

Parker Apartments

By Foundation Communities

2022 RHDA Application

Executive Summary

Parker Apartments

Executive Summary

Foundation Communities is submitting this second request for RHDA funds for Parker Lane because of the drastic increase in construction costs that is impacting the Texas housing market. Since our original application in May 2021, our construction costs have increased by \$7.2 million dollars, an almost 30% increase, while at the same time interest rates on our bank financing have been rising. We have an aggressive plan to apply for and secure additional sources of funds to bridge this gap and have already applied for Capital Magnet Funds, Federal Home Loan Bank Affordable Housing Program funds, and National Housing Trust Fund dollars through TDHCA, as well as grant money from St. David's Foundation – as of the date of this application, we are highly optimistic that the majority of these funds will come through, but the applications are all still pending. Parker is within the Project Connect anti-displacement eligible area, 1/4 mile from the purple line and 3/4 mile from the blue line and is therefore eligible for Project Connect funds.

Our hope is that a portion of this additional RHDA funding request will act as a bridge for other funds and a portion remain as a permanent source – the exact amount that can be repaid to RHDA from this request will depend on the amount of pending applications that are approved. Foundation Communities commonly bridges project development gaps by loaning our own revolving loan funds to a project at the partnership closing. Then, as other sources are awarded, Foundation Communities is reimbursed and/or our loan is not fully drawn down. Unfortunately, the gap caused by recent drastic and unforeseen construction costs is in excess of what can be supported by FC's revolving funds.

Parker Apartments is a unique opportunity for FC to develop a new community on a large tree filled site within Austin's urban core. After more than 30 years of service, the Parker United Methodist Church was excited to enter into a 99-year ground lease with FC to re-develop the site located at 2105 Parker Ln. with 135 affordable homes, a Learning Center, and church offices.

We are on track to close on our private financing and start construction this summer, and move tenants in by early 2024. We have completed two pandemic era projects on time and on budget and have two more in construction that are also on time and on budget. In this tumultuous construction market, our experience and organizational infrastructure are critical to managing risk and successfully developing affordable housing.

Application Tabs

Parker Apartments

APPLICATION CHECKLIST/ INFORMATION FORM

DEVELOPER : Foundation Communities	OWNER : FC Parker Housing, LP
PROJECT : Parker Apartments	FUNDING CYCLE DEADLINE : 5/5/2022
FEDERAL TAX ID NO: 74-2563260	DUNS NO: 55-635-2268
PROJECT ADDRESS: 2105 Parker Ln, Austin TX, 78741	PROGRAM : RHDA
CONTACT NAME : Sabrina Butler	AMOUNT REQUESTED: \$7,329,614
CONTACT ADDRESS AND PHONE : 3000 S IH 35, suite 300, Austin, TX 78704	

APPLICATION TABS		INITIALS
A 1	EXECUTIVE SUMMARY/PROJECT PROPOSAL	SB
A 2	PROJECT SUMMARY FORM	SB
A 3	PROJECT TIMELINE	SB
A 4	DEVELOPMENT BUDGET	SB
A 5	OPERATING PRO FORMA	SB
A 6	SCORING SHEET	SB

ATTACHMENT TABS				INITIALS
1	ENTITY INFORMATION	1.a.	Detailed listing of developer's experience	SB
		1.b.	Certificate of Status	SB
		1.c.	Statement of Confidence	N/A
2	PRINCIPALS INFORMATION	2.a.	Resumes of principals	SB
		2.b.	Resumes of development team	SB
		2.c.	Resumes of property management team	SB
3	FINANCIAL INFORMATION	3.a.	Federal IRS Certification	SB
		3.b.	Certified Financial Audit	SB
		3.c.	Board Resolution	SB
		3.d.	Financial Statements	SB
		3.e.	Funding commitment letters	SB
4	PROJECT INFORMATION	4.a.	Market Study	SB
		4.b.	Good Neighbor Policy	SB
		4.c.	SMART Housing Letter	SB
		4.d.	MOU with ECHO	N/A
		4.e.	Resident Services	SB
5	PROPERTY INFORMATION	5.a.	Appraisal	SB
		5.b.	Property Maps	SB
		5.c.	Zoning Verification Letter	SB
		5.d.	Proof of Site control	SB
		5.e.	Phase I ESA	SB
		5.f.	SHPO	SB

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.*

SIGNATURE OF APPLICANT

Sabrina Butler

PRINTED NAME

Sabrina Butler

TITLE OF APPLICANT

Director of Real Estate

DATE OF SUBMISSION

5/5/22

DATE AND TIME STAMP OF RECEIPT

FOR AHFC USE ONLY

Project Summary Form

1) Project Name Parker Apartments	2) Project Type 100% Affordable	3) New Construction or Rehabilitation? New Construction
4) Location Description (Acreage, side of street, distance from intersection) 2105 Parker Ln, Austin, TX 78741		5) Mobility Bond Corridor
6) Census Tract 23.15	7) Council District District 3	8) Elementary School LINDER EL
9) Affordability Period 40 years		
10) Type of Structure Multi-family	11) Occupied? No	12) How will funds be used? Construction Only

13) Summary of Rental Units by MFI Level

Income Level	Efficiency	One Bedroom	Two Bedroom	Three Bedroom	Four (+) Bedroom	Total
Up to 20% MFI						0
Up to 30% MFI		2	16	6		24
Up to 40% MFI						0
Up to 50% MFI		11	30	17		58
Up to 60% MFI		12	22	19		53
Up to 80% MFI						0
Up to 120% MFI						0
No Restrictions						0
Total Units	0	25	68	42	0	135

14) Summary of Units for Sale at MFI Level

Income Level	Efficiency	One	Two	Three	Four (+)	Total
Up to 60% MFI						0
Up to 80% MFI						0
Up to 120% MFI						0
No Restrictions						0
Total Units	0	0	0	0	0	0

15) Initiatives and Priorities (of the Affordable Units)

Initiative	# of Units	Initiative	# of Units
Accessible Units for Mobility Impairments	14	Continuum of Care Units	0
Accessible Units for Sensory Impairments	3		

Use the City of Austin GIS Map to Answer the questions below

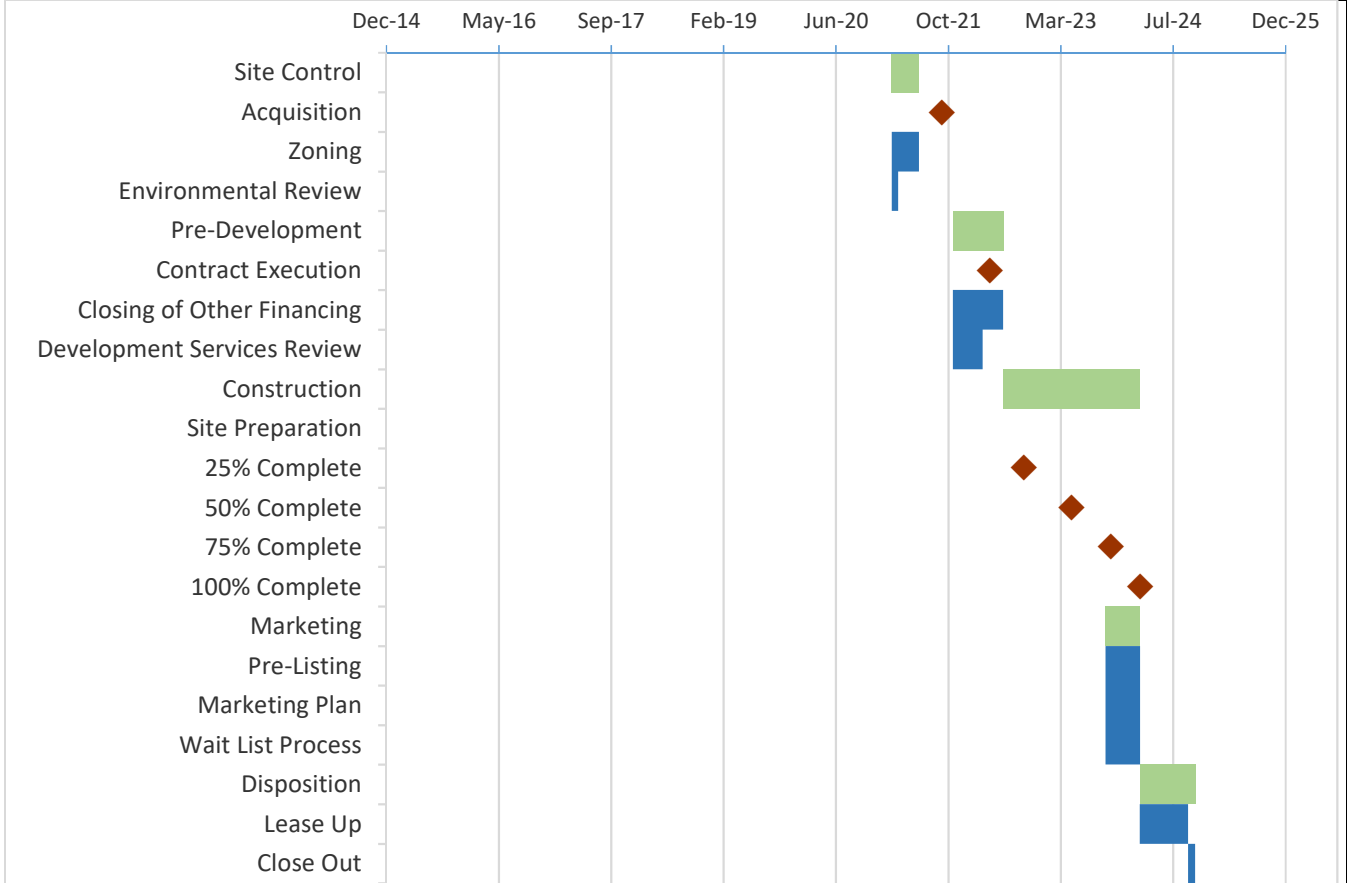
- 16) Is the property within 1/2 mile of an Imagine Austin Center or Corridor?
- 17) Is the property within 1/4 mile of a High-Frequency Transit Stop?
- 18) Is the property within 3/4 mile of Transit Service?
- 19) The property has Healthy Food Access?

20) **Estimated Sources and Uses of funds**

<u>Sources</u>		<u>Uses</u>	
Debt	13,731,659	Acquisition	3,454,845
Third Party Equity	14,698,530	Off-Site	
Grant		Site Work	3,340,293
Deferred Developer Fee	1,800,000	Sit Amenities	828,120
FHLB	750,000	Building Costs	27,770,597
State MFDL	2,025,973	Contractor Fees	1,261,825
Previous AHFC Funding	4,100,000	Soft Costs	2,071,363
Current AHFC Request	7,329,614	Financing	2,108,733
Total	44,435,776	Developer Fees	3,600,000
		Total \$	44,435,776

Development Schedule

	Start Date	End Date
Site Control	Feb-21	Jun-21
Acquisition	Sep-21	
Zoning	Feb-21	Jun-21
Environmental Review	Feb-21	Mar-21
Pre-Development	Nov-21	Jul-22
Contract Execution	May-22	
Closing of Other Financing	Nov-21	Jul-22
Development Services Review	Nov-21	Apr-22
Construction	Jul-22	Mar-24
Site Preparation	Jul-22	Jun-22
25% Complete	Oct-22	
50% Complete	May-23	
75% Complete	Oct-23	
100% Complete	Mar-24	
Marketing	Oct-23	Mar-24
Pre-Listing	Oct-23	Mar-24
Marketing Plan	Oct-23	Mar-24
Wait List Process	Oct-23	Mar-24
Disposition	Mar-24	Nov-24
Lease Up	Mar-24	Oct-24
Close Out	Oct-24	Nov-24



Development Budget

	Total Project Cost	Requested AHFC Funds	Description
Pre-Development			
Appraisal	25,500		includes market study
Environmental Review	59,197		
Engineering	7,555		Soils Report
Survey	16,650		
Architectural	891,165		
Subtotal Pre-Development Cost	\$1,000,067	\$0	
Acquisition			
Site and/or Land	3,450,000		
Structures			
Other (specify)	4,845		
Subtotal Acquisition Cost	\$3,454,845	\$0	
Construction			
Infrastructure			
Site Work	3,940,338	3,940,338	includes Site Amenities
Demolition	228,075	228,075	includes Abatement
Concrete	1,093,198	1,093,198	
Masonry	1,270,312	1,270,312	includes metals
Rough Carpentry	5,621,611	4,897,691	
Finish Carpentry	1,153,814		
Waterproofing and Insulation	616,102		
Roofing and Sheet Metal	737,906		
Plumbing/Hot Water	2,319,895		
HVAC/Mechanical	2,569,866		
Electrical	2,543,475		
Doors/Windows/Glass	1,111,802		
Lath and Plaster/Drywall and Acoustical	1,473,450		
Tile Work	359,010		
Soft and Hard Floor	379,200		
Paint/Decorating/Blinds/Shades	619,233		
Specialties/Special Equipment	1,488,818		includes elevator, sprinklers, alarm, data
Cabinetry/Appliances	267,218		
Carpet			
Other (community center + commerical)			
Other (general, overhead, fee)	3,611,770		
Other (FF&E)	214,750		
Construction Contingency	1,580,992		
Subtotal Construction Cost	\$33,200,835	\$11,429,614	
Soft & Carrying Costs			
Legal	215,000		applicant and lender legal
Audit/Accounting	14,000		
Title/Recordin	343,140		includes origination fees
Architectural (Inspections)	39,500		lender inspections
Construction Interest	1,250,000		
Construction Period Insurance	115,000		
Construction Period Taxes	74,146		
Relocation			
Marketing			
Davis-Bacon Monitoring			
Developer Fee	3,600,000		
Other (Investor Due Diligence)	20,000		
Other (FHA fees)	163,556		
Other (Bld Permit fees)	55,153		
Other (Soft Cost Contingency)	74,827		
Other (Materials Testing)	38,245		
Other (Consultants)	124,925		
Other (Tax Credit fees)	66,040		
Other (LOC fees)	86,497		
Other (Reserves)	500,000		
Subtotal Soft & Carrying Costs	\$6,780,029	\$0	
TOTAL PROJECT BUDGET	\$44,435,776	\$11,429,614	

15 Year Rental Housing Operating Pro Forma (RHDA)

The pro forma should be based on the operating income and expense information for the base year (first year of stabilized occupancy using today's best estimates of market rents, restricted rents, rental income and expenses), and principal and interest debt service. The Department uses an annual growth rate of 2% for income and 3% for expenses. Written explanation for any deviations from these growth rates or for assumptions other than straight-line growth made during the proforma period should be attached to this exhibit.

INCOME	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 6	YEAR 7	YEAR 8	YEAR 9	YEAR 10	YEAR 11	YEAR 12	YEAR 13	YEAR 14	YEAR 15
POTENTIAL GROSS ANNUAL RENTAL INCOME	\$1,931,712	\$1,970,346	\$2,009,753	\$2,049,948	\$2,090,947	\$2,132,766	\$2,175,421	\$2,218,930	\$2,263,308	\$2,308,575	\$2,354,746	\$2,401,841	\$2,449,878	\$2,498,875	\$2,548,853
Secondary Income	\$29,230	\$29,815	\$30,411	\$31,019	\$31,639	\$32,272	\$32,918	\$33,576	\$34,248	\$34,933	\$35,631	\$36,344	\$37,071	\$37,812	\$38,568
POTENTIAL GROSS ANNUAL INCOME	\$1,960,942	\$2,000,161	\$2,040,164	\$2,080,967	\$2,122,587	\$2,165,038	\$2,208,339	\$2,252,506	\$2,297,556	\$2,343,507	\$2,390,377	\$2,438,185	\$2,486,949	\$2,536,688	\$2,587,421
Provision for Vacancy & Collection Loss	-\$98,047	-\$100,008	-\$102,008	-\$104,048	-\$106,129	-\$108,252	-\$110,417	-\$112,625	-\$114,878	-\$117,175	-\$119,519	-\$121,909	-\$124,347	-\$126,834	-\$129,371
Rental Concessions	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
EFFECTIVE GROSS ANNUAL INCOME	\$1,862,895	\$1,900,153	\$1,938,156	\$1,976,919	\$2,016,457	\$2,056,787	\$2,097,922	\$2,139,881	\$2,182,678	\$2,226,332	\$2,270,859	\$2,316,276	\$2,362,601	\$2,409,853	\$2,458,050
EXPENSES															
General & Administrative Expenses	\$67,424	\$69,447	\$71,530	\$73,676	\$75,887	\$78,163	\$80,508	\$82,923	\$85,411	\$87,973	\$90,613	\$93,331	\$96,131	\$99,015	\$101,985
Management Fee	\$93,145	\$95,939	\$98,817	\$101,782	\$104,835	\$107,980	\$111,220	\$114,556	\$117,993	\$121,533	\$125,179	\$128,934	\$132,802	\$136,786	\$140,890
Payroll, Payroll Tax & Employee Benefits	\$235,080	\$242,132	\$249,396	\$256,878	\$264,585	\$272,522	\$280,698	\$289,119	\$297,792	\$306,726	\$315,928	\$325,406	\$335,168	\$345,223	\$355,580
Repairs & Maintenance	\$248,103	\$255,546	\$263,212	\$271,109	\$279,242	\$287,619	\$296,248	\$305,135	\$314,289	\$323,718	\$333,430	\$343,433	\$353,736	\$364,348	\$375,278
Electric & Gas Utilities	\$28,666	\$29,526	\$30,412	\$31,324	\$32,264	\$33,232	\$34,229	\$35,256	\$36,313	\$37,403	\$38,525	\$39,680	\$40,871	\$42,097	\$43,360
Water, Sewer & Trash Utilities	\$70,030	\$72,131	\$74,295	\$76,524	\$78,819	\$81,184	\$83,619	\$86,128	\$88,712	\$91,373	\$94,114	\$96,938	\$99,846	\$102,841	\$105,927
Annual Property Insurance Premiums	\$46,575	\$47,972	\$49,411	\$50,894	\$52,421	\$53,993	\$55,613	\$57,281	\$59,000	\$60,770	\$62,593	\$64,471	\$66,405	\$68,397	\$70,449
Property Tax	\$74,146	\$76,370	\$78,661	\$81,021	\$83,452	\$85,956	\$88,534	\$91,190	\$93,926	\$96,744	\$99,646	\$102,635	\$105,714	\$108,886	\$112,152
Reserve for Replacements	\$33,750	\$34,763	\$35,805	\$36,880	\$37,986	\$39,126	\$40,299	\$41,508	\$42,753	\$44,036	\$45,357	\$46,718	\$48,119	\$49,563	\$51,050
Other Expenses (Services)	\$12,500	\$12,875	\$13,261	\$13,659	\$14,069	\$14,491	\$14,926	\$15,373	\$15,835	\$16,310	\$16,799	\$17,303	\$17,822	\$18,357	\$18,907
TOTAL ANNUAL EXPENSES	\$909,419	\$936,702	\$964,803	\$993,747	\$1,023,559	\$1,054,266	\$1,085,894	\$1,118,471	\$1,152,025	\$1,186,586	\$1,222,183	\$1,258,849	\$1,296,614	\$1,335,512	\$1,375,578
NET OPERATING INCOME	\$953,476	\$963,451	\$973,353	\$983,172	\$992,898	\$1,002,521	\$1,012,028	\$1,021,410	\$1,030,654	\$1,039,746	\$1,048,676	\$1,057,427	\$1,065,987	\$1,074,341	\$1,082,473
DEBT SERVICE															
First Deed of Trust Annual Loan Payment	\$794,563	\$794,563	\$794,563	\$794,563	\$794,563	\$794,563	\$794,563	\$794,563	\$794,563	\$794,563	\$794,563	\$794,563	\$794,563	\$794,563	\$794,563
Second Deed of Trust Annual Loan Payment	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Third Deed of Trust Annual Loan Payment	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
MIP	\$34,181	\$33,897	\$33,599	\$33,285	\$32,955	\$32,609	\$32,244	\$31,862	\$31,459	\$31,036	\$30,591	\$30,124	\$29,633	\$29,116	\$28,573
Other Annual Required Payment	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
ANNUAL NET CASH FLOW	\$124,732	\$134,991	\$145,192	\$155,324	\$165,380	\$175,349	\$185,221	\$194,986	\$204,631	\$214,147	\$223,521	\$232,740	\$241,792	\$250,662	\$259,336
CUMULATIVE NET CASH FLOW	\$124,732	\$259,724	\$404,916	\$560,240	\$725,620	\$900,969	\$1,086,190	\$1,281,176	\$1,485,807	\$1,699,955	\$1,923,476	\$2,156,216	\$2,398,008	\$2,648,669	\$2,908,006
Debt Coverage Ratio	1.15	1.16	1.18	1.19	1.20	1.21	1.22	1.24	1.25	1.26	1.27	1.28	1.29	1.30	1.32

Project Name	Parker Apartments	
Project Type	100% Affordable	
Council District	District 3	
Census Tract	23.15	
Prior AHFC Funding	\$7,329,614	
Current AHFC Funding Request Amount	\$44,435,776	
Estimated Total Project Cost	\$44,435,776	
High Opportunity	No	
High Displacement Risk	NO	
High Frequency Transit	Yes	
Imagine Austin	Yes	
Mobility Bond Corridor	0	
SCORING ELEMENTS		Description
UNITS		
< 20% MFI	0	# of rental units at < 20% MFI
< 30% MFI	24	# of rental units at < 30% MFI
District Goal	10%	% of City's affordable housing goal
High Opportunity	FALSE	% of City's affordable housing goal for high opportunity areas
Displacement Risk	0%	% of City's affordable housing goal to reduce displacement
High Frequency Transit	9%	% of City's affordable housing goal near high frequency transit
Imagine Austin	9%	% of City's affordable housing goal in imagine austin corridors
Geographic Dispersion	0%	% of City's affordable housing goal to increase geographic dispersion
Mobility Bond Corridor	0%	% of City's affordable housing goal within mobility bond corridors
SCORE	3	% of annual goal * units * 50%, max of 75
< 40% MFI	0	# of rental units at < 40% MFI
< 50% MFI	58	# of rental units at < 50% MFI
District Goal	10%	% of City's affordable housing goal
High Opportunity	FALSE	% of City's affordable housing goal for high opportunity areas
Displacement Risk	0%	% of City's affordable housing goal to reduce displacement
High Frequency Transit	9%	% of City's affordable housing goal near high frequency transit
Imagine Austin	9%	% of City's affordable housing goal in imagine austin corridors
Geographic Dispersion	0%	% of City's affordable housing goal to increase geographic dispersion
Mobility Bond Corridor	0%	% of City's affordable housing goal within mobility bond corridors
SCORE	4	% of annual goal * units * 25%, max of 75
< 60% MFI	0	# of units for purchase at < 60% MFI
District Goal	10%	% of City's affordable housing goal
High Opportunity	FALSE	% of City's affordable housing goal for high opportunity areas
Displacement Risk	0%	% of City's affordable housing goal to reduce displacement
High Frequency Transit	9%	% of City's affordable housing goal near high frequency transit
Imagine Austin	9%	% of City's affordable housing goal in imagine austin corridors
Geographic Dispersion	0%	% of City's affordable housing goal to increase geographic dispersion
Mobility Bond Corridor	0%	% of City's affordable housing goal within mobility bond corridors
SCORE	0	% of annual goal * units * 50%, max of 75
< 80% MFI	0	# of units for purchase at < 80% MFI
District Goal	10%	% of City's affordable housing goal
High Opportunity	FALSE	% of City's affordable housing goal for high opportunity areas
Displacement Risk	0%	% of City's affordable housing goal to reduce displacement
High Frequency Transit	9%	% of City's affordable housing goal near high frequency transit
Imagine Austin	9%	% of City's affordable housing goal in imagine austin corridors
Geographic Dispersion	0%	% of City's affordable housing goal to increase geographic dispersion
Mobility Bond Corridor	0%	% of City's affordable housing goal within mobility bond corridors
SCORE	0	% of annual goal * units * 25%, max of 75
Unit Score	7	MAXIMUM SCORE = 300
INITIATIVES AND PRIORITIES		
<i>Continuum of Care</i>	0	Total # of units provided up to 100 per year
Continuum of Care Score	0	(total CoC Units/100 + HF Units/50)*20
Access to Healthy Food	Yes	Within 1 Mile of Healthy Food (City GIS)
Continuum of Care Weighted Score	0	Mobility, Access to Jobs, Community Institutions, Social Cohesion
<i>2 Bedroom Units</i>	46	Total Affordable 2 Bedroom units
<i>3 Bedroom Units</i>	23	Total Affordable 3 Bedroom units
<i>4 Bedroom Units</i>	0	Total Affordable 4+ Bedroom units
Multi-Generational Housing Score	17	Multi-bedroom Unit/Total Units * 20
TEA Grade	79	Elementary School Rating from TEA
Multi-Generational Housing Weighted Score	4	Educational Attainment, Environment, Community Institutions, Social Cohesion, t
<i>Accessible Units</i>	17	mobility and sensory units
<i>Non-PSH, Non-Voucher Under 20% MFI</i>	0	Total units under 20% MFI
Accessibility Score	4	Accessible Unit/Total Units * 20
Metro Access Service	Yes	Within 3/4 mile of fixed route transit
Accessibility Weighted Score	1	Housing Stability, Health, Mobility, Community Institutions
Initiatives and Priorities Score	26	MAXIMUM SCORE = 200
UNDERWRITING		
<i>AHFC Leverage</i>	192%	% of total project cost funded through AHFC request
Leverage Score	21	3 points per 5% reduction in leverage below 50% (max 30)
<i>AHFC Per Unit Subsidy (including prior amounts)</i>	\$631,285	Amount of assistance per unit
Subsidy per unit score	0	(\$200,000 - per unit subsidy)*25/\$200,000
<i>AHFC Per Bedroom Subsidy</i>	\$297,502	Amount of assistance per bedroom
Subsidy per Bedroom Score	0	(\$200,000 - per bedroom subsidy)*25/\$200,000
<i>Debt Coverage Ratio (Year 5)</i>	1.20	Measured at the 5 Year mark
Debt Coverage Ratio Score	19.98507078	Minimum = 1.0; Maximum = 1.5; 1.25 = best score
Underwriting Score	41	MAXIMUM SCORE = 100
APPLICANT		
FINAL QUANTITATIVE SCORE	75	THRESHOLD SCORE = 50
<i>Previous Developments</i>		
<i>Compliance Score</i>		
<i>Proposal</i>		
<i>Supportive Services</i>		
<i>Development Team</i>		
<i>Management Team</i>		
<i>Notes</i>		

Attachment Tabs

Parker Apartments

1. Applicant Entity

a. Introduction

Foundation Communities (FC) is a nationally recognized nonprofit founded in 1990 with a mission to provide quality affordable housing and supportive services to low-income families and individuals. FC has 30 years of experience creating housing where individuals and families succeed. Our vision for strong families and communities involves more than just providing a roof over peoples' heads. By combining affordable housing and free on-site services, we empower low-income residents with the tools they need to achieve long-term stability and self-sufficiency. FC focuses on four main areas:

Opening Doors to Homes: We own and manage over 3,700 apartments across 23 properties in Austin and 3 in the North Texas. Over 7,000 residents call our communities home. We are the life-time owner, developer, property manager, and services provider to our Austin portfolio. We invest upfront in high quality design, materials, green building strategies for our new properties and invest heavily in capital repairs, maintenance, and green upgrades at our older properties.

Healthy Communities: All FC residents have access to health amenities and resources including fitness, cooking and nutrition, food pantries, gardens, and disease management/prevention services. We have 859 permanent supportive housing apartments where single adults who have chronic health problems and disabilities, have been homeless, or survive on fixed incomes receive intensive case management. To support families coming out of homelessness, we created the Children's HOME Initiative (CHI). These 173 units, integrated throughout our family properties, provide reduced rents and case management to help families move from crisis to long-term stability.

Learning in a Community: On-site Learning Centers give over 600 children of working parents academic and enrichment support, including the Green and Healthy Kids program. 85% of students maintain or improve their grades in our free out-of-school time programs. Adult education is also a priority and includes job and computer skills, English as a Second Language, and digital and financial literacy. College Hub deepens FC's decade-long commitment to serving non-traditional students, providing intensive support and academic opportunities for low income and first generation college students.

Financial Stability: Financial Centers provide free tax preparation to 20,000+ low-income individuals each year with the help of 600 volunteers. Annual refunds amount to more than \$35 million, and can equal 25% of a family's annual income. Each year, more than 600 families become smart consumers through financial coaching; at least 50% reduce their debt. Matched savings plans assist families to purchase a home, attend college, or start a business.

1. Applicant Entity
b. Certificate of Status



Office of the Secretary of State

Certificate of Fact

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

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

In testimony whereof, I have hereunto signed my name officially and caused to be impressed hereon the Seal of State at my office in Austin, Texas on April 26, 2022.



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

John B. Scott
Secretary of State

1. Applicant Entity

c. Applicant Capacity

Walter Moreau, Executive Director. During his 30+ year career, Walter has secured subsidy financing of more than \$500 million to create more than 4,000 units of service-enriched, nonprofit-owned affordable housing, and 14 onsite Learning Centers. Moreau was recognized as a 2007 James A. Johnson Community Fellow by the Fannie Mae Foundation. He was also awarded the 2005 Social Entrepreneur of the Year Award and the 2004 Texas Houser Award. He holds a Master's degree from UT's LBJ School of Public Affairs. He has been with Foundation Communities for more than 20 years.

Sabrina Butler, Director of Real Estate Development, oversees FC's overall real estate development portfolio, from site selection through construction completion and stabilization. With a background in finance, Sabrina brings a particular strength in securing both public and conventional financing for FC's multi-family housing pipeline, and provides refinancing support to the existing portfolio as well. Sabrina joined Foundation Communities in 2017 with nearly 15 years of experience in nonprofit affordable housing portfolio management and community development finance. Sabrina has a Masters in Regional Planning.

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

Tillie Croxdale, Real Estate Project Manager, underwrites all new development proposals and manages initial site analysis and due diligence. Tillie also assists the Director of Real Estate Development with all phases of each capital funding stack including preparation of funding applications (including LIHTC applications), solicitation of mortgage and equity financing and coordination of financing closings. Tillie has a Bachelor in Architecture, a Master in Real Estate Finance and 10 years' experience in the affordable housing field.

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

1. Applicant Entity

c. Applicant Capacity

Project management: FC has been managing affordable housing communities in house for 30 years. Megan Matthews oversees the design and construction of our communities, and coordinates the RFQ and bid process for the architect, engineers, and general contractor. She also acts as the direct link between the third party design and construction professionals and FC's Development team. She oversaw the successful completion of The Jordan at Mueller and Waterloo and is currently overseeing 3 communities under construction.

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

Site selection and Control: Walter Moreau has 30 years of site selection experience. Sites are selected based on a variety of factors including current funding priorities, cost of land, preservation of affordable housing opportunities, and availability of sites in close proximity to existing FC properties. FC contracts with a private, third party land broker to find sites and negotiate with sellers.

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

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

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

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

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

1. Applicant Entity

d. Statement of Confidence

This is not applicable as the majority of Foundation Communities portfolio is located within City of Austin and monitored by HPD.

1. Applicant Entity

e. Financial Capacity

Foundation Communities has 30 years of experience utilizing multiple funding tools in the development of affordable multifamily housing. We have an excellent track record of securing funding in competitive allocations of 9% tax credits, Federal Home Loan Bank AHP funds, and City of Austin RHDA funds as well as strong working relationships with multiple lenders and tax credit investors.

Tax Credits: Over the past 18 years, Foundation Communities has applied for and been awarded 9% tax credits for 15 developments and 4% tax credits on 1 development, which utilized bonds from AHFC. The FC development team is well-versed in the LIHTC program and application process and closely follows the annual drafting of the Qualified Allocation Plan. FC has relationships with multiple tax credit investors and syndicators including Enterprise Community Investment, Bank of America, Wells Fargo, Raymond James, NEF, and BBVA Compass.

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

FHLB: Foundation Communities has applied for and received 17 awards through the FHLB Affordable Housing Program.

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

Private Fundraising: FC has a very strong track record of private fundraising and individual donations. Past large foundation donors include Meadows, Topfer, Kendeda, Enterprise, Home Depot, St. David's, and the Michael & Susan Dell Foundations. In the last five years, Foundation Communities has been successful in raising over \$10 million in private funds to help fund construction of 6 new communities.

