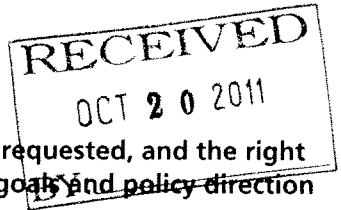


RENTAL HOUSING DEVELOPMENT ASSISTANCE (RHDA)

Application for Rental Development Financing



PLEASE NOTE: AHFC Reserves the right to fund projects at a lower amount than requested, and the right to deny applications that do not coincide with the City's FY 2011-12 Action Plan goals and policy direction from the Austin City Council.

Project Name: The Works at Pleasant Valley

Project Address: 835 N Pleasant Valley Rd, Austin, Texas Zip Code 78702-3726

Total # units in project/property: 45

Total # units to be assisted with RHDA Funding: 34

Project type: ☐ Acquisition ☐ Rehabilitation ☒ New construction ☐ Refinance ☐ Rent Buy-Down

Amount of funds requested: \$2,000,000 Terms Requested: Forgivable Deferred Payment Loan, 0% int., 40 years

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

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

Lifeworks Affordable Housing Corporation, Owner and Applicant
Youth and Family Alliance, dba LifeWorks. Developer and Supportive Services Provider

Name

3700 S. 1st St.
Street Address

Austin 78704 512-735-2400
City State, Zip Telephone #

Mitch Weynand 512-735-462 mitch.weynand@lifeworksaustin.org
Contact Person Contact Telephone # E-mail address

[REDACTED]
Federal Tax ID Number or SS#

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.

Youth and Family Alliance dba Lifeworks
Legal Name of Developer/Entity

[Signature]
Signature of Authorized Officer

10/19/11
Date

Executive Director
Title

2. For Lifeworks Affordable Housing Corporation - non-profit applicants, include copies of the following:

- a. Articles of Incorporation – See Exhibit 1
- b. Certificate of Incorporation filed with the State of Texas – See Exhibit 2
- c. Federal IRS certification granting non-profit status – See Exhibit 3
- d. Names, addresses and phone numbers of current board members – See Exhibit 4
- e. Certified financial audit for most recent year which include the auditor's opinion and management letters. ***There has been on activity therefore there is no audit***
- f. Board resolution approving the proposed project and authorizing the request for funding – See Exhibit 5

For Youth and Family Alliance dba LifeWorks - non-profit developer, include copies of the following:

- a. Articles of Incorporation – See Exhibit 6
- b. Certificate of Incorporation filed with the State of Texas – See Exhibit 7
- c. Federal IRS certification granting non-profit status – See Exhibit 8
- d. Names, addresses and phone numbers of current board members – See Exhibit 9
- e. Certified financial audit for most recent year which include the auditor's opinion and management letters. See Exhibit 10
- f. Board resolution approving the proposed project and authorizing the request for funding – See Exhibit 11

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

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

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

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

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

A. Types of proposed PSH Units: Multi-family ☒ Single-family (1-4 units) ☐

B. Numbers of proposed PSH Units:

45 Total Number of Units in project

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

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

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

Individuals or families headed by individuals that are:

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

Number of Units 2

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

Number of Units _____

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

- a. have experienced a long-term period without living independently in permanent housing;
- b. have experienced persistent instability as measured by frequent moves over such period; and
- c. can be expected to continue in such status for an extended period of time because of chronic disabilities, chronic physical health or mental health conditions, substance addiction, histories of domestic violence or childhood abuse, the presence of a child or youth with a disability, or multiple barriers to employment.

Number of Units 2

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

Number of units 6

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

Number of units _____

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

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

The property is located at 835 N. Pleasant Valley Road, Austin, TX 78702. This is at the intersection of Pleasant Valley Road and Lyons Road. The property is a 5.889 acre site purchased by LifeWorks in November of 2009. The affordable housing site will be on a "to be subdivided" lot of approximately 2.4 acres. The LifeWorks Affordable Housing Corporation (LWAHC) will purchase the lot from Youth and Family Alliance dba LifeWorks (LW).

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

The tenant population will be a mixture including youth/young adults aging out of foster care; unaccompanied youth/formerly homeless youth in need of transitional housing; young, single head of household families; teen parents; and families at 50% MFI. The permanent supportive housing units will target unaccompanied youth, youth exiting foster care and chronically homeless individuals. There will be 15 units set aside for residents whose income is below 30% MFI and 30 units set aside for residents whose income is below 50% MFI.

See the answers to question 14 for supportive services to be provided. In summary the LifeWorks Affordable Housing Corporation will partner with Youth and Family Alliance dba LifeWorks to provide case management, financial assistance, mental health counseling, employment assistance, literacy tutoring, GED preparation, and life-skills training. To the greatest extent possible, LifeWorks will leverage other federal and state resources to provide these high quality services, including funds from HUD Continuum of Care (CoC), State Homeless Housing and Services Program (HHSP), and HHS- Runaway and Homeless Youth (RHY), and DOJ Office of Violence Against Women.

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

The structures will be wood frame, multi-family type construction with a mixture of efficiency, 1 bedroom, two bedroom and 3 bedroom units. There will be a total of 45 units and a total of approximately 33000 square feet with unit sizes from 397 to 939 sq. ft.

This will be a mixed use community with at least 10 units operated as permanent supportive housing and the remainder available to residents at multiple income levels. LifeWorks assures that 10 units will be operated as Permanent Supportive Housing at all times. ***LifeWorks is willing to double the number of Permanent Supportive Housing units if all funding sources identified in this application commit funds as proposed and the Proforma is approved by underwriting.***

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

Not Applicable – This project is for purchase of vacant land and new construction.

d. Indicate whether the project meets the requirements of the City's Vertical Mixed-Use (VMU) Ordinance, or is in a Planned-Unit Development (PUD) or Transit Oriented Development (TOD).

Not Applicable – this project does not meet these requirements.

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

Not Applicable – This project is for purchase of vacant land and new construction.

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

Not Applicable – This project is for purchase of vacant land and new construction

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

LifeWorks will set aside 2 units for Housing Choice Vouchers and will accept more if they are available. LifeWorks is a partner with Housing Authority of Austin (HACA) and the Texas Department of Family and Protective Services (DFPS) to provide the case management for the new Housing Choice vouchers set aside specifically for youth exiting foster care. See supportive services section and MOU between the HACA and DFPS for more information on Housing Choice – Family Unification Program (FUP) Vouchers

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

As per S.M.A.R.T. Housing, all ground floor units must be adaptable and 10% accessible. Therefore LifeWorks will assure that 5 units are fully accessible for individuals with mobility, sight, and hearing disabilities and that 10 are adaptable.

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

The Govalle/Johnson Terrace Combined Neighborhood Plan has several references that demonstrate that the LifeWorks project is compatible with the plan:

- 1) The Future Land Use Map (FLUM) identifies this tract as a "Mix of retail/ commercial & residential - Could include some residential apartments".
- 2) On page 41 the plans states: "Firstly, multi-family is recommended on tracts located closer to the periphery of the neighborhood such as on Pleasant Valley and Oak Springs roads. Another significant use of multi-family recommended on this FLUM are on larger tracts that are adjacent to single family uses, but are currently used for more intensive land uses such as industrial or commercial. This plan recommends multi-family uses on these tracts to promote compatibility, as well as greater housing opportunities".
- 3) The encouragement of multi-family development in select locations is also reflected on Page 58, Housing – Goal 5 – Maintain an affordable and stable housing stock – Provide a diverse range of housing opportunities for all stages of life and income levels.

j. In addition to providing an Itemized Development Budget through your response to Question 12 below, summarize the key financials of the project, clearly indicating the total project cost, the amount and intended use of AHFC funds being requested, and the amount(s) and provider(s) of other funding and the stage of those funding commitments.

Summary of Key Financials

This is the second funding application that LifeWorks has submitted for this affordable housing project; the first, submitted in 2010, met threshold but was not funded. Our intention is to secure the funding from the City of Austin and submit an application to the Texas Department of Housing and Community Affairs for Neighborhood Stabilization Program (NSP) funding. The NSP application will be submitted by the end of October 2011; TDHCA Board approval is possible in January 2012. Additional funding is committed by the Austin Community Foundation and the City of Austin Housing Finance Corporation – Housing Trust funds. If we are successful in securing the RHDA and the NSP funds then additional loans and the long term funding for the project will not be necessary. This funding structure allows the project to 100% affordable to low and very low income households.

City of RHDA funds - \$2,000,000; TDHCA NSP - \$2,822,262; Austin Community Foundation - \$500,000; Austin Housing Finance Corporation – Housing Trust Funds - \$200,000; and LifeWorks Fundraising - any additional funds for construction interest if needed. This total is \$5,522,262.

See Exhibit 26 – letters of fund commitment.

The cost of completing the project is therefore \$5,522,262. This includes \$1,050,600 for the purchase of approximately 2.4 acres of land with significant pre-development improvements; \$3,800,263 for construction costs based on an estimate of \$113 per square foot; \$344,995 for Professional Services including architecture, engineering, Green Building consultation, appraisal, surveying, and other consultants; and 326,404 in soft and carrying costs. See the Development budget for line item details

LifeWorks intends to use the AHFC/RHDA funds for the purchase of the land, professional fees, real estate taxes, project management fees, and construction costs. With 34 units set aside for residents below 50% MFI and designated as RHDA assisted units, the per unit cost for AHFC/RHDA funds is \$58,824.

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

k. A map (8 ½" x 11") indicating the property location and the distance to the nearest Capital Metro Transit Stop to which residents will have access.

See Attached Area Map – See Exhibit 12

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

See Opportunity Map of Austin – See Exhibit 13

Also attached are the following:

Map of Community Resources near the site – See Exhibit 14

LifeWorks Subdivision Plan – See Exhibit 15

LifeWorks Housing Conceptual Plan – See Exhibit 16.

5. Site Control and Demonstration of Value

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

See the attached Warranty Deed demonstrating that LifeWorks owns the property – see Exhibit 17

See the attached Real Estate Option Agreement that demonstrates that the LifeWorks Affordable Housing Corporation has a contract to purchase the property from LifeWorks. – See Exhibit 18

See attached Corporate Resolution from LifeWorks Authorizing sale of property to LifeWorks Affordable Housing Corporation - See Exhibit 19

See attached Corporate Resolution from LifeWorks Affordable Housing Corporation authorizing purchase of property from LifeWorks - See Exhibit 20

See the attached Appraisal demonstrating the value of the property. - See Exhibit 21

Regarding the Appraisal

LifeWorks hired Lone Star Appraisers to assess the value of the property. Lone STAR has provided an appraisal for an "As is Value" and an "As Complete". The "As Complete" value includes items for the site that LifeWorks has added during the construction of the adjacent Resource Center including a water quality pond, road, utilities, grading, and site planning

The "As is Value" is appraised at \$660,000 as of 2/21/11. The "As Complete" value is \$1,020,000. All items on the improvement analysis have been completed.

Prior to completing that sale of this land, LifeWorks will update the appraisal.

6. Zoning

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

See the attached Zoning Verification letter. This letter lists the previous owners, but is the same property and no zoning changes have occurred. See Exhibit 22

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

See the attached S.M.A.R.T. Housing Letter - See Exhibit 23

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

	Name(s) & Any Comments on Role	MBE? (Mark X if Yes)	WBE? (Mark X if Yes)	Non- profit? (Mark X if Yes)
Owner	LifeWorks Affordable Housing Corporation will purchase the land from Youth and Family Alliance dba LifeWorks and own the project			X
Developer	Youth and Family Alliance dba LifeWorks			X
Architect	Craycroft, McElroy, Hendryx			
Landscape Architect	Coleman and Associates		X	
Engineer	Not yet selected; Bury + Partners has completed the site plan for the entire site. This will need to be amended to include the Housing Site			
Construction Lender	May not be necessary – discussions have begun with Capital One			
Other Lenders				
Attorney	Andy White; Dan Nelson			
Accountant	LifeWorks will perform all accounting functions under the direction of Jay Scheumack, Chief Financial Officer			X
General Contractor	Not yet selected			
Consultant (if Applicable)	American Campus Communities will be providing Project Planning and Construction Management services; Foundation Communities will be providing addition consultation regarding compliance with Federal construction regulations and Neighborhood Stabilization Program funding			X

Property Management Provider	LifeWorks Affordable Housing Corporation will provide the Property Management services; funding is set aside in the budget for additional services of professional property management if needed; Foundation Communities will be providing consultation on the operation of low-income, federally supported project through construction, lease-up and first year operations and reporting.			X
Other:				

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

	DATE(S)
Acquisition and/or holding	4/30/12
Environmental and/or historic review (AHFC)	
Securing and packaging project financing	4/30/12 if NSP is awarded
Construction Specifications and Cost estimates	6/30/12
Construction Bids	7/30/12
Construction Start	8/1/12
Anticipated Draws (list all)	4/30/12 5/15/12 6/15/12 7/15/12 8/15/12 9/15/12 10/15/12 11/15/12 12/15/12 1/15/13 2/15/13 3/15/13 4/15/13 5/15/13 6/15/13 7/15/13
End Construction	5/30/13
Start of Rent-up	7/1/13
Completion & Operation	10/1/13

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

15 Units adaptable for persons with mobility disabilities
5 Units accessible for persons with mobility disabilities
5 Units adaptable for persons with sight and hearing disabilities
5 Units accessible for persons with sight and hearing disabilities

11. Experience and Qualifications – Rental Development and Property Management

a. Is this the developer's first housing project? ☐ Yes ☒ No

b. Completed projects (please list below):

COMPLETED PROJECTS				
Address	Number of Units	New or Rehab	Type of Property (apartments, SF units, etc.)	Year Completed
3708 S. 1 st St, Austin, Texas 78704	16	Rehab	Emergency and Transitional Shelter	2008
4606 Connelly, Austin, TX 78751	16	Rehab	Transitional Shelter	2009

c. Describe the **experience and qualifications** and the developer's ability and capacity to implement the proposed project.

As the LifeWorks Affordable Housing Corporation (LAHC) this will be a first project, however the development team for the LWAHC are the same staff and involved Board members as are currently employed or volunteering with Youth and Family Alliance dba LifeWorks:

Susan McDowell, Executive Director of LifeWorks and President of the LifeWorks Affordable Housing Corp.

Mitch Weynand, Chief Operating Officer for both organizations

Jay Scheumack, Chief Financial Officer for both organizations

Jim Hopke, past Board Chair and current Board Member of LifeWorks

David Wieland, current Board Member of both organizations.

The Youth and Family Alliance, dba LifeWorks, is a local non-profit organization that owns 5 properties in Austin, leases two other office/program locations, and master leases 18 apartment/duplex units. LifeWorks was formed in 1998 through the merger of 4 non-profits and has merged with two additional non-profits since that time. Roots of the organization go back to 1910 as a human service provider in Austin. Our development experience includes the following:

1982 – Purchased property at 2001, 2005, and 2007 Chicon Street, Austin, TX. We renovated and rehabilitated 2,900 sq. ft. in a single family home and added 4,800 sq. ft. to create an administrative office and counseling center for the Child and Family Service organization.

1996 - Purchased property at 3710 S. 2nd Street, Austin, TX and remodeled it to be the Youth Options Emergency Shelter – a 16 bed group living facility for homeless youth.

2000 – In partnership with Seton Hospital Corporation, we built the Seton Topfer Clinic at 8913 Collinfield Dr., Austin, TX. LifeWorks owns 45% of this facility using it for counseling and youth services.

1999 leased and in 2001 – 4606 Connelly Street, Austin, TX 78751 - LifeWorks purchased a 6,000 sq. ft. group living facility from the City of Austin/Austin Housing Finance Corporation. This facility is used as a 16 bed transitional living program for homeless youth. Several renovations have been completed.

2005 – LifeWorks built the 14,000 sq. ft. office building at 3700 South 1st St., Austin, TX 78704. The building houses the LifeWorks South Austin Youth and Family Resource Center.

2007 – LifeWorks purchased the property at 3708 S. 2nd St., an office building next to the Emergency Shelter that LifeWorks had leased for some time. LifeWorks filed a Unified Development Agreement to build across the property line between the two buildings and in 2008 completely remodeled both buildings joining them with a central kitchen and food service area. The building now has 32 beds – operating 20 as the Emergency Shelter and 12 as a group living facility for young mothers and their babies.

