

November 5, 2021

Dear Austin HFC,

We'd like to take this opportunity to provide an update on our business plan and application for RHDA funding for Kensington Apartments. After several discussions with members of the AHFC, Austin Public Health, ECHO, and numerous regional service providers, we would like to increase our proposed number of COC units from 30 to 50. We received feedback from the AHFC requesting an increased number of COC units, and after discussing with service providers and potential partners, feel that 50 units (35% of total property) will strike the right balance between COC designated units and 50% AMI restricted units. We are happy to revisit the number of COC units if the AHFC prefers and can certainly modify the business plan accordingly. The location and amenities/transit nearby, as well as the unit sizes (250-400sf) make this an ideal project for a significant number of COC units.

Update on Business Plan/Proposed Use for Kensington Apartments:

- **Increased # of COC units:** We've had several discussions with ECHO for the last 10 months on this project and the feedback has been consistent – there's far greater demand for units that can cater to persons exiting homelessness than what is currently available, and while there are many projects in the pipeline that can provide some minority portion to COC units down the road, the reality is that these units are needed immediately for today's housing crisis. ECHO has stated that this location would be well-suited as it is an increasingly high opportunity area near local transit, retail, and jobs.
- **Mixed Income with Remainder at 50% AMI:** Further, given the relatively large number of units at the property (149 units today, reducing to 142 units post rehabilitation), the development team has decided that 100% COC units may be too much concentration in one location. As such, we are proposing 50 COC units, a still substantial number, with the remainder of units at 50% AMI. However, we remain open to feedback from the AHFC and others, and can increase or decrease this number as mutually agreed upon.
- **Extensive On-site Services with Experienced Third-Party Provider:** We plan to partner with a nonprofit that has extensive experience with and programs that cater specifically to persons exiting homelessness. We do have a draft MOU under discussion with Integral Care. The plan would be to have Integral Care (or another service provider) in the partnership, and providing on-site services and helping to coordinate other service providers that may have residents at the property. We anticipate an onsite team of 15:1 at the property for those COC units (so approximately 3 full-time employees as currently contemplated with 50 COC units.) This MOU contemplates setting aside a significant portion of the developer fee to capitalize the first years of operating cost for the service providers, and would provide a priority cash flow payment to subsidize the on-site services. Furthermore, Integral Care or the ultimate partner would apply for grant money to further bolster the funds available to allocate to on-site staff and support services. Lastly, we will also have a dedicated staff member as part of our on-site property management team to coordinate case managers for the various agencies we plan to work with for our residents. Wraparound supportive services is of utmost importance to us and in addition to having an

experienced third-party provider partner we will ensure that our own staff (Asset Living fka Alpha Barnes) is appropriately staffed on-site for further coverage and support.

- **Increased Common Area / Meeting Space:** We have increased the size of the common area / meeting room / office space by extending the back portion of the first floor of the lobby by approximately 580 square feet and have taken offline two additional one-bedroom units to provide additional office space. All together, we now estimate we will have approximately 2,500 square feet of total common area and office space. The common area space will include a computer lab, a communal meeting room, and several offices and breakout rooms for service providers to work from and meet with residents.
 - Liaise with each of the agencies
 - Ensure each agency has the space and materials it needs to conduct its services
 - General resident welfare and programming
- If we receive guidance from HIRC that this project should go 100% PSH instead of 100% COC, then we will need to build a brand-new services center (which would also thereby increase the need for funding significantly). We are also open to a partnership with the City of Austin or one of its subsidiaries in order to achieve this. We had been assuming a 50% property tax exemption previously due to the proposed partnership with Rainbow Housing. If we were to receive a 100% property tax exemption, and all else equal, we would be able to reduce our funding request by \$2.1mm to approximately \$3.8mm, or \$26k/unit.
- We are also applying for the next round of Project Based Vouchers from HACA, which could further aid in providing deeper affordability, and reduce the need for funding.

We would also like to address another point that was brought up – is it the best use to allocate RHDA funds to this existing project, or would it be better served to scrape the property and build brand new ground up development?

- **Housing available sooner:** Based on the current data we have, the residents this property currently serves are very low income (<30-50% AMI). Most residents are receiving some form of funding from nonprofits or churches. (No residents are on Housing Choice Vouchers because the current owner will only do bi-weekly or month-to-month leases, effectively operating the property as if it were a motel.) If we (or any other developer) were to demo the property and build brand new construction, there would be far fewer units available to serve LI/VLI residents in the new project (reducing the number of affordable units by as much as 80%). Furthermore, these affordable units would not be available for at minimum 5+ years, and the need for affordable housing units is *now*.
- **This plan minimizes temporary and permanent displacement:** Additionally, all of these residents would be displaced with an unclear path on where they would go. Based on our lease audit earlier this year, the data strongly indicates that tenants would not qualify for the rents they pay based on their income (current owners are renting on a bi-weekly or monthly basis, which reduces the

threshold for rent qualification as opposed to a traditional 12-month lease). Many residents have faced challenges which would make it challenging for them to be approved at other properties. We anticipate that many or most of the existing residents, if displaced, would struggle to find similarly priced housing that would rent to them, especially in this immediate area.

- In summary, not only does this business plan prevent displacement of residents (which would most likely happen if pursued by a market rate developer, thereby net increasing the population of people needing COC units); it keeps residents in their units during the renovation (we are doing a rolling renovation, starting with vacant units and then moving residents into renovated units, while doing building repairs as well without disrupting basic services); and if bond cap is received in 2022, we estimate we can complete these renovations in approximately ~16 months, making these units all renovated and online by the end of 2023.
- We believe there is significant need for 30-50% AMI affordable housing, and for a project with 50 (or more, if requested by AHFC), COC units in this area, that can be made available very shortly after funding. This project offers a unique opportunity to house residents now.
- **Opportunity to layer historic tax credits allows this affordable development to be more efficiently capitalized:** By qualifying this building for historic tax credits, the property can access approximately up to \$8M of federal and state historic tax credit equity funding that would otherwise not be available, thereby reducing the need for gap financing and allow us to keep rents as low as possible to best serve this population.

Property Condition Report – a clarification:

- We are pursuing HUD 221d4 loan, and for the purposes of their application they like to see the PCR report divided up into two specific categories – critical and non-critical repairs. To HUD (and per this report), “Critical Repairs” represent repairs that must be completed *prior to acquisition/closing/funding*, and “Non-Critical Repairs” represents repairs that must be completed within the construction phase of the project (18 months).
- The nomenclature used is specific to HUD, but upon detailed review of the report + visiting the property, it is abundantly clear that all of the repairs we have proposed are absolutely necessary for longevity of the property. The statement “remaining useful life of 47 years” is referencing the property’s structural framing and overall systems, assuming that the other required repairs as identified are completed.
- Our renovation scope is comprehensive and would result in a project that is well positioned to operate smoothly for its compliance period and beyond. We intend to make repairs and rehabilitate the property in a way that does not result in unfunded continuous deferred maintenance.

Rolling Renovation Relocation Plan – Why its Optimal for this Redevelopment Project:

- **Experience with in-place renovation:** We plan to perform an occupied rolling renovation. This plan starts by renovating the existing vacant units and then moving residents into those renovated units, while doing building repairs as well without disrupting basic services. The project currently has 20% vacancy and the layout of the property (4 quadrants or sections) makes it physically easy to separate the scopes of the rehab without disrupting residents' daily lives. As such, we anticipate completing the scope of the project in 4 phases. Especially during COVID and given the vulnerable nature of our population, we only want to relocate residents once (and this would be completely at landlord's expense). We have very recent experience performing a similar in-place relocation, as we are currently undergoing a \$10mm rehab project on a 200-unit affordable property in Dallas, in partnership with the Dallas Housing Finance Corporation. There, we are renovating approximately 25-30 units at a time (beginning with vacant units), then moving residents into those newly renovated units, and then renovating those units which the residents just vacated. We move the residents and their belongings using a professional third-party moving company, at the property's expense. We are able to complete all major building system improvements in a way that is not disruptive to the daily life of residents. All aspects of the team has experience in this area – Developer, Management Company, and General Contractor.
- **Least disruptive to residents:** We feel that relocating all residents to a hotel for an extended period of time (which would likely not be in immediate vicinity), would be more disruptive and unnecessarily costly. This would take them away from their community/family/friends, their daily comforts, access to transportation and resources, and would be far more disruptive without offering much benefit. We want to make the experience as comfortable as possible for the residents. We are confident that our plan ensures the least disruptive, resident-friendly, as well as cost effective option for relocation.
- **Most cost-efficient option (thereby reducing request for additional city funds)** We have included a detailed relocation plan in our application that we encourage the AHFC to review. Our ongoing relocation project in Dallas is under budget to-date compared to how we are budgeting similar expenses for Kensington. We strongly believe based on our experience and expenses with similar developments that the \$144,000 currently budgeted is more than adequate to accomplish an in-place renovation plan at this property.

The City of Austin is in need of affordable housing units and this is an opportunity that we do not happen upon very often. We must seize the opportunities when they come and capitalize on them. The City of Austin does not need additional overpriced luxury condos and apartments, but it does need more affordable housing units in strong neighborhoods with a myriad of services, amenities, and jobs. We applaud the city for their efforts to address the housing crisis and would be honored to work alongside the city to achieve this goal and be part of the solution.

We look forward to a successful project and welcome all input and questions from the Committee.

Development Proposal

Elizabeth Property Group (“EPG”) is under contract to acquire Kensington Apartments (the “Property”), a 149-unit multifamily property in Austin, Texas. The Property is comprised of 4 buildings located on 2.7 acres adjacent to the Mueller Redevelopment in Austin. The Property is not currently regulated but serves a highly vulnerable tenant population, with many residents receiving social services from various nonprofits and churches. The current landlord does not accept housing choice vouchers because he keeps all residents on a month-to-month lease.

The Property will be purchased free and clear and is eligible for tax credit syndication, allowing EPG to preserve 142-units of affordable housing (originally 149 but will be reduced to 142 final count due to combining smaller units and making room for social services and office space.) This property would otherwise be purchased by a value-add buyer who would redevelop the property into a higher density market rate development, displacing the current residents and diminishing the available supply of affordable housing in this growing and relatively high opportunity infill area of Austin.

EPG intends to convert the Property into 50 COC units, to serve those experiencing short term homelessness or housing instability with the remainder at 50% AMI. If desired by the AHFC, the development team is open to including more COC units.

This property has several features that make it a compelling case to pursue a LIHTC business plan:

- Minimize displacement of vulnerable resident base: Current resident base is highly vulnerable with many residents receiving social services. Without a tax credit execution and soft funds from the City of Austin, the new ownership would have to displace the current residents in order to make the value-add business plan economics work. There are very few similarly naturally occurring affordable options remaining in East Austin for these residents to move to. Initial support from local city officials is positive and supportive of regulating the building and not displacing residents.
- Onsite Services with Full-Time Staff: EPG is discussing a potential partnership with Integral Care and other service providers to provide intensive services with onsite full-time employees staffed at the property. These services would include case management, mental health counseling and referrals, job preparedness and training, and other services as needed. These services would be paid for by a portion of the developer fee reserves, a cash flow priority payment towards funding services, and through fundraising by Integral Care or our nonprofit partner.
- Excellent transit options: Kensington Apartments is across the street from two bus stops along Capital Metro's 20 route, with service running to Austin Bergstrom Airport, and the 335 route running from the Mueller neighborhood through the Hyde Park neighborhood. Additionally, residents are within walking distance to the MLK Jr station along the MetroRail service, which runs from Leander to the convention center downtown.

Kensington Apartments
3300 Manor Road
Austin, Texas

- Proximity to jobs: The Property's central location in East Austin near major employment centers with thousands of new jobs across the income spectrum being created annually, with public transit nearby offering numerous employment options for residents. According to a Census Bureau tool, On The Map, the site has 43,787 within a 2-mile radius. The report is attached for confirmation.
- Walkable to retail and amenities: The Property is 1.1 miles from the Mueller Redevelopment (700-acre master planned community with approved 3.5mm sf of office, including Dell's Children Medical Center, Asenension Seton Healthcare, Texas Mutual, and Austin Studios; and significant retail including a full service HEB grocery store and pharmacy; and just across the street from an entryptpoint on the Mueller Trail, connecting to over 13 miles of hiking and biking trails and 140 acres of parkland. It is also located just 2 miles east of the University of Austin and 3 miles from downtown Austin.
- Prime for Renovation: EPG anticipates a substantial renovation budget of approximately \$70,000/unit+, focusing on items that will address deferred maintenance (roof, mechanical systems, exterior, landscaping, outdoor sitting area), improve the quality of life for the residents through social programming by partnering with a non-profit services provider, and improve the Property's physical appearance and in-unit conditions (new flooring, paint, appliances, making units accessible as needed). EPG will also be pursuing historic tax credits (Part 1 and Part A approvals already received), as the property's architecture is reminiscent of a '60s era Austin motor lodge, many of which no longer exist due to redevelopment.
- Unit Mix: The Property is comprised of small efficiencies and one bedrooms, which is well suited to continue to serve the largely non-family resident base that currently occupies the property. The property will also be 100% restricted to ensure the serving of the lower-income popualtion in need of housing.
- Common Area: The Property (as currently contemplated) will have approximately 2,500 sf of office/amenity space, including a computer center for resident use. There will also be wireless internet throughout the property including in-unit, free of use to residents. There will be enough meeting and office space for our service provider partner to beable to have full-time on-site staff at a 15:1 ratio (based on the number of COC units).

Status:

- The project is in line for a 2022 bond allocation.
- The development team plans to also submit a pre-application for 9% tax credits in order to determine competitiveness (*note – in the 9% scenario, the project would require minimal or no gap financing from the city, making this a very unique opportunity to preserve/create 142 unit of affordable housing without having to expend many city resources, allowing those resources to be diverted to other projects, thereby increasing total number of affordable units the city is able to provide*).

Kensington Apartments
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- The Property has received Part 1/A approval from SHPO and NPS for historic tax credits. This is another funding sources that reduces need for gap financing and helps to preserve affordability at this location.
- EPG anticipates applying for Project based vouchers (an RFP is expected from HACA in Q4 2021.) Based on the small unit sizes, this property would serve COC / rapid rehousing population well and is walkable to jobs, amenities, and retail.
- EPG is in process of submitting a TSAHC AHP grant application for \$375,000.

Unit Mix:

Unit Type	# Units	Sq Feet	Proposed Rents	Current Asking*	Max Gross LIHTC (30%/50%)	Max Gross LIHTC (60%)
0/1 (50% AMI)	51	250	\$815	\$780	\$866	\$1,039
0/1 (30% AMI)	5	250	\$519	\$780	\$519	\$1,039
1/1 (50% AMI)	40	410	\$928	\$850+	\$928	\$1,113
1/1 (50% AMI)	42	410	\$928	\$850+	\$928	\$1,113
1/1 (50% AMI)	4	450	\$928		\$928	\$1,113
TOTAL	142	348	\$851	\$799+	\$891	\$1,084

- The current LL does not accept housing choice vouchers and has no project based vouchers. Rents include all utilities.
- EPG is exploring ways to further offer deeper affordability – including PBVs, RHDA funding, etc.
- Based on the number of COC units, it is not the intent to increase rent on current residents if resident has no funding subsidy available. From discussions with service provides and others, it is likely that most or all residents would qualify for rental subsidy programs. The rents, particularly on the 50% studio units, are underwritten below max 50% AMI rents to accommodate for existing residents who may be at lower rents and have no funding subsidy available, combined with new COC residents who will have a funding subsidy at the 50% AMI rent level.
- All rental prices are between 40-50% AMI affordability levels from an underwriting perspective, but it is anticipated that project will serve a much deeper affordability level based on having at least 50 COC units, accepting housing choice vouchers, and the possibility of obtaining some project based vouchers.

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Sources and Uses:

The below shows the sources and uses in both a 9% and 4% scenario. This application contemplates a 4% execution. It is worth noting that in a 9% scenario, very little or no gap financing would be required, making this a very efficient opportunity to preserve 142 units of long-term affordable housing (and allowing the city to fund additional affordable units with city funds).

4% Scenario (scenario contemplated in this application):

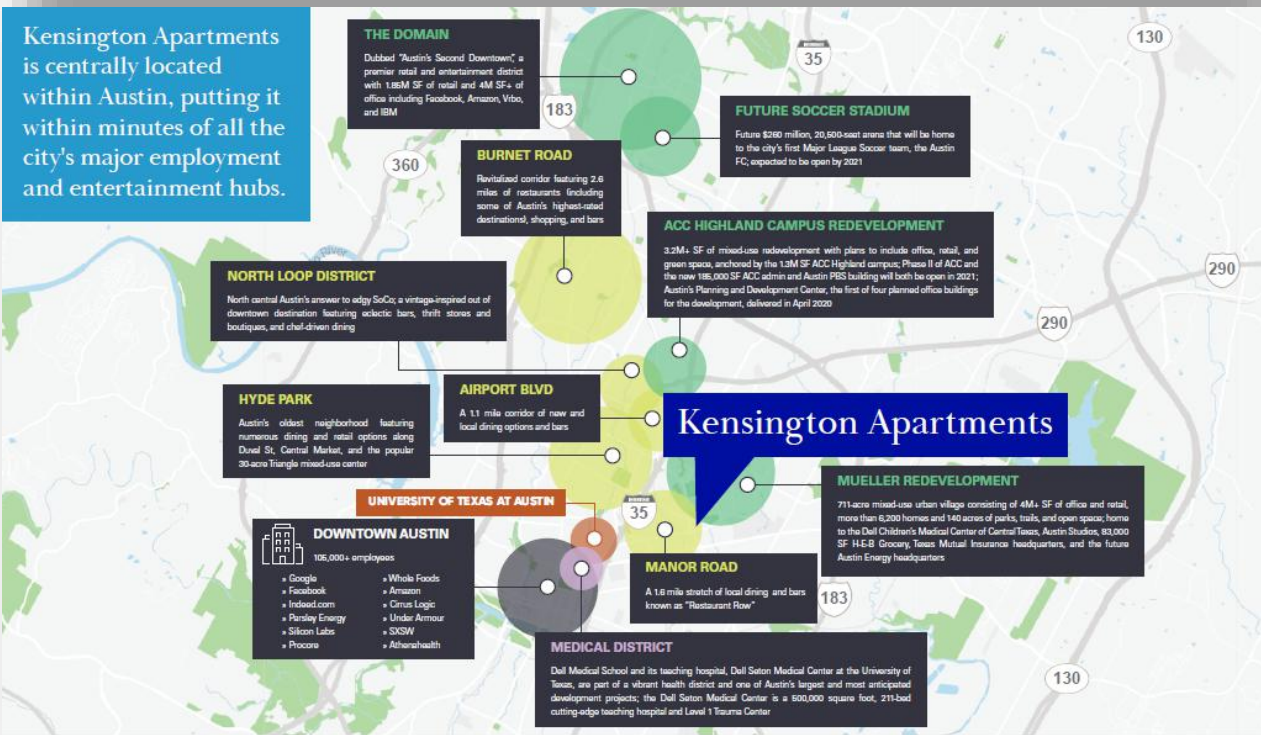
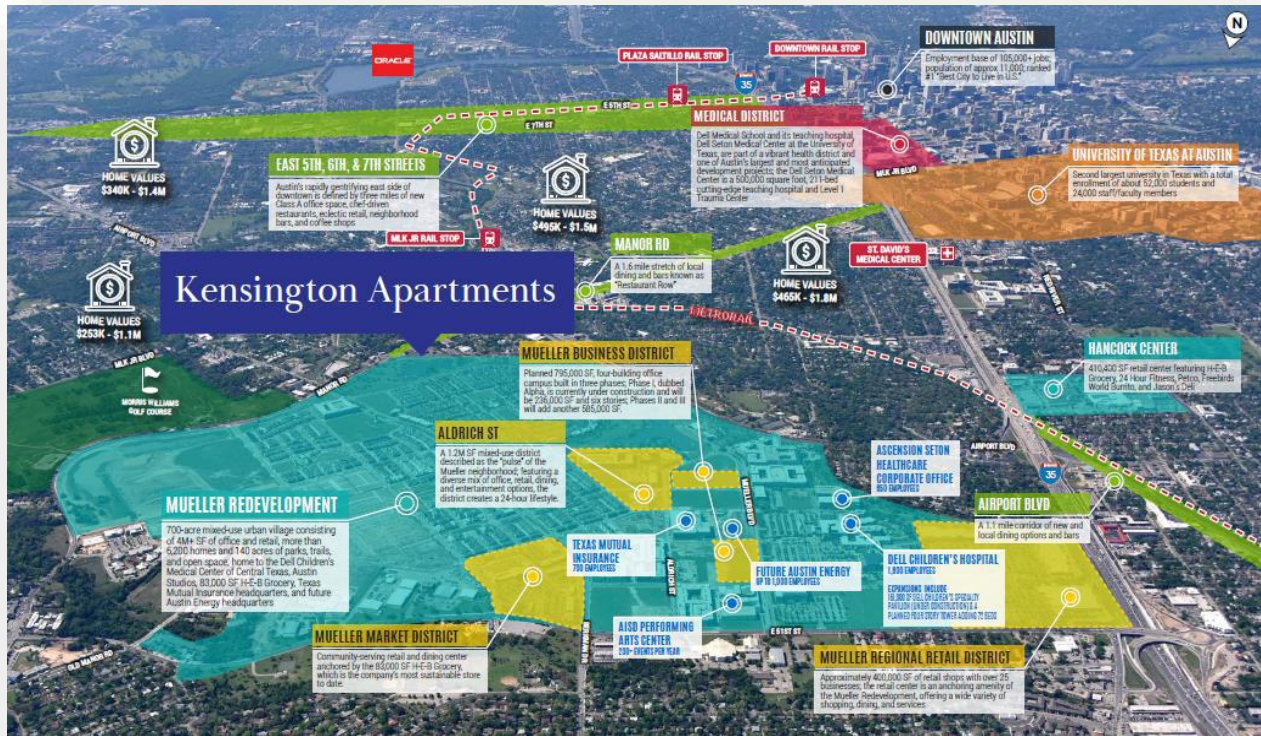
Asset Overview		Financial Overview		
Property	Kensington Apartments	Uses:		
Submarket	Austin, TX	Purchase Price	\$16,150,000	\$113,732/unit
Units*	142	Construction Hard Costs	\$13,136,493	\$92,511/unit
Address	3300 Manor Road	Construction Soft Costs	\$756,500	\$5,327/unit
Year Built	1968	Development Fee	\$4,356,694	\$30,681/unit
LIHTC	N/A	Fin/Syndication/Bond	\$1,804,471	\$12,708/unit
HAP	N/A	Operating Reserves	\$643,907	\$4,535/unit
Construction Type	Brick & stone garden-style	Total Capitalization	\$36,848,065	\$259,493/unit
Seller	KML Inc. (individual)	Sources:		
Unit Mix	Efficiencies & 1BR	LIHTC Equity	\$10,614,102	\$74,747/unit
Average Unit Size	348 sf	Historic Tax Credit (Fed+state)	\$8,086,795	\$56,949/unit
Current Occupancy	85%	Perm Debt	\$10,472,671	\$73,751/unit
Stabilized Occ.	93%	Deferred Fee (31%)	\$1,349,496	\$9,503/unit
Avg. Asking Rent	\$798	Operating Cash Flow	\$0	\$0/unit
Avg. Stabilized Rent	\$798	Soft funding (TDHCA/RHDA)	\$5,950,000	\$41,901/unit
		LIHTC Pricing	\$0.85	
		DSCR	1.20	
		LTC (hard debt)	28%	

9% Scenario:

Asset Overview		Financial Overview		
Property	Kensington Apartments	Uses:		
Submarket	Austin, TX	Purchase Price	\$16,150,000	\$113,732/unit
Units*	142	Construction Hard Costs	\$13,136,493	\$92,511/unit
Address	3300 Manor Road	Construction Soft Costs	\$756,500	\$5,327/unit
Year Built	1968	Development Fee	\$4,356,694	\$30,681/unit
LIHTC	N/A	Fin/Syndication/Bond	\$1,433,971	\$10,098/unit
HAP	N/A	Operating Reserves	\$643,907	\$4,535/unit
Construction Type	Brick & stone garden-style	Total Capitalization	\$36,477,565	\$256,884/unit
Seller	KML Inc. (individual)	Sources:		
Unit Mix	Efficiencies & 1BR	LIHTC Equity	\$16,998,300	\$119,706/unit
Average Unit Size	348 sf	Historic Tax Credit (Fed+state)	\$8,086,795	\$56,949/unit
Current Occupancy	85%	Perm Debt	\$10,472,671	\$73,751/unit
Stabilized Occ.	93%	Deferred Fee (13%)	\$544,799	\$3,837/unit
Avg. Asking Rent	\$798	Operating Cash Flow	\$0	\$0/unit
Avg. Stabilized Rent	\$798	Soft funding (TDHCA/RHDA)	\$0	\$0/unit
		LIHTC Pricing	\$0.85	
		DSCR	1.20	
		LTC (hard debt)	29%	

