
2640 Fountain View Drive, Houston, Texas 77057 | 713.260.0600 | Mark Thiele, **Interim President & CEO**
Houston Housing Authority Board of Commissioners: LaRence Snowden, *Chair* | Kristy M. Kirkendoll, *Vice Chair*
Dr. Max Miller, Jr. | Stephanie Ballard | Andrea Hillard Cooksey | Kris Thomas | Guillermo "Will" Hernandez

**QUALIFICATION BASED SOLICITATION
("RFP") 23-11**

The Houston Housing Authority ("HHA"), has issued this "RFP" to solicit sealed responses from qualified firms or individuals interested in serving as a third-party developer ("Developer" or "Developers") to assist "HHA" in the rehabilitation of Pinnacle on Wilcrest affordable housing community in accordance with the requirements and terms and conditions specified herein.

Interested parties who wish to respond to this solicitation must submit the required documents per Section 7.0 Submittals to the below individual by 2 P.M. Central Standard Time ("CST") March 1, 2023 to:

**Houston Housing Authority
Attn: Austin Y. Crotts,
Subject: RFP 23-11 Pinnacle on Wilcrest Development Partner - DO NOT OPEN
2640 Fountain View Drive, Houston, Texas 77057**

The face of the sealed envelope(s) must contain the above information, and once they are in the possession of "HHA", their contents will not be publicly opened or revealed until after an award is made.


Interested parties are highly encouraged, to check HHA's website prior to the submission of their sealed response to ensure they are aware of any Amendment(s) that may affect this solicitation. They should also send an e-mail acknowledgement to Purchasing@housingforhouston.com, that they have downloaded this solicitation from HHA's website. Doing so, will allow "HHA" to notify interested parties of any Amendments that may affect this solicitation.

Late submissions will be handled in accordance with the provisions in Attachment I Form HUD-5369-B Section 6 entitled: "Late Submissions, Modifications, and Withdrawal of Offers".

Interested parties, who have questions about this solicitation, or who need additional information should send an email (preferably) to Purchasing@housingforhouston.com with "**RFP 23-11**" in the subject line, by the due dates specified in Section 4.0. As an alternative, interest parties have the option of sending a fax to 713-260-0810.

1-31-2023

Date


Austin Y. Crotts, M.A.
Procurement Manager,
Houston Housing Authority



A Fair Housing and Equal Employment Opportunity Agency. For assistance: Individuals with disabilities may contact the 504/ADA Administrator at 713-260-0353, TTY 713-260-0547 or 504ADA@housingforhouston.com

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I. ORGANIZATION OVERVIEW

1.0 PROFILE OF THE HOUSTON HOUSING AUTHORITY

- 1.1 “HHA” is currently governed by the Housing Authorities Law, codified in the Texas Local Government Code. It is a unit of government and its functions are essential governmental functions. It operates and manages its housing developments to provide decent, safe, sanitary and affordable housing to low-income families, the elderly, and the disabled, and implements various programs designed and funded by the U.S. Department of Housing and Urban Development (HUD). “HHA” is a Public Housing Agency.
- 1.2 The property of “HHA” is used for essential public and governmental purposes, and its property are exempt from all taxes, including sales tax on all its purchases of supplies and services.
- 1.3 “HHA” enters into and executes contracts and other instruments that are necessary and convenient to the exercise of its powers.
- 1.4 “HHA” maintains contractual arrangements with HUD to manage and operate its Low Rent Public Housing program and administers the Section 8 Housing Assistance Payments programs. HHA’s programs are federally funded, and its revenues are received from federal funds, administrative fees, development grants and rental income.
- 1.5 “HHA” provides affordable homes and services to more than 60,000 low-income Houstonians, including over 17,000 families housed through the Housing Choice Voucher Program and another 5,500 living in 25 public housing and tax credit developments around the city. “HHA” also administers the nation's third largest voucher program exclusively serving homeless veterans.

END OF SECTION I

II. SPECIAL TERMS AND CONDITIONS

2.0 OVERVIEW

2.1 See Exhibit A Overview attached herein.

3.0 PROCUREMENT SCHEDULE

3.1 The anticipated procurement schedule for this solicitation is as follows:

<u>EVENT</u>	<u>DATE</u>
Date Solicitation Advertised	February 3, 2023
Deadline to submit Round 1 Written Questions to Purchasing@housingforhouston.com	4 P.M. “CST” February 13, 2023
Deadline “HHA” will post Answers to Round 1 Written Questions via an Amendment to Houston Housing Authority	4 P.M. “CST” February 15, 2023
Deadline to submit Round 2 Written Questions to Purchasing@housingforhouston.com	4 P.M. “CST” February 20, 2023
Deadline “HHA” will post Answers to Round 2 Written Questions via an Amendment to Houston Housing Authority	4 P.M. “CST” February 22, 2023
Due Date for Sealed Responses	2 P.M. “CST” March 1, 2023
Estimated Contract Award Date	To Be Determined (TBD)

NOTE: INTERESTED PARTIES ARE RESPONSIBLE FOR MONITORING [HHA’S WEBSITE](#) TO ENSURE THEY STAY ABREAST OF ANY AMENDMENTS THAT MAY AFFECT THIS SOLICITATION.

- 3.2 Every effort has been made to outline requirements, and provide information that is clear and concise with the intent to obtain responses to this solicitation; however, any questions and inquiries must be submitted per the due date in the Procurement Schedule, and they will be answered per the due date in the Procurement Schedule.

4.0 **SCOPE OF SERVICES**

- 4.1 See Exhibit B Developer's Responsibilities attached herein.
- 4.2 See Exhibit C HHA's Responsibilities attached herein.

5.0 **SELECTION CRITERIA**

- 5.1 All responses received by the specified due date will be scored by an Evaluation Committee who will have the responsibility of evaluating and scoring the responses per Exhibit D Evaluation Criteria attached herein.
- 5.2 During the evaluation process, "HHA" reserves the right to call for supplementary information from Offerors, and to meet with them to clarify points of uncertainty or ambiguity. Offerors agree to cooperate fully and promptly in providing such supplementary information.
- 5.3 "HHA" reserves the right to:
- 5.3.1 Conduct negotiations;
 - 5.3.2 Make multiple awards in its best interests;
 - 5.3.3 Reject any and all proposals at its discretion;
 - 5.3.4 Request additional information/clarification from any proposer(s); and,
 - 5.3.5 Select the successful proposer(s) at its sole discretion.
- 5.4 A short list of finalists may be established based upon written responses to this solicitation. Interviews may or may not be conducted with the finalists. These interviews may be used to identify the top-rated Respondent(s) utilizing the same point system as described in Exhibit D Evaluation Criteria attached herein. The finalists may be required to present their qualifications to HHA's Board of Commissioners.
- 5.5 Written submissions containing the requested information will serve as the initial basis for selection of finalists.

6.0 **SUBMITTALS**

- 6.1 See Exhibit E Submission Format and Requirements attached herein. All responses must conform to the requirements specified herein. Non-conforming responses may be considered non-responsive by "HHA".
- 6.1.1 "HHA" is not responsible for any costs that may be incurred in the development and submittal of any responses to this solicitation.

- 6.1.2 All submissions and any information made a part thereof, will become a part of the HHA's official files, without any obligation of "HHA" to return it to the individual Offeror.

This solicitation, and the selected submittal(s) will (by reference), become a part of any formal agreement.

- 6.2 Submittals received after the specified date and time will be considered non-responsive.

END OF SECTION II

III. GENERAL TERMS AND CONDITIONS

7.0 AMENDMENTS

7.1 Any interpretation(s) affecting this solicitation will be issued in the form of an amendment by “HHA” prior to the specified due date on page 1. “HHA” will not be bound by, or responsible for any other explanations or interpretations of this solicitation other than those given in writing as set forth herein. Oral instructions, interpretations, or representations will not be binding upon “HHA” or representatives of “HHA”. **All amendments shall be binding in the same way as if originally written in this solicitation.**

8.0 AVAILABILITY OF FUNDS

8.1 In the event that funds become unavailable, “HHA” may cancel the Contract.

9.0 AVAILABILITY OF RECORDS

9.1 The U. S. Department of Housing and Urban Development, the Inspector General of the United States, “HHA”, and any duly authorized representatives of each shall have access to and the right to examine any and all pertinent books, records, documents, invoices, papers, and the like of the firm(s) office, that relates to any work that is performed as a result of this solicitation.

10.0 BASIS OF PROPOSAL

10.1 Interested parties are responsible for ensuring they have all documents referenced and incorporated in this solicitation, and are familiar with the contents of those documents. Failure to do so shall be at the sole risk of the offeror and no relief shall be given for errors or omissions by the offeror.

11.0 CANCELLING THE SOLICITATION

11.1 “HHA” may cancel this solicitation at any time, and when it is in its best interests to do so.

11.1.2 “HHA” reserves the right to cancel this solicitation, or to reject, in whole or in part, any and all submissions received in response to this solicitation, upon its determination that such cancellation or rejection is in the best interest of the “HHA”.

12.0 CONFIDENTIALITY OF SUBMITTALS

12.1 As stated on page 1, responses to this solicitation will not be opened publicly. All submittals and information shall remain confidential until all negotiations are completed and a Notice of Award is issued. All submittals received by “HHA” shall be included as part of the official file. Therefore, any part of the submittal that is not considered confidential, privileged or proprietary under any applicable Federal, State or local law shall be available for public inspection upon completion of the procurement process.

Any material submitted by the Offeror that is to be considered as confidential must be clearly marked as such; however, the applicable provisions of Federal, State and local laws shall govern the confidentiality of submittals despite anything contrary to this provision stated in the submittal.

13.0 **ETHICAL BEHAVIOR**

13.1 Interested Firms shall not:

13.1.1 Offer any gratuities, favors, or anything of monetary value to any official or employee of “HHA” for the purpose of influencing consideration of a submission; and,

13.1.2 Engage in any practice which may restrict or eliminate competition (i.e., collusion), or otherwise restrain trade.

13.1.2.1 The above is not intended to preclude joint ventures or subcontracts.

13.2 Ethical violations will cause a response to this solicitation to be rejected.

14.0 **FEDERAL REGULATIONS WITH REGARD TO NONDISCRIMINATION AND EQUAL OPPORTUNITY**

14.1 The requirements of Title VIII of the Civil Rights Act of 1968 and Title VI of the Civil Rights Act of 1964, relating to prohibitions against discrimination in housing and the benefits of federally funded programs because of race, color, religion, sex or national origin must be met by the successful bidder(s) or proposer(s).

14.2 The successful bidder(s) or proposer(s) will:

14.2.1 Adhere to federal regulations prohibiting discrimination on the basis of age under the Age Discrimination Act of 1975, and prohibit discrimination against handicapped individuals under Section 504 of the Rehabilitation Act of 1973 and the Americans With Disabilities Act of 1990.

14.2.2 Meet the requirements of:

14.2.2.1 Section 3 of the Housing and Urban Development Act of 1968, relating to the training and employment of individuals, and contracting for business opportunities in metropolitan areas in which federally funded programs are being operated.

14.2.2.2 Executive Orders (EO's):

- EO 11246 relating to equal employment opportunity in connection with federally funded programs.
- EO's 11625, 12432, and 12138 relating to the use of minority and women's business enterprises in connection with federally funded programs.

15.0 **FACILITIES**

15.1 “HHA” reserves the right to inspect the selected firm’s facilities during normal business hours. Proper notice will be given.

16.0 **INFORMALITIES**

16.1 “HHA” reserves the right to waive minor informalities, which are matters of form rather than substance. There are insignificant mistakes that can be waived or corrected without prejudice to the other bidders or proposers and have little or no effect on price, quantity, quality, delivery, or contractual conditions. Examples include failure to: return the number of signed bids required by the bid package; sign the bid, provided that the unsigned bid is accompanied by other documents indicating the bidder’s intent to be bound (e.g., a signed cover letter or a bid guarantee); complete one or more certifications; or acknowledge receipt of an amendment or addendum, provided that it is clear from the bid that the bidder received the amendment/addendum and intended to be bound by its terms, or the amendment/addendum had a negligible effect on price, quantity, quality, or delivery.

17.0 **INDEMNIFICATION AND HOLD HARMLESS**

17.1 See Exhibit F Indemnification and Hold Harmless attached herein.

18.0 **INSURANCE**

18.0 The successful Developer must have the following minimum insurance coverage or include plan to acquire such coverage prior to the execution of a contract:

18.1.1 Professional Liability Insurance

18.1.2 Business Automobile Liability Insurance

18.1.3 Workers' Compensation Insurance and Employer’s Liability Insurance

19.0 **MISTAKES IN BIDS**

19.1 General

19.1.1 While proposers/bidders will be bound by their submittals (the “firm bid rule”), circumstances may arise where correction or withdrawal of their bid or proposal is proper and may be permitted. Correction or withdrawal of a bid or proposal will be done in a manner that will protect and maintain the integrity and fairness of the competitive solicitation process.

19.2 Mistakes Discovered Before Solicitations Are Opened

19.2.1 Interested parties may withdraw or modify their submittals by written or facsimile notice prior to the opening of the solicitations.

19.3 Review of Mistakes

- 19.3.1 After the solicitations are opened, “HHA” will review all submittals to ensure there are no obvious mistakes, e.g., the sum of individual bid line items does not equal the total price. If a submittal appears to have a mistake, “HHA” will notify the interested of any apparent mistake(s) in his/her submittal, and request verification of the total price as submitted.

19.4 Mistakes After Solicitations Are Opened

- 19.4.1 If this solicitation is soliciting bids, then in general, bidders will not be permitted to change a bid after bid opening. In rare cases, “HHA” may permit the revision of a bid if the bidder is able to present clear and convincing evidence, acceptable to “HHA”, of a mistake and the intended bid price. Allowing changes to bids without appropriate evidence may compromise the integrity of the public bid process and serve to undermine public confidence in HHA’s bidding process. Therefore, “HHA” will request as much evidence as it deems necessary. Examples of evidence may include: original work papers, bids from suppliers and subcontractors used to develop the bid, bonding or insurance evidence supporting a different bid price, etc. Failure or refusal by a bidder to provide adequate evidence shall result in the original bid remaining unchanged. Consultation with HHA’s Legal Dept. will occur before authorization is given change a bid. If justified, a low bidder can be replaced with the next lowest bidder.

20.0 **PATENTS AND ROYALTIES**

- 20.1 The successful Developer(s) shall indemnify and save harmless the “HHA” and its employees from liability of any nature or kind, including cost and expenses for or on account of any copyrighted, patented, or not patented inventions, process or article manufactured or used in the performance of the contract, including its use by “HHA”. If the firm(s) use(s) any design, device or material covered by letters, patent or copyright, it is mutually agreed and understood that the Developer(s) shall include all royalties or cost arising from the use of such design, device, or materials involved in the work.

21.0 **PAYMENTS**

- 21.1 “HHA” will process all invoices after the work has been approved by HHA’s Project Manager. Payment terms are Net 30 days.
- 21.2 Irrespective of any default hereunder, “HHA” may at any time cancel the contract in whole or in part. Should this occur, the successful bidder(s) or proposer(s) shall be entitled to equitable compensation for all work completed and accepted by HHA’s Project Manager prior to such termination or cancellation.

22.0 **PERMITS**

- 22.1 The successful Developer(s) shall obtain and pay (independent of “HHA”), all permits, certificates, and licenses required and necessary for the performance of the work specified herein. Furthermore, they shall post all notices required by law, and shall comply with all laws, ordinances, and regulations which may affect their performance.

23.0 **PROJECT MANAGER**

23.1 “HHA” will designate a Project Manager who will be the point of contact on all matters relating to any contract issued as a result of this solicitation.

24.0 **QUESTIONS**

24.1 Interested parties should follow the instructions on page 1 should they have any questions, or if they need additional information about this solicitation. Oral instructions, interpretations, or representations will not be binding upon “HHA” or its representatives.

24.2 Interested parties are prohibited from querying “HHA” personnel or members of its Board of Commissioners regarding this solicitation except through written questions submitted in the manner, and within the time-frame indicated on page 1 of this solicitation.

25.0 **REMOVAL OF EMPLOYEES**

25.1 “HHA” may request the successful Developer(s) to remove immediately from the contract/project any employee found unfit to perform their duties due to one or more of the following reasons, which includes, but is not limited to:

25.1.1 Negligence, being disorderly, using abusive or offensive language, quarreling or fighting, stealing, vandalizing property; and,

25.1.2 Engaging in immoral or inappropriate behavior (e.g., being intoxicated, or under the influence of mind-altering substances), or pursuing criminal activity (e.g., selling, consuming, possessing, or being under the influence of illegal substances).

26.0 **RESERVATION OF RIGHTS**

26.1 Depending upon the circumstance(s), “HHA” reserves the right to change, modify, or alter any contract executed as a result of this solicitation.

27.0 **STANDARDS OF CONDUCT**

27.1 The employees of the successful Developer(s) shall conduct themselves in a responsible and professional manner, and may be removed from the project if they display behavior that is unacceptable to “HHA”.

28.0 **SUBCONTRACTING**

28.1 Any contract issued as a result of this solicitation will not be assigned, transferred, or subcontracted (in whole, or in part) unless it has been previously approved by “HHA” in writing.

29.0 **TAXES**

29.1 “HHA” is exempt from State of Texas, and Local Taxes.

30.0 **TRAVEL AND REIMBURSEMENTS**

30.1 Any prices/fees mutually agreed upon shall include all necessary out-of-pocket expenses needed to perform the work specified herein. “HHA” will not issue any reimbursements for travel, lodging, meals, or other miscellaneous or ancillary expenses, unless it is defined in the final Contract.

31.0 **SUPPLEMENTS**

31.1 The following documents are incorporated by reference into this solicitation:

Attachment A:	Declaration
Attachment B:	Non-Collusive Affidavit
Attachment C:	Conflict of Interest (CIQ) Form
Attachment D:	Requirements for Subcontracting with Small Businesses and Minority Businesses, Women Business Enterprises, and Labor Surplus Area Firms
Attachment E:	Acknowledgement
Attachment F:	M/WBE Participation Form
Attachment G:	Section 3 Requirements and Commitment
Attachment H:	Representations, Certifications, and Other Statements of Bidders Public and Indian Housing Programs (Form HUD 5369-A)
Attachment I:	Instructions to Offerors Non-Construction (Form HUD 5369-B)
Attachment J:	Model Form of Agreement Between Owner and Design Professional (Form HUD-51915-A)
Exhibit A:	Overview
Exhibit B:	Developer’s Responsibilities
Exhibit C:	HHA’s Responsibilities
Exhibit D:	Evaluation Criteria
Exhibit E:	Submission Format and Requirements
Exhibit F:	2020 Audited Financial Statements
Exhibit G:	Financial Statement and Trailing 12
Exhibit H:	Market Rent Schedule and Debt

31.2 Interested parties are responsible for ensuring they have all documents referenced and incorporated in this solicitation, and are familiar with the contents of those documents. Failure to do so shall be at the sole risk of the offeror and no relief shall be given for errors or omissions by the offeror.

END OF SECTION III

Attachment A
DECLARATION

The undersigned declares the following:

- This response is being submitted in good faith, and without collusion or fraud.
- The only person(s) interested in the aforementioned solicitation is listed below, and that this response is being submitted without connection or arrangement with any other person.
- They have complied with the requirements of the aforementioned solicitation, have read all addenda (if any), and is satisfied that they fully understand the intent of the aforementioned solicitation, and the terms and conditions that will govern any award issued by HHA as a result of this solicitation
- They agree to execute an agreement with HHA based on the latter accepting the submittals required by the aforementioned solicitation.

Persons Interested in this Response:

Name

Identity of Interest

1.

2.

3.

NAME OF CONTRACTOR/OFFEROR/FIRM/INDIVIDUAL/CORPORATION

MANUAL OR E-SIGNATURE

TITLE

E-MAIL ADDRESS

PHONE NUMBER / FAX NUMBER

ADDRESS, CITY, STATE, ZIP

SUBMITTAL DATE

Attachment B

NON-COLLUSIVE AFFIDAVIT

STATE OF TEXAS

COUNTY OF HARRIS

_____, being first duly sworn, deposes and says that he is

(a partner or officer of the firm of, etc.)

the party making the foregoing proposal or bid, that such proposal or bid is genuine and not collusive or sham; that said bidder has not colluded, conspired, connived or agreed, directly or indirectly, with any manner, directly or indirectly, sought by agreement or collusion, or communication or conference with any person to fix the bid price or affiant or of any other bidder, or to fix any overhead, profit, or cost element of said bid price, or of that of any other bidder, or to secure any advantage against

THE HOUSTON HOUSING AUTHORITY

of any person interested in the proposed Contract; and that all statements in said proposal or bid are true.

Signature of Bidder, if Bidder is an Individual

Signature of Bidder, if Bidder is a Partnership

Signature of Officer, if Bidder is a Corporation

Subscribed and sworn to before me this _____ day of _____, 2021

Notary Public

My Commission expires _____

CONFLICT OF INTEREST QUESTIONNAIRE**FORM CIQ****For vendor doing business with local governmental entity****This questionnaire reflects changes made to the law by H.B. 23, 84th Leg., Regular Session.**

This questionnaire is being filed in accordance with Chapter 176, Local Government Code, by a vendor who has a business relationship as defined by Section 176.001(1-a) with a local governmental entity and the vendor meets requirements under Section 176.006(a).

By law this questionnaire must be filed with the records administrator of the local governmental entity not later than the 7th business day after the date the vendor becomes aware of facts that require the statement to be filed. See Section 176.006(a-1), Local Government Code.

A vendor commits an offense if the vendor knowingly violates Section 176.006, Local Government Code. An offense under this section is a misdemeanor.

OFFICE USE ONLY

Date Received

1 Name of vendor who has a business relationship with local governmental entity.

2 ☐ **Check this box if you are filing an update to a previously filed questionnaire.** (The law requires that you file an updated completed questionnaire with the appropriate filing authority not later than the 7th business day after the date on which you became aware that the originally filed questionnaire was incomplete or inaccurate.)

3 Name of local government officer about whom the information is being disclosed.

Name of Officer

4 Describe each employment or other business relationship with the local government officer, or a family member of the officer, as described by Section 176.003(a)(2)(A). Also describe any family relationship with the local government officer. Complete subparts A and B for each employment or business relationship described. Attach additional pages to this Form CIQ as necessary.

A. Is the local government officer or a family member of the officer receiving or likely to receive taxable income, other than investment income, from the vendor?

☐ Yes

☐ No

B. Is the vendor receiving or likely to receive taxable income, other than investment income, from or at the direction of the local government officer or a family member of the officer AND the taxable income is not received from the local governmental entity?

☐ Yes

☐ No

5 Describe each employment or business relationship that the vendor named in Section 1 maintains with a corporation or other business entity with respect to which the local government officer serves as an officer or director, or holds an ownership interest of one percent or more.

6 ☐ Check this box if the vendor has given the local government officer or a family member of the officer one or more gifts as described in Section 176.003(a)(2)(B), excluding gifts described in Section 176.003(a-1).

7

Signature of vendor doing business with the governmental entity

Date

CONFLICT OF INTEREST QUESTIONNAIRE

For vendor doing business with local governmental entity

A complete copy of Chapter 176 of the Local Government Code may be found at <http://www.statutes.legis.state.tx.us/Docs/LG/htm/LG.176.htm>. For easy reference, below are some of the sections cited on this form.