2009 – Rehabilitated the 4606 Connelly St. – Facility rehab included floors, roof, slab repairs, kitchen remodel.

2009 - LifeWorks purchased 5.889 acres at 835 N. Pleasant Valley Road, Austin, TX 78702 for the purposes of building a 31,000 sq. ft. office building and affordable housing. The site is nearing completion and is expected to receive a Certificate of Occupancy in December 2011.

In all the above projects, LifeWorks served as the developer and hired General Contractors, Architects, Engineers, and other trades as need to complete the projects.

Two members of our Board of Governors have extensive multi-family, student housing, and affordable housing experience:

Jim Hopke, immediate past Chairman of LifeWorks, is an Executive Vice President in charge of Development for American Campus Communities that builds multi-family and student housing across the nation. Jim Hopke has been involved in the development of student housing since his employment with American Campus in May 2005, first as EVP and Chief Investment Officer through November 2007, and as EVP for Project Management and Construction since that time. During his tenure at American Campus he has participated in investment decisions and/or oversight for the development of 6,741 units (18,183 beds) of student housing. These projects have a total development cost of over \$1.4 billion and are located at 16 universities in 13 states.

From November 2002 to April 2005, Mr. Hopke served as VP of Asset Management and Advisory Services for Wachovia Securities' Real Estate Capital Markets group. From February 2000 to November 2002, he served as SVP of Acquisitions for American Campus' predecessor entities. Mr. Hopke was previously a VP of JPI Apartment Development and Insignia Financial Group (a national multifamily apartment owner). He is a former MAI Member of The Appraisal Institute. Mr. Hopke received a B.S. in Administrative Management from Clemson University.

David Wieland is Managing Principle for DAW Capital Partners and has extensive experience in financing, owning, building, and operating affordable housing and multi-family properties. David A. Wieland is the primary investor in DAW Capital Partners, a boutique real estate investment firm. With over 20 years of direct experience in institutional real estate, David has played key roles in nearly \$3 billion worth of real estate transactions during his career. Prior to DAW Capital Partners, David was a co-founding member of Mission Residential, a research-driven, fully integrated, multifamily owner-operator. Between 2005 and the end of 2009 when David left the firm, Mission Residential acquired, repositioned and operated more than \$975 million dollars in multifamily assets across the Sunbelt, representing more than 12,500 middle income apartment units.

Prior to founding Mission Residential, he served as Senior Vice President of Finlay Development responsible for all aspects of the company's southwestern operations. During his tenure with Finlay, David was directly responsible for the development of more than 3,000 rent-restricted/affordable apartment units using the Federal Low Income Housing Tax Credit (LIHTC) program. Between 1998 and 2003 David formed, owned and operated two real estate investment firms; Forward Capital, Inc., which accumulated significant equity interests in over 90 properties nationwide and Convenience Retail Group, a start-up REIT that was liquidated to a public REIT. From 1994 to 1998, David worked in various investment and capital allocation capacities in the Security Capital Group family of companies including: ProLogis Trust, Archstone Communities, Homestead Village and SC Group. Prior to joining Security Capital Group he was a Director in Equitable Real Estate's Investment Research group. David serves on the Real Estate Roundtable for the College of Business (Mays) at Texas A&M University, is a member of the GlobeSt.com's Multifamily Advisory Board, serves on the Board of Governors of LifeWorks, serves on the Board of Director of the LifeWorks Affordable Housing Corporation, is a full member of The Urban Land Institute (ULI) and serves on the Executive Committee of ULI's Austin chapter. David attended Texas A&M University where he received his M.S. in Land Economics and Real Estate and B.B.A. in Finance and Real Estate.

Both these gentleman and additional employees of American Campus Communities will be extensively involved in the development of the LifeWorks Affordable Housing Project.

- d. Indicate who will provide **property management** services. Provide documentation to demonstrate the entity's level of experience and track record in operating properties of similar size, particularly income-restricted properties.

LifeWorks staff under the direction of Mitch Weynand, Chief Operating Officer will be providing the property management services for The Works at Pleasant Valley. The budget for the project includes funds to hire a property

manager and maintenance worker. LifeWorks will fill these positions with individuals with experience in serving multi-family and special populations; LifeWorks will comply with Section 3 requirements and attempt to hire local residents for these positions. The budget also includes funds for additional contract property management as needed.

Under Mr. Weynand's current property management responsibilities, LifeWorks manages the following properties:

Site	Address	Hours of Operation	Description
South Owned	3700 S. 1st St. Austin, TX 78704	Monday - Thursday: 8:30 am - 8 pm Friday: 8:30 am - 5 pm Saturday: 9 am – 1 pm	14,000 sq. ft. - Office Counseling, Youth Services, Housing Supportive Services, Administration
East/Central Owned	2001 Chicon St. Austin, TX 78722	Monday - Thursday: 8:30 am - 8 pm Friday: 8:30 am - 5 pm	7,700 sq. ft. - Office Counseling, Youth Services, Community Prevention Education,
LifeWorks Education Center (LEC) Leased	1910 E MLK Jr. Blvd. Austin, TX 78702	Monday-Thursday: 9 am - 9 pm Friday: Administration and by appointment only	3,300 sq. ft. – Office Adult Basic Education, English as Second Language and GED Preparation
North Owned	8913 Collinfield Dr. Austin, TX 78758	Monday - Thursday: 8:30 am - 8 pm Friday: 8:30 am - 5 pm Saturday & Sunday: 9 am - 1 pm	3,575 sq. ft. Office Counseling, Forster Care Transition Services, In-School Prevention Education
Emergency Shelter Owned	3708 S. 2nd Street Austin, TX 78704	24-Hours Residential	5,000 sq. ft 20-bed emergency shelter for homeless, abused, and abandoned youth
Young Moms & Babies Program Owned			3,000 sq. ft 12 bed transitional living shelter for youth mother and their children
Transitional Living Program Owned	4606 Connelly St. Austin, TX 78751	24-Hours Residential	6,000 sq. ft 16-bed transitional living shelter for homeless youth and young adults
Street Outreach Leased	Located at the: Congregational Church 408 W. 23rd St. Austin, TX 78705	Outreach Daily Drop-in Center: M, W, Th: 1-4 pm	2,000 sq. ft. Counseling, case management, medical, and drop-in service for street youth
Supportive Housing Program Leased	Sierra Vista Apartments 4220 South Congress Austin, TX 78748	Monday-Friday: 9 am - 5 pm	18-apartments, Supportive transitional living for homeless youth and young families

This is a total of 60,275 sq. ft. of property managed by LifeWorks and 20 shelter beds, 59 transitional living beds, and with 18 apartment and 3 shelters.

LifeWorks receives federal funds to support all the above residential location and is experienced in managing rent restricted properties, the eligibility requirements and the reporting processes. Specifically:

- The Young Mother and Babies Transition Living Shelter was renovated with COVAHFC Housing Trust Funds and we are managing these as rent restricted units.
- The LifeWorks Emergency Shelter received Federal funds through the Runaway and Homeless Youth Act and has received HUD Emergency Shelter Grant funds in the past.
- The Support Housing Apartments are funded by HUD Continuum of Care funds and are operated under the rent restrictions and reporting requirements for HUD.
- The LifeWorks Transitional Living Program facility was purchased by LifeWorks from the City of Austin that used HUD funds for the acquisition and renovation. LifeWorks is managing this property under HUD and AHFC rent restrictions and reporting requirements.

This is a total of 50 federally supported; rent restricted units currently managed by LifeWorks. The proposed project will be an additional 45 units.

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

DETAILED PROJECT BUDGET				
The Works at Pleasant Valley		Prior award of RHDA Funds (if any)	RHDA Funds Requested	Description or Comments
45 Units				
33,374 sq. ft.	Cost			
PREDEVELOPMENT				
Appraisal	1,500			
Environmental Review				Completed, in Acquisition
Engineering	45,000			
Survey	2,500			
Green Building and other consultants	34,205			
Architectural, MEP, Structural, Landscaping	261,790			
TOTAL PREDEVELOPMENT	344,995		-	
ACQUISITION				
Site and/or Land	1,050,600			Includes closing costs
Structures				
Other (specify)				
TOTAL ACQUISITION	1,050,600		-	
CONSTRUCTION	3,070,408			Project design and construction documents are not complete; therefore line item budget is not possible. This is an estimate of buildings construction cost of \$92/square foot
Infrastructure				
Site work	333,740			Estimated at \$10/sq. ft.

Demolition				
Concrete				
Masonry				
Rough carpentry				
Finish carpentry				
Waterproofing & Insulation				
Roofing & Sheet Metal				
Plumbing/Hot Water				
HVAC				
Electrical				
Doors/Windows/Glass				
Lath & Plaster/ Drywall & Acoustical				
Tile work				
Soft & Hard Floor				
Paint/Decorating/Blinds/Shades				
Specialties/Special Equipment				
Cabinetry/Appliances				
Carpet				
Other: Furnishings	40,000			Office and PSH units
Other: Permits	2,000			Not Smart Housing waived
Other: Owner Site maintenance	10,000			Mowing, clean up, misc.
Other: Accessibility Review	1,500			
Construction Contingency	342,615			10% of construction and site work
TOTAL CONSTRUCTION	3,800,263		-	\$105/sq. ft.
SOFT & CARRYING COSTS				
Legal	12,000			
Audit/Accounting				provided by LifeWorks
Title/Recording				in Acquisition cost
Architectural (Inspections)				In Architecture Costs
Materials Testing	20,000			
Construction Interest				
Construction Period Insurance	10,000			
Construction Period Taxes	30,256			
Building Commissioning	25,000			
Relocation				
Marketing, Management and Development Fees	170,207			
Davis-Bacon Monitoring	20,000			
Other: Operating Reserve	38,941			
TOTAL SOFT & CARRYING	326,404		-	
TOTAL PROJECT BUDGET	5,522,262	-	-	

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

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

TABLE A: SOURCES OF FUNDS SUMMARY					Intended Use of Funds (Predevelopment, Acquisition, Construction, Soft Costs)
	Term	Interest Rate	Amount	Evidence (Deed, Sales Contract)	
Owner Equity					
Private Financing (List Lenders)					
TDHCA – Neighborhood Stabilization Program	30 years, deferred; 50% forgivable	0%	2,822,262	Proposal to be submitted	Construction and Soft Costs
Other Sources (List Below)					
Austin Community Foundation			500,000	Letter	Acquisition
AHFC – Housing Trust Funds			200,000	Letter	Acquisition, Predevelopment
Proposed RHDA Funds	30 years, deferred; 100% forgivable	0%	2,000,000		Acquisition, Predevelopment, Construction, Soft and Carrying

TABLE B: USES OF FUNDS SUMMARY		
	Total Cost	Cost/Unit
Predevelopment	\$ 344,995	\$ 7,667
Acquisition	\$1,050,600	\$ 23,347
Hard Costs	\$3,380,263	\$ 75,117
Soft & Carrying Costs	\$ 326,404	\$ 7,253
Other Costs		
Total Project Costs	\$5,522,262	\$122,717

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

TABLE C: LEVERAGE SUMMARY	
TOTAL RHDA FUNDS	\$2,000,000
TOTAL OTHER FUNDS	3,522,262
LEVERAGE (%)	36%

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

See the next 3 pages

**TABLE D: OPERATING
PROFORMA**

Income									
Unit Type	#	Size	Monthly Income	Annual Income					
Efficiency - 30%MFI									
1 bed / 1 bath 30% MFI	5	397	298	17,880					
2 bed / 1 bath - 30% MFI	5	499	299	17,940					
Efficiency - 50% MFI									
1 bed / 1 bath - 50% MFI	4	397	363	21,780					
2 bed / 1 bath - 50% MFI	4	499	580	27,840					
3 bed / 1 bath - 30% MFI	16	693	601	28,848					
Other Income, Vending	6	939	724	139,008					
			796	57,312					
FULL OCCUPANCY ANNUAL INCOME				310,608					
Less Vacancy/Credit Loss (Indicate % & Amount of Loss)			7.50%	(23,296)					
Other Income, Vending				3,375					
GROSS ANNUAL INCOME				290,687					
Net Rental Sq. Ft.			28,251						
Inflation Factor - Income			0.025						
Inflation Factor - Expenses			0.03						

Table D: Proforma										
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Gross Annual Income	290,687	297,954	305,403	313,038	320,864	328,886	337,108	345,536	354,174	363,028
EXPENSES										
Utilities										
Insurance	19,125	19,699	20,290	20,899	21,526	22,172	22,837	23,522	24,228	24,955
Maintenance Repairs	11,250	11,588	11,936	12,294	12,663	13,043	13,434	13,837	14,252	14,680
Make Ready and Decoration	15,525	15,991	16,471	16,965	17,474	17,998	18,538	19,094	19,667	20,257
Property Taxes	9,956	10,255	10,563	10,880	11,206	11,542	11,888	12,245	12,612	12,990
Payroll and Benefits	60,513	62,328	64,198	66,124	68,108	70,151	72,256	74,424	76,657	78,957
General and Administrative	41,925	43,183	44,478	45,812	47,186	48,602	50,060	51,562	53,109	54,702
Management Fees	10,575	10,892	11,219	11,556	11,903	12,260	12,628	13,007	13,397	13,799
Marketing	11,627	11,918	12,216	12,522	12,835	13,155	13,484	13,821	14,167	14,521
Other: Replacement Reserves	2,250	2,318	2,388	2,460	2,534	2,610	2,688	2,769	2,852	2,938
Other: Supportive Services	13,500	13,500	13,500	13,500	13,500	13,500	13,500	13,500	13,500	13,500
TOTAL EXPENSES	35,550	36,617	37,716	38,847	40,012	41,212	42,448	43,721	45,033	46,384
	231,796	238,289	244,975	251,859	258,947	266,245	273,761	281,502	289,474	297,683
NET OPERATING INCOME (NOI)										
	58,891	59,665	60,428	61,179	61,917	62,641	63,347	64,034	64,700	65,345
Sources of Funds & Debt Service										
Neighborhood Stabilization Program										
	47,038	47,038	47,038	47,038	47,038	47,038	47,038	47,038	47,038	47,038
TOTAL ANNUAL Debt Service (DS)	47,038	47,038	47,038	47,038	47,038	47,038	47,038	47,038	47,038	47,038
Cash-flow after Debt Service (CF = NOI – DS)										
	11,853	12,627	13,390	14,141	14,879	15,603	16,309	16,996	17,662	18,307
Debt Coverage Ratio (DCR = NOI/DS)										
	1.25	1.27	1.28	1.3	1.32	1.33	1.35	1.36	1.38	1.39

Table D: Proforma											
	Year 11	Year 12	Year 13	Year 14	Year 15	Year 16	Year 17	Year 18	Year 19	Year 20	
Gross Annual Income	372,104	381,407	390,942	400,716	410,734	421,002	431,527	442,315	453,373	464,707	
EXPENSES											
Utilities	25,704	26,475	27,269	28,087	28,930	29,798	30,692	31,613	32,561	33,538	
Insurance	15,120	15,574	16,041	16,522	17,018	17,529	18,055	18,597	19,155	19,730	
Maintenance Repairs	20,865	21,491	22,136	22,800	23,484	24,189	24,915	25,662	26,432	27,225	
Make Ready and Decoration	13,380	13,781	14,194	14,620	15,059	15,511	15,976	16,455	16,949	17,457	
Property Taxes	81,326	83,766	86,279	88,867	91,533	94,279	97,107	100,020	103,021	106,112	
Payroll and Benefits	56,343	58,033	59,774	61,567	63,414	65,316	67,275	69,293	71,372	73,513	
General and Administrative	14,213	14,639	15,078	15,530	15,996	16,476	16,970	17,479	18,003	18,543	
Management Fees	14,884	15,256	15,638	16,029	16,429	16,840	17,261	17,693	18,135	18,588	
Marketing	3,026	3,117	3,211	3,307	3,406	3,508	3,613	3,721	3,833	3,948	
Other: Replacement Reserves	13,500	13,500	13,500	13,500	13,500	13,500	13,500	13,500	13,500	13,500	
Other: Supportive Services	47,776	49,209	50,685	52,206	53,772	55,385	57,047	58,758	60,521	62,337	
TOTAL EXPENSES	306,137	314,841	323,805	333,035	342,541	352,331	362,411	372,791	383,482	394,491	
NET OPERATING INCOME (NOI)	65,967	66,566	67,137	67,681	68,193	68,671	69,116	69,524	69,891	70,216	
Sources of Funds & Debt Service											
Neighborhood Stabilization Program	47,038	47,038	47,038	47,038	47,038	47,038	47,038	47,038	47,038	47,038	
TOTAL ANNUAL Debt Service (DS)	47,038	47,038	47,038	47,038	47,038	47,038	47,038	47,038	47,038	47,038	
Cash-flow after Debt Service (CF = NOI – DS)	18,929	19,528	20,099	20,643	21,155	21,633	22,078	22,486	22,853	23,178	
Debt Coverage Ratio (DCR = NOI/DS)	1.4	1.42	1.43	1.44	1.45	1.46	1.47	1.48	1.49	1.49	

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

LifeWorks has been engaged with the neighborhood associations in this area for over 2 years in planning the East Austin Youth and Family Resource Center and this proposed affordable housing development. We have presented to the Govalle Neighbors neighborhood association on 3 occasions. They have provided a letter of support; submitted Quantifiable Community Participation for our Housing Tax Credit application; and testified in support of our project before the Texas Department of Housing and Community Affairs Board of Directors. We have also met with the Rosewood Neighborhood Association on three occasions (their boundary is adjacent of our property). They have also provided a letter of support. We have also presented to the Family Eldercare – Lyon's Garden Residents Council; the Johnston Terrace – Govalle contact team; and the senior staff of Austin Community College.

