

**LOUISIANA
HOUSING
CORPORATION**

BOARD OF DIRECTORS

Agenda Item #8

**BRENDA EVANS, PROGRAM ADMINISTRATOR
LORETTA WALLACE, PROGRAM ADMINISTRATOR**

FULL BOARD MEETING MATERIALS

March 14, 2012

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DECISION BRIEF:

Site Change Request for Summerlin Apartments located in Bastrop, Louisiana in Morehouse Parish

Issue

Bastrop Partners, LP, 119 Woodland Heights, Aberdeen, MS 39730 is requesting the Louisiana Housing Finance Agency to allow Summerlin Apartments (48 unit multi-family development) to relocate to another site in Bastrop due to the inadequacy of the public infrastructure. The new location will be located Scott Street, Bastrop, Morehouse Parish, Louisiana and is approximately two (2) miles from the original site located at 1296 Boswell Street, Bastrop Louisiana. Forty-three (43) of the units will be set aside for 50% to 60% AMI and five (5) of the units will be set aside for 30% or less AMI.

Although Summerlin received support from the City of Bastrop and the Morehouse Parish Police Jury previously, the Louisiana Housing Finance Agency (LHFA) and developer have been since notified that the existing sanitary sewer system would not support the project. The newly proposed location would accommodate the infrastructure needs of the project as evidenced by support documentation from the City of Bastrop and the Morehouse Parish Police Jury (attached).

Summerlin Apartments was awarded \$747,805 from the 2011 LIHTC credit ceiling in December 2011. In addition to the tax credit award, other sources of funding to be utilized in the construction of this development will be \$375,000 from Permanent First Mortgage Loan Principal (HOPE Credit Union) and \$325,261 in deferred developer fees. The Total Development Cost for the project is \$6,761,163 (\$140,857 per unit).

The forty-eight (48) units being proposed consist of sixteen (16) one bedroom units; sixteen (16) two bedroom units and sixteen (16) three bedroom apartments.

Morehouse Apartments, LLC (contact person Chris Valsamakis), will be the managing member of the entity (Bastrop Partners, LP) that will own the project. New Horizons Development, LLC will act as developer with Louis Journey, as contact person.

The project amenities include a community building with outdoor pool area, club room, community meeting room, management office, business center, and maintenance and storage areas. The site also includes community green, community garden, outdoor pavilion, playground, two car wash areas, outdoor exercise yard with nature trail.

Pros:

Development received unanimous resolution of support from the City of Bastrop and Morehouse Parish.

Cons:

Staff has reviewed prior instances where site changes were allowed and have determined that such site changes were allowed under circumstances that are different from those outlined in the developer's request.

Staff is of the opinion that such change will result in a materially different project being built and funded than what was submitted and awarded during the competitive funding round in December 2011.

The change in site would negatively affect the scoring of Summerlin Apartments by ten (10) points as the proposed project location is not an abandoned property. The developer has cited that the new proposed site would earn six (6) points for being located in a revitalization district; this would be a change in the selection criteria that materially affects the project.

Recommendation:

Staff denied the site change request.



Brenda Evans
Housing Program Administrator
Louisiana Housing Finance Agency
2415 Quail Drive
Baton Rouge, LA 70808

February 23, 2012

RE: Summerlin Apartments, #1112-19

Dear Ms. Evans,

Per the guide lines of the 2011-2012 QAP please accept this letter as our formal request for a site change (relocation) of the above referenced project. Based upon the facts as contained herein we are requesting staff make a recommendation to the Board at the March regularly scheduled Board meeting to approve the request as detailed herein.

At the outset we acknowledge that the site relocation constitutes a material change under the QAP and thus requires Board approval. Subsequent to Board approval we will provide the Agency with the requisite reprocessing fee and reprocessing application as directed.

The facts surrounding the request for the Site relocation are as follows:

- Summerlin Apartments was awarded 2011 tax credits on or about December 16, 2011 see Exhibit 'A.'
- As you are aware the Morehouse Parish Police Jury had expressed some concern about the suitability of the original site on Boswell Street. However, it is important to note, the first notion we had regarding any concern of the Morehouse Police Jury was in the form of a letter we received on September 13, 2011 AFTER our application was turned in to the LHFA. See Exhibit 'B.'
- Included with our original tax credit application were will serve letters issued by the City of Bastrop to provide water and sewer services. As such at the time of the application submittal, we had all requisite entitlements as required under the QAP. See Exhibit 'C.'
- Subsequent to our receiving the tax credits for this project we went and met with representatives of both the City of Bastrop and the Morehouse Parish Police Jury to obtain a firm understanding of what the Police Jury contended was a lack of adequate public infrastructure. The Police Jury alleged that although the City owned and operated the sanitary sewer line in the Boswell Street area they had knowledge the lines and that area were substandard and had been improperly/poorly constructed several decades ago when the lines were installed. We agreed at our

expense to investigate the lines on behalf of the City in conjunction with our site engineering. On January 30, 2012 we received an engineering report from Ballard CLC which confirmed the Parish's suspicions that the sewer line servicing the Boswell Street area was significantly inadequate to support our development. See Exhibit 'D.'

