE DATE
Texas Department of Housing and Community Affairs
Rent and Income Limits [As of 6/14/2017]

Project: Mistletoe Station

Instructions:
(1) Choose the rooms in which your project is located.
(2) Your project is located in the households of the designated renter's income limit in the drop-down menu, then make the appropriate selection. (3) The location is not limited, then select the "Not Limited" option.
(4) Please select the financing options applicable for your project. Henceforth, if financed with HMRE, HP, or tax exempt bonds, the tax credits are not applied. Use the State Loan and Grant Limit.
(5) Select the date of the last inspection of your project. If the date of inspection of the last inspection is before March 1, 2017, select "Not Limited."
(6) Select the date based on the observation of your project. If any of the items listed on your inspection B.7.10a were not checked, or if all were checked, select the date of your VA. For projects with more than one date, select the most recent date.

PLEASE COMPLETE ALL FIELDS.

1. The information in this section is used to determine the limits and income level that are due a set of tax and non-tax credits. You are encouraged to independently verify the results or contact the Department if you have questions.

2. The "Not Limited" option is selected when the space is not eligible for the Federal, State, or local renter and tenant limits. The "Not Limited" option is used when the space is located outside the Federal, State, or local boundaries.

3. The "Not Limited" option is selected when the space is not eligible for the Federal, State, or local renter and tenant limits. The "Not Limited" option is used when the space is located outside the Federal, State, or local boundaries.

4. The "Not Limited" option is selected when the space is not eligible for the Federal, State, or local renter and tenant limits. The "Not Limited" option is used when the space is located outside the Federal, State, or local boundaries.

5. The "Not Limited" option is selected when the space is not eligible for the Federal, State, or local renter and tenant limits. The "Not Limited" option is used when the space is located outside the Federal, State, or local boundaries.

Income Limits 2017

<table>
<thead>
<tr>
<th>Area</th>
<th>Number of Households</th>
<th>Median Income</th>
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<tbody>
<tr>
<td></td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>10</td>
<td>$375</td>
<td>$402</td>
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<tr>
<td>45</td>
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<tr>
<td>15</td>
<td>$625</td>
<td>$670</td>
</tr>
<tr>
<td>120</td>
<td>$750</td>
<td>$894</td>
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Rent Limits

<table>
<thead>
<tr>
<th>Area</th>
<th>Number of Households</th>
<th>Income Limit</th>
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</thead>
<tbody>
<tr>
<td></td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>10</td>
<td>$1,000</td>
<td>$1,092</td>
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</table>

Schedule VIII to Management Agreement
Mistletoe Station, LLC

DEMAST #34514769 v8

I-45
### Fort Worth Housing Solutions

**Locality**: Management Agreement Mistletoe Station, LLC  
**Effective Date**: 1/2/2018

<table>
<thead>
<tr>
<th>Utility or Service</th>
<th>Unit Type</th>
<th>Monthly Dollar Allowances</th>
<th>Recert Effective Date</th>
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</thead>
<tbody>
<tr>
<td><strong>Heat</strong></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>a. Natural Gas</td>
<td>0 BR</td>
<td>6</td>
<td>8</td>
</tr>
<tr>
<td>b. Bottle Gas</td>
<td>1 BR</td>
<td>11</td>
<td>13</td>
</tr>
<tr>
<td>c. Oil/Electric</td>
<td>2 BR</td>
<td>11</td>
<td>13</td>
</tr>
<tr>
<td>d. Coal/Other</td>
<td>3 BR</td>
<td>12</td>
<td>14</td>
</tr>
<tr>
<td><strong>Cooking</strong></td>
<td></td>
<td></td>
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<tr>
<td>a. Natural Gas</td>
<td>4 BR</td>
<td>17</td>
<td>19</td>
</tr>
<tr>
<td>b. Bottle Gas</td>
<td>5 BR</td>
<td>18</td>
<td>20</td>
</tr>
<tr>
<td>c. Oil/Electric</td>
<td>6 BR</td>
<td>19</td>
<td>21</td>
</tr>
<tr>
<td>d. Coal/Other</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Other Electric</strong></td>
<td>8 BR</td>
<td>10</td>
<td>12</td>
</tr>
<tr>
<td><strong>Air Conditioning</strong></td>
<td>10 BR</td>
<td>12</td>
<td>14</td>
</tr>
<tr>
<td><strong>Water Heating</strong></td>
<td>12 BR</td>
<td>14</td>
<td>16</td>
</tr>
<tr>
<td>a. Natural Gas</td>
<td>14 BR</td>
<td>16</td>
<td>18</td>
</tr>
<tr>
<td>b. Bottle Gas</td>
<td>16 BR</td>
<td>18</td>
<td>20</td>
</tr>
<tr>
<td>c. Oil/Electric</td>
<td>18 BR</td>
<td>20</td>
<td>22</td>
</tr>
<tr>
<td>d. Coal/Other</td>
<td>20 BR</td>
<td>22</td>
<td>24</td>
</tr>
</tbody>
</table>

| **Water**         | 13 BR | 16 | 18 | 20 | 22 | 24 |
| **Sewer**         | 14 BR | 16 | 18 | 20 | 22 | 24 |
| **Trash Collection** | 15 BR  | 17 | 19 | 21 | 23 | 25 |
| **Range/Microwave**  | 16 BR  | 18 | 20 | 22 | 24 | 26 |
| **Refrigerator**   | 17 BR | 19 | 21 | 23 | 25 | 27 |
| **Other - specify**|       | 18 | 20 | 22 | 24 | 26 |

**Actual Family Allowances**:  
To be used by the family to compute allow.  

<table>
<thead>
<tr>
<th>Name of Family</th>
<th>1 Bedroom</th>
<th>2 Bedroom</th>
<th>3 Bedroom</th>
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</thead>
<tbody>
<tr>
<td>Address of Unit</td>
<td></td>
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<td></td>
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<tr>
<td>City, State, Zip</td>
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<td></td>
<td></td>
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<tr>
<td>Number of Bedrooms</td>
<td></td>
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<tr>
<td>Printed by:</td>
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</tbody>
</table>

**Totals UA**:  
1 Bedroom $51  
2 Bedroom $59  
3 Bedroom $70
LIST OF DEVELOPMENT DOCUMENTS

AFFORABILITY AND PARTNERSHIP DOCUMENTS

Operating Agreement

Agreement to be Bound by Use Restrictions to be recorded in the Official Public Records of Williamson County, Texas.

Regulatory Agreements

LOAN DOCUMENTS

Any and all loan documents relating to the Construction Loan (as defined in the Operating Agreement).

Any and all loan documents relating to the Permanent Loan (as defined in the Operating Agreement).

Any and all documents relating to the HOME Loan (as defined in the Operating Agreement).

Any and all documents relating to the FWHFC Loan (as defined in the Operating Agreement).
SCHEDULE V TO EXHIBIT I
MANAGEMENT AGREEMENT

FORM OF LEASE DOCUMENTS
This Lease Contract is valid only if filled out before January 1, 2016.

Apartment Lease Contract

This is a binding contract. Read carefully before signing.

Date of Lease Contract: [when this Lease Contract is filled out]

Moving in — General Information

1. Parties. This Lease Contract (“Lease”) is between you, the resident(s) (list all people signing the Lease):

[Blank space for names]

and us, the owner: La Ventana Apartments

(name of apartment community or title holder). You are renting Apartment No. [Blank space for number]

(street address):

(city), Texas, 75383. Zip code for use as a private residence only. The terms “you,” “your” and “renter” refer to the residents beyond address, and one or more residents and/or property managers or anyone else. Neither we nor any of our representatives have made any oral promises, representations, or agreements. This Lease is the entire agreement between you and us.

2. Occupants. The apartment will be occupied only by you and (list all other occupants not signing the Lease):

[Blank space for names]

—and no one else. Anyone not listed here cannot stay in the apartment for more than 30 consecutive days without our prior written consent, and no more than twice that many days in any one month. If the previous space isn’t filled in, 30 total days per month will be the limit.

3. Lease Term. The initial term of the Lease begins on the day of ______, (month, day, year), and ends at midnight on the day of ______, (month, day, year). After that, the Lease will automatically renew month-to-month unless either party gives at least 60 days written notice of termination or interest to move out as required by Par. 3b. The notice of days isn’t filled in, notice of at least 30 days is required.

4. Security Deposit. The total security deposit for all residents is $_____. Due on or before the date this Lease is signed. This amount (check one): ☐ does or ☐ does not include an animal deposit. Any animal deposit will be designated in an animal addendum. Security deposit refund and any deduction (terminations and one check jointly payable to all residents and mailed to any one resident is chosen, or ☐ one check payable to and mailed to [Blank space for name of one resident]. If either option is checked here, the first option applies. See Par. 4a and b for security deposit return information.

5. Keys, Move-Out, and Furniture. You’ll be given ______ apartment key(s) ______ mailbox key(s), and ______ other access devices for ______. Before moving out, you must give our representative advance written move-out notice as stated in Par. 3b. The move-out date in your notice (check one): ☐ must be the last day of the month, or ☐ may be the exact day designated in your notice if neither option is checked here, the second applies. Any resident, occupant, or spouse who, according to a remaining resident’s affidavit, has permanently moved out or is under court order not to enter the apartment, is of our option) no longer entitled to occupancy keys, or other access devices. Your apartment will be (check one): ☐ furnished or ☐ unfurnished.

6. Rent and Charges. You will pay $____ per month for rent in advance. (Check one): ☐ at the office manager’s office or ☐ through our online payment site.

[Blank space for names]

Initials of the Representative: [Blank space for signatures]

DMEAST #34514769 v8

Schedule VIII to Management Agreement

Mistletoe Station, LLC

Page 1 of 8
10.2 Not a Release. The reletting clause is neither a lease cancellation nor a buyout fee. It is a serialized amount covering only part of our damages—namely the time, effort, and expenses in finding and processing a replacement resident. These damages are uncertain and hard to ascertain—particularly those relating to inconvenience, paperwork, advertising, showing apartments, utilities, for showing, checking prospects, overhead, marketing costs, and broker service fees. You agree that the reletting charge is a reasonable estimate of our damages and that the charge is due whether or not our reletting attempts succeed. If no amount is stipulated, you must pay our actual reletting costs as far as they can be determined. The reletting charge does not release you from continued liability for future or past due rent, charges for cleaning, repairing, repainting, or dealing with unindicted keys or other sums due.


11.1 What We Provide. Texas Property Code secs. 92.131, 92.133, and 92.154 require, with some exceptions, that we provide at no cost to you when occupancy begins: (A) a window latch on each window; (B) a doorview (peep-hole) on each exterior door; (C) a pin lock on each sliding door; (D) either a door-handle latch or a security bar on each sliding door; (E) a keyless bolt locking device (deadbolt) on each exterior door; and (F) either a keyed deadbolt lock or a keyless deadbolt lock on one entry door. Keyed locks will be rekeyed after the prior resident moves out. The rekeying will be done either before you move in or within 7 days after you move in, as required by law. If we fail to install or rekey security devices as required by law, you have the right to do so and deduct the reasonable cost from your next rent payment under Texas Property Code sec. 92.156(a). We may deactivate or not install keyless bolt locking devices on your doors if (A) you or an occupant in the dwelling is over 55 or disabled, and (B) the requirements of Texas Property Code sec. 92.156(f) are satisfied.

11.2 Who Pays What. We’ll pay for missing security devices that are required by law. You/Tenants pay for (A) rekeying that you request unless we failed to rekey after the previous resident moved out, and (B) repairs or replacements because of misuse or damage by you or your family, your occupants, or your guests. You must pay immediately after the work is done unless state law authorizes advance payment. You must also pay in advance for any additional or changed security devices you request.

12. Other Utilities and Services. Television channels that are provided may be changed during the Lease term if the change applies to all residents. You may use utilities only for normal household purposes and must not waste them. If your electricity is interrupted, you must use only battery-operated lighting (no flames). You must not allow any utilities (other than cable or internet) to be cut off or switched off for any reason—including disconnection for not paying your bills—until the Lease term or renewal period ends. If a utility is subcontracted or provided by an allocation formula, we’ll attach an addendum to this Lease in compliance with state-agency rules. If a utility is individualized metered, it must be connected in your name and you must notify the provider of your move-out date so the meter can be timed out. If you delay getting it turned on in your name by the Leave’s start date or cause it to be transferred back into our name before you surrender or abandon the apartment, you’ll be liable for a $2.50, 02 charge (not to exceed $50 per violation), plus the actual or estimated cost of the utilities used while the utility should have been connected in your name. If you’re in an area open to competition and your apartments is individually metered, you may choose or change your utility supplier at any time. If you qualify, your provider will be the same as ours, unless you choose a different provider. If you choose or change your provider, you must give written notice. You must pay all applicable provider fees, including any fees to change service back into our name after you move out.

Special Provisions and “What If” Clauses


13.1 Damage in the Apartment Community. You must promptly pay or reimburse us for loss, damage, consequential damages, government fines or charges, or cost of repairs or service in the apartment community because of a Lease or rules violation; improper use; negligence; other conduct by you, your invitees, your occupants, or your guests; or any other cause not due to our negligence or fault as allowed by law, except for damages by act of God to the extent they couldn’t be mitigated by your action or inaction.

13.2 Indemnification by You. You’ll defend, indemnify and hold us harmless from all liability resulting from your conduct or that of your invitees, your occupants, your guests, or our representatives if you request permission of services not contemplated in this Lease.

13.3 Damage and Wastewater Stoppage. Unless damage or wastewater stoppage is due to our negligence, we’re not liable for—and you must pay for—repairs, replacements, and damage of the following kind if occurring during the Lease term or renewal period: (A) damage to doors, windows, or screens; (B) damage from windows or doors left open; and (C) damage from wastewater stoppages caused by improper objects in lines exclusive of your apartment.

13.4 No Waiver. We may require payment at any time, including advance payment to repair damage that you are liable for. Delay in demanding sums you owe is not a waiver.


14.1 Lien Against Your Property for Rent. All property in the apartment (unless exempt under Texas Property Code sec. 92.442) is subject to a contractual lien to secure payment of delinquent rent (except as prohibited by Texas Government Code sec. 2206.6738, for owners supported by housing-tax-credit allocations). For this purpose, “apartment” includes common areas but includes the interior living areas and common areas, balconies, attached garages, and any storerooms for your exclusive use.

14.2 Removal After We Exercise Lien for Rent. If your rent is delinquent, our representative may peaceably enter the apartment, and remove and/or store all property subject to lien. No property on the premises is presumed to be yours unless proved otherwise. After the property is removed, a written notice of entry and a bill of sale shall be left in a conspicuous place in the apartment—including a list of items removed, the amount of delinquent rent due, and the name, address, and phone number of the person to contact. The notice must also state that the property will be promptly returned when the delinquent rent is fully paid.

14.3 Removal After Surrender, Abandonment, or Eviction. We, or our officers, may remove or store all property remaining in the apartment or on the premises (including any vehicles you or any occupant or guest owns or uses) if you’re judicially evicted or you surrender or abandon the apartment (see definitions in Par. 4(f)).

14.4 Storage.

(A) No duty. We’ll store property removed under a contractual lien we may—but we have no duty to—store property removed after judicial eviction, surrender, or abandonment of the apartment.

(B) No liability. We’re not liable for casualty, loss, damage, or theft, except for property removed under a contractual lien.

(C) Charges you pay. You must pay reasonable charges for our packing, removing, storing, and selling of any property.

(D) Our lien. We have a lien on all property removed and stored after surrender, abandonment, or judicial eviction for all sums you owe, with one exception; our lien on property listed under Texas Property Code sec. 92.442(b) is limited to charges for packing, removing, and storing.

14.5 Redemption.

(A) Property on which we have a lien. If we seize and stored property under a contractual lien for rent at authorized by law, you may redeem the property by paying all delinquent rent due at the time of seizure. But if notice of your action Par. 14.4(b) is given before you seek redemption, you may redeem only by paying the delinquent rent plus our reasonable charges for packing, removing, and storing.

(B) Property removed after surrender, abandonment, or judicial eviction. If we’ve removed and stored property after surrender, abandonment, or judicial eviction, you may redeem only by paying all sums you owe, including rent, late charges, reletting charges, storage charges, damages, etc.

(C) Place and payment for return. We may return redeemed property at the place of storage, the management office, or the apartment (at our option). You may require payment by cash, money order, or certified check.

14.6 Disposition or Sale.

(A) Our options. Except for animals and property removed after the death of a sole resident, we may throw away or give to a charitable organization all personal property that:

Your initials ___________ Initials of Rep/Representative ____________________________

Apartment Lease Contact 08/15/99 Texas Apartment Association Inc Page 2 of 4

DMEAST #34514769 v8 Schedule VIII

I-50 Management Agreement

Mistletoe Station, LLC
15. Failing to Pay First Month’s Rent. If you do not pay the first month’s rent when this Lease begins, all future rent for the Lease term will be automatically accumulated without notice and become immediately due. We also may end your right of occupancy and recover damages, future rent, costs of replacement, attorney’s fees, court costs, and other lawful charges. Our rights, remedies and duties under Par. 10 and 12 apply to acceleration under this paragraph.

16. Rent Increases and Lease Changes. No rent increases and Lease Changes are allowed before the initial lease term expires, except for those allowed by special provisions in Par. 8, by written agreement signed by you and us, or by reasonable changes of apartment rules allowed under Par. 19. At least 30 days before the advance-notice deadline referred to in Par. 3, we give you written notice of rent increases or lease changes that become effective when the Lease term or renewal period ends, this Lease will automatically continue month-to-month with the increased rent or Lease Change. The new modified Lease will begin on the date stated in the notice (without needing your signature) unless you give us written move-out notice under Par. 36. The written move-out notice under Par. 36 applies only to the end of the current Lease or renewal period.

17. Delay of Occupancy.

17.1 Lease Remains In Force. We are not responsible for any delay of your occupancy caused by construction, repairs, clearing, or a previous resident’s holding over. This Lease will remain in force subject to:

(a) abatement of rent on a daily basis during delay; and
(b) your right to terminate the lease in writing as set forth below.

17.2 Your Termination Rights. Termination notice must be in writing. After termination, you are entitled only to refund of any deposits and any rent you paid. Tenant abatement or Lease termination does not apply if the delay is for cleaning or repairs that don’t prevent you from moving into the apartment.

17.3 Notice of Delay. If there is a delay of your occupancy and we haven’t given you notice of it as set forth immediately below, you may terminate this Lease up to the date when the apartment is ready for occupancy, but not later.

(a) If we give written notice to any of your or any occupant’s guests of the end of the lease—then the notice states that occupancy has been delayed because of construction or a previous resident’s holding over, and that the apartment will be ready on a specific date—then you may terminate the Lease within 3 days after you receive written notice, but no less.

(b) If we give any of you written notice before the date the Lease begins and the notice states that a construction delay is expected and that the apartment will be ready for you to occupy on a specific date, you may terminate the Lease within 7 days after receiving written notice, but no later. The readiness date stated in the written notice becomes the new effective lease date for all purposes. This new date cannot be moved to an earlier date unless we agree in writing.

18. Disclosure of Information. If someone requests information about you or your rental history for law-enforcement, government or business purposes, we may provide it. At your request, any utility provider may give us information about pending or actual connections or disconnections of utility service to your apartment.

While You’re Living in the Apartment


19.1 Generally. Our rules are considered part of this Lease. You, your occupants, and your guests must comply with all written apartment rules and community policies, including instructions for care of our property. We may regulate:

(A) The use of patios, balconies, and porches;
(B) the conduct of furniture movers and delivery persons; and
(C) activities in common areas. We may make reasonable changes to written rules, and those rules can become effective immediately if the rules are distributed and applicable to all units in the apartment community and do not change the dollar amount on pages 1 or 2 of this Lease.

19.2 Some Specifics. Your apartment and other areas reserved for your use must be kept clean. Trash must be disposed of at least weekly in appropriate receptacles in accordance with local ordinances. Passenger elevators may be used only for entry or exit. Any swimming pools, saunas, spa, tennis courts, exercise rooms, storerooms, laundry rooms, and similar areas must be used with care in accordance with apartment rules and posted signs.

19.3 Limitations on Conduct. Glass containers are prohibited in all near pools and all other common areas. Within the apartment community, you, your occupants, and your guests must not use candles or kerosene lamps or heaters without our prior written permission. Make sure you are not a threat to the safety of others.

19.4 Exclusion of Persons. We may exclude from the apartment community any guests or others who, in our judgment, have been in violation of the Lease or, disturbing other residents, neighbors, visitors, or owner representatives. We may also exclude any from any outside area or common area anyone who refuses to show photo identification or refuses to identify himself or herself as a resident, an occupant, or a guest of a specific resident in the community.

19.5 Notice of Violations and Registration. You must notify us within 15 days if you or any of your occupants are convicted of (a) any felony, or (b) any misdemeanor involving a controlled substance, violence, or drug dealing, or (c) any of the above offenses. You must notify us within 15 days if you or any of your occupants register as a sex or violent offender. Informing us of a criminal conviction or sex or violent offender registration doesn’t waive any rights we may have against you.

20. Prohibited Conduct. You, your occupants, and your guests may not engage in the following activities:

(a) criminal conduct; manufacturing, delivering, or possessing a controlled substance or drug paraphernalia, engaging in or threatening violence, possessing a weapon prohibited by state law (including firearms in the apartment community or displaying or possessing a gun, knife, or other weapon in the common area in a way that may alarm others);
(b) behaving in a loud or obnoxious manner;
(c) disturbing or threatening the right, comfort, health, safety, or convenience of others (including our agents and employees) in or near the apartment community;
(d) disrupting our business operations;
(e) storing anything in closets containing gas appliances;
(f) tampering with utilities or telecommunications;
(g) bringing hazardous materials into the apartment;
(h) using windows for entry or exit;
(i) heating the apartment with a gas-operated cooking stove or oven;
(j) ensuring our reputation by making bad faith allegations from one resident to another.

21. Parking. We may regulate the time, manner, and place of parking all cars, trucks, motorcycles, bicycles, boats, trailers, and recreational vehicles. Motorcycles or motorized bikes must not be parked inside an apartment, or sidewalks, under stairwells, or in handicapped parking areas. We may have any unauthorized or illegally parked vehicles towed or booted according to state law at the owner or occupant’s expense at any time if the vehicle:

(a) has a false time or is otherwise inapplicable;
(b) is on a jack, on blocks, or on a wheel missing;
(c) takes up more than one parking space;
22. Release of Resident.

22.1 Generally. You may have the right under Texas law to terminate the Lease early in certain situations involving family violence, certain sexual offenses, or stalking. Otherwise, unless you’re entitled to terminate this Lease under Par. 6, 7, 13, 23, or 36, you won’t be released from this Lease for any reason—including voluntary or involuntary school withdrawal or transfer, mandatory or involuntary job transfer, marriage, separation, divorce, recancellation, loss of credits, loss of employment, bad health, property purchase, or death.

22.2 Death of Sole Resident. If you are the sole resident and die during the Lease term, an authorized representative of your estate may terminate the Lease without penalty by giving at least 30 days’ written notice. Your estate will be liable for paying rent until the latter of (a) the termination date or (b) removal of all persons in the apartment.


23.1 Termination Rights. You may have the right under Texas law to terminate the Lease early in certain situations involving military deployment or transfer. You may terminate the Lease if you are drafted or called to active duty in the U.S. Armed Forces or you are required to leave the U.S. for more than 30 days in response to a national emergency declared by the President.

23.2 How to Terminate Under This Par. 23. You must furnish a copy of your military orders, such as permanent-change-of-station orders, call-up orders, or deployment orders (or letter equivalent). Military permission for base housing doesn’t constitute a permanent change-of-station order. You must deliver to us your written termination notice, after which the Lease will be terminated in accordance with the military leave date after the date your next rental payment is due. After your move-out, we’ll return your security deposit, less lawful deductions.

23.3 Who May Be Released. For the purposes of this Lease, orders described in (a) under Par. 23.1 above will release only the resident who qualifies under both (a) and (b) above and receives the orders during the Lease term, plus that resident’s spouse or legal dependents living in the resident’s household. A consistent who is not the spouse or dependent of a military resident cannot terminate under this military clause.


24.1 Disclaimer. We disclaim any express or implied warranties of safety. We care about your safety and that of other occupants and guests. You agree to make every effort to follow any Security Guidelines Addendum attached to this Lease. No security system is fail-safe. Even the best system can’t prevent theft. Always lock up if Security Systems don’t exist since they are subject to malfunction, tampering, and human error. The best safety measures are the ones you take as a matter of common sense and habit.

24.2 Your Duty of Due Care. You, your occupants, and your guests must exercise due care for your own and others’ safety and security, especially in using smoke alarms and other detection devices, door and window locks, and other security or safety devices. Window screens are not for security or to keep people from falling out of windows.

24.3 Alarm and Detection Devices.

(A) What We’ll Do. We’ll furnish smoke alarms or other detection devices required by law or ordinance. We may install additional detectors not so required. We’ll test them and provide working batteries when you first take possession of your apartment. Upon request, we’ll provide, as required by law, a smoke alarm capable of alerting a person with a hearing impairment disability.

(B) Your duties. You must pay for and replace batteries as needed, unless this law provides otherwise. We may re-place dead or missing batteries at your expense, without prior notice to you. You must immediately report alarm or detector malfunctions to us. Neither you nor others may disable an alarm or detector. If you damage or disable the smoke alarm, or remove a bat-tery without replacing it with a working battery, you may be liable to us under Texas Property Code sec. 92.2812 for $500 plus one month’s rent. actual damages, and attorney’s fees. You’ll be liable to us and others if you fail to report malfunctions, or fail to report any breaks, damages, or fires resulting from smoke, smell, or water.

24.4 Loss. Unless otherwise required by law, we’re not liable to any resident, guest, or occupant for personal injury or damage, loss of personal property, or loss of business or personal income, from any cause, including fire, smoke, rain, flood, water leaks, hail, ice, snow, lightning, wind, explo-sions, interruption of utilities, pipe leaks, theft, vandalism, and negligent or intentional acts of residents, occupants, or guests. We have no duty to remove any ice, sleet, or snow but we may remove any amount with or without no-tice. Unless we instruct otherwise, during freezing weather you must for 24 hours a day, (a) keep the apartment heated to at least 70°Fahrenheit, (b) keep cabinet and dish-doors open, and (c) turn off hot- and cold-water faucets. You’ll be liable for any damage to our and others’ property caused by broken water pipes due to your violating these requirements.

24.5 Crime or Emergency. Immediately dial 911 or call local medical-emergency, fire, or police personnel in case of accident, fire, smoke, suspicious activity, or any other emergency involving immediate harm. You should then contact our representative. None of our security measures are an express or implied warranty of safety—or a guarantee or protection against crime or of reduced risk of crime. Unless otherwise provided by law, we’re not liable to you, your occupants, or your guests for injury, damage, or loss to person or property caused by crime, criminal activity, or another person, including theft, burglary, assault, vandalism, or other crimes. Even if previously provided, we’re not obliged to furnish security personnel, patrolling, lighting, gates, fences, or other forms of security services required by you. We’re not responsible for removing new animal-history marks on any residents, occupants, guests, or contractors in the apartment community. If you, your occupants, or your guests are affected by a crime, you must make a written report to the appropriate local law-enforcement agency and to our representative. You must also give us the law enforcement agency’s incident report number upon request.

25. Condition of the Premises and Alterations.

25.1 As Is. We disclaim all implied warranties. We accept the apartment, fixtures, and furniture as is, except for conditions materially affecting the health or safety of ordinary persons. You’ll be given an Inventory & Condition form on or before move-in. Within 48 hours after move-in, you must note on the form all defects or damage, sign the form, and return it to us. Otherwise, everything will be considered to be in a clean, safe, and good-working condition.
25.2 Standards and Improvements. You must use customary diligence in maintaining the apartment and not damaging or littering the common areas. Unless authorized by law or by us in writing, you must not do any repairs, painting, wallpapering, carpeting, electrical changes, or otherwise alter our property. No holes or stickers are allowed inside or outside the apartment. Unless it is state or federal law, you will permit a reasonable number of small nail holes for hanging pictures on sheetrock walls and grooves of wood-paneled walls. No water furniture, washing machines, extra phone or television outlets, alarm systems, or lock changes, additions, or remodeling is permitted unless allowed by law or we've consented in writing. You may install a satellite dish or antenna, but only if you sign our satellite-dish or antenna lease addendum, which complies with reasonable restrictions allowed by federal law. You must tolerate, damage, or remove our property, including alarm systems, detection devices, furnish, or telephones and television wiring, screens, locks, and security devices. When you move in, we'll supply left bulbs for fixtures we furnish, including interior fixtures operated from inside the apartment. After that, you'll replace them at your expense with bulbs of the same type and wattage. Your improvements to the apartment made with or without our consent become ours unless we agree otherwise in writing.

25.3 Fair Housing. We are committed to the principles of fair housing. In accordance with fair-housing laws, we will make reasonable accommodations to our rules, policies, practices, or services. We will allow reasonable accommodations and modifications to these laws to give individuals access to and use of this apartment community. We may require you to sign an addendum regarding the implementation of any accommodations or modifications, as well as your restoration obligations, if any.

26. Requests, Repairs, and Malfunctions.

26.1 Written Requests Required. If you or any occupant need to send a notice or request—for example, for repairs, installations, services, ownership disclosure, or security-related matters—it must be written, signed, and delivered to our designated representative (in our case, a lease office, security officer, building management, or security-related matters). Our written notes on your oral request do not constitute a written request from you. Our complying with or responding to any oral request regarding security or any other matter doesn't waive the strict requirement for written requests.

26.2 Required Notifications. You must promptly notify us in writing of water leaks, mold, electrical problems, malfunctioning lights, broken or missing locks or latches, and other conditions that pose a hazard to property, health, or safety.

26.3 Utilities. We may change or install utility lines or equipment serving the apartment if the work is done reasonably without substantially increasing your utility costs. We may shut off equipment and interrupt utilities as needed to avoid property damage or to perform work. If utilities malfunction or are damaged by fire, water, or similar cause, you must notify our representative immediately.

26.4 Air-Conditioning and Other Equipment. Air-conditioning problems are normally not emergencies. If an air-conditioning or other equipment malfunction, you must notify us as soon as possible on a business day. We will act with customary diligence to make repairs and reconnections, taking into consideration when casualty-insurance proceeds are received. Your rent will not be abated in whole or in part.

26.5 Our Right to Terminate. If we believe that fire or catastrophic damage is substantial, or that performance of needed repairs poses a danger to you, we may terminate this Lease by giving you at least 30 days written notice of termination. If we are demolishing your apartment or closing it and it will no longer be used for residential purposes for at least 90 days. If the lease is terminated, we will refund pro-rated rent and all deposits, less lawful deductions. We may also remove personal property if it causes a health or safety hazard.

27. Animals.

27.1 No Animals Without Consent. No animals including mammals, reptiles, birds, fish, rodents, amphibians, arachnids, and insects are allowed, even temporarily, anywhere in the apartment or apartment community unless we've given written permission. If we allow an animal, you must sign a separate animal addendum and, except as set forth in the addendum, pay an animal deposit. An animal deposit is considered a general security deposit.
31. Our Responsibilities.

31.1 Generally. We'll act with customary diligence to:
(a) keep common areas reasonably clean, subject to Par. 25;
(b) maintain fixtures, hot water, heating, and air-conditioning equipment;
(c) substantially comply with all applicable laws regarding safety, sanitation, and fair housing; and
d) make all reasonable repairs, subject to your obligation to pay for damages for which you're liable.

31.2 Your Responsibility. If you fail to do any of the above, you may possibly terminate this Lease and exercise other remedies under Texas Property Code Sec. 92.056 by following this procedure:
(a) all rent must be current, and you must make a written request for repair or remedy of the condition after which we'll have a reasonable time for repair or remedy;
(b) if we fail to do so, you must make a second written request for the repair or remedy. To make sure that there has been no miscommunication between us after which we'll have a reasonable time to repair or remedy;
and
c) if the repair or remedy still hasn't been accomplished within that reasonable time period, you may immediately terminate this Lease by giving us a final written notice.

You also may exercise other statutory remedies, including those under Texas Property Code Sec. 92.0511.

31.3 Request by Mail. Instead of giving the two written requests referred to above, you may give us one request by certified mail, return receipt requested, or by registered mail—after which we'll have a reasonable time for repair or remedy. "Reasonable time" accounts for the nature of the problem and the reasonable availability of materials, labor, and utilities. Your notice must be current when you make any request. We'll refund security deposits and prorate rent as required by law.

32. Default by Resident.

32.1 Acts of Default. You'll be in default if you:
(a) you don't timely pay rent or other amounts owed;
(b) you or any guest or occupant violates this Lease, apartment rules, or the fire, safety, health, or criminal laws, regardless of whether or where arrest or conviction occurs;
(c) you abandon the apartment;
(d) you give incorrect or false answers in a rental application;
(e) you or any occupant is arrested, charged, detained, convicted, or given deferred adjudication or pre-trial diversion for (1) a felony offense involving actual or potential physical harm to a person, or involving possession, manufacture, or delivery of a controlled substance, marihuana, or drug paraphernalia as defined in the Texas Controlled Substances Act, or (2) any sex-related crime, including a misdemeanor;
(f) you are found to have any illegal drugs or paraphernalia in your apartment; or
(g) you or any occupant, in bad faith, makes an invalid habitability complaint to a tenant official or employee of a utility company or the government.

32.2 Eviction. If you default or hold over, we may end your rental agreement by giving you at least 24-hour written notice to vacate. Notice may be given by:
(a) regular mail;
(b) certified mail (return receipt requested); or
(c) personal service to any resident;
(d) personal service at the apartment to any occupant over 18 years old or (2) after giving notice to the inside of the apartment's main entry door. Notice by mail will be considered delivered on the earlier of actual delivery or 3 days following Sundays and federal holidays after the notice is deposited in the U.S. Postal Service with receipt. Termination of your possession rights or a later relocation doesn't release you from liability for future rent or other obligations. After giving notice to vacate or filing an eviction suit, we may still accept rent or other sums due; the filing or acceptance doesn't waive or diminish your right of possession in any other contractual or statutory right. Accepting money at any time doesn't waive our right to damages or to past or future rent or other sums, or to our continuing with eviction proceedings.

32.3 Acceleration. Unless we elect not to accelerate rent, all monthly rents, the last of the lease term or renewal period will be accelerated automatically without notice or demand if any amounts are due and delinquent. If we timely and without written consent, (A) you move out, remove property in preparing to move out, or you or any occupant gives us a written notice of intent to move out before the Lease term or renewal period ends; and (B) you haven't paid all rent for the entire Lease term or renewal period. Such period is considered a default for which we need not give you notice. Remaining rent will also be accelerated if you're judicially evicted or move out when we demand because you're违约. Acceleration is subject to our mitigation obligations below.

32.4 Holder. If you, any occupant, invitee, or guest must not hold over beyond the date contained in your notice to vacate or by any different move-out date agreed to by the parties in writing. If a holder occurs, then (A) holder rent is due in advance on a daily basis and may become delinquent without notice or demand, (B) all rent for the holder period will be increased by 25% over the then-existing rent, without notice, (C) you'll be liable to us (subject to our mitigation duties for all rent for the full term of the previously-registered lease of a new resident who can't occupy because of the holder; and (D) at our option, we may extend the Lease term—for up to one month from the date of notice of lease extension—by delivering written notice to you or your apartment while you continue to hold over.

3.5 Other Remedies. We may report unpaid amounts to credit reporting agencies. If we or a third-party debt collector we use to collect any money owed you, we agree that we or the debt collector may call you on your cellphone and may use an automated dialer. If you default, you will pay us, in addition to other sums due, any amounts stated to be rental discounts or concessions agreed to in writing. Upon your default, we have all other legal remedies, including legal termination and statutory lockout under Texas Property Code Sec. 92.008, except as lockdowns and pre-habitability laws are prohibited by Texas Government Code Sec. 2201.0738 for owners supported by housing tax-credit allocations. A prevailing party may recover reasonable attorney's fees and all other litigation costs from the nonprevailing party, except a party may not recover attorney's fees and litigation costs in connection with a party's claims seeking personal injury, emotional distress, or other non-monetary damages. We may recover attorney's fees in connection with enforcing our rights under this Lease. We may also seek that all charges are liquidated damages representing a reasonable estimate of the value of the time, inconvenience, and overhead associated with collecting late rent but are not for attorney's fees and litigation costs. All unpaid amounts you owe, including judgments, bear 18% interest per year from the due date, compounded annually. You must pay collection agency fees if you fail to pay sums due within 10 days after we mail you a letter demanding payment and stating that collection agency fees will be added if you don't pay all sums by that date.

3.6 Mitigation of Damages. If you move out early, you'll be subject to the 10% and all other fees. We waive customary diligence to relet and minimize damages. We'll credit all later rent that we actually receive from subsequent residents against your liability for past due and future rent and other sums due.

General Clauses.

33. Other Important Provisions.

33.1 Representatives’ Authority: Waivers: Notice. Our representatives (including management personal, employees, and agents) have no authority to waive, amend, or terminate this Lease or any part of it unless in writing, and no authority to make any promises, representations, or agreements that impose security duties or other obligations on us or our representatives, unless in writing. Any dimensions and sizes provided to you relating to the apartment are only approximations or estimates; actual dimensions and sizes may vary. No action or omission by us will be considered a waiver of our rights or any subsequent violation, default, or time of performance. Our consent or waiver of breach or delay in enforcement of written notices, demand notices, rental due dates, acceleration, fees, or other rights isn't a waiver under any circumstances. Except when notice or demand is required by law, you waive any notice and demand for performance from us if you default. If we give notice to terminate this lease, a separate Notice to Vacate or other notices must be given. Written notice to or from our managers constitutes notice to or from us. Any person giving a notice under this Lease should keep a copy of the memo, letters, or fax that was given (and any facsimile verification). Fax or electronic signatures are binding. All notices must be addressed. Unless this lease or the law requires otherwise, any notice required to be provided, sent or delivered in writing may be given electronically, subject to our rules.

33.2 Miscellaneous. All remedies are cumulative. Exercising one remedy won't constitute an election or waiver of other
remedies. All provisions regarding our nonliability or non-
duty apply to our employees, agents, and management companies. No employee, agent, or management company is personally liable for any of our contractual, statutory, or other obligations merely by virtue of acting on our be-
thalf. This lease binds subsequent owners. This lease is sub-
ordinate to existing and future secured mortgages, unless the owner’s lender chooses otherwise. All lease obliga-
tions must be performed in the county where the apart-
ment is located. Neither an invalid clause nor the omission of initials on any page invalidates this lease. If you have in-
surance covering the apartment or your personal belong-
ings at the time of the sale or if you suffer or allege a loss, you and we agree to waive all insurance subrogation rights. All no-
tices and documents may be in English and, at our option, in any other language that you read or speak. The term “in-
cluding but not limited to” is used in this lease to be interpreted to mean “includ-
ing but not limited to.”

34. Payments. Payment of each sum due is an independent covenant. When we receive money, other than sale proceeds under Par. 14 or utility payments subject to government regulation, we may apply it at our option and without notice first to any of your unpaid obli-
gations, then to current rent. We may do so regardless of notices on checks or money orders or regardless of when the obligations arose. All sums other than rent are due under our demand. After the due date, we do not have to accept any payments.

35. TAA Membership. We represent that, at the time of signing this lease, we, the management company representing you, or any loca-
tor service that procured you is a member in good stand-
ing of both the Texas Apartment Association and the affiliated local apartment association for the area where the apartment is located. The member is either an owner/management-compa-
nany member or an associate member doing business as a loca-
tor service whose name and address must be disclosed on page 6. If, the following applies: (A) This lease is voidable if at your so-
time, in the reasonable opinion of the landlord, is unenforceable by us (except for property damages); and (B) we may not recover past or future rent, or other charges. The above-mentioned apply if both of the following occur: (1) the lease is automatically renewed on a month-to-month basis more than once after membership in TAA and the local associa-
tion has been suspended; and (2) the owner or the management company is a member of TAA and the local association during the third automatic renewal. A signed affidavit from the affili-
ated local apartment association attesting to nonmembership when you signed your lease in a voidable lease form will be conclusive evi-
dence of nonmembership. Governmental entities may use TAA forms if TAA agrees in writing.

36. When Moving Out

36.1 Requirements and Compliance. Your move-out notice doesn’t release you from liability for the full term of the Lease or renewal term. You’ll be liable for the entire Lease term if you move out early, except under Par. 19, 25, 27, or 31. Your move-out notice must comply with all of the following:

(a) We must receive advance written notice of your move-
out date. Your surrender of possession by at least 30 days in advance is required under Par. 2 as part of our pro-
cedures—unless the lease has become a month-to-
month lease. Unless we require more than 30 days’ no-
ice, if you give notice on the first day of the month you intened to move out, it will suffice for move-out on the last day of that month, as long as all other requirements below are met.

(b) Your move-out notice must be in writing. An oral move-out notice will not be accepted and will not ter-
minate your lease.

(c) Your move-out notice must not terminate the lease sooner than the end of the last portion of the renewal period.

(d) We require to give you more than 30 days’ written notice to move out before the end of the lease term, we will give you written notice at least 30 days before the move-out date. Written move-out notice to move-out is required. If we terminate the lease, we must give you the same notice advance—unless you are in default.

36.2 Unacceptable Notice. Your notice is not acceptable if it doesn’t comply with all of the above. We recommend that you use our written move-out form to ensure that you provide all the information needed. You must get from us written acknowledgment of your notice. If we fail to give you a reminder notice, 30 days’ written notice to move out is required. If we terminate the lease, we must give you the same notice advance—unless you are in default.