Kensington Apartments
3300 Manor Road
Austin, Texas

Photos and Aerial:



Kensington Apartments
3300 Manor Road
Austin, Texas

Existing Photos:




KENSINGTON APARTMENTS
3300 MANOR ROAD
AUSTIN, TEXAS

Proposed Renderings:



KENSINGTON APARTMENTS

TBA
TIM BRANDON
ARCHITECTURE

APPLICATION CHECKLIST/ INFORMATION FORM				
DEVELOPER : Elizabeth Property Group Texas LLC		OWNER/BORROWER NAME : Kensington Apartments, LP		
DEVELOPMENT NAME : Kensington Apartments		FUNDING CYCLE DEADLINE : November 5, 2021		
FEDERAL TAX ID NO: 85-2350908		DUNS NO: To be formed		
PROJECT ADDRESS: 3300 Manor Road		PROGRAM : RHDA / OHDA / BOTH		
CONTACT NAME : Tisha Vaidya		AMOUNT REQUESTED: \$5,950,000		
CONTACT ADDRESS AND PHONE : 5580 LBJ Freeway, Suite 630, Dallas, TX 75240 (214) 336-7495				
APPLICATION TABS			INITIALS	
A 1	EXECUTIVE SUMMARY/PROJECT PROPOSAL		TV	
A 2	PROJECT SUMMARY FORM		TV	
A 3	PROJECT TIMELINE		TV	
A 4	DEVELOPMENT BUDGET		TV	
A 5	OPERATING PRO FORMA		TV	
A 6	SCORING SHEET		TV	
ATTACHMENT TABS				
1	ENTITY INFORMATION	1.a.	Detailed listing of developer's experience	TV
		1.b.	Certificate of Status	TV
		1.c.	Statement of Confidence	TV
2	PRINCIPALS INFORMATION	2.a.	Resumes of principals	TV
		2.b.	Resumes of development team	TV
		2.c.	Resumes of property management team	TV
3	FINANCIAL INFORMATION	3.a.	Federal IRS Certification	TV
		3.b.	Certified Financial Audit	TV
		3.c.	Board Resolution	TV
		3.d.	Financial Statements	TV
		3.e.	Funding commitment letters	TV
4	PROJECT INFORMATION	4.a.	Market Study	TV
		4.b.	Good Neighbor Policy	TV
		4.c.	SMART Housing Letter	TV
		4.d.	MOU with ECHO	TV
		4.e.	Resident Services	TV
5	PROPERTY INFORMATION	5.a.	Appraisal	TV
		5.b.	Property Maps	TV
		5.c.	Zoning Verification Letter	TV
		5.d.	Proof of Site control	TV
		5.e.	Phase I ESA	TV
		5.f.	SHPQ	TV
The applicant/developer certifies that the data included in this application and the exhibits attached hereto are true and correct. <i>Unsigned/undated submissions will not be considered.</i>				
SIGNATURE OF APPLICANT  PRINTED NAME Tisha Vaidya TITLE OF APPLICANT Principal DATE OF SUBMISSION 8/6/2021		DATE AND TIME STAMP OF RECEIPT <div style="border: 1px solid black; height: 80px; width: 100%;"></div>		
FOR AHFC USE ONLY				

Project Summary Form

1) Project Name Kensington Apartments	2) Project Type 100% Affordable	3) New Construction or Rehabilitation Rehabilitation
4) Address(s) or Location Description 3300 Manor Road		5) Mobility Bond Corridor Airport Blvd
6) Census Tract 3.06	7) Council District District 1	8) Elementary School MAPLEWOOD EL
		9) Affordability Period 50 years
10) Type of Structure Multi-family	11) Occupied? Yes	12) How will funds be used? Construction

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	5					5
Up to 40% MFI						0
Up to 50% MFI	51	86				137
Up to 60% MFI						0
Up to 80% MFI						0
Up to 120% MFI						0
No Restrictions						0
Total Units	56	86	0	0	0	142

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						0
Up to 120% MFI						0
No Restrictions						0
Total Units	0	0	0	0	0	0

15) Initiatives and Priorities (of the Affordable Units)

Initiative	# of Units	Initiative	# of Units
Accessible Units for Mobility Impairments	15	Continuum of Care Units	50
Accessible Units for Sensory Impairments	15		

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?
- 17) Is the property within 1/4 mile of a High-Frequency Transit Stop?
- 18) Is the property within 3/4 mile of Transit Service?
- 19) The property has Healthy Food Access?

20) Estimated Sources and Uses of funds

<u>Sources</u>	
Debt	10,700,000
Equity	18,700,000
Grant	375,000
Other	
Deferred Developer Fee	1,150,000
Previous AHFC Funding	
Current AHFC Request	5,950,000

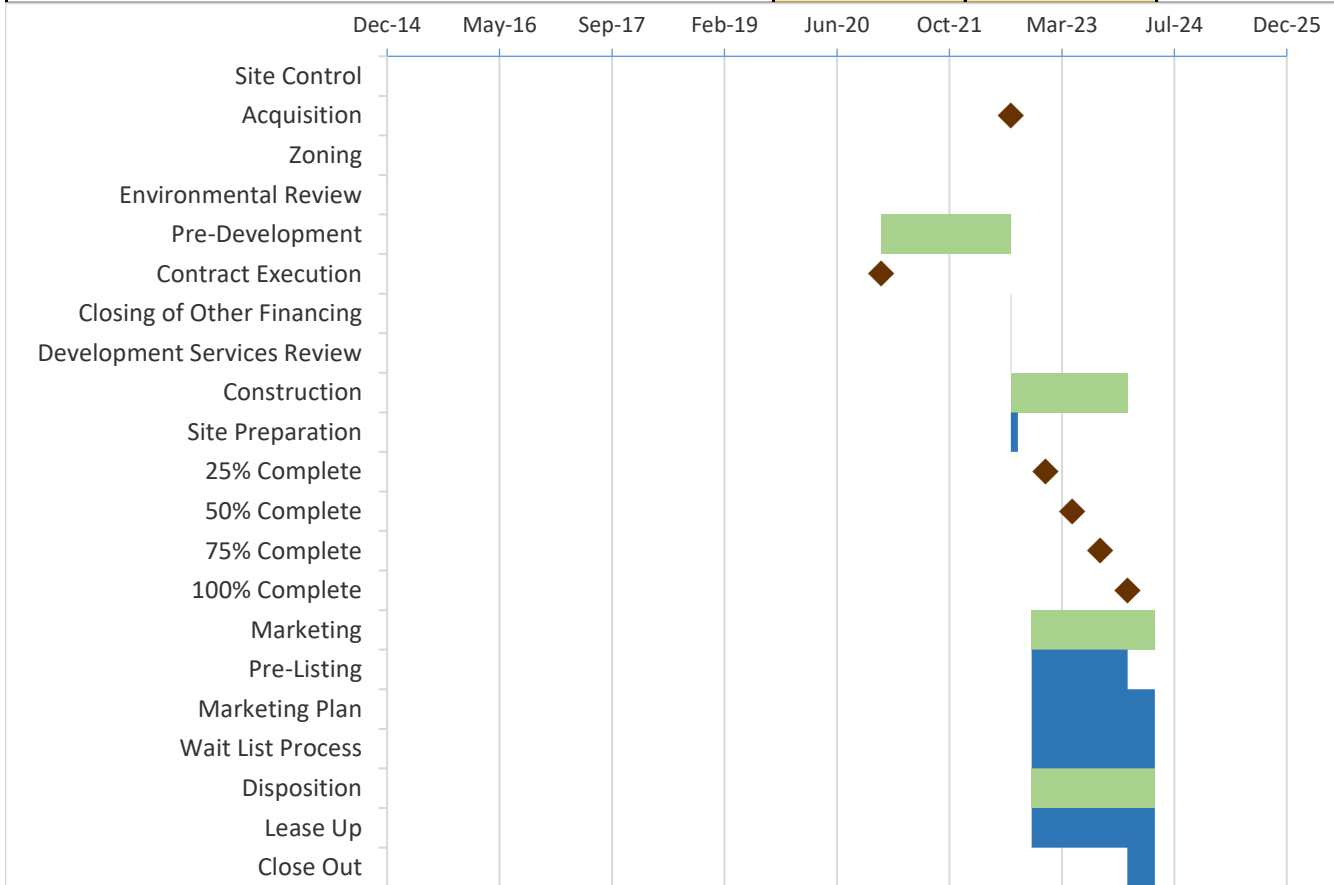
<u>Uses</u>	
Acquisition	16,150,000
Off-Site	
Site Work	300,000
Sit Amenities	
Building Costs	10,850,000
Contractor Fees	1,600,000
Soft Costs	2,075,000
Financing	1,600,000
Developer Fees	4,300,000

Total \$ 36,875,000

Total \$ 36,875,000

Development Schedule

	Start Date	End Date
Site Control	Jul-22	Jan-00
Acquisition	Jul-22	
Zoning	n/a	
Environmental Review		
Pre-Development	Dec-20	Jul-22
Contract Execution	Dec-20	
Closing of Other Financing	Jul-22	Jul-22
Development Services Review	Jul-22	Jul-22
Construction	Jul-22	Dec-23
Site Preparation	Jul-22	Aug-22
25% Complete	Dec-22	
50% Complete	Apr-23	
75% Complete	Aug-23	
100% Complete	Dec-23	
Marketing	Oct-22	Apr-24
Pre-Listing	Oct-22	Dec-23
Marketing Plan	Oct-22	Apr-24
Wait List Process	Oct-22	Apr-24
Disposition	Oct-22	Apr-24
Lease Up	Oct-22	Apr-24
Close Out	Dec-23	Apr-24



Development Budget

	Total Project Cost	Requested AHFC Funds	Description
Pre-Development			
Appraisal	15,000	0	
Environmental Review	20,000	0	
Engineering	10,000	0	
Survey	10,000	0	
Architectural	300,000	0	
Subtotal Pre-Development Cost	\$355,000	\$0	
Acquisition			
Site and/or Land	1,600,000		
Structures	14,400,000	0	
Other (specify)	150,000	0	Extension fees to extend contract
Subtotal Acquisition Cost	\$16,150,000	\$0	
Construction			
Infrastructure			
Site Work	300,000		
Demolition	300,000		
Concrete	125,000	50,000	
Masonry	250,000	250,000	
Rough Carpentry	1,000,000	1,000,000	
Finish Carpentry	750,000	750,000	
Waterproofing and Insulation	125,000	125,000	
Roofing and Sheet Metal	400,000	400,000	
Plumbing/Hot Water	1,000,000	1,000,000	
HVAC/Mechanical	625,000	625,000	
Electrical	775,000	775,000	
Doors/Windows/Glass	775,000	775,000	
Bath and Plaster/Drywall and Acoustical	200,000	200,000	
Tile Work			
Soft and Hard Floor			
Paint/Decorating/Blinds/Shades	425,000		
Specialties/Special Equipment	100,000		electronic safety and security
Cabinetry/Appliances	775,000		
Carpet			
Other (specify)	175,000		Builders insurance and general liability; FF&E
FF&E	175,000		
General Requirements	675,000		
GC Profit	675,000		
GC Overhead	225,000		
Construction Contingency	2,870,000		
Subtotal Construction Cost	\$12,720,000	\$5,950,000	
Soft & Carrying Costs			
Legal	250,000		
Audit/Accounting	15,000		
Title/Recording	141,000		
Architectural (Inspections)	200,000		
Construction Interest	650,000		
Lender Fees	225,000		
Construction Period Insurance	50,000		
Construction Period Taxes	0		
Relocation	144,000		
Marketing	50,000		
Davis-Bacon Monitoring	50,000		
Developer Fee	4,300,000		
Interest and Operating Reserves	650,000		
Historic Tax Credit Consultant and Historic Related Costs	125,000		
Other (specify)	800,000		Bond issuance fees, tax credit investor fees, underwriting fees
Subtotal Soft & Carrying Costs	\$7,650,000	\$0	
TOTAL PROJECT BUDGET	\$36,875,000	\$5,950,000	Note - AHFC funds can be spent on acq or rehab costs /

15 Year Rental Housing Operating Pro Forma (RHDA)

The pro forma should be based on the operating income and expense information for the base year (first year of stabilized occupancy using today's best estimates of market rents, restricted rents, rental income and expenses), and principal and interest debt service. The Department uses an annual growth rate of 2% for income and 3% for expenses. Written explanation for any deviations from these growth rates or for assumptions other than straight-line growth made during the proforma period should be attached to this exhibit.

INCOME	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 10	YEAR 15
POTENTIAL GROSS ANNUAL RENTAL INCOME	\$1,487,616	\$1,517,368	\$1,547,716	\$1,578,670	\$1,610,243	\$1,777,839	\$1,962,878
Secondary Income	17,040	\$17,551	\$18,078	\$18,620	\$19,179	\$21,175	\$23,379
POTENTIAL GROSS ANNUAL INCOME	\$1,504,656	\$1,534,920	\$1,565,793	\$1,597,290	\$1,629,422	\$1,799,014	\$1,986,256
Provision for Vacancy & Collection Loss	-\$119,149	-\$107,444	-\$109,606	-\$111,810	-\$114,060	-\$125,931	-\$139,038
Rental Concessions	\$0	\$0	\$0	\$0	\$0	\$0	\$0
EFFECTIVE GROSS ANNUAL INCOME	\$1,385,507	\$1,427,475	\$1,456,188	\$1,485,480	\$1,515,363	\$1,673,083	\$1,847,218
EXPENSES							
General & Administrative Expenses	\$41,890	\$43,147	\$44,441	\$45,774	\$47,148	\$54,657	\$63,362
Management Fee	\$69,275	\$71,353	\$73,494	\$75,699	\$77,970	\$90,388	\$104,785
Payroll, Payroll Tax & Employee Benefits	\$213,000	\$219,390	\$225,972	\$232,751	\$239,733	\$277,917	\$322,182
Repairs & Maintenance	\$156,200	\$160,886	\$165,713	\$170,684	\$175,804	\$203,806	\$236,267
Electric & Gas Utilities	\$85,200	\$87,756	\$90,389	\$93,100	\$95,893	\$111,167	\$128,873
Water, Sewer & Trash Utilities	\$109,957	\$113,256	\$116,653	\$120,153	\$123,758	\$143,469	\$166,320
Annual Property Insurance Premiums	\$56,800	\$58,504	\$60,259	\$62,067	\$63,929	\$74,111	\$85,915
Property Tax	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Reserve for Replacements	\$42,600	\$43,878	\$45,194	\$46,550	\$47,947	\$55,583	\$64,436
Other Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL ANNUAL EXPENSES	\$774,922	\$798,170	\$822,115	\$846,778	\$872,182	\$1,011,097	\$1,172,139
NET OPERATING INCOME	\$610,585	\$629,305	\$634,073	\$638,702	\$643,181	\$661,985	\$675,079
DEBT SERVICE							
First Deed of Trust Annual Loan Payment	\$505,863	\$505,863	\$505,863	\$505,863	\$505,863	\$505,863	\$505,863
Second Deed of Trust Annual Loan Payment	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Third Deed of Trust Annual Loan Payment	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other Annual Required Payment	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other Annual Required Payment	\$0	\$0	\$0	\$0	\$0	\$0	\$0
ANNUAL NET CASH FLOW	\$104,722	\$123,442	\$128,210	\$132,839	\$137,318	\$156,122	\$169,216
CUMULATIVE NET CASH FLOW	\$104,722	\$228,164	\$356,375	\$489,213	\$626,531	\$1,360,132	\$2,173,478
Debt Coverage Ratio	1.21	1.24	1.25	1.26	1.27	1.31	1.33

Kensington Apartments

KENSINGTON APARTMENTS
3300 MANOR ROAD
AUSTIN, TEXAS

The developer and ownership group will be comprised of Elizabeth Property Group Texas LLC, BETCO Consulting, LLC, and Rainbow Housing Texas.

Elizabeth Property Group (“EPG”) was formed in 2019 and is an affordable housing operator focused on preservation and rehabilitation of affordable multifamily properties in major Texas markets. EPG recently acquired Midpark Tower in Dallas, Texas, in partnership with the Dallas Housing Financing Corporation. Midpark Tower is comprised of a 10- and 11- story tower located on 3.47 acres in the Richardson submarket of North Dallas/Dallas County. The Property was not previously subject to a LURA, and had seen minimal capital investment over prior ownership groups, and the building suffered from significant deferred maintenance issues. The Property serves deep affordability levels, with approximately 75% of tenants using Housing Choice Vouchers. The property has been largely ignored by previous landlords, existing in a state of disrepair with deferred maintenance issues and less than ideal conditions for residents. EPG’s goal is to affirmatively further fair housing in an infill area of Dallas and to create valuable enhancement opportunities for the city’s most vulnerable residents through a programmatic physical rehabilitation and installment of critical social programming, in partnership with third party service provider Portfolio Resident Services and property management company Alpha Barnes (over 30,000 affordable units under management). The Property is within walking distance of several retail, restaurant, and public interest areas for the target demographic, including a Walmart Supercenter, Cottonwood Park and Cottonwood Trail, Goldmark Cultural Center, several bus stops, Newmetric Home Health Care, and Medical City hospital.

The transaction was financed with 4% LIHTC (Boston Financial as equity investor), tax-exempt bonds, CDBG funding from the City of Dallas, a TSAHC AHP grant, and a HUD 221d4 loan.

The Property has been awarded an AHAP for Project Based Vouchers by the Dallas Housing Authority. EPG is working with Alpha Barnes and Portfolio Resident Services to improve the living experience for the current resident population. EPG is partnering with Betco Housing LLC, as well as ITEX (general contractor), TBA Architecture, on that project, and would be partnering with the same third parties on Kensington Apartments.

While EPG is a relatively new venture, we are committed to being a long-term player in the Texas affordable housing space and working with local agencies and municipalities to help solve housing issues. EPG’s principals each have approximately a decade in the multifamily investment and ownership industry (please see full principal resumes further in application.)

Tisha Vaidya

Tisha is a co-founder and principal of Elizabeth Property Group. Tisha Vaidya served as Director of Acquisitions, Development, and Capital Markets at Presidium, where she is responsible for the DFW development pipeline and sourcing the full capital stack for all development deals. She launched her career at Starwood Capital focusing on multifamily and hospitality and then joined Vornado Realty Trust’s Acquisitions & Capital Markets group where she focused on office and retail acquisitions in New York City, Washington D.C. and San Francisco. Prior to joining Presidium, she served as Director of Acquisitions for

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Oaxaca Interests, a retail/mixed-use development firm that planted the first flag in West Dallas in 2008. Tisha also owns and operates two multifamily properties in Denton, Texas. Tisha is based in Dallas, Texas. She has a BBA with concentrations in Finance and Real Estate from Emory University and an MBA with concentrations in Management and Entrepreneurship from the Wharton School at the University of Pennsylvania. Tisha was Leadership Dallas Class of 2019. Leadership Dallas is Dallas Regional Chamber's flagship leadership development program, aimed at providing the city with an ongoing source of diverse leaders who are prepared and committed to serve as catalysts and sustainers of positive change for the quality of life in the Dallas area.

Moira K. Concannon, CFA

Moira is a co-founder and principal of Elizabeth Property Group. Moira is a Vice President at Drake Real Estate Partners in New York, a value-add real estate private equity fund, where she is responsible for sourcing and overseeing middle market real estate investments across different asset classes and geographies, including multifamily and niche asset classes. Prior to Drake, Moira was an Associate Vice President at CIM Group in Los Angeles and New York, where she executed on acquisitions, financings, and dispositions in excess of \$1bn in value. Earlier in her career, Moira was an analyst at Pacific Alternative Asset Management Company (PAAMCO) where she advised public pensions and institutions on hedge fund allocations. Moira holds the CFA and CAIA designations and is active in several women in real estate groups. Moira has a BA in Economics and Spanish from the University of Virginia and an MBA with concentrations in Real Estate and Finance from the Wharton School at the University of Pennsylvania.

Betco Housing LLC has approximately 1,000 units under ownership in partnership with other parties. Our firm is not only dedicated to assisting developers in securing funding for the construction and rehabilitation of workforce housing units, we are also work in concert with our management companies in the operation of our developments. It is paramount for us to operate our properties at a maximum level by taking care of our residents and staying in compliance with state and federal agencies where we secure many of our funding sources. This is our full-time operation and we are dedicated and committed to affordable housing full-time.

Lora Myrick

Lora is the President of BETCO Consulting, LLC (BETCO) established in December 2011. BETCO is a consulting firm that has assisted developers and development teams successfully secure allocation of Housing Tax Credits and other sources of funds as part of the capital stack utilized to newly construct or rehabilitate workforce housing for low to moderate income households.

Lora Myrick has 30 years' in the public sector administering, underwriting and monitoring state and federal housing and community development programs for the states of Oklahoma and Texas. Her experience includes implementation, ensuring compliance, and managing funds for various federal, state and conventional housing programs including HOME, CDBG, Housing Tax Credits and State Housing Trust Fund for both the state of Oklahoma and Texas.

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She served as Director of Program Services, HOME Program Manager and Team Lead for compliance at the Texas Department of Housing and Community Affairs and with the Oklahoma Housing Finance Agency. Experience with Fair Housing, Loan/Grant/Contract administration and compliance, HUD CPD Program regulations, and Housing Tax Credits. Also holds various certifications for HOME and Housing Tax Credits. Monitored for compliance with Fair Housing Act, ADA requirements and Section 504 for various federal and state programs. Fluent in Spanish in both written and oral forms.

She holds various certifications for the HOME and Housing Tax Credit programs. She attended the University of Oklahoma and is fluent in Spanish.