- The fact the sewer line servicing the original site was inadequate was unknown to the City of Bastrop at the time they issued the original will serve letter and was likewise unknown to the developer at the time the application was submitted and approved by the LHFA.
- With the assistance of both the City of Bastrop City Council and the Morehouse Parish Police Jury we located a new site that would accommodate our development and have that parcel under a firm option contract. See Exhibit 'E.'
- The new site is the exact same acreage and the exact same price as the original site.
- We made the City of Bastrop and the Morehouse Parish Police Jury aware that we had the new site under contract and would be requesting the LHFA approve our site relocation based upon the inadequacy of the sewer lines at the original site location and request the respective jurisdictions join us in our request to the LHFA to approve our requested site location.
- We received a unanimous resolution of support from the City of Bastrop on February 9, 2012. See Exhibit 'F.'
- We received a unanimous resolution of support from Morehouse Parish on February 13, 2012. See Exhibit 'G.'
- Additionally we received a letter of support from the Morehouse Department of Economic development on February 20 2012. See Exhibit 'H.' In addition to the facts established in the two above support resolutions the Morehouse Economic development further notes the new site is in walking distance to the new DG plant that had 400 new jobs and that Morehouse Parish was in dire need of additional housing to support the workforce necessary to operate this new and soon to be expanding facility.
- Our project engineer, in conjunction with local water and sewer providers, have determined that not only is water and sewer service available at the new site but the systems can accommodate the development as proposed. See Exhibits 'I' and 'J.'

- The development is under a firm commitment by to syndicate the tax credits and is scheduled to close in May of this year conditioned upon the site relocation requested herein.

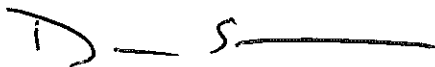
In short we are requesting a site-relocation because the original site does not have adequate sewer to service our development. Not only were we unaware of this fact when we turned in our application there was no way for us to have know as the municipality itself was unaware of the issues. We have letters of support from the City of Bastrop, Morehouse Parish Police Jury and the Morehouse Department of Economic Development. We have an investor ready to close on the transaction as soon as the relocation is approved.

The QAP provides and anticipates that relief will be granted when an applicant "relies on the representations of a governmental agency" There is additionally a long history with the LHFA that gives deference to the local municipality regarding the impact a development will have on local infrastructure. There is likewise precedent approving site relocation where a proposed development was otherwise fully entitled and where unforeseen circumstances arise that make proceeding at the original site impractical or impossible.

Additionally it should be noted that in awarding the relief requested herein no prejudice shall occasion any other applicant in the 2011-2012 Tax Credit Cycle in that the new site had it been part of the original tax credit application would have received the necessary points to have been funded of its own merit. Based upon the facts, there is ample precedent for the relief as requested, we have unanimous support for all local government instrumentalities and no change in the final rank and score would occur upon granting the relief we request staff make a recommendation to the Board to approve the site relocation as requested herein.

Thank you for your assistance in this matter and we look forward to working with the Louisiana Housing Finance Agency to bring this important affordable housing development to the residents of Morehouse Parish. With kind regards,

David Strange, Esq.
Bastrop Partners, LP



Cc: Jim Donohue, Esq.
Law Offices -- Donohue Patrick



Louisiana Housing Finance Agency

December 16, 2011

Summerlin Apartments
119 Woodland Heights
Aberdeen, MS 39730

RE: Reservation Letter
Summerlin Apartments, #1112-20

The Board of Commissioners of the Louisiana Housing Finance Agency conditionally reserved low-income housing tax credits of \$747,805.00 from the 2011 LIHTC Credit Ceiling to the buildings as specified in your application. The Agency computed the amount of Tax Credits reserved for your project utilizing the actual credit percentages published by the Treasury Department of 9.00% for new construction and 3.20% for acquisition or federally subsidized new construction for the month of December 2011.

Section 42(b)(2)(A)(ii) of the Internal Revenue Code of 1986 (the Code) as amended, permits the Taxpayer to elect the credit percentage for the month in which the Taxpayer and the Agency enter into a binding agreement with respect to such buildings (which is binding on the Agency, the Taxpayer and all successors in interest) as to the housing credit dollar amount to be allocated to such buildings. Enclosed is a Housing Credit Percentage Commitment Agreement (the Credit Agreement), which has been executed by the Agency.

The Credit Agreement serves as the basis for compliance with the provisions of the Code and the Internal Revenue Service (IRS) Guidelines governing the manner in which the Taxpayer may exercise the election to utilize a Credit Percentage for a month other than the month in which a building is placed in service.