Local Government Code § 176.001(1-a): "Business relationship" means a connection between two or more parties based on commercial activity of one of the parties. The term does not include a connection based on:

- (A) a transaction that is subject to rate or fee regulation by a federal, state, or local governmental entity or an agency of a federal, state, or local governmental entity;
- (B) a transaction conducted at a price and subject to terms available to the public; or
- (C) a purchase or lease of goods or services from a person that is chartered by a state or federal agency and that is subject to regular examination by, and reporting to, that agency.

Local Government Code § 176.003(a)(2)(A) and (B):

- (a) A local government officer shall file a conflicts disclosure statement with respect to a vendor if:

- (2) the vendor:

(A) has an employment or other business relationship with the local government officer or a family member of the officer that results in the officer or family member receiving taxable income, other than investment income, that exceeds \$2,500 during the 12-month period preceding the date that the officer becomes aware that

(i) a contract between the local governmental entity and vendor has been executed;
or

(ii) the local governmental entity is considering entering into a contract with the vendor;

(B) has given to the local government officer or a family member of the officer one or more gifts that have an aggregate value of more than \$100 in the 12-month period preceding the date the officer becomes aware that:

- (i) a contract between the local governmental entity and vendor has been executed; or
- (ii) the local governmental entity is considering entering into a contract with the vendor.

Local Government Code § 176.006(a) and (a-1)

- (a) A vendor shall file a completed conflict of interest questionnaire if the vendor has a business relationship with a local governmental entity and:

(1) has an employment or other business relationship with a local government officer of that local governmental entity, or a family member of the officer, described by Section 176.003(a)(2)(A);

(2) has given a local government officer of that local governmental entity, or a family member of the officer, one or more gifts with the aggregate value specified by Section 176.003(a)(2)(B), excluding any gift described by Section 176.003(a-1); or

(3) has a family relationship with a local government officer of that local governmental entity.

- (a-1) The completed conflict of interest questionnaire must be filed with the appropriate records administrator not later than the seventh business day after the later of:

- (1) the date that the vendor:

(A) begins discussions or negotiations to enter into a contract with the local governmental entity; or

(B) submits to the local governmental entity an application, response to a request for proposals or bids, correspondence, or another writing related to a potential contract with the local governmental entity; or

- (2) the date the vendor becomes aware:

(A) of an employment or other business relationship with a local government officer, or a family member of the officer, described by Subsection (a);

(B) that the vendor has given one or more gifts described by Subsection (a); or

(C) of a family relationship with a local government officer.



ATTACHMENT D

REQUIREMENTS FOR SUBCONTRACTING WITH SMALL BUSINESSES AND MINORITY BUSINESSES, WOMEN BUSINESS ENTERPRISES, AND LABOR SURPLUS AREA FIRMS.

I. INSTRUCTIONS.

Any Prime Contractor awarded a contract pursuant to this procurement must agree to comply with the subcontracting requirements set forth below. Please note that the capitalized terms used in this document are defined below in § VII.

(1) Please read this document carefully; (2) sign the acknowledgement; and (3) complete and sign the attached “Bidder’s Proposed M/WBE Participation Form.”

II. OVERVIEW.

Any contract resulting from this procurement must comply with: (1) the requirements in the Houston Housing Authority’s Procurement Policy (the “Policy”) and the Code of Federal Regulations (the “Code”) regarding Subcontracting with small and minority owned businesses, women business enterprises, and labor surplus area firms (the “Policy Requirements”); and (2) the Houston Housing Authority’s goal regarding Subcontracting with minority business enterprises and women business enterprises (the “HHA’s Goal”). Any person or firm that receives an award pursuant to this procurement must take affirmative steps to comply with the Policy Requirements and must use their best efforts to meet the HHA’s Goal. The Policy Requirements and the HHA’s Goal are described in detail below.

III. THE POLICY REQUIREMENTS.

Pursuant to the Policy, at § 15, and the Code, at 2 CFR § 200.321, if a Prime Contractor awarded a contract pursuant to this procurement lets Subcontracts, then the Prime Contractor must take affirmative steps to assure that, when possible, Subcontracts are let to Small Business Enterprises (“SBEs”), Minority Businesses Enterprises (“MBEs”), Women Business Enterprises (“WBEs”), and Labor Area Surplus Firms (“LASFs”). The affirmative steps a Prime Contractor who lets Subcontracts must take are:

- Placing SBEs, MBEs, and WBEs, on solicitation lists;
- Assuring that SBEs, MBEs, and WBEs, are directly solicited for bids or proposals whenever such entities are potential sources to perform Subcontracts;
- Dividing total job requirements, whenever economically feasible, into smaller tasks or quantifies to permit maximum participation by SBEs, MBEs, and WBEs, in a given project;

- Establishing delivery schedules, when the requirement permits, that encourage participation by SBEs, MBEs, and WBEs;
- Using the services and assistance, as appropriate, of such organizations as the Small Business Administration and the Minority Business Development Agency of the U.S. Department of Commerce; and
- Including in Subcontracts, to the greatest extent feasible, a clause that requires Subcontractors to provide opportunities for training and employment for lower income persons who reside in the project area.

The affirmative steps listed above shall remain in effect for the duration of the Prime Contract awarded pursuant to this procurement. The HHA encourages Prime Contractors to implement these steps when acquiring the materials they need to perform their obligations under the Prime Contract.

IV. THE HHA'S GOAL.

A. Overview of the HHA's Goal and related requirements.

In addition to taking the affirmative steps outlined above in § III, a Prime Contractor who anticipates using Subcontracts to complete any work associated with this procurement must use its best efforts to satisfy the HHA's Goal regarding the participation of MBEs and WBEs in work under contracts awarded by the HHA. The HHA's Goal, as adopted by its Board of Commissioners, is that when Subcontracts are being let, at least 30% of the Prime Contract's total dollar amount is subcontracted to MBEs or WBEs, with at least 15% of the Prime Contract's total dollar amount being subcontracted to MBEs, and at least 15% being subcontracted to WBEs.

In furtherance of the HHA's Goal, a Prime Contractor awarded a contract under this procurement who intends to let Subcontracts must use its best efforts to Subcontract with MBEs and WBEs. **Specifically, a Prime Contractor letting Subcontracts must use its best efforts (1) to Subcontract at least 15% of the Prime Contract's total dollar amount to MBEs, and (2) to Subcontract at least 15% of the Prime Contract's total dollar amount to WBEs. A Prime Contractor's obligation to use its best efforts to subcontract with MBEs and WBEs in accordance with the HHA's Goal shall remain in effect for the duration of the Prime Contract, shall apply in any instance that the Prime Contractor lets Subcontracts, and shall apply equally to all Prime Contractors letting Subcontracts, regardless of whether the Prime Contractor is itself a MBE or WBE.**

A Prime Contractor must document its use of best efforts to meet the HHA's Goal. Generally, written evidence of a Prime Contractor's attempts to Subcontract with MBEs and WBEs shall suffice to document a Prime Contractor's best efforts. Written evidence may include, but is not necessarily limited to, emails, phone logs, or correspondence showing that a Prime Contractor attempted to Subcontract with MBEs and WBEs by, at a minimum, soliciting bids or quotes. Contractors may access a list of designated MBEs and WBEs at <http://www.window.state.tx.us/procurement/cmb/cmbhub.html>. In addition, upon request, the HHA may assist contractors in identifying MBEs and WBEs (but, requesting such assistance, standing alone, is not sufficient to show best efforts).

A Prime Contractor's duty to document its best efforts to meet the HHA's Goal shall remain in effect for the duration of the Prime Contract and shall apply to all Prime Contractors awarded a contract pursuant to this procurement. The HHA encourages Prime Contractors to use their best efforts to procure from MBEs and WBEs the materials necessary for the Prime Contractor to perform its obligations under the Prime Contract.

V. CONTRACTOR'S AGREEMENT TO COMPLETE REQUIRED FORMS AND TO COOPERATE WITH THE HHA REGARDING THE POLICY REQUIREMENTS AND THE HHA GOAL.

All respondents to this procurement who anticipate letting subcontracts must complete and return the attached "Bidders Proposed M/WBE Participation Form" (the "Form"). Respondents should include the Form in their response to this procurement; in addition, information documenting the respondent's use of best efforts to subcontract with MBEs and WBEs should accompany the Form. If it does not anticipate letting subcontracts, a respondent must, along with its response, inform the HHA of same, and provide a brief explanation of why no subcontracts will be let. The HHA will consider as non-responsive any response that fails to include a completed Form; the HHA will, however, allow respondents an opportunity to cure a failure to include the Form with a response.

In addition to completing and submitting the Form to the HHA, any entity awarded a contract by the HHA pursuant to this procurement must provide "M/WBE Confirmation of Payment Form(s)," as necessary or as requested by the HHA. Prime Contractor must also submit proof of payments to SBEs, MBEs, WBEs, and LASFs, as requested by the HHA, or as otherwise is required by law.

VI. CONSEQUENCES FOR FAILING TO TAKE THE AFFIRMATIVE STEPS MANDATED BY THE POLICY REQUIREMENTS OR USING BEST EFFORTS TO MEET THE HHA'S GOALS.

If a Prime Contractor letting subcontracts does not take the affirmative steps mandated by the Policy Requirements, use its best efforts to meet the HHA's Goal, or cooperate with the HHA with respect to the requirements set forth herein, the HHA reserves the right to refuse to award a contract to the Prime Contractor, to deem the Prime Contractor's response to a solicitation non-responsive, to terminate an existing contract with the Prime Contractor, and to bar the Prime Contractor from being awarded any future contracts by the HHA.

VII. DEFINITIONS.

- "Code" means the Code of Federal Regulations.
- "Form" means the "Bidders Proposed M/WBE Participation Form" included with this procurement.
- "HHA" means the Houston Housing Authority, and, for the purposes of the requirements set forth herein, the HHA's affiliates and any property management company procuring work or services for the benefit of a property owned by the HHA or its affiliates.
- "HHA's Goal" shall have the meaning set forth above in § 3.

- “LASFs” refers to labor area surplus firms. Labor area surplus firms are businesses that will expend more than fifty percent of the cost of performing a contract in areas of concentrated unemployment or underemployment, as defined by the Department of Labor and promulgated at 20 CFR Part 654.
- “MBE(s)” refers to minority business enterprises. Minority business enterprises are businesses that are at least fifty-one percent owned by one or more minority group members, or, in the case of a publically owned business, a business where at least fifty-one percent of the business’s voting stock is owned by one or more minority group members and whose management and daily operations are controlled by one or more such individuals. Minority group members include, but are not necessarily limited to: (a) Black Americans; (b) Hispanic Americans; (c) Native Americans; (d) Asian-Pacific Americans; (e) Asian-Indian Americans; and (f) Hasidic Jewish Americans.
- “Policy” means the Houston Housing Authority’s Procurement Policy.
- “Policy Requirements” shall have the meaning set forth in § II above.
- “Prime Contract(s)” means the contract awarded pursuant to this procurement that is between a respondent to the solicitation and the HHA. For all purposes herein, the term is inclusive of all change orders or amendments to the initial contractor entered between the Prime Contractor and the HHA.
- “Prime Contractor(s)” means the person or entity who responds to this procurement and is awarded a contract by the HHA.
- “SBEs” refers to small business enterprises. Small business enterprises are businesses that are independently owned, not dominant in their field of operation, and not an affiliate or subsidiary of a business that is dominant in its field of operation.
- “Subcontract(s)” means the contract between the Prime Contractor and a Subcontractor entered to accomplish all or a part of the Prime Contractor’s obligations under its contract with the HHA that results from this procurement.
- “Subcontractor(s)” means a person or entity who the Prime Contractor contracts with to perform a part or all of the Prime Contractor’s obligations under the Prime Contractor’s contract with the HHA that results from this procurement.
- “WBEs” refers to women business enterprises. Women business enterprises are businesses that are at least fifty-one percent owned by a woman who is a United States citizen, or by women who are United States citizens and who control and operate the business.

ATTACHMENT E

VIII. ACKNOWLEDGEMENT.

The undersigned has read the foregoing “Requirements for Subcontracting with Small Businesses, Minority Businesses, Women Business Enterprises, and Labor Area Surplus Firm,” and understands and accepts the requirements and obligations set forth therein. When Subcontracting any portion of the work associated with this procurement, the undersigned agrees to take the affirmative steps stated in § III above, and agrees to use its best efforts to meet the HHA’s Goal, as stated in § IV above. The undersigned understands and acknowledges that failure to comply the requirements set forth herein may result in the HHA refusing to award a contract to the undersigned or the termination of an existing contract.

Name of Firm

Complete Address

Name of Individual Completing this Form

Title

Direct Phone Number / Cell Phone Number

Direct Fax Number

E-Mail Address

Date

Manual or E-Signature

ATTACHMENT F
BIDDER'S PROPOSED M/WBE PARTICIPATION FORM

Instructions

- The HHA requires bidders (Prime Contractors) who let Subcontracts to use their best efforts to Subcontract at least 30% of a Prime Contract's total dollar amount to Minority Business Enterprises ("MBEs") or Women Business Enterprises ("WBEs").
- It is the HHA's Goal that Prime Contractors letting Subcontracts award at least 15% of the Prime Contract's total amount to MBEs **and** at least 15% of the Prime Contract's total amount to WBEs.
- The requirement that Prime Contractors letting Subcontracts use their best efforts to Subcontract with MBEs and WBEs applies to all Prime Contractors, regardless of their own status as a MBE or WBE.
- Please complete and sign the form below indicating firm Subcontracting commitments from MBEs and WBEs. Use additional pages, if necessary.
- For detailed information on the HHA's MBE and WBE Subcontracting requirements, please see Attachment D.

MBEs	Name of MBE Subcontractor	Certification(s)	Amount of Subcontract	Percent of Contract Total
		<i>Total</i>		

WBEs	Name of WBE Subcontractor	Certification(s)	Amount of Subcontract	Percent of Contract Total
		<i>Total</i>		

Name of Firm

Manual or E-Signature and Date

ATTACHMENT G

HOUSTON HOUSING AUTHORITY SECTION 3 BIDDER'S REQUIREMENTS & COMMITMENT

Company Name:	
Name of Contact Person for Section 3 Commitment:	
Title:	Contact Number:
Contact Person E-Mail:	
Solicitation Title:	Solicitation #:

- I. **Background** - Section 3 of the Housing & Urban Development Act of 1968, as amended, 12 U.S.C. 1701u (hereinafter “Section 3”) requires the Houston Housing Authority (“HHA”), to the greatest extent feasible, to provide employment and contracting opportunities to low to very low-income individuals, within the City of Houston. These opportunities are created by contracts funded, directly or indirectly, by “HHA”.
- II. **Benchmarks & Goals** – Success of Section 3 activities will be measured by the achievement of the following benchmarks, annually:
- 1) Data demonstrating at least 20% of the total number of labor hours worked by all workers (employed by an employer) were worked by Section 3 Workers that are defined as Low Income Individuals or Youth Build per <https://www.huduser.gov/portal/datasets/il.html>. , OR
 - 2) Data demonstrating at least 5% of the total number of labor hours worked by all workers (employed by an employer) were worked by Targeted Section 3 Workers (Public Housing residents, Section 8 participants & Youth Build).
- III. **Solicitation Requirements** - Interested parties responding to a HHA solicitation are required to include in their submission, this form (Section 3 Requirements & Commitment), which describes efforts that will be taken to engage Section 3 Participants.”
- IV. **Acceptable Section 3 Activities** – Viable Section 3 opportunities are:
1. Hire Section 3 Workers to fill a minimum of 20% of the labor hours needed to honor contractual duties with HHA. (Note: Section 3 Workers can be existing/new personnel who are deemed as low to very low-income individuals, in accordance to HUD’s guidelines).
 2. Provide paid on-the-job training (apprenticeship) for Section 3 Workers to enhance job skills in core duties/services related to a bidder’s contractual duties with HHA.
 3. Offer subcontracting opportunities preferably to Section 3 Business Concern or other disadvantaged businesses to fulfill contractual duties with the HHA
 4. Bidder self-certify they meet at least one criterion to be a Section 3 Business Concerns; when responding to a HHA solicitation:
 - a) At least 51% is owned and controlled by low- or very-low income person; OR
 - b) Business has at least 75% of its’ labor hours performed (over the most recent 3-month period) by Section 3 Workers; OR
 - c) At least 51% is owned and controlled by a Public Housing/Section 8 Participant.
- V. **Exemption from Section 3 Activities** - Bidders submitting solicitations for any of the following goods and/or services are exempt from fulfilling any Section 3 commitments:
- 1) Contracts for “material only” and do not require the hiring of new or expanded labor (office/janitorial supply contracts, etc).
 - 2) Contracts for Section 8 Project-based Vouchers and Project-based Rental Assistance

- 3) Professional Service contracts requiring advanced degrees or professional licensing (engineers, architects, accountants, consultants, etc.)

VI. Section 3 Commitment - Bidders shall identify what efforts will be taken during contractual terms to comply with HHA's Section 3 Requirements to the greatest extent feasible. All bidders are required to select at least one (1) of the following options:

OPTIONS	QUANTIFIABLE COMMITMENT
<input type="checkbox"/> <u>OPTION 1 - Exempt</u>	Bidder is exempt due any one of the following options: <ul style="list-style-type: none"> ○ Contracts for "material only" and do not require the hiring of new or expanded labor (office/janitorial supply contracts, etc). ○ Contracts for Section 8 Project-based Vouchers and Project-based Rental Assistance ○ Professional Service contracts requiring advanced degrees or professional licensing (engineers, architects, accountants, consultants, etc.)
<input type="checkbox"/> <u>OPTION 2 - Jobs</u>	Title: _____ # of Positions: _____ Pay _____ Work Hours _____ Location _____ Skills to be Acquired : _____ Qualifications: _____
<input type="checkbox"/> <u>OPTION 3 – Paid Training or Apprenticeship</u>	Title: _____ # of Positions: _____ Pay _____ Work Hours _____ Location _____ Skills to be Acquired : _____ Qualifications: _____
<input type="checkbox"/> <u>OPTION 4 – Sub-Contracting with Section 3 Business Concerns</u>	Company Name _____ Contract Amount \$ _____ % of Contract: _____ Summary of Duties: _____
<input type="checkbox"/> <u>OPTION 5 -Existing Section 3 Business Concern</u>	Bidder self-certifies they meet at least one of the following criteria to be recognized as a Section 3 Business Concern: <ul style="list-style-type: none"> ○ At least 51% is owned and controlled by low- or very-low income person; ○ Over 75% of the labor hours performed for the business (over a 3-month period) are performed by Section 3 Workers; ○ At least 51% of the business is owned and controlled by current Public Housing resident or Section 8 Assisted participant.

Name of Firm

Printed Name of Authorized Individual

Date

Manual/E-signature of Authorized Individual

Attachment H
**U.S. Department of Housing
and Urban Development**
Office of Public and Indian Housing

**Representations, Certifications,
and Other Statements of Bidders**
Public and Indian Housing Programs

Representations, Certifications, and Other Statements of Bidders

Public and Indian Housing Programs

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1. Certificate of Independent Price Determination

(a) The bidder certifies that--

(1) The prices in this bid have been arrived at independently, without, for the purpose of restricting competition, any consultation, communication, or agreement with any other bidder or competitor relating to (i) those prices, (ii) the intention to submit a bid, or (iii) the methods or factors used to calculate the prices offered;

(2) The prices in this bid have not been and will not be knowingly disclosed by the bidder, directly or indirectly, to any other bidder or competitor before bid opening (in the case of a sealed bid solicitation) or contract award (in the case of a competitive proposal solicitation) unless otherwise required by law; and

(3) No attempt has been made or will be made by the bidder to induce any other concern to submit or not to submit a bid for the purpose of restricting competition.

(b) Each signature on the bid is considered to be a certification by the signatory that the signatory--

(1) Is the person in the bidder's organization responsible for determining the prices being offered in this bid or proposal, and that the signatory has not participated and will not participate in any action contrary to subparagraphs (a)(1) through (a)(3) above; or

(2) (i) Has been authorized, in writing, to act as agent for the following principals in certifying that those principals have not participated, and will not participate in any action contrary to subparagraphs (a)(1) through (a)(3) above.

[insert full name of person(s) in the bidder's organization responsible for determining the prices offered in this bid or proposal, and the title of his or her position in the bidder's organization];

(ii) As an authorized agent, does certify that the principals named in subdivision (b)(2)(i) above have not participated, and will not participate, in any action contrary to subparagraphs (a)(1) through (a)(3) above; and

(iii) As an agent, has not personally participated, and will not participate in any action contrary to subparagraphs (a)(1) through (a)(3) above.

(c) If the bidder deletes or modifies subparagraph (a)2 above, the bidder must furnish with its bid a signed statement setting forth in detail the circumstances of the disclosure.

[] [Contracting Officer check if following paragraph is applicable]

(d) Non-collusive affidavit. (applicable to contracts for construction and equipment exceeding \$50,000)

(1) Each bidder shall execute, in the form provided by the PHA/IHA, an affidavit to the effect that he/she has not colluded with any other person, firm or corporation in regard to any bid submitted in response to this solicitation. If the successful bidder did not submit the affidavit with his/her bid, he/she must submit it within three (3) working days of bid opening. Failure to submit the affidavit by that date may render the bid nonresponsive. No contract award will be made without a properly executed affidavit.

(2) A fully executed "Non-collusive Affidavit" [] is, [] is not included with the bid.

2. Contingent Fee Representation and Agreement

(a) Definitions. As used in this provision:

"Bona fide employee" means a person, employed by a bidder and subject to the bidder's supervision and control as to time, place, and manner of performance, who neither exerts, nor proposes to exert improper influence to solicit or obtain contracts nor holds out as being able to obtain any contract(s) through improper influence.

"Improper influence" means any influence that induces or tends to induce a PHA/IHA employee or officer to give consideration or to act regarding a PHA/IHA contract on any basis other than the merits of the matter.

(b) The bidder represents and certifies as part of its bid that, except for full-time bona fide employees working solely for the bidder, the bidder:

(1) [] has, [] has not employed or retained any person or company to solicit or obtain this contract; and

(2) [] has, [] has not paid or agreed to pay to any person or company employed or retained to solicit or obtain this contract any commission, percentage, brokerage, or other fee contingent upon or resulting from the award of this contract.

(c) If the answer to either (a)(1) or (a)(2) above is affirmative, the bidder shall make an immediate and full written disclosure to the PHA/IHA Contracting Officer.

(d) Any misrepresentation by the bidder shall give the PHA/IHA the right to (1) terminate the contract; (2) at its discretion, deduct from contract payments the amount of any commission, percentage, brokerage, or other contingent fee; or (3) take other remedy pursuant to the contract.

3. Certification and Disclosure Regarding Payments to Influence Certain Federal Transactions (applicable to contracts exceeding \$100,000)

(a) The definitions and prohibitions contained in Section 1352 of title 31, United States Code, are hereby incorporated by reference in paragraph (b) of this certification.

(b) The bidder, by signing its bid, hereby certifies to the best of his or her knowledge and belief as of December 23, 1989 that:

(1) No Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress on his or her behalf in connection with the awarding of a contract resulting from this solicitation;

(2) If any funds other than Federal appropriated funds (including profit or fee received under a covered Federal transaction) have been paid, or will be paid, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress on his or her behalf in connection with this solicitation, the bidder shall complete and submit, with its bid, OMB standard form LLL, "Disclosure of Lobbying Activities;" and

(3) He or she will include the language of this certification in all subcontracts at any tier and require that all recipients of subcontract awards in excess of \$100,000 shall certify and disclose accordingly.

(c) Submission of this certification and disclosure is a prerequisite for making or entering into this contract imposed by section 1352, title 31, United States Code. Any person who makes an expenditure prohibited under this provision or who fails to file or amend the disclosure form to be filed or amended by this provision, shall be subject to a civil penalty of not less than \$10,000, and not more than \$100,000, for each such failure.