As part of the Housing Tax Credit application we were required to provide notice and a description of the development to all city and county elected officials, all AISD School Board Members; and all registered neighborhood associations who boundaries included our property - 6 identified organizations.

We have encountered no opposition to our proposed development.

See Exhibit 25 for Letters of Support from the Govalle Neighbors and the Rosewood neighborhood associations.

15. Description of Supportive Services. If supportive services are NOT to be provided, please stop here. For all other projects, if supportive services are to be provided to residents, provide a description of the services that includes the following information:

a. A description of the supportive services to be provided to residents and/or clients.
Supportive Services to be provided: The core supportive services that will be provided to residents include intensive case management, financial assistance, mental health counseling, and employment assistance.

Case management will address the specific needs of chronically homeless individuals, families with children including teen parents, homeless aged-out foster care youth and unaccompanied youth - all populations with few supports, many disruptions to education, and highly vulnerable to poverty. Case management will concentrate on how to develop long term connections, critical social skills, and how to live in the broader community. LifeWorks case managers are skilled at helping clients break down problems/issues into manageable pieces so they can create a specific, concrete action plan that will help clients move toward their goal(s).

Financial assistance will be provided (approximately \$2,000 per year per resident in permanent supportive housing) as needed to support the move-in costs, training costs, uniforms, medical expenses, etc for youth as they transition to stable housing. Case managers also work to ensure all residents access all of the supports available through mainstream resources.

Mental health counseling will support the higher need clients, including counseling including crisis and group counseling; and counseling to address substance abuse, domestic violence, and/or abuse related issues as needed. LifeWorks values the importance of addressing the mental health needs of this population, as so many of their barriers to housing and independence are issues of mental illness. The case manager's role is frequently one of task-master, so it is vital that the counseling be provided by a mental health professional in order to encourage confidentiality and truly work through barriers to their success.

In addition, the Program Director of Workforce Development will work with youth to prepare them for the workforce and will link them to community resources and employment opportunities. LifeWorks will partner with Capital IDEA Skills Training program (co-located with LifeWorks' East Austin Youth and Family Resource Center site, adjacent to this proposed housing project and to Austin Community College's Eastview Campus) to give youth college-level instruction

leading to an Associate's Degree or certificate and job placement in one of their more than 20 career field programs. LifeWorks will also work closely with Skillpoint Alliance, Workforce Solutions and other local organizations to find the appropriate job training program, if that is more appropriate.

Additional supportive services that will be available to residents are the myriad of services to be provided at LifeWorks' East Austin Youth and Family Resource Center including literacy tutoring, ESL, GED preparation, and formal life-skills training through LifeWorks' state-funded Preparation for Adult Living (PAL) program.

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

The proposed units will provide 10 beds of Permanent Supportive Housing for youth aged 18 to 24 that are homeless or have aged out of the foster care system. This is a population that LifeWorks currently serves through its street outreach program, emergency shelter, transitional and supportive housing programs, GED program, and its State-funded case management program. Many of the youth typically served at LifeWorks have significant mental health problems, including depression, anxiety disorders, posttraumatic stress disorder, suicidal ideation, and substance abuse disorders. Many of the youth experienced traumatic events before they were removed from home or during their stay in the foster care system.

Transitional housing supportive services will also be provided to youth accessing Family Unification Program (FUP) vouchers through the Housing Authority of the City of Austin (HACA). These Housing Choice Vouchers are designated to provide rental assistance for up to 18 months to youth 18-21 who transition from foster care or who left foster care at age 16 or older. LifeWorks partnered with HACA and the Texas Department of Family and Protective Services (DFPS) on the application for these vouchers from the U.S. Department of Housing and Urban Development (HUD), and is an active partner in providing the case management for many of the youth accessing these vouchers. Following this section is a copy of a Memorandum of Understanding between HACA and the DFPS and a summary of how LifeWorks will be involved.

c. Describe the developer's experience and qualifications in providing the services to be offered.

LifeWorks' mission is **to transition youth and families from crisis to safety and success**. With over 35 years experience serving homeless and youth in Foster Care, LifeWorks has a proven track record of effective programs that provide safe environments for this highly vulnerable population. As a result of this expertise, LifeWorks holds over \$2 million in federal housing related contracts, including HUD Continuum of Care, TDHCA Homelessness Prevention and Rapid Re-housing (HPRP), and four U.S. HHS Runaway Homeless Youth (RHY) contracts. In addition, LifeWorks holds two 30-county contracts with the DFPS to serve youth exiting the foster care system and has held contracts with the City of Austin's Health and Human Services Department for over 25 years to provide housing and homeless services to youth in Austin. LifeWorks currently provides a full housing continuum from street life to permanent housing, all designed with the specific needs of youth in mind.

Core components of all of LifeWorks' residential programs include client-centered case management, individual and family counseling, independent living skills training, employment preparation and assistance, and an opportunity to develop a caring relationship with an adult – a component that LifeWorks considers the single most important factor impacting the choices youth make. LifeWorks' programs are designed to impact multiple areas of the young person's life and are intentionally designed to be strengths-based, with attention placed on the assets the individual already possesses.

d. If services are not provided by the developer of the project, include a description of the organization(s) providing the services and a memorandum of understanding or some other type of agreement that indicates the relationship between the developer and service provider.

Services will be provided by LifeWorks staff and through services linkages and referral to other community service organizations

e. Provide resumes of key personnel who will be actively involved in the delivery of services. Resumes should include information about certifications, licenses, years of experience, and education.

Resumes of Key Personnel: See the enclosed resumes of Key Personnel. Included are **Steve Bewsey**, Division Director for all of LifeWorks' Housing and Homeless Services Programs (30+ years experience); **Julie Baker**, Lead Case Manager for the state funded After Care Transitional Services Program for youth aging out of Foster Care (18 years experience); **Isela Galvan**, Case Manager for an existing LifeWorks supportive housing program (10 years experience);

Ellen Parson, Master's level Social Worker (7 years of experience); and **Scott O'Brien**, Employment Specialist (7years experience).

See Exhibit 27 – Resumes of the above staff

f. Demonstrate financial capacity to provide support services and/or operate a supportive services program by providing the following information:

Sources of Funds: Identify sources and amounts of funds that will be utilized to provide supportive services.

LifeWorks will provide a half time case manager though DFPS funding specifically for youth aging out of foster care. A HUD Supportive Service grant from HUD will provide an additional half time case manager. A licensed mental health counselor that specializes in trauma and sexual abuse, currently funded through the U.S. Department of Justice's Office on Violence Against Women, will also be available for this project. Financial assistance for residents will be provided through U.S. HHS Runaway and Homeless Youth program funding. Family Unification Program (FUP) vouchers will be provided through the Housing Authority of the City of Austin (HACA). The Texas Workforce Commission is funding the Employment specialist position and the "ready-to-work" curriculum program. The operation budget for this development includes funds to support these services also.

Budget: Include a supportive services budget which reflects current and anticipated funding and expenses associated with the provision of services for three (3) years.

See the following page for a 3-year budget for the operations of supportive services.

Evidence of other Non-profit support, see Exhibit 24 for the following:

MOU between HACA and TDFPS

Letter from LifeWorks assuring availability of Supportive Services staff and funding

Letter from Capital Idea

Youth and Family Alliance dba LifeWorks

LifeWorks Operating Budget for Supportive Services

3-Year Period Budget	Calculation	Annual Costs		Total 3-Year Program Costs
		FTE	Total	
Staff Positions				
Case Manager	0.5 FTE DFPS funded staff	0.50	18,673	\$ 57,430
Case Manager	0.5 FTE SHP staff	0.50	18,407	\$ 56,613
Licensed Counselor	0.25 FTE OVW funded staff	0.25	8,957	\$ 27,548
Job Readiness Specialist	0.15 TWC funded staff	0.15	4,839	\$ 14,883
Salaries Total:		1.40	50,876	156,474
SSI and Medicare	7.65% of 95% of salaries		3,697	\$ 11,092
Unemployment Insurance	4.93% of first \$9000 in salary x FTE/yr		621	\$ 1,864
Worker's Compensation Insurance	0.61% of salaries		310	\$ 931
Retirement	1.5% of total salaries		763	\$ 2,289
Health Insurance	\$3,984 x FTE/yr		5,578	\$ 16,733
Life Insurance	\$244.08 x FTE/yr		342	\$ 1,025
Fringe Total:			11,311	\$ 33,934
Personnel Total:			\$ 62,187	\$ 167,785
Operating Expenses				
Occupancy (Utilities, Bldg Maint/Repair, Depreciation)	\$4,500 per FTE/yr		6,300	\$ 18,900
Equipment and vehicle rental/maintenance	\$791 per FTE/yr		1,107	\$ 3,322
Communications	\$1,338 per FTE/yr		1,873	\$ 5,620
Insurance	\$690 per FTE/yr		966	\$ 2,898
Printing/Postage	\$25 per FTE/yr		35	\$ 105
Software licensing	\$147 per FTE/yr		206	\$ 617
Local Transportation	\$0.48 per mile x 200mi per FTE/yr		1,152	\$ 3,456
Office Supplies	\$350 per FTE/yr		53	\$ 158
Direct Financial Assistance to youth	\$2,000 per youth x 10 PSH units		20,000	\$ 60,000
Total Operating Expenses			\$ 31,692	\$ 95,076
Direct Cost Total:			\$ 93,879	\$ 262,861
Indirect Cost Rate @ 27.2% of salaries*			\$ 13,838	\$ 42,561
Budget Total:			\$ 107,718	\$ 305,421

ATTENTION:

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

**RHDA PROGRAM
SCORING CRITERIA**

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

REQUIRED INFORMATION:

1. Applicant Information	<u>X</u>	10. Accessible/Adaptable Units	<u>X</u>
2. Non-profit List of Items	<u>X</u>	11. Experience/Qualifications	<u>X</u>
3. Project Type	<u>X</u>	12. Project Budget	<u>X</u>
4. Project Description	<u>X</u>	13. Funds Proposal:	
5. Site Control/Value	<u>X</u>	a. Sources	<u>X</u>
6. Zoning	<u>X</u>	b. Uses	<u>X</u>
7. S.M.A.R.T. Housing	<u>X</u>	c. Leveraging	<u>X</u>
8. Development Team	<u>X</u>	d. Operating Proforma	<u>X</u>
9. Development Schedule	<u>X</u>	14. Community Engagement	
		Strategy or Efforts	<u>X</u>
		15. Description of Supportive Services	<u>X</u>

EVALUATION CRITERIA:

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

1. EXPERIENCE AND QUALIFICATIONS (maximum 15 points) 10

- 15 points: Developer has successfully completed project similar in size and scope.
- 10 points: Completed similar project but smaller in size and scope.
- 8 points: Consultant directly involved who has completed project similar in size and scope.
- 3 points: Owns or manages income-restricted rental property.

2. SOURCES & USES OF FUNDS (maximum 10 points) 5

- 10 points: All sources and uses of funds are clearly indicated and sufficient evidence of funding availability and/or commitments are included.
- 5 points: All sources and uses of fund are clearly indicated, but evidence of funding availability or commitments are incomplete.

3. DEBT COVERAGE RATIO (maximum 10 points) 10

- 10 points: DCR of 1.25 or greater
- 6 points: DCR between 1.21 - 1.24
- 4 points: DCR between 1.15 - 1.20

4. LEVERAGE (maximum 10 points) 4

- RHDA Program funding (prior and current) relative to Total Project Costs equals:
- 10 points: 25% or less
- 8 points: 26% - 30%
- 6 points: 31% - 35%
- 4 points: 36% - 50%
- 0 points: 51% or greater

5. AFFORDABLE UNITS (maximum 25 points) __25__

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

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

6. RHDA COST PER UNIT in \$1,000s (maximum 10 points) __10__

	Acquisition	Refinance	Rehabilitation	For-Profit New Construction	Non-Profit New Construction
10 points	<\$45/unit	<\$30/unit	<\$30/eff.	<\$40/unit	<\$60/unit
8 points	<\$55/unit	<\$40/unit	<\$35/1-bd	<\$50/unit	<\$70/unit
6 points	<\$65/unit	<\$50/unit	<\$40/2-bd	<\$60/unit	<\$80/unit
4 points	<\$75/unit	<\$60/unit	<\$45/3-bd+	<\$70/unit	<\$90/unit

7. TRANSITIONAL HOUSING (10 points) __0__

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

8. PERMANENT SUPPORTIVE HOUSING (PSH) (maximum 20 points) __20__

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

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

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

9. GEOGRAPHIC DISPERSION (maximum 25 points) __20__

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

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

10. PRIORITY LOCATION (10 points) __0__

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

11. PRESERVATION OF AFFORDABLE UNITS (10 points) __0__

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

12. AFFORDABILITY PERIOD (25 points)

___25___

25 points: Affordability of project is for 99-years.

13. PROJECT READINESS (maximum 10 points)

___6___

New construction

2 points each; maximum 10 points

___2___ The project meets the normal eligibility requirements under the existing program guidelines.

___2___ The property is already owned by the developer.

___2___ The project has completed all necessary design work and received site plan approval.

___2___ All environmental reviews have been completed.

___2___ The project has firm commitments from all financing sources.

Acquisition and Rehab

2 points each; maximum 10 points

The project meets the normal eligibility requirements under the existing program guidelines

All environmental reviews have been completed.

The project has firm commitments from all financing sources.

A General Contractor has been selected.

Closing on the acquisition of the property can be achieved in less than 30 days.

Acquisition of Completed Units

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

The project meets the normal eligibility requirements under the existing program guidelines

All environmental reviews have been completed.

The project has firm commitments from all financing sources.

Closing on the acquisition of the property can be achieved in less than 30 days.

14. PROPERTY MANAGEMENT (maximum 10 points)

___8___

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

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

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

15. SUPPORTIVE SERVICES (maximum 15 points)

___15___

15 points:

The developer has secured written agreements with organizations that will provide resident services, or has experienced and qualified staff (7 or more years of experience) able to provide the same services.

Funds have been secured for the operation of resident services programs.

A 3-year operating budget for the operation of the resident services programs is provided.

10 points:

The developer has secured letters of intent from organizations that intend to provide resident services, or has experienced and qualified staff (3 to 6 years of experience) able to provide the same services.

Funds have been secured for the operation of the resident services programs.

A 3-year operating budget for the operation of the resident services programs is provided.

5 points:

The developer has experienced and qualified staff (1 to 2 years of experience) able to provide the same resident services.

Funds have been secured for the operation of the resident services programs.

A 3-year operating budget for the operation of the resident services programs is provided.

2 points:

The developer has arrangements with organizations to provide services, or has experienced and qualified staff able to provide the same resident services.

Funds have been not been secured for the operation of the resident services programs.