The following steps must be followed by Taxpayer within the specified period:

<u>Steps</u>	<u>Time Period</u>
1. Provide documentation that buildings in the project pursuant to Section 42(h)(1)(B) or (F) are qualified buildings i.e. Carryforward allocation documentation including an appropriate attorney or CPA opinion.	Not later than December 21, 2011
2. Execute Credit Agreement	Not later than the end of December 2011.
3. Record Credit Agreement in Mortgage and Conveyance	Not later than the end of December 2011.

Records for the Parish in which the project is located.

4. Execute before a Notary the Credit Percentage Election Form (the Election Form)
5. Return a certified copy of the recorded Credit Agreement and original Election Form (retain copy of Credit Agreement and Election Form for your records.)

Not later than the end of December 2011.

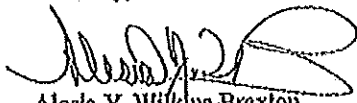
On or before the 5th day of January 2012.

The Agency reserved the award of Tax Credits for the referenced buildings conditioned upon receipt of the following: (i) By no later than December 21, 2011 documentation that buildings in the project to be allocated credits pursuant to Section 42(h)(1)(B) or (F) are qualified buildings, (ii) By no later than the end of the 5th day following this month the Credit Award Fee equal to five percent (5%) of the annual tax credit reservation in the form of a certified check or money order and (iii) By no later than the end of the 5th day following this month but upon execution, a copy of the Credit Agreement, indicating thereon the date on and public records conveyance within which it was filed along with the exhibits for an irrevocable election by the Taxpayer to utilize the Credit Percentage specified above, must be returned to the Agency. If the original recorded Credit Agreement with attached exhibits and other referenced documentation is not returned in the manner specified by the date stated above, the Agency will cancel the Tax Credits conditionally reserved for your project. The Agency also conditions the delivery of Form 8609 upon receipt within ten (10) days of the date the project has been placed in service of evidence that the captioned project has been placed in service in accordance with the restrictions and limitations outlined in the Low Income Housing Tax Credit Application Package (the Application) submitted by the Taxpayer. The Agency will cancel any reservation of Tax Credits if satisfactory progress is not made in completing the captioned project within the Project Schedule in the Application.

Please be advised that your final allocation of tax credits is subject to certification of all information as submitted in your application to this Agency for 2011/2012(PC) Low-Income Housing Tax Credits and upon your project complying with all Agency imposed and statutorily required reviews and analysis as of the placed in service date of the project. This justification and certification in the form of appropriate documentation must be provided to the Agency prior to delivery of Form 8609.

Please contact this office should you have any questions.

Sincerely,


Alesia Y. Wilkins-Braxton
Acting-President

Enclosures

Jan 5th
Credit Award Fee
= 5% of Annual Credit

MOREHOUSE PARISH POLICE JURY

125 EAST MADISON AVENUE
BASTROP, LOUISIANA 71220
(318) 281-4132
FAX (318) 283-1243

September 13, 2011

Attn: David L. Strange
New Horizons Development, LLC
149 Concourse Drive
Pearl, MS 39208

DISTRICT 1
Floyd Tomboli
7244 Gracle Ln.
Bastrop, LA 71220

DISTRICT 2
Harry Reese, Sr.
P. O. Box 280
Mer Rouge, LA 71261

DISTRICT 3
Mark Sistrunk
5733 Candice Ln.
Bastrop, LA 71220

DISTRICT 4
Jack Cockrell
5105 Oakley Ln.
Bastrop, LA 71220

DISTRICT 5
Jason Crockett
6036 Jen Lee Ln.
Bastrop, LA 71220

DISTRICT 6
Terry Matthews
1003 Commerce Ave.
Bastrop, LA 71220

DISTRICT 7
Issac Gray
439 W. Madison Ave.
Bastrop, LA 71220

Re: Summerlin Apartments Project
Bastrop, Louisiana

Dear Mr. Strange:

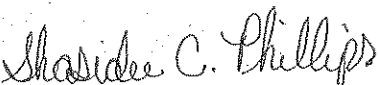
The Morehouse Parish Police Jury is holding a Public Hearing on Monday, September 26, 2011, at 5:00 p.m. at the McMeans/Police Jury Annex, 125 East Madison Avenue, Bastrop, Louisiana to discuss the Summerlin Apartments Project.

We would like for you or a representative attend the public hearing to address concerns residents of the potential project area and citizens of Morehouse Parish have with your project.

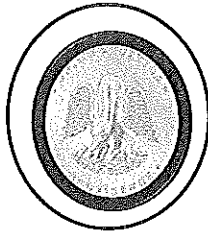
If you have any questions or need any more information, please call.

