



City of Austin

AUG 15 2013

NHCD / AHFC

David Potter
City of Austin Neighborhood Housing and Community Development
1000 E. 11th Street
Austin, Texas 78702

August 15, 2013

Dear David,

Thank you for the opportunity to present to you an application requesting RHDA funds to rehabilitate two affordable housing units for Accessible Housing Austin! (AHA!). This request is targeted at two units of housing for very low-income people with disabilities and their families.

It is AHA!'s mission to provide affordable and accessible housing for low-income people with disabilities that is fully integrated into neighborhoods around Austin. The neighborhood in which this duplex is located is convenient to public transportation and other amenities. Any money spent fixing up these homes is an expense that would be passed down as higher rent. Therefore we are especially grateful for AHFC's rehabilitation programs which allow us to bring these dwellings up to a higher standard of accessibility, comfort and decency without harmful financial repercussions for our tenants.

Please find enclosed all the materials you have requested, organized by section number. Should you have any further questions, please do not hesitate to call me at 442-6680.

Thank you for your consideration.

Isabelle Headrick
Executive Director

RENTAL HOUSING DEVELOPMENT ASSISTANCE (RHDA)

Application for Rental Development Financing

PLEASE NOTE: AHFC Reserves the right to fund projects at a lower amount than requested, and the right to deny applications that do not coincide with the City's FY 2012-13 Action Plan goals and policy direction from the Austin City Council.

Project Name: Kempler Accessible Duplex

Project Address: 9215 Kempler Ave. Austin, Texas Zip Code: 78745

Total # units in project/property: 2

Total # units to be assisted with RHDA Funding: 2

Project type (check all that apply):

Acquisition Rehabilitation New construction Refinance Rent Buy-Down

Amount of funds requested: \$180,880 Terms Requested: 0% interest, 100% forgivable loan

Role of applicant in Project (check all that apply): Owner Developer Sponsor

1. Applicant Information (If applicant is not acting as the developer, please provide all of the information below for the developer as well as for the applicant. If the developer involves multiple entities, is a partnership or joint venture, please provide duplicative information for each, and identify the entity that will serve as the "lead" organization).

Accessible Housing Austin Developer is Applicant Applicant - Other
Name check appropriate box

1640-A E. 2nd Street
Street Address

Austin TX, 78702 (512) 442-6680
City State, Zip Telephone

Isabelle Headrick (512) 442-6680 or 900-1821 isabelle.headrick@gmail.com
Contact Person Contact Telephone E-mail address

07-456-9347 74-3156314
DUNS # (REQUIRED) Federal Tax ID Number

The applicant/developer certifies that the data included in this application and the exhibits attached hereto are true and correct. Unsigned/undated submissions will not be considered.

Accessible Housing Austin 
Legal Name of Developer/Entity Signature of Authorized Officer

Executive Director Aug. 15, 2013
Title Date

2. **A. Non-profit applicants/developers, attached copies of the following:**
 1. A "certificate of status" issued by the Texas Secretary of State.
 2. Federal IRS certification granting non-profit tax-exempt status.
 3. Certified financial audit for most recent year which include the auditor's opinion and management letters.
 4. Board resolution approving the proposed project and authorizing the request for funding



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 Accessible Housing Austin! (file number 800587184), a Domestic Nonprofit Corporation, was filed in this office on December 20, 2005.

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 July 25, 2013.



A handwritten signature in black ink, appearing to read "John Steen".

John Steen
Secretary of State

INTERNAL REVENUE SERVICE
P. O. BOX 2508
CINCINNATI, OH 45201

DEPARTMENT OF THE TREASURY

Date: NOV 08 2006

ACCESSIBLE HOUSING AUSTIN
1016 LA POSADA STE 145
AUSTIN, TX 78752

Employer Identification Number:
74-3156314
DLN:
17053081001026
Contact Person:
DONNA ELLIOT-MOORE ID# 50304
Contact Telephone Number:
(877) 829-5500
Accounting Period Ending:
DECEMBER 30
Public Charity Status:
170(b)(1)(A)(vi)
Form 990 Required:
YES
Effective Date of Exemption:
DECEMBER 20, 2005
Contribution Deductibility:
YES
Advance Ruling Ending Date:
SEPTEMBER 30, 2010

Dear Applicant:

We are pleased to inform you that upon review of your application for tax exempt status we have determined that you are exempt from Federal income tax under section 501(c)(3) of the Internal Revenue Code. Contributions to you are deductible under section 170 of the Code. You are also qualified to receive tax deductible bequests, devises, transfers or gifts under section 2055, 2106 or 2522 of the Code. Because this letter could help resolve any questions regarding your exempt status, you should keep it in your permanent records.

Organizations exempt under section 501(c)(3) of the Code are further classified as either public charities or private foundations. During your advance ruling period, you will be treated as a public charity. Your advance ruling period begins with the effective date of your exemption and ends with advance ruling ending date shown in the heading of the letter.

Shortly before the end of your advance ruling period, we will send you Form 8734, Support Schedule for Advance Ruling Period. You will have 90 days after the end of your advance ruling period to return the completed form. We will then notify you, in writing, about your public charity status.

Please see enclosed Information for Exempt Organizations Under Section 501(c)(3) for some helpful information about your responsibilities as an exempt organization.

Letter 1045 (DO/CG)

ACCESSIBLE HOUSING AUSTIN

Sincerely,

A handwritten signature in cursive script, appearing to read "Lois G. Lerner".

Lois G. Lerner
Director, Exempt Organizations
Rulings and Agreements

Enclosures: Information for Organizations Exempt Under Section 501(c)(3)
Statute Extension

ACCESSIBLE HOUSING AUSTIN!

*FINANCIAL STATEMENTS
WITH INDEPENDENT AUDITORS' REPORT
FOR THE YEAR ENDED SEPTEMBER 30, 2012*



RENEE J BARRY

Certified Public Accountant

10102 Brantley Bend, Austin, Texas 78748

ACCESSIBLE HOUSING AUSTIN!

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Renee J Barry

Certified Public Accountant

10102 Brantley Bend
Austin, Texas 78748

Phone: (512) 636-7022
Fax: (512) 282-0847
Email: barry_renee@att.net

INDEPENDENT AUDITORS' REPORT—DRAFT

To the Board of Directors
Accessible Housing Austin!

I have audited the accompanying statement of financial position of Accessible Housing Austin! (a nonprofit organization) as of September 30, 2012, and the related statements of activities, cash flows and functional expenses for the year then ended. These financial statements are the responsibilities of management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Accessible Housing Austin! as of September 30, 2012, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Renee J Barry, CPA

Austin, Texas
March 27, 2013

**ACCESSIBLE HOUSING AUSTIN!
STATEMENT OF FINANCIAL POSITION
September 30, 2012**

ASSETS

Current Assets	
Cash and cash equivalents	\$ 33,587
Account receivables	2,841
	<hr/>
Total Current Assets	36,428
	<hr/>
Fixed Assets	
Building	253,403
Leasehold improvements	40,680
Accumulated depreciation	(33,762)
	<hr/>
Total Current Assets	260,321
	<hr/>
Total Assets	<u>\$ 296,749</u>

LIABILITIES AND NET ASSETS

Current Liabilities	
Accounts payable	\$ 12,812
Note payable, current portion	27,260
Security deposit payable	5,083
	<hr/>
Total Current Liabilities	45,155
Long Term Liabilities	
Note payable	140,810
	<hr/>
Total Long Term Liabilities	140,810
Total Liabilities	185,965
Net Assets	
Unrestricted	109,301
Temporarily restricted	1,483
	<hr/>
Total Net Assets	110,784
	<hr/>
Total Liabilities and Net Assets	<u>\$ 296,749</u>

See accountants' report and notes to the financial statements.

ACCESSIBLE HOUSING AUSTIN!
STATEMENT OF ACTIVITIES
For the Twelve Month Period Ended September 30, 2012

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Support and Revenues			
Grants	\$ 27,500	\$ -	\$ 27,500
Contributions	8,024	-	8,024
Program service revenue	48,449	-	48,449
Other income	587	-	587
Temporarily restricted assets released from restrictions	47,461	(47,461)	-
Total Support and Revenues	<u>132,021</u>	<u>(47,461)</u>	<u>84,560</u>
Expenses			
Program Services	81,844	-	81,844
Administrative	15,589	-	15,589
Fundraising	-	-	-
Total Expenses	<u>97,433</u>	<u>-</u>	<u>97,433</u>
Change in Net Assets	34,588	(47,461)	(12,873)
Net Assets			
Beginning Balance	<u>74,713</u>	<u>48,944</u>	<u>123,657</u>
Ending Balance	<u>\$ 109,301</u>	<u>\$ 1,483</u>	<u>\$ 110,784</u>

See accountants' report and notes to the financial statements.

ACCESSIBLE HOUSING AUSTIN!
STATEMENT OF CASH FLOWS
For the Twelve Month Period Ended September 30, 2012

OPERATING ACTIVITIES	
Change in net assets	\$ (12,873)
<i>Adjustments to reconcile change in net assets to net cash provided by operating activities</i>	
Depreciation expense	13,608
<i>(Increase) decrease in assets</i>	
Increase in accounts receivable	(1,669)
<i>Increase (decrease) in liabilities</i>	
Increase in accounts payable and accrued expenses	4,080
Increase in notes payable, current portion	27,260
Increase in security deposits	3,026
	-
Net Cash Provided by/(Used by) Operating Activities	<u>33,432</u>
INVESTING ACTIVITIES	
Purchase of HVAC	(3,600)
Accessibility rehab	(40,680)
Net Provided by/(Used by) Investing Activities	<u>(44,280)</u>
FINANCING ACTIVITIES	
Decrease in long-term loans	(27,260)
Net Provided by/(Used by) Financing Activities	<u>(27,260)</u>
NET INCREASE IN CASH	(38,108)
CASH	
Beginning Balance	<u>71,695</u>
Ending Balance	<u><u>\$ 33,587</u></u>

See accountants' report and notes to the financial statements.

**ACCESSIBLE HOUSING AUSTIN!
STATEMENT OF FUNCTIONAL EXPENSES
For the Twelve Month Period Ended September 30, 2012**

	<u>Program</u>	<u>Administrative</u>	<u>Fundraising</u>	<u>Total</u>
EXPENSES				
Depreciation expenses	\$ 13,608	\$ -	\$ -	\$ 13,608
Dues	-	22	-	22
Insurance	5,791	956	-	6,747
Make ready expenses	1,660	-	-	1,660
Professional services	-	2,650	-	2,650
Program operating costs	27,534	11,711	-	39,245
Property taxes	6,190	-	-	6,190
Repairs and maintenance	22,288	-	-	22,288
Staff development	110	250	-	360
Travel	1,016	-	-	1,016
Utilities	3,647	-	-	3,647
Total Expenses	<u>\$ 81,844</u>	<u>\$ 15,589</u>	<u>\$ -</u>	<u>\$ 97,433</u>

See accountants' report and notes to the financial statements.

**ACCESSIBLE HOUSING AUSTIN!
NOTES TO THE FINANCIAL STATEMENTS
FOR THE TWELVE MONTH PERIOD ENDED SEPTEMBER 30, 2012**

NOTE 1 - NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

Accessible Housing Austin! (Organization) was incorporated in the State of Texas on December 20, 2005. The Organization is dedicated to developing and advancing affordable, accessible, and integrated housing options in the City of Austin for low-income people with disabilities and their families. One of the core values is empowering low-income people with disabilities by making them controlling stakeholders in their housing options.

Basis of Accounting

The financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles. Such method of accounting recognizes support, revenue and the related receivable as earned, regardless of when the cash is collected. Expenses and the related payable are recognized as incurred, regardless of when the obligation is paid.

Financial Statement Presentation

The classification of the Organizations' net assets and its support, revenue and expenses is based on the existence or absence of donor-imposed restrictions. It requires that the amounts of each of three classes of net assets – permanently restricted, temporarily restricted and unrestricted – be displayed in a statement of financial position and that the amounts of change in each of these classes be displayed in a statement of activities.

These classes are defined as follows:

Permanently Restricted – Net assets resulting from contributions and other inflows of whose use by the Organization is limited by donor-imposed stipulations that neither expire by passage of time nor can be fulfilled or otherwise removed by actions of the Organization. The Organization had \$0.00 in permanently restricted net assets.

Temporarily Restricted – Net assets resulting from contributions and other inflows of assets whose use by the Organization is limited by donor-imposed stipulations that either expire by passage of time or can be fulfilled and removed by actions of the Organization pursuant to those stipulations. When such stipulations end or are fulfilled, such temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities. The Organization had \$1,483 in temporarily restricted net assets.

Unrestricted-The part of net assets that is neither permanently nor temporarily restricted by donor-imposed stipulations.

ACCESSIBLE HOUSING AUSTIN!
NOTES TO THE FINANCIAL STATEMENTS
FOR THE TWELVE MONTH PERIOD ENDED SEPTEMBER 30, 2012

NOTE 1 - NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES
(continued)

Revenue

Contributions received are recorded as increases in unrestricted, temporarily restricted, or permanently restricted support depending on existence and/or nature of any donor restrictions.

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Donor-restricted contributions are reported as an increase in temporarily restricted net assets. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statement of Activities as net assets released from restrictions.

Rental income is recognized monthly as earned.

Receivables

Receivables consist of contract receivables. The Organization considers all receivables to be fully collectible; accordingly, no allowance for doubtful accounts has been recorded.

Income Taxes

The Organization is exempt from federal income taxes under Internal Revenue Code Section 501(c)(3). Therefore, no provision has been made for federal income taxes in the accompanying financial statements.

Donated Services

Contributions of donated services that create or enhances nonfinancial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation, are recorded at their fair values in the period received. There were no donated services in 2012.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure or contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from these estimates.

**ACCESSIBLE HOUSING AUSTIN!
NOTES TO THE FINANCIAL STATEMENTS
FOR THE TWELVE MONTH PERIOD ENDED SEPTEMBER 30, 2012**

**NOTE 1 - NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES
(continued)**

Cash and Cash Equivalents

For purposes of the Statement of Cash Flows, the Organization considers all highly liquid investment instruments purchased with an initial maturity of three months or less to be cash equivalents.

Fixed Assets

Fixed assets are reported at cost, or if donated, the Organization uses the estimated fair market value. The Organization capitalizes assets with a cost/fair value of \$1,000 or more and a useful life of more than one year. Depreciation expenses is computed over the estimated lives of the fixed assets (generally 3 – 27.5 years) using the straight-line method. Upon the sale or retirement of depreciable assets, the related cost and accumulated depreciation or amortization are removed from the accounts. Any gain or loss on the sale or retirement is recognized in current operations.

Rental Operations

The Organization leases its 7 housing units, as of yearend, for use as single family residences under noncancellable operating leases. Generally these leases have twelve month terms, automatically renewing on a month-to-month basis thereafter.

Functional Expense Allocation

The costs of providing various programs and other activities have been summarized on a functional basis in the Statement of Activities and in the Statement of Functional Expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Subsequent Events

The Organization has evaluated subsequent events as of March 27, 2013, the date the financial statements were available to be issued.

