

1 - APPLICANT ENTITY

Introduction

Foundation Communities (FC) is a nationally recognized nonprofit founded in 1990 with a mission to provide quality affordable housing and supportive services to low-income families and individuals. FC over 25 years of experience creating housing where individuals and families succeed. Our vision for strong families and communities involves more than just providing a roof over peoples' heads. By combining affordable housing and free on-site services, we empower low-income residents with the tools they need to achieve long-term stability and self-sufficiency. FC focuses on four main areas:

- **Opening Doors to Homes:** We own and manage over 3,300 apartments across 20 properties in Austin and 3 in the North Texas. Over 6,000 residents call our communities home. We are the life-time owner, developer, property manager, and services provider to our Austin portfolio. We invest upfront in high quality design, materials, green building strategies for our new properties and invest heavily in capital repairs, maintenance, and green upgrades at our older properties.
- **Healthy Communities:** All FC residents have access to health amenities and resources including fitness, cooking and nutrition, food pantries, gardens, and disease management/prevention services. We have 727 permanent supportive housing apartments where single adults who have chronic health problems and disabilities, have been homeless, or survive on fixed incomes receive intensive case management. To support families coming out of homelessness, we created the Children's HOME Initiative (CHI). These 142 units, integrated throughout our family properties, provide reduced rents and case management to help families move from crisis to long-term stability.
- **Learning in a Community:** On-site Learning Centers give 1,000 children of working parents academic and enrichment support, including the Green and Healthy Kids program. 85% of students maintain or improve their grades in our free out-of-school time programs. Adult education is also a priority and includes job and computer skills, English as a Second Language, and digital and financial literacy. College Hub deepens FC's decade-long commitment to serving non-traditional students, providing intensive support and academic opportunities for low income and first generation college students.
- **Financial Stability:** Financial Centers provide free tax preparation to 30,000+ low-income individuals each year with the help of 750 volunteers. Annual refunds amount to more than \$40 million, and can equal 25% of a family's annual income. Each year, more than 600 families become smart consumers through financial coaching; at least 50% reduce their debt. Matched savings plans assist families to purchase a home, attend college, or start a business. We assist more than 1,000 students with FAFSA preparation, and help low-income students access nearly \$4 million in Pell grants and scholarships. Finally, by leveraging our certified volunteers, we enroll 5,000+ individuals in health insurance each season.

See attached for a summary of our Austin Portfolio.

1 - APPLICANT ENTITY

Certification of Status

See attached



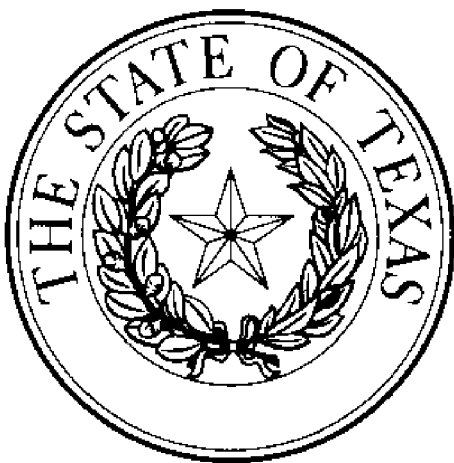
Office of the Secretary of State

Certificate of Fact

The undersigned, as Secretary of State of Texas, does hereby certify that the document, Articles Of Incorporation for FOUNDATION COMMUNITIES, INC. (file number 114499001), a Domestic Nonprofit Corporation, was filed in this office on March 05, 1990.

It is further certified that the entity status in Texas is in existence.

In testimony whereof, I have hereunto signed my name officially and caused to be impressed hereon the Seal of State at my office in Austin, Texas on February 01, 2019.



A handwritten signature in black ink, appearing to read "David Whitley".

David Whitley
Secretary of State

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Applicant Capacity

Walter Moreau, Executive Director. During his 25-year career, Walter has secured subsidy financing of more than \$350 million to create more than 3,300 units of service-enriched, nonprofit-owned affordable housing, and 13 onsite learning centers. Moreau was recognized as a 2007 James A. Johnson Community Fellow by the Fannie Mae Foundation. He was also awarded the 2005 Social Entrepreneur of the Year Award and the 2004 Texas Houser Award. He holds a Master's degree from UT's LBJ School of Public Affairs. He has been with Foundation Communities for more than 20 years.

Sabrina Butler, Director of Real Estate Development, oversees FC's overall real estate development portfolio with a particular focus on new development opportunities and identification/packaging of subsidy and conventional financing for multi-family housing. Packaging includes running project proformas, applying for the funding, bidding out equity/mortgages, coordinating closings, and ensuring compliance with construction-related funding provisions. Sabrina joined Foundation Communities in 2017 with nearly 15 years of experience in nonprofit affordable housing and community development finance. Sabrina has a Masters in Regional Planning.

Megan Matthews, Director of Design, and licensed Architect in the State of Texas, oversees the programming, design, and construction management of all development projects. She focuses on green building and sustainability issues while seeking out the best design solutions for the end users. Before joining the Foundation Communities team, Megan worked for the architectural firm responsible for the design of M Station, Homestead Oaks, Lakeline Station, Cardinal Point, and The Jordan at Mueller and was on the design team for four of those communities. Megan coordinates the RFQ and bid processes for the architect, engineers, and general contractor and is the direct link between the third party design and construction professionals and FC's Development team. Megan has a Bachelor of Architecture degree from The University of Texas at Austin.

Tillie Croxdale, Real Estate Project Manager, underwrites all new development proposals and manages initial site analysis and due diligence. Tillie also assists the Director of Housing Finance with all phases of each capital funding stack including preparation of funding applications (including LIHTC applications), solicitation of mortgage and equity financing and coordination of financing closings. Tillie has a Bachelor in Architecture, a Master in Real Estate Finance and nine years' experience in the affordable housing field.

Anna Lake-Smith, Development Project Manager, works with the Development team to take projects through feasibility, design, and construction, including coordinating with the Sustainability, Property, and Asset Management teams. Anna brings a wide range of design experience, from residential interiors to citywide planning strategies. Anna holds a dual MS in Urban Design and MS in Community/Regional Planning from The University of Texas at Austin, and a Bachelor of Arts in Architecture from Wellesley College.

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Applicant Experience

Project management: Megan Matthews oversees the design and construction of our communities, and coordinates the RFQ and bid process for the architect, engineers, and general contractor. She also acts as the direct link between the third party design and construction professionals and FC's Development team. She oversaw the construction of Cardinal Point and Garden terrace Phase III last year and is currently overseeing the construction of The Jordan at Mueller and the design of Waterloo Terrace

Market Analysis: Foundation Communities typically engages a third party firm to conduct market studies for each of our proposed projects. The market study is ordered in the contract feasibility period. Sabrina Butler receives bids and engages each project's market analyst.

Site selection and Control: Walter Moreau has over 20 years of site selection experience. Sites are selected based on a variety of factors including current funding priorities, cost of land, preservation of affordable housing opportunities, and availability of sites in close proximity to existing FC properties. FC contracts with a private, third party land broker to find sites and negotiate with sellers. Sabrina Butler works with the title company to ensure all requirements are met on the buyer side and oversees the closing on behalf of Foundation Communities.

Planning and Construction: Foundation Communities contracts with third-party general contractors and has been privileged to work with a number of quality ones. FC invites those firms to bid on all projects developed by Foundation Communities (in addition to other firms who might be interested). FC has an excellent working relationship and with several general contractors.

Design, Architecture and Engineering: Megan Matthews oversees the hiring of the design and engineering team. Typically, Megan issues an RFQ to an invited list of bidders (open to all interested parties.) The list is narrowed down based on responses and then the FC development team including Walter, Sabrina and Megan meet the finalists and make a selection based on presentations. FC has an excellent working relationship with several architectural firms and civil engineers.

Legal and Accounting: All accounting is performed in-house by an accounting team led by Ann Clift, CFO. Tax returns, audits and cost certifications for tax credit properties are contracted out to Novogradac and Company, LLC. FC has engaged a third party attorney

Federal Funding Rules: FC has extensive experience working with programs funded by HUD and their associated federal regulations including: Federal Labor Standards, Davis Bacon Reporting, Section 3, Affirmative Marketing, Environmental Clearances, Public Notices and Procurement Standards.

Other Funding Source Rules: FC has a great track record for using multiple funding sources on each projects. Funding stacks often include state funds, FLHB, grants, and private fundraising.

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Statement of Confidence

Foundation Communities owns 3 properties in North Texas and contracts with a 3rd party property management company to oversee the day-to day operations. Because we have extensive experience in Austin, staff advised us that Statement of Confidence from other jurisdictions is not necessary.

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Financial Capacity

Foundation Communities has over 25 years of experience utilizing multiple funding tools in the development of affordable multifamily housing. We have an excellent track-record of securing funding in competitive allocations of 9% tax credits, Federal Home Loan Bank AHP funds, and City of Austin RHDA funds as well as strong working relationships with multiple lenders and tax credit investors.

Tax Credits: Over the past 18 years, Foundation Communities has applied for and been awarded 9% tax credits for 12 developments and 4% tax credits on 1 development, which utilized bonds from AHFC. The FC development team is well-versed in the LIHTC program and application process and closely follows the annual drafting of the Qualified Allocation Plan. FC has relationships with multiple tax credit investors and syndicators including Enterprise Community Investment, Bank of America, Wells Fargo, Raymond James, NEF, and BBVA Compass.

City of Austin: The City of Austin has been a major contributor on every project completed by Foundation Communities in the past 18 years. The FC Development team follows the release of the City's application rules and NOFA and has a solid working relationship with City of Austin NHCD/AHFC staff.

FHLB: Foundation Communities has applied for and received 11 awards through the FHLB Affordable Housing Program.

Lenders: Foundation Communities has excellent relationships with several lenders that allow for competitive rates and pricing. We currently have private mortgages with Compass BBVA, Bank of America, Wells Fargo, Capital One Bank, and Greater Texas Federal Credit Union.

Private Fundraising: FC has a very strong track-record of private fundraising and individual donations. Past large foundation donors include Meadows, Topfer, Kendeda, Enterprise, Home Depot, St. David's, and the Michael & Susan Dell Foundations. In the last two years FC secured two large private foundation grants, \$2.4 million from the St. David's Health Foundation and \$2 million from the Michael and Susan Dell Foundation, to help with construction of health and education amenities onsite at new affordable housing developments. In the last four years, Foundation Communities has been successful in raising over \$10 million in private funds to help fund construction of 433 units.

Other: FC has also utilized TDHCA's Multifamily Direct Loan Program (TCAP and National Housing Trust Fund loans), and the federal Capital Magnet Fund program.

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Financial Capacity

Portfolio and Funding Sources

Project Name	Year	Type	Units	Funding Tools
Waterloo Terrace - <i>In Permitting</i>	2018	New	132	9% LIHTC City of Austin - GO Bonds FHLB San Francisco - application in 2019
Jordan At Mueller - <i>Under Construction</i>	2017	New	132	9% LIHTC City of Austin - GO Bonds FHLB San Francisco
Cardinal Point	2015	New	120	9% LIHTC City of Austin - GO Bonds FHLB San Francisco
Garden Terrace Phase III	2015	New	20	TDHCA - TCAP City of Austin - GO Bonds FHLB San Francisco
Bluebonnet Studios	2014	New	107	9% LIHTC TDHCA - TCAP City of Austin - GO Bonds & HOME FHLB San Francisco
Lakeline Stations	2014	New	128	9% LIHTC City of Austin RHDA Program Department of Justice Funds Capital Magnet Fund
Live Oak Trails	2014	New	58	9% LIHTC TDHCA - TCAP City of Austin - GO Bonds & HOME Department of Justice Funds Capital Magnet Fund
Homestead Oaks	2013	New	140	9% LIHTC City of Austin - GO Bonds FHLB San Francisco HUD 221(d)(4) - Mortgage
Capital Studios	2012	New	135	9% LIHTC City of Austin - GO Bonds FHLB San Francisco
Arbor Terrace	2011	Rehab	120	TDHCA - Neighborhood Stabilization Program City of Austin - GO Bonds & CDBG FHLB Atlanta
Sierra Vista	2010	Rehab	238	9% LIHTC City of Austin RHDA Program FHLB San Francisco
M Station	2009	New	150	9% LIHTC City of Austin - GO Bonds FHLB San Francisco
Garden Terrace Phase II	2008	Rehab	15	City of Austin - HTF FHLB San Francisco

Project Name	Year	Type	Units	Funding Tools
Skyline Terrace	2006	Rehab	100	9% LIHTC TDHCA HOME City of Austin HOME & HTF FHLB San Francisco
Spring Terrace	2005	Rehab	142	TDHCA HOME & HTF City of Austin - HOME & CDBG FHLB Dallas
Garden Terrace Phase I	2003	Rehab	88	TDHCA - HOME City of Austin - HOME & CDBG FHLB Atlanta HACA
Southwest Trails	2001	New	160	4% LIHTC TDHCA - Housing Trust Fund City of Austin - HOME & HTF FHLB Dallas
Trails at The Park	2000	New	200	9% LIHTC
Trails at Vintage Creek	2000	Rehab	200	City of Austin - Housing Revenue Bond
Daffodil	1996	Rehab	40	TDHCA - RTC AHDP
Peters Colony	1995	Rehab	160	TDHCA - RTC AHDP
Shadow Brook	1995	Rehab	403	TDHCA - RTC AHDP
Sleepy Hollow	1995	Rehab	128	TDHCA - RTC AHDP
Buckingham Duplexes	1991	Rehab	166	TDHCA - RTC AHDP
Sierra Ridge	1991	Rehab	149	
Crossroads	1990	Rehab	92	City of Austin - GO Bonds

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IRS Certification of Non-profit Status

See attached

Internal Revenue Service

Date: August 24, 2004

Foundation Communities, Inc.
3036 South First Street
Austin, TX 78704-6391

Department of the Treasury
P. O. Box 2508
Cincinnati, OH 45201

Person to Contact:
Janet M. Duncan 31-07676
Customer Service Specialist
Toll Free Telephone Number:
8:00 a.m. to 6:30 p.m. EST
877-829-5500

Fax Number:
513-263-3756
Federal Identification Number:
74-2563260
Group Exemption Number:
7171

Dear Sir or Madam:

This is in response to your request of July 6, 2004, regarding your organization's tax-exempt status.

In May 1990 we issued a determination letter that recognized your organization as exempt from federal income tax. Our records indicate that your organization is currently exempt under section 501(c)(3) of the Internal Revenue Code.

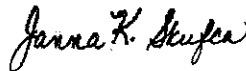
Our records indicate that your organization is also classified as a public charity under section 509(a)(2) of the Internal Revenue Code.

Based on the information supplied, we recognized the subordinates named on the list your organization submitted as exempt from federal income tax under section 501(c)(3) of the Code.

Our records indicate that contributions to your organization are deductible under section 170 of the Code, and that you are qualified to receive tax deductible bequests, devises, transfers or gifts under section 2055, 2106 or 2522 of the Internal Revenue Code.

If you have any questions, please call us at the telephone number shown in the heading of this letter.

Sincerely,



Janna K. Skufca, Director, TE/GE
Customer Account Services

INTERNAL REVENUE SERVICE
DISTRICT DIRECTOR
1100 COMMERCE STREET
DALLAS, TX 75242-0000

DEPARTMENT OF THE TREASURY

Date:

JUN 06 1995

CENTRAL TEXAS MUTUAL HOUSING
ASSOCIATION
C/O CINDY CHRISTIANSEN
2512 S IH 35 STE 350
AUSTIN, TX 78704-5751

Employer Identification Number:
74-2563260

Case Number:
755122043

Contact Person:
ANNETTE SMITH

Contact Telephone Number:
(214) 767-6023

Our Letter Dated:
May 23, 1990

Addendum Applies:
No

Dear Applicant:

This modifies our letter of the above date in which we stated that you would be treated as an organization that is not a private foundation until the expiration of your advance ruling period.

Your exempt status under section 501(a) of the Internal Revenue Code as an organization described in section 501(c)(3) is still in effect. Based on the information you submitted, we have determined that you are not a private foundation within the meaning of section 509(a) of the Code because you are an organization of the type described in section 509(a)(2).

