



4113 Main Street, Suite 105
Rowlett, TX 75088
rowletthfc.org

Board of Directors Meeting
Tuesday, January 30th, 2024, at 4:00 p.m.
5702 Rowlett Rd., Rowlett, TX 75089

AGENDA

As authorized by Section 551.071 of the Texas Government Code, this meeting may be convened into closed Executive Session for the purpose of seeking confidential legal advice from the RHFC legal counsel on any agenda item herein. The Board of Directors reserves the right to reconvene, recess or realign the Regular meeting agenda or called Executive Session or order of business at any time prior to adjournment.

1. Call to order.
2. Selection of officers for the Rowlett HFC (President, Vice President & Secretary)
3. Public input:
The Board of Directors may receive public input on any of the agenda items listed below.
4. Approval of Minutes:
Consider and take action to approve the minutes of the December 20, 2023, RHFC Board of Directors meeting.
5. Discuss and take action on proposal by JPI for development in the North Shore area. Sylvan Miller with JPI.
6. Update/discussion on Lakeview Pointe Seniors
7. December 2023 Financial Report
8. Items of Community Interest, Topics for future agenda: Members of the Board may request topics to be placed on the agenda for a subsequent meeting. Any deliberation or decision shall be limited to a proposal to place the topic on the agenda for a subsequent meeting.



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Board of Directors Meeting
Thursday, December 20th, 2023, at 3:00 p.m.
5720 Rowlett Rd., Rowlett, TX 75089

MINUTES

1. Call to order.

President Margolis called the meeting to order at 3:00 p.m. with a quorum present (Directors Margolis, Shinder, and Schupp). Vice President Winget joined the meeting at 3:02 pm and Director Bowers joined at 3:09 pm.

2. Public input:

There was no public input.

3. Approval of Minutes:

Consider and take action to approve the minutes of the October 11, 2023, and November 13, 2023, RHFC Board of Directors meeting.

MOTION by Director Schupp, second by Secretary Shinder to approve the minutes. Motion passed unanimously.

4. Proposal by JPI for a development in the North Shore area (Chair Margolis)

Scott Turner and Miller Sylvan of JPI requested that the RHFC partner with them on Jefferson Merritt Park, a multifamily project in the North Shore area. They had a memorandum of understanding with the former HFC board.

They stated they already have the multifamily zoning and will go forward with the development as multifamily regardless of the RHFC's decision. The site plan was approved by the city staff in October. The project encompasses 40 acres in the northwest corner of the city, just south of Sachse. This includes \$3 million in infrastructure. They have spent \$1.5 million on design. It would have a dog park, 3 resort style pools and other amenities. Parking would be hidden behind the buildings and there would be four different buildings in different styles. Arcadia is the current owner. The development also includes a single-family component but they don't know who the developer for the SF homes will be.

They discussed providing \$2.4 million in upfront fees and PILOT payments as unrestricted funds that could be used by the city. The Board and RHFC attorney questioned the legality and ethical implications of doing this. The attorney will research this. Mr. Sylvan stated they would have to redesign if the RHFC does not partner with them and they have to go with market rate. He said the city will have more controls with an RHFC project than it would with a market rate development.

In response to questions from Board members, they said they anticipated starting in April 2024. If the RHFC denies the request, it would create a more than six months delay. If the RHFC approves, they would own the property for approximately 10 years vs. 3 years for a

market rate property.

There was discussion of the tax implications for the developers, city, other taxing entities, and taxpayers. There was also discussion about the difficulty of making a decision on this while serving in the dual roles of councilmember and Board member.

NO ACTION. The Board did not take action on this item.

5. October 2023 and November 2023 financial report and 2024 preliminary budget
(This item was postponed until after item 6).

Executive Director Urrutia presented the financial report showing net position as of October 31, 2023 of \$1,192,383, which includes \$309,345 in capital assets and \$833,038 unrestricted funds. He stated the RHFC is operating at a deficit because there has been no income.

Executive Director Urrutia also presented a preliminary budget for 2024 of \$135,950, which is a 13.4% increase over 2023 and includes an additional \$9,500 increase in IT support and services for the purpose of increasing security. The contract is with a small firm out of Rockwall and includes a laptop computer. The budget also includes membership dues for the Texas Association of Affordable Housing Providers and training expenses for board members.

6. Update/discussion on Lakeview Pointe Seniors(contracts/agreement)

Melissa Fisher appeared in person and Bill Fisher via conference call, representing the LakePoint Seniors project, at the request of the Board. Board members asked why the completion of the Lake Pointe Seniors project was taking so long. The Fishers stated the delays after the fire were caused by the city "moving the goalposts," first requiring them to finish the pool before they could get a Certificate of Occupancy for the clubhouse, then requiring the sidewalks be finished before they could get the CO.

They stated the sidewalk had been framed and ready to pour, and the city told them not to pour and required a redesign. The new design has now been approved. The Board brought in city staff members, including city manager David Hall, Building official Larry King, Planner Alex Koenig, new Community Development Director Ross Altobelli, Engineer Jeff Cohen, and new Assistant City Manager Rebecca Diviney.

There was much discussion about the timeline and sequence of events. It was pointed out that some of the decisions had been made by former employees and several of the staff members are new and don't know all the background regarding this project.

Ms. Fisher stated they would like to open the clubhouse as soon as possible because they are losing residents and unable to fill units due to not having promised amenities. She said the sidewalks are ready to pour but it will take 6 weeks to get the contractor to do it. She was advised to deal with the city staff and working this out and getting the CO for the clubhouse. She stated they anticipate finishing by the end of February.

She also noted that they are waiting on \$8 million from the insurance company, and that there are lawsuits - her company is suing the insurance company and the insurance company is suing Oncor and the electrical subcontractor. She said none of the RHFC

entities are named in the suits. The Board had questions about the LLCs that are listed in connection with the project. Ms. Fisher said the Savannah LLCs are the RHFC's, not her company's. She drew a chart showing the relationship of her company's LLCs and the RHFC's LLCs, and she will provide a more formal chart to the Board later.

NO ACTION. No formal action was taken on this item.

7. Discuss and take any necessary action on recommendations to city council for appointments of new Board members.

There was brief discussion regarding the transition process. Board openings will be advertised and the target is to make the appointments before the end of January. There will be three new members appointed and two councilmembers will continue to serve on the Board. Directors Winget and Schupp volunteered to continue in their Board roles.

8. Executive session to discuss six-month review of Executive Director (interim) contract (Vice Chair Winget)

As authorized by Section 551.074 of the Texas Government Code (Personnel Matters), the Board convened into executive session at 4:44 pm to discuss the evaluation and appointment of Executive Director Urrutia.

The Board reconvened into open session at 4:59 pm.

MOTION by Director Bowers, second by Director Winget to appoint Interim Executive Director Peter Urrutia to the permanent position of Executive Director at a salary of \$95,550 with 3 weeks of vacation and 2 weeks of sick leave per year and a \$100/month cell phone allowance. Motion carried unanimously.

9. Items of Community Interest, Topics for future agenda: Members of the Board may request topics to be placed on the agenda for a subsequent meeting. Any deliberation or decision shall be limited to a proposal to place the topic on the agenda for a subsequent meeting.

Director Winget asked that the amended budget be brought to the next meeting. Director Bowers asked for a list of RHFC projects.

10. ADJOURNMENT.

The meeting was adjourned at 5:04 pm.

APPROVED on _____, 2024

President



Secretary

MEMORANDUM OF UNDERSTANDING

BETWEEN

ROWLETT HOUSING FINANCE CORPORATION

AND

JPI MERRITT 190 DEVELOPMENT, LLC

“JEFFERSON MERRITT PARK – PHASE I”

THIS MEMORANDUM OF UNDERSTANDING (this “*MOU*”) is between the ROWLETT HOUSING FINANCE CORPORATION (the “*Rowlett HFC*”), a nonprofit public housing finance corporation organized under Chapter 394 of the Texas Local Government Code, and JPI MERRITT 190 DEVELOPMENT, LLC (the “*Developer*”), a Delaware limited liability company and is dated and effective as of January __, 2024.

The Developer is a developer of low and moderate income housing in the State of Texas. The Rowlett HFC is a nonprofit public housing finance corporation whose mission is to finance or to provide for the acquisition, construction, rehabilitation, renovation, repair, equipping, furnishing and placement in service of public facilities. The Developer and the Rowlett HFC hereby agree to work cooperatively to finance and develop an approximately 597-unit multifamily housing development to be located in the City of Rowlett, Dallas County, Texas (the “*Project*”), which, in Developer’s sole discretion, may be constructed in staggered phases in accordance with the terms of this MOU.

In order to accomplish this purpose, the parties agree as follows:

AGREEMENTS

A. OWNERSHIP STRUCTURE

1. The Developer will form a limited partnership named Jefferson Merritt 190, L.P. (or similar name) (the “*Partnership*”) for the purpose of owning the Project. A single-purpose entity that is wholly-owned by the Rowlett HFC or a nonprofit affiliate of the Rowlett HFC will be admitted into the Partnership as the sole General Partner (the “*General Partner*”).

2. The Developer may designate an affiliate to serve as a special limited partner of the Partnership (the “*Special LP*”), with certain oversight and approval rights. Any such rights must be reasonably agreed to by the Rowlett HFC and may not, in the reasonable opinion of Partnership Counsel (as hereinafter defined), result in the Special LP being deemed a General Partner for exercising its rights under the Partnership Agreement (as hereinafter defined).

3. The duties of the General Partner and the Special LP shall be set forth in a partnership agreement (the "*Partnership Agreement*") to be entered into among the General Partner, the Special LP and an equity investor as the limited partner (the "*Investor LP*").

The General Partner's execution of the Partnership Agreement shall be subject to the following terms:

(i) The General Partner's representations shall be limited to those within the General Partner's actual knowledge and in no case shall due inquiry be required, it being understood and agreed that the General Partner will not be looked upon by the Special LP or the Investor LP to conduct Project-related diligence, and any such diligence conducted by the Rowlett HFC is solely for its own benefit;

(ii) The General Partner shall be indemnified by Guarantor (as set forth below in Section C.4.), an affiliate of the Developer, and the Partnership for any liabilities incurred under the Partnership Agreement, except for liabilities incurred as a result of the General Partner's gross negligence or willful misconduct and in no event shall such indemnification be contingent upon a ruling of a court of law;

(iii) The General Partner shall not be required to covenant to undertake actions or obligations that the Special LP will be required to take under the Partnership Agreement; and

(iv) The Partnership Agreement shall contain a provision wherein the Special LP and Investor LP acknowledge that the obligations of the General Partner under the Partnership Agreement are obligations solely of the General Partner and not the owner of the General Partner.

The Developer agrees that it will provide an executed copy of this MOU to the Investor LP prior to executing an equity letter of intent or similar document (an "*LOI*") and, as set forth in Paragraph C.2. below, agrees to provide the LOI to the Rowlett HFC for review and comment prior to execution.

