



## TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

[www.tdhca.texas.gov](http://www.tdhca.texas.gov)

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October 23, 2026

*Writer's direct phone # (512) 475-3907*  
*Email: [Christina.Thompson@tdhca.texas.gov](mailto:Christina.Thompson@tdhca.texas.gov)*

Hassan Elmasri  
8120 Mainland Drive LLC  
[hassan.elmasri@cottonwoodmgmt.com](mailto:hassan.elmasri@cottonwoodmgmt.com)

RE: Trailside Apartments

Dear 8120 Mainland Drive LLC:

The Texas Department of Housing and Community Affairs (Department) has reviewed the Housing Facility Corporation (HFC) Audit Report submitted by Matt Vara on August 31, 2026. This review was performed as required by Section 394.9027 (b) of Chapter 394, the Texas Administrative Code (TAC) Chapter 10, Subchapter J, for Trailside Apartments. Enclosed is a copy of the Audit Report summary.

Events of noncompliance have been identified and detailed in the attached Findings Report with required corrective action. In accordance with TAC Section 394.9027(d) a copy of this notice will be sent to the Chief Appraiser of the appraisal district in which the development is located.

This notice begins the corrective action period. Supply all required documentation via Serv-U, no later than **April 21, 2027**, the last day of the corrective action period.

If you need a Serv-U account, email [hfc@tdhca.texas.gov](mailto:hfc@tdhca.texas.gov). Submissions must include a cover letter explaining, in detail, how each event of noncompliance was corrected.

**Remaining uncorrected noncompliance after the corrective action period deadline will result in a referral to the Texas Comptroller and Chief Appraiser, with a recommendation for loss of ad valorem tax exemption under Section 394.905 of the Texas Local Government Code for the Tax Year being Audited.**



221 East 11th Street P.O. Box 13941 Austin, Texas 78711-3941 (800) 525-0657 (512) 475-3800



If you have any questions about this monitoring report, please contact Christina Thompson toll free in Texas at (800) 643-8204, directly at (512) 475-3907, or email: [christina.thompson@tdhca.texas.gov](mailto:christina.thompson@tdhca.texas.gov).

Sincerely,



Christina Thompson  
Team Lead, HFC and PFC Monitoring

CC: [Matt@Mesaassurance.com](mailto:Matt@Mesaassurance.com) ; [afd@pleasantonhfc.org](mailto:afd@pleasantonhfc.org) ; [district1@pleasantontx.gov](mailto:district1@pleasantontx.gov);  
[district2@pleasantontx.gov](mailto:district2@pleasantontx.gov); [district3@pleasantontx.gov](mailto:district3@pleasantontx.gov); [district4@pleasantontx.gov](mailto:district4@pleasantontx.gov);  
[district5@pleasantontx.gov](mailto:district5@pleasantontx.gov); [district6@pleasantontx.gov](mailto:district6@pleasantontx.gov); [mayor@pleasantontx.gov](mailto:mayor@pleasantontx.gov);  
[econ.dev@cpa.texas.gov](mailto:econ.dev@cpa.texas.gov)

**Audit Report**  
Trailside Apartments

The Texas Department of Housing and Community Affairs provides the following Technical Assistance:

- TAC §10.1203(3)(B) requires that all Audit Reports include contact information for all Responsible Parties. Ensure current contact information for all Responsible Parties is provided in the Audit Report.