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

1. Applicant Entity

e. Financial Capacity

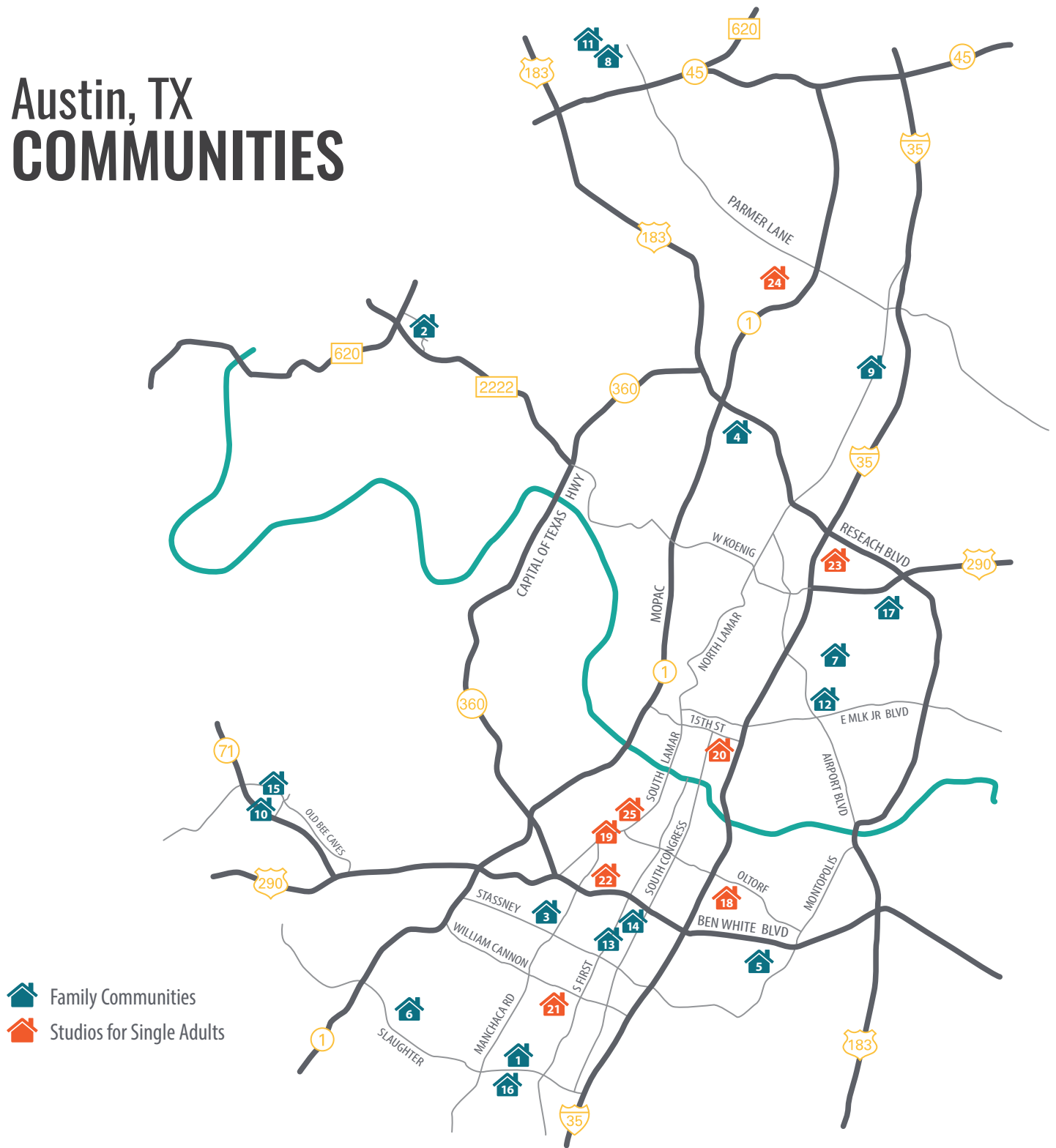
Project Name	PIS	Type	Units	Funding Tools
The Loretta – <i>construction</i>	2022	New	137	9% LIHTC City of Austin – GO Bonds FHLB Dallas Capital Magnet Fund
Zilker – <i>construction</i>	2022	New	110	9% LIHTC TDHCA - NHTF City of Austin – GO Bonds FHLB Dallas Capital Magnet Fund
Laurel Creek – <i>under construction</i>	2021	New	88	9% LIHTC TDHCA - NHTF City of Austin – GO Bonds Capital Magnet Fund
Waterloo Terrace	2020	New	132	9% LIHTC TDHCA - NHTF City of Austin - GO Bonds FHLB San Francisco
Jordan At Mueller	2019	New	132	9% LIHTC City of Austin - GO Bonds FHLB San Francisco
Cardinal Point	2017	New	120	9% LIHTC City of Austin - GO Bonds FHLB San Francisco
Garden Terrace Phase III	2017	New	20	TDHCA - TCAP City of Austin - GO Bonds FHLB San Francisco
Bluebonnet Studios	2016	New	107	9% LIHTC TDHCA - TCAP City of Austin - GO Bonds & HOME FHLB San Francisco
Lakeline Stations	2016	New	128	9% LIHTC City of Austin RHDA Program Department of Justice Funds Capital Magnet Fund
Live Oak Trails	2016	New	58	9% LIHTC TDHCA - TCAP City of Austin - GO Bonds & HOME Department of Justice Funds Capital Magnet Fund

1. Applicant Entity

e. Financial Capacity

Project Name	PIS	Type	Units	Funding Tools
Homestead Oaks	2015	New	140	9% LIHTC City of Austin - GO Bonds FHLB San Francisco HUD 221(d)(4) - Mortgage
Capital Studios	2014	New	135	9% LIHTC City of Austin - GO Bonds FHLB San Francisco
Arbor Terrace	2013	Rehab	120	TDHCA - NSP City of Austin - GO Bonds & CDBG FHLB Atlanta
Sierra Vista	2012	Rehab	238	9% LIHTC City of Austin RHDA Program FHLB San Francisco
M Station	2011	New	150	9% LIHTC City of Austin - GO Bonds FHLB San Francisco
Garden Terrace Phase II	2008	Rehab	15	City of Austin - HTF FHLB San Francisco
Skyline Terrace	2006	Rehab	100	9% LIHTC TDHCA HOME City of Austin HOME & HTF FHLB San Francisco
Spring Terrace	2005	Rehab	142	TDHCA HOME & HTF City of Austin - HOME & CDBG FHLB Dallas
Garden Terrace Phase I	2003	Rehab	88	TDHCA - HOME City of Austin - HOME & CDBG FHLB Atlanta HACA
Southwest Trails	2001	New	160	4% LIHTC TDHCA - Housing Trust Fund City of Austin - HOME & HTF FHLB Dallas
Trails at The Park	2000	New	200	9% LIHTC
Trails at Vintage Creek	2000	Rehab	200	City of Austin - Housing Revenue Bond
Daffodil	1996	Rehab	40	TDHCA - RTC AHDP
Peters Colony	1995	Rehab	160	TDHCA - RTC AHDP
Shadow Brook	1995	Rehab	403	TDHCA - RTC AHDP
Sleepy Hollow	1995	Rehab	128	TDHCA - RTC AHDP
Buckingham Duplexes	1991	Rehab	166	TDHCA - RTC AHDP
Sierra Ridge	1991	Rehab	149	
Crossroads	1990	Rehab	92	City of Austin - GO Bonds

Austin, TX COMMUNITIES



-  Family Communities
-  Studios for Single Adults

<p>1 Buckingham Place 166 UNITS</p> <hr/> <p>2 Cardinal Point 120 UNITS</p> <hr/> <p>3 Cherry Creek 122 UNITS</p> <hr/> <p>4 Crossroads 92 UNITS</p> <hr/> <p>5 Daffodil 40 UNITS</p> <hr/> <p>6 Homestead Oaks 140 UNITS</p>	<p>7 Jordan at Mueller 132 UNITS</p> <hr/> <p>8 Lakeline Station 128 UNITS</p> <hr/> <p>9 Laurel Creek <i>under construction</i> 88 UNITS</p> <hr/> <p>10 Live Oak Trails 58 UNITS</p> <hr/> <p>11 The Loretta <i>design phase</i> 137 UNITS</p>	<p>12 M Station 150 UNITS</p> <hr/> <p>13 Sierra Ridge 149 UNITS</p> <hr/> <p>14 Sierra Vista 238 UNITS</p> <hr/> <p>15 Southwest Trails 160 UNITS</p> <hr/> <p>16 Trails At The Park 200 UNITS</p> <hr/> <p>17 Trails At Vintage Creek 200 UNITS</p>	<p>18 Arbor Terrace 120 UNITS</p> <hr/> <p>19 Bluebonnet Studios 107 UNITS</p> <hr/> <p>20 Capital Studios 135 UNITS</p> <hr/> <p>21 Garden Terrace 103 UNITS</p> <hr/> <p>22 Skyline Terrace 100 UNITS</p>	<p>23 Spring Terrace 142 UNITS</p> <hr/> <p>24 Waterloo Terrace 132 UNITS <i>under construction</i></p> <hr/> <p>25 Zilker Studios 110 UNITS <i>design phase</i></p>
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1. Applicant Entity

f. Non-profit Developer

Foundation Communities, Inc. is a 501(c) 3 nonprofit. The following is an explanation of the back up attached. FC changed its name from Central Texas Mutual Housing Association (CTMHA) in 2000. CTMHA was originally formed March 5, 1990. In May 1990 the IRS issued a determination letter that recognized Central Texas Housing Mutual Corporation as a 501(c)(3). In June 2001, we received a letter from IRS reaffirming our 501(c)(3) status for Foundation Communities, Inc. and recognizing the group exemption for all the subordinate nonprofit affiliates. In 2019 Foundation Communities moved offices from 3036 S 1st St, Austin, TX 78704 to 3000 S IH 35, Suite 300, Austin, TX 78704 and submitted a change of address to form to IRS.

1. Applicant Entity

f.(i) IRS Letter

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

DEPARTMENT OF THE TREASURY

Date:

JUN 06 1995

CENTRAL TEXAS MUTUAL HOUSING
ASSOCIATION

C/O CINDY CHRISTIANSEN
2512 S IH 35 STE 350
AUSTIN, TX 78704-5751

Employer Identification Number:

74-2563260

Case Number:

755122043

Contact Person:

ANNETTE SMITH

Contact Telephone Number:

(214) 767-6023

Our Letter Dated:

May 23, 1990

Addendum Applies:

No

Dear Applicant:

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

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

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

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

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

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

Sincerely yours,



Bobby E. Scott
District Director

Internal Revenue Service

Department of the Treasury

**P.O. Box 2508
Cincinnati, OH 45201**

Date: June 6, 2001

Person to Contact:

Marion F Robinson- Baugh
Customer Service Representative

Toll Free Telephone Number:

8:00 A.M. to 9:30 P.M. EST
877-829-5500

Fax Number:

513-263-3756

Federal Identification Number:

74-2563260

Foundation Communities

3036 S 1st St 200
Austin, TX 78704-6382

Dear Sir or Madam:

This is in response to your request for affirmation of your organization's exempt status.

In May 1990, we issued a determination letter that recognized your organization as exempt from federal income tax under section 501(c)(3) of the Internal Revenue Code. That letter is still in effect.

Based on the information supplied, we recognized the subordinates named on the list your organization submitted as exempt from federal income tax under section 501(c)(3) of the Code. Additionally, we have classified the subordinates your organization operates, supervises, or controls, and which are covered by written notification to us, as organizations that are not private foundations because they are organizations of the type described in sections 509(a)(1) and 170(b)(1)(A)(vi) of the Code.

Donors may deduct contributions to your organization's subordinates as provided in section 170 of the Code. Bequests, legacies, devises, transfers or gifts to the subordinates or for their use are deductible for federal estate and gift tax purposes if they meet the applicable provisions of sections 2055, 2106, and 2522 of the Code.

Your organization and its subordinates are required to file Form 990, Return of Organization Exempt from Income Tax, only if the gross receipts each year are normally more than \$25,000. If a return is required, it must be filed by the 15th day of the fifth month after the end of the organization's annual accounting period. The law imposes a penalty of \$20 a day, up to a maximum of \$10,000, when a return is filed late, unless there is reasonable cause for the delay.

Your organization and its subordinates are not required to file federal income tax returns unless subject to the tax on unrelated business income under section 511 of the Code. If subject to this tax, the organization must file an income tax return on Form 990-T, Exempt Organization Business Income Tax Return. In this letter, we are not determining whether any of your organization or its subordinates' present or proposed activities are unrelated trade or business as defined in section 513 of the Code.

Foundation Communities
74-2563260

Unless specifically excepted, your organization and its subordinates are liable for taxes under the Federal Insurance Contributions Act (social security taxes) on remuneration of \$100 or more paid to each of its employees during a calendar year. Your organization and its subordinates are not liable for the tax imposed under the Federal Unemployment Tax Act (FUTA).

Each year, at least 90 days before the end of your organization's annual accounting period, please send the following items to the Internal Revenue Service Center at the address shown below:

1. A statement describing any changes during the year in the purposes, character, or method of operation of your organization's subordinates;
2. A list showing the names, mailing addresses (including Postal ZIP Codes), actual addresses if different, and employer identification numbers of subordinates that:
 - a. Changed names or addresses;
 - b. Were deleted from the roster; or
 - c. Were added to the roster.
3. For subordinates to be added, attach:
 - a. A statement that the information on which your organization's present group exemption letter is based applies to the new subordinates;
 - b. A statement that each has given your organization written authorization to add its name to the roster;
 - c. A list of those to which the Service previously issued exemption rulings or determination letters;
 - d. A statement that none of the subordinates is a private foundation as defined in section 509(a) of the Code if the group exemption letter covers organizations described in section 501(c)(3);
 - e. The street address of subordinates where the mailing address is a P.O. Box; and

Foundation Communities
74-2563260

- f. The information required by Revenue Procedure 75-50, 1975-2 C.B. 587 for each subordinate that is a school claiming exemption under section 501(c)(3). Also include any other information necessary to establish that the school is complying with the requirements of Revenue Ruling 71-447, 1971-2 C.B. 230. This is the same information required by Schedule A, Form 1023, Application for Recognition of Exemption Under Section 501(c)(3) of the Internal Revenue Code.
4. If applicable, a statement that your organization's group exemption roster did not change since the previous report.

The above information should be sent to the following address:

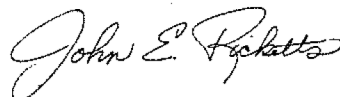
Internal Revenue Service Center
Attn: Entity Control Unit
Ogden, UT 84409

The law requires you to make your organization's annual return available for public inspection without charge for three years after the due date of the return. You are also required to make available for public inspection a copy of your organization's exemption application, any supporting documents and the exemption letter to any individual who requests such documents in person or in writing. You can charge only a reasonable fee for reproduction and actual postage costs for the copied materials. The law does not require you to provide copies of public inspection documents that are widely available, such as by posting them on the Internet (World Wide Web). You may be liable for a penalty of \$20 a day for each day you do not make these documents available for public inspection (up to a maximum of \$10,000 in the case of an annual return).

Your organization's Group Exemption Number is .

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

Sincerely,



John E. Ricketts, Director, TE/GE
Customer Account Services

Change of Address or Responsible Party — Business

▶ Please type or print.

▶ See instructions on back. ▶ Do not attach this form to your return.
 ▶ Go to www.irs.gov/Form8822B for the latest information.

Before you begin: If you are also changing your home address, use Form 8822 to report that change.

If you are a tax-exempt organization (see instructions), check here

Check **all** boxes this change affects:

- 1 Employment, excise, income, and other business returns (Forms 720, 940, 941, 990, 1041, 1065, 1120, etc.)
- 2 Employee plan returns (Forms 5500, 5500-EZ, etc.)
- 3 Business location

4a Business name Foundation Communities, Inc	4b Employer identification number 74-2563260
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5 Old mailing address (no., street, room or suite no., city or town, state, and ZIP code). If a P.O. box, see instructions. If foreign address, also complete spaces below, see instructions.
 3036 S 1st Street, Suite 200, Austin, TX 78704

Foreign country name	Foreign province/county	Foreign postal code
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6 New mailing address (no., street, room or suite no., city or town, state, and ZIP code). If a P.O. box, see instructions. If foreign address, also complete spaces below, see instructions.
 3000 S IH-35, Suite 300, Austin, TX 78704

Foreign country name	Foreign province/county	Foreign postal code
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7 New business location (no., street, room or suite no., city or town, state, and ZIP code). If a foreign address, also complete spaces below, see instructions.
 3000 S IH-35, Suite 300, Austin, TX 78704

Foreign country name	Foreign province/county	Foreign postal code
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8 New responsible party's name

9 New responsible party's SSN, ITIN, or EIN

10 Signature
 Daytime telephone number of person to contact (optional) ▶ _____

Sign Here		1-2-2020
	Signature of owner, officer, or representative	Date
	Executive Director	
	Title	

Where To File	
Send this form to the address shown here that applies to you.	
IF your old business address was in ...	THEN use this address ...
Connecticut, Delaware, District of Columbia, Florida, Georgia, Illinois, Indiana, Kentucky, Maine, Maryland, Massachusetts, Michigan, New Hampshire, New Jersey, New York, North Carolina, Ohio, Pennsylvania, Rhode Island, South Carolina, Tennessee, Vermont, Virginia, West Virginia, Wisconsin	Internal Revenue Service Cincinnati, OH 45999-0023
Alabama, Alaska, Arizona, Arkansas, California, Colorado, Hawaii, Idaho, Iowa, Kansas, Louisiana, Minnesota, Mississippi, Missouri, Montana, Nebraska, Nevada, New Mexico, North Dakota, Oklahoma, Oregon, South Dakota, Texas, Utah, Washington, Wyoming, any place outside the United States	Internal Revenue Service Ogden, UT 84201-0023

The Texas Department of Housing and Community Affairs

hereby certifies

Foundation Communities, Inc.

As a

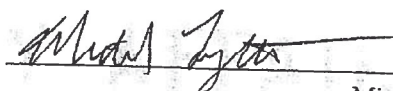
Texas Community Housing Development Organization

This certificate shall evidence that said organization has satisfactorily demonstrated to the Department its compliance with federal HOME Investment Partnerships Program requirements set forth at 24 CFR Part 92.

The Department commends Foundation Communities, Inc. for its proactive involvement in establishing affordable housing for the citizens in its service area.

Date Issued: 01-Nov-05

Expiration Date: 01-Nov-45



Michael Lyttle
Director, Division of Policy and Public Affairs

1. Applicant Entity

f.(ii) Audit

1. Applicant Entity
f.(iii) Board Resolution

Resolution for Parker Lane Additional City of Austin Applications

SECRETARY'S CERTIFICATE OF ADOPTION

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

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

Attached is a true and correct copy of the resolutions adopted by unanimous consent of the Board of Directors of the Corporation at our legally held meeting.

ADOPTED this 12th day of April, 2022.

A handwritten signature in blue ink that reads "David Hart". The signature is written in a cursive style and is positioned above a solid horizontal line.

DAVID HART, Secretary
Foundation Communities, Inc. Board of Directors

Resolution for Parker Lane Additional City of Austin Applications

**RESOLUTION BY BOARD OF DIRECTORS OF
OF FOUNDATION COMMUNITIES, INC.**

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

RESOLVED, that the Corporation apply for a loan for acquisition, predevelopment, and/or construction costs, from the Austin Housing Finance Corporation's Rental Housing Development Assistance Program and/or Project Connect Anti-Displacement Community Acquisition Program in the amount of up to \$8,000,000, which is in addition to \$4,100,000 in funds previously awarded to the Corporation (collectively, the "**Loan**") for a proposed affordable housing, rental community to be constructed at **2105 Parker Ln., Austin, Travis County, Texas 78741** (the "**Property**");

RESOLVED, that the Corporation apply for permitting and entitlements (collectively, the "**Entitlements**") with the City of Austin related to the proposed affordable housing to be constructed on the Property;

RESOLVED, that Walter Moreau, as Executive Director of the Corporation (the "**ED**"), may, in his sole discretion, execute all documents to effectuate the Loan and Entitlements;

RESOLVED, that the Corporation secure the Loan from the Austin Housing Finance Corporation (the "**Lender**") and, whether by and through itself or by and through an entity under common control with the Corporation, pledge the Property and other related assets as collateral therefore, all on such terms and conditions as the ED of the Corporation may, in his sole discretion, deem necessary or desirable, and that the Corporation execute any and all pertinent documents relating to the Loan required by Lender in connection therewith, confirming and ratifying its liability under said Loan, all on such terms and conditions as the ED of the Corporation may, in his sole discretion, deem necessary or desirable;

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

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

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

RESOLVED, that the Corporation, whether by and through itself or by and through a specific purpose entity created for such and under common control with Corporation may transfer the Property to a limited partnership affiliated with the Corporation in the event that the ED of the Corporation determines, in his sole discretion, that such a transfer is necessary or desirable;

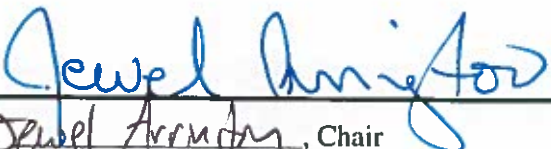
RESOLVED, that the ED of the Corporation be, and he/she is hereby, authorized, empowered, and directed to execute, acknowledge, and deliver, for and on behalf and in the name of the Corporation, such deeds, bills of sale and other instruments, containing such terms and conditions as the ED may, in his sole discretion, deem necessary or desirable, and that the attestation by the Secretary of the Corporation and the affixation of the seal of the Corporation shall not be necessary;

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

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

Adopted and approved by the Board of Directors on the 12th day of April, 2022.

FOUNDATION COMMUNITIES, INC.



Jewel Arroyo, Chair
Board of Directors of Foundation Communities, Inc.

2. Development Team

a.+ b. Team members

Role	Info	Contact	MBE	WBE	NP
Owner	FC Parker Housing, LP 3000 S IH-35, Suite 300 Austin, TX 78704	Walter Moreau, Executive Director (512) 610-4016 walter.moreau@foundcom.org			
Developer	Foundation Communities, Inc. 3000 S IH-35, Suite 300 Austin, TX 78704	Walter Moreau, Executive Director (512) 610-4016 walter.moreau@foundcom.org			X
Architect	Forge Craft Architecture + Design 608 W Monroe Street Austin, TX 78704	Scott Ginder, Principal + Founder (512) 872-6655 scott@forgecraftarchitecture.com			
Engineer	Civiltude 5110 Lancaster Court Austin, TX 78723	Fayez Kazi, President (512) 761-6161 fayez@civiltude.com	X		
Attorney	Rigby Slack Lawrence & Comerford, 6836 Austin Center Blvd., Suite 100 Austin, Texas 78731	Cathleen Slack, Partner (512) 782-2060 cslack@rigbyslack.com			
Accountant	Novogradac & Company LLP 11044 Research Blvd. Austin, TX 78759	Susan Wilson, CPA, Partner (512) 349-3232 susan.wilson@novoco.com			
General Contractor	BEC Austin General Contractors 8320 Bee Caves Rd, suite 200 Austin, TX 78746	Scott Wilson, president (512) 610-7141 swilson@becaustin.com			
Construction Lender	Wells Fargo				
Lenders	Wells Fargo				
Tax Credit Consultant	Betco Housing Lab 812 San Antonio, Suite L-14 Austin, Texas 78701	Lora Myrick, Principal (512) 785-3710 lora@betcohousinglab.com	X	X	
Property Manager	Foundation Communities, Inc. 3000 S IH-35, Suite 300 Austin, TX 78704	Walter Moreau, Executive Director (512) 610-4016 walter.moreau@foundcom.org			X
Supportive Services	Foundation Communities, Inc. 3000 S IH-35, Suite 300 Austin, TX 78704	Walter Moreau, Executive Director (512) 610-4016 walter.moreau@foundcom.org			X

2. Development Team

c. Experience

Foundation Communities has nearly 30 years of experience contracting for and overseeing the construction and rehabilitation of affordable housing. Eleven of our existing communities were new construction projects financed with tax credits with three communities under construction. The remaining fourteen communities in our portfolio were purchased as existing properties and greatly improved with renovations, green spaces and playscapes, learning centers, landscaping, signage, lighting and green building features (solar panels and rain water harvesting). We have experience with the design and construction of structures that are zero lot VMU, 4-story elevator, 3-story walk up, and renovations of apartment complexes, hotels, nursing homes, and duplexes. We have a great track record of gaining neighborhood support, zoning changes, completing construction within tax credit deadlines, and achieving green certifications with AEGB, LEED, and Enterprise Green Communities.

Forge Craft Architecture + Design has been engaged as the architect for Parker Apartments. Forgecraft is an architecture firm that specializes in multi-family housing and creative mixed-use development with an emphasis on micro-unit design, affordable housing, tricky urban infill sites, and sustainable design. They have deep experience as a leader in SRO design, and recently published a white paper Field Guide on the subject. Foundation Communities has worked with members of the Forge Craft team on designs of Capital Studios, Bluebonnet Studios, Waterloo Terrace, and Zilker Studios

BEC Austin has been engaged as the CM at risk for Parker Apartments and will likely be selected as the Prime Subcontractor. BEC has 40 years of experience in the Central Texas area and has built 7 of Foundation Communities' recent communities and completed all before the PIS deadline. They understand that affordable housing projects have stringent budget demands and that means closely tracking the variables of scope and cost as the design develops.

Civilitude is an engineering firm that was engaged for initial site feasibility and site work estimates for Parker Apartments. Over the last nine years, Civilitude has provided design surveying, civil engineering, and/or construction services at 16 Foundation Communities properties. Their experience with TDHCA tax credit and City GO Bond funded projects, integrated design approach and success with permitting site plans through the City of Austin uniquely position Civilitude to continue to serve the vulnerable population in the Austin community.

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

3. Property Management Team

a. Experience

Foundation Communities performs all leasing, maintenance, accounting, compliance and other property management functions for its 25 Austin properties and earns property management and asset management fees that help support the overall nonprofit mission. Our team monitors portfolio health, tracks each project monthly, and aggregates detailed performance metrics at the portfolio level for review by the CFO. FC also has a well-funded Central Reserve and robust Asset Management program to keep properties in good condition and eliminate unforeseen capital/repair expenses that would undermine FC's organizational and financial strength. The success of our property management is demonstrated through its high occupancy (97% in 2020), low turnover, and healthy investment in capital repairs and upgrades to existing portfolio (\$680/unit in 2020).

Vicki McDonald, Chief Real Estate Officer. Primary responsibilities include the oversight of our entire real estate portfolio, monitoring annual operating budgets, major capital improvements, and management of a team of ten staff who are directly involved in the daily oversight of property operations, capital improvements, sustainability initiatives, supportive housing, safety and risk management and new construction. She links real estate operations and development through input and participation on the acquisition, design, and construction transition to operations. She is a CCIM Designee, a licensed Texas Real Estate Broker and has owned a real estate management and brokerage firm for 25 years before joining Foundation Communities.

Desiree Golden, Director of Family Property Management, oversees 18 family properties within the FC portfolio as well as the Compliance Department. She works closely with District Managers on day to day operations along with evaluating the ongoing financial performance of each property. Desiree has 32 years of experience in Property Management (12 years with FC) and has her CAM and CAPS designations from NAA.

Valicia Nichols, Director of Compliance, oversees compliance for the entire portfolio and is well-versed in guidelines and regulations for FC's compliance programs, such as Low Income Housing Tax Credits (LIHTC), HOME, HUD Section 8 Voucher, Housing Trust Fund, Neighborhood Stabilization Program (NSP), Section 811 and older programs, e.g., Affordable Housing Program (AHP). She has been with FC since 2011 and maintains FC's good standing with compliance agencies, e.g., TDHCA (state); City of Austin; FHLB as well as investors.

3. Property Management Team

b. Compliance Reports from Austin



City of Austin

Neighborhood Housing and Community Development

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

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

November 30, 2020

Kristina Thompson
Foundation Communities
3226 W Slaughter Lane
Austin, TX 78748

Re: FY19-20 Monitoring Review of Homestead Oaks

Dear Kristina Thompson:

The City of Austin, Neighborhood Housing and Community Development (NHCD) contracted UPCS Inspectors, LLC to perform an on-site monitoring review of the aforementioned property on September 03, 2020. The purpose of the review was to ensure program compliance with federal and local regulatory requirements set forth in the Rental Housing Development Assistance Program Loan Agreement (the “Loan Agreement”) with the Austin Housing Finance Corporation (AHFC).

I am pleased to inform you that the property file reviews were completed and the property is in compliance with the terms of the agreement. Due to COVID-19 precautions, property inspections were suspended for the current year, but NHCD reserves the right to complete the property inspections at a future date.

Should you have any questions or require additional information, please contact Jenilee.Ramirez@austintexas.gov or at 512-974-9379.

Sincerely,

Chase Clements, Financial Manager
City of Austin, NHCD



City of Austin

Neighborhood Housing and Community Development

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

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

November 30, 2020

Kristina Thompson
Foundation Communities
2906 E Martin Luther King Boulevard
Austin, TX 78702

Re: FY19-20 Monitoring Review of M Station

Dear Kristina Thompson:

The City of Austin, Neighborhood Housing and Community Development (NHCD) contracted UPCS Inspectors, LLC to perform an on-site monitoring review of the aforementioned property on September 4, 2020. The purpose of the review was to ensure program compliance with federal regulatory requirements set forth in the agreement between NHCD and Foundation Communities.

I am pleased to inform you that the property file reviews were completed and the property is in compliance with the terms of the agreement. Due to COVID-19 precautions, inspections were suspended for the current year, but NHCD reserves the right to complete the property inspections at a future date.

Should you have any questions or require additional information, please contact Jenilee.Ramirez@austintexas.gov or at 512-974-9379.

Sincerely,

Chase Clements, Financial Manager
City of Austin, NHCD



City of Austin

Neighborhood Housing and Community Development

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

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

November 30, 2020

Kristina Thompson
Foundation Communities
4320 S. Congress Ave.
Austin, TX 78745

Re: FY19-20 Monitoring Review of Sierra Vista

Dear Kristina Thompson:

The City of Austin, Neighborhood Housing and Community Development (NHCD) contracted UPCS Inspectors, LLC to perform an on-site monitoring review of the aforementioned property on September 03, 2020. The purpose of the review was to ensure program compliance with federal and local regulatory requirements set forth in the Rental Housing Development Assistance Program Loan Agreement (the “Loan Agreement”) with the Austin Housing Finance Corporation (AHFC).

I am pleased to inform you that the property file reviews were completed and the property is in compliance with the terms of the agreement. Due to COVID-19 precautions, property inspections were suspended for the current year, but NHCD reserves the right to complete the property inspections at a future date.

Should you have any questions or require additional information, please contact Jenilee.Ramirez@austintexas.gov or at 512-974-9379.

Sincerely,

Chase Clements, Financial Manager
City of Austin, NHCD

3. Property Management Team

- c. Compliance Reports from outside Austin**

OWNER CERTIFICATION OF PROGRAM COMPLIANCE

Monitoring Data Services
Name of Monitoring Agency
PO Box 701769
Address
Dallas TX 75060

 Initial Certification
 Annual Update for Period
06/01/2019 to 5/31/2020
Date Date

From: Sleepy Hollow Mutual Housing Corp
Owner Name
Sleepy Hollow Apartments
Property Name
3903 Ichabod Circle Arlington TX 76013
Address

Property Identification Number 200992880

As the owner(s) of the above-referenced property, I/we hereby certify that I/we have met all terms and conditions of the Land Use Restriction Agreement (LURA) for this property dated 06/06/1995.

I/We certify that:

1. The property meets the Total Set-Aside and the Very Low-Income Set Aside requirements of the LURA.
2. The income of tenants in all Qualifying Units has been reviewed and verified, and falls within the applicable AHDP income limits.
3. Units have been leased in accordance with all occupancy and lease requirements of the LURA.
4. All Qualifying Units have contract rents that are equal to or less than the applicable AHDP maximum rents.
5. The lease provisions required by the LURA have been incorporated in all leases for Qualifying Units.
6. The reports submitted to the monitoring agency are accurate and correct to the best of our knowledge.

I/We understand that any willful false statement or misrepresentations on this certification requires the monitoring agency to promptly notify the RTC or its successors, which may result in legal action.

Owner
Walter Moore

Date
6/11/20

Warning: Section 1001 of Title 18 of the U.S. Code makes it a criminal offense to make willful false statements or misrepresentations to any Department or Agency of the United States as to any matter within its jurisdiction.

OWNER CERTIFICATION OF PROGRAM COMPLIANCE

Monitoring Data Services

Name of Monitoring Agency

 Initial Certification

Annual Update for Period

P.O. Box 601769

Address

10/1/2019 to 9/30/2020

Dallas TX 75360

Date

Date

From: Foundation Communities

Owner Name

Peters Colony Apartments

Property Name

1810 E Peters Colony Road Carrollton TX 75007

Address

Property Identification Number 669827200

As the owner(s) of the above-referenced property, I/we hereby certify that I/we have met all terms and conditions of the Land Use Restriction Agreement (LURA) for this property dated 6/29/1995.

I/We certify that:

1. The property meets the Total Set-Aside and the Very Low-Income Set Aside requirements of the LURA.
2. The income of tenants in all Qualifying Units has been reviewed and verified, and falls within the applicable AHDP income limits.
3. Units have been leased in accordance with all occupancy and lease requirements of the LURA.
4. All Qualifying Units have contract rents that are equal to or less than the applicable AHDP maximum rents.
5. The lease provisions required by the LURA have been incorporated in all leases for Qualifying Units.
6. The reports submitted to the monitoring agency are accurate and correct to the best of our knowledge.

I/We understand that any willful false statement or misrepresentations on this certification requires the monitoring agency to promptly notify the RTC or its successors, which may result in legal action.

Owner
Walter Morris

Date
9/28/20

Warning: Section 1001 of Title 18 of the U.S. Code makes it a criminal offense to make willful false statements or misrepresentations to any Department or Agency of the United States as to any matter within its jurisdiction.

