



U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
Southwest Multifamily Region
*Serving Arkansas, Iowa, Kansas, Louisiana, Missouri, Nebraska,
New Mexico, Oklahoma, and Texas*
Multifamily Customer Service Telephone Line 1-800-568-2893
www.hud.gov

October 9, 2018

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

Triumph Housing Management, LLC
Attention: Paul Ponte
5920 Odell Street
Cumming, GA 30040
pponte@triumphmgt.com

SUBJECT: Notice of Default of the Housing Assistance Payments Contract
Project Name: **Texas Coppertree Village**
Project Location: 1415 W Gulf Bank Road Houston, TX 77088
HUD HAP Contract Number: TX24E000008
HUD IREMS Number: 800020793

Dear Mr. Ponte:

This letter constitutes formal notice by the Secretary of the U.S. Department of Housing and Urban Development that **Triumph Housing Management, LLC** ("Owner"), owner of the **Texas Coppertree Village** ("Project"), is in default of the **HUD Housing Assistance Payments ("HAP") Contract** originally entered into as of **November 3, 1980** ("Original HAP") and most recently renewed with a Basic Renewal Contract effective **April 1, 2013** ("HAP Renewal"). Pursuant to section 14(a) of the Original HAP, the Owner "agrees to maintain and operate the contract units and related facilities to provide decent, safe and sanitary housing including the provisions of all the services, maintenance and utilities set forth...". Additionally, pursuant to paragraph 7(b) of the HAP Renewal, the Owner warrants that the rental units to be leased by the Owner under the Renewal Contract are in decent, safe and sanitary condition (as defined and determined in accordance with HUD regulations and procedures) and shall be maintained in such condition during the term of the HAP Renewal. This standard is set forth in HUD regulation 24 C.F.R. § 5.703.

On **September 27, 2018** the Real Estate Assessment Center ("REAC") inspected the Project and the Project received a failing score of **31c*** (out of a possible score of 100), respectively. The inspection report identified serious deficiencies that demonstrate the Owner is in default of the Original HAP and HAP Renewal. Some of those deficiencies cited in the REAC report included, but were not limited to the following:

- **Hazards – tripping; lead hazard report; sharp edges; emergency/fire exits blocked/unusable**
- **Smoke Detectors – missing/inoperable**
- **Infestation – Insects/roaches**

*Fort Worth Regional Office
801 Cherry Street Unit #45, Suite 2500
Fort Worth, Texas 76102*

*Kansas City Satellite Office
400 State Avenue, Suite 300
Kansas City, KS 66101*

- **Electrical – missing/broken cover plates outlets**
- **Walls/Ceilings – stained/peeled/needs paint; missing pieces/holes/ spalling; missing/damaged components from downspout/gutter**
- **Kitchen – refrigerator missing/damaged/inoperable; dishwasher/garbage disposal inoperable**
- **Site – overgrown/penetrating vegetation; damaged broken play area equipment**
- **Doors/Windows – damaged surface (holes/paint/rust/ glass); damaged hardware/locks**
- **Plumbing – broken/leaking/clogged pipes or drains; leaking faucet/pipes**
- **Bathrooms – shower/tub damaged/missing; ventilation/exhaust system inoperable; lavatory sink damaged/missing**

The Owner must take the following corrective actions within 60 days of the date of receipt of this notice:

- (1) Conduct a survey of 100 % of the Project, identifying all physical deficiencies;
- (2) Correct all the physical deficiencies identified at the Project from the survey and the REAC inspection;
- (3) Provide a copy of this Notice of Default to each of the Project's residents;
- (4) Execute the enclosed certification that all deficiencies identified at the Project have been corrected, and the Project is in compliance with HUD's physical condition standards of 24 CFR 5.703 and state and local codes; and the Owner has provided this Notice to the Project's residents as required;
- (5) Submit the completed survey and certification within 60 days to:

U. S. Department of Housing and Urban Development
 Fort Worth Asset Management, 6AHMLA5
 Attention: **Darlene Hines**
 801 Cherry Street, Suite 2500, Unit #45
 Fort Worth, Texas, 76102

The Owner must correct all physical deficiencies identified in the survey of the Project within 60 days of receiving this NOD letter. If repairs require more time than the 60-day period, the Owner must submit to HUD a repair plan with the completed survey and a reasonable extension request of time to complete all deficiency repairs identified in the survey, stating the cost and source of funds to be used for repairs. Any HUD approved extension will be in writing and HUD will work with the Owner to determine if the request for additional time to cure the deficiencies is acceptable and adequately protects the tenants' interests. HUD will then re-inspect the Project to confirm the Owner is in compliance with the Housing Assistance Payments ("HAP") Contract.

