

Affordable Homes of South Texas, Inc.

In January of 2013, AHSTI formed Esperanza on Fifth, LLC., a Texas limited liability company wholly owned by TuCasa Investments, Inc. In the years following, AHSTI created six subsidiaries, listed below.

As 100% owner of TuCasa Investments, Inc., the financial statements of AHSTI and its wholly owned subsidiaries are presented in the annual financial statements on a consolidated basis as both have common board members and management. Inter-organizational transactions and balances are eliminated at year-end for financial statement purposes. In addition, the assets of AHSTI and the affiliated organizations would be comingled in a bankruptcy estate.

Subsidiaries

TuCasa Investments, Inc. (TuCasa) (a Texas C Corporation wholly owned by Affordable Homes of South Texas, Inc.) was established in January 2013 with the purpose of allowing development of products independent of governmental funding which would ultimately provide alternative sources of unrestricted revenues to better serve the target market.

Esperanza RGV Real Estate, LLC. DBA HCH Realty (Homes. Community. Hope) a subsidiary of TuCasa Investments, Inc. (a Texas C Corporation wholly owned by Affordable Homes of South Texas, Inc.), was established in May 2014 and operates as a real estate broker company.

Framework Homes, LLC, a subsidiary of TuCasa Investments, Inc. (a Texas C Corporation wholly owned by Affordable Homes of South Texas, Inc.), was established in (May 2014) as a construction company to serve clients in the 80% to 120% AMI.

Neighborhood Alliance Management, LLC, a subsidiary of TuCasa Investments, Inc. (a Texas C Corporation wholly owned by Affordable Homes of South Texas, Inc.), was established in May 2014 as a business management company.

RGV TIERRA Properties, LLC, a subsidiary of TuCasa Investments, Inc., (a Texas C Corporation wholly owned by Affordable Homes of South Texas, Inc.), was established in April 2015 as an investment in land development company.

Spirit Mortgage, LLC, a subsidiary of TuCasa Investments, Inc. (a Texas C Corporation wholly owned by Affordable Homes of South Texas, Inc.), was established in May 2014 as a residential service mortgage company.

Hope Insurance, LLC, a subsidiary of TuCasa Investments, Inc., (a Texas C Corporation wholly owned by Affordable Homes of South Texas, Inc.), was established in January 2016 as a full service independent insurance agency offering home, auto, life and commercial insurances.



[TuCas:i | •NvESTMENTs• J

Neighborhood
Alliance
Management,uc



ESPERANZ A