4. Certain rights and obligations of the Rowlett HFC, the Developer, the Partnership, the General Partner and the Special LP and certain of the indemnifications described in Paragraph A.3 above shall be outlined in a Master Agreement, which shall be executed as of the closing of the Project financing described in Section C. below (the "Closing").

5. Title to the land for the Project shall be taken in the name of a subsidiary of the Rowlett HFC (the "*Ground Lessor*"), and the Ground Lessor shall then enter into a ground lease with a term of 99 years (the "*Ground Lease*") with the Partnership, as tenant, holding an interest in the improvements that constitute the Project. Upon termination of the Ground Lease, ownership of the improvements constituting the Project shall revert to the Rowlett HFC. In the event that the Project is sold, the Ground Lease shall provide for a transfer of title to the land to a purchaser upon payment of \$100.00.

Special LP may elect to terminate the Ground Lease at any time following the thirtieth (30th) day after completion of construction so long as Special LP pays to General Partner an Early Termination Fee on the actual date of termination (the "Early Termination Date"). As used herein, "Early Termination Fee" means (a) in the case of an Early Termination Date which occurs on or before the tenth (10th) anniversary of the Ground Lease effective date, \$1,000,000, (b) in the case of an Early Termination Date which occurs after the tenth (10th) anniversary of the Ground Lease effective date but on or before the fifteenth (15th) anniversary of the Ground Lease effective date, \$750,000, (c) in the case of an Early Termination Date which occurs after the fifteenth (15th) anniversary of the Ground Lease effective date but on or before the twentieth (20th) anniversary of the Ground Lease effective date, \$500,000, (d) in the case of an Early Termination Date which occurs after the twentieth (20th) anniversary of the Ground Lease effective date but on or before the twenty-fifth (25th) anniversary of the Ground Lease effective date, \$250,000, (e) in the case of an Early Termination Date which occurs after the twenty-fifth (25th) anniversary of the Ground Lease effective date but on or before the thirtieth (30th) anniversary of the Ground Lease effective date, \$100,000, or (f) in the case of an Early Termination Date which occurs at any time after the thirtieth (30th) anniversary of the Ground Lease effective date, \$0.

6. The Special LP may have the right to assign its interests in the Partnership with the prior written consent of the General Partner, which may be granted or withheld in the General Partner's sole discretion. It is currently anticipated that an affiliate of Developer will act as both Special LP and Investor LP (although, at Developer's option, the Investor LP may be a third-party investor selected by Developer). Notwithstanding anything to the contrary in the MOU, Investor LP will have unrestricted transfer rights on its membership interests in Investor LP and/or its interests in the Partnership (whether direct or indirect) and no consent shall be required from any party with respect thereto (and no right of first offer or right of first refusal or option in favor of the General Partner will be applicable with respect thereto).

B. DUE DILIGENCE

As a condition to the Rowlett HFC's participation in the financing and ownership of the Project, the Rowlett HFC requires the Developer to provide due diligence information on the Project and its proposed financing and operations pursuant to the due diligence checklist (the "Checklist") attached hereto as *Exhibit A*. The Developer shall deliver the due diligence items on the Checklist at the times stated on the Checklist. Failure of the Developer to deliver to the Rowlett HFC due diligence items acceptable to the Rowlett HFC shall be grounds for the Rowlett HFC to terminate this MOU in its discretion.

C. FINANCING

1. The Developer will apply for construction and permanent financing (the "Loan") on behalf of the Partnership. The Developer shall be responsible for selecting the lender and negotiating the loan terms on behalf of the Partnership; *provided*, that the Rowlett HFC shall have

the right to review and approve the financing arrangements and the terms and conditions of any Loan documents, which approval shall not be unreasonably withheld, conditioned or delayed.

2. On behalf of the Partnership, the Developer will facilitate and negotiate the terms of an equity investment in the Project (the "*Equity*"); *provided*, that the Rowlett HFC shall have the right to review and approve the identity of the Investor LP, the financing arrangements and the terms and conditions of any Equity financing documents, which approval shall not be unreasonably withheld, conditioned or delayed. The Equity financing documents are expected to include the Partnership Agreement.

3. The Developer shall pay all costs and fees associated with applying for the Loan and facilitating the Equity investment, which costs, along with all other pre-development costs incurred by the Developer (to the extent included within the approved budget), may be reimbursed at Closing (as defined herein) from the proceeds of the Loan and Equity. In the event this MOU is terminated or the transaction fails to close as contemplated herein, the Developer shall be solely responsible for all costs described above and the Rowlett HFC and its affiliates shall have no responsibility for payment or reimbursement of such costs.

4. SFA JPI GUARANTOR CO, LLC (THE "*GUARANTOR*") SHALL PROVIDE ANY GUARANTEES OF CONSTRUCTION COMPLETION THAT MAY BE REQUIRED IN CONJUNCTION WITH THE LOAN OR THE EQUITY FINANCING AND SUCH GUARANTEES SHALL BE SUBJECT TO APPROVAL IN FORM AND AMOUNT BY THE GUARANTORS IN THEIR SOLE DISCRETION. NEITHER THE ROWLETT HFC, THE GENERAL PARTNER NOR ANY OF THEIR AFFILIATES WILL PROVIDE ANY GUARANTEES OR INDEMNITIES IN CONNECTION WITH THE FINANCING OF THE PROJECT.

D. DESIGN AND CONSTRUCTION

1. The Developer shall provide comprehensive development services to the Partnership pursuant to a Development Agreement to be entered into by the Partnership and Developer.

2. The Developer shall prepare and promptly provide the Rowlett HFC a detailed development budget for the Project.

3. The Developer shall be responsible for obtaining the services of design professionals for the design of the site plan and design of the Project. The Rowlett HFC will be provided copies of the final plans and specifications for the Project, including all construction contracts. The Rowlett HFC will have the right to review, comment and approve such plans, specifications and contracts at least five (5) business days prior to the execution of the contracts.

4. In order to secure an exemption from state sales tax for the acquisition of building materials, the Rowlett HFC Foundation (the "*Contractor*"), shall serve as the general contractor in connection with the construction of the Project. GUARANTOR SHALL PROVIDE INDEMNIFICATION TO THE CONTRACTOR FOR ALL LIABILITIES INCURRED BY THE CONTRACTOR IN CONNECTION WITH

THE PROJECT EXCEPT THOSE CAUSED BY THE CONTRACTOR'S GROSS NEGLIGENCE OR WILLFUL MISCONDUCT.

5. The Developer shall be responsible for obtaining all governmental approvals and permits needed in order to construct and operate the Project.

6. The Project shall be constructed so as to comply with ADA and Section 504 requirements, as applicable under federal and state law.

E. MANAGEMENT AND OPERATION

1. ZRS Management, LLC or RPM Living shall serve as the property manager (the "*Manager*") for the Project, which will be memorialized in a management agreement (the "*Management Agreement*") if form and substance reasonably acceptable to the Rowlett HFC. Developer reserves the right to replace the Manager as it deems necessary, subject to Rowlett HFC prior approval, which shall not be unreasonably withheld, delayed, or conditioned.

2. Notwithstanding anything to the contrary, the Management Agreement will automatically renew upon its scheduled termination unless either party gives ninety (90) days' notice to renegotiate the terms or terminate the Management Agreement.

F. COMMUNITY SUPPORT

The Rowlett HFC and the Developer shall be jointly responsible for interfacing with the local governmental officials in connection with support for the Project. The parties will consult with each other and coordinate the response to any media inquiries and/or public opposition to the Project that may arise.

G. AD VALOREM PROPERTY TAX EXEMPTION

The ownership structure contemplated herein is expected to generate ad valorem tax exemption for the Project. The Rowlett HFC, on behalf of the Partnership, shall work with the Dallas Central Appraisal District to obtain confirmation of the availability of such exemption in the form of a pre-determination letter. At Closing, the Developer shall cause an opinion of counsel to be delivered, in form and substance acceptable to the Rowlett HFC, with respect to the ad valorem tax exemption, which opinion will also cover the exemption from state sales taxation.

If at any time the Project is determined to be subject to ad valorem taxation, the Rowlett HFC and the General Partner (and any affiliates thereof) shall forfeit its right to any developer fee, residual value or net cash flow to be defined in the Partnership Agreement, so long as the Project remains subject to ad valorem taxation. The Rowlett HFC (with the co-operation of the Developer) shall use good faith efforts to cure the loss of the ad valorem tax exemption, and the forfeiture of residual value or net cash flow shall be pro-rated (if applicable) during any period of loss of the ad

valorem tax exemption; provided, however, that in no event shall the Rowlett HFC or any affiliate thereof be required to repay any amounts received prior to the loss of such exemption. In the event the 100% ad valorem tax exemption is lost for any reason and not restored, then the fee estate in the land shall (at Partnership's option) be conveyed to the Partnership at a nominal cost to the Partnership, and the Ground Lease shall be terminated to allow the Partnership to establish an exempt structure in the future.

H. FEES AND EXPENSES

1. The Developer shall be entitled to receive a development fee (the "*Development Fee*") for its services in developing the Project, which will be shared with the Rowlett HFC. At the Closing, Rowlett HFC shall be paid an amount equal to 20% of the projected Development Fee to be paid Developer.

2. The General Partner shall be entitled to a base payment of \$200,000 per year, commencing on January 1st of the year following the year in which the Project's construction is completed and a certificate of occupancy is issued for all of the buildings comprising the Project, which payment shall increase by 2.5% annually.

3. The General Partner shall be entitled to receive a share equal to 10% of net cash flow generated from a sale or refinancing, subordinate to Investor LP first receiving a return of all capital and a preferred return of 8%. All fees, distributions or sale or refinancing proceeds payable to the General Partner pursuant to the terms of the Partnership Agreement, shall be retained by the General Partner and the General Partner shall not be required, under any circumstance, to share any such fees, distributions or sale or refinancing proceeds with the Developer.

4. The Partnership contemplates a PILOT payment to the City of Rowlett (the "City"), which will be calculated as follows: (1) for the first year paid at the Closing, the aggregate of (a) 50% of 1% of the hard costs which is equal to \$512,829.00 and (b) 20% of the Development Fee paid to Developer at the Closing; (2) \$940,000 (the approximate amount of City property taxes estimated to come from the Project but for the property tax exemption); and (3) upon completion of construction and issuance of a certificate of occupancy for all the buildings constructed, then 50% of the 1% of hard costs which is equal to \$512,829.00 (collectively, the "Pilot Fee").

5. The General Partner shall be entitled to receive a Partnership Management Fee in the amount of \$10,000 per year for its services in connection with Management of the Partnership, which fee shall increase by 3% annually and accrue without interest if cash flow is insufficient to pay such fee in any year. Developer or its affiliate will provide asset management services to the Partnership, and Developer shall be paid a maximum of 35 basis points of project cost per annum, paid monthly through stabilization, and \$150,000 per year after stabilization.