OWNER CERTIFICATION OF PROGRAM COMPLIANCE

Monitoring Data Services
Name of Monitoring Agency
PO Box 701769
Address
Dallas TX 75060

 Initial Certification
 Annual Update for Period
07/01/2019 to 6/30/2020
Date Date

From: Shadow Brook Mutual Housing Corp
Owner Name
Shadow Brook Apartments
Property Name
2020 South Cooper St Arlington TX 76013
Address

Property Identification Number 17144264

As the owner(s) of the above-referenced property, I/we hereby certify that I/we have met all terms and conditions of the Land Use Restriction Agreement (LURA) for this property dated 06/06/1995.

I/We certify that:

1. The property meets the Total Set-Aside and the Very Low-Income Set Aside requirements of the LURA.
2. The income of tenants in all Qualifying Units has been reviewed and verified, and falls within the applicable AHDP income limits.
3. Units have been leased in accordance with all occupancy and lease requirements of the LURA.
4. All Qualifying Units have contract rents that are equal to or less than the applicable AHDP maximum rents.
5. The lease provisions required by the LURA have been incorporated in all leases for Qualifying Units.
6. The reports submitted to the monitoring agency are accurate and correct to the best of our knowledge.

I/We understand that any willful false statement or misrepresentations on this certification requires the monitoring agency to promptly notify the RTC or its successors, which may result in legal action.

Owner
Walter Green

Date
6/22/20

Warning: Section 1001 of Title 18 of the U.S. Code makes it a criminal offense to make willful false statements or misrepresentations to any Department or Agency of the United States as to any matter within its jurisdiction.

4. Development Proposal

a. Development Description

Parker Apartments is a unique opportunity for Foundation Communities (FC) to develop a new community on a large tree filled site within Austin's urban core. After more than 30 years of service, Ward Memorial Methodist Church has closed its doors and is excited to enter into a 99-year ground lease with FC to develop 135 affordable homes that are sustainably and beautifully designed and enriched with FC's high-impact services. We are thrilled to bring our housing-plus-services model to this transit-connected area of Austin.

Parker Apartments is designed as a four-story elevator-served residential building wrapped around a central green space with several centrally located common amenities including two playgrounds and a state of the art Learning Center. Residents will also have quick access to an open-air pavilion, sport court, barbeque grills, picnic tables, and a tree grove in the back of the site. Parking is provided along the exterior of the residential building to create a pedestrian and kid friendly space in the center. A food pantry, laundry room, package lockers, mail kiosk, and offices for property management, maintenance, and service staff offices will be located on the first floor of the southern-most portion of the Residential Building. The one-story Learning Center will include several classrooms, a community kitchen and large gathering space designed to house FC's free afterschool and summer programs for kids; healthy food pantry for residents and the community; educational, financial, and health-oriented classes for adults; as well as flex space for community use.

Ward Memorial Methodist Church has requested space for church use within the newly constructed development as part of a lease-back included in the ground lease. This space will include the exclusive use of several small offices and meeting rooms, and shared use of the large community gathering space in the Learning Center, at specific designated times of the week.

4. Development Proposal

a. Development Description

- i. Describe the proposed resident population, income levels, and services, if any, to be provided to or made available to residents. Indicate the number of units designed to meet accessibility requirements for persons with mobility or sensory impairments; the number of units dedicated to the Continuum of Care; and the number of rental assistance vouchers dedicated to the development.
- **Target Population** - Parker Apartments will target low income households. 80% of the units are 2 and 3 bedroom to allow for larger families. 18% is reserved for households with incomes at or below 30% MFI, 43% for households at or below 50% MFI, and the remaining 39% for households at or below 60% MFI.
 - **Extremely low income homeless families** – 18% of units will be set-aside for families making less than 30% of MFI and will receive services through the Children’s HOME Initiative (CHI) Program, an established FC program model that has been serving homeless families across Austin since 2003.
 - **Special Needs** – as part of a FHLB application, Parker Apartments has committed to set aside 30% of total units for persons with Special Housing Needs. Parker Apartments also committed to a 5% Special Needs set-aside in the tax credit application.
 - **Continuum of Care** – as part of the tax credit application Parker Apartments has committed to set aside 2% of total units for Persons experiencing homelessness and referred from the Continuum of Care or other local homeless service providers.
 - **Rental Assistance Vouchers** – At this time there are not dedicated project based subsidies. We will of course accept tenant vouchers.
 - **Accessibility** - 10% of the total units will be made accessible for persons with mobility and 2% of total units will be made accessible for persons with hearing and visual impairments. In addition, all ground floor units will be made adaptable to persons with mobility disabilities.
- ii. Identify the appropriate Neighborhood Plan and describe the Development’s compatibility with it. In the absence of a Neighborhood Plan, describe the Development’s compatibility with the Imagine Austin Comprehensive Plan.

The site is located within the East Riverside/Oltorf Neighborhood Planning Area and has submitted an application to amend the FLUM from Civic to Multifamily. Although this site requires an amendment to the Neighborhood Plan, the proposal is well aligned with Imagine Austin plan, the Austin Strategic Housing Blueprint, The Austin Strategic Mobility Plan, and The Austin Community Climate Plan.

4. Development Proposal

a. Development Description

- iii. Summarize the key financials of the development, clearly indicating the total development cost; the amount and intended use of AHFC/HPD funds being requested; the amount and use of any prior funding that the development may have received from AHFC; and the amount(s) and provider(s) of other funding and the status of those funding commitments.

Committed Sources

- **City of Austin - \$4,100,000 + \$7,329,614** – AHFC awarded FC \$4.1 million in 2021 and we are currently negotiating loan documents and are working towards closing in June 2022. With this application we are requesting an additional \$7.3 million for construction costs.
- **9% Tax Credit Equity - \$14,698,530** – TDHCA awarded Parker a 2022 forward commitment of \$1.5M tax credit in 2021. FC has executed a term sheet with Wells Fargo to purchase the tax credits for \$0.98. We are finalizing the LPA and working towards closing in June 2022.
- **FHA Mortgage - \$13,358,436**– Wells Fargo is originating an FHA 221d4 loan with a 40 year term and amortization. The final interest rate will be determined closer to closing but based on recent trends we expect it. to be around 5%.
- **Federal Home Loan Bank Dallas - \$750K** – FC was awarded \$750K from FHLB Dallas in 2021 and is currently negotiating loan docs in connection with a June closing.
- **National Housing Trust Fund \$2,025,793**– FC submitted an application for \$2,025,793 to TDHCA for NHTF funds. We are confident of award and are showing this as a source.
- **Deferred Developer Fee - \$1,800,000** - FC has committed to deferring up to 50% of the developer fee, repayable through cash flow

The following future and pending applications, if awarded, will reduce our current request for additional RHDA funds. However, we ask that you fund the full request as a bridge.

- **National Housing Trust Fund - additional funds** – TDHCA is receiving a sizable allocation of NHTF funds later this year and we are planning to apply once the NOFA is published. We are not yet sure how much we will be eligible to apply for.
- **Capital Magnet Fund – approx. \$1M** – FC submitted an application for CMF funds in 2021 and is awaiting notification of awards.
- **St David’s Foundation approx. \$1M**– FC submitted an application to St. David’s for Parker Apartments for \$1 million in early 2022. We are awaiting notice of awards.
- **Federal Home Loan Bank Atlanta - \$500K** – FC is planning to submit an application to FHLB Atlanta later this year for \$500K. awards are announced in October 2022

4. Development Proposal

a. Development Description

- iv. Ordinance, or is in a Planned-Unit Development (PUD) or Transit Oriented Development (TOD) or any other City of Austin density bonus program.

We have applied for Affordability Unlocked. This site is not located within a PUD or TOD or zoned VMU.

4. Development Proposal

b. Financial Commitments

Walter Moreau
Foundation Communities, Inc.
3000 S IH 35, suite 300
Austin, TX 78704

RE: Parker Apartments

Dear Mr. Moreau,

This letter is to inform you that the Austin Housing Finance Corporation Board of Directors has approved funding for your project, Parker Apartments, to be located at 2105 Parker Lane.

The amount and source of funding is as follows (the source may vary depending on availability):

\$4,100,000 – General Obligation Bond funds

A draft of the loan agreement will be prepared by the City of Austin Law Department, and staff will be in contact with you once the documents are ready for your review. The loan will carry a 2.5% interest rate and have a minimum term of 40 years. Additional terms will be negotiated in a term sheet.

Sincerely,



James May
Acting Housing and Community Development Officer
Housing and Planning Department
City of Austin

Board of Directors: Steve Adler, President ♦ Natasha Harper-Madison, Vice President
Vanessa Fuentes, Director ♦ Sabino Renteria, Director ♦ Ann Kitchen, Director
Mackenzie Kelly, Director ♦ Leslie Pool, Director ♦ Paige Ellis, Director ♦ Kathie Tovo, Director ♦ Alison Alter, Director
Spencer Cronk, General Manager ♦ Rosie Truelove, Treasurer ♦ Jannette Goodall, Secretary
♦ Anne L. Morgan, General Counsel ♦

The Austin Housing Finance Corporation is committed to compliance with the American with Disabilities Act and will provide reasonable modifications and equal access to communications upon request.



Member driven.
Community focused.

October 28, 2021

Mrs. Patricia Parina
Vice President
Wells Fargo Bank South Central
333 Market Street, 17th Flr, MAC #A0119-177
San Francisco, CA 94105

Mrs. Sabrina Butler
Foundation Communities, Inc.
3000 S IH35 Suite 300.
Austin, TX 78704

RE: Parker Apartments
AHP Project number: **2021A0926**

Dear Mrs. Parina and Mrs. Butler:

The Federal Home Loan Bank of Dallas (Bank) is pleased to notify you that your application for the **Parker Apartments** project has been awarded an Affordable Housing Program (AHP) subsidy for \$750,000. Please note the number referenced above, as it is your AHP project number for the subsidy.

Twenty-six (26) AHP applications were approved during this funding round for a total of \$18.5 million, which will lead to the creation, renovation or acquisition of 2,113 housing units.

We will be sending an *Affordable Housing Program Agreement (Agreement)* electronically for signature by all parties through DocuSign. The representative signing the Agreement for the member institution must have **advances authority** with the Bank as indicated by the Advances Signature Card on file at the Bank.

Please note that the funding of the AHP subsidy is contingent upon fulfilling the responsibilities as set forth in the Agreement, including compliance with the Bank's AHP policies and procedures and the AHP regulations found at 12 C.F.R. §1291.



Member driven.
Community focused.

Congratulations on your efforts to provide affordable housing in your community. Additionally, the Bank is very interested in the start, progress and the ultimate success of your affordable housing development. Please keep the Bank in mind as you celebrate your project's milestones. The Bank may be able to offer some assistance with planning and participating in your celebratory events.

We will contact you within the next few weeks to discuss the project, and look forward to working with you toward its successful completion. If you have any questions in the meantime, please contact Steven Matkovich, Mark Loya, Elizabeth Jewell, Jill Droge or Isaiah Williams at 800.362.2944.

Please note that we require the AHP agreement to be fully executed by December 31, 2021; therefore, your prompt attention to the execution of the Agreement is appreciated.

Sincerely,

A handwritten signature in blue ink, appearing to read "Greg Hettrick", is written in a cursive style.

Greg Hettrick
First Vice President and Director, Community Investment Department

Attachment



Wells Fargo Multifamily Capital
MAC: C3403-010
1700 Lincoln Street, 6th Floor
Denver, CO 80203

August 18, 2021

SENT VIA ELECTRONIC MAIL

Sabrina Butler
Director of Real Estate Development,
Foundation Communities
3000 S IH 35, Suite 300
Austin, TX 78704

Subject: Parker Apartments
Austin, TX
135 Unit Multifamily Apartment – New Construction

Dear Ms. Butler:

This letter confirms the engagement by you on behalf of a to-be-formed single asset entity (“Borrower”) of Wells Fargo Bank, N.A. (“Wells Fargo”, the “Mortgagee”) to prepare, submit, and process an application (“Application”) for mortgage insurance provided by the Federal Housing Administration (“FHA”) for a mortgage loan (“Loan”), and to arrange for closing and funding of the Loan. This loan application is for the construction and permanent financing of the above-captioned project pursuant to FHA’s Section 221(d)(4) mortgage insurance program.

Based upon the preliminary information you have provided and current conditions in the financial and real estate markets, following are the estimated general terms and conditions of the requested loan (subject to change based on completion of underwriting):

- Loan Amount: \$14,999,100 (estimate)
- Term/Amortization: Construction plus 40 years (permanent loan not to exceed 75% of useful life of project after construction)
- Maximum Loan Amount: Lesser of:
87% of HUD-approved cost
1.15 Debt Service Coverage
Statutory Mortgage Limits
Borrower Requested Loan Amount
- Estimated Interest Rate: 2.85% Note Rate

Initials: SB

Parker Apartments
August 18, 2021

Firm Third Party Costs: \$50,000 (due with signed application letter)

Wells Fargo Nonrefundable Application Fee: \$5,000 (due with signed application letter)

Financing Fee: 1.00%

Initial Endorsement Mortgagee Legal Fees: \$50,000* (**NOTE: This is an estimate only** - \$5,000 legal fee deposit to be provided with the Firm Third Party Cost deposit).

*Mortgagee legal fees for Final Endorsement and, if applicable, Components Stored Offsite or other legal review required post Initial Endorsement may be separately assessed and charged on an as-occurrence basis.

Ginnie Mae App Fees: \$3,800 (estimate based upon loan amount)

Refundable Good Faith Deposit: 0.50% (due prior to rate lock; refunded following closing and delivery of the first Ginnie Mae Certificate to the investor).

HUD Application Fee: 0.30% HUD Non-refundable Application Fee payable as follows: (i) one half (0.15%) payable prior to submission of the Pre-application Package to HUD; and (ii) one half (0.15%) prior to submission of the Firm Application to HUD. *Note: A direct to Firm Application will result in 0.30% HUD Non-refundable Application Fee payable at time of Firm submission.*

HUD Inspection Fee: 0.50% HUD Inspection Fee paid at Closing (based upon the mortgage amount for new construction and total for all improvements for substantial rehabilitation transactions).

HUD Mortgage Insurance Premium (MIP): For properties with at least 90% of the units qualifying as Section 8 or Affordable With Gap To Market: 0.25% Initial HUD MIP payable at closing, followed by annual MIP payments of 0.25% payable at each anniversary of the loan closing.

For properties with 10% to 90% of the units qualifying as Section 8 or Affordable With Gap to Market, or properties with 10% to 100% Affordable Without Gap to Market, the MIP is increased to be 0.35% for both the initial and annual

Initials: SB

MIP. Note that borrowers with properties in this category must agree to accept Section 8 voucher holders for all units in the property for the life of the loan.

Should the project not qualify for the above, the initial and the annual and ongoing annual MIP will be 0.65%

NOTE: The MIP levels indicated above are effective as of the date hereof. The actual MIP levels will be those mandated by HUD on the date of HUD's issuance of the Firm Commitment.

General and Special Conditions:

1. Borrower must be a single-asset entity acceptable to Wells Fargo and HUD.
2. In the event a Wells Fargo entity is the LIHTC direct investor in the project, an "identity-of-interest" waiver must be requested from HUD in order for Wells Fargo to act as the MAP lender on this transaction. Based on current HUD guidance, we believe that such a waiver will be granted. In the event that Wells Fargo is unable to obtain HUD's approval to act as MAP lender within 60 days of the date of this letter, Borrower may terminate this engagement and Wells Fargo will release any third party vendors to work with an alternative lender of Borrower's choice. Any unspent funds, including the \$5,000 processing fee, will be promptly refunded to Borrower.
3. Based upon current budget projections provided by you, Federal Low Income Housing Tax Credit equity proceeds in the range of \$14,698,530 will be needed to fully fund the project. Firm evidence of the availability of such funds (including a letter of intent from an equity syndicator or direct investor evidencing their intent to purchase the tax credits) must be provided prior to submission of the Firm Application to HUD. The pay-in schedule must be acceptable to Wells Fargo and HUD, and must be adequate to permit payment of all project costs as they become due.
4. The real estate tax abatement must typically run with the land to be recognized for FHA underwriting purposes. However, since the proposed financing includes LIHTC equity this requirement may be waived by HUD.
5. The current financing plan assumes subordinated debt of approximately \$8,599,540. The form and terms of the subordinated debt must be acceptable to the Lender and HUD, and must incorporate the terms of HUD's "Subordination Agreement" (copy available upon request).
6. Wells Fargo will present a Concept Package to HUD in connection with the transaction as soon as practicable after engagement. At which time, Wells Fargo will request straight-to-firm submission. In the event that the Concept Meeting is

Initials: SB

Parker Apartments
August 18, 2021

- successful (i.e., Borrower and Wells Fargo mutually decide to proceed with the proposed loan transaction), Borrower agrees to provide funds in the amount specified above to cover the Third Party Costs prior to the engagement of any third party vendors.
7. Property is subject to a ground lease. The terms of the ground lease must be in compliance with HUD's requirements and otherwise acceptable to Lender and HUD.
 8. Working Capital Escrow: HUD will require a working capital escrow in the amount of 2% of the loan amount, with any unused portion released at 6 consecutive months of breakeven debt service coverage. For new construction transactions, an additional 2% working capital escrow will be required to fund potential change orders, and will be released at final endorsement if not needed for that purpose.
 9. Operating Deficit Escrow (ODE): HUD will require an operating deficit escrow in an amount determined during underwriting to fund anticipated deficits during the lease-up of the property. HUD guidelines dictate that for LIHTC projects with a funded operating deficit reserve held by the partnership (even if controlled by the investor and not by HUD or the lender), the funded reserve will be credited towards the increased reserve requirements of 3% of the mortgage amount or 12 months of debt service, although the lender-controlled account must still meet what the appraisal and underwriting analysis determines to be an appropriate operating deficit amount.
 10. If Borrower anticipates construction draws will be used to pay for materials or components stored offsite ("Offsite Storage"), it is understood that pre-approval by HUD of Offsite Storage is required prior to Initial Endorsement. The initial Offsite Storage review and subsequent draw requests are subject to review by Mortgagee's counsel. Unless otherwise stated herein, legal fees assessed by Mortgagee's counsel for each Offsite Storage draw request is not included in the Initial Endorsement Mortgagee Legal Fee.
 11. Borrower acknowledges and agrees that because of disruption in the financial markets resulting from COVID 19, Wells Fargo's obligation to make the Loan remains subject to any additional conditions, requirements, or restrictions imposed by HUD upon Wells Fargo and/or Borrower as a condition to the Closing of the Loan (i.e. changes in escrow requirements, vacancy parameters).

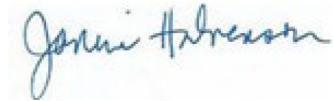
If the general terms and conditions outlined in this application letter and the attachment are acceptable to you, please execute this letter in the space provided, initial all pages, and return an electronic copy of the signed letter to the email address below, and retain a copy for your files. Funds in the amount of **\$60,000** (see Special Condition #6 above) should be wired to the account listed on the attachment to this letter. This letter must be signed and returned, along with requested funds not later than **September 18, 2021**, or this agreement shall expire. Please contact me at the number below if you cannot wire funds and need to use a check, and we will provide specific directions on where to send the check.

Initials: SB

Parker Apartments
August 18, 2021

As always, if we can do anything to assist you or if this application letter should raise any questions, we welcome the opportunity to speak with you. Please feel free to contact me at (303) 550-2859 or via email at janine.halverson@wellsfargo.com if you have any questions or would like additional information.

Sincerely,



Janine Halverson
Director

ATTACHMENTS

Attachment A
Wells Fargo Disclosure Information
Wiring Instructions

ACCEPTED THIS 20th DAY OF August, 2021:

By: *Sabrina Butler*
Sabrina Butler

Initials: *SB*

ATTACHMENT A

EXHIBIT TO APPLICATION LETTER

1. Preparation and Processing of the Application.

Wells Fargo shall have the exclusive right to prepare, submit and process the Application. Wells Fargo shall have the exclusive right to arrange for the closing and placement (i.e. funding) of the Loan, which shall be subject to the terms and conditions of a separate agreement between the parties.

Wells Fargo will process the Application in accordance with current FHA policies applicable to financing of projects under the applicable FHA mortgage insurance program. In the event that during the course of its due diligence on the loan Wells Fargo determines in its sole discretion that the Application is not appropriate for submission to FHA, Wells Fargo shall so notify the Borrower and this agreement shall be terminated. In such event Wells Fargo shall return to the Borrower any unexpended Third Party Report Costs funds previously paid by the Borrower to Wells Fargo and shall deliver to the Borrower all third party reports received to date, subject to the approval of the service provider which prepared such reports. In such event the parties shall have no further obligations pursuant to this agreement.

It is understood and agreed that the acceptance of this letter and the delivery of it and fees to Wells Fargo in no way require or obligate Wells Fargo or any of its affiliates to issue a loan commitment or to assure the issuance of an FHA insurance commitment or closing or funding of the Loan. The terms and conditions of loan approval are subject to Wells Fargo's underwriting review, and FHA's willingness to approve the Application. While we promise to use commercially reasonable efforts to obtain a satisfactory mortgage insurance commitment, we cannot promise or otherwise assure you that we will be successful. Wells Fargo makes no representation or warranty as to whether the Application will be submitted to FHA or whether FHA will approve the Application and on what terms FHA may issue its mortgage insurance commitment. Borrower acknowledges that changes in the real estate or financial markets and the development and review of more detailed due diligence during the underwriting process may change the estimated terms and conditions of the Loan. Any commitment to make a loan, including procedures for setting the interest rate on such loan, shall be only upon terms and conditions agreed to by the parties, and set forth in writing in a separate agreement between the parties.

2. Borrower Responsibilities.

The Borrower will provide Wells Fargo and its third party professionals reasonable access to the property, due diligence and other information on a timely basis in order to meet FHA processing timelines, and copies of all correspondence received from FHA with respect to this transaction. Additionally, the Borrower will inform Wells Fargo of all communications (i.e. telephone calls, discussions, meetings, etc.) received from FHA, as soon as practical after such an occurrence, and shall clear with Wells Fargo any correspondence or submission sent to FHA prior to its transmittal.

The Borrower authorizes Wells Fargo to obtain any and all credit information, including credit reports and all other information of any kind required in connection with the Application. The Borrower agrees to promptly disclose to Wells Fargo any past or future negative credit history, pending adverse legal action, or past or present problems with FHA, relative to the Mortgagor/Borrower, Sponsor, and any of its principals or affiliates, or any other factors that would impact loan approval.

Initials: SB

3. Fees.

The Borrower shall pay all costs, fees and expenses incurred in connection with the preparation, submission and processing of the Application, including but not limited to FHA Application fees and the costs of preparation of all exhibits to the Application, all fees and expenses of surveyors, architects, engineers, attorneys, title examiners or other retained professionals and advisors. All such costs shall be the direct obligation of the Borrower and shall be payable immediately upon notice from Wells Fargo. Wells Fargo shall have the right, but not the obligation to advance any of such costs and expenses, in which event the Borrower shall reimburse Wells Fargo immediately upon demand. The third party costs quoted represent Wells Fargo's best estimate. Should the actual costs be less than the estimate, excess funds will be applied to the Borrower's closing costs, or refunded. Wells Fargo will advise the Borrower if actual costs are in excess of estimated costs and the Borrower shall immediately remit such excess to Wells Fargo.

Wells Fargo will be paid a financing fee as outlined in the application letter. The financing fee is deemed earned by Wells Fargo upon issuance by FHA of a mortgage insurance commitment substantially in accordance with the Application or otherwise acceptable to the Borrower as evidenced by the Borrower's execution of such FHA commitment and is payable at the earlier of closing of the Loan, or expiration of the FHA commitment. In addition, Borrower will be required to pay the fees and expenses of Wells Fargo's attorneys and the Ginnie Mae Application Fee in the amount of \$1,000 for the first \$1.5MM of mortgage plus \$200 per \$1.0MM of additional mortgage at the time of loan closing.

Except as expressly identified in this Application Letter, Borrower shall pay any brokerage or finder's fees, commissions or other compensation which may be or become due in connection with the Application or the Loan arising out of or related to Borrower's arrangements with any mortgage banker, mortgage broker, or similar party engaged to assist Borrower in locating an appropriate lender, or gathering or packaging due diligence information, or similar tasks. Borrower shall defend, indemnify and hold Wells Fargo Bank and its affiliates, employees, officers, directors, and agents harmless from and against any and all claims, liabilities, costs or expenses which Wells Fargo Bank or any such affiliate, employee, officer, director or agent may incur by reason of the assertion of any claim for any such compensation. This indemnity shall survive the closing of the Loan.

4. Rate Lock

The interest rate on the loan will be locked following issuance of the HUD Firm Commitment. The rate shown above is an estimate only, and may include some cushion to account for increases that may occur prior to that time. Prior to rate lock, you will be required to sign a Borrower Commitment that more fully outlines the terms of the financing and will further be required to post a 0.5% Good Faith Deposit.

5. Limitation of Services to be Provided by Mortgagee.

Wells Fargo does not represent that it or any of its affiliates will supply any licensed professional services (e.g. legal) to you in connection with this agreement. There is no representation that Wells Fargo or any of its affiliates has any "connection" within or outside the United States government in general or FHA in particular.

6. Nontransferable.

This Application, and any subsequent commitment, is not transferable or assignable by the Borrower without the prior written consent of Wells Fargo.

Initials: SB

Parker Apartments
August 18, 2021

7. Identity of Interest.

The Borrower represents that there is no identity of interest between the Borrower and Wells Fargo. An identity of interest is defined as any financial or family relationship between an officer or director of Wells Fargo, its principal staff or contract employees working on a particular application and an officer, director or partner of the sponsor, the mortgagor, the principals of the mortgagor, the general contractor, subcontractors or seller of the land or property.

8. Receipt of Disclosures.

Applicant's signature on this letter certifies AND acknowledges receipt of the Federal Equal Credit Opportunity Act, Federal Equal Housing Lender and Appraisal Notices, U.S.A Patriot Act and Wells Fargo Privacy Policy from Wells Fargo Bank and further acknowledges that Applicant has reviewed all the terms and conditions of this Application and that all information contained in this Application (including all exhibits, forms and information submitted with the Application) is true and correct.

Initials: SB

Wiring Instructions for Wells Fargo Bank, N.A

BANK: WELLS FARGO BANK, N.A.

ABA: 121000248

CREDIT: Wells Fargo Bank, NA
401 S. Tryon Street, 8th Floor
Charlotte, NC 28202

NAME: Borrower Account

ACCOUNT: DDA - 412-1489116

NOTIFY: Notify Accounting at 704-715-8658

TIN: Wells Fargo Tax ID Number 94-1347393

REFERENCE: **Parker Apartments – WF Loan #78-0121983**
FHA Engagement Fee Deposit

Initials: SB



Commercial Real Estate Notices

Appraisal Notices

In connection with an application for credit that is to be secured by a first lien on a "dwelling" (as defined in 12 CFR Section 1002.14(b)(2)), which is defined as a residential structure that contains one to four family units whether or not that structure is attached to real property, including but not limited to an individual condominium, cooperative unit, mobile home or other manufactured home, you as an applicant have a right under 12 CFR Section 1002.14(a), to receive a copy of all written appraisals or other written valuations developed in connection with the application. The appraisal or valuation must be provided to you promptly upon completion, or the earlier of three business days prior to consummation of the transaction for closed-end credit, or at account opening for open-end credit. You may waive these timing requirements and agree to receive a copy of the appraisal or valuation at or before consummation of an extension of credit, except where prohibited by law, provided such waiver is obtained at least three business days prior to consummation of an extension of credit. If you provide such a waiver and consummation or an extension of credit does not occur, you must be provided a copy of the appraisal or valuation no later than 30 calendar days after it is determined that consummation will not occur or the extension of credit will not be made. For credit requests secured by a first lien on a "dwelling", Wells Fargo may charge you a reasonable fee to reimburse the bank's costs of appraisals or valuations, but must timely deliver copies to you whether or not the costs are paid. Wells Fargo may not charge for photocopy, postage, or other costs incurred in providing a copy of an appraisal or other written valuation to you, and the permitted reasonable fee for appraisal or valuation costs may not include such copy and/or delivery costs.

In connection with an application for credit that is to be secured by nonresidential real property in California, you have a right under California Business and Professions Code Section 11423(c) to receive a copy of the written appraisal used in connection with the application, upon satisfaction of the following conditions precedent: (i) your submittal of a written request for such copy to your Relationship Manager, at the address where the application was submitted, not more than 90 days after: (a) delivery to you of notice of the action taken on the application, including a notice of incompleteness; or (b) your withdrawal of the application; and (ii) your payment of all appraisal fees and other costs incurred in producing the appraisal and all actual copying costs.

USA Patriot Act Customer Identification Program (CIP) Disclosure Notice:

To help the government fight the funding of terrorism and money laundering activities, U. S. Federal law requires financial institutions to obtain, verify, and record information that identifies all parties defined as a "customer" as well as, in certain cases, individuals or entities who have control over or are associated with an account. What this means for you: When you open an account or add any additional service for an institution, we will ask for the entity's name, address, tax identification number, affiliations and ownership. We may ask to see certified articles of incorporation or other identifying documents on the entity. Additionally, we may request identifying information on the individuals or entities that have control over or are associated with an account.

Equal Credit Opportunity Act – Notice (Regulation B)

The Federal Equal Credit Opportunity Act prohibits creditors from discriminating against credit applicants on the basis of race, color, religion, national origin, sex, marital status, age (provided the Applicant has the capacity to enter into a binding contract); because all or part of the applicant's income derives from any public assistance program; or because the applicant has in good faith exercised any right under the Consumer Credit Protection Act. The federal agency, which administers compliance with this law concerning Wells Fargo Bank, N.A. is the Consumer Financial Protection Bureau (CFPB), 1700 G Street NW., Washington, DC 20552. <http://www.consumerfinance.gov>.

Credits Secured by Real Property in Florida - Insurance

The following Statement of Anti-Coercion (Florida Regulations 69B-124.013) is required under Rule 69B-124.002, F.A.C., of the rules and regulations promulgated by the Chief Financial Officer relative to anti-coercion:

The Insurance Laws of this state provide that the lender may not require the borrower to take insurance through any particular insurance agent or company to protect the mortgaged property.

The borrower, subject to the rules adopted by the Chief Financial Officer, has the right to have the insurance placed with an insurance agent or company of its choice, provided the company meets the requirements of the lender. The lender has the right to designate reasonable financial requirements as to the company and the adequacy of the coverage.

I have read the foregoing statement or the Rules of the Chief Financial Officer relative thereto, and understand my rights and privileges and those of the lender relative to the placing of such insurance.

I have selected the N/A Insurance Agency, or N/A Insurance Company to write the hazard insurance covering property located at:

N/A

Name of Borrower

N/A

Name of Borrower

N/A

Date

For information regarding Wells Fargo's privacy and security policies, please visit <https://www.wellsfargo.com/privacy-security>

FACTS	WHAT DOES WELLS FARGO DO WITH YOUR PERSONAL INFORMATION?	WELLS FARGO
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Why?	Financial companies choose how they share your personal information. Federal law gives consumers the right to limit some but not all sharing. Federal law also requires us to tell you how we collect, share, and protect your personal information. Please read this notice carefully to understand what we do.
What?	The types of personal information we collect and share depend on the product or service you have with us. This information can include: Q Social Security number and employment information Q account balances and transaction history Q credit history and investment experience
How?	All financial companies need to share customers' personal information to run their everyday business. In the section below, we list the reasons financial companies can share their customers' personal information; the reasons Wells Fargo chooses to share; and whether you can limit this sharing.

Reasons we can share your personal information	Does Wells Fargo share?	Can you limit this sharing?
For our everyday business purposes — such as to process your transactions, maintain your account(s), respond to court orders and legal investigations, or report to credit bureaus	Yes	No
For our marketing purposes — with service providers we use to offer our products and services to you (please see below to limit the ways in which we contact you)	Yes	No
For joint marketing with other financial companies	No	We don't share
For our affiliates' everyday business purposes — information about your transactions and experiences	Yes	No
For our affiliates' everyday business purposes — information about your creditworthiness	Yes	Yes
For our affiliates to market to you	Yes	Yes
For nonaffiliates to market to you	No	We don't share

To limit our sharing	Q Call 1-888-528-8460—our menu will prompt you through your choices. Q Online banking customers - log on to a secure session at wells Fargo.com, select Security & Support menu -> Change Privacy Preferences. Please note: If you are a <i>new</i> customer, we can begin sharing your information 30 days from the date we sent this notice. When you are <i>no longer</i> our customer, we can continue to share your information as described in this notice. However, you can contact us at any time to limit our sharing.
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<p>To limit direct marketing</p>	<p>Q To limit our direct marketing to you by mail or telephone, call 1-888-528-8460--our menu will prompt you through yourchoices Q Online banking customers - log on to a secure session at wells Fargo.com, select Security & Support menu -> Change Privacy Preferences.</p> <p>Please note: A Do Not Call election is effective for five years, or while you are an active consumer customer, if longer than five years. The Do Not Mail election is effective for three years. You may continue to receive marketing information in regular account mailings and statements, when you visit us online or at an ATM. You may also be contacted to service your account or participate in surveys. If you have an assigned client manager or team, they may continue to contact you to assist you in managing your portfolio or account relationship.</p>
<p>Questions?</p>	<p>Call 1-800-TO-WELLS (1-800-869-3557) or go to wells Fargo.com/privacy-security</p>

F A C T S

WHAT DOES WELLS FARGO DO WITH YOUR PERSONAL INFORMATION?