**ACCESSIBLE HOUSING AUSTIN!
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE TWELVE MONTH PERIOD ENDED SEPTEMBER 30, 2012**

NOTE 2 – FIXED ASSETS

Fixed assets consisted of the following as of September 30, 2012:

Building	\$ 253,403
Leasehold Improvements	40,680
Accumulated Depreciation	<u>(33,762)</u>
Net	<u>\$ 260,321</u>

Depreciation expense for the year ended September 30, 2012, was \$13,608.

NOTE 3 – NOTES PAYABLE

On June 26, 2008 the Organization purchased Carol’s House with funding through the Austin Housing Finance Corporation Community Housing Development Organization (CHDO) in the amount of \$140,810. The note bears a 0% interest rate until maturity and the principal and interest shall be forgiven in its entirety if on June 1, 2107, the Organization is in compliance with all terms and conditions of the Loan Agreement. The Organization is in compliance with all terms and conditions of the Loan Agreement.

On January 4, 2011 the Organization obtained a pre-development loan through the Austin Housing Finance Corporation (AHFC) for Gaston Place in the amount of \$27,260. The note bears a 0% interest rate until maturity and the principal and interest shall be forgiven in its entirety if on February 1, 2013, the Organization is in compliance with all terms sand conditions of the Loan Agreement. The Organization is in compliance with all terms and conditions of the Loan Agreement.

Maturities:

2013	\$ 27,260
2014	0
2015	0
2016	0
2017	0
Thereafter	<u>\$140,810</u>
	<u>\$168,070</u>

NOTE 4 - CONTINGENCIES

The Organization receives forgivable loans from the City of Austin (the City) to assist with implementation of its programs. In the event that the Organization does not comply with the terms of these loans or should any costs be determined to be ineligible, the Organization will be liable to the grantor for said amounts. Management believes there will be no such disallowance.

**ACCESSIBLE HOUSING AUSTIN!
NOTES TO THE FINANCIAL STATEMENTS
FOR THE TWELVE MONTH PERIOD ENDED SEPTEMBER 30, 2012**

NOTE 5 - LEASES

The Organization rents housing units to tenants through annual lease contracts. The minimum amount to be received in 2013 under these contracts is \$77,929.

NOTE 6 - CONCENTRATIONS

Grants from one grantor represent 30% of total revenue. 100% of notes payable are due to one lender.

A Resolution of the Board of Directors of Accessible Housing Austin, Inc. in Support of the Proposed Application

TO: Director
Austin Housing Finance Corporation

SUBJECT: Rental Housing Development Assistance

SPONSOR: Accessible Housing Austin!, Inc.

WHEREAS, the need for affordable, accessible and integrated housing in the City of Austin is well-documented.

WHEREAS, Accessible Housing Austin!, Inc., a non-profit organization, plans to address the need for affordable, accessible and integrated housing by acquiring a duplex housing unit to be made available as rental property.

NOW, THEREFORE, the Board of Directors of Accessible Housing Austin!, Inc. hereby resolves and agrees that it will make an application to the Austin Housing Finance Corporation for federal HOME Investment Partnerships Act funds through the Community Housing Development Organization Program or City of Austin funding through General Obligation Bonds or General Revenue to assist in the development of affordable rental housing located at 9215 Kempler Drive in Austin, Texas.

Adopted and approved by the Board of Directors of the Sponsor on the 17 day of April, 2013.



President

3. Project Type (Please check any that apply.) This project is considered:

Traditional Rental Housing (serving low-income households, and resident services may or may not be provided)

Transitional Housing (case management services provided and residency limited to a certain length of time, usually no more than 24 months)

Permanent Supportive Housing (Considered long-term rental housing for very low-income families and individuals who are among the hardest to serve and who are most vulnerable to homelessness. This type of housing provides case management services to residents as needed).

If you checked Permanent Supportive Housing, please complete the information below.

A. Types of proposed PSH Units: Multi-family _____ Single-family _____

B. Numbers of proposed PSH Units:

_____ Total Number of Units in project

_____ Total Number of RHDA-assisted Units Proposed (include PSH units and non-PSH units)

_____ Total Number of Permanent Supportive Housing (PSH) Units Proposed

C. Check the population or sub-population(s) proposed to be served and indicate the number of units dedicated to that population or sub-population.

Individuals or families headed by individuals that are:

1. _____ **Chronically homeless** as established in the HEARTH Act (Homeless Emergency and Rapid Transition to Housing Act of 2009) found at 24 CFR Part 577.

NUMBER OF UNITS _____

2. _____ Households that would otherwise meet the HUD definition of chronically homeless per the HEARTH Act, but **have been in an institution for over 90 days**, including a jail, prison, substance abuse facility, mental health treatment facility, hospital or other similar facility.

NUMBER OF UNITS _____

3. _____ Unaccompanied youth or families with children **defined as homeless under other federal statutes** who:

a. have experienced a long-term period without living independently in permanent housing;

b. have experienced persistent instability as measured by frequent moves over such period; and

c. can be expected to continue in such status for an extended period of time because of chronic disabilities, chronic physical health or mental health conditions, substance addiction, histories of domestic violence or childhood abuse, the presence of a child or youth with a disability, or multiple barriers to employment.

NUMBER OF UNITS _____

4. _____ A single adult or household led by an adult **'aging out' of state custody of the foster care or juvenile probation system**, where the head of household is homeless or at-risk of homelessness.

NUMBER OF UNITS _____

5. _____ Any other population **not defined above** but who would otherwise be eligible for or need permanent supportive housing services.

NUMBER OF UNITS _____

NOTE: APPLICANTS CHECKING C.1, C.2, C.3, or C.4 ABOVE MUST COLLECT AND REPORT INFORMATION INTO THE HOMELESS MANAGEMENT INFORMATION SERVICE (HMIS)

4. Project Description. Provide a brief project description that addresses items "A" through "L" below.

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

The project will serve two very low-income households, either two with household members with disabilities or one with disabilities and one attendant's household.

- b. Include the type of structure (multi-family or single-family), number and size of units in square feet.

Duplex: two units of 1,066 square feet each.

- c. Indicate whether the property is occupied at the time this application is being submitted.

The property is unoccupied.

- d. 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).

Not applicable to this property, although the property is 0.3 miles from a bus stop. It is also located close to the corner of Manchaca and Slaughter Lanes, an area that has been designated as a Future Core Transit Corridor.

- e. Indicate whether the project will preserve existing affordable rental units.

These units were rented at market rates prior to acquisition; however it is likely that they were affordable to two households at or below 80% MFI, therefore this does preserve existing affordable units.

- f. If there are existing structures, provide documentation from the taxing authority or another third-party source indicating the year the structure was built.

Please see below.

Travis CAD

Property Search Results > 342001 TEXAS STATE AFFORDABLE HOUSING CORP for Year 2013

Property

Account

Property ID: 342001 Legal Description: LOT 18 BLK E TANGLEWOOD FOREST SEC 1 PHS B
 Geographic ID: 0426210620 Agent Code:
 Type: Real
 Property Use Code:
 Property Use Description:

Location

Address: 9215 KEMPLER DR Mapsco: 673F
 TX 78748
 Neighborhood: J1125 Map ID: 043127
 Neighborhood CD: J1125

Owner

Name: TEXAS STATE AFFORDABLE HOUSING CORP Owner ID: 1491109
 Mailing Address: 9215 KEMPLER DR % Ownership: 100.000000000000%
 AUSTIN , TX 78748-6057

Exemptions: EX

Values

(+) Improvement Homesite Value: + N/A
 (+) Improvement Non-Homesite Value: + N/A
 (+) Land Homesite Value: + N/A
 (+) Land Non-Homesite Value: + N/A Ag / Timber Use Value
 (+) Agricultural Market Valuation: + N/A N/A
 (+) Timber Market Valuation: + N/A N/A

 (=) Market Value: = N/A
 (-) Ag or Timber Use Value Reduction: -- N/A

 (=) Appraised Value: = N/A
 (-) HS Cap: - N/A

 (=) Assessed Value: = N/A

Taxing Jurisdiction

Owner: TEXAS STATE AFFORDABLE HOUSING CORP
 % Ownership: 100.000000000000%
 Total Value: N/A

Entity	Description	Tax Rate	Appraised Value	Taxable Value	Estimated Tax
01	AUSTIN ISD	N/A	N/A	N/A	N/A
02	CITY OF AUSTIN	N/A	N/A	N/A	N/A
03	TRAVIS COUNTY	N/A	N/A	N/A	N/A
0A	TRAVIS CENTRAL APP DIST	N/A	N/A	N/A	N/A
1F	TANGLEWD FOREST LTD DIST	N/A	N/A	N/A	N/A
2J	TRAVIS COUNTY HEALTHCARE DISTRICT	N/A	N/A	N/A	N/A

68	AUSTIN COMM COLL DIST	N/A	N/A	N/A	N/A
Total Tax Rate:		N/A			
				Taxes w/Current Exemptions:	N/A
				Taxes w/o Exemptions:	N/A

Improvement / Building

Improvement #1: 2 FAM DWELLING State Code: B2 Living Area: 1970.0 sqft Value: N/A

Type	Description	Class CD	Exterior Wall	Year Built	SQFT
1ST	1st Floor	WW - 4		1984	1970.0
011	PORCH OPEN 1ST F	* - 4		1984	36.0
011	PORCH OPEN 1ST F	* - 4		1984	36.0
011	PORCH OPEN 1ST F	* - 4		1984	70.0
011	PORCH OPEN 1ST F	* - 4		1984	70.0
041	GARAGE ATT 1ST F	WW - 4		1984	626.0
095	HVAC RESIDENTIAL	* - *		1984	1970.0
251	BATHROOM	* - *		1984	4.0
320	OBS DRIVEWAY	SDC - *		1984	1.0
522	FIREPLACE	* - 4		1984	1.0
531	OBS FENCE	WAA - *		1984	1.0
591	MASONRY TRIM SF	AVG - *		1984	210.0
612	TERRACE UNCOVERD	* - 4		1984	156.0

Land

#	Type	Description	Acres	Sqft	Eff Front	Eff Depth	Market Value	Prod. Value
1	LAND	Land	0.2149	9361.78	0.00	0.00	N/A	N/A

Roll Value History

Year	Improvements	Land Market	Ag Valuation	Appraised	HS Cap	Assessed
2013	N/A	N/A	N/A	N/A	N/A	N/A
2012	\$117,100	\$50,000	0	167,100	\$0	\$167,100
2011	\$119,802	\$50,000	0	169,802	\$0	\$169,802
2010	\$119,802	\$50,000	0	169,802	\$0	\$169,802
2009	\$143,222	\$50,000	0	193,222	\$0	\$193,222
2008	\$137,818	\$50,000	0	187,818	\$0	\$187,818

Deed History - (Last 3 Deed Transactions)

#	Deed Date	Type	Description	Grantor	Grantee	Volume	Page	Deed Number
1	11/2/2010	SW	SPECIAL WARRANTY DEED	DEUTSCHE BANK NA	TEXAS STATE AFFO			2010186920TR
2	1/5/2010	TD	TRUSTEE DEED	VITRANO RICHARD F	DEUTSCHE BANK NA			2010003133TR
3	3/19/2002	CD	CORRECTION DEED	BLAKELY DAVID	VITRANO RICHARD F			2006021801TR

Questions Please Call (512) 834-9317

This year is not certified and ALL values will be represented with "N/A".

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

Housing Choice Voucher holders will be eligible for all units.

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

100% of the units will be made accessible to UFAS standards.

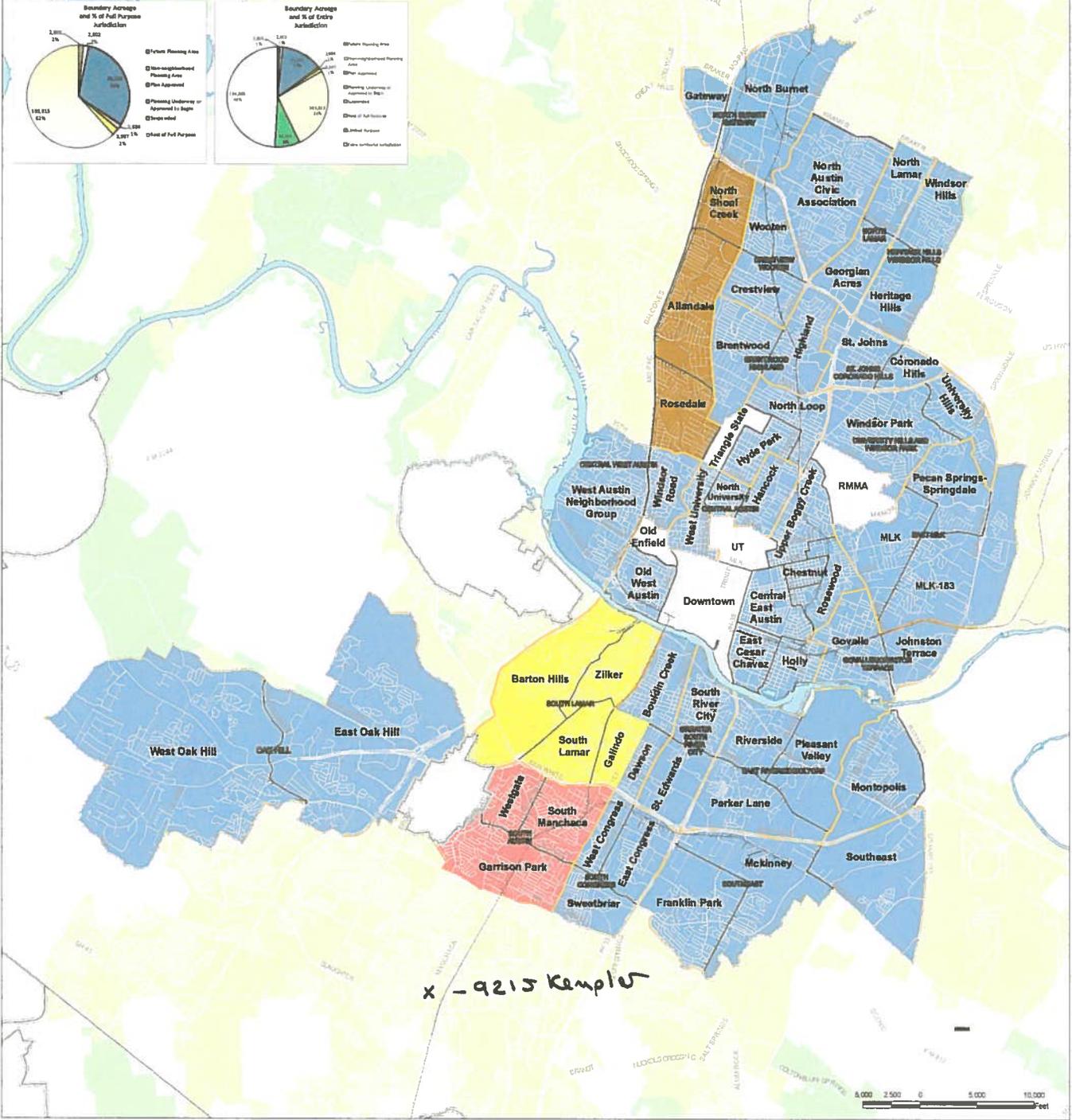
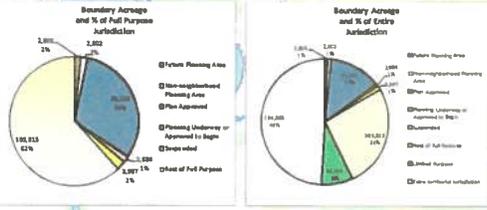
- i. Demonstrate the Project's compatibility with current Neighborhood Plan (if applicable).