6. The fees payable to the General Partner set forth above in Paragraphs 2 and 5 and payable to the City set forth above in Paragraph 4 shall be paid pro rata if Developer elects to

construct the Project in staggered phases, with the pro rata amounts determined based upon the number of units in a phase being constructed as a percentage of the total number of units in the Project (i.e., 597).

7. Neither party shall enter into any contractual relationship or agreement relating to the Project that would cause either financial or legal liability to the other, without the other party's prior written consent.

8. All reasonable, direct, out-of-pocket expenses incurred by the Rowlett HFC in connection with this MOU, including but not limited to third-party reports, the Rowlett HFC's legal counsel, counsel to the General Partner, financial advisor and other reasonable expenses incurred by the Rowlett HFC in connection with the proposed Project (the "*Costs*"), shall be included in the Project's development budget and reimbursed by the Partnership to the Rowlett HFC concurrently with the closing on the Loan (the "*Closing*"). Rowlett HFC expects to incur costs for its counsel in the amount of \$100,000 and for its financial advisor in the amount of \$100,000, which fees are in addition to fees set forth in the immediately succeeding paragraph.

In addition to the fees set forth above and as a precondition for the Rowlett HFC proceeding with the financing of the Project, upon execution and delivery of this MOU, the Developer shall pay the amount of \$25,000 to each of Hilltop Securities Inc. and Chapman and Cutler LLP. Such fees are nonrefundable.

9. Rowlett HFC hereby confirms that all fees payable to the Rowlett HFC, General Partner and/or any affiliates of thereof are listed and described in this MOU. No other fees will be payable by Partnership, Developer, Special LP (or any affiliates or related entities thereof) to the Rowlett HFC, General Partner and/or any affiliates or related parties in the transaction.

I. PURCHASE OPTION/RIGHT OF FIRST REFUSAL

(a) In order to secure the ad valorem property tax exemption, the General Partner or the Rowlett HFC shall have a right of first refusal to acquire the Project for a price equal to the purchase price offered by an arms-length third party from which the Partnership receives a bona fide purchase offer for the Project. In addition, the General Partner, as of the Closing shall have an option to acquire the interests of the Investor LP and the Special LP and an option to acquire the Project for fair market value, plus the following: all of the investors' unreturned capital and preferred return, taxes arising from the sale, outstanding indebtedness on the Property, repayment of partner loans, the present value of the anticipated cash flow for the remainder of the term of the ground lease following the date of the sale, using a discount rate of 10% and all costs and expenses of the transaction, including reasonable attorneys' fees. Notwithstanding anything to the contrary in the MOU, all third-party capital (e.g., the Loan or the Equity) must be fully repaid (and all associated JPI-related guaranties or indemnities released) as a condition of the exercise of any right of first refusal, right of first offer or other option in favor of the General Partner in the Partnership Agreement.

(b) Guarantors' Repurchase Option—Default. If (i) the General Partner takes any action (or omits to take an action that is explicitly required by the Partnership Agreement) within its sole and exclusive control and such action or inaction results in an event of default under any of the Loan, the Equity financing documentation, the Project obligations (such as TDHCA obligations) or the Partnership Agreement; or (ii) the General Partner takes any action (or omits to take an action that is explicitly required by the Partnership Agreement) within its sole and exclusive control and such action or inaction causes any guarantors any quantifiable liability which such guarantor actually pays under its guaranty agreement(s), or (iii) the Project's loss of its ad valorem tax exemption for any reason other than a change in the Texas Constitution or other applicable State law or the negligence of the Rowlett HFC or the General Partner, which loss remains uncured for a period of 60 days ((i), (ii) and (iii) are referred to as "Repurchase Events") then each of the guarantors, and/or their respective successors and assigns or designees, shall have the sole and exclusive option (with the consent of the Investor LP) to purchase either from the Rowlett HFC its ownership interest in the General Partner (the "Ownership Interest") or from the General Partner its General Partner interest in the Partnership (the "GP Ownership Interest") for the sum of \$100.00, plus all unpaid fees and unreimbursed expenses earned by the General Partner to the date of the Repurchase Event, which shall be exercisable by any one or more of the guarantors, their successors and assigns or designees, upon 15 business days written notice by guarantors to the Rowlett HFC and the General Partner (the "Purchase Option") and the other guarantors. It shall not be a Repurchase Event and this Purchase Option will not apply if the event of default or the cause of guarantor's liability or the repayment of the Loan or Equity is caused in whole or part by a matter or item over which guarantors or an affiliate has full control or for which it is otherwise responsible. For purposes of this paragraph, the term "caused" shall only include matters within the full or partial control of the application person or entity.

The options granted by this Paragraph I. apply only to the acquisition of the Ownership Interest and the GP Ownership Interest and are granted for \$10.00 and other good and valuable consideration, the receipt of which is hereby confirmed and acknowledged. These options in no way refer to, nor applies to, any other real or personal property owned by the Rowlett HFC in the Project, now or in the future, other than the Ownership Interest. These options are solely related to the exercise of control of the affairs of the Partnership to insure compliance and performance of the Project objectives and to ensure protection of the guarantors with respect to the guaranteed obligations.

J. REGULATORY RESTRICTIONS

The Developer and the Rowlett HFC agree that at least (i) 51% of the units in the Project will be restricted for rent to individuals and families earning less than 80% of the area median income (as published from time to time by the Department of Housing and Urban Development pursuant to Section 8 of the United States Housing Act of 1937, as amended) and the Project will be subject to any such other restrictions as shall be required by the Rowlett HFC. Income shall be verified by the Developer pursuant to a review of the tenants' federal income tax returns or other commercially reasonable method reasonably acceptable to the Rowlett HFC. The Developer and

the Rowlett HFC will enter into a Regulatory Agreement at Closing to be recorded in the applicable county land records that will set forth the income restrictions and describe the methodology for income verification and reporting.

K. MISCELLANEOUS

1. This MOU reflects the entire understanding between the parties and may only be amended in writing, signed by both parties. This MOU is a contract and not merely an “agreement to agree.”

2. Each party hereto is prohibited from assigning any of its interests, benefits or responsibilities hereunder to any third party or related third party, without the prior written consent of the other party, such consent not to be unreasonably withheld, conditioned, or delayed.

3. The parties agree to execute such documents and do other such reasonable things as may be necessary or appropriate to facilitate the development of the Project and the consummation of the agreements set forth herein.

4. This MOU may be executed in several counterparts, each of which shall be deemed to be an original and all of which together shall constitute one contract binding on all parties hereto, notwithstanding that all the parties shall not have signed the same counterpart

5. THIS MOU SHALL BE GOVERNED AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF TEXAS, EXCLUSIVE OF CONFLICT OF LAWS PRINCIPLES.

6. In case any one or more of the provisions contained in this MOU for any reason is held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability will not affect any other provision hereof, and this MOU will be construed as if such invalid, illegal or unenforceable provision had never been contained herein.

7. The parties hereto submit exclusively to the jurisdiction of the state and federal courts of Dallas County, Texas, and venue for any cause of action arising hereunder shall lie exclusively in the state and federal courts of Dallas County, Texas.

8. Should any party employ an attorney or attorneys to enforce any of the provisions hereof, to protect its interest in any manner arising under this MOU, or to recover damages for the breach of this MOU, the non-prevailing party in any action pursued in courts of competent jurisdiction (the finality of which is not legally contested) agrees to pay to the prevailing party all reasonable costs, damages and expenses, including specifically, but without implied limitation, attorneys' fees, expended or incurred by the prevailing party in connection therewith.

9. The subject headings contained in this MOU are for reference purposes only and do not affect in any way the meaning or interpretation hereof.

10. This MOU shall continue until terminated upon the occurrence of any one of the following conditions:

(a) The Rowlett HFC and the Developer sign a mutual consent to terminate this MOU;

(b) Loan and Equity financing for the Project are not closed by December 31, 2025;

(c) If the terms of the Loan and Equity financing for the Project are unacceptable to the Rowlett HFC, in its reasonable discretion, and the Rowlett HFC provides the Developer notice of such fact and a 30-day opportunity to provide financing terms that are acceptable to the Rowlett HFC and the Developer, but the Developer does not do so;

(d) The Rowlett HFC's Board of Directors takes action to disapprove of the participation of the Rowlett HFC in the financing of the Project as described in this MOU at any time prior to the Closing;

(e) Either party breaches its obligations under this MOU, the non-breaching party provides the breaching party notice of such fact and a 15-day opportunity to cure, and the breaching party fails to do so;

(f) Either party files for bankruptcy protection, makes an assignment for the benefit of creditors, has a receiver appointed as to its assets, or generally becomes insolvent; or

(g) The Developer determines, in its sole discretion, that the Project is no longer feasible.

Upon termination of this MOU for any of the reasons cited above, neither party shall have any ongoing obligation to the other with respect to this MOU nor the Project. In addition, the provisions of this MOU with respect to the Project will be terminated when the General Partner is admitted to the Partnership and the Rowlett HFC and the Developer and their affiliates, as applicable, enter into definitive agreements with respect to the governance of the Partnership and the development, construction, financing, and operation of the Project as contemplated herein.

11. The parties acknowledge that the General Partner, the Rowlett HFC and its affiliates will be represented in this transaction by Chapman and Cutler LLP ("*GP Counsel*") in a legal capacity and Hilltop Securities Inc. in a financial advisory capacity ("*Hilltop Securities*"). The Partnership, the Developer, the Special LP and their affiliates will be represented by separate counsel and will not be entitled to rely on GP Counsel for representation in this matter and

Memorandum of Understanding
Jefferson Merritt Park
January __, 2024
Page 11 of 14

acknowledges that no financial advisory relationship will exist among the Partnership, the Developer, the Special LP and their affiliates and Hilltop Securities.

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EXECUTED to be effective as of the date above shown.