| Texas Department of Housing and Community Affairs                                                                                                                                                                                         |            |                                                                                                           |           |                                                                                                                                                                                 |           |                                                                          |  |                               |  |                      |  |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|-----------------------------------------------------------------------------------------------------------|-----------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|--------------------------------------------------------------------------|--|-------------------------------|--|----------------------|--|
| Housing Finance Corporation (HFC)                                                                                                                                                                                                         |            |                                                                                                           |           |                                                                                                                                                                                 |           |                                                                          |  |                               |  |                      |  |
| Preliminary Summary of Audit                                                                                                                                                                                                              |            |                                                                                                           |           |                                                                                                                                                                                 |           |                                                                          |  |                               |  |                      |  |
| This is a preliminary summary of the Audit Report. TDHCA's review is ongoing and not final. Findings and any required Corrective Action will be addressed in the official Monitoring Report Letter, if applicable.                        |            |                                                                                                           |           |                                                                                                                                                                                 |           |                                                                          |  |                               |  |                      |  |
| Reporting Details                                                                                                                                                                                                                         |            |                                                                                                           |           |                                                                                                                                                                                 |           |                                                                          |  |                               |  |                      |  |
| Report Due Date: 6/1/2026                                                                                                                                                                                                                 |            | Current Reporting Year: 2026                                                                              |           | Occupancy Period Begin Date: 1/1/2025                                                                                                                                           |           | Occupancy Period End Date: 12/31/2025                                    |  |                               |  |                      |  |
| Development & Regulatory                                                                                                                                                                                                                  |            |                                                                                                           |           |                                                                                                                                                                                 |           |                                                                          |  |                               |  |                      |  |
| HFC Property Name: Trailside                                                                                                                                                                                                              |            | Is the Regulatory Agreement (RA) is properly recorded?                                                    |           | Yes                                                                                                                                                                             |           | PRE or POST May 28, 2025 Development?                                    |  | PRE                           |  |                      |  |
| HFC Property Street Address: 8120 Mainland Drive                                                                                                                                                                                          |            | Regulatory Agreement Effective Date                                                                       |           | 12/30/2024                                                                                                                                                                      |           | Development Type                                                         |  | Acquisition                   |  |                      |  |
| HFC City, State Zip: San Antonio, TX 78240                                                                                                                                                                                                |            | Does the development participate in other affordable programs?                                            |           | No                                                                                                                                                                              |           | Occupancy Type                                                           |  | General/Family                |  |                      |  |
| HFC Property County: Bexar                                                                                                                                                                                                                |            | Jurisdictional Boundaries                                                                                 |           | Outside Sponsor Boundaries                                                                                                                                                      |           | Total Number of Units in the Development (ALL Restricted & Unrestricted) |  | 250                           |  |                      |  |
| HFC User Name: 8120 Mainland Drive LLC                                                                                                                                                                                                    |            | If Outside Sponsor Boundaries, was the Development acquired by Sept. 1, 2025?                             |           | Yes                                                                                                                                                                             |           |                                                                          |  |                               |  |                      |  |
|                                                                                                                                                                                                                                           |            | If Outside Sponsor Boundaries, has approval been obtained or is the Development in the transition period? |           | In Transition Period                                                                                                                                                            |           |                                                                          |  |                               |  |                      |  |
| Affordability Requirements - AMI Percentage by Bedroom Size (Post Developments Only)                                                                                                                                                      |            |                                                                                                           |           |                                                                                                                                                                                 |           |                                                                          |  |                               |  |                      |  |
|                                                                                                                                                                                                                                           | Efficiency | 1 Bedroom                                                                                                 | 2 Bedroom | 3 Bedroom                                                                                                                                                                       | 4 Bedroom | Total                                                                    |  |                               |  |                      |  |
| 80% AMI Units                                                                                                                                                                                                                             | 0          | 91                                                                                                        | 34        | 0                                                                                                                                                                               | 0         | 125                                                                      |  |                               |  |                      |  |
| 100% AMI Units                                                                                                                                                                                                                            | 0          | 0                                                                                                         | 0         | 0                                                                                                                                                                               | 0         | 0                                                                        |  |                               |  |                      |  |
| 120% AMI Units                                                                                                                                                                                                                            | 0          | 0                                                                                                         | 0         | 0                                                                                                                                                                               | 0         | 0                                                                        |  |                               |  |                      |  |
| 140% AMI Units                                                                                                                                                                                                                            | 0          | 73                                                                                                        | 27        | 0                                                                                                                                                                               | 0         | 100                                                                      |  |                               |  |                      |  |
| Other AMI Units: (Add % here)                                                                                                                                                                                                             | 0          | 0                                                                                                         | 0         | 0                                                                                                                                                                               | 0         | 0                                                                        |  |                               |  |                      |  |