(d) Indian tribes (except those chartered by States) and Indian organizations as defined in section 4 of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450B) are exempt from the requirements of this provision.

4. Organizational Conflicts of Interest Certification

The bidder certifies that to the best of its knowledge and belief and except as otherwise disclosed, he or she does not have any organizational conflict of interest which is defined as a situation in which the nature of work to be performed under this proposed contract and the bidder's organizational, financial, contractual, or other interests may, without some restriction on future activities:

- (a) Result in an unfair competitive advantage to the bidder; or,
- (b) Impair the bidder's objectivity in performing the contract work.

[] In the absence of any actual or apparent conflict, I hereby certify that to the best of my knowledge and belief, no actual or apparent conflict of interest exists with regard to my possible performance of this procurement.

5. Bidder's Certification of Eligibility

(a) By the submission of this bid, the bidder certifies that to the best of its knowledge and belief, neither it, nor any person or firm which has an interest in the bidder's firm, nor any of the bidder's subcontractors, is ineligible to:

(1) Be awarded contracts by any agency of the United States Government, HUD, or the State in which this contract is to be performed; or,

(2) Participate in HUD programs pursuant to 24 CFR Part 24.

(b) The certification in paragraph (a) above is a material representation of fact upon which reliance was placed when making award. If it is later determined that the bidder knowingly rendered an erroneous certification, the contract may be terminated for default, and the bidder may be debarred or suspended from participation in HUD programs and other Federal contract programs.

6. Minimum Bid Acceptance Period

(a) "Acceptance period," as used in this provision, means the number of calendar days available to the PHA/IHA for awarding a contract from the date specified in this solicitation for receipt of bids.

(b) This provision supersedes any language pertaining to the acceptance period that may appear elsewhere in this solicitation.

(c) The PHA/IHA requires a minimum acceptance period of [Contracting Officer insert time period] calendar days.

(d) In the space provided immediately below, bidders may specify a longer acceptance period than the PHA's/IHA's minimum requirement. The bidder allows the following acceptance period: calendar days.

(e) A bid allowing less than the PHA's/IHA's minimum acceptance period will be rejected.

(f) The bidder agrees to execute all that it has undertaken to do, in compliance with its bid, if that bid is accepted in writing within (1) the acceptance period stated in paragraph (c) above or (2) any longer acceptance period stated in paragraph (d) above.

7. Small, Minority, Women-Owned Business Concern Representation

The bidder represents and certifies as part of its bid/ offer that it --

(a) [] is, [] is not a small business concern. "Small business concern," as used in this provision, means a concern, including its affiliates, that is independently owned and operated, not dominant in the field of operation in which it is bidding, and qualified as a small business under the criteria and size standards in 13 CFR 121.

(b) [] is, [] is not a women-owned business enterprise. "Women-owned business enterprise," as used in this provision, means a business that is at least 51 percent owned by a woman or women who are U.S. citizens and who also control and operate the business.

(c) [] is, [] is not a minority business enterprise. "Minority business enterprise," as used in this provision, means a business which is at least 51 percent owned or controlled by one or more minority group members or, in the case of a publicly owned business, at least 51 percent of its voting stock is owned by one or more minority group members, and whose management and daily operations are controlled by one or more such individuals. For the purpose of this definition, minority group members are:

(Check the block applicable to you)

- | | |
|------------------------|------------------------------|
| [] Black Americans | [] Asian Pacific Americans |
| [] Hispanic Americans | [] Asian Indian Americans |
| [] Native Americans | [] Hasidic Jewish Americans |

8. Indian-Owned Economic Enterprise and Indian Organization Representation (applicable only if this solicitation is for a contract to be performed on a project for an Indian Housing Authority)

The bidder represents and certifies that it:

(a) [] is, [] is not an Indian-owned economic enterprise. "Economic enterprise," as used in this provision, means any commercial, industrial, or business activity established or organized for the purpose of profit, which is at least 51 percent Indian owned. "Indian," as used in this provision, means any person who is a member of any tribe, band, group, pueblo, or community which is recognized by the Federal Government as eligible for services from the Bureau of Indian Affairs and any "Native" as defined in the Alaska Native Claims Settlement Act.

(b) [] is, [] is not an Indian organization. "Indian organization," as used in this provision, means the governing body of any Indian tribe or entity established or recognized by such governing body. Indian "tribe" means any Indian tribe, band, group, pueblo, or

community including Native villages and Native groups (including corporations organized by Kenai, Juneau, Sitka, and Kodiak) as defined in the Alaska Native Claims Settlement Act, which is recognized by the Federal Government as eligible for services from the Bureau of Indian Affairs.

9. Certification of Eligibility Under the Davis-Bacon Act (applicable to construction contracts exceeding \$2,000)

(a) By the submission of this bid, the bidder certifies that neither it nor any person or firm who has an interest in the bidder's firm is a person or firm ineligible to be awarded contracts by the United States Government by virtue of section 3(a) of the Davis-Bacon Act or 29 CFR 5.12(a)(1).

(b) No part of the contract resulting from this solicitation shall be subcontracted to any person or firm ineligible to be awarded contracts by the United States Government by virtue of section 3(a) of the Davis-Bacon Act or 29 CFR 5.12(a)(1).

(c) The penalty for making false statements is prescribed in the U. S. Criminal Code, 18 U.S.C. 1001.

10. Certification of Nonsegregated Facilities (applicable to contracts exceeding \$10,000)

(a) The bidder's attention is called to the clause entitled **Equal Employment Opportunity** of the General Conditions of the Contract for Construction.

(b) "Segregated facilities," as used in this provision, means any waiting rooms, work areas, rest rooms and wash rooms, restaurants and other eating areas, time clocks, locker rooms and other storage or dressing areas, parking lots, drinking fountains, recreation or entertainment areas, transportation, and housing facilities provided for employees, that are segregated by explicit directive or are in fact segregated on the basis of race, color, religion, or national origin because of habit, local custom, or otherwise.

(c) By the submission of this bid, the bidder certifies that it does not and will not maintain or provide for its employees any segregated facilities at any of its establishments, and that it does not and will not permit its employees to perform their services at any location under its control where segregated facilities are maintained. The bidder agrees that a breach of this certification is a violation of the Equal Employment Opportunity clause in the contract.

(d) The bidder further agrees that (except where it has obtained identical certifications from proposed subcontractors for specific time periods) prior to entering into subcontracts which exceed \$10,000 and are not exempt from the requirements of the Equal Employment Opportunity clause, it will:

(1) Obtain identical certifications from the proposed subcontractors;

(2) Retain the certifications in its files; and

(3) Forward the following notice to the proposed subcontractors (except if the proposed subcontractors have submitted identical certifications for specific time periods):

Notice to Prospective Subcontractors of Requirement for Certifications of Nonsegregated Facilities

A Certification of Nonsegregated Facilities must be submitted before the award of a subcontract exceeding \$10,000 which is not exempt from the provisions of the Equal Employment Opportunity clause of the prime contract. The certification may be submitted either for each subcontract or for all subcontracts during a period (i.e., quarterly, semiannually, or annually).

Note: The penalty for making false statements in bids is prescribed in 18 U.S.C. 1001.

11. Clean Air and Water Certification (applicable to contracts exceeding \$100,000)

The bidder certifies that:

(a) Any facility to be used in the performance of this contract [] is, [] is not listed on the Environmental Protection Agency List of Violating Facilities:

(b) The bidder will immediately notify the PHA/IHA Contracting Officer, before award, of the receipt of any communication from the Administrator, or a designee, of the Environmental Protection Agency, indicating that any facility that the bidder proposes to use for the performance of the contract is under consideration to be listed on the EPA List of Violating Facilities; and,

(c) The bidder will include a certification substantially the same as this certification, including this paragraph (c), in every nonexempt subcontract.

12. Previous Participation Certificate (applicable to construction and equipment contracts exceeding \$50,000)

(a) The bidder shall complete and submit with his/her bid the Form HUD-2530, "Previous Participation Certificate." If the successful bidder does not submit the certificate with his/her bid, he/she must submit it within three (3) working days of bid opening. Failure to submit the certificate by that date may render the bid nonresponsive. No contract award will be made without a properly executed certificate.

(b) A fully executed "Previous Participation Certificate" [] is, [] is not included with the bid.

13. Bidder's Signature

The bidder hereby certifies that the information contained in these certifications and representations is accurate, complete, and current.

(Signature and Date)

(Typed or Printed Name)

(Title)

(Company Name)

(Company Address)

Instructions to Offerors Non-Construction

U.S. Department of Housing
and Urban Development
Office of Public and Indian Housing



- 03291 -

1. Preparation of Offers

(a) Offerors are expected to examine the statement of work, the proposed contract terms and conditions, and all instructions. Failure to do so will be at the offeror's risk.

(b) Each offeror shall furnish the information required by the solicitation. The offeror shall sign the offer and print or type its name on the cover sheet and each continuation sheet on which it makes an entry. Erasures or other changes must be initialed by the person signing the offer. Offers signed by an agent shall be accompanied by evidence of that agent's authority, unless that evidence has been previously furnished to the HA.

(c) Offers for services other than those specified will not be considered.

2. Submission of Offers

(a) Offers and modifications thereof shall be submitted in sealed envelopes or packages (1) addressed to the office specified in the solicitation, and (2) showing the time specified for receipt, the solicitation number, and the name and address of the offeror.

(b) Telegraphic offers will not be considered unless authorized by the solicitation; however, offers may be modified by written or telegraphic notice.

(c) Facsimile offers, modifications or withdrawals will not be considered unless authorized by the solicitation.

3. Amendments to Solicitations

(a) If this solicitation is amended, then all terms and conditions which are not modified remain unchanged.

(b) Offerors shall acknowledge receipt of any amendments to this solicitation by

- (1) signing and returning the amendment;
- (2) identifying the amendment number and date in the space provided for this purpose on the form for submitting an offer,
- (3) letter or telegram, or
- (4) facsimile, if facsimile offers are authorized in the solicitation. The HA/HUD must receive the acknowledgment by the time specified for receipt of offers.

4. Explanation to Prospective Offerors

Any prospective offeror desiring an explanation or interpretation of the solicitation, statement of work, etc., must request it in writing soon enough to allow a reply to reach all prospective offerors before the submission of their offers. Oral explanations or instructions given before the award of the contract will not be binding. Any information given to a prospective offeror concerning a solicitation will be furnished promptly to all other prospective offerors as an amendment of the solicitation, if that information is necessary in submitting offers or if the lack of it would be prejudicial to any other prospective offerors.

5. Responsibility of Prospective Contractor

(a) The HA shall award a contract only to a responsible prospective contractor who is able to perform successfully under the terms and conditions of the proposed contract. To be determined responsible, a prospective contractor must -

- (1) Have adequate financial resources to perform the contract, or the ability to obtain them;

- (2) Have a satisfactory performance record;
- (3) Have a satisfactory record of integrity and business ethics;
- (4) Have a satisfactory record of compliance with public policy (e.g., Equal Employment Opportunity); and
- (5) Not have been suspended, debarred, or otherwise determined to be ineligible for award of contracts by the Department of Housing and Urban Development or any other agency of the U.S. Government. Current lists of ineligible contractors are available for inspection at the HA/HUD.

(b) Before an offer is considered for award, the offeror may be requested by the HA to submit a statement or other documentation regarding any of the foregoing requirements. Failure by the offeror to provide such additional information may render the offeror ineligible for award.

6. Late Submissions, Modifications, and Withdrawal of Offers

(a) Any offer received at the place designated in the solicitation after the exact time specified for receipt will not be considered unless it is received before award is made and it -

- (1) Was sent by registered or certified mail not later than the fifth calendar day before the date specified for receipt of offers (e.g., an offer submitted in response to a solicitation requiring receipt of offers by the 20th of the month must have been mailed by the 15th);
- (2) Was sent by mail, or if authorized by the solicitation, was sent by telegram or via facsimile, and it is determined by the HA/ HUD that the late receipt was due solely to mishandling by the HA/ HUD after receipt at the HA;
- (3) Was sent by U.S. Postal Service Express Mail Next Day Service - Post Office to Addressee, not later than 5:00 p.m. at the place of mailing two working days prior to the date specified for receipt of proposals. The term "working days" excludes weekends and U.S. Federal holidays; or
- (4) Is the only offer received.

(b) Any modification of an offer, except a modification resulting from the HA's request for "best and final" offer (if this solicitation is a request for proposals), is subject to the same conditions as in subparagraphs (a)(1), (2), and (3) of this provision.

(c) A modification resulting from the HA's request for "best and final" offer received after the time and date specified in the request will not be considered unless received before award and the late receipt is due solely to mishandling by the HA after receipt at the HA.

(d) The only acceptable evidence to establish the date of mailing of a late offer, modification, or withdrawal sent either by registered or certified mail is the U.S. or Canadian Postal Service postmark both on the envelope or wrapper and on the original receipt from the U.S. or Canadian Postal Service. Both postmarks must show a legible date or the offer, modification, or withdrawal shall be processed as if mailed late. "Postmark" means a printed, stamped, or otherwise placed impression (exclusive of a postage meter machine impression) that is readily identifiable without further action as having been supplied and affixed by employees of the U.S. or Canadian Postal Service on the date of mailing. Therefore, offerors should request the postal clerk to place a hand cancellation bull's-eye postmark on both the receipt and the envelope or wrapper.

(e) The only acceptable evidence to establish the time of receipt at the HA is the time/date stamp of HA on the offer wrapper or other documentary evidence of receipt maintained by the HA.

(f) The only acceptable evidence to establish the date of mailing of a late offer, modification, or withdrawal sent by Express Mail Next Day Service-Post Office to Addressee is the date entered by the post office receiving clerk on the "Express Mail Next Day Service-Post Office to Addressee" label and the postmark on both the envelope or wrapper and on the original receipt from the U.S. Postal Service. "Postmark" has the same meaning as defined in paragraph (c) of this provision, excluding postmarks of the Canadian Postal Service. Therefore, offerors should request the postal clerk to place a legible hand cancellation bull's eye postmark on both the receipt and the envelope or wrapper.

(g) Notwithstanding paragraph (a) of this provision, a late modification of an otherwise successful offer that makes its terms more favorable to the HA will be considered at any time it is received and may be accepted.

(h) If this solicitation is a request for proposals, proposals may be withdrawn by written notice, or if authorized by this solicitation, by telegram (including mailgram) or facsimile machine transmission received at any time before award. Proposals may be withdrawn in person by a offeror or its authorized representative if the identity of the person requesting withdrawal is established and the person signs a receipt for the offer before award. If this solicitation is an invitation for bids, bids may be withdrawn at any time prior to bid opening.

7. Contract Award

(a) The HA will award a contract resulting from this solicitation to the responsible offeror whose offer conforming to the solicitation will be most advantageous to the HA, cost or price and other factors, specified elsewhere in this solicitation, considered.

(b) The HA may

- (1) reject any or all offers if such action is in the HA's interest,
- (2) accept other than the lowest offer,
- (3) waive informalities and minor irregularities in offers received, and (4) award more than one contract for all or part of the requirements stated.

(c) If this solicitation is a request for proposals, the HA may award a contract on the basis of initial offers received, without discussions. Therefore, each initial offer should contain the offeror's best terms from a cost or price and technical standpoint.

(d) A written award or acceptance of offer mailed or otherwise furnished to the successful offeror within the time for acceptance specified in the offer shall result in a binding contract without further action by either party. If this solicitation is a request for proposals, before the offer's specified expiration time, the HA may accept an offer, whether or not there are negotiations after its receipt, unless a written notice of withdrawal is received before award. Negotiations conducted after receipt of an offer do not constitute a rejection or counteroffer by the HA.

(e) Neither financial data submitted with an offer, nor representations concerning facilities or financing, will form a part of the resulting contract.

8. Service of Protest

Any protest against the award of a contract pursuant to this solicitation shall be served on the HA by obtaining written and dated acknowledgment of receipt from the HA at the address shown on the cover of this solicitation. The determination of the HA with regard to such protest or to proceed to award notwithstanding such protest shall be final unless appealed by the protestor.

9. Offer Submission

Offers shall be submitted as follows and shall be enclosed in a sealed envelope and addressed to the office specified in the solicitation. The proposal shall show **the hour and date specified in the solicitation for receipt, the solicitation number, and the name and address of the offeror, on the face of the envelope.**

It is very important that the offer be properly identified on the face of the envelope as set forth above in order to insure that the date and time of receipt is stamped on the face of the offer envelope. Receiving procedures are: date and time stamp those envelopes identified as proposals and deliver them immediately to the appropriate contracting official, and only date stamp those envelopes which do not contain identification of the contents and deliver them to the appropriate procuring activity only through the routine mail delivery procedure.

[Describe bid or proposal preparation instructions here:]

Attachment J

**U.S. Department of Housing
and Urban Development**

Office of Public and Indian Housing

OMB Approval No. 2577-0157 (exp. 11/30/2023)

**Model Form of Agreement Between
Owner and Design Professional**

Model Form of Agreement Between Owner and Design Professional

U. S. Department of Housing
and Urban Development
Office of Public and Indian Housing

OMB Approval No. 2577-0157
(exp. 3/31/2020)

Public reporting burden for this collection of information is estimated to average 3 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. HUD may not conduct or sponsor, and an applicant is not required to respond to a collection of information unless it displays a currently valid OMB control number. These contracts between a HUD grantee (housing agency (HA)) and an architect/engineer (A/E) for design and construction services do not require either party to submit any materials to HUD. The forms provide a contractual agreement for the services to be provided by the A/E and establishes responsibilities of both parties pursuant to the contract. The regulatory authority is 2 CFR 200. These contractual agreements are required by Federal law or regulation pursuant to 2 CFR Part 200. Signing of the contracts is required to obtain or retain benefits. The contracts do not lend themselves to confidentiality.

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Introduction to Agreement

Agreement

made as of the _____ day of _____ in the year (yyyy) of _____

Between the **Owner** (Name & Address)

and the **Design Professional** (Name, Address and Discipline)

For the following **Project** (Include detailed description of Project, Location, Address, Scope and Program Designation)

The Owner and Design Professional agree as set forth below.

Article A: Services

A 1.0 Design Professional's Basic Services

A. 1.1 Areas of Professional's Basic Services. Unless revised in a written addendum or amendment to this Agreement, in planning, designing and administering construction or rehabilitation of the Project, the Design Professional shall provide the Owner with professional services in the following areas:

- o Architecture
- o Site Planning
- o Structural Engineering
- o Mechanical Engineering
- o Electrical Engineering
- o Civil Engineering
- o Landscape Architecture
- o Cost Estimating
- o Construction Contract Administration

A 1.2 Phases and Descriptions of Basic Services.

A. 1.2.1 Schematic Design/Preliminary Study Phase. After receipt of a Notice to Proceed from the Owner, the Design Professional shall prepare and deliver Schematic Design/Preliminary Study Documents. These documents shall consist of a presentation of the complete concept of the Project, including all major elements of the building(s), and site design(s), planned to promote economy both in construction and in administration and to comply with current program and cost limitations. The Design Professional shall revise these documents consistent with the requirements and criteria established by the Owner to secure the Owner's written approval. Additionally, the Design Professional shall make an independent assessment of the accuracy of the information provided by the Owner concerning existing conditions. Documents in this phase shall include:

- o Site plan(s)
- o Schedule of building types, unit distribution and bedroom count
- o Scale plan of all buildings, and typical dwelling units
- o Wall sections and elevations
- o Outline specifications
- o Preliminary construction cost estimates
- o Project specific analysis of codes, ordinances and regulations
- o Three dimensional line drawings

A. 1.2.2 Design Development Phase. After receipt of written approval of Schematic Design/Preliminary Study Documents, the Design Professional shall prepare and submit to the Owner Design Development Documents. The Design Professional shall revise these documents consistent with the requirements and criteria established by the Owner to secure the Owner's written approval. These documents shall include the following:

- o Drawings sufficient to fix and illustrate project scope and character in all essential design elements
- o Outline specifications
- o Cost estimates and analysis
- o Recommendations for phasing of construction
- o Site plan(s)
- o Landscape plan
- o Floor plans
- o Elevations, building and wall sections
- o Updated three dimensional line drawings
- o Engineering drawings

A. 1.2.3 Bidding, Construction and Contract Document Phase. After receipt of the Owner's written approval of Design Development Documents, the Design Professional shall prepare Construction Documents. After consultation with the Owner and Owner's attorney, if requested by the owner, the Design Professional shall also prepare and assemble all bidding and contract documents. The Design Professional shall revise these Bidding, Construction and Contract documents consistent with the requirements and criteria established by the Owner to secure the Owner's written approval. They shall, include in a detailed, manner all work to be performed; all material; workmanship; finishes and equipment required for the architectural, structural, mechanical, electrical, and site work; survey maps furnished by Owner; and direct reproduction of any logs and subsurface soil investigations. These documents shall include:

- o Solicitation for Bids
- o Form of Contract
- o Special Conditions
- o General Conditions
- o Technical Specifications
- o Plans and drawings
- o Updated cost estimates

A. 1.2.4 Bidding and Award Phase. After written approval of Bidding, Construction and Contract Documents from the Owner, the Design Professional shall assist in administering the bidding and award of the Construction Contract. This shall include:

- o Responding to inquiries
- o Drafting and issuing addendum approved by Owner
- o Attending prebid conference(s)
- o Attending public bid openings
- o Reviewing and tabulating bids
- o Recommending list of eligible bids
- o Recommending award
- o Altering drawings and specifications as often as required to award within the Estimated Construction Contract Cost

A. 1.2.5 Construction Phase. After execution of the Construction Contract, the Design Professional shall in a prompt and timely manner administer the Construction Contract and all work re-quired by the Bidding, Construction and Contract Documents. The Design Professional shall endeavor to protect the Owner against defects and deficiencies in the execution and performance of the work. The Design Professional shall:

- o Administer the Construction Contract.
- o Conduct pre-construction conference and attend dispute resolution conferences and other meetings when requested by the Owner.
- o Review and approve contractor's shop drawings and other submittals for conformance to the requirements of the contract documents.
- o At the Owner's written request, and as Additional Service, procure testing from qualified parties.
- o Monitor the quality and progress of the work and furnish a written field report ☐ weekly, ☐ semi monthly, ☐ monthly, or ☐ This service shall be limited to a period amounting to 110% of the construction period as originally established under the construction contract unless construction has been delayed due to the Design professional's failure to properly perform its duties and responsibilities. The Owner may direct additional monitoring but only as Additional Services.
- o Require any sub-consultant to provide the services listed in this section where and as applicable and to visit the Project during the time that construction is occurring on the portion of the work related to its discipline and report in writing to the Design Professional.
- o Review, approve and submit to Owner the Contractor Requests for Payment.
- o Conduct all job meetings and record action in a set of minutes which are to be provided to the Owner.
- o Make modifications to Construction Contract Documents to correct errors, clarify intent or to accommodate change orders.
- o Make recommendations to Owner for solutions to special problems or changes necessitated by conditions encountered in the course of construction.
- o Promptly notify Owner in writing of any defects or deficiencies in the work or of any matter of dispute with the Contractor.
- o Negotiate, prepare cost or price analysis for and counter-sign change orders.
- o Prepare written punch list, certificates of completion and other necessary construction close out documents.
- o Prepare a set of reproducible record prints of Drawings showing significant changes in the work made during construction, including the locations of underground utilities and appurtenances referenced to permanent surface improvements, based on marked-up prints, drawings and other data furnished by the contractor to the Design Professional.