37. Move-Out Procedures. The move-out date can’t be changed un-
less you and we both agree in writing. You won’t move out before

the Lease term or renewal period ends unless all rent for the entire Lease term or renewal period is fully paid. No person can re-
result in refunding and cancelation of future rent under Par. 10 and 32. You’re prohibited from any security deposit or ret-
un. You can’t stay beyond the date you’re supposed to move.

38. Cleaning. You must thoroughly clean the apartment, including do-
ers, windows, furniture, bathrooms, kitchen appliances, pa-
tios, balconies, garages, carports, and storage rooms. You must fol-
low move-out cleaning instructions if they have been provid-
ed. If you don’t clean adequately, you’ll be liable for reasonable cleaning charges—including charges for cleaning carpets, drap-
eries, furnitures, walls, etc. that are soiled beyond normal wear
(smoke, wear or selling that occur; without negligence, carelessness, accident, or abuse).

39. Move-Out Inspection. You should meet with our representa-
tive for a move-out inspection. Our representative has no au-
thority to bind or limit us regarding deductions for repairs, dam-
ges, or charges. Any statements or estimates by us or our representative are subject to our correction, modification, or dis-
approval before final accounting or refunding.

40. Security Deposit Deductions and Other Charges. You’ll be liable for the following charges, if applicable: unpaid rent; un-
paid utilities; unreimbursed service charges; repairs or damag-
e caused by negligence, vandalism, accident, or abuse, in-
cluding stinkers, scratches, tears, burns, stains, or unap-
proved holes; replacement cost of our property that was in or attached to the apartment and in its condition at the time of vacating; replacing damaged or missing alarm or detection devices at any time; utilities for repairs or cleaning; trips to let in company representatives to remove your telephones and internet devices or furniture; any one-time fees (if you request or have moved out; trips to open the apartment when you or any guest or occupant is missing a key; unclaimed keys; mishandling or burned-out light bulbs; removing or releasing un-
authorized security devices or alarm systems; sending rehabilitation charges; packing, moving, or storing property removed or

* * * * *

DMEAST #34514769 v8 I-55 Schedule VIII to Management Agreement Mislesoe Station, LLC
### SUMMARY OF KEY INFORMATION

The lease will control if there's a conflict with this summary.

- **Address:** [Unit #]
- **Beginning date of Lease (Par. 3):** [Date]
- **Ending date of Lease (Par. 3):** [Date]
- **Number of days notice for termination (Par. 3):** [Number of days]
- **Constitution for guests staying more than:** [Number of days]
- **Total security deposit (Par. 4):** $[Amount]
- **Animal deposit (if any):** $[Amount]
- **Security deposit refund check will be:** [Check one: Cash, Money Order, or Bank check]
- **Method of payment:** [Check one: Cash, Money Order, or Bank check]
- **Keys/access devices:** [Check one: Adult, Youth, Child, Other]
- **Your move-out notice will terminate lease on:** [Par. 5]
- **Check here:** [Par. 5]
- **Check all that apply:** [Options]
- **Month any animal rent (if any):** [Amount]
- **Prepaid rent (if any):** [Amount]
- **First month OR second month:** [Amount]
- **Utilities paid by owner (Par. 7):** [Check all that apply]
- **Agreed reletting charge (Par. 10):** [Amount]
- **Special provisions (Par. 9):** [Details]

### Signatures and Attachments

42. Attachments. We will provide you with a copy of the Lease as required by statute. This may be in paper format, in an electronic form if you request it, or by e-mail if we have communicated by e-mail about this Lease. Our rules and community policies, if any, will be attached to the lease and given to you at signing. When an Inventory and Condition Form is completed, both you and we should retain a copy. The items checked below are attached to and become a part of this Lease and are binding even if not initialed or signed.

- **Access Gate Addendum**
- **Additional Special Provisions**
- **Addition to Addendum for:** [Electricity, Water, Gas, Central air conditioning, [Check all that apply]]
- **Animal Addendum**
- **Apartment Rules or Community Policies**
- **Assure Addendum (If asbestos is present)**
- **Bed Bug Addendum**
- **Early Termination Addendum**
- **Enclosed Garage, Carport, or Storage Unit Addendum**
- **Equipment Addendum**
- **Inventory & Condition Form**
- **Lease Contract Guaranty (guarantees, if more than one)**
- **Legal Description of Premises:** [Details]
- **Military Service Addendum**
- **Mold Information and Prevention Addendum**
- **Move-Out Cleaning Instructions**
- **Notice of Intent to Move Out Form**
- **Parking Permit or Sticker (if applicable)**
- **Pet Concession Addendum**
- **Renters or Liability Insurance Addendum**
- **Repair or Service Request Form**
- **Security Deposit Addendum**
- **Security Guidelines Addendum**
- **Pet, Tenant Guide to Water Allocation**
- **Utility Underground Addendum:** [Electricity, Water, Gas]
- **Other**
- **Other**
- **Other**
- **Other**

You are legally bound by this document. Please read it carefully.

A facsimile or electronic signature on this Lease is as binding as an original signature.

Before submitting a rental application or signing a Lease, you may take a copy of these documents to review and/or consult an attorney.

Additional provisions or changes may be made in the Lease if agreed to in writing by all parties.

You are entitled to receive a copy of this Lease after it is fully signed. Keep it in a safe place.

This lease is the entire agreement between you and us. You are NOT relying on any oral representations.

#### Resident or Residents (all sign below)

- **Name of Resident:** [Name]
- **Date signed:** [Date]

#### Owner or Owner's Representative (signing on behalf of owner)

- **Name of Resident:** [Name]
- **Date signed:** [Date]

#### Additional Provisions or Changes

- **After-hours phone number:** [Phone number]
- **Date form is filled out (same as on top of page 1):** [Date]

---

Your Initials: [Initials] Initials of Owner's Representative: [Initials]
Lease Contract Addendum for Units Participating in Government Regulated Affordable Housing Programs

1. Addendum. This is an addendum to the Lease Contract ("Lease") executed by you, the resident(s), on the dwelling you have agreed to rent. That dwelling is:

   Apt._#________ at ___________ City, State ___________

   (name of apartments)

   or other dwelling located at ___________, __________,

   (street address of house, duplex, etc.)

   City/State where dwelling is located ___________

2. Participation in Government Program. We, as the owner of the dwelling you are renting, are participating in a government regulated affordable housing program. This program requires both you and us to verify certain information and to agree to certain provisions contained in this addendum.

3. Accurate Information in Application. By signing this addendum, you are certifying that the information provided in the Rental Application or any Supplemental Rental Application regarding your household annual income is true and accurate.

4. Request(s) for Information. By signing this addendum, you agree that the annual income and other eligibility requirements for participation in this government regulated affordable housing program are substantial and material obligations under the Lease. Within seven days after our request, you agree to comply with our requests for information regarding annual income and eligibility, including requests by the owner and the appropriate government monitoring agency. These requests to you may be made to you now and any time during the Lease term or renewal period.

5. Failure to Answer or Inaccurate Information May Be Good Cause Grounds for Eviction. If you refuse to answer or do not provide accurate information in response to the requests in Par. 4 above, it may be considered a substantial violation of the Lease and good cause grounds for terminating and/or not renewing your Lease and for an eviction. It makes no difference whether the inaccuracy of the information you furnished was intentional or unintentional.

6. Termination or Non-Renewal of Lease for Housing Tax Credit (HTC) and HOME Program Units. Provisions in Par. 6.6.3 of this Addendum shall apply only to residents in a dwelling covered by either the HTC program or the HOME program. Par. 6.6.3 of this Addendum also overrides any contrary provisions contained in Par. 32 and Par. 36 of the Lease. We will not evict a resident solely on the basis that the resident is or has been a victim of domestic violence, dating violence, sexual assault or stalking.

   6.1 Housing Tax Credit Program. For rental properties participating in the HTC program, IRS Revenue Bulletin 2004-82 provides that a property owner may not evict a resident or terminate a tenancy except for good cause. In addition, for HTC units, we must provide the notice required under Par. 33.2 of the Lease, if evicting during the lease term, or Par. 7 of the Lease, if terminating your residency at the end of an initial or renewal term.

6.2 HOME Program. For rental properties participating in the HOME program, federal regulation 24 CFR 92.253 provides that a property owner may not evict a resident or refuse to renew a Lease except for good cause. In addition, for HOME program units, the property owner must provide a resident at least 30 days written notice before either seeking an eviction or not renewing a Lease. The written notice must specify the grounds for eviction or nonrenewal of the Lease.

6.3 Good Cause. If challenged by a resident, a court may determine if a property owner has good cause to evict, terminate a tenancy or not renew the Lease. "Good cause" may include, but is not limited to, non-payment of rent, failure to answer or provide accurate information, as required by Par. 4 and 5 of this Addendum, serious or repeated Lease violations, or breaking the law.

7. No Lien or Lockout for Unpaid Sums. For rental properties that are supported by HTC allocations, sec. 2306.6738, Texas Government Code, prohibits such property owners from threatening or conducting a lockout unless allowed by judicial process, necessary to perform repairs or construction work or responding to an emergency. Personal property of a resident may not be seized or threatened to be seized except by judicial process unless the premises has been abandoned as required by 24 CFR 92.253. This paragraph overrides any contrary provisions contained in Par. 14 or Par. 32 of the Lease.

8. Student Status. By signing this addendum, you agree to notify the owner, in writing, if there are any changes in the student status of any residents (including replacement residents) occupying the unit.

9. Conflict with Governing Law. To the extent that any part of your Lease or this addendum conflicts with applicable federal, state, or local laws or regulations, the law or regulation overrides that portion of your Lease or this addendum.

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<tr>
<th>Resident or Residents (all sign below)</th>
<th>Owner or Owner’s Representative (sign below)</th>
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<tr>
<td>(Name of Resident) Date signed</td>
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You are entitled to receive a copy of this Addendum after it is fully signed. Keep it in a safe place.
SCHEDULE VI TO EXHIBIT I
MANAGEMENT AGREEMENT

REPORTING REQUIREMENTS

The Operations Manager shall prepare and provide in a form approved by the Owner:

a) **Lease-up Monitoring.** Beginning with the Occupancy Commencement Date and ending on the date on which Initial 100% Occupancy occurs, a weekly report:

   i) A summarized discussion of activities for the reporting period
   
   ii) Marketing activities to generate interest
   
   iii) Traffic Summary/Traffic stop reports
   
   iv) Vacancy Report and Rent Rolls

b) **Compliance.** On or before the tenth (10th) day of each month beginning with the initial leasing period:

   i) A low income housing credit monitoring form, an occupancy/rental report in the form approved by the Limited Partner, provided monthly one month in arrears, within ten (10) days of the end of the month being reported

   ii) copies of all initial tenant leases and associated application information, including third party verification information and copy of the audit, for leases entered into or renewed during the preceding month, and as requested copies of all leases other than initial leases and any related back-up documentation.

c) **Monthly Reporting.** Within twenty (20) days after the end of each month, beginning with the initial leasing period of the Apartment Complex, a report containing:

   i) A summarized discussion of Apartment Complex operations and activities for the reporting period.

   ii) Financial Statements (unaudited) in Month to Date and Year to Date format:

      (1) Balance Sheet

      (2) Income Statement

      (3) Cash flow statement

      (4) Trial Balance in Excel format or equivalent form approved by the Owner
(5) Statements for the reserve account

(6) Complete Detailed General Ledger for the reporting period

(7) Mortgage Statements

iii) A LIHTC Monthly Housing Credit Form

iv) A Rent Roll/Occupancy Report

v) A certification of the Company Manager that Apartment Complex and its tenants are in compliance with all applicable federal, state and local requirements and regulations

vi) All other information, which would be pertinent to the Owner regarding the Apartment Complex activities during the reporting period.

d) **First Year Operations.** Operations Manager shall prepare and provide to Owner a first year (1st) operating budget at least forty-five (45) days prior to the start of occupancy.

e) **Annual Reporting Requirement.**

i) By October 15, of each year an annual pro-forma operating budget or the company for the next year, which budget shall have been prepared by Management Agent.

ii) Capital improvement plan

iii) All other information, which would be pertinent to the Owner regarding the Apartment Complex activities.

Capitalized terms used but not otherwise defined herein shall have the meaning set forth in the Operating Agreement.
This Management Agreement Addendum (the “Addendum”) to the Management Agreement dated as of August 30, 2018, as revised by this Addendum (the “Agreement”) is made and entered into between Mistletoe Station, LLC, a Florida liability company (the “Owner”), and Accolade Property Management, Inc., a Texas corporation (the “Management Company”).

The Agreement is hereby modified to include the following provisions:

1. Definitions. The following capitalized terms shall have the meanings given to them under this Section 1:

   “Agency” means individually, and as the context requires, collectively, the Federal Government, the Texas Department of Housing and Community Affairs ("TDHCA"), the City of Waco, and their respective compliance agents.

   “Regulatory Agreements” mean individually, and as the context requires, collectively, any Land Use Restriction Agreement and any Extended Low Income Housing Agreement between the Owner and the Agency.

   “LIHTC Program” means the Federal Low Income Housing Tax Credit Program described in Section 42 of the Internal Revenue Code (the “Code”) as administered by TDHCA.


   A. Rules and Regulations. Management Company agrees to perform its duties in accordance with the terms of the Agreement and Owner’s written instructions. Management Company will execute and file when due all reports, returns, and forms required by any governmental authority (excluding federal income tax returns), with assistance by Owner at all times.

   B. Agency Requirements. The Premises is subject to a deed of trust. The Premises has also received tax credits administered by TDHCA. Owner has or will accordingly enter into Regulatory Agreements whereby Owner is obligated to provide for management of the Premises in a manner satisfactory to the Agency. Owner has or will furnish to Management Company copies of the Regulatory Agreements. In performing its duties under this Management Agreement, Management Company will comply with all of the requirements of the Regulatory Agreements, the LIHTC Program, and any other directives of the Agency. In the event any instruction from Owner is in contravention of such requirements, the latter will prevail.

   Management Company represents and warrants that Management Company has professional experience and expertise in the management of low-income multi-family properties and that Management Company possesses knowledge of all of the requirements from the Agency regarding the LIHTC, and all other laws, regulations, orders, rules, and other requirements.
necessary to fully comply with the LIHTC Programs and regulations. Management Company also represents and warrants that the management of the Premises and the maintenance of all records pertaining thereto shall be conducted in such a manner as to fully comply with all federal, state, county and local laws, regulations and ordinances pertaining to the LIHTC Program and TDHCA.

Management Company acknowledges the Owner's objective of obtaining and/or maintaining Tax Credits for the Property. Management Company represents and warrants that it is familiar with Section 42 of the Internal Revenue Code and the requirements thereto including without limitation (i) the Minimum Set-Aside Test, (ii) the Rent Restriction Test, (iii) the Extended Use Agreement, (iv) the Regulatory Agreement, if any, (v) the requirements in Section 42(g)(2)(D) that the next available unit must be rented to a low-income tenant if income rises above 140 percent of income limit; (vi) rules and regulations regarding qualification for Tax Credits where units are vacant; and (vii) rules and regulations by the Agency (collectively referred to herein as the "Regulatory Requirements"). Management Company agrees to operate the Property in a manner which meets the Regulatory Requirements.

C. Records and Accounts. Management Company will maintain segregated records, books, and accounts for the Premises. All books, records, and accounts will accurately reflect all transactions involving the Premises, and will be in a form satisfactory to Owner and in full compliance with the Code, the Regulatory Agreements, the LIHTC Program’s rules and regulations, the directives of the Agency and Owner, and will be subject to examination and audit by Owner’s, and/or Agency’s authorized representatives at reasonable times and upon reasonable notice. Management Company will assist with the preparation of various reports and forms relating to the LIHTC Program. All statements, receipts, invoices, leases, contracts, books (except for operations manual), and other documents related to the Premises, even if prepared by Management Company, will at all times be the sole property of Owner. All materials developed or purchased by Management Company to assist it in the performance of its work, such as computer software, will at all times be the sole property of Management Company; provided, however, that any such material containing information pertaining to the Premises may be copied by Owner.

Management Company shall keep and maintain in its possession all invoices, purchase orders, operating statements, rent rolls, occupancy reports, and other records and written material relating to the Premises, for years preceding the current year of operation for a period of six (6) years from the date of preparation or receipt of such documents or such longer time as may be required by the LIHTC Program, or the Agency, unless rendered to the Owner upon termination of this contract. After a period of six (6) years (or such longer time as may be required by the LIHTC Program, or the Agency), Management Company shall send the documents to Owner.

D. Rent Schedules. Management Company will furnish Owner with rent schedules as, from time to time, are approved by the Agency, showing rents for units and other charges for facilities and services. In no event will such contract rents and other charges be exceeded. Eligibility for rents which are less than such contract rents, and the amount of the lesser rents, will be determined in accordance with the directives of the Agency and the requirements of the LIHTC Program. Management Company shall also provide Owner with
reports pertaining to the number of units occupied by low-income tenants and other additional reports as may be requested from time to time by Owner and/or the Agency, such reports to be delivered on a monthly basis by the 15th day of the following month.

E. **Rentals.** Management Company will use its reasonable and best effort to keep the Premises rented to tenants who meet Owner’s criteria at rental rates and on other terms established by Owner and the Agency. Management Company will follow a resident selection policy by giving preference to low and moderate income families who qualify pursuant to the guidelines of the LIHTC Program. The terms of all leases will comply with the directives of the Agency and the requirements of the LIHTC Program, and the leases will be in a form approved by the Owner and the Agency; however, if not required by the Agency or LIHTC, individual leases need not be submitted for the approval of the Owner or the Agency. Management Company will counsel all prospective residents regarding eligibility for dwelling rents which are less than contract rents, and will prepare and verify the certifications and recertifications in accordance with the directives of the Agency and the requirements of the LIHTC Program.

F. **Personnel.** Management Company will hire and supervise all personnel employed to maintain and operate the Premises. All personnel will be employees of Management Company and not of Owner. Owner has the right to disapprove the assignment of certain employees to work in connection with the Premises. Management Company’s supervisory employees shall also be bonded by a fidelity bond which will be paid for by Management Company.

Management Company and Owner shall fully comply with all federal, state, county, municipal and other governmental laws, ordinances, regulations and orders having to do with antidiscrimination, workers’ compensation, equal employment opportunity, fair labor standards, employer’s liability insurance, social security, unemployment insurance, hours of labor, wages, working conditions, immigration and all other employer-employee related subjects (including, without limitation, tax withholding and information reporting requirements) and shall not do any act, nor knowingly permit any act to be done that would constitute a violation of any or all of such laws, ordinances, regulations or orders. Management Company shall indemnify and hold Owner harmless for any such violation by Management Company. Owner shall indemnify and hold Management Company harmless for any such violation by Owner. Management Company will utilize an adequate payroll system and will ensure that all payroll taxes are paid on a timely basis.

G. **Repairs and Maintenance.** Management Company will inspect the Premises at least on a quarterly basis and provide Owner with a list of any material defects. Management Company shall properly and timely maintain each apartment unit and all public areas subject to the constraints of the budget and is authorized to make ordinary repairs and replacements to the Premises.

H. **Service Contracts.** Management Company shall arrange on behalf of Owner for the cleaning, maintenance and services needed by the Premises, but shall not enter into any contract or obligation in connection with the management, operation, and maintenance of the Premises that is not included in the Approved Budget without the prior written authorization of Owner. Management Company will contract for supplies and services at the
lowest practical cost and on terms most advantageous to the Premises. All service contracts shall: (a) be in the name of Management Company (as managing agent for Owner), (b) be assignable, at Owner’s option, to Owner or Owner’s nominee, (c) include a provision for cancellation thereof without payment of a fee or penalty by Owner or Management Company upon not more than thirty (30) days written notice and (d) shall require that all contractors provide evidence of sufficient insurance. All rebates and discounts obtained from suppliers of goods and services will belong to the Owner. Without the prior written approval of Owner Management Company shall not enter into any third-party support services contracts (i) with any related entity or (ii) that exceed one year in duration. Furthermore, Management Company shall disclose any identity of interest contracts.

I. Bid Process. All annual contracts for repairs, capital improvements, goods and services except (i) salaries for full time and part-time employees, (ii) contracts valued at less than $2,500 and (iii) contracts contemplated in the Approved Budget shall, unless otherwise required by Owner, be awarded on the basis of competitive bidding, solicited in the following manner:

1. A minimum of two (2) bids shall be required.

2. Each bid shall be solicited in a form prescribed by Owner, if any, so that uniformity will exist in bid quotes.

3. Management Company may accept a low bid without prior approval from Owner, if the expenditure is for an item in the Approved Budget and will not exceed the accounting category of the applicable Approved Budget. Otherwise, approval of a bid shall be required by Owner before acceptance.

4. Management Company shall not accept other than the lowest bid without the prior approval of Owner.

5. Owner shall be free to accept or reject any and all bids and shall provide notice of any such acceptance or rejection to Management Company prior to delivering same to the contractor in question.

J. Concessions and Other Revenues. Management Company will supervise all vendors and concessionaires. All revenues collected or otherwise earned from the operation of any vending and laundry machines or other businesses at the Premises belong to the Owner. All proceeds from vending machines and concessions will be reported as required by law.

K. Insurance. Management Company will use their best efforts to not permit the Premises to be used for any purpose which could void its insurance coverage or render a loss uncollectible. Management Company shall continuously maintain at its cost and furnish Owner certificates evidencing the existence of the following insurance policies:

1. Worker’s Compensation - statutory limits in the State of Texas;
(2) Employers’ Liability - $1,000,000 or such other higher limits imposed in accordance with the requirement, if any, of the laws of the State of Texas;

(3) Employee dishonesty insurance or fidelity bond - coverage of at least $500,000 per occurrence;

(4) Comprehensive General Liability on an occurrence basis - (a) $1,000,000 bodily injury per person, $1,000,000 per occurrence; $1,000,000 property damage; (b) aggregate per-location of $2,000,000, by endorsement; and (c) Umbrella coverage of $2,000,000;

(5) Automobile Liability - As to any vehicle non-owned or hired by Management Company, $1,000,000 covering losses due to the insurer’s liability for bodily injury or property damage;

(6) Umbrella/Excess - $5,000,000 per occurrence;

(7) Theft of Money and Security coverage - limits of $10,000 for inside the Premises and $10,000 for outside the Premises, with crime coverage limit of $500,000; and

(8) Professional Liability/Errors and Omissions coverage: $1,000,000 per occurrence; $1,000,000 aggregate, under the above umbrella coverage.

The certificate shall contain an endorsement that Owner will be given at least thirty (30) days prior written notice of cancellation of or any material change in the policy. Owner will not reimburse Management Company for Management Company’s cost of such insurance or for any and all other coverages that Management Company obtains for its own account. The minimum A.M. Best’s rating of each insurer shall be “A”. Each of the policies referenced in clauses (3) and (7) shall name Owner as loss payee, and each of the policies referenced in clauses (4), (5), (6) and (8) shall name Owner as an additional insured. Coverage shall be maintained in effect during the term of the Agreement and for not less than two years after the termination of the Agreement.

L. Claims. Management Company will immediately notify Owner and promptly investigate and make a full and timely written report to Owner of all legal and administrative proceedings, accidents, claims, damages, or destruction relating to the ownership, leasing, operation, repair, maintenance, or management of the Premises, and will prepare all reports required by Owner and Owner’s insurers. Management Company may not negotiate or settle any claims with any insurer or any other person.

M. Nondiscrimination. In the performance of its obligations under the Agreement, Management Company shall comply with any and all federal, state and local laws, ordinances, rules, and regulations pertaining to equal opportunity housing, fair housing, and nondiscrimination (collectively, the “Fair Housing and Non-Discrimination Laws”), and shall not
discriminate in communications with or in the taking or processing of applications from prospective tenants on any legally prohibited basis. Management Company acknowledges and agrees that Fair Housing and Non-Discrimination Laws include, but are not limited to the following, as the same may be amended from time to time:

(i) The Fair Housing Act, 42 U.S.C. 3601-19, and regulations issued thereunder, 24 CFR Part 100; Executive Order 11063 (Equal Opportunity in Housing) and regulations issued thereunder, 24 CFR Part 107; the fair housing poster regulations, 24 CFR Part 110, and advertising guidelines, 24 CFR Part 109;

(ii) Title VI of the Civil Rights Act of 1964, 42 U.S.C. 2000d, and regulations issued thereunder relating to non-discrimination in housing, 24 CFR Part 1;


(v) Section 3 of the Housing and Urban Development Act of 1968, 12 U.S.C. 1701u, and its implementing regulations at 24 CFR Part 135; and

(vi) State of Texas, County of McLennan, and City of Waco fair housing and nondiscrimination laws, ordinances, and regulations.

The limitations on indemnification set forth in Section 13.1 of the Agreement shall not apply to any claims by any person with respect to any loss, cost, expense, claim and liability with respect to, or arising out of, Management Company’s non-compliance with Fair Housing and Non-Discrimination Laws, and Management Company shall defend, indemnify and hold harmless Owner, its members, partners, principals, employees and agents from and against any and all losses, costs, expenses, claims and liabilities whatsoever which may be imposed on, or asserted against, them by reason of Management Company’s non-compliance with Fair Housing and Non-Discrimination Laws.

N. IRS Form 1099. On Owner’s behalf; Management Company shall comply with all applicable provisions of the Code and any regulations thereto with respect to the preparation of IRS Form 1099. In preparing such forms, Management Company shall use Owner’s and its own employer identification number, as applicable. Management Company shall retain a copy of each completed form in its files.

O. Fiduciary Standards. Owner’s real estate activities are performed on behalf of third-party investors, to whom Owner owes a fiduciary duty. Management Company is cognizant of the fiduciary environment in which Owner operates, and any circumstance which Management Company perceives as a conflict of interest with respect to Owner’s standing as a
fiduciary must be immediately reported to Owner. Management Company shall discharge its
duties under the Agreement with the care, skill, prudence and diligence under the circumstances
then prevailing that a prudent asset manager of a real estate investment property acting in a like
capacity and familiar with such matters would use in the conduct of an enterprise of a like
character and with like aims and investment policies. In the performance of its duties hereunder,
the actions of Management Company shall be based on its best professional judgment and
experience.

P. Compliance with Leases and Contracts. Management Company will
enforce all of the terms and conditions of the apartment leases and any other contracts which
affect the Premises and will not consent to any defaults by any tenants or other contracting
parties.

3. **Limited Liability.** Neither Owner, Management Company nor any related third
party of Owner or Management Company, whether direct or indirect, or any direct or indirect
owners in such parties or any of their respective disclosed or undisclosed officers, shareholders,
members, principals, directors, employees, partners, trustees, servants or agents, shall be
personally liable for the performance of Owner’s or Management Company’s obligations under
the Agreement. The liability of Owner or Management Company for its obligations hereunder
shall be limited to Owner’s or Management’s Company’s interest in the Premises.

4. **Effective Gross Income.** Effective Gross Income does not include: (i) prepaid
rent until accrued; (ii) returned insurance premiums; (iii) monies collected for capital items
which are paid for by tenants; (iv) interest income; (v) employee rental allowances; (vi) refunds;
(vii) discounts; (viii) abatements of taxes or (xi) proceeds of any litigation. Management
Company will not receive compensation for lease renewals or other services rendered by
Management Company unless provided for in separate contracts or outlined below.

5. **Emergencies.** In the event the Premises suffers or is threatened with material
damage (an “Emergency”), Management Company will take all actions reasonably necessary to
prevent or minimize damage and will notify Owner as soon as possible. Emergencies include,
without limitation, fires, tornadoes, hurricanes, acts of violence, or other occurrences which
require immediate action. Management Company’s reasonable costs incurred in meeting an
Emergency will be an expense of the Premises and may be reimbursed from the Operating
Account upon written authorization from Owner, which authorization shall not be unreasonably
withheld.

6. **Capital Expenditures.** Management Company must obtain Owner’s prior written
approval to enter into any agreements for any Capital Expenditure for the Premises, the cost of
which exceeds $2,000 unless it is specifically included in the Approved Budget. A “Capital
Expenditure” includes (i) new building or grounds equipment or machinery; (ii) major roofing,
exterior painting, or construction work; and (iii) appliances or air conditioning equipment.

7. **Attorneys’ Fees.** If any party obtains a judgment against any other party by
reason of breach of the Agreement, Attorneys’ Fees and costs shall be included in such
judgment.
8. **Refinancing, Sale or Other Disposition of the Premises.** Management Company agrees that upon the refinancing, sale, or other disposition of the Premises or any part thereof, Management Company will not be entitled to commissions or other compensation (other than its management fee provided for under the Agreement) unless provided for under a separate written agreement. Management Company shall cooperate with and provide reasonable transaction support to Owner in connection with the sale of the Premises. Management Company shall keep all on-site Premises files up-to-date and available for review by potential buyers.

9. **Liens.** Management Company agrees not to file any lien against the Premises or any portion of it and will, at its sole cost and expense, take all steps necessary to remove any such lien. The Agreement shall not create an interest in real property and it shall not be recorded in the public records of any jurisdiction.

10. **Notices.** In addition to the provisions of Section 29 of the Agreement, Management Company will give Investor Member together with its successors and assigns, a copy of any written notice it gives to the Owner pursuant to this Agreement, at the following address:

HCP-ILP, LLC  
15910 Ventura Boulevard, Suite 1100  
Encino, California 91436

with a copy to:

Ballard Spahr LLP  
1735 Market Street, 51st Floor  
Philadelphia, PA 19103  
Attn.: Director of Tax Credit Asset Management

11. **Time is of the Essence.** Owner and Management Company agree that time is of the essence with respect to the deadlines set forth herein, and in the term of, the Agreement.

12. **Conflict.** In the event of any conflict between the terms of the Agreement and the terms of this Addendum, the terms of this Addendum shall prevail.

13. **Waiver of Jury Trial.** The parties hereto hereby waive any right they may have to a trial by jury in any action or proceeding arising under the Agreement or this Addendum.
IN WITNESS WHEREOF, the parties hereto have executed this Addendum as of the day and year first above written.

By: MISTLETOE STATION, LLC, a Texas limited Liability Company
By: Seagrook Kula, LLC, as Administrative Member
By: Lisa Stephens, President

By: ACCOLADE PROPERTY MANAGEMENT, INC.
By: Stephanie Baker, President
SCHEDULE VIII TO EXHIBIT I
MANAGEMENT AGREEMENT
MANAGEMENT AND MARKETING PLAN ADDENDUM

The Texas Department of Housing and Community Affairs requires that the following language be included “word for word” in the Management and Marketing Plan as it relates to Department Policy and Procedures regarding recipients of certain Federal Housing assistance. The parties shall make commercially reasonable effort to adhere to the applicable conditions of this Addendum.

The owner and management will implement training, processes and procedures to achieve the legislative objectives that are indicated by the directives to the Department that are stated below. The owner is aware, and will assure that management is aware, that the Department has created the necessary rules and guidelines to effectuate the directives and that the applicable rules and guidelines are stated in the Qualified Allocation Plan and Rules and in the IRS 8823 Audit Guide and Department Compliance Rules.

§2306.6728. Texas Department of Housing and Community Affairs Policy and Procedures Regarding Recipients of Certain Federal Housing Assistance

(a) The department by rule shall adopt a policy regarding the admittance to low income housing tax credit properties of income-eligible individuals and families receiving assistance under Section 8, United States Housing Act of 1937 (42 U.S.C. Section 14370).

(b) The policy must provide a reasonable minimum income standard that is not otherwise prohibited by this chapter and that is to be used by owners of low income housing tax credit properties and must place reasonable limits on the use of any other factors that impede the admittance of individuals and families described by Subsection (a) to those properties, including tax credit histories, security deposits, and employment histories.

(c) The department by rule shall establish procedures to monitor low-income housing tax credit properties that refuse to admit individuals and families described by Subsection (a). The department by rule shall establish enforcement mechanisms with respect to those properties, including a range of sanctions to be imposed against the owners of those properties.

§2306.269. Tenant and Manager Selection

(a) The department shall set standards for tenant and management selection by a housing sponsor.

(b) The department shall prohibit a multifamily rental housing development funded or administered by the department, including a development supported with a housing tax credit allocation under Subchapter DD, from:

(1) Excluding an individual or family from admission to the development because the individual or family participates in the housing choice voucher program under Section 8, United States Housing Act of 1937 (42 U.S.C. Section 14371); and
(2) Using a financial or minimum income standard for an individual or family participating in the voucher program described by Subdivision (1) that requires the individual or family to have a monthly income of more than 2 1/2 times the individual's or family's share of the total monthly rent payable to the owner of the development.

In addition to the rules above, the affirmative marketing plan must identify the methods used to market the property to the persons with disabilities.

I have read the rules stated above.

Stephanie Baker, President, Accolade Property Management, Inc.
Printed or Typed Name and Title

Signature of Principal Officer

Date

3/20/18
EXHIBIT J

FORM OF REQUEST FOR PAYMENT
REQUEST FOR PAYMENT

REQUEST NO. __________

DATE: ________________

DRAW #: Amount: $

1. Pursuant to that certain Amended and Restated Operating Agreement dated as of August 30, 2018 and any modifications thereof (the “Agreement”) of Mistletoe Station, LLC, a Texas limited liability company (the “Company”), between Saigebrook Mistletoe, LLC, a Texas limited liability company (the “Co-Managing Member”), O-SDA Mistletoe, LLC, a Texas limited liability company (the “Administrative Member”), HCP-SLP, LLC, a Nevada limited liability company (the “Special Investor Member”) and HCP-ILP, LLC, a Nevada limited liability company (the “Investor Member”), the Company hereby requests a Draw of proceeds of [the Construction Loan/Permanent Loan/Capital Contributions]. The Investor Member has appointed Hunt Capital Partners, LLC, a Delaware limited liability company (“Hunt”), as its agent for reviewing and approving Draw requests.

2. The Company has furnished to Hunt a waiver of liens to date, in form and content approved by Hunt, from the Contractor, and each of the subcontractors who were paid by the Company with the proceeds from all preceding advances, upon request of Hunt.

3. The Managing Member covenants and agrees herewith that:

   (a) Each of the Managing Member and the Company has complied with all duties and obligations required to date to be carried out and performed pursuant to the terms of the Agreement and each Project Document.

   (b) All representations and warranties made in the Agreement are true and correct in all material respects as of the date of this certification (other than representations and warranties made as to a specific date).

   (c) No default or Event of Default has occurred and is continuing under the Agreement or any Project Document.

   (d) The Apartment Complex has not been damaged by fire or other casualty or, in such event, to the extent permitted under the terms and provisions of the Agreement and the Project Documents, the Apartment Complex shall have been fully repaired and restored, or be in the process of being fully repaired and restored, to the state of completion achieved immediately before the casualty.

   (e) All funds previously disbursed have been used solely for the purposes as set forth in the Agreement and the Project Documents.
(f) All construction prior to the date of this request has been accomplished substantially in accordance with the approved Plans and Specifications.

(g) All sums advanced by Hunt on account of this Draw will be used solely for the purpose of reimbursing the Company for amounts paid by the Company as shown on the documentation provided or as otherwise provided for in the Agreement or Project Documents.

(h) There are no liens outstanding against the Premises or its equipment except as permitted under the Agreement.

(i) The amount of undisbursed funds is sufficient to pay the cost of completing the project in accordance with the approved Plans and Specifications.

4. The terms used herein have the same meaning and definitions as those set forth in the Agreement.

5. The Company certifies that the statements made in this certification and any documents submitted herewith and identified herein are true and has duly caused this certification to be signed on its behalf by the undersigned authorized agent to request disbursements.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]
IN WITNESS whereof, this Request for Payment is dated as of the date set forth above.

SAIGEBROOK MISTLETOE, LLC, a Texas limited liability company

By: Saigebrook Development, LLC, a Florida limited liability company, its managing member

By: ________________________________
Name: Lisa M. Stephens
Its: Manager
EXHIBIT M

FORM OF ASSIGNMENT AND ASSUMPTION AND AMENDMENT
ASSIGNMENT AND ASSUMPTION OF LIMITED LIABILITY COMPANY INTERESTS AND AMENDMENT TO FIRST AMENDED AND RESTATED OPERATING AGREEMENT OF MISTLETOE STATION, LLC

This Assignment and Assumption of Limited Liability Company Interests and Amendment to First Amended and Restated Operating Agreement of Mistletoe Station, LLC (the “Assignment and Assumption Agreement”), dated as of [__________] (the “Assignment Date”), is entered into by and among HCP-ILP, LLC, a Nevada limited liability company (the “Assignor”); Mistletoe Station, LLC, a Texas limited liability company (the “Company”); Saigebrook Mistletoe, LLC, a Texas limited liability company and O-SDA Industries, LLC, a Texas limited liability company in their capacity as the managing members of the Company (collectively, the “Managing Member”); Hunt Capital Partners Tax Credit Fund _______, LP, a Delaware limited partnership (the “Assignee”); and the Managing Member, in its role as guarantor, Saigebrook Development, LLC, a Florida limited liability company (“Saigebrook Development”), O-SDA Industries, LLC, a Texas limited liability company (“O-SDA Developer”), Lisa M. Stephens, individually and Megan D. Lasch, individually, (jointly and severally Managing Member, Saigebrook Development, O-SDA Developer, Lisa M. Stephens and Megan D. Lasch are individually and collectively referred to herein as the “Guarantors”).

The Assignor and Assignee are sometimes referred to together as the “Assigning Parties”; all other parties are sometimes referred to collectively as the “Non-Assigning Parties”.

WHEREAS, the Assignor acquired a Limited Liability Company Interest in the Company (the “ILP Interest”) pursuant to a First Amended and Restated Operating Agreement of the Company dated as of August 30, 2018 (the “Agreement”);

WHEREAS, Section 11.1 of the Agreement permits Assignors to make an assignment of the ILP Interest to Assignee;

WHEREAS, Section 11.2 of the Agreement authorizes the substitution of the Assignee as a Substitute Investor Member;

WHEREAS, the Assignor wishes to assign the ILP Interest to the Assignee, as of the Assignment Date, and the Assignee wishes to accept such assignment of the ILP Interest for the consideration and upon the terms and conditions hereinafter set forth;

WHEREAS, the Assignee is willing to undertake all of the remaining obligations of Assignor under the Agreement (the “Obligations”); and

WHEREAS, the Guarantors entered into that certain Guaranty Agreement dated as of August 30, 2018 (the “Guaranty”) in which they agreed to guarantee certain obligations of the Managing Member under the Agreement;

WHEREAS, the Non-Assigning Parties desire to acknowledge such undertaking of the respective Obligations by the Assignees and to release the Assignors from the Obligations;
NOW, THEREFORE, in consideration of the foregoing premises and for other good and valuable consideration hereinafter described, the receipt and sufficiency of which are acknowledged, the parties agree as follows:

1. Capitalized terms used but not defined herein shall have the respective meanings attributed thereto in the Agreement.

2. The Assignor hereby assigns to the Assignee and the Assignee hereby accepts from the Assignor, one hundred percent (100%) of the Assignor’s right, title and interest in and to the ILP Interest. The ILP Interest consists of the Assignor’s entire right to allocations of profits, gain, income or losses and tax credits and all items entering into the computation thereof, and to distributions of cash, however denominated, under the Agreement.

3. In consideration of the assignment effected hereby, the Assignee hereby assumes and agrees to discharge all of the Obligations. In addition, the Assignee shall promptly reimburse the Assignor for all Capital Contributions heretofore made by the Assignor to the Company and for such other expenditures heretofore incurred by the Assignor relating to its acquisition of the ILP Interest as the Assignor and the Assignee shall mutually determine.

4. The Non-Assigning Parties hereby (i) acknowledge the assignment of the ILP Interest and assumption by Assignee of the Obligations pursuant to this Assignment and Assumption Agreement and (ii) release Assignor from all of its respective Obligations. Accordingly, from and after the Assignment Date, the Assignee shall be responsible for all of the Obligations of the Assignor under the Agreement.

5. By its execution hereof, Assignee hereby agrees to become a Substitute Investor Member of the Company and, subject to the foregoing provisions of this Assignment and Assumption Agreement, agrees to be bound (to the same extent as Assignor was bound) by the Project Documents to which the Assignor was a party and by the provisions of the Agreement as they relate to the Assignor or the ILP Interest.

6. Assignee is hereby admitted to the Company as a Substitute Investor Member for all purposes of the Agreement.

7. The Assignor represents, warrants and covenants to the Assignee that (i) the Assignor is the sole owner of the ILP Interest, free and clear of all undisclosed liens, encumbrances, security interests or claims of third parties of any kind or description; (ii) the Assignor has the power and authority to effect the assignment of the ILP Interest as provided herein and such assignment does not violate any law or constitute a default under any agreement to which the Assignor is a party or by which the Assignor is bound; (iii) this Assignment and Assumption Agreement is sufficient in all respects to assign to the Assignee the ILP Interest and (iv) the Assignor will take no action inconsistent with or in derogation of the assignment of the ILP Interest effected hereunder.

8. The Assignee represents, warrants and covenants to the Assignor that the Assignee has the power and authority to acquire the ILP Interest as provided herein and assume the Obligations such acquisition and assumption do not violate any law or constitute a default under any agreement to which the Assignee is a party or by which the Assignee is bound.
9. The Member Information Schedule to the Agreement is deleted in its entirety and the attached Amended Member Information Schedule substituted therefor. From and after the Assignment Date, the attached Amended Member Information Schedule shall be the Member Information Schedule for all purposes of the Agreement.

10. The Guarantors hereby reaffirm and confirm their respective obligations under the Guaranty for the benefit of the Assignee and acknowledge that the Assignee shall succeed to all rights of the Assignor pursuant to the Guaranty.

11. The parties hereto hereby confirm the continuing validity and enforceability of the Agreement, acknowledging that the Assignee shall succeed to all rights and obligations of the Assignor thereunder as of the Assignment Date. This provision shall be construed to amend the Agreement to the extent necessary to reflect the admission of the Assignee to the Company as a Substitute Investor Member and to give effect to the other provisions of this Assignment and Assumption Agreement.