| Market Units                                                                                                                                                                                                                              | 0          | 18                                                                                                        | 7         | 0                                                                                                                                                                               | 0         | 25                                                                       |  |                               |  |                      |  |
| Total Restricted Units                                                                                                                                                                                                                    | 0          | 164                                                                                                       | 61        | 0                                                                                                                                                                               | 0         | 225                                                                      |  |                               |  |                      |  |
| Total Units (Restricted + Market)                                                                                                                                                                                                         | 0          | 182                                                                                                       | 68        | 0                                                                                                                                                                               | 0         | 250                                                                      |  |                               |  |                      |  |
| Development Contacts                                                                                                                                                                                                                      |            |                                                                                                           |           |                                                                                                                                                                                 |           |                                                                          |  |                               |  |                      |  |
| Organization Name                                                                                                                                                                                                                         |            | City, State Zip                                                                                           |           |                                                                                                                                                                                 |           |                                                                          |  |                               |  |                      |  |
| Property Name                                                                                                                                                                                                                             |            | Trailside                                                                                                 |           | San Antonio, TX 78240                                                                                                                                                           |           |                                                                          |  |                               |  |                      |  |
| Texas Comptroller                                                                                                                                                                                                                         |            | Not Provided                                                                                              |           | Austin, TX 78753                                                                                                                                                                |           |                                                                          |  |                               |  |                      |  |
| Appraisal District                                                                                                                                                                                                                        |            | Bexar Appraisal District                                                                                  |           | Not Provided                                                                                                                                                                    |           |                                                                          |  |                               |  |                      |  |
| Individual Auditor                                                                                                                                                                                                                        |            | Matthew Vara                                                                                              |           | Not Provided                                                                                                                                                                    |           |                                                                          |  |                               |  |                      |  |
| HFC User                                                                                                                                                                                                                                  |            | 8120 Mainland Drive LLC                                                                                   |           | Not Provided                                                                                                                                                                    |           |                                                                          |  |                               |  |                      |  |
| HFC Management Company                                                                                                                                                                                                                    |            | Cottonwood                                                                                                |           | Not Provided                                                                                                                                                                    |           |                                                                          |  |                               |  |                      |  |
| HFC Sponsor                                                                                                                                                                                                                               |            | City of Pleasanton                                                                                        |           | Pleasanton TX                                                                                                                                                                   |           |                                                                          |  |                               |  |                      |  |
| HFC Governing Body of Sponsor                                                                                                                                                                                                             |            | Pleasanton City Council                                                                                   |           | Pleasanton TX                                                                                                                                                                   |           |                                                                          |  |                               |  |                      |  |
| Auditor Qualifications & Affiliations                                                                                                                                                                                                     |            |                                                                                                           |           |                                                                                                                                                                                 |           |                                                                          |  |                               |  |                      |  |
| Does the Auditor have a current Certified Occupancy Specialist (COS) or equivalent certification?                                                                                                                                         |            |                                                                                                           |           | Yes                                                                                                                                                                             |           |                                                                          |  |                               |  |                      |  |
| Has the Auditor provided a resume demonstrating housing compliance audit experience?                                                                                                                                                      |            |                                                                                                           |           | Yes                                                                                                                                                                             |           |                                                                          |  |                               |  |                      |  |
| Is the Auditor free from any financial, ownership, or management interest in the Development or any Responsible Party?                                                                                                                    |            |                                                                                                           |           | Yes                                                                                                                                                                             |           |                                                                          |  |                               |  |                      |  |
| Is the Auditor currently serving, or has the Auditor previously served, as the Management Agent for this Development?                                                                                                                     |            |                                                                                                           |           | No                                                                                                                                                                              |           |                                                                          |  |                               |  |                      |  |
| Has the HFC User complied with the three-year rotation and, if applicable, the two-year cooling-off requirement?                                                                                                                          |            |                                                                                                           |           | Yes                                                                                                                                                                             |           |                                                                          |  |                               |  |                      |  |
| Income & Rents Limits                                                                                                                                                                                                                     |            |                                                                                                           |           |                                                                                                                                                                                 |           |                                                                          |  |                               |  |                      |  |