Please see below. According to the City of Austin's website, there is no neighborhood plan that applies to this property.

Neighborhood planning area boundaries are approved by City Council and can not be changed by Staff without Council action. They are drawn to follow logical and efficient boundaries. Neighborhood associations are considered, but are not always a factor in determining boundaries. The graphs below indicate well under half of the City's full purpose and entire jurisdiction are covered by a neighborhood plan.

This product is for informational purposes and may not have been prepared for or in reliance for legal, engineering, or surveying purposes. It does not represent an on-the-ground survey and represents only the approximate relative location of property boundaries.

This product has been produced by the Planning and Development Review Department for the sole purpose of geographic reference. No warranty is made by the City of Austin regarding specific accuracy or completeness.



City of Austin Neighborhood Planning Areas

<http://www.austintexas.gov/department/neighborhood-planning>

- Plan Approved (n=50)
- Planning Underway/Approved to Begin (3)
- Suspended (4)
- Future Planning Areas (3)
- Combined Neighborhood Planning Areas
- Neighborhood Plan Boundary
- City of Austin - Full Purpose
- City of Austin - Limited Purpose
- Non-neighborhood Planning Area (5)



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

Total project cost: \$390,601

Amount of AHFC funds requested (rehabilitation and accessibility improvements): \$180,880

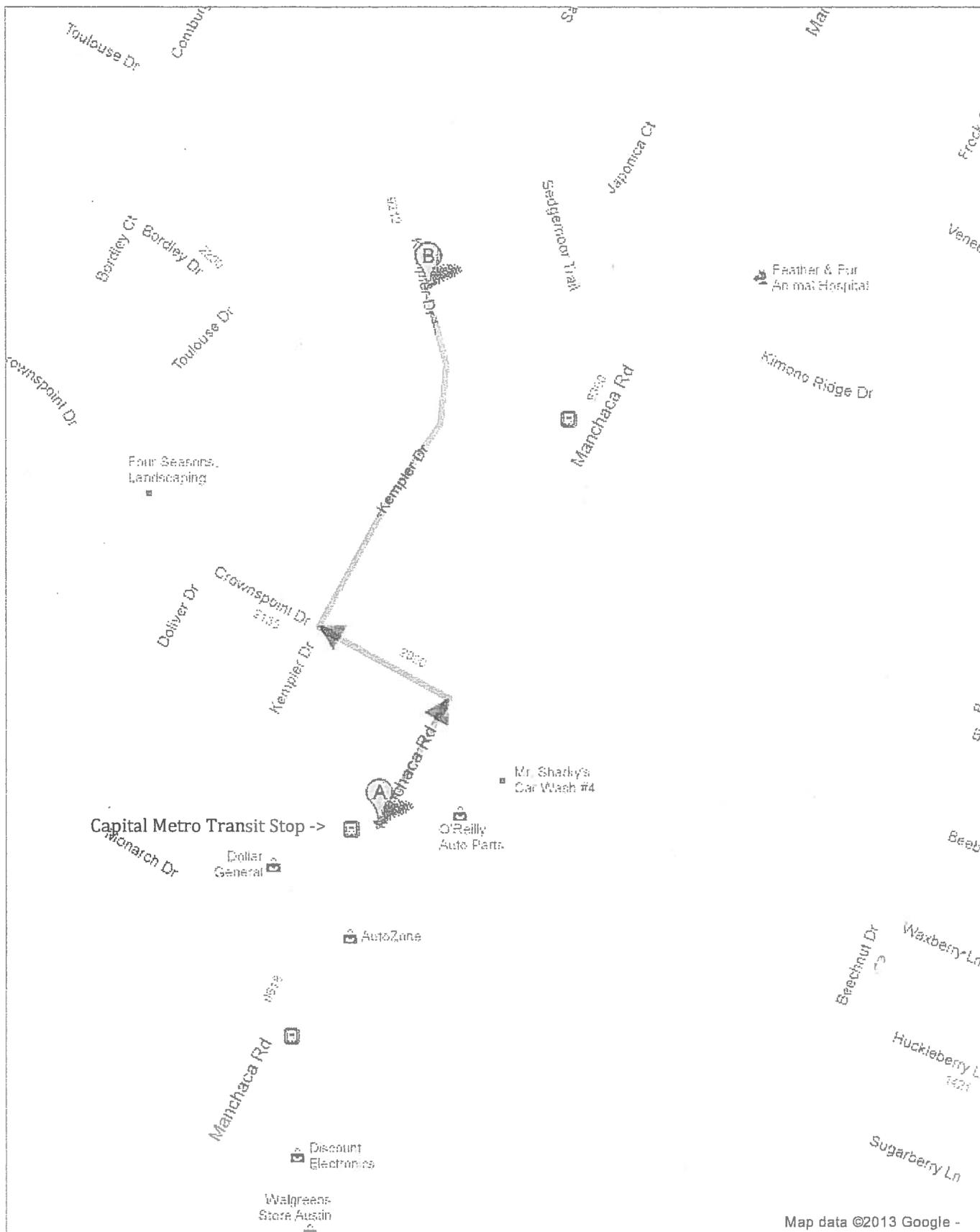
Texas State Affordable Housing Corporation lease-holding value (committed): \$195,024

Accessible Housing Austin project equity (committed): \$14,697

Please attach the following to the description of the above items:

- k. A map (8 1/2" x 11") indicating the property location and the distance to the nearest Capital Metro Transit Stop to which residents will have access.

Please see below. The duplex is located within .3 miles of a bus stop and .5 miles from the intersection of Slaughter Lane and Manchaca Road, which is within a Future Core Transit Corridor.



- I. Locate on the "Opportunity Map of Austin" the census tract in which the property lies. The map is attached to the Program Guidelines.

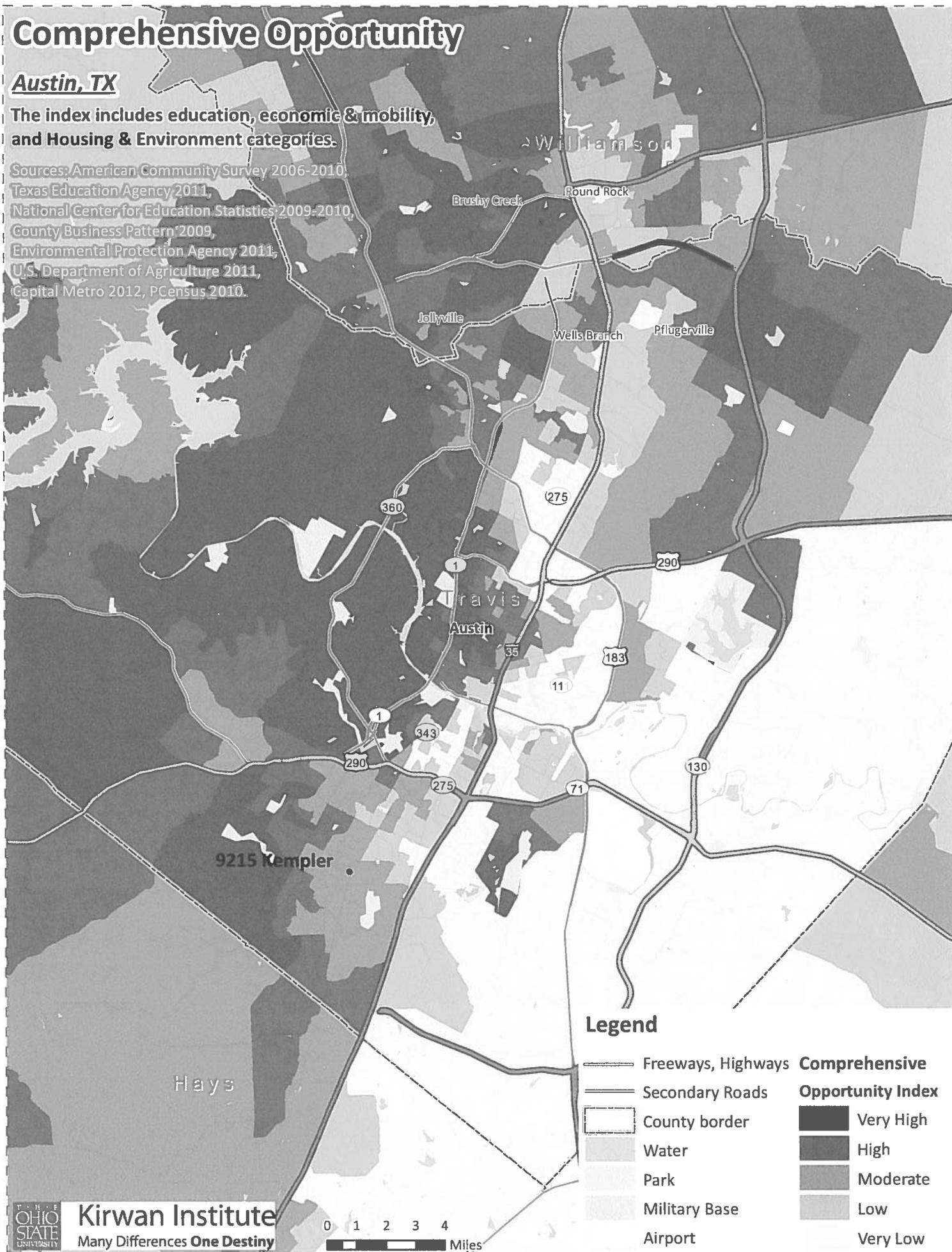
Please see below. The property is located in a Moderate Opportunity area.

Comprehensive Opportunity

Austin, TX

The index includes education, economic & mobility, and Housing & Environment categories.

Sources: American Community Survey 2006-2010,
Texas Education Agency 2011,
National Center for Education Statistics 2009-2010,
County Business Pattern 2009,
Environmental Protection Agency 2011,
U.S. Department of Agriculture 2011,
Capital Metro 2012, PCensus 2010.



Legend

- Freeways, Highways
 - Secondary Roads
 - County border
 - Water
 - Park
 - Military Base
 - Airport
- Comprehensive Opportunity Index**
- Very High
 - High
 - Moderate
 - Low
 - Very Low

5. Site Control and Demonstration of Value

Include evidence of site control such as a warranty deed or an current earnest money contract, and provide a real estate appraisal or current tax documentation that substantiates the value of the project.

Please see below. For evidence of site control we have attached the ground lease between Accessible Housing Austin! and Texas State Affordable Housing Corporation (TSAHC). Please see tax documentation provided in Section 4(f).

GROUND LEASE
BETWEEN
THE TEXAS STATE AFFORDABLE HOUSING CORPORATION
AND
ACCESSIBLE HOUSING AUSTIN, INC.
FOR
9215 Kempler Dr., Austin, Texas

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GROUND LEASE

THIS GROUND LEASE (the "Lease") made and entered into on February 1, 2011, by and between the Texas State Affordable Housing Corporation a Texas public nonprofit corporation (the "Corporation" or "Lessor") and ACCESSIBLE HOUSING AUSTIN, INC., a Texas nonprofit corporation (the "Lessee").

WHEREAS, the Corporation is a self-supporting, not-for-profit organization operated exclusively for the promotion of public health, safety and welfare through the provision of adequate, safe and sanitary housing primarily for individuals and families of low, very low and extremely low income in the State of Texas (the "State"), and to perform activities and services related to this purpose (collectively, the "Charitable Purpose") and for other purposes set forth in Chapter 2306, Subchapter Y, of the Government Code of the State of Texas (the "Act"); and

WHEREAS, the Corporation has created the Affordable Communities of Texas Program (the "Act Program") in order to fulfill its Charitable Purpose through the acquisition of foreclosed properties, rehabilitation of acquired properties, and redevelopment of vacant lots for the purpose of creating adequate, safe, and sanitary housing for individuals and families of low, very low and extremely low income in the State; and

WHEREAS, the Lessor and the Lessee have previously entered into a Memorandum of Understanding, dated December 14, 2009 (the "MOU") that describes the primary arrangement between the Lessor and the Lessee; and

WHEREAS, the Leased Premises described in this Lease have been acquired and are being leased by the Corporation in furtherance of its Charitable Purposes and the purposes of the MOU; and

WHEREAS, the Lessee shares the purposes and goals of the Corporation and has agreed to enter into this Lease to obtain those benefits to which the Lessee is entitled under this Lease, and also to further the Charitable Purposes of the Lessor; and

WHEREAS, Lessor and Lessee recognize the special nature of the terms and conditions of this Lease, and each of them, with the independent and informed advice of legal counsel, freely accepts these terms and conditions, including those terms and conditions that may affect the marketing and resale price of any Improvements on the Leased Premises (hereinafter defined); and

WHEREAS, it is mutually understood and accepted by Lessor and Lessee that the terms and conditions of this Lease further their shared goals over an extended period of time and through a succession of owners;

NOW THEREFORE, in consideration of the foregoing recitals, of mutual promises of Lessor and Lessee, and of other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Lessor and Lessee agree as follows:

ARTICLE 1:

TITLE

Subject to the terms and provisions of this Lease, Lessor owns and will maintain fee simple title to the land more particularly described on Exhibit A attached hereto and incorporated herein (the "Land"). As provided in Article 7 below, Lessor is simultaneously with the execution of this Lease conveying to Lessee fee simple title to any and all improvements now or hereafter constructed on the Land (the "Improvements"). At any time during the terms of this Lease, Lessor and Lessee may convey all of their right, title, and interest in all or a portion of the Land and Improvements to a Low Income Household at which time the terms Land and Improvements as used in this Lease shall mean, at the time in question, the Land and Improvements then owned in fee simple by Lessor and Lessee, as applicable.

ARTICLE 2:

DEMISE OF LEASED PREMISES

2.1. PREMISES: The Lessor, in consideration of the rents reserved and the terms and conditions of this Lease, does hereby demise and leave unto Lessee, and Lessee does hereby take and hire from Lessor, the property (referred to in this Lease as the "Leased Premises") described in the attached Exhibit A. Lessor has furnished to Lessee a copy of the most current, if any, title report previously obtained by Lessor for the Leased Premises, and Lessee accepts title to the Leased Premises in their condition "as is" as of the execution of this Lease.

2.2. RESERVATION OF MINERAL RIGHTS: Lessor reserves to itself all the minerals and other extractive resources of the Leased Premises, if such rights were acquired by the Lessor and any such minerals or other extractive resources are discovered on the Leased Premises. This reservation shall not diminish the right of the Lessee under this Lease to occupy and freely use the Leased Premises. Any eventual extraction by the Lessor of minerals or other extractive resources shall be carried out with as little disruption to the Lessee as is reasonably possible. In instances requiring a material disruption of the Lessee's right of use and occupancy of the Leased Premises, the Lessor shall not make such extraction without the consent of the Lessee.