Who we are	
Who is providing this notice?	Wells Fargo U.S. companies that use Wells Fargo in their names, except for entities and businesses that provide their own notice, and other companies listed in the <i>Wells Fargo U.S. legal entities and businesses</i> section below.

What we do	
How does Wells Fargo protect my personal information?	To protect your personal information from unauthorized access and use, we use security measures that comply with federal law. These measures include computer safeguards and secured files and buildings. For more information visit wellsfargo.com/privacy-security
How does Wells Fargo collect my personal information?	We collect your personal information, for example, when you: Q open an account or make deposits or withdrawals from your accounts Q apply for a loan or use your credit or debit card Q seek advice about your investments We also collect your personal information from others, such as credit bureaus, affiliates, or other companies.
Why can't I limit all sharing?	Federal law gives you the right to limit only: Q sharing for affiliates' everyday business purposes — information about your creditworthiness Q affiliates from using your information to market to you Q sharing for nonaffiliates to market to you State laws and individual companies may give you additional rights to limit sharing. See below for more on your rights under state law.
What happens when I limit sharing for an account I hold jointly with someone else?	Your choices will apply individually unless you tell us otherwise. Any account holder may express a privacy preference on behalf of the other joint account holders.

Definitions	
Affiliates	Companies related by common ownership or control. They can be financial and non-financial companies. Q Our affiliates include financial companies with Wells Fargo in their name such as Wells Fargo Bank, N.A., and Wells Fargo Clearing Services, LLC.
Nonaffiliates	Companies not related by common ownership or control. They can be financial and non-financial companies. Q Wells Fargo does not share with nonaffiliates so they can market to you.
Joint marketing	A formal agreement between nonaffiliated financial companies that together market financial products or services to you. Q Wells Fargo does not jointly market.

Other important information

Important Notice about Credit Reporting: We may report information about your account(s) to credit bureaus and/or consumer reporting agencies. Late payments, missed payments, or other defaults on your account(s) may be reflected in your credit report and/or consumer report.

Do Not Call Policy. This Privacy Policy constitutes Wells Fargo's Do Not Call Policy under the Telephone Consumer Protection Act for all consumers. Wells Fargo maintains an internal Do Not Call preference list. Do Not Call requests will be honored within 30 days and will be effective for at least five years from the date of request. No telemarketing calls will be made to residential or cellular phone numbers that appear on the Wells Fargo Do Not Call list.

Nevada residents. We are providing you this notice pursuant to state law. You may be placed on our internal Do Not Call List by following the directions in the *To limit direct marketing* section. For more information contact us at 1-800-869-3557; nevadanoticeinfo@wellsfargo.com, or Wells Fargo, P.O. Box 5110, Sioux Falls, SD 57117-5110. Or contact the Bureau of Consumer Protection, Office of the Nevada Attorney General, 555 E. Washington St., Suite 3900, Las Vegas, NV 89101; 702-486-3132; AgInfo@ag.nv.gov.

Vermont: We automatically treat customers with a Vermont mailing address as having limited sharing with our affiliates as provided above.

Trust or fiduciary accounts for which Wells Fargo is the trustee or service provider, including employer-sponsored retirement accounts, are protected under special rules of confidentiality. Information on these accounts is not shared for marketing purposes without specific consent.

Wells Fargo U.S. legal entities and businesses covered by this notice

Wells Fargo U.S. banks, except banks and businesses listed below as having their own privacy notice, and companies with "Wells Fargo" in their names, including Wells Fargo Bank, N.A., doing business as Flatiron Capital; as well as American Mortgage Network, LLC, doing business as Vertice; and Abbot Downing, a Wells Fargo business.

The following legal entities and businesses are **not** covered by this notice and have separate privacy notices:

- q Wells Fargo Retail Services, a division of Wells Fargo Bank, N.A.
- q Wells Fargo Advisors; Wells Fargo Clearing Services, LLC; or Wells Fargo Clearing Services, LLC, doing business as Wells Fargo Advisors
- q the Wells Fargo Advantage Funds
- q Wells Fargo Advisors Financial Network, LLC
- q any insurance company, insurance agency or other company that has its own privacy notice or policy
- q businesses that have provided a separate privacy notice governing specified accounts or relationships



October 14, 2021

Sabrina Butler
Director of Real Estate Development
Foundation Communities, Inc.
3000 S. IH-35, Suite 300
Austin, Texas 78704

Re: Proposed Equity Investment in Parker Lane Apartments

Dear Ms. Butler:

Thank you for giving Wells Fargo Community Lending and Investment the opportunity to provide the attached Summary of Terms and Conditions (the "Summary") for a proposed equity investment in the above referenced transaction (the "Transaction"). The purpose of this Summary is to describe the Transaction generally. It is not a commitment to invest or a commitment to be bound by the terms described herein, and no such commitment will exist prior to the negotiation and execution of mutually satisfactory documents. The parties understand and expressly agree that this Summary does not create a legally binding agreement as to any of the parties.

This letter must be executed and returned no later than October 20, 2021 or the proposal to consider the Transaction on the terms and conditions set forth herein will expire. Please retain a copy for your records.

Sincerely,

Neal C. Deaton
Managing Director
Regional LIHTC Equity Manager
Wells Fargo Community Lending & Investment
301 South College Street, 17th Floor
Charlotte, NC 28288 | MAC D1053-170
Office: 704-383-9524 | Mobile: 704-458-1633
neal.deaton@wellsfargo.com

Agreed and Accepted this Day:

By:

Date:

10/19/21

Key Dates

Event	Projected Date
Closing	4/1/2022
Completion	10/1/2023
Perm Loan Conversion	10/1/2024
Stabilization	1/1/2025
Start of Lease up	11/1/2023
End of Lease up	6/1/2024

Credit Pricing

Credit Type	Gross Award	Tax Credits to LP	Price	Capital Contribution
Federal Low Income Tax Credits	15,000,000	14,998,500	\$0.9800	14,698,530
Federal Historic Tax Credits	0	0	\$0.0000	0
State Low Income Tax Credits	0	0	\$0.0000	0
State Historic Tax Credits	0	0	\$0.0000	0
Energy Tax Credits	0	0	\$0.0000	0
Total Equity				14,698,530

Capital Contributions

Capital Contribution Number	Date	Federal LIHTC Equity	Other Credit Equity	% of Equity	Total Tax Credit Equity	Developer Fee Paid
Capital Contribution 1	4/1/2022	\$1,469,643	\$0	10.00%	\$1,469,643	\$275,000
Capital Contribution 2	10/1/2023	\$11,379,503	\$0	77.42%	\$11,379,503	\$279,503
Capital Contribution 3	10/1/2024	\$1,599,384	\$0	10.88%	\$1,599,384	\$1,100,000
Capital Contribution 4	10/1/2024	\$250,000	\$0	1.70%	\$250,000	\$741,744
Total		14,698,530	0	100.00%	14,698,530	2,396,247

See Equity Capital Contributions Section of this Term Sheet for Capital Contribution Requirements

Deferred Developer Fee	1,203,753
Total Developer Fee	\$ 3,600,000

Total Project Sources and Uses

Sources of Funds - Construction	
Wells Fargo Bank	\$11,100,000
City of Austin (FC)	4,100,000
State MFDL/NHTF	2,025,974
FHLB AHP (FC)	750,000
HUD 221d4	14,000,000
FC Sponsor Loan	2,650,000
WF Tax Credit Equity	1,469,643
Good Faith Deposit Refund	0
Deferred Soft Costs/Reserves	499,384
Deferred Developer Fee	3,325,000
Total Sources	\$39,920,001

Sources of Funds - Permanent	
Wells Fargo Bank	\$0
City of Austin (FC)	4,100,000
State MFDL/NHTF	2,025,974
FHLB AHP (FC)	750,000
HUD 221d4	14,000,000
FC Sponsor Loan	2,650,000
WF Tax Credit Equity	14,698,530
Good Faith Deposit Refund	0
Deferred Developer Fee	1,203,753
Total Sources	\$39,920,001

Uses of Funds	
Land / Building Acquisition	\$3,450,000
Hard Costs	27,000,000
Hard Cost Contingency (5.0%)	1,350,000
Construction Interest	275,280
Soft Costs	(646,377)
Operating Reserve	375,000
Developer Fee	8,116,098
Total Uses	\$39,920,001

*Additional \$11,100,000 of WF Tax Credit Equity contributed prior to conversion to pay down construction loan.

See Loan Assumptions Below

Loan Assumptions

Loan	Underwritten Interest Rate	Term	Amortization	Comments
Wells Fargo Bank	3.10%	20 Months	N/A	24 months with one 6-month extension
Wells Fargo Bank	3.05%	480 Months	480 Months	Assumed Annual Payments of \$606,264
City of Austin (FC)	0.00%	480 Months	480 Months	Assumed Annual Payments of \$0,000
State MFDL/NHTF	0.00%	420 Months	420 Months	Assumed Annual Payments of \$0,000
FHLB AHP (FC)	3.00%	480 Months	480 Months	Assumed Annual Payments of \$0,000
FC Sponsor Loan	3.00%	480 Months	480 Months	Assumed Annual Payments of \$0,000

Rental Income

Unit Type	AMI % or Market	Number of Units	Sq. Ft.	Net Proforma Rents
1BD / 1BA	30.00%	2	726	\$500
1BD / 1BA	50.00%	13	726	\$872
1BD / 1BA	60.00%	10	726	\$1,057
2BD / 2BA	30.00%	10	1065	\$592
2BD / 2BA	50.00%	34	1065	\$1,037
2BD / 2BA	60.00%	24	1065	\$1,260
3BD / 2BA	30.00%	12	1249	\$673
3BD / 2BA	50.00%	11	1249	\$1,188
3BD / 2BA	60.00%	19	1249	\$1,445
Manager's Unit		0	TBD	\$0
Total/Weighted Avg.		135	1,059	\$1,059

Projected Credit Delivery

Year	Federal LIHTC
2023	0
2024	1,249,875
2025	1,499,850
2026	1,499,850
2027	1,499,850
2028	1,499,850
2029	1,499,850
2030	1,499,850
2031	1,499,850
2032	1,499,850
2033	1,499,850
2034	249,975
Total	14,998,500

Note: All numbers, pricing, and other financial terms in this Summary of Terms and Conditions (the "Summary") are subject to adjustments based on updated projections, provisions in loan and other transaction documents, due diligence review, evolution of the transaction structure, modifications to applicable federal and state laws, details in and revisions to the investor's forms of equity documents, and investor's investment criteria, and underwriting standards as may be in effect from time to time.

Participants

Sponsor(s): Foundation Communities, Inc. (“FC”)

Partnership/Limited Liability Company (“Owner”) Name: FC Parker Housing, LP

Investor Limited Partner / Investor Member: Wells Fargo Affordable Housing Community Development Corporation (“Investor”)

General Partner(s)/Managing Member(s) (“GP/MM’s”) : FC 2105 Parker Housing, LLC, a single purpose, bankruptcy remote entity 100% owned by Foundation Communities, Inc. (“GP/MM”)

Guarantor(s): Developer Entity, Foundation Communities, Inc.

General Contractor: JV between FC and BEC Austin

The construction contract shall be a fixed price contract, either a guaranteed maximum contract or a stipulated sum, and the general contractor shall be bonded in a manner satisfactory to Investor or a letter of credit shall be provided in a minimum amount set during the due diligence review. The development budget will include Owners construction contingency of at least **5%** of the total general construction contract for new construction, and **10%** for rehabilitation.

Management Company: Foundation Communities, Inc.

Accountant: CohnReznick, Novogradac, or another firm approved by Investor before closing (“Accountant”). Among other reporting requirements, the GP/MM will be required to provide: (i) a capital account summary (for deals with expected capital account deficiencies) within 45 days after the end of the Owner’s taxable year, (ii) a draft tax return within 60 days after the end of the Owner’s taxable year, (iii) a final tax return within 75 days after the end of the Owner’s taxable year, (iv) audited financial statements for the Owner within 90 days after the end of the Owner’s taxable year, and (v) during the lease-up period, within 30 days after the end of each month, (a) Owner’s income and expenses for the month, and (b) copies of the rent rolls.

The GP/MM(s) agree that the project will depreciate all of its applicable property under the Modified Accelerated Cost Recovery System (MACRS) set forth in Code Section 168 and shall cause the Owner to elect out of claiming “bonus depreciation” under 168(k)(7). Further, the GP/ MM will make election to be treated as an "electing real property trade or business" under Section 163(j)(7)(B) of the Code (the “ERPTOB Election”), with such election being made no later than with respect to the first taxable year in which the first building in the Apartment Complex is placed in service , so that the Company will not be subject to the limitation on business interest deduction under Code Section 163(j)(1). The Investor, however, reserves the right to direct the GP/MM to change the method or period of depreciation when the Project is placed in service. ***This is the same depreciation utilized in The Loretta.***

Project Information

Project Description: New Construction of a 135 unit 100% affordable housing development located at 2105 Parker Ln., Austin, TX 78704. Approximately ten percent of units will have a preference for homeless families via Foundation Communities' Children's HOME Initiative (CHI) Program.

Project-Based Rental Subsidies: N/A

Equity Capital Contributions of Investor

In addition to the conditions listed for each capital contribution below, a required condition for each capital contribution is satisfaction of all conditions for all previous capital contributions.

Capital Contribution #1: \$1,469,643 (10.00%)
To be contributed upon Investor's admission into the Owner. The capital contribution will be advanced at closing based upon the approved closing draw schedule, and any remaining amount of capital contribution #1 will be advanced based on approved invoices (approved draws). **This installment will pay \$275,000 of Developer Fee.**

Capital Contribution #2: \$11,379,503 (77.42%)
To be contributed upon the last to occur of the following: (i) temporary certificate of occupancy for 100% of the Project units, (ii) lien free construction completion of the Project, substantially in accordance with the plans as certified by the Project architect and GP/MM and approved by the Investor, (iii) estimate of Eligible Basis for the Project and lease-up schedule, (iv) satisfaction of the 10% test, and (v) [radon testing and environmental remediation if applicable]. **This installment will pay \$279,503 of Developer Fee.**

Capital Contribution #3: \$1,599,384 (10.88%)
To be contributed upon the last to occur of the following: (i) final certificate of occupancy for 100% of the Project units, (ii) draft cost certification for the Project from the Accountant, setting forth the Eligible Basis, the total available low-income housing tax credits 42 (the "Credit"), a reconciliation to the closing budget from the GP/MM or Accountant, and the GP/MM's or Accountant's estimate of adjustments based on additional, reduced, or recaptured Credits, including all associated interest and penalties ("Credit Adjusters") (iii) receipt of as-built survey, and (iv) the attainment of an annualized debt service coverage ratio ("DSCR") of **1.15** to 1.00 for 90 consecutive days for all "scheduled" must-pay debt payments and a projected DSCR of at least **1.15** to 1.00 in each year of the Compliance Period for the Project based on the underwriting parameters set forth in the Performance/Stabilization Obligation section of this Summary below. **This installment will pay \$1,100,000 of Developer Fee.**

Capital Contribution #4: \$250,000 (1.70%)
To be contributed at the time of Capital Contribution #3 into the Operating Reserve or Partnership Development Account, and then released from the Operating Reserve or Partnership Development Account to pay Developer Fee (for efficiency) upon the last to occur of the following: (i) receipt of IRS Form(s) 8609, (ii) receipt of first year Owner's Tax Return and K1, and (iii) final cost certification from the Accountant, including a reconciliation to the closing budget from the GP/MM or Accountant. (iv) executed Extended Use Agreement, and (v) receipt of the tenant file audit from the accountants. **This installment will pay \$250,000 of Developer Fee.**

Obligations of the GP/MM(s)

The GP/MM's obligations below will be guaranteed by the Guarantors listed on page 3 (collectively, "Guarantor").

Development Completion/Stabilization:

The GP/MM(s) will cause completion of construction of the Project in accordance with plans and specifications approved by Investor and will be obligated to pay (all amounts necessary to achieve permanent loan closing/conversion. Any funds advanced shall be treated as Development Deficit Loans.

Operating Deficits:

The GP/MM(s) will agree to fund unlimited operating deficits until all conditions of capital contribution #3 have been satisfied.

Thereafter, the GP/MM(s) will provide operating deficit loans of up to **\$750,000** (the "ODL Cap") for at least 36 months. GP/MM(s) may fund operating deficits from the operating reserve prior to making operating deficit loans.

At the end of the 36-month period, the GP/MM's obligations to fund operating deficit loans will be released, provided the operating reserves are fully funded or replenished in the amount of **\$375,000** and the Project averages a 1.15 DSCR or better for the last 12 months of the 36-month period, or any subsequent 12-month period (the "ODL Termination").

Any failure by the GP/MM and/or Guarantors to fund any operating deficit loans, even if the ODL Cap has been reached or the ODL Termination has occurred, will give the Investor the right to remove the GP/MM under the partnership, limited liability company, or operating agreement of the Owner ("Agreement").

Credit Adjusters:

The Agreement will contain Credit Adjuster designed to preserve the underlying economic transaction described in this Summary.

Upward or downward Credit Adjusters resulting from increased or reduced Eligible Basis will be equal to the Credit price to the Owner (**\$0.98**) times the difference between (i) the aggregate Credits projected at equity closing and (ii) the aggregate Credits calculated at the time of the accountants' cost certification or upon audit.

Upward or downward Credit Adjusters resulting from early or late delivery of Credits will be calculated on a present value basis with a **2%** discount rate, which equates to **17.97%** of accelerated or delayed Credits. The timing Credit Adjusters will be calculated after calculation of the Eligible Basis Credit Adjusters.

The aggregate increase in the Investor's capital contributions will be limited to **\$550,000** (up to **\$500,000** for upward Eligible Basis Credit Adjusters and up to **\$50,000** for upward timing Credit Adjusters).

However, any downward Credit Adjuster resulting from a change in law will be paid from only cash flow or capital proceeds instead of GP/MM's capital contribution. Neither the GP/MM nor Guarantors have any liability for recapture as a result of a transfer of the Investor's partnership interests.

Repurchase Obligation:

The GP/MM will be obligated to repurchase the Investor's interest in the Owner (the "Interest") should the Project fail to meet certain operational benchmarks, to be determined during due diligence and outlined in the Agreement.

***Performance/Stabilization
Obligation:***

Subject to final underwriting and interest rate locks, the principle amount of the must-pay permanent debt and annual must-pay debt service payments shall not exceed the amounts reflected in the chart on page 2. In addition, the principal amount of must-pay permanent debt shall be reduced at permanent closing/conversion **and/or the operating reserve established shall be increased by an amount**, if needed, to achieve at the time of closing/conversion an actual DSCR of no less than **1.15 to 1.00** for [90] consecutive days and a projected DSCR of no less than **1.15 to 1.00** in any year of the Compliance Period, based on the underwriting parameters (all subject to final underwriting) and rates of escalation, as set forth below:

- Rents and other income will be assumed to escalate at **2.00%** per year [(except commercial income which will escalate at 0% per year)].
- Rents will be based on actual rents received from tenants in occupancy under signed leases, after giving effect to any rent concessions by spreading the amount of such concessions evenly over the term of the lease.
- Rents for units having rental subsidies of any kind will be assumed to be the lesser of permissible net rents under such subsidy and achievable rents under Section 42, but rents for a Project subsidized by a HAP with a term of at least 15 years will be assumed to be the net rents received from the leases and the HAP,
- Vacancy loss will be assumed to be the greater of (a) **7.0%** or (b) actual vacancy.
- Other income will be assumed to be the lesser of (i) **\$31,367 (33,728 less 7.00%** vacancy) per year or (ii) actual other income.
- Annual operating expenses will be underwritten at the greater of (i) actual/estimated annual operating expenses or (ii) **\$6,502** per unit per annum (“PUPA”), inclusive of replacement reserve deposit of **\$250** PUPA.
- Expenses will be assumed to escalate at the rate of **3.00%** per year.

Cash and Net Proceeds Distributions

Subject to any restrictions in the applicable mortgage loan documents, Cash Flow to the Partnership shall be distributed annually as follows:

***Cash Flow Prior To
Dissolution:***

- 1) To pay Credit Adjusters to the Investor.
- 2) To repay in full any loans made by the Investor.
- 3) To pay the Investor all unpaid Investor asset management fees. *An annual cumulative fee of \$5,000, payable to the Investor, commencing on January 1, 2024, and increasing 3% annually*
- 4) To replenish the operating reserve until the balance is **\$375,000**.
- 5) To pay any outstanding deferred management fees owed to an affiliated property manager.
- 6) To pay the deferred developer fee.
- 7) To repay any loans made by the GP/MM, including any unpaid operating deficit loans and development deficit loans.
- 8) To pay FC all unpaid Resident Services Reimbursement Amounts. *An annual cumulative amount of \$25,000, payable to FC, commencing on January 1, 2024, and increasing 3% annually. [Amount subject to change prior to closing if mutually agreed.]*

- 9) To repay any Sponsor Loans.
- 10) To repay soft loans as required by the Lenders.
- 11) Of the remaining cash flow, 99.99% shall be distributed to the Investor, and then 0.01% shall be distributed to the GP/MM. (99.99% to Investor to enable purchase of Solar Credits. See page 8.)

Net Proceeds will be similarly distributed, with priority given to Credit Adjusters, asset management fees, and deferred developer fees, and with residual distributions of 99.99% to the Investor, and then 0.01% shall be distributed to the GP/MM.

Deferred developer fees shall bear interest at the applicable federal rate. The GP/MM shall agree to pay to the Owner a special capital contribution to the Owner, equal to the deferred developer fees that has not been paid from cash flow and capital proceeds within 15 years from the date of certificate of occupancy issuance, for the Owner to pay the deferred developer fee in full.

If construction completion occurs without the full utilization of the then available debt and equity proceeds, any construction cost savings shall be held in reserve and used, with the consent of Investor, which consent shall not be unreasonably conditioned, delayed or withheld, for Project amenities or other depreciable costs, provided, however, if the Eligible Basis is at least an amount sufficient to generate the amount of Credits projected at equity closing, any construction cost savings will be used, with the consent of Investor, which consent shall not be unreasonably conditioned, delayed or withheld, i) be released into the cash flow waterfall, (ii) increase the operating reserves, (iii) pay down the first mortgage loan and/or other loans, including any sponsor loans, and/or (iv) implement other measures to reduce the risk of the Investor's equity investment.

Put Option/Purchase Option/ /ROFR

Documents pertaining to the options set forth below shall be in form and substance satisfactory to the Investor. At the closing for the exercise of the put option, right of first refusal, or purchase option described below, all amounts owed to the Investor under the Agreement, including any Credit Adjusters and unpaid Investor asset management fees shall be due and payable with the applicable purchase price, except that any Credit Adjusters resulting from a change in law shall be excluded from Unpaid Obligations in the case of the exercise of the put option.

Put Option: The Investor shall have the right to put its interest to the GP/MM at any time after the last year in which the Credit is available to the Owner purchase price equal to \$100 (the "Put Option").

Right of First Refusal: From the end of the Compliance Period and until 24 months thereafter, the GP/MM, if it is then a Section 501(c)(3) tax-exempt organization or otherwise a qualifying purchaser under Section 42(i)(7)(A), shall have a right of first refusal to purchase the Project, consistent with the terms of Section 42(i)(7), for a price equal to the sum of (i) all outstanding Owner debt, including Investor loans and (ii) any taxes owed by the Owner and the Investor from the sale.

Purchase Option: From the end of the Compliance Period and until two years thereafter, the GP/MM shall have an option to purchase (the "Purchase Option") either the (i) the Project and the Owner's assets, or (ii) the Investor's Interest. If the Purchase Option is exercised with respect to the Project and the Owner's assets, the purchase price shall equal the greater of (i) the fair market value of the Project and assets (determined in accordance with the procedures set forth below) or (ii) one dollar \$1.00 plus (a) the amount of outstanding Owner debt plus (b) the amount which, if the Owner were liquidated, would be sufficient to distribute to the Investor an after-tax amount equal to the transfer and other taxes incurred by the Investor upon disposition (if any). If the Purchase Option is exercised with respect to the Interest, the purchase price shall equal the Interest's fair market value, which in turn will be based on an assumption that the Project will be sold for its fair market value as determined in accordance with the procedures set forth below. The fair market value of the Project or the Interest shall

be determined by mutual agreement of the parties or appraisal procedures that will allow all parties to be involved in selecting the appraisers. Any appraiser selected shall be an MAI appraiser with at least five years of experience in valuing income-restricted multifamily rental property as the Owner's sole income-producing asset.

Notwithstanding anything contained herein to the contrary, if there is a change in the Code or Regulations or there is a private letter ruling addressed to the Partnership or any other binding guidance provided by the Service upon which the Partnership is expressly entitled to rely (and which private letter ruling or other guidance is of specificity and wording acceptable to the Investor Limited Partner) (collectively, the "IRS Guidance") which modifies or reduces either the Right of First Refusal Price and/or the Purchase Option Price or the terms under which either may be exercised (e.g. allowing the Right of First Refusal to be exercised as an option), the price upon which the Purchaser may acquire the Apartment Complex or the Investor Limited Partner's interests, or the terms by which the Right of First Refusal may be exercised, shall be provided under the terms and provisions allowed per the IRS Guidance at that time, as indicated in a written amendment to this Agreement. Notwithstanding the foregoing, no modifications shall be made to the Right of First Refusal Price and/or the Purchase Option Price or the terms of the Right of First Refusal or Purchase Options unless the Investor Limited Partner receives an opinion from its tax counsel stating that the IRS Guidance is applicable and of sufficient specificity to the Apartment Complex and/or the Partnership, and that the proposed amendment to this Agreement is in accordance with the IRS Guidance. All determinations with respect to IRS Guidance shall be made by the Investor Limited Partner in its sole but reasonable discretion.

Other Notes and Conditions

Owner Expenses:

Investor and Wells Fargo as a lender will engage an inspecting engineer to review the project plans and specifications prior to equity closing and perform monthly inspections. The cost of these services will be paid by the Owner.

The Investor will engage outside legal counsel for the transaction. The Owner will pay \$20,000 for a portion of the legal fees incurred by Investor's outside legal counsel and the Investor will pay the balance.

Legal Review and Diligence

Transaction structure, Credit reservation and carryover allocation, loan/rent subsidy and other project documents, title/survey, easements, ground lease or master lease, tax law compliance, and equity/bond/property tax exemption opinions are subject to approval by Investor's legal counsel. Wells Fargo reserves the right to conduct due diligence and approve any participant in the proposed transaction.

Bank Secrecy Act/USA Patriot Act:

To help fight the funding of terrorism and money laundering activities, federal law requires all financial institutions including Wells Fargo to obtain, verify and record information that identifies each person or corporation that opens an account and/or enters into a business relationship.

Insurance Requirements:

GP/MM shall at all times maintain insurance policies with respect to the Project which are satisfactory to Investor, including "All Risk Peril" coverage (including terrorism coverage) for 100% of the insurable value/replacement cost of the improvements, general liability coverage and, if required by Investor, flood and windstorm coverage. Further, liability and builder's risk insurance policies for the general contractor will be required.

Tax Abatement/Exemption: This Summary assumes the Owner will benefit from a partial property tax exemption for the entire Compliance Period, and a GC sales tax exemption. An opinion from the GP/MM's legal counsel affirming such exemptions will be required before closing.

Ground Lease: Any ground lease should have a term of 99 years (but in no event less than 75 years) and pass all benefits and burdens of ownership of the improvements to the Owner.

Financial Covenant None

Solar Credits The Investor will work with Sponsor before closing to determine an estimated amount of the Solar Credits, which will be purchased by the Investor for \$0.90 / credit at delivery of a tax return evidencing credit.

Equity Documents The equity documents will be substantially the same as those executed on **The Loretta** except where specific deal points merit change or are expressly different in this term sheet.

Investor Interest The Investor Limited Partner may sell, transfer, assign or otherwise Dispose of all or any part of its Interest, without the prior written consent of the General Partner, provided, however, that (i) no transfer may be made to any entity directly or indirectly controlled by Hunt Companies, Inc., Wentwood, Alden Torch Financial LLC or any Affiliate of any of them, and (ii) the Investor Limited Partner or its assignee shall pay all costs associated with such assignment and (iii) the assignee shall assume liability for all unpaid Capital Contribution obligations hereunder and otherwise agrees to be bound to the terms of this Agreement to the same extent as the transferring Investor Limited Partner.

4. Development Proposal

c. Market Assessment

AFFORDABLE HOUSING ANALYSTS
Appraisers/Market Analyst/Consultants

April 1, 2021

Ms. Sabrina Butler
FC Parker Housing, LP
3000 South IH-35, Suite 300
Austin, Texas 78702

Reference: Parker Apartments: A 135-unit General Population development proposed to be constructed and operated as a Housing Tax Credit (HTC) apartment project. The subject property is located on the east line of Parker Lane, north of East Oltorf Street in Austin, Travis County, TX 78741.

Greetings:

At your request, I have completed an Appraisal Report (TDHCA-compliant Market Study) for the purpose of providing a market analysis for the above-referenced property. Elements of this study, such as determination of Market Rent, classify this document as an appraisal report. However, I have not determined Market Value for the property. The effective date of the study is April 1, 2021. The date of the report is April 1, 2021. Daniel Hollander visited the subject site on February 5, 2020.

The analyses provided herein are subject to the assumptions and contingent and limiting conditions contained within both the body of this report and the addenda section. Based on my analysis of the subject property's primary market area, there is sufficient demand to successfully construct and absorb the proposed Parker Apartments as of April 1, 2021.

Daniel Hollander provided significant real property appraisal assistance in the preparation of the appraisal assignment by visiting the subject site and comparables.

I am not qualified to detect or identify hazardous substances, which may, or may not, be present on, in, or near this property. The presence of hazardous materials may negatively affect feasibility. I have analyzed the subject property as though free of hazardous materials. I urge the user of this report to obtain the services of specialists for the purpose of conducting an environmental audit to ensure that the subject property is free of hazardous materials.

Texas Department of Housing and Community Affairs
FC Parker Housing, LP
Ms. Sabrina Butler

I certify that I have read and understood the 2021 Qualified Allocation Plan 11.303 and 11.304. I certify that I consider the services provided conform to the Department's Market Analysis Rules and Guidelines, described in Section 11.303 of the Uniform Multifamily Rules in effect for the application round (2021) in which the Market Analysis may be submitted.

I certify that I have no interest, present or proposed, in the subject property, that the conclusion contained herein has been reached after a careful study, investigation, analysis, and interpretation of the pertinent data, and that my fee is in no way contingent upon the conclusion. I certify that I am a disinterested party and will not materially benefit from the development in any other way than receiving a fee for the Market Analysis, and that the fee is in no way contingent upon the outcome of the Market Analysis. I am neither part of the development team, owner of the subject property, nor affiliated with any member of the development team engaged in the development of the property. This market analysis is prepared subject to my current assumptions and limiting conditions. Your attention is directed to the following report and accompanying data, which form, in part, the basis of my conclusions.

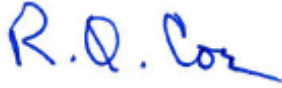
Any person signing this report acknowledges that the Department may publish the full report on the Department's website, release the report in response to a request for public information and make other use of the report as authorized by law.

COVID-19: The World Health Organization declared the Coronavirus (COVID-19) a global pandemic on March 11, 2020, causing significant uncertainty in national and local markets. As more American communities “shelter in place” and practice social distancing, local and national economies are expected to experience real contraction. As of the effective date of this report, there is insufficient data to determine the magnitude or duration of the economic impact. However, the expectation is that the pandemic will be contained within months and the economies will recover rapidly as people return to production and consumption. The value conclusion herein is based on the information available to me as of the date of valuation. This value conclusion is based on the expectation that the impact of the global pandemic will be relatively short-lived. The client is urged to monitor economic conditions closely and frequently as revenues, capitalization rates and values may change more rapidly than under normal market conditions.

The Texas Department of Housing and Community Affairs is granted full authority to rely on the findings and conclusions of this report.

Respectfully,

Affordable Housing Analysts



Robert O. (Bob) Coe, II, MAI
TX-1333157-G
State Certified General Real Estate Appraiser

EXECUTIVE SUMMARY

Disclosure of Competency: *Affordable Housing Analysts* is a professional real estate appraisal and consulting firm, providing service to a variety of corporate, institutional, governmental, and private clientele. In the past 12 months, I have completed numerous assignments involving similar properties. I am a State Certified General Real Estate Appraiser with the State of Texas, and have prepared/reviewed numerous market studies and appraisal assignments of properties similar to this assignment.

Identification of Property: The subject property is located on the east line of Parker Lane, north of East Oltorf Street, in Austin, Travis County, TX 78741. The subject site contains ±7.8200 acres (±340,639 square feet), and appears to be relatively flat in topography. The subject is proposed to be developed and operated as a 135-unit HTC General Population apartment development.