| Does the Regulatory Agreement specify income limits?                                                                                                                                                                                      |            |                                                                                                           |           | Yes                                                                                                                                                                             |           |                                                                          |  |                               |  |                      |  |
| Are the income limits adjusted for household size?                                                                                                                                                                                        |            |                                                                                                           |           | Yes                                                                                                                                                                             |           |                                                                          |  |                               |  |                      |  |
| Are the income limits based on HUD income limits?                                                                                                                                                                                         |            |                                                                                                           |           | Yes                                                                                                                                                                             |           |                                                                          |  |                               |  |                      |  |
| Did the Development comply with the Available Unit Rule when a household became over-income?                                                                                                                                              |            |                                                                                                           |           | Yes                                                                                                                                                                             |           |                                                                          |  |                               |  |                      |  |
| Does the Regulatory Agreement specify rent limits for Restricted Units?                                                                                                                                                                   |            |                                                                                                           |           | Yes                                                                                                                                                                             |           |                                                                          |  |                               |  |                      |  |
| Are the rent limits based on HUD rental limits?                                                                                                                                                                                           |            |                                                                                                           |           | Yes                                                                                                                                                                             |           |                                                                          |  |                               |  |                      |  |
| Are restricted unit rents ≤30% of the applicable income limit (adjusted for household size)?                                                                                                                                              |            |                                                                                                           |           | Yes                                                                                                                                                                             |           |                                                                          |  |                               |  |                      |  |
| Are rent limit adjusted for family size, as determined by HUD?                                                                                                                                                                            |            |                                                                                                           |           | Yes                                                                                                                                                                             |           |                                                                          |  |                               |  |                      |  |
| What is the family-size adjustment specified by the Development's Regulatory Agreement?                                                                                                                                                   |            |                                                                                                           |           | 1.5 Persons per Bedroom                                                                                                                                                         |           |                                                                          |  |                               |  |                      |  |
| Units & Occupancy                                                                                                                                                                                                                         |            |                                                                                                           |           |                                                                                                                                                                                 |           |                                                                          |  |                               |  |                      |  |
| Restricted Units Occupied by Voucher Holders                                                                                                                                                                                              |            | 0                                                                                                         |           | Restricted Occupied Units                                                                                                                                                       |           | 202                                                                      |  | Non-Restricted Occupied Units |  | 0                    |  |
| Total Units (ALL)                                                                                                                                                                                                                         |            | 250                                                                                                       |           | Restricted Vacant Units                                                                                                                                                         |           | 48                                                                       |  | Non-Restricted Vacant Units   |  | 0                    |  |
|                                                                                                                                                                                                                                           |            |                                                                                                           |           | Total Restricted Units                                                                                                                                                          |           | 250                                                                      |  | Total Non-Restricted Units    |  | 0                    |  |
| Triggering Events: Acquisition and Ownership Transfer                                                                                                                                                                                     |            |                                                                                                           |           |                                                                                                                                                                                 |           |                                                                          |  |                               |  |                      |  |
| Did a triggering event occur during the reporting period or any prior Tax Year?                                                                                                                                                           |            |                                                                                                           |           | No                                                                                                                                                                              |           |                                                                          |  |                               |  |                      |  |
| Set Asides                                                                                                                                                                                                                                |            |                                                                                                           |           |                                                                                                                                                                                 |           |                                                                          |  |                               |  |                      |  |
| Date first occupied by one or more tenants?                                                                                                                                                                                               |            | Not Provided                                                                                              |           | Set-Aside - Select Only One Option                                                                                                                                              |           |                                                                          |  |                               |  |                      |  |
| Is the Development currently in lease up?                                                                                                                                                                                                 |            | No                                                                                                        |           | Option 1:                                                                                                                                                                       |           |                                                                          |  |                               |  |                      |  |
| Do Restricted Units have comparable square footage and floor plans as Non-Restricted Units?                                                                                                                                               |            | Yes                                                                                                       |           | At Least 10% of units reserved for HH not earning more than 60% AMI                                                                                                             |           |                                                                          |  |                               |  | NA                   |  |
| Are Restricted Units equal in finishes and equipment to Non-Restricted units?                                                                                                                                                             |            | Yes                                                                                                       |           | At least 40% of units reserved for HH not earning more than 80% AMI                                                                                                             |           |                                                                          |  |                               |  | NA                   |  |