With kindest regards, I remain

Respectfully,


Shasidee C. Phillips
Secretary

Certified Mail No.: 7011 0110 0001 7468 8906



City of Bastrop
Post Office Box 431
Bastrop, Louisiana, 71221-0431
318-283-0250

August 8, 2011

Bastrop Partners, LP
Dba Summerlin Apartments
149 Concourse Drive
Pearl, MS 39208

RE: Water and Sewer Availability – Summerlin Apartments, 48 Units
Boswell Street and Nancy Road

The City of Bastrop owns and maintains the water lines and sewer system that serve the above referenced address. Both systems have the capacity to accommodate the proposed 48 unit Summerlin Apartments.

If you need any additional information, please give me a call at 318-283-0250.

Sincerely,

A handwritten signature in cursive script that reads "Betty Alford-Olive".

Betty Alford-Olive
Mayor



Ballard CLC

1001 Bayou Place
Alexandria, LA 71303

Tel: 318/445-6571
Fax: 318/448-0257

January 30, 2012

12706

Mr. David Strange
New Horizon Development
P.O. Box 1614
Brandon, MS 39043

Re: Due Diligence for Tax Credit Subdivision
Bastrop, LA

Dear Mr. Strange,

In conjunction with People's Water (water) and Veolia Water (sanitary sewer), the operators of Bastrop utilities, we have investigated the water and sanitary sewer servicing the proposed apartment development at Nancy Road and Boswell Street. This development was discussed to determine if the necessary capacity would be available in both systems. From these discussions it was determined that the existing water system would be adequate, while the existing sanitary sewer system would not. After further review and analysis of the affected portion of the sanitary sewer system we are in concurrence that the proposed development cannot be supported by Bastrop's existing sanitary sewer system.

The additional sanitary sewer flow from the proposed development would result in a surcharged (i.e. overflowing) gravity system immediately downstream. This condition is projected to occur even during normal flows and obviously would be exacerbated by inflow after rainfall events.

The city has no plans to replace or upgrade approximately 2 miles of existing gravity sanitary sewer mains downstream of the proposed development. The estimated cost to do so would exceed \$1,000,000. As such, it appears that Veolia Water will not be able to provide sanitary sewer services to the Boswell Street location. Alternately, we have discussed and reviewed the water and sanitary sewer service for the proposed relocation site between Scott and Balkum streets. Both the water and sanitary sewer system servicing that location has the capacity to serve the proposed development with no improvements needed to the existing systems.

If you would like to further discuss our findings please do not hesitate to call.

Sincerely,

BALLARD CLC, INC.


J. Bryan Butler, P.E.
Project Manager

Engineers • Planners • Surveyors

**CONTRACT FOR THE SALE AND PURCHASE OF REAL ESTATE
LOTS AND LAND**

This form is provided as a courtesy to the parties only. It is not required to be used in this transaction and may not fit the needs, goals and purposes of the parties. The Mississippi Association of REALTORS® makes no statement or warranty as to this form, its contents or use, and the parties, by their use of this form, acknowledge said facts and agree that neither the Mississippi Association of REALTORS® nor any member thereof shall be liable to any party or person for its contents or use. If any party to this transaction does not fully understand it, or has any question, the party should seek advice from a competent legal professional before signing.

- 1 1. This Contract for the Sale and Purchase of Real Estate Lots and Land is made this the 31 day of
2 January, 2012.
- 3 2. Buyer(s) Bastrop Partners, LP agree(s) to
4 buy and Seller(s) Chris Edward Korjan agree(s)
5 to sell the herein described Property with legal description as follows:
6 +/- 6.5 acres in Bastrop, Morehouse Parish, LA at the terminus of Scott Drive as shown
7 on Exhibit 'A.'
8 _____ in _____
9 The property is further described as tax parcel # _____ in the records of the county courthouse
10 within which the Property is located, the exact legal description to be determined by survey (if warranted and the
11 parties agree) to be secured and paid for by the party indicated in the Clause herein entitled COSTS OF SALE.
- 12 3. PURCHASE PRICE: The Buyer will pay a total sum of \$ 150,000
13 Cash Down Payment: Paid at Closing and subject to adjustments and prorations \$ _____
14 BALANCE: Balance payable \$ _____
15 Balance is payable as follows: _____
16 Sale is contingent upon Buyer(s) qualifying for loan under the following terms:
17 See Section 19
18 If sale is contingent upon Buyer(s) ability to qualify for a loan, Buyer(s) shall make loan application within
19 five (5) calendar days of the effective date of this Contract.
- 20 4. THE FOLLOWING FINANCING STATEMENT IS IS NOT APPLICABLE:
21 Property must appraise at or above sale price or Buyer(s) shall not be obligated to complete the purchase of
22 Property described herein and all earnest money shall be refunded to the Buyer(s).
- 23 5. EARNEST MONEY: A sum of \$ NA (per cash check) deposited with
24 _____ [Broker/Trustee], who shall hold it in trust, presuming
25 clearance of check. Upon acceptance of the Contract, deposits and down payments received by above named
26 Broker/Trustee shall be deposited in an escrow account and shall remain in that account until the transaction has been
27 consummated or terminated. All such funds will be deposited by the above named Broker/Trustee in federally insured
28 accounts. The Broker has the authority to provide the earnest money to the rightfully entitled party based upon the
29 terms of the Contract. Any party who wrongfully terminates this Contract shall forfeit its right to any earnest money
30 funds. In the event the Broker cannot determine by the terms of the Contract which party is rightfully entitled to the
31 earnest money, Broker shall interplead the funds.
- 32 6. MULTIPLE LISTING SERVICE (MLS): The Selling Broker is a participant of the _____
33 Multiple Listing Service and the sales information will be provided to the MLS to be published and disseminated to
34 its participants, if applicable.
- 35 7. PURCHASER HAS EXAMINED THIS PROPERTY and agrees to accept same in its present condition, except as
36 may be specified herein.