ROWLETT HOUSING FINANCE CORPORATION

By _____
Karl Crawley
President

JPI MERRITT 190 DEVELOPMENT, LLC

By _____
Name: _____
Title: _____

EXHIBIT A

**ROWLETT HOUSING FINANCE CORPORATION
CHECKLIST OF DUE DILIGENCE**

PROPERTY ITEMS			
RECEIVED	ITEM	DEADLINE	NOTES
	Project Description, including number of units, unit sizes, and amenities		
	Site Location information, with map		
	Proposed Rent Schedule, with tenant income restrictions		
	Site Plan		
	Market Study		
	Appraisal		
	Phase I Environmental		
	Soils Report		
	Evidence of site control		
	Evidence of zoning		
	Title commitment with all exceptions		
	Survey		
	Physical needs analysis (for rehabilitation projects)		
DEVELOPMENT ITEMS			
RECEIVED	ITEM	DEADLINE	NOTES
	Detailed Development Budget		
	Sources and Uses		
	Statement of Developer's experience, including evidence of net worth		
	Resume of Master Subcontractor, with evidence of experience		
	Plans and Specifications		
	Resume of Architect, with evidence of experience		

FINANCING ITEMS			
RECEIVED	ITEM	DEADLINE	NOTES
	15-year Pro Forma		
	Debt financing commitment		
	Equity financing commitment		
	Description of all other sources of financing		
	Application for debt financing		
OPERATIONAL ITEMS			
RECEIVED	ITEM	DEADLINE	NOTES
	Resume of property management company, with evidence of experience		
	Description of social services to be provided and information regarding social services provider		
	Proposed Rent Schedule, with tenant income restrictions		
	Current rent roll (if applicable)		
ORGANIZATIONAL ITEMS			
RECEIVED	ITEM	DEADLINE	NOTES
	Organizational documents for limited partnership		

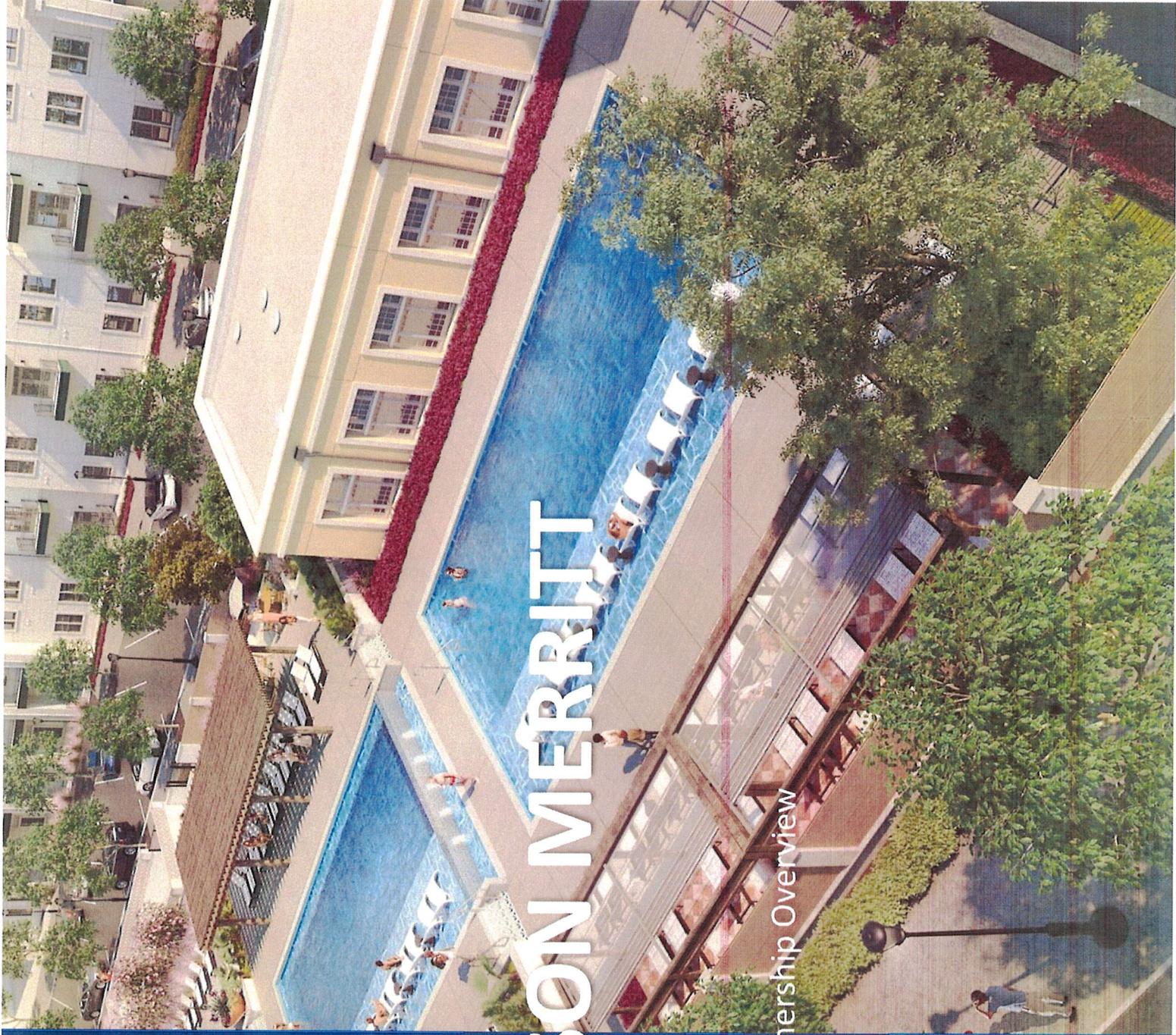


Rowlett
TEXAS

JEFFERSON MERRITT PARK

Development Partnership Overview

Rowlett, TX



GOALS

Jefferson Merritt Park

About JPI

Location of Merritt Park

Merritt Park Design

History of Development & HFC Partnership

Who are we serving?

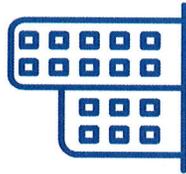
HFC Partnership Proposed Terms

JPI Capabilities

Jefferson Merritt Park



DALLAS-FORT WORTH JPI COMMUNITIES



52
COMMUNITIES



18.5K+
HOMES



\$1.34B
VALUE



9
CITIES

DALLAS-FORT WORTH MARKET SHARE

31.6K Homes

Total 2022 rental construction starts in
DFW Metropolitan Area

4.3K Homes

Total 2022 JPI construction starts in DFW
Metropolitan Area

14%

Market Share in 2022

19%

Expected Market Share in 2023

JPI ATTAINABLE HOUSING PLATFORM

ATTAINABLE COMMUNITIES



3 UNDER CONSTRUCTION
7 PLANNED

ATTAINABLE HOMES *Attainable Rent Units*



498 UNDER CONSTRUCTION
1.6K PLANNED*

PUBLIC PARTNERS



6 CURRENT CITY PARTNERS
8 CITIES WITH EXECUTED
AGREEMENTS

Our goal is to lead the industry in Attainable
Housing in the Dallas-Fort Worth Metroplex.

*Expected Construction Starts Next 12 Months

JPI Capabilities

Jefferson Merritt Park

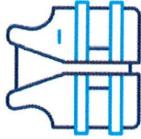


JPI's vertical integration and broad expertise enables us to assemble and analyze the best market data which results in the best investment opportunities and the best risk-adjusted returns.



DEVELOPMENT

Source best land acquisition opportunities with proprietary data. Coordinate design, entitlement, project approval processes and work with all JPI disciplines throughout project lifecycle to ensure best outcomes.



CONSTRUCTION MANAGEMENT

Function as a general contractor for all projects built utilizing best-in-class subcontractors and best-build practices for safety, quality, schedule and cost.



FINANCE AND ACCOUNTING

Provide lenders and investors with institutional-grade financing, accounting, treasury services, compliance, risk management, legal coordination, and administrative expertise.



PROJECT CAPITALIZATION

Maintain and leverage strategic relationships with a diverse array of capital partners.



ACQUISITIONS

104 projects acquired, encompassing 22,000 homes valued in excess of \$2 billion.



INVESTMENT MANAGEMENT

Employ operating efficiencies, maximize revenue stream, and monitor property performance.