Grantors and contributors may rely on this determination unless the Internal Revenue Service publishes notice to the contrary. However, if you lose your section 509(a)(2) status, a grantor or contributor may not rely on this determination if he or she was in part responsible for, or was aware of, the act or failure to act, or the substantial or material change on the part of the organization that resulted in your loss of such status, or if he or she acquired knowledge that the Internal Revenue Service had given notice that you would no longer be classified as a section 509(a)(2) organization.

If we have indicated in the heading of this letter that an addendum applies, the addendum enclosed is an integral part of this letter.

Because this letter could help resolve any questions about your private foundation status, please keep it in your permanent records.

If you have any questions, please contact the person whose name and telephone number are shown above.

Sincerely yours,



Bobby E. Scott
District Director

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Financial Audit

See attached

1 - APPLICANT ENTITY

Board Resolution

See attached

**SECRETARY'S CERTIFICATE OF ADOPTION
OF RESOLUTION BY BOARD OF DIRECTORS
OF FOUNDATION COMMUNITIES**

I, David Hart, certify that I am the duly qualified and acting Secretary of the Board of FOUNDATION COMMUNITIES, INC., a duly organized and existing Texas non-profit corporation (the "Corporation").

I do hereby certify that said Corporation is duly organized and existing under the laws of the State of Texas; that all franchise and other taxes required to maintain its corporate existence have been paid when due and no such taxes are delinquent; that no proceedings are pending for the forfeiture of its Certificate of Formation or for its dissolution; that it is duly qualified to do business in the State of Texas and is in good standing in such state; and that there is no provision of the Certificate of Formation or Bylaws of said Corporation limiting the power of the Board of Directors to pass the resolutions set out below and that the same are in conformity with the provisions of said Certificate of Formation and Bylaws.

Attached as Exhibit "A" is a true and correct copy of the resolutions adopted by unanimous consent of the Board of Directors of the Corporation at our legally held meeting on February 12th 2019.

ADOPTED this 12th day of February, 2019.



DAVID HART, Secretary Foundation Communities
Board of Directors

EXHIBIT A

RESOLUTION OF THE BOARD OF DIRECTORS OF FOUNDATION COMMUNITIES, INC.

[to be attached]

RESOLUTION
BOARD OF DIRECTORS OF
Foundation Communities, Inc.
Foundation Village

WHEREAS, **Foundation Communities, Inc.**, a non-profit Community Housing Development Organization (the “**Corporation**”), has determined that the actions set out in the following resolutions reasonably may be expected to benefit, directly or indirectly, the Corporation;

RESOLVED, that the Corporation, whether by and through itself or by and through a specific purpose entity created for such and under common control with Corporation, upon the Corporations receipt of an award of the 2019 competitive 9% housing tax credits, acquire certain real property commonly known as 11704 and 11706 N Lamar Blvd, Austin, TX 78753 (the “Property”, as further described on Exhibit A attached hereto) in accordance with the terms of that certain Commercial Contract – Improved Property dated December 6, 2018 between Tran Group, LLC (“Seller”) as seller and Corporation as purchaser (the “Acquisition”);

RESOLVED, that either WALTER MOREAU, as Executive Director of the Corporation (the “ED”) or Julian Huerta, as Deputy Executive Director (the “DED”) may in his/her sole discretion execute all documents to effectuate the Acquisition;

RESOLVED, that the Corporation apply for a loan for acquisition and/or construction costs, from the Austin Housing Finance Corporation in Rental Housing Development Assistance Funding for a proposed affordable housing, rental community to be constructed on the Property;

RESOLVED, that whether concurrently with or after Closing, the Corporation secure up to \$6,500,000 of loan funds from the Austin Housing Finance Corporation (the “Lender”) and pledge the Property and other related assets as collateral therefore, all on such terms and conditions as the ED or DED of the Corporation may in his/her sole discretion, deem necessary or desirable, and that the Corporation execute any and all pertinent loan documents required by Lender in connection therewith, confirming and ratifying its liability under said loan, all on such terms and conditions as the ED or DED of the Corporation may, in his/her sole discretion, deem necessary or desirable;

RESOLVED, that the grant by the Corporation of liens on the Property described above may also secure any and all other indebtedness now or hereafter owing to Lender;

RESOLVED, that the Corporation act in the future to take any and all actions necessary to renew, extend or otherwise modify the terms of the above referenced loan and any other loan from Lender, all on such terms and conditions and for such consideration as the ED or DED of the Corporation may in his/her sole discretion, deem necessary or advisable;

RESOLVED, that the ED or the DED of the Corporation be, and he/she is hereby, authorized, empowered, and directed to execute, acknowledge, and deliver, for and on behalf and in the name of the Corporation, such loan applications, assumption agreements, affidavits, assignments, bills of sale, promissory notes, deeds of trust, financing statements, security agreements, guaranties, pledges, loan documents and other instruments, containing such terms and conditions as the ED or the DED may in his/her sole discretion, deem necessary or desirable, and that the attestation by the Secretary of the Corporation and the affixation of the seal of the Corporation shall not be necessary;

RESOLVED, that any instruments executed in connection with the above described transactions may contain such effective dates, whether prior to or after the date of adoption of these resolutions as set forth below, as the ED or the DED of the Corporation may in his/her sole discretion, deem necessary or advisable; and

RESOLVED, that any and all transactions by any of the officers or representatives of the Corporation with Lender and Seller prior to the adoption of these resolutions be, and they are hereby, ratified and approved for all purposes.

Adopted and approved by the Board of Directors on the ____12th____ day of February, 2019.

FOUNDATION COMMUNITIES, INC.

A handwritten signature in cursive script, appearing to read "Michelle Wallis".

Michelle Wallis, Chair
Board of Directors of Foundation Communities, Inc.

EXHIBIT A

Legal Description of Property

Lot 7, Frank Stark Subdivision, a subdivision in Travis County, Texas, according to the map or plat thereof, recorded in Volume 4, Page 199, Plat Records of Travis County, Texas.

2 – DEVELOPMENT TEAM

Team Information

Role	Info	Contact	MBE	WBE	NP
Owner	FC N Lamar Housing, LP 3036 S. 1 st Street Austin, TX 78704	Walter Moreau, Executive Director (512) 610-4016 walter.moreau@foundcom.org			
Developer	Foundation Communities, Inc. 3036 S. 1st Street Austin, TX 78704	Walter Moreau, Executive Director (512) 610-4016 walter.moreau@foundcom.org			X
Architect	Hatch + Ulland Owen Architects 1010 East 11th Street Austin, Texas 78702	Tom Hatch, Partner (512) 474-8548 tomhatch@huoarchitects.com			
Engineer	Civiltude 1210 Rosewood Ave Austin, Texas, 78702	Fayez Kazi, President (512) 761-6161 fayez@civiltude.com	X		
Attorney	Rigby Slack Lawrence & Comerford, PLLC 6836 Austin Center Blvd., Suite 100 Austin, Texas 78731	Cathleen Slack, Partner (512) 782-2060 cslack@rigbyslack.com			
Accountant	Foundation Communities, Inc. 3036 S. 1st Street Austin, TX 78704	Ann Clift, CFO (512) 610-4032 ann.clift@foundcom.org			X
General Contractor	TBD				
Construction Lender	TBD				
Lenders	TBD				
Tax Credit Consultant	Betco Housing Lab 812 San Antonio, Suite L-14 Austin, Texas 78701	Lora Myrick, Principal (512) 785-3710 lora@betcohousinglab.com		X	
Property Manager	Foundation Communities, Inc. 3036 S. 1st Street Austin, TX 78704	Walter Moreau, Executive Director (512) 610-4016 walter.moreau@foundcom.org			X
Supportive Services	Foundation Communities, Inc. 3036 S. 1st Street Austin, TX 78704	Walter Moreau, Executive Director (512) 610-4016 walter.moreau@foundcom.org			X

2 – DEVELOPMENT TEAM

Experience

Foundation Communities has over 25 years of experience contracting for and overseeing the construction and rehabilitation of affordable housing. Nine of our existing communities were new construction projects financed with tax credits with one community under construction opening in summer of 2019 and another in permitting opening summer of 2010. The remaining fourteen communities in our portfolio were purchased as existing properties and greatly improved with renovations, green spaces and playscapes, learning centers, landscaping, signage, lighting and green building features (solar panels and rain water harvesting). We have experience with the design and construction of structures that are zero lot VMU, 4-story elevator, 3-story walk up, and renovations of apartment complexes, hotels, nursing homes, and duplexes. We have a great track record of gaining neighborhood support, zoning changes, completing construction within tax credit deadlines, and achieving green certifications with AEGB, LEED, and Enterprise Green Communities.

Hatch + Ulland Owen Architects is an Austin based architectural firm focused on sustainable and socially-responsible design. Foundation Communities has been working with them for over a decade and has contracted with them to design 5 of our recent developments: M Station, Homestead Oaks, Lakeline Station, Cardinal Point, and the Jordan at Mueller. They are experienced with our model of housing plus services, commitment to sustainable building, tax credit requirements and deadlines, and city of Austin permitting, and design requirements. Founded in 1978, they have a wealth of experience with commercial and residential design, including 65 Whole Foods Markets across the country and the downtown headquarters; Threadgill's; Thundercloud Subs; Twin Oaks Branch Library; McKinney Roughs Nature Park; Mueller community homes, and most recently Antone's.

Civiltude Over the last nine years, Civiltude has provided design surveying, civil engineering, and/or construction services at 14 Foundation Communities properties, four GNDC properties, 2 LifeWorks properties, 1 Green Doors property and 1 AHA property in partnership with HACA. Their experience with TDHCA tax credit and City GO Bond funded projects, centrally located office, integrated design approach and success with permitting site plans, and exemptions through the City of Austin uniquely position Civiltude to continue to serve the vulnerable population in the Austin community.

Rigby Slack Lawrence + Comerford, PLLC is an Austin-based law firm with a focus on real estate acquisition, development, leasing, and financing. Founding partner Cathleen Slack and her team have enjoyed assisting Foundation Communities with the acquisition of real estate and development for several projects, as well as acquisition and construction financing. The firm also provides over thirty years of combined experience navigating title and survey matters for Foundation Communities.

Betco Housing Lab is a full service housing development consulting firm, established in 2011. The firm specializes in the securing of funds for the development of affordable housing via programs such as Housing Tax Credits (9% and 4%), HOME, Federal Home Loan Bank and other public funds. They have applied for and received awards throughout the state of Texas and in all metropolitan cities, such as Dallas, Houston, Ft. Worth, and San Antonio. BETCO has eight properties in its portfolio where it is the managing member or HUB partner in the General Partner.

3 - PROPERTY MANAGEMENT TEAM

Experience

Foundation Communities performs all leasing, maintenance, accounting, compliance and other property management functions for its 20 Austin properties. Foundation Communities earns property management and asset management fees that help support the overall nonprofit mission. The success of Foundation Communities' property management is demonstrated through its low vacancy (2% in 2018), high rent collection (99% in 2018), ability to keep all properties consistently performing within their operating budgets, completion of capital repairs of over \$535/unit, and a relatively high percentage of move outs going to homeownership (20% in 2017).

FC monitors portfolio health, tracks each project monthly, compares actual performance to budget assumptions, and aggregates detailed performance metrics at the portfolio level for review by the CFO. All projects are producing their targeted cash flow and reserves established by the Board. FC has a well-funded Central Reserve and robust Asset Management program to keep properties in good condition and eliminate unforeseen capital/repair expenses that would undermine FC's organizational and financial strength. Below are the resumes of our key property management personnel.

Vicki McDonald, Director of Real Estate Operations, oversees the income and assets of the FC portfolio. She has over 30 years of experience in owning and managing multifamily, office and retail developments. For 25 years, she owned and operated Vista Properties, a real estate firm specializing in the management, leasing and brokerage of income producing assets. Vicki is the link between the development team and property management as well as filling in on project management as the pipeline demands.

Desiree Golden, Director of Family Property Management, oversees 17 family properties within the FC portfolio as well as the Compliance Department. She works closely with District Managers on day to day operations along with evaluating the ongoing financial performance of each property. Desiree has over 29 years of experience in Property Management (10 years with FC) and has her CAM and CAPS designations from NAA.

Valicia Nichols, Director of Compliance, is well-versed in guidelines and regulations for FC's compliance programs, such as Low Income Housing Tax Credits (LIHTC), HOME, HUD Section 8 Voucher, Housing Trust Fund, Neighborhood Stabilization Program (NSP), Section 811 and older programs, e.g., Affordable Housing Program (AHP). She maintains FC's good standing with compliance agencies, e.g., TDHCA (state); City of Austin; Federal Home Loan Banks of Atlanta, Dallas and San Francisco; and syndicators such as Wells Fargo, Bank of America, and Enterprise.

3 - PROPERTY MANAGEMENT TEAM

Compliance Reports

See attached for compliance reports for our Austin developments that are monitored by the city. Per city staff direction, we did not include compliance reports for our North Texas developments because our good track record in the City of Austin is sufficient evidence of experience.



City of Austin

Neighborhood Housing and Community Development

P.O. Box 1088, Austin, TX 78767-1088

(512) 974-3100 ♦ Fax: (512) 974-3112 ♦ www.cityofaustin.org/housing

August 23, 2018

Cacki Young
Bluebonnet Studios
2301 South Lamar Blvd
Austin, TX 78704

Re.: 2018 Rental Housing Development Assistance (RHDA) Monitoring
Foundation Communities – Bluebonnet Studios

Dear Ms. Golden:

On August 22, 2018, on-site monitoring of Bluebonnet Studios was conducted by Blueprint Housing Solutions, a contractor for the City of Austin. The monitoring included physical inspections of selected units. The purpose of the monitoring was to assess compliance with federal and local regulatory requirements set forth in the Rental Housing Development Assistance Program Loan Agreement (the "Loan Agreement") with the Austin Housing Finance Corporation (AHFC).

I am pleased to inform you that all units passed inspection and Bluebonnet Studios is compliant with the terms of the loan agreement.

If you have any questions or need additional information, please contact me at (512) 974-3148 or Chase.Clements@austintexas.gov.

Regards,

Chase Clements

Chase Clements
Financial Manager
NHCD, City of Austin



City of Austin

Neighborhood Housing and Community Development

P.O. Box 1088, Austin, TX 78767 -1088

(512) 974-3100 ♦ Fax: (512) 974-3112 ♦ www.cityofaustin.org/housing

August 16, 2018

April Harper
Property Manager
Capital Studios
309 East 11th Street
Austin, TX 78702

Re.: 2018 Rental Housing Development Assistance (RHDA) Monitoring
Capital Studios

Dear Ms. Harper:

On August 2, 2018, on-site monitoring of Capital Studios was conducted by Blueprint Housing Solutions, a contractor for the City of Austin. The monitoring included physical inspections of selected units. The purpose of the monitoring was to assess compliance with federal and local regulatory requirements set forth in the Rental Housing Development Assistance Program Loan Agreement (the "Loan Agreement") with the Austin Housing Finance Corporation (AHFC).

I am pleased to inform you that all units passed inspection and Capital Studios is compliant with the terms of the loan agreement.

If you have any questions or need additional information, please contact me at (512) 974-3148 or Chase.Clements@austintexas.gov.

Regards,

Chase Clements

Chase Clements
Financial Manager
NHCD, City of Austin

XC: Tracy Moczygemba, Foundation Communities



City of Austin

Neighborhood Housing and Community Development

P.O. Box 1088, Austin, TX 78767 -1088

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October 4, 2018

Christmas Ovalle
Property Manager
Cardinal Point Apartments
11015 Four Points Drive
Austin, TX 78730

Re.: 2018 Rental Housing Development Assistance (RHDA) Monitoring
Foundation Communities – Cardinal Point Apartments

Dear Christmas:

On September 26, 2018, on-site monitoring of Cardinal Point Apartments was conducted by Blueprint Housing Solutions, a contractor for the City of Austin. The monitoring included physical inspections of selected units. The purpose of the monitoring was to assess compliance with federal and local regulatory requirements set forth in the Rental Housing Development Assistance Program Loan Agreement (the "Loan Agreement") with the Austin Housing Finance Corporation (AHFC).

I am pleased to inform you that all units passed inspection and Cardinal Point is compliant with the terms of the Loan Agreement.

If you have any questions or need additional information, please contact me at (512) 974-9379 or Jenilee.Ramirez@austintexas.gov.