12. The parties agree that the assignment of the ILP Interest, the admission of the Assignee to the Company as a Substitute Investor Member and the other transactions effected hereby shall be effective for all purposes as of the Assignment Date.

13. The parties hereto agree to cooperate in good faith to effect any further amendments to the Agreement or Project Documents and to take such other steps as may be necessary or appropriate in order to more fully reflect and further evidence the assignment of the ILP Interest and the other transactions effected hereby.

14. This instrument may be executed in several counterparts and all counterparts so executed shall constitute one agreement binding on all parties hereto, notwithstanding that all parties have not signed the original or the same counterpart.

(SIGNATURES APPEAR ON THE FOLLOWING PAGE)
IN WITNESS WHEREOF, the undersigned have caused this Assignment and Assumption Agreement to be executed and delivered as a sealed instrument as of the Assignment Date.

ASSIGNOR:

HCP-ILP, LLC, a Nevada limited liability company

By: Hunt Capital Partners, LLC, a Delaware limited liability company, its manager

By: ________________________________
    Jeffrey N. Weiss, President

ASSIGNEE:

HUNT CAPITAL PARTNERS TAX CREDIT FUND ________, LP, a Delaware limited partnership

By: HCP GP ________, LLC, a Nevada limited liability company, its general partner

By: Hunt Capital Partners, LLC, a Delaware limited liability company, its sole member

By: ________________________________
    Jeffrey N. Weiss, President

(SIGNATURES CONTINUE ON THE FOLLOWING PAGE)
COMPANY:

MISTLETOE STATION, LLC, a Texas limited liability company

By: Saigebrook Mistletoe, LLC, a Texas limited liability company, its managing member

By: Saigebrook Development, LLC, a Florida limited liability company, its managing member

By: ____________________________
Name: Lisa M. Stephens
Its: Manager

CO-MANAGING MEMBER:

SAIGEBROOK MISTLETOE, LLC, a Texas limited liability company

By: Saigebrook Development, LLC, a Florida limited liability company, its managing member

By: ____________________________
Name: Lisa M. Stephens
Its: Manager

ADMINISTRATIVE MEMBER:

O-SDA MISTLETOE, LLC, a Texas limited liability company

By: O-SDA Industries, LLC, a Texas limited liability company, its sole member

By: ____________________________
Name: Megan D. Lasch
Its: Managing Member
**AMENDED MEMBER INFORMATION SCHEDULE**
**TO THE**
**FIRST AMENDED AND RESTATED**
**OPERATING AGREEMENT OF**
**MISTLETOE STATION, LLC**

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<th>Name and Address</th>
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<td>Saigebrook Mistletoe, LLC</td>
<td>$100.00</td>
<td>45-3062708</td>
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<tr>
<td>220 Adams Drive Ste. 280 #138</td>
<td></td>
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<td>Weatherford, Texas 76086</td>
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<td><strong>Administrative Member:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>O-SDA Mistletoe, LLC</td>
<td>$100.00</td>
<td>80-0641068</td>
</tr>
<tr>
<td>5714 Sam Houston Circle</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Austin, Texas 78731</td>
<td></td>
<td></td>
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<tr>
<td><strong>Investor Member:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Hunt Capital Partners Tax Credit Fund</td>
<td>$12,898,710 (subject to adjustment as provided in the Agreement)</td>
<td>[___________]</td>
</tr>
<tr>
<td>_____, LP</td>
<td></td>
<td></td>
</tr>
<tr>
<td>15910 Ventura Boulevard, Suite 1100</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Encino, California 91436</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
EXHIBIT O

PURCHASE OPTION AGREEMENT
PURCHASE OPTION AGREEMENT

This Purchase Option Agreement (this “Agreement”) is made and entered into as of this August 30, 2018, by and between Mistletoe Station, LLC, a Texas limited liability company (“Owner”), Saigebrook Mistletoe, LLC, a Texas limited liability (the “Offeree”), HCP-ILP, LLC, a Nevada limited liability company (the “Investor Member”) and HCP-SLP, LLC, a Nevada limited liability company (the “Special Investor Member”) with reference to the following recitals of fact:

R E C I T A L S:

A. WHEREAS, Owner owns that certain real property located in the City of Fort Worth, State of Texas and more particularly described on Exhibit A attached hereto and incorporated herein by this reference, and owns certain improvements situated thereon, commonly known as “Mistletoe Station,” a 110-unit low income housing development (collectively, the “Property” or the “Project”);

B. WHEREAS, Owner desires to grant to the Offeree an option to purchase the Property;

C. WHEREAS, the Investor Member and the Special Investor Member are the sole investor members of the Owner and owns a 99.992% investor member interest (the “Interest”) in the Owner;

D. WHEREAS, the Investor Member desires to grant to the Offeree an option to purchase the Interest; and

E. WHEREAS, the parties hereto desire to set forth the terms of the option granted herein from the Owner to the Offeree to purchase the Property.

NOW, THEREFORE, the parties hereto agree as follows:

A G R E E M E N T:

1. Grant of Option. Owner and Investor Member hereby grants to the Offeree, or its nominee, which nominee may be O-SDA Mistletoe, LLC, a Texas limited liability company (the “Administrative Member”), an option (the “Option”) to purchase the Property or the Interest on the terms and conditions set forth in this Agreement.

2. Term of Option. The term of the Option shall commence on the first day following the expiration of the Compliance Period and shall expire at 11:59 p.m. (Pacific Standard Time) on the last day of the 24th month following its commencement (the “Option Term”); provided, however, that the Option Term shall terminate upon the earlier removal and/or withdrawal of the Offeree as a managing member of the Owner pursuant to the terms of Owner’s First Amended and Restated Operating Agreement of even date herewith (as the same may be amended from time to time, the “Operating Agreement”); further provided, however, that if the Administrative Member remains the administrative member of the Owner pursuant to the terms
of the Operating Agreement and is not in default under the Operating Agreement, then the Administrative Member will become the Offeree.

3. **Manner of Exercising Option.** The Offeree may exercise the Option by delivering to the Owner, at any time during the Option Term, written notice of such exercise, provided, however, that the Option may not be exercised if an Event of Default has occurred under the Operating Agreement and has not been cured under any applicable cure period. The notice of exercise shall state that the Option is exercised without condition or qualification.

4. **Purchase Price.**

   (a) **Purchase Price for the Project.** The purchase price for the Project pursuant to the Option shall be the greater of the following amounts, subject to the provisos set forth herein below:

   (i) **Debt and Taxes.** The sum of (i) the amount of any outstanding indebtedness secured by the Project, which indebtedness may be assumed by the Offeree, if permitted by the lenders associated therewith, (ii) the amount of federal, state and local tax liability that the partners of Owner would incur as a result of such sale, including any tax liability on amounts paid under this clause (ii) and clauses (iii) and (iv) below, (iii) the amount of unreimbursed deficiency in Code Section 42 low income housing tax credits recognized by the Investor Member as an investor member of Owner with respect to the Project as compared to the level agreed to be provided to the Investor Member by the Owner, and (iv) any Tax Credit Shortfall Payments and Asset Management Fees and other indemnification payments otherwise due and owing to the Investor Member under the terms of the Agreement.

   (ii) **Fair Market Value.** The fair market value of the Project (without regard to any customary costs) appraised as a low-income housing development to the extent continuation of such use is required under any restrictions applicable to the Project. The fair market value of the Project shall be determined as follows: Owner and the Offeree shall select a mutually acceptable appraiser. In the event the parties are unable to agree upon an appraiser the Owner and the Offeree shall each select an appraiser. For purposes of this subparagraph 4(b), the parties hereto agree that, on behalf of Owner, Investor Member, or a successor investor member in Owner, shall have the right to select the appraiser(s) that Owner is entitled to select hereunder. If the difference between the two appraisals is less than or equal to ten percent (10%) of the lower of the two appraisals, the fair market value shall be the average of the two appraisals. If the difference between the two appraisals is greater than ten percent (10%) of the lower of the two appraisals, then the two appraisers shall jointly select a third appraiser whose determination of fair market value shall be deemed binding on all parties. If the two appraisers are unable jointly to select a third appraiser, either the Owner or the Offeree may, upon written notice to the other, request that the appointment be made by the Case Management Center of the American Arbitration Association for Texas. The Owner and the Offeree shall each pay the costs of an appraiser they each select and shall share the cost equally of any appraiser jointly selected or any third appraiser, including any appraiser chosen by the American Arbitration Association chapter president.
(b) Purchase Price for the Interest. The purchase price for the Interest pursuant to the Option shall be equal to (i) what the Investor Member would have received under Article 14.1(b) of the Operating Agreement assuming the Project was sold using the purchase price determined by Section 4(a) above.

5. Reserved.

6. Completion of Sale.

(a) Prior to the close of escrow on the Property following exercise of the Option, the Owner shall cause a title company to issue, upon close of escrow, an ALTA owner’s policy of title insurance dated as of the close of escrow, in an amount equal to the purchase price for the Property, showing title to the Property vested in the Offeree and showing as exceptions all encumbrances of record.

(b) Escrow for the sale of the Property shall close no earlier than the later of ninety (90) days after Owner’s receipt of the Offeree’s written notice of exercise of the Option, or the last day of the Compliance Period, at which time the purchase price shall be due and payable. The Offeree shall use its best efforts to obtain the consent to the sale of the holders of any mortgages or deeds of trust on the Property, if required. Owner shall convey the Property to the Offeree by means of a grant deed. The costs of such sale shall be apportioned between Owner and the Offeree according to the custom then in effect in Fort Worth, Texas. The following shall apply to the sale of the Property: (i) the sale of the Property shall be on an as-is, where-is basis, without representation or warranty, except such representations or warranties as are customarily included in a grant deed in Texas; and (ii) rents, insurance, taxes and debt service then due and payable shall be apportioned as of the day the grant deed is actually recorded in the official records of Fort Worth, Texas.

7. Quitclaim Deed and Termination of Option. Upon termination of the Option, the Offeree agrees, upon the Owner’s request, to (a) execute and deliver to the Owner a quitclaim deed, releasing all of the Offeree’s right, title and interest in and to the Option within thirty (30) days after termination of the Option Term, and (b) execute, acknowledge and deliver such other documents as may be reasonably required by the Owner’s title company to remove the cloud of the Option from title to the Property.

8. Notices. Notices, demands and communications between the parties shall be in writing and shall be served personally or by depositing the same in the certified United States mail, return receipt requested, post prepaid, and,

if intended for the Owner shall be addressed to:

Mistletoe Station, LLC
220 Adams Drive Ste. 280 #138
Weatherford, Texas 76086
Attention: Lisa Stephens
Email: lisa@saigebrook.com
with a copy to:

Saigebrook Mistletoe, LLC
220 Adams Drive Ste. 280 #138
Weatherford, Texas 76086
Attention: Lisa Stephens
Email: lisa@saigebrook.com

with a copy to:

Shutts & Bowen LLP
200 South Biscayane Boulevard, Suite 4100
Miami, Florida 33131
Attention: Gary J. Cohen
Email: gcohen@shutts.com

with a copy to:

Shackelford, Bowen, McKinley & Norton, LLP
9201 N. Central Expressway, Fourth Floor
Dallas, Texas 75231
Attention: John Shackelford
Email: jshack@shackelfordlaw.net

and:

HCP-ILP, LLC
15910 Ventura Boulevard, Suite 1100
Encino, California 91436
Attention: Jeffrey N. Weiss
Email: jeff.weiss@huntcompanies.com

with a copy to:

Ballard Spahr LLP
1735 Market Street, 51st Floor
Philadelphia, Pennsylvania 19103
Attention: Jere G. Thompson
Email: thompsonj@ballardspahr.com

if intended for Offeree shall be addressed to:
9. Attorney’s Fees. In the event of any action or proceeding at law or in equity between any of the parties hereto to enforce any provision of this Agreement or to protect or establish any right or remedy of either party hereunder, the unsuccessful party to the litigation shall pay to the prevailing party all costs and expenses, including, without limitation, reasonable attorneys’ fees incurred therein by the prevailing party, and if the prevailing party recovers judgment in any action or proceeding, the costs, expenses and attorney’s fees shall be included in and as part of the judgment.

10. Miscellaneous.

(a) The Owner and the Offeree each represent and warrant that neither has had or will have any dealings with any person, firm, broker or finder in connection with the negotiation of this Agreement and/or the consummation of the transactions contemplated hereby. Each party hereto hereby agrees to indemnify and hold harmless the other party from and against costs, expenses or liabilities for compensation, commissions or charges which may be claimed by any broker, finder or similar party by reason of any actions of the indemnifying party.

(b) The rights and obligations of the Owner and the Offeree under this Agreement shall inure to the benefit of and bind the respective successors and assigns.

(c) The captions used herein are for convenience of reference only and are not part of this Agreement and do not in any way limit or amplify the terms and provisions hereof.
(d) Time is of the essence of each and every agreement, covenant and condition of this Agreement.

(e) This Agreement shall be interpreted in accordance with, and governed by, the laws of the State of Texas.

(f) This Agreement constitutes the entire agreement by and among the Owner and the Offeree with respect to the subject matter hereof, and supersedes all prior offers and negotiations, oral and written. This Agreement may not be amended or modified in any respect whatsoever except by an instrument in writing signed by the Owner and the Offeree; provided, however, that no amendment or modification shall be effective unless consented to in writing by the Investor Member as the investor member of the Owner.

(g) Owner and the Offeree shall subordinate this Agreement to the lien of any deed of trust necessary to develop the Property.

(h) The parties shall not record this Agreement or a Memorandum of Purchase Option Agreement in the official records of Fort Worth Texas or Texas.

(i) Capitalized terms not otherwise defined herein shall have the meanings set forth in the Operating Agreement.

(SIGNATURES APPEAR ON THE FOLLOWING PAGE)
IN WITNESS WHEREOF, the Owner and the Officers have executed this Agreement as of the date first above written.

OWNER:
MISTLETOE STATION, LLC, a Texas limited liability company
By: Sagebrush Mistletoe, LLC, a Texas limited liability company, its managing member
By: Sagebrush Development, LLC, a Florida limited liability company, its managing member
By: [Signature]
Its Manager

(SIGNATURES CONTINUE ON THE FOLLOWING PAGE)
OFFEREE:
SAUGERBOOK MISTLETOE, LLC, a Texas limited liability company
By: Sagebrook Development, LLC, a Florida limited liability company, its managing member

By: __________________________
   N Gary C. Lam, M. Stephens
   Its: Manager

INVESTOR MEMBER:
KCP-ILP, LLC, a Nevada limited liability company
By: Hurst Capital Partners, LLC, a Delaware limited liability company, its manager

By: __________________________
   Jeffrey N. Wais, President
OFFEREE:

SAIGEBROOK MISTLETOE, LLC, a Texas limited liability company

By: Saigebrook Development, LLC, a Florida limited liability company, its managing member

By: ___________________________
Name: Lisa M. Stephens
Its: Manager

INVESTOR MEMBER:

HCP-ILP, LLC, a Nevada limited liability company

By: Hunt Capital Partners, LLC, a Delaware limited liability company, its manager

By: ___________________________
Jeffrey N. Weiss, President
EXHIBIT A

LEGAL DESCRIPTION

TRACT I:

LOT 1-R1, BLOCK 3R, OF FRISCO ADDITION, TO THE CITY OF FORT WORTH, TARRANT COUNTY, TEXAS, ACCORDING TO THE MAP OR PLAT THEREOF, RECORDED UNDER COUNTY CLERK’S FILE NO. D212125731, REAL PROPERTY RECORDS, TARRANT COUNTY, TEXAS.

ALSO KNOWN AS

TRACT I:

BEING a tract of land in the E.S. Harris Survey, Abstract No. 688 in the City of Fort Worth, Tarrant County, Texas, being a part of that tract of land described as Tract 1 in Special Warranty Deed to 1700 Mistletoe Partners, Ltd., as recorded in County Clerk’s Document No. D207136848 in the Official Records of Tarrant County, Texas (O.R.T.C.T.), being all of Lot 1-R1 of Lots 1-R1 and 1-R2, Block 3R, Frisco Addition, an addition to the City of Fort Worth, Tarrant County, Texas, as recorded in County Clerk’s Document No. D212125731 O.R.T.C.T., being a part of Beckham Place (variable width right-of-way) and being more particularly described as follows:

BEGINNING at the northeast corner of said Lot 1-R1, from which a 1/2-inch found iron rod with plastic cap stamped "AREA SURVEYING" bears North 48 degrees 50 minutes 32 seconds East, a distance of 0.25 feet, and being on the south right-of-way line of Beckham Place (a variable width right-of-way);

THENCE South 00 degrees 42 minutes 24 seconds East, a distance of 203.93 feet to a 5/8-inch found iron rod for the southeast corner of said Lot 1-R1, being on the north right-of-way line of Mistletoe Boulevard (a variable width right-of-way);

THENCE North 89 degrees 22 minutes 55 seconds West, passing a 1/2-inch found iron rod with plastic cap stamped "GRANT ENG RPLS 4151" for the south end of a corner clip of said Lot 1-R-1 at a distance of 212.37 feet, and continuing for a total a distance of 222.37 feet to a 3/4-inch found iron rod for corner at the intersection of the projected said north right-of-way line and the projected east right-of-way line of said Beckham Place;

THENCE North 06 degrees 51 minutes 00 seconds West, passing a 1/2-inch found iron rod with plastic cap stamped "GRANT ENG RPLS 4151" for the north end of a corner clip of said Lot 1-
R-1 at a distance of 10.00 feet, passing a 1/2-inch found iron rod with plastic cap stamped "GRANT ENG RPLS 4151" for the south end of a corner clip of said Lot 1-R-1 at a distance of 48.06 feet, and continuing for a total distance of 58.06 feet to a point for corner;

THENCE North 57 degrees 36 minutes 24 seconds East, passing a 1/2-inch found iron rod with plastic cap stamped "GRANT ENG RPLS 4151" for the north end of a corner clip of said Lot 1-R-1 at a distance of 10.00 feet, and continuing for a total distance of 268.55 feet to the POINT OF BEGINNING AND CONTAINING 29,702 square feet or 0.6819 acres of land, more or less.

TRACT II:

DESCRIPTION FOR A PART OF BLOCK B OF MISTLETOE HEIGHTS, AN ADDITION IN THE CITY OF FORT WORTH, TARRANT COUNTY, TEXAS, AS SAID BLOCK APPEARS UPON THE MAP RECORDED IN VOLUME 388, PAGE 5 OF THE TARRANT COUNTY DEED RECORDS AND EMBRACING A PORTION OF THE TRACT DESCRIBED IN THE DEED TO L. E. TREZEVANT RECORDED IN VOLUME 1929, PAGE 240 OF SAID DEED RECORDS, AND BEING DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

BEGINNING AT AN AXLE FOUND FOR THE SOUTHEAST CORNER OF SAID BLOCK B IN THE NORTH LINE OF BECKHAM PLACE AND BEING THE SOUTHWEST CORNER OF LOT 6 OF TREZEVANT SUBDIVISION, SAID AXLE BEING THE SOUTHEAST CORNER OF SAID TREZEVANT TRACT;

THENCE SOUTH 59 DEGREES 33 MINUTES 00 SECONDS WEST, ALONG THE SOUTH LINE OF SAID TREZEVANT TRACT AND THE SAID NORTH LINE OF BECKHAM PLACE, 129.99 FEET TO A ¾" IRON PIN FOUND FOR THE SOUTHERLY SOUTHEAST CORNER OF THE TRACT DESCRIBED IN THE DEED TO HELEN J. WILLIAMS, RECORDED IN VOLUME 5619, PAGE 93 OF THE SAID DEED RECORDS;

THENCE NORTH 11 DEGREES 22 MINUTES 00 SECONDS WEST, ALONG THE SOUTHERLY EAST LINE OF SAID WILLIAMS TRACT 164.10 FEET TO A ½" IRON PIN SET WITH CAP MARKED, "AREA SURVEYING" FOR CORNER;

THENCE NORTH 83 DEGREES 52 MINUTES 00 SECONDS EAST, ALONG A NORTHERLY SOUTH LINE OF SAID WILLIAMS TRACT, 82.64 FEET TO A ½" IRON PIN SET WITH CAP MARKED, "AREA SURVEYING" FOR THE NORTHERLY SOUTHEAST CORNER OF SAID WILLIAMS TRACT;

THENCE NORTH 03 DEGREES 57 MINUTES 00 SECONDS WEST, ALONG AN EAST LINE OF SAID WILLIAMS TRACT, 16.77 FEET TO A ½" IRON PIN SET WITH CAP
MARKED, "AREA SURVEYING" FOR THE MOST SOUTHERLY SOUTHWEST CORNER OF LOT 1, BLOCK B-R, MISTLETOE HEIGHTS, ACCORDING TO PLAT RECORDED IN VOLUME 388-160, PAGE 1, PLAT RECORDS, TARRANT COUNTY, TEXAS;

THENCE NORTH 86 DEGREES 05 MINUTES 23 SECONDS EAST, ALONG THE SOUTH LINE OF SAID LOT 1, 54.56 FEET TO A ¾ INCH IRON PIN FOUND FOR THE NORTHWEST CORNER OF LOT 7 OF TREZEVANT SUBDIVISION;

THENCE SOUTH 04 DEGREES 07 MINUTES 19 SECONDS EAST, ALONG THE EAST LINE SAID TREZEVANT TRACT AND THE WEST LINE OF TREZEVANT SUBDIVISION, 124.61 FEET TO THE POINT OF BEGINNING AND CONTAINING 0.424 OF AN ACRE OF LAND.

ALSO KNOWN AS:
TRACT II:

BEING a tract of land in the E.S. Harris Survey, Abstract No. 688 in the City of Fort Worth, Tarrant County, Texas, being all of that called 0.424 acre tract of land described in General Warranty Deed With Mineral Reservations to 1700 Mistletoe Partners, Ltd., as recorded in County Clerk’s Document No. D207307960 in the Official Records of Tarrant County, Texas (O.R.T.C.T.), and being more particularly described as follows:

BEGINNING at a found axle for the southeast corner of said 0.424 acre tract, being on the north right-of-way line of Beckham Place (a variable width right-of-way);

THENCE South 59 degrees 40 minutes 50 seconds West, along said north right-of-way line, a distance of 129.99 feet to a 3/4-inch found iron rod for the common southeast corner of that tract of land described in Warranty Deed to All Saints Episcopal Hospital of Fort Worth, Inc., as recorded in Volume 10876, Page 1719 O.R.T.C.T. and the southwest corner of said 0.424 acre tract of land;

THENCE North 11 degrees 14 minutes 10 seconds West, departing said north right-of-way line, a distance of 164.21 feet to the common northwest corner of said 0.424 acre tract of land and an ell corner of said All Saints tract;

THENCE North 83 degrees 59 minutes 50 seconds East, a distance of 82.91 feet to a common ell corner of said All Saints tract and said called 0.424 acre tract of land;
THENCE North 03 degrees 50 minutes 10 seconds West, a distance of 16.58 feet to a 5/8-inch found iron rod for an ell corner of said 0.424 acre tract of land, the most southerly southwest corner of Lot 1 in Block B-R of Mistletoe Heights as recorded in Volume 388-160, Page 1 in the Plat Records of Tarrant County, Texas, and being on the east line of said All Saints tract;

THENCE North 86 degrees 13 minutes 12 seconds East, a distance of 54.54 feet to a 5/8-inch found iron rod for the northeast corner of said called 0.424 acre tract of land, and being on the south line of said Lot 1;

THENCE South 03 degrees 53 minutes 11 seconds East, a distance of 124.54 feet to the POINT OF BEGINNING AND CONTAINING 18,495 square feet or 0.4246 acres of land, more or less.

TRACT III:

BEING A PART OF BLOCK "B" OF MISTLETOE HEIGHTS ADDITION TO THE CITY OF FORT WORTH, TARRANT COUNTY, TEXAS, ACCORDING TO PLAT RECORDED IN VOLUME 388, PAGE 5, DEED RECORDS OF TARRANT COUNTY, TEXAS, SAID PART OF BLOCK "B" BEING DESCRIBED BY METES AND BOUNDS AS FOLLOWS:


THENCE NORTH 6 DEGREES 08 MINUTES WEST, ALONG SAID BLOCK LINE AND RIGHT-OF-WAY LINE, 402.2 FEET TO AN IRON;

THENCE NORTH 83 DEGREES 52 MINUTES EAST 98 FEET TO AN IRON;

THENCE SOUTH 6 DEGREES 08 MINUTES EAST 45 FEET TO AN IRON;

THENCE NORTH 83 DEGREES 52 MINUTES EAST 110-7/10 FEET TO AN IRON;

THENCE SOUTH 3 DEGREES 57 MINUTES EAST 132-1/10 FEET TO AN IRON;

THENCE SOUTH 83 DEGREES 52 MINUTES WEST 82-6/10 FEET TO AN IRON;
THENCE SOUTH 11 DEGREES 22 MINUTES EAST 164-4/10 FEET TO AN IRON IN THE SOUTH LINE OF SAID BLOCK B;

THENCE SOUTH 59 DEGREES 33 MINUTES WEST, ALONG SAID SOUTH LINE OF BLOCK B, 149-3/10 FEET TO THE PLACE OF BEGINNING.

ALSO KNOWN AS:
TRACT III:

BEING a tract of land in the E.S. Harris Survey, Abstract No. 688 in the City of Fort Worth, Tarrant County, Texas, being all of that tract of land described in Warranty Deed to All Saints Episcopal Hospital of Fort Worth, Inc., as recorded in Volume 10876, Page 1719 in the Official Records of Tarrant County, Texas (O.R.T.C.T.), and being more particularly described as follows:

BEGINNING at a 1/2-inch found iron rod with plastic cap stamped "FULTON SURVEYING" for the common northwest corner of said All Saints tract, the most westerly southwest corner of Lot 1 in Block B-R of Mistletoe Heights as recorded in Volume 388-160, Page 1 in the Plat Records of Tarrant County, Texas, and being on the east line of Burlington Northern Santa Fe Railroad (100 foot wide right-of-way);

THENCE North 84 degrees 06 minutes 47 seconds East, along the common line between said All Saints tract and said Lot 1, a distance of 98.08 feet to a 1/2-inch found iron rod with plastic cap stamped "GRANT ENG RPLS 4151" for a common ell corner of said All Saints tract and said Lot 1;

THENCE South 06 degrees 21 minutes 44 seconds East, continuing along said common line, a distance of 44.82 feet to a 1/2-inch found iron rod with plastic cap stamped "GRANT ENG RPLS 4151" for a common ell corner of said All Saints tract and said Lot 1;

THENCE North 84 degrees 04 minutes 15 seconds East, continuing along said common line, a distance of 110.60 feet to a 5/8-inch found iron rod for the northeast corner of said All Saints tract and an ell corner of said Lot 1;

THENCE South 03 degrees 50 minutes 10 seconds East, along the east line of said All Saints tract, passing a 5/8-inch found iron rod for the most southerly southwest corner of said Lot 1, and an ell corner of that called 0.424 acre tract of land described in General Warranty Deed With Mineral Reservations to 1700 Mistletoe Partners, Ltd., as recorded in County Clerk’s Document

DMEAST #34514769 v8

Signature Page to
Purchase Option Agreement
Mistletoe Station, LLC
No. D207307960 O.R.T.C.T. at a distance of 115.35 feet and continuing for a total distance of 131.94 feet to a point for a common ell corner of said All Saints tract and said called 0.424 acre tract of land;

THENCE South 83 degrees 59 minutes 50 seconds West, departing said east line, a distance of 82.91 feet to the common northwest corner of said 0.424 acre tract of land and an ell corner of said All Saints tract;

THENCE South 11 degrees 14 minutes 10 seconds East, a distance of 164.21 feet to a 3/4-inch found iron rod for the common southeast corner of said All Saints tract, the southwest corner of said 0.424 acre tract, and being on the north right-of-way line of Beckham Place (a variable width right-of-way);

THENCE South 59 degrees 40 minutes 50 seconds West, departing said east line and along said north right-of-way line, a distance of 149.29 feet to a 1/2-inch found iron rod with plastic cap stamped "GRANT ENG RPLS 4151" for corner on said east right-of-way line;

THENCE North 06 degrees 00 minutes 10 seconds West, departing said north right-of-way line and along said east right-of-way line, a distance of 402.00 feet to the POINT OF BEGINNING AND CONTAINING 56,858 square feet or 1.3053 acres of land, more or less.

TRACT IV:

Being a tract or parcel of land situated in the E.S. Harris Survey Abstract No. 688, City of Fort Worth, Tarrant County, Texas and being a portion of Beckham Place (a 60 foot right of way) as recorded in the Fort Worth Original Town, an addition to the City of Fort Worth (no recording information found) also shown on plat of Lots 1&2, Block 3-A Frisco Addition, as recorded in 388-173, Page 11 Plat Records Tarrant County Texas and being all of that tract of land described in deed to the City of Fort Worth as recorded in Volume 3418, Page 632 D.R.T.C.T. and the south right of way line being described in Residue of Beckham Place vacated by Ordinance No. 9104, being all of that called 0.4304 acre tract of land described in City of Fort Worth Ordinance No. 23278-06-2018 Vacating and Extinguishing a portion of Beckham Place, and being more particularly described below:

BEGINNING at a 1/2-inch found iron with cap stamped GRANT ENG RPLS 4151 being at the intersection of the north right of way line of Beckham Place (variable width right-of-way) and the east right of way line of Burlington Northern Santa Fe Railroad (100 foot wide right-of-way), and being the southwest corner of that tract of land described in Warranty Deed to All Saints Episcopal Hospital of Fort Worth Inc., recorded in Volume 10876, Page 1719 Official Records Tarrant County Texas (O.R.T.C.T.);
THENCE North 59 degrees 40 minutes 50 seconds East, along the north right of way line of said Beckham Place, passing at a distance of 149.29 feet, a 3/4-inch iron rod for the southeast corner of said All Saints tract and being the southwest corner of 1700 Mistletoe Partners, Ltd., recorded in Document No. D207307960 O.R.T.C.T., and continuing for a total distance of 255.74 feet to a point for corner;

THENCE South 00 degrees 42 minutes 24 seconds East, over and across said Beckham Place, a distance of 70.58 feet to a point for corner being on the south right of way line of said Beckham Place;

THENCE South 57 degrees 36 minutes 24 seconds West, along said south right of way line, a distance of 198.04 feet to a point for corner at the point of intersection of said south right of way line and the east right of way line of said Beckham Place same being the east line of said City of Fort Worth tract;

THENCE South 06 degrees 51 minutes 00 seconds East, along said east right of way line, a distance of 58.06 feet to a point for corner being at the intersection of said east right of way line and the north right of way line of Mistletoe Boulevard (a variable width right of way);

THENCE North 89 degrees 22 minutes 55 seconds West, over and across said Beckham Place, a distance of 50.32 feet to a point for corner being on the east right of way line of said Burlington Northern Santa Fe Railroad;

THENCE North 06 degrees 00 minutes 10 seconds West, along said east right of way line, passing at a distance of 27.87 feet, the northwest corner of said City of Fort Worth tract, and continuing for a total distance of 105.25 feet to the POINT OF BEGINNING AND CONTAINING 18,744 square feet or 0.4303 acres of land, more or less.

LESS AND EXCEPT:

Being a tract or parcel of land situated in the E.S. Harris Survey Abstract No. 688, City of Fort Worth, Tarrant County, Texas and being all of that tract of land described in deed to the City of Fort Worth as recorded in Volume 3418, Page 632 D.R.T.C.T. and being more particularly described below:

BEGINNING at a 3/4-inch found iron rod for the southeast corner of said City of Fort Worth tract, being on the north right of way line of Mistletoe Boulevard (a variable width right of way);
THENCE North 89 degrees 22 minutes 55 seconds West, along said north right of way line, a distance of 50.32 feet to a point for corner at the intersection of said north right of way line with the east right of way line of Burlington Northern Santa Fe Railroad (100 foot wide right-of-way); THENCE North 06 degrees 00 minutes 10 seconds West, departing said north right of way line and along said east right of way line, a distance of 27.87 feet to a point for corner;

THENCE North 57 degrees 36 minutes 24 seconds East, departing said east right of way line, a distance of 54.84 feet to a point for corner; THENCE South 06 degrees 51 minutes 00 seconds East, a distance of 58.06 feet to the POINT OF BEGINNING AND CONTAINING 2,133 square feet or 0.0490 acres of land, more or less.

TRACT V:

Being a tract or parcel of land situated in the E.S. Harris Survey Abstract No. 688, City of Fort Worth, Tarrant County, Texas and being all of that tract of land described in deed to the City of Fort Worth as recorded in Volume 3418, Page 632 D.R.T.C.T. and being part of that called 0.4304 acre tract of land described in City of Fort Worth Ordinance No. 23278-06-2018 Vacating and Extinguishing a portion of Beckham Place and being more particularly described below:

BEGINNING at a 3/4-inch found iron rod for the southeast corner of said City of Fort Worth tract, being on the north right of way line of Mistletoe Boulevard (a variable width right of way);

THENCE North 89 degrees 22 minutes 55 seconds West, along said north right of way line, a distance of 50.32 feet to a point for corner at the intersection of said north right of way line with the east right of way line of Burlington Northern Santa Fe Railroad (100 foot wide right-of-way); THENCE North 06 degrees 00 minutes 10 seconds West, departing said north right of way line and along said east right of way line, a distance of 27.87 feet to a point for corner;

THENCE North 57 degrees 36 minutes 24 seconds East, departing said east right of way line, a distance of 54.84 feet to a point for corner; THENCE South 06 degrees 51 minutes 00 seconds East, a distance of 58.06 feet to the POINT OF BEGINNING AND CONTAINING 2,133 square feet or 0.0490 acres of land, more or less.

TRACTS I, II, III, IV AND V ALSO KNOWN AS:

PLAT DESCRIPTION:
BEING a tract of land in the E.S. Harris Survey, Abstract No. 688 in the City of Fort Worth, Tarrant County, Texas, being all of that tract of land described as Tract 1 in Special Warranty Deed to 1700 Mistletoe Partners, Ltd., as recorded in County Clerk’s Document No. D207136848 in the Official Records of Tarrant County, Texas (O.R.T.C.T.), and being all of Lot 1-R1 of Lots 1-R1 and 1-R2, Block 3R, Frisco Addition, an addition to the City of Fort Worth, Tarrant County, Texas, as recorded in County Clerk’s Document No. D212125731 O.R.T.C.T., and being all of that tract of land described in Warranty Deed to All Saints Episcopal Hospital of Fort Worth, Inc., as recorded in Volume 10876, Page 1719 O.R.T.C.T., and being all of that called 0.424 acre tract of land described in General Warranty Deed With Mineral Reservations to 1700 Mistletoe Partners, Ltd., as recorded in County Clerk’s Document No. D207307960 O.R.T.C.T., and being more particularly described as follows:

BEGINNING at a 5/8-inch found iron rod for the southeast corner of said Lot 1-R1, being on the north right-of-way line of Mistletoe Boulevard (a variable width right-of-way);

THENCE North 89 degrees 22 minutes 55 seconds West, along said north line, a distance of 272.69 feet to a 1/2-inch set iron rod with yellow plastic cap stamped "HALFF" (hereinafter referred to as "with cap") for corner on the east line of Burlington Northern Santa Fe Railroad (100 foot wide right-of-way);

THENCE North 06 degrees 00 minutes 10 seconds West, departing said north line and along said east line, a distance of 507.25 feet to a 1/2-inch found iron rod with plastic cap stamped "FULTON SURVEYING" for the northwest corner of said All Saints tract;

THENCE North 84 degrees 06 minutes 47 seconds East, departing said east line and along the north line of said All Saints tract, a distance of 98.08 feet to a 1/2-inch found iron rod with plastic cap stamped "GRANT ENG RPLS 4151" for corner;

THENCE South 06 degrees 21 minutes 44 seconds East, continuing along said north line, a distance of 44.82 feet to a 1/2-inch found iron rod with plastic cap stamped "GRANT ENG RPLS 4151" for corner;

THENCE North 84 degrees 04 minutes 15 seconds East, continuing along said north line, a distance of 110.60 feet to a 5/8-inch found iron rod for the northeast corner of said All Saints tract;

THENCE South 03 degrees 50 minutes 10 seconds East, departing said north line and along the east line of said All Saints tract, a distance of 115.35 feet to a 5/8-inch found iron rod for ell corner on the north line of said 0.424 acre tract;
THENCE North 86 degrees 13 minutes 12 seconds East, departing said east line and along said north line, a distance of 54.54 feet to a 5/8-inch found iron rod for the northeast corner of said 0.424 acre tract;

THENCE South 03 degrees 53 minutes 11 seconds East, departing said north line and along the east line of said 0.424 acre tract, a distance of 124.54 feet to a found axle for the southeast corner of said 0.424 acre tract, being on the north right-of-way line of Beckham Place (a variable width right-of-way);

THENCE South 59 degrees 40 minutes 50 seconds West, departing said east line and along said north line, a distance of 23.54 feet to a 1/2-inch set iron rod with cap for corner;

THENCE South 00 degrees 42 minutes 24 seconds East, departing said north line, a distance of 70.58 feet to a 1/2-inch set iron rod with cap for corner on the south right-of-way line of said Beckham Place;

THENCE North 57 degrees 36 minutes 24 seconds East, along said south line, a distance of 70.51 feet to a point for the northeast corner of said Lot 1-R1, from which a 1/2-inch found iron rod with plastic cap stamped "AREA SURVEYING" bears North 48 degrees 50 minutes 32 seconds East, a distance of 0.25 feet;

THENCE South 00 degrees 42 minutes 24 seconds East, departing said south line and along the east line of said Lot 1-R1, a distance of 203.93 feet to the POINT OF BEGINNING AND CONTAINING 123,799 square feet or 2.842 acres of land, more or less.
PROJECT MANUAL
FOR
Mistletoe Station
Fort Worth, Texas

OWNER/DEVELOPER: SAIGEBROOK DEVELOPMENT
421 West 3rd Street, Suite 1504
Austin, Texas 78701
Email: Megan Lasch

GENERAL CONTRACTOR: MAKER BROS.
4901 Koller Springs, Suite 101
Addison, Texas 75001
214.882.3588 voice
Contact: Justin Bailey 04-17-18

ARCHITECT: MSG ARCHITECTS
4202 Beltway Drive
Addison, Texas 75001
214.520.8878 voice
Email: Lee Young

CIVIL ENGINEER: HALFF ASSOCIATES INC.
4000 Ross Creek Blvd.
Fort Worth, Texas 76137
817.784.7452 voice
Contact: Brian Haynes

MEP ENGINEERS: JORDAN & SKALA ENGINEERS INC.
17855 North Dallas Parkway, Suite 300
Dallas, Texas 75287
463.385.1616 voice
Contact: Elias Gutierrez

STRUCTURAL ENGINEER: HUNT & JOINER
1825 Market Center Blvd, Suite 620
Dallas, Texas 75207
214.292.0350 voice
Contact: David Riddle

INTERIOR DESIGNER: 5G INTERIORS
1217 Main Street, Suite 300
Dallas, Texas 75202
214.670.0050 voice
Contact: Patricia Tram

DATE: 17 April 2018

BGO PROJECT NO. 17259
## SECTION 000110

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Exhibit P — Plans and Specifications
Mistletoe Station, LLC

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DMEAST #34514769 v8
Exhibit P – Plans and Specifications
Mistletoe Station, LLC
SURVEY RESPONSIBILITIES AND SPECIFICATIONS

1. ____ Monuments placed (or a reference monument or witness to the corner) at all major corners of the boundary of the property, unless already marked or referenced by existing monuments or witnesses.

2. ____ Address(es) if disclosed in Record Documents, or observed while conducting the survey.

3. ____ Flood zone classification (with proper annotation based on federal Flood Insurance Rate Maps or the state or local equivalent) depicted by scaled map location and graphic plotting only.

4. ____ Gross land area (and other areas if specified by the client).

5. ____ Reserved.

6. ____ Current zoning classification, as provided by the insurer.

7. ____ Exterior dimensions of all buildings at ground level.

8. ____ Square footage of:

   ____ (1) exterior footprint of all buildings at ground level.
   ____ (2) other areas as specified by the client.

9. ____ Measured height of all buildings above grade at a location specified by the Company. If no location is specified, the point of measurement shall be identified.

10. ____ Substantial features observed in the process of conducting the survey (in addition to the improvements and features required above such as parking lots, billboards, signs, swimming pools, landscaped areas, etc.

11. ____ Determination of the relationship and location of certain division or party walls designated by the client with respect to adjoining properties (client to obtain necessary permissions). AS APPLICABLE.

12. ____ Determination of whether certain walls designated by the Company are plumb (Company to obtain necessary permissions).

13. ____ Location of utilities (representative examples of which are listed below) existing on or serving the surveyed property as determined by:

   ____ (a) Observed evidence.
   ____ (b) Observed evidence together with evidence from plans obtained from utility companies or provided by client, and markings by utility companies and other appropriate sources (with reference as to the source of information).

   - Railroad tracks, spurs and sidings;

   - Manholes, catch basins, valve vaults and other surface indications of subterranean uses;

   - Wires and cables (including their function, if readily identifiable) crossing the surveyed property, and all poles on or within ten feet of the surveyed property. Without expressing a legal opinion as to the ownership or nature of the potential encroachment, the dimensions of all encroaching utility pole cross...
members or overhangs; and

- utility company installations on the surveyed property.

12. ____ Governmental Agency survey-related requirements as specified by the Company, such as for HUD surveys, and surveys for leases on Bureau of Land Management managed lands.

13. ____ Names of adjoining owners of platted lands according to current public records.

14. ____ Distance to the nearest intersecting street.

15. ____ Observed evidence of current earth moving work, building construction or building additions.