Failure to take the necessary corrective actions required by this Notice of Default of Housing Assistance Payments (HAP) Contract letter, the Secretary will, without further notice, declare the Owner in default of the HAP contract and will seek any and all available remedies, including but not limited to, acceleration of the outstanding principal indebtedness, foreclosure, abatement of the Housing Assistance Payments (HAP) Contract or any other appropriate remedies.

Also, the Multifamily Housing Hub or Program Center that oversees this Project may flag the Owner in HUD's Active Partners Performance System (APPS). This flag may adversely affect the Owner's eligibility for participation in HUD programs, under HUD's Previous Participation Certification procedure, by constituting a standard for disapproval.

HUD may continue its review of any other contractual agreements between the Owner and HUD beyond the matters identified in this notice. If the Secretary determines there are additional contractual violations or defaults, HUD's subsequent declaration of any such violations or defaults will not affect the requirements set out in this notice.

If there are any questions concerning this matter, please contact the contact the Resolution Specialist, **Darlene Hines** at **713-718-9142**.

Sincerely,

A handwritten signature in blue ink that reads "Christie M. Newhouse" followed by "Ft Worth" on the next line.

Christie M. Newhouse
Director
Ft. Worth Asset Management Division

Enclosures
(Owner Certification)

Cc
Triumph Housing Management, LLC
Attn: Kristine Kichty
5920 Odell Street
Cumming, GA 30040
kkristy@triumphmgt.com

Southwest Housing Compliance Corporation
Attn: Nancy McIlhaney
1124 South IH-35
Austin, TX 78704
nancym@shccnet.org

PROJECT OWNER'S CERTIFICATION THAT THE PHYSICAL CONDITION OF THE PROJECT IS IN COMPLIANCE WITH HUD CONTRACTS AND THE PHYSICAL CONDITION STANDARDS OF 24 C.F.R. § 5.703

[Name of project owner:] _____ (the "Project Owner"), the owner of [project name:] _____, [City:] _____, [State:] _____, IREMS No. _____ (the "Project"), by and through its duly authorized representative identified below, hereby certifies that:

1. All physical deficiencies of the Project identified in the HUD inspection(s) of the Project performed on [date] and the attached Project Owner's survey of the Project performed on _____ have been corrected, and the Project is in compliance with the physical condition requirements of all HUD contracts pertaining to the Project and the physical condition standards of 24 C.F.R. § 5.703. The term "Project" includes all units, common areas, building(s), grounds, and systems.
2. To the best of the Project Owner's knowledge, the Project is in compliance with all state and local codes.
3. All tenants residing at Project have received a copy of the HUD "Notice of Default" relating to these physical deficiencies.
4. This certification is made by the Project Owner and is signed by a duly authorized representative of the Project Owner, who is so authorized by reason of his/her position as the [State fully relationship between signer of certification and Project Owner:]

_____.

All of the foregoing statements, as well as the date, signature and identifying information of the Project Owner and the signer that follows, are HEREBY CERTIFIED as true and accurate this _____ day of _____, 20__.

Project Owner: _____

BY: Signature: _____

Print Name: _____

Title: _____

WARNING: Federal statutes and regulations, including but not limited to 18 U.S.C. §§ 287, 1001, 1010 and 1012; 31 U.S.C. §§ 3729 and 3802; and 24 C.F.R Parts 24, 28 and 30, provide for criminal, civil or administrative penalties, sanctions or other regulatory actions with respect to false, fictitious, or fraudulent statements or claims presented in a matter within the jurisdiction of the U.S. Department of Housing and Urban Development.