She has also participated in some of the developments as a Historically Underutilized Business (HUB) partner and part owner. BETCO HUB Partner – HUB Partner Developments (*not closed yet – new award):

Live Oak Villas	George West, TX	48 Units	9% HTC	2014 (TDHCA #14306)
Cayetano Villas of La Vernia	La Vernia, TX	48 Units	9% HTC	2015 (TDHCA #15281)
Western Springs Apts.	Dripping Springs, TX	72 Units	9% HTC	2017 (TDHCA #17247)
Fish Pond at Cuero	Cuero, TX	48 Units	9% HTC	2018 (TDHCA #18260)
Fish Pond at Portland	Portland, TX	60 Units	9% HTC	2018 (TDHCA #18261)
2400 Bryan Street	Dallas, TX	212 Units	9% HTC	2018 (TDHCA #18269)
*Fish Pond at Huntsville	Huntsville, TX	48 Units	9% HTC	2020 (TDHCA #20329)
Midpark Towers	Dallas, TX	202 Units	4% HTC	2021(TDHCA #21406)

KENSINGTON APARTMENTS
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AUSTIN, TEXAS

BETCO Experience Summary:

<u>Program Year</u>	<u>Development Name</u>	<u>Location</u>	<u>Program(s)</u>	<u>Role</u>	<u>Developer</u>	<u># of Units</u>	<u>Completion Year</u>	<u>Total Costs</u>	<u>Application Number</u>
2013	Villas Del Rio	Rio Grande City, TX	9% LIHTC	Consultant	Cayetano Housing, LLC	80	NA*	\$12,499,617	13087
2014	Live Oak Villas	George West, TX	9% LIHTC	Consultant, HUB	Cayetano Housing, LLC	48	2016	\$7,311,885	14306
2015	Cayetano Villas	La Vernia, TX	9% LIHTC	Consultant, HUB	Cayetano Housing, LLC	48	2017	\$7,920,581	15281
2017	Henrietta Pioneer Crossing	Henrietta, TX	9% LIHTC	Consultant	Noor Jooma / Target Builders, LLC	49	2019	\$7,179,254	17235
2017	Western Springs Apartments	Dripping Springs, TX	9% LIHTC	Consultant, HUB	Willhoit Properties	72	2019	\$13,720,000	17247
2017	Legacy Trails of Decatur	Decatur, TX	9% LIHTC, USDA	Consultant (post award)	LKC Development, LLC	70	2020	\$10,632,556	17295
2017	Legacy Trails of Lindale	Lindale, TX	9% LIHTC	Consultant (post award)	LKC Development, LLC	76	2020	\$11,137,720	17327
2017	Westwind of Killeen	Killeen, TX	9% LIHTC	Consultant (post award)	Salem Clark Development, LLC	110	2019	\$16,656,448	17331
2017	Westwind of Lamesa	Lamesa, TX	9% LIHTC	Consultant (post award)	Salem Clark Development, LLC	80	2019	\$11,426,560	17336
2018	The Vineyards on Lancaster	Fort Worth, TX	9% LIHTC, NHTF	Consultant (post award)	Union Gospel Mission of Tarrant County (non-profit)	104	2019	\$17,417,134	17028
2018	Museum Reach Lofts	San Antonio, TX	9% LIHTC, Local Funding	Consultant	Alamo Community Group (non-profit)	94	2020	\$17,567,202	18273
2018	2400 Bryan	Dallas, TX	9% LIHTC, Local Funding	Consultant	RMGM Developers	212	2020	\$63,928,715	18269
2018	Fish Pond at Portland	Portland, TX	9% LIHTC	Consultant, HUB	Fish Pond Development, LLC	60	2020	\$9,545,730	18261
2018	Fish Pond at Cuero	Cuero, TX	9% LIHTC	Consultant, HUB	Fish Pond Development, LLC	48	2020	\$7,377,273	18260
2018	Campanile on Commerce	Houston, TX	9% LIHTC, Local Funding	Consultant	Kilday Operating, LLC	120	2020	\$21,776,910	18306
2018	Sandstone Foothills Apts.	Mineral Wells, TX	9% LIHTC	Consultant	National Church Residences (non-profit)	40	2020	\$6,593,067	18118
2019	Foundation Village	Austin, TX	9% LIHTC, Local Funding	Consultant	Foundation Communities (non-profit)	88	2020	\$23,192,594	19053
2019	Campanile on Fondren	Houston, TX	9% LIHTC, Local Funding	Consultant	Kilday Operating, LLC	136	NA*	\$32,664,685	19230
2019	Fish Pond at Corpus Christi	Corpus Christi, TX	4% LIHTC, PAB, HAP Contract	Co-Developer	Fish Pond Development, LLC	112	2022	\$18,365,639	19610/20606
2020	Reserves at San Marcos	San Marcos, TX	4% LIHTC, PAB	Consultant	Noor Jooma / Target Builders, LLC	376	2022	\$60,745,683	20605
2020	Vernon Pioneer Crossing	Vernon, TX	9% LIHTC	Consultant	Noor Jooma / Target Builders, LLC	64	2022	\$9,262,312	20212
2020	Livingston Pioneer Crossing	Livingston, TX	9% LIHTC	Consultant	Noor Jooma / Target Builders, LLC	80	2022	\$11,898,440	20240
2020	Westwind at Dumas	Dumas, TX	9% LIHTC	Consultant	Salem Clark Development, LLC	64	2022	\$9,559,480	20272
2020	Fish Pond at Huntsville	Huntsville, TX	9% LIHTC, HOME	Consultant	Fish Pond Development, LLC	48	2022	\$10,984,159	20329
2020	Campanile on Briar Hollow	Houston, TX	9% LIHTC, Local Funding	Consultant	Kilday Operating, LLC	85	2022	\$24,035,918	20223
2020	Armadillo Studios	Austin, TX	9% LIHTC, Local Funding	Consultant	Foundation Communities (non-profit)	110	2022	\$24,999,900	20002
2020	The Loretta	Austin, TX	9% LIHTC	Consultant	Foundation Communities (non-profit)	137	2022	\$31,527,505	20139
						2,611		\$499,926,968	

**KENSINGTON APARTMENTS
3300 MANOR ROAD
AUSTIN, TEXAS**

Certificate of Status – Elizabeth Property Group Texas LLC



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 ELIZABETH PROPERTY GROUP TEXAS LLC (file number 803706518), a Domestic Limited Liability Company (LLC), was filed in this office on July 29, 2020.

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

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 September 09, 2020.



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

Ruth R. Hughs
Secretary of State



Franchise Tax Account Status

As of : 09/09/2020 09:10:21

This page is valid for most business transactions but is not sufficient for filings with the Secretary of State

ELIZABETH PROPERTY GROUP TEXAS LLC	
Texas Taxpayer Number	32075247331
Mailing Address	5580 LBJ FWY STE 630 DALLAS, TX 75240-6269
❗ Right to Transact Business in Texas	ACTIVE
State of Formation	TX
Effective SOS Registration Date	07/29/2020
Texas SOS File Number	0803706518
Registered Agent Name	PRATIKSHA VAIDYA
Registered Office Street Address	5580 LBJ FRWY, STE. 630 DALLAS, TX 75240

**KENSINGTON APARTMENTS
3300 MANOR ROAD
AUSTIN, TEXAS**

Elizabeth Property Group Texas LLC – HUB Status



GLENN HEGAR TEXAS COMPTROLLER OF PUBLIC ACCOUNTS

The Texas Comptroller of Public Accounts (CPA) administers the Statewide Historically Underutilized Business (HUB) Program for the State of Texas, which includes certifying minority, woman, and service disabled veteran-owned businesses as HUBs and facilitates the use of HUBs in state procurement and provides them with information on the state's procurement process.

We are pleased to inform you that your application for certification/re-certification as a HUB has been approved. Your company's profile is listed in the State of Texas HUB Directory and may be viewed online at <https://mycpa.cpa.state.tx.us/tpasscblsearch/index.jsp>. Provided that your company continues to meet HUB eligibility requirements, the attached HUB certificate is valid for the time period specified.

You must notify the HUB Program in writing of any changes affecting your company's compliance with the HUB eligibility requirements, including changes in ownership, day-to-day management, control and/or principal place of business. *Note: Any changes made to your company's information may require the HUB Program to re-evaluate your company's eligibility.*

Please visit our website at <http://comptroller.texas.gov/procurement/prog/hub/> and reference our publications (i.e. Grow Your Business pamphlet, HUB Brochure and Vendor Guide) providing additional information on state procurement resources that can increase your company's chances of doing business with the state.

Thank you for your participation in the HUB Program! If you have any questions, you may contact a HUB Program representative at 512-463-5872 or toll-free in Texas at 1-888-863-5881.

Texas Historically Underutilized Business (HUB) Certificate



Certificate/VID Number:	1852350908300
File/Vendor Number:	526122
Approval Date:	14-OCT-2020
Scheduled Expiration Date:	14-OCT-2024

The Texas Comptroller of Public Accounts (CPA), hereby certifies that

ELIZABETH PROPERTY GROUP TEXAS LLC

has successfully met the established requirements of the State of Texas Historically Underutilized Business (HUB) Program to be recognized as a HUB. This certificate printed 16-OCT-2020, supersedes any registration and certificate previously issued by the HUB Program. If there are any changes regarding the information (i.e., business structure, ownership, day-to-day management, operational control, business location) provided in the submission of the business' application for registration/certification as a HUB, you must immediately (within 30 days of such changes) notify the HUB Program in writing. The CPA reserves the right to conduct a compliance review at any time to confirm HUB eligibility. HUB certification may be suspended or revoked upon findings of ineligibility.

*Statewide HUB Program
Statewide Procurement Division*

Note: In order for State agencies and institutions of higher education (universities) to be credited for utilizing this business as a HUB, they must award payment under the Certificate/VID Number identified above. Agencies, universities and prime contractors are encouraged to verify the company's HUB certification prior to issuing a notice of award by accessing the Internet (<https://mycpa.cpa.state.tx.us/tpasscblsearch/index.jsp>) or by contacting the HUB Program at 512-463-5872 or toll-free in Texas at 1-888-863-5881.

Rev. 06/19

1852350908300 526122
ELIZABETH PROPERTY GROUP TEXAS LLC
5580 LBJ FREEWAY SUITE 630
DALLAS, TX 75240

**KENSINGTON APARTMENTS
3300 MANOR ROAD
AUSTIN, TEXAS**

Statement of Confidence Letter from the Dallas Housing Finance Corporation

Re: Partnership on Midpark Towers, a 202-unit acquisition/rehab LIHTC transaction in Dallas, Texas

City of Dallas Housing Finance Corporation
1500 Marilla Street, 6CN, Dallas, Texas 75201
214-670-5988

To Whom it May Concern:

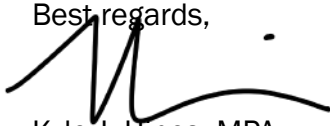
The City of Dallas HFC is partnering with Elizabeth Property Group on the acquisition and redevelopment of Midpark Towers in Dallas. Midpark Towers is a 202-unit property that was financed with tax-exempt bonds, 4% LIHTC, HUD 221d4 financing, a TSAHC AHP grant, and a CDBG loan from the City of Dallas. Of the 202 units, 15 units are restricted at 30% AMI, and the remainder are at 60% AMI, however, the building skews to deeper affordability based on the number of residents with housing choice vouchers.

The acquisition closed on June 30, 2021, so initial construction has just commenced and is so far on schedule.

The total construction cost is approximately \$11.2mm including contingency, and the overall total project budget including acquisition is approximately \$33.0mm. The project received \$2.5mm of CDBG funds, as well as a project-based voucher award from the Dallas Housing Authority for 15 units. The project is also being financed with a HUD 221(d)4 loan.

Please reach out to me with any questions at 214-670-4942 or kyle.hines@dallascityhall.com.

Best regards,

A handwritten signature in black ink, appearing to read 'K. Hines', with a stylized flourish at the end.

Kyle J. Hines, MPA
Assistant General Manager

**KENSINGTON APARTMENTS
3300 MANOR ROAD
AUSTIN, TEXAS**

Elizabeth Property Group – Principal Resumes

TISHA VAIDYA

Address: 2920 Carlisle Street, Apt #1008 • Dallas, TX 75204 • (214) 336-7495 • tisha@elizabethpropertygroup.com

PROFESSIONAL EXPERIENCE

Elizabeth Property Group, Dallas, TX

2020 - Present

Principal & Co-Founder

- Affordable housing owner/operator/developer with a focus on major Texas markets
- **Midpark Towers (Dallas, TX; closed June 2021):** 202-unit, 10 story-towers in North Dallas. Closed with 4% tax credits; tax-exempt bonds, CDBG funding from the City of Dallas, Project Based Vouchers from DHA, and HUD 221d4 financing in partnership with the City of Dallas Housing Finance Corp
- **Kensington Apartments (Austin, TX; anticipated close Q2/Q3 2022):** 149-unit multifamily property in Austin, TX, pursuing 4% tax credits; tax-exempt bonds; HUD 221D4 financing; Project Based Vouchers; in partnership with nonprofit Rainbow Housing Assistance Corporation
- **Prairie Commons (Dallas, TX; U/C, anticipated close Q4 2022):** 72-unit existing LIHTC apartment property in East Dallas

Presidium Group, Dallas, TX (Owner/operator of \$2B real estate portfolio and 500 acres of developable land)

Vice President, Acquisitions/Development & Capital Markets

2019 - 2020

Director, Acquisitions/Development & Capital Markets

2018 - 2019

- Source and analyze investment opportunities with a focus on DFW, lead fundraising efforts across the capital stack (debt + equity), and run due diligence/closing process on new acquisitions and development sites
- Formation of Deloache Capital, a boutique investment fund focused on opportunistic investments for the "last million dollars." Created PPM, investment materials, roadshow presentation, and other marketing materials related to the fundraising and investment of capital.

Select Transaction Experience:

- **Revelstoke (Ft. Worth, TX; closed July 2019):** 17-acre, 408-unit garden-style multifamily development project. Arranged 85% LTC stretch-senior debt with institutional debt fund in NYC and equity from family office in a 1031-exchange. Total project budget of \$68mm.
- **JTA (Jacksonville, FL; closed September 2019):** 13-acre, 350-unit 4-story elevator multifamily development project. Arranged 65% LTC partial recourse debt with bank lender and equity from institutional investor. Total project budget of \$64mm.
- **Chase Hill (San Antonio, TX; closed February 2020):** 17-acre, 360-unit, 3- and 4-story multifamily development project. Arranged 80% LTC stretch-senior debt with institutional debt fund in NYC and equity from HNW and family office. Total project budget of \$63mm.
- **Hill Street (Grand Prairie, TX; closed August 2020):** 13-acre, 290-unit, 4-story elevator multifamily development project. Arranged 65% LTC traditional bank debt and equity from institutional partner. Total project budget of \$48mm.
- **Edison (Austin, TX; closed September 2019):** \$72.5mm recapitalization of a 354-unit wrap multifamily asset prior to stabilization

Oaxaca Interests LLC, Dallas, TX

2017

Director, Real Estate Acquisitions

- Sourced and analyzed investments, raised full capital stack, and oversaw leasing, property, and construction management for existing investments. Sourced future pipeline of \$40mm in deal activity focusing on land and retail assets in W. Dallas, Ft. Worth, and San Antonio

Pratiksha Jewelry ("PJ"), Dallas, TX

2013 - 2016

Co-Founder, Designer

- Restructured 39 year old family business (an importer / wholesaler of loose diamonds, gemstones, and pearls) to rebrand as a fine jewelry B2C e-commerce brand (PJ) focusing on luxury finished and custom jewelry. Value proposition includes offering high quality products at a fraction of the retail price with a focus on transparency in a traditionally opaque industry.
- Vertically integrated supply chain and operations by optimizing sourcing, manufacturing, and distribution supply chain across multiple regions (China, India, Sri Lanka, Hong Kong, Thailand, Japan). Yielded 25% increase in sales and 15% improvement on margins through the reduction of bad debt and budgeting overhaul in the first year alone
- Developed website re-design and launch, marketing materials, business plan, sales plan, and legal/financial tools to manage the business. Expanded into additional business lines in 2nd year of business (PJBuyback, PJCustom, and PJRental)

Vornado Realty Trust, New York, NY

2010 - 2013

Acquisitions & Capital Markets, Analyst

- Underwrote, conducted diligence, and composed memoranda on potential acquisitions across the capital stack with a focus on core office / retail assets in New York City and Washington, D.C. Analyzed key metrics, merits, and considerations of a potential acquisition.
- Built ARGUS models and created offering memoranda for the refinancing of existing assets within Vornado's portfolio.
- Vornado Capital Partners: Prepared quarterly reports for fund investors including market outlooks and portfolio valuations.

Select Transaction Experience:

- **501 Broadway Asset Acquisition:** 9,000 square foot retail condominium located in SoHo on Broadway between Spring and Broome Streets; opportunity to acquire asset with below-market lease that expired shortly after closing, redevelop the ground and basement levels to create more selling space, and re-tenant the asset at market rents. Arranged 65% loan-to-value, floating rate financing at closing.
- **1290 Avenue of the Americas Refinancing:** 2.1mm square foot office tower located in Midtown Manhattan on 6th Avenue between 51st and 52nd streets; refinanced existing loan (~\$409mm) for a new \$950mm fixed rate loan held in a standalone securitization. Created loan request book and ARGUS model, and ran point on RFP, due diligence, and closing processes.
- **280 Park Avenue Recapitalization:** Partnered with SL Green to recapitalize a 1.2 million square foot office building located in Midtown Manhattan on Park Avenue between 48th and 49th Streets (\$1.4B capital stack). Determined ideal JV structure, completed thorough financial / leasing due diligence, and conducted periodic analysis of ongoing redevelopment and major leasing scenarios.

Starwood Capital Group, Atlanta, GA

2009

EDUCATION

The Wharton School, University of Pennsylvania (MBA), Philadelphia, PA

2015

- Entrepreneurship Club (Co-President), Wharton Follies (Head Producer), Real Estate Club (VP of Social), & Authors@Wharton Committee

Emory University, Goizueta Business School (BBA); Concentrations: Finance, Real Estate, Atlanta, GA

2009

- Corporate Finance TA for Professors Clifton Green and Joshua Pollet; VP of Chapter Development & Reference Chair for Tri Delta Sorority

Greenhill School, Dallas, TX

2005

MOIRA K. CONCANNON, CFA

55 N 5th Street #704e • Brooklyn, NY 11249 • 727-687-6999 • Moira@elizabethpropertygroup.com

EXPERIENCE

Elizabeth Property Group

Principal & Co-Founder

**Dallas, Texas & New York, NY
2020 – Present**

- Affordable housing owner/operator with a focus on major Texas markets

Select Transactions:

- Midpark Towers, Dallas, TX (Closed June 2021): 202-unit, 10 story-towers in North Dallas. Closed with 4% tax credits; tax-exempt bonds, CDBG funding from the City of Dallas, Project Based Vouchers from DHA, and HUD 221d4 financing in partnership with the City of Dallas Housing Finance Corp.
- Kensington Apartments, Austin, TX (Under contract; anticipated close Q2-Q3 2022); 149-unit multifamily property in Austin, TX, pursuing 4% tax credits; tax-exempt bonds; HUD 221D4 financing; Project Based Vouchers; in partnership with nonprofit Rainbow Housing Assistance Corporation
- Prairie Common, Dallas, TX (Under contract; anticipated close Q4 2022); 72-unit existing LIHTC apartment property

Drake Real Estate Partners

Vice President

**New York, NY
2018-2020**

- Oversee acquisition and asset management of opportunistic real estate investments across multifamily; industrial; office; and niche sectors across the US
- Led firm efforts into new sectors such as truck parking and rent regulated multifamily

Select Transactions:

- Portfolio of rent regulated 142 sponsor owned condo and co-op units in Manhattan and Queens
- Acquisition and financing of a 12-acre truck parking / rest stop development in Miami, FL
- Ground-up development of 230-unit multifamily project in Durham, NC
- Acquisition of 280-unit multifamily property in the Inland Empire of LA

CIM Group

Associate Vice President

**Los Angeles, CA & New York, NY
2015-2018**

- Evaluated equity and debt investments in multifamily, office, and retail across core urban markets
- Responsible for the asset management of portfolio of over \$1bn in real estate, including 500k sf of DC office; 800 multifamily units in DC and FL; 200k sf downtown Manhattan office; 28k sf high-street retail in LA
- Led multiple property level financing and re-financing transactions; Performed detail lease reviews, operating partner due diligence, legal document review including PSAs and JV documents; Researched and negotiated signage, telecom, and antenna agreements
- Worked directly with institutional separate account clients and their consultants to implement value-add real estate strategy and oversee existing investments
- Part of team that won \$1.5bn mandate to reposition an institutional investor's core fund and helped launch CIM's first core fund

Select Transactions:

- \$71mm acquisition and \$44mm financing of San Francisco office and telecom property
- \$1.5bn acquisition of core portfolio including multifamily, industrial, and office properties
- \$42mm ground-up 136-unit multifamily development in Los Angeles
- \$60mm acquisition and development of data center in San Francisco

Pacific Alternative Asset Management Company (PAAMCO)

Senior Analyst

**Los Angeles, CA
2010-2013**

- Provided research coverage for four hedge fund sectors totaling over \$4B in AUM, including competitive landscape, industry trends, and in-depth positions-based regressions analysis regularly used in portfolio decision making process
- Managed a global macro paper portfolio to test and source investment ideas prior to investment; Oversaw research efforts in CLO portfolios leading to increased investment in distressed mortgage book in 2011-2012
- Managed RFP process for advisory role of multi-billion-dollar hedge fund program for leading institutional pension plan that resulted in a new contract and continued collaboration with investment staff

EDUCATION

THE WHARTON SCHOOL, UNIVERSITY OF PENNSYLVANIA, 2013-2015

Master of Business Administration Candidate; Major in Finance and Real Estate

Winner University of Michigan stock pitch challenge (Oct. 2013); Runner-Up team at UT Austin real estate competition (Nov. 2013); Winner 2014 Wharton Real Estate Research Competition "Downtown LA Creative Office Development" (April 2014); Recipient of Martin Bucksbaum Scholarship from Z/L Real Estate Center & Merit-based Konolige Family Scholarship; GMAT 760 (99% percentile)

UNIVERSITY OF VIRGINIA, 2006-2010









Bachelor of Arts in Economics and Spanish

Phi Eta Sigma; Dean's List 5/8 semesters; President of Undergraduate Economics Club; Madison House "100 Hours of Community Service" Distinction; Honor Committee Support Officer (Counsel)

**KENSINGTON APARTMENTS
3300 MANOR ROAD
AUSTIN, TEXAS**

Kensington Apartments – Third Parties

Kensington Apartments Deal Team

Developer	<ul style="list-style-type: none"> Texas-based and 100% woman-owned business that focuses on acquiring, redeveloping, and operating tax credit and naturally occurring low-income housing throughout the United States. Own Midpark Towers, a 202-unit acq/rehab 4% LIHTC transaction in partnership with the Dallas Housing Finance Corp. Principals have closed over \$4B in transactions over the last decade 	
Co-Developer	<ul style="list-style-type: none"> Texas-based woman-owned business run by Lora Myrick who has 24 years of experience in state and federal programs, compliance, HUD regulations, and Housing Tax Credits; previously the Director of Program Services for TDHCA Lora has co-developed 8 LIHTC transactions with over 800 units, and has served as a consultant on the placement of over 2,600 affordable units in Texas 	
Property Manager	<ul style="list-style-type: none"> Asset Living (FKA Alpha Barnes) is a full-service property management company with a specialized focus on affordable housing (LIHTC/Section 8/HAP deals) and regulatory compliance Manage over 30,000 predominately tax credit units across Texas. Currently partnered with EPG and Betco on Midpark Towers in Dallas, a 4% LIHTC acq/rehab. 	
Tenant Programming	<ul style="list-style-type: none"> Proposed partnership with Integral Care, the Local Mental Health and Intellectual and Development Disability Authority, to provide full-time on-site staffing to provide resident services. 	
General Contractor	<ul style="list-style-type: none"> Multifamily developer and third-party general contractor with over 50 developments completed across Texas, Colorado, Arkansas, and Louisiana (special focus on affordable projects) Have partnered with several housing agencies across the state of Texas on LIHTC transactions 	
Architect	<ul style="list-style-type: none"> Architecture firm specializing in multifamily housing construction and renovation; provide administration services to Public Housing Authorities and Community Development Departments To date, has completed over 20 affordable housing / HUD-financed projects, and has completed transactions with ITEX as the General Contractor 	
Lender	<ul style="list-style-type: none"> FHA lender providing multifamily construction, substantial rehabilitation, acquisition, refinance and bridge financing Deal lead (Mike Backman) previously ran DFW's HUD office for 5 years 	
Historic Consultant	<ul style="list-style-type: none"> Experienced historic tax credit consultant – has worked on numerous historic projects throughout the state of Texas. 	

**KENSINGTON APARTMENTS
3300 MANOR ROAD
AUSTIN, TEXAS**

Asset Living (FKA Alpha Barnes) – Property Management Resume

ITEX / ICON Builders (General Contractor) – Resume

TBA Architecture – Resume



PROFESSIONAL QUALIFICATIONS STATEMENT

STATEMENT OF PURPOSE AND PHILOSOPHY

Alpha Barnes Real Estate Services, LLC. is a full-service, third-party management firm presently managing approximately **30,000 multi-family units**. Founded in 2000, Alpha Barnes maintains 6 offices across 3 states and 850 staff members in the field of property management, and our portfolio extends to over 85 cities. The size of our portfolio ranks us as one of the largest third-party management firms.

“We’re all about the residents, because home matters”

Home is one of the most important places for everyone. For this reason, we, at Alpha Barnes, are meticulous in every aspect of our responsibility. Our Team aims is to provide the best home for every person who chooses to live at one of the many Alpha Barnes communities. We understand the faith our residents place in us, as well as, the fiduciary responsibility our clients place in us, these factors are the basis of our management. We provide personalized services to each Client, Resident and Property. The Alpha Barnes Teams focus on surpassing expectations; we understand the goals of ownership. The reputation of Alpha Barnes is based on trust, integrity and commitment.

ABRES is an **Accredited Management Organization® (AMO®)**. This AMO® designation insures that ABRES has met the ongoing requirements of The Institute of Real Estate Management. These requirements include increased levels of fidelity and liability coverage, proven financial stability and continuing education for the Executive Property Managers. Less than 600 firms across the United States and Canada have achieved and maintained this prestigious designation and it is further evidence of ABRES’s commitment to excellence.

AREAS OF EXPERTISE

The primary business of **Alpha Barnes Real Estate Services** is the management of residential, rental real estate for private owners, non-profit entities, financial institutions and government agencies. In this role, **Alpha Barnes Real Estate Services** provides comprehensive management services that cover all phases of property operations including management, leasing maintenance, financial management and owner and government compliance and reporting. Presently, the firm manages properties in all areas of Texas and throughout the states of Oklahoma and South Carolina and operates from its main office in Dallas with regional offices in San Antonio, Houston and Austin, as well as staff based in Texarkana and Corpus Christi.

In addition to its overall expertise in apartment management, **Alpha Barnes Real Estate Services** possesses a specific capability in the management and operation of affordable housing for families or for the elderly. This category of property includes the follows:

1. Low Income Housing Tax Credit (LIHTC)

Alpha Barnes Real Estate Services presently manages 170 properties which utilize the LIHTC. Compliance with LIHTC program requirements is controlled by direct supervisory and compliance staff review of all work and extensive training of all personnel. **Alpha Barnes Real Estate Services** takes special pride in its reputation as an expert in this program and works hard to maintain that reputation.

2. New Construction

Alpha Barnes's new construction lease-up experience is impressive. The firm's new development background includes project design consulting, pre-construction planning, décor consulting, promotion and full lease-up for over **150+ properties**, totaling over **20,000 units across Texas**. Our objective is to reach full occupancy and maximize the bottom line in the shortest time possible in accordance with the owner's investment parameters. About **75% of our lease-ups have been completed in 9 months or less** and a full **51% have been completed in 6 months or less**.