Regards,

Jenilee Ramirez

Jenilee Ramirez
Financial Analyst IV
NHCD, City of Austin



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May 22, 2017

Lydia Arbizu
Community Manager
Crossroads Apartments
8801 McCann Drive
Austin, TX 78757

Re.: 2017 Rental Housing Development Assistance (RHDA) Monitoring
Crossroads Apartments, 8801 McCann Dr., Austin, TX 78757

Dear Ms. Arbizu:

On May 22, 2017, Neighborhood Housing and Community Development (NHCD) conducted a remote monitoring of records for the above referenced location(s) and on May 16, 2017, a physical inspection of selected units was conducted. The purpose of the monitoring was to ensure compliance with local and federal regulatory requirements set forth in your RHDA loan agreement with the Austin Housing Finance Corporation (AHFC) dated June 17, 2009.

I am pleased to inform you that Crossroads Apartments is **compliant** with all requirements set forth in the RHDA Loan Agreement.

If you have any questions or need additional information, please contact me at 512-974-3110 or Susan.Kinel@austintexas.gov.

Regards,

Susan Kinel
Contract Management Specialist
Neighborhood Housing and Community Development

XC: Kristina Thompson, Foundation Communities
Tracy Moczygemba, Foundation Communities
Chase Clements, NHCD

Enclosure: Physical Inspection Report

Area / Unit	Status	Deficiency	Level	LT7	Comments
Site	Pass	No observed deficiencies			
Building Exterior	Pass	No observed deficiencies			
Building Systems	Pass	Sewer cap off - left, rear	3		Corrected while onsite. Sewer cap was screwed back on.
Building Systems	Pass	Missing knock out covers on electrical disconnected box - x2	3	Y	Corrected while onsite. Holes were covered with a cover plate
Common Areas	Pass	No observed deficiencies			
Unit 117	Pass	Bedroom - missing outlet plate	3	Y	Corrected while in the unit. Outlet plate was installed.



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May 24, 2017

Lila Wilds
Community Manager
Homestead Oaks Apartments
3226 W. Slaughter Ln.
Austin, TX 78748

Re.: 2017 Rental Housing Development Assistance (RHDA) Monitoring
Homestead Oaks Apartments, 3226 W. Slaughter Ln., Austin, TX 78748

Dear Ms. Wilds:

On May 17, 2017, Neighborhood Housing and Community Development (NHCD) conducted an on-site monitoring of records for the above referenced location(s) and on May 23, 2017, a physical inspection of selected units was conducted. The purpose of the monitoring was to ensure compliance with local and federal regulatory requirements set forth in your RHDA loan agreement with the Austin Housing Finance Corporation (AHFC) dated August 13, 2014.

All deficiencies noted in the physical inspection were corrected while the inspector was still on location. Therefore, I am pleased to inform you that Homestead Oaks Apartments is **compliant** with all requirements set forth in the RHDA Loan Agreement.

If you have any questions or need additional information, please contact me at 512-974-3110 or Susan.Kinel@austintexas.gov.

Regards,

Susan Kinel
Contract Management Specialist
Neighborhood Housing and Community Development

XC: Kristina Thompson, Foundation Communities
Tracy Moczygemba, Foundation Communities
Chase Clements, NHCD

Enclosure: Physical Inspection Report

Area / Unit	Status	Deficiency	Level	LT?	Comments
Site	Pass	No observed deficiencies			
Building Exterior	Pass	No observed deficiencies			
Building Systems	Pass	No observed deficiencies			
Common Areas	Pass	No observed deficiencies			
Roof	Pass	434 - A/C disconnect - cover is missing - exposed wires	3	Y	Corrected while onsite. Cover was reattached.
Roof	Pass	Discharged fire extinguisher	3	Y	Corrected while onsite. Fire extinguisher was replaced.
Roof	Pass	Main A/C unit - cover is loose x2 - exposed wires	3	Y	Corrected while onsite. Covers were reattached with sheet metal screws.
Roof	Pass	Main A/C unit - missing knock out - exposed wires	3	Y	Corrected while onsite. Knock out cover was installed.
Playground	Pass	No observed deficiencies			
Basketball Court	Pass	No observed deficiencies			
Elevator	Pass	No observed deficiencies			
108	Pass	No observed deficiencies			
109	Pass	No observed deficiencies			
110	Pass	No observed deficiencies			
111	Pass	All smoke detectors have been removed (5)	3	Y	Corrected while in the unit. Smoke detectors were reattached to ceiling frames.
111	Pass	Bedroom 1 - blocked egress (bed)	3	Y	Corrected while in the unit. Bed was pushed over allowing access.
111	Pass	Kitchen - vent hood - inoperable light	1		Appliance bulb was installed.
113	Pass	Bedroom 2 - smoke detector is hanging and tapped around	3	Y	Corrected while in the unit. Smoke detector was reattached to ceiling frame and tape removed.
113	Pass	Bedroom 2 - fire sprinkler head is tapped over	3	Y	Corrected while in the unit. Tape was removed.
124	Pass	No observed deficiencies			
125	Pass	No observed deficiencies			
128	Pass	No observed deficiencies			
129	Pass	No observed deficiencies			
130	Pass	No observed deficiencies			
132	Pass	No observed deficiencies			
133	Pass	No observed deficiencies			
134	Pass	No observed deficiencies			



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December 1, 2016

Tiek Johnson
Property Manager
Garden Terrace
1015 W. Wm. Cannon Dr.
Austin, TX 78745

Re.: 2015 Rental Housing Development Assistance (RHDA) Monitoring
Garden Terrace, 1015 W. Wm. Cannon, Austin, TX 78745

Dear Ms. Johnson:

On August 16, 2016, Neighborhood Housing and Community Development (NHCD) conducted an on-site review of records for the above referenced location(s) and a physical inspection of selected units. The purpose of the monitoring was to assess compliance with local regulatory requirements set forth in the Rental Housing Development Assistance Program Loan Agreement (the "Loan Agreement") with the Austin Housing Finance Corporation (AHFC).

All findings and concerns have been corrected and addressed. I am pleased to inform you that Garden Terrace is now **compliant** with the terms of the loan agreement.

If you have any questions or need additional information, please contact me at (512) 974-3110 or Susan.Kinel@austintexas.gov.

Regards,

Susan Kinel
Neighborhood Housing and Community Development

XC: Tracy Moczygemba, Foundation Communities
Chase Clements, NHCD



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September 12, 2018

Desiree Golden
Property Manager
Lakeline Station
13635 Rutledge Spur
Austin, TX 78717

Re.: 2018 Rental Housing Development Assistance (RHDA) Monitoring
Foundation Communities – Lakeline Station

Dear Ms. Golden:

On August 27, 2018, on-site monitoring of Lakeline Station was conducted by Blueprint Housing Solutions, a contractor for the City of Austin. The monitoring included physical inspections of selected units. The purpose of the monitoring was to assess compliance with federal and local regulatory requirements set forth in the Rental Housing Development Assistance Program Loan Agreement (the "Loan Agreement") with the Austin Housing Finance Corporation (AHFC).

I am pleased to inform you that all units passed inspection and Lakeline Station is compliant with the terms of the loan agreement.

If you have any questions or need additional information, please contact me at (512) 974-3148 or Chase.Clements@austintexas.gov.

Regards,

Chase Clements

Chase Clements
Financial Manager
NHCD, City of Austin



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August 15, 2018

Jennifer Hicks
Property Manager
Live Oak Trails
8500 W Highway 71
Austin, TX 78735

Re.: 2018 Rental Housing Development Assistance (RHDA) Monitoring
Foundation Communities - Live Oak Trails

Dear Ms. Hicks:

On August 7, 2018, on-site monitoring of Live Oak Trails was conducted by Blueprint Housing Solutions, a contractor for the City of Austin. The monitoring included physical inspections of selected units. The purpose of the monitoring was to assess compliance with federal and local regulatory requirements set forth in the Rental Housing Development Assistance Program Loan Agreement (the "Loan Agreement") with the Austin Housing Finance Corporation (AHFC).

I am pleased to inform you that all units passed inspection and Live Oak Trails is compliant with the terms of the loan agreement.

If you have any questions or need additional information, please contact me at (512) 974-3148 or Chase.Clements@austintexas.gov.

Regards,

Chase Clements

Chase Clements
Financial Manager
NHCD, City of Austin



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August 13, 2013

VIA POSTAL MAIL

Rachel Johnson
Property Manager
M Station Apartments
2906 E. Martin Luther King Jr. Blvd.
Austin, TX 78722

Re.: 2013 Rental Housing Development Assistance Monitoring (RHDA)
M Station Apartments – Foundation Communities

Dear Ms. Johnson:

On June 28, 2013 Neighborhood Housing and Community Development (NHCD) conducted an on-site administrative review and a physical inspection of referenced location. Physical re-inspections were conducted August 9, 2013. The purpose of the monitoring was to ensure compliance with local and federal regulatory requirements set forth in your RHDA loan agreement with the Austin Housing Finance Corporation (AHFC).

The following items were reviewed during the NHCD monitoring review:

- ♦ Affirmative Fair Housing Marketing Plan;
- ♦ Tenant selection criteria and policy;
- ♦ Annual audited financials report (2012) including management letter;
- ♦ Fair Housing logo on forms, flyers, and documents available to clients;
- ♦ Waiting Lists and Wait List Policy;
- ♦ Review of randomly selected resident files for income eligibility / recertification;
- ♦ Review of randomly selected resident files for adherence to policies;
- ♦ Insurance coverage; and
- ♦ HQS Inspections.

M Station Apartments, as of August 9, 2013 is **compliant** with the terms of the RHDA Loan Agreement between M Station Apartments and AHFC.

Staff is available for technical assistance and training for both the property staff and for the administrators of M Station Apartments. If you have any questions or need additional information, please contact me at 512-974-3110 or Susan.Kinel@ci.austin.tx.us.

Thank you!

Susan Kinel
Sr. Contract Compliance Specialist
Neighborhood Housing and Community Development

XC: Sandra Lumley, Property Director, Foundation Communities
Tracy Moczygemba, Compliance Director, Foundation Communities
Diana Domeracki, Community Development Administrator, NHCD



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June 30, 2017

Adriana Vallejo
Community Manager
Sierra Vista Apartments
4320 S. Congress Ave.
Austin, TX 78745

Re.: 2017 Rental Housing Development Assistance (RHDA) Monitoring
Sierra Vista Apartments, 4320 S. Congress Ave., Austin, TX 78745

Dear Ms. Vallejo:

On May 18, 2016, Neighborhood Housing and Community Development (NHCD) conducted an on-site review of records for the above referenced location(s) and on May 31, 2017, a physical inspection of selected units was conducted. The purpose of the monitoring was to ensure compliance with local and federal regulatory requirements set forth in your RHDA loan agreement with the Austin Housing Finance Corporation (AHFC) Dated April 10, 2010.

I am pleased to inform you that Sierra Vista Apartments is now **compliant** following the correction of the administrative deficiency and reinspection of the physical inspection deficiencies detailed in a letter dated June 5, 2017.

If you have any questions or need additional information, please contact me at 512-974-3110 or Susan.Kinel@austintexas.gov.

Regards,

Susan Kinel
Contract Management Specialist
Neighborhood Housing and Community Development

XC: Tracy Moczygemba, Foundation Communities
Kristina Thompson, Foundation Communities
Chase Clements, NHCD

Enclosure: Final Physical Inspection Report

Area / Unit	Status	Deficiency	Level	LT?	Comments
2112	Pass	Roach infestation	3		Unit was treated. Completed work order received 6/12/17.
Building 1	Pass	Gutters are full of debris, with growth	2		Under contract with vendor (Austin Guttermen) to be completed the week of June 19th.
Building 2	Pass	Gutters are full of debris, with growth	2		Approved bid and payment received 6/12/17.
Building 3	Pass	Gutters are full of debris, with growth	2		Under contract with vendor (Austin Guttermen) to be completed the week of June 19th.
Building 4	Pass	Gutters are full of debris, with growth	2		Approved bid and payment received 6/12/17.
Building 5	Pass	Gutters are full of debris, with growth	2		Under contract with vendor (Austin Guttermen) to be completed the week of June 19th.
Building 6	Pass	Gutters are full of debris, with growth	2		Approved bid and payment received 6/12/17.
5203	Pass	Gutters are full of debris, with growth	2		Under contract with vendor (Austin Guttermen) to be completed the week of June 19th.
5203	Pass	Living Room - hole in wall behind door	2		Approved bid and payment received 6/12/17.
5208	Pass	Bedroom 1 - hole in wall by bed	2		Wall was patched. Completed work order received 6/12/17.
Building 6	Pass	Roach infestation	3		Unit was treated. Completed work order received 6/12/17.
6101	Pass	6201 - A/C disconnect box is loose from wall - exposed wires	3	Y	Completed work order received 6/12/17. Verified corrected on 6/19/17.
6111	Pass	Bedroom 1 - blocked egress	3	Y	Furniture was moved. Completed work order received 6/12/17.
Site	Pass	Roach infestation	3		Unit was treated. Completed work order received 6/12/17.
Common Areas	Pass	No observed deficiencies			
Playground 1	Pass	No observed deficiencies			
Pool	Pass	No observed deficiencies			
Playground 2	Pass	No observed deficiencies			
1201	Pass	No observed deficiencies			
Building 2	Pass	2111 - A/C disconnect - missing knock out - exposed wires	3	Y	Vacant; in make ready.
Building 2	Pass	2104 - electrical junction box - loose cover - exposed wires	3	Y	Corrected while onsite. Knock out was covered.
2102	Pass	No observed deficiencies			Corrected while onsite. Cover was secured.
2205	Pass	No observed deficiencies			
2107	Pass	No observed deficiencies			
2210	Pass	No observed deficiencies			
Leasing Office	Pass	No observed deficiencies			
3103	Pass	No observed deficiencies			
3203	Pass	No observed deficiencies			
3108	Pass	No observed deficiencies			
3208	Pass	No observed deficiencies			
Building 4	Pass	4101 - A/C disconnect - missing knock out - exposed wires	3	Y	Corrected while onsite. Knock out was covered.
4103	Pass	No observed deficiencies			Vacant; in make ready.
4204	Pass	No observed deficiencies			
4108	Pass	No observed deficiencies			
4209	Pass	No observed deficiencies			
4113	Pass	Vent hood - clogged filter (grease)	3		Corrected while in the unit. Filter replaced.
4214	Pass	No observed deficiencies			
5105	Pass	Bathroom - gap around switch plate	3		Corrected while in the unit. Switch plate was adjusted.
5105	Pass	Vent hood - clogged filter (grease)	3		Corrected while in the unit. Filter replaced.
5110	Pass	Living Room - inoperable smoke detector	3	Y	Vacant. Corrected while in the unit. Battery replaced.
5110	Pass	Living Room - old smoke detector frame with no device	3	Y	Vacant. Corrected while in the unit. Frame removed.
5110	Pass	Bedroom 1 - old smoke detector frame with no device	3	Y	Vacant. Corrected while in the unit. Frame removed.
6106	Pass	No observed deficiencies			



City of Austin

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August 16, 2018

Robbin Polter
Property Manager
Skyline Terrace
1212 W. Ben White Blvd.
Austin, TX 78704

Re.: 2018 Rental Housing Development Assistance (RHDA) Monitoring
Skyline Terrace

Dear Ms. Polter:

On August 31, 2018, on-site monitoring of Skyline Terrace was conducted by Blueprint Housing Solutions, a contractor for the City of Austin. The monitoring included physical inspections of selected units. The purpose of the monitoring was to assess compliance with federal and local regulatory requirements set forth in the Rental Housing Development Assistance Program Loan Agreement (the "Loan Agreement") with the Austin Housing Finance Corporation (AHFC).

I am pleased to inform you that all units passed inspection and Skyline Terrace is compliant with the terms of the loan agreement.

If you have any questions or need additional information, please contact me at (512) 974-3148 or Chase.Clements@austintexas.gov.