ARTICLE 3:

DURATION OF LEASE

3.1. PRINCIPAL TERM: The term of this Lease shall be **six (6)** years, commencing on February 1, 2011, and terminating at 11:59 p.m. Central Time on February 1, 2017, unless terminated sooner or extended as provided herein. In addition, this Lease shall terminate upon the sale or conveyance of the Land (hereinafter defined) by the Lessor and the Improvement (hereinafter defined) by the Lessee to a Low Income Household (hereinafter defined) or the Lessee.

3.2. EXTENSION OF LEASE: The principal term of this Lease may be extended, subject to approval by the Lessor and the Lessee and subject to all the provisions of this Lease. If the Lessor determines to extend this Lease, then Lessor shall give Lessee written notice, stating the date of expiration of the Lease, describing any changes that Lessor intends to make to the terms of the Lease as permitted herein, and reiterating the conditions for renewal as set forth immediately below ("the Expiration Notice"). Lessee's ability to extend this Lease is subject to the following conditions: (a) within sixty (60) days of receipt of the Expiration Notice, Lessee shall give Lessor written notice, irrevocably exercising the option to extend ("the Extension Notice"); (b) the Lessor shall agree in writing to any extension; (c) this Lease shall be in effect at the time the Extension Notice is given and on the last day of the term; and (d) there shall not be an Event of Default (hereinafter defined) by Lessee under this Lease or under any loan documents between Lessee and any Permitted Mortgagee (hereinafter defined) at the time the Extension Notice is given and on the last day of the term.

3.3. CHANGE OF LESSOR; LESSEE'S RIGHT TO PURCHASE

: Except as described herein, in the event that ownership of the Land is conveyed or transferred (whether voluntarily or involuntarily) by Lessor to any other person or entity, this Lease shall not cease, but shall remain binding and unaffected. However, in the event Lessor desires or attempts to convey the Land to any person or entity other than a Low Income Household, nonprofit corporation, charitable trust, governmental agency or other similar entity sharing the Charitable Purpose described in the recitals above, the Lessee shall have a right of first refusal to purchase the Land subject to affordability restrictions and in accordance with any sale procedures required by the Texas Department of Housing and Community Affairs ("TDHCA") or the United States Department of Housing and Urban Development ("HUD") in respect to the Neighborhood Stabilization Program ("NSP"). Lessee hereby acknowledges that TDHCA may require that a land use restriction agreement pertaining to use of the Leased Premises by Low Income Households (the "TDHCA LURA") be recorded against the Land on or before the consummation of any such sale or conveyance.

ARTICLE 4:

USE OF LEASED PREMISES

4.1. RESIDENTIAL USE ONLY: Lessee shall use, and shall cause all occupants to use, the Leased Premises and Improvements only for residential purposes by a Low Income Household and any incidental activities related to residential use that are currently permitted by applicable zoning law.

4.2. RESPONSIBLE USE AND COMPLIANCE WITH LAW: Lessee shall use the Leased Premises in a manner so as not to cause actual harm to others or create any nuisances, public or private; and shall dispose of any and all waste in a safe and sanitary manner. Lessee shall maintain the Leased Premises and Improvements in good, safe, and habitable condition in all respects, except for normal wear and tear, in full compliance with all applicable laws and regulations, and in such condition as is required to maintain the insurance coverage required by section 9.4 of this Lease.

4.3. RESPONSIBLE FOR OTHERS: Lessee shall be responsible for the use of the Leased Premises by all residents and their families, friends and visitors and anyone else using the Leased Premises with their consent and shall make all such people aware of the spirit, intent and appropriate terms of this Lease.

4.4. SUBLEASE TO LOW INCOME HOUSEHOLDS: Lessee shall not sublease or lease any part of the Lease Premises, except to qualified low income households earning 80% or less than the area median income ("Low Income Households") as calculated and adjusted for family size by HUD. Rents collected by the Lessee from subleases may not exceed that amount determined affordable for Low Income Households for the County where the Leased Premises is located and as determined by HUD.

4.5. CONSTRUCTION AND/OR REHABILITATION OF IMPROVEMENTS: The Lessee may conduct construction and/or rehabilitation of improvements on the Leased Premises pursuant to the requirements of this Lease and any and all provisions of that certain Memorandum of Understanding between the Corporation and Lessee (the "MOU").

4.6. INSPECTION: Lessor may inspect any portion of the Leased Premises including the interior(s) of Lessee's Improvements, at any reasonable time, and in any reasonable manner, upon at least 48 hours oral or written notice to Lessee. In the event of emergency, Lessor may inspect any portion of the Leased Premises including the interior(s) of Lessee's Improvements without notice provided the Lessor shall have made reasonable efforts to give advance notice to Lessee.

4.7. MAINTENANCE AND REPAIRS: Lessee shall order and cause to have completed general maintenance of the Leased Premises. This includes regular mowing to avoid fees or fines, upkeep or repair of existing fences, and other maintenance or repairs necessary to maintain the Lease Premises in compliance with local codes or homeowners associations. Lessor shall reimburse the Lessee or pay the Lessee's service providers directly, for all general maintenance activities allowed under the State of Texas' Neighborhood Stabilization Program. Lessee must obtain Lessor's consent in writing before ordering any maintenance that will be paid by the Lessor, and Lessor shall respond in a timely manner.

ARTICLE 5:

GROUND LEASE FEE

5.1. GROUND LEASE FEE: In consideration of the possession, continued use, and occupancy of the Leased Premises, and in accordance with NSP regulations and requirements, Lessee shall pay to Lessor in arrears an annual ground lease fee ("the Ground Lease Fee") equal to the amount of net operating income available to the Lessee from any sublease of the Leased Premises after the Lessee recoups its expenses for management, repairs, debt payments and other allowable expenses related to the Leased Premises as annually certified by the Lessee to the Lessor on a form acceptable to the Lessor (the "Income Certification") within 60 days of the end of the Lessee's fiscal year (the "Certification Date"). The Ground Lease Fee shall be payable to Lessor within 30 days after the Certification Date of each year (or

partial year) that this Lease remains in effect. In the event that all or a portion of the Ground Lease Fee remains unpaid or is not yet due and payable at such time as all or a portion of any Improvements and any portion of the Land are sold to a third party, the amount of the Ground Lease Fee that is earned and whether or not such fee is then due and payable shall be paid to Lessor out of any proceeds from the sale of such Improvements and or Land, as applicable.

5.2. REDUCTION, DELAY OR WAIVER OF GROUND LEASE FEE: Lessor may reduce, delay or waive entirely the Ground Lease Fee at any time and from time to time for the purpose of ensuring affordable housing costs for the Low Income Households which are the Lessee's tenants. Any such reduction, delay, or waiver must be in writing and signed by Lessor before being effective.

ARTICLE 6:

TAXES AND ASSESSMENTS

6.1. TAXES AND ASSESSMENTS: Lessee shall be responsible for payment of all taxes and governmental assessments, if any, that relate to the Improvements and the Leased Premises. Lessee shall also pay directly, when due, all other service bills, utility charges, or other governmental assessments charged against the Leased Premises. Lessor is exempt from paying any taxes or assessments on its fee simple interest in the Land to the State of Texas or any political subdivision thereof; however, the Lessee's leasehold interest in the Land and ownership interest in the Improvements may be subject to taxation and/or assessment.

6.2. TAXES ON LEASED PREMISES: In the event that the local taxing authority bills Lessor for the taxes on the Leased Premises, related to the leasehold interest and ownership interest in the improvements, Lessor shall pass the responsibility for this expense to Lessee and Lessee shall promptly pay this bill.

6.3. LESSEE'S RIGHT TO CONTEST: Lessee shall have the right to contest the amount or validity of any taxes relating to the Improvements and Leased Premises. Lessor shall, upon written request by Lessee, join in any such proceedings if Lessee reasonably determines that it is necessary or convenient for Lessor to do so. All other costs and expenses of such proceedings shall be paid by Lessee.

6.4. PAYMENTS IN EVENT OF DELINQUENCY: In the event that Lessee fails to pay the taxes or other charges specified in section 6.1 above, Lessor may increase, but shall not be obligated to increase, Lessee's Ground Lease Fee in an amount that will offset the cost of any delinquent and current taxes or other charges relating to the Improvements and Leased Premises. Upon collecting any such amount, Lessor shall pay the amount collected to the taxing authority in a timely manner.

6.5. PROOF OF COMPLIANCE: Concurrently with the payment of any taxes, assessments, and charges required or permitted by the provisions of this Lease, each party shall furnish evidence satisfactory to the other documenting the payment. A photocopy of a receipt for such charges showing payment prior to the due date shall be the usual method of furnishing such evidence.

ARTICLE 7:

IMPROVEMENTS

7.1. OWNERSHIP: It is agreed that all buildings, structures, fixtures, and other Improvements purchased by the Lessee or constructed or placed by the Lessee on any part of the Leased Premises at any time during the term of this Lease (the "Improvements") shall be property of the Lessee. Title to such Improvements shall be and remain vested in the Lessee, provided, however, Lessee's exercise of the rights of ownership is subject to the provisions of this Lease, including but not limited to provisions regarding the disposition of Improvements by the Lessee, the Lessor's option to purchase the Improvements and ownership of Improvements after termination of this Lease. Lessee agrees that Lessee will not sever or move the Improvements from the Land.

7.2. PURCHASE OF IMPROVEMENTS BY LESSEE: Lessee is simultaneously purchasing the Improvements now located on the Leased Premises and described in the Special Warranty Deed, the form of which is annexed to this Lease as Exhibit B (the "Deed").

7.3. CONSTRUCTION REHABILITATION AND ALTERATION: Any construction in connection with an existing or new Improvement is subject to the following conditions: (a) all costs shall be borne and paid for by the Lessee; (b) all construction and/or rehabilitation to Improvements must adhere to the requirements and provisions of the MOU; (c) all construction shall be performed in a workman like manner and shall comply with all applicable laws and regulations and policies of the Lessor; (d) all construction or rehabilitation shall be consistent with the permitted uses set forth in Article 4; (e) the exterior (including height) of such Improvements shall not be increased or expanded and new Improvements shall not be constructed without the prior written consent of Lessor, who, however, shall not unreasonably withhold such consent; and (f) Lessee shall furnish to Lessor a copy of any plans and all building permits for such construction prior to commencing construction.

7.4. PROHIBITION OF LIENS: No lien of any type shall attach to the Lessor's title to the Land or to Lessor's interest in the Leased Premises or to any other property owned by the Lessor without Lessor's prior written consent, which consent may be withheld in Lessor's sole discretion. Lessee shall not permit any statutory or similar lien to be filed against the Leased Premises, the Improvements, or any interest of Lessor or Lessee that remains more than sixty (60) days after it has been filed. Lessee shall cause any such lien to be discharged of record by payment, deposit, bond, order of a court of competent jurisdiction, or as otherwise permitted by law. If Lessee fails to cause such lien to be discharged within such 60 day period, then, in addition to any other right or remedy, Lessor may, but shall not be obligated to, discharge the lien by paying the amount in question. Lessee may, at Lessee's expense, contest the validity of any such asserted lien, provided Lessee has furnished a bond in an amount sufficient to release the Leased Premises from such lien. Any amounts paid by Lessor to discharge such liens shall be deemed to be an additional Ground Lease Fee payable by Lessee upon demand.

7.5. MAINTENANCE AND SERVICES: Lessee shall, at Lessee's sole expense, maintain the Leased Premises and all Improvements as required by section 4.2 above.

Lessor shall not be required to furnish any services or facilities, including but not limited to heat, electricity, air conditioning, or water, or to make any repairs to the Leased Premises or Improvements, and Lessee hereby assumes the sole responsibility for furnishing all services or facilities.

7.6. DISPOSITION OF IMPROVEMENTS UPON EXPIRATION OF LEASE

TERM: Upon the expiration of the term of this Lease as such term may be extended or sooner terminated in accordance with this Lease, Lessee shall surrender the Improvements together with the Leased Premises to the Lessor. Ownership of the Improvements shall thereupon revert to Lessor, provided, however, that Lessor shall promptly pay to Lessee as consideration for the Improvements an amount equal to Lessor's Purchase Option Price calculated in accordance with Article 10 below, as of the time of reversion of ownership, less the total amount of any unpaid Ground Lease Fee including any charges that may have been added to the Ground Lease Fee in accordance with this Lease.

ARTICLE 8:

FINANCING

8.1. PERMITTED MORTGAGE: Lessee may mortgage the Leased Premises only with the written consent of Lessor. Not less than thirty (30) days prior to the date on which Lessee requests Lessor's consent to a mortgage to be effective, Lessee shall furnish to Lessor copies of every document to be executed in connection with the transaction represented by such mortgage. Lessor may choose to consent to any mortgage, and in so doing shall designate such mortgage as a "Permitted Mortgage." However, Lessor shall be required to consent to a mortgage only if (a) at the time such copies of documents are submitted and at the time proposed by Lessee (or prospective Lessee) for the execution of such documents, no default is then outstanding; and (b) the mortgage so submitted is a Standard Permitted Mortgage as defined in the attached Exhibit C. Lessee shall pay to Lessor at Lessor's option, as additional Ground Lease Fee, all fees, costs, and expenses, including, without limitation, reasonable attorneys' fees, incurred by Lessor in connection with any Permitted Mortgage.

8.2. RIGHTS OF PERMITTED MORTGAGEE: Any holder of a Permitted Mortgage ("Permitted Mortgage") shall without requirement of consent by the Lessor have the rights identified and defined in the attached Exhibit C.

8.3. REMOVAL OF CERTAIN PROVISIONS PURSUANT TO FORECLOSURE: In the event of foreclosure sale by a Permitted Mortgagee or the delivery of a deed to a Permitted Mortgagee in lieu of foreclosure in accordance with the provisions of the Lease, at the election of the Permitted Mortgagee the provisions of Article 10, sections 10.1 through 10.11 shall be deleted and thereupon shall be of no further force or effect as to only so much of the Security (as defined in Exhibit C) so foreclosed upon or transferred.

8.4. LESSOR'S RIGHT TO PROCEEDS IN EXCESS OF PURCHASE OPTION PRICE: The parties recognize that it would be contrary to the fundamental concept of this agreement and an incentive to abuse Lessee's authorization to encumber its leasehold interest with a Permitted Mortgage if Lessee could realize more than the Purchase

Option Price as the result of any foreclosure of any mortgage. Accordingly, Lessee hereby irrevocably assigns to Lessor any and all net proceeds of sale of the Improvements remaining after payment of costs of foreclosure and satisfaction of the lien of any Permitted Mortgagee which would otherwise have been payable to Lessee, to the extent such net proceeds exceed the net proceeds that Lessee would have received had the property been sold for the Purchase Option Price established in Article 10 of this Lease, and authorizes and instructs the Permitted Mortgagee or any party conducting any sale to pay the amount of said excess proceeds directly to Lessor. In the event that, for any reason, such excess proceeds are paid to Lessee, Lessee hereby agrees to promptly pay the amount of such excess proceeds to Lessor.