| Do Restricted Units have equal amenity and program access as Non-Restricted Units?                                                                                                                                                        |            | Yes                                                                                                       |           | Option 2:                                                                                                                                                                       |           |                                                                          |  |                               |  |                      |  |
| Are Restricted Units proportionally distributed by unit type and income category?                                                                                                                                                         |            | Yes                                                                                                       |           | At Least 10% of units reserved for HH not earning more than 50% AMI                                                                                                             |           |                                                                          |  |                               |  | NA                   |  |
| Did the Auditor receive photographic evidence and written certification confirming unit comparability?                                                                                                                                    |            | NA                                                                                                        |           | At least 40% of units reserved for HH not earning more than 100% AMI                                                                                                            |           |                                                                          |  |                               |  | NA                   |  |
| Marketing                                                                                                                                                                                                                                 |            |                                                                                                           |           |                                                                                                                                                                                 |           |                                                                          |  |                               |  |                      |  |
| Does the Development's website include information about the Development and its compliance with Section 394.9026(c)(7)?                                                                                                                  |            |                                                                                                           |           | Yes                                                                                                                                                                             |           |                                                                          |  |                               |  |                      |  |
| Does the website include Housing Choice Voucher (HCV) acceptance policies?                                                                                                                                                                |            |                                                                                                           |           | Yes                                                                                                                                                                             |           |                                                                          |  |                               |  |                      |  |
| The Development affirmatively markets both Restricted and non-Restricted Units to Housing Choice Voucher (HCV) households and notify local housing authorities of their acceptance of HCV tenants.                                        |            |                                                                                                           |           | Yes                                                                                                                                                                             |           |                                                                          |  |                               |  |                      |  |
| Vouchers                                                                                                                                                                                                                                  |            |                                                                                                           |           |                                                                                                                                                                                 |           |                                                                          |  |                               |  |                      |  |
| Does the HFC User refrain from refusing to rent to households solely due to participation in the Housing Choice Voucher (HCV) program?                                                                                                    |            |                                                                                                           |           | Yes                                                                                                                                                                             |           |                                                                          |  |                               |  |                      |  |
| Do leasing and screening policies avoid any provision that prohibits or discourages HCV participation?                                                                                                                                    |            |                                                                                                           |           | Yes                                                                                                                                                                             |           |                                                                          |  |                               |  |                      |  |
| Does the Development avoid imposing a minimum income requirement on HCV households exceeding 250% of the tenant-paid portion of rent?                                                                                                     |            |                                                                                                           |           | Yes                                                                                                                                                                             |           |                                                                          |  |                               |  |                      |  |
| If an HCV household occupies a Restricted Unit and the voucher payment standard is below the approved rent, is the household charged only the allowable difference?                                                                       |            |                                                                                                           |           | Yes                                                                                                                                                                             |           |                                                                          |  |                               |  |                      |  |
| Did the Auditor review evidence of HCV marketing, material consistent with Sections 394.9026?                                                                                                                                             |            |                                                                                                           |           | Yes                                                                                                                                                                             |           |                                                                          |  |                               |  |                      |  |
| How many Restricted Units are occupied by HCV (Section 8) households?                                                                                                                                                                     |            |                                                                                                           |           | 0                                                                                                                                                                               |           |                                                                          |  |                               |  |                      |  |
| Lease & Policies                                                                                                                                                                                                                          |            |                                                                                                           |           |                                                                                                                                                                                 |           |                                                                          |  |                               |  |                      |  |
| Does the Development provide tenants with at least 30 days' written notice of non-renewal?                                                                                                                                                |            |                                                                                                           |           | NA                                                                                                                                                                              |           |                                                                          |  |                               |  |                      |  |
| Do lease agreements prohibit tenants from waiving required protections?                                                                                                                                                                   |            |                                                                                                           |           | NA                                                                                                                                                                              |           |                                                                          |  |                               |  |                      |  |
| Do Restricted Unit lease agreements prohibit retaliation against tenants or the tenant's guests for taking action because the tenant established, attempted to establish, or participated in a tenant organization?                       |            |                                                                                                           |           | NA                                                                                                                                                                              |           |                                                                          |  |                               |  |                      |  |
| Does the lease restrict non-renewals to major violations, failure to provide required income information, or repeated disruptive violations affecting livability, safety, quiet enjoyment, management, or finances (including late rent)? |            |                                                                                                           |           | NA                                                                                                                                                                              |           |                                                                          |  |                               |  |                      |  |
| Audit Sample Summary                                                                                                                                                                                                                      |            |                                                                                                           |           |                                                                                                                                                                                 |           |                                                                          |  |                               |  |                      |  |
| Audit Sample                                                                                                                                                                                                                              |            |                                                                                                           |           | Item                                                                                                                                                                            |           |                                                                          |  |                               |  |                      |  |