Regards,

Chase Clements

Chase Clements
Financial Manager
NHCD, City of Austin

XC: Tracy Moczygemba, Foundation Communities



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September 26, 2013

VIA POSTAL MAIL

Sara Portillo
Property Manager
Southwest Trails Apartments
8405 Old Bee Caves Road
Austin, TX 78735

Re.: 2013 Rental Housing Development Assistance Monitoring (RHDA)

Dear Ms. Portillo:

On June 26, 2013, Neighborhood Housing and Community Development (NHCD) conducted an on-site review of records for the above referenced location(s). The purpose of the monitoring was to ensure compliance with local and federal regulatory requirements set forth in your RHDA loan agreement with the Austin Housing Finance Corporation (AHFC).

The following items were reviewed during the NHCD monitoring review:

- ♦ Affirmative Fair Housing Marketing Plan;
- ♦ Tenant selection criteria and policy;
- ♦ Annual audited financials report (2011) including management letter;
- ♦ Fair Housing logo on forms, flyers, and documents available to clients;
- ♦ Waiting Lists and Wait List Policy;
- ♦ Review of randomly selected resident files for income eligibility / recertification;
- ♦ Review of randomly selected resident files for adherence to policies;
- ♦ Insurance coverage; and
- ♦ Physical Inspections.

Southwest Trails Apartments is now **compliant** with the terms of the RHDA Loan Agreement between Southwest Trails Apartments and AHFC.

All **FINDINGS** have been corrected and all **CONCERNS** addressed.

Staff is available for technical assistance and training for both the property staff and for the administrators of Southwest Trails Apartments. If you have any questions or need additional information, please contact me at (512) 974-3110 or Susan.Kinel@ci.austin.tx.us.

Regards,

Susan Kinel
Sr. Contract Compliance Specialist
Neighborhood Housing and Community Development

Attachment(s)

XC: Sandra Lumley, Property Director, Foundation Communities
Tracy Moczygemba, Compliance Director, Foundation Communities
Diana Domeracki, Community Development Administrator, NHCD



City of Austin

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November 8, 2016

Akilah Huang
Property Manager
Spring Terrace
7101 N. IH-35
Austin, TX 78752

Re.: 2015 Rental Housing Development Assistance (RHDA) Monitoring
Spring Terrace Apartments, 7101 N. IH-35, Austin, TX 78752

Dear Ms. Huang:

On August 17, 2016, Neighborhood Housing and Community Development (NHCD) conducted an on-site review of records for the above referenced location(s) and a physical inspection of selected units. The purpose of the monitoring was to ensure compliance with local and federal regulatory requirements set forth in the RHDA loan agreements with the Austin Housing Finance Corporation (AHFC).

The following items were reviewed during the NHCD monitoring review:

- ♦ Affirmative Fair Housing Marketing Plan;
- ♦ Tenant selection criteria and policy;
- ♦ Annual audited financial report (2015) including management letter;
- ♦ Fair Housing logo on forms, flyers, and documents available to clients;
- ♦ Waiting Lists and Wait List Policy;
- ♦ Review of randomly selected resident files for income eligibility / recertification;
- ♦ Review of randomly selected resident files for adherence to policies;
- ♦ Insurance coverage; and
- ♦ Physical Inspections.

The above referenced project is **compliant** with the terms of the RHDA Loan Agreement with AHFC.

All units subject to the physical inspection conducted by TDHCA are compliant.

The following items are **CONCERNS**. **Concerns** are less serious conditions that if not addressed and if allowed to persist, may result in more extensive or frequent monitoring or elevate to a **finding**, if warranted. These conditions must be addressed as soon as possible.

- Community Rules – Inconsistency in the “Weapons” and “Carrying Handguns Onsite” policies within the document. Please revise these paragraphs and submit for review.
Revised “Community Rules” received. No further action required.

Spring Terrace, Results Cont.

If you have any questions or need additional information, please contact me at 512-974-3110 or Susan.Kinel@austintexas.gov.

Regards,



Susan Kinel
Sr. Contract Compliance Specialist
Neighborhood Housing and Community Development

XC: Tracy Moczygemba, Foundation Communities
Chase Clements, NHCD

4 – PROJECT PROPOSAL

Project Description

Foundation Village is the new construction of 88 units of Family Supportive Housing that will build on Foundation Communities' (FC) successful housing-plus-services model, proven so effective for families and individuals with specialized needs, low-incomes, and housing instability. Foundation Village will provide affordable, attractive homes with wraparound services that include case management, education, counseling, and emergency financial assistance. The location of Foundation Village is ideal due to the variety of amenities the residents will have access to and the number of employment opportunities within minutes of the proposed development and the ability for residents to utilize public transportation that is approximately 1/2 mile away and has buses every 15 minutes.

This apartment complex is designed as (2) four-story elevator-served residential buildings and a community building designed to accommodate a learning center, leasing office, support services offices, and a potential childcare facility. The site will also include a laundry room, basketball court, dog park, playground, outside space with picnic tables and BBQ grills, and surface parking around the buildings. The on-site learning center will provide free, supportive service programs that will educate, support and improve the health and financial standing for residents of Foundation Village.

- **Describe the proposed tenant population, income levels, and services, if any, to be provided to or made available to residents.**

Foundation Village will serve families with children that have very low and extremely low incomes and are homeless, on the verge of homelessness, and in need of specialized and specific non-medical services in order to maintain independent living. We are reserving 20% for families with incomes below 30% AMFI, 30% for families below 40% AMFI, and the remaining 50% for families below 50% AMFI. We will house 88 families at any given time and anticipate serving 30 – 50 school age kids at our learning center. Though the level of support needed is expected to vary by resident profile, case management services will be available to all.

- **Indicate the number of units reserved for Housing Choice Voucher holders (Section 8).**

Section 8 vouchers will be accepted at Foundation Village.

- **Indicate the number of units that are or will be made accessible and adaptable for persons with mobility, sight or hearing disabilities.**

10% of the total units (9) will be made accessible for persons with mobility impairments using Section 504 and Fair Housing Accessibility as guidelines. 2% of total units (2) will be made accessible for persons with hearing and visual impairments. In addition, all ground floor units will be made adaptable to persons with mobility disabilities.

- **If applicable, demonstrate the Project's compatibility with current Neighborhood Plan.**

The site is not located within a City of Austin Neighborhood Planning Area.

- **Summarize the key financials of the project, clearly indicating the total project cost, the amount and intended use of AHFC/NHCD funds being requested, and the amount(s) and provider(s) of other funding and the status of those funding commitments.**

The total cost to construct Foundation Village is approximately \$23,192,594. The sources of funds for this project include:

- **City of Austin**, in the amount of \$5,500,000 in RHDA funds requested under the current application. This current request will be used for acquisition and hard and/or soft costs. We request these funds from the City to be in the form of a deferred forgivable loan with a loan term of 40 years.
- **Low Income Housing Tax Credits (LIHTC)** Investor Equity, in the amount of approximately \$14,398,560 (\$1,500,000 annual allocation). The 9% tax credits will be used for construction costs. A pre-application was submitted on January 9, 2019 and a final application will be submitted on March 1, 2019. Awards are announced by TDHCA at the end of July 2019.
- **Owner Equity** in the amount of \$1,045,042. Foundation Communities will commit it's own funding as a bridge for private fundraising that will be pursued as the project is developed. The equity will be in the amount of a private loan that is cash flow contingent once the property is operational.
- **Multifamily Direct Loan Fund (MFDL)** from the State, likely sourced by federal National Housing Trust Fund dollars, in the amount of \$2,000,000. The loan structure is expected to be deferred payable, with a 35 - 40 year term.
- **No Mortgage** - TDHCA does not allow permanent foreclosable debt on supportive housing tax credit developments
- **If the property is occupied by residents at the time of application submission, specify that along with the following additional information: Include details on the type of structure (multi-family or single-family), number and size of units in square feet.**

The property is currently occupied by 3 residential tenants and 1 commercial tenant. The 3 residential structures are all stand alone single family structures of varying size: 928 SF, 1,120 SF, and 1,705 SF. The commercial structure is 5,340 SF and is DBA Austin Appliance Rebuilders.

- **Indicate whether the project meets the requirements of the City's Vertical Mixed-Use (VMU) Ordinance, or is in a Planned-Unit Development (PUD) or Transit Oriented Development (TOD) or any other City of Austin density bonus program.**

This site is not located within a PUD, TOD, VMU zoning area, or density bonus area.

- **Indicate how the project will meet S.M.A.R.T. Housing requirements.**

A S.M.A.R.T. Housing application was submitted to the City of Austin on January 18, 2019 demonstrating that the project meets SMART housing requirements. The site is located within ¼ mile of a bus stop, not located within a floodplain, and not located in close proximity to a pipeline, railroad tracks, or former landfill. The project will provide reasonably priced rental units for more than 5 years, and will be designed to meet accessibility and visitability requirements and AEGB standard rating.

4 – PROJECT PROPOSAL

Market Study

Market Study is pending

4 – PROJECT PROPOSAL

City of Austin Good Neighbor Policy

Property owners and Neighborhood Organizations will be notified as part of the zoning change application process.

4 – PROJECT PROPOSAL

S.M.A.R.T Housing

See attached for SMART Housing verification letter



City of Austin

P.O. Box 1088, Austin, TX 78767
www.cityofaustin.org/housing

Neighborhood Housing and Community Development Department

February 11, 2019

S.M.A.R.T. Housing Certification-

Foundation Communities, Inc. –Foundation Village – N Lamar Blvd – Project ID 640

TO WHOM IT MAY CONCERN:

Foundation Communities, Inc. (development contact: Walter Moreau: 512-610-4016; walter.moreau@foundcom.org) is planning to develop the Foundation Village, an 88 unit multi-family development at 11704 and 11706 N Lamar Blvd, Austin TX 78753. The project is subject to a 5 year affordability period after issuance of certificate of occupancy, unless project funding requirements are longer.

The applicant has submitted evidence that they have contacted the Gracywood's Neighborhood Association President. The applicant indicated they are in the process of addressing neighborhood residents concerns.

Neighborhood Housing and Community Development (NHCD) certifies the proposed project meets the S.M.A.R.T. Housing standards at the pre-submittal stage. Since 100% of the units will serve households at or below 50% MFI, the development will be eligible for 100% waiver of fees listed in Land Development Code, Chapter 25-1-704, as amended or other fees waived under a separate ordinance. The unit mix is as follows: 20% of the units (18 units) will serve households at or below 30% Median Family Income (MFI); 30% of the units (26 units) will serve households at or below 40% Median Family Income (MFI); and 50% of the units (44 units) will serve households at or below 50% Median Family Income (MFI). The expected fee waivers include, but are not limited to, the following fees:

Capital Recovery Fees
Building Permit
Concrete Permit
Electrical Permit
Mechanical Permit
Plumbing Permit

Site Plan Review
Misc. Site Plan Fee
Construction Inspection
Subdivision Plan Review
Misc. Subdivision Fee
Zoning Verification

Land Status Determination
Building Plan Review
Parkland Dedication (*by separate ordinance*)

Prior to issuance of building permits and starting construction, the developer must:

- Obtain a signed Conditional Approval from the Austin Energy Green Building Program stating that the plans and specifications for the proposed development meet the criteria for a Green Building Rating. (Contact Austin Energy Green Building: 512-482-5300 or greenbuilding@austinenrgy.com).
- Submit plans demonstrating compliance with the required accessibility or visitability standards.

Before a Certificate of Occupancy will be granted, the development must:

- Pass a final inspection and obtain a signed Final Approval from the Green Building Program. (Separate from any other inspections required by the City of Austin or Austin Energy).
- Pass a final inspection to certify that the required accessibility or visitability standards have been met.
- An administrative hold will be placed on the building permit, until the following items have been completed: 1) the number of affordable units have been finalized and evidenced through a sealed letter from project architect and/or engineer, 2) a Restrictive Covenant stating the affordability requirements and terms has been filed for record at the Travis County Clerk Office.

The applicant must demonstrate compliance with S.M.A.R.T. Housing standards after the certificate of occupancy has been issued or repay the City of Austin, in full, the fees waived for this S.M.A.R.T. Housing certification.

Please contact me by phone 512.974.3128 or by email at Sandra.harkins@austintexas.gov if you need additional information.

Sincerely,



Sandra Harkins, Project Coordinator
Neighborhood Housing and Community Development

Cc: Rosa Gonzales, AE Ellis Morgan, NHCD Jonathan Orenstein, AWU
Melanie Montez, ORS Mashell Smith, ORS

4 – PROJECT PROPOSAL

MOU With ECHO

Foundation Village is not at this time committing COC units. However, FC is having conversations with ECHO about a potential partnership for referrals.

4 – PROJECT PROPOSAL

General Services

A description of the services to be provided to residents and/or clients.

Foundation Village will serve families with children that have very low and extremely low incomes and are homeless, on the verge of homelessness, and in need of specialized and specific non-medical services in order to maintain independent living. Every resident will have access to support services designed to meet the unique needs of the family or individual, such as increase income, improve employment options, reduce debt, improve credit, build healthy parent/child relationships, better understand one's relationship with money, lessen reliance on welfare benefits, and secure a level of success designed for long-term sustainability. Two full time case managers will be available on site. Though the level of support is expected to vary across target income groups, every resident will have access to services. Below are additional details on the services that will be offered.

- ***Children's Home Initiative*** – 20% of units will be set-aside for families making less than 30% of AMFI and will receive services through the Children's HOME Initiative (CHI) Program, an established FC program model that has been serving homeless families across Austin since 2003. These families are typically the most vulnerable and have an array of barriers to becoming and remaining stably housed, such as evictions and broken leases, negative credit histories, and limited income. By participating in the CHI program, these families have access to an on-site Case Manager on a weekly basis, for a 24-month period. In one-on-one sessions with the CHI Case Manager, that are both intensive and comprehensive, families will self-determine their path forward and establish unique goals and action steps toward improving their sustainability. Furthermore, each family will have access to a Career Case Manager, Parent Empowerment Specialist, and Financial Stability Advisor—all full-time positions dedicated to the CHI program. Even after the 24-month period of intensive engagement, these households will continue to have access to support services at the property on an as-needed basis to ensure ongoing stability and success.
- ***Family Case Management*** – With a target population of families that are homeless and at risk of homelessness, Foundation Communities has designed an additional services program for Foundation Village that will provide case management support for families outside of the CHI program. FC expects that at least half of residents will have need for regular services supports. These families will be supported by a full-time Family Case Manager, with individual needs determining the intensity of engagement. The same level of service can be provided indefinitely or can change over time in response to the family's needs. A monthly meeting schedule will be encouraged initially. Depending on the family and their needs, the work may appear similar to services offered through the CHI Program, and the Family Case Manager may additionally provide referrals as needed for deeper career guidance, parenting support, and financial education.
- ***Free Afterschool and Summer Program*** – All children living on-site will have access to Foundation Communities' free afterschool and summer programs, which offer academic assistance, enrichment activities, fitness activities, nutrition lessons, and support services. We provide a structured, supervised environment with rewarding, hands-on educational, cultural, artistic, and recreational activities for youth ages 5-14 designed to develop important social skills and improve educational performance. FC maintains a strong relationship with nearby schools and partners

with teachers to help each child succeed. We also provide free, nutritious snacks and lunches during the summer.

- ***Childcare Facility***— Foundation Communities in conversation with Open Door Preschool about developing a childcare facility at Foundation Village that offers educationally and developmentally appropriate services for the younger non-school agers at affordable rates and during typical working hours of the target population, including night and weekend hours. This would build upon FC's successful partnership with Open Doors at M Station that provided a preschool on site with reduced rates for residents.
- ***Adult Classes***— Foundation Communities believes it is important to offer “at your door” education opportunities to adults, especially families that may have limited access to child care outside of work hours that would allow for attendance at off-site programs. Actual offerings will depend on resident needs but may include classes in English as a Second Language, computer skills, and Financial Literacy.
- ***Health Initiatives***— A variety of programming focused on health and wellness will be offered, and tailored to the specific needs of the target population and residents. This will include access to healthy food through an on-site food pantry, healthy cooking classes, Zumba and other exercise classes, and periodic health fairs that bring a variety of providers on-site for health screenings, immunizations, and similar services.

Foundation Communities offers the following free off-site services to residents and the community at our Community Financial Centers located in North Austin at 5900 Airport Blvd and South Austin at 2600 W Stassney.