8.5. AMENDMENTS SUBJECT TO APPROVAL BY PERMITTED MORTGAGEE: Any amendments to this Lease shall be subject to the reasonable written approval of Permitted Mortgagee, which approval shall not be unreasonably withheld or delayed. The passage of thirty (30) days after submittal to Permitted Mortgagee of a proposed amendment without approval or disapproval by Permitted Mortgagee shall be deemed approval thereof.

ARTICLE 9:

LIABILITY, INSURANCE, DAMAGE AND DESTRUCTION, EMINENT DOMAIN

9.1. LESSEE'S LIABILITY: Lessee assumes sole responsibility and liability to all persons and authorities related to its possession, occupancy, and use of the Leased Premises.

9.2. INDEMNIFICATION OF LESSOR: To the fullest extent allowable under the laws, Lessee releases and will indemnify, protect, defend (with counsel reasonably acceptable to Lessor) and hold harmless Lessor and Lessor's officers, directors, employees, agents and contractors (the "Lessor Parties") from and against any and all claims, actions, demands, liabilities, damages, costs, penalties, forfeitures, losses or expenses (including, without limitation, reasonable attorneys' fees and the costs and expenses of enforcing any obligation under this Lease), arising from (a) any use of the Leased Premises or Land by Lessee that violates the terms of this Lease; (b) any breach or default by Lessee in the performance of any of Lessee's covenants or agreements in this Lease; (c) any act, omission, negligence or misconduct of Lessee; (d) any accident, injury, occurrence or damage in or to the Leased Premises or Land; and (e) if caused in whole or in part by Lessee, any accident, injury, occurrence or damage in, on, about or to the Land. THIS INDEMNITY PROVISION IS INTENDED TO INDEMNIFY LESSOR AND ITS AGENTS AGAINST THE CONSEQUENCES OF THEIR OWN NEGLIGENCE OR FAULT WHEN LESSOR OR ITS AGENTS ARE JOINTLY, COMPARATIVELY, OR CONCURRENTLY NEGLIGENT WITH LESSEE (BUT NOT WHEN THE NEGLIGENCE OR FAULT OF LESSOR OR ITS AGENTS IS THE SOLE BASIS OF THE CLAIM). The obligations of Lessee under this Section 9.2 survive the expiration or earlier termination of this Lease.

9.3. PAYMENT BY LESSOR: In the event the Lessor shall be required to pay any sum that is the Lessee's responsibility or liability, the Lessee shall reimburse the Lessor for such payment and for reasonable expenses caused thereby.

9.4. **INSURANCE:** Lessee shall, at Lessee's sole expense, keep all Improvements continuously insured against loss or damage by fire and the extended coverage hazards for the full replacement value of such Improvements.

Lessee shall, at Lessee's sole expense, maintain continuously in effect liability insurance covering the Leased Premises and Improvements in the amounts of not less than TWO HUNDRED FIFTY THOUSAND dollars (\$250,000) for injury to or death of any one person; and ONE MILLION dollars (\$1,000,000) for injury to or death of any number of persons in one occurrence; and insurance covering fire, theft and property damage in an amount equal to or greater than the appraised value of the Leased Premises. The dollar amounts of this coverage shall be adjusted at two-year intervals, beginning on the date this Lease is signed, or upon Lessor's demand given not more often than annually, upon 30 days' notice to Lessee. This adjustment shall be equal to the percentage of change (positive or negative), over the period in question, of the Consumer Price Index for urban wage earners and clerical workers for the urban area in which the Leased Premises are located, or, if none, for urban areas the size of 100,000, or such other index as reasonably measures adjustments in coverage amounts for the applicable type of insurance. Such index is maintained by the Office of Prices and Living Conditions of the Bureau of Labor Statistics, of the U.S. Department of Labor. Such insurance shall specifically insure Lessee against all liability assumed under this Lease, as well as all liability imposed by law, and shall also insure Lessor as an additional insured so as to create the same liability on the part of insurer as though separate policies had been written for Lessor and Lessee.

Lessee shall provide Lessor with copies of all policies and renewals of policies. All policies shall also (i) include Lessor as an additional insured and (ii) contain endorsements providing that they shall not be cancelled, reduced in amount or coverage or otherwise modified by the insurance carrier involved without at least thirty (30) days' prior written notice to Lessor. Lessor shall be entitled to participate in the settlement or adjustment of any losses covered by such policies of insurance.

9.5. **DAMAGE OR DESTRUCTION:** Except as provided below, in the event of fire or other damage to the Improvements, Lessee shall take all steps necessary to ensure the repair of such damage and the restoration of the Improvements to their condition immediately prior to the damage. All such repairs and restoration shall be completed as promptly as possible. Lessee shall also promptly take all steps necessary to ensure that the Leased Premises are safe and that the damaged Improvements do not constitute a danger to persons or property.

If Lessee, using reasonable judgment and relying on professional estimates, determines either (a) that full repair and restoration is physically impossible, or (b) that the available insurance proceeds will pay for less than eighty percent (80%) of the cost of repair and restoration (provided Lessee has fulfilled all the hazard insurance requirements set forth in section 9.4 above), then Lessee may terminate this Lease by written notice to Lessor given not later than sixty (60) days after the event that caused the damage. However, such termination shall not be effective until forty-five (45) days after the date upon which the notice is received by Lessor. During this 45 day period Lessor may seek an adjustment from the insurer so as to increase the available insurance proceeds to an amount covering at least 80 percent of the cost of repair and restoration. If successful in securing such adjustment, Lessor may render Lessee's termination notice null and void by written notice to Lessee within such 45 day period. If Lessor

fails to nullify the termination notice in this way, then this Lease shall terminate at the expiration of the 45 day period, and any insurance proceeds payable to Lessee on account of such damage shall be paid as provided below.

The insurance proceeds shall be paid first to cover any expenses of collecting the proceeds. Remaining proceeds shall be paid to the Lessee (or its Permitted Mortgagee to the extent required by the Permitted Mortgage) up to the then applicable Lessor's Purchase Option Price (as of immediately prior to the damage) calculated according to the provisions of Article 10 below. The balance of such proceeds, if any, shall be paid to Lessor.

9.6. EMINENT DOMAIN AND PUBLIC DEDICATION: In the event of a taking of the Leased Premises, to such extent that the Improvements are lost or damaged beyond repair, by reason of eminent domain or other action of public authority prior to the expiration of this Lease, as determined by Lessor, the Lease shall terminate as of the date Lessee is required to give up possession of the Leased Premises or Improvements, and the entire amount of any award(s) paid shall be allocated in the way described in section 9.5 above for insurance proceeds. In the event of a taking of a portion of the Leased Premises that does not result in damage to the Improvements or substantial reduction in the usefulness or desirability of the Improvements for residential purposes, then any monetary compensation for such taking shall be allocated entirely to Lessor and Lessor will proportionately abate, as necessary, the Ground Lease Fee to take into consideration any portion of the Leased Premises that has been lost or materially damaged by reason of eminent domain or other action of public authority and may no longer be used by Lessee for the purposes provided under this Lease.

ARTICLE 10:

TRANSFER, SALE, OR DISPOSITION OF IMPROVEMENTS

10.1. INTENT: It is the understanding of the parties that the terms of this Lease, and in particular of this Article 10, are intended to preserve the affordability of the Improvements for Low Income Households and expand access to homeownership opportunities for such households.

10.2. TRANSFERS TO LOW INCOME HOUSEHOLD: Lessee may transfer all or part of its interest in the Leased Premises or the Improvements only to Lessor or a Low Income Household as defined below or otherwise only as explicitly permitted by the provisions of this Article 10. All such transfers shall be subject to Lessor's review, approval, and purchase option rights set forth in this Article 10. Any purported transfer done without following the procedures set forth below, except in the case of a transfer to a Permitted Mortgagee in lieu of foreclosure, shall be null and void.

As used herein a "Low Income Household" shall mean a person or group of persons whose household income does not exceed eighty percent (80%) of the median household income for the county in which the Leased Premises is located as calculated and adjusted for household size from time to time by HUD or any successor.

10.3. LESSEE'S NOTICE OF INTENT TO SELL: In the event that Lessee desires to assign its interest in all or a portion of the Leased Premises and sell all or a portion of the Improvements (the "Offered Property"), Lessee shall notify Lessor, in writing, of such desire (the "Intent-to-Sell Notice"). Such Intent-to-Sell Notice shall include a statement as to whether Lessee wishes to recommend a prospective buyer as of the date of the Intent-to-Sell Notice.

10.4. APPRAISAL: No later than ten (10) days after Lessor's receipt of Lessee's Intent-To-Sell Notice, a market valuation of the Offered Property ("the Appraisal") shall be commissioned to be performed by a mutually acceptable and duly licensed appraiser. Lessor shall commission and pay the cost of such Appraisal. The Appraisal shall be conducted by analysis and comparison of comparable properties as though title to Offered Property were held in fee simple absolute, disregarding the restrictions of this Lease on the use of the Land and the transfer of the Improvements. The Appraisal shall state the values contributed by the Land and by the Improvement as separate amounts. Copies of the Appraisal are to be provided to both Lessor and Lessee.

10.5. LESSOR'S PURCHASE OPTION: Upon receipt of an Intent-to-Sell Notice from Lessee, Lessor shall have the option to purchase the Improvements subject to the Intent-to-Sell Notice ("the Purchase Option") at the Purchase Option Price calculated as set forth below. The Purchase Option is designed to further the purpose of preserving the affordability of the Improvements for succeeding Low Income Households while taking fair account of the investment by the Lessee.

If Lessor elects to purchase the Improvements subject to the Intent-to-Sell Notice, Lessor shall exercise the Purchase Option by notifying Lessee, in writing, of such election ("the Notice of Exercise of Option") within forty-five (45) days of the receipt of the Appraisal, or the Purchase Option shall expire. Having given such notice, Lessor may either proceed to exercise the Purchase Option directly by purchasing the Improvements to the Intent-to-Sell Notice, or may assign the Purchase Option to a Low Income Household and also provide such Low Income Household an option to purchase that portion of the Land subject to the Intent-to-Sell Notice (the "Land Purchase Option").

The purchase (by Lessor or Lessor's assignee) must be completed within sixty (60) days of Lessor's Notice of Exercise of Option, or Lessee may sell the Offered Property as provided in section 10.7 below. The time permitted for the completion of the purchase may be extended by mutual agreement of Lessor and Lessee.

Lessee may recommend to Lessor a prospective buyer who is a Low Income Household. Lessor shall make reasonable efforts to arrange for the assignment of the Purchase Option along with a Land Purchase Option to such person, unless Lessor determines that its Charitable Purposes is better served by retention of the Offered Property for another purpose or transfer of the Offered Property to another party. Both the Lessor and the Lessee hereby acknowledges that upon the exercise of any Purchase Option and/or Land Purchase Option, TDHCA may require a TDHCA LURA to be recorded against the Land.

10.6. IF PURCHASE OPTION EXPIRES: If the Purchase Option has expired or if Lessor has failed to complete the purchase within the 60 day period allowed by section 10.6

above, Lessee may sell the Improvements subject to the Intent-to-Sell Notice and cause the Lessor to sell the Land subject to the Intent-to-Sell Notice to any Low Income Household, for not more than the then applicable Purchase Option Price. As a condition to any sale to a Low Income Household, Lessee must provide adequate certification in form promulgated by TDHCA evidencing the purchaser qualifies as a Low Income Household. If, six months after the expiration of the Purchase Option, the Offered Property still has not been sold, Lessee may sell the Offered Property and Lessor will be required to sell its interest in the Offered Property, for not more than the then applicable Purchase Option Price, to any party regardless of whether that party is a Low Income Household. The Lessor hereby agrees to cooperate with the Lessee to facilitate the sale of any and all Offered Property as provided by this Lease. Upon the exercise of both a Purchase Option and a Land Purchase Option resulting in a consummation of the sale of all of or the remaining interest of Lessee in the Improvement and of Lessor in the Land to a third party, this Lease shall terminate.

10.7. LESSOR'S POWER OF ATTORNEY TO CONDUCT SALE: In the event Lessor does not exercise its option and complete the purchase of its interest in the Offered Property as set forth above, and Lessee (a) is not then residing in the Offered Property and (b) continues to hold the Offered Property out for sale but is unable to locate a buyer and execute a binding purchase and sale agreement within one (1) year of the giving of the Intent-to-Sell Notice, Lessee does hereby appoint Lessor its attorney in fact to seek a buyer, negotiate a reasonable price that furthers the goals set forth in this Lease, sell the property, and distribute proceeds of sale, minus Lessor's costs of sale and reletting and any other sums owed Lessor by Lessee.

10.8. PURCHASE OPTION PRICE: In no event may the Offered Property be sold for a price that exceeds the Purchase Option Price. The Purchase Option Price shall be the lesser of (a) the value of the Improvements subject to the applicable Intent-to-Sell Notice as determined by the Appraisal commissioned and conducted as provided in 10.5 above or (b) the price calculated in accordance with the formula described below ("the Formula Price").

10.9. CALCULATION OF THE FORMULA PRICE: The Formula Price shall be equal to Lessee's Purchase Price, as stated below, plus the Cost of Construction and/or Rehabilitation of the Improvements, if any, calculated in the way described below.

a. Lessee's Purchase Price shall be the actual purchase price of the Leased Premises paid by the Lessor at the time of acquisition, as determined by the liens and encumbrances by the Texas Department of Housing and Community Affairs under the Texas NSP program;

b. Lessee's Cost of Construction and/or Rehabilitation of the Improvements: Cost of Construction and/or Rehabilitation shall be defined as construction costs actually incurred by Lessee in connection with the Improvements on the Leased Premises, whether as initial improvement construction or as rehabilitation to existing improvements, as evidenced by (i) a budget for such construction work as approved by Lessor and Lessee and (ii) paid invoices from each contractor and subcontractor, if any;

c. A Redevelopment Management Fee not to exceed 15% of the Cost of Construction and/or Rehabilitation of the Improvements or Three Thousand Five Hundred Dollars (\$3,500), whichever number is greater; and

d. The cost of sales commissions, title commitments and normal closing costs, if any.

10.10. SUMMARY OF FORMULA PRICE: the formula price equals lessee's purchase price plus the cost of construction and/or rehabilitation of the improvements, provided, however, in no event shall lessee's purchase price be less than the total amount of all liens on that portion of the leased premises under contract to be sold.

ARTICLE 11:

ASSIGNMENT AND SUBLEASE

Except as otherwise provided in Article 8 (including Exhibit C) and Article 10, Lessee may only assign, sublease, sell, or otherwise convey any of Lessee's rights under this Lease to a Low Income Household pursuant to this Lease unless Lessee otherwise receives the prior written consent of the Lessor, which consent may be withheld by Lessor in Lessor's sole discretion. Any such assignment or sublease shall be subject to all the terms of this Lease.