A. 1.2.6 Post Completion/Warranty Phase. After execution of the Certificate of Completion by the Owner, the Design Professional shall:

- o Consult with and make recommendations to Owner during warranties regarding construction, and equipment warranties.
- o Perform an inspection of construction work, material, systems and equipment no earlier than nine months and no later than ten months after completion of the construction contract and make a written report to the Owner. At the Owner's request, and by Amendment to the Additional Services section of this contract, conduct additional warranty inspections as Additional Services.
- o Advise and assist Owner in construction matters for a period up to eighteen months after completion of the project, but such assistance is not to exceed forty hours of service and one nonwarranty trip away from the place of business of the Design Professional.

A. 1.3 Time of Performance. The Design Professional's schedule for preparing, delivering and obtaining Owner's approval for Basic Services shall be as follows:

- o Schematic Design/Preliminary Study Documents within _____ calendar days for the date of the receipt of a Notice to Proceed.
- o Design Development Documents within _____ calendar days from the date of receipt of written approval by the Owner of Schematic Design/Preliminary Study documents.
- o Bidding, Construction and Contract Documents within _____ calendar days from the date of receipt of written approval by the Owner of Design Development Documents.

A. 2.0 Design Professional's Additional Services

A. 2.1 Description of Additional Services. Additional Services are all those services provided by the Design Professional on the Project for the Owner that are not defined as Basic Services in Article A, Section 1.2 or otherwise required to be performed by the Design Professional under this Agreement. They include major revisions in the scope of work of previously approved drawings, specifications and other documents due to causes beyond the control of the Design Professional and not due to any errors, omissions, or failures on the part of the Design Professional to carry out obligations otherwise set out in this Agreement.

A. 2.2 Written Addendum or Contract Amendment. All additional services not already expressly required by this agreement shall be agreed to through either a written addendum or amendment to this Agreement.

Article B: Compensation and Payment B.

1.0 Basic Services

B. 1.1 Fixed Fee for Basic Services. The Owner will pay the Design Professional for Basic Services performed as defined by A.1.2, a Fixed Fee (stipulated sum) of \$ _____ plus Reimbursable Expenses identified in Article B.2.0. Such

payment shall be compensation for all Basic Services required, performed, or accepted under this Contract.

B. 1.2 Payment Schedule. Progress payments for Basic Services for each phase of work shall be made in proportion to services performed as follows:

Phase	Amount
Schematic Design/Preliminary Study Phase	\$ _____
Design Development Phase	\$ _____
Bidding, Construction & Contract Document Phase	\$ _____
Bidding & Award Phase	\$ _____
Construction Phase	\$ _____
Post Completion/ Warranty Phase	\$ _____
Total Basic Services	\$ _____

B. 2.0 Reimbursables

B. 2.1 Reimbursable Expenses. The Owner will pay the Design Professional for the Reimbursable Expenses listed below up to a Maximum Amount of \$ _____ Reimbursable Expenses are in addition to the Fixed Fee for Basic Services and are for certain actual expenses incurred by the Design Professional in connection with the Project as enumerated below.

B. 2.1.1 Travel Costs. The reasonable expense of travel costs incurred by the Design Professional when requested by Owner to travel to a location that lies outside of a 45 mile radius of either the Project site, Design Professional's office (s), and Owner's office.

B. 2.1.2 Long Distance Telephone Costs. Long distance tele-phone calls and long distance telefax costs.

B. 2.1.3 Delivery Costs. Courier services and overnight delivery costs.

B. 2.1.4 Reproduction Costs. Reproduction and postage costs of required drawings, specifications, Bidding and Contract documents, excluding the cost of reproductions for the Design Professional or Subcontractor's own use.

B. 2.1.5 Additional Reimbursables. The Design Professional and Owner may agree in an addendum or amendment to this Agreement to include certain other expenses not enumerated above as Reimbursable Expenses. These Reimbursables shall not be limited by the Maximum Amount agreed to above. A separate Maximum Amount for these Reimbursables shall be established.

B. 3.0 Additional Services

B. 3.1 Payment for Additional Services. The Owner will pay the Design Professional only for Additional Services agreed to in an addendum or amendment to this Agreement executed by the Owner and the Design Professional pursuant to A.2. Payment for all such Additional Services shall be in an amount and upon the terms set out in such amendment or addendum and agreed upon by the parties. Each such amendment or addendum shall provide for a fixed price or, where payment for such Additional Services is to be on an hourly basis or other unit pricing method, for a

maximum amount; each such amendment or addendum shall also provide for a method of payment, including, at a minimum, whether payment will be made in partial payments or in lump sum and whether it will be based upon percentage of completion or services billed for.

B. 4.0 Invoicing and Payments

B. 4.1 Invoices. All payments shall require a written invoice from the Design Professional. Invoices shall be made no more frequently than on a monthly basis. Payments for Basic Services shall be in proportion to services completed within each phase of work. When requesting such payment, the invoice shall identify the phase and the portion completed. All invoices shall state the Agreement, name and address to which payment shall be made, the services completed and the dates of completion, and whether the invoice requests payment for Basic Services, Reimbursable or Additional Services. Invoices seeking payment for Reimbursable or Additional Services must provide detailed documentation.

B. 4.2 Time of Payment. Upon the Design Professional's proper submission of invoices for work performed or reimbursable expenses, the Owner shall review and, if the work is in conformance with the terms of the Agreement, make payment within thirty days of the Owner's receipt of the invoice.

Article C: Responsibilities

C. 1.0 Design Professional's Responsibilities

C. 1.1 Basic Services. The Design Professionals shall provide the Basic Service set out in Article A.1.0.

C. 1.2 Additional Services. When required under this Agreement or agreed to as set out in A.2.0, the Design Professional shall provide Additional Services on the Project.

C. 1.3 General Responsibilities. The Design Professional shall be responsible for the professional quality, technical accuracy, and coordination of all designs, drawings, specifications, and other services, furnished by the Design Professional under this Agreement. The Owner's review, approval, acceptance of, or payment for Design Professional services shall not be construed as a waiver of any rights under this Agreement or of any cause of action for damages caused by Design Professional's negligent performance under this Agreement. Furthermore, this Agreement does not restrict or limit any rights or remedies otherwise afforded the Owner or Design Professional by law.

C. 1.4 Designing Within Funding Limitations. The Design Professional shall perform services required under this Contract in such a manner so as to cause an award of a Construction Contract(s) that does not exceed (1) \$ _____ or (2) an amount to be provided by the Owner in writing to the Design Professional prior to the commencement of Design Professional services. This fixed limit shall be called the Maximum Construction Contract Cost. The amount may be increased by the Owner, but only with written notice to the Design Professional. If the increase results in a change to the scope of work, an amendment to this Agreement will be required. The Design Professional and the Owner may mutually agree to decrease the Maximum Construction Contract Cost, but only by signing a written amendment to this Agreement. Should bids for the Construction Contract(s) exceed the Maximum Construction Contract Cost, the Owner has the right to require the Design Professional to perform redesigns,

rebids and other services necessary to cause an award of the Construction Contract within the Maximum Construction Contract Cost without additional compensation or reimbursement.

C. 1.5 Compliance with Laws, Codes, Ordinances and Regulations. The Design Professional shall perform services that conform to all applicable Federal, State and local laws, codes, ordinances and regulations except as modified by any waivers which may be obtained with the approval of the Owner. The Design Professional shall certify that Contract Documents will conform to all applicable laws, codes, ordinances and regulations. The Design Professional shall prepare all construction documents required for approval by all governmental agencies having jurisdiction over the project. The Design professional shall make all changes in the Bidding and Construction Documents necessary to obtain governmental approval without additional compensation or reimbursement, except in the following situations. If subsequent to the date the Owner issues a notice to proceed, revisions are made to applicable codes or non-federal regulations, the Design Professional shall be entitled to additional compensation and reimbursements for any additional cost resulting from such changes. The Design Professional, however, is obligated to notify the Owner of all significant code or regulatory changes within sixty (60) days of their change, and such notification shall be required in order for the Design Professional to be entitled to any additional compensation or reimbursement. Both the owner and design professional are responsible for ensuring that the design and construction comply with any applicable accessibility laws, including the Fair Housing Act (see 24 C.F.R. § 100.205), Sect. 504 of the Rehabilitation Act (Sect. 504), and the Americans with Disabilities Act (ADA). Compliance with Sect. 504 requires adherence to the Uniform Federal Accessibility Standards (See <https://www.access-board.gov/guidelines-and-standards/buildings-and-sites/about-the-aba-standards/ufas>) and compliance with the ADA requires adherence to the 2010 ADA standards (See https://www.ada.gov/regs2010/2010ADASTandards/2010ADASTandards_prt.pdf).

C. 1.6 Seal. Licensed Design Professionals shall affix their seals and signatures to drawings and specifications produced under this Agreement when required by law.

C. 1.7 Attendance at Conferences. The Design Professional or designated representative shall attend project conferences and meetings involving matters related to basic services covered under this contract. Attendance at community wide meetings shall be considered an additional service.

C. 2.0 Owner's Responsibilities

C. 2.1 Information. The Owner shall provide information regarding requirements for the project, including a program that shall set forth the Owner's objectives and schedule. The Owner shall also establish and update the Maximum Construction Cost. This shall include the Owner's giving notice of work to be performed by the Owner or others and not included in the Construction Contract for the Project. The Design Professional, however, shall be responsible to ascertain and know federal requirements and limitations placed on the Project.

C. 2.2 Notice of Defects. If the Owner observes or otherwise becomes aware of any fault or defect in the construction of the project or nonconformance with the Construction Contract, the Owner shall give prompt written notice of those faults, defects or nonconformance to the Design Professional.

C.2.3 Contract Officer. The Owner shall designate a Contract Officer authorized to act on its behalf with respect to the design and construction of the Project. The Contract Officer shall examine documents submitted by the Design Professional and shall promptly render decisions pertaining to those documents so as to avoid unreasonably delaying the progress of the Design Professional's work.

C. 2.4 Duties to Furnish. The Owner shall provide the Design Professional the items listed below.

C. 2.4.1 Survey and Property Restrictions. The Owner shall furnish topographic, property line and utility information as and where required. The Owner may at its election require the Design Professional to furnish any of these items as an Additional Service.

C. 2.4.2 Existing Conditions. The Owner shall provide the Design Professional any available "built drawings of buildings or properties, architect surveys, test reports, and any other written information that it may have in its possession and that it might reasonably assume affects the work.

C. 2.4.3 Waivers. The Owner shall provide the Design Professional information it may have obtained on any waivers of local codes, ordinances, or regulations or standards affecting the design of the Project.

C. 2.4.4 Minimum Wage Rates. The Owner shall furnish the Design Professional the schedule of minimum wage rates approved by the U.S. Secretary of Labor for inclusion in the solicitation and Contract Documents.

C. 2.4.5 Tests. When expressly agreed to in writing by both the Owner and the Design Professional, the Owner shall furnish the Design Professional all necessary structural, mechanical, chemical or other laboratory tests, inspections and reports required for the Project.

C. 2.4.6 Contract Terms. The Owner or its legal counsel may provide the Design Professional text to be incorporated into Bidding and Construction Contract Documents.

Article D: Contract Administration

D. 1.0 Prohibition of Assignment. The Design Professional shall not assign, subcontract, or transfer any services, obligations, or interest in this Agreement without the prior written consent of the Owner. Such consent shall not unreasonably be withheld when such assignment is for financing the Design Professional's performance.

D. 1.1 Ownership of Documents. All drawings, specifications, studies and other materials prepared under this contract shall be the property of the Owner and at the termination or completion of the Design Professional's services shall be promptly delivered to the Owner. The Design Professional shall have no claim for further employment or additional compensation as a result of exercise by the Owner of its full rights of ownership. It is understood, however, that the Design Professional does not represent such data to be suitable for re-use on any other project or for any other purpose. If the Owner re-uses the subject data without the Design Professional's written verification, such re-use will be at the sole risk of the Owner without liability to the Design Professional.

D. 1.2 Substitutions.

A. The Design Professional shall identify in writing principals and professional level employees and shall not substitute or replace principals or professional level employees without the prior approval of the Owner which shall not unreasonably be withheld.

B. The Design Professional’s personnel identified below are considered to be essential to the work effort. Prior to diverting or substituting any of the specified individuals, the Design Professional shall notify the Owner reasonably in advance and shall submit justification, including proposed substitutions, in sufficient detail to permit evaluation of the impact on the contract. No diversion or substitution of such key personnel shall be made by the Design professional without the prior written consent of the Owner.

D. 1.3 Suspension. The Owner may give written notice to the Design Professional to suspend work on the project or any part thereof. The Owner shall not be obligated to consider a claim for additional compensation if the Design Professional is given written notice to resume work within 120 calendar days. If notice to resume work is not given within 120 calendar days, the Design Professional shall be entitled to an equitable adjustment in compensation.

D. 1.4 Subcontracts. The Design Professional will cause all applicable provisions of this Agreement to be inserted in all its subcontracts.

D. 1.5 Disputes. In the event of a dispute arising under this Agreement, the Design Professional shall notify the Owner promptly in writing and submit its claim in a timely manner. The Owner shall respond to the claim in writing in a timely manner. The Design Professional shall proceed with its work hereunder in compliance with the instructions of the Owner, but such compliance shall not be a waiver of the Design Professional’s rights to make such a claim. Any dispute not resolved by this procedure may be determined by a court of competent jurisdiction or by consent of the Owner and Design Professional by other dispute resolution methods.

D. 1.6 Termination. The Owner may terminate this Agreement for the Owner’s convenience or for failure of the Design Professional to fulfill contract obligations. The Owner shall terminate by delivering to the Design Professional a Notice of Termination specifying the reason therefore and the effective date of termination. Upon receipt of such notice, the Design Professional shall immediately discontinue all services affected and deliver to the Owner all information, reports, papers, and other materials accumulated or generated in performing this contract whether completed or in process. If the termination is for convenience of the Owner, the Owner shall be liable only for payment for accepted services rendered before the effective date of termination.

D. 1.7 Insurance. The Design professional shall carry Commercial or Comprehensive General Liability Insurance, Professional Liability Insurance (for a period extending two years past the date of completion of construction), and other insurance as are re-quired by law, all in minimum amounts as set forth below. The Design Professional shall furnish the Owner certificates of insurance and they shall state that a thirty day notice of prior cancellation or change will be provided to the Owner. Additionally, the Owner shall be an additional insured on all Commercial or Comprehensive General liability policies.

Insurance	Limits or Amount

D. 1.8 Retention of Rights. Neither the Owner’s review, approval or acceptance of, nor payment for, the services required under this contract shall be construed to operate as a waiver of any rights under this contract or of any cause of action arising out of the performance of this contract, and the Design Professional shall be and remain liable to the Owner in accordance with the applicable law for all damages to the Owner caused by the Design professional’s negligent performance of any of the services furnished under this contract.

Article E: Additional Requirements

E. 1.0 Contract Provisions Required by Federal Law or Owner Contract with the U.S. Department of Housing and Urban Development (HUD).

E. 1.1 Contract Adjustments. Notwithstanding any other term or condition of this Agreement, any settlement or equitable adjustment due to termination, suspension or delays by the Owner shall be negotiated based on the cost principles stated at 48 CFR Subpart 31.2 and conform to the Contract pricing provisions of 2 CFR 200.

E. 1.2 Additional Services. The Owner shall perform a cost or price analysis as required by 2 CFR 200 prior to the issuance of a contract modification/amendment for Additional Services. Such Additional Services shall be within the general scope of services covered by this Agreement. The Design Professional shall provide supporting cost information in sufficient detail to permit the Owner to perform the required cost or price analysis.

E. 1.3 Restrictive Drawings and Specifications. In accordance with 2 CFR 200 and contract agreements between the Owner and HUD, the Design Professional shall not require the use of materials, products, or services that unduly restrict competition.

E. 1.4 Design Certification. Where the Owner is required by federal regulations to provide HUD a Design Professional certification regarding the design of the Projects (24 CFR 905), the Design Professional shall provide such a certification to the Owner.

E. 1.5 Retention and Inspection of Records. Pursuant to 2 CFR 200, access shall be given by the Design Professional to the Owner, HUD, the Comptroller General of the United States, or any of their duly authorized representatives, to any books, documents, papers, and records of the Design Professional which are directly pertinent to that specific Contract for the purpose of making an audit, examination, excerpts, and transcriptions. All required records shall be retained for three years after the Owner or Design Professional and other subgrantees make final payments and all other pending matters are closed.

E. 1.6 Copyrights and Rights in Data. HUD has no regulations pertaining to copyrights or rights in data as provided in 2 CFR 200. HUD requirements, Article 45 of the General Conditions to the Contract for Construction (form HUD-5370) requires that contractors pay all royalties and license fees. All drawings and specifications prepared by the Design Professional pursuant to this contract will identify any applicable patents to enable the general contractor to fulfil the requirements of the construction contract.

E. 1.7 Conflicts of Interest. Based in part on federal regulations (2 CFR 200 and Contract agreement between the Owner and HUD, no employee, officer, or agent of the Owner (HUD grantee) shall participate in selection, or in the award or administration of a contract supported by Federal funds if a conflict of interest, real or apparent, would be involved.

Such a conflict would arise when:

- (i) The employee, officer or agent,
- (ii) Any member of his or her immediate family,
- (iii) His or her partner, or
- (iv) An organization that employs, or is about to employ, any of the above, has a financial or other interest in the firm selected for award. The grantee's or subgrantee's officers, employees or agents will neither solicit nor accept gratuities, favors or anything of monetary value from Contractors, or parties to sub-agreements. Grantees and subgrantees may set minimum rules where the financial interest is not substantial or the gift is an unsolicited item of nominal intrinsic value. To the extent permitted by State or local law or regulations, such standards or conduct will provide for penalties, sanctions, or other disciplinary actions for violations of such standards by the grantee's and subgrantee's officers, employees, or agents or by Contractors or their agents. The awarding agency may in regulation provide additional prohibitions relative to real, apparent, or potential conflicts of interest.

Neither the Owner nor any of its contractors or their subcontractors shall enter into any Contract, subcontract, or agreement, in connection with any Project or any property included or planned to be included in any Project, in which any member, officer, or employee of the Owner, or any member of the governing body of the locality in which the Project is situated, or any member of the governing body of the locality in which the Owner was activated, or in any other public official of such locality or localities who exercises any responsibilities or functions with respect to the Project during his/her tenure or for one year thereafter has any interest, direct or indirect. If any such present or former member, officer, or employee of the Owner, or any such governing body member or such other public official of such locality or localities involuntarily acquires or had acquired prior to the beginning of

his/her tenure any such interest, and if such interest is immediately disclosed to the Owner and such disclosure is entered upon the minutes of the Owner, the Owner, with the prior approval of the Government, may waive the prohibition contained in this subsection: Provided, That any such present member, officer, or employee of the Owner shall not participate in any action by the Owner relating to such contract, subcontract, or arrangement.

No member, officer, or employee of the Owner, no member of the governing body of the locality in which the project is situated, no member of the governing body of the locality in which the Owner was activated, and no other public official of such locality or localities who exercises any functions or responsibilities with respect to the project, during his/her tenure or for one year thereafter, shall have any interest, direct or indirect, in this contract or the proceeds thereof.

E. 1.8 Disputes. In part because of HUD regulations (2 CFR 200, this Design Professional Agreement, unless it is a small purchase contract, has administrative, contractual, or legal remedies for instances where the Design Professional violates or breaches Agreement terms, and provide for such sanctions and penalties as may be appropriate.

E. 1.9 Termination. In part because of HUD regulations (2 CFR 200), this Design Professional Agreement, unless it is for an amount of \$10,000 or less, has requirements regarding termination by the Owner when for cause or convenience. These include the manner by which the termination will be effected and basis for settlement.

E. 1.10 Interest of Members of Congress. Because of Contract agreement between the Owner and HUD, no member of or delegate to the Congress of the United States of America or Resident Commissioner shall be admitted to any share or part of this Contract or to any benefit to arise from it.

E. 1.11 Limitation of Payments to Influence Certain Federal Transaction. The Limitation on Use of Appropriated Funds to Influence Certain Federal Contracting and Financial Transactions Act, Section 1352 of Title 31 U.S.C., provides in part that no appropriated funds may be expended by recipient of a federal contract, grant, loan, or cooperative agreement to pay any person, including the Design Professional, for influencing or attempting to influence an officer or employee of Congress in connection with any of the following covered Federal actions: the awarding of any federal contract, the making of any Federal grant, the making of any federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any federal contract, grant, loan, or cooperative agreement.

E. 1.12 Employment, Training, and Contracting Opportunities for Low-Income Persons, Section 3 of the Housing and Urban Development Act of 1968.

A. The work to be performed under this contract is subject to the requirements of section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C. 1701u (section 3). The purpose of section 3 is to ensure that employment and other economic opportunities generated by HUD assistance or HUD-assisted projects covered by section 3, shall, to the greatest extent feasible, be directed to low- and very low-income persons, particularly persons who are recipients of HUD assistance for housing.

B. The parties to this contract agree to comply with HUD's regulations in 24 CFR part 135, which implement section 3. As evidenced by their execution of this contract, the parties to this contract certify that they are under no contractual or other impediment that would prevent them from complying with the part 135 regulations.

C. The contractor agrees to send to each labor organization or representative of workers with which the contractor has a collective bargaining agreement or other understanding, if any, a notice advising the labor organization or workers' representative of the contractor's commitments under this section 3 clause, and will post copies of the notice in conspicuous places at the work site where both employees and applicants for training and employment positions can see the notice. The notice shall describe the section 3 preference, shall set forth minimum number and job titles subject to hire, availability of apprenticeship and training positions, the qualifications for each; and the name and location of the person(s) taking applications for each of the positions; and the anticipated date the work shall begin.

D. The contractor agrees to include this section 3 clause in every subcontract subject to compliance with regulations in 24 CFR part 135, and agrees to take appropriate action, as provided in an applicable provision of the subcontract or in this section 3 clause, upon a finding that the subcontractor is in violation of the regulations in 24 CFR part 135. The contractor will not subcontract with any subcontractor where the contractor has notice or knowledge that the subcontractor has been found in violation of the regulations in 24 CFR part 135.

E. The contractor will certify that any vacant employment positions, including training positions, that are filled (1) after the contractor is selected but before the contract is executed, and (2) with persons other than those to whom the regulations of 24 CFR part 135 require employment opportunities to be directed, were not filled to circumvent the contractor's obligations under 24 CFR part 135.

F. Noncompliance with HUD's regulations in 24 CFR part 135 may result in sanctions, termination of this contract for default, and debarment or suspension from future HUD assisted contracts.

G. Reserved.

H. Reserved.

E. 1.13 Reserved.

E. 1.14 Clean Air and Water. (Applicable to contracts in excess of \$150,000). Because of 2 CFR 200) and Federal law, the Design Professional shall comply with applicable standards, orders, or requirements issued under section 306 of the Clean Air Act (42 U.S.C. § 1857h-4 transferred to 42 USC § 7607, section 508 of the Clean Water Act (33 U.S.C. § 1368), Executive Order 11738, and Environmental Protection Agency regulations (40 CFR part 15), on all contracts, subcontracts, and subgrants of amounts in excess of \$150,000.

E. 1.15 Energy Efficiency. Pursuant to Federal regulations (2 CFR 200) and Federal law, except when working on an Indian housing authority Project on an Indian reservation, the Design Professional shall comply with the mandatory standards and policies relating to energy efficiency which are contained in the state energy conservation plan issued in compliance with the Energy Policy and Conservation Act (Pub. L. 94-163 codified at 42 U.S.C.A. § 6321 et. seq.).