16. ____ Proposed changes in street right of way lines, if information is available from the controlling jurisdiction. Observed evidence of recent street or sidewalk construction or repairs.

17. ____ Observed evidence of site use as a solid waste dump, sump or sanitary landfill.

18. ____ Location of wetland areas as delineated by appropriate authorities.

19. ____ (a) Locate improvements within any offsite easements or servitudes benefitting the surveyed property that are disclosed in the Record Documents provided to the surveyor and that are observed in the process of conducting the survey. **AS APPLICABLE.**

20. ____ Professional Liability Insurance policy obtained by the surveyor in the minimum amount of $1MM per occurrence / $2MM aggregate to be in effect throughout the contract term. Certificate of Insurance to be furnished upon request.

21. ____ Surveyor’s Certificate in the form attached.
SURVEYOR’S CERTIFICATE

To:

HCP-ILP LLC, a Nevada limited liability company, its successors and/or assigns and Hunt Capital Partners, LLC, a Delaware limited liability company its successors and/or assigns, Company, Title Company, Etc.....:

This is to certify that this map or plat and the survey on which it is based were made in accordance with the 2016 Minimum Standard Detail Requirements for ALTA/NSPS Land Title Surveys, jointly established and adopted by ALTA and NSPS, and includes Items 1-4, 6(a),(b), 7(a),(b)(1),(c), 8-10, 11, 13, 14, 16-19 and 20 of Table A thereof. The field work was completed on ____________.

Date of Plat or Map:______

(Surveyor’s signature, printed name and seal with Registration/License Number)
TITLE POLICY REQUIREMENTS

The title policy for the property must be acceptable to the Investor Members and must be in compliance with the following requirements:

1. The Owner’s Title Policy should be an extended coverage ALTA 2006 Owner’s Policy of Title Insurance with all requirements, general exceptions and standard exceptions deleted. The face amount of the policy should be in the amount of the full development budget for the Project (to be provided at a later date). The policy must name the Company as the insured and insure the fee interest in the Property is vested in the name of the Company free and clear of all preexisting liens and encumbrances except those approved by the Company.

2. The title policy must be written on the current standard ALTA owner’s policy form or a similar form approved by the Investor Members. If the property is located in a state in which ALTA forms of coverage are not used or are unacceptable, the title policy shall provide similar coverage.

3. The title policy shall be issued as an extended coverage policy that insures against and/or deletes any pre-printed or standard exceptions.

4. The amount of the title policy must equal the amount of the full development budget as set forth in Exhibit B.

5. The effective date of the title policy shall be no earlier than the Closing Date. Upon the resyndication of the Investor Member’s Interest, the effective date shall be brought down to the date of admission of the substitute Investor Member.

6. Schedule A of the title policy must (a) name as the “Insured” the Company as constituted as of the issuance date of the title policy and as may be reconstituted from time to time, (b) insure that the property is owned solely by the Company, and (c) insure that the Company’s interest in the property is fee simple absolute or a leasehold, as applicable.

7. The legal description of the property described in the title policy must match that shown on the survey of the property and must include any appurtenant easements.

8. If Schedule B of the title policy indicates the presence of any easements that are not found on the survey and identified by recording information, the title policy must provide affirmative insurance against any loss that conflicts with the use or diminishes the value of the improvements resulting from the exercise by the holder of such easement or its right to use or maintain that easement.

9. If the title policy includes any exception for taxes, assessments or other items which may become a lien on the property, it must insure that such taxes, assessments or items are “not yet due and payable.”

10. Any tenant’s rights exception should contain a qualification that such rights are “to leaseholds of parties in possession, as tenants only, under unrecorded leases.”
11. The Owner’s Policy shall include such other endorsements whenever available as follows: (1) ALTA 9 (comprehensive endorsement), (2) Land Same as Survey, (3) Contiguity (if applicable), (4) Access, (5) Tax Lot, (6) Subdivision Map Act, (7) Zoning, (8) Future Improvements/Blanket Easement (similar to CLTA 103.1-06, (9) Mechanic’s Lien, (10) Environmental, (11) Non-imputation (similar to the ALTA 15.1-06 and adding HCP-ILP LLC, a Nevada limited liability company and Hunt Capital Partners, LLC, a Delaware limited liability company to the parties identified as incoming entities), (12) Special Valuation (tax credit benefit or maximum actual loss), (13) Utility facility (14) Fairway (if ALTA 2006 form not used), (15) Street address (if possible), (16) Mineral (if applicable), (17) Arbitration, (18) Sample Datedown (the form of this endorsement, when issued, must bring down the date of the final Policy) and (19) Gap (if applicable).

12. The Policy should reflect that the title is vested as fee simple in Mistletoe Station, LLC.

13. Prior to the issuance of the title policy, the Investor Members and their legal counsel shall each be provided with recorded copies of all exceptions to title coverage. Upon the issuance of the title policy, each shall be provided with a true, correct and complete copy.
EXHIBIT R

FORM OF PAYMENT CERTIFICATE
PAYMENT CERTIFICATE

SAIGEBROOK MISTLETOE, LLC, a Texas limited liability company, as the co-managing member of MISTLETOE STATION, LLC, a Texas limited liability company, and SAIGEBROOK MISTLETOE, LLC, a Texas limited liability company (“Co-Managing Member”), O-SDA MISTLETOE, LLC, a Texas limited liability company (“Administrative Member”), SAIGEBROOK DEVELOPMENT, LLC, a Florida limited liability company (“Saigebrook Development”), O-SDA INDUSTRIES, LLC, a Texas limited liability company (“O-SDA Developer”), Lisa M. Stephens, individually and Megan D. Lasch, individually, as guarantors, hereby certify to HCP-ILP, LLC, a Nevada limited liability company (the “Investor Member”), with respect to the Investor Member’s _______________ Installment (as that and all other capitalized terms used herein are defined in the First Amended and Restated Operating Agreement of the Company dated as of August 30, 2018 (the “Agreement”)), as follows:

[REVIEW CONDITIONS AS APPLICABLE]

1. The Installment Funding Conditions have been achieved and/or satisfied.

2. The Company is not in default in any of its obligations under the Project Documents to which it is a party, no event has occurred which, with the giving of notice or the passage of time, or both, could constitute a default by the Company under the Project Documents to which it is a party and no Bankruptcy of the Company has occurred.

3. All of the representations and warranties of the Managing Member set forth in the Agreement are true and correct in all respects as of the date hereof as if made thereon.

4. The covenants, duties, and obligations of the Managing Member set forth in the Agreement that are required to have been satisfied on or before the date hereof have been satisfied, and the Managing Member has made all payments for all costs incurred by the Company and there are no unpaid costs or invoices outstanding [except [__________]]. [List all unpaid costs/invoices, if none, delete bracketed language.]

5. The Managing Member and Company are still in good standing, are still authorized to engage in the activities as set forth in the Agreement, and except as provided to the Investor Member there have been no changes or amendments to the articles, by-laws, certificates or other organizational documents of the Managing Member or the Company.

6. There has been no material adverse change in the financial condition of any Managing Member or Guarantor.

7. No Managing Member is in default in any of its obligations under the Agreement or any of the Project Documents to which it is a party, no event has occurred which, with the giving of notice or the passage of time, or both, could constitute a default by any Managing Member under the Agreement or any of the Project Documents to which it is a party and no Bankruptcy of any Managing Member has occurred.

8. No Guarantor is in default in any of its obligations under the Agreement or any of the Project Documents to which it is a party, no event has occurred which, with the giving of
notice or the passage of time, or both, could constitute a default by any Guarantor under the Agreement or any of the Project Documents to which it is a party and no Bankruptcy of any Guarantor has occurred.

9. None of the Lenders has refused to fund all or any disbursement of its Loan.

10. The Installments of the Investor Member’s Capital Contribution previously contributed to the Company by the Investor Member, and the proceeds of the loans previously funded to the Company by the Lenders have been applied by the Company in accordance with the Development Budget for the Apartment Complex approved by the Investor Member.

11. The undersigned is not aware of the existence of any fact or circumstance which makes untrue or misleading in any material respect any of the statements or information provided to the Investor Member in support of the Funding Conditions for the Installment to which this Certificate relates.

12. There have been no changes or modifications of any kind to the Plans and Specifications, except as disclosed to the Investor Member in writing.

13. All conditions to the effectiveness of the Carryover Allocation imposed by the Code, the Agency or otherwise, which are required to be satisfied prior to the funding of the Installment to which this Certificate relates, have been satisfied, except for the following:

________________________________________________________________________
________________________________________________________________________
________________________________________________________________________

14. The Managing Member has fully complied with furnishing the Investor Member any reports or other information required to be provided by the Managing Member pursuant to Article 18 of the Agreement.

(SIGNATURE APPEARS ON THE FOLLOWING PAGE)
This certificate is made on the date hereof to induce the Investor Member to contribute the __________ Installment as set forth in the Agreement.

Dated: ____________________

SAIGEBROOK MISTLETOE, LLC, a Texas limited liability company

By: Saigebrook Development, LLC, a Florida limited liability company, its managing member

By: ____________________
Name: Lisa M. Stephens
Its: Manager

SAIGEBROOK DEVELOPMENT, LLC, a Florida limited liability company

By: ____________________
Name: Lisa M. Stephens
Its: Manager

__________________________
Lisa M. Stephens, an individual
O-SDA MISTLETOE, LLC, a Texas limited liability company

By: O-SDA Industries, LLC, a Texas limited liability company, its sole member

By:_________________________________
Name: Megan D. Lasch
Its: Managing Member

O-SDA INDUSTRIES, LLC, a Texas limited liability company

By:_________________________________
Name: Megan D. Lasch
Its: Managing Member

Megan D. Lasch, an individual
EXHIBIT S

FORM OF LIHTC CERTIFICATE
LIHTC CERTIFICATE

THIS CERTIFICATE is made to HCP-ILP, LLC, a Nevada limited liability company, and its successors and assigns (the “Investor Member”) as of August 30, 2018, by Saigebrook Mistletoe, LLC, a Texas limited liability company and O-SDA Mistletoe, LLC, a Texas limited liability company (referred to herein, even if only one, as the “Managing Members”), the managing members of Mistletoe Station, LLC, a Texas limited liability company (the “Company”), with reference to the following facts:

WHEREAS:

A. The Company is the owner of the Mistletoe Station apartment complex located at 1916 Mistletoe Blvd., Fort Worth, Tarrant County, Texas (the “Apartment Complex”);

B. The Investor Member, organized for the purpose, inter alia, of acquiring limited liability company interests in limited liability companies owning housing projects that qualify for low income housing tax credits (the “Housing Tax Credits”) under Section 42 of the Internal Revenue Code of 1986, as amended (the “Code”), desires to acquire a limited liability company interest (the “Interest”) in the Company; and

C. Counsel to the Investor Member has been requested to render a tax opinion as to the availability of Housing Tax Credits with respect to the Apartment Complex; and

D. All terms not defined herein shall have the meaning set forth in the First Amended and Restated Operating Agreement of the Company dated as of August 30, 2018.

NOW, THEREFORE, to induce the Investor Member to acquire its Interest and to induce counsel to the Investor Member to render a tax opinion as to the availability of Housing Tax Credits with respect to the Apartment Complex, the Managing Member hereby certifies that the following are true, correct and complete on the date hereof and will remain true, correct and complete throughout the Compliance Period and that the Managing Member shall take no action which would make any of the following untrue:

- The Apartment Complex, consisting of 2 residential buildings, is comprised of 110 residential rental units (whether or not occupied). The aggregate square footage of the portions of the Apartment Complex is as follows:

<table>
<thead>
<tr>
<th>Type:</th>
<th>Housing Tax Credit Units</th>
<th>Market Rate Apartment Units</th>
<th>Commercial Space</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of units:</td>
<td>74</td>
<td>36</td>
<td>0</td>
</tr>
<tr>
<td>Aggregate square feet:</td>
<td>65,140</td>
<td>29,484</td>
<td>0</td>
</tr>
</tbody>
</table>

- Each of the Housing Tax Credit Units will be occupied by tenants whose income is 60% or less of area median gross income, i.e., a family or individuals whose total income, determined in a manner consistent with the determination of lower income families or individuals under Section 42 of the Code and Section 8 of the United States Housing Act of 1937.
(“Section 8”), does not exceed the amount of income levels set forth in the table below, as may be adjusted in accordance with area median income figures provided by U.S. Department of Housing and Urban Development for future years:

Furthermore, 8 of the Housing Tax Credit Units will be occupied by persons whose incomes are at or below 30% of the established area median gross income, 30 of the Housing Tax Credit Units will be occupied by persons whose incomes are at or below 50% of the established area median gross income and 36 of the Housing Tax Credit Units will be occupied by persons whose incomes are at or below 60% of the established area median gross income, in accordance with the requirements of the Project Documents.

There are no tenants as of the Closing because the Apartment Complex has not yet been built.

- There are 36 units in the Apartment Complex which are not Housing Tax Credit Units. The units in the Apartment Complex which are not Housing Tax Credit Units are not above the average quality standard of the Housing Tax Credit Units.

- On September 15, 2017, the Apartment Complex was granted a Credit Reservation of Housing Tax Credits for the year 2017 in the amount of $1,500,000 by the Texas Department of Housing and Community Affairs (the “Agency”), the appropriate “housing credit agency” (as defined in Section 42(h)(7)(A) of the Code) of the State of Texas which is the State having jurisdiction over the Apartment Complex. On December 19, 2017, the Apartment Complex received a Carryover Allocation of Housing Tax Credits for the year 2017 in the amount of $1,500,000 from the Agency. Such Credit Reservation and Carryover Allocation were made based on the application for Housing Tax Credits dated March 1, 2017 and submitted to the Agency for the Apartment Complex, and are in full force and effect.

- The Eligible Basis, as defined in Section 42 of the Code, for the Apartment Complex is projected as follows:
  - Structure and buildings: $17,187,753
  - Personal Property: $1,438,372
- Site Work: $714,006

(REMAINDER OF PAGE INTENTIONALLY LEFT BLANK)
This Certificate is intended to take effect as a written instrument, shall issue to the benefit of the Issuer Member and its successors and assigns and shall be binding upon each of the undersigned and each of its successors and assigns. This Certificate may be executed in any number of counterparts which together shall constitute one instrument. This instrument, and all rights and remedies herein, shall be determined as to their validity, construction, effect and enforcement, and in all other respects of the same or different nature, by the internal laws of the State of Texas. The undersigned acknowledge that tax counsel to the Issuer Member will rely upon the foregoing certifications for purposes of its preparation and delivery of a tax opinion in connection with this transaction and hereby consent to such reliance.

SAGEBOOK MISTLETOE, LLC, a Texas Limited Liability company
By: Sagebook Development, LLC, a Florida Limited Liability Company, its managing member

By: [Signature]
In: [Position]

OSDA MISTLETOE, LLC, a Texas Limited Liability company
By: OSDA Industries, LLC, a Texas Limited Liability company, its sole member

By: [Signature]
In: Managing Member
This Certificate is intended to take effect as a sealed instrument, shall inure to the benefit of the Investor Member and its successors and assigns and shall be binding upon each of the undersigned and each of its successors and assigns. This Certificate may be executed in any number of counterparts which together shall constitute one instrument. This instrument, and all rights and remedies of the parties, shall be determined as to their validity, construction, effect and enforcement, and in all other respects of the same or different nature, by the internal laws of the State of Texas. The undersigned acknowledge that tax counsel to the Investor Member will rely upon the foregoing certifications for purposes of its preparation and delivery of a tax opinion in connection with this transaction and hereby consent to such reliance.

SAIGEBROOK MISTLETOE, LLC, a Texas limited liability company

By: Saigebrook Development, LLC, a Florida limited liability company, its managing member

By: ____________________________
Name: Lisa M. Stephens
Its: Manager

O-SDA MISTLETOE, LLC, a Texas limited liability company

By: O-SDA Industries, LLC, a Texas limited liability company, its sole member

By: ____________________________
Name: Megan D. Lasch
Its: Managing Member

LIHTC Certificate
Mistletoe Station, LLC
2018 HTC
Full Application

Part 5 Tab 36

Sponsor Characteristics
Pursuant to §11.9(b)(2) of the Qualified Allocation Plan, an Application may qualify to receive up to two (2) points provided the ownership structure meets one of the following requirements in parts 1 OR 2 below:

1. **Application is attempting to score as a Qualified Nonprofit or certified HUB with ownership interest and material participation and meets the criteria below:**

   - **No** if attempting to score as a Qualified Nonprofit, Application is applying under the Nonprofit Set-Aside
   - **No** if attempting to score as a certified HUB, evidence of the HUB’s existence from the Texas Comptroller of Accounts is provided behind this Tab
   - **No** if the Qualified Nonprofit or certified HUB has some combination of ownership interest, cash flow from operations, and developer fee which taken together equal at least 50% and no less than 5% for any category.

   - Ownership Interest: **CANNOT BE LESS THAN 5%**
   - Cash flow from operations: **CANNOT BE LESS THAN 5%**
   - Developer Fee: **CANNOT BE LESS THAN 5%**
   - Total: **0.00%**

   The Qualified Nonprofit or certified HUB will materially participate in the Development and the operation of the Development throughout the Compliance Period. A detailed narrative describing how that material participation will be achieved is included.

   The Qualified Nonprofit or certified HUB has experience directly related to the housing industry. Mark all that apply and provide a detailed narrative describing experience in each category:

   - Property Management
   - Construction
   - Development
   - Financing
   - Compliance

   No Principals of the Qualified Nonprofit or HUB are related Parties to any other Principals of the Applicant or Developer.

   Evidence of experience in the housing industry and a statement regarding material participation are provided behind this tab.

   **Points Claimed:** **0**

2. **Application is attempting to score as a participating Nonprofit or certified HUB and meets the criteria below:**

   - A certified HUB will participate in Development Services or provide onsite tenant services, and evidence of the HUB’s existence from the Texas Comptroller of Accounts is provided behind this Tab.

   - A Nonprofit will participate in Development Services or provide onsite tenant services, and evidence from a state or federal source of the organization’s nonprofit status is provided behind this Tab.

   No Principals of the HUB or Nonprofit are related Parties to any other Principal of the Applicant or Developer.

   Evidence of experience in the provision of Development Services or in the provision of on-site tenant services as well as a detailed narrative describing how the HUB or Nonprofit will provide such services must be included behind this tab.

   **Points Claimed:** **0**

   **Total Points Claimed:** **0**
2018 HTC
Full Application

Part 5 Tab 36

NP or HUB evidence

NA
2018 HTC
Full Application

Part 5 Tab 37

Owner, Developer, and Guarantor Org Charts
Owners and Developer Organization Charts

Applicants should note that subsequent changes to the Development Ownership structure presented in this section will require the written consent of the Department.

Pursuant to §10.204(13)(A) of the Uniform Multifamily Rules, submit three separate charts. One showing the complete organizational structure of each of the following entities: Development Owner, Developer, and Guarantor.

The organization charts must include:

- The names and ownership percentages of all Persons having an ownership interest in the Development Owner, Developer, and/or Guarantor.
- Nonprofit entities, public housing authorities, publicly traded corporations, individual board members and executive directors must be included in Organization charts.
- Any and all trusts must list all beneficiaries that have the legal ability to control or direct activities of the trust and are not just financial beneficiaries.

In the case of:

(A) Partnerships - Principals include all general Partners and Special LPs (any LP that is not the Syndicator is a "Special LP");

(B) Corporations - Principals include the executive director and all members of the board (shown with "0%" ownership as applicable). For to-be formed instrumentalities of PHAs, where the executive director and board remain to be determined, include the PHA, itself, and its members;

(C) Limited liability companies - Principals include all the managing members and all other members.

Org. Chart Example:

Information about Organizations that will own or control the Applicant or other related organizations will be provided in the List of Organizations with an Ownership Special Interest in the Applicant form.

If a revised chart is submitted, include date of submission!
Mistletoe Station
ORGANIZATIONAL CHART FOR
Co-Developers

Saigebrook Development, LLC
(A Texas HUB)**
Co-Developer
60% Developer and 54% Fee

Lisa M. Stephens
100%

HCP SLP, LLC
Guarantor – to receive 20% of Developer Fee

O-SDA Industries, LLC
(A Texas HUB)
Co-Developer
40% Developer and 26% Fee

Megan Lasch
100%

**HUB for purposes of application points is Saigebrook Development, LLC

5/25/18
Mistletoe Station
ORGANIZATIONAL CHART FOR
Co-Developers

Saigebrook Development, LLC
(A Texas HUB)**
Co-Developer
60% Developer and 54% Fee
Lisa M. Stephens
100%

HCP SLP, LLC
Guarantor – to receive 20% of Developer Fee
(No Control)
Hunt Capital Partners, LLC
100%
(see last page)

O-SDA Industries, LLC
(A Texas HUB)
Co-Developer
40% Developer and 26% Fee
Megan Lasch
100%

**HUB for purposes of application points is Saigebrook Development, LLC

5/25/18
Guarantor

Saigebrook Mistletoe, LLC

Saigebrook Development, LLC
(A Texas HUB)

Lisa M. Stephens
100%

O-SDA Mistletoe, LLC

O-SDA Industries, LLC
(A Texas HUB)

Megan Lasch
100%

Hunt Capital Partners, LLC

5/25/18
Mistletoe Station
ORGANIZATIONAL CHART FOR

Guarantor

Guarantor
Saigebrook Mistletoe, LLC

Saigebrook Development, LLC
(A Texas HUB)

Lisa M. Stephens
100%

O-SDA Mistletoe, LLC

Guarantor
O-SDA Industries, LLC
(A Texas HUB)

Megan Lasch
100%

Hunt Capital Partners, LLC
(No Control)

Controlling Officers of Company:
Dana Mayo
Chris Hunt
Dan Kagey
Jeff Weiss

5/25/18
June 6, 2018

Texas Department of Community Affairs (TDHCA)
Rosalio Banuelos
Manager, Asset Management Division
221 E. 11th Street
Austin, TX 78701

RE: #17259 Mistletoe Station Amendment Application

Mr. Banuelos:

Hunt Capital Partners ("HCP") will be the investor limited partner ("LP") in the referenced project, Mistletoe Station ("the Project"). As the LP, HCP would like to confirm the following regarding the amendment application for the Project:

- Hunt Capital Partners, LLC is providing a liquidity guarantee to JPMorgan Chase for a propriety tax credit investment fund into which Mistletoe Station will be placed. This liquidity guarantee is strictly limited to an event whereby the Guarantors for the transactions do not have sufficient liquidity to meet the requirements of the fund. It is not a full guarantee of the transaction or of the actions of the managing members or any other guarantee required for the financing.

- The controlling officers of Hunt Capital Partners are Dana Mayo, Chris Hunt, Dan Kagey and Jeff Weiss. Chris Hunt is also a member of the board of directors for Hunt Companies, Inc.

- These parties have the authority to make all decisions for Hunt Capital Partners related to its investment in and liquidity guarantee for Mistletoe Station.

- The payment to HCP SLP, LLC of 20% of developer fee is being made to provide Hunt Capital with a sufficient return on the transaction. HCP SLP, LLC and Hunt Capital Partners are not acting as Developers nor will they have control of the development.

Should TDHCA have any question or concerns if would like to discuss further with HCP, please do not hesitate to call me at (818) 380-6131. Thank you for your consideration of this request.

Sincerely,

Jeff Weiss
President
Hunt Capital Partners, LLC
2018 HTC
Full Application

Part 5 Tab 38

List of Organizations and Principals
### List of Organizations and Principals

Provide the requested information for all partnerships, corporations, limited liability companies, trusts, or any other public or private entity and their Affiliates identified on the Owner and Developer Organization Charts. Organizations that own or control other organizations should also be identified until the only remaining sub-entity would be natural persons. Organizations that are Developers and/or Guarantors must also be listed on this form as must any organization (and natural person whose ownership interest in an applicable entity is direct instead of via membership in an organization) that will receive more than 10% of the developer fee. (Note - Entity Names, Principals, and ownership percentage should coincide with the Owner and Developer Organization Charts)

<table>
<thead>
<tr>
<th>Organization Legal Name</th>
<th>Role/Title</th>
<th>Address</th>
<th>City</th>
<th>State</th>
<th>Zip</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mistletoe Station, LLC</td>
<td>Managing Member</td>
<td>5501-A Balcones Dr., #302</td>
<td>Austin</td>
<td>TX</td>
<td>78731</td>
</tr>
<tr>
<td>Saigebrook Mistletoe, LLC</td>
<td>Managing Member</td>
<td>5501-A Balcones Dr., #302</td>
<td>Austin</td>
<td>TX</td>
<td>78731</td>
</tr>
<tr>
<td>O-SDA Mistletoe, LLC</td>
<td>Admin Member</td>
<td>5714 Sam Houston Circle</td>
<td>Austin</td>
<td>TX</td>
<td>78701</td>
</tr>
<tr>
<td>HCP SLP, LLC</td>
<td>Special Ltd Partner</td>
<td>15910 Ventura Blvd.</td>
<td>Encino</td>
<td>CA</td>
<td>91436</td>
</tr>
</tbody>
</table>

### Org. 1 - Mistletoe Station, LLC
- **Name(s) of Entities the Organization Owns or Controls:** 100% Development Owner
- **Organization legally formed?** Yes
- **Date formed:** 8/14/2017
- **Previous TDHCA Experience?** Yes
- **Phone:** (352) 213-8700
- **Email:** lisa@saigebrook.com

#### List of Sub-Entities or Principals:

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>TDHCA Experience: Yes</td>
<td>TDHCA Experience:</td>
<td>TDHCA Experience:</td>
</tr>
<tr>
<td>TDHCA Experience: Yes</td>
<td>TDHCA Experience:</td>
<td>TDHCA Experience:</td>
</tr>
</tbody>
</table>

### Org. 2 - Saigebrook Mistletoe, LLC
- **Date formed:** 8/22/2017
- **Previous TDHCA Experience?** Yes
- **Phone:** 352-212-8700
- **Email:** lisa@saigebrook.com

#### List of Sub-Entities or Principals:

<table>
<thead>
<tr>
<th>1. O-SDA Industries, LLC</th>
<th>2.</th>
<th>3.</th>
</tr>
</thead>
<tbody>
<tr>
<td>TDHCA Experience: Yes</td>
<td>TDHCA Experience:</td>
<td>TDHCA Experience:</td>
</tr>
<tr>
<td>4. O-SDA Mistletoe, LLC</td>
<td>5.</td>
<td>6.</td>
</tr>
<tr>
<td>TDHCA Experience:</td>
<td>TDHCA Experience:</td>
<td>TDHCA Experience:</td>
</tr>
</tbody>
</table>

### Org. 3 - O-SDA Industries, LLC
- **Date formed:** 4/4/2018
- **Previous TDHCA Experience?** Yes
- **Phone:** 830-30-0762
- **Email:** megan@o-sda.com

#### List of Sub-Entities or Principals:

<table>
<thead>
<tr>
<th>1. O-SDA Industries, LLC</th>
<th>2.</th>
<th>3.</th>
</tr>
</thead>
<tbody>
<tr>
<td>TDHCA Experience: Yes</td>
<td>TDHCA Experience:</td>
<td>TDHCA Experience:</td>
</tr>
<tr>
<td>TDHCA Experience:</td>
<td>TDHCA Experience:</td>
<td>TDHCA Experience:</td>
</tr>
</tbody>
</table>

### Org. 4 - HCP SLP, LLC
- **Date formed:** 4/2018
- **Previous TDHCA Experience?** Yes
- **Phone:** 818-380-6100
- **Email:** dana.mayo@huntcompanies.com

#### List of Sub-Entities or Principals:

<table>
<thead>
<tr>
<th>1. See following letter accepted for owner change</th>
<th>2.</th>
<th>3.</th>
</tr>
</thead>
<tbody>
<tr>
<td>TDHCA Experience: No</td>
<td>TDHCA Experience:</td>
<td>TDHCA Experience:</td>
</tr>
<tr>
<td>4.</td>
<td>5.</td>
<td>6.</td>
</tr>
<tr>
<td>TDHCA Experience:</td>
<td>TDHCA Experience:</td>
<td>TDHCA Experience:</td>
</tr>
</tbody>
</table>
### Organization: Saigebrook Development, LLC

**Role/Title:** Mg Mem, Dev, Guar

**Address:** 5501-A Balcones Dr., #302  
**City:** Austin  
**State:** TX  
**Zip:** 78731

**Name(s) of Entities the Organization Owns or Controls:** 100% of Saigebrook Mistletoe, LLC; 60% Developer; Guarantor

**Organization legally formed?** Yes  
**Date formed:** 9/7/2011  
**Legal Org is or will be:** Limited Liability Company

**Previous TDHCA Experience?** Yes  
**Phone:** 352-213-8700  
**Email:** lisa@saigebrook.com

**Organization is identified on Org. Chart:** Yes  
**Ability to exercise Control over the Development?** Yes

**List of Sub-Entities or Principals:**

1. Lisa M. Stephens  
   **TDHCA Experience:** Yes  
   **Phone:** 830-330-0762  
   **Email:** lisa@saigebrook.com

2. NA

3.

4.

5. NA

6.

---

### Organization: O-SDA Industries, LLC

**Role/Title:** Ad Mem, Dev, Guar

**Address:** 5714 Sam Houston Circle  
**City:** Austin  
**State:** TX  
**Zip:** 78731

**Name(s) of Entities the Organization Owns or Controls:** 100% of O-SDA Mistletoe, LLC; 40% Developer; Guarantor

**Organization legally formed?** Yes  
**Date formed:** 9/2/2010  
**Legal Org is or will be:** Limited Liability Company

**Previous TDHCA Experience?** Yes  
**Phone:** 830-330-0762  
**Email:** megan@o-sda.com

**Organization is identified on Org. Chart:** Yes  
**Ability to exercise Control over the Development?** Yes

**List of Sub-Entities or Principals:**

1. Megan Lasch  
   **TDHCA Experience:** Yes  
   **Phone:** 818-380-6100  
   **Email:** dana.mayo@huntcompanies.com

2. NA

3.

4.

5. NA

6.

---

### Organization: Hunt Capital Partners

**Role/Title:** Guarantor

**Address:** 15910 Ventura Blvd.  
**City:** Encino  
**State:** CA  
**Zip:** 91436

**Name(s) of Entities the Organization Owns or Controls:** 100% of Saigebrook Mistletoe, LLC; 60% Developer; Guarantor

**Organization legally formed?** Yes  
**Date formed:** 9/7/2011  
**Legal Org is or will be:** Guarantor

**Previous TDHCA Experience?** Yes  
**Phone:** 818-380-6100  
**Email:** dana.mayo@huntcompanies.com

**Organization is identified on Org. Chart:** Yes  
**Ability to exercise Control over the Development?** No

**List of Sub-Entities or Principals:**

1. See following letter accepted for owner change  
   **TDHCA Experience:** No  
   **Phone:**  
   **Email:** 

2. NA

3.

4.

5. NA

6.

---

### Organization: [Organization Name]

**Role/Title:** 

**Address:**  
**City:**  
**State:**  
**Zip:** 

**Name(s) of Entities the Organization Owns or Controls:** 

**Organization legally formed?**  
**Date formed:**  
**Legal Org is or will be:** 

**Previous TDHCA Experience?**  
**Phone:**  
**Email:** 

**Organization is identified on Org. Chart:**  
**Ability to exercise Control over the Development?** 

**List of Sub-Entities or Principals:**

1.  
   **TDHCA Experience:**  
   **Phone:**  
   **Email:** 

2.  
   **TDHCA Experience:**  
   **Phone:**  
   **Email:** 

3.  
   **TDHCA Experience:**  
   **Phone:**  
   **Email:** 

4.  
   **TDHCA Experience:**  
   **Phone:**  
   **Email:** 

5.  
   **TDHCA Experience:**  
   **Phone:**  
   **Email:** 

6.  
   **TDHCA Experience:**  
   **Phone:**  
   **Email:**
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<td>Name(s) of Entities the Organization Owns or Controls:</td>
<td></td>
</tr>
<tr>
<td>Organization legally formed?</td>
<td>Date formed:  Legal Org is or will be:</td>
</tr>
<tr>
<td>Previous TDHCA Experience?</td>
<td>Phone:  Email:</td>
</tr>
<tr>
<td>Organization is identified on Org. Chart:</td>
<td>Ability to exercise Control over the Development?</td>
</tr>
<tr>
<td>List of Sub-Entities or Principals:</td>
<td></td>
</tr>
<tr>
<td>1.</td>
<td>2.</td>
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<tr>
<td>TDHCA Experience:</td>
<td>TDHCA Experience:</td>
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<td>4.</td>
<td>5.</td>
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<td>TDHCA Experience:</td>
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<tr>
<td>7.</td>
<td></td>
</tr>
<tr>
<td>TDHCA Experience:</td>
<td></td>
</tr>
</tbody>
</table>
List of Organizations and Principals

Provide the requested information for all partnerships, corporations, limited liability companies, trusts, or any other public or private entity and their Affiliates identified on the Owner and Developer Organization Charts. Organizations that own or control other organizations should also be identified until the only remaining sub-entity would be natural persons. Organizations that are Developers and/or Guarantors must also be listed on this form as must any organization (and natural person whose ownership interest in an applicable entity is direct instead of via membership in an organization) that will receive more than 10% of the developer fee. (Note - Entity Names, Principals, and ownership percentage should coincide with the Owner and Developer Organization Charts)

<table>
<thead>
<tr>
<th>Applicant Legal Name:</th>
<th>Mistletoe Station, LLC</th>
<th>1.</th>
<th>2.</th>
<th>3.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Address:</td>
<td>5501-A Balcones Dr., #302</td>
<td>Saigebrook Development, LLC</td>
<td>NA</td>
<td>TDHCA Experience: Yes</td>
</tr>
<tr>
<td>City:</td>
<td>Austin</td>
<td>Role/Title</td>
<td>Managing Member</td>
<td>TDHCA Experience:</td>
</tr>
<tr>
<td>State:</td>
<td>TX</td>
<td>Name(s) of Entities the Organization Owns or Controls:</td>
<td>0.0048% of Mistletoe Station, LLC; 60% Developer; Guarantor</td>
<td></td>
</tr>
<tr>
<td>Zip:</td>
<td>78731</td>
<td>Organization legally formed?</td>
<td>Yes</td>
<td>Date formed: 8/22/17</td>
</tr>
<tr>
<td>Previous TDHCA Experience?</td>
<td>Yes</td>
<td>Phone:</td>
<td>352-213-8700</td>
<td>Email: <a href="mailto:lisa@saigebrook.com">lisa@saigebrook.com</a></td>
</tr>
<tr>
<td>Organization is identified on Org. Chart:</td>
<td>Yes</td>
<td>Ability to exercise Control over the Development?</td>
<td>Yes</td>
<td></td>
</tr>
<tr>
<td>List of Sub-Entities or Principals:</td>
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<td></td>
<td></td>
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</tr>
<tr>
<td>1.</td>
<td>Saigebrook Development, LLC</td>
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<tr>
<td>6.</td>
<td>TDHCA Experience:</td>
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</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Organization Legal Name:</th>
<th>O-SDA Mistletoe, LLC</th>
<th>1.</th>
<th>2.</th>
<th>3.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Address:</td>
<td>5714 Sam Houston Circle</td>
<td>O-SDA Industries, LLC</td>
<td>NA</td>
<td>TDHCA Experience: Yes</td>
</tr>
<tr>
<td>City:</td>
<td>Austin</td>
<td>Role/Title</td>
<td>Admin Member</td>
<td>TDHCA Experience:</td>
</tr>
<tr>
<td>State:</td>
<td>TX</td>
<td>Name(s) of Entities the Organization Owns or Controls:</td>
<td>.0032% of Mistletoe Station, LLC; 40% Co-Developer; Guarantor</td>
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</tr>
<tr>
<td>Zip:</td>
<td>78701</td>
<td>Organization legally formed?</td>
<td>Yes</td>
<td>Date formed: 4/4/18</td>
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<tr>
<td>Previous TDHCA Experience?</td>
<td>Yes</td>
<td>Phone:</td>
<td>830-330-0762</td>
<td>Email: <a href="mailto:megan@o-sda.com">megan@o-sda.com</a></td>
</tr>
<tr>
<td>Organization is identified on Org. Chart:</td>
<td>Yes</td>
<td>Ability to exercise Control over the Development?</td>
<td>Yes</td>
<td></td>
</tr>
<tr>
<td>List of Sub-Entities or Principals:</td>
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<td></td>
<td></td>
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<tr>
<td>1.</td>
<td>O-SDA Industries, LLC</td>
<td>TDHCA Experience: Yes</td>
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<td>4.</td>
<td>TDHCA Experience:</td>
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<td>6.</td>
<td>TDHCA Experience:</td>
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<table>
<thead>
<tr>
<th>Organization Legal Name:</th>
<th>HCP SLP, LLC</th>
<th>1.</th>
<th>2.</th>
<th>3.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Address:</td>
<td>15910 Ventura Blvd.</td>
<td>Hunt Capital Partners, LLC</td>
<td>NA</td>
<td>TDHCA Experience: Yes</td>
</tr>
<tr>
<td>City:</td>
<td>Encino</td>
<td>Role/Title</td>
<td>Special Ltd Partner</td>
<td>TDHCA Experience:</td>
</tr>
<tr>
<td>State:</td>
<td>CA</td>
<td>Name(s) of Entities the Organization Owns or Controls:</td>
<td>.0020% of Mistletoe Station, LLC; 20% of dev fee</td>
<td></td>
</tr>
<tr>
<td>Zip:</td>
<td>91436</td>
<td>Organization legally formed?</td>
<td>Yes</td>
<td>Date formed:</td>
</tr>
<tr>
<td>Previous TDHCA Experience?</td>
<td>No</td>
<td>Phone:</td>
<td>818-380-6100</td>
<td>Email: <a href="mailto:dana.mayo@huntcompanies.com">dana.mayo@huntcompanies.com</a></td>
</tr>
<tr>
<td>Organization is identified on Org. Chart:</td>
<td>Yes</td>
<td>Ability to exercise Control over the Development?</td>
<td>No</td>
<td></td>
</tr>
<tr>
<td>List of Sub-Entities or Principals:</td>
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<td></td>
<td></td>
<td></td>
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<tr>
<td>1.</td>
<td>Hunt Capital Partners, LLC</td>
<td>TDHCA Experience: Yes</td>
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<tr>
<td>2.</td>
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<td>3.</td>
<td>TDHCA Experience:</td>
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<tr>
<td>4.</td>
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<td>TDHCA Experience:</td>
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<tr>
<td>6.</td>
<td>TDHCA Experience:</td>
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<td></td>
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</tr>
<tr>
<td>Org.</td>
<td>Organization Legal Name</td>
<td>Role/Title</td>
<td>Address</td>
<td>City</td>
</tr>
<tr>
<td>------</td>
<td>--------------------------</td>
<td>------------</td>
<td>---------</td>
<td>------</td>
</tr>
<tr>
<td>1.1</td>
<td>Saigebrook Development, LLC</td>
<td>Mg Mem, Dev, Guar</td>
<td>5501-A Balcones Dr., #302</td>
<td>Austin</td>
</tr>
<tr>
<td>2.1</td>
<td>O-SDA Industries, LLC</td>
<td>Ad Mem, Dev, Guar</td>
<td>5714 Sam Houston Circle</td>
<td>Austin</td>
</tr>
<tr>
<td>guar</td>
<td>Hunt Capital Partners, LLC</td>
<td>Guarantor</td>
<td>15910 Ventura Blvd.</td>
<td>Encino</td>
</tr>
<tr>
<td>invd</td>
<td>HCP-ILP, LLC</td>
<td>Investor Member</td>
<td>15910 Ventura Blvd.</td>
<td>Encino</td>
</tr>
</tbody>
</table>

**Name(s) of Entities the Organization Owns or Controls:**
- Saigebrook Development, LLC: 100 % of Saigebrook Mistletoe, LLC; 60% Developer, Guarantor
- O-SDA Industries, LLC: 100% of O-SDA Mistletoe, LLC; 40% Developer, Guarantor
- Hunt Capital Partners, LLC: Guarantor, Manager of HCP-ILP, LLC; Sole Member of HCP SLP, LLC
- HCP-ILP, LLC: Investor Member

**Organization legally formed?**
- Yes

**Date formed:**
- 9/7/11
- 9/2/10
- 9/2/10
- 9/2/10

**Legal Org is or will be:**
- Limited Liability Company
- Limited Liability Company
- Limited Partnership
- Limited Liability Company

**Previous TDHCA Experience?**
- Yes
- Yes
- No
- Yes

**Phone:**
- 352-213-8700
- 830-330-0762
- 818-380-6100
- 830-330-0762

**Email:**
- lisa@saigebrook.com
- megan@o-sda.com
- dana.mayo@huntcompanies.com
- dana.mayo@huntcompanies.com

**List of Sub-Entities or Principals:**
1. Lisa M. Stephens
   - TDHCA Experience: Yes
2. NA
   - TDHCA Experience: NA
3. NA
   - TDHCA Experience: NA
4. Megan Lasch
   - TDHCA Experience: Yes
5. NA
   - TDHCA Experience: NA
6. NA
   - TDHCA Experience: NA
7. Dana Mayo
   - TDHCA Experience: No
8. Chris Hunt
   - TDHCA Experience: No
9. Dan Kagey
   - TDHCA Experience: No
10. Jeff Weiss
    - TDHCA Experience: No
11. NA
    - TDHCA Experience: NA
12. NA
    - TDHCA Experience: NA
13. NA
    - TDHCA Experience: NA
14. NA
    - TDHCA Experience: NA
15. NA
    - TDHCA Experience: NA
2018 HTC
Full Application

Part 5 Tab 39

Previous Participation
Previous Participation Form

Form must be completed separately for each entity (i.e. person, organization, etc.) that has or will have a controlling interest or oversight in the contract, award, agreement, or ownership transfer being considered. This form should also be completed for each board member, individual with signature authority, executive director, or elected official that represents the person/entity (as applicable).