Primary Market: The subject's primary market is generally defined as that area contained within census tracts 48453001303, 48453001304, 48453001305, 48453001307, 48453001308, 48453001401, 48453001402, 48453001403, 48453001901, 48453001911, 48453002004, 48453002005, 48453002304, 48453002307, 48453002308, 48453002313, 48453002314, 48453002315, 48453002316, 48453002317, and 48453002318. This area is contained in all or a portion of the following zip codes 78704 & 78741. The area is generally bound by Town Lake/Colorado River to the north; MOPAC Expressway to the west; Highway 71 to the south; and Montopolis Drive to the east. The average rental rate for apartments in the subject's primary market area is reported at \$1.01 per square foot per month. The average rent and occupancies in this submarket are skewed downward somewhat due to a number of older projects with a modest level of amenities. The average physical occupancy in the subject's market area was reported at 91.02%. Occupancy rates and rental rates in this primary market area have remained strong over the past few years, with overall stable rental rates.

Comparable Properties: The selected comparable apartments surveyed in the primary market area of the subject generally exhibited strong occupancy rates, with an average occupancy level of 95% and an average rental rate of ±#DIV/0! per square foot per month. According to my research (including contacting the local HUD offices), there are 15 existing HTC projects with 10 units or higher in the subject's primary market area in which the rents are based on income or otherwise restricted. The Aria Grande is a comparable operating Family HTC project in the PMA and reports a 100% occupancy. Most Family HTCs in the Austin area reported occupancies in the range of 95% to 100%.

Demand: The primary market area for the subject property had an estimated 48,096 households in 2021 and is projected to have 52,144 households by 2026. Approximately 75.14% of these families were renter households in 2021. The population growth in the primary market area between 2000 and 2010 was -0.14%, between 2010 and 2021 was 20.39% and between 2021 and 2026 is projected to be 7.69%. The population is growing within the primary market area.

Evaluation of Subject Property: The subject property will have one- to three-bedroom units. The subject property is proposed to have the following breakdown;

Units	#	%
1BR	25	18.52%
2BR	68	50.37%
3BR	42	31.11%
	135	100.00%

Because the average household size in the primary market area is 2.03 persons, and approximately 94.41% of the households consist of 1 to 4 person households, having approximately 68.89% of the unit mix in one to two-bedroom units is considered appropriate. Based on discussions with leasing agents, and my own analysis of the selected comparables in the primary market, the unit mix is appropriate for a General Population project, and will complement the local affordable housing market.

The subject property has a projected per unit development cost that is within the typical range for projects of this type and caliber. Development of the project is the maximally productive use of the site and I consider it to be an acceptable location for this development.

Rental Rates: The client's reported rents, averaging ±\$1.017 per square foot (rent-restricted), are considered very competitive for a newly-constructed project in this market.

Income: Based on the developer's provided rent schedule, gross potential annual revenue for the subject property, including \$15.00 per unit "other revenue" totals \$1,770,600. Other revenue (primary sources are laundry, etc.) estimated by the developer appears reasonable based on information in my files and discussions with apartment developers and management companies which are active in the Austin Region.

Need for Affordable Housing: Occupancies of the affordable housing projects are high, with some maintaining waiting lists. Therefore, the subject property need only achieve moderate penetration to be feasible. This is a realistic scenario considering the limited supply of quality affordable General Population housing in the subject's primary market area.

Capture Rate: Based on my research, there is one Family project under construction/non-stabilized (TDHCA# 18015 Cambrian East Riversides a 9% complex with 65 units total of which 55 are comparable to the subject and are included in the capture analysis, none approved and none proposed in the primary market area. There are no market rate General Population complexes that were recently built, and none proposed. Per TDHCA guidelines, all of the subject's restricted units should be included in the capture calculations. The subject contains 135 units, of which 135 will be rent-restricted. Therefore, a total of 135 units require absorption, of which 135 units will be rent-restricted. There are approximately 16,292 (HISTA) potential households (relevant to the rent restricted units) based on income eligibility, household size, and housing preference in the subject's primary market.

HISTA Gross Capture Rate for 180 Affordable General Population Units 1.47%

THE CAPTURE RATE ABOVE IS OVERSTATED. I HAVE NOT INCLUDED DEMAND FROM SECTION 8 AND OTHER DEMAND SOURCES. BECAUSE THE CAPTURE RATE WAS WITHIN TDHCA'S GUIDELINES WITHOUT THE INCLUSION OF THESE DEMAND SOURCES, THAT DEMAND WAS NOT QUANTIFIED IN THIS REPORT.

Absorption: A recent Family HTC project which has come on-line in the Austin area is Kaia Pointe (102 units), which opened in fall of 2018. The current leasing agent estimated the lease-up was 8 months, based upon when she joined the property, resulting in an average absorption of approximately 13 units per month. An other family HTC property which has come on-line recently was Live Oak Apartments (108 units) which reported a similar absorption period. Most recent family HTCs in the central Austin area reported average absorption of 20+ units per month. I estimate absorption at 15 to 25 units a month and the property should stabilize within 5 to 8 months of opening.

Effect of Subject Property on Existing Apartment Market: Based on the high occupancy levels of the existing properties in the market, the subject's stabilized occupancy, and the lack of good quality affordable housing, along with the recent strong absorption history, I project that the subject property will have minimal sustained negative impact upon the existing apartment market. Any negative impact from the subject property should be of reasonable scope and limited duration.

Certification of Interest: The individuals performing this study do not have any interest or prospective interest in the development of the subject property.

4. Development Proposal

d. Continuum of Care

As part of the tax credit application Parker Apartments has committed to set aside 2% of total units for Persons experiencing homelessness and referred from the Continuum of Care or other local homeless service providers.

4. Development Proposal

e. Resident Services

- i. A description of the services to be provided to residents and/or clients, and the estimated annual cost of providing those services. If the development will also be applying for LIHTC, please reference the specific services as allowed for by TDHCA's Qualified Allocation Plan (QAP).

Foundation Communities will provide free, supportive service programs that will educate, support and improve health and financial standing for residents. As part the tax credit application, Parker Apartments has committed to providing a combination of services from the QAP for 45 years. Actual services to be provided are expected to be much more extensive than what will be committed for tax credits. Supportive Service programs to be offered on site include:

- **Free Afterschool and Summer Program** – All children living on-site will have access to Foundation Communities' free afterschool and summer programs, which offer academic assistance, enrichment activities, fitness activities, nutrition lessons, and support services. We provide a structured, supervised environment with rewarding, hands-on educational, cultural, artistic, and recreational activities for youth ages 5-14 designed to develop important social skills and improve educational performance. FC maintains a strong relationship with nearby schools and partners with teachers to help each child succeed. We also provide free, nutritious snacks and lunches during the summer.
- **Children's Home Initiative** – 18% of units will be set-aside for extremely low income families experiencing homelessness and will receive services through FC's Children's HOME Initiative (CHI) Program. CHI staff work one-on-one with families to develop and implement plans to guide them toward housing stability, economic independence, and accessing education—everything from budgeting and applying for benefits, to connecting with workforce and childcare options, to liaising with schools and other supportive service providers.
- **Adult Classes** – Foundation Communities believes it is important to offer “at your door” education opportunities to adults, especially families that may have limited access to child care outside of work hours that would allow for attendance at off-site programs. Actual offerings will depend on resident needs but may include classes in English as a Second Language, computer skills, and Financial Literacy.
- **Health Initiatives** – A variety of programming focused on health and wellness will be offered, and tailored to the specific needs of the target population and residents. This will include access to healthy food through an on-site food pantry, healthy cooking classes, Zumba and other exercise classes, and periodic health fairs that bring a variety of providers on-site for health screenings, immunizations, and similar services.

4. Development Proposal

e. Resident Services

- iv. Description of the organization(s) providing the services and a memorandum of understanding or some other type of signed agreement that indicates the relationship between the developer and service provider, if the services are provided by an external organization.

The majority of supportive services will be provided by Foundation Communities staff and volunteers. We do, however partner with more than fifty nonprofits and community groups to provide additional services. Some significant partnerships include: Creative Action, Safe Place, Sustainable Food Center, Goodwill, Austin Public Health, CommUnity Care, and Life Works.

- v. Resumes of key personnel who will be actively involved in the delivery of services including information on certifications, licenses, years of experience, and education.

Learning Center Coordinator - A full-time Learning Center Coordinator will coordinate services offered to residents of Parker Apartments. This person will lead resident services staff and volunteers, collaborate with community partners, work with FC's Health Initiatives team to coordinate the on-site Food Pantry, work closely with property management to help residents maintain their housing, and coordinate service delivery that promotes the empowerment and self-sufficiency of all residents. Services include, but are not limited to, helping residents increase their income by improving their job skills to expand employment opportunities, encouraging residents to participate in the on-site Adult Education classes and health programs, helping residents access public entitlements (e.g. SSI, Unemployment), and connecting interested residents to the Mental Health programs. The Services Coordinator must have a Bachelor's degree in social work or related field and a minimum of 3 years of relevant experience.

Intensive Case Manager - The full-time Intensive Case Manager will be located on-site and dedicated to residents participating in the CHI program. The Intensive Case Manager is available to work one-on-one with residents on a weekly basis to develop a self-sufficiency plan; connect residents with workforce services; provide information, guidance, and support in making critical healthcare decisions; assist in applying for public benefits such as Medicaid, act as an advocate with the resident in managing any problems that arise in these systems; and coordinate other supportive service providers and property management to maintain housing stability. The Intensive Case Manager must have a Bachelor's degree in social work or related field and a minimum of 3 years of relevant experience.

4. Development Proposal

e. Resident Services

Key leadership roles involved in service delivery.

- **Marisela Montoya – Chief Programs Officer.** Marisela oversees our education, health and financial stability programs. For 29 years, Marisela has worked overseeing and implementing programs for youth and adults, including 8 years with Austin ISD as a program director and program specialist. She has been with Foundation Communities for 19 years, first as Learning Center Manager, then Director of Educations and now Chief Programs Officer. Marisela graduated from the University of Texas with a degree in Psychology and holds a certificate in Nonprofit Leadership and Management from Austin Community College and Texas Association of Nonprofit Organizations.
- **Danette Lopez Garza– Director of Family Supportive Housing** Danette graduated from the University of Texas at Austin with a degree in Government. She has 16 years’ experience working with Central Texas non-profits serving the most needy at The Capital Area Food Bank in Agency Relations, The Caring Place as Program Coordinator and Foundation Communities for the last 11 years in the Children’s HOME Initiative. She serves on the board of the Social Service Case Management Network and RBI Austin Mentoring board.
- **Kori Hattemer – Director of Financial Programs.** In this capacity, she oversees Foundation Communities' free tax preparation, college support services, one-on-one financial coaching, and money management classes. Prior to joining Foundation Communities, Kori was the Associate Director of Savings & Financial Capability at CFED. Kori received her Master of Public Affairs degree at the University of Texas, where she also completed her undergraduate degree.
- **Rita Ortega—Director of Health Initiatives.** Rita joined Foundation Communities in 2019. Prior to taking over as Interim Director, she served as the Program Manager for Health and Nutrition, overseeing FC’s food pantry and health education programs. She has over 15 years of public health education experience with the American Cancer Society, Austin Public Health, and the Texas Department of State Health Services. She earned her bachelor’s degree in Kinesiology from the University of Texas at Austin and her master’s degree in Health Education from Texas State University. Rita is a Master Certified Health Education Specialist.

4. Development Proposal

e. Resident Services

vi. Financial capacity of the Services provider:

Foundation Communities has a strong track record of fundraising to cover these programs. Funding for the supportive services at Parker Apartments will come from a combination of cash flow, grants and fundraising from private foundations, corporations and individuals. This is the same method used to fund the supportive service programs at all our existing properties. FC has raised approximately \$45 million over the past 5 years to fund services at our existing 22 properties in Austin. We have deep relationships with the donor community, a well-funded Central Reserve, and maintains a healthy portfolio contributing strong ongoing revenue to the organization, with all projects producing their targeted cash flow and reserves established by the Board. Below is the services budget.

Sources	Year 1	Year 2	Year 3
Foundations, Corporations and Individuals	\$294,150	\$302,975	\$312,064
Cash Flow after deferred fee	\$0	\$0	\$0
TOTAL SOURCES	\$294,150	\$302,975	\$312,064

Uses	Year 1	Year 2	Year 3
Payroll	\$209,000	\$215,270	\$221,728
Taxes and Benefits	\$41,800	\$43,054	\$44,346
Supplies/ Admin	\$28,450	\$29,304	\$30,183
Direct Aid to Clients	\$14,900	\$15,347	\$15,807
TOTAL	\$294,150	\$302,975	\$312,064

4. Development Proposal

f. Affordability Unlocked



City of Austin

P.O. Box 1088, Austin, TX 78767
<https://www.austintexas.gov/department/housing-planning>

Housing and Planning Department

February 8th, 2022

FC Parker Housing, LP – (Project ID 697)
Affordability Unlocked Development Bonus Certification (Rental)

TO WHOM IT MAY CONCERN:

FC Parker Housing, LP (development contact: Walter Moreau: 512-610-4016 (o); walter.moreau@foundcom.org) is planning to develop **Parker Apartments, 135-unit** development at **2105 Parker Lane, Austin TX 78741**. The applicant has elected to participate in the City of Austin's Affordability Unlocked Development Bonus Program, Type 2.

The Housing and Planning Department (HPD) certifies that the project, at the site plan submittal stage, meets the affordability requirements to qualify as a Type 2 development and is eligible to receive waivers and modifications of development regulations as described in Ordinance No. 20199509-027. The development must still comply with all other applicable development regulations, including environmental and watershed regulations.

If changes are made through the review process, the applicant must notify HPD and an amendment to the Affordability Unlocked Land Use and Restrictions Agreement must be made and a revised Affordability Unlocked Certification letter must be issued.

An administrative hold will be placed on the building permits, until the following items have been completed: 1) the number of affordable units have been finalized and evidenced through a sealed letter from project architect, and 2) a Restrictive Covenant stating the affordability requirements and terms has been filed for record at the Travis County Clerk Office.

Please contact Alex Radtke by phone 512.974.2108 or by email at alex.radtke@austintexas.gov if you need additional information.

Sincerely,

Alex Radtke

Alex Radtke, Project Coordinator
Housing and Planning Department

4. Development Proposal

g. SMART Housing



City of Austin

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

Housing and Planning Department

June 3, 2021 (Revision to letter dated January 5, 2021)

S.M.A.R.T. Housing Certification- Foundation Communities, Inc. –Parker Apartments – Project ID 697

TO WHOM IT MAY CONCERN:

Foundation Communities, Inc. (development contact: Walter Moreau: 512-610-4016 (o); walter.moreau@foundcom.org) is planning to develop Parker Apartments, a **135-unit, multi-family** development at 2105 Parker Lane, Austin TX 78741. The project is subject to a minimum 5-year affordability period after issuance of certificate of occupancy, unless project funding requirements are longer.

This revision updates the total unit count from 154 to 135 units and the following MFI unit distribution. It also updates the zoning change from MF-4-NP to MF-3.

This development was approved for a zoning change from SF-3-NP to MF-3. The applicant has submitted evidence of contacting the East Riverside/Oltorf Neighborhood Plan Contact Team advising them of their project. The applicant has indicated they will address any legitimate concerns of the neighborhood residents.

The Housing and Planning Department (HPD) certifies the proposed project meets the S.M.A.R.T. Housing standards at the pre-submittal stage. Since **100%** of the units will serve households at or below **60% MFI**, the development will be eligible for 100% waiver of fees listed in Land Development Code, Chapter 25-1-704, as amended or other fees waived under a separate ordinance. The unit mix is as follows: **10% of the units (14 units) will serve households at or below 30% Median Family Income (MFI); 50% of the units (68 units) will serve households at or below 50% MFI; and 40% of the units (53 units) will serve households at or below 60% MFI.** The expected fee waivers include, but are not limited to, the following fees:

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

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

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

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

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

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

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

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

Please contact me by phone 512.974.2108 or by email at alex.radtke@austintexas.gov if you need additional information.

Sincerely,

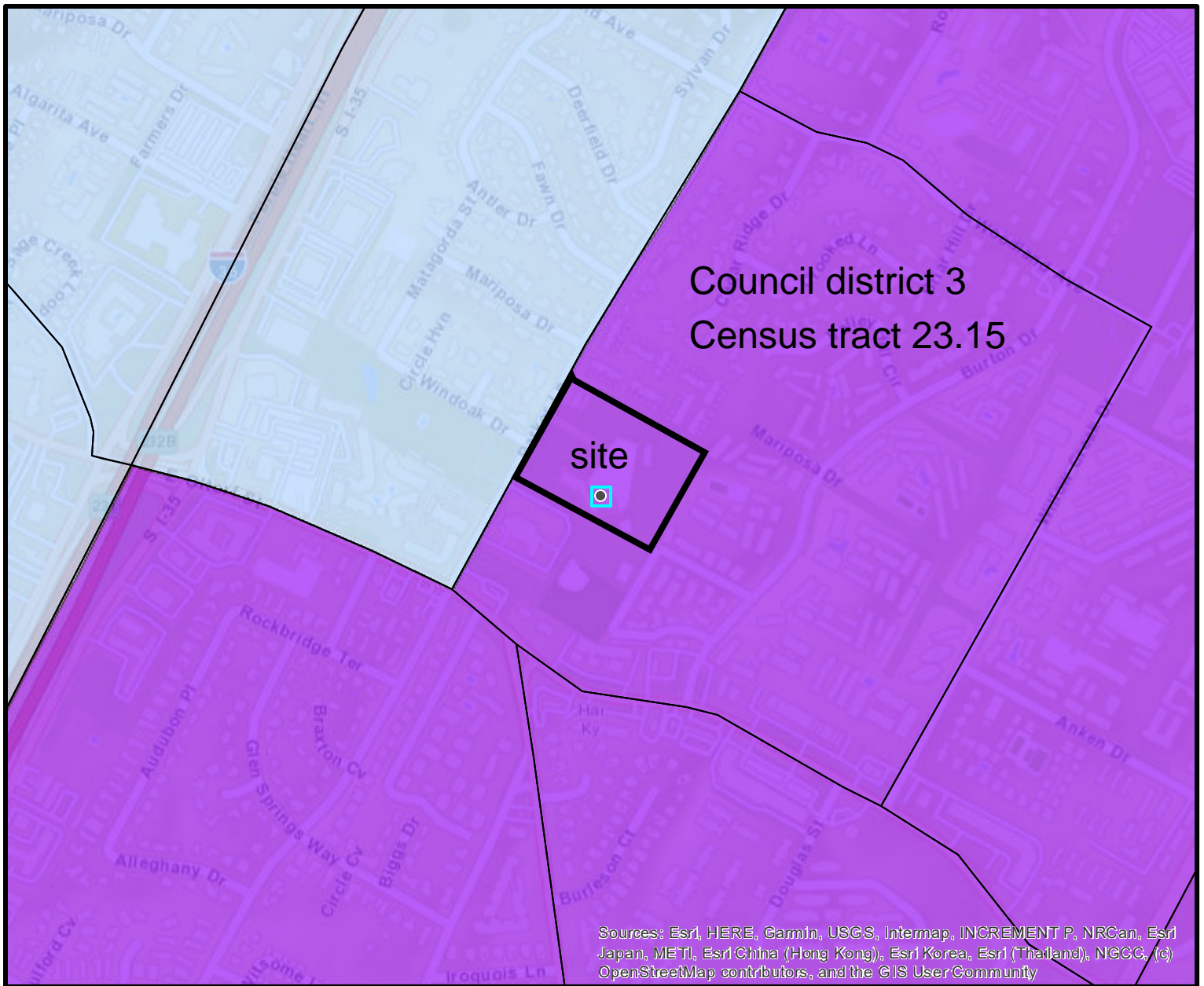


Alex Radtke, Project Coordinator
Housing and Planning Department

Cc: Kristin Martinez, AE Ellis Morgan, HPD Jonathan Orenstein, AWU
Mashell Smith, ORS

5. Property

a. Maps



Property Label

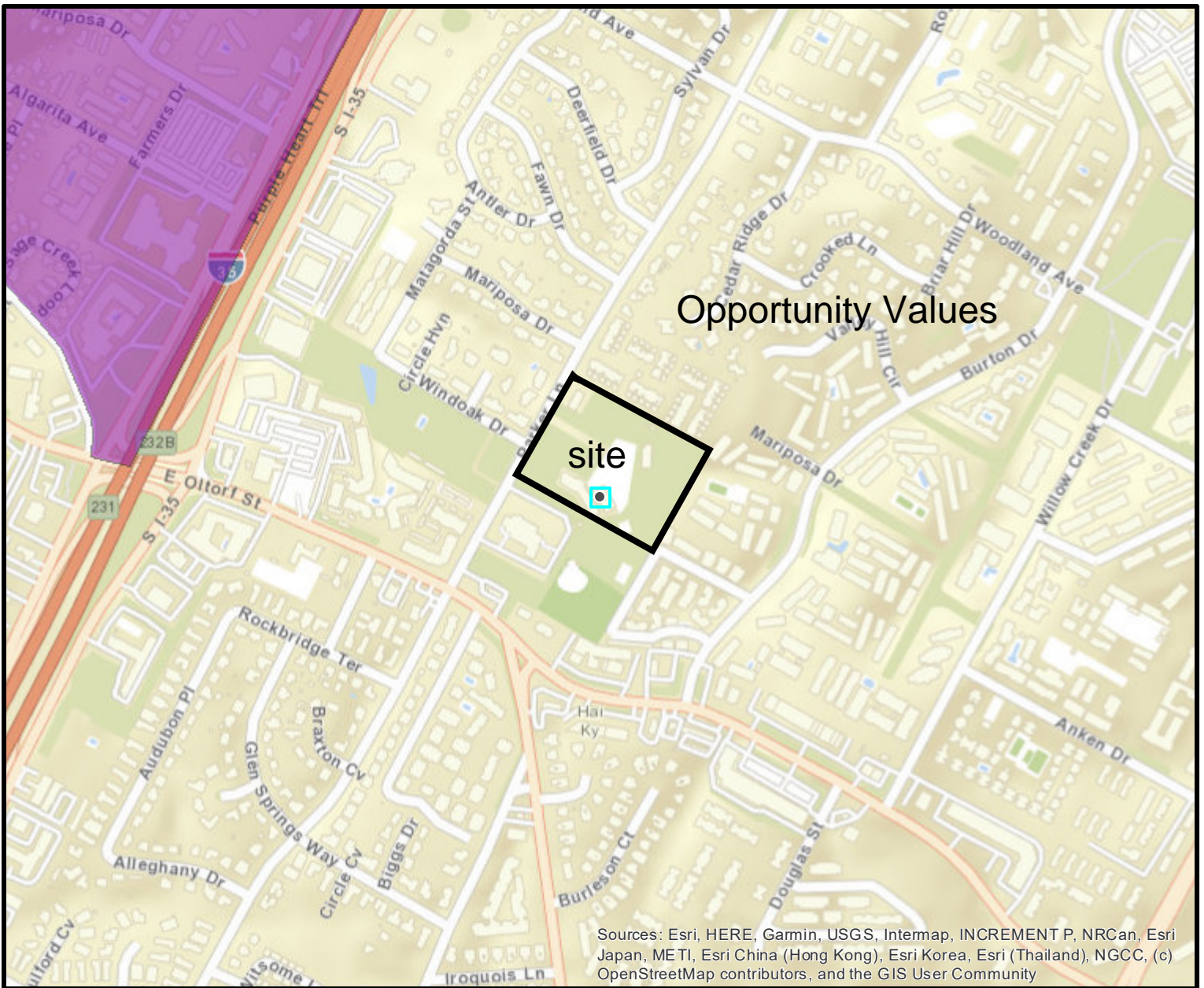
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- Address: Address Label
- Land Attributes: Land Label
- ORES Management ID: ORES ID Label
- ORES File Number: ORES File Label
- Restrictions: Restrictions Label
- Restrictions & Protection Comments: Comments Label

- Land Classification: Classification Label
- Land Category: Land Category Label
- Approximate Acreage: Acreage Label
- Appraisal District: Appraisal Label
- Appraisal District Property ID: Property ID Label
- Maximo Asset Tracking Number: Maximo Label



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Property Label

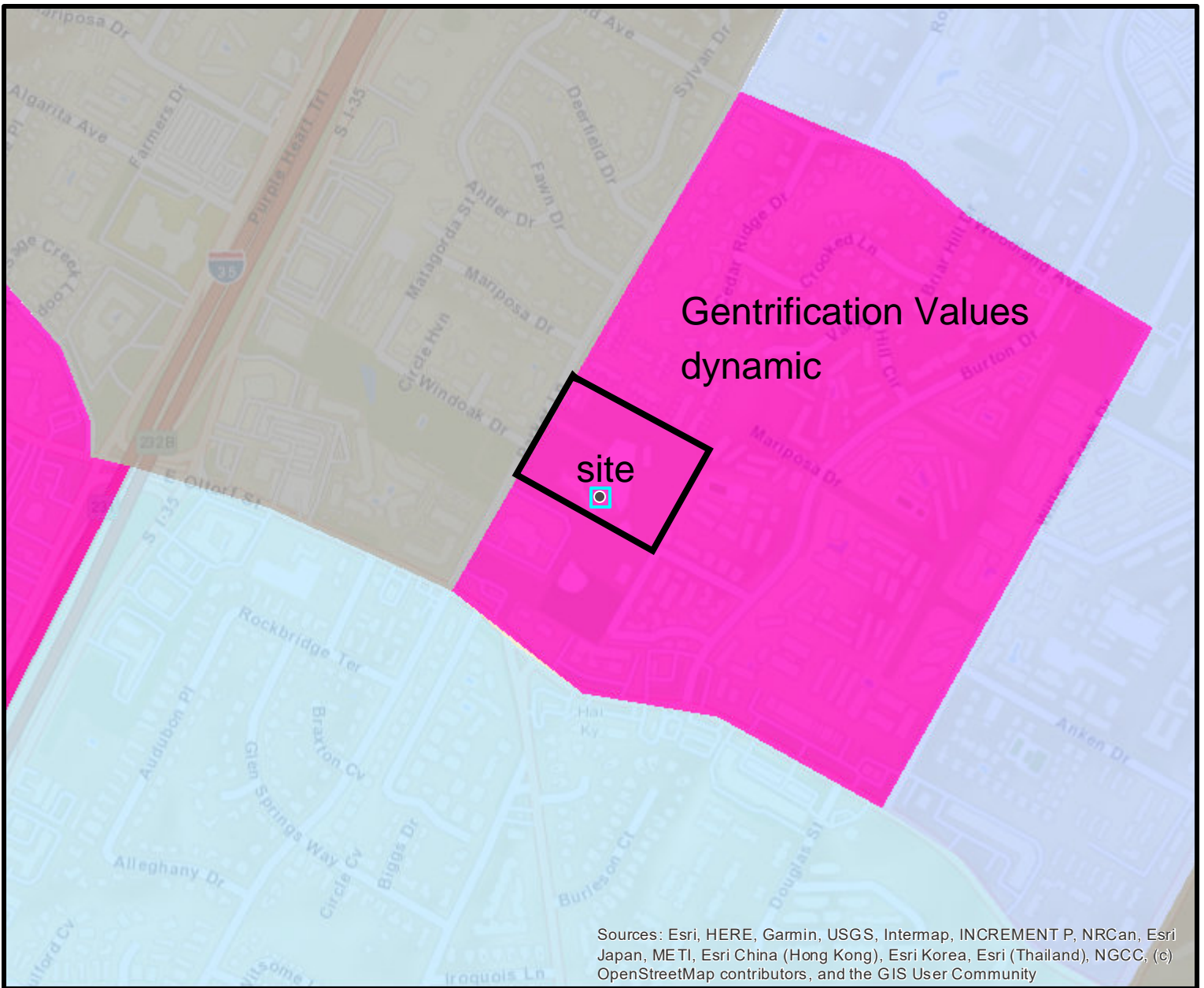
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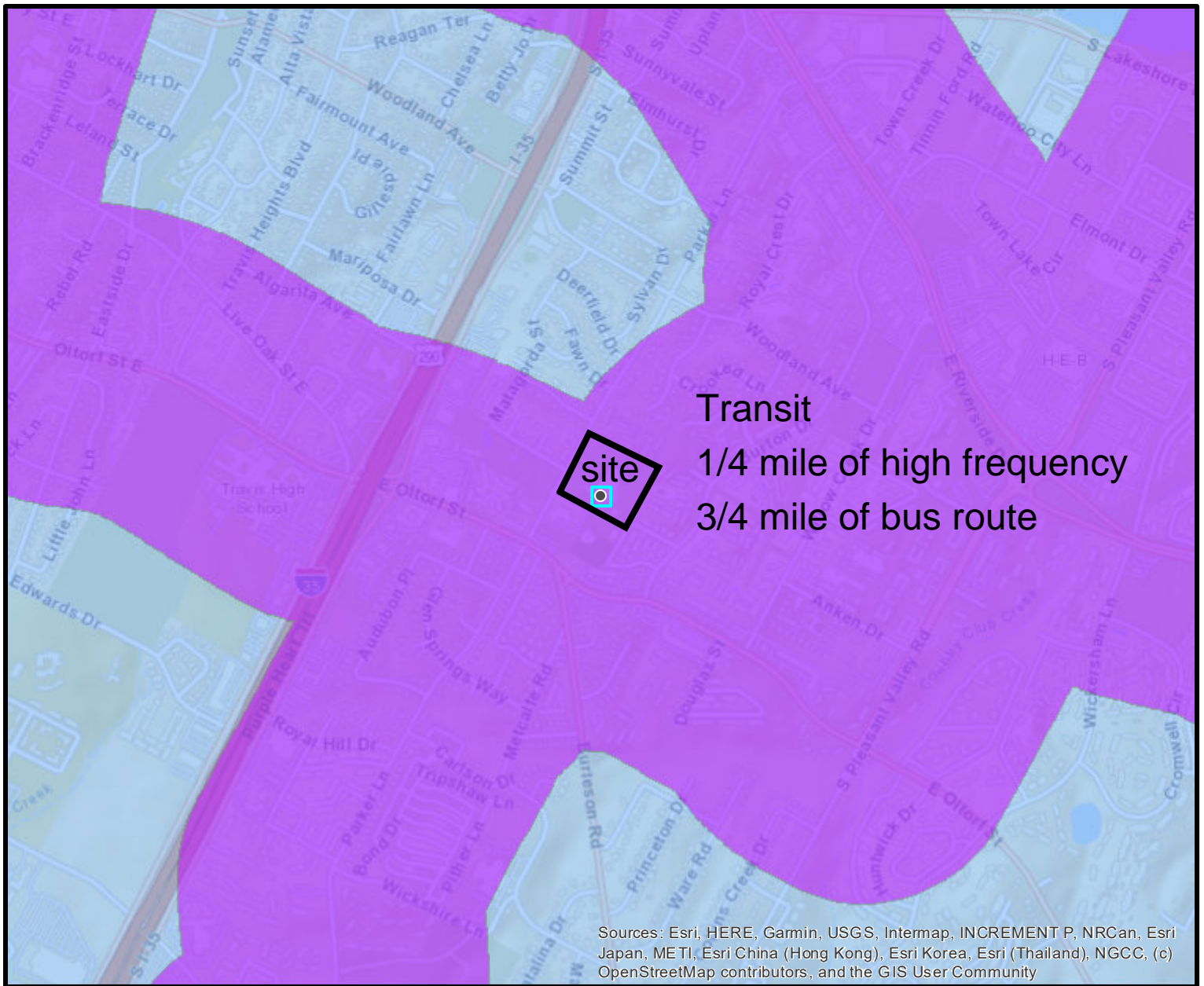
Gentrification Values