37 8. ALL IMPROVEMENTS ARE INCLUDED in the purchase price including, if now on the property, all fencing,
38 barns, wells, etc. Prior to the Closing, Seller may only remove the following:
39 _____
40 _____
41 _____
42 _____
43 _____

44 9. ALL PROPERTY TAXES, ASSESSMENTS AND/OR RENTALS shall be prorated through Closing date. NOTE:
45 Taxes are based upon current information furnished by the County and/or City Tax Office. Brokers and salespersons
46 cannot and do not assume any responsibility for any change or modification to the current tax assessment by the said
47 tax offices.

48 10. TITLE AND CONVEYANCE:

49 General Warranty Deed, Special Warranty Deed, Assignment of Lease, Quit Claim Deed
50 and a certificate of title prepared by an attorney, upon whose certificate title insurance may be obtained from a title
51 insurance company qualified to do and doing business in the State of Mississippi will be provided by (See Clause
52 14). Seller(s) shall, prior to Closing, satisfy all outstanding mortgages, deeds of trust and special liens affecting the
53 subject property which are not specifically assumed by Buyer(s) herein. Title shall be good and marketable, subject
54 only to the following items recorded in the Chancery Clerk's office of said county: easements without encroachments,
55 applicable zoning ordinances, protective covenants and prior mineral reservations; otherwise Buyer(s), at its option,
56 may either (A) if defects cannot be cured by designated Closing date, cancel this Contract, in which case all earnest
57 money deposited shall be returned; (B) accept title as is or; (C) if the defects are of such character that they can be
58 remedied by legal action within a reasonable time, permit Seller(s) such reasonable time to perform this curative
59 work at Seller(s)' expense. In the event the curative work is performed by the Seller(s), the time specified herein for
60 Closing shall be extended for a reasonable period necessary for such action. Seller(s) represent(s) that the property
61 may be legally used as zoned and that no governmental agency has served any notice requiring repairs, alterations or
62 corrections of any existing condition except as stated herein.

63 11. MINERAL RIGHTS: Seller(s) will transfer (CHOOSE ONE) ANY NONE _____ %
64 OTHER _____ mineral rights which it possesses in the Property to the Buyer(s).

65 12. THE RISK OF LOSS by fire or other casualty shall be on the Seller(s) until Title is conveyed.

66 13. CLOSING: Closing to be on May 31, 2012 or before if mutually agreed to by the parties.

67 14. COSTS OF SALE: (Please mark each space with appropriate letter(s)) Print the letter S if paid by the Seller(s).
68 Print the letter B if paid by Buyer(s). Print the letter J if split by parties, Print NA if not applicable or No if not
69 desired.

70	Loan Origination	<u>NA</u>	Doc. Prep.	<u>NA</u>	Flood Cert.	<u>B</u>	Deed Prep.	<u>NA</u>
71	Disc. Points	<u>NA</u>	Tax Service	<u>NA</u>	Title Ins. Owuer	<u>B</u>	Leaschold Tranfer	<u>NA</u>
72	Appraisal	<u>B</u>	Pre-paid Items	<u>NA</u>	Title Ins. Lender	<u>NA</u>	Well/Septic Insp.	<u>NA</u>
73	Credit Report	<u>NA</u>	Courler Ser.	<u>NA</u>	Environmental Insp.	<u>B</u>	Perk Test	<u>NA</u>
74	Atty. Closing Fee	<u>B</u>	Recording Fee	<u>NA</u>	Wetlands Insp.	<u>B</u>	Underwriting	<u>NA</u>
75	Certificate of Title	<u>B</u>	Survey	<u>B</u>				
76	Other							

77 15. POSSESSION of Property shall be delivered to Buyer(s) on at closing , _____ .

78 16. BREACH OF CONTRACT: Specific performance is the essence of this contract, except as otherwise specifically
79 herein and as further delineated below, and time is of the essence.

