

Springboard Affordable Housing Management LLC

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SBM-1000 Overview

Springboard Affordable Housing Management LLC (herein referred to as “Management Company”) is responsible for implementation of the operational strategies of multifamily assets acquired through Springboard Housing LLC. This section of the Policies & Procedures is designed to provide an overview of Residential Management.

SBM-1001 Vision

To be the best manager of affordable housing by providing residents necessary services to improve their lives.

SBM-1002 Mission Statement

We will preserve, improve, and maintain affordable housing in the United States of America and realize the highest Net Operating Income possible by providing high quality, professional acquisition, construction, and management services to the stakeholders. We will provide our residents with ancillary services through partnerships which will improve their lives.

SBM-1003 Strategy

We are committed to manage the affordable apartment communities acquired by Springboard Housing LLC, an estimated 9,000 units of affordable housing by 2016, and achieve the highest NOI which will provide a 4% annual return to the investors.

We will embrace technology and provide our residents with services through professional partnerships on the first day we begin managing a community.

SBM-1004 Values

The Company employees and third party vendors, including outside service providers (such as plumbers, landscapers, electricians, etc.) are expected to operate in accordance with the behavioral parameters (“Values”) set forth below.

1. Service
 - Value others in order to gain their trust
2. Integrity
 - In the conduct of our business to gain respect
3. Excellence
 - By recognizing the value of teamwork in performance
4. Stewardship
 - Importance of responsible stewardship

SBM-1100 Objectives

Through teamwork, ensure an optimum return for our Residents by improving their lives, Investors, Partners, Business Partners, and Employees.

Residents

We are dedicated to improving lives. We do that by creating a quality home environment for our residents while providing necessary services. We understand that friendly, courteous, and service-oriented attitudes are the foundation to providing the highest quality lifestyle and living experience for our residents. We earn the respect of our residents each day by ensuring safety, cleanliness, and efficient solutions. We measure our success by retaining satisfied customers.

Investors and Partners

We are dedicated to maximizing real estate asset value through prudent asset management. We quickly adapt to the diversity of individual investors, markets and residents through sound leadership, an unparalleled industry expertise and our unwavering commitment to service. We use a service attitude approach to value enhancement decisions that ensures success as measured by industry benchmarks.

Business Partners

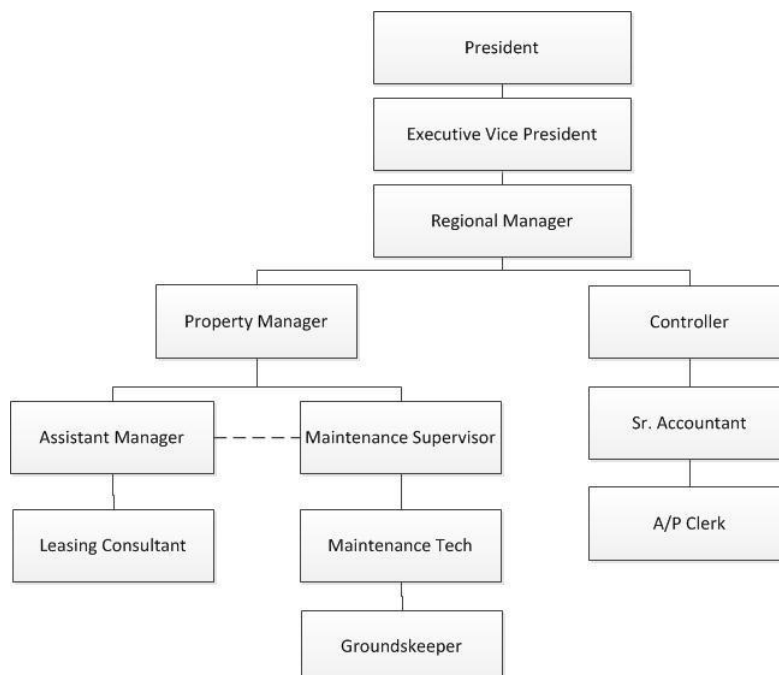
We hire only the most qualified professionals. We strive to develop solid partnerships; make communications a priority and pay close attention to the details.

Employees

We are dedicated to developing our employees personally and professionally. We believe that by encouraging personal and professional growth, our employees will exceed their own expectations, with the benefits being realized by all. We accomplish this by supporting our employees with a dynamic work environment, ongoing training, performance-based recognition and opportunities for advancement.

SBM-1200 Organization Chart

The following diagram provides a graphic overview of Property Management's hierarchy.



SBM-1400 Asset Management

Asset Management is providing concise, useful and timely information and data to the owner. The management company and property management team is an integral part of these processes. Being involved with the asset management functions, the property management team is fully equipped to implement specific asset strategies at an operational level on a daily basis. This is critical to today's "asset management" approach. This allows the Company to not only run the daily property operations, but assist in risk management, property tax, debt evaluation and property value analysis. It is the Company's experience with these services that set it apart from other management companies.

SBM-1401 Operating Budgets

The Company will operate each Property in accordance with an approved Operating Budget. The preparation of the budgets requires a team approach, but is the responsibility of the Property Manager and Vice President. The Budgets will be completed prior to acquisition or by November 1st each calendar year for properties currently under our management and control. The Operating Budget will be distributed to the owners / investors per the management agreement

SBM-1402 Strategic Business Plan

The company will operate each property in accordance with an approved Strategic Business Plan ("SBP") which includes Property, Marketing, Competition, Capital Improvements with a 5 Year Capital Plan, and an Operating Budget.