E. 1.16 Prevailing Wages. In accordance with Section 12 of the U.S. Housing Act of 1937 (42 U.S.C. 1437j) the Design Professional shall pay not less than the wages prevailing in the locality, as determined by or adopted (subsequent to a determination under applicable State or local law) by the Secretary of HUD, to all architects, technical engineers, draftsmen, and technicians.

E. 1.17 Non-applicability of Fair Housing Requirements in Indian Housing Authority Contracts. Pursuant to 24 § CFR Part 1, title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d-2000d-4), which prohibits discrimination on the basis of race, color or national origin in federally assisted programs, and the Fair Housing Act (42 U.S.C. 3601-3620), which prohibits discrimination based on race, color, religion, sex, national origin, disability, or familial status in the sale or rental of housing do not apply to Indian Housing Authorities established by exercise of a Tribe's powers of self-government. Pursuant to 24 CFR § 1000.12, other civil rights statutes do apply to Indian Housing Authorities such as, Section 504, the Indian Civil Rights Act, and the Age Discrimination Act. (29 USC 794; 25 USC 1301.1303; and 42 USC 6101-6107 respectively).

E. 1.18 Prohibition Against Liens. The Design professional is Prohibited from placing a lien on the Owner's property. This prohibition shall be placed in all design professional subcontracts.

Article F: Other Owner Requirements (if any)

(Continue on additional pages as necessary)

This Agreement is entered into as of the day and year first written above.

Owner	Design Professional
<div></div> <div>(Housing Authority)</div>	<div></div> <div>(Firm)</div>
<div></div> <div>(Signature)</div>	<div></div> <div>(Signature)</div>
<div></div> <div>(Print Name)</div>	<div></div> <div>(Print Name)</div>
<div></div> <div>(Print Title)</div>	<div></div> <div>(Print Title)</div>

Addendum (If any)
(Additional Services and other modifications)

This is an Addendum to a Standard Form of Agreement between Owner and Design Professional signed and dated the _____ day of _____ in the year (yyyy) of _____ between the Owner _____ and Design Professional _____ on Project _____. The parties to that Agreement agree to modify the Agreement by the above delineated Additional Services and modifications.

This Addendum is dated this _____ day of _____ in the year (yyyy) of _____

Owner	Design Professional
_____	_____
(Housing Authority)	(Firm)
_____	_____
(Signature)	(Signature)
_____	_____
(Print Name)	(Print Name)
_____	_____
(Print Title)	(Print Title)

EXHIBIT A

Overview

1. Introduction

- 1.1 The Houston Housing Authority (“HHA”) is soliciting responses from qualified firms or individuals interested in serving as a partner and developer (“Developer” or “Developers”) to assist HHA in acquiring, rehabilitation, and operating the Pinnacle on Wilcrest (the “Project”), an affordable housing community that serves the elderly, using 4% low-income housing tax credits (“LIHTC”) and tax-exempt bonds.

2. Pinnacle on Wilcrest

- 2.1 The Project is an existing 213,356 square foot multifamily residential development on 10.75 acres. The property is located in southwest Houston at approximately 9520 Wilcrest, Houston, Texas 77099 and is owned by HHA. There are 250 units in three four-story housing buildings that were constructed in 2006.
- 2.2 The Project was originally financed with 4% LIHTC and tax-exempt bonds. The initial 15-year compliance period ended in 2022. The original tax credit investor has exited the property.
- 2.3 The Scope of Work (“SOW”) for the Project includes items required and selected under the 2023 QAP, among existing qualifying Texas Department of Housing and Community Affairs (“TDHCA”) amenities. Possible items included in the SOW are the rehabilitation of the existing building envelopes, apartment unit interiors, and site upgrades. A property condition assessment it needed, but it is anticipated that there will not be extensive rehabilitation required.

3. Ownership and Operation

- 3.1 Currently, the Project is wholly owned by HHA. HHA desires to re-syndicate its equity interest in the Project by selling the Project.
- 3.2 HHA will enter into a limited partnership or limited liability company with a Developer which will purchase the Project (the “Buyer”). HHA will remain in the ownership and operation of the Project by serving as the general partner or managing member of the Buyer to allow the Project to continue to serve as affordable housing for the elderly and to maintain the ad valorem tax exemption. The Developer will be the primary owner and will manage or oversee management of the Project.
- 3.3 APV Redevelopment Corporation (“APV”), a non-profit HHA instrumentality, will be the general contractor and the selected construction contractor will be a

subcontractor to APV to secure exemption from sales tax on materials.

- 3.4 HHA will require some amount of financial interest from the operation of the Project for their continued participation in the ownership and operation of the Project. The remainder of the proceeds from the operation of the Project will go to the Developer.
- 3.5 HHA submitted an application for bond cap on the Project in the 2022 bond lottery through its affiliate Lakeside Place PFC. It is currently 10th in line in bond sub-category 5 after the January reservations are issued. We anticipate the Project will receive a bond reservation sometime in the second quarter of 2023.

4. Award

- 4.1 Award of this solicitation by HHA is contingent on the Developer's qualifications and experience directly working on LIHTC multifamily residential housing, and the amount of proceeds payable to HHA at closing, as Seller of the Project, and for HHA's continued participation in the ownership and operation of the Project, as general partner or managing member of the Buyer.

EXHIBIT B

Developer's Responsibilities

1. The selected developer will have the following roles, duties, and responsibilities:
 - 1.1 Must have a current TDHCA Experience Certificate. The Certificate must be maintained current throughout the term of the contract.
 - 1.2 Select a General Contractor.
 - 1.3 Select a tax credit investor and lender.
 - 1.4 Follow all regulations set forth in the TDHCA QAP.
 - 1.5 Create and regularly update detailed development and operating budgets not less than on a monthly basis.
 - 1.6 Provide written monthly reports to HHA on the progress of the development efforts.
 - 1.7 Utilize any third-party reports and evaluations currently available. Implement any and all remediation actions identified in these.
 - 1.8 Perform all normal and customary development work for a LIHTC project such as selecting team members as necessary; scheduling and project management; completing site and/or infrastructure assessments; managing design, entitlements, and construction; managing project funding; construction oversight; securing COH support, and approvals, and managing all regulatory filings.
 - 1.9 Provide post-award reports to TDHCA.
 - 1.10 Provide all guarantees required by lenders and investors through the project development obligation period, typically defined as project stabilization and, if applicable, conversion to permanent financing.
 - 1.11 Proactively scheduling, preparing and attending meetings with residents, local government, and community organizations to move the project successfully forward to completion.
 - 1.12 Provide predevelopment funding with all costs reimbursed at closing.
 - 1.13 Provide genuine training and employment opportunities to Section 3 individuals.
 - 1.14 Ensure significant participation by M/WBE and Section 3 firms throughout the development.
 - 1.15 Be eligible and able to pass a previous participation review with TDHCA.

EXHIBIT C

HHA's Responsibilities

1. HHA will have the following roles and responsibilities:
 - 1.1 Serve as the general (managing) partner of the ownership entities to be formed for the projects.
 - 1.2 Provide project approvals including approving the budget, pro-forma, team, bids and contracts, design, funding program and any regulatory filings.
2. HHA Consulting Team
 - 2.1 HHA has assembled a team of outside consultants to complete other requirements of the project including:
 - 2.1.1 Partnership Counsel
 - 2.1.2 Bond Counsel

HHA does not anticipate any changes to existing contracts and selected developer is expected to collaborate with the established team.

EXHIBIT D

Evaluation Criteria

Item	Criteria	Maximum Points
1	The amount of proceeds payable to HHA at closing as seller of the Property.	40
2	Evidence of the Respondent's ability to perform the work as indicated by profiles of the principles and staff and team members and explanation of their professional, technical competence and relevant experience with projects of similar size and scope.	10
3	Personnel qualifications of key personnel, location of staff, and resumes, including the firm's capacity as it relates to size and available resources to complete the development.	10
4	Firm's proposed project approach and demonstrated ability to meet established deadlines.	10
5	Evidence of demonstrated knowledge and familiarity of applicable governmental regulations and codes as required by the U.S. Department of Housing and Urban Development, State of Texas, TDHCA, City of Houston, and any other agencies having authority.	5
6	Financial terms to HHA for its continued role in the transaction.	10
7	References	10
8	M/WBE and Section 3 Participation	5
Total Maximum Points		100

EXHIBIT E

Submission Format and Requirements

1. General

Prospective Developers must, or within its team, demonstrate:

- 1.1 Experience in developing and maintaining construction schedules.
 - 1.2 Innovative problem solving.
 - 1.3 Understanding in the development of communities with a significant contribution to their neighborhoods.
 - 1.4 Experience developing, constructing, and operating affordable housing, particularly under TDHCA's programs.
 - 1.5 Experience developing housing for families, the elderly, and the disabled.
 - 1.6 Adherence to any and all ADA, HUD and TDHCA rules.
 - 1.7 Knowledge in site preparation and infrastructure development.
 - 1.8 Expertise in regulatory compliance issues, in particular TDHCA.
 - 1.9 Involvement and application of Section 3 and M/WBE.
2. All documents listed herein must be submitted on a USB flash drive as one (1) complete adobe file with the requested information in a sealed envelope.
- 2.1 The contents and accuracy of the information stored on the USB flash drive should be checked must be checked before it is submitted to HHA.
3. **ONE (1) ORIGINAL (CLEARLY MARKED IN A THREE-RING BINDER), AND (1) COPY (CLEARLY MARKED IN A THREE-RING BINDER) OF THE REQUESTED INFORMATION MUST BE DELIVERED WITH THE USB FLASH DRIVE IN A SEALED ENVELOPE BY THE SPECIFIED DUE DATE TO THE LOCATION ON PAGE 1 OF THIS SOLICITATION. EACH SECTION OF THE RESPONSE MUST BE SEPARATED BY A NUMERICALLY SEQUENTIAL "TAB" (I.E., TAB 1, TAB 2, TAB 3, ETC.) AND CONTAIN THE FOLLOWING:**
- 3.1 **Letter of Interest**
 - 3.1.1 This should be submitted on letterhead, and it should acknowledge the receipt and review of this solicitation and any Amendment(s) issued by HHA.

3.2 Table of Contents listing the subject matter of each “Tab”.

3.3 Tab 1 (Proposed Development Methods and Proforma)

- 3.3.1 Provide financial projections for a resyndication of the Project that shows the amount of proceeds from the sale going to HHA at closing.

3.4 Tab 2 (Organizational Structure and Staffing)

- 3.4.1 Provide a detailed description of your organizational structure and staffing of the Respondent. List the members of the team that will be assigned to this project; indicate their areas of expertise and specific contribution to the team. Familiarity with state or local rules, practices or conditions are to be included.

3.5 Tab 3 (Profile of Principals and Key Staff)

- 3.5.1 Provide profiles of the principals and key staff to be involved in the development effort. This information should specify their roles, development experience, time commitments, and whether the staff will be locally based.
- 3.5.2 Identify the individual who will serve as the Project Manager and who will direct and coordinate the Project to completion.

3.6 Tab 4 (Development of Fee Structure)

- 3.6.1 Provide a calculation of the Developer Fee and the proposed sharing ratio with HHA
- 3.6.2 Include the contact information of the general contractor, who is subject to the approval of HHA.
- 3.6.3 Provide experience with General Contractors, as required in this solicitation.
- 3.6.4 Indicate sharing percentages of cash flow and sale proceeds in the new partnership for the resyndication.

3.7 Tab 5 (Litigation)

- 3.7.1 Indicate whether the Respondent or any Respondent team member has ever sued or been sued by a public agency, and if so, describe the circumstances and outcome.

3.8 Tab 6 (Eligibility to Bid Contract)

- 3.8.1 Any Respondent who has been disbarred from bidding on projects by any federal, state, or local government agency, must fully disclose to HHA the details of such disbarment.

- 3.8.2 Further, any person or affiliate who has been placed on the convicted vendor list following a conviction for a public entity crime may not submit a proposal on a contract to provide any goods or services to a public entity, may not submit a proposal on a contract with a public entity for the construction or repair of a public building or public work, may not submit proposals on leases of real property to a public entity, may not be awarded or perform work as a contractor, supplier, subcontractor, or consultant under a contract with any public entity, and may not transact business with any public entity.

3.9 Tab 7 (Previous Housing Development Experience)

- 3.9.1 Provide a copy of TDHCA Experience Certificate, and information on residential rental development projects in which the Respondent has participated. Focus on the five (5) most recently completed developments, particularly Texas affordable partnerships with public housing authorities for which the Respondent was procured. Information should list the project name, location, project size (units), project completion date or current status, funding sources and amounts, ownership type, public programs utilized, income levels served (very low, moderate, market rate, or mixed), type of development (high, mid or low-rise, walk-ups, townhouses, etc.), extent of community and/or resident participation, and total development cost. Include the name of a contact at each housing authority or other owner/development partner that you have prior experience with and their phone number and email address.

3.10 Tab 8 (Financing Experience)

- 3.10.1 Describe approach to managing the financial risk associated with affordable housing developments.
- 3.10.2 Describe what resources you may commit, what other private and public funds might be necessary, and from what sources and when these funds will likely be available.

3.11 Tab 9 (Capacity)

- 3.11.1 Certify that the Respondent and all team members are available to start immediately. Describe any existing time commitments of the proposed team members or their proposed staff which would impair the Respondent ability to proceed expeditiously. The respondent should identify specific individuals to be assigned to this project(s).

3.12 Tab 10 (Financial Statement)

- 3.12.1 Provide your current financial statements prepared by a Certified Public Accountant.

3.13 Tab 11 (References)

3.13.1 Provide the name, mailing address, and telephone number for three (3) of the following:

- Community partners
- Tax credit investor references
- Housing authority references
(If the Respondent has housing authority experience)

Note: HHA reserves the right to check other references as well.

3.14 Tab 12 (Utilization Minority, and Women Business Enterprises [“M/WBE”])

3.14.1 Describe the approach and process to promote M/WBE’s, and Section 3 business participation in the development effort. Respondent must show proof of a good faith effort to obtain 35% minority participation in the development effort. The Respondent must comply with the requirements set forth in Attachments D thru F incorporated herein, and must be addressed and included with the sealed response.

3.15 Tab 13 (Understanding of the Requirements)

3.15.1 Demonstrate that you possess an understanding of requirements (local, state, and federal) requirements and procedures that will enable the effort to be efficiently completed.

3.16 Tab 14 (Attachment A Declaration)

3.17 Tab 15 (Attachment B Non-Collusive Affidavit)

3.18 Tab 16 (Attachment C Conflict of Interest Questionnaire)

3.19 Tab 17 (Attachment E Acknowledgement)

3.20 Tab 18 (Attachment F M/WBE Participation Form)

3.21 Tab 19 (Attachment G HHA Section 3 Requirements & Commitment)

3.22 Tab 20 (Attachment H Representations, Certifications, and Other Statements of Bidders Public and Indian Housing Programs HUD Form 5369A)

Exhibit F RFP 23-11

VSPFC-Wilcrest Apartments, L.P.

**Financial Statements with Report of Independent Auditors
December 31, 2021 and 2020**

Report of Independent Auditors

To the Partners of
VSPFC-Wilcrest Apartments, L.P.:

Opinion

We have audited the accompanying financial statements of VSPFC-Wilcrest Apartments, L.P., a Texas limited partnership, which comprise the balance sheets as of December 31, 2021 and 2020, and the related statements of operations, changes in partners' deficit, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of VSPFC-Wilcrest Apartments, L.P. as of December 31, 2021 and 2020, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of VSPFC-Wilcrest Apartments, L.P. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about VSPFC-Wilcrest Apartments, L.P.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of VSPFC-Wilcrest Apartments, L.P.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about VSPFC-Wilcrest Apartments, L.P.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Novogradac & Company LLP

Austin, Texas
April 9, 2022

VSPFC-WILCREST APARTMENTS, L.P.
BALANCE SHEETS
December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
ASSETS		
Cash and cash equivalents	\$ 348,853	\$ 541,650
Restricted cash	816,371	594,269
Account receivable	22,665	5,884
Prepaid expenses	16,037	16,772
Prepaid ground lease	1,008,693	1,026,160
Fixed assets, net of accumulated depreciation	6,085,726	6,657,437
Deferred charges, net of accumulated amortization	<u>-</u>	<u>833</u>
Total assets	<u><u>\$ 8,298,345</u></u>	<u><u>\$ 8,843,005</u></u>
LIABILITIES AND PARTNERS' DEFICIT		
Liabilities		
Accounts payable	\$ 1,936	\$ 9,866
Security deposits payable	94,592	93,441
Prepaid rent	41,405	9,561
Accrued interest	806,650	755,788
Accrued expenses	49,921	163,893
Development fee payable	2,400,000	2,400,000
Guarantor loan payable	750,000	750,000
Note payable - Embrey Partners, Ltd.	219,983	219,983
Note payable - Investor Limited Partner	613,478	613,478
Bonds payable, net of unamortized debt issuance costs	<u>10,738,976</u>	<u>10,866,467</u>
Total liabilities	15,716,941	15,882,477
Partners' deficit	<u>(7,418,596)</u>	<u>(7,039,472)</u>
Total liabilities and partners' deficit	<u><u>\$ 8,298,345</u></u>	<u><u>\$ 8,843,005</u></u>

see accompanying notes

VSPFC-WILCREST APARTMENTS, L.P.
STATEMENTS OF OPERATIONS
For the years ended December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
REVENUE		
Rental revenue	\$ 2,373,161	\$ 2,359,299
Other revenue	<u>82,221</u>	<u>72,523</u>
Total revenue	2,455,382	2,431,822
OPERATING EXPENSES		
General and administrative	121,351	104,396
Payroll	333,655	323,029
Utilities	198,765	201,231
Taxes and insurance	206,816	193,509
Property management fees	109,169	112,696
Repairs and maintenance	476,754	450,154
Marketing and advertising	10,469	9,728
Legal and other professional fees	16,540	18,273
Ground lease	<u>17,467</u>	<u>21,323</u>
Total operating expenses	<u>1,490,986</u>	<u>1,434,339</u>
Operating income	964,396	997,483
OTHER INCOME AND (EXPENSES)		
Interest income	857	6,183
Forgiveness of debt	52,310	-
Interest expense	(810,114)	(820,897)
Depreciation and amortization	(572,544)	(688,491)
Other partnership expenses	<u>(14,029)</u>	<u>(9,845)</u>
Net other income and (expenses)	<u>(1,343,520)</u>	<u>(1,513,050)</u>
Net loss	<u>\$ (379,124)</u>	<u>\$ (515,567)</u>

see accompanying notes

VSPFC-WILCREST APARTMENTS, L.P.
STATEMENTS OF CHANGES IN PARTNERS' DEFICIT
For the years ended December 31, 2021 and 2020

	<u>General Partner</u>	<u>Limited Partners</u>	<u>Total Partners' Deficit</u>
BALANCE, JANUARY 1, 2020	\$ (588)	\$ (6,523,317)	\$ (6,523,905)
Net loss	<u>(26)</u>	<u>(515,541)</u>	<u>(515,567)</u>
BALANCE, DECEMBER 31, 2020	(614)	(7,038,858)	(7,039,472)
Net loss	<u>(19)</u>	<u>(379,105)</u>	<u>(379,124)</u>
BALANCE, DECEMBER 31, 2021	<u>\$ (633)</u>	<u>\$ (7,417,963)</u>	<u>\$ (7,418,596)</u>

see accompanying notes

VSPFC-WILCREST APARTMENTS, L.P.
STATEMENTS OF CASH FLOWS
For the years ended December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss	\$ (379,124)	\$ (515,567)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Forgiveness of debt	(52,310)	-
Interest expense - debt issuance costs	21,963	21,963
Depreciation and amortization	572,544	688,491
Ground lease expense	17,467	21,323
Changes in:		
Accounts receivable	(16,781)	(5,854)
Prepaid expenses	735	479
Accounts payable	(7,930)	5,644
Security deposits payable	1,151	810
Prepaid rent	31,844	3,553
Accrued interest	50,862	54,343
Accrued expenses	(61,662)	141,710
Net cash provided by operating activities	<u>178,759</u>	<u>416,895</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of fixed assets	-	(69,100)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of bonds payable	<u>(149,454)</u>	<u>(140,003)</u>
Net change in cash, cash equivalents and restricted cash	29,305	207,792
Cash, cash equivalents and restricted cash at beginning of year	<u>1,135,919</u>	<u>928,127</u>
Cash, cash equivalents and restricted cash at end of year	<u>\$ 1,165,224</u>	<u>\$ 1,135,919</u>
Cash and cash equivalents	\$ 348,853	\$ 541,650
Restricted cash	<u>816,371</u>	<u>594,269</u>
Total cash, cash equivalents and restricted cash	<u>\$ 1,165,224</u>	<u>\$ 1,135,919</u>
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:		
Cash paid for interest	<u>\$ 737,289</u>	<u>\$ 744,591</u>
SUPPLEMENTAL DISCLOSURE OF NONCASH INVESTING AND FINANCING ACTIVITIES:		
Decrease in accrued expenses due to forgiveness of debt	<u>\$ 52,310</u>	<u>\$ -</u>

see accompanying notes

VSPFC-WILCREST APARTMENTS, L.P.
NOTES TO FINANCIAL STATEMENTS
December 31, 2021 and 2020

1. General

VSPFC-Wilcrest Apartments, L.P. (the “Partnership”), a Texas limited partnership, was formed in November 2004 to construct, develop and operate a 250-unit apartment project known as Pinnacle on Wilcrest Apartments (the “Project”) in Houston, Texas. The Project is rented to low-income tenants and is operated in a manner necessary to qualify for federal low-income housing tax credits as provided for in Section 42 of the Internal Revenue Code (“Section 42”).

The general partner is VSPFC-Wilcrest GP, LLC (the “General Partner”). The limited partners (the “Limited Partners”) are AMTAX Holdings 646, LLC (the “Investor Limited Partner”) and PROTECH 2004-D, LLC (the “Special Limited Partner”). The Partnership will operate until December 31, 2054, or until its earlier dissolution or termination.

Profits, losses, and tax credits are allocated in accordance with the First Amended and Restated Limited Partnership Agreement, dated December 21, 2004 (the “Partnership Agreement”) and amendments thereon. Profits and losses from operations and low-income housing tax credits are allocated 99.995% to the Limited Partners and 0.005% to the General Partner.

Pursuant to the Partnership Agreement, the Investor Limited Partner provided capital contributions to the Partnership totaling \$5,384,326, subject to adjustments based on the amount of low-income housing tax credits allocated to the Project in addition to other occurrences which are fully explained in the Partnership Agreement. As of December 31, 2021 and 2020, the Investor Limited Partner had provided all required capital contributions.

2. Summary of significant accounting policies and nature of operations

Basis of accounting

The Partnership prepares its financial statements on the accrual basis of accounting consistent with accounting principles generally accepted in the United States of America.

Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Cash and cash equivalents

Cash and cash equivalents include all cash balances on deposit with financial institutions and highly liquid investments with maturities of three months or less at the date of acquisition.

Restricted cash is not considered cash and cash equivalents, and includes cash held with financial institutions for administration of the proceeds from the bond issuance, and to pay for repairs or improvements to the buildings which extend their useful lives.

VSPFC-WILCREST APARTMENTS, L.P.
NOTES TO FINANCIAL STATEMENTS
December 31, 2021 and 2020

2. Summary of significant accounting policies and nature of operations (continued)

Concentration of credit risk

The Partnership maintains its cash in bank deposit accounts which, at times, may exceed federally insured limits. The Partnership has not experienced any losses in such accounts. The Partnership believes it is not exposed to any significant credit risk on cash and cash equivalents.

