

**TAB 1**  
**ENTITY INFORMATION**

## Project Summary Form

<b>1) Project Name</b> Skyline View Condominiums	<b>2) Project Type</b> Mixed-Income	<b>3) New Construction or Rehabilitation?</b> New Construction
<b>4) Location Description</b> (Acreage, side of street, distance from intersection) 1823 S IH 35, Austin, Texas 78741		<b>5) Mobility Bond Corridor</b> 
<b>6) Census Tract</b> 14.03	<b>7) Council District</b> District 9	<b>8) Elementary School</b> TRAVIS HTS EL
<b>9) Affordability Period</b> 99 Years		
<b>10) Type of Structure</b> Multi-family	<b>11) Occupied?</b> No	<b>12) How will funds be used?</b> re-development and Constructio

### 13) Summary of Rental Units by MFI Level

Income Level	Efficiency	One Bedroom	Two Bedroom	Three Bedroom	Four (+) Bedroom	Total
Up to 20% MFI						0
Up to 30% MFI						0
Up to 40% MFI						0
Up to 50% MFI						0
Up to 60% MFI						0
Up to 80% MFI						0
Up to 120% MFI						0
No Restrictions						0
<b>Total Units</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

### 14) Summary of Units for Sale at MFI Level

Income Level	Efficiency	One	Two	Three	Four (+)	Total
Up to 60% MFI						0
Up to 80% MFI		30	30	0		60
Up to 120% MFI						0
No Restrictions		30	30	0		60
<b>Total Units</b>	<b>0</b>	<b>60</b>	<b>60</b>	<b>0</b>	<b>0</b>	<b>120</b>

### 15) Initiatives and Priorities (of the Affordable Units)

Initiative	# of Units	Initiative	# of Units
Accessible Units for Mobility Impairments	6	Continuum of Care Units	
Accessible Units for Sensory Impairments	1		

### Use the City of Austin GIS Map to Answer the questions below

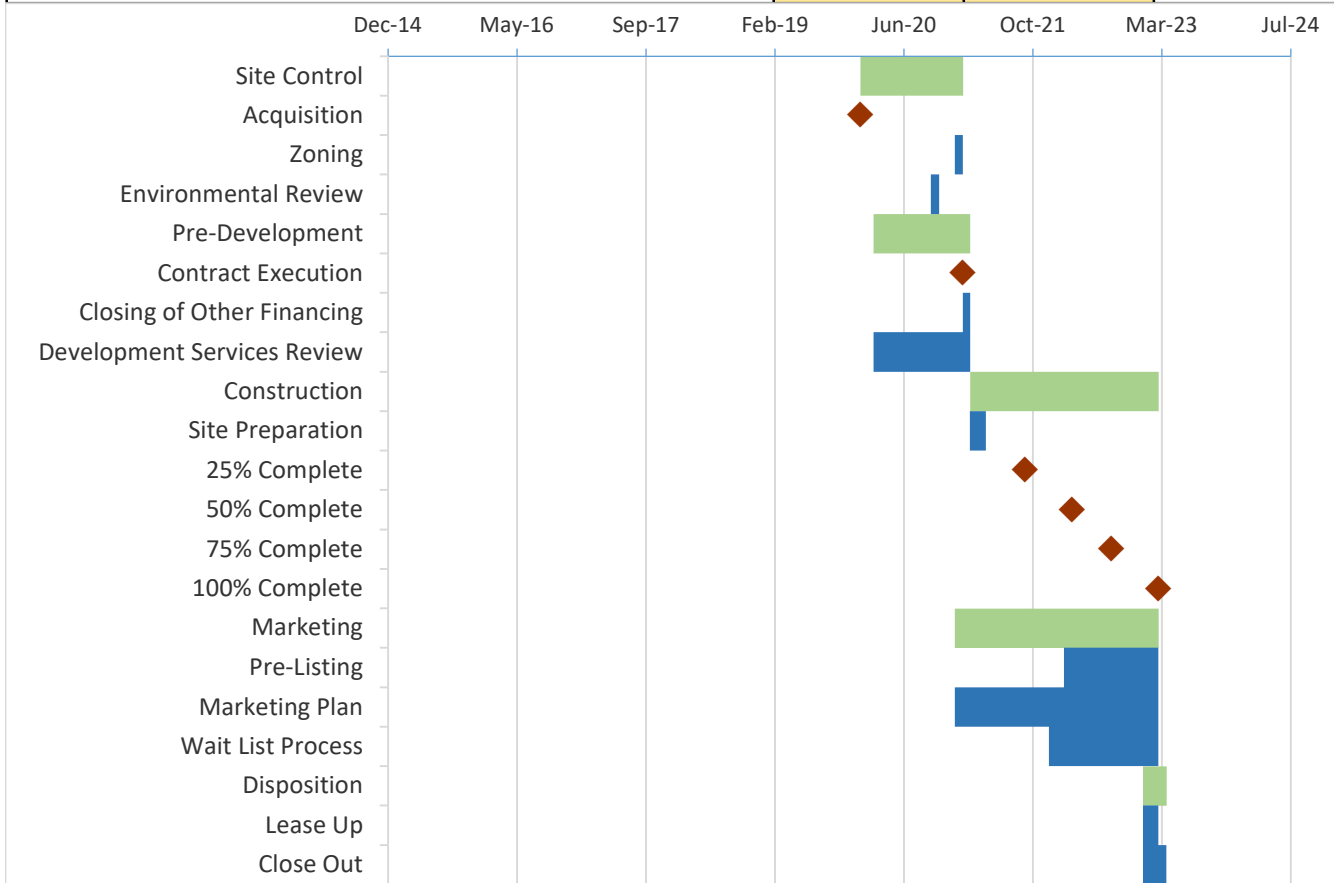
- 16) Is the property within 1/2 mile of an Imagine Austin Center or Corridor? Yes
- 17) Is the property within 1/4 mile of a High-Frequency Transit Stop? No
- 18) Is the property within 3/4 mile of Transit Service? Yes
- 19) The property has Healthy Food Access? Yes

### 20) Estimated Sources and Uses of funds

<u>Sources</u>		<u>Uses</u>	
Debt	18,137,000	Acquisition	1,500,000
Third Party Equity		Off-Site	
Grant		Site Work	2,856,000
Deferred Developer Fee	2,700,000	Sit Amenities	
Owner Equity (other)	9,299,800	Building Costs	24,425,000
<b>Previous AHFC Funding</b>		Contractor Fees	
<b>Current AHFC Request</b>	<b>4,800,000</b>	Soft Costs	2,876,100
		Financing	1,179,700
		Developer Fees	2,100,000
<b>Total \$</b>	<b>34,936,800</b>	<b>Total \$</b>	<b>34,936,800</b>

## Development Schedule

	Start Date	End Date
<b>Site Control</b>	Jan-20	Feb-21
Acquisition	Jan-20	
Zoning	Jan-21	Feb-21
Environmental Review	Oct-20	Nov-20
<b>Pre-Development</b>	Feb-20	Mar-21
Contract Execution	Feb-21	
Closing of Other Financing	Feb-21	Mar-21
Development Services Review	Feb-20	Mar-21
<b>Construction</b>	Mar-21	Mar-23
Site Preparation	Mar-21	May-21
25% Complete	Oct-21	
50% Complete	Apr-22	
75% Complete	Sep-22	
100% Complete	Mar-23	
<b>Marketing</b>	Jan-21	Mar-23
Pre-Listing	Mar-22	Mar-23
Marketing Plan	Jan-21	Mar-23
Wait List Process	Jan-22	Mar-23
<b>Disposition</b>	Jan-23	Apr-23
Lease Up	Jan-23	Mar-23
Close Out	Jan-23	Apr-23



## Development Budget

	Total Project Cost	Requested AHFC Funds	Description
<b>Pre-Development</b>			
Appraisal	25,000	0	
Environmental Review	25,000	0	
Engineering	450,000	450,000	
Survey	50,000	50,000	
Architectural	450,000	450,000	
<b>Subtotal Pre-Development Cost</b>	\$1,000,000	\$950,000	
<b>Acquisition</b>			
Site and/or Land	1,500,000		Developer owns land, subject to mortgage lien
Structures			
Other (specify)			
<b>Subtotal Acquisition Cost</b>	\$1,500,000	\$0	
<b>Construction</b>			
Infrastructure	0	0	Included in Residential Construction pricing
Site Work	2,856,000	2,856,000	Site Work/Foundation/Parking Structure
Demolition			Vacant lot
Concrete	750,000	669,000	
Masonry	1,250,000	0	
Rough Carpentry	3,550,000	0	
Finish Carpentry	1,200,000		
Waterproofing and Insulation	2,000,000		
Roofing and Sheet Metal	3,250,000		
Plumbing/Hot Water	1,950,000		
HVAC/Mechanical	1,895,000		
Electrical	1,700,000		
Doors/Windows/Glass	1,825,000		
Lath and Plaster/Drywall and Acoustical	1,550,000		
Tiel Work	420,000		
Soft and Hard Floor	660,000		
Paint/Decorating/Blinds/Shades	675,000		
Specialties/Special Equipment	200,000		Amenities, elevator, common areas
Cabinetry/Appliances	1,200,000		
Carpet			
Other (specify)			
Construction Contingency	350,000		Line items include an estimated 7% contingency
<b>Subtotal Construction Cost</b>	\$27,281,000	\$3,525,000	Total construction cost residential estimated \$250 sf
<b>Soft &amp; Carrying Costs</b>			
Legal	25,000		
Audit/Accounting	10,000		
Title/Recordin	909,300		
Architectural (Inspections)	17,500		
Construction Interest	1,103,700	325,000	Interest and Closing Costs
Construction Period Insurance	40,000		
Construction Period Taxes	36,000		
Relocation			
Marketing	5,000		
Davis-Bacon Monitoring			
Other (specify)	3,009,300		AH compliance/reporting; Realtor fees, Dev Fee
<b>Subtotal Soft &amp; Carrying Costs</b>	\$5,155,800	\$325,000	
<b>TOTAL PROJECT BUDGET</b>	<b>\$34,936,800</b>	<b>\$4,800,000</b>	

## Projected Affordability Data for Home Sales (OHDA)

	Unit Model 1	Unit Model 2	Unit Model 3	Unit Model 4	Unit Model 5	Unit Model 6	Unit Model 7
Number of Units	30	30	0	0	0	0	0
Number of Bedrooms	1	2	0	0	0	0	0
Square Footage	700	900	0	0	0	0	0
Anticipated Sale Price	\$189,000	\$219,000	\$0	\$0	\$0	\$0	\$0
Borrower Contribution	\$18,900	\$21,900	\$0	\$0	\$0	\$0	\$0
Homebuyer Subsidy	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Principal Amount of Mortgage	\$170,100	\$197,100	\$0	\$0	\$0	\$0	\$0
Anticipated Interest Rate	3.50%	3.50%	0.00%	0.00%	0.00%	0.00%	0.00%
Monthly Principal Amount	\$496	\$575	\$0	\$0	\$0	\$0	\$0
Monthly Interest	\$268	\$310	\$0	\$0	\$0	\$0	\$0
Estimated Monthly Taxes	\$362	\$420.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Estimated Monthly Insurance	\$247.00	\$255.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
<b>TOTAL Estimated PITI</b>	<b>\$1,373</b>	<b>\$1,560</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>Project Name</b>	line View Condominiums	
<b>Project Type</b>	Mixed-Income	
<b>Council District</b>	District 9	
<b>Census Tract</b>	14.03	
<b>Prior AHFC Funding</b>	\$0	
<b>Current AHFC Funding Request Amount</b>	\$4,800,000	
<b>Estimated Total Project Cost</b>	\$34,936,800	
<b>High Opportunity</b>	No	
<b>High Displacement Risk</b>	NO	
<b>High Frequency Transit</b>	No	
<b>Imagine Austin</b>	Yes	
<b>Mobility Bond Corridor</b>	0	
<b>SCORING ELEMENTS</b>		Description
<b>UNITS</b>		
< 20% MFI	0	# of rental units at < 20% MFI
< 30% MFI	0	# of rental units at < 30% MFI
District Goal	0.00%	% of annual goal reached with units
High Opportunity	0.00%	% of annual goal reached with units
Displacement Risk	0.00%	% of annual goal reached with units
High Frequency Transit	0.00%	% of annual goal reached with units
Imagine Austin	0.00%	% of annual goal reached with units
Geographic Dispersion	0.00%	% of annual goal reached with units
Mobility Bond Corridor	0.00%	% of annual goal reached with units
<b>SCORE</b>	<b>0</b>	<b>% of Goals * 20</b>
< 40% MFI	0	# of rental units at < 40% MFI
< 50% MFI	0	# of rental units at < 50% MFI
District Goal	0.00%	% of annual goal reached with units
High Opportunity	0.00%	% of annual goal reached with units
Displacement Risk	0.00%	% of annual goal reached with units
High Frequency Transit	0.00%	% of annual goal reached with units
Imagine Austin	0.00%	% of annual goal reached with units
Geographic Dispersion	0.00%	% of annual goal reached with units
Mobility Bond Corridor	0.00%	% of annual goal reached with units
<b>SCORE</b>	<b>0</b>	<b>% of Goals * 15</b>
< 60% MFI	0	# of units for purchase at < 60% MFI
< 80% MFI	60	# of units for purchase at < 80% MFI
District Goal	16.51%	% of annual goal reached with units
High Opportunity	0.00%	% of annual goal reached with units
Displacement Risk	0.00%	% of annual goal reached with units
High Frequency Transit	0.00%	% of annual goal reached with units
Imagine Austin	56.87%	% of annual goal reached with units
Geographic Dispersion	50.85%	% of annual goal reached with units
Mobility Bond Corridor	0.00%	% of annual goal reached with units
<b>SCORE</b>	<b>19</b>	<b>% of Goals * 15</b>
<b>Unit Score</b>	<b>19</b>	<b>MAXIMUM SCORE = 350</b>
<b>INITIATIVES AND PRIORITIES</b>		
Continuum of Care	0	Total # of units provided up to 100 per year
Continuum of Care Score	0	(total CoC Units/100 + HF Units/50)*20
Access to Healthy Food	Yes	Within 1 Mile of Healthy Food (City GIS)
Continuum of Care Weighted Score	0	Mobility, Access to Jobs, Community Institutions, Social Cohesion
2 Bedroom Units	30	Total Affordable 2 Bedroom units
3 Bedroom Units	0	Total Affordable 3 Bedroom units
4 Bedroom Units	0	Total Affordable 4+ Bedroom units
Multi-Generational Housing Score	10	Multi-bedroom Unit/Total Units * 20
TEA Grade	88	Elementary School Rating from TEA
Multi-Generational Housing Weighted Score	4	Educational Attainment, Environment, Community Institutions, Social Cohesion,
Accessible Units	7	mobility and sensory units
Non-PSH, Non-Voucher Under 20% MFI	8	Total units under 20% MFI
Accessibility Score	5	Accessible Unit/Total Units * 20
Metro Access Service	Yes	Within 3/4 mile of fixed route transit
Accessibility Weighted Score	2	Housing Stability, Health, Mobility, Community Institutions
<b>Initiatives and Priorities Score</b>	<b>21</b>	<b>MAXIMUM SCORE = 200</b>
<b>UNDERWRITING</b>		
AHFC Leverage	30%	% of total project cost funded through AHFC request
Leverage Score	17	25 - (% leverage * 25)
AHFC Per Unit Subsidy (including prior amounts)	\$80,000	Amount of assistance per unit
Subsidy per unit score	15	(\$200,000 - per unit subsidy)*25/\$200,000
AHFC Per Bedroom Subsidy	\$53,333	Amount of assistance per bedroom
Subsidy per Bedroom Score	18	(\$200,000 - per bedroom subsidy)*25/\$200,000
Debt Coverage Ratio (Year 5)	0.00	Measured at the 5 Year mark
Debt Coverage Ratio Score	0	Minimum = 1.0; Maximum = 1.5; 1.25 = best score
<b>Underwriting Score</b>	<b>51</b>	<b>MAXIMUM SCORE = 100</b>
<b>APPLICANT</b>		
<b>FINAL QUANTITATIVE SCORE</b>	<b>91</b>	<b>THRESHOLD SCORE = 50</b>

**Tab 1.a****Detailed Listing of Developer Experience**

The Skyline View Condominium development team is a partnership between RRG Developers, LLC and BSM Developers. RRG Developers, LLC started in 2009, with members including Gopal Guthikonda, Ram Jooluluntla, and Reddy Yeluru. RRG Developers, LLC has successfully developed over 200 units to completion and project stabilization, with another 1,000 units currently in development. BSM Developers, Basheer Mohamed, PE, has over 34 years professional experience in engineering, project development, project management, and construction management.

As a team, RRG and BSM has extensive experience in developing multi-family, multi-story housing, site due diligence, property acquisition, market analysis, engineering, design, construction management and oversight, cost and quality control, financing, and compliance, including experience with HUD requirements, e.g., HUD 221(d)(4) project financing. Both Gopal Guthikonda and Basheer Mohamed bring local, hands-on residential development experience with the City of Austin, as respected municipal utility professionals and real estate developers. To bolster their local expertise, Development Team members include local engineering and affordable housing development firm Civiltude and Community Wheelhouse, Inc., as affordability program administrator.

**The Applicant is prioritizing the Skyline View Condominium development and will ensure that the Development Team is actively managing all aspects of the project, with a hands-on approach and local, on-the-ground attention to the day-to-day details to ensure that Skyline View is delivered on-time, on-budget, and reflects the high quality that is the cornerstone of Applicant's construction strategy.**

Working together with the City of Austin, **Skyline View** can help achieve the City's goals to provide affordable, multi-generational housing with multi-bedroom units, in close proximity to downtown, transit, healthy food, and other services, in an area of town where people could not otherwise afford to own a home.



Champions Gate Apartments in San Antonio, Texas, is a 214-unit, multi-family rental property, developed by Applicant.



Vista Colina is a 208-Unit HUD financed \$35Million multi-family project, currently under construction by Applicant.

**For a detailed listing of projects with description, see Tab 2.**

Certificates of Status from the Secretary of State are provided for all entities. See attached.

Woodland on IH35 Properties, LLC

San Antonio, Texas 78249

- Woodland on IH35 Properties, LLC
- RRG Group Investments, LLC, a Texas limited liability company
- BSM Developers Limited Liability Company, a Texas limited liability company

Principal Name: Basheer Mohamed  
Title: Managing Member

\_\_\_\_\_

\_\_\_\_\_

Principal Name: Gopal Guthikonda  
Title: Managing Member

\_\_\_\_\_

\_\_\_\_\_

Principal Name: Reddy Yeluru  
Title: Managing Member

**[REDACTED]** **[REDACTED]**

Principal Name: Ram Joolunkontula  
Title: Managing Member

\_\_\_\_\_

\_\_\_\_\_

Tab 1, p. 4



## Office of the Secretary of State

### Certificate of Fact

The undersigned, as Secretary of State of Texas, does hereby certify that the document, Certificate of Formation for Woodland on IH35 Properties, LLC (file number 803321153), a Domestic Limited Liability Company (LLC), was filed in this office on May 17, 2019.

It is further certified that the entity status in Texas is in existence.

It is further certified that our records indicate RRG DEVELOPERS, LLC as the designated registered agent for the above named entity and the designated registered office for said entity is as follows:

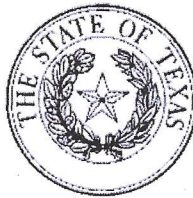
12639 S. HAUSMAN RD  
#5102  
SAN ANTONIO, TX - 78249 USA

In testimony whereof, I have hereunto signed my name officially and caused to be impressed hereon the Seal of State at my office in Austin, Texas on October 05, 2020.



A handwritten signature in black ink, appearing to read "Ruth R. Hughes".

Ruth R. Hughes  
Secretary of State



## Office of the Secretary of State

### Certificate of Fact

The undersigned, as Secretary of State of Texas, does hereby certify that the document, Certificate of Formation for RRG Group Investments, LLC (file number 803186895), a Domestic Limited Liability Company (LLC), was filed in this office on December 13, 2018.

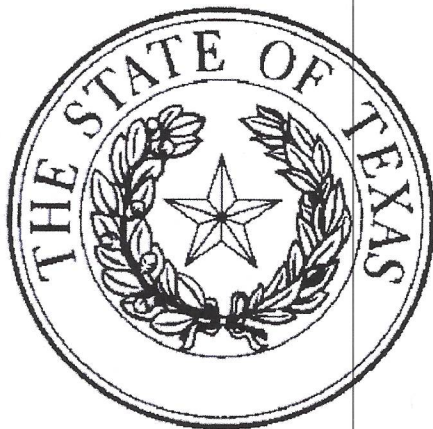
It is further certified that the entity status in Texas is in existence.

It is further certified that our records indicate REDDY YELURU as the designated registered agent for the above named entity and the designated registered office for said entity is as follows:

12639 S HAUSMAN ROAD, #5102

SAN ANTONIO, TX - 78249 USA

In testimony whereof, I have hereunto signed my name officially and caused to be impressed hereon the Seal of State at my office in Austin, Texas on October 05, 2020.



A handwritten signature in black ink, appearing to read "Ruth R. Hughes".

Ruth R. Hughes  
Secretary of State

Secretary of State  
P.O. Box 13697  
Austin, TX 78711-3697  
FAX: 512/463-5709

Filing Fee: \$300



**Certificate of Formation  
Limited Liability Company**

**Filed in the Office of the  
Secretary of State of Texas  
Filing #: 803186895 12/13/2018  
Document #: 855556770014  
Image Generated Electronically  
for Web Filing**

**Article 1 - Entity Name and Type**

The filing entity being formed is a limited liability company. The name of the entity is:

**RRG Group Investments, LLC**

**Article 2 – Registered Agent and Registered Office**

☐ A. The initial registered agent is an organization (cannot be company named above) by the name of:

**OR**

☒ B. The initial registered agent is an individual resident of the state whose name is set forth below:

**Name:**

**Reddy Yeluru**

C. The business address of the registered agent and the registered office address is:

**Street Address:**

**12639 S Hausman Road, #5102 San Antonio TX 78249**

**Consent of Registered Agent**

☐ A. A copy of the consent of registered agent is attached.

**OR**

☒ B. The consent of the registered agent is maintained by the entity.

**Article 3 - Governing Authority**

☒ A. The limited liability company is to be managed by managers.

**OR**

☐ B. The limited liability company will not have managers. Management of the company is reserved to the members.

The names and addresses of the governing persons are set forth below:

Manager 1: **Venkata Subba Reddy Yeluru**

Title: **Manager**

Address: [REDACTED]

Manager 2: **Gopal Guthikonda**

Title: **Manager**

Address: [REDACTED]

Manager 3: **Ramakrishna Reddy Joolukuntla**

Title: **Manager**

Address: [REDACTED]

**Article 4 - Purpose**

The purpose for which the company is organized is for the transaction of any and all lawful business for which limited liability companies may be organized under the Texas Business Organizations Code.

[The attached addendum, if any, is incorporated herein by reference.]

**Organizer**

The name and address of the organizer are set forth below.

**Reddy Yeluru**

**Effectiveness of Filing**

☒ A. This document becomes effective when the document is filed by the secretary of state.

**OR**

☐ B. This document becomes effective at a later date, which is not more than ninety (90) days from the date of its signing. The delayed effective date is:

**Execution**

The undersigned affirms that the person designated as registered agent has consented to the appointment. The undersigned signs this document subject to the penalties imposed by law for the submission of a materially false or fraudulent instrument and certifies under penalty of perjury that the undersigned is authorized under the provisions of law governing the entity to execute the filing instrument.

**Reddy Yeluru**

Signature of Organizer

**FILING OFFICE COPY**

Secretary of State  
P.O. Box 13697  
Austin, TX 78711-3697  
FAX: 512/463-5709

Filing Fee: \$300



**Certificate of Formation  
Limited Liability Company**

**Filed in the Office of the  
Secretary of State of Texas  
Filing #: 803321153 05/17/2019  
Document #: 890215510002  
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for Web Filing**

**Article 1 - Entity Name and Type**

The filing entity being formed is a limited liability company. The name of the entity is:

**Woodland on IH35 Properties, LLC**

**Article 2 – Registered Agent and Registered Office**

☒ A. The initial registered agent is an organization (cannot be company named above) by the name of:

**RRG Developers, LLC**

**OR**

☐ B. The initial registered agent is an individual resident of the state whose name is set forth below:

C. The business address of the registered agent and the registered office address is:

**Street Address:**

**12639 S. Hausman Rd  
#5102 San Antonio TX 78249**

**Consent of Registered Agent**

☐ A. A copy of the consent of registered agent is attached.

**OR**

☒ B. The consent of the registered agent is maintained by the entity.

**Article 3 - Governing Authority**

☒ A. The limited liability company is to be managed by managers.

**OR**

☐ B. The limited liability company will not have managers. Management of the company is reserved to the members.

The names and addresses of the governing persons are set forth below:

Manager 1: (Business Name) **RRG Developers, LLC**

Address: **12639 S Hausman Rd. #5102 San Antonio TX, USA 78249**

**Article 4 - Purpose**

The purpose for which the company is organized is for the transaction of any and all lawful business for which limited liability companies may be organized under the Texas Business Organizations Code.

**Supplemental Provisions / Information**

[The attached addendum, if any, is incorporated herein by reference.]

**Organizer**

The name and address of the organizer are set forth below.

**Reddy Yeluru**      **12639 S Hausman Rd, #5102, San Antonio, TX 78249**

**Effectiveness of Filing**

☒ A. This document becomes effective when the document is filed by the secretary of state.

**OR**

☐ B. This document becomes effective at a later date, which is not more than ninety (90) days from the date of its signing. The delayed effective date is:

**Execution**

The undersigned affirms that the person designated as registered agent has consented to the appointment. The undersigned signs this document subject to the penalties imposed by law for the submission of a materially false or fraudulent instrument and certifies under penalty of perjury that the undersigned is authorized under the provisions of law governing the entity to execute the filing instrument.

**Reddy Yeluru**

Signature of Organizer

**FILING OFFICE COPY**

Secretary of State  
P.O. Box 13697  
Austin, TX 78711-3697  
FAX: 512/463-5709

Filing Fee: \$300



**Certificate of Formation  
Limited Liability Company**

**Filed in the Office of the  
Secretary of State of Texas  
Filing #: 802926509 02/05/2018  
Document #: 792327920002  
Image Generated Electronically  
for Web Filing**

**Article 1 - Entity Name and Type**

The filing entity being formed is a limited liability company. The name of the entity is:

**BSM Developers Limited Liability Company**

**Article 2 – Registered Agent and Registered Office**

☐ A. The initial registered agent is an organization (cannot be company named above) by the name of:

**OR**

☒ B. The initial registered agent is an individual resident of the state whose name is set forth below:

**Name:**

**Basheer Mohamed**

C. The business address of the registered agent and the registered office address is:

**Street Address:**

**Consent of Registered Agent**

☐ A. A copy of the consent of registered agent is attached.