The preparation of the SBP is the responsibility of the Property Manager and the Vice President. The SBP's will be completed prior to acquisition or by November 1 each calendar year for properties currently under our management and control.

SBM-1500 Federal Fair Housing

The Company will implement and follow the objective, and nondiscriminatory practices as set forth in Title VIII of the Civil Rights Act of 1968, and its subsequent Amendments, commonly referred to as Fair Housing Law. As amended, Title VIII of the Civil Rights Act of 1968 prohibits discrimination in the sale, rental, and financing of dwellings, and in other housing related transactions, based on race, color, national origin, religion, sex, familial status (including children under the age of 18 living with parents of legal custodians, pregnant women, and people securing custody of children under the age of 18), and handicap (disability) . All customers are offered the same availability and shown the same features based upon their own requirements and specifications.

FAILURE TO COMPLY WITH FAIR HOUSING LAWS IS NOT ONLY A CRIMINAL ACT BUT ALSO GROUNDS FOR TERMINATION.

History of the Act

Title VIII of the Civil Rights Act of 1968 prohibited discrimination in housing based upon race, color, religion and national origin. In 1974 the Housing and Community Development Act added sex. In 1988 the Fair Housing Amendments Act added handicap and familial status as protected classes. Today, the Fair Housing Act, (the "Act") as it is known, prohibits discrimination on the basis of race, color, religion,

sex, handicap, familial status and national origin. The Act also prohibits discrimination against individuals because of their association with persons in the protected classes. This law is administered by the Department of Housing and Urban Development (HUD).

SBM-1600 Lease

The relationship between management and resident is governed by the Lease Agreement of the parties and by applicable law. The Lease Agreement provides the covenants or promises by management and resident. Attention must be paid toward completion of the Lease Agreement which states the rights between the parties. State laws may control or will be paramount to provisions found in the Lease Agreement.

SBM-1610 Blue Moon

The Company will use Blue Moon Software (“BMS”) web-based version for lease paperwork. BMS is a distributor of the lease forms approved by the Texas Apartment Association (TAA), Georgia Apartment Association (GAA), the National Apartment Association (NAA), and its state and local affiliates (AANC, FAA, et al). The use of Blue Moon for all legal lease documents ensures the documents are up to date adhering to applicable law. Any deviation of use of Blue Moon for the lease documents requires approval from the President.

SBM-1700 Compensation

This section governs employees and their relationship with outside vendors, real estate brokers, real estate professionals, title companies and any other non-employee involved in an Investment Asset transaction or management of the assets.

- No employee may receive any compensation from outside sources related to an Investment Asset transaction without prior written approval from the company and investors.
- No employee may receive any form of compensation from an outside source that provides specific personal gain. Examples include gift cards or cash given to one employee to benefit that one employee.
- Referral fees from outside sources for referring residents who reside or have resided at Springboard Management, LLC managed communities which would provide specific personal gain.
- Rewards given to the entire property staff, such as lunch or entertainment event passes are to have Presidents written approval.

Any deviation from this policy may result in disciplinary action up to and including termination of employment.

SBM-1710 Property Management Agreement

The terms of the Property Management Agreement (the “Management Agreement”) will govern the relationship between the Company (the “Manager”) and the property owner (collectively the “Parties”). The Management Agreement will include provisions that employ the Company to manage, operate,

control, lease and rent the owner's property. The Management Agreement must be written and signed by the Parties, and will include, but not limited to the following:

- Responsibilities of Manager
 - Collections and Disbursements
 - Maintenance and Labor
 - Advertisement and Legal Proceedings
- Liability of Manager
- Compensation of Manager
- Term of Agreement

SBM-1715 Standards of Care and Prudence

The Company's policies and procedures set forth herein are provided as guidelines for employees and are not designed as a universal course of action for every real estate transaction, nor do they contemplate all of the complexities inherent in a real estate transaction. If a proper course of action in a transaction is questionable, or so unique as to cause doubt, assistance from management or designated legal counsel must be immediately requested.

SBM-1720 Conflict of Interest

All Company employees are expected to commit themselves to the highest standards of business ethics and personal conduct. Honesty and personal integrity are at the foundation of our business practices.

We strive to gain and maintain our residents', business partners', and investors' confidence at each property. Actions that might raise questions about our business ethics are unacceptable. The following principles are some examples of our business standards. Violations of these principles may be cause for disciplinary action up to and including termination. These principles are presented as examples and are not meant to be all inclusive.

- To abide by the established and accepted ethical and legal codes which govern the behavior of both individuals and associations of people in their business life.
- Not to disclose any confidential or classified information to anyone outside the Company such as financial or marketing data, business plans and strategies, negotiations, contracts, partners, or other proprietary information.
- Not to use Company or "insider" information for personal financial gain.
- Not to maintain an outside business or financial interest which conflicts with the interests of the Company or which interferes with normal performance of job duties.
- Not to make personal purchases from vendors or subcontractors without notifying the President in writing prior to the purchase.
- Employees are not to accept tips, gifts, referral fees or commissions from brokers, residents, suppliers, or from potential residents or suppliers for personal benefit or gain. However, some gifts such as food or meals can be accepted by the staff for the entire staff as long as the benefit of such gift is in the interest of the entire property, not just one individual. Regardless, no tips, referral fees, or gifts of significant monetary value shall be accepted.