3. Value Add Experience

Real estate assets require periodic improvements, repairs, or in some cases, a complete repositioning. ABRES understands this facet of investment ownership and has maintained a personnel base with the knowledge, expertise, and experience to assist our clients when such projects are contemplated. Coordinating the rehab process with the management of the property is essential, and ABRES has perfected our role in this process to ensure operational goals are either met or exceeded. We have a proven track record of successful repositioning that have continued to earn us praise from our clients, residents, and industry peers. In fact, in recent years ABRES managed properties have undergone comprehensive rehabs ranging from \$125,000 to over \$3 million.

4. HUD Financed Properties

Alpha Barnes Real Estate Services operates projects financed by the U.S. Department of Housing and Urban Development (HUD) under the Section 221 (d)(3) BMIR and 221 (d)(4) program, the Section 202 program, the Section 811 program and the Section 236 program. **Alpha Barnes Real Estate Services** is familiar with the reporting requirements of all housing related HUD programs as well as the management intricacies.

5. Properties with HUD Section 8

Alpha Barnes Real Estate Services is under contract to operate 14 entities that have projected-based Section 8 rent subsidies. In addition, **Alpha Barnes Real Estate Services** completes the paperwork for Section 8 projects for several other management companies on a contract basis. **Alpha Barnes Real Estate Services** has five Certified Occupancy Specialists' (COS) on staff.

6. Tax Exempt Bonds

Alpha Barnes Real Estate Services currently manages dozens of properties that utilized tax exempt bonds to assist in their financing and we are familiar with the restrictions imposed on leasing and the reporting requirements necessary to dovetail with the LIHTC program and to produce program compliance with both programs.

7. Non-Profit Groups and Public Agencies

As one of the primary aspects of this proposed management assignment is the ability to work with non-profit groups and public agencies, prior experience working with non-profits appears to be very important. Over its history, **Alpha Barnes Real Estate Services** has served to manage property for, consult for and to assist many non-profit groups. Current non-profit clients include:

Foundation Communities, Austin, Texas

Alamo Community Group, San Antonio,

Texas Merced Housing Texas, San Antonio, Texas

Texas Inter-Faith Housing, Houston, Texas

Operation Relief Center, Dallas, Texas

SUMMARY OF APARTMENT MANAGEMENT SERVICES

Alpha Barnes Real Estate Services strives to provide our multi-family clients with the best and most complete services available. A summary of these five major areas of service follows:

a. MANAGEMENT AND LEASING

- Advertise, market and lease units.
- Develop and enforce property rules and regulations.
- Recruit, hire, and train on-site managers and leasing agents.
- Provide daily operating procedures and training for on-site office.
- Establish and adjust rental rates and security deposit levels based on occupancy and regular competitive market analysis.
- Administer all personnel records for all on-site management and maintenance employees.



b. MAINTENANCE

- Provide for overall routine maintenance of the property including tenant requested maintenance and make ready preparation.
- Recruit, hire, and train all on-site maintenance and porter personnel.
- Completion of cost-effective and efficient contract bidding, negotiation and administration, including, but not limited to contracts for landscaping, pool maintenance, and non-routine improvements.
- Verifying insurance and bond coverage for all contractors providing services.
- Implementation of a preventative maintenance program.
- Completion of regular property inspections to review property appearance and condition as well as overall curb appeal.
- Identifying and bringing to the attention of the Owner serious non-routine maintenance needs along with proposed solutions.
- Provide 24 hour a day, seven day a week emergency telephone answering and maintenance services.
- Maintain records of all contracts, warranties and other items important to the verification of services performed on the property.

c. COMPLIANCE

- Train all staff in the importance and basic requirement of affordable housing compliance.
- Provide ongoing supervision and retraining of staff through initial lease up and re-certifications.
- Review every file prior to move-in for completeness and eligibility.
- Monitor and maintain the applicable fraction in mixed income properties.
- Prepare for and participate in all site reviews by owners, lenders, monitoring agencies or partners.
- Prepare and submit annual certifications as well as any other reports requested by the owners, lenders, monitoring agency or the partners.

d. FINANCE

- Receipt, recording and processing of all accounts payable.
- Billing, posting receipt and depositing of rents, security deposits, vending income, late fees, electric charges, and any other miscellaneous income.
- Pursuing collection of delinquent rents to the fullest possible extent, including periodic reports to the regional credit bureau and filing of lawsuits in small claims court.
- Maintaining all files and records necessary to insure a good record of financial activities.
- Monthly reconciliation of all accounts and bank statements.
- Provision of monthly and annual financial reporting including but not limited to Balance Sheets, Income and Expense Statements, complete detailed General Ledger, and Budget Variance Analyses.
- Provide assistance and cooperation in periodic auditing.
- Compilation and submission to the client of a recommended annual budget.
- Review and recommendation of all property insurance coverage, upon request of client.

e. COMMUNICATIONS

- Frequent verbal and written communication with client and participation in property-related meetings.
- Communication and coordination with lenders, real estate agents and appraisers, as instructed by the Owner.
- Planning and assistance in coordination of any property-related social functions relative to the overall marketing plan.
- Processing of information requests from outside parties (as authorized by client) and resolution of any problem or complaint originating from property resident.

GENERAL INFORMATION

Alpha Barnes Real Estate Services, LLC is a Texas Limited Liability Company, the members of which are Michael D. Clark, Hugh A. Cobb, Jeffrey A. Barnes and Stephen N. Barnes.

The federal tax identification number for Alpha Barnes Real Estate Services, LLC is 75-2868321.

Alpha Barnes employs over 850 staff members with 85⁺ operating on the corporate level from the main office in Dallas and the two remote offices in San Antonio and Austin.

Alpha Barnes Real Estate Services can be contacted through:

Hugh A. Cobb, Principal
12720 Hillcrest, #400
Dallas, Texas 75230
972-643-3200
hcobb@abres.com

“People do business with people, not companies. You must earn their respect and work hard every day to maintain what you have earned.”

– Art Barnes, late founding Partner



History Runs Deep at Alpha Barnes

Since the mid 1970's, the principals of Alpha Barnes have been working in the real estate industry developing and managing multifamily properties. In 2000, The Barnes Companies and Alpha Management merged to form Alpha Barnes as we know it today. With a depth of experience across many markets and asset types, Alpha Barnes has become a leader in the affordable property (LIHTC, Section 8 and other) management. The company is the 8th largest manager of affordable properties in the country. Alpha Barnes is also aggressively pursuing opportunities to develop new multifamily communities. The company has developed 3 communities in the last three years across the DFW metroplex. In addition, due to our depth of experience, the company offers advisory services to clients in the real estate industry consulting on matters from underwriting new opportunities to maximizing the value of existing assets.

We believe that our drive to create 'Home' for each and every resident is what has given us success in the past and what will drive us forward. Our core values include integrity, intentionality, the desire for excellence, and of course, being people-focused. One of the founding principals of the company, Art Barnes, would always say, "People do business with people, not companies. You must earn their respect and work hard every day to maintain what you have earned." We are proud of the legacy and reputation our company has established, and we hope to continue to build upon its solid foundation every day.

"People do business with people, not companies. You must earn their respect and work hard every day to maintain what you have earned."

– Art Barnes



Michael D. Clark is a Partner and one of the Owners of Alpha Barnes Real Estate Services, LLC in Dallas, Texas. Together with Hugh Cobb, he leads property management operations and strategic development at the firm. Alpha Barnes Real Estate Services, LLC manages over 20,000 units of affordable and conventional housing and is recognized as an industry leader in property management and tax credit compliance. Alpha Barnes also develops multi-family properties in the Dallas/Fort Worth region.

Mr. Clark graduated from High Point University, in High Point, North Carolina in 1974. He entered the multi-family housing industry a short time later, serving at the Dallas Housing Authority from 1980-1984. Mr. Clark founded and owned M-DC Group and continued to serve as President in privately held management and ownership firms specializing in affordable housing compliance and management, new construction and asset growth. In 2000, M-DC Group, Inc. (known as Alpha Management) formed a partnership with The Barnes Company to found Alpha Barnes Real Estate Services.

Mr. Clark has served in volunteer leadership roles throughout his career. He has continued current roles with the Board of Directors of Texas Inter-Faith Housing, Inc., of Houston, Texas. He is also a Past President of the Rural Rental Housing Association of Texas (RRHA), the Texas Affiliation of Affordable Housing Providers (TAAHP), as well as local Apartment Associations and the Texas Apartment Association (TAA). He is currently a Regional Vice President for the National Apartment Association (NAA).

Mr. Clark is a Housing Credit Certified Professional (HCCP).



Hugh A. Cobb is a Partner and one of the Owners of Alpha Barnes Real Estate Services, LLC in Dallas, Texas. He leads property management operations and strategic new business development at the firm. Alpha Barnes Real Estate Services, LLC manages over 20,000 units of affordable and conventional housing and is recognized as an industry leader in property management and tax credit compliance. Alpha Barnes also develops multi-family properties in the Dallas/Fort Worth region.

Hugh earned a Bachelor's of Business Administration (Dean's List) from Texas Wesleyan University in 1983. In 1984, Hugh was appointed by President Reagan, to serve as Congressional Liaison for The White House in Washington D.C. Prior to joining Alpha Barnes in January of 2017, Hugh held executive positions with Capstone Real Estate Services, The Trammell Crow Company and Integrity Properties. Mr. Cobb has over 30 years of real estate experience including management, brokerage, new construction, lending and investment. He has supervised lease-ups for more than 28,000 new and renovated units over 17 years.

Hugh is Past President of the Apartment Association of Greater Dallas (AAGD) and serves on the Executive Committee of the Texas Apartment Association (TAA). On the federal level, Hugh lobbies on behalf of issues important to real estate investment, development and housing affordability. Hugh serves several nonprofit organizations, in Board and Advisory capacities.

Mr. Cobb is a Certified Property Manager® (CPM).

Property	City	State	Zip	Units	Region	Description	LIHTC
87th Apartments	Odessa	TX	79765	181	West Texas	Family	Yes
Allegre Point	Austin	TX	78728	184	Central Texas	Family	Yes
Amber Stone	Beeville	TX	78102	54	South Texas	Family	Yes
Anson Park I	Abilene	TX	79603	64	West Texas	Family	Yes
Anson Park II Apartments	Abilene	TX	79603	80	West Texas	Family	Yes
Anson Park Seniors	Abilene	TX	79603	80	West Texas	Seniors	Yes
Arbor Oaks	Odessa	TX	79761	120	West Texas	Family	Yes
Arbor Terrace	Odessa	TX	79761	128	West Texas	Family	Yes
Aspire at Live Oak (new construction)	Live Oak	TX	78233	240	South Texas	Family	No
Auburn Square	Vidor	TX	77662	80	East Texas	Family	Yes
Avanti Bayside Apartments (new construction)	Corpus Christi	TX	78413	60	South Texas	Seniors	Yes
Avanti at Greenwood (new construction).	Corpus Christi	TX	78417	81	South Texas	Family	Yes
Avanti East	Edinburg	TX	78542	108	South Texas	Family	Yes
Avanti Emerald Point (new construction)	McAllen	TX	78501	71	South Texas	Family	Yes
Avanti Legacy Emerald Point (new construction)	McAllen	TX	78501	90	South Texas	Seniors	Yes
Avanti Legacy at Sienna Palms (new construction)	Weslaco TX	TX	78599	114	South Texas	Family	Yes
Avanti Legacy at South Bluff (new construction)	Corpus Christi	TX	78413	42	South Texas	Seniors	Yes
Avondale Farms Seniors	Haslet	TX	76052	121	North Texas	Seniors	Yes
Babcock North	San Antonio	TX	78249	138	South Texas	Family	No
Babcock North II	San Antonio	TX	78248	72	South Texas	Family	Yes
Bardin Apartments (new construction)	Arlington	TX	76018	112	North Texas	Family	Yes
Bayshore Towners	Pasadena	TX	77504	100	East Texas	Seniors	Yes
Beacon Bay Townhomes	Port Isabel	TX	78578	76	South Texas	Family	Yes
Big Bass Resort Apartments	Jacinto City	TX	77029	200	Upper Gulf Coast	Seniors	Yes
Bishop Courts	Bishop	TX	78343	60	South Texas	Family	Yes
Blue Water Garden	Hereford	TX	79045	132	Panhandle	Family	Yes
Bonham, Country Village of	Bonham	TX	75418	104	North Texas	Family	No
Bonham, Country Village of - MHP (Mobile Home Park)	Bonham	TX	75418	79	North Texas	Family	No
Briar bend	Beaumont	TX	77708	40	East Texas	Family	Yes
Bridge at Granada (New Construction)	Austin	TX	78753	258	Central Texas	Family	Yes
Broadstone Apartments	Tyler	TX	75701	100	East Texas	Family	No
Buena Vida Senior Village	Corpus Christi	TX	78405	100	South Texas	Seniors	Yes
Butler Brothers Building	Dallas	TX	75201	234	North Texas	Family	No
Calcasieu Apartments	San Antonio	TX	78205	64	South Texas	Family	Yes
Carolina Chase Apartments	Dallas	TX	75240	166	North Texas	Family	No
Casitas De Merced	Somerset	TX	78069	28	South Texas	Seniors	Yes
Castleridge	San Antonio	TX	78227	144	South Texas	Family	No
Catalon	Houston	TX	77084	142	Upper Gulf Coast	Family	Yes
Catalon at Paseo de la Resaca (New Construction)	Brownsville	TX	78526	128	South Texas	Seniors	Yes
Cayetano Villas of LaVernia	La Vernia	TX	78121	48	South Texas	Family	Yes
Cedar Park	Cedar Park	TX	78613	226	Central Texas	Family	Yes
Cedarwood	Huntsville	TX	77340	68	Upper Gulf Coast	Family	Yes
Cimarron Springs	Cleburne	TX	76031	156	North Texas	Family	Yes
Cliff View Village I	Dallas	TX	75241	28	North Texas	Seniors	No
Cliff View Village II	Dallas	TX	75241	28	North Texas	Seniors	No
Cliff View Village III	Dallas	TX	75241	28	North Texas	Seniors	No
Cobblestone Village	Cleburne	TX	76033	144	North Texas	Family	Yes
Country Lane Seniors - McKinney	McKinney	TX	7509	230	North Texas	Seniors	Yes
Country Lane Seniors - Temple	Temple	TX	76504	102	Central Texas	Seniors	Yes
Country Lane Seniors - Waxahachie	Waxahachie	TX	75165	102	North Texas	Seniors	Yes
Creekside Village	Edmond	OK	73003	84	OK/AR	Seniors	Yes
Crest at Illinois Apartments (new construction)	Dallas	TX	75211	264	North Texas	Family	No
Crestshire Village	Dallas	TX	75227	74	North Texas	Family	Yes
Cypress Cove	San Antonio	TX	78238	136	South Texas	Family	No
District at Midtown (new construction)	Tyler	TX	75702	36	East Texas	Family	No
Eddison Lofts (new construction)	Houston	TX	77489	126	Upper Gulf Coast	Family	Yes
Eddison, The (FKA Canyons at 45)	Amarillo	TX	79109	328	Panhandle	Family	Yes
Edgewood Manor	Dallas	TX	75215	30	North Texas	Family	Yes
Edinburg Village	Edinburg	TX	78539	100	South Texas	Family	Yes
El Campo	El Campo	TX	77437	80	South Texas	Family	Yes
Elder Street Artist Lofts	Houston	TX	77007	34	Upper Gulf Coast	Family	Yes
Eleanor Place	San Antonio	TX	78209	9	South Texas	Family	No
Elmhurst Place	San Antonio	TX	78209	23	South Texas	Family	No
Enclave at Buckhorn Crossing	San Antonio	TX	78240	240	South Texas	Family	No
Enclave at Mira Lagos I	Grand Prairie	TX	75054	199	North Texas	Family	No

Property	City	State	Zip	Units	Region	Description	LIHTC
Enclave at Mira Lagos II	Grand Prairie	TX	75054	112	North Texas	Family	No
Enclave at Parkview	Fort Worth	TX	76179	144	North Texas	Family	Yes
Enclave on Pioneer (fka The Oaks)	Balch Springs	TX	75180	147	North Texas	Family	No
Encore at Buckingham	Richardson	TX	75081	242	North Texas	Seniors	No
Estates at Shiloh	Dallas	TX	75228	40	North Texas	Seniors	Yes
Fifty Oaks	Rockport	TX	78382	50	South Texas	Family	Yes
Fish Pond at Cuero	Cuero	TX	77954	48	South Texas	Seniors	Yes
Fish Pond at Portland	Portland	TX	78374	60	South Texas	Seniors	Yes
Flats at Shadow Glen	Manor	TX	78653	248	North Texas	Family	No
Forest Park Apartments	Austin	TX	78753	228	Central Texas	Family	Yes
Frankford Station Lofts (new construction)	Carrollton	TX	75007	204	North Texas	Family	No
Garland Estates	Garland	TX	75042	40	North Texas	Seniors	No
Glades of Gregory	Gregory	TX	78359	72	South Texas	Family	Yes
Glades of Gregory II (new construction)	Portland	TX	78374	144	South Texas	Family	Yes
Golden Acres Retirement Center	Paris	TX	75460	50	East Texas	Seniors	No
Gran Cielo	Rio Grande City	TX	78582	80	South Texas	Family	Yes
Grand Reserve Seniors, The - McKinney	McKinney	TX	75069	180	North Texas	Seniors	Yes
Grand Reserve Seniors, The - Temple	Temple	TX	46504	102	Central Texas	Seniors	Yes
Grand Reserve Seniors, The - Waxahachie	Waxahachie	TX	75165	80	North Texas	Seniors	Yes
Grand Texas Seniors, The - McKinney	McKinney	TX	75069	100	North Texas	Seniors	Yes
Green Briar Village I	Wichita Falls	TX	76305	76	North Texas	Family	Yes
Greenbriar Village II	Wichita Falls	TX	76305	36	North Texas	Family	Yes
Greens on Turtle Creek, The	Port Arthur	TX	77642	84	East Texas	Seniors	Yes
Guadalupe Villas Seniors (new construction)	Lubbock	TX	79401	128	West Texas	Seniors	Yes
Gulfway Manor	Corpus Christi	TX	78412	151	South Texas	Family	Yes
Hacienda Del Sol	Dallas	TX	75217	55	North Texas	Family	Yes
Hacienda San Miguel (new construction)	Donna	TX	78537	140	South Texas	Family	No
Hampton Villages	Pampa	TX	79065	76	Panhandle	Family	Yes
Heritage Estates at Huntsville (new construction)	Huntsville	TX	77320	48	Upper Gulf Coast	Seniors	Yes
Heritage Estates at Owen Tech (new construction)	Austin	TX	78728	174	Central Texas	Seniors	Yes
Highland Villas	Bryan	TX	77802	180	Central Texas	Seniors	Yes
Hillandale Apartments	Columbia	SC	29203	200	South Carolina	Family	Yes
Hills at Leander (new construction)	Leander	TX	78641	228	Central Texas	Seniors	Yes
Homes of Mountain Creek, The	Grand Prairie	TX	75051	200	North Texas	Family	Yes
Hunter's Glen	San Antonio	TX	78211	144	South Texas	Family	Yes
Huntington at Missouri City	Missouri City	TX	77459	120	Upper Gulf Coast	Seniors	Yes
Huntington at Paseo de la Resaca (New Construction)	Brownsville	TX	78526	132	South Texas	Seniors	Yes
Huntington at Sienna Plantation	Missouri City	TX	77459	132	Upper Gulf Coast	Seniors	Yes
Huntington at Sienna Ranch	Missouri City	TX	77459	149	Upper Gulf Coast	Seniors	Yes
Huntington Beaumont (fka Gardens at Sienna)	Beaumont	TX	77708	120	East Texas	Seniors	Yes
Huntington Chimney Rock (new construction)	Houston	TX	77053	100	Upper Gulf Coast	Family	Yes
Huntington College Station (new construction)	College Station	TX	77845	120	Central Texas	Seniors	Yes
Huntington Kemah (new construction)	Kemah	TX	77565	148	Upper Gulf Coast	Family	Yes
Huntington Lake Jackson (fka Jackson Village)	Lake Jackson	TX	77566	96	South Texas	Seniors	Yes
Huntington Seniors at Buda (The)	Buda	TX	78610	120	Central Texas	Seniors	Yes
Iris Place	Dallas	TX	75240	18	North Texas	Family	No
Jeffrey Square Apartments	Dallas	TX	75208	20	North Texas	Family	No
Kensington Place	Houston	TX	77034	216	Upper Gulf Coast	Family	Yes
Kings Court	San Antonio	TX	78212	32	South Texas	Seniors	No
La Villita Phase I	Brownsville	TX	78521	128	South Texas	Family	Yes
La Villita Phase II	Brownsville	TX	78521	80	South Texas	Family	Yes
Lake Jackson Manor	Lake Jackson	TX	77566	100	South Texas	Seniors	Yes
Lakeline Apartments	Leander	TX	78641	264	Central Texas	Family	No
Lake Park Duplexes	Tyler	TX	75704	50	East Texas	Family	No
Lakeview Pointe (new construction)	Garland	TX	75043	112	North Texas	Family	Yes
Landing, The	Waco	TX	76705	160	Central Texas	Family	Yes
Lansborough Apartments	Houston	TX	77051	176	Upper Gulf Coast	Family	No
Las Misiones Apartments	Mission	TX	78527	118	South Texas	Family	No
LBJ Station	Dallas	TX	75243	249	North Texas	Family	No
Legacy Ranch @ Dessau East	Austin	TX	78753	232	Central Texas	Family	Yes
Limestone Ridge Apartments	Big Spring	TX	79720	76	West Texas	Family	Yes
Lindbergh Parc	Fort Worth	TX	76106	196	North Texas	Seniors	Yes
Live Oak Villas	George West	TX	78022	48	South Texas	Family	Yes
Lockhart Springs (new construction)	Lockhart	TX		48	Central Texas	Family	Yes
LULAC Village Park	Corpus Christi	TX	78416	152	South Texas	Family	Yes