ArcGIS Web AppBuilder

5/7/2021

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Property Label

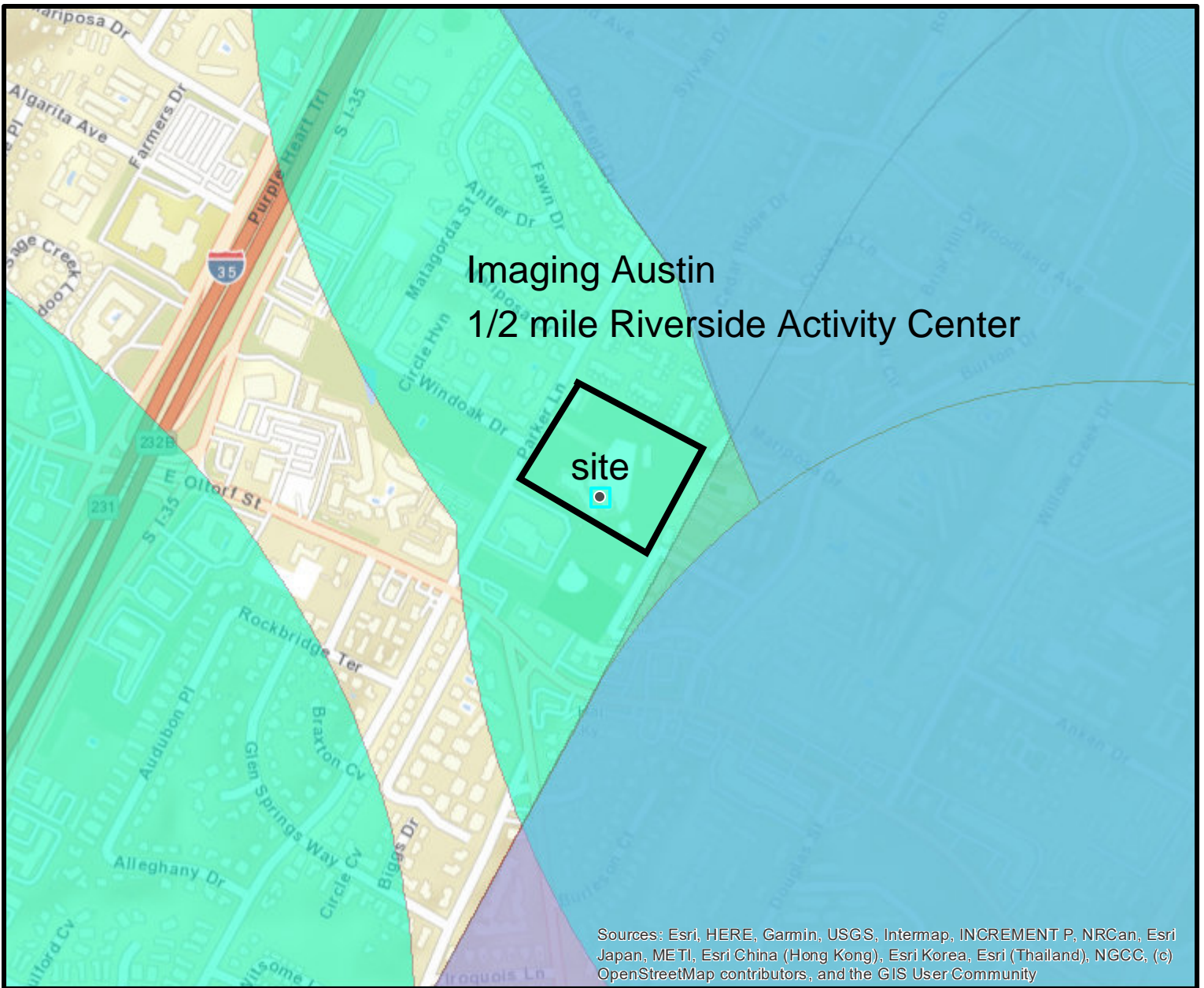
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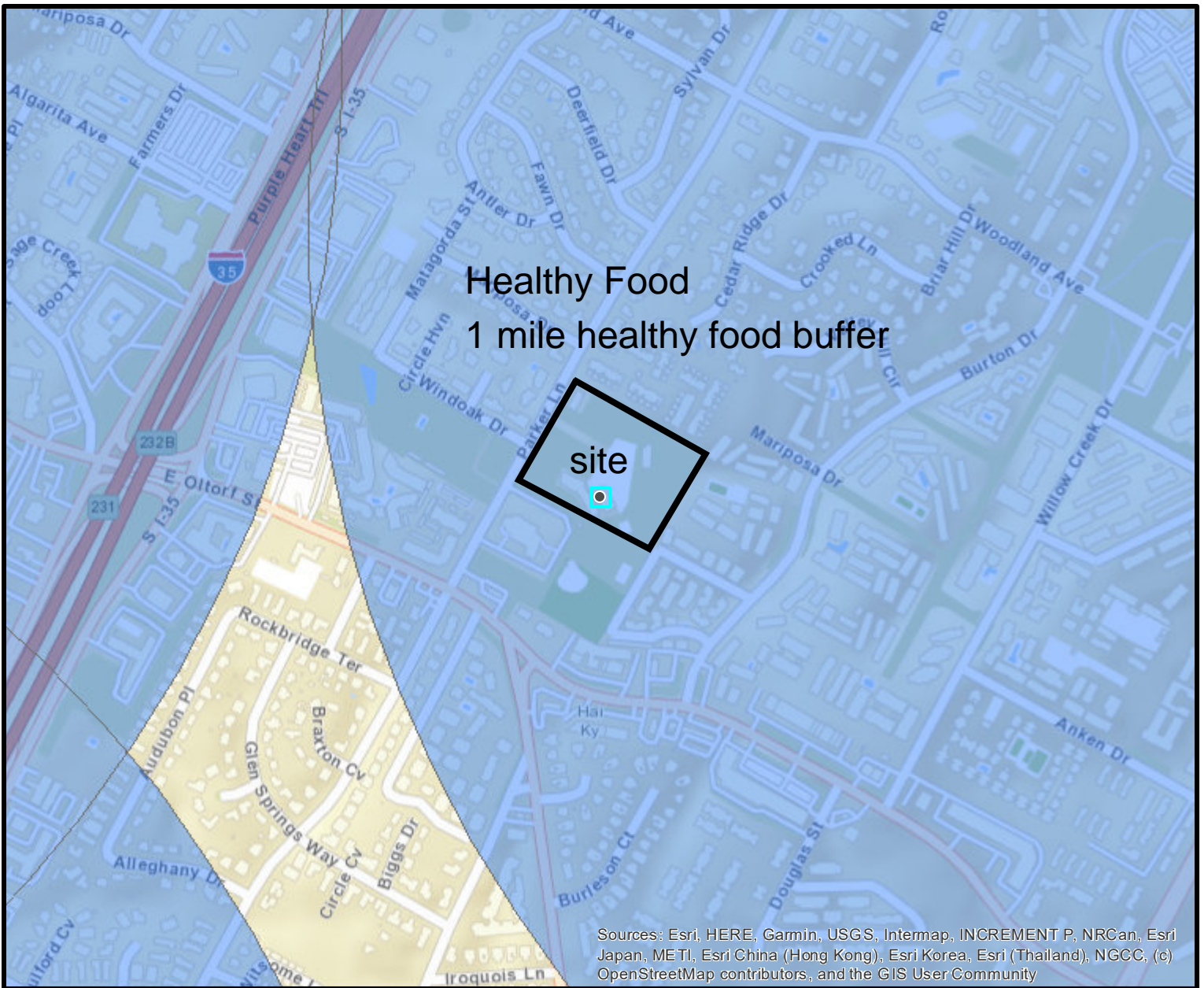
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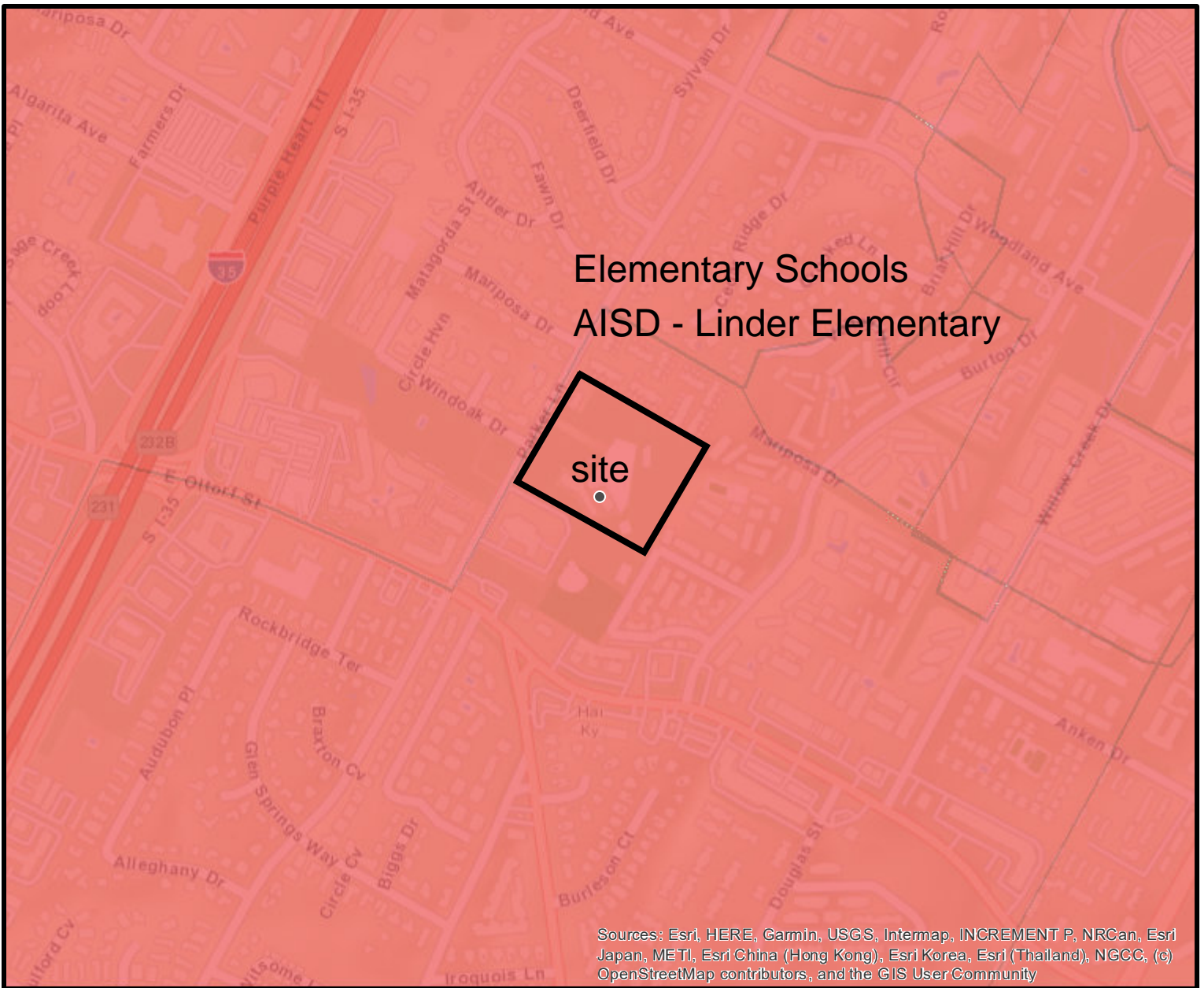
Healthy Food

ArcGIS Web AppBuilder

5/7/2021

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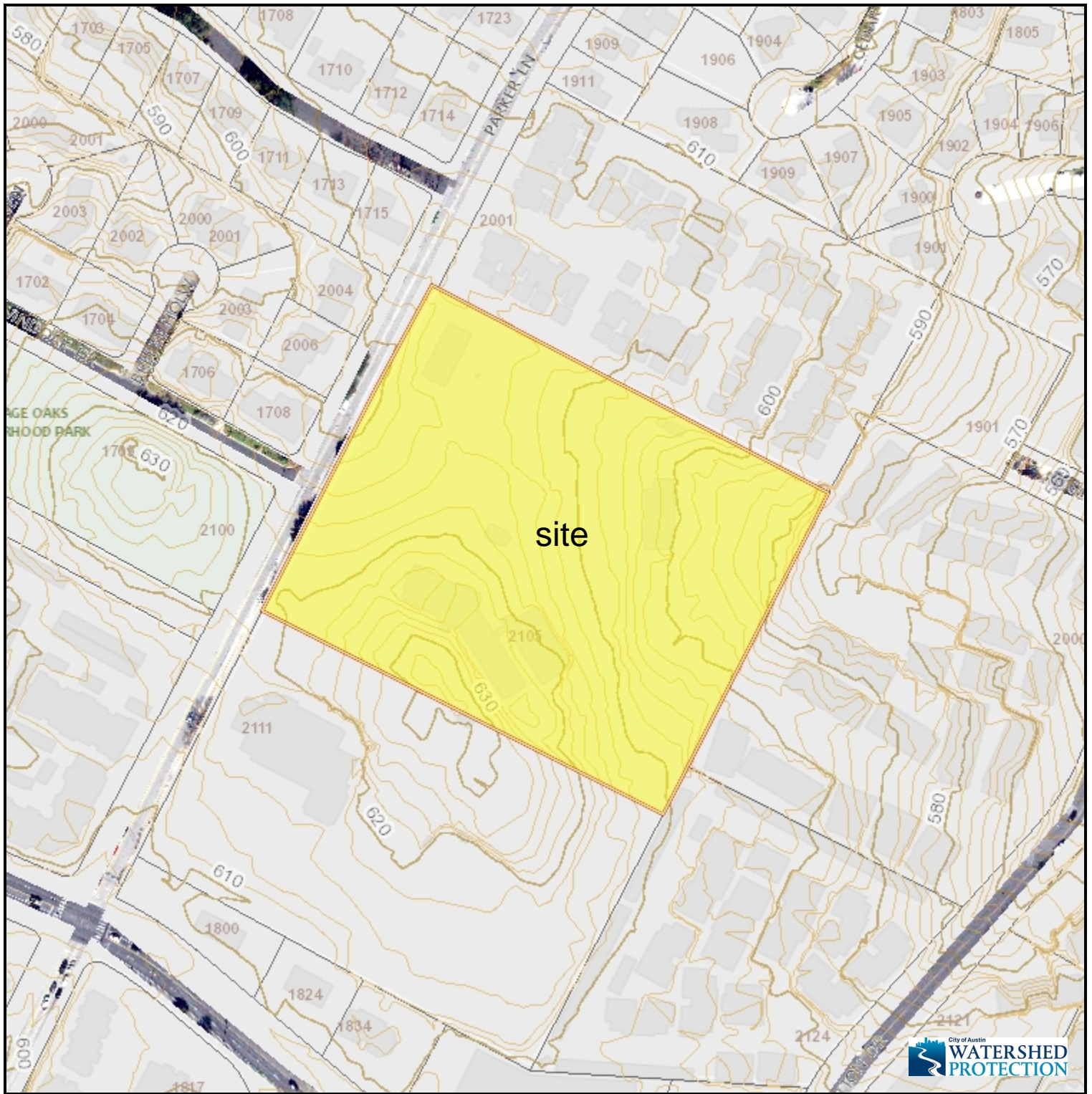
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City of Austin Regulatory Floodplains

The City of Austin Watershed Protection Department produced this product for informational purposes. It is not intended for or suitable for legal, engineering, or surveying purposes. It does not represent an on-the-ground survey and represents only the approximate relative locations of property boundaries. No warranty is made by the City of Austin regarding specific accuracy or completeness. Final determination of the floodplain status for a property must be based on a topographic survey by a Texas registered professional. For regulatory purposes, 100-Year floodplain elevations must be determined from an engineering model created in accordance with the Drainage Criteria Manual and approved by the City of Austin.

0 200 400 Feet



Prepared: 5/6/2021

	Address
	Contour
	Index
	Intermediate
	Parcel
Fully Developed Floodplain	
	COA Fully Developed 25-Year
	COA Fully Developed 100-Year
	COA Master Plan 25-Year
	COA Master Plan 100-Year
	100-Year (Detailed-AE)
	100-Year (Shallow-AO,AH)

5. Property

b. Appraisal

5. Property

c. Site Control

In December 2021, Foundation Communities executed a Ground Lease Agreement with United Methodist Rio Texas Board of Trustees for the property located at 2105 Parker Ln, Austin, TX 78741. The Agreement specifies a 99 year term and one lump payment of \$3,450,000.

GROUND LEASE

By and Between

United Methodist Rio Texas Conference Board of Trustees
(“**Lessor**”)

and

FC Parker Housing, LP (“**Lessee**”)

GROUND LEASE

This Ground Lease (this "**Lease**") is executed this 22 day of December, 2021 by and between **UNITED METHODIST RIO TEXAS CONFERENCE BOARD OF TRUSTEES**, a Texas non-profit corporation ("**Lessor**") and **FC PARKER HOUSING, LP**, a Texas limited partnership ("**Lessee**").

Recitals

A. Lessor owns approximately 7.82 acres of real property located at 2105 Parker Lane, Austin, Texas 78741 and more particularly described on Exhibit A attached hereto (the "**Land**").

B. Lessee desires to lease the Land from Lessor for purposes of developing, constructing, owning and operating an Affordable Housing Complex (defined below) on the Land.

C. Lessee and Lessor are parties to that certain Option to Ground Lease dated January 6, 2020, as amended (the "**Option Agreement**"), and Lessee has exercised its option under the Option Agreement to lease the Land from Lessor. This Lease is the Ground Lease contemplated under the Option Agreement.

NOW, THEREFORE, the parties enter into this Lease upon the terms and conditions herein set forth.

ARTICLE I DEFINITIONS

In addition to the terms set forth above and elsewhere in this Lease, the following terms shall have the following meanings:

1.01 "**Affordable Housing Complex**" means an approximately 135-unit multifamily residential apartment project (which may be adjusted, from time-to-time, subject to the terms and conditions of Section 5.01, but in no event shall the number of apartment units decrease by more than ten percent), where all of the apartment units are reserved for rental by residents and families with annual average household earnings which do not exceed 80% of the annual median family income in the Austin statistical metropolitan area.

1.02 "**Approved Plans**" means plans (i.e., floor drawings) for the Affordable Housing Complex set forth in Exhibit A-1 attached hereto, subject to such adjustments as may be reasonably necessary for issuance of a site development permit from the City of Austin pursuant to case number 2021-106676-SP and a building permit for initial construction of the Affordable Housing Complex.

1.03 "**Business Days**" means a day that is not a Saturday, Sunday or legal holiday. The term "legal holiday" means any federal holiday for which financial institutions or post offices in Austin, Texas, are generally closed for observance thereof.

1.04 "**Commencement Date**" means the date of execution of this Lease by both Lessor and Lessee.

1.05 "**Delinquency Interest Rate**" means a per annum rate of interest equal to the lesser of (1) the "**Prime Rate**" plus 4% or (2) the then highest lawful contract rate which Lessee is authorized to pay and Lessor is authorized to charge under the laws of the State of Texas with respect to the relevant obligation. "**Prime Rate**" means the "prime rate" published in The Wall Street Journal as being the base rate on corporate loans at large U.S. money center commercial banks on the first business day following the due date of such payment. If The Wall Street Journal ceases to publish such a prime rate, Lessor shall designate as the Prime Rate (subject to Lessee's reasonable approval) the per annum interest rate which is publicly announced (whether or not actually charged in each instance) from time to time (adjusted daily) as its "prime rate" (or if there is no "prime rate," a similar borrowing reference rate) by a large U.S. money center commercial bank designated by Lessor.

1.06 "**Foundation Communities**" means Foundation Communities, Inc., a Texas nonprofit corporation, and any successor nonprofit corporation with a similar mission of providing affordable housing to disadvantaged communities which succeeds, by merger or otherwise, to all or substantially all of the assets of Foundation Communities, Inc.

1.07 "**Force Majeure**" means acts of God; strikes, lockouts, or other industrial disturbances, acts of public enemies, orders of any kind of the government of the United States, including, but not limited to, the State of Texas or any civil or military authority, insurrections, riots, epidemics, landslides, lightning, earthquakes, fires, hurricanes, storms, floods, washouts, droughts, arrests, restraint of government and people, civil disturbances, explosions, breakage or accidents to machinery, pipelines, or canals, pandemics or epidemics, or other causes not reasonably within the control of the party claiming such inability. The term "force majeure" will specifically include an attack by terrorists within the United States that results in a disruption of the financial markets for a period of more than two (2) weeks.

1.07 "**Governmental Authority**" means all federal, state, and local governmental agencies having jurisdiction over the Property.

1.08 "**Improvements**" means any and all improvements (including the Affordable Housing Complex), structures, buildings, utilities, landscaping, and signage and any subsequent additions, alterations, and fixtures thereto, other than furniture and personalty.

1.09 "**Leasehold Estate**" means Lessee's interest in the Property under this Lease.

1.11 "**Leasehold Mortgage**" means any mortgage or deed of trust covering or encumbering the Leasehold Estate, including, without limitation, any mortgage or deed of trust given to secure a loan to finance construction of the Affordable Housing Complex.

1.12 "**Leasehold Mortgagee**" means the owner or holder of any Leasehold Mortgage.

1.13 "**Lessor/Leasehold Mortgagee Agreement**" means a written agreement entered into between Lessor and any Leasehold Mortgagee in connection with Lessee's obtainment of a Leasehold Mortgage.

1.14 "**Property**" means the Land and the Improvements.

1.15 "**Taxes**" means all taxes, general and special assessments, and other charges of every description which are levied on or assessed against the Land and all interests in the Land and all Improvements and other property on the Land during the term of this Lease. If at any time a tax or excise on rents is levied or assessed against Lessor or the compensation payable or performable by Lessee as a substitution in whole or in part for taxes assessed or imposed on the Property, the same shall be deemed to be included within the term "**Taxes**", and Lessee shall pay and discharge such tax or excise in accordance with Section 8.01.

ARTICLE 2 GROUND LEASE

2.01 **Lease**. In consideration of the mutual covenants and agreements set forth in this Lease, and other good and valuable consideration, Lessor does hereby lease to Lessee, and Lessee does hereby lease from Lessor, the Land, together with all rights, privileges, improvements, easements, appurtenances, and immunities belonging to or in any way appertaining to the Land, including, but not limited to, any and all easements, rights, title, and privileges of Lessor, existing now or in existence at any time during the Term in, to, or under the Land, adjacent streets, sidewalks, alleys, party walls, and property contiguous to the Land, but excluding any and all rights, privileges, improvements, easements, appurtenances, and immunities pertaining to any other real property owned by Lessor.

2.02 **Ownership of Improvements**. The Improvements and all other improvements constructed on the Land during the Term (other than trade fixtures owned by tenants in the Affordable Housing Complex) shall be owned by Lessee during the Term. Upon termination of this Lease for any reason, the Improvements shall become the property of Lessor without necessity of further action by Lessee or any other party.

2.03 **Quiet Enjoyment**. As long as Lessee performs its obligations under this Lease, Lessee shall lawfully and quietly hold, occupy, and enjoy the Land during the Term without hindrance or molestation by Lessor or any person claiming by, through, and under Lessor, except such portion of the Land, if any, as shall be taken under the power of eminent domain, and all matters of record as of the date of this Lease, and any matter that would be revealed by a current survey, including visible and apparent easements, encroachments, and boundary line conflicts, if any.

2.04 **Termination of Option Agreement**. Lessee has exercised its Option under the Option Agreement, and the Option Agreement is hereby terminated and of no further force or effect.

2.05 **Net Lease**. This Lease constitutes a net lease, and the obligations of Lessee hereunder are absolute and unconditional. Lessee shall pay all expenses (including, without limitation, Taxes) arising out of the development, use, operation and/or occupancy of the

Affordable Housing Complex and the Property. All Rent shall be absolutely net to Lessor, so that this Lease shall yield net to Lessor the full Rent to be paid during the Lease Term. Accordingly, all costs, expenses (including, without limitation, Taxes) and obligations of every kind or nature whatsoever, relating to the Property and Affordable Housing Complex, which may arise or become due during the Lease Term, shall be paid by Lessee, and Lessor shall be indemnified and held harmless by Lessee from and against the same.

2.05 **AS IS**. IT IS UNDERSTOOD AND AGREED THAT THE PROPERTY IS BEING LEASED HEREUNDER "AS IS," "WHERE IS" AND WITH ANY AND ALL FAULTS AND LATENT AND PATENT DEFECTS WITHOUT ANY EXPRESS OR IMPLIED REPRESENTATION OR WARRANTY BY LESSOR. LESSOR HAS NOT MADE AND DOES NOT HEREBY MAKE AND HEREBY SPECIFICALLY DISCLAIMS ANY REPRESENTATIONS OR WARRANTIES OF ANY KIND OR CHARACTER WHATSOEVER, EXPRESS OR IMPLIED, WITH RESPECT TO THE PROPERTY, ITS CONDITION (INCLUDING, WITHOUT LIMITATION, ANY REPRESENTATION OR WARRANTY REGARDING SUITABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE), ITS COMPLIANCE WITH ENVIRONMENTAL LAWS OR OTHER APPLICABLE LAWS, ANY MATERIALS OR INFORMATION MADE AVAILABLE TO LESSEE, OR ANY OTHER MATTER OR THING RELATING TO OR AFFECTING THE PROPERTY, AND LESSOR HEREBY DISCLAIMS AND RENOUNCES ANY REPRESENTATIONS OR WARRANTIES.

LESSEE ACKNOWLEDGES AND AGREES THAT IT IS ENTERING INTO THIS LEASE WITHOUT RELYING UPON ANY REPRESENTATION, WARRANTY, STATEMENT OR OTHER ASSERTION, ORAL OR WRITTEN, MADE BY OR ON BEHALF OF LESSOR BUT RATHER IS RELYING UPON ITS OWN EXAMINATION AND INSPECTION OF THE PROPERTY. LESSEE HEREBY EXPRESSLY ACKNOWLEDGES THAT IT HAS BEEN AFFORDED EVERY OPPORTUNITY TO EXAMINE AND INSPECT, AND HAS THOROUGHLY INSPECTED AND EXAMINED, THE PROPERTY TO THE EXTENT DEEMED NECESSARY BY LESSEE IN ORDER TO ENABLE LESSEE TO EVALUATE THE LEASE OF THE PROPERTY. LESSEE REPRESENTS THAT IT IS A KNOWLEDGEABLE OWNER AND LESSEE OF REAL ESTATE SUCH AS THE PROPERTY AND THAT IT IS RELYING SOLELY ON ITS OWN EXPERTISE AND THAT OF LESSEE'S CONSULTANTS. LESSEE HAS CONDUCTED SUCH INSPECTIONS AND INVESTIGATIONS OF THE PROPERTY AS LESSEE DEEMS NECESSARY OR APPROPRIATE, INCLUDING, BUT NOT LIMITED TO, THE PHYSICAL AND ENVIRONMENTAL CONDITIONS THEREOF, THE SQUARE FOOTAGE OF THE PROPERTY, IMPROVEMENTS AND INFRASTRUCTURE, IF ANY, DEVELOPMENT RIGHTS AND EXACTIONS, EXPENSES ASSOCIATED WITH THE PROPERTY, TAXES, ASSESSMENTS, BONDS, PERMISSIBLE USES, TITLE EXCEPTIONS, WATER OR WATER RIGHTS, TOPOGRAPHY, UTILITIES, ZONING OF THE PROPERTY, SOIL, SUBSOIL, THE PURPOSES FOR WHICH THE PROPERTY IS TO BE USED, DRAINAGE, BUILDING LAWS, RULES OR REGULATIONS, HAZARDOUS MATERIALS OR ANY OTHER MATTERS AFFECTING OR RELATING TO THE PROPERTY AND WILL RELY UPON SAME, AND ACCEPTS THIS LEASE SUBJECT TO THE RISK OF ANY ADVERSE MATTERS, INCLUDING, BUT NOT LIMITED TO, ADVERSE PHYSICAL AND

ENVIRONMENTAL CONDITIONS THAT MAY NOT HAVE BEEN REVEALED BY LESSEE'S INSPECTIONS AND INVESTIGATIONS. LESSEE HEREBY WAIVES AND RELINQUISHES ALL RIGHTS AND PRIVILEGES ARISING OUT OF, OR WITH RESPECT OR IN RELATION TO, ANY REPRESENTATIONS, WARRANTIES OR COVENANTS, WHETHER EXPRESS OR IMPLIED, THAT MAY HAVE BEEN MADE OR GIVEN, OR THAT MAY HAVE BEEN DEEMED TO HAVE BEEN MADE OR GIVEN, BY LESSOR. LESSEE HEREBY ACCEPTS THIS LEASE SUBJECT TO ALL RISK AND LIABILITY, INCLUDING, WITHOUT LIMITATION, UNDER ENVIRONMENTAL LAWS (AND AGREES THAT LESSOR WILL NOT BE LIABLE, INCLUDING, WITHOUT LIMITATION, NOT STRICTLY LIABLE, FOR ANY ACTUAL, SPECIAL, DIRECT, INDIRECT, CONSEQUENTIAL, PUNITIVE, EXEMPLARY OR OTHER DAMAGES) RESULTING OR ARISING FROM OR RELATING TO THE OWNERSHIP, LEASING, USE, CONDITION, LOCATION, MAINTENANCE, REPAIR, OR OPERATION OF THE PROPERTY. THE TERMS AND CONDITIONS OF THIS SECTION SHALL BE A SURVIVING OBLIGATION OF LESSEE AND WILL NOT MERGE WITH THE PROVISIONS OF ANY OTHER DOCUMENT. LESSEE FURTHER ACKNOWLEDGES AND AGREES THAT THE PROVISIONS OF THIS SECTION ARE A MATERIAL FACTOR IN LESSOR'S DETERMINATION OF THE RENT FOR THE PROPERTY.

ARTICLE 3 GROUND LEASE TERM

3.01 **Commencement Date and Termination Date.** The term of this Lease (the "**Term**") shall commence on the Commencement Date and shall continue until December 31 of the year that is ninety-nine (99) years following the Commencement Date, unless earlier terminated in accordance with this Lease (the "**Termination Date**").

ARTICLE 4 CONSIDERATION

4.01 **Rent.** Lessee shall pay to Lessor on the Commencement Date a single installment of Three Million Four Hundred and Fifty Thousand and 00/100 Dollars (\$3,450,000.00) ("**Rent**") as rent for the Property for the entire Term. Pursuant to the Option Agreement, Lessee is entitled to a credit against Rent in the amount of \$60,000 for earnest money deposits previously paid by Lessee under the Option Agreement which are applicable to Rent under the terms and conditions of the Option Agreement. The single installment of Rent for the Term has been bargained for and agreed to by Lessor and Lessee, and Lessor agrees that nothing in this Lease, including any early termination or expiration of the Term, shall entitle Lessee to a refund or reimbursement of all or any portion of the Rent. IN FURTHERANCE OF THE FOREGOING, LESSEE HEREBY IRREVOCABLY WAIVES ANY CLAIM OR RIGHT TO RECEIVE A REFUND OR REIMBURSEMENT OF ALL OR ANY PORTION OF THE RENT PAID BY LESSEE HEREUNDER.

ARTICLE 5 CONSTRUCTION OF IMPROVEMENTS

5.01 **Improvements.** Lessee shall be entitled to construct the Affordable Housing Complex in accordance with the Approved Plans, and following completion of construction, to repair and maintain the Affordable Housing Complex in the configuration set forth in the Approved Plans. Lessee shall not construct, or permit to be constructed, any other Improvements or alterations on the Property without Lessor's prior written approval; provided, however, following completion of construction of the Affordable Housing Complex, Lessee may elect to undertake alterations to the Affordable Housing Complex without obtaining Lessor's prior written consent so long as (a) Lessee is controlled by Foundation Communities, (b) there has been no change to the Permitted Use set forth in Section 7.01, and the proposed alteration is consistent with the Permitted Use set forth in Section 7.01, and (c) Lessee provides Lessor with reasonable advance written notice before applying for any Permits or Approvals (defined below) for the proposed alteration. Alterations to the Affordable Housing Complex which are consented to by Lessor or which do not require Lessor's consent under this Section 5.01 are referred to as "**Permitted Alterations**". For the avoidance of doubt, Permitted Alterations which do not require Lessor's consent shall explicitly include (without limitation) non-structural alterations that are consistent with the Permitted Use, such as solar-panel installation and the installation of playground equipment.

5.02 **Construction.** Lessee, at its expense, shall commence construction of the Affordable Housing Complex within one (1) year after the Commencement Date, and complete construction of the Affordable Housing Complex within three (3) years after commencement of construction. Upon completion of construction, Lessee shall obtain final certificates of occupancy for the Affordable Housing Complex from the City of Austin and provide copies of same to Lessor. In the event of any Permitted Alterations, Lessee shall promptly commence such alterations after obtaining Lessor's consent (or for alterations which do not require Lessor's consent, promptly commence such alterations after obtaining the applicable Permits and Approvals) and thereafter diligently and continuously pursue such alterations to completion.

5.03 **Encumbrances; Permits and Approvals.** Lessee shall not grant or enter into any easements, dedications, covenants, conditions or restrictions or any other encumbrances on title to the Land of any kind or nature ("**Encumbrances**") without obtaining Lessor's prior written consent; provided, however, Lessor agrees to grant such easements or other Encumbrances to the City of Austin as may be required by the City of Austin for issuance of the site development permit pursuant to case number 2021-106676-SP for the Affordable Housing Complex. Lessee shall not pursue or submit applications to any governmental authority for permits, approvals, zoning, subdivision plat, site development permit, demolition permit, building permit or any other governmental permit or approval of any kind ("**Permits and Approvals**"), without obtaining Lessor's prior written consent; provided, however, (i) Lessor consents to all Permits and Approvals necessary for initial construction of the Affordable Housing Complex in accordance with the Approved Plans, and (ii) Lessor's prior written approval will not be required for Permits and Approvals necessary for any Permitted Alterations.

5.04 **Redevelopment.** Except as expressly set forth in Section 9.01 and Section 9.02, the Improvements shall not be demolished or removed, redeveloped or rebuilt, without Lessor's prior written consent. Lessor agrees that its approval of any proposed demolition, removal, redevelopment, or reconstruction which is materially consistent with the Approved Plans will not be unreasonably withheld so long as there has been no change to the Permitted Use set forth in

Section 7.01, and the proposed redevelopment or reconstruction complies with the Permitted Use set forth in Section 7.01.