Accounts receivable

Management considers receivables to be fully collectible. If amounts become uncollectible, they are charged to operations in the period in which that determination is made. Accounting principles generally accepted in the United States of America require that the allowance method be used to recognize bad debts; however, the effect of using the direct write-off method is not materially different from the results that would have been obtained under the allowance method.

Fixed assets and depreciation

Fixed assets are recorded at cost. Residential rental buildings are depreciated over their estimated useful life of 27.5 years using the straight-line method. Commercial space is depreciated over its estimated useful life of 39 years using the straight-line method. Site improvements are depreciated over 15 years using the straight-line method. Personal property is depreciated over 7 years using the straight-line method. Depreciation expense for 2021 and 2020 was \$571,711 and \$686,491, respectively.

Fixed assets were comprised of the following as of December 31:

	<u>2021</u>	<u>2020</u>
Buildings	\$ 13,102,410	\$ 13,102,410
Commercial space	161,535	161,535
Site improvements	3,157,573	3,157,573
Personal property	1,596,613	1,596,613
Less accumulated depreciation	<u>(11,932,405)</u>	<u>(11,360,694)</u>
Fixed assets, net	<u>\$ 6,085,726</u>	<u>\$ 6,657,437</u>

Deferred charges and amortization

Tax credit fees of \$30,000 are amortized on a straight-line basis over the 15-year tax credit compliance period. Amortization expense for 2021 and 2020 was \$833 and \$2,000., respectively. As of December 31, 2021 and 2020, accumulated amortization was \$30,000 and \$29,167, respectively.

Impairment of long-lived assets

The Partnership reviews its long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying value may not be recoverable. Recoverability is measured by a comparison of the carrying amount to the future net undiscounted cash flows expected to be generated and any estimated proceeds from the eventual disposition.

VSPFC-WILCREST APARTMENTS, L.P.
NOTES TO FINANCIAL STATEMENTS
December 31, 2021 and 2020

2. Summary of significant accounting policies and nature of operations (continued)

Impairment of long-lived assets (continued)

If a long-lived asset is considered to be impaired, the impairment to be recognized is measured at the amount by which the carrying amount exceeds the fair value as determined from an appraisal, discounted cash flow analysis, or other valuation technique. There were no impairment losses recognized during 2021 or 2020.

Income taxes

Income taxes on Partnership income are levied on the partners at the partner level. Accordingly, all profits and losses of the Partnership are recognized by each partner on its respective tax return.

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires the Partnership to report information regarding its exposure to various tax positions taken by the Partnership. The Partnership has determined whether any tax positions have met the recognition threshold and has measured the Partnership's exposure to those tax positions. Management believes that the Partnership has adequately addressed all relevant tax positions and that there are no unrecorded tax liabilities. Federal and state tax authorities generally have the right to examine and audit the previous three years of tax returns filed. Any interest or penalties assessed to the Partnership are recorded in operating expenses. No interest or penalties from federal or state tax authorities were recorded in the accompanying financial statements.

Revenue recognition

Rental revenue attributable to residential leases is recorded when due from residents, generally upon the first day of each month. Leases are for periods of up to one year, with rental payments due monthly. Other revenue results from fees earned for late payments, cleaning, damages and laundry facilities and is recorded when earned. Advance receipts of revenue are deferred and classified as liabilities until earned.

Economic concentrations

The Partnership operates one property located in Houston, Texas. Future operations could be affected by changes in economic or other conditions in that geographical area or by changes in federal low-income housing subsidies or the demand for such housing.

Ground lease

The Partnership accounts for the ground lease as an operating lease and records expense based on the average minimum yearly base lease accrual calculated over the term of the lease (see Note 4). The cumulative difference between the annual expense and the actual base lease amount will be recorded as prepaid ground lease in the accompanying balance sheets.

Subsequent events

Subsequent events have been evaluated through April 9, 2022, which is the date the financial statements were available to be issued, and there are no subsequent events requiring disclosure.

VSPFC-WILCREST APARTMENTS, L.P.
NOTES TO FINANCIAL STATEMENTS
December 31, 2021 and 2020

2. Summary of significant accounting policies and nature of operations (continued)

Vulnerability – impact of COVID-19

The severity of the impact of COVID-19 on the Partnership's operations will depend on a number of factors, including, but not limited to, the duration and severity of the pandemic and the extent and severity of the impact on the Partnership's tenants, all of which are uncertain and cannot be predicted. The Partnership's future results could be adversely impacted by delays in rent collections and loan payment. Management is unable to predict with absolutely certainty the impact of COVID-19 on its financial condition, results of operations or cash flows.

3. Restricted cash

Replacement reserve

Pursuant to the Partnership Agreement, the Partnership deposits funds into an interest-bearing replacement reserve account for the purpose of paying for repairs to the buildings. As of December 31, 2021 and 2020, the balance in the replacement reserve account was \$715,744 and \$494,227, respectively.

Funds held in trust

Pursuant to a trust indenture between the Partnership, Victory Street Public Facility Corporation (the "Issuer") and Wells Fargo Bank, National Association (the "Trustee"), the Trustee established certain fund accounts to administer the proceeds from the bond issuance.

As of December 31, 2021 and 2020, the account balances were as follows:

	<u>2021</u>	<u>2020</u>
Expense fund	\$ 556	\$ 5,090
Surplus fund	13,892	13,851
Bond fund	<u>86,179</u>	<u>81,101</u>
Total funds held in trust	<u>\$ 100,627</u>	<u>\$ 100,042</u>

4. Related party transactions

Asset management fees

Pursuant to the Partnership Agreement, the Partnership pays an annual fee of \$7,500 to the Special Limited Partner, adjusted annually by the change in the Consumer Price Index, for the annual review of the operations of the Partnership and the Project. For the years ended December 31, 2021 and 2020 the consumer price index increased by 7% and 1.4%, respectively. The asset management fee is cumulative and is payable from net cash flows, as defined in the Partnership Agreement. During 2021 and 2020, asset management fees of \$10,367 and \$9,845, respectively, were incurred and are included in "Other partnership expenses" on the accompanying statements of operations. As of December 31, 2021 and 2020, asset management fees of \$10,367 and \$0, respectively, remained outstanding and are included in "Accrued expenses" on the accompanying balance sheets.

VSPFC-WILCREST APARTMENTS, L.P.
NOTES TO FINANCIAL STATEMENTS
December 31, 2021 and 2020

4. Related party transactions (continued)

Ground lease

In December 2004, the Partnership entered into a 75-year ground lease agreement (the “Ground Lease”) with the Housing Authority of the City of Houston, a related party of the General Partner. The Partnership is bound by the responsibilities and obligations in the Ground Lease. Under the Ground Lease, the annual rent amount is \$131,000. In December 2004, the Partnership made a \$1,310,000 pre-payment for the first 10 years of rent. Under the Ground Lease, upon expiration of the initial pre-paid 10-year period, annual rent is deferred and not payable for the entire term of the lease, provided that the Partnership does not default on its obligations under the Ground Lease. The Ground Lease is amortized over the lease term of 75 years. As of December 31, 2021 and 2020, the prepaid ground lease balance was \$1,008,693 and \$1,026,160, respectively, and the ground lease expense was \$17,467 and \$21,323, respectively.

Note payable –Investor Limited Partner

During 2009, advances were provided by the Investor Limited Partner to repay bonds payable. The advances do not bear interest and will be repaid from cash flow of the Partnership. As of December 31, 2021 and 2020, advances of \$613,478 remained outstanding for both years.

Development fee payable

APV Redevelopment Corporation (the “Secondary Developer”), a related party of the General Partner, and Embrey Partners, Ltd. (the “Primary Developer”) earned a total fee of \$2,400,000 (the “Development Fee Payable”) for services rendered in connection with the construction and development of the Project. The Development Fee Payable does not bear interest and is payable from designated proceeds, and the remaining balance (the “Deferred Development Fee”) is payable on the earlier of the fifteenth anniversary of the completion date or the date of liquidation of the Partnership, as defined in the Partnership Agreement. As of December 31, 2021 and 2020, development fee payable of \$1,920,000 owed to the Primary Developer, and \$480,000 owed to the Secondary Developer, remained outstanding for both years.

5. Note payable – Embrey Partners, Ltd.

Operating deficit obligation

The Partnership Agreement provides for an operating deficit guaranty, whereby Embrey Partners, Ltd. has the right but not the obligation to provide sufficient funds to satisfy any operating deficits over a defined period commencing on the certificate of occupancy date to permit the Partnership to meet all reasonable costs of operations. Any funding accrues interest at an annual interest rate equal to prime rate plus 2% and is to be repaid by the Partnership as cash flow permits. As of December 31, 2021 and 2020, operating deficit obligation advances of \$219,983 were outstanding for both years. As of December 31, 2021 and 2020, accrued interest of \$197,567 and \$186,081, respectively, was outstanding and is included in “Accrued interest” on the accompanying balance sheets.

VSPFC-WILCREST APARTMENTS, L.P.
NOTES TO FINANCIAL STATEMENTS
December 31, 2021 and 2020

6. Guarantor loan payable

During 2009, the Partnership entered into an agreement with The Pinnacle on Wilcrest, Ltd. and obtained a loan of \$750,000 (the "Loan Payable"). The Loan Payable bears interest at the prime rate plus 2%, which is determined at the end of the preceding calendar month, and is payable to the extent that funds are available from cash flow prior to the end of the compliance period. As of December 31, 2021 and 2020, Guarantor loan payable of \$750,000 was outstanding for both years. As of December 31, 2021 and 2020, accrued interest of \$546,680 and \$507,304, respectively, was outstanding and included in "Accrued interest" on the accompanying balance sheets.

7. Bonds payable

During 2006, the Partnership entered into a financing agreement with the Issuer and the Trustee to use proceeds from the issuance of tax-exempt bonds for the construction and development of the Project and payment of bond redemption. The bonds, in the amount of \$14,250,000, are collateralized by the Project, were issued on December 1, 2004, and mature on August 1, 2038. The bonds payable bear interest at 6.55% with monthly payments of principal and interest of \$73,241. As of December 31, 2021 and 2020, principal of \$11,054,791 and \$11,204,245, respectively, and accrued interest of \$62,403 was outstanding for both years and is included in "Accrued interest" on the accompanying balance sheets.

Bonds payable consist of the following as of December 31,

	<u>2021</u>	<u>2020</u>
Principal balance	\$ 11,054,791	\$ 11,204,245
Less: unamortized debt issuance costs	<u>(315,815)</u>	<u>(337,778)</u>
Bonds payable, net of unamortized debt issuance costs	<u>\$ 10,738,976</u>	<u>\$ 10,866,467</u>

Debt issuance costs of \$435,809 are being amortized to interest expense over the term of the bonds. At the beginning of 2016, the Partnership changed the estimated useful life of the debt issuance costs from a total of 22.6 years to 34 years. This change is accounted for prospectively as a change in estimate. During 2021 and 2020, amortization expense for debt issuance costs was \$21,963 for each year. For 2021 and 2020, the effective interest rate was 6.74% in each year.

Future minimum principal payments over the next five years and thereafter are as follows:

Year ending December 31,	
2022	\$ 159,543
2023	170,312
2024	181,809
2025	194,081
2026	207,182
Thereafter	<u>10,141,864</u>
Total	<u>\$ 11,054,791</u>

VSPFC-WILCREST APARTMENTS, L.P.
NOTES TO FINANCIAL STATEMENTS
December 31, 2021 and 2020

8. Property management fees

Pursuant to a property management agreement, Embrey Management Services, Ltd. receives a monthly property management fee equal to the greater of \$3,000 or 5% of total income collected from the property. Of the 5%, 4% is paid on a current basis and the remaining 1% is paid only if cash flow is available after payment of all other expenses of the property. During 2021 and 2020, property management fees of \$109,169 and \$112,696, respectively, were incurred. As of December 31, 2021 and 2020, property management fees of \$14,692 and \$11,081, respectively, were outstanding and are included in "Accrued expenses" on the accompanying balance sheets.

9. Low-income housing tax credits

The Partnership expects to generate an aggregate of \$6,074,140 of federal low-income housing tax credits ("Tax Credits"). Generally, such credits become available for use by its partners pro-rata over a ten-year period, which began in 2006. The year in which the credit period begins is determined on a building-by-building basis within the Partnership. In order to qualify for these credits, the Project must comply with various federal and state requirements. These requirements include, but are not limited to, renting to low-income tenants at rental rates which do not exceed specified percentages of area median gross income for the first 15 years of operation. The Partnership has also agreed to maintain and operate the Project as low-income housing for an additional 15 years beyond the initial 15-year compliance period. Because the Tax Credits are subject to compliance with certain requirements, there can be no assurance that the aggregate amount of Tax Credits will be realized and failure to meet all such requirements or to correct noncompliance within a specified time period may result in generating a lesser amount of Tax Credits than expected in future years, and/or recapture of Tax Credits previously allocated. A reduction of future credits or recapture would require credit deficit payments to the Limited Partner under the terms of the Partnership Agreement.

As of December 31, 2021 and 2020, the cumulative amount of Tax Credits allocated to the Partnership was \$6,074,140 for both years.

The Partnership does not anticipate generating additional Tax Credits in the future.

Pinnacle on Wilcrest (206)
Income Statement
 Period = Dec 2022
 Book = Accrual ; Tree = ysl_is

		Period to Date	%	Year to Date	%
4000.0006	GROSS POTENTIAL RENT				
4001.0000	Market Rent	203,182.68	0.00	2,341,040.00	0.00
4001.0001	Gain (Loss) to Rent	-26,884.00	0.00	-289,146.00	0.00
4001.0002	Tenant-Based Subsidy	38,576.32	0.00	478,446.00	0.00
4001.9998	Total Gross Potential Rent	214,875.00	0.00	2,530,340.00	0.00
4009.0000	Rental Concessions	-1,000.00	0.00	-2,750.00	0.00
4012.0000	Vacancy Loss	-5,424.81	0.00	-35,729.64	0.00
4014.9998	Total Apartment Income	208,450.19	0.00	2,491,860.36	0.00
4014.9999	Other Rental Income				
4015.0000	Carport Income	770.00	0.00	6,798.84	0.00
4025.0000	Garage Income	1,575.00	0.00	19,057.34	0.00
4030.0000	Storage Income	212.26	0.00	6,928.07	0.00
4035.0000	Washer/Dryer Rental	761.45	0.00	10,306.95	0.00
4099.9998	Total Other Rental Income	3,318.71	0.00	43,091.20	0.00
4099.9999	Total Rental Income	211,768.90	0.00	2,534,951.56	0.00
4100.0001	Other Income				
4105.0000	Application Fee	111.50	0.00	920.50	0.00
4112.0000	Cancellation Fee	0.00	0.00	828.00	0.00
4115.0000	Damages	278.00	0.00	4,985.22	0.00
4135.0000	Late Charges	-94.80	0.00	8,622.58	0.00
4136.0000	Laundry Income	425.00	0.00	5,718.50	0.00
4140.0000	Miscellaneous Income	0.00	0.00	114.63	0.00
4151.0000	Non-Refundable Pet Fee	0.00	0.00	600.00	0.00
4155.0000	NSF Charges	105.00	0.00	735.00	0.00
4199.9998	Total Other Income	824.70	0.00	22,524.43	0.00
4199.9999	TOTAL RESIDENTIAL INCOME	212,593.60	0.00	2,557,475.99	0.00
7000.0000	RESIDENTIAL EXPENSES				
7000.0001	Salary and Related				
7000.0002	Salary Expense				
7008.0000	Manager Salary	5,000.00	0.00	65,000.00	0.00
7012.0000	Assistant Manager Salary	3,032.64	0.00	38,814.67	0.00
7013.0000	Leasing Staff Salary	1,389.50	0.00	28,371.00	0.00
7014.0000	Office Staff Overtime	329.94	0.00	913.95	0.00
7015.0000	Commissions/Bonuses-Management Staff	125.00	0.00	3,855.00	0.00
7016.0000	Commissions/Bonuses-Leasing Staff	290.00	0.00	12,800.00	0.00
7018.0000	Maintenance Foreman Salary	4,263.29	0.00	55,678.50	0.00
7020.0000	Maintenance Labor	3,059.00	0.00	38,889.82	0.00
7028.0000	Yardman	2,556.00	0.00	17,945.44	0.00
7036.0000	Housekeeper	2,396.25	0.00	29,528.79	0.00
7038.0000	Maintenance Overtime	235.66	0.00	6,743.64	0.00
7039.0000	Commissions/Bonuses-Maintenance	225.00	0.00	15,780.00	0.00
7099.9999	Total Salary Expense	22,902.28	0.00	314,320.81	0.00
7100.0001	Payroll Related				
7101.0000	Payroll Taxes	1,746.82	0.00	25,507.57	0.00
7104.0000	Health Insurance	2,547.32	0.00	26,401.67	0.00
7105.0000	Workers Compensation	192.40	0.00	2,338.76	0.00
7106.0000	Employee 401K Program	149.39	0.00	2,277.43	0.00
7108.0000	Employee Relations	902.17	0.00	7,931.50	0.00

Pinnacle on Wilcrest (206)

Income Statement

Period = Dec 2022

Book = Accrual ; Tree = ysi_is

		Period to Date	%	Year to Date	%
7109.0000	Uniforms	-161.85	0.00	1,177.06	0.00
7112.0000	Employee Training/Seminars	107.50	0.00	1,795.32	0.00
7113.0000	Employee Screening	113.17	0.00	321.47	0.00
7116.0000	Temporary Help-Office Staff	1,991.60	0.00	1,991.60	0.00
7118.0000	Maintenance-Temporary	0.00	0.00	18,877.91	0.00
7129.9998	Total Payroll Related	7,588.52	0.00	88,620.29	0.00
7129.9999	Total Residential Salary and Related	30,490.80	0.00	402,941.10	0.00
7239.0001	Contract Services				
7240.0000	Grounds Contract	3,113.50	0.00	36,785.97	0.00
7245.0000	Pest Control	315.44	0.00	7,195.64	0.00
7251.0000	Sprinkler Maintenance	0.00	0.00	140.73	0.00
7253.0000	Electronic Security	40.22	0.00	458.25	0.00
7254.0000	Trash Removal	2,999.42	0.00	36,228.73	0.00
7256.0000	Fire Protection	54.04	0.00	589.80	0.00
7257.0000	Elevators	207.13	0.00	28,720.87	0.00
7258.0000	Courtesy Services	2,636.97	0.00	31,419.53	0.00
7299.9999	Total Contract Services	9,366.72	0.00	141,539.52	0.00
7300.0001	Utilities				
7308.0000	Electricity	5,433.80	0.00	66,851.85	0.00
7309.0000	Electricity-Vacancy	252.82	0.00	2,451.76	0.00
7312.0000	Gas	137.90	0.00	884.87	0.00
7313.0000	Gas-Vacancy	197.40	0.00	630.87	0.00
7316.0000	Water	13,565.48	0.00	72,926.72	0.00
7317.0000	Water-Irrigation	1,981.17	0.00	22,146.18	0.00
7320.0000	Sewer	5,313.30	0.00	84,570.95	0.00
7321.0000	Drainage	825.10	0.00	9,901.19	0.00
7329.9999	Total Utilities	27,706.97	0.00	260,364.39	0.00
7340.0001	Redecorating				
7342.0000	Contract Carpet Cleaning	35.00	0.00	3,646.21	0.00
7343.0000	Contract Carpet Repairs	0.00	0.00	1,108.79	0.00
7343.0001	Countertop Repairs	0.00	0.00	1,470.69	0.00
7344.0000	General Cleaning Supplies	550.78	0.00	5,017.56	0.00
7344.0001	Tub & Tile Resurfacing	362.64	0.00	2,967.60	0.00
7345.0000	Contract General Cleaning	0.00	0.00	124.49	0.00
7346.0000	Paint & Supplies	225.00	0.00	1,491.71	0.00
7347.0000	Contract Painting	1,882.42	0.00	12,556.04	0.00
7349.9999	Total Redecorating	3,055.84	0.00	28,383.09	0.00
7400.0001	Maintenance				
7404.0000	Plumbing Maintenance & Supplies	58.63	0.00	6,924.55	0.00
7405.0000	Plumbing Contract Repairs	0.00	0.00	1,276.00	0.00
7408.0000	Electric Maintenance & Supplies	823.79	0.00	8,910.12	0.00
7409.0000	Electric Contract Repairs	0.00	0.00	1,563.94	0.00
7412.0000	HVAC Maintenance & Supplies	399.53	0.00	10,922.62	0.00
7416.0000	Appliance Maintenance & Supplies	316.46	0.00	7,224.59	0.00
7435.0000	Maintenance Supplies	497.66	0.00	7,955.82	0.00
7439.0000	Pool Supplies	0.00	0.00	2,224.44	0.00
7440.0000	Garage/Gate Remotes	0.00	0.00	1,240.75	0.00
7442.0000	Maintenance Uniforms	56.18	0.00	1,516.70	0.00
7443.0000	Maintenance Mileage Reimbursement	0.00	0.00	347.48	0.00
7449.9999	Total Maintenance	2,152.25	0.00	50,107.01	0.00

Pinnacle on Wilcrest (206)

Income Statement

Period = Dec 2022

Book = Accrual ; Tree = ysi_is

		Period to Date	%	Year to Date	%
7450.0001	Non-Routine Maintenance				
7452.0000	Window Coverings	516.51	0.00	3,658.24	0.00
7457.0000	Exterior Repair & Improvements	11,320.05	0.00	22,208.79	0.00
7458.0000	Interior Repairs & Improvements	893.93	0.00	9,584.65	0.00
7460.0000	Gate Repairs	1,009.38	0.00	3,191.41	0.00
7461.0000	Fire Protection Repairs/Inspections	1,149.62	0.00	7,470.50	0.00
7464.0001	Golf Carts/Vehicle	0.00	0.00	1,379.01	0.00
7469.0000	Property Loss	0.00	0.00	-15,489.28	0.00
7469.0003	COVID-19 Expenses	103.64	0.00	1,490.71	0.00
7469.9999	Total Non-Routine Maintenance	14,993.13	0.00	33,494.03	0.00
7500.0001	Marketing				
7516.0000	Dues/Memberships/Subscriptions	0.00	0.00	1,186.30	0.00
7520.0000	Collateral Material	0.00	0.00	83.86	0.00
7521.0000	Billboards & Signs	245.57	0.00	1,739.56	0.00
7530.0000	Parties	1,636.89	0.00	4,934.56	0.00
7532.0000	Promotions/Public Relations	456.98	0.00	3,482.80	0.00
7532.0001	Prospect Refreshments	0.00	0.00	75.41	0.00
7556.0000	Market Studies/Shopping Reports	86.60	0.00	1,146.05	0.00
7558.0000	Specialty Items	328.98	0.00	3,140.12	0.00
7560.0000	Resident Retention	447.47	0.00	3,491.03	0.00
7562.0000	Business Center Expense	53.76	0.00	732.99	0.00
7563.0000	Activity Center	176.18	0.00	2,193.68	0.00
7599.9999	Total Marketing	3,432.43	0.00	22,206.36	0.00
7700.0001	Administrative/Office Operations				
7704.0000	Telephone	2,521.09	0.00	35,637.90	0.00
7704.0001	Pool Phones - OH	146.14	0.00	587.44	0.00
7706.0000	Internet Service	377.96	0.00	4,804.15	0.00
7707.0000	Answering Machine/Service	147.38	0.00	1,705.53	0.00
7708.0000	Office Supplies	238.88	0.00	2,595.81	0.00
7712.0000	Postage	56.00	0.00	203.58	0.00
7721.0000	Dues & Subscriptions	163.89	0.00	208.89	0.00
7726.0000	Equipment Rental & Repairs	297.69	0.00	3,734.66	0.00
7732.0000	Express Mail	39.67	0.00	772.24	0.00
7735.0000	Computer Supplies	357.23	0.00	1,698.81	0.00
7736.0000	Computer Maintenance	945.29	0.00	13,908.99	0.00
7740.0000	Bank Fees/Charges	-0.03	0.00	2,598.54	0.00
7744.0000	Legal Fees	3,138.02	0.00	7,831.91	0.00
7746.0000	Credit Bureau Expense	60.00	0.00	750.00	0.00
7747.0000	Apt. Association Dues	0.00	0.00	427.77	0.00
7751.0000	Permits & Fees	152.58	0.00	3,758.14	0.00
7752.0000	Compliance Services	0.00	0.00	10,250.00	0.00
7753.0000	Support Services	2,253.00	0.00	23,186.00	0.00
7782.0000	Mileage Reimbursement	55.66	0.00	737.20	0.00
7799.9999	Total Residential Administrative/Office Operations	10,950.45	0.00	115,397.56	0.00
7800.0001	Management Fees				
7801.0000	Management Fees	8,601.08	0.00	103,401.26	0.00
7801.9999	Total Management Fees	8,601.08	0.00	103,401.26	0.00
7810.0001	Insurance & Taxes				
7811.0000	Insurance-Liability	2,147.01	0.00	24,579.87	0.00
7812.0000	Insurance-Property	22,182.36	0.00	225,943.59	0.00
7813.0000	Franchise Taxes	703.69	0.00	8,541.69	0.00
7820.9999	Total Insurance & Taxes	25,033.06	0.00	259,065.15	0.00