**OR**

☒ B. The consent of the registered agent is maintained by the entity.

**Article 3 - Governing Authority**

☒ A. The limited liability company is to be managed by managers.

**OR**

☐ B. The limited liability company will not have managers. Management of the company is reserved to the members.

The names and addresses of the governing persons are set forth below:

Manager 1: **Mohamed Selvi**

Title: **Manager**

Address:

Manager 2: **Basheer Mohamed**

Title: **Manager**

Address:

**Article 4 - Purpose**

The purpose for which the company is organized is for the transaction of any and all lawful business for which limited liability companies may be organized under the Texas Business Organizations Code.

**Supplemental Provisions / Information**

[The attached addendum, if any, is incorporated herein by reference.]

**Organizer**

The name and address of the organizer are set forth below.

**Basheer Mohamed**

**Effectiveness of Filing**

☐ A. This document becomes effective when the document is filed by the secretary of state.

**OR**

☒ B. This document becomes effective at a later date, which is not more than ninety (90) days from the date of its signing. The delayed effective date is: **February 7, 2018**

**Execution**

The undersigned affirms that the person designated as registered agent has consented to the appointment. The undersigned signs this document subject to the penalties imposed by law for the submission of a materially false or fraudulent instrument and certifies under penalty of perjury that the undersigned is authorized under the provisions of law governing the entity to execute the filing instrument.

**Basheer Mohamed**

Signature of Organizer

**FILING OFFICE COPY**

**Tab 1.c**

**Statement of Confidence**

See Statement of Confidence attached.



CITY OF SAN ANTONIO  
**DEVELOPMENT SERVICES DEPARTMENT**  
P.O. BOX 839966 | SAN ANTONIO TEXAS 78283-3966



21 October 2020

## LETTER OF COMPLETION

This letter confirms that on January 11, 2017 building permit number M2196980 along with eighteen child permits were issued to Galaxy Builders for the construction of a new apartment complex located at 12639 S. Hausman Rd.

According to the Customer Service Division of the Development Services Department, all applicable inspections were performed and approved.

Rebecca Rodriguez  
Senior DSD Specialist  
Development Services Department

**TAB 2**  
**PRINCIPAL INFORMATION**

**Tab 2.a. Resumes of Principals.**

***See attached resumes.***



### Education

MS, Civil and Environmental Engineering, Texas Tech University, 1983

BS, Civil Engineer, Andhra University, 1980

### Certifications

Professional Engineer.  
Texas #67093, 1990

Board Certified  
Environmental Engineer,  
2010

**Years with RRG: 10**

**Total Years. 39**

### Affiliations

ASCE – American Society  
of Civil Engineers

WEF – Water  
Environmental Federation

AAEES – American  
Academy of Environmental  
Engineers and Scientists

### Presentations/Seminars

Numerous Technical  
Presentations

Numerous Technical  
training classes and  
seminars

## Background

Gopal has more than 39 years of engineering experience in many areas. He worked for the City of Austin for over 27 years where he grew from an Engineering Associate to the level of Assistant Director of engineering services, where he had the executive responsibility for the management of all Engineering functions including development approvals for the Water Utility serving over 1 Million population.

Gopal implemented or managed the implementation of over \$2 Billion of Capital Improvements for the City of Austin during his career. His completed notable projects include the successful completion of the \$400 Million Austin Clean Water Program, a wastewater pipeline rehab and replacement Program throughout Austin, \$100 Million South IH35 Water and Wastewater Improvements Program, providing utilities to a new service area, and initiated the \$150 Million Renewing Austin Program, to rehab and replace water pipelines throughout Austin.

Active in owning and developing many private developments, Gopal participated in various partnerships to develop many private developments. He took active role in advising the developments to utilize his engineering background and development knowledge. To eliminate conflicts of interest with his work at the City of Austin while working there, he did all his development work outside Austin.

Gopal joined with two other partners to start RRG Developers, LLC in San Antonio Texas in 2009. He retired in good standing from the City of Austin in 2012, and currently co-manages RRG Developers.

## Professional Experience

Managing Member, Woodland at IH 35, LLC, Austin, TX	2018 – Present
Managing Member, Vista Colina Apartments, LLC, San Antonio, TX	2018 – Present
Managing Member, RRG Developers, LLC, San Antonio, TX	2016 – Present
Managing Member, Champions Gate Apartments, LLC, San Antonio, TX	2017 – Present
Managing Member, East Park Properties, LLC, San Antonio, TX	2012 – Present
CEO, Aminita Solutions, Inc., Consulting Engineering, Austin, TX	2013 – Present
Managing Member, Wildflower Meadows, LLC, Austin, TX	2012 – Present
Managing Member, Falconhead Investment Group, LLC, Austin, TX	2007 – Present
Engineer/Assistant Director of Engrg., AW, City of Austin, Austin, TX	1987 – 2012
Assistant Engineer, Steger & Bizzell, Inc., Georgetown, TX	1983 – 1987
Research & Teaching Asst., Dept. of CE, Texas Tech Univ., Lubbock, TX	1981 – 1983

## Projects

### VISTA COLINA APARTMENTS, SAN ANTONIO, TEXAS Currently in Construction

Partnered to develop the proposed 14 acre 208 Unit Vista Colina Apartments in a very high-end neighborhood adjacent to Cedar Creek Golf course in the fast growing Northwest area of San Antonio, Texas. Development of the project involved negotiating and purchasing property, raising capital, coordinating engineering and architectural plans and specification preparation, applying for HUD market rate financing and obtaining preliminary approvals. Currently bidding the project which includes apartment

buildings and club house, Street improvements, wet and dry utilities, storm water detention and water quality ponds. In spite of Covid-19 issues, the project loan was closed by HUD, and construction has started.

**HERO WAY MIXED USE DEVELOPMENT, LEANDER, TEXAS****Currently in Construction**

Partnered to develop a 17-acre mixed use development on Hero Way (FM 2243), in one of the fastest growing northern suburbs of Austin in the City of Leander, Texas. Processed the subdivision for approval by the City of Leander and constructing the utilities and Road.

**Woodland At IH35 Apartments, Austin, TEXAS****Currently on-going**

Partnered to develop the proposed 1-acre high rise 100 Unit Condominium complex in the fast-growing area close to downtown Austin, Texas. Project will be two level underground parking with 4 story podium style building. Development of the project involved negotiating and purchasing property, raising capital, coordinating engineering and architectural layouts. Currently working to change the zoning for the property to accommodate multi-family project. This project is planned to be financed through a commercial market rate financing. Expected to close the loan and initiate construction in Mid 2021.

**KYLE SEALE MIXED USE DEVELOPMENT, SAN ANTONIO, TEXAS****Currently on-going**

Partnered to develop a 5.75-acre mixed use development at the intersection of W. Hausman Rd. and Kyle Seale Parkway in the City of San Antonio, Texas. This development will include a mix of commercial, office, and multi-family residential development. Currently the project subdivision is in processing for approval by the City of San Antonio and expected to move into construction phase in 3-4 months.

**ECKHERT RD MULTI-FAMILY, SAN ANTONIO, TEXAS****Currently on-going**

Partnered to develop a 6.5-acre Multi-family development on Eckhert Rd., in the City of San Antonio, Texas. Received approval for MF zoning for the proposed development. Currently in the conceptual development phase in developing concepts for the proposed development.

**CHAMPIONS GATE APARTMENTS Phase II, SAN ANTONIO, TEXAS****Currently on-going**

Partnered to develop the proposed 21+ acre 250 Unit 4-story Champions Gate Apartments Phase II in San Antonio, Texas from raw land to a class A multi-family development. Work plan includes changing the zoning to multi-family, reclamation of additional floodplain land through LOMR/CLMR process, raising capital, coordinating engineering and architectural plans and specification preparation, and ultimately construct, manage and operate the project. Project will include apartment buildings and club house, Street improvements, wet and dry utilities, floodplain delineation, FEMA Floodplain map amendment, storm water detention and water quality ponds. Expected to commence construction in 2021.

**FALCON HEAD COMMERCIAL AND OFFICE COMPLEX. BEE CAVE, TX 78738****Currently on-going**

Partner to develop a 7-acre commercial and office complex on FM 620, Lot 100E Blk F of Spillman Ranch Ph. 1 Sec. 7 in Bee Cave, Texas. Currently working with City of Bee Cave for construction plan approval and specification preparation.

**CHAMPIONS GATE APARTMENTS, SAN ANTONIO, TEXAS****Completed, Stabilized and currently managing**

Partnered to develop the 21-acre 214 Unit Champions Gate Apartments in San Antonio, Texas from raw land to a thriving multi-family development. Work involved negotiating and purchasing property, raising capital, subdividing the property, coordinating engineering and architectural plans and specification preparation, bidding and construction management of the project including apartment buildings and club house, Street improvements, wet and dry utilities, floodplain delineation, FEMA Floodplain map amendment, storm water detention and water quality ponds, Completed construction in 16 months, and coordinated with leasing agents and property management firm to manage the property. The property

leasing hit a high of 98% within 10 months of construction and is currently stabilized at over 93% leasing rate without any major incentives with higher than projected rental rates.

#### **WILDFLOWER MEADOWS DEVELOPMENT, TEMPLE, TEXAS**

**Completed, and sold**

Partnered to develop the 12.5 acre 36-lot Wildflower Meadows development from raw land to a thriving multi-family development in Temple, Texas. Work involved negotiating and purchasing property, raising capital, subdividing the property, coordinating engineering plan and speciation preparation, bidding and construction management of the subdivision including Streets, Utilities, Drainage, and communication lines. Completed construction of duplex units on all 36 lots and coordinated with leasing agents and property management firm to manage the rental units.

#### **FALCON HEAD PLAZA LOCATED AT 14360 FALCON HEAD BLVD, BEE CAVE, TX 78738 Completed, Leased out, and Sold**

Developed the 9,531 Sq. Ft. Falconhead Plaza commercial shopping center valued at \$2.2Million. Work involved negotiating and purchasing property, raising capital, coordinating engineering plan and speciation preparation, bidding and construction management of the shopping center including parking lot, Utilities, Drainage, and communication lines. Also completed most of the interior finish outs for tenants.

#### **Education**

TEXAS TECH UNIVERSITY, LUBBOCK, TEXAS	Master of Science, Civil Engineering, 1983
ANDHRA UNIVERSITY, WALTAIR, AP, INDIA	Bachelor of Engineering, Civil Engineering, 1980

#### **Licenses**

Licensed Professional Engineer (PE), Texas  
Board Certified Environmental Engineer (BCEE)

#### **Professional Activities**

- Member, American Society of Civil Engineers
- Member, Water Environment Federation (WEF)
- Member, WEF and WEAT (Water Environment Assoc. of Texas) Collection Systems Committee
- Inducted Member, Academy of Civil, Envi., and Construction Engineering Department, Texas Tech University
- Past Chair, Industry Advisory Council, Civil, Envi., and Construction Engineering Department, Texas Tech University
- Member and served on Boards of many non-profit organizations

#### **Honors**

- Water Environment Association of Texas Sidney L. Allison Award – 2007
- ASCE Texas Government Civil Engineer of the Year - 2007
- Underground Construction Technology Association Most Valuable Professional Award - 2012



## Background

Ram is a licensed realtor in the State of Texas and an experienced Project developer with over 29 years of development experience. He has helped close many commercial, single family, income producing, and land transactions. He was part of a management team that developed a 214-unit multi-family project under HUD 221(d)(4) market rate program. He has significant experience in identifying mortgages that fit the custom needs of clients. His knowledge and experience is invaluable for clients in the areas of identifying properties that suit the perfect needs of investors and potential owners, all areas of real estate transactions, schools, neighborhood information, mortgages, insurance needs, and inspection details.

## Education

- Bachelor of Science – Osmania University, India
- Master of Science, Kanpur University, India.
- Bachelor of Law, Osmania University, India
- Post Graduate Diploma in Personnel Management, Industrial Relations, and Labor Welfare, Hyderabad, India

## Licenses

- Licensed Real Estate Agent, State of Texas

## Designations

- ALHS - Accredited Luxury Home Specialist
- ABR – Accredited Buyers Representative

**Years with RRG: 10**

**Total Years. 29**

## Affiliations

- San Antonio Board of Realtors
- Texas Association of Realtors
- National Association of Realtors
- CCIM San Antonio/South Texas Chapter

## Professional Experience

- Managing member – Champions Gate Apartments, LLC, San Antonio, TX 2017
- Managing member – RRG Developers, LLC, San Antonio, TX - 2016
- Managing Member – East Park Properties, LLC, San Antonio, TX - 2012
- Managing Member – Jumbo Evans Park Properties, LLC, San Antonio, TX - 2012
- Partner – ekNazar.com – 2010

## Projects

### **VISTA COLINA APARTMENTS, SAN ANTONIO, TEXAS** **Currently in Construction**

Partnered to develop the proposed 14 acre 206 Unit Vista Colina Apartments in a very high-end neighborhood adjacent to Cedar Creek Golf course in the fast growing Northwest area of San Antonio, Texas. Development of the project involved negotiating and purchasing property, raising capital, coordinating engineering and architectural plans and specification preparation, applying for HUD market rate financing and obtaining preliminary approvals. Currently bidding the project which includes apartment buildings and club house, Street improvements, wet and dry utilities, storm water detention and water quality ponds. Expected to close the loan with HUD by December 2019 and initiate construction in January 2020.

### **Woodland At IH35 Apartments, SAN ANTONIO, TEXAS** **Currently on-going**

Partnered to develop the proposed 1 acre high rise 50-70 Unit Apartment complex in the fast growing area close to downtown Austin, Texas. Development of the project involved negotiating and purchasing property, raising capital, coordinating engineering and architectural layouts. Currently working to change the zoning for the property to accommodate multi-family project. This project is planned to be financed through a commercial market rate financing. Expected to close the loan and initiate construction in January 2021.

### **ECKHERT RD MULTI-FAMILY, SAN ANTONIO, TEXAS** **Currently on-going**

Partner to develop a 6.5-acre Multi-family development on Eckhart Rd., in the City of San Antonio, Texas. Received approval for MF zoning for the proposed development. Currently in the conceptual development phase in developing concepts for the proposed development.

**HERO WAY MIXED USE COMPLEX, LEANDER, TEXAS****Currently on-going**

Partnered to develop a 17-acre mixed use development on Hero Way (FM 2243), in one of the fastest growing northern suburbs of Austin in the City of Leander, Texas. Currently developing conceptual development plan working with City of Leander staff.

**W. HAUSMANN RD MIXED USE DEVELOPMENT, SAN ANTONIO, TX****Currently on-going**

Partnered to develop a 5.75-acre mixed use development at the intersection of W. Hausman Rd. and Kyle Seale Parkway in the City of San Antonio, Texas. This development will include a mix of commercial, office, and multi-family residential development. Currently the project is in design and is expected to move into construction phase in 3 months.

**CHAMPIONS GATE APARTMENTS Phase II, SAN ANTONIO, TEXAS****Currently on-going**

Partnered to develop the proposed 21+ acre 250 Unit 4-story Champions Gate Apartments Phase II in San Antonio, Texas from raw land to a class A multi-family development. Work plan includes changing the zoning to multi-family, reclamation of additional floodplain land through LOMR/CLMR process, raising capital, coordinating engineering and architectural plans and specification preparation, and ultimately construct, manage and operate the project. Project will include apartment buildings and club house, Street improvements, wet and dry utilities, floodplain delineation, FEMA Floodplain map amendment, storm water detention and water quality ponds. Expected to commence construction in January 2021.

**CHAMPIONS GATE APARTMENTS, SAN ANTONIO, TEXAS****Completed, Stabilized and currently managing**

Partnered to develop the 21-acre 214 Unit Champions Gate Apartments in San Antonio, Texas from raw land to a thriving multi-family development. Work involved negotiating and purchasing property, raising capital, subdividing the property, coordinating engineering and architectural plans and specification preparation, bidding and construction management of the project including apartment buildings and club house, Street improvements, wet and dry utilities, floodplain delineation, FEMA Floodplain map amendment, storm water detention and water quality ponds, Completed construction in 16 months, and coordinated with leasing agents and property management firm to manage the property. The property leasing hit a high of 98% within 10 months of construction and is currently stabilized at over 93% leasing rate without any major incentives with higher than projected rental rates.



## Background

Reddy Yeluru has over 30 years of real estate and development experience. As a former structural Engineer with an IT background, Reddy adds a unique blend of project management and design expertise and uses them with IT tools into the development project while relying on years of experience in not only successfully managing and delivering projects, but also operating and managing them. As a managing partner of RRG, Reddy's involvement in multifamily development begins at the earliest stages of project development during site and financial feasibility and carries through the final sale of the project. From high-end Class A apartments, Reddy has a proven track record of completing successful projects in San Antonio, Texas. Reddy has successfully developed, and managing over 200 units, and is actively managing projects in design of another 1,000 currently in development.

## Education

- Master's in Structural engineering, National Institute of Technology, Warangal, India 1988
- Bachelors in Civil Engineering, Nagarjuna University, Guntur, India 1985

## Core Competencies

- Organizational Leadership
- Business Development
- Needs Assessment
- Design/Build Expertise
- Construction Management Services
- Project Management & General Operations
- Strategic Planning & Implementation
- Planning, Architectural and Engineering Services
- Sales & Marketing
- Urban Development

## Years with RRG: 10

## Total Years. 30

## Presentations/Seminars

Numerous Technical Presentations

Numerous Technical training classes and seminars

## Development Skills

- Planned and developed HUD sponsored 221 (d) (4) 214-unit apartment complex in San Antonio, TX and managing it assets
- Acquired land and properties through negotiation with brokers, organizations or other developers
- Analyzed information on property values, taxes, zoning, population growth, and traffic volume and patterns to determine if properties should be acquired
- Planned, scheduled, and coordinated general maintenance, major repairs, and remodeling or construction projects for commercial or residential properties
- Managed and oversaw operations, maintenance, administration, and improvement of commercial or residential properties.
- Collaborated with salespeople to maximize returns
- Solicited and analyzed bids from contractors for repairs, renovations, and maintenance.
- Oversaw the design, material selection, marketing strategy and construction
- Developed a team from attorneys, architects, general contractors, engineers and brokers
- Collaborated with clients to negotiate management and service contracts, determine priorities, and discuss the financial and operational status of properties
- Directed collection of monthly assessments, rental fees, and deposits and payment of insurance premiums, mortgage, taxes, and incurred operating expenses
- Handled negotiation of the sale, lease, or development of property and complete or review appropriate documents and forms
- Ensured compliance with state and federal regulations
- Marketed vacant space to prospective tenants through leasing agents, advertising, or other methods
- Maintained complete operational responsibilities, including budgeting, goals, hiring and firing
- Built substantial relationships with Bankers, Accountants, CPAs, Mortgage Brokers, Commercial Realtors, etc. for the origination of multiple funding projects
- External business development with Realtors, lenders, Developers, Economic Development Boards, etc.

## Professional Experience

Managing member – Champions Gate Apartments, LLC, San Antonio, TX	2017 – Present
Managing member – RRG Developers, LLC, San Antonio, TX	2016 – Present
Managing Member – East Park Properties, LLC, San Antonio, TX	2012 – Present
CEO – RASI Properties, LLC, San Antonio, TX	2010 – Present
Managing Member – Jumbo Evans Park Properties, LLC, San Antonio, TX	2012 – Present
Managing Member – Skyrise Properties, LLC, Dallas, TX	2007 – 2017
CEO – Sai Construction Company, Hyderabad, India	1992 – 1999

## Projects

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#### **Currently in Construction**

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**CHAMPIONS GATE APARTMENTS, SAN ANTONIO, TEXAS****Completed, Stabilized and currently managing**

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**Basheer Mohamed P.E.**  
**Founder, BSM Developers.**

Skyline View

**PROFILE:**

Basheer has more than 34 years of professional experience in engineering, project development, project management, business development, construction management, and management of power plant. He worked for Austin Energy for 23 years where he stated as engineering associate and grew up several level to Manager of Engineering and retired as Power Plant Manager. While he was with Austin Energy, he managed or implemented Several high-profile projects including development and management of \$172.0 mil power project, and \$94.0 mil power projects. He also engineered or managed several other projects. These projects include project feasibility, financing, justification, development, preliminary engineering, detailed engineering, project managment, construction, and close out.

As an engineering consultant with Quality Power LLC, he worked on several engineering projects worth millions of dollars in power plant and water treatment plants. These projects involve engineering design, and construction.

Basheer also developed real estate project and still it owns it. This involved purchase, financing, overseeing design, and construction.

Actively owning and developing real estate projects, Basheer participates in development of private developments. He takes active roles in executing all phases starting from searching for land, funding, development, architectural, engineering, permitting and construction.

**Professional Experience:**

*Managing Member, Woodland at IH 35, LLC Austin, TX 2018- present*

*President – Quality Power LLC, Austin, TX.*

*2012- present*

*Consultant – CP&Y, Austin, TX*

**EDUCATION:**

MS, Electrical Engineering  
University of Akron, OH  
1988-90\*

ME, Instrumentation  
Engineering, Anna  
University,  
Chennai, India. 1981-83 BS  
Electronics and  
Instrumentation  
Engineering.  
1976-81

Certification: Professional  
Engineer. Texas # 80983

**Presentation /Seminars:**

Several Technical and  
business presentations  
Numerous Technical and  
management trainings and  
seminars.

\*attended

2014- 2017

Skyline View

Power Plant Manager, - Austin Energy, Austin, TX

1990- 2012

Executive Engineer - Tata Electric Companies

1983-1988

**Projects:**

**Woodland on IH35, LLC, Austin, TX**

Currently being developed

*Partnered to develop the proposed 1.07 acres 100+ condo project near downtown Austin. About 50% of condos may be affordable housing products if funding is approved by the City of Austin. Owned the land. Engaged a civil engineer, completed site plan and submitted it for approval also applied for utility permits. Currently, applied for zoning change process with the City. Also, seeking funding through City of Austin's Ownership Development Assistance Program.*

**Beach Front Properties:**

2004- present

Purchased a land and developed to build four residential properties.

Development of the project involved negotiating and purchasing property, raising capital, coordinating architectural and engineering. Also, managed construction of the project. Sold part of land and built a luxury single family residence. Engaged an architect, engineer, and a contractor build the residence. Currently own the property and leased it.

**SandHill Power Plant Project:**

While working for Austin Energy, I was a project lead for two power projects.

The first one valued at \$94.0 mil and the second one valued at \$94.0 mil.

Development of the project involved justifying the project to City Council, negotiating and purchasing property, coordinating engineering design, permitting, equipment selection, vendor selection, and contract evaluation. Also, managed construction and startup of other projects.

**Other Projects:**

When working for Austin Energy, I was involved in several power plant chilled water energy projects. These projects involve engineering design, permitting, negotiating with contractors, engineering firms, City and State governments. Managed several complex projects worth millions of dollars and takes two to four years from start to finish. These projects also involve construction management, and closeout.

**Quality Power LLC:**

As a consultant, worked on several projects involving power plant and water and wastewater treatment plants. These projects worth few to several millions. These projects involve engineering design, construction supervision, and project management. It also involves selecting vendors, permitting, coordinating with contractors, fire department, state department, and closeout. Name a few of these projects:

1. City of Houston Lift Station projects - \$6.7 mil
2. Dos Rios Wastewater Treatment plant rehabilitation project, San Antonio - \$14.5 mil
3. Vista Ridge Water Project – San Antonio - \$844.0 mil
4. SandHill Generator Relay Upgrade project – \$2.2 mil
5. Decker Creek Generator protection compliance-\$ 500k
6. Barton Creek Wastewater Treatment Plant- \$4.5 mil (est.)
7. Sunset Oaks Wastewater Treatment Plant - \$5.7 mil (est.)

**Tab 2.b. Resumes of Development Team**

Project Architect:	To be determined for final design/construction documents.
Design Architect:	Mark Hart, AIA <b><i>See attached firm description/resume.</i></b>
Project Manager:	Quality Power, LLC (MBE) <b><i>See attached firm description/resume.</i></b>
Engineer:	Civilitude (MBE) <b><i>See attached firm description/resume.</i></b>
Contractor:	To be selected.



## RELEVANT EXPERIENCE

Over the last ten years, Civiltude has provided design surveying, civil engineering, and construction services at 18 Foundation Communities properties, six GNDC properties, 1 Green Doors property and 1 AHA property in partnership with HACA. We have grown to appreciate affordable housing provider's service to Austin's low-income families and their perspective with regard to the pains, goals and challenges with maintaining and developing such properties. More specifically, we have learned that safety of tenants and their children, value for construction cost and timing of permitting rank high on their list of priorities.

## FIRM & HEADQUARTER ADDRESS

5110 Lancaster Ct., Austin, TX 78723

## Contact Person

Fayez Kazi, PE, LEED AP

## Office Telephon

1 512 761 6161

## Facsimile

1 512 761 6167

## Date of Organization

April 2010

## Type of Organization

Limited Liability Company

## PRINCIPAL ATTENTION & INTEGRATED APPROACH

Unlike other firms, Civiltude provides senior level attention where Fayez Kazi and Nhat Ho are fully involved with proposal, charrettes, design, value engineering and construction phase services. Their diverse background in Architectural Engineering allows for an integrated design approach where civil engineering decisions are integrated rather than performed in isolation <<; for example, tying in roof downspouts may be suggested or rerouting the accessible path may be suggested or items that affect building plans may be noticed and brought to the Owner's attention.

## Civiltude LLC Personnel Experience



### Faye Kazi, PE, LEED AP

*President, Civiltude LLC Engineers & Planners Established 2010*

Mr. Kazi has over 25 years of experience providing public and private sector clients with entitlements and the design, management and construction of site development projects. Mr. Kazi has worked on projects as small as ADA improvement projects to complex site development and roadway projects. Mr. Kazi brings a unique combination of technological savvy, professional service, technical knowledge and enthusiastic commitment to his clients. His strengths also include a deep understanding of the permitting process, environmental sensitivities, grading and drainage as demonstrated by the list of selected projects below:

#### EDUCATION

MS Engineering  
BS Architectural Engineering  
The University of Texas at Austin

Professional Development Workshop  
- Analysis, Design & Rehabilitation of  
Underground Pipelines

#### REGISTRATIONS

Licensed Professional Engineer  
Texas PE# 96489  
LEED Accredited Professional

#### AFFILIATIONS & INVOLVEMENT

Former Chair, Planning Commission  
Former Adjunct Faculty, Department of  
Civil, Architectural & Environmental  
Engineering at UT Austin  
Former Vice Chair, Zero Waste Advisory  
Commission  
Former Real Estate Council of Austin Board  
Former Austin Asian Chamber Board  
Former Chair, South Congress Combined  
Neighborhood Contact Team

#### Project Experience

##### **Guadalupe-Saldana Netzero Subdivision – GNDC – Austin, Texas**

Project Principal & Project Manager for 90-unit fully affordable detached condominium and single-family Netzero development in East Austin. Design included flood plain modeling and modification, low-impact development techniques such as raingardens and biofiltration pond

##### **Trails at Vintage Creek – Foundation Communities – Austin, Texas**

Project Principal on four separate contracts addressing stormwater inlet & drainage analysis to replace storm inlets; water utility design, construction documents and contract administration to upgrade water meter connections and provide adequate fire flow to site structural retaining wall design of 700 LF at 9' height immediately adjacent to occupied units; and field survey of wastewater lines to assist plumbing repairs. The water utility and retaining wall projects required Site Plan Exemptions and involved Fire Dept, Water Utility, and building review.