16. MBE/WBE PROJECT PARTICIPATION (5 points)

5

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

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

5

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

TOTAL SCORE

168

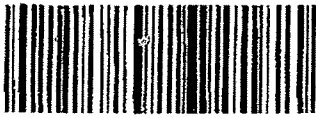
List of Exhibits

- Exhibit 1: Articles of Incorporation - LifeWorks Affordable Housing Corporation (LWAHC)
- Exhibit 2: Certificate of Incorporation filed with the State of Texas (LWAHC)
- Exhibit 3: Federal IRS certification granting non-profit status – (LWAHC)
- Exhibit 4: Names, addresses and phone numbers of current board members – (LWAHC)
- Exhibit 5: Board resolution approving the proposed project and authorizing the request for funding –
- Exhibit 6: Articles of Incorporation – Youth and Family Alliance dba LifeWorks (LW)
- Exhibit 7: Certificate of Incorporation filed with the State of Texas – (LW)
- Exhibit 8: Federal IRS certification granting non-profit status – (LW)
- Exhibit 9: Names, addresses and phone numbers of current board members – (LW)
- Exhibit 10: Certified financial audit for most recent year which include the auditor's opinion and management letters – (LW)
- Exhibit 11: Board resolution approving the proposed project & authorizing the funding request funding – **Not applicable – LifeWorks Affordable Housing Corporation is submitting the funding request**
- Exhibit 12: Area Map
- Exhibit 13: Opportunity Map of Austin
- Exhibit 14: Map of Community Resources
- Exhibit 15: LifeWorks Subdivision Plan
- Exhibit 16: LifeWorks Housing Conceptual Plan
- Exhibit 17: Warranty Deed demonstrating that LifeWorks owns the property
- Exhibit 18: Estate Option Agreement that demonstrates that the LifeWorks Affordable Housing Corporation has a contract to purchase the property from LifeWorks
- Exhibit 19: Corporate Resolution from LifeWorks Authorizing sale of property to LifeWorks Affordable Housing Corporation
- Exhibit 20: Corporate Resolution from LifeWorks Affordable Housing Corporation authorizing purchase of property from LifeWorks
- Exhibit 21: Appraisal demonstrating the value of the property
- Exhibit 22: Zoning Verification letter
- Exhibit 23: S.M.A.R.T. Housing Letter
- Exhibit 24: Evidence of Non-Profit Support
- Exhibit 25: Letters of Support from Neighborhood Associations
- Exhibit 26: Letters of Funding Commitment
- Exhibit 27: Resumes of Key Staff

Exhibit 1:

Articles of Incorporation –

LifeWorks Affordable Housing Corporation
(LWAHC)



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FILED
In the Office of the
Secretary of State of Texas

APR 11 2001

ARTICLES OF AMENDMENT TO THE
ARTICLES OF INCORPORATION
OF
LIFEWORCS AFFORDABLE HOUSING CORPORATION **Corporations Section**

ARTICLE ONE

The name of the Corporation is LifeWorks Affordable Housing Corporation

ARTICLE TWO

The following amendment to the Articles of Incorporation were adopted by the directors of the Corporation on April 10 2001 The amendments add a sentence to Article IV of the original articles of incorporation so as to more particularly describe the purposes of the Corporation The full text of each provision added is as follows

Article IV of the Corporation s Articles of Incorporation is hereby amended by adding the following sentence to the end of such provision

No part of the net earnings of the Corporation will inure to the benefit of any member founder contributor or individual

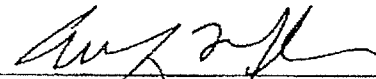
ARTICLE THREE

This amendment to the articles of incorporation was adopted by a consent in writing signed by the sole member of the Corporation entitled to vote with respect thereto dated April 10 2001

Dated to be effective April 10 2001

LifeWorks Affordable Housing Corporation

By


Bill McLellan President

**ARTICLES OF INCORPORATION OF
LIFEWORCS AFFORDABLE HOUSING CORPORATION**

FILED
In the Office of the
Secretary of State of Texas
FEB 05 2001.

ARTICLE I - NAME

Corporations Section

The name of the corporation is LifeWorks Affordable Housing Corporation (the "Corporation").

ARTICLE II - STATUS

The Corporation is a non-profit corporation.

ARTICLE III - DURATION

The period of the Corporation's duration is perpetual.

ARTICLE IV - PURPOSE

The Corporation is organized and shall be operated and administered exclusively for religious, charitable, scientific, testing for public safety, literary or educational purposes, and the definition of such purposes shall be the same as the definition of such purposes used in connection with Section 501(c)(3) of the Internal Revenue Code of 1986 or corresponding provisions of subsequent federal tax laws (the "Code").

Among the purposes of the Corporation is the provision of decent housing that is affordable to low and moderate income people. In pursuit of its purposes, the Corporation may undertake any other act or action permitted by the Texas Non-Profit Corporation Act, as now enacted or as the same may be amended (the "Act").

Subject to the foregoing, the Corporation shall be a separate legal entity with sole authority and responsibility for its own policies, procedures, personnel, books and accounts. Absent an express written agreement to the contrary duly authorized, executed and delivered by the party intending to be bound thereby, no member of the Board of Directors, any entity or organization entitled to appoint a member of the Board of Directors nor any officer, employee or agent of any member of the Board of Directors shall be liable for the obligations, liabilities, acts or omissions of the Corporation, members of its Board of Directors, officers, employees or agents.

In the event of the dissolution of the Corporation, after payment of or provision for all liabilities of the Corporation, all of the assets of the Corporation shall be distributed to, or its assets shall be sold and the proceeds distributed to, another organization organized and operating for the same or similar purpose for which the Corporation is organized and operating, or to one or more corporations, funds or foundations organized and operating exclusively for charitable, scientific, literary or educational purposes, which shall be selected by the Board of Directors of the

Corporation; provided, however, that any such recipient organization or organizations shall at that time qualify as exempt from taxation under the provisions of Section 501(c)(3) of the Code.

ARTICLE V - REGISTERED AGENT AND ADDRESS

The street address of the initial registered office of the Corporation is 2525 Wallingwood, Bldg. 6, Austin, Texas 78704. The name of its initial registered agent at such address is Bill McLellan.

ARTICLE VI - MEMBERS

The sole member of the Corporation shall be Youth and Family Alliance, Inc., dba LifeWorks.

ARTICLE VII - BOARD OF DIRECTORS

The group of persons vested with the management of the affairs of the Corporation shall be the Board of Directors (the "Board of Directors"). Each member of the Board of Directors shall be 18 years of age or older.

The number of members of the initial Board of Directors (collectively, the "Directors" and singularly, a "Director") shall be three. The names and street address of the persons who are to serve as the initial members of the Board of Directors of the Corporation are:

Name and Address

Bill McLellan
2525 Wallingwood, Building 6
Austin, Texas 78746

Marvin Schragar
2525 Wallingwood, Building 6
Austin, Texas 78746

Chris Von Dohlen
2525 Wallingwood, Building 6
Austin, Texas 78746

ARTICLE VIII - INCORPORATOR

The name and street address of the incorporator is:

Andrew S. White
816 Congress Avenue, Suite 1700
Austin, Texas 78701

ARTICLE IX - LIMITATION OF LIABILITY; INDEMNIFICATION

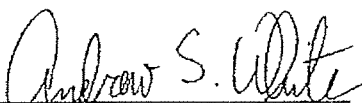
No member of the Board of Directors shall be liable to the Corporation for monetary damages for an act or omission in such member's capacity as a member of the Board of Directors, except that this Article does not eliminate or limit the liability of such member for:

- (1) A breach of such member's duty of loyalty to the Corporation;
- (2) An act or omission not in good faith or that involves intentional misconduct or a knowing violation of the law;
- (3) A transaction from which such member received an improper benefit, whether or not the benefit resulted from an action taken within the scope of such member's office; or
- (4) An act or omission for which the liability of such member is expressly provided for by statute.

Each member of the Board of Directors and each employee, officer or agent of the Corporation, and any other person while serving at the request of the Corporation, may be indemnified by the Corporation for any act or omission in such person's capacity as a member of the Board of Directors or officer, employee or agent of the Corporation, as the case may be, or as a person serving at the request of the Corporation, or its unincorporated predecessor, in the manner and to the maximum extent provided in the Act.

IN WITNESS WHEREOF, I have hereunto set my hand on February 5, 2001.

INCORPORATOR


Andrew S. White

BYLAWS OF LIFEWORCS AFFORDABLE HOUSING CORPORATION

These Bylaws (referred to as the "Bylaws") govern the affairs of LifeWorks Affordable Housing Corporation, a nonprofit corporation organized under the Texas Non-Profit Corporation Act (referred to as the "Act").

ARTICLE ONE NAME, PURPOSES AND OFFICES

1.01. Name. The name of this corporation is LifeWorks Affordable Housing Corporation (herein called the Corporation).

1.02. Purposes. The Corporation is organized and shall be operated and administered for the purposes of undertaking any act or action permitted by the Act, as now enacted or as the same may be amended.

1.03. Offices. The principal office of the Corporation in the State of Texas shall be located at such place, either within and without the State of Texas, as the Board of Directors may from time to time determine or as the activities of the Corporation may require.

1.04. Registered Office and Registered Agent. The Corporation shall comply with the requirements of the Act and maintain a registered office and registered agent in Texas. The registered office may, but need not, be identical with the Corporation's principal office in Texas. The Board of Directors may change the registered office and the registered agent as provided in the Act.

ARTICLE TWO MEMBERS

2.01 Generally. The sole member of the Corporation shall be Youth and Family Alliance, dba LifeWorks ("LifeWorks"). Additional members may be elected by the affirmative vote of two-thirds of the then existing members. Each member shall be entitled to one vote on each matter submitted to a vote of the members. Any member may resign by filing a written resignation with the Secretary, but such resignation shall not relieve the member so resigning of the obligation to pay any dues, assessments or other charges theretofore accrued and unpaid. Membership in this corporation is not transferable or assignable.

2.02 Annual Meeting. An annual meeting of the members shall be held at such time and place within or without the State of Texas and at such date and time as shall be designated by the members from time to time, for the purpose of electing Directors and for the transaction of other business as may come before the meeting. If the election of Directors shall not be held on the day designate herein for any annual meeting, or at any adjournment thereof, the members shall cause the election to be held at a special meeting of the members as soon thereafter as possible.

2.04 Special Meeting. Special meetings of the members may be called by the President, the Board of Directors, or not less than one-tenth of the members having voting rights.

2.05 Place of Meeting. The person or persons calling a meeting of the members may designate any place, either within or without the State of Texas, as the place of meeting for any annual meeting or for any special meeting so called. If no designation is made or if a special meeting be otherwise called, the place of meeting shall be the registered office of the corporation in the State of Texas; but if all of the members shall meet at any time and place, either within or without the State, and consent to the holding of a meeting, such meeting shall be valid without call or notice, and at such meeting, any corporate action may be taken.

2.06 Notice of Meetings. Written or printed notice stating the place, day and hour of any meeting of members shall be delivered, either personally or by mail, to each member entitled to vote at such meeting, not less than ten (10) nor more than fifty (50) days before the date of such meeting, by or at the direction of the President, or the Secretary, or the officers or persons calling the meeting. In case of a special meeting or when required by statute or these bylaws, the purpose or purposes for which the meeting is called shall be stated in the notice. If mailed, the notice of a meeting shall be deemed to be delivered when deposited in the United States mail addressed to the member at his address as it appears on the records of the corporation, with postage thereon prepaid.

2.07 Informal Action by Members. Any action required by law to be taken at a meeting of the members or any action which may be taken at a meeting of the members may be taken without a meeting, if a consent in writing, setting forth the action so taken, shall be signed by all of the members entitled to vote with respect to the subject matter thereof.

2.08 Quorum. The members holding a majority of the votes which may be cast at any meeting shall constitute a quorum at such meeting. If a quorum is not present at any meeting of members, a majority of the members present may adjourn the meeting from time to time without further notice.

2.08 Proxies. At any meeting of members, a member entitled to vote may vote by proxy executed in writing by the member or by his duly authorized attorney-in-fact. No proxy shall be valid after eleven (11) months from the date of its execution, unless otherwise provided in the proxy.

2.09 Voting by Mail or Facsimile. When Directors or officers are to be elected by members or any class or classes of members, such election may be conducted by mail, by facsimile, or by any combination of the two.

ARTICLE THREE BOARD OF DIRECTORS

3.01. General Powers: Delegation. The activities, property and affairs of the Corporation shall be managed by its Board of Directors.

3.02. Number, Qualifications and Tenure of Directors. The number of Directors shall be no less than three (3), and shall be established by resolution of the members from time to time. Directors need not be residents of Texas. Each director shall serve for a term of one year, such term to end on December 31 of the calendar year of election. Directors may serve an unlimited number of consecutive terms.

The Corporation shall maintain at least one third of its governing board's membership for residents of low-income neighborhoods, other low income community residents, or elected representatives of low income neighborhood organizations, such qualifications to be determined consistent with the requirements of the Texas Department of Housing and Community Affairs in connection with the Corporation's designation of status from such agency as a community housing development organization.

3.03. Nomination and Election of Directors. A person who meets any qualification requirements to be a director and who has been duly nominated may be elected as a director. Directors shall be elected by the vote of the members at a meeting of the members in accordance with the provisions of Article Two of these Bylaws. Each director shall hold office until a successor is elected and qualified. A director may be elected to succeed himself or herself as a director.

3.04. Vacancies. Any vacancy occurring in the Board of Directors, and any director position to be filled due to an increase in the number of directors, shall be filled by the vote of the members.

Should the members cease to exist or fail to act, then any vacancy occurring in the Board of Directors, and any director position to be filled due to an increase in the number of directors, shall be filled by the vote of the remaining Directors. A vacancy is filled by the affirmative vote of a majority of the remaining directors, even if it is less than a quorum of the Board of Directors, or if it is a sole remaining director.

A director elected to fill a vacancy shall be elected for the unexpired term of the predecessor in office.

3.05. Annual Meeting. An annual meeting of the Board of Directors shall be held at which they shall elect officers, and transact any and all other business as may properly come before the meeting. Notice of annual meetings will be given to Directors, and if notice is required by law to be given to anyone else, such notice will be given in the manner prescribed by law.

3.06. Regular Meetings. Regular meetings of the Board of Directors shall be held at such times and places as may be designated from time to time by the Directors. Notice of regular meetings will be given to Directors, and if notice is required by law to be given to anyone else, such notice will be given in the manner prescribed by law.

3.07. Special Meetings. Special meetings of the Board of Directors may be called by a majority of the Directors on one week's notice, either personally or by mail, facsimile or telegram. A person or persons authorized to call special meetings of the Board of Directors may fix any place within Texas as the place for holding a special meeting. The person or persons calling a special meeting shall notify the secretary of the information required to be included in the notice of the meeting. The secretary shall give notice to the directors as required in the Bylaws. Except as may be otherwise provided by statute, or by the Articles of Incorporation or by these Bylaws, neither the business to be transacted at, nor the purpose of, any regular or special meeting of the Board of Directors need be specified in the notice or waiver of notice of such meeting.

3.08. Quorum and Manner of Acting. At all meetings of the Board of Directors the presence of a majority of the number of directors then in office shall constitute a quorum for the transaction of business. The directors present at a duly called or held meeting at which a quorum is present may continue to transact business even if enough directors leave the meeting so that less than a quorum remains. However, no action may be approved without the vote of at least a majority of the number of directors required to constitute a quorum. The act of a majority of the directors present and voting at a meeting at which a quorum is present shall constitute the act of the Board of Directors unless the act of a greater number is required by law or the Bylaws. A director who is present at a meeting and abstains from a vote is considered to be present and voting for the purpose of determining the decision of the Board of Directors.

3.09. Duties of Directors. Directors shall discharge their duties, including any duties as committee members, in good faith, with ordinary care, and in a manner they reasonably believe to be in the best interest of the Corporation. Ordinary care is care that ordinarily prudent persons in similar positions would exercise under similar circumstances. In the discharge of any duty imposed or power conferred on directors, they may in good faith rely on information, opinions, reports or statements, including financial statements and other financial data, concerning the Corporation or another person that were prepared or presented by officers and employees of the Corporation, professional advisors or experts, or accountants or legal counsel. A director is not relying in good faith if the director has knowledge concerning a matter in question that renders reliance unwarranted.