Person/Role:  
Mistletoe Station, LLC  
Saigebrook Mistletoe, LLC

Email Address:  
lisa@saigebrook.com

City & State of Home Addr:  
Austin, TX

Applicant Legal Name:  
Mistletoe Station, LLC

1. List experience with all TDHCA rental development programs (including: HTC, HTC Exchange, Direct Loan (HOME, TCAP, RHD), and BOND) that you have controlled at any time.

By selecting this box I certify that I have no prior experience with any TDHCA administered affordable rental program.

<table>
<thead>
<tr>
<th>TDHCA ID#</th>
<th>Property Name</th>
<th>Property City</th>
<th>Program</th>
<th>Control began (mm/yy)</th>
<th>Control End (mm/yy)</th>
</tr>
</thead>
<tbody>
<tr>
<td>17259</td>
<td>Mistletoe Station</td>
<td>Fort Worth</td>
<td>HTC</td>
<td>in 07/17</td>
<td>NA</td>
</tr>
</tbody>
</table>

2. Identify all Community Affairs and Single Family department programs that you have participated in within the last three(3) years by placing an "x" next to the program name.

By selecting this box I certify that I have no prior experience with any TDHCA Single Family or Community Affairs Programs.

<table>
<thead>
<tr>
<th>Community Affairs:</th>
<th>CEAP</th>
<th>DOE</th>
<th>HHSP</th>
<th>WAP</th>
<th>CSBG</th>
<th>ESG</th>
<th>LIHEAP</th>
<th>HTF/OCI:</th>
<th>AYBR</th>
<th>Bootstrap</th>
<th>CFDC</th>
<th>Self-Help</th>
<th>Other:</th>
<th>NSP</th>
</tr>
</thead>
<tbody>
<tr>
<td>HOME:</td>
<td>CFDC</td>
<td>HBA</td>
<td>PWD</td>
<td>TBRA</td>
<td>DR</td>
<td>HRA</td>
<td>SFD</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>HTF/OCI:</td>
<td>AYBR</td>
<td>Bootstrap</td>
<td>CFDC</td>
<td>Self-Help</td>
<td></td>
<td></td>
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<td></td>
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<td>Other:</td>
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<td></td>
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<td></td>
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<td></td>
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<td></td>
<td></td>
</tr>
</tbody>
</table>
## Previous Participation Form

Form must be completed separately for each entity (i.e. person, organization, etc.) that has or will have a controlling interest or oversight in the contract, award, agreement, or ownership transfer being considered. This form should also be completed for each board member, individual with signature authority, executive director, or elected official that represents the person/entity (as applicable).

<table>
<thead>
<tr>
<th>Person/Role:</th>
<th>Saigebrook Development, LLC</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Lisa M. Stephens</td>
</tr>
<tr>
<td>Email Address:</td>
<td><a href="mailto:lisa@saigebrook.com">lisa@saigebrook.com</a></td>
</tr>
<tr>
<td>City &amp; State of Home Addr:</td>
<td>Millsap, TX</td>
</tr>
<tr>
<td>Applicant Legal Name:</td>
<td>Mistletoe Station LLC</td>
</tr>
</tbody>
</table>

1. List experience with all TDHCA rental development programs (including: HTC, HTC Exchange, Direct Loan (HOME, TCAP, RHD), and BOND) that you have controlled at any time.

   By selecting this box I certify that I have no prior experience with any TDHCA administered affordable rental program.

<table>
<thead>
<tr>
<th>TDHCA ID#</th>
<th>Property Name</th>
<th>Property City</th>
<th>Program</th>
<th>Control began (mm/yy)</th>
<th>Control End (mm/yy)</th>
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</thead>
<tbody>
<tr>
<td>13240</td>
<td>Summit Parque</td>
<td>Dallas</td>
<td>HTC</td>
<td>in 07/13</td>
<td>NA</td>
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<td>13187</td>
<td>Barron’s Branch</td>
<td>Waco</td>
<td>HTC</td>
<td>in 07/13</td>
<td>NA</td>
</tr>
<tr>
<td>14227</td>
<td>Liberty Pass</td>
<td>Selma</td>
<td>HTC</td>
<td>in 07/14</td>
<td>NA</td>
</tr>
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<td>11246</td>
<td>Tylor Grand</td>
<td>Abilene</td>
<td>HTC</td>
<td>in 03/15</td>
<td>NA</td>
</tr>
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<td>16188</td>
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<td>Georgetown</td>
<td>HTC</td>
<td>in 09/17</td>
<td>NA</td>
</tr>
<tr>
<td>17347</td>
<td>Alton Plaza</td>
<td>Longview</td>
<td>HTC</td>
<td>in 07/17</td>
<td>NA</td>
</tr>
<tr>
<td>17268</td>
<td>Edgewood Place</td>
<td>Longview</td>
<td>HTC</td>
<td>in 07/17</td>
<td>NA</td>
</tr>
<tr>
<td>17259</td>
<td>Mistletoe Station</td>
<td>Fort Worth</td>
<td>HTC</td>
<td>in 07/17</td>
<td>NA</td>
</tr>
<tr>
<td>17275</td>
<td>Aria Grand</td>
<td>Austin</td>
<td>HTC</td>
<td>in 07/17</td>
<td>NA</td>
</tr>
<tr>
<td>18361</td>
<td>Canova Palms</td>
<td>Irving</td>
<td>HTC</td>
<td>in 07/18</td>
<td>NA</td>
</tr>
</tbody>
</table>

2. Identify all Community Affairs and Single Family department programs that you have participated in within the last three(3) years by placing an "x" next to the program name.

   By selecting this box I certify that I have no prior experience with any TDHCA Single Family or Community Affairs Programs.

<table>
<thead>
<tr>
<th>Community Affairs:</th>
<th>CEAP</th>
<th>DOE</th>
<th>HHSP</th>
<th>WAP</th>
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</thead>
<tbody>
<tr>
<td></td>
<td>CSBG</td>
<td>ESG</td>
<td>LIHEAP</td>
<td></td>
</tr>
<tr>
<td>HOME:</td>
<td>CFDC</td>
<td>HBA</td>
<td>PWD</td>
<td>TBRA</td>
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<td></td>
<td>DR</td>
<td>HRA</td>
<td>SFD</td>
<td></td>
</tr>
<tr>
<td>HTF/OCI:</td>
<td>AYBR</td>
<td>Bootstrap</td>
<td>CFDC</td>
<td>Self-Help</td>
</tr>
<tr>
<td>Other:</td>
<td></td>
<td></td>
<td></td>
<td>NSP</td>
</tr>
</tbody>
</table>
Form must be completed separately for each entity (i.e. person, organization, etc.) that has or will have a controlling interest or oversight in the contract, award, agreement, or ownership transfer being considered. This form should also be completed for each board member, individual with signature authority, executive director, or elected official that represents the person/entity (as applicable).

| Person/Role: | O-SDA Mistletoe, LLC |
| Email Address: | megan@o-sda.com |
| City & State of Home Addr: | Austin, TX |
| Applicant Legal Name: | Mistletoe Station, LLC |

1. List experience with all TDHCA rental development programs (including: HTC, HTC Exchange, Direct Loan (HOME, TCAP, RHD), and BOND) that you have controlled at any time.

- By selecting this box I certify that I have no prior experience with any TDHCA administered affordable rental program.

<table>
<thead>
<tr>
<th>TDHCA ID#</th>
<th>Property Name</th>
<th>Property City</th>
<th>Program</th>
<th>Control began (mm/yy)</th>
<th>Control End (mm/yy)</th>
</tr>
</thead>
<tbody>
<tr>
<td>17259</td>
<td>Mistletoe Station</td>
<td>Fort Worth</td>
<td>HTC</td>
<td>in 07/17</td>
<td>NA</td>
</tr>
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</tr>
</tbody>
</table>

2. Identify all Community Affairs and Single Family department programs that you have participated in within the last three(3) years by placing an "x" next to the program name.

- By selecting this box I certify that I have no prior experience with any TDHCA Single Family or Community Affairs Programs.

<table>
<thead>
<tr>
<th>Community Affairs:</th>
<th>CEAP</th>
<th>DOE</th>
<th>HHSP</th>
<th>LIHEAP</th>
<th>WAP</th>
<th>ESG</th>
<th>WAP</th>
<th>TBRA</th>
</tr>
</thead>
<tbody>
<tr>
<td>HOME:</td>
<td>CFDC</td>
<td>HBA</td>
<td>PWD</td>
<td>TBRA</td>
<td></td>
<td></td>
<td></td>
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<td>HTF/OCI:</td>
<td>AYBR</td>
<td>Bootstrap</td>
<td>CFDC</td>
<td>Self-Help</td>
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<td></td>
<td></td>
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</tr>
<tr>
<td>Other:</td>
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<td></td>
<td></td>
<td>NSP</td>
</tr>
</tbody>
</table>
Person/Role: O-SDA Industries, LLC
Megan Lasch

Email Address: megan@o-sda.com

City & State of Home Addr: Austin, TX

Applicant Legal Name: Mistletoe Station LLC

1. List experience with all TDHCA rental development programs (including: HTC, HTC Exchange, Direct Loan (HOME, TCAP, RHD), and BOND) that you have controlled at any time.

[ ] By selecting this box I certify that I have no prior experience with any TDHCA administered affordable rental program.

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<th>Property Name</th>
<th>Property City</th>
<th>Program</th>
<th>Control began (mm/yy)</th>
<th>Control End (mm/yy)</th>
</tr>
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<tbody>
<tr>
<td>12065</td>
<td>La Ventana</td>
<td>Abilene</td>
<td>HTC</td>
<td>in 07/12</td>
<td>NA</td>
</tr>
<tr>
<td>12067</td>
<td>Amberwood Place</td>
<td>Longview</td>
<td>HTC</td>
<td>in 07/12</td>
<td>NA</td>
</tr>
<tr>
<td>14226</td>
<td>Art at Bratton’s Edge</td>
<td>Austin</td>
<td>HTC</td>
<td>in 07/14</td>
<td>NA</td>
</tr>
<tr>
<td>15190</td>
<td>Stillhouse Flats</td>
<td>Harker Heights</td>
<td>HTC</td>
<td>in 07/15</td>
<td>NA</td>
</tr>
<tr>
<td>15185</td>
<td>LaMadrid</td>
<td>Austin</td>
<td>HTC</td>
<td>in 07/15</td>
<td>NA</td>
</tr>
<tr>
<td>16188</td>
<td>Kaia Pointe</td>
<td>Georgetown</td>
<td>HTC</td>
<td>in 07/16</td>
<td>NA</td>
</tr>
<tr>
<td>17347</td>
<td>Alton Plaza</td>
<td>Longview</td>
<td>HTC</td>
<td>in 07/17</td>
<td>NA</td>
</tr>
<tr>
<td>17268</td>
<td>Edgewood Place</td>
<td>Longview</td>
<td>HTC</td>
<td>in 07/17</td>
<td>NA</td>
</tr>
<tr>
<td>17259</td>
<td>Mistletoe Station</td>
<td>Fort Worth</td>
<td>HTC</td>
<td>in 07/17</td>
<td>NA</td>
</tr>
<tr>
<td>17275</td>
<td>Aria Grand</td>
<td>Austin</td>
<td>HTC</td>
<td>in 07/17</td>
<td>NA</td>
</tr>
</tbody>
</table>

2. Identify all Community Affairs and Single Family department programs that you have participated in within the last three(3) years by placing an "x" next to the program name.

[ ] By selecting this box I certify that I have no prior experience with any TDHCA Single Family or Community Affairs Programs.

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Form must be completed separately for each entity (i.e. person, organization, etc.) that has or will have a controlling interest or oversight in the contract, award, agreement, or ownership transfer being considered. This form should also be completed for each board member, individual with signature authority, executive director, or elected official that represents the person/entity (as applicable).

Person/Role:
- HCP SLP, LLC
- Hunt Capital Partners, LLC

Email Address: dana.mayo@huntcompanies.com

City & State of Home Addr: Los Angeles, CA

Applicant Legal Name: Mistletoe Station, LLC

1. List experience with all TDHCA rental development programs (including: HTC, HTC Exchange, Direct Loan (HOME, TCAP, RHD), and BOND) that you have controlled at any time.

   By selecting this box I certify that I have no prior experience with any TDHCA administered affordable rental program.

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<th>Control End (mm/yy)</th>
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</thead>
<tbody>
<tr>
<td>17259</td>
<td>Mistletoe Station (no control)</td>
<td>Fort Worth</td>
<td>HTC</td>
<td>in 06/18</td>
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Complete a separate form for all parties involved in the application or requested ownership transfer being considered (i.e. organizations, entities, natural persons, etc. that has or will have a controlling interest or oversight). This form should also be completed for each board member, individual with signature authority, executive director, or elected official that represents the person/entity (as applicable).

**Applicant Legal Name:** Hunt Capital Partners, LLC  HCP-ILP, LLC  HCP SLP, LLC

**Person/Role:** Chris Hunt

**Email Address:** chris.hunt@huntcompanies.com

**City & State of Home Address:** Los Angeles, CA

1. List experience with all TDHCA rental development programs (including: HTC, HTC Exchange, HOME (RHD), and BOND) that you have controlled at any time.

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Applicant Legal Name: Hunt Capital Partners, LLC  HCP-ILP, LLC  HCP SLP, LLC

Person/Role: Dan Kagey / CFO

Email Address: dan.kagey@huntcompanies.com

City & State of Home Address: Los Angeles, CA

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Applicant Legal Name: Hunt Capital Partners, LLC HCP-ILP, LLC HCP SLP, LLC

Person/Role: Dana Mayo / Executive Managing Director

Email Address: dana.mayo@huntcompanies.com

City & State of Home Address: Los Angeles, CA

1. List experience with all TDHCA rental development programs (including: HTC, HTC Exchange, HOME (RHD), and BOND) that you have controlled at any time.

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   | CFDC                |      |     |      |     |
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   | TBRA                |      |     |      |     |

   | HTF/OCI:            |      |     |      |     |
   | AYBR                |      |     |      |     |
   | Bootstrap           |      |     |      |     |
   | CFDC                |      |     |      |     |
   | Self-Help           |      |     |      |     |

   | Other:              |      |     |      |     |
   |                    |      |     |      |     |

February 2016
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</tr>
</thead>
<tbody>
<tr>
<td>Person/Role:</td>
<td>Jeff Weiss / President</td>
</tr>
<tr>
<td>Email Address:</td>
<td><a href="mailto:jeff.weiss@huntcompanies.com">jeff.weiss@huntcompanies.com</a></td>
</tr>
<tr>
<td>City &amp; State of Home Address:</td>
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February 2016
June 6, 2018

Texas Department of Community Affairs (TDHCA)
Rosalio Banuelos
Manager, Asset Management Division
221 E. 11th Street
Austin, TX 78701

RE: #17259 Mistletoe Station Amendment Application

Mr. Banuelos:

Hunt Capital Partners ("HCP") will be the investor limited partner ("LP") in the referenced project, Mistletoe Station ("the Project"). As the LP, HCP would like to confirm the following regarding the amendment application for the Project:

- Hunt Capital Partners, LLC is providing a liquidity guarantee to JPMorgan Chase for a propriety tax credit investment fund into which Mistletoe Station will be placed. This liquidity guarantee is strictly limited to an event whereby the Guarantors for the transactions do not have sufficient liquidity to meet the requirements of the fund. It is not a full guarantee of the transaction or of the actions of the managing members or any other guarantee required for the financing.

- The controlling officers of Hunt Capital Partners are Dana Mayo, Chris Hunt, Dan Kagey and Jeff Weiss. Chris Hunt is also a member of the board of directors for Hunt Companies, Inc.

- These parties have the authority to make all decisions for Hunt Capital Partners related to its investment in and liquidity guarantee for Mistletoe Station.

- The payment to HCP SLP, LLC of 20% of developer fee is being made to provide Hunt Capital with a sufficient return on the transaction. HCP SLP, LLC and Hunt Capital Partners are not acting as Developers nor will they have control of the development.

Should TDHCA have any question or concerns if would like to discuss further with HCP, please do not hesitate to call me at (818) 380-6131. Thank you for your consideration of this request.

Sincerely,

Jeff Weiss
President
Hunt Capital Partners, LLC
2018 HTC
Full Application

Part 5 Tab 40

Nonprofit Participation

NA
Nonprofit Participation

# Nonprofit Set-Aside (Competitive HTC Applications Only)

**Qualification:** Must meet the definition of a Qualified Nonprofit Development pursuant to §10.3(a)(102) of the Uniform Multifamily Rules, §42(h)(5) of the code, and the requirements of §11.5(1) of the Qualified Allocation Plan.

**Documentation:** Eligibility will be confirmed based upon completion of the Nonprofit Participation and Additional Nonprofit Documentation requirements in this section.

- By selecting this box the Applicant affirms the election to be included in the Nonprofit Set-Aside and certifies that they expect to receive a benefit in the allocation of tax credits as a result of being affiliated with a nonprofit.

- By selecting this box the Applicant affirms the election to be excluded from the Nonprofit Set-Aside and certifies that they do not expect to receive a benefit in the allocation of tax credits as a result of being affiliated with a nonprofit.

**Nonprofit Information (ALL Applications)**

Only nonprofit organizations will complete this section. All nonprofit Applicants or Principals must complete this form without regard to their level of ownership or the set-aside under which the Application was made.

<table>
<thead>
<tr>
<th>Organization Name:</th>
<th>NA</th>
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<tbody>
<tr>
<td>Is the Organization a 501(c )(3) or (4) as of the beginning of the Application Acceptance Period?</td>
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<tr>
<td>If no to the question above, what is its current legal status?</td>
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<tr>
<td>If &quot;Other&quot; please specify:</td>
<td></td>
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<tr>
<td>Date of legal formation of Nonprofit Organization:</td>
<td></td>
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</table>

1) Is Applicant comprised of a joint venture between a Nonprofit and for-profit entity?

   - If "Yes", will this nonprofit organization Control the Applicant?
   - What is the ownership percentage of this nonprofit organization?

2) Describe the nonprofit’s participation:

3) Describe the nonprofit’s participation in the operation of the Development throughout the Compliance and/or extended use period:

4) Will the nonprofit receive part of the development fees paid in connection with the development?

   - If "Yes," explain:
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<tr>
<th>Name</th>
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<tr>
<td>Address</td>
<td>City</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td>Phone</td>
<td>Ext.</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td>Name</td>
<td>Title</td>
</tr>
<tr>
<td></td>
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<tr>
<td>Address</td>
<td>City</td>
</tr>
<tr>
<td></td>
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</tr>
<tr>
<td>Phone</td>
<td>Ext.</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Applications involving a Qualified Nonprofit Organization pursuant to Texas Government Code, §2306.6706 that have a 501(c)(3) or 501(c)(4) designation at the time of Application and competitive 9% HTC Applications electing to compete under the Nonprofit Set-aside must provide the following documentation behind this tab:

- IRS determination letter
- Third Party legal opinion (not applicable to Tax-Exempt Bond Developments)
- The Nonprofit's most recent financial statement as prepared by a Certified Public Accountant (not applicable to Tax-Exempt Bond Developments)
- Certification regarding Board member residence (not applicable to Tax-Exempt Bond Developments)
2018 HTC
Full Application

Part 5 Tab 42

Development Team
The requested information on all known Development Team members must be provided. In addition to the categories listed below, the “Other” category should be used to list all known Development Team members that are included in the “Development Cost Schedule.” If the team member that will be utilized is not yet known, indicate “TBD.” If it is anticipated that the Development Team category will not be utilized, indicate “N/A.”

*If there is a direct or indirect, financial, or other interest with Applicant or other team members, provide an attachment behind this form in the Application that explains the relationship(s).*

### Developer:

<table>
<thead>
<tr>
<th>Contact Name</th>
<th>Phone</th>
<th>Tax ID Number (TIN)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lisa Stephens</td>
<td>(352) 213-8700</td>
<td></td>
</tr>
<tr>
<td><a href="mailto:lisa@saigebrook.com">lisa@saigebrook.com</a></td>
<td>TBD</td>
<td>45-3062708</td>
</tr>
</tbody>
</table>

Email: TBD

Certified Texas HUB? Yes

This is a direct or indirect, financial, or other interest with Applicant or other team members* Yes

### Housing General Contractor:

<table>
<thead>
<tr>
<th>Contact Name</th>
<th>Phone</th>
<th>Tax ID Number (TIN)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Justin Bailey</td>
<td>(214) 682-3588</td>
<td></td>
</tr>
<tr>
<td><a href="mailto:jbailey@makerbros.net">jbailey@makerbros.net</a></td>
<td>TBD</td>
<td></td>
</tr>
</tbody>
</table>

Email: TBD

Certified Texas HUB? No

This is a direct or indirect, financial, or other interest with Applicant or other team members* No

### Infrastructure General Contractor:

<table>
<thead>
<tr>
<th>Contact Name</th>
<th>Phone</th>
<th>Tax ID Number (TIN)</th>
</tr>
</thead>
<tbody>
<tr>
<td>TBD</td>
<td>TBD</td>
<td></td>
</tr>
</tbody>
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Email: TBD

Certified Texas HUB? TBD

This is a direct or indirect, financial, or other interest with Applicant or other team members* TBD

### Cost Estimator:

<table>
<thead>
<tr>
<th>Contact Name</th>
<th>Phone</th>
<th>Tax ID Number (TIN)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lisa Stephens</td>
<td>(352) 213-8700</td>
<td></td>
</tr>
<tr>
<td><a href="mailto:lisa@saigebrook.com">lisa@saigebrook.com</a></td>
<td>TBD</td>
<td>45-3062708</td>
</tr>
</tbody>
</table>

Email: TBD

Certified Texas HUB? Yes

This is a direct or indirect, financial, or other interest with Applicant or other team members* Yes

### Architect:

<table>
<thead>
<tr>
<th>Contact Name</th>
<th>Phone</th>
<th>Tax ID Number (TIN)</th>
</tr>
</thead>
<tbody>
<tr>
<td>BGO Architects</td>
<td>(214) 520-8878</td>
<td></td>
</tr>
<tr>
<td><a href="mailto:eearnshaw@bgoarchitects.com">eearnshaw@bgoarchitects.com</a></td>
<td>TBD</td>
<td>27-1710301</td>
</tr>
</tbody>
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Email: TBD

Certified Texas HUB? No

This is a direct or indirect, financial, or other interest with Applicant or other team members* No
<table>
<thead>
<tr>
<th>Role</th>
<th>Company/Contact</th>
<th>Phone</th>
<th>Email</th>
<th>Proposed Fee</th>
<th>Tax ID Number (TIN)</th>
<th>Certified Texas HUB?</th>
<th>Other Interest with Applicant or Team Members?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Civil Engineer</td>
<td>Halff Associates, Inc.</td>
<td>(817) 764-7517</td>
<td><a href="mailto:bHaynes@Halff.com">bHaynes@Halff.com</a></td>
<td>TBD</td>
<td></td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>Market Analyst</td>
<td>Apartment Market Data, LLC</td>
<td>(210) 241-4323</td>
<td><a href="mailto:amd@tic.net">amd@tic.net</a></td>
<td>TBD</td>
<td>20-3964998</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>Appraiser</td>
<td>N/A</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>No</td>
</tr>
<tr>
<td>Attorney</td>
<td>Shutts &amp; Bowen, LLP</td>
<td>(305) 415-9083</td>
<td><a href="mailto:rcheng@shutts.com">rcheng@shutts.com</a></td>
<td>TBD</td>
<td>59-0447122</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>Accountant</td>
<td>Tidwell Group</td>
<td>(512) 693-2187</td>
<td><a href="mailto:Quinn.Gormley@tidwellgroup.com">Quinn.Gormley@tidwellgroup.com</a></td>
<td>TBD</td>
<td></td>
<td>No</td>
<td>No</td>
</tr>
</tbody>
</table>
### Property Manager:

<table>
<thead>
<tr>
<th>Contact Name</th>
<th>Phone</th>
</tr>
</thead>
<tbody>
<tr>
<td>Suzanne (Filla) Cope</td>
<td>(646) 398-4675</td>
</tr>
<tr>
<td><a href="mailto:sbaker@accoladepm.com">sbaker@accoladepm.com</a></td>
<td>TBD</td>
</tr>
<tr>
<td>Email</td>
<td>Proposed Fee</td>
</tr>
<tr>
<td>Certified Texas HUB?</td>
<td>No</td>
</tr>
<tr>
<td>This is a direct or indirect, financial, or other interest with Applicant or other team members*</td>
<td>No</td>
</tr>
</tbody>
</table>

### Originator of Underwriter:

<table>
<thead>
<tr>
<th>Contact Name</th>
<th>Phone</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hunt Mortgage</td>
<td>(972) 803-3416</td>
</tr>
<tr>
<td><a href="mailto:suzanne.cope@huntcompanies.com">suzanne.cope@huntcompanies.com</a></td>
<td>TBD</td>
</tr>
<tr>
<td>Email</td>
<td>Proposed Fee</td>
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<tr>
<td>Certified Texas HUB?</td>
<td>No</td>
</tr>
<tr>
<td>This is a direct or indirect, financial, or other interest with Applicant or other team members*</td>
<td>No</td>
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### Bond Issuer:

<table>
<thead>
<tr>
<th>Contact Name</th>
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<tbody>
<tr>
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<td>TBD</td>
</tr>
<tr>
<td>Email</td>
<td>Proposed Fee</td>
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<tr>
<td>Certified Texas HUB?</td>
<td>No</td>
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<tr>
<td>This is a direct or indirect, financial, or other interest with Applicant or other team members*</td>
<td>No</td>
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### Syndicator:

<table>
<thead>
<tr>
<th>Contact Name</th>
<th>Phone</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hunt Capital Partners</td>
<td>(214) 496-0600</td>
</tr>
<tr>
<td>Email</td>
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<tr>
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<tr>
<td>This is a direct or indirect, financial, or other interest with Applicant or other team members*</td>
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### Supportive Services Provider:

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<tr>
<th>Contact Name</th>
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<td>Supportive Services Provider:</td>
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<tr>
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<tr>
<td>This is a direct or indirect, financial, or other interest with Applicant or other team members*</td>
<td>No</td>
</tr>
<tr>
<td>Title Company</td>
<td>Contact Name</td>
</tr>
<tr>
<td>------------------------------------------------------------------</td>
<td>------------------</td>
</tr>
<tr>
<td>First American Title Insurance Company</td>
<td>Rachael Yenque</td>
</tr>
<tr>
<td>Email</td>
<td><a href="mailto:ryenque@firstam.com">ryenque@firstam.com</a></td>
</tr>
<tr>
<td>Certified Texas HUB?</td>
<td>No</td>
</tr>
<tr>
<td>This is a direct or indirect, financial, or other interest with Applicant or other team members*</td>
<td>No</td>
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</table>

**Application Consultant:**

<table>
<thead>
<tr>
<th>S. Anderson Consulting, LLC</th>
<th>Alyssa Carpenter</th>
<th>(512) 789-1295</th>
</tr>
</thead>
<tbody>
<tr>
<td>Email</td>
<td><a href="mailto:ajcarpen@gmail.com">ajcarpen@gmail.com</a></td>
<td></td>
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<tr>
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<tr>
<td>This is a direct or indirect, financial, or other interest with Applicant or other team members*</td>
<td>No</td>
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**ESA Provider:**

<table>
<thead>
<tr>
<th>Terracon Consultants, Inc.</th>
<th>Jennifer Mabry</th>
<th>(214) 630-1010</th>
</tr>
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<tbody>
<tr>
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<tr>
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<tr>
<td>This is a direct or indirect, financial, or other interest with Applicant or other team members*</td>
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**PCA Provider:**

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<tr>
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**Other:**

<table>
<thead>
<tr>
<th>O-SDA Industries, LLC - 40% Developer</th>
<th>Megan Lasch</th>
<th>(830) 330-0762</th>
</tr>
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<tbody>
<tr>
<td>Email</td>
<td><a href="mailto:megan@o-sda.com">megan@o-sda.com</a></td>
<td></td>
</tr>
<tr>
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<td></td>
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<tr>
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**Other:**

<table>
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<td>Email</td>
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<tr>
<td>Certified Texas HUB?</td>
<td></td>
</tr>
<tr>
<td>This is a direct or indirect, financial, or other interest with Applicant or other team members*</td>
<td></td>
</tr>
</tbody>
</table>
2018 HTC
Full Application

Part 5 Tab 43

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

NOTE: The certification requires a separate statement be submitted that describes how the accessibility requirements for the physically accessible/hearing and visual impaired Units will be met, along with related parking requirements. Be sure this statement is attached to this certification.
Architect Certification

I (We) certify that the Development will be designed and built to meet the accessibility requirements of the Federal Fair Housing Act as implemented by HUD at 24 C.F.R. Part 100 and the Fair Housing Act Design Manual, Titles II and III of the Americans with Disabilities Act (42 U.S.C. Sections 12131-12189) as implemented by the Department of Justice regulations at 28 C.F.R. Parts 35 and 36, and the Department's Accessibility rules in 10 TAC Chapter 1, Subchapter B, in effect at the time of certification.

I (we) certify that all materials submitted to the Department by the Architect or Applicant constitute records of the Department subject to Chapter 552, Tex. Gov't Code, and the Texas Public Information Act.

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

I (We) have attached a statement describing how the requirements Section 504 of the Rehabilitation Act of 1973 and implemented at 24 C.F.R. Part 8 will be met as described in 10 TAC Chapter 1, Subchapter B. At a minimum, the statement will include (1) The total number of Units (2) Number and description of Unit types, the number of Units of each Type, (3) Number of Units of each Type that will meet the accessibility requirements, and (4) a description of how the accessibility requirements relating to Unit distribution will be met.

I (We) certify that if the Development includes the New Construction or Rehabilitation of single family units (1 to 3 units per building), every unit will be designed and built to meet the accessibility requirements of Tex. Gov't Code §2306.514, as it may be amended from time to time.

I (We) have attached a statement describing how, regardless of building type, all Units accessed by the ground floor or by elevator (“affected units”) meet the requirements at 10 TAC §10.101(b)(8)(B).

I(We) certify that all accessible Units under 10 TAC Chapter 1, Subchapter B, and all affected Units meeting the requirements under 10 TAC 10.101(b)(8)(B) will be dispersed throughout the Development.
If the Applicant is applying for HOME funds and the Development consists of New Construction, I (We) further certify that the Development meets the Construction Site Standards in 24 C.F.R §983.57(e)(1).

This certification meets the requirement that the Applicant provide a certification from the Development engineer or an accredited architect. A similar certification will also be required after the Development is completed from an inspector, architect, or accessibility specialist.

By: [Signature]

Date: 10-22-18

Printed Name: [Name]

License Number and State: [Number and State]

Firm Name (If applicable): [Firm Name]
Andrew Sinnott  
Multifamily Loan Programs Administrator  
Texas Department of Housing and Community Affairs  
221 E. 11th Street  
Austin, TX 78701

Re: 18505 - Mistletoe Station - Multifamily Direct Loan Application Deficiency Response.  
BGO Project number - 17116

Andrew,

I certify that the requirements Section 504 of the Rehabilitation Act of 1934 and 24 C.F.R. Part 8 will be met as described in 10 TAC Chapter 1, Subchapter B. Regardless of building type, all Units accessed by the ground floor or by elevator ("affected units") meet the requirements at TAC 10.101(b)(8)(B) and are dispersed evenly throughout the site.

The project consists of a total of 110 units, of these there are: 21 one-bedroom units, 67 two-bedroom units, 22 three-bedroom units. Of the 21 one-bedroom units, one will meet the accessibility requirements, and one will meet the hearing and visual requirements. Of the two-bedroom units, four will meet the accessibility requirements, and one will meet the hearing and visual requirements. Of the three-bedroom units, one will meet the accessibility requirements, and one will meet the hearing and visual requirements. These units are distributed evenly across the site. Accessible parking spaces are also distributed across the site. Please see the attached forms for accessible unit and accessible parking calculations and the site plan for the layout.
Very truly yours,

ARCHITECTS COLLABORATIVE, INC., dba BGO Architects, a Texas corporation

By:
Name: Erik O. Earnshaw
Title: CEO

STATE OF Texas §
COUNTY OF Dallas §

The foregoing instrument was acknowledged before me on this 7 day of December, 2018, by Earnshaw, Erin of ARCHITECTS COLLABORATIVE, INC., a Texas corporation, on behalf of said corporation.

Lynn Parker
Notary Public in and for the State of Texas

My Commission Expires: 07-03-2022

Printed Name

LYNN BEVERLY PARKER
Notary Public, State of Texas
Comm. Expires 07-03-2022
Notary ID 131029825
# Accessible Mobility Units Calculation

Include this worksheet in the Application (or a signed and certified worksheet provided by your accessibility professional that shows the calculations).

To the maximum extent feasible and subject to reasonable health and safety requirements, accessible units must be:

1. Distributed throughout the Unit types **AND** the Development; and

2. Made available in a sufficient range of sizes and amenities so that the choice of living arrangements of qualified persons with Disabilities is, as a whole, comparable to that of other persons eligible for housing assistance under the same program.

Multifamily Housing Developments covered by 10 TAC 10.101(b)(8)(A) must have a minimum of 5% of all units in the development set aside for the mobility impaired **and an additional 2%** must be set aside for the hearing and/or visually impaired.

<table>
<thead>
<tr>
<th>Mobility</th>
<th>Unit Description</th>
<th>Total Units</th>
<th>Required %</th>
<th>Calculated Units</th>
<th>Units Required</th>
<th>Units Proposed</th>
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<tr>
<td></td>
<td>A 1/1 (650 sqft)</td>
<td>21</td>
<td>5%</td>
<td>1.05</td>
<td>1.05</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>B 2/2 (850 sqft)</td>
<td>67</td>
<td>5%</td>
<td>3.35</td>
<td>3.35</td>
<td>4</td>
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<td></td>
<td>C 3/2 (1092 sqft)</td>
<td>22</td>
<td>5%</td>
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<tr>
<td></td>
<td>D</td>
<td></td>
<td>5%</td>
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<td>0</td>
<td>0</td>
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<td></td>
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<td>Total</td>
<td>110</td>
<td>5%</td>
<td>5.5</td>
<td>5.5</td>
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</table>

*NOTE: If total is more than what is required, Applicant will select which Unit(s) not to include Under "Units Proposed"*

### EXAMPLE:

<table>
<thead>
<tr>
<th>Mobility</th>
<th>Unit Description</th>
<th>Total Units</th>
<th>Required %</th>
<th>Calculated Units</th>
<th>Units Required</th>
<th>Units Proposed</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
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<td>28</td>
<td>5%</td>
<td>1.4</td>
<td>1.4</td>
<td>1</td>
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<tr>
<td></td>
<td>2/2 (950 sqft &amp; 1008 sqft)</td>
<td>36</td>
<td>5%</td>
<td>1.8</td>
<td>1.8</td>
<td>2</td>
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<tr>
<td></td>
<td>3/2 (1120 sqft &amp; 1190 sqft)</td>
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<td>5%</td>
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<tr>
<td></td>
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<td>4.2</td>
<td>4.2</td>
<td>4</td>
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</tbody>
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*NOTE: Required is 4, but calculation yields 4.2. Applicant selected which to round down Under "Units Proposed"*

By signing below, I (WE) certify that the information above meets the requirements in Section 504 of the Rehabilitation Act of 1973 and implemented at 24 C.F.R. Part 8 as described in 10 TAC Chapter 1, Subchapter B. At least five percent (5%) of all dwelling units will be designed and built to be accessible for persons with mobility impairments.

By: [Signature]

Erik Earnshaw
Printed Name

BGO Architects
Firm Name (if applicable)

10/15/18
Date
# Accessible Hearing/Visual Units Calculation

Include this worksheet in the Application (or a signed and certified worksheet provided by your accessibility professional that shows the calculations).

To the maximum extent feasible and subject to reasonable health and safety requirements, accessible units must be:

1. Distributed throughout the Unit types AND the Development; and
2. Made available in a sufficient range of sizes and amenities so that the choice of living arrangements of qualified persons with Disabilities is, as a whole, comparable to that of other persons eligible for housing assistance under the same program.

Multifamily Housing Developments covered by 10 TAC 10.101(b)(8)(A) must have a minimum of 5% of all units in the development set aside for the mobility impaired **and an additional 2%** must be set aside for the hearing and/or visually impaired.

<table>
<thead>
<tr>
<th>Hearing/Visual</th>
<th>Total Units</th>
<th>Required %</th>
<th>Calculated Units</th>
<th>Units Required (Rounded)</th>
<th>Units Proposed</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unit Description</td>
<td></td>
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<td></td>
</tr>
<tr>
<td>A 1/1 (650 sqft)</td>
<td>21</td>
<td>2%</td>
<td>0.42</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>B 2/2 (850 sqft)</td>
<td>67</td>
<td>2%</td>
<td>1.34</td>
<td>1.34</td>
<td>1</td>
</tr>
<tr>
<td>C 3/2 (1092 sqft)</td>
<td>22</td>
<td>2%</td>
<td>0.44</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>D</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>E</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>110</td>
<td>2%</td>
<td>2.2</td>
<td>3.34</td>
<td>3</td>
</tr>
</tbody>
</table>

**NOTE:** If total is more than what is required, Applicant will select which to include under "Units Proposed"

## EXAMPLE

<table>
<thead>
<tr>
<th>Hearing/Visual</th>
<th>Total Units</th>
<th>Required %</th>
<th>Calculated Units</th>
<th>Units Required (Rounded)</th>
<th>Units Proposed</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unit Description</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1/1</td>
<td>28</td>
<td>2%</td>
<td>0.56</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>2/2</td>
<td>36</td>
<td>2%</td>
<td>0.72</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>3/3</td>
<td>4</td>
<td>2%</td>
<td>0.08</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>D</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>E</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>68</td>
<td>2%</td>
<td>1.36</td>
<td>2</td>
<td>2</td>
</tr>
</tbody>
</table>

**NOTE:** Required is 2, but calculation yields 3. Applicant selected which Unit(s) to include under "Units Proposed"

By signing below, I (WE) certify that the information above meets the requirements in Section 504 of the Rehabilitation Act of 1973 and implemented at 24 C.F.R. Part 8 as described in 10 TAC Chapter 1, Subchapter B. At least two percent (2%) of all dwelling units will be designed and built to be accessible for persons with hearing and/or visual impairment.

By:

Signature: __________________________

Printed Name: Erik Earnshaw

Date: 10/15/18

Firm Name (if applicable): BGO Architects
**Accessible Parking Calculation**

Include this worksheet in the Application (or a signed and certified worksheet provided by your accessibility professional that shows the calculations).

Parking requirements based on:

There must be one accessible space per accessible Unit located on the closest route to the Unit (ADA).

When parking is provided for leasing office and amenities, use ADA Table 208.2 to calculate.

When calculating additional spaces needed, use whichever yields the larger number of spaces.

If you have different kinds of parking, e.g. lot, carport, and garages, each has to meet the standards individually.

If there is a separate amenity (e.g. a pavilion in the back corner of property) that provides non-accessible spaces, at least one space would need to be an accessible.

**Use this chart to indicate number of parking spaces provided.**

Enter the total number of parking spaces

Enter the parking type and the number of spaces in each, starting with the surface lot (*see the example)

Make sure the totals match!

<table>
<thead>
<tr>
<th>Total # of Spaces</th>
<th>Percentage of Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Surface Lot</td>
<td>95</td>
</tr>
<tr>
<td>Street</td>
<td>30</td>
</tr>
<tr>
<td>Street (Carport)</td>
<td>14</td>
</tr>
<tr>
<td>Total</td>
<td>139</td>
</tr>
</tbody>
</table>

**EXAMPLE**

<table>
<thead>
<tr>
<th>Total # of Spaces</th>
<th>Percentage of Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Surface Lot</td>
<td>300</td>
</tr>
<tr>
<td>Carports</td>
<td>100</td>
</tr>
<tr>
<td>Garages</td>
<td>50</td>
</tr>
<tr>
<td>Facility 4</td>
<td>0</td>
</tr>
<tr>
<td>Facility 5</td>
<td>0</td>
</tr>
<tr>
<td>Total</td>
<td>450</td>
</tr>
</tbody>
</table>

Use this chart to figure out accessible parking requirements.

Chart above must be completed first.

In C32, enter the total number of accessible spaces required

(see Application Webinar, Part 3, from 0:00 - 14:20, or webinar slides starting at slide 136)

In D33, enter the number of units required per accessible Unit in the surface lot

In column F, distribute required van spaces among the different parking facilities

<table>
<thead>
<tr>
<th># Accessible Spaces</th>
<th>Distribution</th>
<th>Van Spaces</th>
</tr>
</thead>
<tbody>
<tr>
<td>Surface Lot</td>
<td>6.8345324</td>
<td>7</td>
</tr>
<tr>
<td>Street</td>
<td>2.1582734</td>
<td>3</td>
</tr>
<tr>
<td>Street (Carport)</td>
<td>1.0071942</td>
<td>2</td>
</tr>
<tr>
<td>Total</td>
<td>10</td>
<td>12*</td>
</tr>
</tbody>
</table>

*Owner spoke with Mike Podoloff of TDHCA and confirmed ten (10) handicap parking spaces is sufficient.