##### **Sierra Vista Apartments – Foundation Communities – Austin, Texas**

Project Principal on three separate contracts beginning with a tree & topographical survey of 9-acre tract with existing multi-family apartment units. The survey was used to provide a report with profiles of the accessible paths and sections at every 5' to help identify non-compliant slopes. Involvement led to preparation of well plugging plan and permitting through the Barton Springs Edwards Aquifer Conservation District for a 4' wide, 37' deep unrecorded well on the property. Currently developing construction plans for sidewalk & grading to provide ADA accessibility and improve drainage. Design includes 315 LF stormwater line & area inlets and site improvements for proposed Learning Center.

## Civiltude LLC Personnel Experience



### Nhat M. Ho, PE, LEED Green Associate

*Vice President, Civiltude LLC Engineers & Planners*

Mr. Ho brings over ten years of versatile experience from different areas of architectural design, civil and structural engineering, Revit modeling and production drafting. His integrated civil and structural knowledge ranges from stormwater management system, wet utilities, sports running track to retaining structures, buildings spatial arrangement and site integration. His land development experience includes site feasibility studies, zoning change, subdivisions, and commercial site plans. He has cultivated relationship and reputation with review staff, especially at City of Austin, for effective and responsible design. His in-depth expertise includes utilities, innovative water quality management and site plan accelerated permitting. Specifically with RRISD & AISD, Mr. Ho has extensive knowledge with the inter-local agreement and dedicated review team that handles school projects at City of Austin.

#### EDUCATION

BS Architectural Engineering  
The University of Texas at Austin

#### REGISTRATIONS

Licensed Professional Engineer  
Texas PE #119194  
LEED Green Associate

#### AFFILIATIONS & INVOLVEMENT

Water & Wastewater Commissioner  
  
COA Joint Sustainability Committee  
  
Chair of Mueller Neighborhood Association  
  
City of Austin CodeNEXT  
  
Real Estate Council of Austin  
  
Greater Austin Asian Chamber of Commerce  
  
Downtown Austin Alliance  
  
South Congress Combined Neighborhood Contact Team

#### Project Experience

##### **Trails at Vintage Creek – Foundation Communities – Austin, Texas**

Design Engineer on two separate contracts for water utility improvement and construction documents to upgrade water meter connections and a structural retaining wall design. Responsibilities include working with Austin Fire Department, Austin Water Utility, and commercial building inspectors, preparing construction plans, spoils calculation, and specifications for reuse of elevated pathways.

##### **Sierra Vista Apartments – Foundation Communities – Austin, Texas**

Field Engineer responsible for quantifying soil volume and dynamic cost estimate for contract work required to plug a 4' wide, 37' deep unrecorded well discovered on the property. Work also included site investigation, coordination with licensed well driller, and on-field direct response regarding material and procedure of the plugging process.

##### **Greenwater Redevelopment – Trammel Crow – Austin, Texas**

Project Manager designing utility infrastructure to serve the redevelopment of the former Green Water Treatment Plant. Responsible for producing water, wastewater and chilled water construction documents and obtaining development permits with Austin Water Utility and Austin Energy on an ac-

## Civiltude LLC Personnel Experience



### James M. Schissler, PE, LEED AP

*Vice President, Civiltude LLC Engineers & Planners*

Mr. Schissler is a Vice President and Partner with Civiltude Engineers and Planners. Mr. Schissler has more than 30 years experience in design and project management of civil engineering projects in a variety of disciplines, including 20 years experience in Austin and Central Texas in land development for commercial, industrial, institutional and residential projects.

Mr. Schissler manages the design, submittal and permitting of site development projects in the Austin metropolitan area including conceptual design and feasibility, preliminary plans, subdivision platting, hydrologic and hydraulic studies, stormwater management facility design, roadway and utility layout, site grading and erosion control, design report and specifications writing, project budgeting and cost estimating. His site development project experience includes preparation of street and drainage improvement construction plans and specifications for numerous large site development projects, permit application and approvals for projects from local, county and state agencies, team building and coordination with other design professionals to ensure deadlines and budgets are met and his clients' goals are achieved.

#### EDUCATION

BS Civil Engineering  
The University of Maryland, College Park

#### REGISTRATIONS

Licensed Professional Engineer  
Texas PE #82472  
Maryland PE #17520  
Pennsylvania #PE04918R  
LEED AP

#### AFFILIATIONS & INVOLVEMENT

COA Downtown Commission  
Real Estate Council of Austin  
Greater Austin Chamber of Commerce  
Violet Crown Trail Committee of Hill  
Country Conservancy

#### Project Experience

##### Land Development Project Experience – Austin, Texas

Mr. Schissler has more than 30 years of experience in overall project planning, platting, construction administration and overall engineering project management of land development projects. He is familiar with water, sanitary sewer, drainage, and paving design for numerous projects, some of which are described below:

#### Institutional/School Experience

##### School of the Hills Montessori Schools - Site Improvements – Austin, Texas

Designed the water, wastewater, drainage, and paving for this 15,800 SF preschool and elementary school campus on a 5-acre tract on the River Place Center Campus within the Edwards Aquifer Recharge Zone. Services provided included the rezoning of the property to obtain the necessary entitlements for the development. The design also included changes to an approved site plan permit from an office building to the school project with associated amenities.

**Mark Hart Architecture** (MHA) was founded in 2008 by Mark Hart, AIA and is based in Austin, Texas.

MHA projects range from high-rise architecture to midrise architecture to smaller boutique style office and multifamily buildings. MHA is responsible for the design and production for projects such as The Corner, The Ruckus and Skyloft. Using design, creativity and logic the firm offers a full range of architectural services including architecture, master planning, site analyses, interiors and project management.

## Quality Power, LLC (MBE)

Quality Power, LLC was started and is owned by a professional engineers, Basheer Mohamed, who possess over 36 years of project management and utility experience. Basheer Mohamed worked in the Power generation business for over 27 years, and has managed one of Austin Energy's one of the largest power plants for 15 years. He also managed the Austin's chilled water plant for over 10 years. Gopal Guthikonda, vice president has over 31 years of experience in the engineering field and served as an executive of a Austin Water Utility.

### Basheer Mohamed, P.E. President

Basheer Mohamed is a Power Generation Professional with over 27 years of experience as a Power Plant Manager, Engineering Manager, Project Manager, Plant Engineer, and Project Engineer; executing many projects through development, planning, designing, commissioning, plant operation and maintenance, problem solving and cost saving. He has managed numerous small to large power plants including \$186.0 mil 305 MW Sandhill combined cycle, \$95.0 mil Simple cycle power plant project, few Decker Creek Power station projects, several Holly Street Power Plant projects, and Combined Heat and Power plants. Basheer has managed the operations and maintenance of 600 MW power plant, and 16,000 tons of "mission critical" district cooling serving multiple end users in Austin, Texas. Under his leadership, the design and installation of one of the largest energy storage systems in Texas was implemented. In recognition of his impeccable plant management and engineering skills, Basheer has been recognized with awards and certifications by a number of industry peer review teams and organizations. Industry leaders have invited Basheer to become a voting member of the steering teams of several noteworthy energy projects including a 100 MW biomass energy plant and a 30 MW photo-voltaic power system in Texas. He's managed chilled CHP (Combined Heat and Power) plants and chilled water plants; responsible for operation, maintenance, engineering, safety, security, and environmental operations of the plant. Furthermore, he has managed several plant related projects including a thermal energy storage system.

### Gopal Guthikonda, P.E., BCEE Vice President

Gopal Guthikonda, PE, is an engineering executive with over 31 years of Professional Engineering experience, mostly at the Managerial and Executive level. Under his direction and leadership is over \$2 Billion in plant construction, improvements and upgrades. Scope of projects include water, wastewater, electrical, and piping distribution systems. Gopal has extensive experience in working with regulatory agencies, policy makers, and environmental and community civic organizations. Gopal's experience ranges from managing small projects to providing executive oversight of large programs. He was responsible for the management of large engineering groups, developing capital programs, and providing support in managing operations and maintenance programs. He holds Bachelor's and Master's Degrees in Engineering, he is a Texas Registered Professional Engineer and a Board Certified Environmental Engineer. He was recognized as the Most Valuable Professional of the Year by the Underground Construction Technology (UCT) Association and the UCT Magazine.

**Tab 2.c Resumes of Property Management Team**

Because this is a for-sale development, there will not be a property manager. Applicant will select a reputable, professional condominium association management firm who will oversee the condo budget, including exterior and common area maintenance, upkeep, and repairs. Condo fees are estimated to be \$200 per month for all units. The Condo Fee amount is included in the Affordable Sales Price (included/combined with Monthly Insurance Costs).

For assistance with sales of the affordable units, Applicant will work with Community Wheelhouse, Inc. to qualify eligible buyers for the affordable home sales and to close the affordable units in compliance with City of Austin's requirements.

***See attached company overview for Community Wheelhouse, Inc.***

# COMMUNITY WHEELHOUSE

<b>Firm Name</b>	Community Wheelhouse, Inc.
<b>Firm Address</b>	3355 Bee Cave Road, #301A Austin, Texas 78746
<b>Phone Number</b>	(512) 900-3683
<b>Contact Person</b>	Kelly Weiss, CEO

## Firm Summary

Community Wheelhouse, Inc. is an affordable housing and community development consultant and licensed mortgage lending firm with nationally recognized expertise in affordable home mortgage lending (NMLS#1373788) and long-term, resale-restricted affordable housing. CWH works with public entities, non-profit organizations, and private developers to create lasting affordable housing opportunities for low to moderate income families. Our team of professionals specialize in affordable housing finance, community and economic development, neighborhood engagement, and planning initiatives to provide innovative and sustainable solutions to our community's most difficult problems. We work hard to ensure that communities maximize their ability to secure long-term affordable housing, to ensure that residents find jobs and start businesses, and to ensure that the proper training and services are available to help people be successful.

CWH has a proven track record of taking a project from concept to completion – acquisition, development funding, sales, leasing, and on-going compliance. Example for-sale and rental housing development projects include: The Chicon, Mueller, The Grove, Easton Park, Estancia, Corazon, and NorthShore Apartments (Green Water Treatment Plant).

## Kelly Weiss, J.D., Founder & CEO

Kelly Weiss began her career at Anderson Consulting, where she honed her systems analysis and problem solving skills. After receiving her law degree from the University of Texas, she practiced in the areas real estate development, property law, and wills and estates.

Finding her calling in Housing & Community Development, Kelly has worked in affordable housing and residential development for the past two decades. She has extensive planning, compliance, project management, organizational development, and board governance experience in public, private, as well as non-profit organizations. She also has hands-on, working knowledge for all aspects of operations, project, and program management. In addition, she has published numerous papers on shared equity housing and housing finance.

## Awards & Recognition

2015 Community Vision Award (Austin AIA)

2014 CEO of the Year KPMG Leadership Award (Greater Austin Chamber of Commerce)

2013 Excellence Award for the Built Environment (Austin Foundation for Architecture)

2012 iACT Housing Hero Award

2012 Enterprise Foundation Affordable Housing Design Leadership Institute Award



**TAB 3**  
**FINANCIAL INFORMATION**

### **Tab 3.a. Federal IRS Certification**

***NOT APPLICABLE.***

### **Tab 3.b. Certified Financial Audit**

***NOT APPLICABLE.***

### **Tab 3.c. Board Resolution**

***NOT APPLICABLE.***

**Tab 3.d. Financial Statements**

Property Owner and Applicant/Developer, Woodland IH35 Properties, LLC, is owned and operated by RRG Developers and BSM Developers. RRG and BSM have a proven track record of securing and successfully administering financing for their residential projects of similar size and scope, including project budgets ranging from \$15M to \$45M and residential development construction projects, many with over 200 units. The Applicant has established relationships with construction lenders and has experience with debt financing structures. The Applicant also has the experience and ability to leverage Third Party Equity, in addition to the owner equity the Applicant is able to offer. The Applicant team has experience in managing multiple funding sources for construction projects and understands the associated reporting and compliance requirements of each funding source. Property Owner recently completed funding through HUD 221(d)(4) to finance 214 units of residential rental housing.

Applicants' Financial Statements are included under separate cover and demonstrate the financial capacity of the applicant to successfully complete Skyline View, as outlined in this application. Further, Applicant has secured debt financing, in the form of a construction loan, as evidenced in Attachment 3.e.

***SUBMITTED UNDER SEPARATE COVER – CONFIDENTIAL INFORMATION.***

Financial Statements of Principals are submitted under separate cover, as these are CONFIDENTIAL. The Financial Statements, submitted under separate cover, are CONFIDENTIAL, are not public information and shall not be made publicly available, under the following exception:

Sec. 552.110. EXCEPTION: CONFIDENTIALITY OF TRADE SECRETS; CONFIDENTIALITY OF CERTAIN COMMERCIAL OR FINANCIAL INFORMATION. (a) In this section, "trade secret" means all forms and types of information, including business, scientific, technical, economic, or engineering information, and any formula, design, prototype, pattern, plan, compilation, program device, program, code, device, method, technique, process, procedure, financial data, or list of actual or potential customers or suppliers, whether tangible or intangible and whether or however stored, compiled, or memorialized physically, electronically, graphically, photographically, or in writing if:

(1) the owner of the trade secret has taken reasonable measures under the circumstances to keep the information secret; and

(2) the information derives independent economic value, actual or potential, from not being generally known to, and not being readily ascertainable through proper means by, another person who can obtain economic value from the disclosure or use of the information.

(b) Except as provided by Section [552.0222](#), information is excepted from the requirements of Section [552.021](#) if it is demonstrated based on specific factual evidence that the information is a trade secret.

(c) *Except as provided by Section [552.0222](#), commercial or financial information for which it is demonstrated based on specific factual evidence that disclosure would cause substantial competitive harm to the person from whom the information was obtained is excepted from the requirements of Section [552.021](#).*

### **Tab 3.e. Funding Commitment Letter**

*See attached letter dated October 2020 from Mason Joseph Company, Inc., for construction financing for 120-unit condominium, for-sale project, located at 1829 South IH 35 (aka 1823 South IH 35), Austin, Texas 78741, at the terms set forth in the letter.*



## MASON JOSEPH COMPANY, INC.

October 18, 2020

Mr. Gopal Guthikonda, P.E., BCEE  
 RRG Developers, LLC  
 12639 S. Hausman Rd., #5102  
 San Antonio, TX 78249

### Sub.: **Woodland Skyline Condominium Project in Austin, Texas**

Dear Mr. Guthikonda:

It was a pleasure to provide the financing for RRG Developers on the Champions Gate and Vista Colina Apartment Projects. Mason Joseph Company Inc. would be interested in learning more about your transformative proposal to develop 120 condominium units for purchase, with 60 units reserved for affordable homebuyers.

At this time, subject to additional information becoming available, Mason Joseph Company, Inc. would consider a construction loan with the following assumptions.

Development:	120 for sale condominium units located at 1829 S. IH35 Northbound Service Rd., Austin, TX 78704
Construction Loan Amount:	To be determined
Term:	Interest-Only Construction Period + 40-years Fully Amortizing
Construction Period:	Estimated at 18 months + 2-month cost certification
Interest Rate:	4.25% (Subject to market pricing at time of rate lock)
Mortgage Insurance Premium:	65 bps (paid in addition to market interest rate)
Finance Fee:	1.5% of mortgage proceeds
Placement Fee:	1.5% of mortgage proceeds
Exam Fee:	30 bps of mortgage proceeds
Inspection Fee:	50 bps of mortgage proceeds
Construction MIP:	130 bps of mortgage proceeds
Initial Operating Deficit:	6 months of debt service (minimum, subject to underwriting)
Working Capital Escrow:	4% of mortgage proceeds

Page 2 of 2

*Underwriting and final mortgage proceeds are subject to confirmation by an independent appraisal and market study and review and approval of FHA.*

Thank you for your consideration of Mason Joseph and we look forward to providing the construction and permanent debt for this affordable housing transaction.

Sincerely,



David Joseph  
Mason Joseph Company, Inc.

**TAB 4**  
**PROJECT INFORMATION**

## **Executive Summary & Project Proposal**

***See Application Tab Executive Summary & Project Proposal.***

**PROJECT DESCRIPTION.** Applicants shall provide a brief project description to include the following:

- i. *Describe the proposed tenant population, income levels, and services, if any, to be provided to or made available to residents.*

**Affordable homes at Skyline View Condominiums will be offered for-sale to homebuyers making 80% MFI or less. Resources for housing counseling will be made available to affordable homebuyers through HUD-certified counseling agencies.**

- ii. *Indicate the number of units reserved for Housing Choice Voucher holders (Section 8).*

**N/A – For-sale/ownership development.**

- iii. *Indicate the number of units that are or will be made accessible and adaptable for persons with mobility, sight or hearing disabilities.*

**100% of all ground floor units will be adaptable for individuals with mobility or sensory impairments. No less than 25% of all affordable units will be accessible. The number of units that will be accessible to individuals with mobility impairments will be ten (10), and the number of units accessible to individuals with sensory impairments will be ten (10).**

- iv. *If applicable, demonstrate the Project's compatibility with current Neighborhood Plan.*

**Project has applied for and received approval for Affordability Unlocked, Tier 2. Current zoning is commercial GR-NP. Property owner has indefinitely postponed the related zoning case, seeking to rezone to MF-6. See 2020-099875-ZC and C14-2020-0075. See Attachment 5.c. for zoning case notices and status.**

- v. *Summarize the key financials of the project, clearly indicating the total project cost, the amount and intended use of AHFC/NHCD funds being requested, and the amount(s) and provider(s) of other funding and the status of those funding commitments.*

**Applicant/Developer owns the property and is seeking \$5,400,000 in gap funding for 60 units of affordable, for-sale housing which includes 30 2-BR units for households making 80% MFI or less. Owner equity will be provided through project proceeds (sales of market-rate units). Market-rate sales prices are supported by market-rate comparables, as identified in Attachment 4.a. Market Study, that reflects a median home price of \$432,430. Construction financing (debt) is secured and is estimated to be \$17,717,000, as evidenced by the Funding Letter included in Attachment 3.e., through Mason Joseph Company, Inc.**

**A summary of Sources and Uses of funds is provided below:**

**SOURCES**

Construction Loan/Debt	\$ 17,717,000
Deferred Developer Fee	\$ 2,700,000
Owner Equity	\$ 9,299,800
Previous AHFC Funding	N/A
Current AHFC Request	\$ 5,400,000

**TOTAL**

**\$35,536,800**

**USES**

Acquisition	\$ 1,500,000
Site Work	\$ 2,856,000
Building Costs	\$24,425,000
Soft Costs	\$ 2,876,100
Financing Costs	\$ 1,179,700
Developer Fee	\$ 2,700,000

**TOTAL**

**\$35,536,800**

- vi. *If the property is occupied by residents at the time of application submission, specify that along with the following additional information: Include details on the type of structure (multi-family or single-family), number and size of units in square feet.*

**N/A - Property is under-utilized, vacant commercial land.**

- vii. *Indicate whether the project meets the requirements of the City's Vertical Mixed-Use (VMU) Ordinance, or is in a Planned-Unit Development (PUD) or Transit Oriented Development (TOD) or any other City of Austin density bonus program.*

**The project has also applied for S.M.A.R.T. Housing and received approval for Affordability Unlocked, Tier 2.**

viii. *Indicate how the project will meet S.M.A.R.T. Housing requirements.*

**This project will meet all S.M.A.R.T. Housing requirements as follows:**

**1. Safe**

Skyline View will incorporate design features to ensure homeowner safety, including active and passive security systems. Further, developing residential homes on this vacant lot will help provide additional “eyes on the street” to help deter crime in the neighborhood and to increase the number of active, owner residents in the area.

**2. Mixed-Income**

Skyline View will provide a mixed-income community for working households. Affordable units will be reasonably priced for families at 80% or below MFI.

**3. Accessible**

Skyline View will be designed and built to meet or exceed the City of Austin’s and S.M.A.R.T. Housing minimum accessibility requirements and visitability standards.

**4. Reasonably Priced**

Homes will be available for purchase and priced affordably for households making 80% MFI or less. Estimated affordable sales prices range from \$189,000 to \$219,000, based on current interest rates and terms.

**5. Transit Oriented**

The project site is located within .5 mile of a transit stop and is located within Imagine Austin Center buffer area and within close proximity to mobility corridors (E Riverside and Oltorf).

**6. Green Building**

Skyline View will meet or exceed all Green Building requirements under S.M.A.R.T. Housing.

### **Tab 4.a. Market Study**

The attached Market Study addresses the pricing and absorption relating to the whole project, and not just the units being funded. In addition, the attached market analysis also includes the following:

- i. Evaluate general demographic, economic, and housing conditions in the community, including:
  1. Identifying the target population(s) of the development, and area demographic makeup
  2. Evaluating overall economic conditions and trends
  3. General housing conditions and trends in the community
- ii. Identify the geographic area from which the majority of a project's tenants or buyers are likely to come. Identify the primary market/geographic area, based on US census tract or neighborhood boundaries
- iii. Quantify the pool of eligible tenants or buyers in terms of household size, age, income, tenure, and other relevant factors.
- iv. Analyze the competition by evaluating other housing opportunities with an emphasis on other affordable rental developments or sales opportunities in the market area. Identify comparable units based on location, year of construction, target population, property condition, unit mix, unit amenities, and occupancy and turnover.
- v. Assess the market demand for the planned units and determine if there is sufficient demand to rent/sell the units.
- vi. Evaluate the effective demand and the capture rate, usually expressed as a percentage (the project's units divided by the applicant pool).
- vii. Estimate the absorption period. Plan how many units can be successfully leased or sold each month and how long it will take to achieve initial occupancy/sale of the units and stabilized occupancy for the project as a whole. Absorption should be calculated using comparable units only.

***See Attachment 4.a. Market Study.***

## Tab 4.b. Good Neighbor Policy

In accordance with the Good Neighbor Policy, the Applicant/Developer has taken or will take the following steps communicate with the neighborhood surrounding the proposed development:

### 1. Preliminary Research

East Riverside/Oltorf Combined Neighborhood Plan. Ron Thrower Designs serves as Applicant's representative for the planning and zoning research and consulting. *See Attachment 5.c.*

### Neighborhood Notification

The applicant has communicated with the East Riverside/Oltorf Combined Neighborhood regarding a rezoning request, which has been Postponed Indefinitely as of October 13, 2020. See City of Austin Zoning cases 2020-099875-ZC and C14-2020-0075. Applicant provided written notice by mail to the required, adjacent property owners on August 12, 2020. The letter is attached below, and the list of property owners is listed below, in addition to other required zoning-related notices sent to the registered neighborhood organization:

Property ID	Property Address
304040810	1900 MATAGORDA ST
304040809	1814 MATAGORDA ST
304040808	1812 MATAGORDA ST
304040807	1810 MATAGORDA ST
304040806	1808 MATAGORDA ST
304040805	1806 MATAGORDA ST
304040804	1804 MATAGORDA ST
304040803	1631 WOODLAND AVE
304040802	1629 WOODLAND AVE
304040125	1700 DEERFIELD DR
304040403	1701 DEERFIELD DR
304040428	1811 MATAGORDA ST
304040427	1700 FAWN DR

### 2. Pre-Application Engagement

Prior to submitting S.M.A.R.T. Housing, Affordability Unlocked & OHDA applications, the Developer shared the preliminary project plans for the development with the neighborhood, providing notice as required. The Developer's plans included a mixed-income (50% affordable), for-sale condominium development with 188 estimated units. The City held their Neighborhood Plan Amendment Meeting on September 15<sup>th</sup>. The neighbors had a chance to view the Developer's presentation during the Team's virtual meeting. The link to the meeting is available here:

[https://www.speakupaustin.org/npa/news\\_feed/npa-2020-002101-1829-s-ih-35-svrd-nb](https://www.speakupaustin.org/npa/news_feed/npa-2020-002101-1829-s-ih-35-svrd-nb)

### 3. Implementation/Ongoing Relations

Prior to finalizing the plans for the site, the Developer will reach out to the neighborhood to discuss the project, the development timeline, and construction schedule.

The new homeowners will become part of the neighborhood, and the Condo Owner's Association will take an active role in managing the property to ensure highest quality standards. In addition to having 120 new neighbors to participate in neighborhood planning activities, the Condo Association Board will provide an institutional contact for the surrounding neighbors, if there are concerns. Consistent with the City's goals to locate much needed affordable ownership on corridors and near transit, services, and jobs. The SPOC for the neighborhood will be Basheer Mohammed, as a Principal Owner.

# Thrower Design<sup>LLC</sup>

## LAND PLANNERS

August 12, 2020

Dear Property Owner/Neighbor –

Our firm represents the owner of the property at 1829 S IH35 SVRD NB. A map is included with this letter for your reference.

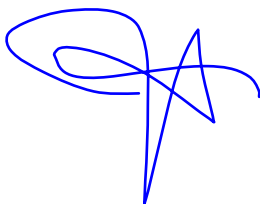
Applications have been submitted to the City of Austin to amend the Future Land Use Map (FLUM) of the East Riverside/Oltorf Combined Neighborhood Plan to allow for a multifamily development at this site that will include apartment/condo units of which some will be truly Affordable. The Neighborhood Plan Amendment application number with the City is NPA-2020-0021.01 and the Zoning application number is C14-2020-0075.

Currently, the FLUM designates this property for *Commercial* use and the property is zoned *General Retail-Neighborhood Plan* or *GR-NP*. The request is to amend the FLUM to *Multifamily* and rezone the property to *MF-6*. A rezoning can only take place if the FLUM is successfully amended.

The City of Austin will host a Neighborhood Plan Amendment meeting for residents of the East Riverside/Oltorf Combined Neighborhood Planning Area. This meeting is tentatively set for September 15<sup>th</sup> and you will receive official notice from the City of Austin soon regarding the details of the meeting. Know that due to the Corona virus, meetings are held virtually at this time.

We want to open dialogue with nearby residents to the subject property sooner rather than later. Please reach out to us to let us know how to best communicate with you. We want to hear if you have any questions, comments or concerns for this development. We are available to speak by phone or email and we welcome your input.