**ARTICLE 6
MECHANICS' LIENS**

Neither Lessee nor anyone claiming any interest in the Property by, through, or under Lessee shall have the authority to create any lien or other charge encumbering Lessor's estate in the Land without Lessor's written consent. Furthermore, Lessee shall not cause or permit any liens to be filed against Lessor's estate in the Land by reason of any work, labor, services, or materials supplied or claimed to have been supplied to or for Lessee. If any such lien is filed, Lessee shall cause the same to be removed or if Lessee in good faith desires to contest the lien, take timely action to do so, at Lessee's sole expense. **Lessee agrees to indemnify Lessor and hold Lessor harmless from all liability for damages occasioned by the lien or the lien contest** and shall, in the event of a judgment of foreclosure on the lien, cause the lien to be discharged and removed prior to execution of the judgment. Should any such lien arise out of the construction of the Improvements or any alterations, Lessee shall bond against or discharge the same within 30 days after written request by Lessor, **and shall defend, indemnify and hold Lessor and the Property harmless therefrom**. The foregoing provisions shall be in addition to, and not in limitation of, Lessor's rights and remedies under this Lease in the event a lien constitutes an Event of Default.

**ARTICLE 7
OPERATION, REPAIR, AND MAINTENANCE**

7.01 **Permitted Use**. Lessee shall have the right to use the Property for an Affordable Housing Complex, including the provision of nonprofit services to residents of the Affordable Housing Complex and non-residents belonging to other disadvantaged groups in the community (the "**Permitted Use**"). Further, Lessee shall have the right (in its sole and absolute discretion) to increase, or decrease by not more than ten percent, the number of multifamily residential apartment units at the Affordable Housing Complex, from time-to-time, without prior written approval of Lessor, so long as the conditions set forth in clauses (a), (b) and (c) of Section 5.01 are satisfied. No other use of the Property is permitted without Lessor's prior written approval, which approval shall not be unreasonably withheld if the proposed use is necessary and desirable for operation of the Affordable Housing Complex.

7.02 **Operations**. Lessee will continuously operate the Improvements as an Affordable Housing Complex in accordance with then-current best practices and procedures in the community-oriented affordable housing industry. Lessee shall keep the Property and Improvements in a clean and sanitary condition at all times. Lessee shall promptly remove all waste, debris, and graffiti from the Property and Improvements. Lessee is expressly prohibited from converting the Improvements or its leasehold estate in the Property into a condominium regime or other form of condominium or cooperative ownership.

7.03 **Compliance with Laws**. Lessee at its sole cost and expense shall comply with all federal, state and local laws, ordinances, codes, rules, regulations or orders regarding all portions of the Property and Lessee's use thereof, including, without limitation, all laws relating to health

and the environment. **Lessee shall defend, indemnify and hold harmless Lessor from and against any claims, damages, penalties, liabilities, and costs (including reasonable attorney's fees and court costs) caused by or arising out of Lessee's failure to comply with any applicable laws, ordinances, codes, rules, regulations or orders in accordance with this paragraph.**

7.04 **Waste; Nuisance.** Lessee shall not occupy or use the Property in any manner that will constitute waste, nuisance, or an annoyance to occupants of adjacent property, or permit any portion of the Property to be occupied or used for any purpose other than as expressly permitted herein, or which is unlawful or reasonably deemed by Lessor to be disreputable in any manner or extra hazardous on account of fire, nor permit anything to be done that will in any way invalidate or increase the rate of insurance on the Property.

7.05 **Hazardous Materials.**

(a) **Prohibition.** Lessee shall not bring on the Property any asbestos, petroleum, or petroleum products, explosives, toxic materials, or substances defined as hazardous wastes, hazardous materials, or hazardous substances by any federal, state or local law or regulation ("**Hazardous Materials**"), except in limited quantities required for Lessee's or a tenant's business that are kept, stored and maintained in strict accordance with all applicable laws, and except for fuel required for a backup emergency electrical generator that is kept, stored and maintained in strict accordance with all applicable laws. To the extent any Hazardous Materials exist within improvements to be demolished on the Property, Lessee shall be solely responsible for such demolition and or abatement in compliance with all applicable laws.

(b) **Indemnification.** Lessee shall defend, indemnify and hold harmless Lessor from and against any claims, damages, penalties, liabilities, and costs (including reasonable attorney's fees and court costs) caused by or arising out of (i) any violation of subparagraph (a) above or (ii) any release of any Hazardous Materials on, under, or about the Property. Lessee shall clean up, remove, remediate and repair any soil or ground water contamination and any other damage caused by the presence of any Hazardous Material brought onto the Property or by the release of any Hazardous Materials in, on, under or about the Property in accordance with the requirements of applicable law. Lessee shall immediately give Lessor written notice upon learning of the presence or release of Hazardous Materials, and upon receiving any notice from governmental agencies pertaining to Hazardous Materials pertaining to the Property. The obligations of Lessee under this Section shall survive the expiration or termination of this Lease for any reason.

7.06 **Maintenance and Repair.**

(a) **By Lessee.** Lessee will, at its own expense, keep and maintain the Property (including roof, walls, and foundation) in good repair, condition and working order, and will furnish or cause to be furnished, all parts, replacements, mechanisms, devices and servicing required therefor so that the value, condition and operating efficiency therefor will at all times be maintained and preserved, reasonable wear and tear excepted. Lessee shall pay, prior to delinquency, all charges for all utilities, and services furnished to or used by the Property.

(b) **No Obligation of Lessor.** Lessor shall under no circumstances be required to build any improvements or install any equipment on the Property, make any repairs, replacements, alterations or renewals of any nature to the Property or the Improvements, make any expenditure whatsoever in connection with this Lease or maintain the Property or the Improvements in any way. Lessor shall not be required to maintain, repair or rebuild all or any part of the Property or the Improvements, and Lessee waives any right which might arise by virtue of this Lease or pursuant to applicable laws to (a) require Lessor to maintain, repair or rebuild all or any part of the Property or the Improvements or (b) make repairs to the Property or the Improvements at the expense of Lessor pursuant to the terms of any applicable laws, contract, agreement, covenant, condition or restriction. Lessee hereby assumes the full and sole responsibility for the condition, operation, repair, replacement, maintenance and management of the Property and the Improvements.

ARTICLE 8 TAXES, INSURANCE, AND INDEMNITY

8.01 **Taxes.** During the Term, Lessee shall pay, prior to delinquency, all Taxes on the Property directly to the appropriate Governmental Authority. Upon Lessor's written request, Lessee shall promptly forward to Lessor, upon receipt by Lessee, copies of any bill or assessment respecting any Taxes. Lessee shall furnish to Lessor a copy of the receipted tax bill or other proof of payment promptly after the payment thereof. Lessee shall cause all Taxes levied upon any personal property situated in, on or about the Property to be levied or assessed separately from the Property and not as a lien thereon.

(a) **Exemption.** To the extent the Affordable Housing Complex and Permitted use of the Property are eligible for any exemptions from Taxes, Lessor shall reasonably cooperate in good faith with Lessee as reasonably necessary for Lessee to pursue and attempt to obtain any applicable exemptions. However, such cooperation shall be at Lessee's expense and Lessor shall not be obligated to incur any cost or expense (other than de minimus administrative expenses), liability, duties, or obligations in connection with Lessee's pursuit of exemptions from Taxes.

(b) **Protest of Tax Appraisal.** Lessee shall provide to Lessor a copy of any "Notice of Appraised Value" of the Property received by Lessee within ten Business Days after receipt (and if Lessor receives a Notice of Appraised Value for any reason, Lessor shall promptly provide a copy thereof to Lessee). If Lessee exercises any right to protest Taxes, Lessee shall be solely responsible for, and shall pay, all costs of such protest, and shall keep Lessor advised as to the status, progress, and results of such protest. If Lessee does not desire to protest Taxes, Lessor may protest such Taxes, provided that Lessor shall be solely responsible for, and shall pay, all costs of such protest, and shall keep Lessee advised as to the status, progress, and results of such protest. The non-protesting party shall cooperate with the protesting party, at the protesting party's own cost and expense, in any such protest, and will promptly execute all documentation, provide any information, and take and/or join in any action reasonably required to permit the protesting party to prosecute any permitted contest.

(c) **Lessee's Failure to Pay.** If Lessee fails to pay any Tax prior to delinquency, Lessor may (but shall not be obligated to) pay such Tax and Lessee covenants to reimburse Lessor on demand any amount paid by Lessor, with interest on the amount at the Delinquency Interest Rate. **In addition to and not in limitation of the foregoing, Lessee shall protect, indemnify, defend and hold harmless Lessor, the Property and all Improvements in, on, or about the same, any claims, damages, penalties, liabilities, and costs (including reasonable attorney's fees and court costs) caused by or arising out of Lessee's failure to timely and fully pay any and all Taxes, together with any interest, penalties or other sums thereby imposed, and from any sale or other proceeding to enforce payment thereof.**

8.02 **Insurance.** Lessee, at its sole cost and expense, shall, during the required periods set forth below, procure, pay for and keep in full force and effect the insurance described below, and otherwise comply with the insurance requirements below.

(a) **Builder's Risk.** Beginning on commencement of construction and continuing until the later of substantial completion of the Affordable Housing Complex or Lessee's procurement of the commercial property insurance described in subparagraph (b) below, Lessee (or, at Lessee's election, the general contractor) shall procure and maintain in effect builder's risk insurance on a completed value form for Special Form Causes of Loss – "all risks" – including vandalism, theft, malicious mischief, collapse, flood, temporary buildings and debris removal covering the total cost of work performed, equipment, supplies and materials furnished, on a replacement cost, agreed value basis.

(b) **Property Insurance.** Beginning on substantial completion of the Affordable Housing Complex and continuing for the remainder of the Term, Lessee shall procure and maintain in effect commercial property insurance covering the full replacement value of the Improvements, including fire and extended coverage included under ISO Special Form coverage ("all risks" property insurance), or a substitute form providing equivalent coverage as reasonably approved by Lessor.

(c) **Liability Insurance.** At all times during the Term, Lessee shall procure and maintain in effect commercial general liability insurance with respect to the Property and the use, occupancy and activities of Lessee, and any sublessees, occupants, employees or visitors on or about the Property, covering claims for bodily injury, personal injury and property damage with limits of not less than not less than \$2,000,000 per occurrence, \$5,000,000 annual aggregate, or equivalent coverage through umbrella liability, which limits shall, at Lessor's reasonable request, be adjusted from time to time so long as the requested limit adjustments are similar to those carried by owners of comparable affordable housing complexes in the Austin, Texas market. All liability policies carried and maintained by Lessee shall contain the following provisions, clauses and/or endorsements: (a) a provision that such policy and the coverage evidenced thereby shall be primary and that any insurance policies or self-insurance programs afforded to or available to additional insureds, collectively or individually, shall be noncontributing with respect to any policies carried by Lessee; (b) coverage naming Lessor and any other parties in interest designated by Lessor as additional insureds, which coverage shall be included by using ISO Additional Insured form CG

2026, or a substitute providing equivalent coverage, as reasonably approved by Lessor; and (c) a standard "separation of insureds" provision.

(d) **Insurance Certificates.** Lessee shall provide or cause to be provided to Lessor certificates of insurance evidencing all insurance required to be carried hereunder (i) prior to commencement of construction, (ii) upon renewal of any insurance policy, and (iii) as otherwise requested by Lessor from time to time.

(e) **Waiver of Subrogation.** Lessor and Lessee release each other from any losses for injury or death to persons or damage to property that is caused by or which results from risks insured against under insurance carried or required to be carried hereunder, **EVEN IF SUCH LOSS ARISES OUT OF THE NEGLIGENCE OF THE RELEASED PARTY OR ANY MATTER FOR WHICH THE RELEASED PARTY WOULD OTHERWISE BE STRICTLY LIABLE UNDER APPLICABLE LAW.** All policies of insurance required hereunder shall contain provisions to evidence the waiver of all rights of subrogation of the insurer against Lessor and its successors, assigns, directors, officers, employees, and agents.

8.03 Indemnity. Lessee assumes liability for, and shall indemnify, protect, save and keep harmless Lessor and its officers, directors, members, agents, servants, successors and assigns (an "Indemnitee") from and against any and all liabilities, obligations, losses, damages, penalties, claims, actions, suits, costs and expenses, including reasonable legal expenses, of whatsoever kind and nature, imposed on, incurred by or asserted against any Indemnitee, in any way arising out of this Lease, the Property or any part thereof, **IN ALL SUCH CASES, EVEN IF CAUSED BY THE NEGLIGENCE OR ALLEGED NEGLIGENCE OF ANY INDEMNITEE. LESSEE ACKNOWLEDGES AND AGREES THAT PURSUANT TO THE PROVISIONS OF THIS INDEMNIFICATION PROVISION, LESSEE AGREES TO INDEMNIFY THE INDEMNITEES EVEN IF THE INDEMNITEES ARE NEGLIGENT.** If an Indemnitee notifies Lessee of any claim, demand, action, administrative or legal proceeding, investigation or allegation as to which the indemnity provided for in this Section 8.03 applies, Lessee shall assume on behalf of the Indemnitee and conduct with due diligence and in good faith the investigation and defense thereof and the response thereto with counsel reasonably satisfactory to the Indemnitee; provided, that the Indemnitee shall have the right to be represented by advisory counsel of its own selection and at its own expense; and provided further, that if any such claim, demand, action, proceeding, investigation or allegation involves both Lessee and the Indemnitee and the Indemnitee shall have been advised in writing by reputable counsel that there may be legal defenses available to it which are inconsistent with those available to Lessee, then the Indemnitee shall have the right to select separate counsel to participate in the investigation and defense of and response to such claim, demand, action, proceeding, investigation or allegation on its own behalf, and Lessee shall pay or reimburse the Indemnitee for all attorney's fees incurred by the Indemnitee because of the selection of such separate counsel. If any claim, demand, action, proceeding, investigation or allegation arises as to which the indemnity provided for in this Section applies, and Lessee fails to assume promptly (and in any event within twenty days after being notified of the claim, demand, action, proceeding, investigation or allegation) the defense of the Indemnitee, then the Indemnitee may contest (or settle, with the prior consent of Lessee, which consent shall not be unreasonably withheld) the claim, demand, action, proceeding, investigation or allegation at Lessee's expense using counsel

selected by the Indemnitee; provided, that after any such failure by Lessee which continues for sixty days or more no such contest need be made or continued by the Indemnitee and settlement or full payment of any claim may be made by the Indemnitee without Lessee's consent and without releasing Lessee from any obligations to the Indemnitee under this Section if, in the written opinion of reputable counsel to the Indemnitee, the settlement or payment in full is clearly advisable. Each Indemnitee shall promptly notify Lessee of any event or condition which requires indemnity hereunder or any allegation of such event or condition. The provisions of this section, except as expressly limited hereby, shall survive the expiration or earlier termination of this Lease.

ARTICLE 9 CASUALTY AND CONDEMNATION

9.01 **Casualty.** If the Improvements, or any part thereof, are damaged or destroyed by fire, storm, earthquake or other peril (a “**Casualty**”) at any time during the Term, whether or not the Casualty is covered by the property insurance Lessee is required to maintain under this Lease, (i) Lessee shall promptly remove all debris resulting from such Casualty and take such action as is necessary to place the Property in a neat and safe condition in accordance with applicable law, and (ii) Lessee shall, as soon as reasonably practicable following the Casualty, commence the repair, reconstruction and restoration of the Improvements as nearly as practicable to their condition immediately prior to the Casualty and prosecute the same, in good faith, diligently, continuously and as expeditiously as possible to completion. However, if the Improvements are substantially destroyed by Casualty and thereafter Lessee’s Leasehold Mortgagee requires that the insurance proceeds arising from such Casualty be applied to Leasehold Mortgagee’s loan, then in lieu of the preceding clause (ii), Lessee shall have a period of one hundred twenty (120) days after the Casualty (“**Election Period**”) in which to elect by written notice to Lessor whether to restore the Improvements or terminate this Lease. If Lessee fails to make any election within the Election Period, then Lessee will be deemed to have elected to terminate the Lease. If Lessee elects to restore the Improvements, Lessee will have a period of four (4) years from the date of its election in which to complete restoration of the Improvements in accordance with the preceding clause (ii), provided Lessee may extend such restoration period for one (1) year so long Lessee demonstrates the Lessor’s reasonable satisfaction that substantial progress on restoration has been made prior to the expiration of the four (4) year period and that completion of restoration can reasonably be expected to occur prior to the expiration of the additional one (1) year period. Lessee’s restoration of the Improvements hereunder shall be performed in accordance with the terms and conditions of this Lease, the Approved Plans (together with any Permitted Alterations) and all applicable laws, codes, ordinances, rules and regulations.

9.02 **Condemnation.** If all of the Property, or such portion of the Property as would materially interfere with the operation of the Affordable Housing Complex on the Property, is taken pursuant to, or conveyed in lieu of, any eminent domain, condemnation, or other similar proceeding by a Governmental Authority (a “**Taking**”), then this Lease shall terminate as of the effective date of the Taking. If a portion of the Property is subject to a Taking, but such Taking would not materially interfere with the operation of the Affordable Housing Complex on the Property, then this Lease shall remain in effect and the description of the Property shall be modified to exclude the portion of the Property subject to the Taking. In the event such partial Taking requires modifications or alterations to the Affordable Housing Complex, then Lessee at its

expense may make such modifications or alterations as are (i) reasonably necessary to permit continued operation of the Affordable Housing Complex in a manner reasonably similar to its operation immediately prior to the Taking, and (ii) consistent with the Approved Plans to the extent feasible, provided that any other modifications or alterations shall require Lessor's prior written consent. In the event of any Taking (whether full or partial), Lessee shall not be entitled to any refund or reimbursement from Lessor of any Rent previously paid for the Term. However, Lessee shall be entitled to pursue from the applicable condemning Governmental Authority a portion of the award applicable to its Leasehold Estate in the Property.

ARTICLE 10 MORTGAGES

10.01 **Right to Encumber Leasehold Estate.** By a Leasehold Mortgage (one or more), Lessee may encumber the Leasehold Estate, as well as Lessee's rights and interests in Improvements, fixtures, equipment, and personal property situated on the Land and rents, issues, profits, revenues and other income to be derived by Lessee therefrom. However, any Leasehold Mortgage granted by Lessee shall be subject to all of the terms and conditions of this Lease. Furthermore, for purposes of clarification, Lessee shall not have any right to encumber Lessor's fee interest in the Property with a mortgage, deed of trust or any other form of security instrument. Lessee shall provide Lessor with prompt written notice of any Leasehold Mortgage granted by Lessee, including full contact information for the Leasehold Mortgagee.

10.02 **Loan Defaults Notices to be Sent to Lessor.** With respect to any Leasehold Mortgage, the Leasehold Mortgagee shall give Lessor written notice of any default under the loan secured by such Leasehold Mortgage, and of the institution of any action to enforce or foreclose the Leasehold Mortgage, receive an assignment of Lessee's rights under this Lease, or otherwise acquire Lessee's rights under this Lease.

10.03 **Foreclosure of Leasehold Mortgage.** In the event of any foreclosure of a Leasehold Mortgage (whether judicial or non-judicial) or other legal proceeding whereby the Leasehold Mortgagee, its designee or a purchaser at a foreclosure sale acquires the Leasehold Estate (a "**Foreclosure**"), the party acquiring the Leasehold Estate pursuant to such Foreclosure shall be the "Lessee" hereunder, and shall be entitled to, bound by and obligated to perform all of the rights, duties and obligations of the "Lessee" under this Lease arising on after the date of the Foreclosure. Notwithstanding anything to the contrary contained herein, no Leasehold Mortgagee will be deemed to have assumed any liability under this Lease either by virtue of the existence of the Leasehold Mortgage or by the mere receipt or collection of rents or profits generated from the Property, unless and until such Leasehold Mortgagee has acquired the Lessee's Leasehold Estate in the Property at Foreclosure or by deed in lieu of Foreclosure as a result of a Transfer and for only so long as Leasehold Mortgagee or a Transferee is the owner of the Leasehold Estate. In the event of any conflict between the terms and conditions of this paragraph and the terms and conditions of a Lessor/Leasehold Mortgagee Agreement then in effect, the terms and conditions of the Lessor/Leasehold Mortgagee Agreement will control.

10.04 **New Lease in the Event of Bankruptcy.** If as part of any bankruptcy proceedings, a receiver, liquidator, or bankruptcy trustee (or any Governmental Authority that had taken

possession of the business or property of Lessee by reason of the insolvency or alleged insolvency of Lessee) rejects or disaffirms this Lease, causing this Lease to terminate, then:

(a) Upon written request from any Leasehold Mortgagee made within forty-five days after such rejection or disaffirmation, Lessor shall enter into a new ground lease of the Property with such Leasehold Mortgagee for the remainder of the Term, on the same terms and conditions as contained in this Lease.

(b) The estate of the Leasehold Mortgagee, as lessee under the new lease, shall have priority equal to the estate of Lessee hereunder. That is, there shall be no charge, lien, or burden upon the Property prior to or superior to the estate granted by such new lease that was not prior to or superior to the estate of Lessee under this Lease as of the date immediately preceding the termination of this Lease.

(c) Notwithstanding the foregoing, if Lessor shall receive requests to enter into a new ground lease from more than one Leasehold Mortgagee, Lessor shall be required to enter into only one new ground lease, and the new ground lease shall be to the requesting Leasehold Mortgagee who holds the highest priority lien or interest in Lessee's leasehold estate in the Land. If the liens or security interests of two or more such requesting Leasehold Mortgagees that shared the highest priority just prior to the termination of this Lease, the new ground lease shall name all such Leasehold Mortgagees as co-tenants thereunder.

10.05 **Lessor Financing.** Subject to and except as otherwise provided by any Lessor/Leasehold Mortgagee Agreement then in effect, Lessor shall have the absolute right at any time to encumber Lessor's fee simple interest in the Property in any way, including but not limited to, by any mortgage or deed of trust, in Lessor's sole discretion ("**Fee Mortgage**"); provided, however, any such Fee Mortgage shall be subject and subordinate to (a) this Lease and/or (b) any Leasehold Mortgage now existing or hereafter arising in all respects and shall in no event impact the enforceability of this Lease on the Property, nor shall any such Fee Mortgage affect Lessee's (or any Leasehold Mortgagee's) rights under this Lease. In the event of any Foreclosure of a Fee Mortgage, this Lease shall continue in full force and effect. Lessee shall attorn to the successor holder of Lessor's fee simple interest as successor lessor, provided that such successor lessor has assumed all obligations of Lessor under this Lease and is responsible for and performs the obligations of Lessor under this Lease. Lessee shall not be required to join in any Fee Mortgage or to subordinate this Lease to any Fee Mortgage.

ARTICLE 11 ASSIGNMENT

11.01 **Assignment by Lessee.** Except for a Permitted Transfer (defined below), Lessee shall not sell, assign, convey, lease, sublease, mortgage, hypothecate or otherwise alienate or encumber this Lease, the Leasehold Estate, and/or Lessee's interest in the Improvements, fixtures, personal property, equipment, and rents, issues, profits, revenues and other income to be derived by Lessee therefrom (any of the foregoing, a "**Transfer**") without Lessor's prior written consent. Lessee shall provide Lessor with such information and materials as may be reasonably requested by Lessor in determining whether to consent to a proposed Transfer. Consent by Lessor to one or

more Transfers shall not be construed as a consent by Lessor to any subsequent or future Transfer. Upon the consummation of any Transfer (including a Permitted Transfer), Lessee will provide Lessor with prompt written notice of such Transfer, including a copy of the written instrument by which the transferee has assumed all of the Lessee's right, title, interest, duties and obligations under the Lease.

11.02 **Permitted Transfers.** Lessor's consent shall not be required for the following Transfers by Lessee (each, a "**Permitted Transfer**"):

(a) Granting a Leasehold Mortgage on the Leasehold Estate or the assignment of this Lease pursuant to a Foreclosure, in accordance with Article 10 of this Lease;

(b) Subleasing of any residential units in the Affordable Housing Complex to families or individual residents;

(c) Subleasing of any non-residential premises in the Affordable Housing Complex (such as for ancillary services included in the Permitted Use), provided that Lessee provides written notice thereof to Lessor along with (in the event the term of such sublease exceeds ten (10) years) a copy of the applicable sublease;

(d) An assignment of this Lease to a legal entity which is controlled by Foundation Communities; and

(e) An assignment of this Lease which does not require Lessor's consent pursuant to the express terms and conditions of a Lessor/Leasehold Mortgagee Agreement.

ARTICLE 12 DEFAULTS AND REMEDIES

12.01 **Default.** Each of the following events is an "**Event of Default**" by Lessee under this Lease:

(a) **Monetary Defaults.** Failure by Lessee to pay Taxes (subject to Lessee's right to contest same found in Article 8), or any other sums of money stipulated in this Lease to be paid by Lessee, and such failure continues for a period of 30 days after written notice ("**First Monetary Default Notice**") thereof has been delivered to Lessee.

(b) **Non-Monetary Defaults.** Failure by Lessee to perform or observe any of the terms, covenants, conditions, agreements and provisions of this Lease (other than as set forth in subsection (a) above) and such failure continues for a period of sixty (60) days after notice ("**First Non-Monetary Default Notice**") has been delivered to Lessee; provided, however, (i) that if any such failure (other than a failure involving payment of liquidated sums of money) cannot reasonably be cured within the 60-day period, then such failure shall not be an Event of Default so long as Lessee or a Leasehold Mortgagee commences such cure within the initial 60-day period and proceeds in good faith, continuously, and with due diligence to pursue such cure to completion.

(c) **Mechanic's Lien, Levy or Attachment.** The filing of any mechanic's lien or claim against any interest in the Property arising from any failure to pay for labor, materials, equipment or services provided in, on or about the Property, or the initiation of any proceeding whereupon the estate or interest of Lessee in the Property, or any portion thereof, or in this Lease is levied upon or attached, if such lien, claim or proceeding is not vacated, discharged or bonded over within sixty (60) days after the date of such lien, claim, levy or attachment.

(d) **Bankruptcy, Receivership, Etc.** The entry of any decree or order for relief by a court having jurisdiction in respect of Lessee an involuntary case under the federal bankruptcy laws, as now or hereafter constituted, or any other applicable federal or state bankruptcy, insolvency or other similar law, or the appointment of a receiver, liquidator, assignee, custodian, trustee, sequestrator (or similar official) of Lessee or for any substantial part of the assets of Lessee, or the entry of any decree or order with respect to winding-up or liquidation of the affairs of Lessee, if any such decree or order continues unstayed and in effect for a period of sixty consecutive days.

(e) **Voluntary Proceedings.** The commencement by Lessee of a voluntary case under the federal bankruptcy laws, as now or hereafter constituted, or any other applicable federal or state bankruptcy, insolvency or other similar law, or the consent by Lessee to the appointment of or possession by a receiver, liquidator, assignee, trustee, custodian, sequestrator (or other similar official) of Lessee or for any substantial part of the assets of Lessee or such Guarantor, or any assignment made by Lessee for the benefit of creditors.

(f) **Unpermitted Transfer.** The occurrence of any Transfer (other than a Permitted Transfer) without Landlord's prior written consent.

12.02 **Notice and Cure Rights of Leasehold Mortgagees.** Upon the occurrence of any of the matters set forth in Section 12.01 above, Lessor shall give written notice of same to all Leasehold Mortgagees (to the extent notice addresses have been provided to Lessor), and comply with the terms and conditions of any Lessor/Leasehold Mortgage Agreement then in effect in connection with exercising its remedies for such Event of Default. Any Leasehold Mortgagee shall have the right to correct or cure any such failure within the same period of time after receipt of such notice as is given to Lessee under this Lease to correct or cure failures, or such other period of time as may have been agreed to in a Lessor/Leasehold Mortgage Agreement then in effect. Lessor will accept performance by any Leasehold Mortgagee of any covenant, condition or agreement on Lessee's part to be performed hereunder with the same force and effect as though performed by Lessee.

12.03 **Remedies.** Upon the occurrence and continuance of an Event of Default, Lessor shall have the option to do and perform any one or more of the following in addition to, and not in limitation of, any and all other rights and remedies available to Lessor at law or in equity or by this Lease:

(a) **Performance by Lessor.** Lessor, with or without terminating this Lease, may (but will not be obligated to) perform any obligation of Lessee under this Lease, and Lessor

may reenter the Premises for such purposes, and Lessee shall fully reimburse and compensate Lessor on demand for all costs and expenses incurred by Lessor in such performance, with interest accruing at the Default Interest Rate.

(b) **Judicial Relief.** Lessor may file suit in a court of competent jurisdiction to seek Lessee's (or Substitute Lessee's) specific performance of any action, injunctive relief to prevent its continued performance of any Event of Default, and/or for damages, along with all of its costs of litigation.

(c) **Termination of Lease.** Subject to the terms set forth in Section 12.02 hereof, Lessor may terminate this Lease in which event any and all right, title and interest of Tenant hereunder in and to the Property shall expire and Tenant will then immediately quit and surrender the Property to Landlord, and Landlord may recover from Lessee such sums as may be due to Lessor under Section 12.05 below.

12.04 **Payment by Lessee.** Lessee shall pay to Lessor all costs and expenses incurred by Lessor, including court costs and reasonable attorney's fees, in (a) removing and storing Lessee's or any other occupant's personal property, (b) repairing or restoring the Improvements to the condition in which Lessee is required to deliver the Improvements at the end of the Term, (c) paying or performing the underlying obligation that gave rise to the subject default and that Lessee failed to pay or perform and (e) enforcing any of Lessor's rights arising as a consequence of the Event of Default.

12.05 **Other Remedies.** Any termination of this Lease as provided in this Article shall not relieve Lessee from the payment of any sum or sums that are due and payable to Lessor under the Lease at the time of termination, or any claim for damages then or previously accruing against Lessee under this Lease, and any such termination shall not prevent Lessor from enforcing the payment of any such sum or sums that are then due and payable or claim for damages by any remedy provided for by law, or from recovering damages from Lessee for any default under the Lease. Furthermore, in the event of any such termination, Landlord shall be entitled to keep and retain all Rent paid by Tenant through the date of termination, including without limitation any portion of Rent applicable to the unexpired portion of the Term. All rights, options, and remedies of Lessor contained in this Lease shall be construed and held to be cumulative, and no one of them shall be exclusive of the other, and Lessor shall have the right to pursue any one or all of such remedies or any other remedy or relief which may be provided by law, whether or not stated in this Lease. No waiver by Lessor of a breach of any of the covenants, conditions, or restrictions of this Lease shall be construed or held to be a waiver of any succeeding or preceding breach of the same or any other covenant, condition, or restriction contained in this Lease.

12.06 **Lessor's Default.** Lessor shall not be deemed in default in the performance of any obligation required to be performed by it hereunder unless and until it has failed to commence such performance promptly within sixty (60) days after written notice by Lessee to Lessor specifying such default; provided, however, if the nature of Lessor's default is such that more than sixty (60) days are required for its performance, Lessor shall not be deemed to be in default if it commences such performance within said 60-day period and diligently prosecutes the same to completion. Unless and until Lessor fails to so cure any default after such notice, Lessee shall not have any

remedy or cause of action by reason thereof, provided Lessee' remedies and causes of action shall be limited to recovery of Lessee's actual direct damages arising from Lessor's uncured default, specific performance, and injunctive relief and no event shall Lessee be entitled to any refund or reimbursement of Rent. All obligations of Lessor hereunder will be binding upon Lessor only during the period of its ownership of the Property and not thereafter. Any liability of Lessor to Lessee arising out of Lessor's obligations under or otherwise relating to this Lease shall be limited to the interest of Lessor in the Property, and neither Lessor nor any officers or directors of Lessor, nor Lessor's agents or employees shall be personally liable for any deficiency.

ARTICLE 13 MISCELLANEOUS

13.01 **Force Majeure.** If either party shall be delayed in, or prevented from, the performance of any act or service required under this Lease, by reason of Force Majeure, then the performance of any such act or service shall be excused for the period of the resulting delay. However, this paragraph shall not be applied so as to excuse or delay (a) payment of any monies due or payable hereunder, including Rent and Taxes, or (b) performance of obligations which can be cured by the payment of monies. Any party claiming a delay due to Force Majeure must provide written notice thereof to the other within five (5) days after the commencement of the Force Majeure event. Such notice must detail the event constituting the Force Majeure delay and describe the reasonable actions such party is taking to mitigate the delay. If such notice is required and not timely given, then the Force Majeure delay will be deemed to have commenced on the day that is five (5) days prior to the day on which notice is given.

13.02 **Right of Entry and Inspection.** Upon 48 hours prior written notice to Lessee, Lessee shall permit Lessor or Lessor's agents to enter on the Property for the purposes of determining whether Lessee is in compliance with the terms of this Lease; provided that Lessor shall not enter upon any units rented by Lessee's tenants.

13.03 **No Partnership or Joint Venture.** The relationship between Lessor and Lessee at all times shall remain solely that of landlord and tenant and shall not be deemed a partnership or a joint venture.

13.04 **No Waiver.** No waiver by either party of any default or breach of any covenant, condition, or stipulation contained in this Lease shall be treated as a waiver of any subsequent default or breach of the same or any other covenant, condition, or stipulation of this Lease.

13.05 **Release of Lessor.** Lessor shall have the right, at any time and from time to time, to sell, assign, lease, convey or otherwise transfer its rights and/or obligations under this Lease and/or with respect to the Property without the consent of Lessee (a "**Lessor Transfer**"), provided that the transferee of such a Lessor Transfer expressly assumes in writing all Lessor's rights and/or obligations under this Lease arising after the date of the Lessor Transfer. Lessor shall provide Lessee notice of the Lessor Transfer, including the identity and contact information of the transferee within a reasonable period of time after the effective date of the Lessor Transfer. Lessor

shall be released from any and all obligations under this Lease from and after the effective date of such Lessor Transfer.