Property	City	State	Zip	Units	Region	Description	LIHTC
Lyons Gardens	Austin	TX	78702	54	Central Texas	Seniors	No
Maeghan Pointe Apartments	Edcouch	TX	78538	80	South Texas	Family	Yes
Magnolia at Village Creek	Fort Worth	TX	76119	252	North Texas	Family	Yes
Magnolia Place Senior Apts	Houston	TX	77033	144	Upper Gulf Coast	Seniors	Yes
Majestic on McKinney (The)	Denton	TX	76209	217	North Texas	Family	No
Major Crossing Apartments	Beaumont	TX	75428	96	East Texas	Family	No
Mansions at Hastings Green	Houston	TX	77065	230	Upper Gulf Coast	Family	Yes
Mansions at Hastings Green Senior	Houston	TX	77065	252	Upper Gulf Coast	Seniors	Yes
Mansions at Moses Lake	Texas City	TX	77590	240	Upper Gulf Coast	Family	Yes
Mark at Denton (new construction)	Denton	TX	76207	316	North Texas	Family	No
Mark at Midlothian (new construction)	Midlothian	TX	76065	236	North Texas	Family	No
Mark at Weatherford (new construction)	Weatherford	TX		355	North Texas	Family	No
Mark on Conquest (new construction)	Waxahachie	TX	75165	140	North Texas	Family	No
Mark on Conquest Phase II (new construction)	Waxahachie	TX	75165	188	North Texas	Family	No
Mark on Solon	Waxahachie	TX	75165	112	North Texas	Family	No
Martha's Vineyard Place	Dallas	TX	75235	100	North Texas	Family	No
McMullen Square	San Antonio	TX	78228	100	South Texas	Family	Yes
Meadows at Bentley Drive, The	San Antonio	TX	78218	208	South Texas	Family	Yes
Mill Stone Apartments	Fort Worth	TX	76120	144	North Texas	Family	Yes
Mill Town Seniors	Silsbee	TX	77565	80	East Texas	Seniors	Yes
Miramonte (new construction)	Stafford	TX	77471	124	South Texas	Family	Yes
Miramonte Single Living (new construction)	Stafford	TX	77471	68	South Texas	Seniors	Yes
Moore Grocery Lofts	Tyler	TX	75702	88	East Texas	Family	Yes
Museum Reach Lofts (new construction)	San Antonio	TX	78215	94	South Texas	Family	Yes
Navigation Pointe	Corpus Christi	TX	78405	124	South Texas	Family	Yes
North Forest Trails	Houston	TX	77028	168	Upper Gulf Coast	Family	Yes
Oak Meadows Townhomes	Commerce	TX	75428	72	North Texas	Family	Yes
Orchards at Arlington Heights	Arlington	TX	76018	180	North Texas	Seniors	No
Orchards at Market Plaza	Plano	TX	75075	180	North Texas	Seniors	No
Palisades of Inwood	Houston	TX	77088	127	Upper Gulf Coast	Seniors	Yes
Parc East Apartments	Mesquite	TX	75150	209	North Texas	Family	Yes
Park Gardens North	Paris	TX	75462	100	East Texas	Family	No
Park Hill	San Marcos	TX	78666	168	Central Texas	Family	No
Park Village	Big Spring	TX	79720	76	West Texas	Family	Yes
Park, The	Corpus Christi	TX	78413	226	South Texas	Family	No
Parkstone Crossroads	Wichita Falls	TX	76301	112	North Texas	Family	Yes
Parkstone Senior Village I	Wichita Falls	TX	76310	140	North Texas	Seniors	Yes
Parkstone Senior Village II	Wichita Falls	TX	76310	64	North Texas	Seniors	Yes
Parkstone Senior Village III	Wichita Falls	TX	76310	40	North Texas	Seniors	No
Peter's Colony	Carrollton	TX	75007	160	North Texas	Family	No
Pioneer Crossing - Diboll (new construction)	Diboll	TX	75941	80	East Texas	Family	Yes
Pioneer Crossing Burkburnett Seniors	Burkburnett	TX	76354	80	North Texas	Seniors	Yes
Pioneer Crossing Henrietta	Henrietta	TX	76365	49	North Texas	Family	No
Pioneer Crossing Lufkin Family	Lufkin	TX	75904	80	East Texas	Family	Yes
Pioneer Crossing Lufkin Seniors	Lufkin	TX	75904	80	East Texas	Seniors	Yes
Pioneer Crossing Mineral Wells	Mineral Wells	TX	76067	80	North Texas	Family	Yes
Pioneer Crossing Sulphur Springs Seniors	Sulphur Springs	TX	75482	80	East Texas	Seniors	Yes
Pointe Apartments, The	Dallas	TX	75215	10	North Texas	Family	No
Post Oak - Edna, The	Edna	TX	77957	64	South Texas	Family	Yes
Primrose Village (new construction)	Weslaco	TX	78599	242	South Texas	Family	Yes
Red Oaks Townhomes	Waco	TX	76706	80	Central Texas	Family	No
Reserve at Towne Crossing, The	Longview	TX	75605	216	East Texas	Family	No
Reserves at Springdale	Austin	TX	78723	264	Central Texas	Family	Yes
Reserves at San Marcos (new construction)	San Marcos	TX	78666	379	Central Texas	Family	Yes
Residences on Stillhouse Road	Paris	TX	76460	76	East Texas	Family	Yes
River Pointe	San Angelo	TX	76903	204	West Texas	Family	Yes
Riverside Village	Rio Hondo	TX	78583	60	South Texas	Family	Yes
Riversquare	Corpus Christi	TX	78410	204	South Texas	Family	Yes
Riverwalk Apartments	College Station	TX	77840	128	Central Texas	Family	No
Riverwalk Townhomes	Stephenville	TX	76401	76	North Texas	Family	Yes
Rockhill (new construction)	McKinney	TX	75070	60	North Texas	Family	No
Rockwell Manor	Brownsville	TX	78521	126	South Texas	Family	Yes
Rosewood Senior Villas (new construction)	Tyler	TX	75707	92	East Texas	Seniors	Yes
Royal Gardens Mineral Wells	Mineral Wells	TX	76067	75	North Texas	Seniors	Yes
Royal Gardens Wichita Falls	Wichita Falls	TX	76310	49	North Texas	Seniors	Yes

ALPHA BARNES REAL ESTATE SERVICES, LLC
12720 HILLCREST RD, STE 400
DALLAS, TX 75230

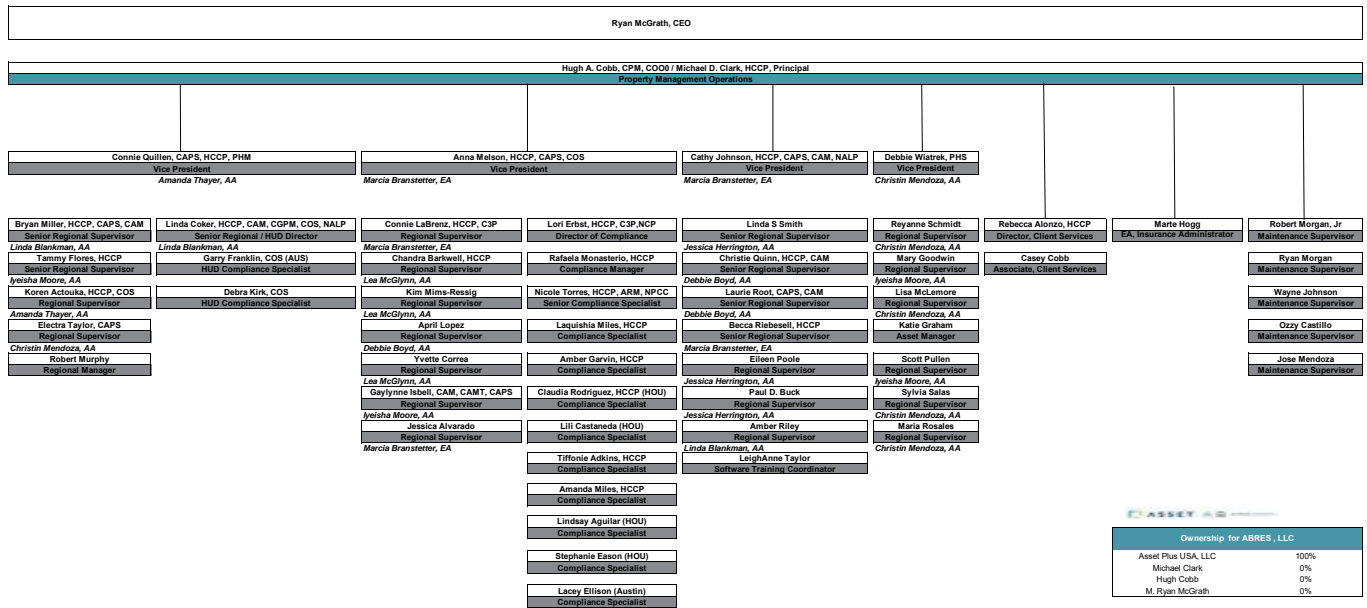


Property	City	State	Zip	Units	Region	Description	LIHTC
Saddle Creek	Kyle	TX	78640	104	Central Texas	Family	Yes
Sage Brush Village	Odessa	TX	79763	112	West Texas	Family	Yes
Santa Rita Senior Village	Midland	TX	79701	136	West Texas	Seniors	Yes
Sedona Springs Villas	Odessa	TX	79764	100	West Texas	Family	Yes
Shadow Brook	Arlington	TX	76013	403	North Texas	Family	Yes
Silver Springs Apartments	Austin	TX	78753	360	Central Texas	Family	Yes
Silver Spur Apartments (New construction opening J	Palmview	TX	78572	120	South Texas	Family	Yes
Sleepy Hollow	Arlington	TX	76013	128	North Texas	Family	Yes
Somerset Lofts (new construction)	Houston	TX	77008	120	Upper Gulf Coast	Family	No
Southwest Pines	Tyler	TX	75701	248	East Texas	Family	Yes
Springfield Manor	Kirby	TX	78219	130	South Texas	Family	Yes
St. George's Court	Austin	TX	78752	60	Central Texas	Seniors	Yes
Stablewood Farms	San Antonio	TX	78227	252	South Texas	Family	Yes
Sterling Springs Villas	Midland	TX	79706	120	West Texas	Family	Yes
Stone Hearst Apts	Beaumont	TX	77703	104	East Texas	Family	Yes
Stone Hearst Seniors	Beaumont	TX	77703	36	East Texas	Seniors	Yes
Stonebridge of Plainview	Plainview	TX	79072	80	West Texas	Family	Yes
Stream at High Pointe (The) (New construction)	Halotm City	TX	76137	286	North Texas	Family	No
Sundance Meadows Apartments	Brownsville	TX	78526	132	South Texas	Family	Yes
Sunflower	La Feria	TX	78559	80	South Texas	Family	Yes
Sunquest	Primera	TX	78552	128	South Texas	Family	Yes
Sunray Community	Richardson	TX	75081	50	North Texas	Seniors	Yes
Sunrise Terrace	La Feria	TX	78559	70	South Texas	Family	Yes
Sycamore Pointe Apts.	Fort Worth	TX	76134	168	North Texas	Family	Yes
Thompson Place	San Antonio	TX	78226	128	South Texas	Family	Yes
Timber Creek at Sienna Trails	Beaumont	TX	77708	36	East Texas	Family	Yes
Treepoint Meadows	Amarillo	TX	79109	432	Panhandle	Family	No
Trinity Loft	Dallas	TX	75207	101	North Texas	Family	No
Tuscany Court Townhomes	Hondo	TX	78861	76	South Texas	Family	Yes
Tuscany Park at Buda	Buda	TX	78610	176	Central Texas	Family	Yes
Twin Oaks	Mission	TX	78572	108	South Texas	Family	Yes
Urban Oaks	Austin	TX	78745	194	Central Texas	Family	Yes
Urban Villas	Austin	TX	67622	90	Central Texas	Family	No
Villages at Snyder	Snyder	TX	79550	80	West Texas	Family	Yes
Villages of Huntsville	Huntsville	TX	77320	76	Upper Gulf Coast	Family	Yes
Villages of Huntsville Senior	Huntsville	TX	77320	36	Upper Gulf Coast	Seniors	Yes
Villas at Boston Heights	Benbrook	TX	76116	144	North Texas	Family	Yes
Villas of Giddings	Giddings	TX	78942	36	Central Texas	Family	Yes
Villas on Calloway Creek	Hurst	TX	76053	135	North Texas	Seniors	Yes
Villas on Raiford	Carrollton	TX	75007	180	North Texas	Seniors	Yes
Villas on Robinette (new construction)	Kileen	TX	76549	104	Central Texas	Seniors	Yes
Vineyard on Lancaster	Ft Worth	TX	76102	104	North Texas	Family	Yes
Vista Bella	Vista Lago	TX	78745	72	North Texas	Family	Yes
Walnut Creek Apartments	Austin	TX	78723	98	Central Texas	Family	Yes
West Oaks Village	Houston	TX	77082	232	Upper Gulf Coast	Seniors	Yes
West Ridge Villas	McKinney	TX	75070	132	North Texas	Family	Yes
Western Hills	San Antonio	TX	78227	146	South Texas	Family	Yes
Westmount at Houston Street	San Antonio	TX	78220	200	South Texas	Family	Yes
Windsor Place	Laredo	TX	78045	176	South Texas	Family	No
Wood River	Corpus Christi	TX	78410	200	South Texas	Family	No
Woodland Ridge	San Antonio	TX	78240	152	South Texas	Family	Yes
Works at Pleasant Valley II, The	Austin	TX	78702	29	Central Texas	Family	Yes
Works at Pleasant Valley, The	Austin	TX	78702	45	Central Texas	Family	Yes
Wurzbach Manor	San Antonio	TX	78240	161	South Texas	Family	Yes
Zion Village	Houston	TX	77004	50	Upper Gulf Coast	Family	Yes

HUD Program/Financing

TOTAL UNITS	31,755
TOTAL PROPERTIES	250
LIHTC UNITS	22,169
LIHTC PROPERTIES	187
SENIOR UNITS	7,260
SENIOR PROPERTIES	68

HAP UNITS	1320
HAP PROPERTIES	15
811 UNITS	153
811 PROPERTIES	16
PRAC UNITS	361
PRAC PROPERTY	10





Founded in 1996, ICON Builders is a leading Texas-based, construction-services firm.



GENERAL CONSTRUCTION

ICON Builders has completed a multitude of projects for clients ranging from simple to complex construction. These projects include construction of commercial, government, multifamily, and retail developments. Delivery methods include lump sum contracts, Construction Management, design/build, and fast-track projects.

PROJECT MANAGEMENT

Multiple roles contribute to the development and success of a project. These roles can include scheduling, architectural and engineering selection, plans and specification development, and quality control, to name a few. ICON Builders provides clients with the option to either outsource these project services or allow ICON to fulfill all aspects.



FEATURED DEVELOPMENTS



PARK CENTRAL

8580 Park 77642, Central Blvd, Nederland, TX 77627

Market Rate / Affordable Units

Type of Development – Garden Style, Duplex

In service 2016

Total Development Cost – \$27.6M

New Construction - Multifamily

2101 CHURCH ST

2101 Church Rear Street, Galveston, TX, 77550

Market Rate Units

Type of Development – Mid Rise

In service 2013

Total Development Cost – \$13.8M

Rehab - Multifamily w/ Commercial Retail



VILLAGE AT PALM CENTER

5110 Griggs Rdoad, Houston, TX 77021

Market Rate / Affordable Units

Type of Development – Midrise w/ Duplexes

In service 2017

Total Development Cost – \$42M

New Construction - Multifamily w/ Commercial Retail

ABOUT US

ICON Builders, LLC and Affiliated Companies

ICON Builders is affiliated with The ITEX Group LLC (ITEX), a highly respected real estate development company specializing in residential development and property management. ITEX's primary business activities and experience is in developing, constructing and managing real estate investments.

ITEX has over 250 Texas-based employees in its development, construction and property management affiliated companies.

ITEX currently has over 50 multi-family developments in Texas, Colorado, Arkansas and Louisiana and serving more than 5,496 families.

ITEX/ICON currently has an additional 3 properties in development in Texas.

ICON partners with experienced building and landscape architects, engineers, and interior designers in developing efficient and quality multi-family and single-family properties.

ICON Builders, LLC was originally founded in 1996. ICON Builders is a leading Texas-based, construction-services firm that has an extensive history in the construction aspect of real estate. Within the past five years, ICON has completed over \$200 million in projects. Professional associations include the Associated General Contractors of America, Texas Apartment Association, and the Texas Association of Builders. ICON's formula for success continues to provide clients with innovative construction services that exceed expectations.

Safety & Quality Assurance

ICON Builders prides itself in being able to deliver a more than satisfactory product that is stable and sound as to benefit our clients needs for decades to come.

Professional Associations



Firm Profile

TBA Studio and Architectural Housing Solutions are Architecture and Consulting Firms specializing in multifamily housing construction and renovation. TBA/AHS offer energy audits, budget planning, grant writing and modernization program administration services to public agencies such as Public Housing Authorities and Community Development Departments. TBA/AHS has been performing Physical Needs Assessments for public housing authorities since 1994.

Currently we employ 12 professionals in the West Monroe office and 2 in the Bossier City office. The firm members have extensive experience in a wide range of project types. TBA Studio is a full service architectural planning and design firm specializing in Educational, Commercial, Religious, Healthcare, Institutional, Historic Preservation and Adaptive Reuse Architecture. In addition to architectural services,

Core Services:

Architectural Design. Architecture is inventive and motivating. We achieve creative, intelligent design by a process that develops traditional architectural methods and combines them with new technologies. Our design solutions provide our clients with modern technologies and provide our clients with the best service possible, improve quality of life, and maintain economic value and sustainability.

Project Management. Architecture is collaboration between architects, clients, sites and materials; yet long after the architect departs, the client, site and new structure remain. In order to ensure our buildings are successful expressions of our client's desires, we begin each project by learning as much as possible about the client and the elements that will contribute to the project. Our purpose is to bring together all of the elements-plans, contractors, customers, etc. to insure successful completion of the project.

Site Analysis. An analysis of local authority regulations, resource consent requirements, orientation, views, levels, heritage implications, legal requirements, relationship with neighboring sites and available utilities and service routes help give everyone some certainty with which to make decisions on the direction in which project should go.

Conceptual Planning. The success of the project greatly benefits from conceptual planning. A brief is a description of the desired outcomes and it can include such things as the requirements and functions of the building, the activities and spaces to be accommodated, desired materials and finishes and budgetary constraints.

LEED AP. Our LEED Accredited Professionals (LEED APs) have a thorough understanding of green building practices and principles and the LEED Rating System. LEED Professional Accreditation distinguishes building professionals with the knowledge and skills to successfully steward the LEED certification process

Architectural Modeling/Rendering. TBA Studio can provide conceptual rendering or a life-like approach. Every client has a special need, and we strive to meet that expectation.



Type of Organization

Architectural Housing Solutions is A Professional Corporation, APC with offices in Bossier City and West Monroe, Louisiana. We are licensed to provide architectural services in 24 states and offer our clients a one-stop resource for affordable housing design, renovation, and due-dilligence services.

Architectural Housing Solutions (AHS) is an Architecture and Consulting Firm specializing in multifamily housing designs. AHS offers energy audits, budget planning, grant writing, and modernization program administration services to public agencies such as Public Housing Authorities and Community Development Departments.

Currently we employ 12 professionals in the West Monroe office and 2 in the Bossier City office. The firm members have extensive experience in a wide range of project types. Tim Brandon Architecture (TBA) is a full service architectural planning and design firm specializing in Educational, Commercial, Religious, Healthcare, Institutional, Historic Preservation, and Adaptive Reuse Architecture. In addition to the following services, AHS/TBA offers Construction Management, Interior Design, Leadership in Energy and Environmental Design, and BIM.



Company Capacity

Adhering to Timelines:

At Architectural Housing Solutions, we understand how critical timelines are to every project. Providing a project on time and in budget is the top priority and driving force behind every project that we oversee. In addition, we have a full staff of 14 employees that we fully utilize for projects with a tight timeline. We have effectively managed all of our projects to meet the timelines required.

At the onset of each project TBA/AHS thoroughly researches all codes and requirements including but not limited to; Code of Ordinances, Muni-Codes, Zoning requirements, DOTD Requirements, Life Safety Codes, International Building Codes, ADFA's 2016 QAP, LIHTC, HUD, USDA Fair Housing Act, and all ADA requirements.

We have successfully completed similar projects in size and scope, and we have the utmost confidence that we can meet the timeline provided.





Architectural
Housing
Solutions

Company Contact Information

Timothy Mark Brandon, AIA **NCARB, LEED GA**

Owner/CEO

Timothy M. Brandon, Architect APC/ Architectural Housing Solutions

Principal Architect

103 Cypress Street

West Monroe, LA 71291

T | (318) 340-1550

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E | tbrandon@tbastudio.com

Donna Cathey

Chief Operating Officer

Timothy M. Brandon, Architect APC/ Architectural Housing Solutions

Project Staff

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Clint Whittington, AIA

Vice-President of Operations

Timothy M. Brandon, Architect APC/ Architectural Housing Solutions

Project Manager

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Lisa Peddy Frontaura, Assoc. AIA

Vice-President of Operations

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Project Manager

2250 Hospital Drive, Suite 116

Bossier City, LA 71111

T | (318) 742-4675

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Megan Young, Assoc. AIA

Project Manager

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Project Staff

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Staff Resumes


**Timothy Mark Brandon, AIA
NCARB, LEED GA**

Owner/CEO

Timothy M. Brandon, Architect APC/ Architectural Housing Solutions

Principal Architect

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E | tbrandon@tbastudio.com

Tim Brandon is president and founder of both Timothy M. Brandon, Architect APC and Architectural Housing Solutions, LLC. A licensed professional architect, Tim has over 22 years of design, development, and project management experience. Supervising the execution of complex projects, he works closely with client representatives, construction managers, general contractors, and special consultants to insure the successful completion of his clients' projects.

While practicing architecture with TBA, Mr. Brandon has been a key participant in the design and construction of many educational, commercial, financial, and housing projects throughout the south.

A "Practicing Principal" for more than a decade, Mr. Brandon enjoys working with the client through the entire building process, from needs assessment through design, to construction closeout.

Mr. Brandon has extensive experience with HUD and USDA requirements as well as conventional lending, specializing in the Fair Housing Act, ADA, IBC, and Life Safety Code Requirements.

EDUCATIONAL BACKGROUND

B.A. | ARCHITECTURE | LA TECH

PROFESSIONAL REGISTRATION

Registered Architect: State of Louisiana # 5722

Licensed State Arkansas: # 3773

Licensed Architect in AR, AL, AZ, CO, FL, GA, IL, LA, MN, MO, MS, NC, ND, NM, NV, OH, OK, SC, TN, TX, and WY.

Certified-Construction Specifications Institute
LEED GA

PROFESSIONAL AFFILIATIONS

AMERICAN INSTITUTE OF ARCHITECTS, AIA
NCARB -NATIONAL COUNCIL OF ARCHITECTURAL
REGISTRATION BOARDS
AMERICAN INSTITUTE OF ARCHITECTS, PAST
PRESIDENT MONROE CHAPTER

ACADEMIC RELEVANCE

Panel Review-Student Critique, Louisiana Tech
University Department of Architecture

Presenter "Limitless Possibilities in the Architectural
World" AIAS Louisiana Forum

PROFESSIONAL AFFILIATIONS

Past Member, Louisiana Architectural Foundation

Past Member, Louisiana Architectural Selection Board

Current Member, The Construction Specification Institute

Current Member, Monroe Chamber of Commerce

Current Member, West Monroe-West Ouachita Chamber
of Commerce

Current Member, University of Louisiana at Monroe
Athletic Foundation

Current Member, University of Louisiana at Monroe

Honor Roll, University Circle

Habitat for Humanity

LAAHP Past Board of Directors – Louisiana Association
of Housing Providers

RELEVANT PROJECT EXPERIENCE

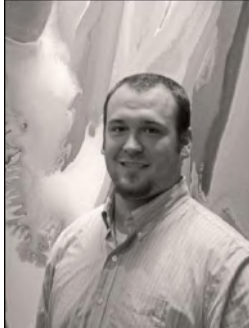
Monroe City Housing Authority, Facility Needs
Assessment, Renovations and Additions, Design

West Monroe Housing Authority, Facility Needs
Assessment

Natchitoches Parish Housing Authority, Renovations

Franklin Parish Housing Authority, Renovations

Caldwell Parish Housing Authority, Renovation, HVAC
Improvement


Clinton David Whittington, AIA, LEED AP

Vice-President of Operations

Timothy M. Brandon, Architect APC/ Architectural Housing Solutions

Project Manager

103 Cypress Street

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E | cwhittington@tbastudio.com

Clinton D. Whittington is a twelve year team member of TBASudio. In 2001 Clint's passion for creating the built environment, along with his love of the arts led him to Louisiana Tech's School of Architecture. Mr. Whittington achieved numerous GPA and design awards throughout his five year stay at Louisiana Tech. He received his license in 2015.

Clint Whittington is currently the Vice-President of Operations for TBA Studio. His duties include all aspects of a project including estimating, programming, design, construction documents and construction administration. Clint has experience with major renovations, additions, and new construction of facilities of all types.

Clint has worked on various housing projects with Housing Authorities and Private Developers. Clint leads the design team and plays an integral role throughout the construction administration phase. He has vast experience and knowledge of HUD and USDA requirements as well as the Fair Housing Act, ADA, IBC and Life Safety Code Requirements.

EDUCATIONAL BACKGROUND

B.A.I ARCHITECTURE LA TECH HENRY
ADAMS MERIT AWARD CUM LAUDE

PROFESSIONAL REGISTRATION

ACCREDITED PROFESSIONAL- LEADERSHIP IN
ENERGY AN ENVIRONMENTAL DESIGN- LEED AP

PROFESSIONAL AFFILIATIONS

AMERICAN INSTITUTE OF ARCHITECTS, AIA HABITAT
FOR HUMANITY VOLUNTEER

RELEVANT PROJECT EXPERIENCE

Monroe City Housing Authority

West Monroe Housing Authority

Natchitoches Parish Housing Authority

Franklin Parish Housing Authority

Caldwell Parish Housing Authority

Briarwood Estates, Bastrop, LA

Meadows at Arcadia, Arcadia, LA

Springhill Senior Housing, Springhill, LA

Lincoln Family Housing, Lincoln Parish, LA

Indian Villa Townhomes, Monroe, LA


Lisa Peddy Frontaura, Assoc. AIA

Vice-President of Operations

Timothy M. Brandon, Architect APC/ Architectural Housing Solutions

Project Manager

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Lisa Peddy Frontaura, a graduate of Louisiana Tech University School of Architecture, has been managing housing projects for most of her 12 years with TBA Studio. Lisa is currently the Vice-President of Operations for TBA's Bossier office.

The multitude of housing work Lisa has garnered her vast range of experience on different project types. In addition to Lisa's experience in estimating, programming, design, construction documents, and construction administration of housing projects, she has also developed a wealth of knowledge and experience in working hand in hand with HUD and USDA requirements as well as specializing in the Fair Housing Act, ADA, IBC, and Life Safety Code Requirements. She understands that communication is a top priority and that the first step to a great project is to listen. Lisa prides herself on being able to design, manage and finish her housing projects on time and in budget.