ARTICLE 12:

DEFAULT

12.1. MONETARY DEFAULT BY LESSEE: It shall be an event of default if Lessee fails to pay the Ground Lease Fee or other charges required by the terms of this Lease, including without limitation, the failure to pay taxes and assessments when due as provided in Article 6, and such failure is not cured by Lessee or a Permitted Mortgagee within ten (10) days after notice of such failure is given by Lessor to Lessee and Permitted Mortgagee. However, if Lessee shall make a good faith partial payment of at least two thirds (2/3) of the amount owed during such initial 10 day period, then such period shall be extended one additional 10 day period.

12.2. NONMONETARY DEFAULT BY LESSEE: It shall be an event of default if Lessee fails to abide by any other material term or condition in this Lease, including, but not limited to the occupancy and rent requirement in Article 4, 10 and 11 related to Low Income Households and such failure is not cured by Lessee or a Permitted Mortgagee within sixty (60) days after notice of such failure is given by Lessor to Lessee and Permitted Mortgagee. However, in the case where the Lessee or Permitted Mortgagee has commenced to cure such default within such 60 day period and is continuing such cure with all due diligence but cannot by the exercise of due diligence cure such default within such period, such period shall be extended for such additional period as may be reasonably required under the circumstances to complete such cure.

12.3. DEFAULT BY LESSEE RESULTING FROM JUDICIAL PROCESS: It shall be an event of default if the estate hereby created is taken on execution or by other process of law, or if Lessee is judicially declared bankrupt or insolvent according to law, or if any assignment is made of the property of Lessee for the benefit of creditors, or if a receiver, trustee in involuntary bankruptcy or other similar officer is appointed to take charge of any substantial part of Lessee's property by a court of competent jurisdiction, or if a petition is filed for the reorganization of Lessee under any provisions of the Bankruptcy Act now or hereafter enacted, or if Lessee files a petition for such reorganization, or for arrangements under any provision of the Bankruptcy Act now or hereafter enacted and providing a plan for a debtor to settle, satisfy or extend the time for payment of debts.

12.4. DEFAULT BY LESSEE UNDER MOU: It shall be an event of default under this Lease if default by the Lessee under the MOU has occurred and is continuing beyond any cure periods stated in the MOU or if a "Termination" event has occurred and is continuing pursuant to Section 22 of the MOU.

12.5. DEFAULT BY LESSEE FOR FAILURE TO MAINTAIN INSURANCE: It shall be an event of default under this Lease if Lessee fails to maintain, at any time, the insurance required under Section 9.4 of this Lease.

12.6. DEFAULT BY LESSEE FOR FAILURE TO MAINTAIN ZONING: It shall be an event of default under this Lease if Lessee changes or consents to the change or if the zoning classification is changed to any classification other than a classification that allows residential use as required under Section 4.1 of this Lease.

12.7. TERMINATION: In the case of any of the events of default described above, Lessor may terminate Lessee's right to possess the Leased Premises by any lawful means with or without terminating this Lease, in which event Lessee will immediately surrender possession of the Leased Premises to Lessor. In such event, this Lease continues in full force and effect (except for Lessee's right to possess the Leased Premises) and Lessee continues to be obligated for and must pay all rent and other amounts as and when due under this Lease. Unless Lessor specifically states that it is terminating this Lease, Lessor's termination of Lessee's right to possess the Premises is not to be construed as an election by Lessor to terminate this Lease or Lessee's obligations and liabilities under this Lease. In addition, Lessor may elect to terminate this Lease and initiate summary proceedings against Lessee. Pursuant to such proceedings, without demand or notice, Lessor may enter any part of the Leased Premises and repossess the entire Leased Premises, and expel Lessee and those claiming rights through Lessee and remove their effects without being guilty of any manner of trespass, and without prejudice to any remedies which might otherwise be used for arrears of rent or preceding breach of covenant. If this Lease is terminated by Lessor, or if Lessor reenters the Leased Premises pursuant to an Event of Default, the Lessee agrees to pay and be liable for any unpaid Ground Lease Fee, damages which may be due or sustained prior to or in connection with such termination or reentry, and all reasonable costs, fees and expenses (including, without limitation, reasonable attorneys' fees) incurred by Lessor in pursuit of its remedies under this Lease. Upon any termination subject to this Section 12.5, Lessor shall attorn to any sub-lease agreement between Lessee and a Low Income Household and shall recognize such sub-lease agreement as a direct

lease between Lessor and such Low Income Household, provided that the Low Income Household is not in default of its obligations under the sub-lease agreement.

If Lessor elects to terminate the Lease, then the Permitted Mortgagee shall have the right (subject to Article 8 above) to postpone and extend the specified date for the termination of the Lease for a period sufficient to enable the Permitted Mortgagee or its designee to acquire Lessee's interest in the Leased Premises by foreclosure of its mortgage or otherwise.

12.8. REMEDIES: in the case of any of the events of default described above, Lessor may pursue any other remedy now or hereafter available to Lessor under the laws or judicial decisions of the state in which the Leased Premises is located. All rights and remedies of Lessor under this lease are cumulative and the exercise of any one or more remedies at any time or from time to time does not limit or preclude the further exercise by Lessor of the same or any other rights or remedies at any time or from time to time.

12.9. DEFAULT BY LESSOR: Lessor shall in no event be in default in the performance of any of its obligations under the Lease unless and until Lessor has failed to perform such obligations within sixty (60) days, or such additional time as is reasonably required to correct any default, after notice by Lessee to Lessor properly specifying Lessor's failure to perform any such obligation.

12.10. NO WAIVER. No failure by either Lessor or Lessee to insist upon the performance of any provision of this Lease or to exercise any right or remedy upon a breach or default hereof constitutes a waiver of any such breach or default. Any such waiver may be made only by a writing signed by the party providing the waiver. One or more waivers by a party is not to be construed as a waiver by that party of a subsequent breach or default of the same provision.

ARTICLE 13:

WAIVER OF JURY TRIAL

13.1. WAIVER OF JURY TRIAL: THE PARTIES HERETO WAIVE TRIAL BY JURY IN RESPECT OF ANY SUCH "DISPUTE" AND ANY ACTION ON SUCH "DISPUTE." THIS WAIVER IS KNOWINGLY, WILLINGLY AND VOLUNTARILY MADE BY THE PARTIES HERETO, AND THE PARTIES HERETO HEREBY REPRESENT THAT NO REPRESENTATIONS OF FACT OR OPINION HAVE BEEN MADE BY ANY PERSON OR ENTITY TO INDUCE THIS WAIVER OF TRIAL BY JURY OR TO IN ANY WAY MODIFY OR NULLIFY ITS EFFECT. THIS PROVISION IS A MATERIAL INDUCEMENT FOR THE PARTIES ENTERING INTO THIS LEASE. THE PARTIES HERETO ARE EACH HEREBY AUTHORIZED TO FILE A COPY OF THIS SECTION IN ANY PROCEEDING AS CONCLUSIVE EVIDENCE OF THIS WAIVER OF JURY TRIAL. EACH PARTY HERETO FURTHER REPRESENTS AND WARRANTS THAT IT HAS BEEN REPRESENTED IN THE SIGNING OF THIS LEASE AND IN THE MAKING OF THIS WAIVER BY INDEPENDENT LEGAL COUNSEL, OR HAS HAD THE OPPORTUNITY TO BE REPRESENTED BY

INDEPENDENT LEGAL COUNSEL SELECTED OF ITS OWN FREE WILL, AND THAT IT HAS HAD THE OPPORTUNITY TO DISCUSS THIS WAIVER WITH COUNSEL.

ARTICLE 14:

GENERAL PROVISIONS

14.1. NOTICES: Whenever this Lease requires either party to give notice to the other, the notice shall be given in writing and delivered in person or mailed, by certified or registered mail, return receipt requested, to the party at the address set forth below, or such other address designated by like written notice:

Texas State Affordable Housing Corporation
Attn: President
2200 East Martin Luther King Jr. Blvd.
Austin, Texas 78722

Accessible Housing Austin, Inc.
Attn: Spencer Duran
1016 La Posada, Suite 145
Austin, Texas 78752
Phone #: (512) 472-8696
Fax #: (512) 437-3922

All notices, demands and requests shall be effective upon being deposited in the United States Mail or, in the case of personal delivery, upon actual receipt.

14.2. INCORPORATION OF MOU: Lessor and lessee hereby agree that the MOU is incorporated into this Lease by reference and that all provisions of the MOU apply to this Lease and made a part hereof as if they were stated herein.

14.3. NO BROKERAGE: Lessee warrants that it has not dealt with any broker other than n/a in connection with the consummation of this Lease, and in the event any claim is made against Lessor relative to dealings with brokers other than n/a, Lessee shall defend the claim against Lessor with counsel of Lessor's selection and save harmless and indemnify Lessor on account of loss, cost or damage which may arise by reason of any such claim.

14.4. SEVERABILITY AND DURATION OF: If any term or provision of this Agreement or the application thereof to any party hereto or circumstance shall to any extent be invalid or unenforceable, the remainder of this Agreement, or the application of such term or provision to any party hereto or circumstances other than those as to which it is invalid or unenforceable, shall not be affected thereby, and each term and provision of this Agreement shall be valid and enforceable to the fullest extent permitted by law.

14.5. RIGHT OF FIRST REFUSAL IN LIEU OF OPTION: If the provisions of the purchase option set forth in Article 10 of this Lease shall, for any reason, become unenforceable, Lessor shall nevertheless have a right of first refusal to purchase the Improvements at the highest documented bona fide purchase price offer made to Lessee. Such right shall be as specified in the exhibit FIRST REFUSAL. Any sale or transfer contrary to this section, when applicable, shall be null and void.

14.6. WAIVER: The waiver by Lessor at any given time of any term or condition of this Lease, or the failure of Lessor to take action with respect to any breach of any such term or condition, shall not be deemed to be a waiver of such term or condition with regard to any subsequent breach of such term or condition, or of any other term or condition of the Lease. Lessor may grant waivers in the terms of this Lease, but such waivers must be in writing and signed by Lessor before being effective.

The subsequent acceptance of Ground Lease Fee payments by Lessor shall not be deemed to be a waiver of any preceding breach by Lessee of any term or condition of this Lease, other than the failure of the Lessee to pay the particular Ground Lease Fee so accepted, regardless of Lessor's knowledge of such preceding breach at the time of acceptance of such Ground Lease Fee payment.

14.7. LESSOR'S RIGHT TO PROSECUTE OR DEFEND: Lessor shall have the right, but shall be under no obligation, to prosecute or defend, in its own or the Lessee's name, any actions or proceedings appropriate to the protection of its title to, and Lessee's interest in, the Leased Premises. Whenever requested by Lessor, Lessee shall give Lessor all reasonable aid in any such action or proceeding.

14.8. CONSTRUCTION: Whenever in this Lease a pronoun is used it shall be construed to represent either the singular or the plural, masculine or feminine, as the case shall demand.

14.9. CAPTIONS AND TABLE OF CONTENTS: The captions and table of contents appearing in this Lease are for convenience only, and are not a part of this Lease and do not in any way limit or amplify the terms or conditions of this Lease.

14.10. PARTIES BOUND: This Lease sets forth the entire agreement between Lessor and Lessee with respect to the leasing of the Land; it is binding upon and inures to the benefit of these parties and, in accordance with the provisions of this Lease, their respective successors in interest. This Lease may be altered or amended only by written notice executed by Lessor and Lessee or their legal representatives or, in accordance with the provisions of this Lease, their successors in interest.

14.11. GOVERNING LAW: This Lease shall be interpreted in accordance with and governed by the laws of State of Texas. The language in all parts of this Lease shall be, in all cases, construed according to its fair meaning and not strictly for or against Lessor or Lessee.

14.12. RECORDING: The parties agree, as an alternative to the recordation of this Lease, to execute a so called Notice of Lease or Short Form Lease in form recordable and complying with applicable law and reasonably satisfactory to Lessor's attorneys. In no event

shall such document set forth the rent or other charges payable by Lessee under this Lease; and any such document shall expressly state that it is executed pursuant to the provisions contained in this Lease, and is not intended to vary the terms and conditions of this Lease.

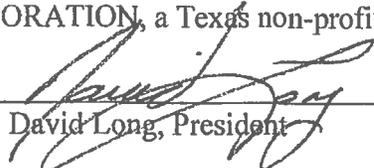
14.13. LESSOR'S LIMITED LIABILITY. Lessee will look solely to Lessor's interest in the Land for recovering any judgment or collecting any obligation from Lessor or any other Lessor Party. Lessee agrees that neither Lessor nor any other Lessor Party will be personally liable for any judgment or deficiency decree. In no event is Lessor or any Lessor Party liable to lessee or any other person for consequential, indirect, special or punitive damages.

IN WITNESS WHEREOF, the parties have executed this lease at APRIL 13, 2011 on the day and year first above written.

Signatures Next Page

LESSOR:

TEXAS STATE AFFORDABLE HOUSING
CORPORATION, a Texas non-profit Corporation

By: 

Name: David Long, President

LESSEE:

Accessible Housing Austin, Inc., a Texas non-profit
Corporation

By: 

Name: Stephanie Thomas, Board President

EXHIBIT A
LEGAL DESCRIPTION

9215 KEMPLER DR., AUSTIN, TEXAS

LOT 18 BLOCK E, TANGLEWOOD FOREST SECTION ONE PHASE B, ACCORDING TO THE MAP OR PLAT THEREOF, RECORDED IN VOLUME 82, PAGE 391, PLAT RECORDS, TRAVIS COUNTY, TEXAS.

Tax Parcel No.: 342001

EXHIBIT B

WARRANTY DEED

SPECIAL WARRANTY DEED

NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OR ALL OF THE FOLLOWING INFORMATION FROM THIS INSTRUMENT BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER

STATE OF TEXAS)
)
COUNTY OF TRAVIS)

Texas State Affordable Housing Corporation, a Texas nonprofit Corporation (the "Grantor"), whose address is 2200 East Martin Luther King Jr. Blvd., Austin, Texas for and in consideration of the sum of Ten and No/100 Dollars (\$10.00) paid to Grantor and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, has, subject to the exceptions hereinafter set forth, **GRANTED, SOLD, and CONVEYED** and does hereby **GRANT, SELL, and CONVEY** unto _____, a _____(the "Grantee"), whose address is _____ certain _____ located in _____ County, Texas, and being more particularly described in Exhibit A attached hereto and incorporated herein by reference, together with all improvements located on such land (such land and improvements being collectively referred to as the "Property").

This Special Warranty Deed and conveyance is expressly made and accepted subject to standby fees, taxes and assessments by any taxing authority for the year 2009, and subsequent years, and any restrictions, covenants, conditions, rights-of-way, easements and mineral and royalty reservations of record in _____ County, Texas, if any, to the extent and only to the extent the same are in force and validly affect the Property.

TO HAVE AND TO HOLD the Property, together with all rights and appurtenances pertaining thereto, including all of Grantor's right, title and interest in and to adjoining streets, alleys and rights-of-way, unto Grantee and Grantee's successors, heirs, and assigns forever; and Grantor does hereby bind itself and its successors and heirs **TO WARRANT AND FOREVER DEFEND** the Property unto Grantee and Grantee's successors, heirs, and assigns, against every person whomsoever lawfully claiming or to claim the same or any part thereof by, through, or under Grantor, but not otherwise.