13.06 **Delivery of Payments and Notices.** All rents or other sums, notices, demands, or requests from one party to another required or permitted to be delivered under this Lease shall be deemed received (a) three (3) days after having been deposited in the United States mail, postage pre-paid, registered or certified mail, return receipt requested, or (b) delivered by a recognized overnight courier service for which proof of delivery is available or (c) delivered via email transmission to the email address listed below, provided that in the case of an email, a “cc” that shows to whom and from whom the email was sent, the date and time sent and the notice given.

If to Lessor: United Methodist Rio Texas Conference Board of Trustees
16400 Huebner Rd.
San Antonio, Texas 78248
Attn: Treasurer

with a copy to: Capital District UMC
1221 W. Ben White Blvd.
Ste. 201-A
Austin, Texas 78704
Attn: District Superintendent

If to Lessee: Foundation Communities, Inc.
3000 S. IH 35
Austin, Texas 78704
Attn: Executive Director

With a copy to: Rigby Slack, PLLC
3500 Jefferson St. Ste. 330
Austin, Texas 78731
Attn: Cathleen Slack

A party may designate such other or further places for notice, by written notice to the other party given in accordance with this Section 13.05.

13.07 **Parties Bound.** This Lease shall be binding upon and inure to the benefit of the parties to the Lease and their respective heirs, executors, administrators, legal representatives, successors, and permitted assigns.

13.08 **Severability.** If any section of this Lease is found to be illegal, invalid or unenforceable under present or future laws effective during the Term, then the remainder of this Lease shall not be affected thereby, and each section of this Lease that is found to be illegal, invalid or unenforceable, shall be replaced with a valid and enforceable provision that most closely reflects the intentions of the parties.

13.09 **Entire Agreement**. This Lease contains the entire agreement of the parties hereto, and no representations, inducements, promises or agreements, oral or otherwise, between the parties, not embodied herein, will be of any force or effect.

13.10 **Amendment**. No amendment, modification, or alteration of the terms of this Lease shall be binding unless it is in writing, dated subsequent to the date of this Lease, and duly executed by the parties to this Lease.

13.11 **Rights and Remedies Cumulative**. The rights and remedies provided by this Lease agreement are cumulative, and the use of any one right or remedy by either party shall not preclude or waive its right to use any or all other remedies. The rights and remedies provided in this Lease are given in addition to any other rights the parties may have by law, statute, ordinance, or otherwise.

13.12 **Attorneys Fees and Costs**. In any litigation between the parties regarding this Lease, the losing party agrees to pay to the prevailing party its reasonable attorney's fees and expenses of litigation. For purposes of this paragraph, a party is to be considered the prevailing party if (a) it initiated the litigation and obtains (by judgment or agreement) substantially the relief sought; or (b) it did not initiate the litigation and the other party does not obtain (by judgment or agreement) substantially the relief sought.

13.13 **Memorandum of Ground Lease**. Lessee may record the Memorandum of Ground Lease in the form attached hereto as **Exhibit B**.

13.14 **Purchase Option**. Concurrently with the execution and delivery of this Lease, Lessor and Lessee have entered into that certain Purchase Option Addendum set forth **Exhibit C** attached hereto.

[Signatures Continued on Next Page]

This Lease is executed as of the date first set forth above.

LESSOR:

**UNITED METHODIST RIO TEXAS
CONFERENCE BOARD OF TRUSTEES,**
a Texas non-profit corporation

By: Kevin Reed J. A. R.
Name: Kevin Reed
Title: President
Date: 12/22/2021

LESSEE:

FC PARKER HOUSING, L.P.,
a Texas limited partnership

By: FC 2105 Parker Housing, LLC,
a Texas limited liability company,
its General Partner

By: Foundation Communities, Inc., a
Texas non-profit corporation, its Manager

By: _____
Name: _____
Title: _____
Date: _____

This Lease is executed as of the date first set forth above.

LESSOR:

**UNITED METHODIST RIO TEXAS
CONFERENCE BOARD OF TRUSTEES,**
a Texas non-profit corporation

By: _____
Name: _____
Title: _____
Date: _____

LESSEE:

FC PARKER HOUSING, L.P.,
a Texas limited partnership

By: FC 2105 Parker Housing, LLC,
a Texas limited liability company,
its General Partner

By: Foundation Communities, Inc., a
Texas non-profit corporation, its Manager

By: Walter Moreau
Name: Walter Moreau
Title: Executive Director
Date: 12/22/21

EXHIBIT A

Lot 6, of the plat of the Wm. Leggins Home Place, a subdivision as recorded in Volume 290, Page 445 of the Deed Records of Travis County, Texas, as conveyed to the Ward Memorial Methodist Church by Deed recorded in Volume 2040, Page 97 of the Deed Records of Travis County, Texas, and the Ward Memorial United Methodist Church by Special Warranty Deed recorded in Volume 10622, Page 205 of the Real Property Records of Travis County, Texas.

EXHIBIT A-1
APPROVED PLANS
[Attached]

EXHIBIT B
MEMORANDUM OF GROUND LEASE

This Memorandum of Ground Lease (this "Memorandum") is made effective as of the _____ day of _____, 2021 (the "Effective Date") by and between **UNITED METHODIST RIO TEXAS CONFERENCE BOARD OF TRUSTEES**, a Texas non-profit corporation ("Lessor") and **FC PARKER HOUSING, LP** ("Lessee").

A. Lessor and Lessee are parties to that certain Ground Lease, dated effective as of the Effective Date (the "Lease"), whereby Lessor has agreed to ground lease to Lessee, and Lessee has agreed to ground lease from Lessor, approximately 7.82 acres of real property located in the City of Austin, Travis County, Texas (the "Leased Premises"), as more particularly described on Exhibit A attached hereto.

B. Lessor and Lessee desire to execute and record this Memorandum for purposes of giving notice of the existence of the Lease as more particularly set forth below in this Memorandum.

C. The Term of the Lease commences on _____, 2021, and expires on the last day of the ninety-ninth (99th) Lease Year, as more fully provided in Section 3.01 of the Lease.

D. Upon the expiration or termination of the Lease, Lessor shall prepare and tender to Lessee documents necessary to effect the termination of this Memorandum. Lessee shall deliver an executed and acknowledged original of the termination document to Lessor within five (5) Business Days following delivery. If Lessee fails to return the executed and acknowledged original of the termination document within such five (5) Business Day period, Lessor shall have the unilateral right to record a termination of this Memorandum in the Official Public Records of Travis County, Texas evidencing such termination. Any such unilateral termination document shall be prima facie evidence of the termination and expiration of the Lease and may be relied upon by any purchaser of the Leased Premises and its mortgagee.

E. For so long as Lessee's interest in the Lease Premises is encumbered by a mortgage loan insured by the U.S. Department of Housing and Urban Development ("HUD") for multifamily projects pursuant to the National Housing Act, as amended, found at 12 U.S.C. § 1701, et seq. (a "HUD Loan"), the Lease shall expressly incorporate that certain Lease Addendum – Multifamily entered into by Lessor and HUD and attached to the Lease ("HUD Addendum"), including HUD's option to purchase the Leased Premises as set forth in Section 7 of the HUD Addendum.

F. All terms and conditions of the Lease are hereby incorporated herein by reference as if fully set forth herein.

G. This Memorandum is solely for notice and recording purposes and shall not be construed to alter, modify, expand, diminish or supplement the provisions of the Lease. In the event of any conflict or inconsistency between the provisions of this Memorandum and the

provisions of the Lease, the provisions of the Lease shall govern. Any capitalized terms not defined herein shall have the definitions ascribed to them in the Lease.

[Signatures and acknowledgements appear on the following pages]

IN WITNESS WHEREOF, Lessor and Lessee have executed this Memorandum of Ground Lease as of the Effective Date.

LESSOR:

**UNITED METHODIST RIO TEXAS
CONFERENCE BOARD OF TRUSTEES**

By: _____
Name: _____
Title: _____
Date: _____

LESSEE:

FC PARKER HOUSING, L.P.,
a Texas limited partnership

By: FC 2105 Parker Housing, LLC,
a Texas limited liability company,
its General Partner

By: Foundation Communities, Inc., a
Texas non-profit corporation, its Manager

By: _____
Name: _____
Title: _____
Date: _____

STATE OF TEXAS §
 §
COUNTY OF TRAVIS §

The foregoing instrument was acknowledged before me this ____ day of December, 2021 by _____, _____ of UNITED METHODIST RIO TEXAS CONFERENCE BOARD OF TRUSTEES, a Texas non-profit corporation, on behalf of said non-profit corporation.

[SEAL]

Notary Public

STATE OF _____ §
 §
COUNTY OF _____ §

The foregoing instrument was acknowledged before me this ____ day of _____, 202__ by _____, _____ of Foundation Communities, Inc., a Texas nonprofit corporation, Manager of FC 2105 Parker Housing, LLC, a Texas limited liability company, General Partner of FC Parker Housing, L.P., a Texas limited partnership, on behalf of said limited partnership.

[SEAL]

Notary Public

EXHIBIT A of Memorandum of Ground Lease

Lot 6, of the plat of the Wm. Leggins Home Place, a subdivision as recorded in Volume 290, Page 445 of the Deed Records of Travis County, Texas, as conveyed to the Ward Memorial Methodist Church by Deed recorded in Volume 2040, Page 97 of the Deed Records of Travis County, Texas, and the Ward Memorial United Methodist Church by Special Warranty Deed recorded in Volume 10622, Page 205 of the Real Property Records of Travis County, Texas.

EXHIBIT C
GROUND LEASE
PURCHASE OPTION ADDENDUM

THIS PURCHASE OPTION ADDENDUM (the “*Addendum*”) is attached and made part of the Ground Lease dated December ____, 2021 (the “*Ground Lease*” by and between **FC PARKER HOUSING, LP**, a Texas limited partnership (“*Lessee*”), having its principal place of business 3036 South First Street, Austin, Texas 78704 (“*Lessee*”), and **UNITED METHODIST RIO TEXAS CONFERENCE BOARD OF TRUSTEES** (“*Lessor*”) for 7.82 acres of currently undeveloped land located at 2105 Parker Lane, Austin, Texas 78741 as more precisely defined in the Ground Lease (the “*Land*”).

1. **Purchase Option.** Subject to the terms and conditions set forth herein, Lessor hereby grants to Lessee an option (the “*Option*”) to purchase the Land at Fair Market Value (as defined in Section 5). The Option may not be terminated or cancelled other than as expressly set forth herein, or upon the mutual written agreement of the Parties. For so long as the Ground Lease is in effect, the Option shall not be terminated or otherwise modified by Lessor’s sale, assignment, conveyance or transfer of its interest in the Ground Lease or the Land.

2. **Conditions of Option.** Lessee shall have the right to exercise the Option upon written notice to Lessor at any time during the Term provided the Ground Lease is in full force and effect, and Lessee is not then in default under the Ground Lease beyond any applicable notice and cure period.

3. **Exercise of Option.** Subject to the conditions set forth in Section 2, Lessee may exercise the Option by delivering written notice in accordance with the notice provisions of the Ground Lease (an “*Exercise Notice*”) to Lessor at any time during the Term. The Exercise Notice must state Lessee’s intent to exercise the Option and the proposed date of closing (the “*Closing Date*”), which may not be earlier than thirty (30) days from the date the Exercise Notice is delivered to Lessor. If Lessee fails to deliver an Exercise Notice to Lessor during the Term, then the Option shall expire and have no further force of effect.

4. **Purchase Agreement.** Following the delivery of the Exercise Notice, Lessor and Lessee shall, in good faith, negotiate and enter into a written purchase contract on the then current Texas Real Estate Commission Unimproved Contract Form or other form reasonably acceptable to Lessor and Lessee (the “*Contract*”). The Contract shall provide that upon Lessee’s payment of the purchase price at closing the Lessor shall deliver the Land to Lessee by special warranty deed free and clear of any monetary liens created or granted by Lessor. Lessee will not be entitled to any credit against the purchase price for any Rent, construction costs or other sums previously paid by Lessee in connection with the Ground Lease.

5. **Purchase Price.** The purchase price in the Contract shall be the Fair Market Value of the Land. The Fair Market Value of the Land shall be determined by third party appraisal as follows:

5.01. Lessor and Lessee shall each select an acceptable licensed appraiser with not less than 10 years’ experience appraising real property similar to the Land in the Austin, Texas market (a “*Qualified Appraiser*”). The Qualified Appraisers shall each independently determine the Fair Market Value of the Land. If the two appraisals are within five percent (5%) of each other, then the purchase price for the Land shall be the average of the two appraisals.

5.02. In the event the two appraisals are more than five percent (5%) apart, the two Qualified Appraisers shall jointly select a third Qualified Appraiser to determine the Fair Market Value of the Land, which determination shall be made by selecting either the Fair Market Value as determined by Lessor’s Qualified Appraiser or the Fair Market Value as determined by Lessee’s Qualified Appraiser. If the two Qualified Appraisers are unable jointly to select a

third Qualified Appraiser within thirty (30) days, either Lessor and Lessee may, upon written notice to the other, request that the appointment of the third Qualified Appraiser be made by the American Arbitration Association or its designee.

5.03. For purposes of this Addendum, the “*Fair Market Value*” of the Land is the purchase price, determined in accordance with this paragraph, that a willing buyer having reasonable knowledge of relevant facts would pay a willing seller for the Land in an arm’s length transaction as of the Closing Date, without time constraints and without being under any compulsion to buy or sell. The existence of the Ground Lease and the value of the Improvements shall be excluded from the determination of the Fair Market Value. The Fair Market Value shall be determined based on the unimproved value of the Land in comparison to similar sales of unimproved development parcels in the vicinity of the Property in Austin, Texas. However, the parties agree that there shall be a floor imposed on the determination of the Fair Market Value, such that in no event shall the Fair Market Value be lower than the highest average sale price during any twelve (12) month period over the preceding five (5) years of similar unimproved development parcels in the vicinity of the Property in Austin, Texas.

5.04. Lessor and Lessee shall share the cost equally of any Qualified Appraiser jointly selected or shall pay the costs of the Qualified Appraiser they each select and shall share the cost equally of any third Qualified Appraiser.

6. The Option may be included in any Memorandum of Ground Lease recorded by Lessee.

7. The capitalized terms used in this Addendum shall have the same meaning as in the Ground Lease. The provisions of this Addendum are deemed incorporated into the Ground Lease as if stated in full therein and in the event of any conflict between the terms of this Addendum and the Ground Lease, the terms and conditions of this Addendum shall control.

8. This Addendum shall be binding upon and inure to the benefit of Lessor and Lessee and their respective heirs, executors, administrators, legal representatives, successors, and permitted assigns.

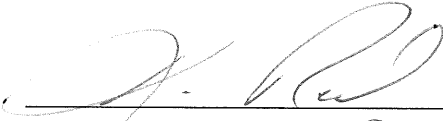
9. This Addendum may be executed in any number of original, electronic or facsimile counterparts and together, such counterparts shall constitute one fully executed Addendum, valid and binding on the parties.

{SIGNATURE PAGE TO FOLLOW}

IN WITNESS WHEREOF, the parties hereto have executed this Addendum as of the day and year first set forth above.

LESSOR:

**UNITED METHODIST RIO TEXAS CONFERENCE
BOARD OF TRUSTEES**

By: 
Name: Kevin Reed
Title: President

[Signature Pages Continue]

IN WITNESS WHEREOF, the parties hereto have executed this Addendum as of the day and year first set forth above.

LESSEE:

FC PARKER HOUSING, LP,
a Texas limited partnership

By: FC 2105 Parker Housing, LLC
a Texas limited liability company
its General Partner

By: Foundation Communities, Inc.,
a Texas nonprofit corporation
its Manager

By: 
Walter Moreau, Executive Director

[End of Signature Pages]

5. Property

d. Zoning

On May 6, City Council voted to approve a zoning change on the site from SF-3 to MF-3 with affordability unlocked. This zoning will allow FC to develop Parker Apartments as proposed. Attached is the zoning verification letter.



City of Austin

Founded by Congress, Republic of Texas, 1839
Housing and Planning Department
P.O. Box 1088
Austin, Texas 78767-1088

September 15, 2021

Tillie Croxdale
Real Estate Project Manager
Foundation Communities, Inc.
3000 South IH 35, Suite 300
Austin, TX 78704

RE: *Zoning Verification for the Property located at 2105 Parker Lane, Austin,
Texas 78741*

Dear Ms. Croxdale:

This letter is to confirm that the Property located at 2105 Parker Lane, in Austin, Texas 78741 is zoned multifamily residence-medium density – conditional overlay – neighborhood plan (MF-3-CO-NP) combining district zoning. The Conditional Overlay requires a 50-foot wide building setback be established and maintained along the north property line. The site was zoned MF-3-CO-NP district by a vote of the City Council on May 6, 2021 by Ordinance No. 20210506-057.

Under the MF-3-CO-NP zoning classification applicable to this property, multifamily residential development is permitted provided the applicable zoning and land development regulations (height, setback, parking, etc.) and building codes are addressed. No zoning change is necessary for the development of multifamily residences on the site or for use of the site for multifamily residences.

Sincerely,

Wendy Rhoades, Principal Planner
Housing and Planning Department

5. Property

e. Neighborhood Plan

The site is located within the East Riverside/Oltorf Neighborhood Planning Area and has submitted an application to amend the FLUM from Civic to Multifamily. Although this site requires an amendment to the Neighborhood Plan, the proposal is well aligned with Imagine Austin, the Austin Strategic Housing Blueprint, the Austin Strategic Mobility Plan, and the Austin Community Climate Plan for the following reasons:

- Located within 1/2 mile of Riverside Activity Center
- Located within ¼ mile of multiple high-frequency and local bus routes on East Oltorf Street and Burton Drive, including Route 7, 300, and 310.
- 80% of homes are 2 and 3 bedroom with amenities and services specifically designed to cater to families with children.

Below is a link to the East Riverside/Oltorf Neighborhood Plan

http://www.austintexas.gov/sites/default/files/files/Housing_%26_Planning/Adopted%20Neighborhood%20Planning%20Areas/11_EastRiverside-OltorfCombined/eroc-np.pdf

Attached is the Good Neighbor Checklist, Communication Plan, and Communication log

City of Austin Good Neighbor Checklist

The Neighborhood Housing and Community Development Office (NHCD) offers a Good Neighbor Policy to standardize process and identify expectations for all projects funded through the City of Austin's Rental Housing Development Assistance (RHDA) and Acquisition and Development (A&D) programs. Applicants of these programs are required to prepare and begin implementing a community engagement plan, including neighborhood notification activities. The community engagement plan is required whether the application is for funding for new construction or renovation of an existing building, regardless of whether there is a change in ownership.

A successful community engagement plan leads to open, ongoing two-way communication between developers and neighbors. This requires good-faith efforts and cooperation by developers, City officials and residents. A positive, open dialogue between housing developers and neighbors can prevent misunderstandings, facilitate prompt resolution of any inadvertent misunderstandings, and provide a fair, thoughtful, dependable means of resolving differences.

The following checklist of items is required of all applicants for funding:

(1) Preliminary Research

- Review the Neighborhood Plan (if applicable)

(2) Neighborhood Notification

- Notify property owners within at least 500 feet of the site and registered neighborhood organizations with boundaries included in the proposed development site, using a written notice, letter or flyer.

(3) Pre-Application Engagement

- Contact neighborhood organizations to provide current information about the project, including any neighborhood association whose boundaries are included in the proposed development site and Neighborhood Planning Contact Team (if applicable). *(see full City of Austin Good Neighbor Guidelines for more detailed information on what kind of information may be appropriate to share)*
- Appoint a Single-Point-of-Contact (SPOC) to serve as the liaison for exchanging information.

(4) Application requirements

- Provide communications plan
- Provide documentation showing the content of the notice, and proof of delivery
- Provide signed copy of this checklist.

I have reviewed and completed all of the above checklist items required by the City of Austin's Good Neighbor Guidelines.

<i>Sabrina Butler</i>	Sabrina Butler	May 4, 2021
Signed	printed name	date

Good Neighbor Communication Plan

Project

Parker Apartments
2105 Parker Ln
Austin, TX 78704

Contact

Sabrina Butler
sabrina.butler@foundcom.org
(512) 610-4016

Foundation Communities (FC) has a long history of engaging with neighborhood groups during pre-development, construction, and ongoing operations of our communities. We believe the key to a project's true success is the support and engagement of the surrounding neighborhood and stakeholders. The following steps have been and will be implemented to communicate with the neighborhood surrounding the proposed development.

- 1) Preliminary Research:** As part of preliminary due diligence, FC development staff uses the City of Austin Community Registry to identify neighborhood organizations that contain the proposed site and review any Neighborhood Plan and FLUM in place.

- 2) Pre-Application Notification:** FC sends a notification letter to all neighborhood organizations identified in the Austin Community Registry. The City sends notifications to all neighborhood organizations and property owners within 500 ft as part of a zoning and neighborhood amendment process.

- 3) Pre-Application Engagement:** After notification, FC engages with all neighbors and organizations based on received responses, interest and questions.
 - FC will offer to present at a neighborhood meeting and provide an information packet. At meetings, Foundation Communities presents information about our organization, plans for design of the building, target population, and services.
 - FC will invite neighborhood members to visit our existing portfolio of properties and attend Open House lunches held bi-weekly at one of our properties to learn more about Foundation Communities.
 - FC will offer to provide updates in the form and timing that the neighborhood requests.

- 4) Implementation/Ongoing Relations -** FC will implement the following processes to encourage ongoing relations with neighborhood members:
 - FC will invite the neighborhood group to view the property once completed.

- FC will invite neighborhood members to participate in services programs being offered at our community.
- FC will invite and educate neighborhood members on the many ways to volunteer with Foundation Communities.
- FC will establish an open-door policy so that neighborhood members will feel comfortable communicating any concerns with either the on-site property management or the single point of contact.

Good Neighbor Communication Log

Parker Apartments

Neighborhood Organizations within boundaries

Friends of Riverside ATX
Crossing Gardenhome Owners Association
Del Valle Community Coalition
East Riverside/Oltorf Neighborhood Plan Contact Team
Pleasant Valley Neighborhood Association
Southeast Austin Neighborhood Alliance
Homeless Neighborhood Association

Notifications

Notification of Tax Credit application	notification emailed and mailed in January 2021 by FC staff to all registered neighborhood organizations within boundaries
Notification of Neighborhood Plan Amendment	notification mailed in January by the City to nearby property owners and registered neighborhood organizations
Notification of Zoning Change Application	notification mailed in January by the City to nearby property owners and registered neighborhood organizations

Engagement

Friends of Riverside ATX	emailed and talked to the Chair several times. The group supported our tax credit application and spoke in favor of the zoning case at Planning Commission and City Council
East Riverside/Oltorf Neighborhood Plan Contact Team	emailed and talked on the Chair several times. Presented at a virtual meeting in January 2021. Provided an informational flyer with detailed information on the services that would be made available to the community.
Community Meeting for Neighborhood Plan Amendment	as required by city ordinance, the city coordinated a community meeting that included city staff, FC staff, and neighbors. FC presented and responded to several questions.
South River City Citizens	emailed and talked to the Chair several times. Presented at a virtual executive meeting in January. The Development site is not located within the boundaries of this neighborhood group, but is in close proximity.
Nearby Property Owners	emailed and talked to several property owners within close proximity to the site and provided detailed responses to several questions.
Pleasant Valley Neighborhood Association	responded to notification and advised that we reach out to EROC
Southeast Austin Neighborhood Alliance	no response
Crossing Gardenhome Owners Association	no response
Del Valle Community Coalition	no response
Homeless Neighborhood Association	no response

Tillie Croxdale

From: Lora Myrick <lora@betcohousinglab.com>
Sent: Thursday, January 7, 2021 9:09 PM
To: info@riversidefriends.com
Cc: Sabrina Butler; Tillie Croxdale
Subject: Proposed Multifamily Development - Parker Apartments in Austin, TX
Attachments: Parker Letters_January 5 Friends of Riverside.pdf

CAUTION: External Email

Good evening.

Attached is a notice for a proposed development Parker Apartments to be located in Austin, Texas. Foundation Communities is proposing the development.

We have also mailed a notice to your offices. Please feel free to reach out should you have any questions about the proposed development.

Kindest regards,

--

Lora Myrick

President

812 San Antonio, Suite L-14

Austin, Texas 78701

(512) 785-3710

www.betcohousinglab.com



Tillie Croxdale

From: Lora Myrick <lora@betcohousinglab.com>
Sent: Thursday, January 7, 2021 9:11 PM
To: denisejohnston@spectrumam.com
Cc: Sabrina Butler; Tillie Croxdale
Subject: Proposed Multifamily Development - Parker Apartments in Austin, TX
Attachments: Parker Letters_January 5 Crossing Gardenhome.pdf

CAUTION: External Email

Good evening Ms. Johnston.

Attached is a notice for a proposed development Parker Apartments to be located in Austin, Texas. Foundation Communities is proposing the development.

We have also mailed a notice to your offices. Please feel free to reach out should you have any questions about the proposed development.

Kindest regards,

--

Lora Myrick

President

812 San Antonio, Suite L-14

Austin, Texas 78701

(512) 785-3710

www.betcohousinglab.com



Tillie Croxdale

From: Lora Myrick <lora@betcohousinglab.com>
Sent: Thursday, January 7, 2021 9:14 PM
To: ccihdv@gmail.com
Cc: Sabrina Butler; Tillie Croxdale
Subject: Proposed Multifamily Development - Parker Apartments in Austin, TX
Attachments: Parker Letters_January 5 Del Valle.pdf

CAUTION: External Email

Good evening Ms. Woody.

Attached is a notice for a proposed development Parker Apartments to be located in Austin, Texas. Foundation Communities is proposing the development.

We have also mailed a notice to your offices. Please feel free to reach out should you have any questions about the proposed development.

Kindest regards,

--

Lora Myrick

President

812 San Antonio, Suite L-14

Austin, Texas 78701

(512) 785-3710

www.betcohousinglab.com



Tillie Croxdale

From: Lora Myrick <lora@betcohousinglab.com>
Sent: Thursday, January 7, 2021 9:17 PM
To: myeatts@austinrr.com
Cc: Sabrina Butler; Tillie Croxdale
Subject: Proposed Multifamily Development - Parker Apartments in Austin, TX
Attachments: Parker Letters_January 5 East Riverside.pdf

CAUTION: External Email

Good evening Mr. Yeatts.

Attached is a notice for a proposed development Parker Apartments to be located in Austin, Texas. Foundation Communities is proposing the development.

We have also mailed a notice to your offices. Please feel free to reach out should you have any questions about the proposed development.

Kindest regards,

--

Lora Myrick

President

812 San Antonio, Suite L-14

Austin, Texas 78701

(512) 785-3710

www.betcohousinglab.com



Tillie Croxdale

From: Lora Myrick <lora@betcohousinglab.com>
Sent: Thursday, January 7, 2021 9:21 PM
To: jlong91@austinrr.com
Cc: Sabrina Butler; Tillie Croxdale
Subject: Proposed Multifamily Development - Parker Apartments in Austin, TX
Attachments: Parker Letters_January 5 Southeast.pdf

CAUTION: External Email

Good evening Ms. Long.
Attached is a notice for a proposed development Parker Apartments to be located in Austin, Texas. Foundation Communities is proposing the development.

We have also mailed a notice to your offices. Please feel free to reach out should you have any questions about the proposed development.

Kindest regards,

--

Lora Myrick

President

812 San Antonio, Suite L-14

Austin, Texas 78701

(512) 785-3710

www.betcohousinglab.com



Tillie Croxdale

From: Lora Myrick <lora@betcohousinglab.com>
Sent: Thursday, January 7, 2021 9:23 PM
To: batmans_byte@hotmail.com; batmans_byte@rocketmail.com
Cc: Sabrina Butler; Tillie Croxdale
Subject: Proposed Multifamily Development - Parker Apartments in Austin, TX
Attachments: Parker Letters_January 5 Homeless.pdf

CAUTION: External Email

Good evening Mr. Becker.

Attached is a notice for a proposed development Parker Apartments to be located in Austin, Texas. Foundation Communities is proposing the development.

We have also mailed a notice to your offices. Please feel free to reach out should you have any questions about the proposed development.

Kindest regards,

--

Lora Myrick

President

812 San Antonio, Suite L-14

Austin, Texas 78701

(512) 785-3710

www.betcohousinglab.com



5. Property

f. Tenant Relocation Plan

The current owner formerly operated a church, gymnasium, thrift shop, and allowed use of office space by nonprofits such as Justice for our Neighbors. The pastor also used to live on site. However, all occupancy ceased in 2019. Thus, a tenant relocation plan is not applicable.

5. Property

g. Phase I ESA

See attached for the Phase I ESA completed in 2020 and below for a summary of key environmental findings and recommendations identified in the report and how we, as the applicant will address these findings.

- **Asbestos** – Asbestos sampling of the onsite structures is recommended prior to any renovation activities. The Applicant will demolish and remove all structures on the site; however, asbestos sampling and testing will be conducted to ensure there is no exposure of asbestos fibers in the air and it is removed with no impact to the environment through necessary and qualified service providers.
- **Lead-Based Paint** – Survey of lead-based paint is recommended if the on-site structures will be renovated. The Applicant will demolish and remove all structures on the site. However, a lead –based survey will be conducted and the Applicant will ensure that recommended lead-safe practices are followed.
- **Lead in Drinking Water** – Testing for lead in the drinking water is recommended if any of the plumbing systems are planned for use in the future development. The Applicant will demolish and remove all structures, including existing plumbing systems, on the site. Since all plumbing systems will be replaced, no further action is needed or required.
- **Noise** – Noise mitigation will be required to establish a noise environment below 65 dB in proposed noise sensitive locations of the new development. The Applicant will ensure that the architect designs the buildings and materials to reach the acceptable noise level below 65db.

5. Property

h. State Historical Preservation Officer

See attached for SHPO email concurring that “No historic properties are present or affected by the project as proposed.”

Tillie Croxdale

From: Kevin Stone <kstone@intenvsol.com>
Sent: Wednesday, November 17, 2021 10:21 AM
To: Tillie Croxdale
Subject: FW: [External] Section 106 Submission

CAUTION: This email originated from outside of the organization.

Hey Tillie,

The THC concurred with our findings. No survey or further THC coordination needed for the project.

Not sure if it is Phase or not, but whomever is handling the NHTF/HUD funding will want to see this.

Best,



Kevin Stone, MA, RPA
Vice President – Cultural Resources Director
Integrated Environmental Solutions, LLC
Office 972-562-7672 Mobile 325-660-8649
Email kstone@intenvsol.com
600 Columbus Avenue, Suite 106,
Waco, TX 76701

From: noreply@thc.state.tx.us <noreply@thc.state.tx.us>
Sent: Wednesday, November 17, 2021 10:05 AM
To: CRM <CRM@intenvsol.com>; reviews@thc.state.tx.us
Subject: [External] Section 106 Submission

NOTICE: This message was sent from an external organization.



TEXAS HISTORICAL COMMISSION
real places telling real stories

Re: Project Review under Section 106 of the National Historic Preservation Act
THC Tracking #202201818
Date: 11/17/2021
2105 Parker Lane Project
2105 Parker Lane
Austin, TX

Description: Cultural resources desktop analysis for a 7.9 acre HUD multi-family development. No survey recommended.

Dear Integrated Environmental Solutions, LLC:

Thank you for your submittal regarding the above-referenced project. This response represents the comments of the State Historic Preservation Officer, the Executive Director of the Texas Historical Commission (THC), pursuant to review under Section 106 of the National Historic Preservation Act.

The review staff, led by Charles Peveto, Tiffany Osburn, has completed its review and has made the following determinations based on the information submitted for review:

Above-Ground Resources

- No historic properties are present or affected by the project as proposed. However, if historic properties are discovered or unanticipated effects on historic properties are found, work should cease in the immediate area; work can continue where no historic properties are present. Please contact the THC's History Programs Division at 512-463-5853 to consult on further actions that may be necessary to protect historic properties.

Archeology Comments

- No historic properties affected. However, if cultural materials are encountered during construction or disturbance activities, work should cease in the immediate area; work can continue where no cultural materials are present. Please contact the THC's Archeology Division at 512-463-6096 to consult on further actions that may be necessary to protect the cultural remains.

We look forward to further consultation with your office and hope to maintain a partnership that will foster effective historic preservation. Thank you for your cooperation in this review process, and for your efforts to preserve the irreplaceable heritage of Texas. If the project changes, or if new historic properties are found, please contact the review staff. If you have any questions concerning our review or if we can be of further assistance, please email the following reviewers: charles.peveto@thc.texas.gov, tiffany.osburn@thc.texas.gov.

This response has been sent through the electronic THC review and compliance system (eTRAC). Submitting your project via eTRAC eliminates mailing delays and allows you to check the status of the review, receive an electronic response, and generate reports on your submissions. For more information, visit <http://thc.texas.gov/etrac-system>.

Sincerely,



for Mark Wolfe, State Historic Preservation Officer
Executive Director, Texas Historical Commission

Please do not respond to this email.