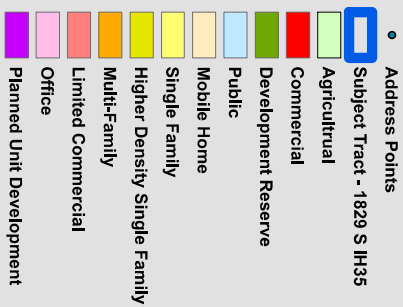
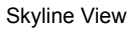
Thank you kindly,



Victoria Haase  
512-476-4456  
[Victoria@throwerdesign.com](mailto:Victoria@throwerdesign.com)

**P.O. BOX 41957, AUSTIN, TEXAS 78704**

p. 8



## **Tab 4.c. S.M.A.R.T. Housing Letter**

**See Attachment 4.c. S.M.A.R.T. Housing**



# City of Austin

P.O. Box 1088, Austin, TX 78767  
[www.cityofaustin.org/housing](http://www.cityofaustin.org/housing)

## Housing and Planning Department S.M.A.R.T. Housing Program

November 6th, 2020

### S.M.A.R.T. Housing Certification

The Woodlands on IH35 Properties, LLC – 1823/1829 IH 35 – (ID 762)

#### TO WHOM IT MAY CONCERN:

The Woodlands on IH35 Properties, LLC (contact Basheer Mohamed; ph: 512.294.0885; email [bazeermohamed12@gmail.com](mailto:bazeermohamed12@gmail.com)) is planning to develop a **120-unit condominium** development at 1823/1829 IH 35, Austin TX 78704. **Sixty (60)** of these units will be sold to households at or below **80%** Median Family Income (MFI). The project is will be subject to a minimum 1-year affordability period after issuance of a certificate of occupancy, unless funding or other program requirements are longer.

Housing and Planning certifies the proposed project meets the S.M.A.R.T. Housing standards at the pre-submittal stage. This project has received a Transit Oriented Waiver, see **Attachment 1**. Since **50%** of the units will serve households at or below 80% MFI, the development will be eligible for 100% waiver of fees listed in Land Development Code, Chapter 25-1-704, as amended or other fees waived under a separate ordinance except for Austin Water Utility (AWU) Capital Recovery Fees. **This development is not fully in accordance with the requirements under the Texas Local Government Code, Chapter 395.16(g) and 42 U.S.C. Section 12745 (A)(1) as it relates to how housing qualifies as affordable housing and therefore all 120 units will not be eligible to receive Austin Water Utility Capital Recovery Fee (CRF) waivers.** The expected fee waivers include, but are not limited to, the following fees:

AWU Capital Recovery Fees  
Building Permit  
Site Plan Review  
Construction Inspection  
Demolition Permit Fee

Concrete Permit  
Electrical Permit  
Subdivision Plan Review  
Parkland Dedication Fee  
(by separate ordinance)  
Regular Zoning Fee

Mechanical Permit  
Plumbing Permit  
Zoning Verification  
Land Status Determination  
Building Plan Review

#### **Prior to issuance of building permits and starting construction, the developer must:**

- ◆ Obtain a signed Conditional Approval from the Austin Energy Green Building Program stating that the plans and specifications for the proposed development meet the criteria for a Green Building Rating. (Contact Austin Energy Green Building: 512-482-5300 or [greenbuilding@austinenenergy.com](mailto:greenbuilding@austinenenergy.com)).
- ◆ Submit plans demonstrating compliance with the required accessibility or visitability standards.

#### **Before a Certificate of Occupancy will be granted, the development must:**

- ◆ Pass a final inspection and obtain a signed Final Approval from the Green Building Program. (Separate from any other inspections required by the City of Austin or Austin Energy).
- ◆ Pass a final inspection to certify that the required accessibility or visitability standards have been met.
- ◆ An administrative hold will be placed on the building permit, until the following items have been completed: 1) the number of affordable units have been finalized and evidenced through a sealed letter

from project architect and/or engineer, 2) a Restrictive Covenant stating the affordability requirements and terms has been filed for record at the Travis County Clerk Office.

The applicant must demonstrate compliance with S.M.A.R.T. Housing standards after the certificate of occupancy has been issued or repay the City of Austin, in full, the fees waived for this S.M.A.R.T. Housing certification.

Please contact me by phone 512.974.2108 or by email at [alex.radtke@austintexas.gov](mailto:alex.radtke@austintexas.gov) if you need additional information.

Sincerely,

A handwritten signature in black ink that reads "Alex Radtke". The signature is written in a cursive, flowing style.

Alex Radtke, Senior Planner  
Housing and Planning Department

Attachment 1 – Transit-Oriented Waiver

Cc: Kristin Martinez, AE

Jonathan Orenstein, AWU

Mashell Smith, ORS



**S.M.A.R.T. Housing Transit Oriented Waiver  
Request**

Address of Project: 1823/1829 IH-35, Austin TX 78741  
Name of Project Skyline View Condominium  
Applicant Name: The Woodland on IH35 Properties, LLC  
Walking Distance from site to nearest transit route \_\_\_\_\_ miles

I, BASHEER MOHAMED, formally request a waiver from the S.M.A.R.T. Housing transit-oriented requirement. My project meets one of the following criteria.

Indicate which waiver criteria is met below:

1. Per the Kirwan Institute's Comprehensive Opportunity Map of Austin, please check the Opportunity Index your project is located in:  
☐ Very High   ☐ High   ☐ Moderate   ☐ Low   ☐ Very Low
2. Provide a Letter from CAP Metro confirming a future route is documented in agency plans.
3. Developer has applied for State or Federal Government funds, including the Low Income Housing Tax Credit Program, related to this project.
4. ☒ Project affirmatively furthers fair housing as determined by the Director and in consideration of the City's Analysis of Impediments. *This project affirmatively furthers fair housing as determined by the Director.*

Authorized Representative

NOV-03-2020  
Date

\*\*\*\*\*For City Staff Use Only\*\*\*\*\*

The aforementioned project is approved to receive a waiver from the transit-oriented requirements (B)(4) of Ordinance No. 20141106-124 by meeting the criteria of: Development is located in high opportunity area.

Regina M Copic

11/03/2020

Regina Copic  
Real Estate Development Manager  
Director Designee for Waiver related to Ord No 20141106-124 PART 3. Subsection (E)

Date

**Tab 4.d. MOU with ECHO**

***NOT APPLICABLE***

**Tab 4.e. Resident Services.**

Skyline View Condominiums will offer open space and recreational areas for its residents. On-site amenities, such as a swimming pool, sports court, and community meeting space are planned for the development.

As a for-sale community, Applicant will work with Community Wheelhouse, Inc., whose resume and qualifications are provided in Tab 2.c. Community Wheelhouse, Inc., is a licensed mortgage lender with experience in shared equity mortgage lending, and they can assist income eligible buyers purchase a City of Austin, long-term affordable home, including resources for housing counseling and various down payment assistance programs, such as City of Austin DPA Program and the MCC Program.

During the pre-sale/affirmative marketing period, homebuyer education and housing counseling will be offered through HUD-licensed providers, such as the City of Austin, BCL of Texas, and other qualified organizations.

**TAB 5**  
**PROPERTY INFORMATION**

## Tab 5.a. Appraisal

*See attached.*

## Tab 5.b. Property Maps

### Project Address Notes:

TCAD Address: 1823 South IH 35, Austin, Texas 78741

TCAD Parcel ID: 285417

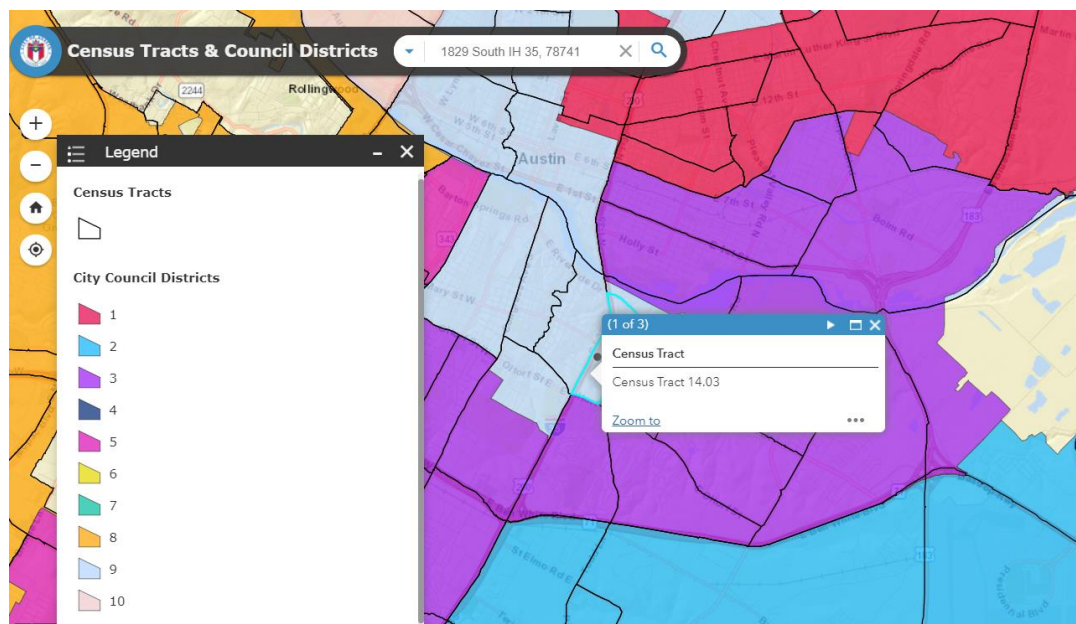
GIS Address: 1829 South IH 35, Austin, Texas 78741

GEOCODE: 0304040820

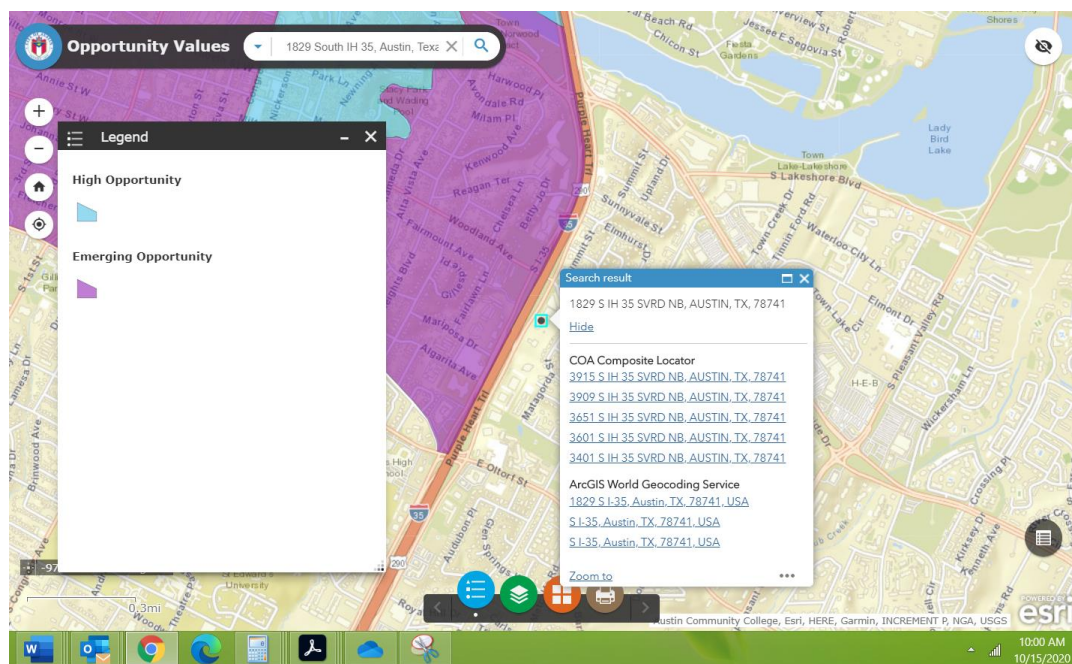
Census Tract: 14.03

Council District: 9

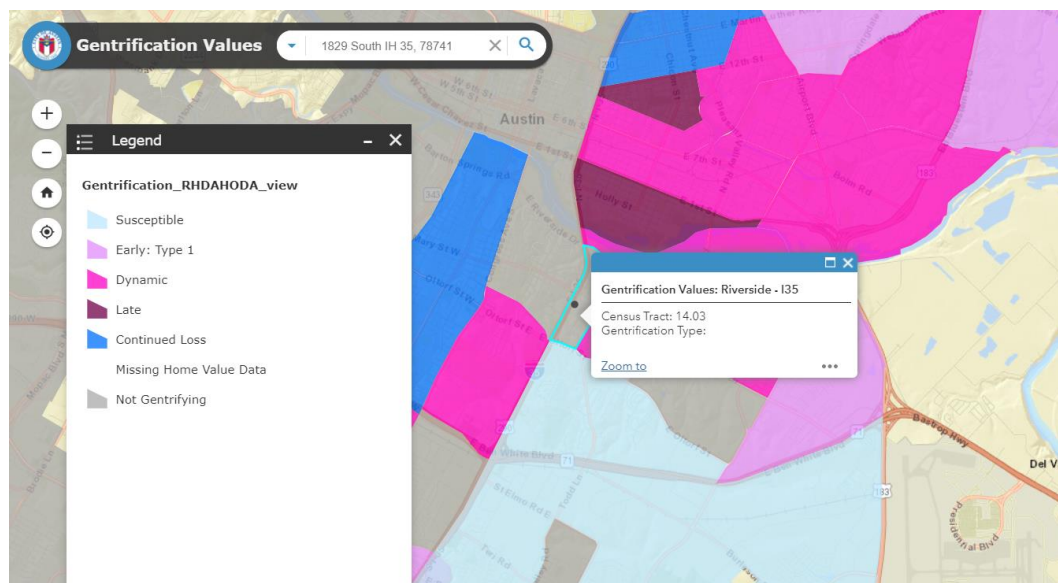
### COUNCIL DISTRICT



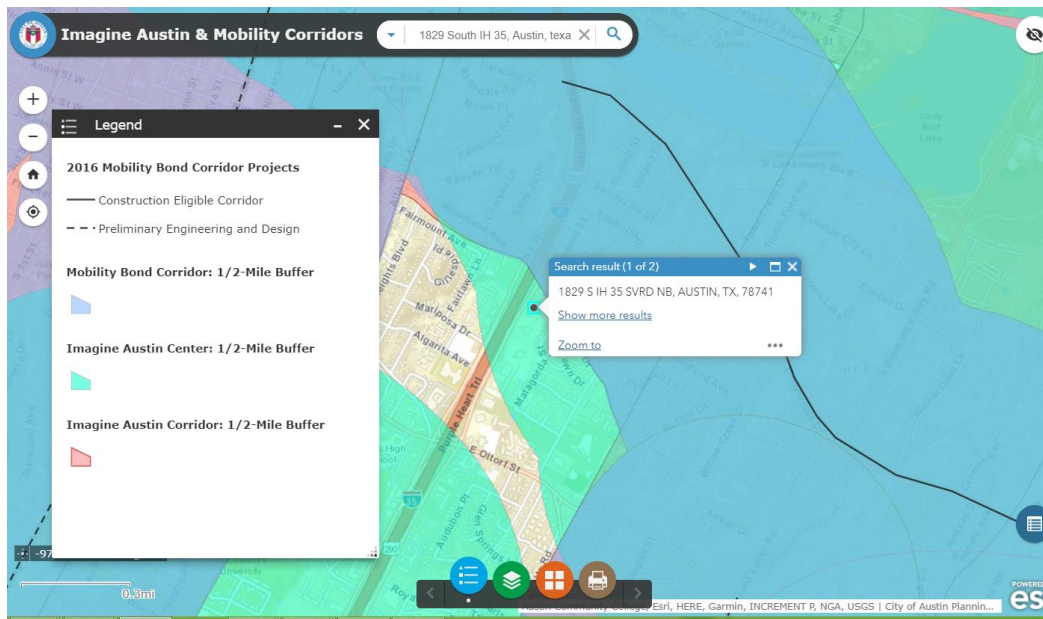
## OPPORTUNITY VALUES



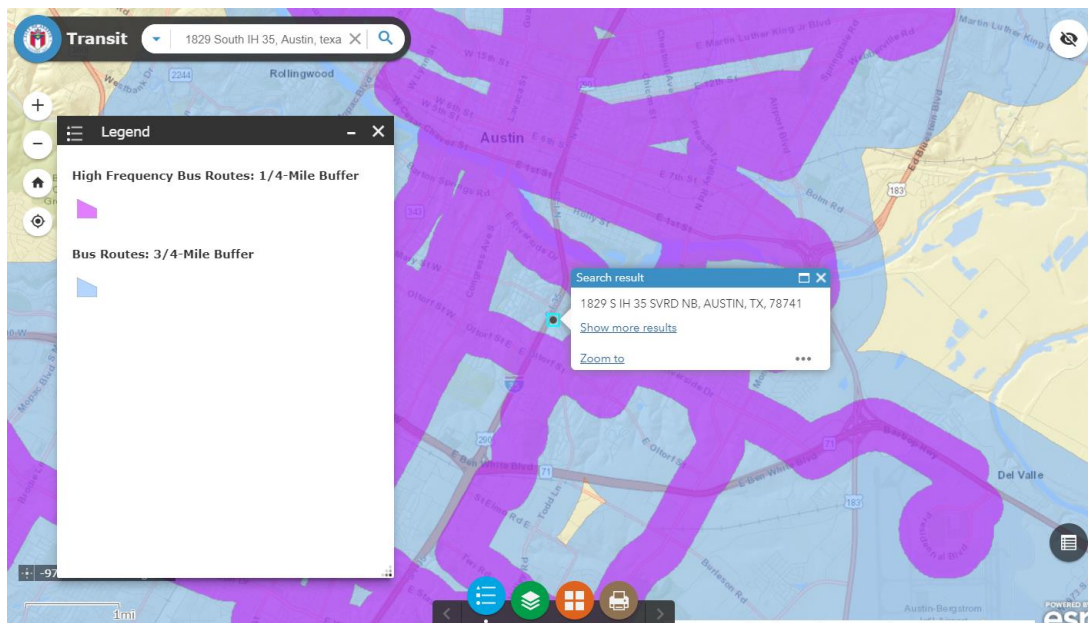
## GENTRIFICATION VALUES



## IMAGINE AUSTIN &amp; MOBILITY CORRIDORS

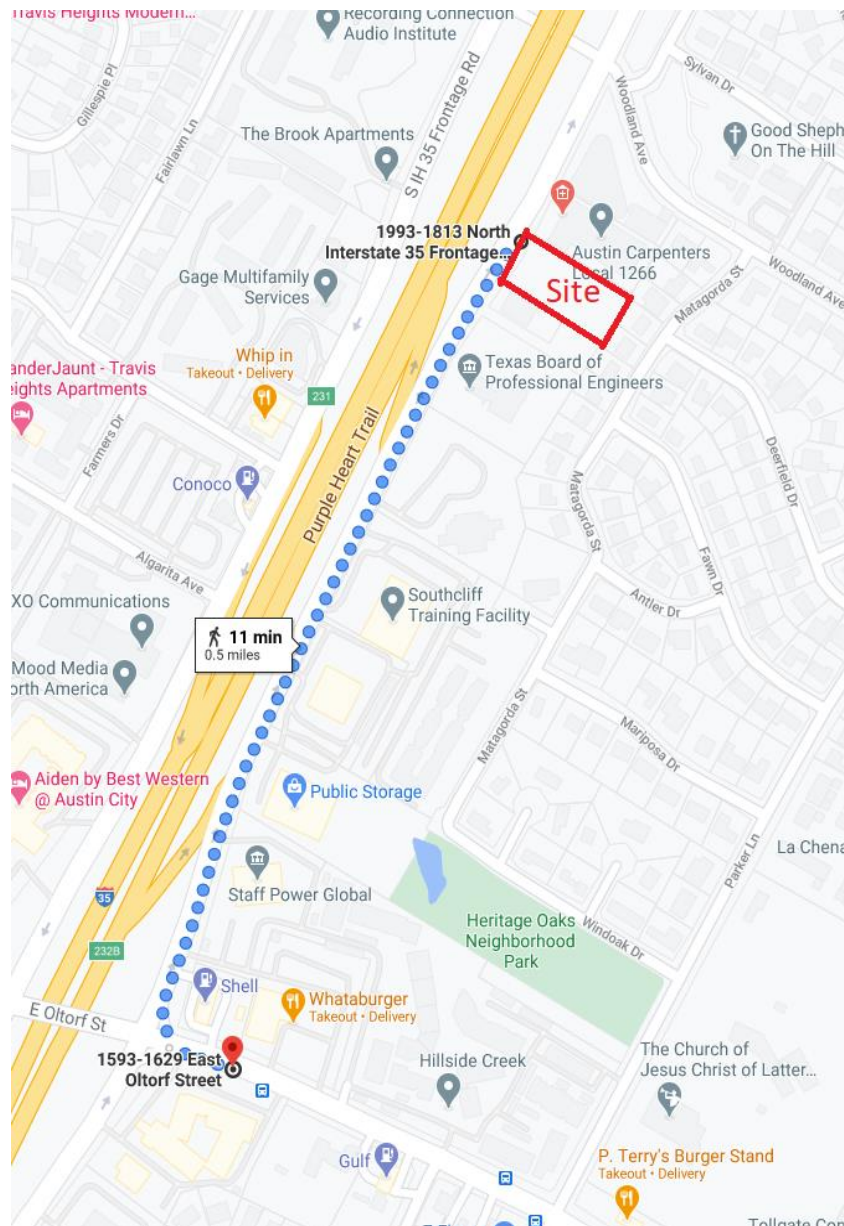


## TRANSIT

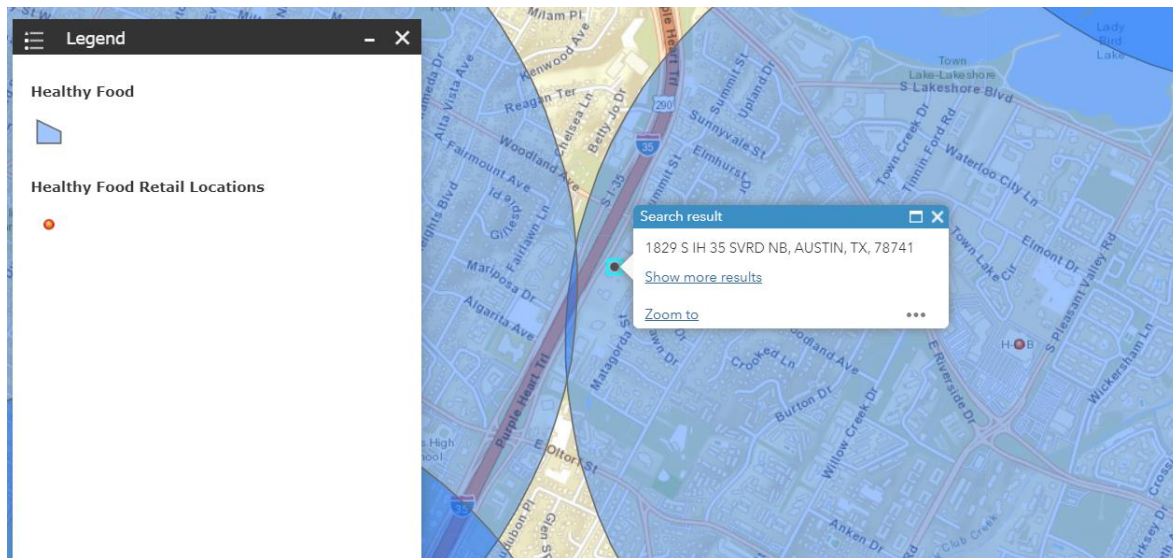


### Proximity to Public Transit

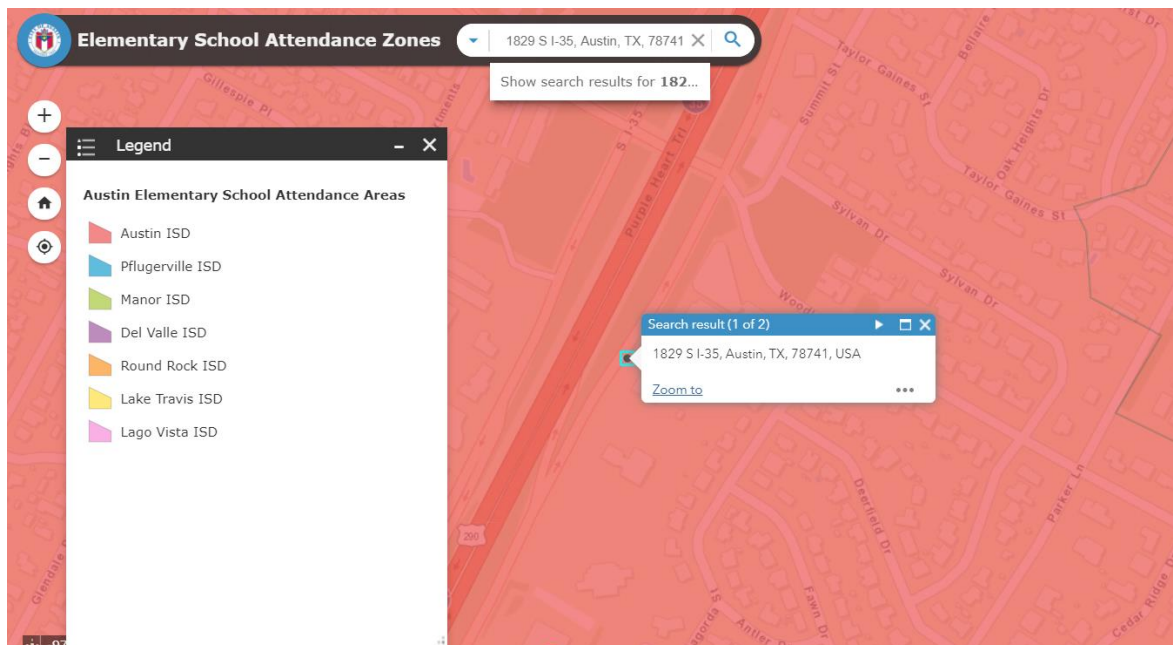
Skyline View will be located within close proximity to numerous Capital Metro bus stops which are clustered along E. Oltorf Street, and E. Riverside Drive, on either side of the intersection with IH-35 and on Woodland Drive at the intersection of Burton Dr,. The map below indicates the property location and the distance (0.5miles) a resident would actually have to walk to get to the nearest transit stop at 1616 Oltorf (stop ID 2242). There is also an existing sidewalk that runs from Skyline View to the bus stop. This access to the bus and vehicular transportation network will be a major advantage to residents of Skyline View, allowing them relatively easy commute to work and for essential services.