Clubhouse Amenities

Jefferson Merritt Park



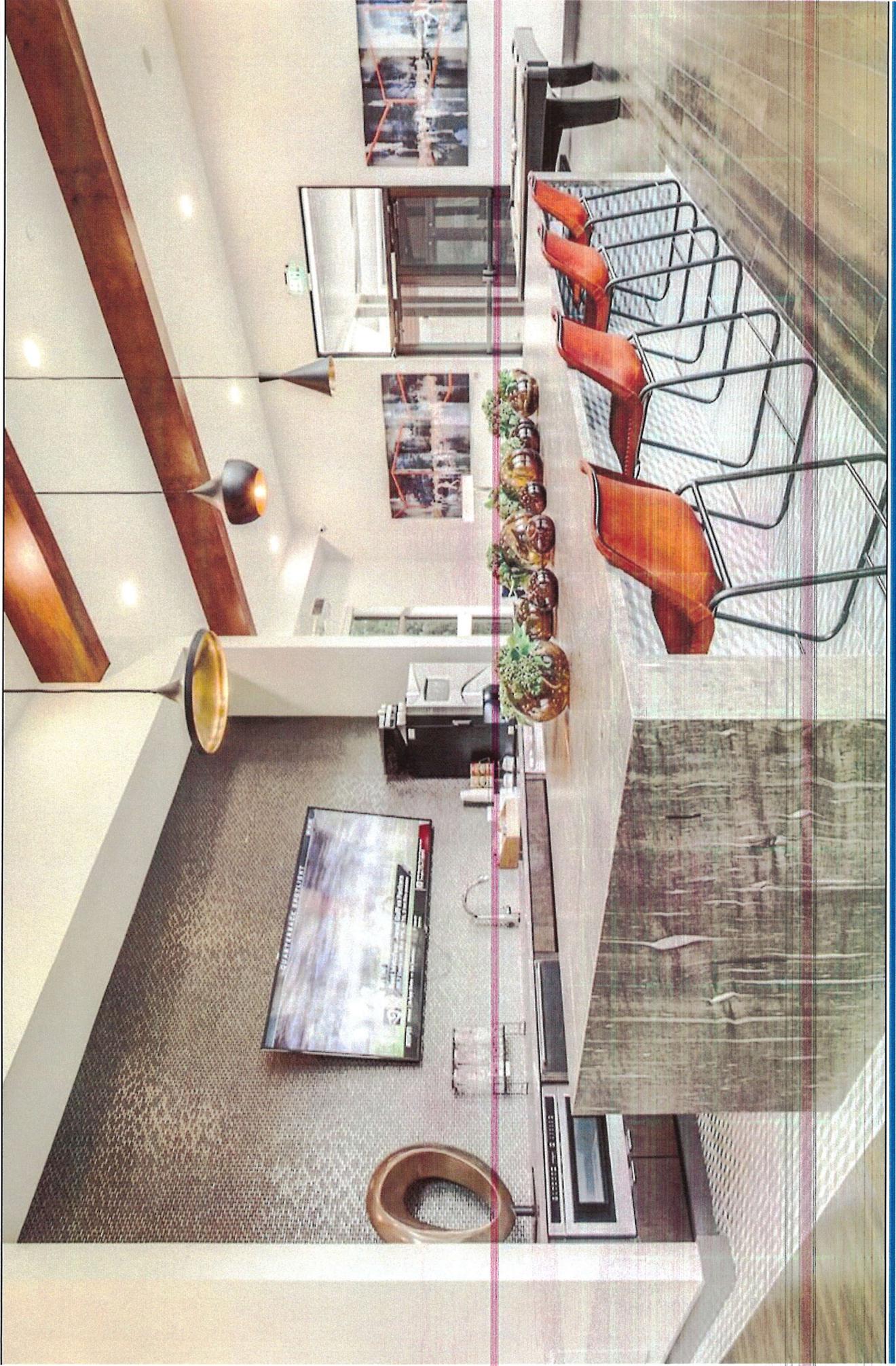
Clubhouse Amenities

Jefferson Merritt Park



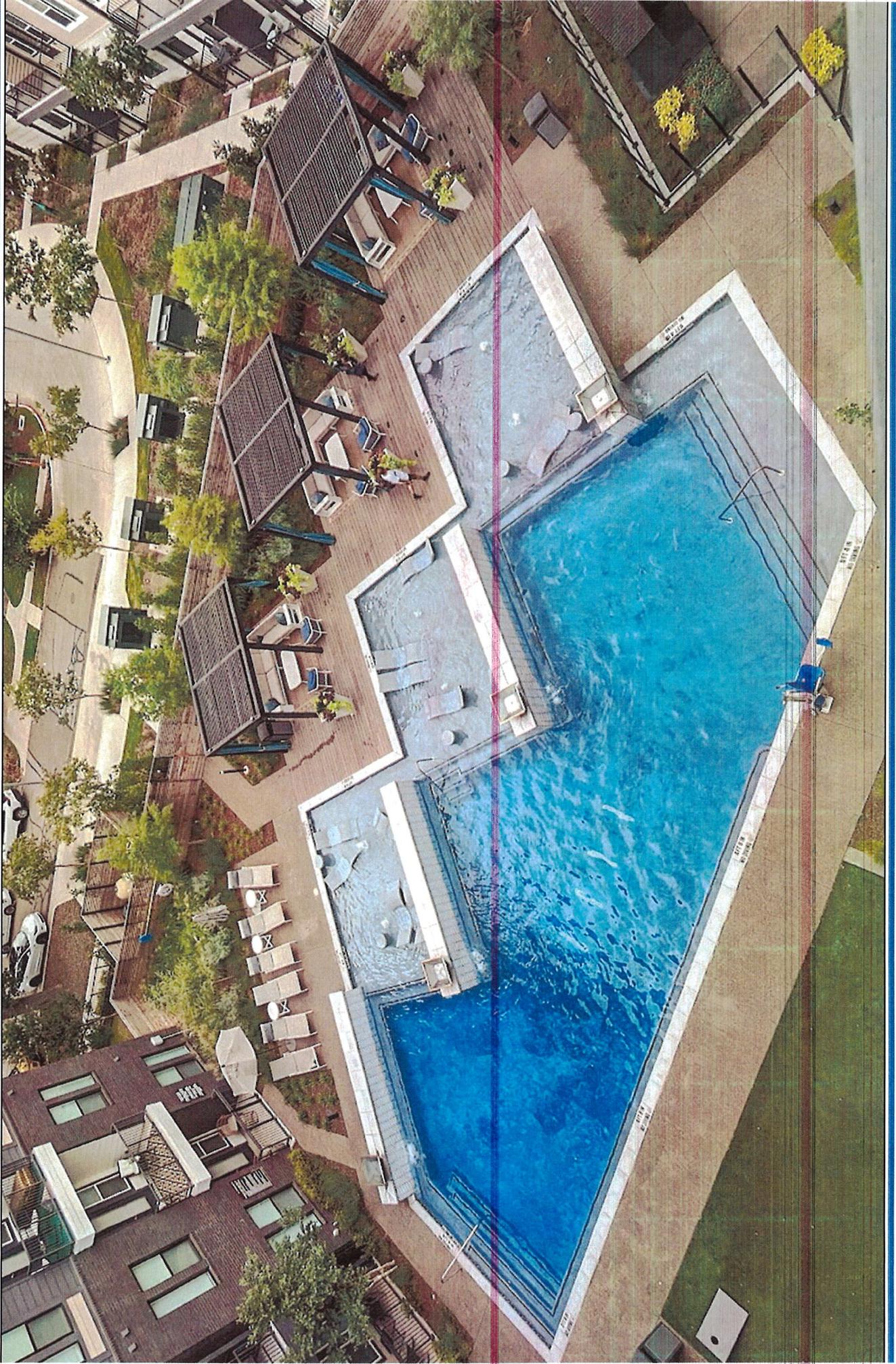
Clubhouse Amenities

Jefferson Merritt Park



Community Amenities

Jefferson Merritt Park



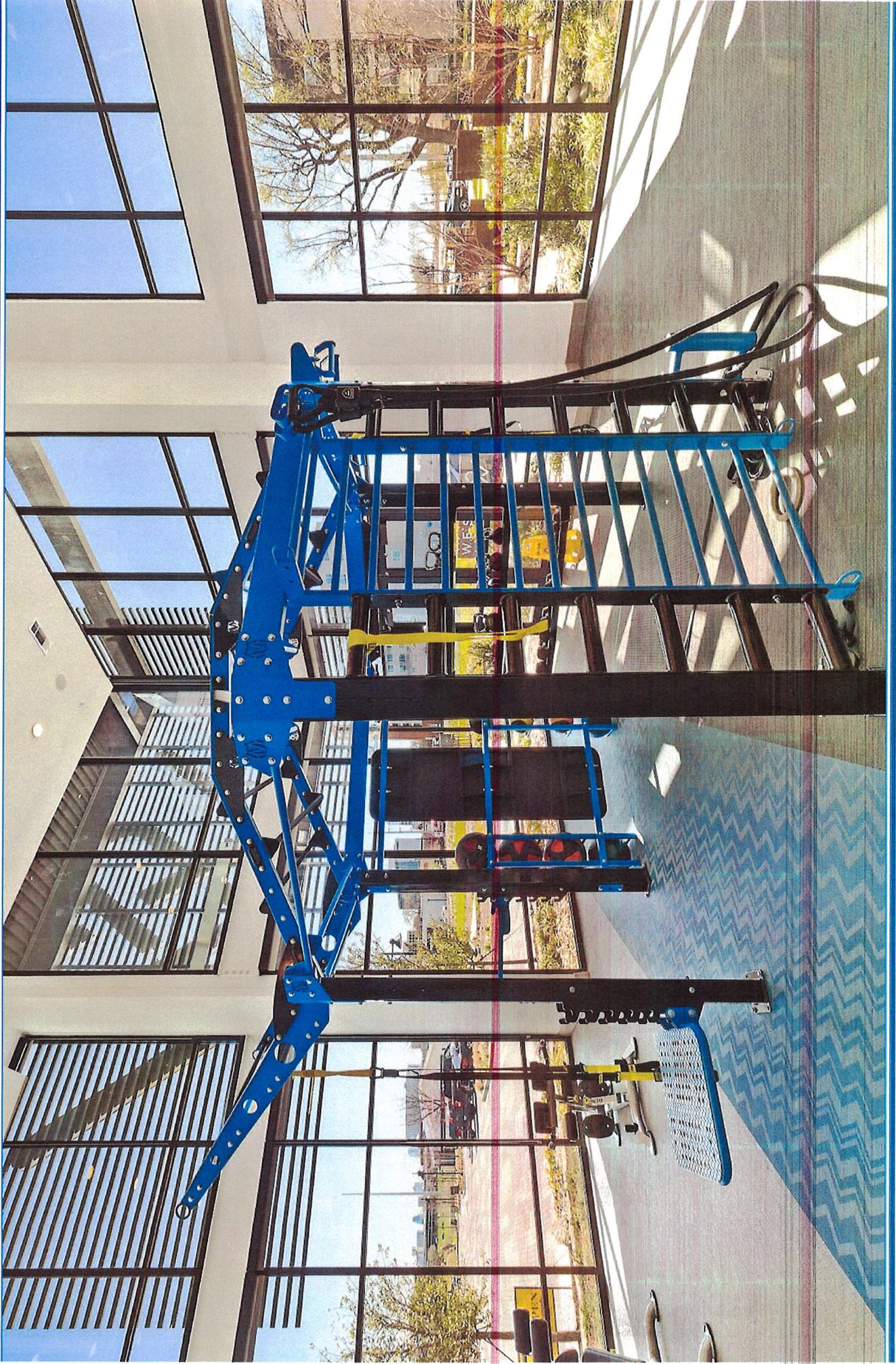
Community Amenities

Jefferson Merritt Park



Community Amenities

Jefferson Merritt Park



Community Amenities

Jefferson Merritt Park



Unit Amenities

Jefferson Merritt Park



Unit Amenities

Jefferson Merritt Park