**EXAMPLE**

<table>
<thead>
<tr>
<th># Accessible Spaces</th>
<th>Distribution</th>
<th>Van Spaces</th>
</tr>
</thead>
<tbody>
<tr>
<td>Surface lot</td>
<td>10.6666667</td>
<td>10</td>
</tr>
<tr>
<td>Carports</td>
<td>3.5555556</td>
<td>4</td>
</tr>
<tr>
<td>Garages</td>
<td>1.7777778</td>
<td>2</td>
</tr>
<tr>
<td>Facility 4</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Facility 5</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Total</td>
<td>16</td>
<td>16</td>
</tr>
</tbody>
</table>

By signing below, I (WE) certify that the information above meets the requirements in the 2010 ADA Standards for Accessible Design Title III regulations at 28 CFR part 36, subpart D, and the 2004 ADA Accessibility Guidelines at 36 CFR part 1191, appendices B and D. There will be at least one accessible spot per accessible unit located on the closest route to the accessible unit. For every 6 or fraction of 6 accessible spaces required, at least one will be van accessible. Accessible spaces will be dispersed amongst the parking types provided.

By: 

Signature 10/16/18 

Date 

Erik Earnshaw  

Printed Name  

BGO Architects  

Firm Name (If applicable)
2018 HTC
Full Application

Part 5 Tab 44

Evidence of Experience
Evidence of Experience Must be Provided Behind this Tab

Pursuant to §10.204(6) of the Uniform Multifamily Rules, a Principal of the Developer, Development Owner, or General Partner must establish that they have experience in the development of 150 units or more.

Evidence of experience behind this tab includes:

- An Experience certificate issued by the Department under the 2014-2018 Uniform Multifamily Rules.
- An Application for experience and supporting documentation in accordance with §10.204(6)(A)(i) through (ix)
- Evidence from the Department that the application for experience was received and is being processed by the Department.

Alternatively, pursuant to §13.5(d)(1) of the Multifamily Direct Loan Rule, Applicants requesting MFDL as the only source of Department funds may meet the Experience Requirement by providing evidence of the successful development and operation for at least 5 years of at least twice as many affordability restricted units as requested in the Application.

Documentation provided behind this tab meets the alternative Experience Requirement in §13.5(d)(1).

DUNS Number and System for Award Management (SAM.gov) registration (Direct Loan Applications Only)

The Office of Management and Budget (OMB) requires grant applicants to provide a Dunn and Bradstreet (D&B) Data Universal Numbering System (DUNS) number when applying for Federal grants, including Direct Loan funds, on or after October 1, 2003. The DUNS number will supplement other identifiers required by statute or regulation, such as tax identification numbers. To apply for a DUNS number applicants can go to the Dunn & Bradstreet website:

http://fedgov.dnb.com/webform

Once applicants have obtained a DUNS number, they must register with the SAM database:

https://sam.gov/portal/public/SAM

Applicants may provide this information with the Application or upon award.

Evidence of SAM.gov registration for the applicant entity is attached behind this tab.

Davis Bacon Labor Standards (Section 811 PRA Program and Direct Loan Applications)

24 CFR §92.354, Davis-Bacon Act (40 U.S.C. §§276(a)-276(a)(5), the Davis-Bacon Related Acts, the Contract Work Hours and Safety Standards Act, and the Copeland (Anti-Kickback) Act (40 U.S.C. §276(c)) apply to developments being assisted with Direct Loan funds if (Select all that apply):

- Twelve (12) or more Direct Loan or Section 811 PRA-assisted units will be rehabilitated or constructed under one construction contract.
  The Section 811 PRA units and Direct Loan Units are not cumulative. For example, if a proposed development has ten Section 811 PRA units and ten Direct Loan-assisted units, Davis Bacon would not be triggered.

- Community Development Block Grant (CDBG) funds are being used to support the Development, which requires a lower number of units (8) be used as a threshold.

Applicants electing to participate in the Section 811 PRA Program either by committing an Existing Development to the Section 811 PRA Program or by committing a Proposed Development in this Application are encouraged to review §PRA.213 Davis Bacon Labor Standards in the Section 811 Program Guidelines, found on the TDHCA webpage at

http://www.tdhca.state.tx.us/section-811-pra/resource-documents.htm

Existing Developments where construction is fully complete before an application for a Proposed Development is submitted to the Department to receive assistance under the 811 PRA program are not subject to Davis-Bacon or Contract Work Hours and Safety Standards Act requirements.

Affirmative Marketing Plan (Direct Loan Applications Only)

Complete and submit HUD’s Affirmative Marketing Plan form (Form 935.2 or successors). This form may be found on the Department’s website at

http://www.tdhca.state.tx.us/home-division/mf-home/index.htm

The Affirmative Marketing Plan must comply with the Affirmative Marketing requirements in the Compliance Rules.

HUD approval is not necessary unless the property receives project-based Section 8 assistance.
December 28, 2016

Ms. Lisa M. Stephens
c/o Alyssa Carpenter
1305 East 6th Street, Suite 12
Austin, Texas 78702

RE: REQUEST FOR EXPERIENCE CERTIFICATE UNDER 2017 UNIFORM MULTIFAMILY RULES

Dear Ms. Stephens:

We have reviewed your request for an experience certificate, which is provided to individuals that meet the requirements of §10.204(6) of the Uniform Multifamily Rules. In order to meet the experience requirements an individual must establish that they have experience in the development and placement in service of at least 150 residential units. We find that the documentation you have provided is sufficient to establish this required experience. Additionally, you have certified to compliance with the requirements of §10.204(6)(B), including the following requirements:

(ii) Experience may not be established for a Person who at any time within the preceding three years has been involved with affordable housing in another state, in which the Person or Affiliate has been the subject of issued IRS Form 8823 citing non-compliance that has not been or is not being corrected with reasonable due diligence. ...

(iv) Notwithstanding the foregoing, no person may be used to establish such required experience if that Person or an Affiliate of that Person would not be eligible to be an Applicant themselves.

Should you choose to participate as a member of the Development Team or an individual providing experience for any Application submitted for funding, a Previous Participation Review (10 TAC §1.5) may be conducted prior to any award of funds. Additionally, should it be determined at any point in time that the information provided in your request for experience is fraudulent, knowingly falsified, intentionally or negligibly materially misrepresented, or omits relevant information, this certificate of experience is null and void and you may be subject to other sanctions under the Texas Department of Housing and Community Affairs’ rules and requirements.
If you have any questions or concerns regarding this certificate or the experience requirements, please contact Marni Holloway at marni.holloway@tdhca.state.tx.us.

Sincerely,

[Signature]

Marni Holloway
Director of Multifamily Finance
2018 HTC
Full Application

Part 5 Tab 44

Multifamily Direct Loan
Affirmative Marketing
Plan
Note to all applicants/respondents: This form was developed with Nuance, the official HUD software for the creation of HUD forms. HUD has made available instructions for downloading a free installation of a Nuance reader that allows the user to fill-in and save this form in Nuance. Please see http://portal.hud.gov/hudportal/documents/huddoc?id=nuancereadderrninstall.pdf for the instructions. Using Nuance software is the only means of completing this form.

Affirmative Fair Housing Marketing Plan (AFHMP) - Multifamily Housing

Mistletoe Station
1916 Mistletoe Blvd.
Fort Worth, TX 76104

1a. Project Name & Address (including City, County, State & Zip Code)

17259
78

1d. Census Tract
48349102800

1e. Housing/Expanded Housing Market Area
Housing Area: Tarrant County
Expanded Housing Market Area: Fort Worth - Arlington MSA

1f. Managing Agent Name, Address (including City, County, State & Zip Code), Telephone Number & Email Address
Stephanie Baker, Accolade Property Management, 621 Cowboys Parkway, Suite 200, Irving, TX 75063

1g. Application/Owner/Developer Name, Address (including City, County, State & Zip Code), Telephone Number & Email Address
Sagebrook Development LLC, 6636 N. Riverside Drive, Ste. 500-A, Fort Worth, TX 76137

1h. Entity Responsible for Marketing (check all that apply)

Owner ☑ Agent ☑ Other (specify)

Dena Moreland, Compliance Director, 621 Cowboys Parkway, Suite 200, Irving, TX 75063

1i. To whom should approval and other correspondence concerning this AFHMP be sent? Indicate Name, Address (including City, State & Zip Code), Telephone Number & E-Mail Address.

Dena Moreland, Compliance Director, 621 Cowboys Parkway, Suite 200, Irving, TX 75063

2a. Affirmative Fair Housing Marketing Plan

Plan Type: Initial Plan
Date of the First Approved AFHMP:

Reason(s) for current update:

2b. HUD-Approved Occupancy of the Project (check all that apply)

☑ Family ☐ Disabled

2c. Date of Initial Occupancy
09/01/2018

2d. Advertising Start Date

Advertising must begin at least 90 days prior to initial or renewed occupancy for new construction and substantial rehabilitation projects.

Date advertising began or will begin:
09/01/2018

For existing projects, select below the reason advertising will be used:

☑ To fill existing unit vacancies
☐ To place applicants on a waiting list (which currently has ______ individuals)
☐ To reopen a closed waiting list (which currently has ______ individuals)
3a. Demographics of Project and Housing Market Area
Complete and submit Worksheet 1.

3b. Targeted Marketing Activity
Based on your completed Worksheet 1, indicate which demographic group(s) in the housing market area is/are least likely to apply for the housing without special outreach efforts. (check all that apply)

☐ White     ☐ American Indian or Alaska Native  ☑ Asian
☐ Native Hawaiian or Other Pacific Islander  ☐ Hispanic or Latina  ☐ Black or African American
☐ Persons with Disabilities
☐ Families with Children  ☐ Other ethnic group, religion, etc. (specify)  ☑ Veterans

4a. Residency Preference
Is the owner requesting a residency preference? If yes, complete questions 1 through 5.
If no, proceed to Block 4b.

(1) Type Please Select Type

(2) Is the residency preference area:
The same as the AFFIRM housing/exclusive housing market area as reported in Block 2a? Please Select Yes or No.
The same as the residency preference area of the local PHA in whose jurisdiction the project is located? Please Select Yes or No

(3) What is the geographic area for the residency preference?

(4) What is the reason for having a residency preference?

(5) How do you plan to periodically evaluate your residency preference to ensure that it is in accordance with the non-discrimination and equal opportunity requirements in 24 CFR 5.105(a)?

Complete and submit Worksheet 2 when requesting a residency preference (see also 24 CFR 5.655(c)(1)) for residency preference requirements. The requirements in 24 CFR 5.655(c)(1) will be used by HUD as guidelines for evaluating residency preferences consistent with the applicable HUD program requirements. See also HUD Occupancy Handbook (4350.3) Chapter 4, Section 4.5 for additional guidance on preferences.

4b. Proposed Marketing Activities: Community Contacts
Complete and submit Worksheet 3 to describe your use of community contacts to market the project to those least likely to apply.

4c. Proposed Marketing Activities: Methods of Advertising
Complete and submit Worksheet 4 to describe your proposed methods of advertising that will be used to market to those least likely to apply. Attach copies of advertisements, radio and television scripts, Internet advertisements, websites, and brochures, etc.
5a. Fair Housing Poster
The Fair Housing Poster must be prominently displayed in all offices in which sale or rental activity takes place (24 CFR 202.620(e)). Check below all locations where the Poster will be displayed.

☑️ Rental Office  ☐ Real Estate Office  ☐ Model Unit  ☑️ Other (specify) [ ]

5b. Affirmative Fair Housing Marketing Plan
The AFHMP must be available for public inspection at the sales or rental office (24 CFR 202.625). Check below all locations where the AFHMP will be made available.

☑️ Rental Office  ☐ Real Estate Office  ☐ Model Unit  ☐ Other (specify) [ ]

5c. Project Site Sign
Project Site Signs, if any, must display in a conspicuous position the HUD approved Equal Housing Opportunity logo, slogan, or statement (24 CFR 202.620(f)). Check below all locations where the Project Site Sign will be displayed.

☐ Rental Office  ☐ Real Estate Office  ☐ Model Unit  ☑️ Entrance to Project  ☐ Other (specify) [ ]

The size of the Project Site Sign will be [ ] x [ ]

The Equal Housing Opportunity logo or slogan or statement will be [ ] x [ ]

6. Evaluation of Marketing Activities
Explain the evaluation process you will use to determine whether your marketing activities have been successful in attracting individuals least likely to apply, how often you will make this determination, and how you will make decisions about future marketing based on the evaluation process.

The plan will be reviewed bi-annually to determine if the groups that are least likely to apply are represented at the property. Bi-annually, the Compliance Department will review the traffic from outreach sources to determine the effectiveness. Management will also send annual letters to target market group(s) to inform them of our property and affordable housing availability. In the event the targeted group(s) is not properly informed of our community, we will evaluate other options for outreach marketing to reach a broader spectrum of that particular group(s).
7a. Marketing Staff
What staff positions are/will be responsible for affirmative marketing?

Property Manager

7b. Staff Training and Assessment: AFHMP
(1) Has staff been trained on the AFHMP? [ ] Yes [ ] No
(2) Has staff been instructed in writing and orally on non-discrimination and fair housing policies as required by 24 CFR 200.620(c)? [ ] Yes [ ] No
(3) If yes, who provides training? [ ] Government [ ] Non-profit [ ] Other:
Yearly training with online tools and/or through the Tarrant County Apartment Association.
(4) Do you periodically assess staff skills needed to use the AFHMP and the other requirements of the Fair Housing Act? [ ] Yes [ ] No
(4a) If yes, how and how often?
We shop our employees on a regular basis and provide follow up training through the year.

7c. Tenant Selection Training/Staff
(1) Has staff been trained on tenant selection in accordance with the project’s occupancy policy, including any residency preferences? [ ] Yes [ ] No
(2) What staff positions are/will be responsible for tenant selection?
Dena Moreland, Compliance Director

7d. Staff Instruction/Training:
Describe AFHMP/Fair Housing Act staff training, already provided or to be provided, to whom it was/will be provided, content of training, and dates of past and anticipated training. Please include copies of any AFHMP/Fair Housing staff training materials.

AFHMP Training: The Regional Supervisor or Compliance Director reviews the AFHMP Plan with employees on an annual basis and with new employees within the first week of hire. During this training, the current plan, current and previous marketing efforts are reviewed and explained.

Fair Housing Training: All employees must attend Fair Housing training as part of the new employee orientation and review the Fair Housing Policy regarding the company policy on Fair Housing. (see attached)

All new hires attend the next available Fair Housing training provided by the local apartment association and annually thereafter.
8. Additional Considerations
Is there anything else you would like to tell us about your AFHMP to help ensure that your program is marketed to those least likely to apply for housing in your project? Please attach additional sheets, as needed.

"As per the recent requirements as issued by the Department of Housing and Urban Development, all applications, Tenant Consent and Release documents, Resident Selection Plans, Leases, House Rules, etc. are available in other languages and/or will be translated for those persons who request this accommodation."

"In addition to households that would not normally apply, outreach to LEP persons has also been considered. Outreach and accommodation to LEP persons is done through various translated materials, referral to community liaisons proficient in the language of LEP persons, and bilingual staff, if necessary."

"Manager will also consider whether marketing materials in other languages need to be utilized. This info will be in both English and Spanish for those with Limited English Proficiency."

9. Review and Update
By signing this form, the applicant/respondent agrees to hold harmless AFHMP+ to deliver the following reports on all 8 months in order to ensure continued compliance with HUD's Affirmative Fair Housing Marketing Regulations (see 24 CFR Part 200, Subpart M) I hereby certify that all the information stated herein, as well as any information provided in the accompaniment herewith, is true and accurate. Warning: HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties. (See 18 U.S.C. 1001, 1010, 1012, 31 U.S.C. 3729, 3731)

Signature of person submitting this Plan & Date of Submission (mm/dd/yyyy)

Name (type of print)

Dena Moreland

Title & Name of Company

Compliance Director, Acceleate Property Management

For HUD-Office of Housing Use Only

Reviewing Official:

For HUD-Office of Fair Housing and Equal Opportunity Use Only

☐ Approval  ☐ Disapproval

Signature & Date (mm/dd/yyyy)

Name (type of print)

Title

Name (type of print)

Title
Worksheet 3: Proposed Marketing Activities—Community Contacts (See AFHMP, Block 4b)

For each targeted marketing population designated as least likely to apply in Block 3b, identify at least one community contact organization you will use to facilitate outreach to the population(s) working with the target population, the approximate date contact was initiated, and the specific role (e.g., volunteer, information and referral, etc.). Note any significant demographic, cultural, or other differences that may influence marketing efforts.

<table>
<thead>
<tr>
<th>Targeted Population(s)</th>
<th>Community Contact(s), Including required information noted above.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Person with Disabilities</td>
<td>Beth Noah, Aging and Disability Resource Center of Tarrant County, 1300 Circle Dr., Fort Worth, TX 76119</td>
</tr>
<tr>
<td></td>
<td>Contact was made May 4, 2017 and again on Nov 21, 2017.</td>
</tr>
<tr>
<td>Hispanic/Latino</td>
<td>John Hernandez, Fort Worth Hispanic Chamber of Commerce, 1127 North Main Street, Fort Worth, TX 76104</td>
</tr>
<tr>
<td></td>
<td>Contact was made May 4, 2017 and again on Nov 21, 2017.</td>
</tr>
<tr>
<td>Veterans</td>
<td>Randy McGuffie, Veterans Coalition of Tarrant County, 3001 Hulen Street, Ste. 500, Fort Worth, TX 76107</td>
</tr>
<tr>
<td></td>
<td>Contact was made May 4, 2017 and again on Nov 21, 2017.</td>
</tr>
<tr>
<td>Asian</td>
<td>Yen Nguyen, Tarrant County Asian American Chamber of Commerce, 1818 E. Pioneer Pkwy., Arlington, TX 76010</td>
</tr>
<tr>
<td>Black/African American</td>
<td>Sultan Cole, Fort Worth Metropolitan Black Chamber of Commerce, 1150 South Freeway, Ste. 211, Fort Worth, TX 76104</td>
</tr>
</tbody>
</table>
Note to all applicants/respondents: This form was developed with Nuance, the official HUD software for the creation of HUD forms. HUD has made available instructions for downloading a free installation of a Nuance reader that allows the user to fill-in and save this form in Nuance. Please see [http://portal.hud.gov/hudportal/documents/nudoc?id=nuancereaderinstall.pdf](http://portal.hud.gov/hudportal/documents/nudoc?id=nuancereaderinstall.pdf) for the instructions. Using Nuance software is the only means of completing this form.

## Affirmative Fair Housing Marketing Plan (AFHMP) - Multifamily Housing

### 1a. Project Name & Address (including City, County, State & Zip Code)

<table>
<thead>
<tr>
<th>Mistletoe Station</th>
</tr>
</thead>
<tbody>
<tr>
<td>1916 Mistletoe Blvd.</td>
</tr>
<tr>
<td>Fort Worth, TX 76104</td>
</tr>
</tbody>
</table>

### 1b. Project Contract Number & 1c. No. of Units

| 17289 | 78 |

### 1d. Census Tract

| 48439102800 |

### 1e. Housing/Expanded Housing Market Area

- Housing Market Area: Tarrant County
- Expanded Housing Market Area: Fort Worth - Arlington MSA

### 1f. Managing Agent Name, Address (including City, County, State & Zip Code), Telephone Number & Email Address

| Stephanie Baker, Accolade Property Management, 621 Cowboys Parkway, Suite 200, Irving, TX 75063 |

### 1g. Application/Owner/Developer Name, Address (including City, County, State & Zip Code), Telephone Number & Email Address

| Saigebrook Development LLC, 6636 N. Riverside Drive, Ste. 500-A, Fort Worth, TX 76137 |

### 1h. Entity Responsible for Marketing (check all that apply)

- Owner
- Agent
- Other (specify)

<table>
<thead>
<tr>
<th>Position, Name (if known), Address (including City, County, State &amp; Zip Code), Telephone Number &amp; Email Address</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dena Moreland, Compliance Director, 621 Cowboys Parkway, Suite 200, Irving, TX 75063</td>
</tr>
</tbody>
</table>

### 1i. To whom should approval and other correspondence concerning this AFHMP be sent? Indicate Name, Address (including City, State & Zip Code), Telephone Number & E-Mail Address.

| Dena Moreland, Compliance Director, 621 Cowboys Parkway, Suite 200, Irving, TX 75063 |

### 2a. Affirmative Fair Housing Marketing Plan

<table>
<thead>
<tr>
<th>Plan Type</th>
<th>Initial Plan</th>
</tr>
</thead>
</table>

| Date of the First Approved AFHMP: |

| Reason(s) for current update: |

### 2b. HUD-Approved Occupancy of the Project (check all that apply)

- Elderly
- Family
- Mixed (Elderly/Disabled)
- Disabled

### 2c. Date of Initial Occupancy

| 03/01/2019 |

### 2d. Advertising Start Date

Advertising must begin at least 90 days prior to initial or renewed occupancy for new construction and substantial rehabilitation projects.

Date advertising began or will begin | 01/01/2019 |

For existing projects, select below the reason advertising will be used:

- To fill existing unit vacancies
- To place applicants on a waiting list (which currently has [ ] individuals)
- To reopen a closed waiting list (which currently has [ ] individuals)
3a. Demographics of Project and Housing Market Area
Complete and submit Worksheet 1.

3b. Targeted Marketing Activity
Based on your completed Worksheet 1, indicate which demographic group(s) in the housing market area is/are least likely to apply for the housing without special outreach efforts. (check all that apply)

- White
- American Indian or Alaska Native
- Asian
- Black or African American
- Native Hawaiian or Other Pacific Islander
- Hispanic or Latino
- Persons with Disabilities
- Families with Children
- Other ethnic group, religion, etc. (specify)

Veterans

4a. Residency Preference
Is the owner requesting a residency preference? If yes, complete questions 1 through 5. If no, proceed to Block 4b.

(1) Type Please Select Type

(2) Is the residency preference area:
The same as the AFHMP housing/expanded housing market area as identified in Block 1e? Please Select Yes or No

The same as the residency preference area of the local PHA in whose jurisdiction the project is located? Please Select Yes or No

(3) What is the geographic area for the residency preference?

(4) What is the reason for having a residency preference?

(5) How do you plan to periodically evaluate your residency preference to ensure that it is in accordance with the non-discrimination and equal opportunity requirements in 24 CFR 5.105(a)?

Complete and submit Worksheet 2 when requesting a residency preference (see also 24 CFR 5.655(c)(1)) for residency preference requirements. The requirements in 24 CFR 5.655(c)(1) will be used by HUD as guidelines for evaluating residency preferences consistent with the applicable HUD program requirements. See also HUD Occupancy Handbook (4350.3) Chapter 4, Section 4.6 for additional guidance on preferences.

4b. Proposed Marketing Activities: Community Contacts
Complete and submit Worksheet 3 to describe your use of community contacts to market the project to those least likely to apply.

4c. Proposed Marketing Activities: Methods of Advertising
Complete and submit Worksheet 4 to describe your proposed methods of advertising that will be used to market to those least likely to apply. Attach copies of advertisements, radio and television scripts, Internet advertisements, websites, and brochures, etc.
5a. Fair Housing Poster
The Fair Housing Poster must be prominently displayed in all offices in which sale or rental activity takes place (24 CFR 200.620(e)). Check below all locations where the Poster will be displayed.

☑ Rental Office ☐ Real Estate Office ☐ Model Unit ☑ Other (specify) __________

5b. Affirmative Fair Housing Marketing Plan
The AFHMP must be available for public inspection at the sales or rental office (24 CFR 200.625). Check below all locations where the AFHMP will be made available.

☑ Rental Office ☐ Real Estate Office ☐ Model Unit ☐ Other (specify) __________

5c. Project Site Sign
Project Site Signs, if any, must display in a conspicuous position the HUD approved Equal Housing Opportunity logo, slogan, or statement (24 CFR 200.620(f)). Check below all locations where the Project Site Sign will be displayed. Please submit photos of Project signs.

☑ Rental Office ☐ Real Estate Office ☐ Model Unit ☐ Entrance to Project ☐ Other (specify) __________

The size of the Project Site Sign will be __________ x __________
The Equal Housing Opportunity logo or slogan or statement will be __________ x __________

6. Evaluation of Marketing Activities
Explain the evaluation process you will use to determine whether your marketing activities have been successful in attracting individuals least likely to apply, how often you will make this determination, and how you will make decisions about future marketing based on the evaluation process.

The plan will be reviewed bi-annually to determine if the groups that are least likely to apply are represented at the property. Bi-annually, the Compliance Department will review the traffic from outreach sources to determine the effectiveness. Management will also send annual letters to target market group(s) to inform them of our property and affordable housing availability. In the event the targeted group(s) is not properly informed of our community, we will evaluate other options for outreach marketing to reach a broader spectrum of that particular group(s).
7a. Marketing Staff
What staff positions are/will be responsible for affirmative marketing?

7b. Staff Training and Assessment: AFHMP
(1) Has staff been trained on the AFHMP? [Yes] 
(2) Has staff been instructed in writing and orally on non-discrimination and fair housing policies as required by 24 CFR 200.620(c)? [Yes] 
(3) If yes, who provides instruction on the AFHMP and Fair Housing Act, and how frequently?
Yearly training with online tools and/or through the Tarrant County Apartment Association.

(4) Do you periodically assess staff skills on the use of the AFHMP and the application of the Fair Housing Act? [Yes] 
(5) If yes, how and how often?
We shop our employees on a has needed basis and provide follow up training through the year.

7c. Tenant Selection Training/Staff
(1) Has staff been trained on tenant selection in accordance with the project's occupancy policy, including any residency preferences? [Yes] 
(2) What staff positions are/will be responsible for tenant selection?
Dena Moreland, Compliance Director

7d. Staff Instruction/Training:
Describe AFHM/Fair Housing Act staff training, already provided or to be provided, to whom it was/will be provided, content of training, and the dates of past and anticipated training. Please include copies of any AFHM/Fair Housing staff training materials.

AFHM Training: The Regional Supervisor or Compliance Director reviews the AFHM Plan with employees on an annual basis and with new employees within the first week of hire. During this training, the current plan, current and previous marketing efforts are reviewed and explained.

Fair Housing Training: All employees must attend Fair Housing training as part of the new employee orientation and review the Fair Housing Policy regarding the company policy on Fair Housing. (see attached)

All new hires attend the next available Fair Housing training provided by the local apartment association and annually thereafter.
8. Additional Considerations: Is there anything else you would like to tell us about your AFHMP to help ensure that your program is marketed to those least likely to apply for housing in your project? Please attach additional sheets, as needed.

"As per the recent requirements as issued by the Department of Housing and Urban Development, all applications, Tenant Consent and Release documents, Resident Selection Plans, Leases, House Rules, etc. are available in other languages and/or will be translated for those persons who request this accommodation."

"In addition to households that would not normally apply, outreach to LEP persons has also been considered. Outreach and accommodation to LEP persons is done through various translated materials, referral to community liaisons proficient in the language of LEP persons, and bilingual staff, if necessary."

"Manager will also consider whether marketing materials in other languages need to be utilized. This info will be in both English and Spanish for those with Limited English Proficiency."

9. Review and Update

By signing this form, the applicant/respondent agrees to implement its AFHMP, and to review and update its AFHMP in accordance with the instructions to item 9 of this form in order to ensure continued compliance with HUD's Affirmative Fair Housing Marketing Regulations (see 24 CFR Part 200, Subpart M). I hereby certify that all the information stated herein, as well as any information provided in the accompaniment herewith, is true and accurate. Warning: HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties. (See 18 U.S.C. 1001, 1010, 1012; 31 U.S.C. 3729, 3730).

Signature of person submitting this Plan & Date of Submission (mm/dd/yyyy)

[Signature]

Name (type or print)

Dena Moreland

Title & Name of Company

Compliance Director, Accolade Property Management

For HUD-Office of Housing Use Only

Reviewing Official:

[Signature & Date (mm/dd/yyyy)]

Name (type or print)

Title

For HUD-Office of Fair Housing and Equal Opportunity Use Only

[Approval] [Disapproval]

[Signature & Date (mm/dd/yyyy)]

Name (type or print)

Title

[Signature & Date (mm/dd/yyyy)]

Name (type or print)

Title
Worksheet 3: Proposed Marketing Activities –Community Contacts (See AFHMP, Block 4b)

For each targeted marketing population designated as least likely to apply in Block 3b, identify at least one community contact organization you will use to facilitate outreach to the particular population group. This could be a social service agency, religious body, advocacy group, community center, etc. State the names of contact persons, their addresses, their telephone numbers, their previous experience working with the target population, the approximate date contact will be initiated, and the specific role they will play in assisting with the affirmative fair housing marketing. Please attach additional pages if necessary.

<table>
<thead>
<tr>
<th>Targeted Population(s)</th>
<th>Community Contact(s), including required information noted above.</th>
</tr>
</thead>
</table>
| Person with Disabilities      | Beth Noah, Aging and Disability Resource Center of Tarrant County, 1300 Circle Dr, Fort Worth, TX 76119  
 Contact will be made 1/1/2019.                                            |
| Hispanic/Latino               | John Hernandez, Fort Worth Hispanic Chamber of Commerce, 1327 North Main Street, Fort Worth TX 76164  
 Contact will be made 1/1/2019.                                              |
| Veterans                      | Randy McGuffee, Veterans Coalition of Tarrant County, 3840 Hulen Street, Ste. 500, Fort Worth, TX 76107  
 Contact will be made 1/1/2019.                                               |
| Asian                         | Yen Nguyen, Tarrant County Asian American Chamber of Commerce, 1818 E. Pioneer Pkwy., Arlington, TX 76010  
 Contact will be made 1/1/2019.                                                |
| Black/African American        | Sultan Cole, Fort Worth Metropolitan Black Chamber of Commerce, 1150 South Freeway, Ste. 211, Fort Worth, TX 76104  
 Contact will be made 1/1/2019.                                               |
2018 HTC Full Application

Part 5 Tab 45

Credit Limit Documentation

NA
Applicant Credit Limit Documentation and Certification (Competitive HTC Only)

Pursuant to §11.4(a) of the Qualified Allocation Plan, the Department shall not allocate more than $3 million of Competitive Housing Tax Credits from the current Application Round to any Applicant, Developer, Affiliate or Guarantor (unless the Guarantor is also the General Contractor, and is not a Principal of the Applicant, Developer, or Affiliate of the Development Owner). All Applications must be identified herein to ensure that the Department is advised of all Applications, Applicants, Affiliates, Developers, General Partners or Guarantors involved to avoid any statutory violation of Texas Government Code, §2306.6711(b).

Instructions:

Complete Part I of this form. For each person or entity in Part I that answers "Yes" to Part I b., a Part II form must be submitted (i.e. if 4 persons/entities answer "Yes" to Part I b., then 4 separate Part II forms must be provided).

<table>
<thead>
<tr>
<th>Part I. Applicant Credit Limit Documentation</th>
<th>b. Person/entity has at least one other application in the current Application Round.</th>
</tr>
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<tbody>
<tr>
<td>a. Applicant, Developers, Affiliates, and Guarantors - List below all entities or Persons meeting the definition of Applicant, Affiliate, Developer or Guarantor.</td>
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<tr>
<td>1. N/A</td>
<td>No</td>
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Individually, or as the General Partner(s) of officer(s) of the Applicant entity, I (we) certify that we are submitting behind this tab one signed Credit Limit Certification form for each person and/or entity that answered "Yes" to Part b. above.

By: ____________________________  Its: ____________________________

Signature of Applicant  Date  President
Community Input Scoring Items

NA
Community Input Scoring Items

1. Local Government Support - §11.9(d)(1)

☐ Resolution(s) of either "no objection" or "support" is included behind this tab.**
   ** Note that resolutions are due March 1, 2018

2. Community Support from State Representative - §11.9(d)(5)

☐ Letter of either "support" or "opposition" is included behind this tab.**
   ** Note that letters are due March 1, 2018

3. Input from Community Organizations - §11.9(d)(6)

☐ Applicant has included one or more letters of support or opposition behind this tab.

List information for each of the letters below:

A. NA
   Name of Community Organization
   Contact Name
   ☐ Support
   ☐ Opposition

B. Name of Community Organization
   Contact Name
   ☐ Support
   ☐ Opposition

C. Name of Community Organization
   Contact Name
   ☐ Support
   ☐ Opposition

D. Name of Community Organization
   Contact Name
   ☐ Support
   ☐ Opposition

E. Name of Community Organization
   Contact Name
   ☐ Support
   ☐ Opposition

F. Name of Community Organization
   Contact Name
   ☐ Support
   ☐ Opposition
Local Government Support
and
Support from State Representative

NA
Input from Community Organizations

NA
2018 HTC
Full Application

Part 6 Tab 47

Third Party Reports
Required Third Party Reports

Be advised that all third party reports will be posted on the Department’s website along with the Application.

Complete the information below as applicable [§10.205].

1. **Environmental Site Assessment (ESA) (All Multifamily Applications)**
   - Prepared by: Terracon Consultants, Inc.
   - Date of Report: 5/16/2018
   - Report recommends further studies or establishes environmental hazards that currently exist on the Property or off-site with the potential to affect the Property.
   - If the above box is checked, a statement is provided behind this tab signed by the Development Owner, that certifies the Development Owner will comply with any and all recommendations made by the ESA preparer.

2. **Environmental Clearance (Section 811 PRA and Direct Loan applications only)**
   - All Applications selecting Points for Section 811 PRA Program participation under the Competitive Housing Tax Credit program or Direct Loans must review the Environmental Requirements and Environmental Assurance section of the Section 811 PRA Program Guidelines (§PRA.215) and provide adequate material to meet the tenets. A Phase I Environmental Site Assessment (ESA) will not satisfy the environmental clearance required for use of the Section 811 PRA Program.
   - All Applications for Direct Loans by the Department must complete an environmental clearance process in accordance with 24 CFR Parts 50 and 58 prior to engaging in choice limiting activities such as closing on land, loans, beginning demolition or construction activities, or entering into construction contracts. A Phase I Environmental Site Assessment (ESA) will not satisfy the environmental clearance required for use of Multifamily Direct Loan funds.
   - Application selected points for the Section 811 PRA Program and includes documentation for the project participating in the Section 811 PRA Program that the project meets the tenets of HUD environmental policy and the requirements of applicable statutes and authorities.
   - Applicant has submitted an environmental packet to TDHCA and determination is pending.
   - Applicant has reviewed the Environmental Requirements and Environmental Assurance section of the Section 811 PRA Program Guidelines (§PRA.215) and understands that a determination must be received prior to signing the Rental Assistance Contract.
   - MFDL Development has already received Environmental Clearance from HUD under 24 CFR Parts 50 or 58.
   - Documentation of HUD Environmental Clearance is included behind this tab.
   - Applicant has submitted an environmental packet to TDHCA and clearance is pending.
   - Applicant has reviewed the environmental clearance materials available on the Department’s website and understands that clearance must be received prior to closing on the loan.
   - [http://www.tdhca.state.tx.us/program-services/environmental/index.htm](http://www.tdhca.state.tx.us/program-services/environmental/index.htm)
   - A Third Party will aid in the completion of the environmental clearance process. If checked, complete the following:
     - Name of Firm: NA
     - Contact Person:
     - Contact Telephone:
     - Email:

3. **Primary Market Area Map**
   - Primary Market Area (PMA) map with definition of PMA is included behind this tab.
   - Prepared by: Apartment Market Data, LLC
   - Date of Report: 3/7/2017

4. **Property Condition Assessment (PCA)**
   - Prepared by: N/A
   - Date of Report:

5. **Appraisal**
   - Prepared by: N/A
   - Date of Report:

6. **Site Design and Development Feasibility Report**
   - Prepared by: Applicant 10/18/18
   - Date of Report: Applicant 10/18/18
Authority to Use Grant Funds

U.S. Department of Housing and Urban Development
Office of Community Planning and Development

To: (name and address of Grant Recipient and name/title of Chief Executive Officer)
Fernando Costa, Assistant City Manager
City of Fort Worth
200 Texas Street
Fort Worth  TX  76102

Copy To: (name and address of Subrecipient)

We received your Request for Release of Funds and Certification, form HUD-7015.15, on 8/3/2018.
Your Request was for HUD/State Identification Number(s) M-11/13/14/15/17-MC-48-0204

All objections, if received, have been considered, and the minimum waiting period has transpired. You are hereby authorized to use funds provided to you under the above HUD/State Identification Number. File this form for proper record keeping, audit, and inspection purposes.

Mistletoe Station
1916 Mistletoe Blvd., 2116 Beckham Pl., 2150 Beckham Pl., Fort Worth, TX 76104

Mistletoe Station Apartments will be a four story, 136,972 square foot development targeting families at 0-60% of Area Median Income (AMI) as defined by HUD, with 8 Permanent Supportive Housing units. 110 units will be constructed, of which 21 will be one-bedroom, 67 will be two-bedroom, and 22 will be three bedrooms. Six of these units will be finished out as ANSI, and three will be finished to meet hearing and/or visual impaired requirements. Of the 110 units, 36 will be rented at market rate, with 74 units set aside at affordable rates for households at 60% AMI or less. This project will help tenants maintain safe and stable living environments at affordable rents in Fort Worth.

The building consists of two structures. The main building to the north will be equipped with two elevators. An onsite parking lot will be on the first floor of the north building, another lot will be available to the south building, as well as available back-in street parking to accommodate an estimated 141 vehicles. All units will feature efficient floorplans with separate kitchens and baths, individually controlled heating and air conditioning, as well as energy-efficient appliances. Community amenities include a clubhouse with fitness center, business center with computers and internet access, a furnished community theater room, a community room, and controlled access to the property. Common areas will be lighted, providing additional security for residents.

The City will be providing approximately $1,056,000 in HOME funds, and Fort Worth Housing Solutions will be providing eight project-based vouchers (approximately $1,672,920) for the Permanent Supportive Housing units.

The total development budget is approximately $26,400,000 and includes an estimated $2,728,920.00 of HUD funds.

#489

Typed Name of Authorizing Officer
Shirley J. Henley
Title of Authorizing Officer
CPD Director

Signature of Authorizing Officer

Date (mm/dd/yyyy)
8/21/2018

Previous editions are obsolete.

form HUD-7015.16 (2/94)
ref. Handbook 6513.01
2018 HTC
Full Application

Part 6 Tab 47

ESA Statement
Mistletoe Station
Additional ESA Certification

Per the ESA prepared for Mistletoe Station, Mistletoe Station, LP certifies that it will comply with any and all recommendations made by the ESA provider.

Lisa M. Stephens

10-19-18
Date
MARKET ANALYSIS SUMMARY

Provider: Apartment MarketData, LLC  Date: 
Contact: Darrell G Jack  Phone: (210) 530-0040

Development  Mistletoe Station  Target Population  Family
Site Location  1916 Mistletoe  City: Fort Worth  County: Tarrant

Site Coordinates: Longitude  Latitude  (decimal degree format)
-97.348052  32.731798

Primary Market Area (PMA) page 32

<table>
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<th>Longitude</th>
<th>Latitude</th>
<th>Square Miles</th>
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<td>484391022.02</td>
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<td>484391234.00</td>
<td>484391235.00</td>
</tr>
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</table>
2018 HTC
Full Application

Part 8

TDHCA Review Tabs
Multifamily Finance Division staff will place scanned copies of deficiency documents behind this tab in the application .pdf
1. Please see the revised Rent Schedule which includes an additional 2 bedroom Direct Loan unit.
2. Please see the enclosed Sources & Uses signed by both the lender and the syndicator acknowledging the amounts and terms of all other sources of funds.
   The HOME and HFC loans have already closed; therefore, the lien positions have already been established as 2nd and 3rd respectively. To summarize, the primary perm loan will be in 1st lien position, with the HOME loan in 2nd lien position, the HFC loan in 3rd lien position and the TDHCA loan in 4th lien position. However, given that the HOME and HFC loans are both smaller than the TDHCA Direct Loan and cash flow contingent, we currently anticipate that both the HOME loan and the HFC loan will subordinate to the TDHCA Direct Loan.
   Both the HOME loan and the HFC loan are cash flow loans subject to surplus cash flow.
3. The $2.9MM in TIF funds awarded by the City is being counted towards the match requirements. The TIF funds will go towards reimbursing the developer for infrastructure costs. Please see the enclosed Developer Agreement and City Resolution.
4. The Commitment Letter was executed; therefore, the expiration date is not applicable. The Commitment Letter only expires if it is not timely executed.
5. This item is to be disregarded per Cris Simpkins.
6. Please see the enclosed AFHMP 2529-0013 expiring 12/31/2016.
Rent Schedule

<table>
<thead>
<tr>
<th>HTC Units</th>
<th>MF Direct Loan Units (HOME Rent/Inc)</th>
<th>National HTF Units</th>
<th>TDHCA MRB Units</th>
<th>Other/Subsidy</th>
<th># of Units</th>
<th># of Bedrooms</th>
<th># of Baths</th>
<th>Unit Size (Net Rentable Sq. Ft.)</th>
<th>Total Net Rentable Sq. Ft.</th>
<th>Program Rent Limit</th>
<th>Tenant Paid Utility Allow.</th>
<th>Rent Collected /Unit</th>
<th>Total Monthly Rent</th>
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<td>650</td>
<td>1,300</td>
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<td>46</td>
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<td>1,648</td>
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= POTENTIAL GROSS MONTHLY INCOME

= EFFECTIVE GROSS MONTHLY INCOME

= EFFECTIVE GROSS ANNUAL INCOME

289872.075

Non Rental Income $0.00 per unit/month for: Retained Security Deposits, Late Fees, 2,200
Non Rental Income 20.00 per unit/month for: App Fees, Pet Fees, Interest Income 2,200
Non Rental Income 0.00 per unit/month = TOTAL NONRENTAL INCOME 2,200

Rental Concessions (enter as a negative number) 2,200

% of Potential Gross Income: 7.50% (8,421)

Enter as a negative value

TOTAL 110 94,624 110,074

If a revised form is submitted, date of submission: 11/16/18/cs 10:09 am
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<td>NT Total</td>
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<td>HH/80%</td>
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<td>Direct Loan Total</td>
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<th>% of Li</th>
<th>% of Total</th>
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**ACQUISITION + HARD**

- **Cost Per Sq Ft** $155.80
- **HARD**
- **Cost Per Sq Ft** $155.80
- **BUILDING**
- **Cost Per Sq Ft** $109.26

**Bedrooms**

- **0**
- **1** 21
- **2** 67
- **3** 22
- **4** 0
- **5** 0

DO NOT USE THIS CALCULATION TO SCORE POINTS UNDER 11.9(e)(2). At the end of the Development Cost Schedule, you will have the ability to adjust your eligible costs to qualify. Points will be entered there.
# Financing Narrative and Summary of Sources and Uses

*Describe all sources of funds. Information must be consistent with the information provided throughout the Application (i.e. Financing Narrative, Term Sheets and Development Cost Schedule).*

<table>
<thead>
<tr>
<th>Financing Participants</th>
<th>Funding Description</th>
<th>Construction Period</th>
<th>Permanent Period</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Loan/Equity Amount</td>
<td>Interest Rate (%)</td>
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<tr>
<td><strong>Debt</strong></td>
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</tr>
<tr>
<td>TDHCA</td>
<td>MF Direct Loan Const. to Perm. (Repayable)</td>
<td>$1,500,000</td>
<td>1.00%</td>
</tr>
<tr>
<td>TDHCA</td>
<td>MF Direct Loan Const. Only (Repayable)</td>
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<td>TDHCA</td>
<td>Multifamily Direct Loan (Scft Repayable)</td>
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<td>0.00%</td>
</tr>
<tr>
<td>TDHCA</td>
<td>Mortgage Revenue Bond</td>
<td>$0</td>
<td>0.00%</td>
</tr>
<tr>
<td>JP Morgan Chase</td>
<td>Conventional Loan</td>
<td>$22,282,000</td>
<td>4.69%</td>
</tr>
<tr>
<td>Hunt Mortgage</td>
<td>Conventional Loan</td>
<td>$750,000</td>
<td>4.69%</td>
</tr>
<tr>
<td>Fort Worth HFC</td>
<td>Local Government Loan</td>
<td>$1,056,000</td>
<td>0.00%</td>
</tr>
<tr>
<td>Fort Worth HOME</td>
<td>Local Government Loan</td>
<td>$1,056,000</td>
<td>0.00%</td>
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<tr>
<td><strong>Third Party Equity</strong></td>
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<tr>
<td>Hunt Capital Partners</td>
<td>HTC</td>
<td>$1,500,000</td>
<td>$1,289,871</td>
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<tr>
<td><strong>Grant</strong></td>
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<tr>
<td><strong>Deferred Developer Fee</strong></td>
<td>Salgebrook Development, LLC</td>
<td>$1,377,058</td>
<td>$715,865</td>
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<td><strong>Other</strong></td>
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<tr>
<td>Description</td>
<td>Amount</td>
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<tr>
<td>TIF Reimbursement of Costs</td>
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<tr>
<td>City Reimbursement of Costs</td>
<td>$134,355</td>
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**Total Sources of Funds:** $28,254,929

**Total Uses of Funds:** $28,254,929

**INSTRUCTIONS:** Describe the sources of funds that will finance Development. The description must include construction, permanent, and bridge loans, and all other types of funds to be used for development. The description must be consistent with all other documentation in this section. Provide sufficient detail to identify the source and explain the use (in terms of the timing and any specific uses) of each type of funds to be contributed. In addition, describe/explain replacement reserves. Finally, describe/explain operating items. The narrative must include rents, operating subsidies, project based assistance, and all other sources of funds for operations. In the foregoing discussion of both development and operating funds, specify the status (dates and deadlines) for applications, approvals and closings, etc., associated with the commitments.