## HEALTHY FOOD

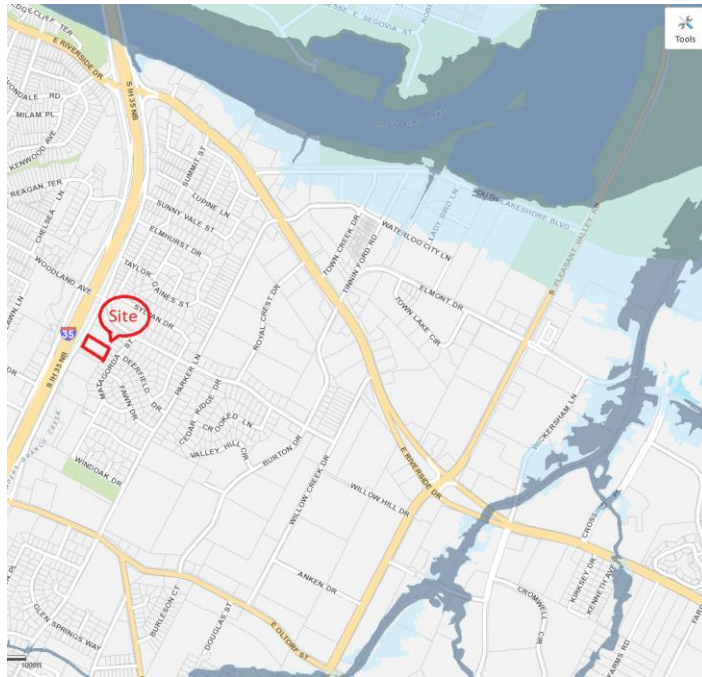


## SCHOOLS



## FLOODPLAIN

No portion of the 1.06-acre site is located within a FEMA Floodplain zone. The map below indicates the property location on the City of Austin's Floodplain Map (FloodPro).



## **Tab 5.c. Zoning Verification Letter**

*See attached.*

**Zoning Verification –**

See attached City Posting indicating zoning of GR-NP for this parcel.

See Pulled Items:

2020-099875-ZC

C14-2020-0075

**FOLDER DETAILS**

<b>Permit/Case:</b>	2020-099875 ZC
<b>Reference File Name:</b>	C14-2020-0075
<b>Description:</b>	The Applicant is proposing to rezone approximately 1.068 acres from GR-NP to MF-6-NP.
<b>Sub Type:</b>	Zoning/Rezoning
<b>Work Type:</b>	
<b>Project Name:</b>	Woodland on IH35
<b>Status:</b>	Scheduled for Hearing
<b>Application Date:</b>	Jul 7, 2020
<b>Issued:</b>	
<b>Expiration Date:</b>	Jul 2, 2021
<b>Related Folder:</b>	No

**FOLDER INFO**

Description	Value
# of Signs	1
Acres	1.068
Active NP Case File Number	NP-05-0021; NPA-2020-0021.01
Active Zoning Case File Number	C14-05-0112
Application Date	2020-07-07

[Department](#) > [Planning](#) > Interactive Development Review Permitting and Inspection

Recommended browsers for this website are Google Chrome and Internet Explorer.

- [Home](#)
- [Public Search](#)
- [Issued Construction Permits](#)
- [Apply for Permits/Cases](#)
- [Apply for Right Of Way Permits / Special Events](#)
- [Assign Permit](#)
- [My Permits/Cases](#)
- [My Incomplete Applications](#)
- [My Bills](#)
- [My Licenses](#)
- [My Inspections](#)
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- [My Profile](#)
- [My Notifications](#)
- [External Reviewers Search](#)
- [Web Help](#)
- [Login/Register](#)
- [Online Survey](#)
- [DevelopmentATX.com Home](#)



FOLDER DETAILS	
Permit/Case:	2020-099875 ZC
Reference File Name:	C14-2020-0075
Description:	The Applicant is proposing to rezone approximately 1.068 acres from GR-NP to MF-6-NP.
Sub Type:	Zoning/Rezoning
Work Type:	

**Project Name:** Woodland on IH35

**Status:** Scheduled for Hearing

**Application Date:** Jul 7, 2020

**Issued:**

**Expiration Date:** Jul 2, 2021

**Related Folder:** No

## FOLDER INFO

Description	Value
# of Signs	1
Acres	1.068
Active NP Case File Number	NP-05-0021; NPA-2020-0021.01
Active Zoning Case File Number	C14-05-0112
Application Date	2020-07-07
Application Expiration Date	
Application Initiated by?	
Case Manager	Kate Clark
Comments Due Date	2020-07-28
Existing Site Plan Case Number	
Existing Zoning	GR-NP
Has Smart Housing Been Approved?	No
Neighborhood Plan Name	East Riverside/Oltorf Combined
Ordinance Number	
Project Name	Woodland on IH35
Project Street Address	1829 S IH 35 Service Rd Northbound
Proposed Zoning	MF-6-NP
Restrictive Covenant File Number	
Smart Housing ID#	
Smart Housing Waiver Percent	0
Traffic Impact Analysis Required?	No
Zoning Application Initiated by	Property Owner
ATD Engineering Review?	Yes
ATD Engineering Reviewer	Sangeeta Jain

Description	Value
NPZ Connectivity Review?	No
NPZ Connectivity Reviewer	
Urban Design Review Required?	No
Urban Design Reviewer	Tonya Swartzendruber
SDE Property Address	
TCAD DBA	
TCAD Legal Description	
TCAD Organization	
TCAD Owner	
Land Development Jurisdiction	Full-Purpose
Neighborhood Plan Area ?	Yes

## PROPERTY DETAILS

Number	Pre	Street	StreetType	Dir	Unit Type	Unit Number	City	State	Zip	Legal Desc
1829	S	IH 35	SVRD	NB			AUSTIN	TX	78741	Address

## PEOPLE DETAILS

People Type	Name / Address	Phone
Applicant	(Fayez Kazi) 5110 LANCASTER CT AUSTIN TX 78723	(512) 761-6161
Internet User	(Eyad Kasemi) 5110 Lancaster CT Austin TX 78723	(512) 761-6161
Billed To	Civiltude LLC (Eyad Kasemi) 1210 ROSEWOOD AVE AUSTIN TX 78702	(512) 761-6161

## FOLDER FEES

Fee Description	Fee Amount	Balance
Regular Rezoning Zoning	\$5,434.18	\$0.00
Regular Rezoning Dev	\$1,794.00	\$0.00
Sign Fee - HPD	\$245.00	\$0.00
Basic Notification	\$624.00	\$0.00
Newspaper Notification	\$78.00	\$0.00
Technology Surcharge-DSD	\$99.84	\$0.00

Fee Description	Fee Amount	Skyline View Balance
Development Services Surcharge - HPD	\$227.17	\$0.00
ATD-ZON-Zoning Case Review <5 acres	\$730.00	\$0.00

## PROCESSES AND NOTES

Process Description	Status	Start Date	Scheduled End Date	End Date	Assigned Staff	# of Attempts
Early Notification	Closed	Jul 15, 2020	Jul 21, 2020	Jul 15, 2020	Rosa Cervantes (512-974-9116)	1
ATD Engineering Review	Approved	Jul 23, 2020	Jul 21, 2020	Jul 23, 2020	Bryan Golden (512-974-2426)	1
NPZ Austin Water Utility Review	Approved	Jul 7, 2020	Jul 21, 2020	Jul 7, 2020	Bradley Barron (512-972-0078)	1
NPZ Environmental Review	Approved	Jul 22, 2020	Jul 21, 2020	Jul 22, 2020	Hank Marley (512-974-2067)	1
NPZ Fire Review	Approved	Jul 21, 2020	Jul 21, 2020	Jul 21, 2020	Mark Villarreal ((512) 974-0288)	1
NPZ Mapping Review	Approved	Jul 9, 2020	Jul 21, 2020	Jul 9, 2020	Stacy Meeks (512-974-3279)	1
NPZ Site Plan Review	Approved	Jul 21, 2020	Jul 21, 2020	Jul 21, 2020	Christine Barton-Holmes (512-974-2788)	1
NPZ Zoning Review	Open		Jul 21, 2020		Kate Clark (512-974-1237)	0
NPZ Comprehensive Planning Review	Open		Jul 21, 2020		Maureen Meredith (512-974-2695)	0
Adjust Review Due Dates	Open				Intake Group	0
Submittal Intake	Closed	Jul 7, 2020		Jul 7, 2020	Intake Group	2
Initial Distribution	Closed	Jul 7, 2020	Jul 8, 2020	Jul 7, 2020	Intake Group	1
Posting Sign at Site	Posted	Aug 6, 2020	Aug 6, 2020	Aug 6, 2020	Zoning Inspector	1
Staff Report	Open				Kate Clark (512-974-1237)	0
Case Manager Log	Open	Sep 28, 2020			Kate Clark (512-974-1237)	3
Zoning Application Review	Open		Jul 28, 2020		Kate Clark (512-974-1237)	0
Notification Team	Notice Sent	Sep 29, 2020	Sep 27, 2020	Sep 29, 2020	Rosa Cervantes (512-974-9116)	1

Process Description	Status	Start Date	Scheduled End Date	End Date	Assigned Staff	# of Attempts
Notification Team	Not Applicable	Oct 13, 2020	Oct 27, 2020	Oct 13, 2020	Rosa Cervantes (512-974-9116)	1
Notification / Hearing Preparation	Complete	Sep 28, 2020		Sep 28, 2020	Kate Clark (512-974-1237)	1
Notification / Hearing Preparation	Complete	Oct 2, 2020		Oct 2, 2020	Kate Clark (512-974-1237)	1
PC Hearing	PP. Indefinitely	Oct 13, 2020		Oct 13, 2020	Kate Clark (512-974-1237)	1

## FOLDER ATTACHMENT

Description	Detail	Download
Application	7/7/20	<a href="#">Download</a>
Determination of ZAP/PC	7/7/20	<a href="#">Download</a>
Location Map	7/7/20	<a href="#">Download</a>
Tax Certificate	7/7/20	<a href="#">Download</a>
Tax Map	7/7/20	<a href="#">Download</a>
ZON-C14-2020-0075~002	Zoning map	<a href="#">Download</a>

[Back to Search Results](#)

## **Tab 5.d. Proof of Site Control**

*See attached.*



*Dana DeBeauvoir*

Dana DeBeauvoir, County Clerk  
Travis County, Texas

Aug 29, 2019 12:54 PM Fee: \$94.00

2019132640

\*Electronically Recorded\*

**NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OR ALL OF THE FOLLOWING INFORMATION FROM ANY INSTRUMENT THAT TRANSFERS AN INTEREST IN REAL PROPERTY BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER.**

**DEED OF TRUST**

(Security Agreement, Assignment of Rents and Financing Statement)

This combined Deed of Trust, Security Agreement, Assignment of Rents and Financing Statement ("Instrument") is made on the date stated below among the Grantor, Lender and Trustee who are identified and whose addresses are stated below. By signing this Instrument, Grantor agrees to the terms and conditions and makes the covenants stated in this Instrument.

GRANTOR: WOODLAND ON 1425 PROPERTIES, LLC, a Texas limited liability company

GRANTOR'S ADDRESS  
FOR NOTICE:

12639 S. Hausman Road, #5102, San Antonio, Bexar County, Texas 78249

LENDER: FIRST TEXAS BANK, GEORGETOWN, TEXAS, a state chartered banking association, NMLS #411499

LENDER'S ADDRESS: P.O. Box 649, Georgetown, Williamson County, Texas 78627

LOAN OFFICER: MICHAEL J. LAING, NMLS #1372362, Vice President

TRUSTEE: VAN P. SWIFT

TRUSTEE'S ADDRESS: P.O. Box 649, Georgetown, Williamson County, Texas 78627

GUARANTORS: RRG GROUP INVESTMENTS, LLC, a Texas limited liability company, BSM DEVELOPERS LIMITED LIABILITY COMPANY, a Texas limited liability company, VENKATA SUBBA REDDY YELURU, Individually, RAMAKRISHNA REDDY JOOLUKUNTLA, Individually, GOPAL K. GUTHIKONDA, Individually, and BASHEER MOHAMED, Individually }

NOTE: \$1,125,000.00 promissory note ("Note") of even date herewith, executed by Grantor, payable to Lender as stated in the Note, but finally maturing twenty-four (24) months after date hereof.

**REAL PROPERTY:**

Lot 1, SEIDERS AND KALLMAN SUBDIVISION, a subdivision in the City of Austin, Texas, according to the Map or Plat thereof recorded in Volume 78, Page 218, Plat Records of Travis County, Texas; and as Corrected in Volume 7009, Page 1044, Real Property Records of Travis County, Texas.

OTHER PROVISIONS. The debt evidenced by the Note is in part payment of the purchase price of the Property; the debt is secured by this deed of trust and by a vendor's lien on the Property, which is expressly retained in a deed to Grantor of even date herewith. The vendor's lien is transferred to Lender by the deed. This deed of trust does not waive the vendor's lien, and the two liens and the rights created by this deed of trust are cumulative. Lender may elect to foreclose under either of the liens without waiving the other or may foreclose under both.

PRIOR LIENS. None

## ARTICLE I - SECURITY

1.01 CONVEYANCE IN TRUST. For value received, and to secure the payment of the Indebtedness described in Section 2.01, and the covenants and agreements of Grantor stated in this Instrument, Grantor conveys the Property described in Section 1.02, including the Real Property described or referred to on the first page, to the Trustee in trust, with power of sale, TO HAVE AND TO HOLD the Property, together with the rights, privileges and appurtenances thereto belonging unto the Trustee and the Trustee's substitutes or successors forever.

1.02 PROPERTY. The Property covered by this Instrument includes the Real Property described or referred to on the first page, together with the following, all of which, including replacements and additions thereto, shall be deemed to be and remain a part of the Real Property covered by this Instrument, and all of which are referred to as the "Property":

- (a) Any and all buildings, improvements, and tenements now or hereafter erected on the Property;
- (b) Any and all heretofore or hereafter vacated alleys and streets abutting the Property, easements, rights, appurtenances, rents, leases, royalties, mineral, oil and gas rights and profits, water, water rights, and water stock appurtenant to the Property;
- (c) Any and all fixtures, machinery, equipment, engines, boilers, incinerators, building materials, appliances, and goods of every nature whatsoever now or hereafter located in, or on, or used, or intended to be used in connection with the Property, including, but not limited to: those for the purposes of supplying or distributing heating, cooling, electricity, gas, water, air and light; all elevators and related machinery and equipment; fire prevention and extinguishing apparatus; security and access control apparatus; plumbing and plumbing fixtures; refrigerating, cooking and laundry equipment; floor coverings and interior and exterior window treatments; furniture and cabinets; interior and exterior plantings and plant and lawn maintenance equipment; swimming pools, saunas, hot tubs, spas and fencing;
- (d) Any and all plans and specifications for development of or construction of improvements upon the Property;
- (e) Any and all contracts and subcontracts relating to the Property;
- (f) Any and all accounts, contract rights, instruments, documents, general intangibles, and chattel paper arising from or by virtue of any transactions related to the Property;
- (g) Any and all permits, licenses, franchises, certificates, and other rights and privileges obtained in connection with the Property; all of the Grantor's right, title and interest in and to all refundable, returnable or reimbursable fees, deposits or other funds or evidence of credit or indebtedness deposited by or on behalf of Grantor with any governmental agencies, boards, corporations, providers, utility services, public or private, including, specifically, but without limitation, all refundable, returnable, or reimbursable tap fees, utility deposits, commitment fees and development costs; and any rights or benefits in the capacity of off-site utilities and drainage improvements constructed and/or committed to serve the Property;
- (h) Any and all proceeds arising from or by virtue of the sale, lease, or other disposition of any of the Property;
- (i) Any and all proceeds payable or to be payable under each policy of insurance relating to the Property;
- (j) Any and all proceeds arising from the taking of all or a part of the Property for any public or quasi-public use under any law, or by right of eminent domain, or by private or other purchase in lieu thereof;
- (k) All other interests of every kind and character which Grantor now has, or at any time hereafter acquires in and to the Property, including all other items of property and rights described elsewhere in this instrument.

## 1.03 TITLE.

(a) Grantor covenants that Grantor is lawfully seized of the estate hereby conveyed and has the right to grant, convey and assign the Property (and, if this Instrument is a leasehold, that the ground lease is in full force and effect without modification, except as otherwise stated in this Instrument, and without default on the part of either lessor or lessee thereunder), that the Property is unencumbered, except as otherwise stated in this Instrument, and that Grantor will warrant and defend generally the title to the Property against all claims and demands, subject to any easements and restrictions listed in a schedule of exceptions to coverage in any title insurance policy insuring Lender's interest in the Property.

(b) Grantor warrants and represents to Lender that the Property is not the business or residential homestead of Grantor or any other person.

1.04 SUBROGATION. Any of the proceeds of the Note utilized to take up outstanding liens against all or any part of the Property have been advanced by Lender at Grantor's request and upon Grantor's representation that such amounts are due and are secured by valid liens against the Property. Lender shall be subrogated to any and all rights, superior titles, liens and equities owned or claimed by any owner or holder of any outstanding liens and debts, however remote, regardless of whether said liens or debts are acquired by Lender by assignment or are released by the holder thereof upon payment.

## ARTICLE II - INDEBTEDNESS AND PAYMENTS

2.01 INDEBTEDNESS. The Indebtedness secured by this Instrument shall mean and include the following:

(a) Any and all sums becoming due and payable pursuant to the Note described or referred to on the first page;

(b) Any and all other sums becoming due and payable by Grantor to Lender as a result of advancements made by Lender pursuant to the terms and conditions of this Instrument or any other instruments securing or executed in connection with or otherwise relating to the Note, including but not limited to the repayment of any future advances made by Lender to Grantor and the repayment of any sums advanced for the protection of Lender's security pursuant to Section 3.02;

(c) All other indebtedness, liabilities and obligations of Grantor, or any one or more of them, to Lender, whether presently existing, or in any manner or means hereafter incurred by Grantor, or any one or more of them, whether primary or secondary, fixed or contingent, direct or indirect, joint, several, or joint and several, whether arising in connection with, or evidenced by, notes, advances, overdrafts, bookkeeping entries, guaranty agreements, lien or security interest agreements, or other method or means, whether acquired by Lender in a transaction with Grantor, any one or more of them, or any other person; and whether originally owed to Lender or to one or more other persons, but in no event shall this Instrument secure payment of any installment loan or any open-end line of credit established under Chapter 346 of the Texas Finance Code;

(d) All unsecured indebtedness of the Grantor, whether the holder of such unsecured indebtedness acquires the secured indebtedness or the holder of such secured indebtedness acquires the unsecured indebtedness;

(e) Any and all renewals, extensions, rearrangements and modifications of the foregoing described Indebtedness.

## 2.02 PAYMENT OF PRINCIPAL AND INTEREST.

(a) Grantor shall promptly pay when due the principal of and interest on the indebtedness evidenced by the Note, any prepayment and late charges provided in the Note and all other sums secured by this Instrument.

(b) Unless otherwise provided for in the Note, in the event any installment, or any part thereof, remains unpaid for ten (10) or more days past the due date thereof as provided above, Grantor shall pay to Lender, in addition to any other amounts to which Lender may be entitled hereunder, a reasonable late payment fee equal to five (5) percent of the amount of said installment, which amount is stipulated by Grantor to be reasonable in order to compensate Lender for its additional costs incurred as a result of having to attend to such delinquency. This late charge should be paid only once, but promptly, as to each respective late payment. It is further agreed that the imposition of any such late payment fee shall in no way prejudice or limit Lender's rights or remedies against Grantor under this Agreement or any of the Security Instruments or any other instrument.

(c) In the event any check used to make a payment to Lender is dishonored for any reason, Grantor shall pay to Lender, in addition to any other amounts to which Lender may be entitled hereunder, a reasonable processing fee (or the maximum amount provided from time to time in Section 3.506(b) of the Texas Business and Commerce Code as it may be amended). This processing fee should be paid once with respect to each dishonor of a check. It is further agreed that the imposition of any such processing fee shall in no way prejudice or limit Lender's rights or remedies against Grantor under this Agreement or any of the Security Documents or any other instrument.

2.03 APPLICATION OF PAYMENTS. Unless applicable law provides otherwise, all payments received by Lender from Grantor under the Note of this Instrument shall be applied by Lender in the following order of priority: (a) amounts payable to Lender by Grantor under Section 2.02 hereof; (b) interest payable on the Note; (c) principal of the Note; and (d) any other sums secured by this Instrument in such order as Lender, at Lender's option, may determine; provided, however, that Lender may, at Lender's option, apply any sums payable pursuant to Section 3.01 hereof prior to interest on and principal of the Note, but such application shall not otherwise affect the order of priority of application specified in this Section 2.04.

2.04 ESTOPPEL CERTIFICATE. Grantor shall within ten days of a written request from Lender furnish Lender with a written statement, duly acknowledged, setting forth the sums secured by this Instrument and any right of set-off, counterclaim or other defense which exists against such sums and the obligations of this Instrument.

### ARTICLE III - PROTECTION OF SECURITY

#### 3.01 PROTECTION OF LENDER'S SECURITY.

(a) If Grantor fails to perform the covenants and agreements contained in this Instrument, or if any action or proceeding is commenced which affects the Property or title thereto or the interest of Lender therein, including, but not limited to, eminent domain, insolvency, code enforcement, or arrangements or proceedings involving a bankrupt or decedent, then Lender at Lender's option may make such appearances, disburse such sums and take such action as Lender deems necessary, in its sole discretion, to protect Lender's interest, including, but not limited to, (i) disbursement of attorney's fees, (ii) entry upon the Property to make repairs, (iii) procurement of satisfactory insurance as provided in Section 3.06 hereof, and (iv) if this Instrument is on a leasehold, exercise of any option to renew or extend the ground lease on behalf of Grantor and the curing of any default of Grantor in the terms and conditions of the ground lease.

(b) Grantor shall reimburse Lender upon demand for all costs and expenses incurred by Lender as would be reasonably necessary to comply with applicable State Laws and/or Federal Laws and regulations, taxing authorities and regulations as they change or be required before default in (i) making and administering the loan evidenced by the Note, (ii) protecting and maintaining unimpaired Lender's liens and security interests in the Property, (iii) determining or verifying the condition and value of the Property from time to time, and (iv) collecting payment of the Note, including without limitation all filing fees, transfer fees and expenses, documentation fees, appraisal fees, inspection costs, storage costs, inventories, audits, attorneys' fees, accounting fees, engineering fees, and such other expenses incurred by the Lender as the Lender deems necessary or appropriate, in its discretion, to administer the loan and protect, maintain and verify its interest in the Property. All such costs and expenses incurred by the Lender shall be deemed advances made to the Grantor, and shall be included in the Note, the payment of which is secured by this deed of trust.

(c) Any amounts disbursed by Lender pursuant to this Section 3.01, with interest thereon, shall become additional indebtedness of Grantor secured by this Instrument. Unless Grantor and Lender agree to other terms of payment, such amounts shall be immediately due and payable and shall bear interest from the date of disbursement at the rate stated in the Note unless collection from Grantor of interest at such rate would be contrary to applicable law, in which event such amounts shall bear interest at the highest rate which may be collected from Grantor under applicable law. Grantor hereby covenants and agrees that Lender shall be subrogated to the lien of any mortgage or other lien discharged, in whole or in part, by the indebtedness secured hereby. Nothing contained in this Section 3.01 shall require Lender to incur any expense or take any action hereunder.

3.02 **CHARGES.** Grantor shall pay all water and sewer rates, rents, assessments, premiums, and Other Impositions attributable to the Property at Lender's option in the manner provided under Section 2.03 hereof or, if not paid in such manner, by Grantor making payment, when due, directly to the payee thereof, or in such other manner as Lender may designate in writing. Grantor shall promptly furnish to Lender all notices of amounts due under this Section 3.02, and in the event Grantor shall make payment directly, Grantor shall promptly furnish to Lender receipts evidencing such payments.

3.03 **TAXES.** Borrower or Grantor shall pay all taxes and assessments against the Property as the same become due and payable, and prior to delinquency. Borrower or Grantor shall furnish proof, satisfactory in form and substance to Lender, of such payment. Borrower or Grantor shall not authorize any person or entity to pay current or delinquent ad valorem taxes due or to become due on the Property if such person or entity is entitled to receive a transfer of tax lien under Section 32.06 of the Texas Tax Code (as it may be amended or modified). In the event any transfer of a tax lien is executed by a tax collector pursuant to Section 32.06 of the Texas Tax Code (as it may be amended or modified) with respect to the Property, Borrower or Grantor shall, within ten (10) days of the date written notice is sent from Lender to Borrower or Grantor, fully and finally pay the transferee of said tax lien the entirety of all principal, interest and expenses (whether or not then due and payable, or to become due and payable) owing to said transferee with respect to said transferred tax lien, and deliver proof, satisfactory in form and substance to Lender, of such payment, along with a signed and notarized release of said tax lien executed by said transferee. Borrower or Grantor shall not defer the collection of taxes on the Property, in the event deferral of such taxes is permitted under applicable law. In the event of the passage of any law, ordinance, or regulation, deducting from the Property for the purposes of taxation any lien thereon, or changing in any way the laws now in force for the taxation of mortgages, deeds of trust, or indebtedness secured thereby, or the manner of the operation of any such taxes so as to affect the interest of Lender, then and in such event, Borrower or Grantor shall bear and pay the full amount of such taxes, unless the payment thereof by Borrower or Grantor would be unlawful or if the payment thereof would constitute usury or render the indebtedness due Lender wholly or partially usurious; provided, however, that if for any reason payment by Borrower or Grantor or by Lender of any such new or additional taxes would be unlawful or if the payment thereof would constitute usury or render the indebtedness due Lender wholly or partially usurious, Lender may, at Lender's option, declare said unpaid indebtedness with all accrued interest thereon to be immediately due and payable, or Lender may, at Lender's option, pay the amount or portion of such taxes which would otherwise render said indebtedness unlawful or usurious, in which event Borrower or Grantor shall concurrently therewith pay the remaining lawful and nonusurious portion or balance of said taxes. If Borrower or Grantor fails to pay any taxes and assessments (including interest, penalties, costs and expenses) against the Property, enters into a tax lien loan to any person or entity, allows any person or entity to receive a transfer of an ad valorem tax lien, or defers the payment of taxes or assessments, Lender may in Lender's sole discretion, in addition to Lender's other rights as provided in the Security Instruments, elect to advance and pay the same at Borrower or Grantor's expense. Grantor is strictly prohibited from entering into a loan agreement with a third party lender resulting in the transfer of a tax lien as described in Chapter 32 of the Texas Tax Code, unless said loan agreement also results in or is concurrent with the complete payment of the remaining balance on the Note by said third party lender, and Grantor's release of Grantor's obligations under said Note and Deed of Trust. For the purposes of this section, "third party lender" means any natural person or entity, other than Lender, whom Grantor solicits or by whom Grantor is solicited with respect to securing the payment of taxes on the Property.