(Signature Page Follows)

EXECUTED as of the ____ day of _____, 2010.

Grantor _____
Print Name:
Title:

Grantee _____
Print Name:
Title:

STATE OF TEXAS)
) ss
COUNTY OF TRAVIS)

This instrument was acknowledged before me on the ____ day of _____, 2010, by _____.

IN WITNESS WHEREOF, I have hereunto set my hand

Printed Name: _____
Notary Public for the State of Texas
My Commission Expires _____

[SEAL]

STATE OF TEXAS)
) ss
COUNTY OF MCLENNAN)

This instrument was acknowledged before me on the ____ day of _____, 2010, by _____.

IN WITNESS WHEREOF, I have hereunto set my hand

Printed Name: _____
Notary Public for the State of Texas
My Commission Expires _____

[SEAL]

EXHIBIT C

PERMITTED MORTGAGES

The provisions set forth in this Exhibit shall be understood to be provisions of Article 8 of the Lease to which the Exhibit is attached and in which the Exhibit is referenced. All terminology used in this Exhibit shall have the meaning assigned to it in the Lease.

A. **STANDARD PERMITTED MORTGAGE:** A "Standard Permitted Mortgage," as identified in section 8.1 of the Lease to which this Exhibit is attached, shall be a mortgage that meets the following requirements.

Such Mortgage shall run in favor of either (a) a so called institutional lender such as, but not limited to, a federal, state, or local housing finance agency, a bank (including savings and loan association or insured credit union), an insurance company, a pension and/or profit sharing fund or trust, or any combination of the foregoing, the policies and procedures of which institutional lender are subject to direct governmental supervision, or (b) a "community development financial institution" as certified by the U.S. Department of the Treasury, or similar nonprofit lender to housing projects for low and moderate income persons.

Such Mortgage shall be a first lien on all or any of the Improvements and the Lessee's interest in the Leased Premises (the "Security").

Such Mortgage and related documentation shall provide, among other things, that in the event of a default in any of the mortgagor's obligations thereunder, the holder of such Mortgage shall notify Lessor of such fact and Lessor shall have the right (but shall not have the obligation) within 120 days after its receipt of such notice, to cure such default in the mortgagor's name and on mortgagor's behalf, provided that payments that become due to the holder during such 120 day period (or such lesser time period as may have been required to cure such default) are made to the holder, and shall further provide that said holder shall not have the right, unless such default shall not have been cured within such time, to accelerate the note secured by such Mortgage or to commence to foreclose under the Mortgage on account of such default.

Such Mortgage and related documentation shall provide, among other things, that if after such cure period the holder intends to accelerate the note secured by such Mortgage or initiate foreclosure proceedings under the Mortgage, in accordance with the provisions of this Lease, the holder shall first notify Lessor of its intention to do so and Lessor shall have the right, but not the obligation, upon notifying the holder within thirty (30) days of receipt of said notice from said holder, to pay off the indebtedness secured by such Mortgage and to acquire such Mortgage.

Such Mortgage and related documentation shall provide, among other things, that, in the event of foreclosure sale by a Permitted Mortgagee or the delivery of a deed to a Permitted Mortgagee in lieu of foreclosure, upon acquisition of title to the Improvements and the Lessee's interest in the Leased Premises by the Permitted Mortgagee, the Permitted Mortgagee shall give the Lessor written notice of such acquisition and the Lessor shall have an option to purchase the Improvements and acquire the Lessee's interest in the Leased Premises from the Permitted

Mortgagee for the full amount owing to the Permitted Mortgagee under the Permitted Mortgage; provided, however, that the Lessor gives written notice to the Permitted Mortgagee of the Lessor's intent to purchase the Improvements and acquire the Lessee's interest in the Leased Premises within thirty (30) days following the Lessor's receipt of the Permitted Mortgagee's notice of such acquisition of the Improvements and Lessee's interest; further provided that Lessor shall complete the purchase of the Improvements and acquisition of Lessee's interest in the Leased Premises within sixty (60) days of having given written notice of its intent to purchase; and provided that, if the Lessor does not complete the purchase within such period, the Permitted Mortgagee shall be free to sell the Improvements and transfer the Lessee's interest in the Leased Premises to another person.

Such Mortgage and related documentation shall not contain any provisions other than provisions generally contained in mortgages used for similar transactions in the State of Texas by institutional mortgagees.

Such Mortgage and related documentation shall not contain any provisions which could be construed as rendering Lessor or any subsequent holder of the Lessor's interest in and to this Lease, or their respective heirs, executors, successors or assigns, personally liable for the payment of the debt evidenced by such note and such Mortgage or any part thereof.

Such Mortgage and related documentation shall contain provisions to the effect that the holder of such Mortgage shall not look to Lessor or Lessor's interest in the Leased Premises, but will look solely to Lessee, Lessee's interest in the Leased Premises, the Improvements, or such other buildings and improvements which may from time to time exist on the Leased Premises, for the payment of the debt secured thereby or any part thereof (it is the intention of the parties hereto that Lessor's consent to such Mortgage shall be without any liability on the part of Lessor for any deficiency judgment or any acts or omissions of Lessee under the Mortgage).

Such Mortgage and related documentation shall provide that in the event any part of the Security is taken in condemnation or by right of eminent domain, the proceeds of the award shall be paid over to the holder of the Mortgage in accordance with the provisions of Article 9 hereof.

Such Mortgage and related documentation shall contain nothing that obligates Lessor to execute an assignment of the Ground Lease Fee or other rent payable by Lessee under the terms of this Lease.

B. RIGHTS OF PERMITTED MORTGAGEE: The rights of a holder of a Permitted Mortgage ("Permitted Mortgage") as referenced under section 8.2 of the Lease to which this Exhibit is attached shall be as set forth below.

1. Permitted Mortgagee shall without requirement of consent by the Lessor have the right, but not the obligation, to: (i) cure any default under this Lease, and perform any obligation required under this Lease within the same time frame as provided to Lessee or within 30 days whichever is greater, such cure or performance by a Permitted Mortgagee being effective as if it had been undertaken and performed by Lessee; (ii) acquire and convey, assign, transfer, and exercise any right, remedy or privilege granted to Lessee by this Lease or otherwise by law, subject to the provisions, if any, in said Permitted Mortgage, which may limit any exercise of

any such right, remedy or privilege; and (iii) rely upon and enforce any provisions of the Lease to the extent that such provisions are for the benefit of Permitted Mortgagee.

2. Permitted Mortgagee shall not, as a condition to the exercise of its rights under the Lease, be required to assume personal liability for the payment and performance of the obligations of the Lessee under the Lease. Any such payment or performance or other act by Permitted Mortgagee under the Lease shall not be construed as an agreement by Permitted Mortgagee to assume such personal liability except to the extent Permitted Mortgagee actually takes possession of the Security. In the event Permitted Mortgagee does take possession of the Security and thereupon transfers the Security, any such transferee shall be required to enter into a written agreement assuming such personal liability and upon any such assumption the Permitted Mortgagee shall automatically be released from personal liability under the Lease.

3. In the event that title to the estates of both Lessor and Lessee shall be acquired at any time by the same person or persons, no merger of these estates shall occur without the prior written declaration of merger by Permitted Mortgagee, so long as Permitted Mortgagee owns any interest in the Security or in a Permitted Mortgage. In the event that the estate of Lessor is owned at any time by Lessee (regardless of a merger), or by any person in which Lessee has a direct or indirect interest, Permitted Mortgagee shall not be obligated to cure any default of Lessee under the Lease as condition to the forbearance by Lessor in the exercise of Lessor's remedies as provided in the Lease.

4. If the Lease is terminated for any reason, or in the event of the rejection or disaffirmance of the Lease pursuant to bankruptcy law or other law affecting creditors' rights, Lessor shall enter into a new lease of the Leased Premises with the Permitted Mortgagee (or with any party designated by the Permitted Mortgagee, subject to Lessor's approval, which approval shall not be unreasonably withheld), not more than thirty (30) days after the request of the Permitted Mortgagee. Such lease shall be for the remainder of the term of the Lease, effective as of the date of such termination, rejection, or disaffirmance, and upon all the terms and provisions contained in the Lease. However, the Permitted Mortgagee shall make a written request to Lessor for such new lease within sixty (60) days after the effective date of such termination, rejection, or disaffirmance, as the case may be. Such written request shall be accompanied by a copy of such new lease, duly executed and acknowledged by the Permitted Mortgagee or the party designated by the Permitted Mortgagee to be the Lessee thereunder, and the Permitted Mortgagee shall have cured all defaults under the Lease which can be cured by the payment of money. Any new lease made pursuant to this section shall have the same priority with respect to other interests in the Premises as the Lease. The provisions of this section shall survive the termination, rejection, or disaffirmance of the Lease and shall continue in full effect thereafter to the same extent as if this section were independent and an independent contract made by Lessor, Lessee, and the Permitted Mortgagee.

5. The Lessor shall have no right to terminate the Lease during such time as the Permitted Mortgagee has commenced foreclosure in accordance with the provisions of the Lease and is diligently pursuing the same.

6. In the event that Lessor sends a notice of default under the Lease to Lessee, Lessor shall also send a notice of Lessee's default to Permitted Mortgagee. Such notice shall be

given in the manner set forth in section 14.2 of the Lease to the Permitted Mortgagee at the address that has been given to Lessor by the Permitted Mortgagee by written notice sent in the manner set forth in section 14.2 of the Lease.

6. Zoning

Include a letter from the City of Austin’s Planning and Development Review Department (PDRD) verifying that the current zoning of the site for the proposed project is compatible with the anticipated use, or include documentation verifying that a request to change current zoning has been submitted to PDRD. Should the project be approved for funding, the appropriate zoning must be in place prior to execution of loan documents.

Please see below.



CITY OF AUSTIN

ZONING VERIFICATION LETTER

1. Party Requesting Verification

Name: Isabelle Headrick- Accessible housing Austin

Address: 1640-A E 2nd St
Austin, TX 78702

2. Property Address

9215 Kempler Dr
Austin, TX 78748

3. Tax Parcel Identification Number

0426210620

*Also known as GEO Number (ten digit) or Property ID (six digit) by TCAD

4. City of Austin Grid Name

E15

5. Current Zoning

SF-2: SINGLE FAMILY STANDARD LOT

6. Zoning Case Number and Ordinance *

ZONED IN ACCORDANCE WITH CITY OF AUSTIN LAND
DEVELOPMENT CODE RE-ADOPTION ORDINANCE NUMBER
99-0225-70(B)

7. Zoning Neighborhood Plans *

N/A

***To access zoning ordinance documentation visit:**
<http://www.austintexas.gov/edims/search.cfm>

***To access zoning overlay documentation (Land Development Code Chapter 25-2 Division 6) visit:**
<http://www.austintexas.gov/department/austin-city-code-land-development-code>

For questions concerning Zoning Compliance or any Development Criteria, Parking, Permitted Use, Zoning Violations, Conditional Uses, Variances, Destruction and Rebuilding, et cetera, Contact the Development Assistance Center of the City of Austin at (512) 974-6370 for a Land Use Planner Correspondence Session.

I, RoxAnne Parker, Communications and Technology Management Department, City of Austin, Texas, do hereby certify that the information above is true and correct to the best of my ability, according to the documents filed with this office.


RoxAnne Parker

Monday, April 15, 2013

Date

7. S.M.A.R.T. Housing™. Include a copy of the letter that indicates the project has been reviewed and meets S.M.A.R.T. Housing™ requirements.

Not applicable to this project, although it will meet the criteria for S.M.A.R.T . Housing™.

8. Development Team and Capacity. Identify below the persons or entities anticipated to be involved in the project, such as lenders, attorneys, accountants, architects, engineers, general contractor, sub-contractors, property managers and consultants. Also, indicate if any person or entity involved is certified by the City of Austin as a minority or women-owned business enterprise (**MBE/WBE**), or if any of the entities are also **non-profit** organizations.

Please also provide narrative information about the skills you or your development team members have in the following areas:

- a. project management,
- b. market analysis
- c. site selection and control,
- d. planning and construction,
- e. design, architecture and engineering
- f. legal and accounting
- g. federal funding rules and
- h. other funding source rules (e.g. Low Income Housing Tax Credits).

	Name and Contact Information	MBE? (Mark X if Yes)	WBE? (Mark X if Yes)	Non- profit? (Mark X if Yes)
Owner	Texas State Affordable Housing Corporation			X
Developer	Accessible Housing Austin!, Isabelle Headrick			X
Architect	Don Smith, Principal, Northfield Design Associates			
Engineer	To be determined if applicable			
Construction Lender	NA			
Other Lenders	NA			
Attorney	NA			
Accountant	Renee Barry, CPA			
General Contractor	To be determined			
Consultant (if Applicable)	Stephanie Thomas, ADAPT			x
Property Management Provider	Accessible Housing Austin!			X

AHA!'s Executive Director, Isabelle Headrick, has ten years of experience managing the rehabilitation of affordable housing properties and ensuring compliance with federal (HOME and CDBG) and City of Austin (Health and Human Services) funding sources. Don Smith, Principal for Northfield Design Associates, has eighteen years of experience in affordable housing design and contract administration for both multi-family and single-family. Over 90% of the projects were financed with either Low-Income Housing Tax Credits or tax exempt bonds and have had to comply with requirements of TDHCA including Section 504 and Texas Accessibility Standards. Renee Barry, CPA, has 16 years of experience providing accounting and audit services for non-profits, both as a CFO and as an accountant and auditor, helping them to comply with Federal funding accounting requirements. Stephanie Thomas has over thirty years of experience as a disability rights and accessibility advocate. In addition to serving as AHA!'s president, she consulted on the accessibility-related specifics of the rehabilitation.

9. Development Schedule. Complete the grid below. You may re-order the steps according to the appropriate sequence for your project and to add in any other significant steps integral to your project's development. If the multiple properties are involved, provide a development schedule for each property.

	DATE(S)
Acquisition and/or holding	Done
Securing and packaging project financing	September 1, 2013
Construction Specifications and Cost estimates	August 1, 2013
Construction Bids	October 15, 2013
Construction Start	November 1, 2013
Anticipated Draws (list all)	December 1, 2013 January 1, 2014 February 1, 2014 March 1, 2014
End Construction	February 15, 2014
Start of Rent-up	March 1, 2014
Completion & Operation	March 1, 2014

10. Accessible and Adaptable Units. Indicate the number of units proposed to be **accessible and adaptable** for persons with mobility, sight and hearing disabilities as required by RHDA Program Guidelines.

- _____ Units adaptable for persons with mobility disabilities
- 2 Units accessible for persons with mobility disabilities
- _____ Units adaptable for persons with sight and hearing disabilities
- _____ Units accessible for persons with sight and hearing disabilities

11. Developer Capacity. Provide narrative information on recent, similar, and successful experience in affordable housing development. Include experience using multiple fund sources, managing affordable rental developments, and previous working history with the Austin Housing Finance Corporation.