Directors are not deemed to have the duties of trustees of a trust with respect to the Corporation or with respect to any property held or administered by the Corporation, including property that may be subject to restrictions imposed by the donor or transferor of the property.

3.10. Director's Compensation. No director shall receive compensation for his or her services as a director or as a member of a standing or special committee of the Board. Nothing herein contained shall be construed to preclude any director from receiving reimbursement for expenses

incurred on behalf of the Corporation or in attending meetings of the Board of Directors or any such committee or from serving the Corporation in any other capacity and receiving reasonable compensation therefor.

3.11. Removal of Directors. The members may vote to remove a director at any time with or without good cause. Cause for removal shall include absence from three consecutive meetings of the Board or three consecutive absences from meetings of any committee on which the Director serves. A meeting to consider removal of a director may be called and noticed following the procedures provided in the Bylaws. The notice of the meeting shall state that the issue of possible removal of the director will be on the agenda. The director shall have the right to present evidence at the meeting as to why he or she should not be removed. A director may be removed by the affirmative vote of a majority of the members.

ARTICLE FOUR NOTICES

4.01. Manner of Giving Notice. Any notice required or permitted to be given to a director, officer, or member of a committee of the Corporation may be given by mail. Any notice required or permitted to be given by mail shall be deemed to be delivered when deposited in the United States mails, postage prepaid, addressed to such director or member at his address as it appears on the Corporation's records. A person may change his or her address by giving notice to the secretary of the Corporation.

4.02. Waiver of Notice. Whenever any notice is required to be given to any director, officer or member of a committee of the Corporation under the provisions of the Act, the Articles of Incorporation or the Bylaws, a waiver in writing signed by the person entitled to receive a notice shall be deemed equivalent to the giving of the notice. A waiver of notice shall be effective whether signed before or after the time stated in the notice being waived.

4.03. Waiver of Notice by Attendance. The attendance of a person at a meeting shall constitute a waiver of notice of the meeting unless the person attends for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened.

ARTICLE FIVE OFFICERS, EMPLOYEES AND AGENTS: POWER AND DUTIES

5.01. Elected Officers. The elected officers of the Corporation shall be a President, and a Secretary, and may include a Treasurer and such other offices as the Directors may establish from time to time. Any two or more offices may be held by the same person, except that the office of President and Secretary may not be held by the same person.

5.02. Election. So far as is practicable, all elected officers shall be elected by the Directors annually at the Board's annual meeting. If the election of officers is not held at this meeting, the election shall be held as soon thereafter as conveniently possible. Each officer shall hold office until a successor is duly selected and qualified. An officer may be elected to succeed himself or herself in the same office.

5.03. Appointive Officers. The Board of Directors may also appoint such other officers as it shall from time to time deem appropriate, who shall exercise such powers and perform such duties as determined by the Board.

5.04. Removal, Filling of Vacancies. Any officer elected or appointed by the Directors may be removed at any time by the Directors with or without good cause. The removal of an officer shall be without prejudice of the contract rights, if any, of the officer. If the office of any officer becomes vacant for any reason, the vacancy shall be filled by the Board of Directors for the unexpired portion of the officer's term.

5.05. President. The President shall be the chief executive officer of the Corporation and, subject to the provisions of these Bylaws, shall supervise and control the activities and affairs of the Corporation. The President shall preside when present at meetings of the Board of Directors.

5.06. Treasurer. The Treasurer shall be the chief financial officer of the Corporation and shall have active control of and shall be responsible for all matters pertaining to the accounts and finances of the Corporation and shall direct the manner of certifying the same; shall supervise the manner of keeping all vouchers for payments by the Corporation and all other documents relating to such payments; shall receive, audit and consolidate all operating and financial statements of the Corporation and its departments; shall have supervision of the books of accounts of the Corporation, their arrangements and classification; shall supervise the account and auditing practices of the Corporation and shall have charge of all matters relating to taxation perform such other duties as may be assigned by the Board of Directors; and perform all duties incident to the office of Treasurer.

5.07. Secretary. The Secretary shall give all notices as provided in the bylaws or as required by law; take minutes of the meetings of the Board of Directors and keep the minutes as part of the corporate records; maintain custody of the corporate records and of the seal of the corporation, if any; keep a register of the mailing address of each director, officer and employee of the Corporation; perform such other duties as may be assigned by the Board of Directors; and perform all duties incident to the office of Secretary.

ARTICLE SIX SPECIAL PROCEDURES CONCERNING MEETINGS

6.01 Actions Without a Meeting. Any action required by the Act to be taken at a meeting of the directors of the Corporation or any action that may be taken at a meeting of the directors or

of any committee may be taken without a meeting if a consent in writing, setting forth the action to be taken, is signed by a sufficient number of directors or committee members as would be necessary to take that action at a meeting at which all of the directors or members of the committee were present and voted.

Each written consent shall bear the date of signature of each director or committee member who signs the consent. A written consent signed by less than all of the directors or committee members is not effective to take the action that is the subject of the consent unless, within 60 days after the date of the earliest dated consent delivered to the Corporation in the manner required, a consent or consents signed by the required number of directors or committee members is delivered to the Corporation at its registered office, registered agent, principal place of business, transfer agent, registrar, exchange agent, or an officer or agent of the Corporation having custody of the books in which proceedings of meetings of directors or committees are recorded. Delivery shall be by hand or certified or registered mail, return receipt requested. Delivery to the corporation's principal place of business shall be addressed to the principal executive officer of the Corporation.

Prompt notice of the taking of any action by directors or a committee without a meeting by less than unanimous written consent shall be given to all directors or committee members who did not consent in writing to the action.

A telegram, telex, cablegram, or similar transmission by a director or member of a committee or a photographic, photostatic, facsimile or similar reproduction of a writing signed by a director or member of a committee shall be regarded as signed by the director or member of a committee for purposes hereof.

6.02 Telephone Meetings. Members of the Board of Directors of the Corporation or members of any committee designated by the board may participate in and hold a meeting of such board or committee by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other, and participation in such a meeting shall constitute presence in person at such meeting, except where a person participates in the meeting for the express purpose of objecting to the transaction of any business on the ground that the meeting is not lawfully called or convened.

ARTICLE SEVEN BOOKS AND RECORDS

7.01. Required Books and Records. The Corporation shall keep correct and complete books and records of account. The corporation's books and records shall include:

- (a) A file-stamped copy of all documents filed with the Secretary of State relating to the Corporation, including but not limited to, the articles of incorporation, and any

articles of amendment, restated articles, articles of merger articles of consolidation, and statement of change of registered office or registered agent.

- (b) A copy of the Bylaws, and any amended versions or amendments to the bylaws.
- (c) Minutes of the proceedings of the Board of Directors and committees having any of the authority of the Board of Directors.
- (d) A list of the names and addressees of the directors, officers, and any committee members of the Corporation.
- (e) A financial statement showing the assets, liabilities, and net worth of the Corporation at the end of the three most recent fiscal years.
- (f) A financial statement showing the income and expenses of the Corporation for the three most recent fiscal years.
- (g) All rulings, letters, and other documents relating to the Corporation's federal, state and local tax status.
- (h) The Corporation's federal, state, and local information or income tax returns for each of the Corporation's three most recent tax years.

7.02. Inspection and Copying. Any director, officer, or committee member of the Corporation may inspect and receive copies of all books and records of the Corporation required to be kept by the bylaws. Such person may inspect or receive copies if the person has a proper purpose related to the person's interest in the Corporation and if the person submits a request in writing.

7.03. Audits. Any director shall have the right to have an audit conducted of the Corporation's books. The director requesting the audit shall bear the expense of the audit unless the board of directors votes to authorize payment of audit expenses. The director requesting the audit may select the accounting firm to conduct the audit. A director may not exercise these rights to compel audits so as to subject the Corporation to an audit more than once in any fiscal year.

7.04. Fiscal Year. The fiscal year of the Corporation shall be the calendar year, unless changed by the board of directors.

ARTICLE EIGHT MISCELLANEOUS

8.01. Legal Authorities Governing Construction of Bylaws. The bylaws shall be construed in accordance with the laws of the State of Texas. All references in the bylaws to statutes, regulations, or other sources of legal authority shall refer to the authorities cited, or their successors, as they may be amended from time to time.

8.02. Legal Construction. If any bylaw provision is held to be invalid, illegal, or unenforceable in any respect, the invalidity, illegality, or unenforceability shall not affect any other provision and the bylaws shall be construed as if the invalid, illegal, or unenforceable provision had not been included in the bylaws.

8.03. Headings. The headings used in the bylaws are used for convenience and shall not be considered in construing the terms of the bylaws.

8.04. Gender. Wherever the context requires, all words in the bylaws in the male gender shall be deemed to include the female or neuter gender, all singular words shall include the plural, all plural words shall include the singular.

8.05. Parties Bound. The bylaws shall be binding upon and inure to the benefit of the directors, officers, committee members, employees, and agents of the Corporation and their respective heirs, executors, administrators, legal representatives, successors and assigns except as otherwise provided in the Bylaws.

8.06. Dividends Prohibited. No part of the net income of the Corporation shall inure to the benefit of any private individual and no dividend shall be paid and no part of the income of the Corporation shall be distributed to its directors or officers. The Corporation may pay compensation in a reasonable amount to its officers for services rendered and may reimburse its directors as provided herein.

8.07. Loans to Officers and Directors Prohibited. No loans shall be made by the Corporation to its officers and directors, and any directors voting for or assenting to the making of any such loan, and any officer participating in the making thereof, shall be jointly and severally liable to the Corporation for the amount of such loan until repayment thereof.

ARTICLE NINE INDEMNIFICATION AND INSURANCE

To the extent permitted by applicable law, the Corporation shall indemnify any person who was or is made a party or is threatened to be made a party or is involved in any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative, arbitrative or investigative (hereinafter a "Proceeding"), or any appeal of a Proceeding or any inquiry or investigation that could lead to a Proceeding, by reason of the fact that he or she, or a person of whom he or she is the legal representative, is or was a member of the Board of Directors or officer of the Corporation, or while a member of the Board of Directors or officer of the Corporation is or was serving at the request of the Corporation as a director, officer, partner, venturer, proprietor, trustee, employee, agent, or similar functionary of another foreign or domestic corporation, partnership, joint venture, sole proprietorship, trust, employee benefit plan or other enterprise, against judgments, penalties (including excise and similar taxes), fines, settlements and reasonable expenses (including, without limitation, attorneys' fees) actually incurred by such person in connection with a Proceeding, but if the Proceeding was brought by or in behalf of the Corporation, the indemnification is limited to reasonable expenses actually incurred or suffered by such person in connection therewith, if he or she acted in good faith and in a manner he or she reasonably believed to be in the best interests of the Corporation; provided however, that no indemnification

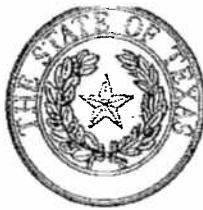
shall be made in respect of any claim, issue or matter as to which such person shall have been adjudged to be liable on the basis that a personal benefit was improperly received by him or her, or as to which such person shall have been adjudged to be liable to the Corporation. This provision is intended to make mandatory the indemnification permitted under Article 1396-2.22A of the Act to the fullest extent permitted therein. In the event the provisions of this Article V and Article 1396-2.22A of the Act should conflict, the provisions of the Act shall control to ensure the maximum indemnification permissible thereunder.

ARTICLE TEN AMENDMENTS

These Bylaws may be altered, amended or repealed, or new Bylaws may be adopted by the Board at any annual or special meeting of the Board of Directors. The notice of any meeting at which the Bylaws are altered, amended, or repealed, or at which new bylaws are adopted shall include the text of the proposed bylaw provisions as well as the text of any existing provisions proposed to be altered, amended or repealed. Alternatively, the notice may include a fair summary of those provisions. Express written consent of Youth and Family Alliance, Inc., the sole member of the Corporation, must also be obtained for the alteration, amendment or repeal of these Bylaws or the adoption of new Bylaws.

Exhibit 2:

Certificate of Incorporation
filed with the State of Texas (LWAHC)



The State of Texas

Secretary of State

CERTIFICATE OF INCORPORATION

OF

LIFEWORX AFFORDABLE HOUSING CORPORATION
CHARTER NUMBER 01614701

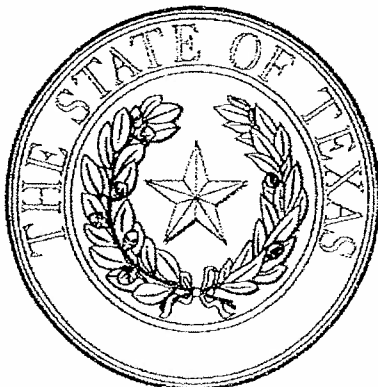
THE UNDERSIGNED, AS SECRETARY OF STATE OF THE STATE OF TEXAS, HEREBY CERTIFIES THAT THE ATTACHED ARTICLES OF INCORPORATION FOR THE ABOVE NAMED CORPORATION HAVE BEEN RECEIVED IN THIS OFFICE AND ARE FOUND TO CONFORM TO LAW.

ACCORDINGLY, THE UNDERSIGNED, AS SECRETARY OF STATE, AND BY VIRTUE OF THE AUTHORITY VESTED IN THE SECRETARY BY LAW, HEREBY ISSUES THIS CERTIFICATE OF INCORPORATION.

ISSUANCE OF THIS CERTIFICATE OF INCORPORATION DOES NOT AUTHORIZE THE USE OF A CORPORATE NAME IN THIS STATE IN VIOLATION OF THE RIGHTS OF ANOTHER UNDER THE FEDERAL TRADEMARK ACT OF 1946, THE TEXAS TRADEMARK LAW, THE ASSUMED BUSINESS OR PROFESSIONAL NAME ACT OR THE COMMON LAW.

DATED FEB. 5, 2001

EFFECTIVE FEB. 5, 2001



Henry A. Miller
Secretary of State

Exhibit 3:

Federal IRS certification
granting non-profit status – (LWAHC)

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

DEPARTMENT OF THE TREASURY

Date: JUN 27 2001



Employer Identification Number:

DDY:

17053046018021

LIFEWORX AFFORDABLE HOUSING
CORPORATION
2525 WALLINGWOOD DR BLDG 6
AUSTIN, TX 78746

Contact Person:

DIANE M TONNIS

ID# 31361

Contact Telephone Number:

(877) 829-5500

Accounting Period Ending:

December 31

Foundation Status Classification:

509(a)(2)

Advance Ruling Period Begins:

February 5, 2001

Advance Ruling Period Ends:

December 31, 2005

Addendum Applies:

No

Dear Applicant:

Based on information you supplied, and assuming your operations will be as stated in your application for recognition of exemption, we have determined you are exempt from federal income tax under section 501(a) of the Internal Revenue Code as an organization described in section 501(c)(3).

Because you are a newly created organization, we are not now making a final determination of your foundation status under section 509(a) of the Code. However, we have determined that you can reasonably expect to be a publicly supported organization described in section 509(a)(2).

Accordingly, during an advance ruling period you will be treated as a publicly supported organization, and not as a private foundation. This advance ruling period begins and ends on the dates shown above.

Within 90 days after the end of your advance ruling period, you must send us the information needed to determine whether you have met the requirements of the applicable support test during the advance ruling period. If you establish that you have been a publicly supported organization, we will classify you as a section 509(a)(1) or 509(a)(2) organization as long as you continue to meet the requirements of the applicable support test. If you do not meet the public support requirements during the advance ruling period, we will classify you as a private foundation for future periods. Also, if we classify you as a private foundation, we will treat you as a private foundation from your beginning date for purposes of section 507(d) and 4940.

Grantors and contributors may rely on our determination that you are not a private foundation until 90 days after the end of your advance ruling period. If you send us the required information within the 90 days, grantors and contributors may continue to rely on the advance determination until we make

Letter 1045 (DO/CG)

LIFEWORCS AFFORDABLE HOUSING

a final determination of your foundation status.