3.04 **HAZARD INSURANCE.** Borrower or Grantor shall promptly obtain and deliver to Lender insurance policies with premiums paid providing extended coverage for all buildings and other property covered by the Deed of Trust against damage by fire and lightning and against such other risks as Lender may require (Builder's Risk insurance shall be acceptable as to any improvements to be constructed on the Mortgaged Property during the

construction phase of any construction loan), all in amounts approved by Lender not less than 100% of full replacement cost of all improvements located on the Mortgaged Property, such that Borrower or Grantor and/or Lender shall not become a co-insurer under any required insurance policy, such insurance to be written on a replacement cost form promulgated by the Texas State Board of Insurance and with companies having a Best's Insurance Guide Rating of A, Class XIV or higher, as approved by Lender, with (i) loss made payable to Lender pursuant to the standard mortgagee clause promulgated by the Texas State Board of Insurance, without contribution; (ii) provision that (a) each of said policies shall not be terminated, reduced or limited regardless of any breach of the representations and agreements set forth therein, and (b) no such policy shall be canceled, endorsed or amended to any extent unless the issuer thereof shall have first given Lender at least 15 days' prior written notice. In case Borrower or Grantor fails to furnish such policies, Lender, at Lender's option, may procure such insurance at Borrower or Grantor's expense. All renewal and substitute policies of insurance shall be delivered to the office of Lender, premiums paid, at least ten (10) days before expiration of the insurance protection to be replaced by such renewal or substituted policies. In case of loss, Lender, at Lender's option, shall be entitled to receive and retain the proceeds of the insurance policies, applying the same toward payment of the Indebtedness in such manner as Lender may elect, or at Lender's option, Lender may pay the same over wholly or in part to Borrower or Grantor for the repair of said improvements or for the erection of new improvements in their place, or for any other purpose satisfactory to Lender, but Lender shall not be obligated to see to the proper application of any amounts so paid to Borrower or Grantor. If Lender elects to allow such payments to Borrower or Grantor, disbursement shall be on such terms subject to such conditions as Lender may specify. Regardless of whether any insurance proceeds payable to them are sufficient to pay the costs of repair and restoration of the Property, Borrower or Grantor shall promptly commence and carry out the repair, replacement, restoration and rebuilding of any and all of the improvements damaged or destroyed so as to return same, to the extent practicable, to the same condition as immediately prior to such damage to or destruction thereof. Borrower or Grantor shall not permit or carry on any activity within or relating to the Property that is prohibited by the terms of any insurance policy covering any part of the Property or which permits cancellation of or increase in the premium payable for any insurance policy covering any part of the Property. In the event of a foreclosure of the Deed of Trust, the purchaser of the Property shall succeed to all the rights of Borrower or Grantor, including any right to unearned premiums, in and to all policies of insurance assigned and delivered to Lender pursuant to the provisions of this instrument. Regardless of the types or amounts of insurance required and approved by Lender, Borrower or Grantor shall assign and deliver to Lender all policies of insurance that insure against any loss or damage to the Property, as collateral and further security for the payment of the Indebtedness. Borrower or Grantor shall also obtain and maintain in force and effect at Borrower or Grantor's expense such liability and other insurance policies and protection as Lender may from time to time require. Furthermore, if any portion of the Property is situated in an area, or is subsequently designated in an area, having special flood hazards (as defined in the Flood Disaster Protection Act of 1973, as amended from time to time, or any similar legislation), Borrower or Grantor shall provide flood insurance to Lender in an amount equal to the replacement cost of the improvements or the maximum amount of flood insurance available, whichever is the lesser.

3.05 LIENS. Grantor shall promptly discharge any lien which has, or may have, priority over or equality with, the lien of this Instrument, and Grantor shall pay, when due, the claims of all persons supplying labor or materials to or in connection with the Property. Grantor shall keep the Property free and clear of all other encumbrances, including liens inferior to the lien herein granted unless Lender consents to same in writing.

3.06 PRESERVATION AND MAINTENANCE OF PROPERTY. Grantor (a) shall not commit waste or permit impairment or deterioration of the Property, (b) shall not abandon the Property, (c) shall restore or repair promptly and in a good and workmanlike manner all or any part of the Property to the equivalent of its original condition, or such other condition as Lender may approve in writing, in the event of any damage, injury or loss thereto, whether or not insurance proceeds are available to cover in whole or in part the costs of such restoration or repair, (d) shall keep the Property, including improvements, fixtures, equipment, machinery and appliances thereon in good repair and shall

replace fixtures, equipment, machinery and appliances on the Property when necessary to keep such items in good repair, (e) shall comply with all laws, ordinances, regulations and requirements of any governmental body applicable to the Property, (f) shall generally operate and maintain the Property in a manner to ensure maximum rentals or profits, and (g) shall give notice to Lender of and, unless otherwise directed in writing by Lender, appear in and defend any action or proceeding purporting to affect the Property, the security of this Instrument or the rights or powers of Lender. Neither Grantor nor any tenant or any other person shall remove, demolish or alter any improvement now existing or hereafter erected on the Property or any fixture, equipment, machinery or appliance in or on the Property except when incident to the replacement of fixtures, equipment, machinery and appliances with items of like kind.

### 3.07 CONDEMNATION.

(a) Grantor shall promptly notify Lender of any action or proceeding relating to any condemnation or other taking, whether direct or indirect, of the Property, or part thereof, and Grantor shall appear in and prosecute any such action or proceeding unless otherwise directed by Lender in writing. Grantor authorizes Lender, at Lender's option, as attorney-in-fact for Grantor, to commence, appear in and prosecute, in Lender's or Grantor's name, any action or proceeding relating to any condemnation or other taking of the Property, whether direct or indirect, and to settle or compromise any claim in connection with such condemnation or other taking. The proceeds of any award, payment or claim for damages, direct or consequential, in connection with any condemnation or other taking, whether direct or indirect, of the Property, or part thereof, or for conveyances in lieu of condemnation, are hereby assigned to and shall be paid to Lender subject, if this Instrument is on a leasehold, to the rights of lessor under the ground lease.

(b) Grantor authorizes Lender to apply such awards, payments, proceeds or damages after the deduction of Lender's expenses incurred in the collection of such amounts, at Lender's option, to restoration or repair of the Property, or to payment of the sums secured by this Instrument, whether or not then due, in the order of application set forth in Section 2.04 hereof, with the balance, if any, to Grantor. Unless Grantor and Lender otherwise agree in writing, any application of proceeds to principal shall not extend or postpone the due date of the installments referred to in Sections 2.02 and 2.03 hereof or change the amount of such installments. Grantor agrees to execute such further evidence of assignment of any awards, proceeds, damages or claims arising in connection with such condemnation or taking as Lender may require.

### 3.08 LEASEHOLDS.

(a) If this Instrument is on a leasehold, Grantor (i) shall comply with the provisions of the ground lease, (ii) shall give immediate written notice to Lender of any default by lessor under the ground lease or any notice received by Grantor from such lessor of any default under the ground lease by Grantor, (iii) shall exercise any option to renew or extend the ground lease and give written confirmation thereof to Lender within thirty days after such option become exercisable, (iv) shall give immediate written notice to Lender of the commencement of any remedial proceedings under the ground lease by any party thereto and, if required by Lender, shall permit Lender as Grantor's attorney-in-fact to control and act for Grantor in any such remedial proceedings, and (v) shall within thirty days after request by Lender obtain from the lessor under the ground lease and deliver to Lender the lessor's estoppel certificate required thereunder, if any. Grantor hereby expressly transfers and assigns to Lender the benefit of all covenants contained in the ground lease, whether or not such covenants run with the land, but Lender shall have no liability with respect to such covenants nor any other covenants contained in the ground lease.

(b) Grantor shall not surrender the leasehold estate and interests herein conveyed nor terminate or cancel the ground lease creating said estate and interests, and Grantor shall not, without the express written consent of Lender, alter or amend said ground lease. Grantor covenants and agrees that there shall not be a merger of the ground lease, or of the leasehold estate created thereby, with the fee estate covered by the ground lease by reason of said leasehold estate or said fee estate, or any part of either, coming into common ownership, unless Lender shall consent in writing to such merger. If Grantor shall acquire such fee estate, then this Instrument shall simultaneously and without further action be spread so as to become a lien on such fee estate.

3.09 USE OF PROPERTY. Unless required by applicable law or unless Lender has otherwise agreed in writing, Grantor shall not allow changes in the use for which all or any part of the Property was intended at the time this Instrument was executed. Grantor shall not initiate or acquiesce in a change in the zoning classification of the

Property without Lender's prior written consent. Notwithstanding the foregoing, Lender has approved rezoning of the Property for residential multi-family/condominiums.

3.10 INSPECTION. Lender may make or cause to be made reasonable entries upon and inspections of the Property.

3.11 BOOKS AND RECORDS. Grantor shall keep and maintain at all times at Grantor's address stated in this Instrument, or such other place as Lender may approve in writing, complete and accurate books of accounts and records adequate to reflect correctly the results of the operation of the Property and copies of all written contracts, leases and other instruments which affect the Property. Such books, records, contracts, leases and other instruments shall be subject to examination and inspection at any reasonable time by Lender. Notwithstanding the foregoing, Grantor shall furnish from time to time to Lender, upon Lender's request, copies of balance sheets of Grantor (and any guarantors) and copies of statements of income and cash flow of Grantor (and any guarantors), covering such periods of time and containing such reasonable detail as Lender shall reasonably request, and stating changes in the financial position of Grantor for the same periods and which are confirmed by Grantor (and guarantors respectively) as being true, whole, accurate and without material omission. Grantor, at its expense, shall furnish Lender, within one hundred and twenty days after the end of each fiscal year of Grantor, a balance sheet, a statement of income and expenses of the Property, a profit and loss statement, and a statement of charges in financial position, each in reasonable detail and certified by Grantor and, if Lender shall require, by an independent certified public accountant. Grantor shall also furnish an annual report showing total minimum or percentage rents or income received from each tenant, or gross receipts and total expenses. Grantor shall furnish, together with the foregoing financial statements and at any other time upon Lender's request, a rent schedule for the Property, certified by Grantor, showing the name of each tenant, and for each tenant, the space occupied, the lease expiration date, the rent payable and the rent paid.

#### ARTICLE IV - OTHER SECURITY

4.01 UNIFORM COMMERCIAL CODE SECURITY AGREEMENT. This Instrument is intended to be a security agreement pursuant to the Uniform Commercial Code for any of the items specified above as part of the Property which, under applicable law, may be subject to a security interest pursuant to the Uniform Commercial Code, and Grantor hereby grants Lender a security interest in said items. Grantor agrees that Lender may file this Instrument, or a reproduction thereof, in the real estate records or other appropriate index, as a financing statement for any of the items specified above as part of the Property. Any reproduction of this Instrument or of any other security agreement or financing statement shall be sufficient as a financing statement. In addition, Grantor agrees to execute and deliver to Lender, upon Lender's request, any financing statement, as well as extensions, renewals and amendments thereof, and reproduction of this Instrument in such form as Lender may require to perfect a security interest with respect to said items. Grantor shall pay all costs of filing such financing statement and any extensions, renewals, amendments and releases thereof, and shall pay all reasonable costs and expenses of any record searches for financing statements Lender may reasonably require. Without prior written consent of Lender, Grantor shall not create or suffer to be created pursuant to the Uniform Commercial Code any other security interest in said items, including replacements and additions thereto. Upon Grantor's breach of any covenant or agreement of Grantor contained in this Instrument, including the covenants to pay when due all sums secured by this Instrument, Lender shall have the remedies of a secured party under the Uniform Commercial Code and, at Lender's option, may also invoke the remedies provided in Article V of this Instrument as to such items. In exercising any of said remedies, Lender may proceed against the items of real property and any items of personal property specified above as part of the Property separately or together and in any order whatsoever, without in any way affecting the availability of Lender's remedies under the Uniform Commercial Code or of the remedies provided in Article V of this Instrument.

#### 4.02 LEASES OF THE PROPERTY.

(a) Grantor shall comply with and observe Grantor's obligations as landlord under all leases of the Property or any part thereof. Grantor, at Lender's request, shall furnish Lender with executed copies of all leases now existing or hereafter made of all or any part of the Property, and all leases now or hereafter entered into will be in form and substance subject to the approval of Lender. All leases of the Property shall specifically provide that (i) such leases are subordinate to this Instrument; (ii) that the tenant attorns to Lender, such attornment to be effective upon Lender's acquisition of title to the Property; (iii) that the tenant agrees to execute such further evidences of attornment

as Lender may from time to time request; (iv) that the attornment of the tenant shall not be terminated by foreclosure; and (v) that Lender may, at Lender's option, accept or reject such attornments.

(b) Grantor shall not, without Lender's written consent, execute, modify, surrender or terminate, either orally or in writing, any lease now existing or hereafter made of all or any part of the Property providing for a term of three years or more, permit an assignment or sublease of such a lease without Lender's written consent, or request or consent to the subordination of any lease or all or any part of the Property to any lien subordinate to this Instrument.

(c) If Grantor becomes aware that any tenant proposes to do, or is doing, any act or thing which may give rise to any right of set-off against rent, Grantor shall (i) take such steps as shall be reasonably calculated to prevent the accrual of any right to a set-off against rent, (ii) notify Lender thereof and of the amount of said set-offs, and (iii) within ten days after such accrual, reimburse the tenant who shall have acquired such right to set-off or take such other steps as shall effectively discharge such set-off and as shall assure that rents thereafter due shall continue to be payable without set-off or deduction.

(d) Upon Lender's request, Grantor shall assign to Lender, by written instrument satisfactory to Lender, all leases now existing or hereafter made of all or any part of the Property and all security deposits made by tenants in connection with such leases of the Property. Upon assignment by Grantor to Lender of any leases of the Property, Lender shall have all of the rights and powers possessed by Grantor prior to such assignment and Lender shall have the right to modify, extend or terminate such existing leases and to execute new leases, in Lender's sole discretion.

#### 4.03 ASSIGNMENT OF RENTS; APPOINTMENT OF RECEIVER; LENDER IN POSSESSION.

(a) For value received, and to secure the payment of the indebtedness described in Section 2.01 and the covenants and agreements of Grantor stated in this Instrument, Grantor conveys to the Trustee in Trust, with power of sale, TO HAVE AND TO HOLD, together with the rights, privileges and appurtenances thereto belonging unto the Trustee and the Trustee's substitutes or successors forever, all right, title and interest of Grantor in, to and under, any and all leases or agreements for the use or occupancy of the whole or any part of the Property, whether such leases or agreements are now existing or are at any time hereafter existing, together with all rents, revenues and other sums, including any penalty, any bonus and any amount to be paid upon exercise of any option to purchase, due or becoming due under such leases or agreements, regardless of to whom such rents, revenues and other sums are payable. This conveyance and assignment shall also cover and apply to all existing or future amendments, supplements, or modifications of such leases or agreements and to all short or memorandum forms of any of such leases or agreements executed for recording purposes.

(b) Upon delivery of written notice by Lender to Grantor, and without the necessity of Lender entering upon and taking and maintaining full control of the Property in person, by agent or by a court-appointed receiver, Lender shall immediately be entitled to possession of all rents and revenues of the Property as specified in this Section 4.03 as the same become due and payable, including but not limited to rents or revenues then due and unpaid, or if theretofore collected, rents remaining in the possession or under the control of Grantor, and all such rents shall immediately upon delivery of such notice be held by Grantor as trustee for the benefit of Lender only; provided, however, that the written notice by Lender to Grantor shall contain a statement that Lender exercises its rights to such rents. Grantor agrees that commencing upon delivery of such written notice by Lender to Grantor, each tenant of the Property shall make such rents payable to and pay such rents to Lender or Lender's agents on Lender's written demand to each tenant therefor, delivered to each tenant personally, by mail or by delivering such demand to each rental unit, without any liability on the part of said tenant to inquire further as to the existence of a default by Grantor.

(c) Grantor hereby covenants that Grantor has not executed any prior conveyance or assignment of said rents or revenue, that Grantor has not performed, and will not perform, any acts and has not executed, and will not execute, any instrument which would prevent Lender from exercising its rights under this Section 4.03 and that at the time of execution of this Instrument there has been no anticipation or prepayment of any of the rents or revenues of the Property for more than thirty days prior to the due dates of such rents or revenues. Grantor covenants that Grantor will not hereafter collect or accept payment of any rents or revenues of the Property more than thirty days prior to the due dates of such rents or revenues without prior written consent of Lender. Grantor further covenants that Grantor

will execute and deliver to Lender such further assignments of rents and revenues of the Property as Lender may from time to time request.

(d) Upon Grantor's breach of any covenant or agreement of Grantor in this Instrument, Lender may in person, by agent or by a court-appointed receiver, regardless of the adequacy of Lender's security, enter upon and take and maintain full control of the Property in order to perform all acts necessary and appropriate for the operation and maintenance thereof including, but not limited to, the execution, cancellation or modification of leases, the collection of rents and revenues of the Property, the making of repairs to the Property and the execution and termination of contracts providing for the management or maintenance of the Property, all on such terms as are deemed best to protect the security of this Instrument. In the event Lender elects to seek the appointment of a receiver for the Property upon Grantor's breach of any covenant or agreement of Grantor in this Instrument, Grantor hereby consents to the appointment of such receiver. Lender or the receiver shall be entitled to receive a reasonable fee for so managing the Property.

(e) All rents and revenues received by Lender, subsequent to delivery of written notice by Lender to Grantor, or for any other reason, shall be held, without allowance of interest, and shall be applied to the costs, if any, of taking control of such rents and revenues, of taking control of and managing the Property and collecting the rents and revenues, including, but not limited to, attorney's fees, receiver's fees, premiums on receiver's bonds, costs of repairs to the Property, premiums on insurance policies, taxes, assessments and other charges on the Property, the costs of discharging any obligation or liability of Grantor as lessor or landlord of the Property, and then to the sums secured by this Instrument, the priority and application of such funds being within the sole discretion of Lender, and any amount not applied as above provided and remaining in the hands of Lender shall be paid to Grantor. Lender or the receiver shall have access to the books and records used in the operation and maintenance of the Property and shall be liable to account only for those rents and revenues actually received. Lender shall not be liable to Grantor, anyone claiming under or through Grantor or anyone having an interest in the Property by reason of anything done or left undone by Lender under this Section 4.03.

(f) If the rents of the Property are not sufficient to meet the costs, if any, of taking control of and managing the Property and collecting the rents, any funds expended by Lender for such purposes shall become an indebtedness of Grantor to Lender secured by this Instrument pursuant to Section 3.01 hereof. Unless Lender and Grantor agree in writing to other terms of payment, such amounts shall be payable upon notice from Lender to Grantor requesting payment thereof and shall bear interest from the date of disbursement at the rate stated in the Note unless payment of such interest at such rate would be contrary to applicable law, in which event such amounts shall bear interest at the highest rate which may be collected from Grantor under applicable law.

(g) Any entering upon and taking and maintaining control of the Property by Lender or the receiver and any application of rents as provided herein shall not cure or waive any default hereunder or invalidate any other right or remedy of Lender under applicable law or provided herein. This assignment of rents of the Property shall terminate at such time as this Instrument ceases to secure the Indebtedness held by Lender.

**4.04 RIGHT OF SET-OFF.** As further security for this Agreement, Grantor grants to Lender a first lien and contractual right of set-off in and to all money and property of Grantor now or at any time hereafter coming within the custody or control of the Lender, including (without limitation) all certificates of deposit and other accounts, whether such certificates of deposit and/or accounts have matured or not, and whether the exercise of such right of set-off results in loss of interest or other penalty under the terms of the certificate of deposit or account agreement. It is further agreed that the Lender shall have a first lien on all deposits and other sums at any time credited by or due from the Lender to Grantor or any guarantor, as security for the payment of this Agreement, and Lender, at its option and after acceleration of the maturity of this Agreement (however said maturity may be brought about) may without notice and without any liability, hold all or any part of any such deposits or other sums until all amounts owing on this Agreement have been paid in full, and/or Lender may apply or set-off all or any part of any such deposits or other sums credited by or due from Lender to or against any sums due on this Agreement in any manner and in any order of preference which the Lender, in its sole discretion, chooses.

## ARTICLE V - DEFAULT AND REMEDIES

**5.01 ACCELERATION; POWER OF SALE.** Upon Grantor's breach of any covenant or agreement of Grantor in this Instrument, including, but not limited to, the covenants to pay when due any sums secured by this Instrument, Lender at Lender's option may declare all of the sums secured by this Instrument to be immediately due and payable without further demand and may invoke the power of sale and any other remedies permitted by applicable law or provided herein. Grantor acknowledges that the power of sale herein granted may be exercised by Lender without prior judicial hearing.

**5.02 NOTICE OF SALE.** If Lender invokes the power of sale, Lender or Trustee shall give notice of the time, place and terms of sale by posting written notice at least 21 days prior to the day of sale at the courthouse door in each of the counties in which the Property is situated. Lender shall mail a copy of the notice of sale to Grantor in the manner provided by applicable law.

**5.03 TRUSTEE'S SALE.** Trustee shall sell the Property according to the laws of Texas. Such sale shall be made at public vendue, between the hours of 10 o'clock a.m. and 4 o'clock p.m. on the first Tuesday in any month. Grantor authorizes Trustee to sell the Property to the highest bidder for cash in one or more parcels and in such order as Trustee may determine. Lender or Lender's designee may purchase the Property at any sale.

**5.04 TRUSTEE'S DEED.** Trustee shall deliver to the purchaser a Trustee's deed conveying the Property so sold in fee simple with covenants of general warranty. Grantor covenants and agrees to defend generally the purchaser's title to the Property against all claims and demands. The recitals in the Trustee's deed shall be prima facie evidence of the truth of the statements contained therein.

**5.05 PROCEEDS OF SALE.** Trustee shall apply the proceeds of the sale in the following order: (a) to all reasonable costs and expenses of the sale, including, but not limited to, 5% commission as Trustee's fees and attorney's fees and costs of title evidence; (b) to all sums secured by this Instrument in such order as Lender, in Lender's sole discretion, directs; and (c) the excess, if any, to the person or persons legally entitled thereto.

**5.06 POSSESSION AFTER SALE.** If the Property is sold pursuant to Section 5.03, Grantor or any person holding possession of the Property through Grantor shall immediately surrender possession of the Property to the purchaser at such sale upon the purchaser's written demand. If possession is not surrendered upon the purchaser's written demand, Grantor or such person shall be a tenant at sufferance and may be removed by writ of possession or by an action for forcible entry and detainer.

**5.07 COSTS AND EXPENSES.** Lender shall be entitled to collect all costs and expenses incurred in pursuing such remedies, including, but not limited to, attorney's fees and costs of documentary evidence, abstracts and title reports.

**5.08 SUBSTITUTE TRUSTEE.** Lender at Lender's option, with or without cause, may from time to time remove Trustee and appoint a successor trustee to any Trustee appointed hereunder by an instrument recorded in the county in which this Instrument is recorded. Without conveyance of the Property, the successor trustee shall succeed to all title, power and duties conferred upon the Trustee herein and by applicable law. Grantor hereby acknowledges and agrees that the Trustee, and any Substitute Trustee, under this Deed of Trust has no fiduciary relationship with Grantor and in fact has no responsibilities with regard to Grantor other than to act in compliance with applicable law in conducting any foreclosure sale under this Deed of Trust. Grantor further acknowledges and agrees that it has not hired or employed the Trustee; moreover, Grantor has no objection to the hiring or employment of the Trustee, or any Substitute Trustee, by Lender.

**5.09 ACCELERATION IN CASE OF GRANTOR'S INSOLVENCY.** If Grantor shall voluntarily file a petition under the Federal Bankruptcy Code, as such Code may from time to time be amended, or under similar or successor Federal statute relating to bankruptcy, insolvency, arrangements or reorganizations, or under any state bankruptcy or insolvency act, or file an answer in an involuntary proceeding admitting insolvency or inability to pay debts, or if Grantor shall fail to obtain a vacation or stay of involuntary proceedings brought for the reorganization, dissolution or liquidation of Grantor, or if Grantor shall be adjudged a bankrupt, or if a trustee or receiver shall be

appointed for Grantor or Borrower's property, or if the Property shall become subject to the jurisdiction of a Federal bankruptcy court or similar state court, or if Grantor shall make an assignment for the benefit of Grantor's creditors, or if there is an attachment, execution or other judicial seizure of any portion of Grantor's assets and such seizure is not discharged within ten days, then Lender may, at Lender's option, declare all of the sums secured by this Instrument to be immediately due and payable without prior notice to Grantor, and Lender may invoke any remedies permitted by Article V of this Instrument. Any attorney's fees and other expenses incurred by Lender in connection with Grantor's bankruptcy or any of the other aforesaid events shall be additional Indebtedness of Grantor secured by this Instrument pursuant to Section 3.01 hereof.

**5.10 DEATH OR DISSOLUTION.** Upon the death of any individual Grantor or the death of any individual Grantor or guarantor, or upon the dissolution of any corporation, limited liability company, partnership or other entity comprising Grantor, Grantor or any guarantor, Lender, at Lender's option, has the right to notify Grantor that it has ninety (90) days to identify a suitable replacement and for such replacement to execute all such necessary documents. Failure to identify a suitable replacement acceptable to Lender within such time allowed shall be a default under this Agreement, the Promissory Note and the Security Instruments.

**5.11 TRANSFERS.**

(a) Other than as permitted in any Loan Agreement and/or in the Security Instruments, if, without the prior written consent of Lender, which consent may be given or withheld by Lender in the exercise of its sole and absolute discretion, (a) all or any part of the Property, or any interest therein, or any beneficial interest in Borrower or Grantor (if Borrower or Grantor is not a natural person or persons, but is a corporation, partnership, trust or other legal entity) is sold, transferred or otherwise conveyed, or (b) Grantor enters into any contract agreeing to sell, transfer or otherwise convey the Property, or any interest therein, or (c) there is a sale or exchange of the majority of the stock of Borrower or Grantor (if Borrower or Grantor is not a natural person or persons, but is a corporation), or (d) Borrower or Grantor creates any lien or encumbrance subordinate or allegedly superior to the Deed of Trust, or (e) Borrower or Grantor grants any easement, right-of-way or any other right whatsoever with respect to the Property, or (f) Borrower or Grantor conveys any leasehold interest for any purpose whatsoever covering all or any portion of the Property, including without limitation, one or more oil, gas or other mineral leases covering the Property or any portion thereof, for a period longer than one (1) year (all and any of the above being hereinafter collectively called "Transfers"), and irrespective of whether any such Transfers are evidenced by written instruments, and irrespective if such a written instrument is filed for record, then Lender, at Lender's option, has the right to declare the same to be a default under this Agreement, the Promissory Note, the Deed of Trust and the Security Instruments.