EDUCATIONAL BACKGROUND

B.A.I ARCHITECTURE | LA TECH

Cum Laude

PROFESSIONAL REGISTRATION

 NCARB – NATIONAL COUNCIL OF
 ARCHITECTURAL REGISTRATION BOARDS

PROFESSIONAL AFFILIATIONS

 AMERICAN INSTITUTE OF ARCHITECTS, SHREVEPORT
 CHAPTER

BOSSIER CHAMBER OF COMMERCE

SHREVEPORT CHAMBER OF COMMERCE

HABITAT FOR HUMANITY

RELEVANT PROJECT EXPERIENCE
Monroe City Housing Authority
West Monroe Housing Authority
Natchitoches Parish Housing Authority
Franklin Parish Housing Authority
Caldwell Parish Housing Authority
Longview Square, Longview, TX
Canaan Village, 120 Units, Shreveport, LA
Mirage Apartments, Bossier City, LA
Lone Oak Oasis, Bossier City, LA
Ripple Creek Development, North Little Rock, AR
Habitat for Humanity, Ruston, LA
Springhill Senior Housing, Springhill, LA
Lincoln Family Housing, Lincoln Parish, LA
The Wellspring, Monroe, LA
Indian Villa Townhomes, Monroe, LA
215 Rue Poete, Natchitoches, LA
Rays of Sunshine Housing, Monroe, LA
201 Walnut Apartments, Monroe, LA

Staff Resumes


Megan Young, Assoc. AIA
Project Manager

Timothy M. Brandon, Architect APC/ Architectural Housing Solutions

Project Staff

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Bossier City, LA 71111

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 E | myoung@tbastudio.com

Megan Young is currently a project manager at TBA Studio. Megan's passion for art and architecture led her to Louisiana Tech University where she acquired her Master in Architectural Studies and a minor in Interior Design.

Since joining the Bossier City office, Megan has worked on a variety of housing projects. She has proven to be a great asset to the TBA team, as she provides a fresh perspective to every design and lends her creativity to make each project interesting and unique. Her experience in programming, design, construction documents, writing specifications, and construction administration has prepared her to play an integral role in each aspect of the architectural process.

Megan's experience working with various requirements such as ADA, IBC, Life Safety Code Requirements, and a variety of Muni-Codes serve as her foundation on each project. Her educational experience allows for 100% design of a building, from the inside to the outside. The combination of these aspects provide a fully thought out finished product.

EDUCATIONAL BACKGROUND

M.A. | ARCHITECTURE | LA TECH

Minor | INTERIOR DESIGN | LA TECH

PROFESSIONAL REGISTRATION

NCARB – NATIONAL COUNCIL OF ARCHITECTURAL REGISTRATION BOARDS

PROFESSIONAL AFFILIATIONS

AMERICAN INSTITUTE OF ARCHITECTS, SHREVEPORT CHAPTER

BOSSIER CHAMBER OF COMMERCE

SHREVEPORT CHAMBER OF COMMERCE

HABITAT FOR HUMANITY

RELEVANT PROJECT EXPERIENCE
Shreveport Housing Authority
Bossier City Housing Authority
Villa Americana, Houston, TX

Waverly Village, New Waverly, TX

Barton Drive Manor, Shreveport, LA

Briarwood Village, Shreveport, LA

Longview Square, Longview, TX

Canaan Village, Shreveport, LA

Welch Estates, Natchitoches, LA

Mirage Apartments, Bossier City, LA

Flamingo Apartments, Bossier City, LA

Lone Oak Oasis, Bossier City, LA

Wilkinson Street Development, Shreveport, LA

Bay Breeze Apartments, Bay City, TX

Pecan Villa, Monroe, LA

Old Oaks, Monroe, LA

Elmwood Estates, Monroe, LA

Representative AHS/TBA LIHTC Experience:

Barton Drive Manor (100 units) Shreveport, LA

Briarwood Village (32 units) Shreveport, LA

Canaan Village (120 units) Shreveport, LA

Waverly Village (50 units) New Waverly, TX

Villa Americana Apartments (258 units) Houston, TX

W Leo Tower (100 units) Houston, TX

Lincoln Family Housing Development (24 Duplexes) Ruston, LA

Spring Hill Elderly Housing Development - Springhill, LA

Camille Village Housing Development (42 Homes) Pass Christian, MS

Iowa Family Housing Development (64 Homes) Iowa, LA

Patti Estates (32 Units) Monroe, LA

Elmwood Estates (36 Units) Monroe, LA

Long Leaf Estates (48 Units) Monroe, LA

Zachary Estates Single Family Housing (74 Homes) Zachary, LA

Walker Estates Single Family Housing (63 Homes) Monroe, LA

Lake Charles Estates Single Family Housing (86 Homes) Lake Charles, LA

Hammond Estates Single Family Housing (87 Homes) Hammond, LA

Blooms Housing (42 Units) Tallulah, LA

Cyrus Homes (32 Homes) Jennings, LA

Choctaw Lodge (92 Units) Baton Rouge, LA

Hill View Homes (38 Homes) Bastrop, LA

Princeton Place Expansion (20 new patient rooms), Ruston, LA

Burg Jones Lane Office Renovation and Addition, Monroe, LA



Architectural
Housing
Solutions

Relevant Experience

Representative AHS/TBA Experience:

Included in the list below are both Public Housing and Senior Housing. * is not Public Housing

* Dakota Village/West Ridge Apartments, North Dakota

Longview Square Apartments, Longview, TX

*The Mirage Apartment Complex, Bossier City, LA

* Lone Oak Oasis, Bossier City, LA

Caldwell Housing - HVAC Improvements

Willa Point, Natchitoches, LA

Pecan Grove Housing, Campti, LA

Connie Drive Housing, Campti, LA

Patricia Drive Housing, Campti, LA

Dick Taylor Development, LA

Wellsprings, LA

Habitat for Humanity Homes, LA

Hillview Homes, LA

Arrington Estates, LA

Pine Crest Addition, Texarkana, LA

Campti Housing Authority Building Renovation, Campti, LA

Jackson Pines Subdivision, LA

Brushy Bayou, Unit 4, LA

Henry Projects, LA

Hotel St. Denis, LA

Mike Butler Properties, LA

Oakmont Village, LA

Willow Bend Apartments, LA

Carriage House Apartments, LA

Compass Pointe Apartments, LA

Natchitoches Theatre Condos, Natchitoches, LA

Dogwood Estates I & II, LA

Concluding Statement

Timothy M. Brandon, Architect APC/ Architectural Housing Solutions is excited to submit our skills and expertise for this project. We offer a wide range of architectural services and have extreme knowledge of building codes, cost control measures, and quality control steps. We work extremely hard for our clients, producing the highest quality Design Services available.

Your Project will be a Success because of our following qualities:

- The team was assembled specifically for the execution of your project.
- Combined, we have great influence and the strength of a passionate, experienced design firm.
- Experience working on projects large and small, urban and rural; delivering unique, client focused solutions on projects.
- Expert skills with public sector projects that include working with state agencies, local municipalities and parish governments.
- A proven track record of outstanding architectural services for numerous housing authorities throughout region.

The final result of our team working with you will be facilities that will positively impact the community as well as the Northwest region of the state.

We stand ready to listen to all of your needs for this project. Please call me at any time if you have questions about this proposal.

Sincerely,



Timothy Brandon, AIA
NCARB, LEED GA
Owner/CEO

Timothy M. Brandon, Architect APC/ Architectural Housing Solutions

Development Proposal

Elizabeth Property Group (“EPG”) is under contract to acquire Kensington Apartments (the “Property”), a 149-unit multifamily property in Austin, Texas. The Property is comprised of 4 buildings located on 2.7 acres adjacent to the Mueller Redevelopment in Austin. The Property is not currently regulated but serves a highly vulnerable tenant population, with many residents receiving social services from various nonprofits and churches. The current landlord does not accept housing choice vouchers because he keeps all residents on a month-to-month lease.

The Property will be purchased free and clear and is eligible for tax credit syndication, allowing EPG to preserve 142-units of affordable housing (originally 149 but will be reduced to 142 final count due to combining smaller units and making room for social services and office space.) This property would otherwise be purchased by a value-add buyer who would redevelop the property into a higher density market rate development, displacing the current residents and diminishing the available supply of affordable housing in this growing and relatively high opportunity infill area of Austin.

EPG intends to convert the Property into 50 COC units, to serve those experiencing short term homelessness or housing instability with the remainder at 50% AMI. If desired by the AHFC, the development team is open to including more COC units.

This property has several features that make it a compelling case to pursue a LIHTC business plan:

- Minimize displacement of vulnerable resident base: Current resident base is highly vulnerable with many residents receiving social services. Without a tax credit execution and soft funds from the City of Austin, the new ownership would have to displace the current residents in order to make the value-add business plan economics work. There are very few similarly naturally occurring affordable options remaining in East Austin for these residents to move to. Initial support from local city officials is positive and supportive of regulating the building and not displacing residents.
- Onsite Services with Full-Time Staff: EPG is discussing a potential partnership with Integral Care and other service providers to provide intensive services with onsite full-time employees staffed at the property. These services would include case management, mental health counseling and referrals, job preparedness and training, and other services as needed. These services would be paid for by a portion of the developer fee reserves, a cash flow priority payment towards funding services, and through fundraising by Integral Care or our nonprofit partner.
- Excellent transit options: Kensington Apartments is across the street from two bus stops along Capital Metro's 20 route, with service running to Austin Bergstrom Airport, and the 335 route running from the Mueller neighborhood through the Hyde Park neighborhood. Additionally, residents are within walking distance to the MLK Jr station along the MetroRail service, which runs from Leander to the convention center downtown.

Kensington Apartments
3300 Manor Road
Austin, Texas

- Proximity to jobs: The Property's central location in East Austin near major employment centers with thousands of new jobs across the income spectrum being created annually, with public transit nearby offering numerous employment options for residents. According to a Census Bureau tool, On The Map, the site has 43,787 within a 2-mile radius. The report is attached for confirmation.
- Walkable to retail and amenities: The Property is 1.1 miles from the Mueller Redevelopment (700-acre master planned community with approved 3.5mm sf of office, including Dell's Children Medical Center, Asenension Seton Healthcare, Texas Mutual, and Austin Studios; and significant retail including a full service HEB grocery store and pharmacy; and just across the street from an entryptpoint on the Mueller Trail, connecting to over 13 miles of hiking and biking trails and 140 acres of parkland. It is also located just 2 miles east of the University of Austin and 3 miles from downtown Austin.
- Prime for Renovation: EPG anticipates a substantial renovation budget of approximately \$70,000/unit+, focusing on items that will address deferred maintenance (roof, mechanical systems, exterior, landscaping, outdoor sitting area), improve the quality of life for the residents through social programming by partnering with a non-profit services provider, and improve the Property's physical appearance and in-unit conditions (new flooring, paint, appliances, making units accessible as needed). EPG will also be pursuing historic tax credits (Part 1 and Part A approvals already received), as the property's architecture is reminiscent of a '60s era Austin motor lodge, many of which no longer exist due to redevelopment.
- Unit Mix: The Property is comprised of small efficiencies and one bedrooms, which is well suited to continue to serve the largely non-family resident base that currently occupies the property. The property will also be 100% restricted to ensure the serving of the lower-income popualtion in need of housing.
- Common Area: The Property (as currently contemplated) will have approximately 2,500 sf of office/amenity space, including a computer center for resident use. There will also be wireless internet throughout the property including in-unit, free of use to residents. There will be enough meeting and office space for our service provider partner to beable to have full-time on-site staff at a 15:1 ratio (based on the number of COC units).

Status:

- The project is in line for a 2022 bond allocation.
- The development team plans to also submit a pre-application for 9% tax credits in order to determine competitiveness (*note – in the 9% scenario, the project would require minimal or no gap financing from the city, making this a very unique opportunity to preserve/create 142 unit of affordable housing without having to expend many city resources, allowing those resources to be diverted to other projects, thereby increasing total number of affordable units the city is able to provide*).

Kensington Apartments
3300 Manor Road
Austin, Texas

- The Property has received Part 1/A approval from SHPO and NPS for historic tax credits. This is another funding sources that reduces need for gap financing and helps to preserve affordability at this location.
- EPG anticipates applying for Project based vouchers (an RFP is expected from HACA in Q4 2021.) Based on the small unit sizes, this property would serve COC / rapid rehousing population well and is walkable to jobs, amenities, and retail.
- EPG is in process of submitting a TSAHC AHP grant application for \$375,000.

Unit Mix:

Unit Type	# Units	Sq Feet	Proposed Rents	Current Asking*	Max Gross LIHTC (30%/50%)	Max Gross LIHTC (60%)
0/1 (50% AMI)	51	250	\$815	\$780	\$866	\$1,039
0/1 (30% AMI)	5	250	\$519	\$780	\$519	\$1,039
1/1 (50% AMI)	40	410	\$928	\$850+	\$928	\$1,113
1/1 (50% AMI)	42	410	\$928	\$850+	\$928	\$1,113
1/1 (50% AMI)	4	450	\$928		\$928	\$1,113
TOTAL	142	348	\$851	\$799+	\$891	\$1,084

- The current LL does not accept housing choice vouchers and has no project based vouchers. Rents include all utilities.
- EPG is exploring ways to further offer deeper affordability – including PBVs, RHDA funding, etc.
- Based on the number of COC units, it is not the intent to increase rent on current residents if resident has no funding subsidy available. From discussions with service provides and others, it is likely that most or all residents would qualify for rental subsidy programs. The rents, particularly on the 50% studio units, are underwritten below max 50% AMI rents to accommodate for existing residents who may be at lower rents and have no funding subsidy available, combined with new COC residents who will have a funding subsidy at the 50% AMI rent level.
- All rental prices are between 40-50% AMI affordability levels from an underwriting perspective, but it is anticipated that project will serve a much deeper affordability level based on having at least 50 COC units, accepting housing choice vouchers, and the possibility of obtaining some project based vouchers.

Kensington Apartments
3300 Manor Road
Austin, Texas

Sources and Uses:

The below shows the sources and uses in both a 9% and 4% scenario. This application contemplates a 4% execution. It is worth noting that in a 9% scenario, very little or no gap financing would be required, making this a very efficient opportunity to preserve 142 units of long-term affordable housing (and allowing the city to fund additional affordable units with city funds).

4% Scenario (scenario contemplated in this application):

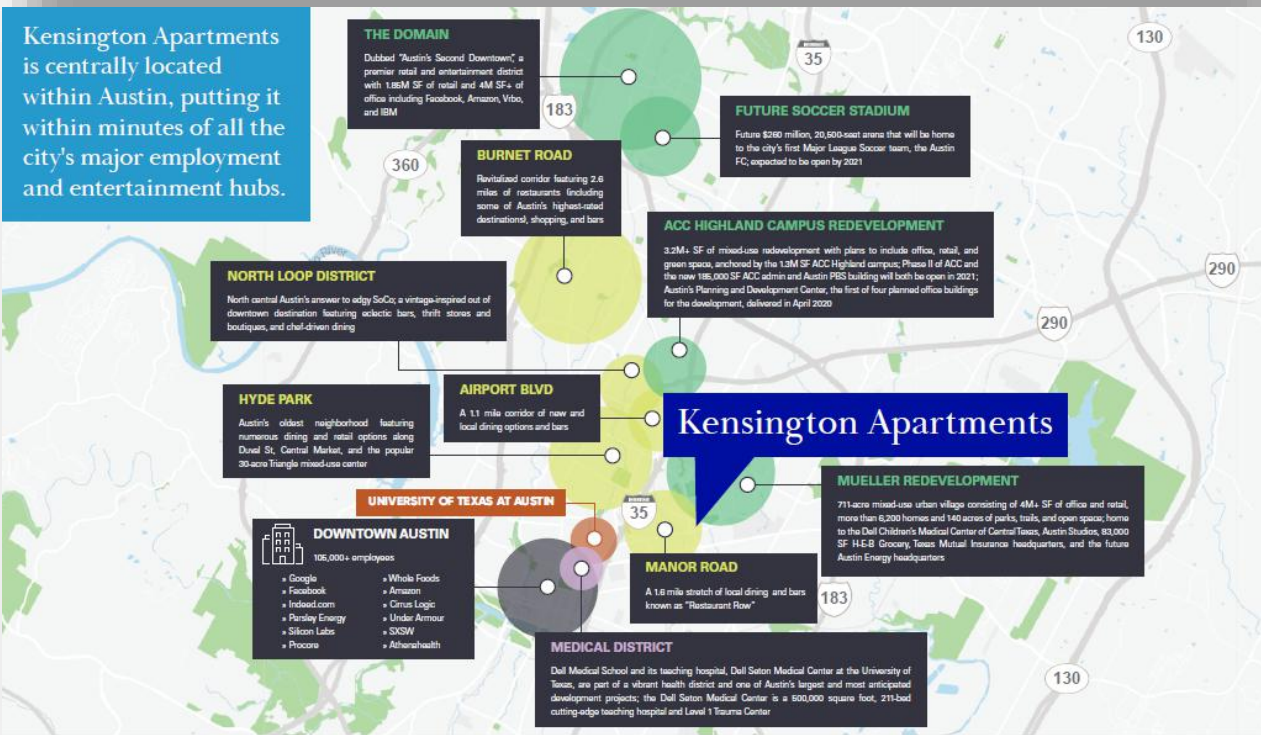
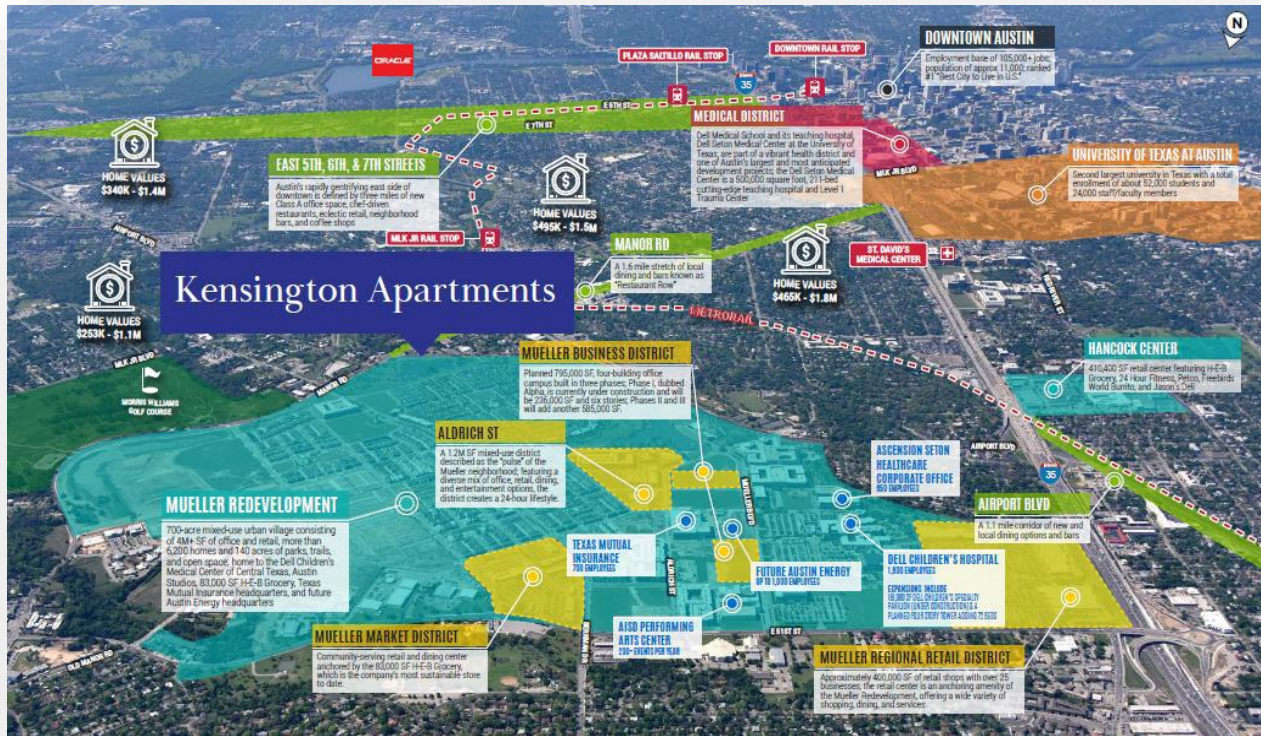
Asset Overview		Financial Overview		
Property	Kensington Apartments	Uses:		
Submarket	Austin, TX	Purchase Price	\$16,150,000	\$113,732/unit
Units*	142	Construction Hard Costs	\$13,136,493	\$92,511/unit
Address	3300 Manor Road	Construction Soft Costs	\$756,500	\$5,327/unit
Year Built	1968	Development Fee	\$4,356,694	\$30,681/unit
LIHTC	N/A	Fin/Syndication/Bond	\$1,804,471	\$12,708/unit
HAP	N/A	Operating Reserves	\$643,907	\$4,535/unit
Construction Type	Brick & stone garden-style	Total Capitalization	\$36,848,065	\$259,493/unit
Seller	KML Inc. (individual)	Sources:		
Unit Mix	Efficiencies & 1BR	LIHTC Equity	\$10,614,102	\$74,747/unit
Average Unit Size	348 sf	Historic Tax Credit (Fed+state)	\$8,086,795	\$56,949/unit
Current Occupancy	85%	Perm Debt	\$10,472,671	\$73,751/unit
Stabilized Occ.	93%	Deferred Fee (31%)	\$1,349,496	\$9,503/unit
Avg. Asking Rent	\$798	Operating Cash Flow	\$0	\$0/unit
Avg. Stabilized Rent	\$798	Soft funding (TDHCA/RHDA)	\$5,950,000	\$41,901/unit
		LIHTC Pricing	\$0.85	
		DSCR	1.20	
		LTC (hard debt)	28%	

9% Scenario:

Asset Overview		Financial Overview		
Property	Kensington Apartments	Uses:		
Submarket	Austin, TX	Purchase Price	\$16,150,000	\$113,732/unit
Units*	142	Construction Hard Costs	\$13,136,493	\$92,511/unit
Address	3300 Manor Road	Construction Soft Costs	\$756,500	\$5,327/unit
Year Built	1968	Development Fee	\$4,356,694	\$30,681/unit
LIHTC	N/A	Fin/Syndication/Bond	\$1,433,971	\$10,098/unit
HAP	N/A	Operating Reserves	\$643,907	\$4,535/unit
Construction Type	Brick & stone garden-style	Total Capitalization	\$36,477,565	\$256,884/unit
Seller	KML Inc. (individual)	Sources:		
Unit Mix	Efficiencies & 1BR	LIHTC Equity	\$16,998,300	\$119,706/unit
Average Unit Size	348 sf	Historic Tax Credit (Fed+state)	\$8,086,795	\$56,949/unit
Current Occupancy	85%	Perm Debt	\$10,472,671	\$73,751/unit
Stabilized Occ.	93%	Deferred Fee (13%)	\$544,799	\$3,837/unit
Avg. Asking Rent	\$798	Operating Cash Flow	\$0	\$0/unit
Avg. Stabilized Rent	\$798	Soft funding (TDHCA/RHDA)	\$0	\$0/unit
		LIHTC Pricing	\$0.85	
		DSCR	1.20	
		LTC (hard debt)	29%	

Kensington Apartments
3300 Manor Road
Austin, Texas

Photos and Aerial:



Kensington Apartments
3300 Manor Road
Austin, Texas

Existing Photos:



KENSINGTON APARTMENTS
3300 MANOR ROAD
AUSTIN, TEXAS

Proposed Renderings:



KENSINGTON APARTMENTS

TBA
TIM BRANDON
ARCHITECTURE

**KENSINGTON APARTMENTS
3300 MANOR ROAD
AUSTIN, TEXAS**

Kensington Apartments – Funding Commitment Letters

LIHTC Equity – Raymond James

Historic Tax Credit Equity – Foss & Co

Debt – Mason Joseph (HUD 221d4)

RAYMOND JAMES®

August 5, 2021

Moira Concannon
Tisha Vaidya
Elizabeth Property Group
5580 LBJ Freeway
Suite 630
Dallas, TX 75240

Re: Partnership: Kensington Apartments, LP
Property Name: Kensington Apartments
City/State: Austin, TX

Dear Moira and Tisha:

This letter will confirm our agreement (“Agreement”) whereby Raymond James Tax Credit Funds, Inc. (“RJTCF”) shall attempt to effect a closing (“Closing”) of an investment by a Fund sponsored by RJTCF (the “RJTCF Fund”) in the above named partnership (“Partnership”) on the assumptions, terms, and conditions contained in this letter, or such other assumptions, terms and conditions as are acceptable to you, RJTCF and the RJTCF Fund.

Raymond James Tax Credit Funds, Inc. reserves the right to alter the terms of this investment to meet market conditions. Final terms and conditions will be set forth in definitive documents proposed by Raymond James Tax Credit Funds, Inc. If the changes are unacceptable, you shall have no obligation to execute definitive documents and this letter shall terminate on the Termination Date, or, if sooner, upon receipt of written notice of termination from you citing the change in terms as the reason for termination.