- **Financial Coaching** - Residents will have the opportunity to meet individually with a trained volunteer on a variety of personal finance issues which may include a credit report review, creating a credit repair plan or a debt reduction plan, establishing a household budget, establishing a Safety Net Savings Account, exploring ways to reduce expenses, or setting financial goals. Financial Coaching sessions may be a single one hour session up to eight hours of individual sessions, depending on the situation.
- **Microenterprise** - Community Tax Centers provide services to self-employed and small business owners with five employees or fewer (including the owner), helping them to file their taxes and educating them about tax and liability implications and best practices.
- **College Savings** - Trained staff are available at the Community Tax Centers and financial aid events to help students complete the Free Application for Federal Student Aid (FAFSA) to obtain grants and loans for college. We also conduct scholarship workshops and have one-to-one scholarship mentoring.
- **Tax preparation** — Residents will be able to get their taxes prepared for free at our Community Financial Centers (CFCs). Our IRS-trained and certified volunteers prepare over 20,000 tax returns annually and ensure that clients who are eligible for credits such as the Earned Income Tax Credit (EITC) and the Child Tax Credit (CTC) receive those benefits. The refunds for the tax returns we prepare put more than \$35 million back into the economy.

4 – PROJECT PROPOSAL

General Services

The number and types of residents/clients expected to be served annually.

Foundation Village will house and have services available for 88 families at any given time and we anticipate serving 30 – 50 school age kids at our learning center. We are reserving 20% for families with incomes below 30% AMFI, 30% for families below 40% AMFI, and the remaining 50% for families below 50% AMFI.

4 – PROJECT PROPOSAL

General Services

Developer's experience and qualifications in providing the services to be offered

Foundation Communities, as the primary supportive service provider at Foundation Village, has over 25 years of experience in the provision of supportive services to its residents. Supportive services are an integral part of all Foundation Communities properties, and are included in the planning process for every new community from inception. FC is considered a national leader in the provision of service-enriched housing.

All Foundation Communities service programs are developed to meet the particular needs of residents. Each program area utilizes a Theory of Change approach to identify the particular resident outcomes that are desired, the resources that will be required and how progress towards outcomes achievement will be measured and evaluated. Foundation Communities utilizes and contributes to best practices in the fields of education, health, trauma-informed case management and financial stability. Because our programs have a long and consistent record of achieving positive resident outcomes, numerous foundations and public agencies provide funding to establish and grow our programs.

The majority of supportive services at Foundation Village will be provided by Foundation Communities staff and volunteers. We do, however partner with more than fifty nonprofits and community groups to provider additional services. Some significant partnerships include: Breakthrough Austin, Caritas of Austin, Safe Place, Life Works, Travis County CPS, Communities for Recovery, and Project Transition.

4 – PROJECT PROPOSAL

General Services

Resumes of key personnel who will be actively involved in the delivery of services

Julian Huerta – Deputy Executive Director. Julian provides leadership for all Foundation Communities' resident and community services. He develops and directs education, financial stability and supportive housing programs that serve more than 30,000 working poor families and homeless adults annually. Julian brings over 25 years' experience in program development, nonprofit administration and fundraising.

Mario Cortez – Director of Family Supportive Housing. Mario has 15 years of experience working with homeless and low-income populations, and holds a Masters in Social Work. Prior to joining Foundation Communities, he spent 3 years developing the Keep Austin Housed AmeriCorps project. He Co-Chairs the Social Services Case Management Network & the Housing Stability Committee of the Basic Needs Coalition, sits on the Executive Committee of the Basic Needs Coalition, and leads planning for Stand Up and Be Counted. Mario oversees all supportive housing programs.

Marisela Montoya – Director of Education for Foundation Communities. Marisela graduated from the University of Texas with a degree in Psychology. For 17 years, she has worked overseeing and implementing programs for youth and adults, including 8 years with Austin ISD as a program director and program specialist (Community Education; At Risk Youth Programs; afterschool, teen, and adult education programs). She has been with Foundation Communities for 10 years, first as Lead Learning Center Coordinator, and now as Director of Education. She holds a certificate in Nonprofit Leadership and Management from Austin Community College and Texas Association of Nonprofit Organizations.

Erika Leos – Financial Coaching and Savings Program Manager. Erika oversees Foundation Communities' financial coaching and education programs, along with savings initiatives that help residents save money for emergencies and for acquiring assets and achieving long-term financial goals. She earned a Bachelor's of Business Administration from the University of Texas at Austin in 2002.

Emmanuel Zapata – Adult Education Coordinator. Mr. Zapata has led Foundation Communities' Adult Education program for the last six years. His focus is on providing ESL and Computer/Digital Literacy classes at FC Family Learning Centers.

Kori Hattemer – Director of Financial Programs. In this capacity, she oversees Foundation Communities' free tax preparation, college support services, one-on-one financial coaching, and money management classes. Prior to joining Foundation Communities, Kori was the Associate Director of Savings & Financial Capability at CFED. Kori received her Master of Public Affairs degree at the University of Texas, where she also completed her undergraduate degree.

Brianna McDonough—College Hub Manager. Brianna oversees effective implementation and coordination of College Hub services. College Hub services include wraparound college support, like one-on-one college coaching and planning, financial aid application assistance, scholarship administration, the Succeed program, and a two-semester humanities course called Free Minds. Brianna establishes and maintains partnerships with area high schools, colleges, universities, and community-based organizations, and she supervises and coaches College Hub team members. Brianna graduated with her M.A. in Educational Psychology from the University of Texas at Austin and has since worked as an adviser, counselor, student affairs professional, and nonprofit advocate for students of all ages.

Aaron DeLao—Director of Health Initiatives. Aaron joined Foundation Communities in 2018. He brings more than a decade of experience as a nonprofit leader. Previously, Aaron worked at CommUnity Care Health Centers and Volunteer Healthcare Clinic. He has led community needs assessments, opened new clinics within Travis County, and built collaborations across community organizations to create much-needed programming in the Public Health arena. Aaron holds a B.A. in Government from the University of Texas at Austin, a Master's in Public Administration from the University of Texas Pan American (now Rio Grande Valley) in Edinburg, and is a certified Health Promotor/Community Health Worker in the State of Texas.

4 – PROJECT PROPOSAL

Financial Capacity of Service Provider

Funding for the supportive services come from a combination of grants and fundraising from private foundations, corporations and individuals. This is the same method used to fund the supportive service programs at all our existing properties. Foundation Communities has strong relationships with the donor community, a well-funded Central Reserve, and maintains a healthy portfolio, with all projects producing their targeted cash flow and reserves established by the Board. However, in the event of operating deficits at Foundation Village, the Board has made an irrevocable commitment to fund any operating deficits throughout the term of the affordability period.

In 2018, FC raised over \$9 million to fund services at our existing 20 properties in Austin. FC hosts an annual Welcome Home lunch, which raises approximately \$1 million from individual donors to fund support services. We also have a donor base dedicated to the support of our service programs. FC will pursue service funding for Foundation Village from the following past donors.

- Michael and Susan Dell Foundation
- St David's Foundation
- Rachael and Ben Vaughan Foundation
- Tomberg Foundation
- Texas State Affordable Housing Corporation
- United Way for Greater Austin
- JP Morgan Chase Foundation
- City of Austin
- Travis County
- Individual Donors

4 – PROJECT PROPOSAL

Financial Capacity of Service Provider

Budget

Sources	Year 1	Year 2	Year 3
Foundations, Corporations and Individuals	\$195,000	\$200,000	\$200,000
Property Cash Flow	\$28,550	\$30,257	\$37,164
TOTAL SOURCES	\$223,550	\$230,257	\$237,164

Uses	Year 1	Year 2	Year 3
CHI Case Manager	\$46,000	\$47,380	\$48,801
Family Case Manager	\$44,000	\$45,320	\$46,680
Learning Center Coordinator	\$44,000	\$45,320	\$46,680
Youth Program Assistants	\$38,500	\$39,655	\$40,845
Taxes and Benefits	\$30,650	\$31,570	\$32,517
Program/ Office Supplies	\$12,000	\$12,360	\$12,731
Training/Travel/Mileage	\$3,000	\$3,090	\$3,183
Contracted Mental Health Services	\$4,000	\$4,120	\$4,244
Direct Aid to Residents	\$1,400	\$1,442	\$1,485
TOTAL	\$223,550	\$230,257	\$237,164

5 – PROPERTY

Maps

See Attached maps

- Council District and Census Tracts
- Opportunity Values
- Gentrification Values
- Imagine Austin Centers, Corridors & Mobility Bond Corridors
- Transit
- Healthy Food
- Elementary Schools
- Floodplains

5 – PROPERTY

Real Estate Appraisal

Appraisal is pending

5 – PROPERTY

Zoning Verification Letter

Zoning Verification Letter is pending

5 – PROPERTY

Site Control

See attached



TEXAS ASSOCIATION OF REALTORS®
COMMERCIAL CONTRACT - IMPROVED PROPERTY

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

Seller: Tran Group, LLC

~~Lawson Poddier~~

Address: 12617 Scofield Farms 7-4542

Phone: _____ E-mail: lawson@eweg.com

Fax: _____ Other: _____

mautron@yahoo.com

Buyer: Foundation Communities, Inc. (A Texas Non-Profit Corporation), or Affiliates

Address: 3036 South First Street, Austin, TX 78704-6352

Phone: (512)610-4033 E-mail: walter.moreau@foundcom.org

Fax: _____ Other: _____

2. **PROPERTY:**

- A. "Property" means that real property situated in Travis County, Texas at 11704 and 11706 North Lamar, Austin Texas 78753 (address) and that is legally described on the attached Exhibit _____ or as follows: 4.436 acres (Lot 7 less SW 90 X 326 FT Stark Frank SUBD) and .6921 (SW 90 X 326 FT of Lot 7 Stark Frank SUBD)

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

- (1) all buildings, improvements, and fixtures;
- (2) all rights, privileges, and appurtenances pertaining to the Property, including Seller's right, title, and interest in any minerals, utilities, adjacent streets, alleys, strips, gores, and rights-of-way;
- (3) Seller's interest in all leases, rents, and security deposits for all or part of the Property;
- (4) Seller's interest in all licenses and permits related to the Property;
- (5) Seller's interest in all third party warranties or guaranties, if transferable, relating to the Property or any fixtures;
- (6) Seller's interest in any trade names, if transferable, used in connection with the Property; and
- (7) all Seller's tangible personal property located on the Property that is used in connection with the Property's operations except: _____

Any personal property not included in the sale must be removed by Seller prior to closing.

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

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

(If the Property is a condominium, attach Commercial Contract Condominium Addendum (TAR-1930) or (TAR-1946).)

3. **SALES PRICE:** At or before closing, Buyer will pay the following sales price for the Property:

A. Cash portion payable by Buyer at closing \$ 2,500,000.00

B. Sum of all financing described in Paragraph 4 \$ _____

C. Sales price (sum of 3A and 3B) \$ 2,500,000.00

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11704 and 11706 North Lamar, Austin Texas 78753

~~Commercial Contract - Improved Property concerning~~**4. FINANCING:** Buyer will finance the portion of the sales price under Paragraph 3B as follows:

- ☐ A. ~~Third Party Financing:~~ One or more third party loans in the total amount of \$ _____ . This contract:
- ☐ (1) ~~is not contingent upon Buyer obtaining third party financing.~~
- ☐ (2) ~~is contingent upon Buyer obtaining third party financing in accordance with the attached Commercial Contract Financing Addendum (TAR 1931).~~
- ☐ B. ~~Assumption:~~ In accordance with the attached Commercial Contract Financing Addendum (TAR 1931), Buyer will assume the existing promissory note secured by the Property, which balance at closing will be \$ _____ .
- ☐ C. ~~Seller Financing:~~ The delivery of a promissory note and deed of trust from Buyer to Seller under the terms of the attached Commercial Contract Financing Addendum (TAR 1931) in the amount of \$ _____ .

5. EARNEST MONEY:

- A. Not later than 3 days after the effective date, Buyer must deposit \$ \$25,000.00 as earnest money with Stewart Title (title company) at 901 S. MoPac, Ste 3-100, Austin, TX 78746 (address) Shawna Fletcher (closer). If Buyer fails to timely deposit the earnest money, Seller may terminate this contract or exercise any of Seller's other remedies under Paragraph 15 by providing written notice to Buyer before Buyer deposits the earnest money.
- B. Buyer will deposit an additional amount of \$ _____ with the title company to be made part of the earnest money on or before:
- ☐ (i) _____ days after Buyer's right to terminate under Paragraph 7B expires; or
- ☐ (ii) _____
- Buyer will be in default if Buyer fails to deposit the additional amount required by this Paragraph 5B within 3 days after Seller notifies Buyer that Buyer has not timely deposited the additional amount.
- C. Buyer may instruct the title company to deposit the earnest money in an interest bearing account at a federally insured financial institution and to credit any interest to Buyer.

6. TITLE POLICY, SURVEY, AND UCC SEARCH:**A. Title Policy:**

- (1) Seller, at Seller's expense, will furnish Buyer an Owner's Policy of Title Insurance (the title policy) issued by any underwriter of the title company in the amount of the sales price, dated at or after closing, insuring Buyer against loss under the title policy, subject only to:
- (a) those title exceptions permitted by this contract or as may be approved by Buyer in writing; and
- (b) the standard printed exceptions contained in the promulgated form of title policy unless this contract provides otherwise.
- (2) The standard printed exception as to discrepancies, conflicts, or shortages in area and boundary lines, or any encroachments or protrusions, or any overlapping improvements:
- ☐ (a) will not be amended or deleted from the title policy.
- ☒ (b) will be amended to read "shortages in areas" at the expense of ☒ Buyer ☐ Seller.
- (3) Within 30 days after the effective date, Seller will furnish Buyer a commitment for title insurance (the commitment) including legible copies of recorded documents evidencing title exceptions. Seller authorizes the title company to deliver the commitment and related documents to Buyer at Buyer's address.

(TAR-1801) 4-1-18

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11704 N Lamar

Commercial Contract - Improved Property concerning 11704 and 11706 North Lamar, Austin Texas 78763

B. Survey: Within 60 days after the effective date:

- ☒ (1) Buyer will obtain a survey of the Property at Buyer's expense and deliver a copy of the survey to Seller. The survey must be made in accordance with the: (i) ALTA/NSPS Land Title Survey standards, or (ii) Texas Society of Professional Surveyors' standards for a Category 1A survey under the appropriate condition. ~~Seller will reimburse Buyer~~ (insert amount) of the cost of the survey at closing, if closing occurs.
- ☐ (2) Seller, at Seller's expense, will furnish Buyer a survey of the Property dated after the effective date. The survey must be made in accordance with the: (i) ALTA/NSPS Land Title Survey standards, or (ii) Texas Society of Professional Surveyors' standards for a Category 1A survey under the appropriate condition.
- ☐ (3) Seller will deliver to Buyer and the title company a true and correct copy of Seller's most recent survey of the Property along with an affidavit required by the title company for approval of the existing survey. If the existing survey is not acceptable to the title company, ☐ Seller ☐ Buyer (updating party), will, at the updating party's expense, obtain a new or updated survey acceptable to the title company and deliver the acceptable survey to the other party and the title company within 30 days after the title company notifies the parties that the existing survey is not acceptable to the title company. The closing date will be extended daily up to 30 days if necessary for the updating party to deliver an acceptable survey within the time required. The other party will reimburse the updating party (insert amount or percentage) of the cost of the new or updated survey at closing, if closing occurs.

C. UCC Search:

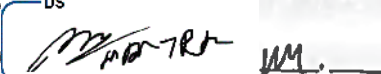
- ☐ (1) Within days after the effective date, Seller, at Seller's expense, will furnish Buyer a Uniform Commercial Code (UCC) search prepared by a reporting service and dated after the effective date. The search must identify documents that are on file with the Texas Secretary of State and the county where the Property is located that relate to all personal property on the Property and show, as debtor, Seller and all other owners of the personal property in the last 5 years.
- ☐ (2) Buyer does not require Seller to furnish a UCC search.