(b) Lender may, at its option, consent to any event described in 5.11(a) above if: (i) Grantor causes to be submitted to Lender information required by Lender to evaluate the transferee as if a new loan were being made to the transferee; (ii) Lender reasonably determines that Lender's security will not be impaired and that the risk of a breach of any covenant or agreement in this Instrument is acceptable; (iii) interest will be payable on the sums secured by this Instrument at a rate acceptable to Lender; (iv) changes in the terms of the Note and this Instrument required by Lender are made, including, for example, periodic adjustment in the interest rate, a different final payment date for the loan, and addition of unpaid interest to principal; and (v) the transferee signs an assumption agreement that is acceptable to Lender and that obligates the transferee to keep all the promises and agreements made in the Note and in this Instrument, as modified if required by Lender. To the extent permitted by applicable law, Lender also may charge a reasonable fee as a condition to Lender's consent to any sale or transfer. Grantor will continue to be obligated under the Note and this Instrument unless Lender releases Grantor in writing.

**5.12 REMEDIES CUMULATIVE.** Each remedy provided in this Instrument is distinct and cumulative to all other rights or remedies under this Instrument or afforded by law or equity, and may be exercised concurrently, independently, or successively, in any order whatsoever.

**5.13 FORBEARANCE BY LENDER NOT A WAIVER.** Any forbearance by Lender in exercising any right or remedy hereunder, or otherwise afforded by applicable law, shall not be a waiver of or preclude the exercise of any right or remedy. The acceptance by Lender of payment of any sum secured by this Instrument after the due date of such payment shall not be a waiver of Lender's right to either require prompt payment when due of all other sums so secured or to declare a default for failure to make prompt payment. The procurement of insurance or the payment of

taxes or other liens or charges by Lender shall not be a waiver of Lender's right to accelerate the maturity of the Indebtedness secured by this Instrument, nor shall Lender's receipts of any awards, proceeds or damages under Sections 3.04 or 3.07 hereof operate to cure or waive Grantor's default in payment of sums secured by this Instrument.

5.14 **WAIVER OF MARSHALLING.** Notwithstanding the existence of any other security interests in the Property held by Lender or by any other party, Lender shall have the right to determine the order in which any or all portions of the Indebtedness secured hereby are satisfied from the proceeds realized upon the exercise of the remedies provided herein. Grantor, any party who consents to this Instrument and any party who now or hereafter acquires a security interest in the Property and who has actual or constructive notice hereof hereby waives any and all right to require the marshalling of assets in connection with the exercise of any of the remedies permitted by applicable law or provided herein.

5.15 **WAIVER OF STATUTE OF LIMITATIONS.** Grantor hereby waives the right to assert any statute of limitations as a bar to the enforcement of the lien of this Instrument or to any action brought to enforce the Note or any other obligation secured by this Instrument.

5.16 **DEFAULT UNDER OTHER AGREEMENTS.** If default shall be made in the payment of principal or interest on any other promissory note or notes executed by Grantor or any guarantor hereof and held by Lender as the same become due and payable (each an "Other Note"), or if there is a default in any of the terms, covenants, agreements, conditions or provisions set forth in this Agreement, the Promissory Note, the Security Instruments, or any other instrument relating to this Agreement or the Promissory Note, or should the Lender conclude, in its sole discretion, that the prospect of payment of the Promissory Note, as modified by this Agreement, or of any Other Note, is impaired for any reason, then in any such event Lender, at its option, may declare the entirety of the Promissory Note, as modified by this Agreement, and any Other Note, together with all accrued but unpaid interest thereon, immediately due and payable without notice, demand or presentment, or notice of intent to accelerate to the Grantor or any other person or party, all of which are hereby waived. Lender's failure to exercise said option shall not constitute a waiver on the part of Lender of the right to exercise said option at any other time. Upon the occurrence of a default, Lender shall also have the right to exercise any and all other rights, remedies and recourses now or hereinafter existing in equity, at law, by virtue of statute or otherwise, including, but not limited to, the right to foreclose any and all liens and security interests securing the Promissory Note, this Agreement and/or any Other Note. Except as may be limited or prohibited by applicable law, Grantor agrees and acknowledges that the Security Instruments secure (a) the Promissory Note, as extended and/or modified, including interest, late charges, fees, expenses and other amounts as provided in the Promissory Note, the Security Instruments and this Agreement, (b) all other debts, obligations and liabilities of Grantor and/or Borrower to Lender of whatever kind or character, whether now existing or hereafter arising, secured or unsecured, direct or indirect, fixed or contingent, primary or secondary, joint or several or both, including, without limitation, all present and future debts, obligations and liabilities of Grantor and/or Borrower (i) as principal, surety, endorser, guarantor, accommodation party or otherwise, (ii) arising by operation of law or otherwise, (iii) as a member of any partnership, joint venture, company, firm, trust or other association or (iv) payable to or in favor of third parties and hereafter acquired by Lender with or without the knowledge, consent or insistence of Grantor and/or Borrower, it being contemplated that Grantor and/or Borrower may from time to time become additionally indebted to Lender, all of which indebtedness is secured by the Security Instruments, and (c) all renewals, rearrangements, modifications and extensions of any of the foregoing.

#### ARTICLE VI - HAZARDOUS MATERIALS

6.01 **HAZARDOUS MATERIALS.** For the purposes of this Instrument, Grantor, Lender and Trustee agree that, unless the context otherwise specifies or requires, the following terms shall have the following meanings:

(a) "Hazardous Materials" shall mean (i) any "hazardous waste" as defined by the Resource Conservation and Recovery Act of 1976 (42 U.S.C. Section 6901 ~~et seq.~~), as amended from time to time, and regulations promulgated thereunder; (ii) any "hazardous substance" as defined by the Comprehensive Environmental Response, Compensation and Liability Act of 1980 (42 U.S.C. Section 9601 ~~et seq.~~) ("CERCLA"), as amended from time to time, and regulations promulgated thereunder; (iii) asbestos; (iv) polychlorinated biphenyls; (v) underground storage tanks, whether empty, filled or partially filled with any substance; (vi) any substance the presence of which on the Property is prohibited by any applicable governmental requirements and regulations ("Governmental

Requirements"); and (vii) any other substance which by any Governmental Requirements requires special handling or notification of any federal, state, or local governmental entity in its collection, storage, treatment, or disposal.

(b) "Hazardous Materials Contamination" shall mean the contamination (whether presently existing or hereafter occurring) of any improvements, facilities, soil, groundwater, air or other elements on or of the Property by Hazardous Materials, or the contamination of the buildings, facilities, soil, groundwater, air, or other elements on or of any other property as a result of Hazardous Materials at any time (whether before or after the date of this Instrument) emanating from the Property.

6.02 REPRESENTATIONS AND WARRANTIES. Grantor represents and warrants that:

(a) No Hazardous Materials are now located on the Property, and neither Grantor nor, to Grantor's knowledge, any other person has ever caused or permitted any Hazardous Materials to be placed, held, located, or disposed of on, under or at the Property or any part thereof;

(b) No part of the Property is being used or, to the knowledge of Grantor, has been used at any previous time for the disposal, storage, treatment, processing, or other handling of Hazardous Materials, nor is any part of the Property affected by any Hazardous Materials Contamination;

(c) To the best of the Grantor's knowledge and belief, no property adjoining the Property is being used, or has ever been used at any previous time, for the disposal, storage, treatment, processing or other handling of Hazardous Materials, nor is any other property adjoining the Property affected by Hazardous Materials Contamination; and

(d) No investigation, administrative order, consent order and agreement, litigation or settlement with respect to Hazardous Materials or Hazardous Materials Contamination is proposed, threatened, anticipated or in existence with respect to the Property. The Property is not currently on, and to Grantor's knowledge, after diligent investigation and inquiry, has never been on any federal or state "Superfund" or "Superlien" list.

(e) The Property, or any part thereof, is not situated within a flood plain, flood prone area, special flood hazardous area, or the like, as so designated by the applicable Flood Hazard Insurance Administration and/or any other federal agency appointed to regulate such matters under the Federal Flood Disaster Protection Act, as amended, and Grantor herein indemnifies and holds Lender safe and harmless from any claims and/or costs arising against or incurred by Lender if the Property (or any part thereof) is, in fact, determined to be in such an area.

6.03 GRANTOR'S COVENANTS. Grantor agrees to (a) give notice to Lender immediately upon Grantor's acquiring knowledge of the presence of any Hazardous Materials on the Property or of any Hazardous Materials Contamination with a full description thereof; (b) promptly comply with any Governmental Requirements requiring the removal, treatment or disposal of such Hazardous Materials or Hazardous Materials Contamination and provide Lender with satisfactory evidence of such compliance; and (c) provide Lender, within thirty (30) days after demand by Lender, with a bond, letter of credit or similar financial assurance evidencing to Lender's satisfaction that the necessary funds are available to pay the cost of removing, treating and disposing of such Hazardous Materials or Hazardous Materials Contamination and discharging any assessments which may be established on the Property as a result thereof.

6.04 SITE ASSESSMENTS. Lender (by its officers, employees and agents) at any time and from time to time, either prior to or after any breach by Grantor of any covenant or agreement in this Instrument, may contract for the services of persons (the "Site Reviewers") to perform environmental site assessments ("Site Assessments") on the Property for the purpose of determining whether there exists on the Property any environmental condition which could reasonably be expected to result in any liability, cost, or expense to the owner, occupier or operator of such Property arising under any state, federal or local law, rule or regulation relating to Hazardous Materials. The Site Assessments may be performed at any time or times, upon reasonable notice, and under reasonable conditions established by Grantor which do not impede the performance of the Site Assessments. The Site Reviewers are authorized to enter upon the Property for such purposes. The Site Reviewers are further authorized to perform both above and below the ground testing for environmental damage or the presence of Hazardous Materials on the Property and such other tests

on the Property as may be necessary to conduct the Site Assessments in the reasonable opinion of the Site Reviewers. Grantor will supply to the Site Reviewers such historical and operational information regarding the Property as may be reasonably requested by the Site Reviewers to facilitate the Site Assessments and will make available for meetings with the Site Reviewers appropriate personnel having knowledge of such matters. On request, Lender shall make the results of such Site Assessments fully available to Grantor, which (prior to any breach by Grantor or any covenant or agreement in this Instrument) may, at Grantor's election, participate under reasonable procedures in the direction of such Site Assessments and the description of tasks of the Site Reviewers. The cost of performing such Site Assessments shall be paid by Grantor upon demand of Lender and any such obligations shall be Indebtedness secured by this Instrument.

**6.05 INDEMNIFICATION.** Regardless of whether any Site Assessments are conducted hereunder, if any breach by Grantor of any covenant or agreement in this Instrument shall have occurred and be continuing or any remedies in respect of the Property are exercised by Lender, Grantor shall defend, indemnify, and hold harmless Lender and Trustee from any and all liabilities (including strict liability), actions, demands, penalties, losses, costs, or expenses (including without limitation attorneys' fees and expenses, and remedial costs), suits, costs of any settlement or judgement and claims of any and every kind whatsoever which may now or in the future (whether before or after the release of this Instrument) be paid, incurred or suffered by or asserted against Lender or Trustee by any person or entity or governmental agency for, with respect to, or as a direct or indirect result of, the presence on or under, or the escape, seepage, leakage, spillage, discharge, emission or release from the Property of any Hazardous Materials or any Hazardous Materials Contamination or arise out of or result from the environmental conditions of the Property or the applicability of any Governmental Requirements relating to Hazardous Materials (including without limitation CERCLA or any federal, state or local so-called "Superfund" or "Superlien" laws, statute, law, ordinance, code, rule, regulation, order or decree), regardless of whether or not caused by or within the control of Grantor, Lender or Trustee. The representations, covenants, warranties, and indemnifications contained in this Article VI shall survive the release of this Instrument.

**6.06 RIGHTS OF LENDER.** Lender shall have the right, but not the obligation, prior or subsequent to any breach by Grantor of any covenant or agreement in this Instrument, without in any way limiting Lender's other rights and remedies under this Instrument, to enter onto the Property or to take such other actions as it deems necessary or advisable to clean up, remove, resolve or minimize the impact of, or otherwise deal with any Hazardous Materials or Hazardous Materials Contamination on the Property following receipt of any notice from any person or entity asserting the existence of any Hazardous Materials or Hazardous Materials Contamination pertaining to the Property or any part thereof which, if true, could result in an order, suit, imposition of a lien on the Property, or other action, and/or which, in Lender's sole opinion, could jeopardize Lender's security under this Instrument. All costs and expenses paid or incurred by Lender in the exercise of any such rights shall be Indebtedness secured by this Instrument and shall be payable by Grantor upon demand.

#### ARTICLE VII - MISCELLANEOUS PROVISIONS

**7.01 RELEASE.** Upon payment of all sums secured by this Instrument, Lender shall release this Instrument. Grantor shall pay Lender's reasonable costs incurred in releasing this Instrument.

**7.02 GRANTOR AND LIEN NOT RELEASED.** From time to time, Lender may, at Lender's option, without giving notice to or obtaining the consent of Grantor, Grantor's successors or assigns or of any junior lienholder or guarantors, without liability on Lender's part and notwithstanding Grantor's breach of any covenant or agreement of Grantor in this Instrument, extend the time for payment of said Indebtedness or any part thereof, reduce the payments thereon, release anyone liable on any of said Indebtedness, accept a renewal note or notes therefor, modify the terms and time of payment of said Indebtedness, release from the lien of this Instrument any part of the Property, take or release other or additional security, reconvey any part of the Property, consent to any map or plan of the Property, consent to the granting of any easement, join in any extension or subordination agreement, and agree in writing with Grantor to modify the rate of interest or period of amortization of the Note or change the amount of the installments payable thereunder. Any actions taken by Lender pursuant to the terms of this Section 7.01 shall not affect the obligation of Grantor or Borrower's successors or assigns to pay the sums secured by this Instrument and to observe the covenants of Grantor contained herein, shall not affect the guaranty of any person, corporation, partnership, or other entity for payment of the Indebtedness secured hereby, and shall not affect the lien or priority of

lien hereof on the Property. Grantor shall pay Lender a reasonable service charge, together with such title insurance premiums and attorney's fees as may be incurred at Lender's option, for any such action if taken at Grantor's request.

**7.03 NOTICE.** Except for any notice required under applicable law to be given in another manner, (a) any notice to Grantor provided for in this Instrument or in the Note shall be given by mailing such notice by certified mail addressed to Grantor at Grantor's address stated in this Instrument or at such other address as Grantor may designate by notice to Lender as provided herein, and (b) any notice to Lender shall be given by certified mail, return receipt requested, to Lender's address stated herein or to such other address as Lender may designate by notice to Grantor as provided herein. Any notice provided for in this Instrument or in the Note shall be deemed to have been given to Grantor or Lender when given in the manner designated herein.

**7.04 SUCCESSORS AND ASSIGNS BOUND.** The covenants and agreements herein contained shall bind, and the rights hereunder shall inure to, the respective successors and assigns of Lender and Grantor, subject to the provisions of Section 5.11 hereof.

**7.05 JOINT AND SEVERAL LIABILITY.** All covenants and agreements of Grantor shall be joint and several.

**7.06 AGENTS.** In exercising any rights hereunder or taking any actions provided for herein, Lender may act through its employees, agents or independent contractors as authorized by Lender.

**7.07 GOVERNING LAW.** This Instrument shall be governed by the applicable laws of the State of Texas and the United States of America.

**7.08 SEVERABILITY.** In the event that any provision of this Instrument or the Note conflicts with applicable law, such conflict shall not affect other provisions of this Instrument or the Note which can be given effect without the conflicting provisions, and to this end the provisions of this Instrument and the Note are declared to be severable.

**7.09 USURY DISCLAIMER.** In the event that any applicable law limiting the amount of interest or other charges permitted to be collected from Grantor is interpreted so that any charge provided for in this Instrument or in the Note, whether considered separately or together with other charges levied in connection with this Instrument and the Note, violates such law, and Grantor is entitled to the benefit of such law, such charge is hereby reduced to the extent necessary to eliminate such violation. The amounts, if any, previously paid to Lender in excess of the amounts payable to Lender pursuant to such charges as reduced shall be applied by Lender to reduce the principal of the Indebtedness evidenced by the Note. For the purpose of determining whether any applicable law limiting the amount of interest or other charges permitted to be collected from Grantor has been violated, all Indebtedness which is secured by this Instrument or evidenced by the Note and which constitutes interest, as well as other charges levied in connection with such Indebtedness which constitute interest, shall be deemed to be allocated and spread over the stated term of the Note. Unless otherwise required by applicable law, such allocation and spreading shall be effected in such a manner that the rate of interest computed thereby is uniform throughout the stated term of the Note.

**7.10 PARTIAL INVALIDITY.** In the event any portion of the sums intended to be secured by this Instrument cannot be lawfully secured hereby, payments in reduction of such sums shall be applied first to those portions not secured hereby.

**7.11 CAPTIONS.** The captions and headings of the Sections of this Instrument are for convenience only and are not to be used to interpret or define the provisions hereof.

**7.12 ADVANCES AND RENEWALS.** Grantor agrees that each request made for an advance under the Note described above and secured hereby and each renewal and/or extension of the indebtedness evidenced thereby, whether such request, renewal and/or extension is made orally or in writing, shall constitute, unless specifically denied by Grantor in writing, a representation and warranty by Grantor that (i) no default exists, and no event has occurred which solely with the passage of time or the giving of notice or both would constitute a default under this Deed of Trust; (ii) all written representations and warranties previously made by Grantor in connection with the transaction of which this

Deed of Trust is a part continue to be true and correct; and (iii) Grantor has no claim or cause of action against Lender in connection with said transaction (or if Grantor does have such a claim or cause of action, then such claim or cause of action is by such request, renewal and/or extension expressly released and discharged in consideration of Lender's making the requested advance, renewal and/or extension).

7.13 ENTIRE AGREEMENT. This Instrument contains the entire agreement between Grantor and Lender regarding the matters described herein, and no prior statements, commitments or writings not specifically incorporated in this Instrument shall be of any force or effect. No variation, modification or changes to this Instrument shall be binding upon either Grantor or Lender unless specifically set forth in a document executed by Grantor and Lender through a duly authorized officer or representative of each such entity.

DATED: May 30, 2019.

GRANTOR:

WOODLAND ON IH35 PROPERTIES, LLC, a Texas limited liability company

By: [Signature]

BASHEER MOHAMED, Manager

By: RRG DEVELOPERS, LLC, a Texas limited liability company, its Manager

By: [Signature]

VENKATA SUBBA REDDY YELURU,  
Manager

By: [Signature]

RAMAKRISHNA REDDY JOOLUKUNTLA,  
Manager

By: [Signature]

GOPAL K. GUTHIKONDA, Manager

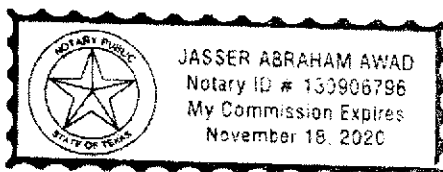
THE STATE OF TEXAS §

COUNTY OF TRAVIS §

This instrument was acknowledged before me on the 30 day of May, 2019, by BASHEER MOHAMED, Manager of WOODLAND ON IH35-PROPERTIES, LLC, a Texas limited liability company, on behalf of said limited liability company.

(Notary Seal)

[Signature]  
Notary Public in and for the State of Texas

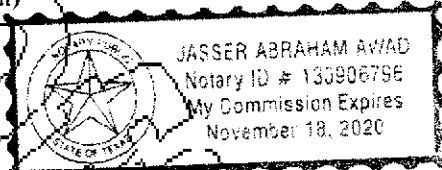


THE STATE OF TEXAS §

COUNTY OF TRAVIS §

This instrument was acknowledged before me on the 30 day of May, 2019, by VENKATA SUBBA REDDY YELURU, Manager of RRG DEVELOPERS, LLC, a Texas limited liability company, Manager of WOODLAND ON IH35 PROPERTIES, LLC, a Texas limited liability company, on behalf of said limited liability companies.

(Notary Seal)



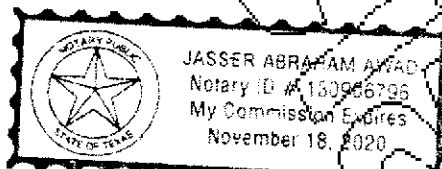
Notary Public in and for the State of Texas

THE STATE OF TEXAS §

COUNTY OF TRAVIS §

This instrument was acknowledged before me on the 30 day of May, 2019, by RAMAKRISHNA REDDY JOOLUKUNTLA, Manager of RRG DEVELOPERS, LLC, a Texas limited liability company, Manager of WOODLAND ON IH35 PROPERTIES, LLC, a Texas limited liability company, on behalf of said limited liability companies.

(Notary Seal)



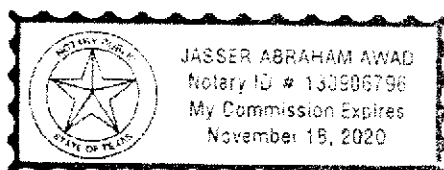
Notary Public in and for the State of Texas

THE STATE OF TEXAS §

COUNTY OF TRAVIS §

This instrument was acknowledged before me on the 30 day of May, 2019, by GOPAL K. GUTHIKONDA, Manager of RRG DEVELOPERS, LLC, a Texas limited liability company, Manager of WOODLAND ON IH35 PROPERTIES, LLC, a Texas limited liability company, on behalf of said limited liability companies.

(Notary Seal)



Notary Public in and for the State of Texas

AFTER RECORDING. RETURN TO:



**Policy No.: 133118-1-19040085JA-2019-7244243-217245587**

**OWNER'S POLICY OF TITLE INSURANCE (Form T-1)**

Issued by

**CHICAGO TITLE INSURANCE COMPANY**

**Any notice of claim and any other notice or statement in writing required to be given the Company under this Policy must be given to the Company at the address shown in Section 18 of the Conditions.**

**COVERED RISKS**

SUBJECT TO THE EXCLUSIONS FROM COVERAGE, THE EXCEPTIONS FROM COVERAGE CONTAINED IN SCHEDULE B, AND THE CONDITIONS, CHICAGO TITLE INSURANCE COMPANY, a Florida corporation (the "Company") insures, as of Date of Policy and, to the extent stated in Covered Risks 9 and 10, after Date of Policy, against loss or damage, not exceeding the Amount of Insurance, sustained or incurred by the Insured by reason of:

1. Title being vested other than as stated in Schedule A.
2. Any defect in or lien or encumbrance on the Title. This Covered Risk includes but is not limited to insurance against loss from
  - (a) A defect in the Title caused by:
    - (i) forgery, fraud, undue influence, duress, incompetency, incapacity or impersonation;
    - (ii) failure of any person or Entity to have authorized a transfer or conveyance;
    - (iii) a document affecting Title not properly created, executed, witnessed, sealed, acknowledged, notarized, or delivered;
    - (iv) failure to perform those acts necessary to create a document by electronic means authorized by law;
    - (v) a document executed under a falsified, expired or otherwise invalid power of attorney;
    - (vi) a document not properly filed, recorded or indexed in the Public Records including failure to perform those acts by electronic means authorized by law; or
    - (vii) a defective judicial or administrative proceeding.
  - (b) The lien of real estate taxes or assessments imposed on the Title by a governmental authority due or payable, but unpaid.
  - (c) Any encroachment, encumbrance, violation, variation, or adverse circumstance affecting the Title that would be disclosed by an accurate and complete land survey of the Land. The term "encroachment" includes encroachments of existing improvements located on the Land onto adjoining land, and encroachments onto the Land of existing improvements located on adjoining land.
  - (d) Any statutory or constitutional mechanic's, contractor's, or materialman's lien for labor or materials having its inception on or before Date of Policy.
3. Lack of good and indefeasible Title.
4. No right of access to and from the Land.
5. The violation or enforcement of any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to
  - (a) the occupancy, use, or enjoyment of the Land;
  - (b) the character, dimensions or location of any improvement erected on the Land;
  - (c) subdivision of land; or
  - (d) environmental protection
 if a notice, describing any part of the Land, is recorded in the Public Records setting forth the violation or intention to enforce, but only to the extent of the violation or enforcement referred to in that notice.
6. An enforcement action based on the exercise of a governmental police power not covered by Covered Risk 5 if a notice of the enforcement action, describing any part of the Land, is recorded in the Public Records, but only to the extent of the enforcement referred to in that notice.
7. The exercise of the rights of eminent domain if a notice of the exercise, describing any part of the Land, is recorded in the Public Records.
8. Any taking by a governmental body that has occurred and is binding on the rights of a purchaser for value without Knowledge.
9. Title being vested other than as stated in Schedule A or being defective:
  - (a) as a result of the avoidance in whole or in part, or from a court order providing an alternative remedy, of a transfer of all or any part of the title to or any interest in the Land occurring prior to the transaction vesting Title as shown in Schedule A because that prior transfer constituted a fraudulent or preferential transfer under federal bankruptcy, state insolvency, or similar creditors' rights laws; or
  - (b) because the instrument of transfer vesting Title as shown in Schedule A constitutes a preferential transfer under federal bankruptcy, state insolvency, or similar creditors' rights laws by reason of the failure of its recording in

the Public Records:

- (i) to be timely, or
- (ii) to impart notice of its existence to a purchaser for value or a judgment or lien creditor.

10. Any defect in or lien or encumbrance on the Title or other matter included in Covered Risks 1 through 9 that has been created or attached or has been filed or recorded in the Public Records subsequent to Date of Policy and prior to the recording of the deed or other instrument of transfer in the Public Records that vests Title as shown in Schedule A.

The Company will also pay the costs, attorneys' fees, and expenses incurred in defense of any matter insured against by this Policy, but only to the extent provided in the Conditions.

**IN WITNESS WHEREOF**, the Company has caused this Policy to be signed with the facsimile signatures of its President and Secretary and sealed as required by its By-Laws.

Countersigned:

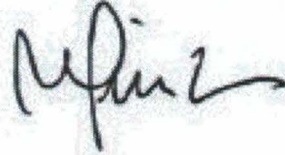
By:   
Authorized Officer or Agent

Community National Title, LLC  
14800 Quorum Dr Ste 150  
Dallas, TX 75254-1439  
Tel: 972-528-6071  
Fax: 214-593-5754



By:

CHICAGO TITLE INSURANCE COMPANY



President

Attest:



Secretary

## **IMPORTANT NOTICE**

To obtain information or make a complaint:

You may call CHICAGO TITLE INSURANCE COMPANY toll free telephone for information or to make a complaint at:  
**1-800-442-7067**

You may also write to CHICAGO TITLE INSURANCE COMPANY at:  
P.O. Box 45023, Jacksonville, FL 32232-5023

You may contact the Texas Department of Insurance to obtain information on companies, coverages, rights or complaints at:

**1-800-252-3439**

You may write to the Texas Department of Insurance at:

PO Box 149104  
Austin, TX 78714-9104  
Web: <http://www.tdi.texas.gov>  
Email: [ConsumerProtection@tdi.texas.gov](mailto:ConsumerProtection@tdi.texas.gov)

### **PREMIUM OR CLAIM DISPUTES:**

Should you have a dispute concerning your premium or about a claim you should contact the company first. If the dispute is not resolved, you may contact the Texas Department of Insurance.

