

ENFORCEMENT ACTION AGAINST	§	BEFORE THE
NORTHSHORE ASSOCIATES, LLC AND	§	TEXAS DEPARTMENT OF HOUSING
RICARDO PAGAN	§	AND COMMUNITY AFFAIRS

VOLUNTARY NON-PARTICIPATION AGREEMENT

This Voluntary Non-Participation Agreement (the “Agreement”), in connection with an Enforcement Action, is made and entered into by and between the **TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS**, a public and official agency of the State of Texas (the “Department”), **NORTHSHORE ASSOCIATES, LLC**, a Delaware limited liability company, and **RICARDO PAGAN**, an individual, acting individually and in his capacity as managing member and director of Northshore Associates, LLC (herein collectively referred to as the “Parties”), to be effective on the date all Parties have executed this Agreement.

RECITALS

WHEREAS, during 2007, Summit Point Apartments, Ltd. (“Prior Owner”) was issued Bonds and awarded an allocation of Low Income Housing Tax Credits by the Board to build and operate Havenwood Apartments, formerly known as North Shore Apartments, (the “Property”) (HTC File No. 7605 / Bond File No. 07605B / CMTS File No. 4428).

WHEREAS, Prior Owner signed two land use restriction agreements (collectively, the “LURAs”) regarding the Property.

WHEREAS, the first LURA was a Regulatory and Land Use Restriction Agreement (“Bond LURA”), dated as of June 1, 2007, and filed of record on June 29, 2007, under Document Number 20070398535 of the Official Public Records of Real Property of Harris County, Texas (the “Records”), as amended by that First Amendment to Regulatory and Land Use Restriction Agreement dated to be effective as of February 22, 2016, and filed of record on March 15, 2016, under Document Number RP-2016-106987 of the Records.

WHEREAS, the second LURA was a Declaration of Land Use Restrictive Covenants / Land Use Restriction Agreement for Low Income Housing Credits (“HTC LURA”), dated as of August 1, 2010, and filed of record on February 1, 2011, under Document Number 20110043840 of the Records, as amended by that First Amendment to Declaration of Land Use Restrictive Covenants / Land Use Restriction Agreement for Low Income Housing Credits signed March 14, 2016, and filed of record on March 15, 2026, under Document Number RP-2016-106988 of the Records.

WHEREAS, Northshore Associates, LLC, purchased the Property on December 20, 2020, subject to both LURAs.

WHEREAS, Ricardo Pagan is the managing member and director of Northshore Associates, LLC.

WHEREAS, in accordance with Section 12 of the Bond LURA and Section 2 of the HTC LURA, both LURAs are considered a restrictive covenant/deed restriction encumbering the Property and binding on all successors and assigns for the full terms of the LURAs.

WHEREAS, Northshore Associates, LLC and Ricardo Pagan are subject to the regulatory authority of TDHCA and, for purposes of this Agreement, are considered Responsible Parties in Control, as defined by 10 TAC §2.102 and 10 TAC §11.1(30), respectively.

WHEREAS, the Property was foreclosed by Fannie Mae on May 6, 2025.

WHEREAS, the Bond LURA and HTC LURA were subsequently released upon the request of the foreclosure purchaser, on February 5, 2026 and March 11, 2026, respectively.

WHEREAS, controlling a multifamily development that was foreclosed after April 1, 2021, where the foreclosures eliminate a subordinate TDHCA LURA is a violation of 10 TAC §2.401(a)(7), and is grounds for discretionary debarment under 10 TAC §2.401(a)(5).

WHEREAS, on April 16, 2026, Ricardo Pagan attended an informal conference with the TDHCA Enforcement Committee.

WHEREAS, on May 5, 2026, the TDHCA Executive Director issued a determination notice recommending a one (1) year voluntary non-participation term for the Responsible Parties, in accordance with 10 TAC §2.401(i)(5)(b).

WHEREAS, the Responsible Parties seek to agree to not participate in Department programs for a period of time, but do not agree that Responsible Parties have violated the statutory or rule basis for debarment.

NOW THEREFORE, for valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. Northshore Associates, LLC, a Delaware limited liability company, will not participate in any new Department financing, assistance opportunity, or programs, including acquiring or purchasing any TDHCA-monitored multifamily developments for one (1) year, beginning on the date all Parties have executed this Agreement.
2. Ricardo Pagan, an individual, acting in his individual capacity and in his capacity as managing member and director of Northshore Associates, LLC, will not participate in any manner on any new Department financing, assistance opportunity, or programs, including acquiring or purchasing any TDHCA-monitored multifamily developments for one (1) year, beginning on the date all Parties have executed this Agreement.

3. This Agreement does not constitute a suspension or debarment from Department programs, but is a voluntary and enforceable agreement to not participate in Department programs for the term outlined, herein.
4. In the event that Responsible Parties violate the terms of this Agreement, Responsible Parties will be referred to the TDHCA Enforcement Committee for further disciplinary action.
5. This Agreement will be on file with TDHCA Previous Participation Review staff.
6. This Agreement shall be published on the TDHCA website until the Term of the Agreement expires.
7. Pursuant to Section 2306.6717 of the Texas Government Code, Responsible Parties acknowledge that Department is subject to the Texas Public Information Act under Chapter 552 of the Texas Government Code. Responsible Parties understand that the Department will comply with the Texas Public Information Act interpreted by judicial rulings and opinions of the Attorney General of the State of Texas.
8. Each capitalized term not expressly defined herein shall have the meaning given to such a term in the LURA.
9. This Agreement shall be binding upon the Parties hereto and their respective successors and assigns.
10. This Agreement may be executed in several counterparts, each of which shall be deemed to be an original copy, and all of which together shall constitute one agreement binding on all Parties hereto, notwithstanding that all the Parties shall not have signed the same counterpart.
11. If a Party returns this copy by facsimile machine or electronic transmission, the signing Party intends the copy of its authorized signature printed by the receiving machine or electronic transmission to be its original signature.
12. By signing this Agreement, the Parties hereto expressly understand and agree that the terms shall become part of the Agreement as if they were set forth word for word therein.

RESPONSIBLE PARTIES:

RICARDO PAGAN,

an individual, acting in his individual capacity and in his capacity as managing member of Northshore Associates, LLC

By: /s/ Ricardo Pagan
Name: Ricardo Pagan
Date: 06/09/2026 9:54:48 PM CDT

NORTHSHORE ASSOCIATES, LLC,

a Delaware limited liability company

By: /s/ Ricardo Pagan
Name: Ricardo Pagan
Title: Managing Member
Date: 06/09/2026 9:54:48 PM CDT

DEPARTMENT:

**TEXAS DEPARTMENT OF HOUSING AND
COMMUNITY AFFAIRS**, a public and official
agency of the State of Texas

By: /s/ Robert G. Wilkinson II
Name: Robert G. Wilkinson II
Title: Its duly authorized officer or representative
Date: 06/09/2026 12:58:53PM CDT