D. Buyer's Objections to the Commitment, Survey, and UCC Search:

- (1) Within days after Buyer receives the last of the commitment, copies of the documents evidencing the title exceptions, any required survey, and any required UCC search, Buyer may object to matters disclosed in the items if: (a) the matters disclosed are a restriction upon the Property or constitute a defect or encumbrance to title to the real or personal property described in Paragraph 2 other than those permitted by this contract or liens that Seller will satisfy at closing or Buyer will assume at closing; or (b) the items show that any part of the Property lies in a special flood hazard area (an "A" or "V" zone as defined by FEMA). If the commitment or survey is revised or any new document evidencing a title exception is delivered, Buyer may object to any new matter revealed in such revision or new document. Buyer's objection must be made within the same number of days stated in this paragraph, beginning when the revision or new document is delivered to Buyer. If Paragraph 6B(1) applies, Buyer is deemed to receive the survey on the earlier of: (i) the date Buyer actually receives the survey; or (ii) the deadline specified in Paragraph 6B.
- (2) Seller may, but is not obligated to, cure Buyer's timely objections within 15 days after Seller receives the objections. The closing date will be extended as necessary to provide such time to cure the objections. If Seller fails to cure the objections by the time required, Buyer may terminate this contract by providing written notice to Seller within 5 days after the time by which Seller must cure the objections. If Buyer terminates, the earnest money, less any independent consideration under Paragraph 7B(1), will be refunded ^{DS}

(TAR-1801) 4-1-18

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Commercial Contract - Improved Property concerning 11704 and 11708 North Lamar, Austin Texas 78753

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

7. PROPERTY CONDITION:

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

B. Feasibility Period: Buyer may terminate this contract for any reason within by March 1, 2019 days after the effective date (feasibility period) by providing Seller written notice of termination.

(1) Independent Consideration. (Check only one box and insert amounts.)

☒ (a) If Buyer terminates under this Paragraph 7B, the earnest money will be refunded to Buyer less \$ 2,500.00 that Seller will retain as Independent consideration for Buyer's right to terminate. Buyer has tendered the independent consideration to Seller in the amount of the amount specified in Paragraph 5A to the title company. The independent consideration is to be credited to the sales price only upon closing of the sale. If no dollar amount is stated in this Paragraph 7B(1) or if Buyer fails to deposit the earnest money, Buyer will not have the right to terminate under this Paragraph 7B.

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

(2) Feasibility Period Extension: Prior to the expiration of the initial feasibility period, Buyer may extend the feasibility period for a single period of an additional _____ days by depositing additional earnest money in the amount of \$ _____ with the title company. If no dollar amount is stated in this Paragraph or if Buyer fails to timely deposit the additional earnest money, the extension of the feasibility period will not be effective.

C. Inspections, Studies, or Assessments:

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

(2) Seller, at Seller's expense, will turn on all utilities necessary for Buyer to make inspections, studies, or assessments.

(3) Buyer must:

- (a) employ only trained and qualified inspectors and assessors;
- (b) notify Seller, in advance, of when the inspectors or assessors will be on the Property;
- (c) abide by any reasonable entry rules or requirements of Seller;
- (d) not interfere with existing operations or occupants of the Property; and
- (e) restore the Property to its original condition if altered due to inspections, studies, or assessments that Buyer completes or causes to be completed.

(4) Except for those matters that arise from the negligence of Seller or Seller's agents, Buyer is responsible for any claim, liability, encumbrance, expense of action, and expense resulting from

Commercial Contract - Improved Property concerning 11704 and 11706 North Lamar, Austin Texas 78753

Buyer's inspections, studies, or assessments, including any property damage or personal injury. Buyer will indemnify, hold harmless, and defend Seller and Seller's agents against any claim involving a matter for which Buyer is responsible under this paragraph. This paragraph survives termination of this contract.

D. Property Information:

(1) Delivery of Property Information: Within 30 days after the effective date, Seller will deliver to Buyer: (Check all that apply.)

- ☐ (a) a current rent roll of all leases affecting the Property certified by Seller as true and correct;
- ☒ (b) copies of all current leases, including any mineral leases, pertaining to the Property, including any modifications, supplements, or amendments to the leases;
- ☐ (c) a current inventory of all personal property to be conveyed under this contract and copies of any leases for such personal property;
- ☐ (d) copies of all notes and deeds of trust against the Property that Buyer will assume or that Seller will not pay in full on or before closing;
- ☐ (e) copies of all current service, utility, maintenance, and management agreements relating to the ownership and operation of the Property;
- ☐ (f) copies of current utility capacity letters from the Property's water and sewer service provider;
- ☐ (g) copies of all current warranties and guaranties relating to all or part of the Property;
- ☐ (h) copies of fire, hazard, liability, and other insurance policies that currently relate to the Property;
- ☐ (i) copies of all leasing or commission agreements that currently relate to the tenants of all or part of the Property;
- ☐ (j) a copy of the "as-built" plans and specifications and plat of the Property;
- ☐ (k) copies of all invoices for utilities and repairs incurred by Seller for the Property in the 24 months immediately preceding the effective date;
- ☐ (l) a copy of Seller's income and expense statement for the Property from _____ to _____;
- ☐ (m) copies of all previous environmental assessments, geotechnical reports, studies, or analyses made on or relating to the Property;
- ☐ (n) real and personal property tax statements for the Property for the previous 2 calendar years;
- ☐ (o) Tenant reconciliation statements including, operating expenses, insurance and taxes for the Property from _____ to _____; and
- ☒ (p) Phase One Environmental Study (if available)
Survey (if available)

(2) Return of Property Information: If this contract terminates for any reason, Buyer will, not later than 10 days after the termination date: (Check all that apply.)

- ☒ (a) return to Seller all those items described in Paragraph 7D(1) that Seller delivered to Buyer in other than an electronic format and all copies that Buyer made of those items;
- ☐ delete or destroy all electronic versions of those items described in Paragraph 7D(1) that Seller delivered to Buyer or Buyer copied in any format; and
- ☐ deliver to Seller copies of all inspection and assessment reports related to the Property that Buyer completed or caused to be completed.

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

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

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8. LEASES:

- A. Each written lease Seller is to assign to Buyer under this contract must be in full force and effect according to its terms. Seller may not enter into any new lease, fail to comply with any existing lease, or make any amendment or modification to any existing lease without Buyer's written consent. Seller must disclose, in writing, if any of the following exist at the time Seller provides the leases to the Buyer or subsequently occur before closing:
- (1) any failure by Seller to comply with Seller's obligations under the leases;
 - (2) any circumstances under any lease that entitle the tenant to terminate the lease or seek any offsets or damages;
 - (3) any non-occupancy of the leased premises by a tenant;
 - (4) any advance sums paid by a tenant under any lease;
 - (5) any concessions, bonuses, free rents, rebates, brokerage commissions, or other matters that affect any lease; and
 - (6) any amounts payable under the leases that have been assigned or encumbered, except as security for loan(s) assumed or taken subject to under this contract.
- B. **Estoppel Certificates:** Within 90 days after the effective date, Seller will deliver to Buyer estoppel certificates signed not earlier than January 1, 2019 by each tenant that leases space in the Property. The estoppel certificates must include the certifications contained in the current version of TAR Form 1938 - Commercial Tenant Estoppel Certificate and any additional information requested by a third party lender providing financing under Paragraph 4 if the third party lender requests such additional information at least 10 days prior to the earliest date that Seller may deliver the signed estoppel certificates.

9. BROKERS:

A. The brokers to this sale are:

DS Principal Broker: Southwest Strategies

[Signature] addler Pedder

Address: 222 West Avenue, Ste 200
Austin, TX 78701

Phone & Fax: (812) 458-8163
lawsg.com

[Signature] 687329

Cooperating Broker: The Whitfield Company

Agent: Gail M. Whitfield

Address: 1101 S. Capitol of Texas Hwy, Ste A-101
Austin, TX 78746

Phone & Fax: (512) 476-9900

E-mail: gail@thewhitfieldco.com

License No.: 0316233

Principal Broker: (Check only one box)

- ☒ represents Seller only.
- ☐ represents Buyer only.
- ☐ is an intermediary between Seller and Buyer.

Cooperating Broker represents Buyer.

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

(Complete the Agreement Between Brokers on page 14 only if (1) is selected.)

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

- ☐ (2) At the closing of this sale, Seller will pay: DS

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[Signature] MM

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DS
 _____ or a total cash fee of:
 _____ % of the sales price.

Cooperating Broker a total cash fee of:
☒ 3.000 % of the sales price.

☒ 2.5%

—see special provisions

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

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

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

10. CLOSING:

- A. The date of the closing of the sale (closing date) will be on or before the later of:

(1) ☐ _____ days after the expiration of the feasibility period.

☒ August 30, 2019 (specific date).

(2) 7 days after objections made under Paragraph 6D have been cured or waived.

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

- C. At closing, Seller will execute and deliver to Buyer, at Seller's expense, a ☐ general ☒ special warranty deed. The deed must include a vendor's lien if any part of the sales price is financed. The deed must convey good and indefeasible title to the Property and show no exceptions other than those permitted under Paragraph 6 or other provisions of this contract. Seller must convey the Property:

- (1) with no liens, assessments, or Uniform Commercial Code or other security interests against the Property which will not be satisfied out of the sales price, unless securing loans Buyer assumes;
- (2) without any assumed loans in default; and
- (3) with no persons in possession of any part of the Property as lessees, tenants at sufferance, or trespassers except tenants under the written leases assigned to Buyer under this contract.

- D. At closing, Seller, at Seller's expense, will also deliver to Buyer:

- (1) tax statements showing no delinquent taxes on the Property;
- (2) a bill of sale with warranties to title conveying title, free and clear of all liens, to any personal property defined as part of the Property in Paragraph 2 or sold under this contract;
- (3) an assignment of all leases to or on the Property;
- (4) to the extent that the following items are assignable, an assignment to Buyer of the following items as they relate to the Property or its operations:
 - (a) licenses and permits;
 - (b) service, utility, maintenance, management, and other contracts; and
 - (c) warranties and guaranties;
- (5) a rent roll current on the day of the closing certified by Seller as true and correct;
- (6) evidence that the person executing this contract is legally capable and authorized to bind Seller;
- (7) an affidavit acceptable to the title company stating that Seller is not a foreign person or, if Seller is a foreign person, a written authorization for the title company to: (i) withhold from Seller's proceeds an amount sufficient to comply with applicable tax law; and (ii) deliver the amount to the Internal Revenue Service together with appropriate tax forms; and
- (8) any notices, statements, certificates, affidavits, releases, and other documents required by this contract, the commitment, or law necessary for the closing of the sale and the issuance of the title policy, all of which must be completed and executed by Seller as necessary.

- E. At closing, Buyer will:

(1) pay the sales price in good funds acceptable

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 _____ y;

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- (2) deliver evidence that the person executing this contract is legally capable and authorized to bind Buyer;
 - (3) sign and send to each tenant in the Property a written statement that:
 - (a) acknowledges Buyer has received and is responsible for the tenant's security deposit; and
 - (b) specifies the exact dollar amount of the security deposit;
 - (4) sign an assumption of all leases then in effect; and
 - (5) execute and deliver any notices, statements, certificates, or other documents required by this contract or law necessary to close the sale.
- F. Unless the parties agree otherwise, the closing documents will be as found in the basic forms in the current edition of the State Bar of Texas Real Estate Forms Manual without any additional clauses.
11. **POSSESSION:** Seller will deliver possession of the Property to Buyer upon closing and funding of this sale in its present condition with any repairs Seller is obligated to complete under this contract, ordinary wear and tear excepted. Any possession by Buyer before closing or by Seller after closing that is not authorized by a separate written lease agreement is a landlord-tenant at sufferance relationship between the parties.
12. **SPECIAL PROVISIONS:** The following special provisions apply and will control in the event of a conflict with other provisions of this contract. *(If special provisions are contained in an Addendum, identify the Addendum here and reference the Addendum in Paragraph 22D.)*
 Buyer at Buyer's expense may obtain a Phase One Environmental Report. Seller will cooperate with the Buyer to fill out reports and allow access to the Property in connection therewith, subject to Seller's prior approval, which shall not be unreasonably conditioned, withheld or delayed. Notwithstanding any other provision of this Contract, Buyer shall have no obligation to purchase the Property, and no transfer of title to the Buyer may occur, unless and until the Texas department of Housing and Community Affairs (the "Department") has provided the Buyer and/or the Seller with a written notifications that:
 Continued... See Addendum Special Provisions 1
13. **SALES EXPENSES:**
- A. **Seller's Expenses:** Seller will pay for the following at or before closing:
 - (1) releases of existing liens, other than those liens assumed by Buyer, including prepayment penalties and recording fees;
 - (2) release of Seller's loan liability, if applicable;
 - (3) tax statements or certificates;
 - (4) preparation of the deed and any bill of sale;
 - (5) one-half of any escrow fee;
 - (6) costs to record any documents to cure title objections that Seller must cure; and
 - (7) other expenses that Seller will pay under other provisions of this contract.
 - B. **Buyer's Expenses:** Buyer will pay for the following at or before closing:
 - (1) all loan expenses and fees;
 - (2) preparation fees of any deed of trust;
 - (3) recording fees for the deed and any deed of trust;
 - (4) premiums for flood and hazard insurance as may be required by Buyer's lender;
 - (5) one-half of any escrow fee; and
 - (6) other expenses that Buyer will pay under other provisions of this contract.
14. **PRORATIONS:**
- A. **Prorations:**
 - (1) Interest on any assumed loan, taxes, rents, and any expense reimbursements from tenants will be prorated through the closing date.




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- (2) If the amount of ad valorem taxes for the year in which the sale closes is not available on the closing date, taxes will be prorated on the basis of taxes assessed in the previous year. If the taxes for the year in which the sale closes vary from the amount prorated at closing, the parties will adjust the prorations when the tax statements for the year in which the sale closes become available. This Paragraph 14A(2) survives closing.
- (3) If Buyer assumes a loan or is taking the Property subject to an existing lien, Seller will transfer all reserve deposits held by the lender for the payment of taxes, insurance premiums, and other charges to Buyer at closing and Buyer will reimburse such amounts to Seller by an appropriate adjustment at closing.
- B. Rollback Taxes: If Seller's use or change in use of the Property before closing results in the assessment of additional taxes, penalties, or interest (assessments) for periods before closing, the assessments will be the obligation of Seller. If this sale or Buyer's use of the Property after closing results in additional assessments for periods before closing, the assessments will be the obligation of Buyer. This Paragraph 14B survives closing.
- C. Rent and Security Deposits: At closing, Seller will tender to Buyer all security deposits and the following advance payments received by Seller for periods after closing: prepaid expenses, advance rental payments, and other advance payments paid by tenants. Rents prorated to one party but received by the other party will be remitted by the recipient to the party to whom it was prorated within 5 days after the rent is received. This Paragraph 14C survives closing.

15. DEFAULT:


- A. If Buyer fails to comply with this contract, Buyer is in default and Seller, as Seller's sole remedy(ies), may terminate this contract and receive the earnest money, as liquidated damages for Buyer's failure except for any damages resulting from Buyer's inspections, studies or assessments in accordance with Paragraph 7C(4) which Seller may pursue, or
(Check if applicable)
☐ enforce specific performance, or seek such other relief as may be provided by law.
- B. If, without fault, Seller is unable within the time allowed to deliver the estoppel certificates, survey or the commitment, Buyer may:
- (1) terminate this contract and receive the earnest money, less any independent consideration under Paragraph 7B(1), as liquidated damages and as Buyer's sole remedy; or
 - (2) extend the time for performance up to 15 days and the closing will be extended as necessary.
- C. Except as provided in Paragraph 15B, if Seller fails to comply with this contract, Seller is in default and Buyer may:
- (1) terminate this contract and receive the earnest money, less any independent consideration under Paragraph 7B(1), as liquidated damages and as Buyer's sole remedy; or
 - (2) enforce specific performance, or seek such other relief as may be provided by law, or both.

16. CASUALTY LOSS AND CONDEMNATION:

- A. If any part of the Property is damaged or destroyed by fire or other casualty after the effective date, Seller must restore the Property to its previous condition as soon as reasonably possible and not later than the closing date. If, without fault, Seller is unable to do so, Buyer may:
- (1) terminate this contract and the earnest money, less any independent consideration under Paragraph 7B(1), will be refunded to Buyer;
 - (2) extend the time for performance up to 15 days and closing will be extended as necessary; or
 - (3) accept at closing: (i) the Property in its damaged condition; (ii) an assignment of any insurance proceeds Seller is entitled to receive along with the insurer's consent to the assignment; and (iii) a credit to the sales price in the amount of \$_____ under the policy for the loss.