### **ATTACH THIS NOTICE TO YOUR POLICY:**

This notice is for information only and does not become a part or condition of the attached document.

## **AVISO IMPORTANTE**

Para obtener informacion o para someter una queja:

Usted puede llamar al numero de telefono gratis de CHICAGO TITLE INSURANCE COMPANY para informacion o para someter una queja al:

**1-800-442-7067**

Usted tambien puede escribir a CHICAGO TITLE INSURANCE COMPANY at:  
P.O. Box 45023, Jacksonville, FL 32232-5023

Puede comunicarse con el Departamento de Seguros de Texas para obtener informacion acerca de companias, coberturas, derechos o quejas at:

**1-800-252-3439**

Puede escribir al Departamento de Seguros de Texas:

PO Box 149104  
Austin TX 78714-9104  
Web: <http://www.tdi.texas.gov>  
Email: [ConsumerProtection@tdi.texas.gov](mailto:ConsumerProtection@tdi.texas.gov)

### **DISPUTAS SOBRE PRIMAS O RECLAMOS:**

Si tiene una disputa concerniente a su prima o a un reclamo, debe comunicarse con la compania primero. Si no se resuelve la disputa; puede entonces comunicarse con el departamento (TDI)

### **UNA ESTE AVISO A SU POLIZA**

Este aviso es solo para proposito de informacion no se convierte en parte o condicion del documento adjunto.

## EXCLUSIONS FROM COVERAGE

The following matters are expressly excluded from the coverage of this policy, and the Company will not pay loss or damage, costs, attorneys' fees, or expenses which arise by reason of:

1. (a) Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to:
  - (i) the occupancy, use, or enjoyment of the Land;
  - (ii) the character, dimensions, or location of any improvement erected on the Land;
  - (iii) subdivision of land; or
  - (iv) environmental protection;
 or the effect of any violation of these laws, ordinances, or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5.
 

(b) Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 6.
2. Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.
3. Defects, liens, encumbrances, adverse claims, or other matters:
  - (a) created, suffered, assumed, or agreed to by the Insured Claimant;
  - (b) not Known to the Company, not recorded in the Public Records at Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;
  - (c) resulting in no loss or damage to the Insured Claimant;
  - (d) attaching or created subsequent to Date of Policy (however, this does not modify or limit the coverage provided under Covered Risk 9 and 10); or
  - (e) resulting in loss or damage that would not have been sustained if the Insured Claimant had paid value for the Title.
4. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that the transaction vesting the Title as shown in Schedule A, is:
  - (a) a fraudulent conveyance or fraudulent transfer; or
  - (b) a preferential transfer for any reason not stated in Covered Risk 9 of this policy.
5. Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching between Date of Policy and the date of recording of the deed or other instrument of transfer in the Public Records that vests Title as shown in Schedule A.
6. The refusal of any person to purchase, lease or lend money on the estate or interest covered hereby in the land described in Schedule A because of Unmarketable Title.

## CONDITIONS

### 1 DEFINITION OF TERMS

The following terms when used in this policy mean:

(a) "Amount of Insurance": The amount stated in Schedule A, as may be increased or decreased by endorsement to this policy, increased by Section 8(b), or decreased by Sections 10 and 11 of these Conditions.

(b) "Date of Policy": The date designated as "Date of Policy" in Schedule A.

(c) "Entity": A corporation, partnership, trust, limited liability company, or other similar legal entity.

(d) "Insured": The Insured named in Schedule A.

(i) The term "Insured" also includes

(A) successors to the Title of the Insured by operation of law as distinguished from purchase, including heirs, devisees, survivors, personal representatives, or next of kin;

(B) successors to an Insured by dissolution, merger, consolidation, distribution, or reorganization;

(C) successors to an Insured by its conversion to another kind of Entity;

(D) a grantee of an Insured under a deed delivered without payment of actual valuable consideration conveying the Title

(1) if the stock, shares, memberships, or other equity interests of the grantee are wholly-owned by the named Insured,

(2) if the grantee wholly owns the named Insured,

(3) if the grantee is wholly-owned by an affiliated Entity of the named Insured, provided the affiliated Entity and the named Insured are both wholly-owned by the same person or Entity, or

(4) if the grantee is a trustee or beneficiary of a trust created by a written instrument established by the Insured named in Schedule A for estate planning purposes.

(ii) With regard to (A), (B), (C), and (D) reserving, however, all rights and defenses as to any successor that the Company would have had against any predecessor Insured.

(e) "Insured Claimant": An Insured claiming loss or damage.

(f) "Knowledge" or "Known": Actual knowledge, not constructive knowledge or notice that may be imputed to an Insured by reason of the Public Records or any other records that impart constructive notice of matters affecting the Title.

(g) "Land": The land described in Schedule A, and affixed improvements that by law constitute real property. The term "Land" does not include any property beyond the lines of the area described in Schedule A, nor any right, title, interest, estate, or easement in abutting streets, roads, avenues, alleys, lanes, ways, or waterways, but this

does not modify or limit the extent that a right of access to and from the Land is insured by this policy.

(h) "Mortgage": Mortgage, deed of trust, trust deed, or other security instrument, including one evidenced by electronic means authorized by law.

(i) "Public Records": Records established under state statutes at Date of Policy for the purpose of imparting constructive notice of matter relating to real property to purchasers for value and without Knowledge. With respect to Covered Risk 5(d), "Public Records" shall also include environmental protection liens filed in the records of the clerk of the United States District Court for the district where the Land is located.

(j) "Title": The estate or interest described in Schedule A.

(k) "Unmarketable Title": Title affected by an alleged or apparent matter that would permit a prospective purchaser or lessee of the Title or lender on the Title to be released from the obligation to purchase, lease, or lend if there is a contractual condition requiring the delivery of marketable title.

## **2. CONTINUATION OF INSURANCE**

The coverage of this policy shall continue in force as of Date of Policy in favor of an Insured, but only so long as the Insured retains an estate or interest in the Land, or holds an obligation secured by a purchase money Mortgage given by a purchaser from the Insured, or only so long as the Insured shall have liability by reason of warranties in any transfer or conveyance of the Title. This policy shall not continue in force in favor of any purchaser from the Insured of either (i) an estate or interest in the Land, or (ii) an obligation secured by a purchase money Mortgage given to the Insured.

## **3. NOTICE OF CLAIM TO BE GIVEN BY INSURED CLAIMANT**

The Insured shall notify the Company promptly in writing (i) in case of any litigation as set forth in Section 5(a) below, or (ii) in case Knowledge shall come to an Insured hereunder of any claim of title or interest that is adverse to the Title, as insured, and that might cause loss or damage for which the Company may be liable by virtue of this policy. If the Company is prejudiced by the failure of the Insured Claimant to provide prompt notice, the Company's liability to the Insured Claimant under the policy shall be reduced to the extent of the prejudice.

When, after the Date of the Policy, the Insured notifies the Company as required herein of a lien, encumbrance, adverse claim or other defect in Title insured by this policy that is not excluded or excepted from the coverage of this policy, the Company shall promptly investigate the charge to determine whether the lien, encumbrance, adverse claim or defect or other matter is valid and not barred by law or statute. The Company shall notify the Insured in writing, within a reasonable time, of its determination as to the validity or invalidity of the Insured's claim or charge under the policy. If the Company concludes that the lien, encumbrance, adverse claim or defect is not covered by this policy, or was otherwise addressed in the closing of the transaction in connection with which this policy was issued, the Company shall specifically advise the Insured of the reasons for its determination. If the Company concludes that the lien, encumbrance, adverse claim or defect is valid, the Company shall take one of the following actions: (i) institute the necessary proceedings to clear the lien, encumbrance, adverse claim or defect from the Title as insured; (ii) indemnify the Insured as provided in this policy; (iii) upon payment of appropriate premium and charges therefor, issue to the Insured Claimant or to a

subsequent owner, mortgagee or holder of the estate or interest in the Land insured by this policy, a policy of title insurance without exception for the lien, encumbrance, adverse claim or defect, said policy to be in an amount equal to the current value of the Land or, if a loan policy, the amount of the loan; (iv) indemnify another title insurance company in connection with its issuance of a policy(ies) of title insurance without exception for the lien, encumbrance, adverse claim or defect; (v) secure a release or other document discharging the lien, encumbrance, adverse claim or defect, or (vi) undertake a combination of (i) through (v) herein.

## **4. PROOF OF LOSS**

In the event the Company is unable to determine the amount of loss or damage, the Company may, at its option, require as a condition of payment that the Insured Claimant furnish a signed proof of loss. The proof of loss must describe the defect, lien, encumbrance, or other matter insured against by this policy that constitutes the basis of loss or damage and shall state, to the extent possible, the basis of calculating the amount of the loss or damage.

## **5. DEFENSE AND PROSECUTION OF ACTIONS**

(a) Upon written request by the Insured, and subject to the options contained in Sections 3 and 7 of these Conditions, the Company, at its own cost and without unreasonable delay, shall provide for the defense of an Insured in litigation in which any third party asserts a claim covered by this policy adverse to the Insured. This obligation is limited to only those stated causes of action alleging matters insured against by this policy. The Company shall have the right to select counsel of its choice (subject to the right of the Insured to object for reasonable cause) to represent the Insured as to those stated causes of action. It shall not be liable for and will not pay the fees of any other counsel. The Company will not pay any fees, costs, or expenses incurred by the Insured in the defense of those causes of action that allege matters not insured against by this policy.

(b) The Company shall have the right, in addition to the options contained in Sections 3 and 7, at its own cost, to institute and prosecute any action or proceeding or to do any other act that in its opinion may be necessary or desirable to establish the Title, as insured, or to prevent or reduce loss or damage to the Insured. The Company may take any appropriate action under the terms of this policy, whether or not it shall be liable to the Insured. The exercise of these rights shall not be an admission of liability or waiver of any provision of this policy. If the Company exercises its rights under this subsection, it must do so diligently.

(c) Whenever the Company brings an action or asserts a defense as required or permitted by this policy, the Company may pursue the litigation to a final determination by a court of competent jurisdiction and it expressly reserves the right, in its sole discretion, to appeal from any adverse judgment or order.

## **6. DUTY OF INSURED CLAIMANT TO COOPERATE**

(a) In all cases where this policy permits or requires the Company to prosecute or provide for the defense of any action or proceeding and any appeals, the Insured shall secure to the Company the right to so prosecute or provide defense in the action or proceeding, including the right to use, at its option, the name of the Insured for this purpose. Whenever requested by the Company, the Insured, at the Company's expense, shall give the Company all reasonable aid (i) in securing evidence, obtaining witnesses, prosecuting or defending

the action or proceeding, or effecting settlement, and (ii) in any other lawful act that in the opinion of the Company may be necessary or desirable to establish the Title or any other matter as insured. If the Company is prejudiced by the failure of the Insured to furnish the required cooperation, the Company's obligations to the Insured under the policy shall terminate, including any liability or obligation to defend, prosecute, or continue any litigation, with regard to the matter or matters requiring such cooperation.

(b) The Company may reasonably require the Insured Claimant to submit to examination under oath by any authorized representative of the Company and to produce for examination, inspection, and copying, at such reasonable times and places as may be designated by the authorized representative of the Company, all records, in whatever medium maintained, including books, ledgers, checks, memoranda, correspondence, reports, e-mails, disks, tapes, and videos whether bearing a date before or after Date of Policy, that reasonably pertain to the loss or damage. Further, if requested by any authorized representative of the Company, the Insured Claimant shall grant its permission, in writing, for any authorized representative of the Company to examine, inspect, and copy all of these records in the custody or control of a third party that reasonably pertain to the loss or damage. All information designated as confidential by the Insured Claimant provided to the Company pursuant to this Section shall not be disclosed to others unless, in the reasonable judgment of the Company, it is necessary in the administration of the claim. Failure of the Insured Claimant to submit for examination under oath, produce any reasonably requested information, or grant permission to secure reasonably necessary information from third parties as required in this subsection, unless prohibited by law or governmental regulation, shall terminate any liability of the Company under this policy as to that claim.

#### **7. OPTIONS TO PAY OR OTHERWISE SETTLE CLAIMS; TERMINATION OF LIABILITY**

In case of a claim under this policy, the Company shall have the following additional options:

(a) To Pay or Tender Payment of the Amount of Insurance.

To pay or tender payment of the Amount of Insurance under this policy together with any costs, attorneys' fees, and expenses incurred by the Insured Claimant that were authorized by the Company up to the time of payment or tender of payment and that the Company is obligated to pay.

Upon the exercise by the Company of this option, all liability and obligations of the Company to the Insured under this policy, other than to make the payment required in this subsection, shall terminate, including any liability or obligation to defend, prosecute, or continue any litigation.

(b) To Pay or Otherwise Settle With Parties Other Than the Insured or With the Insured Claimant.

(i) To pay or otherwise settle with other parties for or in the name of an Insured Claimant any claim insured against under this policy. In addition, the Company will pay any costs, attorneys' fees, and expenses incurred by the Insured Claimant that were authorized by the Company up to the time of payment and that the Company is obligated to pay; or

(ii) To pay or otherwise settle with the Insured Claimant the loss or damage provided for under this policy, together with any costs, attorneys' fees, and expenses incurred by the Insured Claimant that were authorized by the Company up to the time of payment and that the Company is

obligated to pay. Upon the exercise by the Company of either of the options provided for in subsections (b)(i) or (ii), the Company's obligations to the Insured under this policy for the claimed loss or damage, other than the payments required to be made, shall terminate, including any liability or obligation to defend, prosecute, or continue any litigation.

#### **8. DETERMINATION AND EXTENT OF LIABILITY**

This policy is a contract of indemnity against actual monetary loss or damage sustained or incurred by the Insured Claimant who has suffered loss or damage by reason of matters insured against by this policy.

(a) The extent of liability of the Company for loss or damage under this policy shall not exceed the lesser of

(i) the Amount of Insurance; or

(ii) the difference between the value of the Title as insured and the value of the Title subject to the risk insured against by this policy.

(b) If the Company pursues its rights under Section 3 or 5 and is unsuccessful in establishing the Title, as insured,

(i) the Amount of Insurance shall be increased by 10%, and

(ii) the Insured Claimant shall have the right to have the loss or damage determined either as of the date the claim was made by the Insured Claimant or as of the date it is settled and paid.

(c) In addition to the extent of liability under (a) and (b), the Company will also pay those costs, attorneys' fees, and expenses incurred in accordance with Sections 5 and 7 of these Conditions.

#### **9. LIMITATION OF LIABILITY**

(a) If the Company establishes the Title, or removes the alleged defect, lien, or encumbrance, or cures the lack of a right of access to or from the Land, all as insured, or takes action in accordance with Section 3 or 7 in a reasonably diligent manner by any method, including litigation and the completion of any appeals, it shall have fully performed its obligations with respect to that matter and shall not be liable for any loss or damage caused to the Insured.

(b) In the event of any litigation, including litigation by the Company or with the Company's consent, the Company shall have no liability for loss or damage until there has been a final determination by a court of competent jurisdiction, and disposition of all appeals, adverse to the Title, as insured.

(c) The Company shall not be liable for loss or damage to the Insured for liability voluntarily assumed by the Insured in settling any claim or suit without the prior written consent of the Company.

#### **10. REDUCTION OF INSURANCE; REDUCTION OR TERMINATION OF LIABILITY**

All payments under this policy, except payments made for costs, attorneys' fees, and expenses, shall reduce the Amount of Insurance by the amount of the payment.

#### **11. LIABILITY NONCUMULATIVE**

The Amount of Insurance shall be reduced by any amount the Company pays under any policy insuring a Mortgage to which exception is taken in Schedule B or to which the Insured has agreed, assumed, or taken subject, or which is executed by an Insured after Date of Policy and which is a charge or lien on the Title, and the amount so paid shall be deemed a payment to the Insured under this policy.

#### **12. PAYMENT OF LOSS**

When liability and the extent of loss or damage have been definitely fixed in accordance with these Conditions, the payment shall be made within 30 days.

### **13. RIGHTS OF RECOVERY UPON PAYMENT OR SETTLEMENT**

(a) Whenever the Company shall have settled and paid a claim under this policy, it shall be subrogated and entitled to the rights of the Insured Claimant in the Title and all other rights and remedies in respect to the claim that the Insured Claimant has against any person or property, to the extent of the amount of any loss, costs, attorneys' fees, and expenses paid by the Company. If requested by the Company, the Insured Claimant shall execute documents to evidence the transfer to the Company of these rights and remedies. The Insured Claimant shall permit the Company to sue, compromise, or settle in the name of the Insured Claimant and to use the name of the Insured Claimant in any transaction or litigation involving these rights and remedies.

If a payment on account of a claim does not fully cover the loss of the Insured Claimant, the Company shall defer the exercise of its right to recover until after the Insured Claimant shall have recovered its loss.

(b) The Company's right of subrogation includes the rights of the Insured to indemnities, guaranties, other policies of insurance, or bonds, notwithstanding any terms or conditions contained in those instruments that address subrogation rights.

### **14. ARBITRATION -**

Either the Company or the Insured may demand that the claim or controversy shall be submitted to arbitration pursuant to the Title Insurance Arbitration Rules of the American Land Title Association ("Rules"). Except as provided in the Rules, there shall be no joinder or consolidation with claims or controversies of other persons. Arbitrable matters may include, but are not limited to, any controversy or claim between the Company and the Insured arising out of or relating to this policy, any service in connection with its issuance or the breach of a policy provision, or to any other controversy or claim arising out of the transaction giving rise to this policy. All arbitrable matters when the Amount of Insurance is \$2,000,000 or less shall be arbitrated at the option of either the Company or the Insured, unless the Insured is an individual person (as distinguished from an Entity). All arbitrable matters when the Amount of Insurance is in excess of \$2,000,000 shall be arbitrated only when agreed to by both the Company and the Insured.

Arbitration pursuant to this policy and under the Rules shall be binding upon the parties. Judgment upon the award rendered by the Arbitrator(s) may be entered in any court of competent jurisdiction.

### **15. LIABILITY LIMITED TO THIS POLICY; POLICY ENTIRE CONTRACT**

(a) This policy together with all endorsements, if any, attached to it by the Company is the entire policy and contract between the Insured and the Company. In interpreting any provision of this policy, this policy shall be

construed as a whole.

Skyline View

(b) Any claim of loss or damage that arises out of the status of the Title or by any action asserting such claim shall be restricted to this policy.

(c) Any amendment of or endorsement to this policy must be in writing and authenticated by an authorized person, or expressly incorporated by Schedule A of this policy.

(d) Each endorsement to this policy issued at any time is made a part of this policy and is subject to all of its terms and provisions. Except as the endorsement expressly states, it does not (i) modify any of the terms and provisions of the policy, (ii) modify any prior endorsement, (iii) extend the Date of Policy or (iv) increase the Amount of Insurance. Each Commitment, endorsement or other form, or provision in the Schedules to this policy that refers to a term defined in Section 1 of the Conditions shall be deemed to refer to the term regardless of whether the term is capitalized in the Commitment, endorsement or other form, or Schedule. Each Commitment, endorsement or other form, or provision in the Schedules that refers to the Conditions and Stipulations shall be deemed to refer to the Conditions of this policy.

### **16. SEVERABILITY**

In the event any provision of this policy, in whole or in part, is held invalid or unenforceable under applicable law, the policy shall be deemed not to include that provision or such part held to be invalid, and all other provisions shall remain in full force and effect.

### **17. CHOICE OF LAW; FORUM**

(a) Choice of Law: The Insured acknowledges the Company has underwritten the risks covered by this policy and determined the premium charged therefor in reliance upon the law affecting interests in real property and applicable to the interpretation, rights, remedies, or enforcement of policies of title insurance of the jurisdiction where the Land is located.

Therefore, the court or an arbitrator shall apply the law of the jurisdiction where the Land is located to determine the validity of claims against the Title that are adverse to the Insured and in interpreting and enforcing the terms of this policy. In neither case shall the court or arbitrator apply its conflicts of laws principles to determine the applicable law.

(b) Choice of Forum: Any litigation or other proceeding brought by the Insured against the Company must be filed only in a state or federal court within the United States of America or its territories having appropriate jurisdiction.

### **18. NOTICES, WHERE SENT**

Any notice of claim and any other notice or statement in writing required to be given to the Company under this Policy must be given to the Company at: P.O. Box 45023, Jacksonville, FL 32232-5023.

**OWNER'S POLICY OF TITLE INSURANCE (Form T-1)**

**Issued by**

**CHICAGO TITLE INSURANCE COMPANY**

**SCHEDULE A**

Name and Address of Title Insurance Company:  
**CHICAGO TITLE INSURANCE COMPANY**  
**PO Box 45023, Jacksonville, Florida 32232-5023**

File No.: **19040085JA**

Policy No.: **7244243-217245587**  
Issued with Policy No.: **7244343-217245588**

Address for Reference only: **1823 South IH 35, Austin, TX 78741**

Amount of Insurance: **\$1,500,000.00**

Premium: **\$8,548.05**

Date of Policy: **June 17, 2019, at 03:16 pm**

1. Name of Insured: **Woodland on IH35 Properties, LLC**
2. The estate or interest in the Land that is insured by this policy is: **Fee Simple**
3. Title is insured as vested in: **Woodland on IH35 Properties, LLC**
4. The land referred to in this policy is described as follows:  
**Lot 1, SEIDERS AND KALLMAN SUBDIVISION, a subdivision in the City of Austin, Texas, according to the Map or Plat thereof recorded in Volume 78, Page 218, Plat Records of Travis County, Texas; and as Corrected in Volume 7009, Page 1044, Real Property Records of Travis County, Texas.**

**OWNER'S POLICY OF TITLE INSURANCE (Form T-1)****Issued by****CHICAGO TITLE INSURANCE COMPANY****SCHEDULE B**File No.: **19040085JA**Policy No.: **7244243-217245587****EXCEPTIONS FROM COVERAGE**

This policy does not insure against loss or damage (and the Company will not pay costs, attorneys' fees or expenses) that arise by reason of the terms and conditions of the leases and easements, if any, shown in Schedule A, and the following matters:

1. The following restrictive covenants of record itemized below (the Company must either insert specific recording data or delete this exception):  
**Volume 78, Page 218, Plat Records as corrected in Volume 7009, Page 1044, Real Property Records; and Volume 4341, Page 111, Real Property Records; and in Instrument No. 2013218629, Official Public Records, Travis County, Texas, but omitting any covenant, condition or restriction, if any, based on race, color, religion, sex, handicap, familial status, or national origin unless and only to the extent that the covenant, condition or restriction (a) is exempt under Title 42 of the United States Code, or (b) relates to handicap, but does not discriminate against handicapped persons.**
2. ~~Any discrepancies, conflicts, or shortages in area or boundary lines, or any encroachments or protrusions, or any overlapping of improvements.~~
3. Homestead or community property or survivorship rights, if any, of any spouse of any Insured.
4. Any titles or rights asserted by anyone, including but not limited to, persons, the public, corporations, governments or other entities,
  - (a) to tidelands, or lands comprising the shores or beds of navigable or perennial rivers and streams, lakes, bays, gulfs or oceans, or
  - (b) to lands beyond the line of the harbor or bulkhead lines as established or changed by any government, or
  - (c) to filled-in lands, or artificial islands, or
  - (d) to statutory water rights, including riparian rights, or
  - (e) to the area extending from the line of mean low tide to the line of vegetation, or the right of access to that area or easement along and across that area.
5. Standby fees, taxes and assessments by any taxing authority for the year **2019**, and subsequent years; and subsequent taxes and assessments by any taxing authority for prior years due to change in land usage or ownership, but not those taxes or assessments for prior years because of an exemption granted to a previous owner of the property under Section 11.13, Texas Tax Code, or because of improvements not assessed for a previous tax year.
6. The following matters and all terms of the documents creating or offering evidence of the matters (The Company must insert matters or delete this exception).:
  - (a) **Vendor's Lien retained in Deed dated May 30, 2019, executed by Central South Carpenters Regional Council to Woodland on IH35 Properties, LLC, securing the payment of one note of even date therewith in the sum of \$1,125,000.00, payable to the order of First Texas Bank and being additionally secured by Deed of Trust dated May 30, 2019 to Van P. Swift, Trustee(s); said Deed of Trust filed for record in the office of the County Clerk of Travis County, Texas on June 17, 2019, in INstrument No. 2019088182, Official Public Records of**

**Travis County, Texas.**

- (b) **Rights of parties in possession.**
- (c) **Rights of public, the State of Texas and the municipality in and to that portion of subject property, if any, lying within the boundaries of any roadway, public or private.**
- (d) **Any visible and apparent easements on or across the property herein described, which are not shown of record.**
- (e) **All leases, grants, exceptions or reservations of coal, lignite, oil, gas and other minerals, together with all rights, privileges, and immunities relating thereto, appearing in the Public Records whether listed in Schedule B or not. There may be leases, grants, exceptions or reservations of mineral interest that are not listed.**
- (f) **Easements and building setback lines as set forth in Plat of Seiders & Kallman Subdivision, recorded in Volume 7, Page 218, Plat Records, and on Plat of John Felter Subdivision recorded in Volume 58, Page 86, Plat Records of Travis County, Texas, including, but not limited to, the following matters:**  
  
25' Building setback line along the Westerly property line;  
10' Public Utility Easements running across Lot 1 hereof;  
Easement filed in Volume 4391, Page 1496;  
Covenants and notes as shown thereon.
- (g) **Easement as shown in instrument from John Felter to City of Austin, dated August 1, 1972 and filed in Volume 4391, Page 1496, Deed Records of Travis County, Texas; as Affected by Easement Encroachment License Agreement No. #LA 627-1306 granted by the City of Austin to Central South Carpenters Regional Council filed in Instrument No. 2013179115, Official Public Records of Travis County, Texas.**
- (h) **Easement as shown in instrument from Richard D. Seiders to A.S. Kallman, dated July 1, 1979 and filed in Volume 6625, Page 2168, Deed Records of Travis County, Texas.**
- (i) **Terms and provisions of Restrictive Covenant Regarding Unified Development Agreement by and between Central South Carpenters Regional Council, as the Declarant and The Public dated October 2, 2013, filed December 12, 2013, recorded in Instrument No. 2013218629, Official Public Records, Travis County, Texas.**

Countersigned  
**Community National Title LLC**

By 

## Tab 5.e. Phase I ESA

*See attached.*

**Tab 5.f. SHPO**

***NOT APPLICABLE***