80 In the event of breach of this contract by Buyer, Seller may at its option (a) accept the earnest money deposit as
81 liquidated damages and this contract shall then be null and void; (b) file suit in any court of competent jurisdiction for
82 damages; or (c) file suit in any court of competent jurisdiction for specific performance. If Seller elects to proceed
83 under (a) or (b) in this section, or if Seller proceeds under (c) and is unsuccessful in a suit for specific performance
84 but receives an award of the earnest money deposit and/or damages, Listing Broker shall retain or be paid one-half of
85 the earnest money deposit amount or damages awarded as their compensation, not to exceed the full commission due
86 under the Listing Agreement. If Seller elects to proceed under option (c) and secures specific performance, Listing
87 Broker shall be paid the full compensation due under the Listing Agreement.



88 In the event of breach of this Contract by Seller, Buyer may at its option (a) accept the return of its earnest money
89 deposit as liquidated damages and this contract shall be null and void; or (b) file suit in any court of competent
90 jurisdiction for damages, less credit for earnest money returned to Buyer; or (c) file suit in any court of competent
91 jurisdiction for specific performance. In the event of Seller's breach, Listing Broker shall be paid the full
92 compensation due under the Listing Agreement, unless and except this Contract requires Buyer to pay all or any
93 portion of said compensation.

94 If it becomes necessary to ensure the performance of the conditions of this Contract for either party to initiate
95 litigation, then the non-prevailing party agrees to pay reasonable attorneys fees and court costs in connection
96 therewith to the prevailing party.

97 17. **COMPENSATION:** Seller(s) Buyer(s) of property sold under this Contract or through any other negotiated
98 agreement agrees to pay as per listing agreement and prior offer of cooperation and compensation. If Broker collects
99 this compensation, or any part thereof through legal action, defaulting party agrees to pay court costs including
100 reasonable attorney fees. The agreement(s) is extended through the date of this Contract or any other agreement or
101 negotiated contract between the parties or the successors, the heirs or the assigns. Any compensation or fee due
102 hereunder shall be earned and payable upon presentation of a Buyer(s) ready, willing and able to purchase at any
103 price and terms acceptable to Seller(s), although Broker agrees to accept said compensation or fee at closing as an
104 accommodation to party paying compensation.

105 18. **REAL ESTATE AGENTS ARE NOT PRINCIPALS** in this transaction and are not to be held liable for any
106 conditions or non-performance of this Contract nor have they given any legal advice unless disclosed in writing
107 herein.

108 19. **OTHER PROVISIONS and CONTINGENCIES:**

109 _____
110 Sale is contingent approval of Louisiana Housing Finance Agency for site relocation to
111 the property described herein.
112 _____
113 _____
114 _____
115 _____
116 _____
117 _____
118 _____
119 _____

120 20. **OFFER:** This offer expires at 5 o'clock AM PM, Central time on (date) February 28, 2012 ,
121 if not accepted, countered, or rejected by Seller(s) by that time.

122 21. **DISCLOSURE OF AGENCY RELATIONSHIP.** Check One Box:

- 123 (A) The Listing Firm, the Selling Firm, and their salespersons represent the Seller(s) as their Client. The Buyer(s)
124 is/are the Customer.
125 (B) The Listing Firm and its salespersons represent the Seller(s). The Selling Firm and its salespersons represent
126 the Buyer(s).
127 (C) The Listing Firm and its salespersons represent both the Seller(s) and the Buyer(s) as dual agents by mutual
128 agreement and all parties have signed and understand the Dual Agency Confirmation form attached and made
129 a part of this Contract.
130 (D) The Selling Firm and its salespersons represent the Buyer(s). The Seller(s) is/are the Customer.

131 22. **AGREEMENT OF THE PARTIES:** This Contract incorporates all prior agreements between parties, contains the
132 entire and final agreement of all the parties and cannot be changed except by their written consent.

133 23. **SURVIVAL OF CONTRACT:** All express representations, warranties and covenants shall survive delivery of the
134 deed unless specified to the contrary. All other contractual obligations shall terminate at Closing.

135 24. **MISCELLANEOUS:** (A) Neither party shall be bound by any terms, conditions, oral statements, warranties or
136 representations not herein contained. (B) Broker's liability to Buyer(s) and Seller(s) in this transaction shall not
137 exceed the amount it has received as commission. (C) Each party acknowledges that it has read and understands this
138 Contract. (D) This Contract shall not be assignable by either party without consent of the other party.