Describe the sources and uses of funds (specify the status (dates and deadlines) for applications, approvals and closings, etc., associated with the commitments). For Direct Loan or Tax-Exempt Bond Applications that contemplate an FHA-insured loan, this includes the anticipated date that FHA application will be submitted to HUD (if not already submitted).

Construction financing will be provided by J.P. Morgan Chase in the form of a construction loan in the amount of $22,282,000. The construction loan will be priced at a rate of 4.69%. Permanent financing will be provided by Hunt Mortgage in the form of a conventional loan in the amount of $8,300,000. The perm loan will carry an interest rate of 5.11% and amortize over 35 years with a 15 year term. Hunt Capital Partners will be providing the equity based on an estimated Tax Credit allocation of $1,500,000 per annum. Hunt Capital Partners is proposing pricing of $0.86 per LIHTC to purchase a 99.99% interest in the LLC that will own and operate the Property which amounts to total capital contributions of $12,898,710. Hunt Capital Partners will provide 10% of the total equity during construction, or $1,289,871. It is currently estimated that $715,865 of Developer Fees will be deferred and repaid within 15 years from the cash flow.

Describe the replacement reserves:

The Synidcatior, Hunt Capital Partners, is requiring Replacement Reserves of $250 per unit per year, Operating Reserves of $540,000.

Describe the operating items (rents, operating subsidies, project based assistance, etc., and specify the status (dates and deadlines) for applications, approvals and closings, etc., associated with the commitments:

The project has been awarded 8 Project Based Vouchers and will enter into the contract upon receiving the Certificate of Occupancy.
By signing below I acknowledge that the amounts and terms of all anticipated sources of funds as stated above are consistent with the assumptions of my institution as one of the providers of funds.

Signature, Authorized Representative, Construction or Permanent Lender

Olivio C. Ochoa

Printed Name

11/15/18

Date

Telephone: 214-965-2678

Email address: olivio.c.ochoa@chase.com

If a revised form is submitted, date of submission: 

________________
### Financing Narrative and Summary of Sources and Uses

Describe all sources of funds. Information must be consistent with the information provided throughout the Application (i.e. Financing Narrative, Term Sheets and Development Cost Schedule).

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<tr>
<td>TDHCA</td>
<td>MF Direct Loan Const. to Perm. (Repayable)</td>
<td>$0</td>
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<tr>
<td>TDHCA</td>
<td>Multifamily Direct Loan (Soft Repayable)</td>
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<td>TDHCA</td>
<td>Mortgage Revenue Bond</td>
<td>$0</td>
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<td>Local Government Loan</td>
<td>$750,000</td>
<td>4.69%</td>
<td>$750,000</td>
<td>2.00%</td>
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<td>$1,056,000</td>
<td>0.00%</td>
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<td>Deferred Developer Fee</td>
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Signature, Authorized Representative, Construction or Permanent Lender

Omar Chaudhry

Printed Name

Date

11/14/18

Telephone: 972 803-3416

Email address: omar.chaudhry@huntcompanies.com

If a revised form is submitted, date of submission: __________________________
RESOLUTION

Board of Directors

Tax Increment Reinvestment Zone Number Four, City of Fort Worth, Texas
(Southside TIF)

AUTHORIZING EXECUTION OF A TAX INCREMENT FINANCING (TIF) DEVELOPMENT AGREEMENT BETWEEN THE BOARD OF DIRECTORS OF TAX INCREMENT REINVESTMENT ZONE NUMBER FOUR AND MISTLETOE STATION, LLC FOR PUBLIC IMPROVEMENTS ASSOCIATED WITH THE DEVELOPMENT LOCATED IN MISTLETOE HEIGHTS ADDITION, BLOCK B, LOTS C AND D AND FRISCO ADDITION, BLOCK 3R, LOT 1-R1

WHEREAS, the Board of Directors (the “Board”) of Tax Increment Reinvestment Zone Number Four, City of Fort Worth, Texas (the “TIF District”) desires to promote the development and redevelopment of the Southside Development District area as authorized by the Fort Worth City Council and state law; and

WHEREAS, on August 30, 1999, the Board adopted a Project and Financing Plan (the “Plan”) for the TIF District, which was approved by the City Council by ordinance and in accordance with Section 311.011 of the Texas Tax Code, and which was subsequently updated by the Board on November 1, 2012, and approved by City Council on December 11, 2012; and

WHEREAS, in accordance with Section 311.010 of the Texas Tax Code, the Board may use TIF revenue only for the types and kinds of projects set forth in the Plan; and

WHEREAS, the Plan identifies public improvements that benefit the general public and facilitate development of the TIF district as an eligible expense; and

WHEREAS, Mistletoe Station, LLC (“Developer”) has proposed the new construction of multi-family apartment complex that will include between 100 and 110 mixed-income residential units, a community clubhouse with business center, a 24-hour access fitness center, sidewalk connections along Mistletoe Boulevard, west of the railroad tracks adjacent to the Development (expenditure of approximately $15,000.00), and up to $50,000.00 in traffic calming measures on Mistletoe Boulevard (“Development”); and

WHEREAS, the Developer has requested up to $2,600,000.00 from the Board to fund certain public improvements associated with the Development; and

WHEREAS, required public improvements will consist of storm sewer relocation and replacement, water line removal and replacement, and street improvements (“Public Improvements”); and

WHEREAS, consistent with the Plan, the Board now wishes to approve a Tax Increment Financing Development Agreement with the Developer to fund or reimburse Developer for the Public Improvements.

NOW, THEREFORE, BE IT RESOLVED:

Section 1. That the Board hereby authorizes a Tax Increment Financing Development Agreement with Developer for the use of tax increment to fund or reimburse the costs of the Public Improvements up to $2,600,000.00.

Section 2. That the Development shall begin by March 31, 2018 and be completed no later than March 31, 2020.

Section 3. That the Chairperson of the Board is authorized to sign this Resolution on the Board’s behalf and execute all necessary agreements and related documents in accordance with this Resolution.
Section 4. That this Resolution shall take effect immediately from and after its passage.

Approved:  

[Signature]

Ann Zadeh, Chair
RESOLUTION

Board of Directors
Tax Increment Reinvestment Zone Number Four, City of Fort Worth, Texas
(Southside TIF)

AUTHORIZING EXECUTION OF AMENDMENT NUMBER ONE TO A TAX INCREMENT FINANCING
(TIF) DEVELOPMENT AGREEMENT BETWEEN THE BOARD OF DIRECTORS OF TAX INCREMENT
REINVESTMENT ZONE NUMBER FOUR AND MISTLETOE STATION, LLC, TO INCREASE TOTAL
DEVELOPMENT COSTS AND FUNDING FOR PUBLIC IMPROVEMENTS AND INFRASTRUCTURE
ASSOCIATED WITH THE MISTLETOE STATION RESIDENTIAL DEVELOPMENT.

WHEREAS, the Board of Directors (the “Board”) of Tax Increment Reinvestment Zone Number Four, City of Fort
Worth, Texas (the “TIF District”) desires to promote the development and redevelopment of the Southside
Development District area as authorized by the Fort Worth City Council and state law; and

WHEREAS, on August 30, 1999, the Board adopted a Project and Financing Plan (the “Plan”) for the TIF District,
which was approved by the City Council by ordinance and in accordance with Section 311.011 of the Texas Tax
Code, and which was subsequently updated by the Board on November 1, 2012, and approved by City Council
December 11, 2012; and

WHEREAS, in accordance with Section 311.010 of the Texas Tax Code, the Board may use TIF revenue only for
the types and kinds of projects set forth in the Plan; and

WHEREAS, the Plan identifies public improvements that benefit the general public and facilitate development of
the TIF district as an eligible expense; and

WHEREAS, the Board and Mistletoe Station, LLC (“Developer”) are currently parties to a Tax Increment
 Financing Development Agreement (Resolution Number 2017-08; August 23, 2017) (“Agreement”) to fund or
reimburse Developer for certain public improvements associated with the new construction of a mixed-income
multifamily apartment community located along Mistletoe Boulevard along the FW&W Railroad (“Development”),

WHEREAS, on July 18, 2018, the Board approved Resolution Number 2017-08-A1 revising the project start date
in the Agreement from March 31, 2018 to September 30, 2018; and

WHEREAS, the Agreement requires the Developer to expend at least $20.2 million on the Development to receive
$2,600,000 in reimbursement from the TIF District for eligible public improvements and infrastructure expenses;
and

WHEREAS, primarily as a result of engineering modifications and construction requirements associated with the
relocation and upgrade of City storm sewer infrastructure, construction costs for previously approved TIF
reimbursables have increased substantially, as has the amount of investment, and the Developer is requesting
additional funding in an amount not to exceed $300,000; and

WHEREAS, consistent with the Plan, the Board now wishes to approve Amendment Number One to the
Agreement to increase funding from $2,600,000 to an amount not to exceed $2,900,000 and, subsequently, increase
the amount that Developer is required to expend on the Development from $20.2 million to $25 million.
NOW THEREFORE, BE IT RESOLVED:

Section 1. The Board hereby authorizes execution of Amendment Number One to the Agreement to: (i) increase funding from $2,600,000 to an amount not to exceed $2,900,000 and (ii) increase the amount that Developer is required to expend on the Development from $20.2 million to $25 million.

Section 2. That the Chairperson of the Board is authorized to sign this Resolution on the Board’s behalf and execute all necessary agreements and related documents in accordance with this Resolution.

Section 3. That this Resolution shall take effect immediately from and after its passage.

Approved: Ann Zadeh, Chair
TAX INCREMENT FINANCING
DEVELOPMENT AGREEMENT
Mistletoe Station Apartments
Mistletoe Heights Addition Block B: Lots C & D and Frisco Addition Block: 3R Lot: 1-R1

This TAX INCREMENT FINANCING DEVELOPMENT AGREEMENT ("Agreement") is entered into by and between the BOARD OF DIRECTORS OF TAX INCREMENT REINVESTMENT ZONE NUMBER TIF DISTRICT NUMBER FOUR, CITY OF FORT WORTH, TEXAS (the "Board"), an administrative body appointed in accordance with Chapter 311 of the Texas Tax Code (the "TIF Act") to oversee the administration of Tax Increment Reinvestment Zone Number Four, City of Fort Worth, Texas, a reinvestment zone designated by ordinance of the City of Fort Worth ("City") in accordance with the TIF Act, and MISTLETOE STATION, LLC ("Developer"), a Texas Limited Liability Company.

The Board and Developer hereby agree that the following statements are true and correct and constitute the basis upon which the Board and Developer have entered into this Agreement:

A. On November 25, 1997 the City Council adopted Ordinance No. 13259, establishing Tax Increment Reinvestment Zone Number Four, City of Fort Worth, Texas (the "TIF District"), and establishing the tax increment fund of the TIF District (the "TIF Fund").

B. On August 30, 1999 the Board adopted a project and financing plan for the TIF District, as amended by the Board on November 1, 2012 pursuant to Board Resolution No. Resolution No. 2012-2 (collectively the "TIF Project Plan"). The TIF Project Plan was approved by the City Council on August 31, 1999, as amended by the City Council or December 11, 2012, pursuant to Ordinance No. 20536-12-2012.

C. Developer proposes to complete construction of a new three-story and four-story apartment complex that will include between 100 and 110 mixed-income residential units, a community clubhouse with business center, a fitness center, and the following public improvements: storm sewer relocation and replacement north and south of Mistletoe Boulevard; water line removal and replacement; roadside and street improvements complying with all applicable City ordinances, rules, and regulations; new five-foot concrete sidewalks connecting to existing sidewalks west of the railroad tracks; and effective and reasonable traffic calming improvements on Mistletoe Boulevard to slow speeds and mitigate cut-through traffic between the railroad the development and Forest Park Boulevard in accordance with the description set forth in Exhibit "A," which is attached hereto and hereby made a part of this Agreement for all purposes (the "Development"). The Development is located entirely within the TIF District or otherwise directly benefits the TIF District. Developer has requested that the Board reimburse Developer for certain cost associated with the following public improvements associated with the Development: (1) storm sewer relocation and replacement, (2) water line removal and replacement, and (3) street improvements,
all of which are more specifically outlined and set forth in Exhibit "B," which is attached hereto and hereby made a part of this Agreement for all purposes (the "Project").

D. The TIF Project Plan specifically authorizes the Board to enter into agreements dedicating revenue from the TIF fund for public improvements within the TIF District. Accordingly, the costs of the Project qualify as lawful “project costs,” as that term is defined in Section 311.002(1) of the TIF Act (“Project Cost”). Accordingly, the Board is willing to reimburse Developer certain Project Costs solely in accordance with and pursuant to this Agreement.

NOW, THEREFORE, the Board and Developer, for and in consideration of the terms and conditions set forth herein, do hereby contract, covenant and agree as follows:

1. DEVELOPER’S OBLIGATIONS.

1.1. Completion of Development and Project.

1.1.1 Developer must expend or cause to be expended at least Twenty Million Two Hundred Thousand Dollars and No Cents ($20,200,000.00) in Total Development Costs on the Development ("Total Development Costs"). For purposes of this Agreement, Total Development Costs means the costs of site development and construction of the Development including the following: expenditure of approximately $15,000.00 on sidewalk connections along Mistletoe Boulevard; expenditure of up to $50,000.00 in traffic calming measures on Mistletoe Boulevard; design and consultant fees; contractor fees and construction costs; financing costs; permit and street rental fees; project management fees; legal fees; leasing commissions, tenant improvement and tenant relocation costs; tenant improvement reserves for non-leased space; the costs of equipment, supplies and materials associated with such site development and construction costs; and the costs of newly-purchased equipment, appliances, fixtures, furniture and furnishings installed in the Development. The land value for the Development shall not be included in the Total Development Costs.

1.1.2 For purposes of this Agreement, the Development will be deemed completed on the date as of which the Administrator issues a Certificate of Completion (as hereinafter defined) in accordance with Section 2.2.3. The Development must be completed in accordance with this Agreement on or before March 31, 2020 (the “Completion Deadline”).

1.1.3 If the Total Development Costs are less than Twenty Million Two Hundred Thousand Dollars and No Cents ($20,200,000.00), then the Reimbursement (as hereinafter defined) shall be reduced by a percentage equal to the percentage of the shortfall in Total Development Costs.
1.1.4 All costs incurred pursuant to the Project shall be advanced and paid for by Developer and shall not, in any event, be paid by the Board except as a reimbursement to Developer in accordance with this Agreement. The Project must be completed in accordance with this Agreement by the Completion Deadline, subject to confirmation by Near Southside, Inc., which serves as the TIF’s administrator (the “Administrator”), and issuance of a Certificate of Completion pursuant to and in accordance with Section 2.2.3.

1.1.5 Developer will coordinate with the Administrator to develop the traffic calming design plan, which must be approved by the City prior to the start of construction for the traffic calming improvements.

1.2. Approval of Plans and Specifications.

1.2.1 Notwithstanding anything to the contrary herein, Developer will not be eligible for reimbursement by the Board for any Reimbursement, as defined in Section 2.1 hereof, until the Administrator and the City have approved in writing all required plans, specifications and cost estimates relative to the Project. In addition, Developer will coordinate with the Administrator to develop the traffic calming design plan, which must also be approved by the City prior to the start of construction on said improvements.

1.2.2 Plans for the Development shall not deviate from the Project as approved by the Board, except minor modifications as authorized by this Section 1.2. All Project plans, specifications and work must conform to all applicable federal, state and local laws, ordinances, rules and regulations, including, but not limited to, federal copyright, trademark and patent laws. Developer hereby certifies that it has secured the rights to use the plans for the Development and to submit the plans to the Board, the Administrator or the City, as necessary, for approval. Approval of any plans and specifications relating to the Project or the traffic calming devices by the Administrator and the City shall not constitute or be deemed (i) to be a release of the responsibility or liability of Developer or any of its contractors; their officers, agents, employees and subcontractors, for the accuracy or the competency of the plans and specifications, including, but not limited to, any related investigations, surveys, designs, working drawings and specifications or other documents, or (ii) an assumption of any responsibility or liability by the Board or the City for any negligent act, error, or omission in the conduct or preparation of any investigation, surveys, designs, working drawings and specifications or other documents by Developer or any of its contractors; their officers, agents, employees and subcontractors. Upon written approval of the Administrator, Developer may make minor plan modifications that do not affect the overall design concept or reduce the size, capacities, capabilities, or quality of the Project so long as the Project is otherwise completed as described herein and as approved by the Board.
1.3. Third Party Contractors.

1.3.1 Developer may enter into agreements with third party contractors to undertake all or any portion of the Project ("Third Party Contracts"), provided that all such agreements executed after the Effective Date of this Agreement contain (i) a provision, similar in form to Section 5 of this Agreement, pursuant to which the contractor and any subcontractors involved in the Project agree to release, indemnify, defend and hold harmless the Board and the City from any and all damages arising as a result of or in relation to the Project and any work thereunder (except to the extent caused by the gross negligence or willful misconduct of the Board or the City) and for any negligent acts or omissions or intentional misconduct of the contractor, any subcontractors and Developer, and their officers, agents, servants and employees; (ii) a requirement that the contractor provide Developer with a bond or bonds, which Developer shall forward to the City, that guarantees the faithful performance and completion of all construction work covered by the contract and full payment for all wages for labor and services and of all bills for materials, supplies and equipment used in the performance of the contract; (iii) a requirement that the contractor provide insurance in accordance with the minimum requirements set forth in Section 4 of this Agreement; (iv) a requirement that the contractor comply with all Legal Requirements, as addressed and defined in Section 10 of this Agreement; and (v) a goal for participation in the Project by disadvantaged and minority- and woman-owned businesses (collectively "M/WBEs"), as addressed in Section 1.6 of this Agreement. All of the requirements contained in this Section 1.3 shall hereinafter be referred to as the "Third Party Contract Provisions."

1.3.2 IF DEVELOPER ENTERS INTO ANY THIRD PARTY CONTRACT THAT DOES NOT CONTAIN ALL OF THE ABOVE THIRD PARTY CONTRACT PROVISIONS, REGARDLESS OF WHETHER DEVELOPER ENTERED INTO THE THIRD PARTY CONTRACT PRIOR TO THE EFFECTIVE DATE OF THIS AGREEMENT, AND TO THE EXTENT THAT ANY CLAIMS, DEMANDS, LAWSUITS, OR OTHER ACTIONS FOR DAMAGES OF ANY KIND, INCLUDING, BUT NOT LIMITED TO, PROPERTY LOSS, PROPERTY DAMAGE AND PERSONAL INJURY OF ANY KIND, INCLUDING, BUT NOT LIMITED TO, DEATH, TO ANY AND ALL PERSONS, OF ANY KIND OR CHARACTER, WHETHER REAL OR ASSERTED, ARISE UNDER, ON ACCOUNT OF OR IN RELATION TO THE THIRD PARTY CONTRACT FOR WHICH THE CONTRACTOR THEREUNDER WOULD HAVE BEEN REQUIRED TO INDEMNIFY, DEFEND AND HOLD HARMLESS THE BOARD AND THE CITY IF THE THIRD PARTY CONTRACT PROVISIONS HAD BEEN INCLUDED IN THE THIRD PARTY CONTRACT ("THIRD PARTY CONTRACT DAMAGES"), THEN DEVELOPER, AT DEVELOPER’S OWN EXPENSE, SHALL INDEMNIFY, DEFEND (WITH COUNSEL REASONABLY ACCEPTABLE TO THE INDEMNIFIED PARTIES HEREIN) AND HOLD HARMLESS THE BOARD AND
THE CITY, THEIR OFFICERS, MEMBERS, AGENTS, SERVANTS, EMPLOYEES AND VOLUNTEERS, FROM AND AGAINST ANY SUCH THIRD PARTY CONTRACT DAMAGES.

1.4. Community Facilities Agreements.

For any work under the Project that is anticipated to occur in the City’s public rights-of-way, easements, other City-owned property or other property owned by a governmental agency (collectively, “Public Property”), Developer will not undertake or cause to be undertaken any Project work thereon until Developer has received written approval by the owner of the Public Property. In the case of Project work that is anticipated to occur in the City’s public rights-of-way, easements or other City-owned property, Developer will notify the City in writing and request a written opinion as to whether Developer must enter into a Community Facilities Agreement or other written document with the City. If any such document is required, Developer will not undertake or cause to be undertaken any affected Project work until the Community Facilities Agreement or other required written document has been executed by all parties and is in full force and effect. Developer hereby agrees to comply with all terms and conditions of any Community Facilities Agreement or other required written document with the City covering any portion of the Project work.

1.5. Financial Guaranty.

In addition to bonds provided by any third party contractors pursuant to Section 1.3 of this Agreement, Developer may not initiate or cause initiation of construction of any portion of the Project until Developer has provided the Board with adequate financial security to guaranty Developer’s completion of the work once it has started. Developer shall provide its financial guaranty to the Board in one of the following forms, which shall be released upon issuance of the Certificate of Completion:

1.5.1. Bonds.

Developer shall deliver to the City a bond or bonds, executed by a corporate surety in accordance with Texas Government Code, Chapter 2253, as amended, in the full amount of each construction contract or project. The bond(s) shall guarantee (i) the satisfactory completion of the construction work to be undertaken and (ii) full payments to all persons, firms, corporations or other entities with whom Developer has a direct relationship for the performance of such construction work; or
1.5.2. **Escrow Pledge Agreement.**

Developer shall place a cash deposit equal to one hundred twenty-five percent (125%) of the full amount of the cost of each construction contract or project (the additional percentage taking into account change orders) in escrow with an escrow agent in the City that is acceptable to the Board, in which case (i) the Board and Developer will use reasonable efforts to negotiate an escrow agreement with such escrow agent regarding the disposition of funds in escrow and (ii) Developer shall pay all costs associated with such escrow arrangement. The escrow agreement will outline a process under which Developer may receive draws from the escrowed funds in order to pay the costs of the Project after the Board has verified completion of the construction work for which payment is sought and, if a contractor was used for such construction work, that all parties associated with such work have been fully paid.

1.6. **M/WBE Goals.**

In satisfaction of the Board’s obligations under Section 311.0101 of the TIF Act, Developer shall consult with the City’s Minority/Women Business Enterprise Office in establishing a goal for Developer to utilize M/WBEs in undertaking any work on the Project following the date of execution of this Agreement.

1.7. **Deadlines for Completion of Development and Project.**

Developer shall cause the entire Development, including, without limitation the Project, to be completed by not later than Completion Deadline. For purposes of this Agreement, the Administrator will issue a Certificate of Completion when (i) the City has issued at least a temporary certificate of occupancy for full human occupancy of the entire Development and (ii) the Developer has complied with the requirements for completion in accordance with Section 2.2.3 of this Agreement.

1.8 **Payment of All Taxes.**

Developer will not allow any applicable ad valorem real property taxes with respect to the land or the Development, or any ad valorem taxes with respect to any tangible personal property located on the land or within the Development (owned by Developer or its affiliates), to become delinquent without following in a timely and proper manner the legal procedures for protest and/or contest of any such ad valorem real property or tangible personal property taxes.
2. **REIMBURSEMENT BY BOARD.**

2.1. **Amount of Reimbursement.**

Provided that Developer has completed the entire Development, including, without limitation, the Project, by the Completion Deadline in accordance with this Agreement and has complied with all other terms and conditions of this Agreement, and subject to the provisions of Section 6 of this Agreement, the Board will reimburse Developer the Developer’s Qualified Costs upon completion of the Project not to exceed the lesser of (i) Developer’s Qualified Costs in completing the Project or (ii) Two Million Six Hundred Thousand and No Cents ($2,600,000.00) of Developer’s Qualified Costs in completing the Project (the “Reimbursement”) within thirty (30) calendar days following issuance of a Certificate of Completion (as defined in Section 2.2.3 of this Agreement) and as more specifically provided in this Section 2; provided, however, that if there are not sufficient revenues in the TIF Fund at such time, the financial obligations of the Board to Developer under this Agreement will be carried forward without interest to the next fiscal year of the TIF District in which there are sufficient revenues in the TIF Fund to satisfy such obligations. For purposes of this Agreement, “Qualified Costs” means the actual costs incurred by Developer in completing the Project, provided that those Qualified Costs are for Project work that is specifically described in and authorized by Exhibit “B” and are also allowable Project Costs under the TIF Act. In no event will the Board pay Developer any portion of the Reimbursement prior to issuance of a Certificate of Completion in accordance with Section 2.2.3 or reimburse Developer for any Qualified Costs in excess of Two Million Six Hundred Thousand and No Cents ($2,600,000.00) (“Maximum Reimbursement Amount”).

2.2. **Process for Reimbursement.**

2.2.1. **Inspections.**

Prior to issuance of the Certificate of Completion, at any time during normal office hours and following reasonable notice to Developer, the Board and any authorized designee shall have, and Developer shall provide, access to the Project site in order for the Board and any authorized designee to inspect the Project in order to ascertain Developer’s compliance with this Agreement. In addition, the Board and any authorized designee shall have the right to inspect all work undertaken on the Project in order for the Board or any authorized designee to inspect and evaluate such work. Developer shall cooperate fully with the Board during any such inspection or evaluation.
2.2.2. **Audits.**

At any time prior to issuance of a Certificate of Completion issued pursuant to Section 2.2.3 of this Agreement and for a period of two (2) years thereafter, the Board shall have the right to have audited the financial and business records of the Developer that relate to the Project (collectively, the “Records”) in order to assist the Board in verifying that any given expenditure by Developer qualifies as a Qualified Cost under Section 2.1 of this Agreement. Developer shall make all Records available to the Board or any authorized designee at the Fort Worth Municipal Building, 200 Texas Street or at another location in the City following reasonable advance notice by the Board and shall otherwise cooperate fully with the Board during any audit. Notwithstanding anything to the contrary herein, this Section 2.2.2 shall survive termination or expiration of this Agreement.

2.2.3 **Certificate of Completion.**

Once the Development has received the requisite certificate of occupancy from the City in accordance with Section 1.7(i); and all work on the Development, including, without limitation, the Project, has been completed by the Completion Deadline; and Developer has complied with all of its obligations under any Community Facilities Agreement or other required written document between Developer and the City relating to the Project, Developer shall submit a completion report, signed by an officer of Developer, to the Administrator. Such completion report shall state (i) the specific work completed under the Development; (ii) the specific work completed under the Project; (iii) the amount of money that Developer paid for completion of the Project and that Developer claims as a Qualified Cost; and (iv) all supporting invoices and other documents showing that such amounts were actually paid by Developer. Subject to the provisions of this Section 2.2, the Administrator will issue a certificate of completion to Developer within thirty (30) calendar days following receipt of Developer’s completion report that sets forth the actual amount of Reimbursement that Developer will be entitled to receive under this Agreement (“Certificate of Completion”).

2.3. **Limited to Available TIF Funds.**

Notwithstanding anything to the contrary herein, and subject to Section 2.4, Developer understands and agrees that the Board will be required to pay the Reimbursement only from available revenues in the TIF Fund that are attributable solely to tax increment (as defined in Section 311.012 of the Texas Tax Code) generated annually from property located in the TIF District and deposited into the TIF Fund in accordance with the TIF Act.
2.4. **Priority of Payment.**

Notwithstanding anything to the contrary herein, Developer understands and agrees that any obligation of the Board to pay all or any portion of the Reimbursement Amount shall be subject and subordinate to the Board’s right to retain reserves in the TIF Fund in any fiscal year to meet all existing contractual obligations of the Board. Specifically and without limiting the generality of the foregoing, the following payments, as obligated by the following existing contractual obligations, shall have priority over payment by the Board of all or any portion of the Reimbursement Amount:

(i) Payments made pursuant to that certain Agreement by and among the City, the Board, and the Central City Local Government Corporation dated to be effective December 7, 2005 (Magnolia Green Parking Garage);

(ii) Payment made pursuant to that certain Tax Increment Financing Development Agreement between the Board and Fort Worth Southside Development District, Inc. approved by the Board on July 27, 2006 (Oleander Walk Phase II);

(iii) Payment made pursuant to that certain Tax Increment Financing Development Agreement between the Board, Fort Worth South, Inc. and the City, approved by the Board on June 24, 2009 (Magnolia Streetscape Repair and Maintenance, Phase III);

(iv) Payment made pursuant to that certain Tax Increment Financing Development Agreement between the Board and the Dalal Group, LLC for streetscape improvements approved by the Board on March 29, 2012 (1410 S. Jennings Ave.);

(v) Payment made pursuant to that certain Tax Increment Financing Development Agreement between the Board and Fort Worth South, Inc. for 100% design and engineering associated with South Main approved by the Board on November 1, 2012 (100% Engineering, Design, Construction for S. Main);

(vi) Payment made pursuant to that certain Tax Increment Funding Agreement between the Board and the City of Fort Worth for public improvements associated with the 2014 CIP Match approved by the Board on November 6, 2013 (2014 CIP/TIF Street Improvement);

(vii) Payment made pursuant to that certain Tax Increment Financing Development Agreement between the Board and Fort Worth Bike Sharing for System Support associated with the Bike Share Stations located within the TIF#4 Boundary, approved by the Board on August 12, 2015 (Fort Worth Bike Share)
(viii) Payment made pursuant to Amendment No.2 to a Tax Increment Financing Development Agreement between the Board and Fort Worth South, Inc., to authorize a multi-year TIF Maintenance Agreement with Fort Worth South, Inc. for annual landscaping, fertilizing, grass cutting, trash pick-up, pedestrian lighting, and irrigation of the Watts Park, approved by the Board on December 16, 2015 (Watts Park Maintenance continued)

(ix) Payment made pursuant to that certain Tax Increment Financing Development Agreement between the Board and Oleander Investments, LLC for public improvements associated with Lang Partners Oleander Apartments approved by the Board on April 6, 2016 (Lang Partners Oleander Apartments);

(x) Payment made pursuant to that certain Tax Increment Financing Development Agreement between the Board and 117 St. Louis, LLC for public improvements associated with Dickson-Jenkins Building approved by the Board on April 6, 2016 (Dickson-Jenkins Building);

(xi) Payment made pursuant to that certain Tax Increment Financing Development Agreement between the Board and Columbia Plaza Medical Center Fort Worth Subsidiary, L.P. for public improvements associated with Plaza Medical Center approved by the Board on April 6, 2016 (Plaza Medical Center);

(xii) Payment made pursuant to that certain Tax Increment Financing Development Agreement between the Board and 1455 Magnolia, LLC for public improvements associated with 1455 Magnolia approved by the Board on April 6, 2016 (1455 Magnolia);

(xiii) Payment made pursuant to that certain Tax Increment Financing Development Agreement between the Board and Near Southside, Inc. for Traffic and Circulation Studies on Eighth Avenue and Hemphill Street approved by the Board on April 6, 2016 (Eighth and Hemphill Circulation Studies)

(xiv) Payment made pursuant to that certain Tax Increment Financing Development Agreement between the Board and StoneHawk Capital Partners, LLC for public improvements associated with the development of an apartment complex located between E. Broadway Ave. and E. Annie St., Crawford St. and S. Jones St., approved by the Board on August 3, 2016 (East Broadway Apartments)

(xv) Payment made pursuant to that certain Tax Increment Financing Development Agreement with Melchior Holdings, LLC for public improvements associated with the development of a newly constructed three-story, commercial building with
approximately 30 small rental office spaces located at 1201 & 1205 Evans Ave. and 912 E. Oleander St.; Graves & McDaniel's #1 Sub Block: 1; Lot 1A; Lot 2; & Lot 32A, approved by the Board on December 7, 2016 (Container Office Building)

(xvi) Payment made pursuant to that certain Tax Increment Financing Development Agreement between the Board and Daggett Southside Holdings, LLC for public improvements associated with the development of a newly constructed three-story mixed-use building located at 209 St. Louis Ave., 208 & 214 Galveston Ave., Smith-Jones & Daggett Addition, Block 3, Lot 9, 10, 11, 12 approved by the Board on April 19, 2017 (209 St. Louis Ave., 208 and 214 Galveston Ave. Mixed-Use);

(xvii) Payment made pursuant to that certain Tax Increment Financing Development Agreement between the Board and Fort Worth South, Inc. for final design, engineering, and construction of two public parks located on parcels adjacent to the E. Broadway Apartments project located on E. Broadway Ave. approved by the Board on April 19, 2017 (S. Main Village Public Parks Final Design/Engineering/Construction);

(xviii) Payment made pursuant to that certain Tax Increment Financing Development Agreement between the Board and Fort Worth South, Inc. for final design and construction of accessibility ramps and other sidewalk improvements along the south side of W. Vickery Boulevard between College Ave. and Lipscomb approved by the Board on April 19, 2017 (W. Vickery Boulevard Accessibility Improvements);

(xix) Payment made pursuant to that certain Tax Increment Financing Development Agreement between the Board and SoMa District Development, LLC for public improvements associated with the development of a remodel and restoration of four 1920’s buildings fronting South Main Street and transformation of the public alley behind the building into a public plaza and play space located at 105 and 125 S. Main St., Daggett 2nd Addition, Block 3, Lots 2, 3A, 3B, and 4 approved by the Board on June 7, 2017 (SoMa District Development);

(xx) Payment made pursuant to that certain Tax Increment Financing Development Agreement between the Board and Dolabi Development, LLC for public improvements associated with the development of hotel, parking garage, residential condominiums located at McClellan’s Sub Division Block 3, Lots 1, 2, 3, 4, 5, 6, 13, 14, 15, 16 and Block 4, Lots at 9R, 10R, 11, 12, 13, 14, 15, 16 approved by the Board on June 7, 2017 (Magnolia Mixed-Use - Infrastructure)

(xx) Payment made pursuant to that certain Tax Increment Financing Development Agreement between the Board and Central City Local Government Corporation to
fund an easement for 150 public parking spaces associated with the development of a newly constructed hotel, 16-20 unit for-purchase residential condominiums, approximate 400 space parking garage, and a public storm water detention/green space located on McClellan’s Sub Division Block 3, Lots 1, 2, 3, 4, 5, 6, 13, 14, 15, 16 and Block 4, Lots at 9R, 10R, 11, 12, 13, 14, 15, 16 at 1200, 1201, 1204, 1205, 1211, 1212, 1214, 1215, 1217 S. Henderson St.; 1201 & 1215 5th Ave.; 1120 W. Magnolia Ave. approved by the Board on June 7, 2017 (Magnolia Mixed Use - Parking)

3. **TERM.**

The term of this Agreement shall be effective as of August 23, 2017 ("Effective Date") and expire upon the earlier of (i) the complete performance of all obligations and conditions precedent by the Board and Developer; (ii) termination by either the Board or Developer as permitted by this Agreement; or (iii) termination of the TIF District in accordance with Section 311.017 of the TIF Act.

4. **INSURANCE.**

4.1 Developer shall maintain at all times, in full force and effect, a policy or policies of insurance as specified in this Section 4, naming the Board and the City as additional insureds and covering all risks related to the Project. The insurance required hereunder may be met by a combination of self-insurance and primary or excess policies. Developer shall provide proof of all requirements stated herein to the Administrator prior to beginning any work on the Project.

4.1.1 **Types and Amounts of Coverage Required**

- **Commercial General Liability:** $500,000 per occurrence.

- **Automobile Liability:** $500,000 per occurrence, covering all automobiles used in the undertaking of the Public Improvement, if any.

- **Excess Liability Umbrella:** $1 million.

- **Worker’s Compensation:** As required by law.

4.2 **Miscellaneous**

4.2.1 **Revisions to Required Coverage.** These insurance requirements shall be subject to change upon a reasonable request by the City’s Risk Manager. Within fourteen (14) calendar days of receipt of written notice of any such request, Developer agrees to comply with such revised insurance requirements. Policies
shall not have exclusions that nullify or alter the required lines of coverage, or
decrease the limits of said coverages required by this Agreement, unless such
endorsements are approved in writing by the City’s Risk Manager. The policy or
policies of insurance shall be endorsed to provide that no material changes in
coverage, including, but not limited to, cancellation, termination, non-renewal, or
amendment, shall be made without thirty (30) days’ prior written notice to the City
and Board.

4.2.2 Underwriters and Certificates. Developer shall procure and maintain its
insurance with underwriters who are authorized to do business in the State of Texas
and who are acceptable to the City and Board in terms of solvency and financial
strength. Within ten (10) business days following execution of this Agreement,
Developer shall furnish the City and Board with certificates of insurance signed by
the respective companies as proof that it has obtained the types and amounts of
insurance coverage required herein. In addition, Developer shall, on demand,
provide the City with evidence that it has maintained such coverage in full force
and effect.

4.2.3 Deductibles. Deductible or self-insured retention limits on any line of
coverage required herein shall not exceed $1,000,000.00 in the annual aggregate
unless the limit per occurrence or per line of coverage, or aggregate is otherwise
approved by the City.

4.2.4 Waiver of Subrogation. Developer shall require all insurance policies to
contain a waiver of subrogation endorsement in favor of the City and Board.

4.2.5 No Limitation of Liability. The insurance requirements set forth in this
section and any recovery by the City or Board of any sum by reason of any
insurance policy required under this Agreement shall in no way be construed or
affected to limit or in any way affect Developer’s liability to the City or other
persons as provided by this Agreement or law.

5. INDEMNIFICATION.

5.1 DEVELOPER AGREES TO DEFEND, INDEMNIFY AND HOLD
HARMLESS THE TIF BOARD, ITS OFFICERS, AGENTS, REPRESENTATIVES, AND
EMPLOYEES, AND THE CITY, ITS OFFICERS, AGENTS, REPRESENTATIVES, AND
EMPLOYEES, FROM AND AGAINST ANY AND ALL CLAIMS, LAWSUITS, COSTS AND
EXPENSES FOR PERSONAL INJURY (INCLUDING DEATH, PROPERTY DAMAGE OR
OTHER HARM FOR WHICH RECOVERY OF DAMAGES IS SOUGHT THAT MAY ARISE
OUT OF OR BE OCCASIONED BY DEVELOPER’S BREACH OF ANY OF THE TERMS
OR PROVISIONS OF THIS AGREEMENT, OR BY ANY NEGLIGENT ACT OR OMISSION
OF DEVELOPER, ITS OFFICERS, AGENTS, ASSOCIATES, EMPLOYEES, CONTRACTORS (OTHER THAN THE BOARD AND THE CITY) OR SUBCONTRACTORS, IN THE PERFORMANCE OF THIS AGREEMENT, INCLUDING, BUT NOT LIMITED TO, THE UNDERTAKING OF THE DEVELOPMENT AND THE PROJECT. IN THE EVENT OF JOINT AND CONCURRENT NEGLIGENCE OF BOTH DEVELOPER AND THE BOARD, RESPONSIBILITY, IF ANY, SHALL BE APPORTIONED COMPARATIVELY IN ACCORDANCE WITH THE LAWS OF THE STATE OF TEXAS, WITHOUT, HOWEVER, WAIVING ANY GOVERNMENTAL IMMUNITY AVAILABLE TO THE BOARD AND THE CITY UNDER TEXAS OR FEDERAL LAW. THE PROVISIONS OF THIS PARAGRAPH ARE SOLELY FOR THE BENEFIT OF THE PARTIES HERETO AND THE CITY AND ARE NOT INTENDED TO CREATE OR GRANT ANY RIGHTS, CONTRACTUAL OR OTHERWISE, TO ANY OTHER PERSON OR ENTITY.