| Overall Sample meets minimum requirements?                                                                                                                                                                                                |            |                                                                                                           |           | Yes                                                                                                                                                                             |           |                                                                          |  |                               |  |                      |  |
| Move-In Sample meets minimum requirements?                                                                                                                                                                                                |            |                                                                                                           |           | Yes                                                                                                                                                                             |           |                                                                          |  |                               |  |                      |  |
| Recertification Sample meets minimum requirements?                                                                                                                                                                                        |            |                                                                                                           |           | NA                                                                                                                                                                              |           |                                                                          |  |                               |  |                      |  |
| Is the Development currently in lease-up?                                                                                                                                                                                                 |            |                                                                                                           |           | No                                                                                                                                                                              |           |                                                                          |  |                               |  |                      |  |
| Texas Department of Housing and Community Affairs (TDHCA) Observations - DEPARTMENT USE ONLY                                                                                                                                              |            |                                                                                                           |           |                                                                                                                                                                                 |           |                                                                          |  |                               |  |                      |  |
| Preliminary summary. TDHCA review is ongoing and not final.                                                                                                                                                                               |            |                                                                                                           |           |                                                                                                                                                                                 |           |                                                                          |  |                               |  |                      |  |
| Report Due Date: 6/1/2026                                                                                                                                                                                                                 |            | Current Reporting Year: 2026                                                                              |           | Audit Received Date: 8/31/2026                                                                                                                                                  |           |                                                                          |  |                               |  |                      |  |
| PRELIMINARY COMPLIANCE INDICATORS                                                                                                                                                                                                         |            |                                                                                                           |           |                                                                                                                                                                                 |           |                                                                          |  |                               |  |                      |  |
| Reporting                                                                                                                                                                                                                                 |            |                                                                                                           |           | Is the Development required to submit an Audit Report?                                                                                                                          |           |                                                                          |  |                               |  | Yes                  |  |
| Does the Development submit an Audit Report by the deadline, with approved extensions?                                                                                                                                                    |            |                                                                                                           |           | Yes                                                                                                                                                                             |           |                                                                          |  |                               |  |                      |  |
| Does the Audit Report cover the full prior reporting year ending December 31 and include a rent roll for the same period?                                                                                                                 |            |                                                                                                           |           | Yes                                                                                                                                                                             |           |                                                                          |  |                               |  |                      |  |
| Does the Audit Report include contact information for all Responsible Parties?                                                                                                                                                            |            |                                                                                                           |           | Yes                                                                                                                                                                             |           |                                                                          |  |                               |  |                      |  |
| Was the Audit Report submitted in the Department-prescribed manner through the Department's file transfer system (Serv-U/File Serve)?                                                                                                     |            |                                                                                                           |           | Yes                                                                                                                                                                             |           |                                                                          |  |                               |  |                      |  |
| Was the annual service fee (\$35 per Restricted Unit in the sample or \$500 minimum) submitted with the Audit Report?                                                                                                                     |            |                                                                                                           |           | Yes                                                                                                                                                                             |           |                                                                          |  |                               |  |                      |  |
| Did the Audit Report include a one-time exemption application submitted to the Texas Comptroller's Office?                                                                                                                                |            |                                                                                                           |           | No                                                                                                                                                                              |           |                                                                          |  |                               |  |                      |  |
| Did the first Audit Report include all required supporting documentation?                                                                                                                                                                 |            |                                                                                                           |           | No                                                                                                                                                                              |           |                                                                          |  |                               |  |                      |  |
| Auditor                                                                                                                                                                                                                                   |            |                                                                                                           |           | Does the Auditor meet independence and qualification standards?                                                                                                                 |           |                                                                          |  |                               |  | Yes                  |  |
| Geographic Boundaries                                                                                                                                                                                                                     |            |                                                                                                           |           | Is the Development within sponsor boundaries, or—if outside those boundaries—has required approval been obtained or is the Development within the applicable transition period? |           |                                                                          |  |                               |  | In Transition Period |  |
| Overall Chapter 394 Status:                                                                                                                                                                                                               |            |                                                                                                           |           | Noncompliant: See Detail                                                                                                                                                        |           |                                                                          |  |                               |  |                      |  |
| TDHCA Notes/Notations:                                                                                                                                                                                                                    |            |                                                                                                           |           | TA Issued                                                                                                                                                                       |           |                                                                          |  |                               |  |                      |  |