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

- (1) terminate this contract by providing written notice to Seller within 15 days after Buyer is advised of the condemnation proceedings and the earnest money, less any independent consideration under Paragraph 7B(1), will be refunded to Buyer; or
- (2) appear and defend the condemnation proceedings and any award will, at Buyer's election, belong to: (a) Seller and the sales price will be reduced by the same amount; or (b) Buyer and the sales price will not be reduced.

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

18. **ESCROW:**

- A. At closing, the earnest money will be applied first to any cash down payment, then to Buyer's closing costs, and any excess will be refunded to Buyer. If no closing occurs, the title company may require payment of unpaid expenses incurred on behalf of the parties and a written release of liability of the title company from all parties.
- B. If one party makes written demand for the earnest money, the title company will give notice of the demand by providing to the other party a copy of the demand. If the title company does not receive written objection to the demand from the other party within 15 days after the date the title company sent the demand to the other party, the title company may disburse the earnest money to the party making demand, reduced by the amount of unpaid expenses incurred on behalf of the party receiving the earnest money and the title company may pay the same to the creditors.
- C. The title company will deduct any independent consideration under Paragraph 7B(1) before disbursing any earnest money to Buyer and will pay the independent consideration to Seller.
- D. If the title company complies with this Paragraph 18, each party hereby releases the title company from all claims related to the disbursement of the earnest money.
- E. Notices under this Paragraph 18 must be sent by certified mail, return receipt requested. Notices to the title company are effective upon receipt by the title company.
- F. Any party who wrongfully fails or refuses to sign a release acceptable to the title company within 7 days after receipt of the request will be liable to the other party for: (i) damages; (ii) the earnest money; (iii) reasonable attorney's fees; and (iv) all costs of suit.
- G. ☒ Seller ☐ Buyer intend(s) to complete this transaction as a part of an exchange of like-kind properties in accordance with Section 1031 of the Internal Revenue Code, as amended. All expenses in connection with the contemplated exchange will be paid by the exchanging party. The other party will not incur any expense or liability with respect to the exchange. The parties agree to cooperate fully and in good faith to arrange and consummate the exchange so as to comply to the maximum extent feasible with the provisions of Section 1031 of the Internal Revenue Code. The other provisions of this contract will not be affected in the event the contemplated exchange fails to occur.

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

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

☒ B. Seller is aware of any material defects to the Property as otherwise provided in this contract, Seller is not aware of:

(1) any subsurface: structures, pits, waste, springs, or improvements;

(2) any pending or threatened litigation, cond ☒ and affecting the Property;

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

(Describe any exceptions to (1)-(11) in Paragraph 12 or an addendum.)

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

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

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

22. AGREEMENT OF THE PARTIES:

- A. This contract is binding on the parties, their heirs, executors, representatives, successors, and permitted assigns. This contract is to be construed in accordance with the laws of the State of Texas. If any term or condition of this contract shall be held to be invalid or unenforceable, the remainder of this contract shall not be affected thereby.
- B. This contract contains the entire agreement of the parties and may not be changed except in writing.
- C. If this contract is executed in a number of identical counterparts, each counterpart is an original and all counterparts, collectively, constitute one agreement.

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

- ☒ (1) Property Description Exhibit identified in Paragraph 2;
- ☐ (2) Commercial Contract Condominium Addendum (TAR-1930) or (TAR-1946);
- ☐ (3) Commercial Contract Financing Addendum (TAR-1931);
- ☐ (4) Commercial Property Condition Statement (TAR-1408);
- ☐ (5) Commercial Contract Addendum for Special Provisions (TAR-1940);
- ☐ (6) Addendum for Seller's Disclosure of Information on Lead-Based Paint and Lead-Based Paint Hazards (TAR-1906);
- ☐ (7) Notice to Purchaser of Real Property in a Water District (MUD);
- ☐ (8) Addendum for Coastal Area Property (TAR-1915);
- ☐ (9) Addendum for Property Located Seaward of the Gulf Intracoastal Waterway (TAR-1918);
- ☒ (10) Information About Brokerage Services (TAR-2501); and
- ☐ (11) Information About Mineral Clauses in Contract Forms (TAR-2509); and
- ☐ (12)

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

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

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



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

25. **ADDITIONAL NOTICES:**

- A. Buyer should have an abstract covering the Property examined by an attorney of Buyer's selection, or Buyer should be furnished with or obtain a title policy.
- B. If the Property is situated in a utility or other statutorily created district providing water, sewer, drainage, or flood control facilities and services, Chapter 49, Texas Water Code, requires Seller to deliver and Buyer to sign the statutory notice relating to the tax rate, bonded indebtedness, or standby fees of the district before final execution of this contract.
- C. Notice Required by §13.257, Water Code: "The real property, described below, that you are about to purchase may be located in a certificated water or sewer service area, which is authorized by law to provide water or sewer service to the properties in the certificated area. If your property is located in a certificated area there may be special costs or charges that you will be required to pay before you can receive water or sewer service. There may be a period required to construct lines or other facilities necessary to provide water or sewer service to your property. You are advised to determine if the property is in a certificated area and contact the utility service provider to determine the cost that you will be required to pay and the period, if any, that is required to provide water or sewer service to your property. The undersigned purchaser hereby acknowledges receipt of the foregoing notice at or before the execution of a binding contract for the purchase of the real property described in the notice or at closing of purchase of the real property." The real property is described in Paragraph 2 of this contract.
- D. If the Property adjoins or shares a common boundary with the tidally influenced submerged lands of the state, §33.135, Texas Natural Resources Code, requires a notice regarding coastal area property to be included as part of this contract (*the Addendum for Coastal Area Property (TAR-1915) may be used*).
- E. If the Property is located seaward of the Gulf Intracoastal Waterway, §61.025, Texas Natural Resources Code, requires a notice regarding the seaward location of the Property to be included as part of this contract (*the Addendum for Property Located Seaward of the Gulf Intracoastal Waterway (TAR-1916) may be used*).
- F. If the Property is located outside the limits of a municipality, the Property may now or later be included in the extra-territorial jurisdiction (ETJ) of a municipality and may now or later be subject to annexation by the municipality. Each municipality maintains a map that depicts its boundaries and ETJ. To determine if the Property is located within a municipality's ETJ, Buyer should contact all municipalities located in the general proximity of the Property for further information.
- G. If apartments or other residential units are on the Property and the units were built before 1978, federal law requires a lead-based paint and hazard disclosure statement to be made part of this contract (*the Addendum for Seller's Disclosure of Information on Lead-Based Paint and Lead-Based Paint Hazards (TAR-1906) may be used*).

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- H. Section 1958.154, Occupations Code requires Seller to provide Buyer a copy of any mold remediation certificate issued for the Property during the 5 years preceding the date the Seller sells the Property.
- I. Brokers are not qualified to perform property inspections, surveys, engineering studies, environmental assessments, or inspections to determine compliance with zoning, governmental regulations, or laws. Buyer should seek experts to perform such services. Buyer should review local building codes, ordinances and other applicable laws to determine their effect on the Property. Selection of experts, inspectors, and repairmen is the responsibility of Buyer and not the brokers. Brokers are not qualified to determine the credit worthiness of the parties.
- J. NOTICE OF WATER LEVEL FLUCTUATIONS: If the Property adjoins an impoundment of water, including a reservoir or lake, constructed and maintained under Chapter 11, Water Code, that has a storage capacity of at least 5,000 acre-feet at the impoundment's normal operating level, Seller hereby notifies Buyer: "The water level of the impoundment of water adjoining the Property fluctuates for various reasons, including as a result of: (1) an entity lawfully exercising its right to use the water stored in the impoundment; or (2) drought or flood conditions."
- K. LICENSE HOLDER DISCLOSURE: Texas law requires a real estate license holder who is a party to a transaction or acting on behalf of a spouse, parent, child, business entity in which the license holder owns more than 10%, or a trust for which the license holder acts as a trustee or of which the license holder or the license holder's spouse, parent or child is a beneficiary, to notify the other party in writing before entering into a contract of sale. Disclose if applicable: _____

26. CONTRACT AS OFFER: The execution of this contract by the first party constitutes an offer to buy or sell the Property. Unless the other party accepts the offer by 5:00 p.m., in the time zone in which the Property is located, on December 3, 2018, the offer will lapse and become null and void.

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

Seller: Tran Group, LLC

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Foundation Communities, Inc. (A Texas Non-Profit
Buyer: Corporation), or Affiliates

By:

By (signature):

Printed Name:

Title:

DocuSigned by:

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By:

By (signature):

Printed Name: Walter Moreau

Title: Executive Director Foundation Communities, Inc.

By:

By (signature):

Printed Name:

Title:

By:

By (signature):

Printed Name: Walter Moreau

Title: Executive Director Foundation Communities, Inc.

Commercial Contract - Improved Property concerning

11704 and 11706 North Lamar, Austin Texas 78763**AGREEMENT BETWEEN BROKERS***(use only if Paragraph 9B(1) is effective)*

Principal Broker agrees to pay _____ (Cooperating Broker) a fee when the Principal Broker's fee is received. The fee to be paid to Cooperating Broker will be:

☐ \$ _____, or
☐ _____ % of the sales price, or
☐ _____ % of the Principal Broker's fee.

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

Principal Broker: _____

Cooperating Broker: _____

By: _____

By: _____

ATTORNEYS

Seller's attorney: _____

Buyer's attorney: Smith-Robertson

Address: _____

Cathleen SlackAddress: 221 W 6th StAustinTX 78701-3400

Phone & Fax: _____

Phone & Fax: (512)225-5800

E-mail: _____

E-mail: cslack@smith-robertson.com

Seller's attorney requests copies of documents, notices, and other information:

☐ the title company sends to Seller,
☐ Buyer sends to Seller.

Buyer's attorney requests copies of documents, notices, and other information:

☒ the title company sends to Buyer.
☒ Seller sends to Buyer.

ESCROW RECEIPT

The title company acknowledges receipt of:

☒ A. the contract on this day December 6, 2018 (effective date);
☐ B. earnest money in the amount of \$ _____ in the form of _____ on _____.

Title company: Stewart Title of Austin, LLCAddress: 901 S. Mopace, Bldg. III, Suite 100By: Austin, TX 78746Phone & Fax: 512-225-5819 O 512-225-5831 FAssigned file number (GF#): GF 327106E-mail: mperales@smith-robertson.com

ADDENDUM

PROPERTY: _____

1) Special Provisions

(A) it has completed a federally required environmental review and its request for release of federal funds has been approved and, subject to any other Contingencies in this Contract,

i. the purchase may proceed, or

ii. the purchase may proceed only if certain conditions to address issues in the environmental review shall be satisfied before or after the purchase of the property; or

(B) It has been determined that the purchase is exempt from federal environmental review and a request for release of funds is not required. The Department shall use its best efforts to conclude the environmental review of the property expeditiously.

Buyer agrees to pay Buyer's agent (Gail M. Whitfield) .5% of sales price (\$12,500.00) at closing to bring cooperating brokers total fee to 3%.

DS

[Signature]

Date: 12/5/2018

Signature

DocuSigned by:

[Signature]

8074BA721BF6472...

Date: _____

Signature

Date: 11/28/18

Signature

[Signature]

Date: _____

Signature

Addendum

11/2/2015



Information About Brokerage Services

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

TYPES OF REAL ESTATE LICENSE HOLDERS:

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

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

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

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

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

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

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

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

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

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

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

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

<u>Gail Whitfield DBA The Whitfield Company</u>	<u>316233</u>	<u>gail@thewhitfieldco.com</u>	<u>(512)476-9900</u>
Licensed Broker /Broker Firm Name or	License No.	Email	Phone
<u>Primary Assumed Business Name</u>			
<u>Gail Whitfield</u>	<u>316233</u>	<u>gail@thewhitfieldco.com</u>	<u>(512)476-9900</u>
Designated Broker of Firm	License No.	Email	Phone
<u>Marcus Whitfield</u>	<u>512825</u>	<u>marcus@thewhitfieldco.com</u>	<u>(512)476-9900</u>
Licensed Supervisor of Sales Agent/	License No.	Email	Phone
<u>Associate</u>			
Sales Agent/Associate's Name	DS	Email	Phone
<u>WM</u>	<u>MA 78</u>	<u>11/25/15</u>	
Buyer/Tenant/Seller/Leasehold Interest	Date		

Regulated by the Texas Real Estate Commission

Information available at www.trec.texas.gov

The Whitfield Company, 1161 S Capital of Texas Way, Ste A-101 Austin, TX 78746
Gail Whitfield

Phone: 512.476.9900

Fax: 512.463.2727

ABS 1-0 Date
Information about


Produced with zipForm® by zipLogix 16070 Fifteen Mile Road, Fraser, Michigan 48026 www.zipLogix.com

**Receipt For Wire
Stewart Title Company****Wells Fargo, ABA: [REDACTED], Account: [REDACTED]**

Receipt Number: 12525
File Number: 327106
Property Address: 11704 North Lamar, Austin, TX 78753
Printed Date: 12/6/2018 2:24:48 PM
Received Date: 12/06/2018
Received By: Amparo Puentes
Amount: \$25,000.00
Payor: Foundation Communities, Inc. (A Texas Non-Profit Corporation), or Affiliates
Bank:
Account Number:
Routing Number:

Memo:**Note:**

Description	Amount
Earnest Money from Foundation Communities, Inc. (A Texas Non-Profit Corporation), or Affiliates	\$25,000.00
	\$25,000.00


Received By Amparo Puentes
Date

LEASE CANCELLATION AGREEMENT AND WAIVER OF RIGHT OF FIRST REFUSAL

This LEASE CANCELLATION AGREEMENT AND WAIVER OF RIGHT OF FIRST REFUSAL (this "Agreement") is made and entered into this 8th day of January, 2019 ("Agreement Effective Date") by and between FOUNDATION COMMUNITIES, INC., whose address is 3036 S. First St., Austin, Texas 78704 ("Foundation"), and REAGAN NATIONAL ADVERTISING OF AUSTIN, INC., a Delaware corporation whose address is 7301 Burleson, Austin, Texas 78744 ("Lessee").

RECITALS

1. By that certain Lease dated January 11, 2002, by and between James F. Davis, Marie Smith, Ronald L. Davis and Bobby L. Davis, predecessors-in-interest to Tran Group, LLC ("Lessor") and Lessee (the "Lease Agreement"), Lessor leased to Lessee certain real property located at 11704 North Lamar, Austin, Travis County, Texas (the "Property").

2. Lessee had a right of first refusal under the Lease Agreement to purchase the Property ("Lessee's ROFR").

3. Lessor and Foundation are parties to that certain Commercial Contract – Improved Property dated December 6, 2018 (the "Contract"), pursuant to which Lessor intends to convey and Foundation (or an affiliate) intends to purchase the Property.

4. The Contract was subject to Lessee's ROFR.

5. Foundation and Lessee desire to cancel the Lease Agreement effective upon (a) Lessor and Foundation closing on the purchase and sale of the Property (the "Closing"); (b) Foundation and Lessee executing and recording that certain Easement Agreement of even date herewith by and between Foundation and Lessee (the "Easement Agreement"), the form of which is attached hereto as Exhibit A; and (c) the Easement Agreement being recorded subsequent to the recording of the deed executed pursuant to the Contract, but prior to recording of any other document related to the Property, including but not limited to any deed of trust or mortgage (collectively, the "Preconditions").

6. Lessee desires to waive Lessee's ROFR as to the Contract, effective upon satisfaction of the Preconditions.

AGREEMENTS

NOW, THEREFORE, in consideration of the release, termination and grants of easement referenced above, and other good and valuable consideration, the receipt and sufficiency which are hereby acknowledged by each party, the parties agree as follows:

1. At or before the Closing, Foundation and Lessee will execute the Easement Agreement and record it as set forth in Recital 5 above.

2. Effective upon the Agreement Effective Date, and in reliance upon the agreement and promises of Foundation made herein, Lessee waives its ROFR as to the Contract.

3. Effective upon the date of satisfaction of the Preconditions (the "Termination and Waiver Date"), the parties hereby mutually agree to terminate and cancel the Lease Agreement.

4. The parties hereto, as of the Termination and Waiver Date, hereby release each other of and from any liability or responsibility arising out of the Lease Agreement.