139 25. NOTICE: Any notices required or permitted to be given under this contract shall be delivered by hand or mailed by
140 certified or registered mail, return receipt requested, in a postage prepaid envelope; by nationally recognized
141 overnight carrier service; by facsimile with receipt acknowledgment (if the fax number is listed below); or by email
142 (if the email address is listed below), at Sender's option, and addressed as follows:

143 If to Seller(s):
144 Address: _____
145 Facsimile: _____
146 Email: _____

147 If to Buyer(s): David Strange
148 Address: 149 Concourse Drive
149 Facsimile: Pearl, MS 39208
150 Email: david@nhgms.com

151 Signed this the 31 day of January 2012, at 1:00 a.m. p.m., and a copy hereof received:
152 BUYER D S BUYER
153 Bastrop Partners, LP
154 Phone 601-932-1674 Phone _____
155

156 The foregoing offer is accepted this the 3 day of February, 2012, at 5:00 a.m. p.m.,
157 and a copy hereof received:
158 SELLER Chris Korjan SELLER Chris Edward Korjan
159
160 Phone 318-680-5844 Phone _____

161 A copy of this acceptance has been received this the ____ day of _____, _____, at _____ a.m. p.m.
162 BUYER _____ BUYER _____
163

164 The Seller(s) have countered this offer subject to the terms of the attached Counter Offer # _____ this the ____
165 day of _____, _____, at _____ a.m. p.m., and a copy hereof received:
166 SELLER _____ SELLER _____
167

168 The Seller(s) have rejected this offer and make no counter offer this the ____ day of _____,
169 at _____ a.m. p.m., and a copy hereof received:
170 SELLER _____ SELLER _____
171
172 A copy of this rejection has been received this the ____ day of _____, _____, at _____ a.m. p.m.
173 BUYER _____ BUYER _____
174

175 Selling Agency Keller Williams Realty Selling Agent Richard F. "Trey" Helsel
176 Business Phone 318-281-5700 Business Phone 318-282-1339
177 Listing Agency _____ Listing Agent _____
178 Business Phone _____ Business Phone _____



The following resolution was offered by Jason Crockett and seconded by Floyd Tomboli:

RESOLUTION 2012-2

A RESOLUTION REQUESTING THE LOUISIANA HOUSING FINANCE AGENCY OR ITS SUCCESSOR TO APPROVE THE RELOCATION OF SUMMERLIN APARTMENTS

WHEREAS, the Members of the Morehouse Parish Police Jury, State of Louisiana recognize there is an acute shortage of affordable housing within the Parish, and that the development of safe and affordable rental housing is an integral part of the Parish's future economic development and revitalization and;

WHEREAS, New Horizons Development LLC applied for and was awarded Housing Tax Credits by the LHFA to finance the construction of 48 affordable housing units to be known as Summerlin Apartments. Construction of Summerlin Apartments is vital to the Parish's commitment to provide diverse housing opportunities, create jobs for our citizens and is in keeping with the Parish's Plan of Action for Economic Development and Revitalization.

WHEREAS, Summerlin Apartments was proposed to be constructed on approximately 6.5 acres on the corner of Nancy Drive and Boswell Street in Morehouse Parish. While the Police Jury supports the development of Affordable Housing, there was some initial concern regarding the adequacy of Parish infrastructure and its ability to accommodate the development as proposed at its original location.

WHEREAS, the developer and the LHFA were notified of the concerns albeit after the submission of the application for tax credits;

WHEREAS, based on a comprehensive engineering report prepared by Ballard CLC, Inc. registered civil engineers done in cooperation with Veolia Water who operates and maintains the City water and Sewer Systems it has been determined that the existing sewer infrastructure needed to service the development as proposed is inadequate. The finding is in keeping with the Parish's prior communications generally expressing concern over the adequacy of public infrastructure in the area in which the development was originally proposed.

WHEREAS, the Parish has been made aware the City of Bastrop nor Veolia Water intends to make the upgrades necessary to accommodate the development and are thus requesting the development be relocated elsewhere in the City.

WHEREAS, the Parish desires to support the development of Summerlin Apartments and take the necessary reasonable steps to ensure the development remains viable and is constructed in the City to serve the needs of the Parish's residents in need of affordable housing.

WHEREAS, the developer has located an alternate site on Scott Drive in the City of Bastrop containing approximately 6.5 acres. The Scott Drive Location is in the City limits of Bastrop, is properly zoned, has existing water and sewer services to accommodate the development as proposed, has all other necessary public infrastructure including schools, police and fire protection and improved access over the original site.

WHEREAS, the Scott Drive location is a redevelopment area for the City of Bastrop and the development of Summerlin Apartments would contribute to and is consistent with the City's Redevelopment Plan. The development is further consistent with Parish objectives for economic development and revitalization.

WHEREAS, relocating the development to Scott Street would ensure the development would continue to serve the residents of Morehouse Parish and to provide much needed economic stimulus and Quality affordable housing opportunities to the Citizens of Morehouse Parish;

BE IT RESOLVED that the Morehouse Parish Police Jury, State of Louisiana hereby adopt this resolution requesting the Louisiana Housing Finance Agency or its successor to approve the relocation of Summerlin Apartments upon the finding the relocation best serves the public interest.