CURRENT ASSUMPTIONS:

I. DESCRIPTION OF THE PROJECT AND THE INVESTMENT.

A. Project:

1. Acquisition/Rehabilitation
2. Family
3. Units: 149

B. Tax Credit Information:

1. Requested Federal LIHTC Credits: \$1,014,732.
2. Assumed Partnership Annual Federal LIHTC Credits: \$1,014,732.
3. The RJTCF Fund’s Share of Partnership Annual Credits: 99.99%
4. Assumed RJTCF Fund’s Annual Federal LIHTC Credits: \$1,014,631.
5. DDA/QCT Adjustment: 100%
6. Applicable Fraction: 100%.
7. Applicable Percentage: 4.00%
8. First Credit Year: 2023.

Raymond James Tax Credit Funds, Inc.
A Subsidiary of Raymond James Financial, Inc.

880 Carillon Parkway • St. Petersburg, FL 33716
800-438-8088 Toll Free • 727-567-8455 Fax
Visit our Web Site at www.RJTCF.com

C. Equity Investment:

1. Estimated \$.82 per dollar of the RJTCF Fund's Federal LIHTC Credits ("Credit Price"), subject to market conditions and availability of funds.
2. The RJTCF Fund's Estimated Total Capital: \$8,928,752.
Note that the RJTCF Fund's estimated actual contributions are based on actual credits delivered. If actual RJTCF Fund Credits are less than the assumed amount, estimated capital contributions will be reduced by the shortfall times the Credit Price. If actual The RJTCF Fund Credits are greater than the assumed amount ("Excess Credits"), then the RJTCF Fund estimated Capital Contributions will be increased by an amount equal to the Excess Credits times the Credit Price up to 105% of the Estimated Total Capital, unless such increase is attributable to an additional reservation of Credits. The RJTCF Fund will specify under which terms it will purchase any Excess Credits attributable to an additional reservation of Credits, and/or those that would otherwise cause capital contributions to exceed 105% of the Estimated Total Capital. The General Partners can accept or reject those terms. Any Excess Credits that the RJTCF Fund is unwilling to buy or that the General Partners are unwilling to sell at the price specified by the RJTCF Fund shall be allocated to the General Partners.
3. Installment Payment of Estimated RJTCF Fund Total Capital:
 - a. \$7,143,002 (80%) through Construction Completion.
 - b. \$1,785,750 (20%) at Stabilized Operations and receipt of 8609's.

All payments will be subject to various deliveries required by the RJTCF Fund as described in the definitive documents, including without limitation, updates of representations and warranties previously given to the RJTCF Fund.

No syndication costs or fees will be paid by the partnership.

D. Developer and Development Fee:

1. Developer: Elizabeth Property Group Texas, LLC and BETCO Consulting, LLC
2. Estimated Development Fee: \$3,785,859.

If necessary, part of the development fee, not to exceed \$1,200,000, will be deferred beyond the date of the RJTCF Fund's final capital contribution installment, without interest, and shall be paid in accordance with the terms of allocations of Cash From Operations and Cash from Sale or Refinancing or, if not paid within 12 years after placed-in-service date, from General Partners' capital as described below.

E. Reserves:

1. Initial Operating Deficit Reserve: \$250,000
2. Initial FHA IOD Reserve: \$377,831
3. Initial HUD Working Capital Reserve: \$377,831

F. Obligations of General Partners:

1. General Partners: Kensington Apartments GP, LLC.
2. Special Limited Partner: Kensington Apartments SLP, LLC
3. General Partners' Capital: \$100 (estimate).
4. The Special Limited Partners agree that to the extent any deferred development fee has not been repaid from cash flow at the end of twelve years from the date the property is placed in service (or at the time of removal of the General Partners), they will contribute sufficient capital so that the partnership can pay any amount of the deferred fee outstanding at that time.
5. Guaranties:
Guaranties will be required by the Special Limited Partner and the Guarantors. Such guaranties will include, but are not limited to, a Completion Guaranty, Operating Deficit Guaranty, and a Tax Credit Guaranty. The requirements of the Guaranties will be provided in the Definitive Documents.

G. Obligations of the Guarantors:

1. Guarantors: The General Partners, Elizabeth Property Group, Pratiksha Vaidya, and Moira Concannon (Subject to RJTCF approval)
2. Guarantors guarantee that the General Partners will perform all of their obligations under the partnership agreement, including, without limitation, guaranties, repurchase obligations and the obligation to make a capital contribution as and when required to pay deferred development fee.

H. Financing:

1. Construction Financing
 - a. Lender: HUD 221(d)4.
 - b. Amount: \$9,445,772.
 - c. Rate: 3.75%.
 - d. Terms: Interest only monthly payments.
 - e. Maturity: 24 Months.
2. Permanent Financing - First Mortgage
 - a. Not to Exceed Amount: \$9,445,772.
 - b. Lender: HUD 221(d)4.
 - c. Funds at conversion.
 - d. Non-recourse.
 - e. Not tax-exempt bond financed.
 - f. Term (years): 40.
 - g. Amortization period (years): 40.
 - h. Interest rate: 3.75%.
 - i. Fixed.
 - ii. Annual payment: (Not to exceed \$456,260).
 - i. Prepayment provisions: None
 - j. Other provisions: None.

I. Other Financing

1. Federal Historic Tax Credits

- a. Assumed Total Federal Historic Tax Credits: \$2,685,286
 - b. Assumed Federal Historic Tax Credit Price: \$.82
 - c. Total Federal Historic Tax Credit Equity: \$2,201,934
- 2. TX State Historic Tax Credits
 - a. Assumed Total State Historic Tax Credits: \$3,356,607
 - b. Assumed Federal Historic Tax Credit Price: \$.92
 - c. Total Federal Historic Tax Credit Equity: \$3,088,079
- 3. Federal Home Loan Bank Grant: \$750,000
- 4. RHDA/TDHCA Soft Financing: \$6,350,000
- 5. TSAHC AHP Award: \$375,000

J. Definitive Documents

All of the terms and conditions of the investment shall be set forth in definitive documents to be negotiated by the parties including but not limited to an Amended and Restated Agreement of Limited Partnership, together with certain closing exhibits (including various Guaranty Agreements). Such documents shall be consistent with the terms and conditions set forth in this letter with such changes as the parties may agree are appropriate. Once executed, the definitive documents shall supersede this letter, which shall be of no further force or effect. RJTCF will begin preparation of the definitive documents upon the completion of our due diligence to our satisfaction, as determined in our sole discretion.

II. THE RJTCF FUND EXIT RIGHTS

The RJTCF Fund shall have the right to require the General Partners to acquire its interest after the end of the compliance period for a price equal to the amount the RJTCF Fund would receive if the Partnership sold the Project at fair market value, paid its debts and distributed the remaining assets in accordance with the provisions relating to distribution of sales proceeds. If the General Partners fail to acquire the RJTCF Fund's interest, then the RJTCF Fund shall have the right, without the concurrence of the General Partners, to order a sale of the Project.

III. OTHER ASSUMPTIONS TO CLOSING

1. Prior to Closing, there shall have been no changes in tax laws or Treasury pronouncements, or changes in interpretations of existing tax issues that would materially and adversely affect this investment.
2. In the event an investment in the Partnership requires HUD Previous Participation Certification (HUD Form 2530), the ability of the RJTCF Fund and its investor members to request and obtain HUD 2530 approval in accordance with the electronic filing requirements promulgated by HUD.
3. RJTCF and the RJTCF Fund's review and approval in its sole discretion of all due diligence materials, including the construction and permanent loan commitments, proposed extended use agreement, real estate, plans and specifications, market study (including any additional market studies determined by the RJTCF Fund and the fund to be necessary - at the Partnership's expense), basis for the Credits, operating budgets, construction and lease-up budgets, current financial statements of the General Partners, other guarantors and their affiliates, verification of background information to be provided by the General Partners and their affiliates, and references to be provided by the General Partners.
4. Satisfactory inspection of the property by RJTCF and the RJTCF Fund investors.
5. Approval by the Investment Committee of RJTCF and the RJTCF Fund investors of the terms and conditions of the investment in their sole discretion based on then current market conditions.
6. Availability of investment funds.
7. The negotiation of definitive documents as described herein (and this Agreement shall terminate if all such documents are not executed and delivered by the Closing date).

IV. TERM

The initial term of this Agreement shall be for a period of 12 months from the date of this letter, with a closing (Closing Date) no later than August 5, 2022, providing that either party may terminate this Agreement by giving the other party at least 30 days written notice and both parties can agree in writing to an extension. If due diligence activities and negotiation of definitive documents continue beyond termination of this Agreement, the parties shall not be bound hereunder, but only to the extent provided in definitive documents or other written agreements that are actually executed and delivered.

V. ACCEPTANCE

If these terms and conditions are acceptable to you, please sign and return one copy of this memorandum.

By acceptance of this letter, you authorize Raymond James Tax Credit Funds, Inc. to make any credit inquiries that we may deem necessary as part of our underwriting process. These credit inquiries may be performed on the General Partners, Guarantors, or any significant business operation of General Partners or Guarantors. This authorization also applies to follow-up credit inquiries that we may deem necessary after our admission to the Partnership.

For more than 25 years Raymond James Tax Credit Funds and our affiliates have been involved with the development of affordable housing. We have provided equity for more than 2,300 properties nationwide. We look forward to working with you.

[Signatures on Next Page]

Sincerely,



Gary K. Robinson
Vice President - Director of Acquisitions
Raymond James Tax Credit Funds, Inc.

Accepted:

By: General Partner

Date

By: Special Limited Partner

Date

FOSS & COMPANY

TAX CREDIT SPECIALISTS
Since 1983

August 4, 2021

Ms. Moira Concannon
Elizabeth Property Group
5580 LBJ Freeway, Suite 630
Dallas, TX 75240

Re: Kensington Apartments, Austin, TX

Dear Ms. Concannon:

Foss & Company (“Foss”) is a nationally recognized institutional investment management firm dedicated to providing corporate investors the greatest access to federal and state tax credit driven investments available in the tax credit marketplace. Since its inception, Foss has financed over \$7 billion in state and federal credit equity. Foss has been asked to assist Elizabeth Property Group (“Sponsor”) as the Sponsor’s historic tax credit equity investment advisor in connection with securing tax credit financing for the Kensington Apartments redevelopment project (“Project”). Accordingly, Foss has reviewed and analyzed the project information provided by the Sponsor for the rehabilitation of the Project.

Based on our tax credit industry experience and awareness of current market conditions we expect the following Federal/State HTC equity pricing for the Project:

<i>Credit Type</i>	<i>Available Credits</i>	<i>Price per Credit</i>	<i>Contribution</i>
Federal HTC	\$2,685,884	\$0.80-\$0.82	25% Closing; 75% Post-Completion
State HTC	\$3,357,355	\$0.90-\$0.92	Post Completion

The federal historic investor will take an 99% ownership interest in the Master Tenant. The Master Tenant will contribute its equity to the Project via either a 10% ownership interest by the Master Tenant in the Landlord or 467 pre-paid rent. Other Master Tenant fees include a 2% annual priority return and a 5% put option at expiration of the compliance period. The federal historic investor will require six months of operating deficit and interest reserves. An annual asset management fee of \$8,000 must be paid during the compliance period. All terms and conditions of the tax credit investment must be in compliance with the IRS Safe Harbor.

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Foss and Company is not affiliated with Orchard Securities, LLC nor is it a broker dealer

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The state historic investor, which will not take an ownership interest in the Project, will enter into a purchase a sale agreement for the state credits and will contribute the purchase price at the time the Project is complete and requirements for transferring the tax certificate to the purchaser are satisfied.

In addition, Foss, through Foss Bridge Credit, LLC will bridge 90% of the unfunded federal and state historic equity at a rate of 6% fixed interest and a 2% origination fee.

Though the general pricing guidelines above are subject to change based on the ultimate investors' particular requirements, the information above should provide a framework for expectations regarding tax credit equity proceeds available to finance the Project. Final pricing will be subject to a complete underwriting by Foss.

We look forward to continuing to work with you to bring the Kensington Apartments redevelopment project to fruition.

Sincerely,

DocuSigned by:



George Barry

President

Foss & Company



MASON JOSEPH COMPANY, INC.

August 4, 2021

Re: Kensington Apartments
Austin, TX

To Whom it May Concern:

I am pleased to offer this Letter of Intent to finance the substantial rehabilitation of Kensington Apartments a 149-unit apartment complex in Austin, TX. This letter assumes the award of 4% low income housing tax credits by TDHCA, Historic Tax Credits, and subordinate debt provided by the City of Austin.

After review of your pro forma and development budget, Mason Joseph Co. anticipates the ability to provide construction and permanent financing for this project through the FHA 221(d)4 S/R program with the following terms:

Estimated Mortgage Amount:	\$9.5 million
Debt Service Coverage:	Loan subject to minimum 1.15 DSCR
Term:	Interest-Only Construction Period + 40-years Fully-Amortizing
Construction Period:	Estimated at 18 months + 2-month
Interest Rate:	3.35% (Subject to market pricing at time of rate lock)
Mortgage Insurance Premium:	25 bps (paid in addition to market interest rate)
Finance Fee:	2.00% of mortgage proceeds
Placement Fee:	\$55,000
Exam Fee:	30 bps of mortgage proceeds
Inspection Fee:	50 bps of construction costs
Construction MIP:	50 bps of mortgage proceeds

Initial Operating Deficit Escrow:	3% of mortgage proceeds
Working Capital Escrow:	2% of mortgage proceeds
Construction Contingency:	10% of construction contract
Recourse:	Non-Recourse (No required guarantors)

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 permanent debt for this affordable housing transaction.

Sincerely,

A handwritten signature in blue ink, appearing to read 'M. Backman', with a long horizontal flourish extending to the right.

Michael B. Backman
Vice President

**KENSINGTON APARTMENTS
3300 MANOR ROAD
AUSTIN, TEXAS**

Financial Statements can be provided under separate cover.

**KENSINGTON APARTMENTS
3300 MANOR ROAD
AUSTIN, TEXAS**

Novogradac Market Study

A MARKET STUDY OF:

KENSINGTON APARTMENTS

A MARKET STUDY OF:

KENSINGTON

APARTMENTS

3300 Manor Road
Austin, Travis County, Texas 78723

Effective Date: January 15, 2021
Report Date: February 12, 2021

Prepared for:
Tisha Vaidya
Elizabeth Property Group
5580 LBJ Freeway, Suite 630
Dallas, TX 75240

And

Texas Department of Housing & Community Affairs (TDHCA)
221 East 11th Street
Austin, Texas 78701

Prepared by:
Novogradac Consulting LLP
6700 Antioch Road, Suite 450
Merriam, Kansas 66204
(913) 677-4600





February 12, 2021

Tisha Vaidya
Elizabeth Property Group
5580 LBJ Freeway, Suite 630
Dallas, TX 75240

And

Texas Department of Housing & Community Affairs (TDHCA)
221 East 11th Street
Austin, Texas 78701

Re: Appraisal of Kensington Apartments
3300 Manor Road
Austin, Travis County, Texas 78723

Dear Ms. Vaidya:

At your request, Novogradac Consulting LLP has performed a study of the rental market in the Austin, Travis County, Texas area relative to the above-referenced proposed acquisition/rehabilitation Low Income Housing Tax Credit (LIHTC) project known as Kensington Apartments (Subject).

The purpose of this market study is to assess the viability of the Subject, a proposed acquisition/rehabilitation of an existing 149-unit market rate development. Following acquisition/rehabilitation, the Subject will offer 56 studio units and 88 one-bedroom units restricted to low-income households with incomes at the 50 percent of the Area Median Income (AMI) or less, totaling 144 units. The renovation will also consist of taking the eight small studios and converting them into four one-bedroom (450 sf) units, and the managers unit will be converted to office space for the property management/social services staff.

The following report provides support for the findings of the study and outlines the sources of information and the methodologies used to arrive at these conclusions. Gino Rossi inspected the Subject on January 15, 2021. This shall be the effective date. All persons signing this report have read and understand the requirements of the Texas Department of Housing and Community Affairs (TDHCA) 2021 Real Estate Analysis Rules and Guidelines. The scope of this report includes the following:

- Inspection of the Subject, Comparable Properties and Neighborhood
- Project Description
- Delineation of the Market Area(s)
- Market Area Economy and Demographic Summary
- A Competitive Rental Market Analysis
- Demand Analysis
- Recommendations/Conclusions
- Photographs
- Market Analyst Qualifications

This report contains, to the fullest extent possible and practical, explanations of the data, reasoning, and analyses that were used to develop the opinions contained herein. The depth of discussion contained in the report is specific to the needs of the client and the requirements of the TDHCA. The report and the conclusions are subject to the *Assumptions and Limiting Conditions* attached.

The National Council of Housing Market Analysts (NCHMA) is a professional organization chartered to promote the development of high quality market analysis for the affordable housing industry. Novogradac is a charter member of this organization. NCHMA has compiled model content standards for market studies. This report generally conforms to those standards. Any slight modifications or departures from those standards are considered incidental and result from client specific needs. Additionally, Novogradac is an approved Qualified Market Analyst as defined by THDCA.

The authors of this report certify that we are not part of the development team, owner of the Subject property, general contractor, nor are we affiliated with any member of the development team engaged in the development of the Subject property or the development's partners or intended partners.

Please do not hesitate to contact us if there are any questions regarding the report or if Novogradac Consulting LLP can be of further assistance. It has been our pleasure to assist you with this assignment.

Respectfully submitted,
Novogradac Consulting LLP



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Gino Rossi
Junior Analyst

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I. SUMMARY SHEET

MARKET ANALYSIS SUMMARY

Provider: Novogradac Consulting, LLP Date: 1/15/20
 Contact: Sara Nachbar Phone: 913-312-4616
 Development: Kensington Apartments Target Population: general
 Definition of Elderly Age:
 Site Location: 3300 Manor Road City: Austin County: Travis
 Site Coordinates: Latitude 30.287523 Longitude -97.70254 (decimal degree format)

Primary Market Area (PMA) page 17
18 Square Miles

CENSUS TRACTS

0021.05	0021.07	0008.02	0021.11	0021.13	0021.09
0021.04	0021.08	0021.10	0010.00	0009.02	0008.01
0021.06	0003.07	0008.04	0003.06	0009.01	0008.03
0021.12	0004.02				

ELIGIBLE HOUSEHOLDS BY INCOME page 118

HH Size		1	2	3	4	5	6	7+
50% Min		\$25,650	\$34,200					
AMGI Max		\$27,450	\$39,050					

AFFORDABLE HOUSING INVENTORY in PMA page 47

	# Developments	Total Units	Avg Occupancy
All LIHTC Developments	20	3,005	97.0%

Proposed, Under Construction, and Unstabilized Comparable Developments in PMA

TDHCA #	Development	Status	Type	Target Population	Comp Units	Total Units	Occupancy
18335	Travis Flats	under const	new const	general	29	146	N/A
18448	RBJ Tower	under const	new const	senior	0	279	N/A
19239	Talavera Lofts	under const	new const	general	40	92	N/A
19295	The Abali	proposed	new const	general	11	56	N/A
19429	Govalle Terrace	proposed	new const	general	13	97	N/A
20202	Pathways at Chalmers Courts West	proposed	rehab	general	0	156	N/A
20496	Marshall Apartments	proposed	rehab	general	0	100	N/A

Other Affordable Developments in PMA

TDHCA #	Development	Status	Type	Target Population	Comp Units	Total Units	Occupancy	*
15410	Aldrich 51	in service	new const	general	204	240	93%	
N/Av	Indie Apartments	in service	new const	general	17	138	96%	
09130	M Station Apartments	in service	new const	general	153	153	100%	
96179	Rollins Martin	in service	new const	general	15	15	N/Av	
15408	The Reserve at Springdale	in service	new const	general	292	292	88%	
03001	Heritage Pointe	in service	new const	senior	192	240	94%	
10002	Wildflower Terrace	in service	new const	senior	174	201	93%	
17113	The Jordan at Mueller	in service	new const	general	132	132	100%	
N/Av	The Timbers Apartments	in service	new const	general	104	104	100%	
12300	Capital Studios	in service	new const	general	135	135	100%	
04003	Villas on Sixth Street	in service	new const	general	136	160	100%	
17427	Housing First Oak Springs	in service	new const	SRO	50	50	N/Av	
N/A	Solaris	in service	new const	general	N/Av	563	99%	
060101	La Vista De Guadalupe	in service	new const	general	22	22	N/Av	
16434	Thinkeast Apartments	in service	new const	general	182	182	97%	
N/A	Versailles/Princeton Apartments	in service	new const	general	90	90	N/Av	
N/A	Lancaster/Monticello Apartments	in service	new const	general	15	15	N/Av	
N/A	Scattered Cop Infill Housing	in service	new const	general	75	75	N/Av	
94131	Springhollow Apartments	in service	new const	general	98	98	N/Av	
N/A	Marshall Apartments	in service	new const	general	0	100	100%	
N/A	St. George's Senior Housing	in service	new const	senior	0	60	100%	
N/A	Pathways at Coronado Hills	in service	new const	senior	0	48	100%	
N/A	Pathways at Booker T. Washington	in service	new const	senior	0	216	100%	
N/A	Pathways at Gaston Place	in service	new const	senior	0	100	100%	
N/A	East 12th Street Apartments	in service	new const	general	0	11	100%	

N/A	Elm Ridge Apartments	in service	new const	general	0	130	100%	
N/A	Lupine Terrace	in service	new const	general	0	140	100%	
N/A	Mount Carmel Village	in service	new const	general	0	100	100%	
N/A	Walnut Creek	in service	new const	general	0	98	100%	
N/A	Rebekah Baines Johnson	in service	new const	senior	0	524	100%	
N/A	Springdale Gardens	in service	new const	general	0	100	100%	
N/A	Rosewood Senior Gardens	in service	new const	senior	0	N/Av	100%	
N/A	Franklin Gardens	in service	new const	senior	0	22	100%	
N/A	Manor House	in service	new const	general	0	11	100%	
N/A	Oak Springs Villas	in service	new const	senior	0	50	100%	
N/A	Rosewood Courts	in service	new const	senior	0	124	100%	

*Check box if this development is included in the calculation of the average physical occupancy to qualify for the 15% GCR for Tax-Exempt Bond Developments per §10.302(i)(1). Attach a PMA map, with affordable developments labeled, showing the 20 minute drive time ring. *See footnote 1

Average occupancy of affordable housing in 20 minute drive time ring.

N/A %

Note: For developments targeting Seniors, fill in Population and Household data for both the General population and the Senior population

PMA DEMOGRAPHIC DATA

	GENERAL			SENIORS		
	current year	place-in-service	five year	current year	place-in-service	five year
	2020	2023	2025	2020	2023	2025
Population p. 33	85,056	89,667	93,981			
Households p. 33						
Total HH	32,637	34,493	36,229			
Renter HH	17,813	19,030	20,168			
Homeowner HH	14,824	15,463	16,061			

DEMAND CALCULATION p. 113

Total Household

19,030

	Program Only Restricted Units	Assisted Units	* See footnote 2	Program Only Restricted Units	Assisted Units
Subject Units	144	0		Min Income	\$ 25,650
Unstabilized Comparable Units	93			Max Income	\$ 39,050
RELEVANT SUPPLY	237	0		Potential Demand	1,374
				10% External Demand	137
				Other Demand	0
				GROSS DEMAND	1,511

RELEVANT SUPPLY / GROSS DEMAND = GROSS CAPTURE RATE

15.7%

CAPTURE RATE BY AMGI BAND p. 118

* include program only restricted units

AMGI Band Capture Rates	Demand	10% External Demand	Subject Units	Comp Units	Capture Rate
50% AMGI	1,374	137	144	93	15.7%

CAPTURE RATE BY UNIT p. 118

* include program only restricted units

SUBJECT UNIT MIX				PROPOSED RENT		p. 111	DEMAND by UNIT TYPE p.				
AMGI Level	Beds	Baths	Size (sqft)	Gross	Net	MARKET RENT	Demand	10% External Demand	Subject Units	Comp Units	Unit Capture Rate
50%	0	1	250	\$855	\$855	\$1,050	405	41	56	54	24.7%
50%	1	1	410-450	\$915	\$915	\$1,225-	610	61	88	39	18.9%

II. ASSUMPTIONS AND LIMITING CONDITIONS

ASSUMPTIONS AND LIMITING CONDITIONS

1. In the event that the client provided a legal description, building plans, title policy and/or survey, etc., the consultant has relied extensively upon such data in the formulation of all analyses.
2. The legal description as supplied by the client is assumed to be correct and the author assumes no responsibility for legal matters, and renders no opinion of property title, which is assumed to be good and merchantable.
3. All encumbrances, including mortgages, liens, leases, and servitudes, were disregarded in this valuation unless specified in the report. It was recognized, however, that the typical purchaser would likely take advantage of the best available financing, and the effects of such financing on property value were considered.
4. All information contained in the report which others furnished was assumed to be true, correct, and reliable. A reasonable effort was made to verify such information, but the author assumes no responsibility for its accuracy.
5. The report was made assuming responsible ownership and capable management of the property.
6. The sketches, photographs, and other exhibits in this report are solely for the purpose of assisting the reader in visualizing the property. The author made no property survey, and assumes no liability in connection with such matters. It was also assumed there is no property encroachment or trespass unless noted in the report.
7. The author of this report assumes no responsibility for hidden or unapparent conditions of the property, subsoil or structures, or the correction of any defects now existing or that may develop in the future. Equipment components were assumed in good working condition unless otherwise stated in this report.
8. It is assumed that there are no hidden or unapparent conditions for the property, subsoil, or structures, which would render it more or less valuable. No responsibility is assumed for such conditions or for engineering, which may be required to discover such factors.
9. The investigation made it reasonable to assume, for report purposes, that no insulation or other product banned by the Consumer Product Safety Commission has been introduced into the Subject premises. Visual inspection by the consultant did not indicate the presence of any hazardous waste. It is suggested the client obtain a professional environmental hazard survey to further define the condition of the Subject soil if they deem necessary.
10. A valuation estimate for a property is made as of a certain day. Due to the principles of change and anticipation the value estimate is only valid as of the date of valuation. The real estate market is non-static and change and market anticipation is analyzed as of a specific date in time and is only valid as of the specified date.
11. Possession of the report, or a copy thereof, does not carry with it the right of publication, nor may it be reproduced in whole or in part, in any manner, by any person, without the prior written consent of the author particularly as to value conclusions, the identity of the author or the firm with which he or she is connected. Neither all nor any part of the report, or copy thereof shall be disseminated to the general public by the use of advertising, public relations, news, sales, or other media for public communication without the prior written consent and approval of the consultant. Nor shall the consultant, firm, or professional organizations of which the consultant is a member be identified without written consent of the consultant.