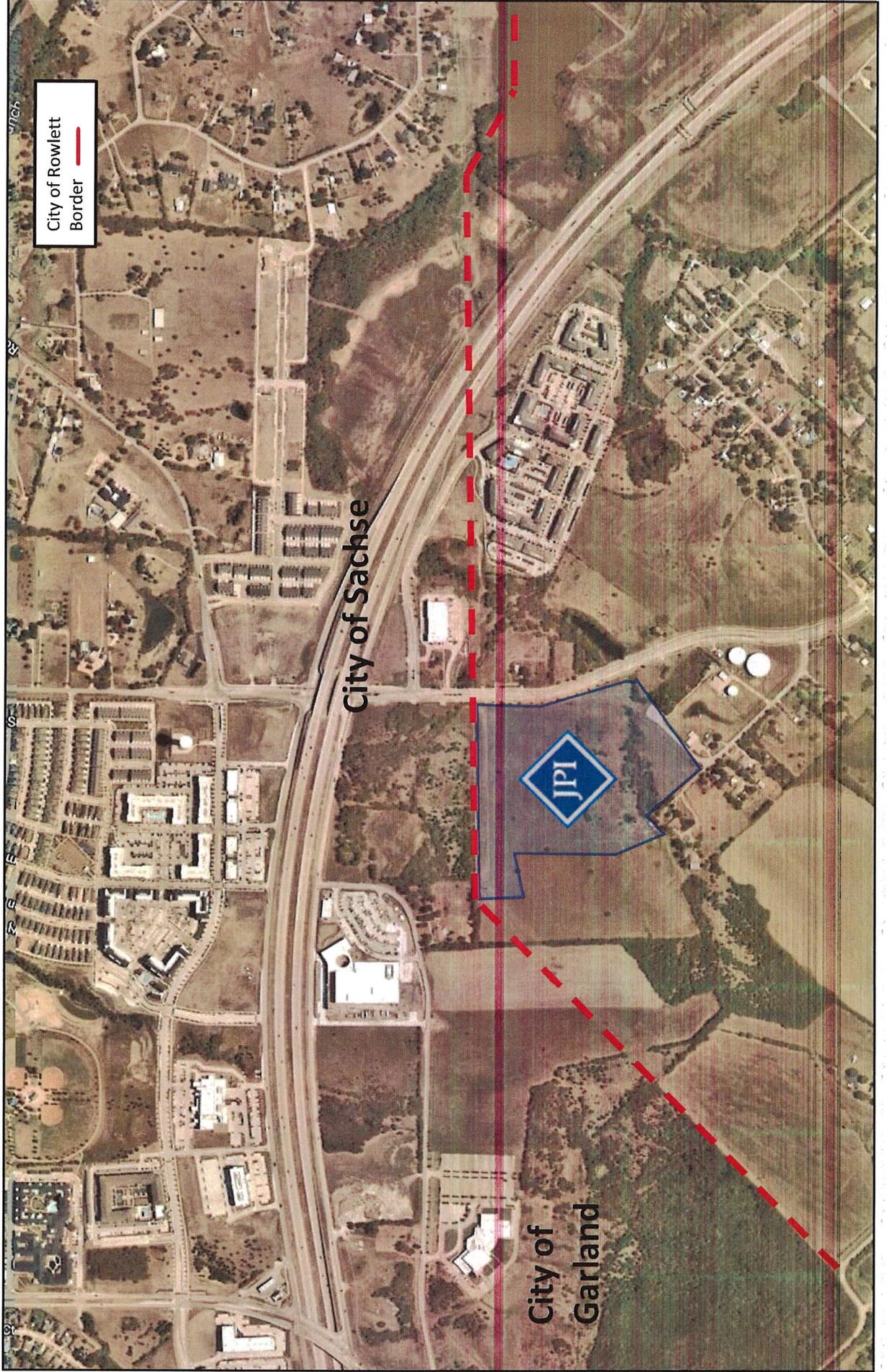
Unit Amenities

Jefferson Merritt Park



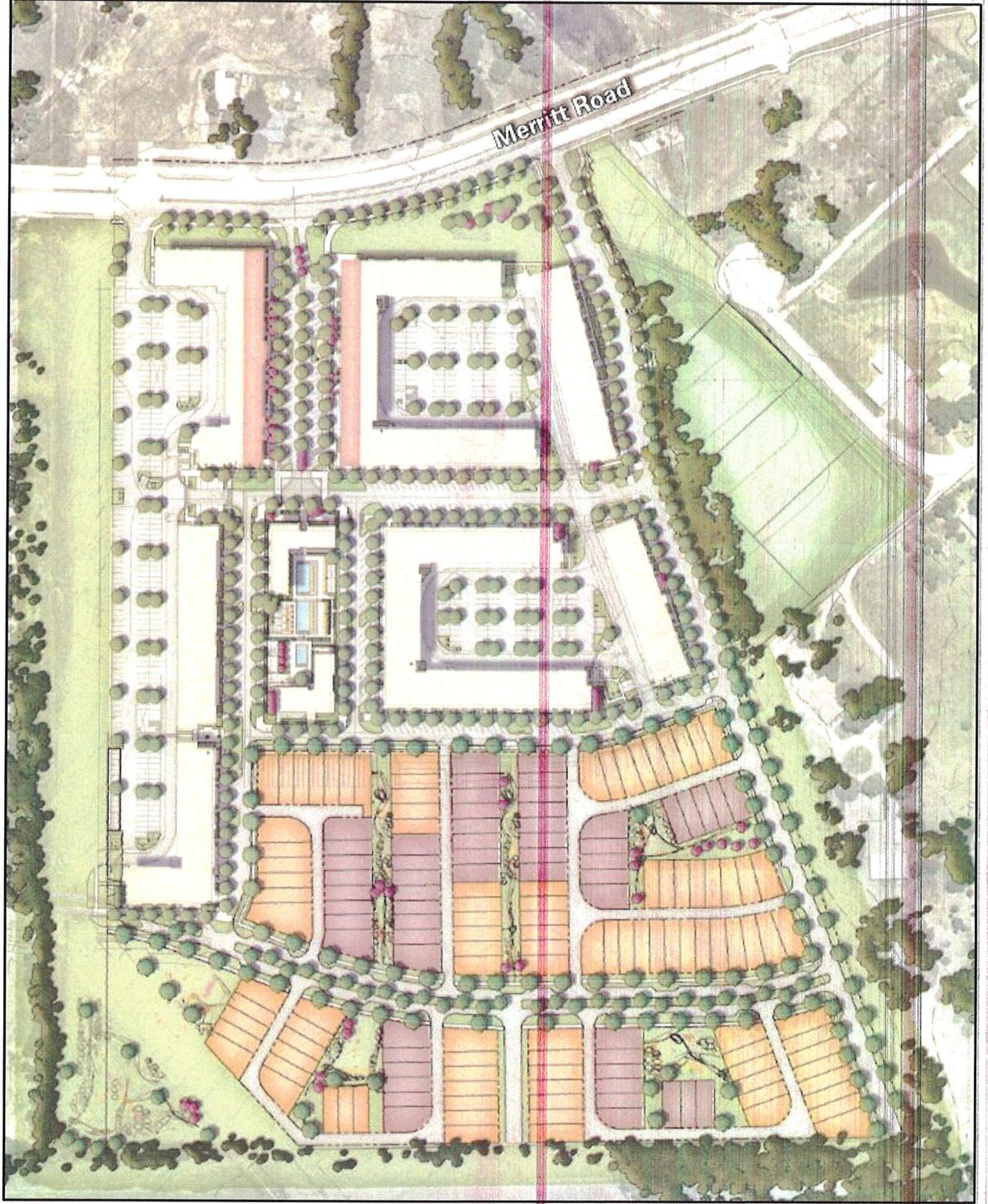
The Project - Aerial

Jefferson Merritt Park



Site Plan

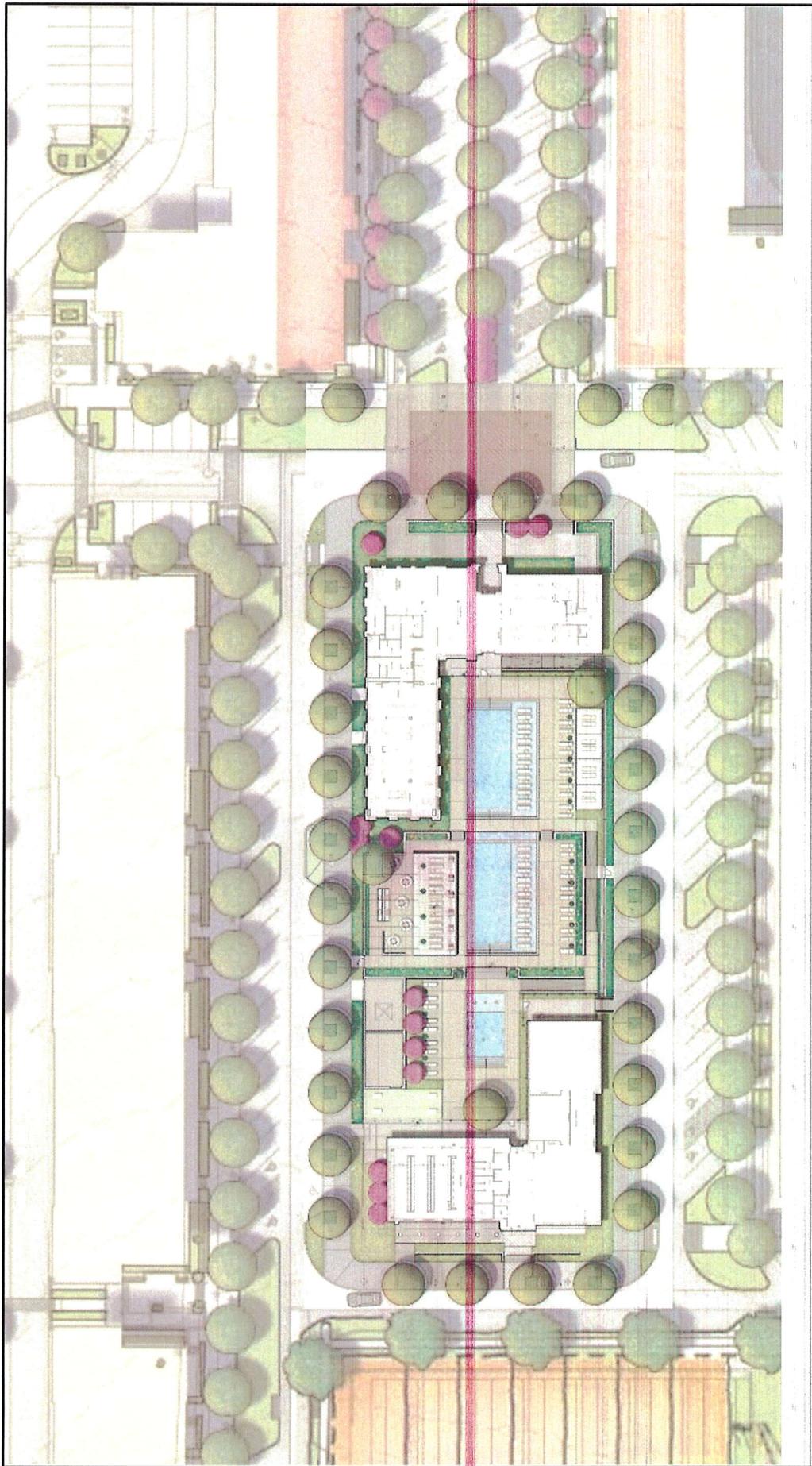
Jefferson Merritt Park



Site Plan

Jefferson Merritt Park

Rowlett
TEXAS



Design

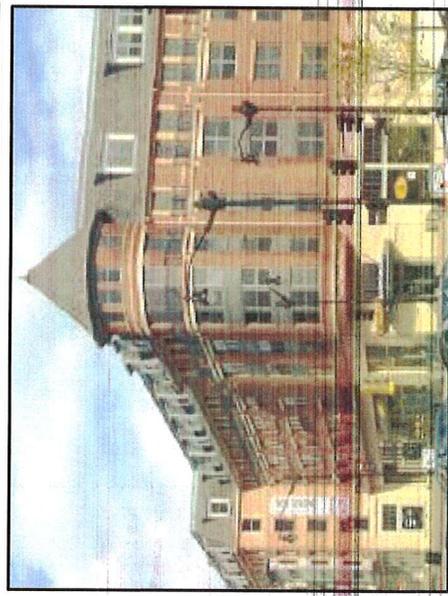
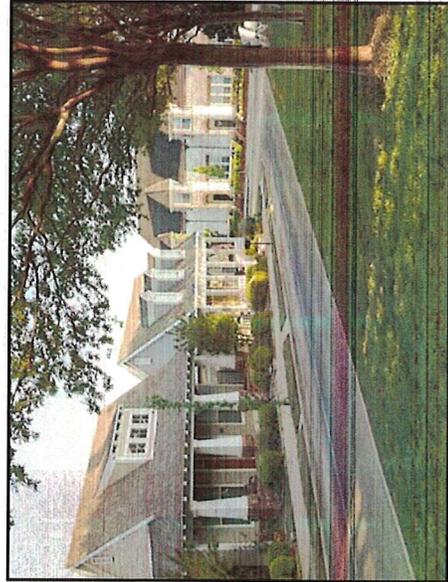
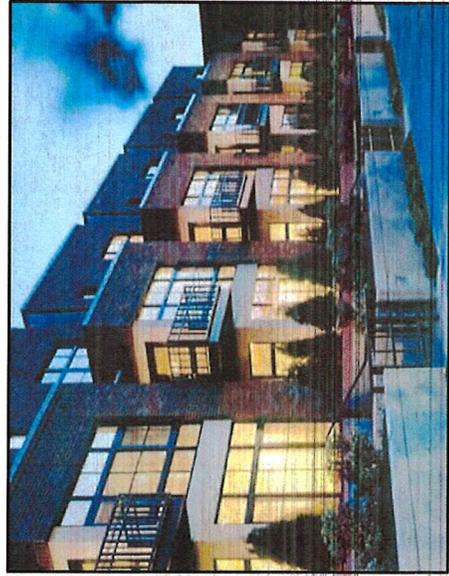
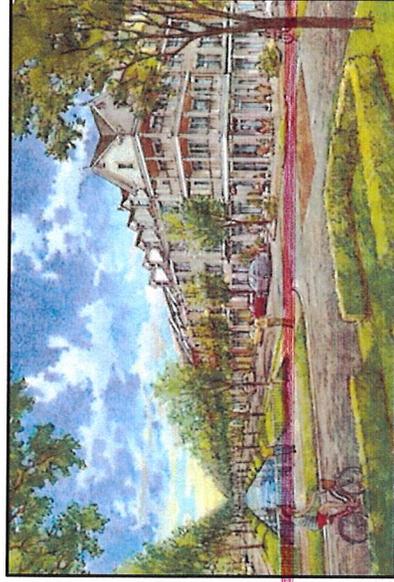
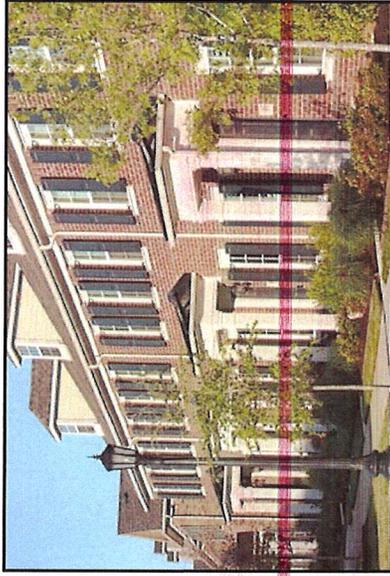
Jefferson Merritt Park