5. Lessee, after the Termination and Waiver Date, shall file a Short Form Lease Cancellation Agreement in the form of Exhibit B attached hereto.

6. This Agreement is binding upon the heirs, personal representatives, successors and assigns of the parties hereto. Foundation shall have the right to execute the Easement Agreement through an affiliate entity that takes title to the Property upon Closing of the Contract.

Dated as of the date first referenced above.

LESSEE:

REAGAN NATIONAL ADVERTISING OF AUSTIN, INC.,
a Delaware corporation

By: 

William K. Reagan II
President

FOUNDATION:

By: FOUNDATION COMMUNITIES, INC.
a Texas non-profit corporation

By: 

Walter Moreau, Executive Director

EXHIBIT A

EASEMENT AGREEMENT

[SEE ATTACHED]

EASEMENT AGREEMENT

This Easement Agreement (this “**Agreement**”) is made and entered into this ____ day of _____, 2019, by and between _____, a Texas _____ (“**Grantor**”), and REAGAN NATIONAL ADVERTISING OF AUSTIN, INC., whose address is 7301 Burleson Rd., Austin, Texas 78744 (“**Grantee**”).

RECITALS

A. Grantor is the owner of certain property located in Travis County, Texas, and more particularly described on Exhibit “A” attached hereto (the “**Property**”).

B. Grantee is the owner of an outdoor advertising sign and all supporting structures, devices, connections, appurtenances, replacements, rights of use, conforming rights, non-conforming rights, registrations, applications, permits, grand-fathering and other rights related thereto (collectively the “**Sign**”) located within the easternmost 45 feet of the Property (the “**Easement Property**”).

C. Grantor desires to grant Grantee an easement for outdoor advertising purposes related to Grantee’s outdoor advertising business, including but not limited to the location, construction, maintenance, operation, replacement and removal of the Sign on the Easement Property in accordance with the terms of this Agreement.

TERMS OF AGREEMENT

For \$10.00 and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Grantor and Grantee agree as follows:

1. Grant of Easement.

(a) Grantor hereby grants to Grantee a non-exclusive perpetual easement on the Easement Property for outdoor advertising and related utilities, including but not limited to the purpose of owning, operating, maintaining, replacing, repairing and servicing the Sign for outdoor advertising and associated facilities (including, but not limited to, utilities, supports, mounts, cables and equipment, supporting structures, devices, connections, wireless or other communications equipment and facilities, including transmitting and receiving antennas as well as any other appurtenances related thereto) with multiple faces and/or electronic displays as may be desired by Grantee; provided, however, Grantee shall be prohibited from permitting any advertising on such Sign that contains or references any alcohol, sexually-oriented businesses, any illegal activities, pornographic materials, or gambling facilities or operations. All supporting structures, devices, connections, supports, communication facilities and appurtenances related thereto, including but not limited to its Sign, which are now or hereafter located on the Property are hereafter referred to as the "Sign."

(b) Grantor also hereby grants to Grantee an easement over the Easement Property for access to and from its Sign for the operation, maintenance, repair, dismantling, replacement, removal, alteration, improvement, illumination and use of the Sign. The Easement includes the right to place, maintain, replace and operate within the Easement Property electrical and control equipment (and attached communications and telecommunications equipment) as may be desired

by Grantee in the location such equipment is located on the date of this Agreement.

(c) Grantor acknowledges that Grantee retains all right and title to and ownership of the Sign, including without limitation, the structure, base, faces and supporting members and all associated fixtures, equipment and appurtenances. Grantee hereby reserves and retains, and Grantor hereby covenants and agrees Grantee shall retain, the right to all rent, revenue, income and profits derived from or related to the operation of the Sign and the rental, licensing or leasing thereof. Grantee may remove any of the Sign's minor and major components from the Property at any time for maintenance or replacement; provided, however, Grantee may not partially disassemble the Sign without immediate intent to repair and replace.

2. Covenants of Grantor. Grantor irrevocably covenants to allow the continued operation of the Sign in the Easement Property in accordance with the terms of this Agreement and agrees not to take or permit any actions which would reduce or curtail the effectiveness of the use of the Easement Property for outdoor advertising purposes, including without limitation the following:

(a) Installing or constructing buildings, fences, signs or any other structures on the Easement Property which obstruct or materially impair access to, or impair the use, communication with, or visibility of the Sign for outdoor advertising purposes and/or related equipment;

(b) Planting, or allowing the growth of, trees, shrubs or other vegetation which would obstruct or materially impair, or over time grow to a height that would

materially obstruct or impair the use, access to, communication with, or visibility of the Sign or related equipment from Lamar Boulevard or any subsequent name or replacement thereof (“Lamar Boulevard”) or obstruct or impair access thereto;

(c) Contesting any variances, petitions or applications sought by Grantee relating to the use of the Easement Property for outdoor advertising in compliance with the terms of this Agreement;

(d) Parking cars or allowing cars to be parked in such a way as to obstruct or materially impair access to the Sign for maintenance, servicing, replacement or repair;

(e) Storing any items on the Property or allowing the accumulation of garbage on the Property such that accessibility to the Sign is obstructed or materially impaired;

(f) Erecting any other signs on the Easement Property which obstruct or materially impair the use, access to, communication with, or visibility of the Sign for outdoor advertising purposes from Lamar Boulevard or obstruct or impair access thereto, or erecting any other signs on the Property which advertise off-premises activities, whether or not such other signs obstruct or impair the visibility of the Sign;

(g) Taking any deliberate action which impedes Grantee’s ability to exercise any rights granted to Grantee herein;

(h) Removing, dismantling, raising or lowering, either temporarily or permanently, the Sign at any time; and

(i) Terminating, removing, dismantling, interfering, disrupting, or in any way denying power to the Sign; provided, that neither Grantor nor Grantee shall be liable for any power interruptions caused by the utility provider or force majeure events.

Grantor recognizes and acknowledges that a violation of any provision hereof shall cause irreparable damage to Grantee for which damages may be difficult to calculate. Therefore, Grantee shall be entitled to a Temporary Restraining Order and/or Injunction from a court of competent jurisdiction to protect against any violation or attempted violation of this Agreement by Grantor and to post bond for such Temporary Restraining Order or Injunction in an amount not to exceed \$1,000.

3. Grantee's Right to Remove Obstructions. Grantor hereby grants unto Grantee the right to remove any material obstructions on the Easement Property to the visibility or access to the Sign, including without limitation the right to trim and remove trees, and to take such other actions as reasonably necessary to be able to operate, maintain, repair, replace and service the Sign.

4. Casualty. In the event the Sign is partially or totally destroyed or damaged by casualty, including without limitation, fire, flood, or other natural disaster, Grantee shall have the right at Grantee's election to rebuild the Sign in substantially the same condition and location that existed prior to the casualty.

5. Covenants of Grantee. Grantee covenants and agrees to the following:

(a) it shall bear and promptly pay without the imposition of any lien or charge on or against all or any portion of the Easement Property, all costs and expenses incurred by Grantee in connection with the operation and maintenance of the Sign. Grantor and Grantee hereby acknowledge and agree that if any lien is filed against the Property as a result of the Easement or Grantee's activities in the Easement Property, Grantor shall promptly notify Grantee and Grantee shall have thirty (30) days from said notification to

cure or Grantee shall be in default of this Agreement. In that event Grantor shall have the right to exercise all of its remedies pursuant to this Agreement, at law and in equity.

(b) Grantee shall maintain, at its expense, and keep in force at all times during the term of this Agreement, a policy of comprehensive general public liability insurance, including a contractual liability endorsement, and personal injury liability coverage, from a reputable insurer, which shall include coverage against claims for any injury, death or damage to persons or property occurring on, in or about the Easement Property with a combined single limit of not less than \$2,000,000 with respect to the Easement Property and Grantee's use therein. Grantor shall be named as additional insured on such insurance policies. Upon entering into this Agreement, and from time to time upon Grantor's reasonable request, Grantee shall furnish to Grantor a certificate of insurance evidencing the foregoing coverages.

6. Term. The easement granted pursuant to this Agreement and the covenants of Grantor and all other terms hereof shall run perpetually. Grantee may terminate this Agreement at any time by giving Grantor thirty (30) days written notice. Grantee may remove the Sign's minor and major components from the Easement Property at any time either before or after termination of this Agreement so long as otherwise in compliance with the terms of this Agreement.

7. Liens. Grantor represents and warrants that (a) it is the lawful owner of the Property; and (b) Grantee's rights pursuant to this Agreement shall be superior to any liens, mortgages, deeds of trust or other encumbrances placed or allowed to be placed against the Property.

8. Condemnation. In the event all or any part of the Easement Property is condemned or sought to be condemned, Grantee shall be entitled, in its sole discretion, to one or more of the following: (a) to contest the condemnation; (b) to relocate its Sign to a portion of the Easement Property not acquired, or if inadequate area exists within the remaining Easement Property, then in an area that does not interfere with Grantor's improvements on the Property or the use or operation of such improvements as a multi-family housing development or traffic circulation thereon; (c) to terminate this Agreement; (d) to receive compensation from the condemnor for the value of Grantee's interest in the Easement Property and Sign acquired and for the reduced value of Grantee's interest in the Easement Property and Sign not acquired (whether located on the Property or not) which results from the acquisition; and (e) to recover from the condemnor to the maximum extent otherwise allowable by law. "Condemned" and "condemnation" shall be construed to include any transfer of possession, title or right relating to the Property, or any portion thereof, in favor of or for the benefit of any entity having the power of eminent domain, including, but not limited to, sale or lease. No right of termination set forth anywhere in this Agreement may be exercised by or for the benefit of any entity having the power of eminent domain.

9. Successors and Assigns. This Agreement, including but not limited to the covenants of Grantor set forth in Section 2 above, shall constitute a covenant running with the land and shall be binding upon Grantor and its successors and assigns in the Property, or any portion thereof, and the provisions hereof shall be specifically enforceable against Grantor and its successors and assigns, regardless of whether such parties have actual notice of the provisions hereof. Without limiting the foregoing, Grantee shall have all remedies available at law or in equity to enforce this Agreement, including suits for damages and/or specific performance. In

the event Grantee seeks an injunction based upon Grantor's breach, it is specifically agreed that no bond in excess of \$1,000 shall be required.

10. Assignment by Grantee. Grantor agrees that Grantee may transfer, sell or assign its rights under this Agreement to any person or entity whomsoever without notice to Grantor, so long as such assignee assumes all obligations under this Agreement.

11. Cooperation with Grantee. Grantor will reasonably cooperate with any reasonable request by Grantee regarding the execution of any applications, permits or authority requests by any governmental authority for the construction, operation, maintenance, replacement, repair or removal of a sign.

12. Reservation of Rights. All right, title and interest in and to the Easement Property under this Agreement, which may be used and enjoyed without interfering with the rights conveyed by this Agreement are reserved to Grantor; provided, however, that Grantor shall not enact or maintain any buildings or vegetation which may cause damage to or interfere with the Sign within the Easement Property. Grantor shall have the right to grant additional easement rights in the Easement Property provided Grantee's prior written consent is obtained, which consent shall not be withheld, conditioned or delayed if such does not interfere with, or otherwise adversely affect any of Grantee's rights herein.

14. Default. Grantee shall not be in default hereunder unless written notice of such default is provided to Grantee and Grantee is given thirty (30) days to cure such default. If such failure cannot reasonably be cured within such thirty (30) day period, the length of such period shall be extended for the period reasonably required therefore if Grantee commences curing such failure within such thirty (30) day period and continues to act to cure such failure with reasonable diligence and continuity.

15. Miscellaneous. This Agreement is to be governed by and interpreted under the laws of the State of Texas. If any of the provisions of this Agreement are deemed to be not enforceable, in whole or in part, the remaining provisions shall be enforceable notwithstanding the invalidity of any other provision. Any provision not enforceable in part shall be enforceable to the extent valid and enforceable. This Agreement may be executed in multiple counterparts, the sum of which shall constitute one original and complete document.

Executed by Grantor and Grantee on the dates of their respective acknowledgements below to be effective the date of the last such acknowledgement.

GRANTOR:

_____, LP,
a Texas limited partnership

By: _____, LLC
a Texas limited liability company, its General Partner

By: **FOUNDATION COMMUNITIES, INC.**
a Texas corporation, its Manager

By: _____
Walter Moreau, Executive Director

GRANTEE:

REAGAN NATIONAL ADVERTISING OF AUSTIN, INC.,
a Delaware corporation

By _____
William K. Reagan II, President

STATE OF TEXAS §
 §
COUNTY OF TRAVIS §

Before me, the undersigned authority, on this day personally appeared Walter Moreau, Executive Director of Foundation Communities, Inc. a Texas corporation, as Manager of _____, LLC, a Texas limited liability company as General Partner for _____, LP, a Texas limited partnership, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same for the purposes and consideration therein expressed on behalf of said partnership, company and corporation.

Given under my hand and seal of office this _____ day of _____, 2019.

Notary Public - State of Texas

STATE OF TEXAS §
 §
COUNTY OF TRAVIS §

Before me, the undersigned authority, on this day personally appeared William K. Reagan II, President of Reagan National Advertising of Texas, Inc., a Delaware corporation, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same for the purposes and consideration therein expressed on behalf of said corporation.

Given under my hand and seal of office this _____ day of _____, 2019.

Notary Public - State of Texas

EXHIBIT “A”

Lot 7, FRANK STARK SUBDIVISOIN, a subdivision in Travis County, Texas, according to the map or plat of record in Volume 4, Page 199, Plat records of Travis County, Texas.

EXHIBIT B

SHORT FORM LEASE CANCELLATION AGREEMENT

This Short Form Lease Cancellation Agreement (this "Agreement") is made and entered this ____ day of _____, 2018 by and between _____ (as successor-in-interest to Tran Group, LLC, "Lessor"), and REAGAN NATIONAL ADVERTISING OF AUSTIN, INC. ("Lessee").

RECITALS

1. By that certain Lease Agreement dated January 11, 2002 (the "Lease"), James F. Davis, Marie Smith, Ronald L. Davis and Bobby L. Davis, predecessors-in-interest to Lessor, leased to Lessee certain real property located at 11704 North Lamar, Austin, Travis County, Texas (the "Property"), as evidenced by that certain Memorandum of Lease recorded under Document No. 2002014900 of the Official Public Records of Travis County.

2. Lessor and Lessee have mutually agreed to terminate and cancel the Lease as further set forth herein.

NOW, THEREFORE, in consideration of the promises and the covenants and agreements herein set forth, and other good and valuable consideration, the receipt and sufficiency which are hereby acknowledged by each party, the parties agree as follows:

Lessor and Lessee hereby agree to terminate and cancel the Lease, effective _____, _____ (the "Termination Date").

This Short Form Lease Cancellation is binding upon the heirs, personal representatives, successors and assigns of the parties hereto.

This Lease Cancellation does not release, affect, impair or modify that certain recorded Easement Agreement regarding the Property executed by Lessor and Lessee.

Dated as of the date first referenced above.

LESSOR:

_____, LP,
a Texas limited partnership

By: _____, LLC
a Texas limited liability company,
its General Partner

By: FOUNDATION COMMUNITIES, INC.
a Texas corporation, its Manager

By: _____
Walter Moreau, Executive Director

LESSEE:

REAGAN NATIONAL ADVERTISING OF AUSTIN, INC.,
a Delaware corporation

By: _____
William K. Reagan II
President

STATE OF TEXAS §
 §
COUNTY OF _____ §

Before me, the undersigned authority, on this day personally appeared Walter Moreau, Executive Director of Foundation Communities, Inc., known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same for the purposes and consideration therein expressed on behalf of said corporation.

Given under my hand and seal of office this _____ day of January, 2019.

Notary Public - State of Texas

STATE OF TEXAS §
 §
COUNTY OF _____ §

Before me, the undersigned authority, on this day personally appeared William K. Reagan II, President of Reagan National Advertising of Austin, Inc. known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same for the purposes and consideration therein expressed on behalf of said corporation.

Given under my hand and seal of office this _____ day of January, 2019.

Notary Public - State of Texas

5 – PROPERTY

Phase I ESA

Phase I ESA is pending

5 – PROPERTY

State Historical Preservation Officer Consultation

Not applicable