5.2 DEVELOPER HEREBY ACKNOWLEDGES THAT NEITHER THE BOARD NOR THE CITY CAN GUARANTEE OR CONTROL THE TAXABLE APPRAISED VALUE OF PROPERTY WITHIN THE TIF DISTRICT, AND THUS CANNOT GUARANTEE OR CONTROL THE AMOUNT OF TAX INCREMENT THAT MAY BE DEPOSITED INTO THE TIF FUND THROUGHOUT OR AT ANY TIME DURING THE TERM OF THE TIF DISTRICT. DEVELOPER HAS ENTERED INTO THIS AGREEMENT WITHOUT RELYING ON ANY ASSERTIONS, REPRESENTATIONS OR ASSUMPTION THAT MAY HAVE BEEN MADE BY THE BOARD AND/OR THE CITY, THEIR OFFICERS, AGENTS, SERVANTS AND EMPLOYEES, WITH RESPECT TO THE TIF DISTRICT’S FINANCING PLAN AND THE POTENTIAL IMPACT OF TAX INCREMENT THAT MAY BE DEPOSITED INTO THE TIF FUND THROUGHOUT OR AT ANY TIME DURING THE TERM OF THE TIF DISTRICT. DEVELOPER HEREBY AGREES TO RELEASE AND HOLD HARMLESS THE BOARD AND THE CITY, THEIR OFFICERS, AGENTS, SERVANTS, EMPLOYEES AND CONTRACTORS, FOR ANY DAMAGES OR CLAIMS, INCLUDING, BUT NOT LIMITED TO, DAMAGES FOR LOST INVESTMENT, LOST OR UNREALIZED PROFITS OR INVESTMENT, AND LOST OR UNREALIZED FINANCING, THAT MAY ARISE OUT OF OR BE OCCASIONED BY A FAILURE OF THE TIF DISTRICT TO PRODUCE SUFFICIENT TAX INCREMENT TO SUPPORT ALL OF THE BOARD’S FINANCIAL OBLIGATIONS UNDER THIS AGREEMENT OR TO MEET ANY FINANCIAL BENCHMARKS, MILESTONES OR PERFORMANCES ANTICIPATED BY DEVELOPER.

6. DEFAULT.

6.1. Failure to Start Development and Project.

Developer shall have acquired all building permits on or before September 30, 2018, as same may be extended by the Board pursuant to an amendment to this Agreement executed in accordance with the requirements of Section 20 (the “Start Date”). If
Developer has not acquired building permits in accordance with this section, the Board shall have a unilateral right, but not the obligation, to terminate this Agreement immediately by providing written notice to Developer, in which case neither Developer, nor any other entity performing on behalf of Developer, shall be entitled to receive any of the Reimbursement.

6.2. **Failure to Complete Development and Project.**

If Developer has not completed the entire Development and Project by the Completion Deadline, the Board will have a unilateral right, but not the obligation, to terminate this Agreement immediately by providing written notice to Developer, in which case Developer shall not be entitled to receive any of the Reimbursement.

6.3. **Failure to Comply with Other Terms or Conditions.**

If either party defaults under any provision of this Agreement other than as addressed in Sections 6.1 or 6.2, the non-defaulting party shall provide the defaulting party with a written notice that specifies the nature of the default. The defaulting party will have thirty (30) calendar days following receipt of such written notice to cure the default. After such time, if the default remains uncured, the non-defaulting party may, at its option, terminate this Agreement and pursue any and all other available remedies without the necessity of further notice to or demand upon the defaulting party; provided that (i) if the defaulting party proceeds in good faith and with due diligence to cure the default within thirty (30) calendar days, but reasonably needs additional time to cure the default fully, then the non-defaulting party will not be entitled to pursue the above remedies, and (ii) if the non-defaulting party elects to terminate this Agreement as a remedy for default, it will notify the defaulting party in writing.

7. **SUCCESSORS AND ASSIGNS.**

Developer may not assign its rights or obligations under this Agreement to any other party without the advance written approval of the Board, which shall not be unreasonably withheld or delayed, provided that the any proposed assignee first executes an agreement with the board pursuant to which the assignee agrees to be bound by the duties and obligations of Developer hereunder. This Agreement shall be binding on and inure to the benefit of the parties, their respective successors and assigns.

8. **NOTICES.**

All written notices called for or required by this Agreement shall be addressed to the following, or such other party or address as either party designates in writing, by certified mail, postage prepaid, or by hand delivery:
Near Southside, Inc:  
Board of Directors  
Southside TIF  
Attn: Paul F. Paine, Administrator  
1606 Mistletoe Boulevard  
Fort Worth, TX 76104

Developer:  
Mistletoe Station, LLC  
Attn: Megan Lasch  
5501-A Balcones Dr. #302  
Austin, Texas 78731

with a copy to:
City of Fort Worth  
Director, Economic Development Department  
and City Attorney  
200 Texas Street  
Fort Worth, TX 76102

9. VENUE AND CHOICE OF LAW.

This Agreement shall be construed in accordance with the laws of the State of Texas and applicable ordinances, rules, regulations or policies of the City. Venue for any action under this Agreement shall lie in the State Courts of Tarrant County, Texas, or the United States District Court for the Northern District of Texas, Fort Worth Division. This Agreement is performable in Tarrant County, Texas.

10. COMPLIANCE WITH LEGAL REQUIREMENTS.

This Agreement is subject to all applicable federal, state and local laws, ordinances, rules and regulations, including, but not limited to, all provisions of the City’s Charter and ordinances, as amended, and violation of the same shall constitute a default under this Agreement. In undertaking any work on the Project, Developer, its officers, agents, servants, employees, contractors and subcontractors shall comply with all federal, state and local laws and all ordinances, rules and regulations of the City, as such laws, ordinances, rules and regulations exist or may hereafter be amended or adopted (collectively, “Legal Requirements”).

11. NO WAIVER.

The failure of either party to insist upon the performance of any term or provision of this Agreement or to exercise any right granted hereunder shall not constitute a waiver of that party’s right to insist upon appropriate performance or to assert any such right on any future occasion.
12. **GOVERNMENTAL POWERS.**

   It is understood that by execution of this Agreement, neither the Board nor the City waives or surrenders any of their governmental powers or immunities.

13. **FORCE MAJEURE.**

   It is expressly understood and agreed by the parties to this Agreement that if the performance of any obligations hereunder is delayed by reason of war, civil commotion, acts of God, inclement weather, governmental restrictions, regulations, or interferences, unreasonable delays by the City in issuing any permits or certificates of occupancy or conducting any inspections of or with respect to the Project (based on the amount of time that the City customarily requires in undertaking such activities and based on the then-current workload of the City department(s) responsible for undertaking such activities), or delays caused by unforeseen construction or site issues, fire or other casualty, court injunction, necessary condemnation proceedings, acts of the other party, its affiliates/related entities and/or their contractors, or any actions or inactions of third parties or other circumstances which are reasonably beyond the control of the party obligated or permitted under the terms of this Agreement to do or perform the same, regardless of whether any such circumstance is similar to any of those enumerated or not, the party so obligated or permitted shall be excused from doing or performing the same during such period of delay, so that the time period applicable to such design or construction requirement shall be extended for a period of time equal to the period such party was delayed.

14. **BOARD REPRESENTATIVE.**

   Developer understands and agrees that, in addition to the Administrator, the Board, in its sole discretion, may also appoint certain City staff members, a City department or another entity to serve as its representative in carrying out any or all of the responsibilities of the Board hereunder, and that references to “the Board” in this Agreement mean the Board in its entirety or any such designated representative.

15. **NO THIRD PARTY RIGHTS.**

   This Agreement is solely for the benefit of the parties hereto and is not intended to create or grant any rights, contractual or otherwise, to any other person or entity.

16. **SEVERABILITY.**

   If any provision of this Agreement is held to be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired.
17. **COUNTERPARTS.**

This Agreement may be executed in any number of counterparts, each of which shall be deemed an original and constitute one and the same instrument.

18. **CAPTIONS.**

The captions to the various clauses of this Agreement are for informational purposes only and shall not alter the substance of the terms and conditions of this Agreement.

19. **BOYCOTT**

Developer acknowledges that in accordance with Chapter 2270 of the Texas Government Code, the Board is prohibited from entering into a contract with a company for goods or services unless the contract contains a written verification from the company that it: (1) does not boycott Israel; and (2) will not boycott Israel during the term of the contract. The terms “boycott Israel” and “company” shall have the meanings ascribed to those terms in Section 808.001 of the Texas Government Code. *By signing this Agreement, Developer certifies that Developer’s signature provides written verification to the Board that Developer: (1) does not boycott Israel; and (2) will not boycott Israel during the term of the Agreement.*

20. **ENTIRETY OF AGREEMENT.**

This Agreement, including any exhibits attached hereto and any documents incorporated herein by reference, contains the entire understanding and agreement between the Board and Developer, their assigns and successors in interest, as to the matters contained herein. Any prior or contemporaneous oral or written agreement is hereby declared null and void to the extent in conflict with any provision of this Agreement. This Agreement shall not be amended unless executed in writing by both parties and approved by the Board in an open meeting held in accordance with Chapter 551 of the Texas Government Code.
IN WITNESS WHEREOF, the undersigned have caused this Agreement to be executed effective as of the Effective Date:

BOARD OF DIRECTORS OF TAX INCREMENT REINVESTMENT ZONE NUMBER FOUR CITY OF FORT WORTH, TEXAS:

By: ________________
    Ann Zadeh
    Chairman

DEVELOPER,
Mistletoe Station, LLC,
a Texas Limited Liability Company

By: Saigebrook Mistletoe, LLC
a Texas Limited Liability Company, its managing member:

By: ________________
    Lisa Stephens
    Managing Member

By: ________________
    Saigebrook Development, LLC, a Florida Limited Liability Company, its managing member:

APPROVED AS TO FORM AND LEGALITY:

By: ________________
    Tyler F. Wallach
    Senior Assistant City Attorney

Date of Board Approval: August 23, 2017

Contract Compliance Manager:

By signing, I acknowledge that I am the person responsible for the monitoring and administration of this contract, including ensuring all performance and reporting requirements.

Name: ________________
Title: Business Development Coordinator

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Agreement for Mistletoe Station Apartments
TIF Development Agreement
between Southside TIF and Mistletoe Station, LLC
Page 19 of 27
Rev. 08/2016
v20160818
EXHIBIT “A”

DEVELOPMENT DESCRIPTION

Development Description Detail Narrative:

A new three-story and four-story apartment complex that will include between 100 and 110 mixed-income residential units, a community clubhouse with business center, a fitness center, and the following public improvements: storm sewer relocation and replacement north and south of Mistletoe Boulevard; water line removal and replacement; roadside and street improvements complying with all applicable City ordinances, rules, and regulations; new five-foot concrete sidewalks connecting to existing sidewalks west of the railroad tracks (expenditure of approximately $15,000); and effective and reasonable traffic calming improvements on Mistletoe Boulevard to slow speeds and mitigate cut-through traffic between the railroad the development and Forest Park Boulevard (expenditure not to exceed $50,000).

Legal Description of Property:
Mistletoe Heights Addition, Block B, Lots C and D and Frisco Addition, Block 3R, Lot 1-R1

<table>
<thead>
<tr>
<th>PROJECT DATA</th>
<th></th>
<th>Building:</th>
<th>Count:</th>
<th>%</th>
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<tr>
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<tr>
<td>One Bedroom:</td>
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<td>Two Bedrooms:</td>
<td>850</td>
<td>7</td>
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<tr>
<td>Three Bedrooms:</td>
<td>1,092</td>
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<td>Total:</td>
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Land Area: 2.580 Acres
Density: 42.64 Units/Acre
Leasing/Amenity Area: 3,255 SF
Total Parking Provided: 141 Spaces
1.28 Spaces/Unit
CONCEPTUAL RENDERINGS
EXHIBIT “B”

PROJECT DESCRIPTION AND COSTS

Project Description, including Cost Estimate
Storm sewer relocation and replacement north and south of Mistletoe Boulevard; sanitary sewer and water line removal and replacement as shown in Exhibit A; roadside and street improvements, including a realignment of the current Beckham Street, that comply with all applicable City ordinances, rules, and regulations, including, without limitations, the Near Southside design standards and any Urban Design Commission approvals.

The cost of each line item of the following budget is an estimate only. The actual cost of a particular line item may exceed or be less than the estimated cost without penalty to Developer. It is expected that the aggregate costs of the Project will exceed the Maximum Reimbursement Amount specified in Section 2.1 of the Agreement, but the amount of the Reimbursement payable under this Agreement shall not exceed such Maximum Reimbursement Amount.

Project Budget and Eligible TIF Costs:

<table>
<thead>
<tr>
<th>Bid Item No.</th>
<th>Description</th>
<th>Specification Section No.</th>
<th>Unit of Measure</th>
<th>Bid Quantity</th>
<th>Unit Price</th>
<th>Bid Value</th>
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<td>1</td>
<td>0241.1011 Remove 4&quot; Water Line</td>
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<td>2</td>
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<td>6</td>
<td>3311.1006 24&quot; Casing By Open Cut</td>
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<td>53</td>
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<tr>
<td>7</td>
<td>3311.0001 Ductile iron Water Fittings w/ Restraint</td>
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<td>TOT</td>
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<td>7,282.98</td>
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<td>8</td>
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<td>9</td>
<td>3311.0241 2&quot; Water Pipe</td>
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<td>3311.0451 12&quot; DIP Water</td>
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<td>13</td>
<td>3312.0001 Fire Hydrant</td>
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<td>18</td>
<td>3312.0202 6&quot; Gate Valve</td>
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<td>637.00</td>
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TOTAL UNIT 1 WATER IMPROVEMENTS: 124,000.00
## UNIT II: SANITARY SEWER IMPROVEMENTS

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<tr>
<td>Remove 6&quot; Seward Line</td>
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<td>Remove 24&quot; Seward Line</td>
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<td>Remove 5&quot; Seward Manhole</td>
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<td>Pre-CCTV Inspection</td>
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<td>Post-CCTV Inspection</td>
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<td>Trench Water Stains</td>
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<td>36&quot; Casing By Open Cut</td>
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<td>24&quot; Seward Pipe</td>
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<td>Epoxy Manhole Liner</td>
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<td>5' Manhole</td>
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<td>8' Extra Depth Manhole</td>
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Total UNIT II: SANITARY SEWER IMPROVEMENTS: 74,000.00

## UNIT III: DRAINAGE IMPROVEMENTS

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<td>Remove Fence</td>
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<td>Remove Concrete</td>
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<tr>
<td>Remove 10&quot; Curb Inlet</td>
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<td>SWPPP</td>
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<td>Concrete Riprap</td>
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<td>Large Stone Rip rap, grouted</td>
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<td>Concrete Curb</td>
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<td>18&quot; TGP, Class III</td>
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<td>24&quot; TGP, Class V</td>
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<td>10&quot; Curb Inlet</td>
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<td>Gravel Paving Removal</td>
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<td>60&quot; Storm Pipe</td>
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<td>12&quot; X 12&quot; Junction Box</td>
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<td>13&quot; X 10&quot; Junction Box</td>
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<td>10 x 10 Box Culvert With Through Inlet (C-I-F)</td>
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Total UNIT III: DRAINAGE IMPROVEMENTS: 2,992,000.00

## UNIT IV: PAVING IMPROVEMENTS

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<td>Remove Fence</td>
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<td>Remove Concrete</td>
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<td>Asphalt Paving</td>
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<td>Concrete Curb/Gutter</td>
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<td>24&quot; and Larger Tree Removal</td>
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<td>6&quot; Line Treatment</td>
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Total UNIT IV: PAVING IMPROVEMENTS: 283,000.00

Agreement for Mistletoe Station Apartments
TIF Development Agreement
between Southside TIF and Mistletoe Station, LLC
Page 26 of 27
Rev. 08/2016 v20160818
## Bid Summary

<table>
<thead>
<tr>
<th>Description</th>
<th>Unit Price</th>
<th>Bid Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>UNIT I. STREET LIGHTING IMPROVEMENTS</td>
<td>12,000.00</td>
<td>40,000.00</td>
</tr>
<tr>
<td>UNIT II. WATER IMPROVEMENTS</td>
<td>124,000.00</td>
<td>124,000.00</td>
</tr>
<tr>
<td>UNIT II. SANITARY SEWER IMPROVEMENTS</td>
<td>74,000.00</td>
<td>74,000.00</td>
</tr>
<tr>
<td>UNIT III. DRAINAGE IMPROVEMENTS</td>
<td>2,592,050.00</td>
<td>2,592,050.00</td>
</tr>
<tr>
<td>UNIT II. PAVING IMPROVEMENTS</td>
<td>2,933,000.00</td>
<td>2,933,000.00</td>
</tr>
<tr>
<td>UNIT V. STREET LIGHTING IMPROVEMENTS</td>
<td>40,000.00</td>
<td>40,000.00</td>
</tr>
<tr>
<td>Total Construction Bid</td>
<td>3,513,000.00</td>
<td>3,513,000.00</td>
</tr>
</tbody>
</table>

## Bidder's Proposal

### Project Item Information

<table>
<thead>
<tr>
<th>Bidder Item No.</th>
<th>Description</th>
<th>Specification Section No</th>
<th>Unit of Measure</th>
<th>Bid Quantity</th>
<th>Unit Price</th>
<th>Bid Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Fire hydrant &amp; Valve Box Installation</td>
<td>34.41.20.20</td>
<td>EA</td>
<td>6</td>
<td>2,000.00</td>
<td>12,000.00</td>
</tr>
<tr>
<td>2</td>
<td>Fire hydrant &amp; Valve Box Installation</td>
<td>34.41.20.20</td>
<td>EA</td>
<td>6</td>
<td>4,241.87</td>
<td>25,453.00</td>
</tr>
<tr>
<td>3</td>
<td>Fire hydrant &amp; Valve Box Installation</td>
<td>34.41.20.20</td>
<td>EA</td>
<td>1</td>
<td>750.00</td>
<td>750.00</td>
</tr>
</tbody>
</table>

**TOTAL UNIT V. STREET LIGHTING IMPROVEMENTS**

**Total Construction Bid**

### Project Item Information

<table>
<thead>
<tr>
<th>Bidder Item No.</th>
<th>Description</th>
<th>Specification Section No</th>
<th>Unit of Measure</th>
<th>Bid Quantity</th>
<th>Unit Price</th>
<th>Bid Value</th>
</tr>
</thead>
</table>

**TOTAL UNIT II. SEWER IMPROVEMENTS**

**Total Construction Bid**

---

*Conjecture to choose only one item labeled A, B, or C.*

**All bidders that provide unit pricing for the bid items listed below and fail to provide unit costs for call items will cause the bidder to be considered unsponsive and be disqualified.*

**Request for Proposal (RFP) Statement of Work and for the project must be submitted as part of the proposal.**

**Bid Summary**

**UNIT I. SEWER IMPROVEMENTS**

**Total Construction Bid**

---

Agreement for Mistletoe Station Apartments
TIF Development Agreement
between Southside TIF and Mistletoe Station, LLC
Page 27 of 27

Rec. 08/2016
v20160818
Note to all applicants/respondents: This form was developed with Nuance, the official HUD software for the creation of HUD forms. HUD has made available instructions for downloading a free installation of a Nuance reader that allows the user to fill-in and save this form in Nuance. Please see [http://portal.hud.gov/hudportal/documents/huddoc?id=nuancereaderninstall.pdf](http://portal.hud.gov/hudportal/documents/huddoc?id=nuancereaderninstall.pdf) for the instructions. Using Nuance software is the only means of completing this form.

### Affirmative Fair Housing Marketing Plan (AFHMP) - Multifamily Housing

<table>
<thead>
<tr>
<th>1a. Project Name &amp; Address (including City, County, State &amp; Zip Code)</th>
<th>1b. Project Contract Number</th>
<th>1c. No. of Units</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mistletoe Station 1916 Mistletoe Blvd. Fort Worth, TX 76104</td>
<td>17259</td>
<td>78</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>1d. Census Tract</th>
<th>1e. Housing/Expanded Housing Market Area</th>
</tr>
</thead>
<tbody>
<tr>
<td>48439102600</td>
<td>Housing Market Area: Tarrant County Expanded Housing Market Area: Fort Worth - Arlington MSA</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>1f. Managing Agent Name, Address (including City, County, State &amp; Zip Code), Telephone Number &amp; Email Address</th>
</tr>
</thead>
<tbody>
<tr>
<td>Stephanie Baker, Accolade Property Management, 621 Cowboys Parkway, Suite 200, Irving, TX 75063</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>1g. Application/Owner/Developer Name, Address (including City, County, State &amp; Zip Code), Telephone Number &amp; Email Address</th>
</tr>
</thead>
<tbody>
<tr>
<td>Saigebrock Development LLC, 6636 N. Riverside Drive, Ste. 500-A, Fort Worth, TX 76137</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>1h. Entity Responsible for Marketing (check all that apply)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Owner</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Position, Name (if known), Address (including City, County, State &amp; Zip Code), Telephone Number &amp; Email Address</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dena Moreland, Compliance Director, 621 Cowboys Parkway, Suite 200, Irving, TX 75063</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>1i. To whom should approval and other correspondence concerning this AFHMP be sent? Indicate Name, Address (including City, State &amp; Zip Code), Telephone Number &amp; E-Mail Address.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dena Moreland, Compliance Director, 621 Cowboys Parkway, Suite 200, Irving, TX 75063</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>2a. Affirmative Fair Housing Marketing Plan</th>
</tr>
</thead>
<tbody>
<tr>
<td>Plan Type</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Reason(s) for current update:</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>2b. HUD-Approved Occupancy of the Project (check all that apply)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Elderly</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>2c. Date of Initial Occupancy</th>
<th>2d. Advertising Start Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>03/01/2019</td>
<td>Advertising must begin at least 90 days prior to initial or renewed occupancy for new construction and substantial rehabilitation projects.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Date advertising began or will begin</th>
<th>For existing projects, select below the reason advertising will be used:</th>
</tr>
</thead>
<tbody>
<tr>
<td>01/01/2019</td>
<td>To fill existing unit vacancies</td>
</tr>
</tbody>
</table>

To reopen a closed waiting list (which currently has individuals) |
3a. Demographics of Project and Housing Market Area
Complete and submit Worksheet 1.

3b. Targeted Marketing Activity
Based on your completed Worksheet 1, indicate which demographic group(s) in the housing market area is/are least likely to apply for the housing without special outreach efforts. (check all that apply)

☐ White
☐ American Indian or Alaska Native
☒ Asian
☒ Black or African American
☐ Native Hawaiian or Other Pacific Islander
☒ Hispanic or Latino
☒ Persons with Disabilities
☐ Families with Children
☒ Other ethnic group, religion, etc. (specify)  
Veterans

4a. Residency Preference
Is the owner requesting a residency preference? If yes, complete questions 1 through 5. If no, proceed to Block 4b.

(1) Type Please Select Type

(2) Is the residency preference area:
- The same as the AFHMP housing/expanded housing market area as identified in Block 1e? Please Select Yes or No
- The same as the residency preference area of the local PHA in whose jurisdiction the project is located? Please Select Yes or No

(3) What is the geographic area for the residency preference?

(4) What is the reason for having a residency preference?

(5) How do you plan to periodically evaluate your residency preference to ensure that it is in accordance with the non-discrimination and equal opportunity requirements in 24 CFR 5.105(a)?

Complete and submit Worksheet 2 when requesting a residency preference (see also 24 CFR 5.655(c)(1)) for residency preference requirements. The requirements in 24 CFR 5.655(c)(1) will be used by HUD as guidelines for evaluating residency preferences consistent with the applicable HUD program requirements. See also HUD Occupancy Handbook (4350.3) Chapter 4, Section 4.6 for additional guidance on preferences.

4b. Proposed Marketing Activities: Community Contacts
Complete and submit Worksheet 3 to describe your use of community contacts to market the project to those least likely to apply.

4c. Proposed Marketing Activities: Methods of Advertising
Complete and submit Worksheet 4 to describe your proposed methods of advertising that will be used to market to those least likely to apply. Attach copies of advertisements, radio and television scripts, Internet advertisements, websites, and brochures, etc.
5a. Fair Housing Poster
The Fair Housing Poster must be prominently displayed in all offices in which sale or rental activity takes place (24 CFR 200.620(e)). Check below all locations where the Poster will be displayed.

☑ Rental Office ☐ Real Estate Office ☐ Model Unit ☑ Other (specify)

5b. Affirmative Fair Housing Marketing Plan
The AFHMP must be available for public inspection at the sales or rental office (24 CFR 200.625). Check below all locations where the AFHMP will be made available.

☑ Rental Office ☐ Real Estate Office ☐ Model Unit ☐ Other (specify)

5c. Project Site Sign
Project Site Signs, if any, must display in a conspicuous position the HUD approved Equal Housing Opportunity logo, slogan, or statement (24 CFR 200.620(f)). Check below all locations where the Project Site Sign will be displayed. Please submit photos of Project signs.

☑ Rental Office ☐ Real Estate Office ☐ Model Unit ☐ Entrance to Project ☐ Other (specify)

The size of the Project Site Sign will be _______ \( \times \) _______
The Equal Housing Opportunity logo or slogan or statement will be _______ \( \times \) _______
7a. Marketing Staff
What staff positions are/will be responsible for affirmative marketing?

Property Manager

7b. Staff Training and Assessment: AFHMP
(1) Has staff been trained on the AFHMP? [Yes] [ ]
(2) Has staff been instructed in writing and orally on non-discrimination and fair housing policies as required by 24 CFR 200.620(c)? [Yes] [ ]
(3) If yes, who provides instruction on the AFHMP and Fair Housing Act, and how frequently?
Yearly training with online tools and/or through the Tarrant County Apartment Association.

(4) Do you periodically assess staff skills on the use of the AFHMP and the application of the Fair Housing Act? [Yes] [ ]
(5) If yes, how and how often?
We shop our employees on a has needed basis and provide follow up training through the year.

7c. Tenant Selection Training/Staff
(1) Has staff been trained on tenant selection in accordance with the project's occupancy policy, including any residency preferences? [Yes] [ ]
(2) What staff positions are/will be responsible for tenant selection?
Dena Moreland, Compliance Director

7d. Staff Instruction/Training:
Describe AFHM/Fair Housing Act staff training, already provided or to be provided, to whom it was/will be provided, content of training, and the dates of past and anticipated training. Please include copies of any AFHM/Fair Housing staff training materials.

AFHM Training: The Regional Supervisor or Compliance Director reviews the AFHM Plan with employees on an annual basis and with new employees within the first week of hire. During this training, the current plan, current and previous marketing efforts are reviewed and explained.

Fair Housing Training: All employees must attend Fair Housing training as part of the new employee orientation and review the Fair Housing Policy regarding the company policy on Fair Housing. (see attached)

All new hires attend the next available Fair Housing training provided by the local apartment association and annually thereafter.
8. Additional Considerations Is there anything else you would like to tell us about your AFHMP to help ensure that your program is marketed to those least likely to apply for housing in your project? Please attach additional sheets, as needed.

"As per the recent requirements as issued by the Department of Housing and Urban Development, all applications, Tenant Consent and Release documents, Resident Selection Plans, Leases, House Rules, etc. are available in other languages and/or will be translated for those persons who request this accommodation."

"In addition to households that would not normally apply, outreach to LEP persons has also been considered. Outreach and accommodation to LEP persons is done through various translated materials, referral to community liaisons proficient in the language of LEP persons, and bilingual staff, if necessary."

"Manager will also consider whether marketing materials in other languages need to be utilized. This info will be in both English and Spanish for those with Limited English Proficiency."

9. Review and Update
By signing this form, the applicant/respondent agrees to implement its AFHMP, and to review and update its AFHMP in accordance with the instructions to item 9 of this form in order to ensure continued compliance with HUD's Affirmative Fair Housing Marketing Regulations (see 24 CFR Part 200, Subpart M). I hereby certify that all the information stated herein, as well as any information provided in the accompaniment herewith, is true and accurate. Warning: HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties. (See 18 U.S.C. 1001, 1010, 1012; 31 U.S.C. 3729, 3730).

Signature of person submitting this Plan & Date of Submission (mm/dd/yyyy)

Dena Moreland

Name (type or print)

Compliance Director, Accolede Property Management

For HUD-Office of Housing Use Only
Reviewing Official:

For HUD-Office of Fair Housing and Equal Opportunity Use Only

☐ Approval
☐ Disapproval

Signature & Date (mm/dd/yyyy)

Name (type or print)

Title

Signature & Date (mm/dd/yyyy)

Name (type or print)

Title
For each targeted marketing population designated as least likely to apply in Block 3b, identify at least one community contact organization you will use to facilitate outreach to the particular population group. This could be a social service agency, religious body, advocacy group, community center, etc. State the names of contact persons, their addresses, their telephone numbers, their previous experience working with the target population, the approximate date contact was/will be initiated, and the specific role they will play in assisting with the affirmative fair housing marketing. Please attach additional pages if necessary.

<table>
<thead>
<tr>
<th>Targeted Population(s)</th>
<th>Community Contact(s), including required information noted above.</th>
</tr>
</thead>
</table>
| Person with Disabilities| Beth Noah, Aging and Disability Resource Center of Tarrant County, 1300 Circle Dr. Fort Worth, TX 76119  
Contact will be made 1/1/2019. |
| Hispanic/Latino         | John Hernandez, Fort Worth Hispanic Chamber of Commerce, 1327 North Main Street, Fort Worth TX 76184  
Contact will be made 1/1/2019. |
| Veterans               | Randy McGuffee, Veterans Coalition of Tarrant County, 3840 Hulen Street, Ste. 500, Fort Worth, TX 76107  
Contact will be made 1/1/2019. |
| Asian                  | Yen Nguyen, Tarrant County Asian American Chamber of Commerce, 1818 E. Pioneer Pkwy., Arlington, TX 76010  
Contact will be made 1/1/2019. |
| Black/African American | Sultan Cole, Fort Worth Metropolitan Black Chamber of Commerce, 1150 South Freeway, Ste. 211, Fort Worth, TX 76104  
Contact will be made 1/1/2019. |
In the course of the Department’s Housing Tax Credit Eligibility/Selection/Threshold and/or Direct Loan review of the above referenced application, a possible Administrative Deficiency as defined in §10.3(a)(2) and described in §10.201(7)(A) and/or §10.201(7)(B) of the 2018 Uniform Multifamily Rules was identified. By this notice, the Department is requesting documentation to correct the following deficiency or deficiencies. Any issue initially identified as an Administrative Deficiency may ultimately be determined to be beyond the scope of an Administrative Deficiency, and the distinction between material and non-material missing information is reserved for the Director of Multifamily Finance, Executive Director, and Board.

Tab 24. Unit Set-Aside Requirements (Direct Loan Only)
**There is not a proportional number of Direct Loan units for each unit type when compared to the total number of units for each unit type. We will need an additional 2 bedroom Direct Loan unit in order to make it proportional to overall units.
**Tab 31. Financing Narrative and Summary of Sources and Uses of Funds**

**Construction/permanent lender(s) and syndicator signed, dated, and completed the acknowledgement (Mark "N" here if acknowledgement is included in commitment and/or LOI instead). No signature(s) provided. Please execute and resubmit.**

**No other permanent sources of debt that are smaller in amount to the Direct Loan funds are identified as being in a superior lien position—confirm lien positions as TDHCA is listed as 4th lien with smaller loans in superior lien position. Make sure this is consistent with term sheets.**

**No other sources of debt identified as having superior lien position are cashflow loans, deferred payment or non-amortizing balloon notes, or other soft payment structures. Read and verify in term sheets and Financing Narrative.**

**Tab 33. Matching Funds**

**Please provide documentation/letter from the City to show reimbursement intent. None provided**

**Tab 35. Supporting Documentation (Tabs 32-34 below)**

**Hunt Mortgage Loan Commitment Letter expired on August 18, 2018. Please provide and updated term sheet to show Amounts, terms, rate, etc, and must agree with Tab 31 Financing Narrative and Summary of Sources and Uses of Funds information, please refer to Section 10.204(7)(D) of the rules**

**Tab 38. List of Organizations and Principals**

**Each entity and person from the organization charts is accounted for on this form. All names on this form must match all names on the org charts, ie: Lisa M. Stephens, Megan Lasch, HCP SI, LLC are not listed on TAB 38 form. Please include and resubmit.**

**Tab 44. Affirmative Marketing Plan (Direct Loan Only)**

**Please provide the most recent version of Form 935.02a (Exp 12/31/16)—the form provided shows (exp date of 1/31/15)**

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**The above list may not include all Administrative Deficiencies such as those that may be identified upon a supervisory review of the application. Notice of additional Administrative Deficiencies may appear in a separate notification.**

All deficiencies must be corrected or otherwise resolved by 5 pm Austin local time on the fifth business day following the date of this deficiency notice. Deficiencies resolved after 5 pm Austin local time on the fifth business day will have 5 points deducted from the final score. For each additional day beyond the fifth day that any deficiency remains unresolved, the application will be treated in accordance with §10.201(7)(B) of the 2018 Uniform Multifamily Rules. Applications with unresolved deficiencies after 5pm Austin local time on the seventh business day may be terminated.

All deficiencies related to the Direct Loan portion of the Application must be resolved to the satisfaction of the Department by 5pm Austin local time on the fifth business day following the date of this deficiency notice. Applications with unresolved deficiencies after 5pm Austin local time on the seventh business day will be suspended from further processing, and the Applicant will be notified to that effect, until the deficiencies are resolved. If, during the period of time when the Application is suspended from review, Direct Loan funds become oversubscribed, the Applicant will be informed that unless the outstanding item(s) are resolved within one business day the Application will be terminated. For purposes of priority under the Direct Loan set-asides, if the outstanding item(s) are resolved within one business day, the date by which the item is submitted shall be the new received date pursuant to §13.5(c) of the 2018 Multifamily Direct Loan Rule. Applicants should be prepared for additional time needed for completion of staff reviews.

Unless the person that issued this deficiency notice, named below, specifies otherwise, submit all documentation at the same time and in only one file using the Department's Serv-U HTTPS System. Once the documents are submitted to the Serv-U HTTPSs system, please email the staff member issuing this notice. If you have questions regarding the Serv-U HTTPS submission process, contact Liz Cline at liz.cline@tdhca.state.tx.us or by phone at (512)475-3227. You may also contact Jason Burr at jason.burr@tdhca.state.tx.us or by phone at (512)475-3986.
All applicants should review §§11.1(b) and 10.2(b) of the 2018 QAP and Uniform Multifamily Rules as they apply to due diligence, applicant responsibility, and the competitive nature of the program for which they are applying.

**All deficiencies must be corrected or clarified by 5 pm Austin local time on November 9, 2018. Please respond to this email as confirmation of receipt.**

About TDHCA
The Texas Department of Housing and Community Affairs administers a number of state and federal programs through for-profit, nonprofit, and local government partnerships to strengthen communities through affordable housing development, home ownership opportunities, weatherization, and community-based services for Texans in need. For more information, including current funding opportunities and information on local providers, please visit www.tdhca.state.tx.us.

Thank you

**Cris Simpkins**
Multifamily Program Specialist
Texas Department of Housing and Community Affairs
221 East 11th Street
Austin, Texas  78701
Ph: 512.475.3343
Multifamily Finance Division staff will place scanned copies of scoring notices behind this tab in the application .pdf
Multifamily Finance Division staff will place documents related to Requests for Administrative Deficiencies behind this tab in the application .pdf
Real Estate Analysis Division staff will place scanned copies of RFI documents behind this tab in the application .pdf
In the course of the Department’s underwriting review of the above referenced application an Administrative Deficiency, as defined in 10 TAC §10.3(a)(2), has been identified. By this notice, the Department is requesting information to clarify or to correct inconsistencies found in the Application or to provide non-material missing information. All Administrative Deficiency requests will be treated in accordance with §10.201(7) of the Uniform Multifamily Rules.

All deficiencies must be satisfactorily corrected or clarified by 5:00 p.m. Central Time on Wednesday, February 27, 2019 (fifth business day following the date of this deficiency notice).

All documentation should be submitted as a whole using the Department’s Serv-U HTTPS System. Once the documents are submitted to the Serv-U HTTPS system, please email the staff member issuing this notice. If you have questions regarding the Serv-U HTTPS submission process, contact Jason Burr at jason.burr@tdhca.state.tx.us or by phone at (512)475-3986. You may also contact Nicole Fisher at nicole.fisher@tdhca.state.tx.us or by phone at (512)475-2201.

NOTICE: Pursuant to §10.201(7) of the Uniform Multifamily Rules, revised Application exhibits not specifically requested by the Underwriter in an Administrative Deficiency WILL NOT be accepted.

1.

The Tidwell Group Independent Accountant’s Report (dated 10/17/18) states: "The $2,900,000 funded by City proceeds are not included in total costs or eligible costs. Site work not funded by the City in the amount of $1,612,939 is included in both total costs and eligible basis." This does not appear to correspond with what is being represented in your current Development Cost Schedule. Please explain.

Response:

Tidwell Group reviewed the costs associated with the public TIF improvements - the two cost schedules totalling $2,409,536 and $2,103,403 for a total public TIF work of $4,512,939. Of that total $4.5M, they determined that $2.9M is being reimbursed by the City of Fort Worth and is ineligible. The remaining $1,612,939 is eligible. Tidwell did not review the on-site site work costs of $624,400 as none of those costs were public improvements, didn't exceed $15,000 per unit and are not being reimbursed by the City. Of the $624,400 on-site site work (non-TIF work) all of this is estimated to be eligible basis for a total site work basis number of $2,237,339.

2.

Please explain why your Off-Site and Site Work Cost Breakdowns include General Requirements and GC Fees.

Response:

The off-site and site work cost forms that include the GC fee and the general requirements are the TIF/public improvements costs. They are contracts with the City of Fort Worth for public improvements separate from the contract for the building and
3. If you decide to revise your Development Cost Schedule, please submit a copy.

Response:

We do not believe revisions are needed at this time but if you would like to see the information presented differently, we will make revisions at your request.

4. 

Response:

5. 

Response:

6. 

Response:

7. 

Response:

8. 

Response:

9. 

Response:

10. 

Response:

11. 

Response:
In the course of the Department’s underwriting review of the above referenced application an Administrative Deficiency, as defined in 10 TAC §10.3(a)(2), has been identified. By this notice, the Department is requesting information to clarify or to correct inconsistencies found in the Application or to provide non-material missing information. All Administrative Deficiency requests will be treated in accordance with §10.201(7) of the Uniform Multifamily Rules.

All deficiencies must be satisfactorily corrected or clarified by 5:00 p.m. Central Time on Tuesday, January 22, 2019 (fifth business day following the date of this deficiency notice).

All documentation should be submitted as a whole using the Department’s Serv-U HTTPs System. Once the documents are submitted to the Serv-U HTTPs system, please email the staff member issuing this notice. If you have questions regarding the Serv-U HTTPs submission process, contact Jason Burr at jason.burr@tdhca.state.tx.us or by phone at (512) 475-3986. You may also contact Nicole Fisher at nicole.fisher@tdhca.state.tx.us or by phone at (512) 475-2201.

NOTICE: Pursuant to §10.201(7) of the Uniform Multifamily Rules, revised Application exhibits not specifically requested by the Underwriter in an Administrative Deficiency WILL NOT be accepted.

1. On your Rent Schedule, you are reflecting gross rent of $803 for the 2-bedroom LH 50% unit. The latest rent limits, as of 10/17/18, indicate gross rent of $846 for a 2-bedroom LH 50% unit. Please submit a revised Rent Schedule and Operating Expense Schedule that reflects that correction.

Response:
During program review, it was requested that we add one additional 2 Bd TCAP unit. Per the attached, the HOME/TCAP rent limit is $803.

2. Explain how you derived the annual debt service amounts of $1,884 for the $750,000 Fort Worth HFC loan and $2,260 for the $1,056,000 Fort Worth HOME loan.

Response:
The debt service for the HFC loan and the HOME loan was calculated by backing into a 1.15 DCR on total debt. With the primary loan and the TCAP loan being hard debt and the Fort Worth loans being soft debt, that was the amount that was available for additional debt service payments while remaining above a 1.15 DCR, split pro rata based on the soft loan amounts. Ultimately, both the first mortgage lender and the soft loan providers will have to review and approve the new debt structure and these payment amount are subject to change after their review and underwriting.
Multifamily Finance Division staff will place scanned copies of appeal documents behind this tab in the application .pdf
Multifamily Finance Division staff will place scanned copies of public comment received behind this tab in the application .pdf
Multifamily Finance Division staff will place scanned copies of Commitment or Determination Notice documents behind this tab in the application.pdf
Multifamily Finance Division staff will place scanned copies of Direct Loan Program Award Letters behind this tab in the application.pdf
Multifamily Finance Division staff will place scanned copies of Carryover Allocation Agreement documents behind this tab in the application .pdf