If we publish a notice in the Internal Revenue Bulletin stating that we will no longer treat you as a publicly supported organization, grantors and contributors may not rely on this determination after the date we publish the notice. In addition, if you lose your status as a publicly supported organization, and a grantor or contributor was responsible for, or was aware of, the act or failure to act, that resulted in your loss of such status, that person may not rely on this determination from the date of the act or failure to act. Also, if a grantor or contributor learned that we had given notice that you would be removed from classification as a publicly supported organization, then that person may not rely on this determination as of the date he or she acquired such knowledge.

If you change your sources of support, your purposes, character, or method of operation, please let us know so we can consider the effect of the change on your exempt status and foundation status. If you amend your organizational document or bylaws, please send us a copy of the amended document or bylaws. Also, let us know all changes in your name or address.

As of January 1, 1984, you are liable for social security taxes under the Federal Insurance Contributions Act on amounts of \$100 or more you pay to each of your employees during a calendar year. You are not liable for the tax imposed under the Federal Unemployment Tax Act (FUTA).

Organizations that are not private foundations are not subject to the private foundation excise taxes under Chapter 42 of the Internal Revenue Code. However, you are not automatically exempt from other federal excise taxes. If you have any questions about excise, employment, or other federal taxes, please let us know.

Donors may deduct contributions to you as provided in section 170 of the Internal Revenue Code. Bequests, legacies, devises, transfers, or gifts to you or for your 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.

Donors may deduct contributions to you only to the extent that their contributions are gifts, with no consideration received. Ticket purchases and similar payments in conjunction with fundraising events may not necessarily qualify as deductible contributions, depending on the circumstances. Revenue Ruling 67-246, published in Cumulative Bulletin 1967-2, on page 104, gives guidelines regarding when taxpayers may deduct payments for admission to, or other participation in, fundraising activities for charity.

You are not required to file Form 990, Return of Organization Exempt From Income Tax, if your gross receipts each year are normally \$25,000 or less. If you receive a Form 990 package in the mail, simply attach the label provided, check the box in the heading to indicate that your annual gross receipts are normally \$25,000 or less, and sign the return. Because you will be treated as a public charity for return filing purposes during your entire advance ruling period, you should file Form 990 for each year in your advance ruling period.

LIFEWORKS AFFORDABLE HOUSING

that you exceed the \$25,000 filing threshold even if your sources of support do not satisfy the public support test specified in the heading of this letter.

If a return is required, it must be filed by the 15th day of the fifth month after the end of your annual accounting period. A penalty of \$20 a day is charged when a return is filed late, unless there is reasonable cause for the delay. However, the maximum penalty charged cannot exceed \$10,000 or 5 percent of your gross receipts for the year, whichever is less. For organizations with gross receipts exceeding \$1,000,000 in any year, the penalty is \$100 per day per return, unless there is reasonable cause for the delay. The maximum penalty for an organization with gross receipts exceeding \$1,000,000 shall not exceed \$50,000. This penalty may also be charged if a return is not complete. So, please be sure your return is complete before you file it.

You are not required to file federal income tax returns unless you are subject to the tax on unrelated business income under section 511 of the Code. If you are subject to this tax, you 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 present or proposed activities are unrelated trade or business as defined in section 513 of the Code.

You are required to make your annual information return, Form 990 or Form 990-EZ, available for public inspection for three years after the later of the due date of the return or the date the return is filed. You are also required to make available for public inspection your exemption application, any supporting documents, and your exemption letter. Copies of these documents are also required to be provided to any individual upon written or in person request without charge other than reasonable fees for copying and postage. You may fulfill this requirement by placing these documents on the Internet. Penalties may be imposed for failure to comply with these requirements. Additional information is available in Publication 557, Tax-Exempt Status for Your Organization, or you may call our toll free number shown above.

You need an employer identification number even if you have no employees. If an employer identification number was not entered on your application, we will assign a number to you and advise you of it. Please use that number on all returns you file and in all correspondence with the Internal Revenue Service.

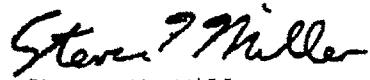
If we said in the heading of this letter that an addendum applies, the addendum enclosed is an integral part of this letter.

Because this letter could help us resolve any questions about your exempt status and foundation status, you should keep it in your permanent records.

LIFEWORKS AFFORDABLE HOUSING

If you have any questions, please contact the person whose name and telephone number are shown in the heading of this letter.

Sincerely yours,

A handwritten signature in black ink that reads "Steven T. Miller". The signature is written in a cursive, slightly slanted style.

Steven T. Miller
Director, Exempt Organizations

Enclosure(s) :
Form 872-C

Exhibit 4:

Names, addresses and phone numbers
of current board members – (LWAHC)

LifeWorks Affordable Housing Corporation

BOARD OF DIRECTORS

2010-2011

Susan McDowell, President

Mona Cannon, Secretary





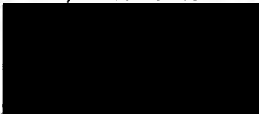

Name	Business	Start Date
Monica Anderson, DDS P.O. Box 150484 Austin, TX 78715 	Dentist St. David's Community Health Foundation 811 Barton Springs Road, Suite 600 Austin, TX 78701 (o) 879-6240 	9/28/2010
Brett Barnes 1708 Rogge Lane Austin, TX 78723	Director of Development & External Relations 3700 S. 1st Street Austin, TX 78704 (o) 735-2470 (f) 735-2452 brett.barnes@lifeworksaustin.org	9/28/2010
Mona Cannon 2905 Maravillas Loop Austin, Texas 78735	Attorney (retired) 	10/1/2011
Glenn Neland 1500 Barton Creek Blvd . Austin, TX 78735 (h) 347-9094 	Retired (Dell Inc.)	7/1/2010
Susan McDowell 2506 Cascade Drive Austin, TX 78756	Executive Director 3700 S. 1st Street Austin, TX 78704 (o) 735-2453 (f) 735-2452 susan.mcdowell@lifeworksaustin.org	9/20/2001
David Wieland 1312 Elton Lane Austin, Texas 78703 	Managing Principal DAW Capital Partners 1312 Elton Lane Austin, Texas 78703 (o) 524-4176 	9/28/2010

Exhibit 5:

Board resolution
approving the proposed project
and authorizing the request for funding –

LifeWorks Affordable Housing Corporation

**Corporate Resolution
Board of Directors
September 28, 2010**

**Authorization to Submit Proposal for
General Obligation Bond Funding**

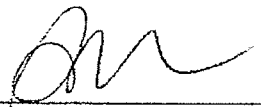
BE IT RESOLVED that the Board of Directors of LifeWorks Affordable Housing Corporation, do hereby authorize Susan McDowell, to submit a proposal to the City of Austin for General Obligation Bond Funding for the purpose of constructing an affordable rental project at 835 North Pleasant Valley Road in Austin, TX in partnership with Youth and Family Alliance, dba LifeWorks.

LifeWorks Affordable Housing Corporation agrees to the following:

- Purchase land identified as Lot 2 at 835 North Pleasant Valley Road at a mutually agreeable price, based on a fair appraisal;
- Seek funding for project development and construction; and
- Develop and manage the property, including leasing units to LifeWorks' identified clients.

Youth and Family Alliance, dba LifeWorks, agrees to the following:

- Sell land identified as Lot 2 at 835 North Pleasant Valley Road at a mutually agreeable price, based on a fair appraisal;
- Provide services to residents in units identified as transitional or supportive housing. Services may include case management, education (GED, English as a Second Language, job training, case management, and counseling);
- Provide staffing for LifeWorks Affordable Housing Corporation; and
- Provide project management and development assistance for the development of the project.


Susan McDowell, President 9/28/10 Date

 9/29/10
Rich Martin, Secretary Date

Exhibit 6:

Articles of Incorporation –
Youth and Family Alliance dba LifeWorks (LW)



Office of the Secretary of State

CERTIFICATE OF AMENDMENT OF

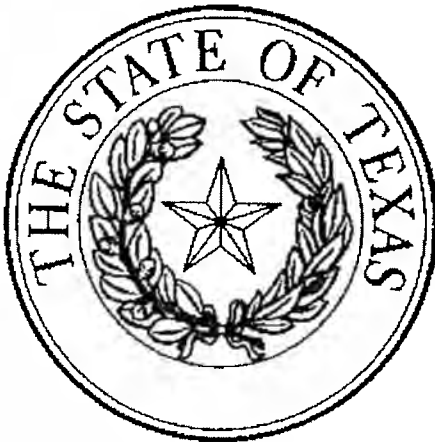
YOUTH AND FAMILY ALLIANCE
52474401

The undersigned, as Secretary of State of Texas, hereby certifies that the attached Articles of amendment for the above named entity have been received in this office and have been found to conform to law.

ACCORDINGLY the undersigned, as Secretary of State, and by virtue of the authority vested in the Secretary by law hereby issues this Certificate of Amendment.

Dated: 01/14/2005

Effective: 01/14/2005



A handwritten signature in black ink, appearing to read "G. Connor".

Geoffrey S. Connor
Secretary of State

**ARTICLES OF AMENDMENT
TO THE
ARTICLES OF INCORPORATION
OF
YOUTH AND FAMILY ALLIANCE**

FILED
In the Office of the
Secretary of State of Texas

JAN 14 2005

Pursuant to the provisions of Article 4.04 of the Texas Non-Profit Corporations Act, the undersigned corporation (the "**Corporation**") adopts the following Articles of Amendment to its Articles of Incorporation:

FIRST

The name of the Corporation is Youth and Family Alliance.

SECOND

Articles V and IX are hereby amended and restated as set forth below:

"ARTICLE V – REGISTERED AGENT AND ADDRESS

The street address of the registered office of the Corporation is 1221 West Ben White Blvd., Suite 108-A, Austin, Texas 78704. The name of its registered agent at such address is Susan McDowell."

"ARTICLE IX – LIMITATION OF LIABILITY

No member of the Board of Governors shall be liable to the Corporation for monetary damages for an act or omission in such member's capacity as a member of the Board of Governors, except that this Article does not eliminate or limit the liability of such member for:

- (1) A breach of such member's duty of loyalty to the Corporation;
- (2) An act or omission not in good faith or that involves intentional misconduct or a knowing violation of the law;
- (3) A transaction from which such member received an improper benefit, whether or not the benefit resulted from an action taken within the scope of such member's office; or
- (4) An act or omission for which the liability of such member is expressly provided for by statute."

A new Article X is hereby added to the Articles of Incorporation of the Corporation to read as follows:

"ARTICLE X - INDEMNIFICATION

The Corporation shall indemnify any person who was, is, or is threatened to be made a named defendant or respondent in a proceeding (as hereinafter defined) because the person (a) is or was a director or officer of the Corporation or (b) while a director or officer of the Corporation, is or was serving at the request of the Corporation as a director, officer, partner, venturer, proprietor, trustee, employee, agent, or similar functionary of another foreign or domestic corporation, partnership, joint venture, sole proprietorship, trust, employee benefit plan, or other enterprise, to the fullest extent that a corporation may grant indemnification to a director under the Texas Non-Profit Corporation Act, as the same exists or may hereafter be amended. Such right shall be a contract right and as such shall run to the benefit of any director or officer who is elected and accepts the position of director or officer of the Corporation or elects to continue to serve as a director or officer of the Corporation while this Article X is in effect. Any repeal or amendment of this Article X shall be prospective only and shall not limit the rights of any such director or officer or the obligations of the Corporation with respect to any claim arising from or related to the services of such director or officer in any of the foregoing capacities prior to any such repeal or amendment of this Article X. Such right shall include the right to be paid or reimbursed by the Corporation for expenses incurred in defending any such proceeding in advance of its final disposition to the maximum extent permitted under the Texas Non-Profit Corporation Act, as the same exists or may hereafter be amended. If a claim for indemnification or advancement of expenses hereunder is not paid in full by the Corporation within ninety days after a written claim has been received by the Corporation, the claimant may at any time thereafter bring suit against the Corporation to recover the unpaid amount of the claim, and if successful in whole or in part, the claimant shall be entitled to be paid also the expenses of prosecuting such claim. It shall be a defense to any such action that such indemnification or advancement of costs of defense are not permitted under the Texas Non-Profit Corporation Act, but the burden of proving such defense shall be on the Corporation. Neither the failure of the Corporation (including its Board of Governors or any committee thereof, or special legal counsel) to have made its determination prior to the commencement of such action that indemnification of, or advancement of costs of defense to, the claimant is permissible in the circumstances nor an actual determination by the Corporation (including its Board of Governors or any committee thereof, or special legal counsel) that such indemnification or advancement is not permissible, shall be a defense to the action or create a presumption that such indemnification or advancement is not permissible. In the event of the death of any person having a right of indemnification under the foregoing provisions, such right shall inure to the benefit of his or her heirs, executors, administrators and personal representatives. The rights conferred above shall not be exclusive of any other right which any person may have or hereafter acquire under any statute, bylaw, resolution of directors, agreement, or otherwise.

The Corporation may additionally indemnify any person covered by the grant of mandatory indemnification contained above to such further extent as is permitted by law and may indemnify any other person to the fullest extent permitted by law.

To the extent permitted by then applicable law, the grant of mandatory indemnification to any person pursuant to this Article X shall extend to proceedings involving the negligence of such person.

As used herein, the term "proceeding" means any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative, arbitral or investigative, any appeal in such an action, suit or proceeding, and any inquiry or investigation that could lead to such an action, suit or proceeding."

THIRD

The Corporation having no members, the above amendments to the Articles of Incorporation were adopted by the Board of Governors of the Corporation on October 20, 2004, such amendments having received a vote of at least a majority of the directors.

YOUTH AND FAMILY ALLIANCE

By: _____



Name: Susan M. Powell

Its: Executive Director



The State of Texas

SECRETARY OF STATE


IT IS HEREBY CERTIFIED that
Articles of Incorporation of

YOUTH AND FAMILY ALLIANCE
File No. 524744-01

were filed in this office on **JULY 10, 1980**, and a certificate of incorporation was issued to this corporation, and no certificate of dissolution is in effect and the corporation is currently 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
the City of Austin, on January 31, 2000.*



Elton Bomer
Secretary of State

BAM



The State of Texas

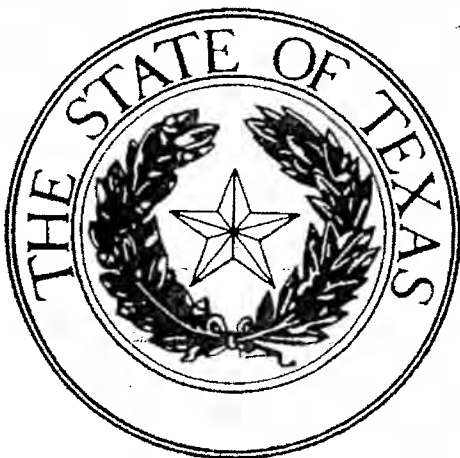
SECRETARY OF STATE

IT IS HEREBY CERTIFIED that the attached are true and correct copies of the following described documents on file in this office:


YOUTH AND FAMILY ALLIANCE
FILE NO. 524744-01

ARTICLES OF INCORPORATION
ARTICLES OF AMENDMENT
ARTICLES OF AMENDMENT
ARTICLES OF MERGER

JULY 10, 1980
DECEMBER 17, 1985
JULY 1, 1994
JULY 1, 1998



IN TESTIMONY WHEREOF, I have hereunto signed my name officially and caused to be impressed hereon the Seal of State at my office in the City of Austin, on January 31, 2000.



Elton Bomer
Secretary of State

BAM

THE STATE OF TEXAS
COUNTY OF TRAVIS

FILED
In the Office of the
Secretary of State

JUL 10 1980

Corporation Division

ARTICLES OF INCORPORATION
OF
NEW MOON WILDERNESS CAMPING AND CONSULTATION SERVICES

We, the undersigned persons of the age of twenty-one (21) years or more, all of whom are citizens of the State of Texas, acting as incorporators of a corporation under the Texas Non-Profit Corporation Act, do hereby adopt the following Articles of Incorporation for this corporation:

ARTICLE I

The Name of this corporation is New Moon Wilderness Camping and Consultation Services.

ARTICLE II

The corporation is a non-profit corporation.

ARTICLE III

The period of the duration of the corporation is perpetual.