Merritt Park taps into a variety of design elements to create a uniquely cohesive environment
Design Partners Include:

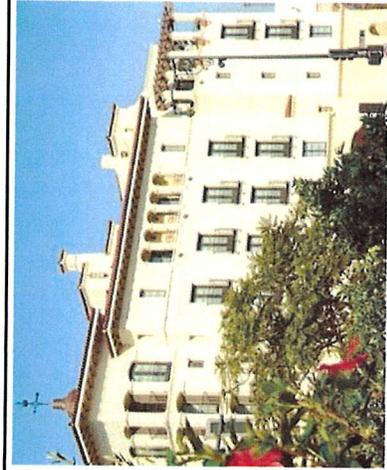
- JHP
- Brian O'Looney (Torti Gallas)
- Bill Gietema (Arcadia Realty)

CONCEPTUAL DESIGN ELEMENTS



Design

Jefferson Merritt Park



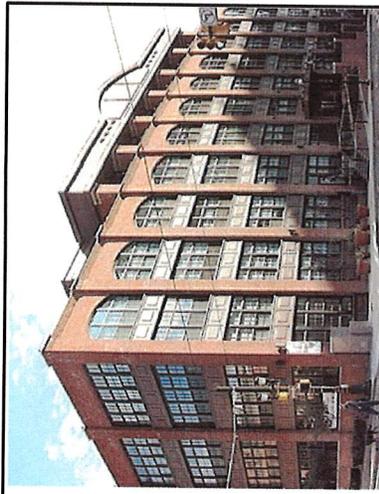
MODERN MISSION



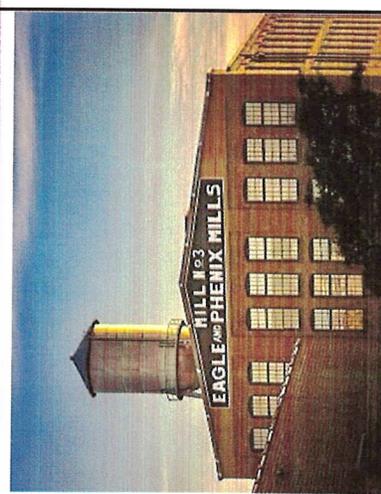
SOUTHEASTERN VERNACULAR



COLLECTION OF APPROPRIATE REGIONAL HERITAGE ARCHITECTURAL STYLES



DEPOT WAREHOUSE



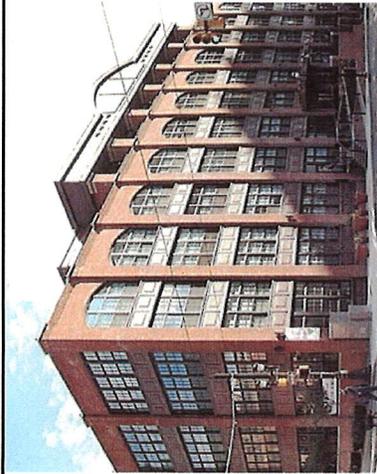
MILLWORKS

NOTE: This Submission is for illustrative purposes only and subject to change as a result of further engineering and flexibility required by the market. Portions of this submission have already been subsequently modified based upon jurisdictional comments and other feedback. Further detail will be provided with the Site Plan submission.

Design

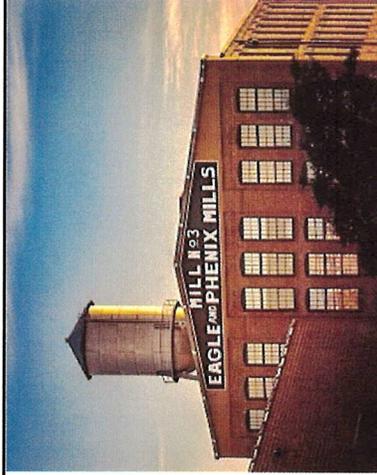
Jefferson Merritt Park

Rowlett
TEXAS



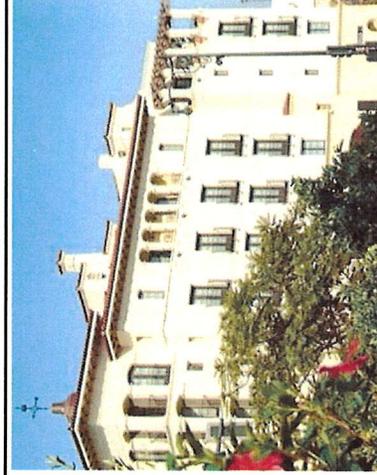
Depot Warehouse

Depot Warehouse porches and balconies typically follow the repetitive pattern of the main facade. Balconies tend to dominate over porches which similar to the modern style are created by multiple projecting balconies. Balcony and porches are predominately metal and occur between the piers of the main facade, as an extension of the infill pattern of the window. Projected metal balconies are subordinate to piers on facade.



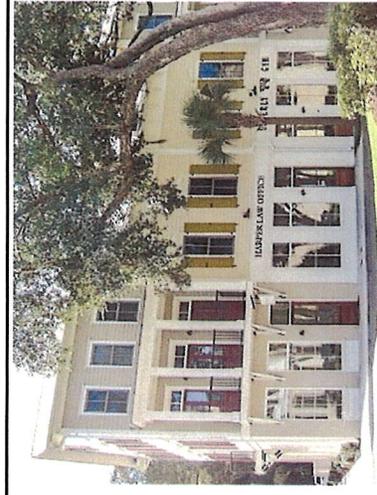
Millworks

Historic Textile Millworks of the mid to late 19th Century were a specialized industrial building with an newly developed engaged pilaster construction for increased structural stability with large punched double-hung windows for light within the factory space. Massing was typically a long low rectangular shape with a shallow gable roof. Exterior walls were constructed of local or regional brick and typically detailed with Victorian brickwork and limited stone detailing.



Modern Mission

Facade composition is highly idiosyncratic, with diversity both within the elements themselves, and their horizontal and vertical distribution across the façade. Porches and balconies may either project from the main building façade or be recessed from it. If covered, roof materials and details should match those of the main building roof. Arched openings or deep piers are common.



Southeastern Vernacular

Southern Vernacular porches are typically constructed of wood. Consolidated in groups of multiple balcony and porch elements, they add significant visual interest to the facade. Diversity in groupings and arrangements is desirable. Columns are typically attenuated square or rectangular posts and rails are vertical, often in tight spacing that adds a lace-like effect to the façade.

Renderings

Jefferson Merritt Park



Renderings

Jefferson Merritt Park



Renderings

Jefferson Merritt Park



Who Are We Serving?

Jefferson Merritt Park



MOU Proposal

Jefferson Merritt Park



Rowlett HFC MOU Summary

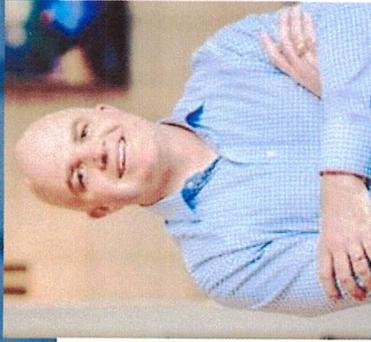
Section	Details	Current MOU		Proposed MOU	
		City	HFC	City	HFC
Unit Affordability Mix	51% of units restricted to 80% AMI				
	40% of units restricted to 140% AMI				
	9% of units market rate				
HFC (Non-Profit) GC Fee	1% of Construction Hard Costs paid to HFC or Non-Profit Contractor for the sales tax savings, half payable at closing and half at construction completion	-	\$1,040,000	\$1,040,000	-
HFC Upfront Fee	Supplement fee equal to 20% of Development Fee, Development Fee is 5% of Construction Costs	-	\$1,147,000	\$1,147,000	-
HFC Partnership Mgmt. Fee	\$10,000 per year, which payment shall increase by 3% annually	-	\$10,000	-	\$10,000
HFC Residual Distribution	One-time fee equal to 10% of net cash flow generated from a sale or refinancing, subordinate to Investor LP first receiving a return of all capital and a preferred return of 8%	-	\$1,900,000	-	\$1,900,000
HFC Lease Payment	\$200k	-	\$200,000	\$200,000	-
City Pilot Payment*	Annual ground rent payment equal to the city taxes they otherwise would have received	940,000	-	\$940,000	-
Totals		\$940,000	\$4,297,000	\$3,327,000	\$1,910,000

*City pilot is approximately equal to city tax collection

Note: Proposed payments represents total amount, if project were to become two phases, payments would split accordingly

