

April 24, 2026

Texas Department of Housing and Community Affairs

Attn: Lucy Weber, Asset Manager, Region 3

221 East 11th Street

Austin, Texas 78701

**RE: Cypress Creek Apartment Homes at Montfort Drive
TDHCA #24802 (FKA 23806; FKA 22110) — CMTS #5919
Ten Percent Test Package Submission and Waiver Request**

Dear Ms. Weber:

The Carryover Allocation Agreement for TDHCA #24802 was executed on June 11, 2024. The general contractor agreement was executed on June 24, 2024, the Limited Partnership Agreement was executed on June 28, 2024, and the construction loan closed during the same period. Novogradac & Company LLP confirmed in its Report of Independent Auditors (Effective Date June 28, 2024; signed June 27, 2025) that the Owner had incurred \$5,500,000, or 12.67% of the project's reasonably expected basis, exceeding the ten percent threshold required under IRC §42(h)(1)(E) approximately eleven months prior to the federal deadline of June 11, 2025.

In a supplemental Report on Applying Agreed-Upon Procedures dated April 23, 2026, Novogradac confirmed that no material changes have occurred to the scope, projected development costs, or financing structure since the Effective Date, and that costs incurred to date as of March 31, 2026 total \$44,451,048. Both reports are enclosed with this submission.

The Owner has maintained consistent compliance reporting with TDHCA, submitting all required post-award deliverables on schedule — including quarterly Construction Status Reports beginning October 7, 2024 and continuing through the current reporting period. The 10% Test package was the sole item not uploaded to MF Serv-U by its submission deadline, although the underlying federal requirement was met as of June 28, 2024.

The Owner respectfully requests that the Board waive the July 1, 2025 submission deadline for the 10% Test package. The federal ten percent test under IRC §42(h)(1)(E) was substantively met as of June 28, 2024 — approximately eleven months before the federal deadline of June 11, 2025. As of March 31, 2026, \$44,451,048 in costs have been incurred, and Novogradac has confirmed no material changes to the scope, projected costs, or financing structure since the Effective Date. The development has been placed in service as of April 1, 2026. The non-upload was an administrative oversight; no substantive compliance failure occurred.

Enclosed is the 10% Test package, including the Novogradac Report of Independent Auditors and the supplemental Report on Applying Agreed-Upon Procedures. We are available to provide any additional documentation as needed.

Respectfully,



Stuart Shaw

Applicant's Representative for Cypress Creek Montfort Drive LP