Pinnacle on Wilcrest (206)

Income Statement

Period = Dec 2022

Book = Accrual ; Tree = ysl_is

		Period to Date	%	Year to Date	%
7824.0001	Bad Debt Expense				
7825.0000	Bad Debt Expense	9,642.05	0.00	42,849.69	0.00
7825.9999	Total Bad Debt Expense	9,642.05	0.00	42,849.69	0.00
7830.9999	TOTAL RESIDENTIAL EXPENSES	145,424.78	0.00	1,459,749.16	0.00
7831.9999	TOTAL OPERATING INC/LOSS BEFORE DEBT SERVICE	67,168.82	0.00	1,097,726.83	0.00
7849.0001	Debt Service				
7850.0000	Mortgage Notes Interest	59,544.66	0.00	719,355.66	0.00
7880.9999	Total Residential Debt Service	59,544.66	0.00	719,355.66	0.00
7894.9999	TOTAL DEBT SERVICE	59,544.66	0.00	719,355.66	0.00
7900.0001	Capital Expenditures				
7901.0000	Appliances	2,101.91	0.00	11,661.46	0.00
7902.0000	Carpet Replacement	1,997.29	0.00	40,823.33	0.00
7903.0000	Exterior Repairs	6,489.59	0.00	12,979.18	0.00
7904.0000	Other Interior	0.00	0.00	2,239.41	0.00
7905.0000	Equipment	0.00	0.00	6,065.57	0.00
7906.0000	Landscaping Additions	20,937.92	0.00	37,132.64	0.00
7908.0000	Pool Repair	0.00	0.00	7,210.46	0.00
7916.0000	HVAC Replacements	0.00	0.00	4,687.77	0.00
7917.0000	Electrical/Lighting	0.00	0.00	6,960.36	0.00
7919.0000	Cabinets	0.00	0.00	1,300.00	0.00
7949.9999	Total Capital Expenditures	31,526.71	0.00	131,060.18	0.00
7950.0000	TOTAL NET OPERATING INCOME/LOSS	-23,902.55	0.00	247,310.99	0.00
9000.0000	PARTNERSHIP ACTIVITY				
9000.0001	Partnership Income				
9001.0000	Interest Income	458.42	0.00	1,204.62	0.00
9099.9999	Total Partnership Income	458.42	0.00	1,204.62	0.00
9100.0001	Partnership Expenses				
9101.0000	Accounting/Professional Svcs	0.00	0.00	20,980.00	0.00
9105.0000	Amortization Expense	1,771.44	0.00	21,430.91	0.00
9115.0000	Contingent 1% Fee Distribution	0.00	0.00	17,503.00	0.00
9120.0000	Depreciation Expense	40,049.43	0.00	480,593.16	0.00
9128.0000	Ground Lease Expense	1,455.56	0.00	17,466.72	0.00
9130.0000	Interest Expense	7,414.40	0.00	65,978.80	0.00
9150.0000	Legal Expenses-Partnership	0.00	0.00	2,972.50	0.00
9199.9998	Total Partnership Expenses	50,690.83	0.00	626,925.09	0.00
9199.9999	TOTAL PARTNERSHIP ACTIVITY	50,232.41	0.00	625,720.47	0.00
9999.9998	TOTAL NET INCOME/(LOSS)	-74,134.96	0.00	-378,409.48	0.00

Pinnacle on Wilcrest (206)
Statement (12 months)

Period = Jan 2022-Dec 2022

Book = Accrual ; Tree = ysl_is

	Jan 2022	Feb 2022	Mar 2022	Apr 2022	May 2022	Jun 2022	Jul 2022	Aug 2022	Sep 2022	Oct 2022	Nov 2022	Dec 2022	Total
4000.0006 GROSS POTENTIAL RENT													
4001.0000 Market Rent	173,535.90	172,333.55	176,393.00	173,786.00	222,343.00	209,805.00	208,626.10	209,974.00	201,473.00	188,782.10	200,805.67	203,182.68	2,341,040.00
4001.0001 Gain (Loss) to Rent	-2,774.00	-2,601.00	-2,393.00	-2,197.00	-50,594.00	-38,563.00	-37,602.00	-37,137.00	-30,239.00	-29,918.00	-28,244.00	-26,884.00	-289,146.00
4001.0002 Tenant-Based Subsidy	37,894.10	39,096.45	35,037.00	37,644.00	38,494.00	38,826.00	40,004.90	38,657.00	40,286.00	52,976.90	40,953.33	38,576.32	478,446.00
4001.9998 Total Gross Potential Rent	208,656.00	208,829.00	209,037.00	209,233.00	210,243.00	210,068.00	211,029.00	211,494.00	211,520.00	211,841.00	213,515.00	214,875.00	2,530,340.00
4009.0000 Rental Concessions	-500.00	-250.00	-250.00	0.00	0.00	-250.00	0.00	-250.00	-250.00	0.00	0.00	-1,000.00	-2,750.00
4012.0000 Vacancy Loss	-1,483.42	-2,092.76	-5,867.00	-4,457.53	-3,637.26	-4,553.05	-3,981.68	-5,798.64	-1,712.64	13,554.91	-10,275.76	-5,424.81	-35,729.64
4014.9998 Total Apartment Income	206,672.58	206,486.24	202,920.00	204,775.47	206,605.74	205,264.95	207,047.32	205,445.36	209,557.36	225,395.91	203,239.24	208,450.19	2,491,860.36
4014.9999 Other Rental Income													
4015.0000 Carport Income	550.00	573.84	550.00	550.00	550.00	550.00	550.00	550.00	550.00	550.00	505.00	770.00	6,798.84
4025.0000 Garage Income	1,725.00	1,725.00	1,725.00	1,577.50	1,279.84	1,575.00	1,575.00	1,575.00	1,575.00	1,575.00	1,575.00	1,575.00	19,057.34
4030.0000 Storage Income	630.00	630.00	630.00	630.00	620.00	620.00	595.81	590.00	590.00	590.00	590.00	212.26	6,928.07
4035.0000 Washer/Dryer Rental	1,055.00	830.00	740.00	785.00	830.00	830.00	830.00	830.00	830.00	600.50	1,385.00	761.45	10,306.95
4099.9998 Total Other Rental Income	3,960.00	3,758.84	3,645.00	3,542.50	3,279.84	3,575.00	3,550.81	3,545.00	3,545.00	3,315.50	4,055.00	3,318.71	43,091.20
4099.9999 Total Rental Income	210,632.58	210,245.08	206,565.00	208,317.97	209,885.58	208,839.95	210,598.13	208,990.36	213,102.36	228,711.41	207,294.24	211,768.90	2,534,951.56
4100.0001 Other Income													
4105.0000 Application Fee	47.00	70.00	87.50	135.50	56.75	101.75	17.50	82.00	111.50	35.00	64.50	111.50	920.50
4112.0000 Cancellation Fee	0.00	0.00	250.00	0.00	578.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	828.00
4115.0000 Damages	1,105.45	1,132.70	300.72	290.00	160.00	785.00	742.77	857.95	255.00	-1,022.37	100.00	278.00	4,985.22
4135.0000 Late Charges	1,968.00	667.22	1,446.00	339.00	75.00	1,169.60	2,275.50	1,383.20	1,126.60	-868.14	-864.60	-94.80	8,622.58
4136.0000 Laundry Income	741.50	453.00	360.50	467.00	464.00	429.00	550.50	443.50	422.00	462.50	500.00	425.00	5,718.50
4140.0000 Miscellaneous Income	-20.77	0.00	0.00	0.00	0.00	0.00	0.00	134.00	1.40	0.00	0.00	0.00	114.63
4151.0000 Non-Refundable Pet Fee	150.00	50.00	0.00	100.00	150.00	0.00	0.00	150.00	0.00	0.00	0.00	0.00	600.00
4155.0000 NSF Charges	35.00	0.00	0.00	35.00	0.00	70.00	105.00	35.00	140.00	140.00	70.00	105.00	735.00
4199.9998 Total Other Income	4,026.18	2,372.92	2,444.72	1,366.50	1,483.75	2,555.35	3,691.27	3,085.65	2,056.50	-1,253.01	-130.10	824.70	22,524.43
4199.9999 TOTAL RESIDENTIAL INCOME	214,658.76	212,618.00	209,009.72	209,684.47	211,369.33	211,395.30	214,289.40	212,076.01	215,158.86	227,458.40	207,164.14	212,593.60	2,557,475.99
7000.0000 RESIDENTIAL EXPENSES													

Pinnacle on Wilcrest (206)
Statement (12 months)

Period = Jan 2022-Dec 2022

Book = Accrual ; Tree = ysi_is

	Jan 2022	Feb 2022	Mar 2022	Apr 2022	May 2022	Jun 2022	Jul 2022	Aug 2022	Sep 2022	Oct 2022	Nov 2022	Dec 2022	Total
7000.0001 Salary and Related													
7000.0002 Salary Expense													
7008.0000 Manager Salary	5,000.00	7,500.00	5,000.00	5,000.00	5,000.00	5,000.00	5,000.00	5,000.00	7,500.00	5,000.00	5,000.00	5,000.00	65,000.00
7012.0000 Assistant Manager Salary	2,983.46	4,449.60	2,966.40	2,966.40	2,961.77	2,994.84	3,004.56	2,995.20	4,492.80	2,971.80	2,995.20	3,032.64	38,814.67
7013.0000 Leasing Staff Salary	2,261.00	3,360.00	2,236.50	2,236.50	2,268.00	2,240.00	2,677.50	2,166.50	3,367.00	2,212.00	1,956.50	1,389.50	28,371.00
7014.0000 Office Staff Overtime	0.00	115.22	85.42	15.75	97.76	82.15	42.12	63.18	49.08	7.02	26.31	329.94	913.95
7015.0000 Commissions/Bonuses-Management Staff	535.00	-35.00	375.00	900.00	125.00	375.00	375.00	125.00	290.00	290.00	375.00	125.00	3,855.00
7016.0000 Commissions/Bonuses-Leasing Staff	3,060.00	135.00	90.00	2,790.00	270.00	225.00	2,475.00	90.00	90.00	3,150.00	135.00	290.00	12,800.00
7018.0000 Maintenance Foreman Salary	4,326.93	6,368.47	4,236.82	4,283.16	4,236.82	4,415.56	4,322.88	4,322.88	6,428.05	4,236.82	4,236.82	4,263.29	55,678.50
7020.0000 Maintenance Labor	2,822.21	4,289.10	2,859.40	2,913.01	2,859.40	3,101.70	3,192.00	3,040.00	4,617.00	3,078.00	3,059.00	3,059.00	38,889.82
7028.0000 Yardman	2,380.00	3,556.00	2,352.00	2,373.00	2,240.00	804.44	0.00	0.00	0.00	0.00	1,684.00	2,556.00	17,945.44
7036.0000 Housekeeper	2,096.20	3,192.90	2,125.27	2,125.27	2,128.60	2,271.80	2,400.00	2,400.00	3,607.50	2,385.00	2,400.00	2,396.25	29,528.79
7038.0000 Maintenance Overtime	622.79	429.93	469.62	412.12	778.27	465.91	544.15	1,120.84	587.25	528.73	548.37	235.66	6,743.64
7039.0000 Commissions/Bonuses-Maintenance	3,960.00	300.00	300.00	3,750.00	150.00	300.00	2,775.00	150.00	300.00	3,270.00	300.00	225.00	15,780.00
7099.9999 Total Salary Expense	30,047.59	33,661.22	23,096.43	29,765.21	23,115.62	22,276.40	26,808.21	21,473.60	31,328.68	27,129.37	22,716.20	22,902.28	314,320.81
7100.0001 Payroll Related													
7101.0000 Payroll Taxes	2,154.34	4,498.73	1,991.87	2,273.28	1,689.95	1,626.02	1,542.67	2,006.35	2,275.81	1,994.84	1,706.89	1,746.82	25,507.57
7104.0000 Health Insurance	1,076.49	3,229.47	2,152.98	2,152.98	2,148.30	2,122.97	2,113.54	1,056.77	3,355.35	2,114.56	2,330.94	2,547.32	26,401.67
7105.0000 Workers Compensation	192.83	276.39	188.30	188.63	194.37	174.60	165.76	177.37	239.24	161.77	187.10	192.40	2,338.76
7106.0000 Employee 401K Program	229.02	314.55	188.36	190.46	190.59	155.74	156.54	158.92	230.89	155.74	157.23	149.39	2,277.43
7108.0000 Employee Relations	1,339.23	-197.30	735.75	648.03	586.74	1,197.83	731.56	601.60	507.40	376.34	502.15	902.17	7,931.50
7109.0000 Uniforms	0.00	0.00	0.00	652.07	0.00	0.00	0.00	0.00	676.21	0.00	10.63	-161.85	1,177.06
7112.0000 Employee Training/Seminars	117.00	102.50	23.44	10.87	112.14	684.97	206.90	107.50	0.00	215.00	107.50	107.50	1,795.32
7113.0000 Employee Screening	30.46	0.00	0.00	0.00	0.00	0.00	0.00	68.25	31.45	0.00	78.14	113.17	321.47
7116.0000 Temporary Help-Office Staff	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,991.60	1,991.60
7118.0000 Maintenance-Temporary	0.00	0.00	0.00	0.00	0.00	2,996.62	4,265.40	4,512.00	3,639.28	3,301.43	163.18	0.00	18,877.91
7129.9998 Total Payroll Related	5,139.37	8,224.34	5,280.70	6,116.32	4,922.09	8,958.75	9,182.37	8,688.76	10,955.63	8,319.68	5,243.76	7,588.52	88,620.29
7129.9999 Total Residential Salary and Related	35,186.96	41,885.56	28,377.13	35,881.53	28,037.71	31,235.15	35,990.58	30,162.36	42,284.31	35,449.05	27,959.96	30,490.80	402,941.10

Pinnacle on Wilcrest (206)

Statement (12 months)

Period = Jan 2022-Dec 2022

Book = Accrual ; Tree = ysl_is

		Jan 2022	Feb 2022	Mar 2022	Apr 2022	May 2022	Jun 2022	Jul 2022	Aug 2022	Sep 2022	Oct 2022	Nov 2022	Dec 2022	Total
7239.0001	Contract Services													
7240.0000	Grounds Contract	2,730.00	2,730.00	3,497.00	2,730.00	3,113.50	2,730.00	3,217.42	3,113.50	2,730.00	3,821.41	3,259.64	3,113.50	36,785.97
7245.0000	Pest Control	315.44	924.46	1,933.78	466.88	315.44	364.15	975.71	315.44	315.44	315.44	638.02	315.44	7,195.64
7251.0000	Sprinkler Maintenance	0.00	0.00	140.73	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	140.73
7253.0000	Electronic Security	20.51	20.51	54.04	54.04	54.04	20.51	29.95	29.95	54.04	40.22	40.22	40.22	458.25
7254.0000	Trash Removal	2,421.77	2,647.57	3,191.47	3,087.43	3,120.63	3,232.88	3,228.32	3,241.01	3,187.19	3,143.04	2,728.00	2,999.42	36,228.73
7256.0000	Fire Protection	46.22	46.22	40.22	40.22	40.22	66.22	54.07	54.07	40.22	54.04	54.04	54.04	589.80
7257.0000	Elevators	6,244.91	207.13	207.13	6,528.06	207.13	214.66	7,040.82	217.37	207.13	7,232.27	207.13	207.13	28,720.87
7258.0000	Courtesy Services	2,489.75	2,489.75	2,489.75	5,491.49	0.00	2,636.97	2,636.97	2,636.97	2,636.97	2,636.97	2,636.97	2,636.97	31,419.53
7299.9999	Total Contract Services	14,268.60	9,065.64	11,554.12	18,398.12	6,850.96	9,265.39	17,183.26	9,608.31	9,170.99	17,243.39	9,564.02	9,366.72	141,539.52
7300.0001	Utilities													
7308.0000	Electricity	3,842.14	3,562.02	3,512.95	3,264.99	3,856.49	4,145.09	10,387.78	3,500.00	12,329.92	6,516.67	6,500.00	5,433.80	66,851.85
7309.0000	Electricity-Vacancy	80.46	52.23	140.02	223.24	265.19	195.32	229.90	285.32	269.54	247.30	210.42	252.82	2,451.76
7312.0000	Gas	89.04	185.47	135.96	77.19	32.22	33.14	35.57	37.82	39.19	39.20	42.17	137.90	884.87
7313.0000	Gas-Vacancy	0.00	0.00	0.00	133.72	0.00	86.43	21.20	96.25	53.47	21.20	21.20	197.40	630.87
7316.0000	Water	5,862.93	5,208.92	5,824.78	5,923.86	6,540.39	7,035.72	6,477.69	5,016.78	3,863.10	3,455.55	4,151.52	13,565.48	72,926.72
7317.0000	Water-Irrigation	414.61	284.61	74.61	455.38	490.77	1,230.45	3,416.37	3,637.17	3,736.53	3,339.34	3,085.17	1,981.17	22,146.18
7320.0000	Sewer	7,834.62	6,946.64	7,782.82	7,918.61	8,759.85	9,432.14	8,674.75	6,691.92	5,126.08	4,572.68	5,517.54	5,313.30	84,570.95
7321.0000	Drainage	825.10	825.09	825.10	825.10	825.10	825.10	825.10	825.10	825.10	825.10	825.10	825.10	9,901.19
7329.9999	Total Utilities	18,948.90	17,064.98	18,296.24	18,822.09	20,770.01	22,983.39	30,068.36	20,090.36	26,242.93	19,017.04	20,353.12	27,706.97	260,364.39
7340.0001	Redecorating													
7342.0000	Contract Carpet Cleaning	132.50	138.71	500.00	240.00	430.00	195.00	285.00	778.76	261.24	415.00	235.00	35.00	3,646.21
7343.0000	Contract Carpet Repairs	132.50	136.29	0.00	0.00	40.00	160.00	450.00	145.00	0.00	0.00	45.00	0.00	1,108.79
7343.0001	Countertop Repairs	0.00	102.84	216.50	313.92	0.00	110.00	0.00	238.15	205.67	0.00	283.61	0.00	1,470.69
7344.0000	General Cleaning Supplies	279.51	315.15	389.90	139.74	381.58	502.23	279.11	929.25	423.70	483.19	343.42	550.78	5,017.56
7344.0001	Tub & Tile Resurfacing	194.85	124.49	97.43	276.04	0.00	382.55	400.53	59.54	281.46	788.07	0.00	362.64	2,967.60
7345.0000	Contract General Cleaning	0.00	0.00	0.00	0.00	0.00	0.00	124.49	0.00	0.00	0.00	0.00	0.00	124.49
7346.0000	Paint & Supplies	140.32	66.91	199.95	48.33	165.63	84.00	113.29	355.16	0.00	52.32	40.80	225.00	1,491.71
7347.0000	Contract Painting	618.75	987.49	1,479.44	523.95	1,524.26	1,535.55	895.73	0.00	417.03	1,432.07	1,259.35	1,882.42	12,556.04

Pinnacle on Wilcrest (206)
Statement (12 months)

Period = Jan 2022-Dec 2022

Book = Accrual ; Tree = ysi_is

		Jan 2022	Feb 2022	Mar 2022	Apr 2022	May 2022	Jun 2022	Jul 2022	Aug 2022	Sep 2022	Oct 2022	Nov 2022	Dec 2022	Total
7349.9999	Total Redecorating	1,498.43	1,871.88	2,883.22	1,541.98	2,541.47	2,969.33	2,548.15	2,505.86	1,589.10	3,170.65	2,207.18	3,055.84	28,383.09
7400.0001	Maintenance													
7404.0000	Plumbing Maintenance & Supplies	723.03	350.38	1,308.93	723.36	774.66	564.94	453.03	404.40	372.95	780.41	409.83	58.63	6,924.55
7405.0000	Plumbing Contract Repairs	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,276.00	0.00	1,276.00
7408.0000	Electric Maintenance & Supplies	714.20	777.08	663.72	865.82	1,213.42	515.28	1,182.73	365.15	809.98	276.69	702.26	823.79	8,910.12
7409.0000	Electric Contract Repairs	826.59	0.00	0.00	0.00	0.00	0.00	0.00	340.00	397.35	0.00	0.00	0.00	1,563.94
7412.0000	HVAC Maintenance & Supplies	512.90	128.26	423.91	1,698.88	887.50	602.61	2,676.98	2,581.12	323.02	428.31	259.60	399.53	10,922.62
7416.0000	Appliance Maintenance & Supplies	726.49	872.28	1,184.43	267.40	204.24	1,125.55	1,185.88	360.64	522.23	12.86	446.13	316.46	7,224.59
7435.0000	Maintenance Supplies	510.90	721.61	895.50	740.01	376.51	1,077.43	667.65	388.91	271.10	836.07	972.47	497.66	7,955.82
7439.0000	Pool Supplies	0.00	0.00	0.00	106.06	259.78	259.79	259.79	707.48	300.71	71.05	259.78	0.00	2,224.44
7440.0000	Garage/Gate Remotes	174.00	0.00	174.00	0.00	181.50	0.00	216.55	0.00	191.45	0.00	303.25	0.00	1,240.75
7442.0000	Maintenance Uniforms	0.00	0.00	0.00	698.62	0.00	-86.87	81.64	0.00	767.14	0.00	-0.01	56.18	1,516.70
7443.0000	Maintenance Mileage Reimbursement	26.18	32.15	0.00	49.73	38.00	59.85	39.78	0.00	0.00	56.07	45.72	0.00	347.48
7449.9999	Total Maintenance	4,214.29	2,881.76	4,650.49	5,149.88	3,935.61	4,118.58	6,764.03	5,147.70	3,955.93	2,461.46	4,675.03	2,152.25	50,107.01
7450.0001	Non-Routine Maintenance													
7452.0000	Window Coverings	294.80	397.12	100.87	224.07	800.53	248.52	515.53	122.65	196.54	219.45	21.65	516.51	3,658.24
7457.0000	Exterior Repair & Improvements	273.75	140.75	199.69	295.71	1,658.30	1,001.33	903.22	2,771.18	1,657.66	644.57	1,342.58	11,320.05	22,208.79
7458.0000	Interior Repairs & Improvements	933.01	1,066.37	1,419.64	584.67	1,490.33	579.14	323.79	741.90	211.90	745.38	594.59	893.93	9,584.65
7460.0000	Gate Repairs	0.00	398.92	328.78	108.66	0.00	860.59	0.00	313.93	0.00	0.00	171.15	1,009.38	3,191.41
7461.0000	Fire Protection Repairs/Inspections	0.00	0.00	378.88	0.00	0.00	0.00	0.00	255.00	0.00	6,156.17	-469.17	1,149.62	7,470.50
7464.0001	Golf Carts/Vehicle	0.00	0.00	0.00	0.00	1,132.06	0.00	0.00	0.00	240.48	0.00	6.47	0.00	1,379.01
7469.0000	Property Loss	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-15,489.28	0.00	0.00	-15,489.28
7469.0003	COVID-19 Expenses	347.80	492.28	19.09	27.28	0.00	15.25	0.00	361.04	86.79	37.54	0.00	103.64	1,490.71
7469.9999	Total Non-Routine Maintenance	1,849.36	2,495.44	2,446.95	1,240.39	5,081.22	2,704.83	1,742.54	4,565.70	2,393.37	-7,686.17	1,667.27	14,993.13	33,494.03
7500.0001	Marketing													
7516.0000	Dues/Memberships/Subscriptions	1,037.50	128.82	0.00	0.00	0.00	0.00	0.00	9.99	0.00	0.00	9.99	0.00	1,186.30
7520.0000	Collateral Material	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	83.86	0.00	0.00	83.86
7521.0000	Billboards & Signs	0.00	258.10	1,081.66	0.00	0.00	0.00	0.00	0.00	0.00	0.00	154.23	245.57	1,739.56
7530.0000	Parties	0.00	221.27	0.00	0.00	845.60	812.08	279.54	0.00	0.00	433.41	705.77	1,636.89	4,934.56