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

DETAIL FINDINGS AND CORRECTIVE ACTION REPORT

HFC ID: AA26-015-0019  
HFC User: 8120 Mainland Drive LLC  
Property Name: Trailside  
Address: 8120 Mainland Drive San Antonio, TX 78240

Regulatory Agreement Date: 12/30/2024  
Audit Report Received Date: 8/31/2026  
Corrective Action Due Date: 4/21/2027

Audit Report Review Date: 10/23/2026

PROGRAM: HFC

PROPERTY FINDINGS

|               |                                       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                                                                                    |                 |
|---------------|---------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------|-----------------|
| Finding:      | Failure to comply with §10.1203(1)(C) |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                                                                                    |                 |
| Unit #        | Non-Compliance Date                   | Reason                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | Corrective Action                                                                                                  | Correction Date |
| Property Wide | 8/31/2026                             | <p>TAC §10.1203(1)(C) requires the HFC User to provide the Auditor with all required documents prior to submission of the first Audit Report, including the underwriting assessment, applicable resolutions, board meeting minutes, the Regulatory Agreement, and the one-time exemption application submitted to the Texas Comptroller's office. These documents must be submitted to the Department with the first Audit Report.</p> <p>The Audit Report submitted to the Department did not contain the one-time exemption application submitted to the Texas Comptroller's office.</p> | Submit to the Department a copy of the one-time exemption application submitted to the Texas Comptroller's office. |                 |