THUS DONE, AND READ IN FULL CONSIDERED SECTION BY SECTION AND ADOPTED at the meeting of the Morehouse Parish Police Jury, Morehouse Parish, Louisiana on the 13th of February 2012, by the following vote:

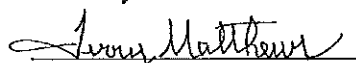
YEAS: 6


NAYS: 0

ABSENT: 1

Floyd Tomboli
Harry Reese, Sr.
Terry Matthews
Jack Cockrell
Jason Crockett
Issac Gray

Mark Sistrunk


Terry Matthews, President


Sharida C. Phillips, Secretary

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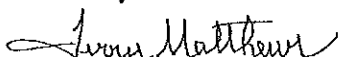
YEAS: 6

NAYS: 0

ABSENT: 1

Floyd Tomboli
Harry Reese, Sr.
Terry Matthews
Jack Cockrell
Jason Crockett
Issac Gray

Mark Sistrunk


Terry Matthews, President


Marjorie C. Phillips, Secretary



101 S. Franklin St, Suite A
Bastrop, LA 71220

Telephone: (318) 283-4000

Fax: (318) 283-0651

E-mail: morehouseedc@att.net

February 20, 2012

Mr. David L. Strange, Jr.
New Horizons Development, LLC
149 Concourse Drive
Pearl, Mississippi 39208

Re: Scott Street Housing Location

Dear Mr. Strange:

Please accept this correspondence as support by Morehouse Economic Development to the relocation of Summerlin Apartments to Scott Street. Affordable housing is greatly needed in our community. I believe that the new site selected for your project will greatly enhance the success of the DG Foods. Secure and affordable housing is a key factor in helping people be dependable employees. The close proximity to the new plant will help people who may not have the most dependable transportation get to work. It is difficult for people who are trapped in the cycle of poverty to become gainfully employed. This is something that many people do not understand. DG foods has made a tremendous investment in our community and needs additional housing units to continue to grow its business and our economy.

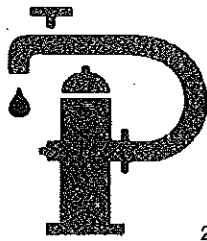
DG Foods currently employs over 400 and we believe they will continue to grow. They have recently added Bar-S products which includes chicken wieners. They prepare specialized portions and products for different customers including restaurants and poultry product companies. With 30% of the plant left to fill, the owners are committed to the future expansion of product lines which will hire more people. This is an experienced company based in Hazlehurst, Mississippi. Because of their established track record, we expect continued success in the Bastrop location. We would request the LHFA take whatever steps are necessary to ensure the Summerlin Apartments are built in Bastrop so that DG Foods can continue to grow and provide much needed opportunities for our residents.

If there is anything that you may need from our organization please feel free to contact me. We are located in the Capital One Bank Building on the courthouse square.

Sincerely,

A handwritten signature in cursive script that reads "Kay King".

Kay King
Kay King
President



PEOPLES

WATER SERVICE COMPANY OF BASTROP

217 NORTH LIBERTY STREET • P.O. BOX 70 • BASTROP, LOUISIANA 71221-0070

February 3, 2012

RE: Proposed 48-Unit Apartment Complex on Scott Street

To Whom it May Concern:

Be informed that the above referenced project is located within Peoples Water Service Company of Bastrop's service area. This utility has the source, treatment, pumping, and water distribution system capacity to serve drinking water to this project consisting of 48-unit apartments and an office.

Water service will be provided under normal rules, regulations, and rates as specified in the Louisiana Public Service Commission Tariff. The cost for all extensions or modifications to Peoples' distribution system shall be borne by the developer, not Peoples.

Once initial engineering has been completed for the project, you should contact me to review Peoples construction specifications and to develop budget figures for the potable water and fire protection facilities.

Please contact me if I can be of further assistance.

Sincerely,


Randy Beaver

Manager PWSC of Bastrop



City of Bastrop
Post Office Box 431
Bastrop, Louisiana 71221-0431
318-283-0250

February 10, 2012

New Horizons Development, LLC
David Strange, Esq.
P.O. Box 1614
Brandon, Mississippi 39043-1614

Re: Proposed 48 Unit Apartment Complex on Scott Street

Dear Mr. Strange:

This information is being supplied as you requested. Be informed that the above reference project is located within the City of Bastrop sewer service area. This utility has the capacity to service a 48-unit apartment complex.

The sewer service will be provided under normal rules, regulations, and rates as specified by the City of Bastrop. The cost for all extensions or modifications of the city's sewer system shall be borne by the developer.

Once initial engineering has been completed for the project, you should contact the city to review the city's construction specifications.

If you need further assistance please contact me at 318-283-3304.

Sincerely,

Willie McKee
Public Works & Resource Director

Cc: Betty Alford Olive, Mayor

This Institution Is A Equal Opportunity Provider"