Proposed change would shift \$2.4M from HFC to City as unrestricted funds

Meet the Team



Payton Mayes

Chief Executive Officer

(917) 597-8300

payton.mayes@jpi.com



Miller Sylvan

*SVP Regional
Development Partner*

(972) 373-3931

miller.sylvan@jpi.com



Scott Turner

Chief Visionary Officer

(214) 986-0042

scott.turner@jpi.com



Blake Taylor

*SVP Regional
Development Partner*

(214) 451-5905

blake.taylor@jpi.com

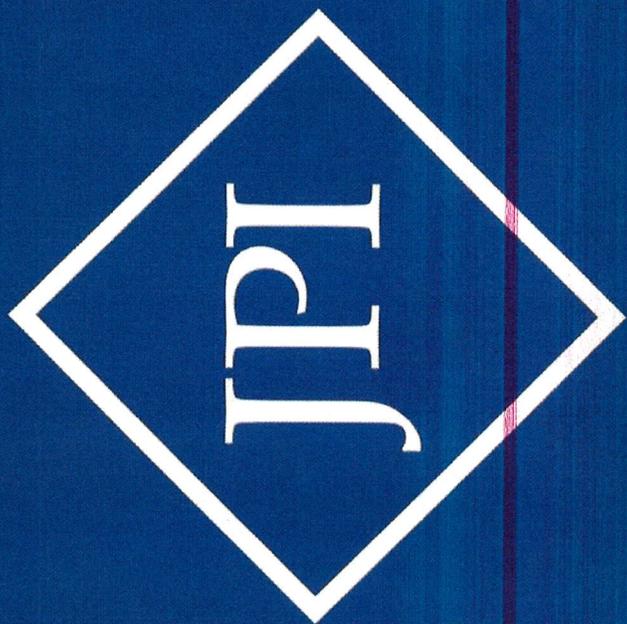


Mollie Fadule

Chief Financial Officer

(972) 556-8933

mollie.fadule@jpi.com



**Rowlett Housing
Finance Corporation**

Memo

To: Rowlett HFC Board of Directors

From: Peter D. Urrutia-Executive Director Rowlett HFC

Date: Jan. 30, 2024

Re: Lakeview Seniors Update-December 2023

There was a total of four move ins for December and 2 move outs. Two of the move-ins were local Rowlett residents. They have sixty-one residents in building 3 and 1 leased units making building 3 63.54% leased. They are 51.47% (lowered because we have added building two to the status as we are leasing that building now) occupied on the property. Also, they had three new applicants, with one denied, leaving a net of two. They have been able to lease five units in building two so far.

They had a total of fifty-four new leads for December.

We are just waiting for City of Rowlett to give CO for clubhouse.

The Pool is still a work in progress; however, progress is being made.

We closed the month of Dec at 53.30% leased for entire property.

ROWLETT HOUSING FINANCE CORPORATION
STATEMENT OF NET POSITION
DECEMBER 31, 2023

		Primary Government Enterprise Fund
<u>ASSETS</u>		
Current assets:		
Cash and cash equivalents	\$	185,665
Investments		655,879
Accounts receivable - annual issuer fee		3,125
Prepaid expense		3,079
Total current assets		847,748
Capital assets, net of accumulated depreciation		6,582,323
Other assets:		
Deposits		560
Investments in Interagency Home Financing Cooperative		15,000
Total other assets		15,560
Total assets		7,445,631
<u>LIABILITIES</u>		
Current liabilities:		
Accounts payable		594
Accrued payroll liabilities		2,268
Total liabilities		2,862
<u>DEFERRED INFLOW OF RESOURCES</u>		
Deferred inflows related to land leases		6,262,022
<u>NET POSITION</u>		
Net investment in capital assets		320,301
Unrestricted		860,446
Total net position	\$	1,180,747

Selected information – Statement of cash flows and substantially all disclosures required by accounting principles generally accepted in the United States of America are not included. Transactions related to the houses acquired by IHFC Texas, LLC under Trio Program are excluded on the monthly financial statements.

No assurance is provided on these financial statements.

ROWLETT HOUSING FINANCE CORPORATION
STATEMENT OF REVENUES, EXPENSES AND CHANGE IN NET POSITION
TWELVE MONTHS ENDED DECEMBER 31, 2023

		Primary Government Enterprise Fund
Operating revenue:		
Annual issuer fees - Savannah at Lakeview	\$	37,500
Agency fees		13,695
Land lease income		65,739
Other income		14
Total operating revenue		116,948
Operating expenses:		
Directors' fees, meeting, conference and travel		300
Salary and related benefits		155,543
Professional services (accounting & legal)		53,270
Office expense		20,335
Property and liability insurance		2,430
Conference and travel expense		14,507
Total operating expenses		246,385
Net operating loss		(129,437)
Non-operating income (expense):		
Interest income		41,709
Community outreach		(1,795)
Total non-operating income		39,914
Change in net position		(89,523)
Net position:		
Beginning of year		1,270,270
End of year	\$	1,180,747

Selected information – Statement of cash flows and substantially all disclosures required by accounting principles generally accepted in the United States of America are not included. Transactions related to the houses acquired by IHFC Texas, LLC under Trio Program are excluded on the monthly financial statements.

No assurance is provided on these financial statements.

SUPPLEMENTAL INFORMATION

ROWLETT HOUSING FINANCE CORPORATION
COMBINING STATEMENT OF NET POSITION
DECEMBER 31, 2023

<u>ASSETS</u>	Rowlett HFC	Savannah GP	Savannah Holdings	Savannah Development	Savannah Contractor	IHFC Texas	Enclave GP	Enclave Development	Enclave Holdings	Rowlett Foundation	Subtotal	Elimination	Total
Current assets:													
Cash and cash equivalents	\$ 12,957	\$ 10,661	\$ 10,661	\$ 10,661	\$ 10,661	\$ 10,661	\$ 10,661	\$ 10,661	\$ 10,661	\$ 87,420	\$ 185,665	\$ -	\$ 185,665
Investments	655,879	-	-	-	-	-	-	-	-	-	655,879	-	655,879
Intercompany receivable	865	-	-	-	-	1,670	-	-	-	-	-	(2,535)	-
Prepaid expense	3,079	-	-	-	-	-	-	-	-	-	3,079	-	3,079
Total current assets	675,905	10,661	10,661	10,661	10,661	12,331	10,661	10,661	10,661	87,420	850,283	(2,535)	847,748
Capital assets, net of accumulated depreciation	-	-	2,312,612	-	-	-	-	-	4,269,711	-	6,582,323	-	6,582,323
Other assets:													
Deposits	560	-	-	-	-	-	-	-	-	-	560	-	560
Investments in LLCs	80,000	-	-	-	-	15,000	-	-	-	-	95,000	(80,000)	15,000
Total other assets	80,560	-	-	-	-	15,000	-	-	-	-	95,560	(80,000)	15,560
Total assets	756,465	10,661	2,323,273	10,661	10,661	27,331	10,661	10,661	4,280,372	87,420	7,528,166	(82,535)	7,445,631
<u>LIABILITIES</u>													
Current liabilities:													
Accounts payable	594	-	-	-	-	-	-	-	-	-	594	-	594
Intercompany payable	-	865	-	-	-	-	-	-	-	1,670	2,535	(2,535)	-
Accrued payroll liability	2,268	-	-	-	-	-	-	-	-	-	2,268	-	2,268
Total current liabilities	2,862	865	-	-	-	-	-	-	-	1,670	5,397	(2,535)	2,862
<u>DEFERRED INFLOW OF RESOURCES</u>													
Deferred inflow of resources for land leases	-	-	2,172,454	-	-	-	-	-	4,089,568	-	6,262,022	-	6,262,022
<u>NET POSITION</u>													
Net investment in capital assets	-	-	140,158	-	-	-	-	-	180,143	-	320,301	-	320,301
Unrestricted	753,603	9,796	10,661	10,661	10,661	27,331	10,661	10,661	10,661	85,750	940,446	(80,000)	860,446
Total net position	\$ 753,603	\$ 9,796	\$ 150,819	\$ 10,661	\$ 10,661	\$ 27,331	\$ 10,661	\$ 10,661	\$ 190,804	\$ 85,750	\$ 1,260,747	\$ (80,000)	\$ 1,180,747

Selected information - Statement of cash flows and substantially all disclosures required by accounting principles generally accepted in the United States of America are not included. Transactions related to the houses acquired by IHFC Texas, LLC under Trio Program are excluded on the monthly financial statements.

ROWLETT HOUSING FINANCE CORPORATION
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGE IN NET POSITION
TWELVE MONTHS ENDED DECEMBER 31, 2023

	Rowlett HFC	Savannah GP	Savannah Holdings	Savannah Development	Savannah Contractor	IHFC Texas	Enclave GP	Enclave Development	Enclave Holdings	Rowlett Foundation	Subtotal	Elimination	Total
Operating revenue:													
Annual issuer fees - Savannah	\$ 37,500	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 37,500	\$ -	\$ 37,500
Agency fees	-	-	-	-	-	13,695	-	-	-	-	13,695	-	13,695
Land lease income	-	-	23,360	-	-	-	-	-	42,379	-	65,739	-	65,739
Other income	14	-	-	-	-	-	-	-	-	795	809	(795)	14
Total operating revenue	37,514	-	23,360	-	-	13,695	-	-	42,379	795	117,743	(795)	116,948
Operating expenses:													
Directors' fees, meeting, conference and travel	300	-	-	-	-	-	-	-	-	-	300	-	300
Salary and related benefits	155,543	-	-	-	-	-	-	-	-	-	155,543	-	155,543
Professional services (accounting & legal)	52,405	865	-	-	-	-	-	-	-	-	53,270	-	53,270
Office expense	20,335	-	-	-	-	-	-	-	-	795	21,130	(795)	20,335
Property and liability insurance	2,430	-	-	-	-	-	-	-	-	-	2,430	-	2,430
Conference and travel expense	14,507	-	-	-	-	-	-	-	-	-	14,507	-	14,507
Total operating expenses	245,520	865	-	-	-	-	-	-	-	795	247,180	(795)	246,385
Net operating income (loss)	(208,006)	(865)	23,360	-	-	13,695	-	-	42,379	-	(129,437)	-	(129,437)
Non-operating income (expense):													
Interest income	37,645	508	508	508	508	508	508	508	508	-	41,709	-	41,709
Community outreach	(1,795)	-	-	-	-	-	-	-	-	-	(1,795)	-	(1,795)
Total non-operating expense	35,850	508	508	508	508	508	508	508	508	-	39,914	-	39,914
Change in net position	(172,156)	(357)	23,868	508	508	14,203	508	508	42,887	-	(89,523)	-	(89,523)
Net position:													
Beginning of year	913,734	10,153	126,951	10,153	10,153	25,153	10,153	10,153	147,917	85,750	1,350,270	(80,000)	1,270,270
Contributions (Distributions) with Member	12,025	-	-	-	-	(12,025)	-	-	-	-	-	-	-
End of year	\$ 753,603	\$ 9,796	\$ 150,819	\$ 10,661	\$ 10,661	\$ 27,331	\$ 10,661	\$ 10,661	\$ 190,804	\$ 85,750	\$ 1,260,747	\$ (80,000)	\$ 1,180,747

Selected information - Statement of cash flows and substantially all disclosures required by accounting principles generally accepted in the United States of America are not included. Transactions related to the houses acquired by IHFC Texas, LLC under Trio Program are excluded on the monthly financial statements.

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