ARTICLE IV

The purpose or purposes for which the corporation is organized are:

To operate exclusively for religious, charitable, literary or educational purposes including but not limited to making gifts and contributions to organizations that qualify as exempt organizations under Section 501 (c) (3) of the Internal Revenue Code of 1954 (or the corresponding provision of any future United States Internal Revenue Law), which reads as follows:

"Corporations, and any Community Chest, fund or foundation, organized and operated exclusively for religious, charitable, scientific testing for public safety, literary, or educational purposes, or for the prevention of cruelty to children or animals, no part of the net earnings of which inures to benefit of any shareholder or individual, no substantial part of the activities of which is carrying on propaganda, or otherwise attempting to influence legislation, which does not participate in, or intervene in (including the publishing or distributing of statements), any political campaign on behalf of any candidate for public office."

To do and engage in any and all lawful activities that may be incidental or reasonably necessary to any of the foregoing purposes.

Provided, however, that in all events and under all circumstances, and notwithstanding merger, consolidation, reorganization, termination, dissolution, or winding up of this corporation voluntarily or involuntarily or by operation of law, the following provisions shall apply:

- (a) This corporation shall neither have nor exercise any power or authority either expressly, by interpretation or by operation of law, nor shall it directly or indirectly engage in any activity that would prevent this corporation from qualifying (and continuing to qualify) as a corporation

described in Section 501 (c) (3) of the Code, contributions to which are deductible for federal income tax purposes;

- (b) No substantial part of the activities of this corporation shall consist of carrying on propaganda, or otherwise attempting to influence legislation; nor shall it in any manner or to any extent participate in, or intervene in (including the publishing or distribution of statements), any political campaign on behalf of any candidate for public office; nor shall it engage in any activities that are unlawful under the laws of the United States of America, or the State of Texas, or on any other jurisdiction where such activities are carried on; nor shall it engage in any transaction defined at the time as prohibited under Section 503 of the Code;
- (c) This corporation shall never be operated for the primary purpose of carrying on a trade or business for profit. Neither the whole, nor any part or portion of the assets or net earnings of this corporation shall be issued, nor shall this corporation ever be organized or operated for purposes that are not exclusively religious, charitable, scientific, literary or educational within the meaning of Section 501 (c) (3) of the Code;
- (d) No compensation or payment shall ever be paid or made to any member, officer, director, trustee, creator, or organizer of this corporation, or substantial contributor to it, except a reasonable salary may be paid to persons who contribute substantially all of their time to the affairs of the corporation and a reasonable allowance may be paid for actual expenditures or services actually made or rendered to or for this corporation; and neither the whole or any part or portion of the assets or net earnings, current or accumulated, of this corporation shall ever be distributed to or divided among any such persons; provided, further, that neither the whole nor any part or portion of such assets or net earnings shall ever be used for, accrue to, or inure to the benefit of any member or private individual within the meaning of Section 501 (c) (3) of the Code;
- (e) In the event of termination, dissolution or winding up of this corporation in any manner or for any reason whatsoever, its remaining assets, if any, shall be distributed to (and only to) one or more organizations described in Section 501 (c) (3) of the Code;
- (f) The powers and purposes of this corporation shall at all times be so construed and limited as to enable this corporation to qualify as a corporation organized and existing under the Texas Non-Profit Corporation Act.

ARTICLE V

The street address of the initial registered office of the corporation is 1430 Collier, Austin, Texas, 78704, and the name of its initial registered agent at this address is Steve McKee.

ARTICLE VI

The corporation is to have no members.

ARTICLE VII

The number of directors constituting the initial Board of Directors of the corporation is five. The term of office of the initial board extends to the time until their successors are elected and qualified at the quarterly meeting of the Board in August 1980. The names and addresses of the persons who are to serve as the initial directors are:

NAME

ADDRESS

Jackson Day, M.D.
Jolie Hutchison
Alan McCoy
Steve McKee
Mike Mills

1301 West 38th, Austin, Texas 78756
1406 Stasney Ln., Austin, Texas 78745
P.O. Box 768, San Marcos, Texas 78666
1430 Collier, Austin, Texas 78704
P.O. Box 768, San Marcos, Texas 78666

The name and address of each incorporator is as follows:

Jolie Hutchison
Alan McCoy
Steve McKee

1406 Stasney Ln., Austin, Texas 78745
P.O. Box 768, San Marcos, Texas 78666
1430 Collier, Austin, Texas 78704

WITNESS OUR HANDS this the 24 day of July, 1980.

Jolie Hutchison
Alan McCoy
Steve McKee

THE STATE OF TEXAS

COUNTY OF TRAVIS

Before me, the undersigned authority, on this day personally appeared _____

Jolie Hutchison, Alan McCoy, Steve McKee

and _____, known to me to be the person(s) whose names are subscribed to the foregoing instrument and, being by me first duly sworn severally declare(s) that (t)he(y) are the person(s) who signed the foregoing document as incorporator(s) and that the statements contained therein are true.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this the 24 day of July, 1980.

Sybil Buehler
Notary Public TRAVIS County, Texas

FILED
In the Office of the
Secretary of State of Texas
DEC 17 1985
Clark II-G
Corporations Section

ARTICLE ONE

ARTICLE TWO

The name of this corporation is Austin Wilderness Counseling Services.

Dated December 13, 1985, 1985.

By Lisa C. Stahl (Unsub)
Board President

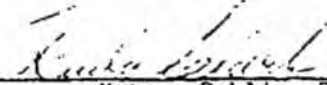
and _____
Board Secretary

0003420227

STATE OF TEXAS
COUNTY OF TRAVIS

Before me, a notary public, on this day personally appeared
Lisa C. Stark Walsh and Karen H. Downing,
known to me to be the persons whose names are subscribed to the fore-
going document and, being by me first duly sworn, declared that the
statements therein contained are true and correct.

Given under my hand and seal of office this 13th day of December
1985, A.D., 1985.



Notary Public, State
of Texas
Ruby Clark

My Commission expires:
8-26, 1988.

00034202324

JOE HEFFINGTON

ATTORNEY AT LAW
SUITE 416, LITTLEFIELD BUILDING
AUSTIN, TEXAS 78701

AREA CODE 512/-75-9412

November 26, 1985

JOE HEFFINGTON

Of Counsel
THOMAS JOHNSON

New Moon Wilderness, Inc.
4111 Medical Parkway #201
Austin, Texas 78756

Dear Mr. McKee:

By this letter, permission is granted by Austin Wilderness Youth Camp, Inc. for your company to use the name "Austin Wilderness Counseling Services" as your corporate name.

Yours truly,


JOE HEFFINGTON

JH:ch

FILED
In the Office of the
Secretary of State of Texas

JUL 1 1994

Corporations Section

ARTICLES OF AMENDMENT
OF

AUSTIN WILDERNESS COUNSELING SERVICES

Pursuant to the provisions of article 1396-4.03 of the Texas Non-Profit Corporation Act, the undersigned corporation adopts the following articles of amendment:

ARTICLE ONE

The name of the corporation is **Austin Wilderness Counseling Services.**

ARTICLE TWO

The following amendment to the articles of incorporation was adopted on April 28, 1994.

Article I. to the Articles of Incorporation is amended to read in its entirety as follows:

ARTICLE I.

The name of the corporation is **Pathways Community Counseling.**

ARTICLE THREE

The amendment was adopted in the following manner:

The amendment was adopted at a meeting of the board of directors held on April 28, 1994, and received the vote of a majority of the directors in office, there being no members having voting rights in respect thereof.

Dated: July 1, 1994.

AUSTIN WILDERNESS COUNSELING
SERVICES

By:



MariBen Ramsey
Treasurer

f:\lbemath\pathway\amend.art

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**ARTICLES OF MERGER
OF DOMESTIC NON-PROFIT CORPORATION**

JUL 01 1998

Pursuant to the provisions of Article 1396-5.04 of the Texas Non-Profit Corporation Act, the undersigned Texas corporations adopt the following Articles of Merger for the purpose of merging them into one of such corporations:

1. The Plan and Agreement of Merger attached hereto as Exhibit A and incorporated herein by reference was approved by the voting members and the Board of Directors of each of the undersigned corporations in the manner prescribed by the Texas Non-Profit Corporation Act.

2. Youth Options, Inc. has no members having voting rights. The Plan and Agreement of Merger was adopted at a meeting of the Board of Directors on May 12, 1998 and such plan received the vote of a majority of the directors in office.

3. Pathways Community Counseling has no members having voting rights. The Plan and Agreement of Merger was adopted at a meeting of the Board of Directors on May 14, 1998 and such plan received the vote of a majority of the directors in office.

4. Teenage Parent Council of Austin, Inc. has no members having voting rights. The Plan and Agreement of Merger was adopted at a meeting of the Board of Directors on May 12, 1998 and such plan received the vote of a majority of the directors in office.

5. Child & Family Service, Inc. has no members having voting rights. The Plan and Agreement of Merger was adopted at a meeting of the Board of Directors on May 8, 1998 and such plan received the vote of a majority of the directors in office.

Dated AS OF JULY 1, 1998.

PATHWAYS COMMUNITY COUNSELING

CHILD & FAMILY SERVICE, INC.

By: Linda K. Haines
Linda K. Haines, President

By: Ed R. Sharpe
Ed R. Sharpe, President

TEENAGE PARENT COUNCIL OF
AUSTIN, INC.

YOUTH OPTIONS, INC.

By: Judith A. Manriquez
Judith A. Manriquez, Chair

By: Kathy Adams
Kathy Adams, Chair

1
2
3
4

Exhibit A

Plan and Agreement of Merger

Page 1

1 PLAN AND AGREEMENT OF MERGER OF
2 CHILD AND FAMILY SERVICE, INC.
3 TEENAGE PARENT COUNCIL, INC.
4 YOUTH OPTIONS, INC.
5

6 INTO
7 PATHWAYS COMMUNITY COUNSELING
8
9

10 Pursuant to Article 1396-5.01 of the Texas Non-Profit Corporation Act, this Plan and
11 Agreement of Merger (the "Plan") is made to be effective as of July 1, 1998, by and among Child &
12 Family Service, Inc. ("CFS"), Pathways Community Counseling ("Pathways"), Teenage Parent
13 Council of Austin, Inc. ("TPC"), and Youth Options, Inc. ("Youth Options"), each Texas non-profit
14 corporations, such non-profit corporations being hereinafter collectively referred to as the "Constituent
15 Corporations."

16
17 Recitals:

18
19 Each of the Constituent Corporations is a non-profit corporation without members having
20 voting rights, duly organized and existing under the laws of the State of Texas; and
21

22 The respective Boards of Directors of the Constituent Corporations deem it advisable and in
23 the best interests of said corporations that they be merged with and into Pathways as the surviving
24 corporation, as authorized by the statutes of the State of Texas, under and pursuant to the terms and
25 conditions hereinafter set forth, and each such Board has duly approved this Plan;
26

27 Agreement:

28
29 NOW, THEREFORE, in consideration of the premises and the mutual covenants and
30 agreements herein contained, and for the purpose of setting forth the terms and conditions of said
31 merger, the mode of carrying the same into effect, and such other details and provisions as are deemed
32 necessary or desirable, the parties hereto have agreed and do hereby agree, subject to the conditions
33 hereinafter set forth, as follows:
34
35

36 I. Merger and Name of Surviving Corporation
37

38 At the Effective Time of the Merger, as hereinafter defined, each of CFS, TPC and Youth
39 Options shall be merged with and into Pathways, which is hereby designated the "Surviving
40 Corporation," which shall not be a new corporation, which shall continue its corporate existence as a
41 corporation to be governed by the laws of the State of Texas, and which shall from and after the
42 Effective Time of the Merger be named "Youth and Family Alliance."
43

1
2 II. Terms and Conditions of Merger
3

4 The terms and conditions of the merger are (in addition to those set forth elsewhere in this
5 Plan) as follows:

6
7 (a) At the Effective Time of the Merger:

8
9 (1) The Constituent Corporations shall be a single corporation, which shall be
10 Pathways, the corporation designated herein as the Surviving Corporation.

11
12 (2) The separate existence of each of CFS, TPC and Youth Options shall cease.

13
14 (3) The Surviving Corporation shall thereupon and thereafter possess all the rights,
15 privileges, powers and franchises of a public as well as a private nature, and be subject to all the
16 liabilities and duties, of each Constituent Corporation; and all and singular, the rights, privileges,
17 powers and franchises of each Constituent Corporation, and all property, real, personal and mixed, and
18 all debts due to each Constituent Corporation on whatever account, and all other things in action or
19 belonging to any Constituent Corporation, shall be vested in the Surviving Corporation; and all
20 property, rights, privileges, powers and franchises, and all and every other interest shall be thereafter as
21 effectually the property of the Surviving Corporation as they were of the respective Constituent
22 Corporations, and the title to any real estate vested by deed or otherwise in any Constituent
23 Corporation shall not revert or be in any way impaired by reason of the merger; but all rights of
24 creditors and all liens upon any property of any Constituent Corporation shall be preserved unimpaired,
25 and all debts, liabilities and duties of the respective Constituent Corporations shall thenceforth attach to
26 the Surviving Corporation and may be enforced against it to the same extent as if said debts, liabilities
27 and duties had been incurred or contracted by it.

28
29 (4) All corporate acts, plans, policies, contracts, approvals and authorizations of
30 each Constituent Corporation and its Board of Directors, committees elected or appointed by the
31 Board of Directors, officers and agents, which were valid and effective immediately prior to the
32 Effective Time of the Merger shall be taken for all purposes as the acts, plans, policies, contracts,
33 approvals and authorizations of the Surviving Corporation and shall be as effective and binding thereon
34 as the same were with respect to each Constituent Corporation.

35
36 (b) The members of the Boards of Directors of the Surviving Corporation shall be as set
37 forth on Schedule 1 hereto, such members to serve in accordance with the Bylaws of the Surviving
38 Corporation until their respective successors shall have been duly elected and qualified.

39

40

41

1 III. Articles of Incorporation and Bylaws

2
3 (a) The Articles of Incorporation of Pathways shall be and constitute the Articles of
4 Incorporation of the Surviving Corporation, except that the Articles of Incorporation shall be and are
5 hereby amended as follows:

6
7 (1) Article I is amended to read in its entirety as follows:

8
9 **ARTICLE I - NAME**

10
11 The name of the corporation is Youth and Family Alliance (the "Corporation").
12

13
14 (2) Article II is amended to read in its entirety as follows:

15
16 **ARTICLE II - STATUS**

17
18 The Corporation is a non-profit corporation.
19

20
21 (3) Article III is amended to read in its entirety as follows:

22
23 **ARTICLE III - DURATION**

24
25 The period of the Corporation's duration is perpetual.
26

27
28 (4) Article IV is amended to read in its entirety as follows:

29
30 **ARTICLE IV - PURPOSE**

31
32 The Corporation is organized and shall be operated and administered exclusively for religious,
33 charitable, scientific, testing for public safety, literary or educational purposes, and the definition of
34 such purposes shall be the same as the definition of such purposes used in connection with Section
35 501(c)(3) of the Internal Revenue Code of 1986 or corresponding provisions of subsequent federal tax
36 laws (the "Code").

37
38 In pursuit of the foregoing purposes, the Corporation may undertake any other act or action
39 permitted by the Texas Non-Profit Corporation Act, as now enacted or as the same may be amended
40 (the "Act").

41
42 Subject to the foregoing, the Corporation shall be a separate legal entity with sole authority and
43 responsibility for its own policies, procedures, personnel, books and accounts. Absent an express

1 written agreement to the contrary duly authorized, executed and delivered by the party intending to be
2 bound thereby, no member of the Board of Governors (hereafter defined), nor any officer, employee or
3 agent of any member of the Board of Governors shall be liable for the obligations, liabilities, acts or
4 omissions of the Corporation, members of its Board of Governors, officers, employees or agents.

5

6 In the event of the dissolution of the Corporation, after payment of or provision for all liabilities
7 of the Corporation, all of the assets of the Corporation shall be distributed to, or its assets shall be sold
8 and the proceeds distributed to, another organization organized and operating for the same or similar
9 purpose for which the Corporation is organized and operating, or to one or more corporations, funds
10 or foundations organized and operating exclusively for charitable, scientific, literary or educational
11 purposes, which shall be selected by the Board of Governors of the Corporation; provided, however,
12 that any such recipient organization or organizations shall at that time qualify as exempt from taxation
13 under the provisions of Section 501(c)(3) of the Code.