Accessible Housing Austin! was established in 2005 and, in partnership with United Cerebral Palsy of Texas, successfully applied for General Obligation Bond funding to purchase and rehabilitate "Carol's House," its first house in North Austin (1805 Heatherglen). This rehabilitation was successfully completed in 2008. Since then, it has been the home to a very low-income tenant with multiple visual and physical disabilities on Section Eight. In 2010 AHA! inherited a second property "JT's House," originally constructed for disability rights activist James Templeton under the Home of Your Own (HOYO) program. Beginning in 2011, AHA entered into partnership with the Texas State Affordable Housing Corporation (TSAHC) to rehabilitate and manage seven homes in a scattered site development. All of these, except for the two for which we are requesting funding in this application, have been rehabilitated and rented to low-income families with people with disabilities. The funding sources for these rehabilitations included the Austin Housing Finance Corporation, the Texas Foundations Fund, Amerigroup, and the Home Depot Foundation.

In 2012, Isabelle Headrick joined AHA! as Executive Director, having spent ten years as the director of Blackland Community Development Corporation. In that capacity, she successfully applied for \$1.2 million in funding to rehabilitate and acquire 24 homes for homeless families and low- and very low-income families, seniors, and people with disabilities; contracted for the rehabilitation work; and oversaw all aspects of the rehabilitation, leasing and compliance processes.

12. Detailed Project Budget. Use the following table, or comparable format, to provide a complete project budget. Add line-items as necessary. If this project has already received funding from AHFC, indicate by line item the amounts from the prior award.

Please see below.

PROJECT BUDGET

9407 A&B Kempler Dr.
RHDA Request Not Requested

Leasing (Acquisition)

TSAHC Lease to AHA-value		\$	195,024
Total Leasing (Acquisition) Costs	\$	-	\$ 195,024
<i>Accessible Housing Austin Project Equity</i>			
Staff predevelopment time, insurance, lawn care, maintenance, appliances		\$	14,697
Total Accessible Housing Austin Project Equity	\$	-	\$ 14,697

Predevelopment

Architectural and engineering fees	\$	4,500	\$ -
Total Predevelopment Costs	\$	4,500	\$ -

Soft Costs

Closing fees and title policy (1% of loan)	\$	1,820	\$ -
Audit & Accounting	\$	300	\$ -
Miscellaneous soft (permit and legal fees, marketing, surveys, lead testing)	\$	-	\$ -
Relocation	\$	-	\$ -
Total Soft Costs	\$	2,120	\$ -

Hard Costs

Demolition and site preparation	\$	4,025	\$ -
Disposal of Trash	\$	1,668	\$ -
Foundation	\$	6,960	\$ -
Roof	\$	12,650	\$ -
HVAC	\$	5,175	\$ -
Electrical & Electrical Fixtures	\$	14,030	\$ -
Plumbing-water, gas and dishwashers	\$	8,280	\$ -
Interior rehabilitation (int. demolition, drywall, accessibility, floors, trim, carpentry, paint, insulation fixtures)	\$	46,805	\$ -
Exterior rehabilitation (siding, gutters, windows, doors, carpentry, paint)	\$	22,310	\$ -
Exterior accessibility	\$	10,005	\$ -
Sitework	\$	3,824	\$ -
Appliances (refrigerators)	\$	1,500	\$ -
Subtotal hard costs	\$	137,231	\$ -
Contingency (15% of Hard Costs)	\$	20,585	\$ -

Total Hard Costs	\$	157,816	\$ -
Total Costs Before Project Mgmt and Land	\$	164,436	\$ 209,721
Project Management (10%)	\$	16,444	\$ -
TOTAL COSTS WITH PROJ. MGMNT	\$	180,880	\$ 209,721
TOTAL PROJECT COST	\$	390,601	

13. Funds Proposal. Provide the following information to facilitate financial review of the proposed project:

- a. **Sources and Uses of Funds** – Complete **Tables A (below) & B (on the following page)**, identifying all sources and uses of funds to implement project and include evidence of funds anticipated (financial statements, commitment letters, etc.).

TABLE A: SOURCES OF FUNDS SUMMARY					Intended Use of Funds (Predevelopment, Acquisition, Construction, Soft Costs)
	Term	Interest Rate	Amount	Evidence (Deed, Sales Contract)	
Owner Equity	NA				
Private Financing (List Lenders)	NA				
Other Sources (List Below)					
Texas State Affordable Housing Corporation lease to Accessible Housing Austin	NA	NA	\$195,024	TCAD documentation provided in Section 4(f) and ground lease in Section 5.	Land and improvements owned by TSAHC and leased by AHA.
Accessible Housing Austin contribution to date	NA	NA	\$14,697	Profit & Loss Statement, Time report	Predevelopment, utilities, lawn care, appliance purchase, maintenance, insurance
Proposed RHDA Funds		0%	\$180,880		
TOTAL			\$390,601		

TABLE B: USES OF FUNDS SUMMARY		
	Total Cost	Cost/Unit
Predevelopment	\$ 4,500	\$ 2,250
Lease-hold interest in property	\$195,024	\$ 97,512
Hard Costs	\$157,816	\$ 78,908
Soft & Carrying Costs	\$ 2,120	\$ 1,060
Other Costs	\$ 31,141	\$ 15,570
Total Project Costs	\$390,601	\$195,300

- b. **Leveraging** – Complete **Table C (below)**. Include evidence of other funds leveraged by AHFC funds to implement the project such as owner equity and commitments from private and/or other public resources.

TABLE C: LEVERAGE SUMMARY	
TOTAL RHDA FUNDS	\$180,880
TOTAL OTHER FUNDS	\$209,721
LEVERAGE (%)	46.3%

- c. **Operating Proforma** – In a format comparable to Table D below, prepare a minimum twenty (20) year financial Operating Proforma which realistically reflects the operation of the project relative to current and anticipated revenues, expenses and debt. The Proforma must indicate the anticipated debt coverage ratio (DCR) calculated as follows: $\text{net operating income (NOI)}/\text{debt service (DS)} = \text{DCR}$. For projects that will not carry debt, use the number “1” as the denominator in the equation.

Please see below.

14. Community Engagement Strategy or Efforts. Please provide a description of your organization's efforts or plans to engage neighborhood associations and other stakeholders in the area surrounding the proposed development. If no neighborhood association exists, provide an alternative plan to engage area residents, businesses and faith-based organization, for example.

Accessible Housing Austin! has involved stakeholders in the disability rights community, such as ADAPT. We have also notified tenants in adjacent properties in case there are any construction-related issues. However, we have not notified the neighborhood as a whole, and are choosing not to display signage that identifies the property as affordable housing for people with disabilities out of concern for the safety of our future disabled tenants.

15. Description of Supportive Services.

Not applicable. AHA!'s model consists of providing housing to people with disabilities while they are independent consumers of whatever social, medical or behavioral services they need.

ATTENTION:

Please submit with the Application a completed "self-evaluation" using the following Scoring Criteria.

**RHDA PROGRAM
SCORING CRITERIA**

Applications received will be reviewed and evaluated according to the following criteria:

REQUIRED INFORMATION:

1. Applicant Information	<u> x </u>	10. Accessible/Adaptable Units	<u> x </u>
2a. Non-profit List of Items	<u> x </u>	11. Experience/Qualifications	<u> x </u>
OR		12. Project Budget	<u> x </u>
2b. For-profit List of Items	<u> </u>	13. Funds Proposal:	
3. Project Description	<u> x </u>	a. Sources	<u> x </u>
4. Site Control/Value	<u> x </u>	b. Uses	<u> x </u>
5. Zoning	<u> x </u>	c. Leveraging	<u> x </u>
6. S.M.A.R.T. Housing	<u> x </u>	d. Operating Proforma	<u> x </u>
7. Development Team	<u> x </u>	14. Good Neighbor Checklist	<u> x </u>
8. Development Schedule	<u> x </u>		
9. Developer Capacity	<u> x </u>		

EVALUATION CRITERIA:

Applications for proposed projects will be reviewed and scored on a competitive basis per the evaluation criteria below. Applications must receive a minimum score of **150** points out of a maximum score of **225** points. PLEASE NOTE: A score above the minimum score does not guarantee funding.

1. **DEVELOPER EXPERIENCE AND QUALIFICATIONS** (maximum 15 points) 15
 - 15 points:** Developer has recent, similar, and successful completion of a development similar in size and scope with income-restricted units.
 - 10 points:** Developer has recent, similar, and successful completion of a development **smaller** in size and scope with income-restricted units.
 - 8 points:** Consultant directly involved who has successfully completed a development similar in size and scope with income-restricted units.
 - 5 points:** Developer has recent, similar, and successful completion of a development similar in size and scope **without** income-restricted units

2. **SOURCES & USES OF FUNDS** (maximum 10 points) 10
 - 10 points:** All sources and uses of funds are clearly indicated and sufficient evidence of funding availability and/or commitments are included.
 - 5 points:** All sources and uses of fund are clearly indicated, but evidence of funding availability or commitments are incomplete.

3. **DEBT COVERAGE RATIO** (maximum 10 points) 10
 - 10 points:** DCR of 1.25 or greater
 - 6 points:** DCR between 1.21 - 1.24
 - 4 points:** DCR between 1.15 - 1.20

4. **LEVERAGE** (maximum 10 points) 4

RHDA Program funding (prior and current) relative to Total Project Costs equals:

- 10 points:** 25% or less
- 8 points:** 26% - 30%
- 6 points:** 31% - 35%
- 4 points:** 36% - 50%
- 0 points:** 51% or greater

5. **AFFORDABLE UNITS** (maximum 25 points) 25

If development has a mix of 30%, 40%, and/or 50% MFI units, add the results for the percentage of units in each income category up to the maximum of 25 points. If the project has a percentage of units in a given income category that is not an exact multiple of ten as shown in the chart, please round up to the next multiple of 10 and use that point value.

% of G.O. Bond-assisted Units in Total Project										
% MFI	10%	20%	30%	40%	50%	60%	70%	80%	90%	100%
50%	3	5	7	9	11	13	15	17	19	25
40%	5	7	9	11	13	15	17	19	21	25
30%	7	9	11	13	15	17	19	23	24	25

6. **RHDA COST PER UNIT** in \$1,000s (maximum 10 points) 0

	<u>Multi-Unit Structures</u>	<u>Single-Unit Structures</u>
10 points	<\$40/unit	<\$40/unit
8 points	<\$45/unit	<\$50/unit
6 points	<\$50/unit	<\$60/unit
4 points	<\$55/unit	<\$70/unit
2 points	<\$60/unit	<\$80/unit

7. **TRANSITIONAL HOUSING** (10 points) 0

10 points: Project will be developed and operated as transitional housing.

8. **PERMANENT SUPPORTIVE HOUSING (PSH)** (maximum 20 points) 0

20 points: Project will reserve units for PSH for the following populations:

- Chronically Homeless as established in the HEARTH Act (24 CFR Part 577)
- Have been in an institution for over 90 days
- Unaccompanied youth or families with children defined as homeless under other federal statutes
- Youth "aging out" of state custody or the foster care or the juvenile probation system

10 points: Project will reserve units for PSH for populations other than those listed above.

9. **GEOGRAPHIC DISPERSION** (maximum 25 points) 15

Project is located in an area identified according to the Kirwan Institute's Opportunity Map of Austin (Map #2) as having greater opportunity for low-income households.

- 25 points:** Very High priority area
- 20 points:** High priority area
- 15 points:** Moderate priority area
- 10 points:** Low priority area
- 5 points:** Very Low priority area

10. **PRIORITY LOCATION** (10 points) 0*
10 points: Project is located in a Vertical Mixed-Use (VMU) Corridor, or is a Planned-Unit Development (PUD) or Transit Oriented Development (TOD).

***Please note that the duplex is located within .3 miles of a bus stop and .5 miles from the intersection of Slaughter Lane and Manchaca Road which is within a Future Core Transit Corridor.**

11. **PRESERVATION OF AFFORDABLE UNITS** (10 points) 10
10 points: Project is the rehabilitation and preservation of existing affordable housing units, or new units are being constructed to replace existing affordable units at the same location on a one-to-one replacement basis or a greater than one-to-one replacement basis.

12. **AFFORDABILITY PERIOD** (25 points) 25
25 points: Affordability of project is for 99 years.

13. **PROJECT READINESS** (maximum 10 points) 6

New construction

2 points each; maximum 10 points

- The project meets the normal eligibility requirements under the existing program guidelines.
- The property is already owned by the developer.
- The project has completed all necessary design work and received site plan approval.
- All environmental reviews have been completed.
- The project has firm commitments from all financing sources.

Acquisition and Rehab

2 points each; maximum 10 points

- The project meets the normal eligibility requirements under the existing program guidelines
- All environmental reviews have been completed.
- The project has firm commitments from all financing sources. *(if financed by AHFC)*
- A General Contractor has been selected.
- Closing on the acquisition of the property can be achieved in less than 30 days.

Acquisition of Completed Units

2.5 points each; maximum 10 points (A total score of 2.5 points will be rounded to 3; a total score of 7.5 points will be rounded to 8.)

- The project meets the normal eligibility requirements under the existing program guidelines
- All environmental reviews have been completed.
- The project has firm commitments from all financing sources.
- Closing on the acquisition of the property can be achieved in less than 30 days.

14. **PROPERTY MANAGEMENT** (maximum 10 points) 10

10 points: Designated Property Management Entity has documented track record of success managing income-restricted properties of similar size and/or similar unit counts, and has the capacity to take on management of the proposed project.

8 points: Designated Property Management Entity has a documented track record of success managing income- restricted properties of smaller size and/or fewer units, and has the capacity to take on management of the proposed project.

4 points: Designated Property Management Entity has a documented track record of successful property management experience and has the capacity to take on management of the proposed project, but has not managed an income-restricted property.

15. **SUPPORTIVE SERVICES** (maximum 15 points) 0*

15 points:

- a. The developer has secured written agreements with organizations that will provide resident services, or has experienced and qualified staff (7 or more years of experience) able to provide the same services.
- b. Funds have been identified for the operation of resident services programs.
- c. A 3-year operating budget for the operation of the resident services programs is provided.

10 points:

- a. The developer has secured letters of intent from organizations that intend to provide resident services, or has experienced and qualified staff (3 to 6 years of experience) able to provide the same services.
- b. Funds have been identified for the operation of the resident services programs.
- c. A 3-year operating budget for the operation of the resident services programs is provided.

5 points:

- a. The developer has experienced and qualified staff (1 to 2 years of experience) able to provide the same resident services.
- b. Funds have been identified for the operation of the resident services programs.
- c. A 3-year operating budget for the operation of the resident services programs is provided.

***Please note that AHA's model is to provide affordable, accessible, integrated housing for low-income people with disabilities, allowing them to be independent consumers of the services that they may need. Our current average household is at 26% MFI.**

16. **MBE/WBE PROJECT PARTICIPATION** (5 points) 0

5 points: Development Team includes registered City of Austin minority- or women-owned business enterprises (M/WBE).

17. **PARTNERSHIP WITH OTHER NON-PROFIT ENTITIES** (5 points) 5

5 points: Applicant provides evidence of commitment from another certified non-profit organization to partner on the project in some way.

TOTAL SCORE 135