Pinnacle on Wilcrest (206)

Statement (12 months)

Period = Jan 2022-Dec 2022

Book = Accrual ; Tree = ysi_is

		Jan 2022	Feb 2022	Mar 2022	Apr 2022	May 2022	Jun 2022	Jul 2022	Aug 2022	Sep 2022	Oct 2022	Nov 2022	Dec 2022	Total
7532.0000	Promotions/Public Relations	220.58	244.26	324.49	178.17	261.33	364.47	407.42	334.39	106.99	258.15	325.57	456.98	3,482.80
7532.0001	Prospect Refreshments	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	75.41	0.00	0.00	0.00	75.41
7556.0000	Market Studies/Shopping Reports	86.60	86.60	86.60	193.45	86.60	0.00	173.20	86.60	86.60	86.60	86.60	86.60	1,146.05
7558.0000	Specialty Items	0.00	0.00	0.00	0.00	743.58	0.00	2,002.63	0.00	0.00	64.93	0.00	328.98	3,140.12
7560.0000	Resident Retention	199.67	307.29	369.22	312.86	134.62	346.97	417.17	174.00	244.59	226.02	311.15	447.47	3,491.03
7562.0000	Business Center Expense	53.76	53.76	63.80	53.80	53.76	63.80	63.80	53.76	53.76	73.84	91.39	53.76	732.99
7563.0000	Activity Center	227.32	227.32	227.32	454.64	227.32	-227.32	176.18	176.18	176.18	176.18	176.18	176.18	2,193.68
7599.9999	Total Marketing	1,825.43	1,527.42	2,153.09	1,192.92	2,352.81	1,360.00	3,519.94	834.92	743.53	1,402.99	1,860.88	3,432.43	22,206.36
7700.0001	Administrative/Office Operations													
7704.0000	Telephone	1,531.30	1,535.81	1,650.96	5,206.42	4,568.76	5,148.44	4,981.61	5,863.82	2,666.38	-2,381.89	2,345.20	2,521.09	35,637.90
7704.0001	Pool Phones - OH	0.00	0.00	146.14	0.00	0.00	146.13	0.01	0.00	0.00	149.02	0.00	146.14	587.44
7706.0000	Internet Service	377.95	349.10	377.95	367.90	377.95	735.80	367.90	367.91	367.91	367.91	367.91	377.96	4,804.15
7707.0000	Answering Machine/Service	141.65	141.65	141.65	141.65	141.65	141.65	141.65	141.65	141.65	141.65	141.65	147.38	1,705.53
7708.0000	Office Supplies	115.81	316.38	248.93	195.32	231.95	296.63	212.17	265.81	125.57	155.23	193.13	238.88	2,595.81
7712.0000	Postage	0.00	0.00	0.00	0.00	0.00	58.00	-58.00	0.00	147.58	0.00	0.00	56.00	203.58
7721.0000	Dues & Subscriptions	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	45.00	163.89	208.89
7726.0000	Equipment Rental & Repairs	297.69	297.69	352.69	405.07	297.69	297.69	297.69	297.69	297.69	297.69	297.69	297.69	3,734.66
7732.0000	Express Mail	26.84	15.53	6.11	30.42	67.59	50.99	32.12	246.60	65.84	180.97	9.56	39.67	772.24
7735.0000	Computer Supplies	146.10	60.07	0.00	0.00	0.00	248.74	253.64	0.00	111.87	163.93	357.23	357.23	1,698.81
7736.0000	Computer Maintenance	805.46	237.61	1,618.00	107.64	431.89	158.85	7,369.32	498.58	188.06	1,124.32	423.97	945.29	13,908.99
7740.0000	Bank Fees/Charges	10.00	0.00	0.00	0.00	0.00	1,174.34	18.11	18.22	16.23	1,353.67	8.00	-0.03	2,598.54
7744.0000	Legal Fees	2,058.15	0.00	0.00	125.00	826.44	0.00	0.00	629.12	260.00	795.18	0.00	3,138.02	7,831.91
7746.0000	Credit Bureau Expense	102.00	36.00	66.00	84.00	84.00	36.00	84.00	30.00	48.00	60.00	60.00	60.00	750.00
7747.0000	Apt. Association Dues	0.00	0.00	0.00	0.00	0.00	427.77	0.00	0.00	0.00	0.00	0.00	0.00	427.77
7751.0000	Permits & Fees	1,121.40	195.31	0.00	1,068.03	91.54	655.00	-231.92	0.00	0.00	549.30	156.90	152.58	3,758.14
7752.0000	Compliance Services	0.00	0.00	0.00	6,250.00	0.00	4,000.00	0.00	0.00	0.00	0.00	0.00	0.00	10,250.00
7753.0000	Support Services	2,253.00	2,188.00	-1,532.00	2,253.00	2,253.00	2,253.00	2,253.00	2,253.00	2,253.00	2,253.00	2,253.00	2,253.00	23,186.00
7782.0000	Mileage Reimbursement	75.91	43.49	43.12	52.65	48.64	69.73	29.25	85.41	71.96	69.03	92.35	55.66	737.20
7799.9999	Total Residential Administrative/Office Operations	9,063.26	5,416.64	3,119.55	16,287.10	9,421.10	15,898.76	15,750.55	10,697.81	6,761.74	5,279.01	6,751.59	10,950.45	115,397.56

7800.0001 Management Fees

Pinnacle on Wilcrest (206)
Statement (12 months)

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		Jan 2022	Feb 2022	Mar 2022	Apr 2022	May 2022	Jun 2022	Jul 2022	Aug 2022	Sep 2022	Oct 2022	Nov 2022	Dec 2022	Total
7801.0000	Management Fees	8,341.92	8,367.03	10,712.28	8,054.67	8,374.87	8,238.14	8,323.42	8,337.12	8,183.08	9,170.16	8,697.49	8,601.08	103,401.26
7801.9999	Total Management Fees	8,341.92	8,367.03	10,712.28	8,054.67	8,374.87	8,238.14	8,323.42	8,337.12	8,183.08	9,170.16	8,697.49	8,601.08	103,401.26
7810.0001	Insurance & Taxes													
7811.0000	Insurance-Liability	1,977.83	1,977.83	1,977.83	1,977.83	1,977.83	1,977.83	1,977.84	2,147.01	2,147.01	2,147.01	2,147.01	2,147.01	24,579.87
7812.0000	Insurance-Property	16,433.11	16,433.11	16,433.11	16,433.11	16,433.11	16,433.11	16,433.12	21,778.28	21,778.28	21,778.28	23,394.61	22,182.36	225,943.59
7813.0000	Franchise Taxes	710.52	703.77	691.82	694.05	776.08	699.71	709.30	701.97	635.74	752.89	762.15	703.69	8,541.69
7820.9999	Total Insurance & Taxes	19,121.46	19,114.71	19,102.76	19,104.99	19,187.02	19,110.65	19,120.26	24,627.26	24,561.03	24,678.18	26,303.77	25,033.06	259,065.15
7824.0001	Bad Debt Expense													
7825.0000	Bad Debt Expense	636.19	76.07	3,517.00	10,666.46	3,772.49	0.00	0.00	977.37	0.00	11,780.06	1,782.00	9,642.05	42,849.69
7825.9999	Total Bad Debt Expense	636.19	76.07	3,517.00	10,666.46	3,772.49	0.00	0.00	977.37	0.00	11,780.06	1,782.00	9,642.05	42,849.69
7830.9999	TOTAL RESIDENTIAL EXPENSES	114,954.80	109,767.13	106,812.83	136,340.13	110,325.27	117,884.22	141,011.09	117,554.77	125,886.01	121,965.82	111,822.31	145,424.78	1,459,749.16
7831.9999	TOTAL OPERATING INC/LOSS BEFORE DEBT SERVICE	99,703.96	102,850.87	102,196.89	73,344.34	101,044.06	93,511.08	73,278.31	94,521.24	89,272.85	105,492.58	95,341.83	67,168.82	1,097,726.83
7849.0001	Debt Service													
7850.0000	Mortgage Notes Interest	60,340.73	60,270.31	60,199.51	60,128.33	60,056.75	59,984.78	59,912.42	59,839.67	59,766.52	59,692.97	59,619.01	59,544.66	719,355.66
7880.9999	Total Residential Debt Service	60,340.73	60,270.31	60,199.51	60,128.33	60,056.75	59,984.78	59,912.42	59,839.67	59,766.52	59,692.97	59,619.01	59,544.66	719,355.66
7894.9999	TOTAL DEBT SERVICE	60,340.73	60,270.31	60,199.51	60,128.33	60,056.75	59,984.78	59,912.42	59,839.67	59,766.52	59,692.97	59,619.01	59,544.66	719,355.66
7900.0001	Capital Expenditures													
7901.0000	Appliances	379.15	840.44	998.81	680.74	542.19	1,221.36	883.24	0.00	1,432.14	1,270.33	1,311.15	2,101.91	11,661.46
7902.0000	Carpet Replacement	4,686.31	2,055.85	2,603.48	5,445.64	3,289.31	1,821.98	21.08	426.23	289.40	5,794.79	12,391.97	1,997.29	40,823.33
7903.0000	Exterior Repairs	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	6,489.59	6,489.59	12,979.18
7904.0000	Other Interior	0.00	0.00	1,511.71	0.00	0.00	0.00	0.00	0.00	0.00	727.70	0.00	0.00	2,239.41
7905.0000	Equipment	0.00	0.00	684.31	1,243.56	270.61	0.00	2,438.48	0.00	658.35	0.00	770.26	0.00	6,065.57
7906.0000	Landscaping Additions	0.00	0.00	7,867.10	0.00	8,327.62	0.00	0.00	0.00	0.00	0.00	0.00	20,937.92	37,132.64
7908.0000	Pool Repair	0.00	0.00	0.00	4,439.84	0.00	2,770.62	0.00	0.00	0.00	0.00	0.00	0.00	7,210.46
7916.0000	HVAC Replacements	0.00	0.00	0.00	0.00	0.00	0.00	868.24	1,035.60	2,783.93	0.00	0.00	0.00	4,687.77

Pinnacle on Wilcrest (206)
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		Jan 2022	Feb 2022	Mar 2022	Apr 2022	May 2022	Jun 2022	Jul 2022	Aug 2022	Sep 2022	Oct 2022	Nov 2022	Dec 2022	Total
7917.0000	Electrical/Lighting	79.24	-134.44	679.21	0.00	464.00	0.00	1,883.65	3,064.26	423.21	0.00	501.23	0.00	6,960.36
7919.0000	Cabinets	0.00	0.00	1,300.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,300.00
7949.9999	Total Capital Expenditures	5,144.70	2,761.85	15,644.62	11,809.78	12,893.73	5,813.96	6,094.69	4,526.09	5,587.03	7,792.82	21,464.20	31,526.71	131,060.18
7950.0000	TOTAL NET OPERATING INCOME/LOSS	34,218.53	39,818.71	26,352.76	1,406.23	28,093.58	27,712.34	7,271.20	30,155.48	23,919.30	38,006.79	14,258.62	-23,902.55	247,310.99
9000.0000	PARTNERSHIP ACTIVITY													
9000.0001	Partnership Income													
9001.0000	Interest Income	494.72	6.36	22.69	10.42	-3,591.99	32.04	49.30	1,587.44	146.75	1,191.23	797.24	458.42	1,204.62
9099.9999	Total Partnership Income	494.72	6.36	22.69	10.42	-3,591.99	32.04	49.30	1,587.44	146.75	1,191.23	797.24	458.42	1,204.62
9100.0001	Partnership Expenses													
9101.0000	Accounting/Professional Svcs	0.00	4,250.00	5,580.00	0.00	2,400.00	7,500.00	0.00	0.00	0.00	1,250.00	0.00	0.00	20,980.00
9105.0000	Amortization Expense	1,820.03	1,792.46	1,792.46	1,788.35	1,786.28	1,784.19	1,782.10	1,779.99	1,777.87	1,777.87	1,777.87	1,771.44	21,430.91
9115.0000	Contingent 1% Fee Distribution	2,085.49	0.00	2,678.07	2,013.67	2,093.72	0.00	2,080.86	2,084.28	0.00	2,292.54	2,174.37	0.00	17,503.00
9120.0000	Depreciation Expense	40,049.43	40,049.43	40,049.43	40,049.43	40,049.43	40,049.43	40,049.43	40,049.43	40,049.43	40,049.43	40,049.43	40,049.43	480,593.16
9128.0000	Ground Lease Expense	1,455.56	1,455.56	1,455.56	1,455.56	1,455.56	1,455.56	1,455.56	1,455.56	1,455.56	1,455.56	1,455.56	1,455.56	17,466.72
9130.0000	Interest Expense	4,325.06	3,906.51	4,531.01	4,384.85	4,942.93	4,783.48	5,560.80	6,178.66	5,979.35	6,796.53	7,175.22	7,414.40	65,978.80
9150.0000	Legal Expenses-Partnership	2,387.50	360.00	225.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2,972.50
9199.9998	Total Partnership Expenses	52,123.07	51,813.96	56,311.53	49,691.86	52,727.92	55,572.66	50,928.75	51,547.92	49,262.21	53,621.93	52,632.45	50,690.83	626,925.09
9199.9999	TOTAL PARTNERSHIP ACTIVITY	51,628.35	51,807.60	56,288.84	49,681.44	56,319.91	55,540.62	50,879.45	49,960.48	49,115.46	52,430.70	51,835.21	50,232.41	625,720.47
9999.9998	TOTAL NET INCOME/(LOSS)	-17,409.82	-11,988.89	-29,936.08	-48,275.21	-28,226.33	-27,828.28	-43,608.25	-19,805.00	-25,196.16	-14,423.91	-37,576.59	-74,134.96	-378,409.48

Market Rent Schedule

Pinnacle on Wilcrest (206)

As Of = 12/21/2022

Unit Type	Units	Unit Type Rent	Unit Type Sq Ft	Total Unit Type Rent	Total Unit Rent	Average Unit Rent	Occupied Units	Average Resident Rent
1 BD 1 BTH (206a1150)	13	784.00	700.00	10,192.00	10,192.00	784.00	12	693.41
1 BD 1 BTH (206a1160)	10	953.00	700.00	9,530.00	9,530.00	953.00	10	847.70
1 BD 1 BTH (206a1250)	12	784.00	700.00	9,408.00	9,408.00	784.00	11	697.45
1 BD 1 BTH (206a1260)	12	953.00	700.00	11,436.00	11,436.00	953.00	12	848.91
1 BD 1 BTH (206a1350)	13	784.00	700.00	10,192.00	10,192.00	784.00	13	693.69
1 BD 1 BTH (206a1360)	13	953.00	700.00	12,389.00	12,389.00	953.00	13	836.46
1 BD 1 BTH (206a1450)	11	784.00	700.00	8,624.00	8,624.00	784.00	11	718.81
1 BD 1 BTH (206a1460)	15	953.00	700.00	14,295.00	14,295.00	953.00	14	806.57
1 BD 1 BTH (206a1h50)	4	784.00	700.00	3,136.00	3,136.00	784.00	4	700.00
1 BD 1 BTH (206a1h60)	3	953.00	700.00	2,859.00	2,859.00	953.00	3	859.33
2 BD 1 BTH (206b1150)	8	934.00	875.00	7,472.00	7,472.00	934.00	8	838.75
2 BD 1 BTH (206b1160)	5	1,137.00	875.00	5,685.00	5,685.00	1,137.00	5	986.20
2 BD 1 BTH (206b1250)	9	934.00	875.00	8,406.00	8,406.00	934.00	9	822.66
2 BD 1 BTH (206b1260)	9	1,137.00	875.00	10,233.00	10,233.00	1,137.00	8	996.50
2 BD 1 BTH (206b1350)	10	934.00	875.00	9,340.00	9,340.00	934.00	9	822.22
2 BD 1 BTH (206b1360)	11	1,137.00	875.00	12,507.00	12,507.00	1,137.00	11	1,004.00
2 BD 1 BTH (206b1450)	10	934.00	875.00	9,340.00	9,340.00	934.00	10	828.20
2 BD 1 BTH (206b1460)	11	1,137.00	875.00	12,507.00	12,507.00	1,137.00	10	1,018.00
2 BD 1 BTH (206b1h50)	5	934.00	875.00	4,670.00	4,670.00	934.00	5	843.20
2 BD 1 BTH (206b1h60)	6	1,137.00	875.00	6,822.00	6,822.00	1,137.00	6	1,031.16
2 BD 2 BTH (206b2150)	9	944.00	925.00	8,496.00	8,496.00	944.00	9	855.66
2 BD 2 BTH (206b2160)	6	1,147.00	925.00	6,882.00	6,882.00	1,147.00	6	1,013.00
2 BD 2 BTH (206b2250)	7	944.00	925.00	6,608.00	6,594.00	942.00	7	843.85
2 BD 2 BTH (206b2260)	8	1,147.00	925.00	9,176.00	9,176.00	1,147.00	8	999.87
2 BD 2 BTH (206b2350)	8	944.00	925.00	7,552.00	7,552.00	944.00	8	877.37
2 BD 2 BTH (206b2360)	7	1,147.00	925.00	8,029.00	8,029.00	1,147.00	7	1,019.28
2 BD 2 BTH (206b2450)	6	944.00	925.00	5,664.00	5,664.00	944.00	6	841.66
2 BD 2 BTH (206b2460)	9	1,147.00	925.00	10,323.00	10,323.00	1,147.00	9	1,018.00
Grand Total	250	967.09	812.00	241,773.00	241,759.00	967.03	244	858.61

Pinnacle on Wilcrest
9520 Wilcrest Dr
Houston, TX 77099
Ph: 281.933.6200
Fax: 281.933.6204

Management Company
Manager
Year Built
Number of Units
Survey Date

Embrey Management Services
Michelle McKnight
2006
250
12/29/22

Occupied % 97.2%
Leased % 100.0%

Previous Occupied
Previous Leased

98.8%
99.6%

# of Units	Size	Type	Square Footage	Market Rent	Market /Sq. Ft.	Effective Rent	Effective /Sq. Ft.	Total Rent	Total Sq. Ft.
53	1x1	50%	700	\$784	\$1.12	\$730	\$1.04	\$41,552	37,100
53	1x1	60%	700	\$953	\$1.36	\$878	\$1.25	\$50,509	37,100
42	2x1	50%	875	\$934	\$1.07	\$870	\$0.99	\$39,228	36,750
42	2x1	60%	875	\$1,137	\$1.30	\$1,048	\$1.20	\$47,754	36,750
30	2x2	50%	925	\$944	\$1.02	\$880	\$0.95	\$28,320	27,750
30	2x2	60%	925	\$1,147	\$1.24	\$1,058	\$1.14	\$34,410	27,750
250			813	\$967	\$1.19	\$896	\$1.10	\$241,773	203,200

Other Charges:

Garages Detached	\$75
Garages Attached	N/A
Views	N/A
Washer/Dryers	\$40
Storage	\$20
Carports	\$25

Fees and Deposits:

Security Deposit	\$200/\$250
Pet Deposit (Refundable)	\$300
Pet Fee (Non Refundable)	N/A
Application Fee	\$24
Redec or Admin Fee	N/A
Other	N/A

Locator Fees

0%

Lease Terms

12 Month

Specials and Concessions

None

Amenities - Apartment

9' Ceiling
Crown Molding
Built-in microwaves
Ceiling Fans
Wired for alarm
Wood floors in entry dining and kitchens
Full Size W/D Connections
Walk-in Showers

Amenities - Property

1 pool
Club House
Fitness center
Gated access
Business center
Activity center
Laundry Facility
Gazebo
Picnic Area
BBQ grills
On site Storage
Courtesy Patrol
Reserved covered Parking
Elevators
Walking Trails
Bocceball Court
Resident Gardening Area

Senior Tax Credit

**Messages****Property:** Pinnacle at Wilcrest**Loan No:** 981047781**Interest Rate:** 6.55000

BALANCE INFORMATION AS OF 12/16/2022		PAYMENT INFORMATION FOR 01/01/2023	
Principal Balance	10,895,247.79	Principal	13,771.64
Interest Paid YTD	719,355.66	Interest	59,469.89
Outstanding Deferred Int		R.E. Taxes	
Tax Escrow Balance	0.01	Property Insurance	
Insurance Escrow Balance		Reserves	5,208.33
Reserve Balance	617,104.90	FHA/MIP	
MIP Escrow Balance		Other Escrow	
Other Escrow Balance		Outstanding Late Fee Due	
		IRP/Subsidy	
Late Charge of	3,662.08	Outstanding Default Int	
Due if not paid by	01/11/2023	Outstanding Misc Amount	
		Total Payment Due	\$ 78,449.86

ACCOUNT ACTIVITY 11/17/2022 thru 12/16/2022								
Date	Desc	Total	Principal	Interest	Escrows	Reserves	Late Fee	Other
11/30/2022	RESERV DR	5.35				-5.35		
11/30/2022	IOI CREDIT	21.41				21.41		
12/01/2022	PMT REC'D	78,449.86	-13,696.87	59,544.66		5,208.33		

For general inquiries please call your Client Relations Manager at 1 (888) 334-4622.

MAIL THIS PORTION WITH YOUR PAYMENT

		Loan No. 981047781
Last Installment Made	Due Date	Amount Due
12/01/2022	01/01/2023	78,449.86

Ensure Remittance address shows through window envelope

Pinnacle at Wilcrest

Embrey Partners Ltd
Suite 700
1020 NE Loop 410
San Antonio TX 78209

BERKADIA A

LB#2087
PO Box 95000
Philadelphia PA 19195-0001