14

15 (5) Article V is amended to read in its entirety as follows:

16

17 **ARTICLE V - REGISTERED AGENT AND ADDRESS**

18

19 The street address of the initial registered office of the Corporation is 2525 Wallingwood,
20 Building #6, Austin, Texas 78746. The name of its initial registered agent at such address is Susan
21 Berliner.

22

23

24 (6) Article VI is amended to read in its entirety as follows:

25

26 **ARTICLE VI - MEMBERS**

27

28 The Corporation is to have no members.

29

30

31 (7) Article VII is amended to read in its entirety as follows:

32

33 **ARTICLE VII - BOARD OF GOVERNORS**

34

35 The group of persons vested with the management of the affairs of the Corporation shall be its
36 directors (the "Board of Governors"). Each member of the Board of Governors shall be 18 years of
37 age or older.

38

39 The number of members of the initial Board of Governors (collectively, the "Governors" and
40 singularly, a "Governor") shall be sixteen. The names and street address of the persons who are to
41 serve as the initial members of the Board of Governors of the Corporation, and the expiration date of
42 the term of office of each such initial Governor, are:

43

<u>Name</u>	<u>Address</u>	<u>Term Expiration</u>
Marie Arnold	1801 Lavaca St. #7J, Austin, Texas 78701	6/30/99
Juliane Baron	1604 S. Third St., Austin, Texas 78704	6/30/99
Julie Barr	3805 Laurelledge, Austin, Texas 78731	6/30/99
Lance Beversdorff	8507 La Tosca Dr., Austin, Texas 78737	6/30/99
Olin Clemons	5310 Bennett Ave., Austin, Texas 78751	6/30/99
David Dennis	11910 Rickem Cove, Austin, Texas 78758	6/30/00
Katherine Hammer	1705 Corona, Austin, Texas 78723	6/30/99
Joanne Hargraves	5316 China Garden Dr., Austin, Texas 78730	6/30/00
Judith Manriquez	1708 Olive St., Georgetown, Texas 78626	6/30/00
Steve Mattingly	301 Congress Ave., Ste. 1390, Austin, Texas 78701	6/30/00
Archie Montemayor	1209 W. Fifth St., Ste. 222, Austin, Texas 78703	6/30/00
Tom Mooney	1100 Black Acre, Austin, Texas 78746	6/30/00
Ben Morgan	P.O. Box 3550, Austin, Texas 78764	6/30/00
Lynn Sherman	816 Congress Ave., Ste. 1700, Austin, Texas 78701	6/30/99
Ralph Tilney	1340 Doonesbury Dr., Austin, Texas 78758	6/30/99
Chris Von Dohlen	4013 Glengarry Drive, Austin, Texas 78731	6/30/00

(8) Article IX is amended to read in its entirety as follows:

ARTICLE IX - LIMITATION OF LIABILITY; INDEMNIFICATION

No member of the Board of Governors shall be liable to the Corporation for monetary damages for an act or omission in such member's capacity as a member of the Board of Governors, except that this Article does not eliminate or limit the liability of such member for:

- (1) A breach of such member's duty of loyalty to the Corporation;
- (2) An act or omission not in good faith or that involves intentional misconduct or a knowing violation of the law;
- (3) A transaction from which such member received an improper benefit, whether or not the benefit resulted from an action taken within the scope of such member's office; or
- (4) An act or omission for which the liability of such member is expressly provided for by statute.

Each member of the Board of Governors and each employee, officer or agent of the Corporation, and any other person while serving at the request of the Corporation, may be indemnified by the Corporation for any act or omission in such person's capacity as a member of the Board of Governors or officer, employee or agent of the Corporation, as the case may be, or as a person serving at the request of the Corporation, or its unincorporated predecessor, in the manner and to the maximum extent provided in the Act.

1

2 (b) The Bylaws of Pathways shall be and constitute the Bylaws of the Surviving Corporation,
3 except that the Bylaws shall be and are hereby amended and restated as set forth on Schedule 2
4 attached hereto.

5

6

7

IV. Other Provisions with Respect to Merger

8

9 (a) This Plan shall be submitted to the board of directors of each Constituent Corporation
10 as provided by Article 1396-5.03 of the Texas Non-Profit Corporation Act. After the approval or
11 adoption thereof by the board of directors of each Constituent Corporation in accordance with the
12 requirements of the laws of the State of Texas, all required documents shall be executed, filed and
13 recorded and all required acts shall be done in order to accomplish the merger under the provisions of
14 the applicable statutes of the State of Texas.

15

16 (b) This Plan may be terminated at any time prior to the Effective Time of the Merger by
17 any of the Constituent Corporations, expressed by action of their respective Boards of Directors.

18

19 (c) Each Constituent Corporation shall bear and pay all costs and expenses incurred by it
20 or on its behalf (including without limitation, fees and expenses of financial consultants, accountants
21 and counsel) in connection with the consummation of the merger.

22

23 (d) This Plan may be amended in matters of form, or supplemented by additional
24 agreements, articles or certificates, as may be determined in the judgment of the Boards of Directors of
25 each of the Constituent Corporations to be necessary, desirable or expedient to assure the Surviving
26 Corporation's tax-exempt status under Section 501(c)(3) of the Internal Revenue Code of 1986, as
27 amended, to clarify the intentions of the parties hereto or to effect or facilitate the filing, recording or
28 official approval of this Plan and the consummation hereof and the merger provided for herein, in
29 accordance with the purpose and intent of this Plan.

30

31

32

V. Effective Time of the Merger

33

34 The merger shall become effective on July 1, 1998 (the "Effective Time of the Merger")
35 provided that Articles of Merger (with this Plan attached as part thereof), setting forth the information
36 required by, and executed and verified in accordance with, the Texas Non-Profit Corporation Act, shall
37 previously have been filed in the office of the Secretary of the State of Texas.

38

39

VI. Representations of Parties

40

41 Each Constituent Corporation represents to each other Constituent Corporation that no
42 statement, document, financial statement, schedule, exhibit or certificate furnished in connection with
43 the merger or in connection with due diligence with respect hereto contains any untrue statement of a

1 material fact, or omits to state a material fact required to make the statements therein contained not
2 misleading. Such Constituent Corporation has disclosed to each other Constituent Corporation all
3 information concerning its operations, financial condition, funding sources, and contractual
4 commitments that is necessary for the Board of Directors of each other Constituent Corporation to
5 make an informed decision concerning the feasibility and desirability of the merger.

6
7
8 VII. Miscellaneous
9

10 (a) For the convenience of the parties and to facilitate the filing and recording of this Plan,
11 any number of counterparts hereof may be executed; each such counterpart shall be deemed to be an
12 original instrument, all of which together shall constitute one agreement.

13
14 (b) This Plan and the legal relations between the parties hereto shall be governed by and
15 construed in accordance with the laws of the State of Texas.

16
17 (c) This Plan cannot be altered or amended except pursuant to an instrument in writing
18 signed on behalf of the parties hereto.

19
20 (d) At any time, or from time to time, simultaneously with or after the Effective Time of
21 the Merger, the last acting officers and directors of each Constituent Corporation shall, if and when
22 requested by the Surviving Corporation or its successors or assigns, execute and deliver all such deeds,
23 assignments and other instruments and take or cause to be taken all such further action as the Surviving
24 Corporation or its successors and assigns may deem necessary or desirable in order to vest, perfect or
25 confirm in the Surviving Corporation title to and possession of all properties, rights, privileges, powers,
26 franchises, immunities and interests of each such Constituent Corporation and otherwise to carry out
27 the purpose of this Plan.

1

2

IN WITNESS WHEREOF, each Constituent Corporation has caused this Plan to be executed
3 by a duly authorized officer pursuant to authorization contained in a resolution adopted by its Board of
4 Directors approving this Plan.

5

6

7

8 PATHWAYS COMMUNITY COUNSELING

CHILD & FAMILY SERVICE, INC.

9

10

11 By:

Linda K. Haines

By:

Ed. R. Lopez

12

13

14 TEENAGE PARENT COUNCIL OF
15 AUSTIN, INC.

YOUTH OPTIONS, INC.

16

17

18 By:

Judith Manigay

By:

Kathy Adams

19

20

Schedule 1

Youth and Family Alliance
BOARD OF GOVERNORS
July 1, 1998 July 1, 1998 July 1, 1998

<u>Name</u>	<u>Address</u>	<u>Term Expiration</u>
Marie Arnold	1801 Lavaca St. #7J, Austin, Texas 78701	6/30/99
Juliane Baron	1604 S. Third St., Austin, Texas 78704	6/30/99
Julie Barr	3805 Laurelledge, Austin, Texas 78731	6/30/99
Lance Beversdorff	8507 La Tosca Dr., Austin, Texas 78737	6/30/99
Olin Clemons	5310 Bennett Ave., Austin, Texas 78751	6/30/99
David Dennis	11910 Rickern Cove, Austin, Texas 78758	6/30/00
Katherine Hammer	1705 Corona, Austin, Texas 78723	6/30/99
Joanne Hargraves	5316 China Garden Dr., Austin, Texas 78730	6/30/00
Judith Manriquez	1708 Olive St., Georgetown, Texas 78626	6/30/00
Steve Mattingly	301 Congress Ave., Ste. 1390, Austin, Texas 78701	6/30/00
Archie Montemayor	1209 W. Fifth St., Ste. 222, Austin, Texas 78703	6/30/00
Tom Mooney	1100 Black Acre, Austin, Texas 78746	6/30/00
Ben Morgan	P.O. Box 3550, Austin, Texas 78764	6/30/00
Lynn Sherman	816 Congress Ave., Ste. 1700, Austin, Texas 78701	6/30/99
Ralph Tilney	1340 Doonesbury Dr., Austin, Texas 78758	6/30/99
Chris Von Dohlen	4013 Glengarry Drive, Austin, Texas 78731	6/30/00

Exhibit 7:

Certificate of Incorporation
filed with the State of Texas – (LW)



The State of Texas

Secretary of State

CERTIFICATE OF INCORPORATION

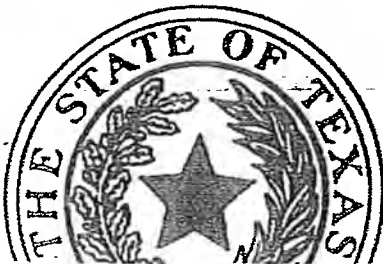
OF

NEW MOON WILDERNESS CAMPING AND CONSULTATION SERVICES
CHARTER NUMBER 524744

THE UNDERSIGNED, AS SECRETARY OF STATE OF THE STATE OF TEXAS,
HEREBY CERTIFIES THAT ARTICLES OF INCORPORATION FOR THE ABOVE
CORPORATION, DULY SIGNED AND VERIFIED HAVE BEEN RECEIVED IN THIS
OFFICE AND ARE FOUND TO CONFORM TO LAW.

ACCORDINGLY THE UNDERSIGNED, AS SUCH SECRETARY OF STATE, AND BY
VIRTUE OF THE AUTHORITY VESTED IN HIM BY LAW, HEREBY ISSUES THIS
CERTIFICATE OF INCORPORATION AND ATTACHES HERETO A COPY OF THE
ARTICLES OF INCORPORATION.

DATED JULY 10, 1980



Geo Strake Jr.
Secretary of State

CFB



The State of Texas

SECRETARY OF STATE

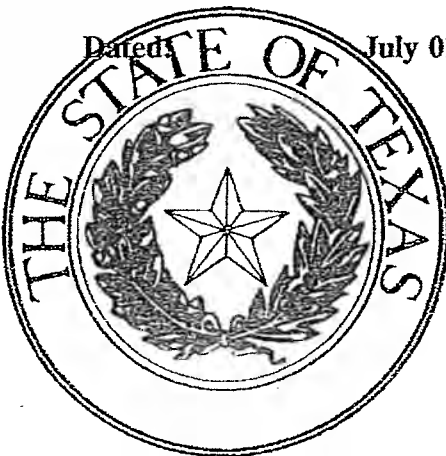
CERTIFICATE OF AMENDMENT OF


PATHWAYS COMMUNITY COUNSELING FORMERLY: AUSTIN WILDERNESS COULSELING SERVICES

The undersigned, as Secretary of State of Texas, hereby certifies that Articles of Amendment to the Articles of Incorporation of the above corporation duly executed pursuant to the provisions of the Texas Non-Profit Corporation Act, have been received in this office and are found to conform to law.

ACCORDINGLY the undersigned, as Secretary of State, and by virtue of the authority vested in the Secretary by law, hereby issues this Certificate of Amendment to the Articles of Incorporation and attaches hereto a copy of the Articles of Amendment.

Dated July 01, 1994




Secretary of State



The State of Texas

SECRETARY OF STATE

CERTIFICATE OF MERGER

The undersigned, as Secretary of State of Texas, hereby certifies that the attached Articles of Merger of

TEENAGE PARENT COUNCIL OF AUSTIN, INC.
THE CHILD AND FAMILY SERVICE, INC.
YOUTH OPTIONS, INC.

with

PATHWAYS COMMUNITY COUNSELING

which changed its name to

YOUTH AND FAMILY ALLIANCE

have been received in this office and are found to conform to law. ACCORDINGLY, the undersigned, as Secretary of State, and by virtue of the authority vested in the Secretary by law, hereby issues this Certificate of Merger.

Filed JULY 1 1998

Effective JULY 1 1998

jk



Alberto R. Gonzales

Exhibit 8:

Federal IRS certification
granting non-profit status – (LW)

Internal Revenue Service

Department of the Treasury

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

Date: July 22, 2000

Youth and Family Alliance
2525 Wallingwood Dr. Suite 600
Austin, TX 78746

Person to Contact:

John H. Shafer ID 31-02720
Revenue Agent

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:



Dear Sir or Madam:

This letter is in response to your request to change the status of merged organizations and subsequent name change of Pathways Community Counseling, the surviving organization. We have verified that our records indicate that Teenage Parent Council of Austin, Inc., The Child and Family Service, Inc. and Youth Options, Inc. have a status of termination merger. Our records have been corrected to show Pathways Community Counseling has changed its name to Youth and Family Alliance.

Our records indicate that a determination letter issued in December 1980 granted your organization exemption from federal income tax under section 501(c)(3) of the Internal Revenue Code. That letter is still in effect.

Based on information subsequently submitted, we classified your organization as one that is not a private foundation within the meaning of section 509(a) of the Code because it is an organization described in section 509(a)(2).

This classification was based on the assumption that your organization's operations would continue as stated in the application. If your organization's sources of support, or its character, method of operations, or purposes have changed, please let us know so we can consider the effect of the change on the exempt status and foundation status of your organization.

Your organization is required to file Form 990, Return of Organization Exempt from Income Tax, only if its 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.

All exempt organizations (unless specifically excluded) are liable for taxes under the Federal Insurance Contributions Act (social security taxes) on remuneration of \$100 or more paid to each employee during a calendar year. Your organization is not liable for the tax imposed under the Federal Unemployment Tax Act (FUTA).

Organizations that are not private foundations are not subject to the excise taxes under Chapter 42 of the Code. However, these organizations are not automatically exempt from other federal excise taxes.

Youth and Family Alliance
[REDACTED]

Organizations that are not private foundations are not subject to the excise taxes under Chapter 42 of the Code. However, these organizations are not automatically exempt from other federal excise taxes.

Donors may deduct contributions to your organization as provided in section 170 of the Code. Bequests, legacies, devises, transfers, or gifts to your organization or for its 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 is not required to file federal income tax returns unless it is subject to the tax on unrelated business income under section 511 of the Code. If your organization is subject to this tax, it must file an income tax return on the Form 990-T, Exempt Organization Business Income Tax Return. In this letter, we are not determining whether any of your organization's present or proposed activities are unrelated trade or business as defined in section 513 of the Code.

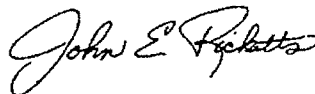
The law requires you to make your organization's annual return available for public inspection without charge for three years after the due date of the return. You are also required to make available for public inspection a copy of your organization's exemption application, any supporting documents and 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).

Because this letter could help resolve any questions about your organization's exempt status and foundation status, you should keep it with the organization's permanent records.

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

This letter affirms your organization's exempt status.

Sincerely,



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