12. Disclosure of the contents of this report is governed by the Bylaws and Regulations of the professional appraisal organization with which the consultant is affiliated: specifically, the Appraisal Institute.
13. The author of this report is not required to give testimony or attendance in legal or other proceedings relative to this report or to the Subject unless satisfactory additional arrangements are made prior to the need for such services.
14. The opinions contained in this report are those of the author and no responsibility is accepted by the author for the results of actions taken by others based on information contained herein.
16. All applicable zoning and use regulations and restrictions are assumed to have been complied with, unless nonconformity has been stated, defined, and considered in the appraisal report.
17. It is assumed that all required licenses, permits, covenants or other legislative or administrative authority from any local, state, or national governmental or private entity or organization have been or can be obtained or renewed for any use on which the value estimate contained in this report is based.
18. On all appraisals, subject to satisfactory completion, repairs, or alterations, the appraisal report and value conclusions are contingent upon completion of the improvements in a workmanlike manner and in a reasonable period of time. A final inspection and value estimate upon the completion of said improvements should be required.
19. All general codes, ordinances, regulations or statutes affecting the property have been and will be enforced and the property is not subject to flood plain or utility restrictions or moratoriums, except as reported to the consultant and contained in this report.
20. The party for whom this report is prepared has reported to the consultant there are no original existing condition or development plans that would subject this property to the regulations of the Securities and Exchange Commission or similar agencies on the state or local level.
21. Unless stated otherwise, no percolation tests have been performed on this property. In making the appraisal, it has been assumed the property is capable of passing such tests so as to be developable to its highest and best use, as detailed in this report.
22. No in-depth inspection was made of existing plumbing (including well and septic), electrical, or heating systems. The consultant does not warrant the condition or adequacy of such systems.
23. No in-depth inspection of existing insulation was made. It is specifically assumed no Urea Formaldehyde Foam Insulation (UFFI), or any other product banned or discouraged by the Consumer Product Safety Commission has been introduced into the appraised property. The consultant reserves the right to review and/or modify this appraisal if said insulation exists on the Subject.
24. Acceptance of and/or use of this report constitute acceptance of all assumptions and the above conditions. Estimates presented in this report are not valid for syndication purposes.

III. PROJECT DESCRIPTION

PROJECT DESCRIPTION

Description of the Site

The location of an apartment community can have a substantial negative or positive impact upon the performance, safety, and appeal of the project. The following site description will discuss the physical features of the site, as well as the layout, access issues, and traffic flow.

Identification: The Subject property is a proposed acquisition/rehabilitation of Kensington Apartments, an existing 149-unit market rate development located at 3300 Manor Road in Austin, Travis County, Texas 78723. The renovation will consist of taking the eight small studios and converting them into four one-bedroom (450 sf) units, and the managers unit will be converted to office space for the property management/social services staff, totaling 144 units. According to the Travis Central Appraisal District's office the Subject is identified by parcel number 207647. The site is located within Census Tract 3.06, which is not a 2021 Qualified Census Tract. The Subject site is accessible via the north side of Manor Road.

Site Location: The following image details the boundaries of the Subject site.



Source: Google Earth, February 2021

Shape/Size: The Subject site consists of an irregularly-shaped parcel that is approximately 2.70 acres, or 117,500 square feet in size.

Legal Description: According to the Travis Central Appraisal District's office the Subject's legal description is: 207647.

Zoning: The Subject site is currently zoned CS-MU-V-NP (General Commercial Services—Mixed Use—Vertical Mixed-Use Building—Neighborhood Plan Combining District).

The General Commercial Services District “is intended predominately for commercial and industrial activities of a service nature having operating characteristics or traffic service requirements generally incompatible with residential environments.” This district allows for a wide variety of commercial, industrial, and agricultural uses.

The Mixed-Use combining district “is intended for combination with selected base districts, in order to permit any combination of office, retail, commercial, and residential uses within a single development... [and] allows development of all types of residential uses, including single-family residential, multifamily residential, and townhomes.” The densities standards for the CS-MU district are 800 square feet of lot area per studio unit, 1,000 square feet of lot area per one-bedroom unit, and 1,200 square feet of lot area per two or more bedroom unit.

The purpose of the Vertical (V) Mixed-Use Building District “is to promote vertical mixed use” building development. Buildings in this district must be at least 12 feet high.

The purpose of the Neighborhood Plan Combining District “is to allow infill development by implementing a neighborhood plan that has been adopted by the council as an amendment to the comprehensive plan. Below is a list of items that may be added to properties (individual, subdistrict or area-wide) within an NP combining district. These options are discussed during the neighborhood planning process and, if chosen, are adopted concurrently with the neighborhood plan. These options may also be added in the future through the rezoning and plan amendment process.

- A. Application of infill special use options
 - Cottage Lot Urban
 - Home Secondary
 - Apartment
 - Neighborhood Urban Center
 - Corner Store
 - Neighborhood Mixed Use Building
 - Residential Infill
 - Secondary Apartment
 - Small Lot Amnesty
- B. Application of design standards
 - Front Porch Setback

- Impervious Cover and Parking Placement Requirements
- Garage Placement
- C. Other items
 - Establishment of Front or Side Yard Parking
 - Requirements for Mobile Food Establishments
 - Modification of Residential Design and Compatibility Standards
 - Modification of Affordability Requirements”

The Subject site is approximately 2.70 acres, or 117,500 square feet in size. As improved, the Subject has 64 studio and 84 one-bedroom rental units, in addition to a non-rental manager unit. This equates to a required lot size of approximately 136,200, or 3.13 acres (assuming the minimum required 800 square feet for each studio and 1,000 square feet for each one-bedroom unit). The Subject offers 122 off-street surface parking spaces, or 0.8 parking spaces per unit. The Subject therefore appears to represent a legal non-conforming use as currently improved due to its density. Post-renovation, the Subject will offer 144 units and will remain a legal non-conforming use.

Flood Plain: According to the FEMA Flood Map Service Center, the Subject is located in Community Panel 48453C0465K, dated January 22, 2020, the Subject site is located in Zone X, an area outside the 100 and 500-year flood plains. Further analysis by Novogradac is beyond the scope of the report.

Topography: The site is generally level.

Utilities: All major utilities are available at the site, including water, sewer, gas, electricity, telephone, and cable.

Visibility/Views: The Subject has excellent visibility from Manor Road and Anchor Lane. Views to the north of the Subject consist of a community park and recreation area. Views to the east of the Subject consist of commercial/retail uses in fair to average condition. Views to the south of the Subject consist of a tree line and industrial uses in poor condition. Views to the west of the Subject consist of a commercial/retail use in average condition. Overall, visibility is excellent, and views are considered fair to average.

Land Use: The Subject is located in the MLK neighborhood in the northeastern portion of Austin. The neighborhood primarily consists of commercial/retail, residential, and recreational uses. Land uses adjacent to the north of the Subject site consist of a community park and recreation area, followed by single-family homes in excellent condition. Land uses adjacent to the east of the Subject site consist of commercial/retail uses and single-family homes in fair to average condition, followed by various civic uses in average condition. Land uses adjacent to the south of the Subject site consist of industrial uses in poor condition, followed by an educational use and single-family homes in fair to average condition. Land uses adjacent to the west of the Subject consist of commercial/retail uses and single-family homes, all in fair to average condition.

This area has seen a lot of revitalization and infill in recent years, including the Mueller Redevelopment, which is just north of the Subject. The majority of commercial and retail uses exhibit average condition and are concentrated along main arterials including Manor Road, adjacent to the south of the Subject, and Airport Boulevard/Highway 111, approximately 0.3 miles to the west of the Subject. During our inspection, these uses appeared to be between 90 and 95 percent occupied. Residential uses generally consist of single-family homes ranging from average to excellent condition, the majority of which are currently listed for sale between \$385,000 and \$600,000, according to Zillow. In addition, the neighborhood benefits from public transportation including Austin Public Transit, with a bus stop located adjacent to the south of the Subject site. Further, the neighborhood offers good access to area highways including Airport Boulevard/Highway 111 and Interstate 35.

Access/Traffic Flow:

The Subject is accessible from the south side of Manor Road, a three-lane, moderately-trafficked road that generally traverses northeast/southwest, providing access to Interstate 35, approximately 1.3 miles west of the Subject. Interstate 35 is a major arterial that generally traverses north and south, providing access throughout the Austin metro, as well as to Dallas, approximately 180 miles to the northeast, and to San Antonio, approximately 76 miles to the southwest. Overall, traffic flow is considered moderate, and access is considered good.

Detrimental Influences:

No significant detrimental influences were identified.

Ownership History:

According to the Travis Central Appraisal District, current ownership is vested in KML Inc. According to the Purchase and Sale Agreement dated January 8, 2021, the Subject is under contract between KLM, Inc. (Seller) and Elizabeth Property Group (Buyer) for a purchase price of \$16,000,000.

Conclusion:

The site is physically capable of supporting a variety of legally permissible uses, and is considered a desirable building site. Further, no detrimental influences were identified.

Description of the Improvements

Property Improvements:

The Subject is an existing 149-unit market rate development offering 64 studio and 84 one-bedroom rental units, in addition to a non-rental manager unit. The Subject consists of one two-story garden-style residential building. The building has wood frame construction with concrete foundation, brick exterior, and pitched roofing.

The Subject is proposed to be rehabilitated with LIHTC equity and the name will remain unchanged following the renovation. Following acquisition/rehabilitation, the Subject will offer 56 studio units and 88 one-bedroom units restricted to low-income households with incomes at the 50 percent of the Area Median Income (AMI) or less, totaling 144 units. The renovation will consist of taking the eight small studios and converting them into four one-bedroom (450 sf) units, and the managers unit will be converted to office space for the property management/social services staff.

The property was originally constructed in 1968 and has not undergone a substantial property-wide renovation since its initial construction. A Property Condition Report was requested but not provided for the development. However, according to the client, no immediate or critical repairs are necessary. Based on our site inspection, the property is currently in average overall condition.

According to the rent roll dated September 30, 2020, the Subject is currently 89.3 percent occupied. According to the client, the majority of households are expected to remain income-qualified to stay at the property following renovation. Further, the proposed renovations will occur with the tenants in-place. Thus, limited, if any, displacement is anticipated as a result of the proposed renovations. However, we assume that current tenants will not be charged the full asking rent, but rather will have rents increased over time. It should be noted that the speculation of tenants remaining income-qualified post-renovation is based on information provided by the client, and an income audit was not provided.



View of Subject



View of Subject

Number of Stories: Two.

Date of Construction: The property was originally constructed in 1968 and has not undergone a substantial property-wide renovation since its initial construction. The Subject is proposed for a LIHTC renovation, which is anticipated to begin in January 2022 and be complete in February 2023.

Scope of Renovation: The Subject is proposed for renovation with LIHTC equity. The hard construction renovation costs will be approximately \$7,450,000, or \$50,000 per unit. According to information provided by the developer, the Subject's preliminary scope of renovation will include, but will not be limited to: full interior upgrades, exterior repairs and upgrades (including building siding and landscaping), revamping the common area spaces, and more. Additionally, dishwashers, garbage disposals, microwaves, and ceiling fans, as well as free Wi-Fi will be added to units. And a community room, computer lab/business center, and service coordination will also be offered, which will include social events, computer and financial literacy courses, and mental and physical wellness services. The renovation will also consist of taking the eight small studios and converting them into four one-bedroom (450 sf) units, and the managers unit will be converted to office space for the property management/social services staff.

Current Rents: The following table details the Subject's current unit mix and rents. The Subject's current rents are unrestricted.

CURRENT RENTS			
Unit Type	Unit Size (SF)	Number of Units	Current Rent
<i>Market Rate</i>			
OBR / 1BA	225	8	\$600
OBR / 1BA	250	56	\$780
1BR / 1BA	410	84	\$850
<i>Non-Rental</i>			
2BR / 2BA	780	1	-
Total		149	

Rent Roll Analysis: The following table details the Subject's rent roll dated September 30, 2020.

RENT ROLL ANALYSIS (9/30/2020)							
Unit Type	Unit Size (SF)	Number of Units	Vacant	Occupancy Rate	Min Leased Rent	Max Leased Rent*	Average Leased Rent*
<i>Market Rate</i>							
OBR / 1BA	225	8	1	12.5%	\$600	\$600	\$600
OBR / 1BA	250	56	9	16.1%	\$720	\$780	\$745
1BR / 1BA	410	84	6	7.1%	\$720	\$850	\$825
<i>Non-Rental</i>							
2BR / 2BA	780	1	0	0.0%	-	-	-
Total		149	16	10.7%			

*The Subject currently offers both weekly and monthly rentals.

Proposed Rents: The following table details the Subject's proposed post-renovation unit mix and rents.

PROPOSED RENTS

Unit Type	Unit Size (SF)	Number of Units	Asking Rent	Utility Allowance (1)	Gross Rent	2020 LIHTC Maximum Allowable Gross Rent	2021 HUD Fair Market Rents
@50%							
OBR / 1BA	250	56	\$855	\$0	\$855	\$855	\$1,059
1BR / 1BA	410	84	\$915	\$0	\$915	\$915	\$1,212
1BR / 1BA	450	4	\$915	\$0	\$915	\$915	\$1,212
		144					

Notes (1) All utilities are included in the rent.

Following acquisition/rehabilitation, the Subject will offer 56 studio units and 88 one-bedroom units restricted to low-income households with incomes at the 50 percent of the Area Median Income (AMI) or less. The renovation will also consist of taking the eight small studios and converting them into four one-bedroom (450 sf) units, and the managers unit will be converted to office space for the property management/social services staff. The Subject's proposed rents are set at the 2020 maximum allowable 50 percent AMI level. The following table illustrates the difference between proposed and current rents.

CURRENT/PROPOSED DIFFERENTIAL

Unit Type	Unit Size (SF)	Number of Units	Current Rent	Proposed Rent	Current/Proposed Differential	Current/Proposed Differential %
<i>Market Rate</i>						
OBR / 1BA	225	8	\$600	-	\$255	-
OBR / 1BA	250	56	\$780	\$855	\$135	17%
1BR / 1BA	410	84	\$850	\$915	\$65	8%
<i>Non-Rental</i>						
2BR / 2BA	780	1	-	-	-	-
Total		149				

As illustrated, the proposed rents are higher than the current asking rents.

According to the client, the majority of households are expected to remain income-qualified to stay at the property following renovation. Further, the proposed renovations will occur with the tenants in-place. Thus, limited, if any, displacement is anticipated as a result of the proposed renovations. However, we assume that current tenants will not be charged the full asking rent, but rather will have rents increased over time. It should be noted that the speculation of tenants remaining income-qualified post-renovation is based on information provided by the client, and an income audit was not provided.

Community Amenities: The Subject's common area amenities include a central laundry facility, picnic area, recreation area, courtyard, and on-site management. Following renovation, a community room, computer lab/business center, and service

coordination will also be offered, which will include social events, computer and financial literacy courses, and mental and physical wellness services.

Unit Amenities:

The Subject's unit amenities include blinds, vinyl flooring, central heating and air conditioning, and walk-in closets. Kitchen appliances include an oven/stove and refrigerator. The Subject also offers basic cable included in the rent. Unit amenities will also include a dishwasher, garbage disposal, microwave, and ceiling fan, as well as free Wi-Fi following renovation. It should be noted that cable will not be included in the rent post-renovation.

Parking:

The Subject offers 122 off-street surface parking spaces, or 0.8 parking spaces per unit.

Utility Structure:

The landlord is responsible for all utilities, including gas cooking, gas heating, gas water heating, general electric, cold water, sewer, and trash removal, as well as common area amenities. Post-renovation, the utility structure will remain the same.

**Quality of Construction
& Deferred Maintenance:**

We assume the property will be rehabilitated in a timely manner consistent with information provided, using good quality materials in a workmanlike manner.

Condition:

The Subject is currently in average condition and will be in good condition post-renovation.

**Current Occupancy Levels,
Rents, Tenant Incomes,
Operating Expenses:**

According to the client, the majority of households are expected to remain income-qualified to stay at the property following renovation. Further, the proposed renovations will occur with the tenants in-place. Thus, limited, if any, displacement is anticipated as a result of the proposed renovations. However, we assume that current tenants will not be charged the full asking rent, but rather will have rents increased over time. It should be noted that the speculation of tenants remaining income-qualified post-renovation is based on information provided by the client, and an income audit was not provided.

According to the rent roll dated September 30, 2020, the Subject is currently 89.3 percent occupied. The Subject's historical vacancy and collection loss was unavailable. It should be noted that the Subject currently offers weekly and monthly rentals, which likely results in fluctuating occupancy levels. According to the Subject's historical operating statements, the operating expenses ranged from \$6,714 to \$7,203 per unit, with an average expense of \$6,958 per unit. However, it should be noted that based on our review of the historical operating statements, as well as those of relative comparable properties, the Subject's historical operating expenses appear elevated.

Conclusion:

The Subject will be the acquisition/rehabilitation of an existing 149-unit market rate development. Following renovation, the Subject will not suffer from functional or physical obsolescence and will provide good utility for its intended use.

IV. PRIMARY & SECONDARY MARKET INFORMATION

PRIMARY & SECONDARY MARKET INFORMATION

REGIONAL AND LOCAL AREA SUMMARY

The Subject is located in the MLK neighborhood in Austin, Travis County, Texas. Travis County is part of the Austin-Round Rock-Georgetown, TX Metropolitan Statistical Area, which consists of Travis, Williamson, Hays, Bastrop, and Caldwell Counties, and encompasses approximately 7,113 square miles.

Based on TDHCA guidelines, the boundaries of the PMA were defined by census tracts. Thus, for the purposes of this study, the Subject's Primary Market Area (PMA) is comprised of the following census tracts:

Census Tracts in PMA			
0021.05	0021.07	0008.02	0021.11
0021.04	0021.08	0021.10	0010.00
0021.06	0003.07	0008.04	-
0021.12	0004.02	0009.01	-
0021.13	0021.09 (Subject)	0009.02	-
0003.06	0008.03	0008.01	-

General boundaries of this PMA include:

North: Highway 290

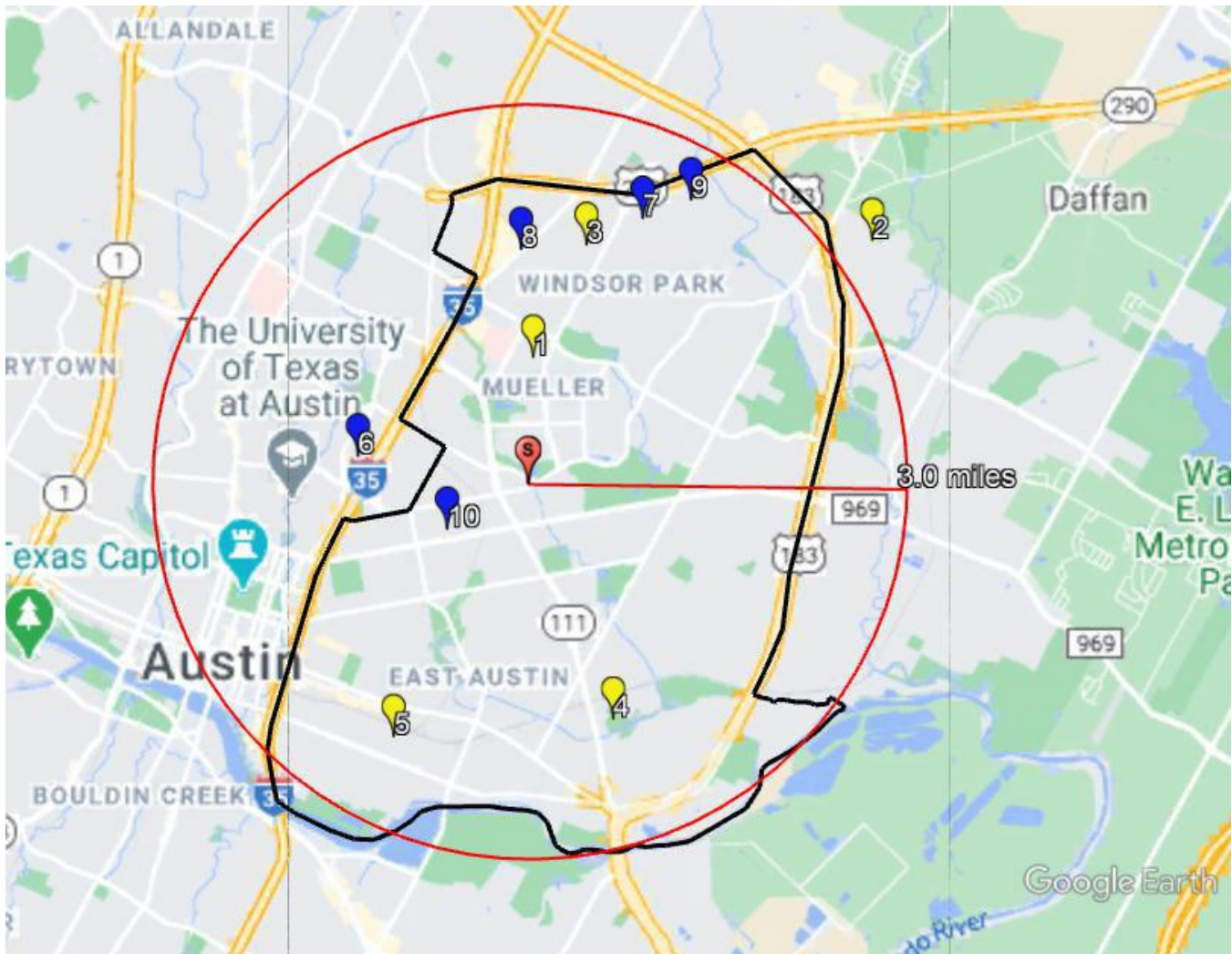
South: The Colorado River

East: Ed Bluestein Boulevard/Route 183, Boggy Creek, and the Colorado River

West: Interstate 35, Manor Road, Cherrywood Road, East 38th ½ Street, East 52nd Street, and Airport Boulevard

The PMA is generally defined as a northeastern portion of Austin, and includes the neighborhoods of University Hills, Windsor Park, East MLK, and East Austin. The PMA was defined based on conversations with local property managers, including the Subject's, city and county officials, and overall similarities in market characteristics observed during the field investigation. We believe the PMA is the most logical area in which tenants would be willing to relocate based on our conversations with local property managers and city officials. The PMA boundaries encompass approximately 18 square miles. The PMA does not cross county lines. Given that the Subject will be in good condition upon completion, we believe the Subject development will continue to draw tenants from throughout these census tracts to reside at the property. For the purpose of our analysis, we are assuming that 90 percent of the income qualified demand for the Subject will be generated from within the PMA. Per TDHCA guidelines, the base year (2020) population of the PMA is 85,056, and does not exceed 100,000 persons.

PMA Map –Subject and Comparables

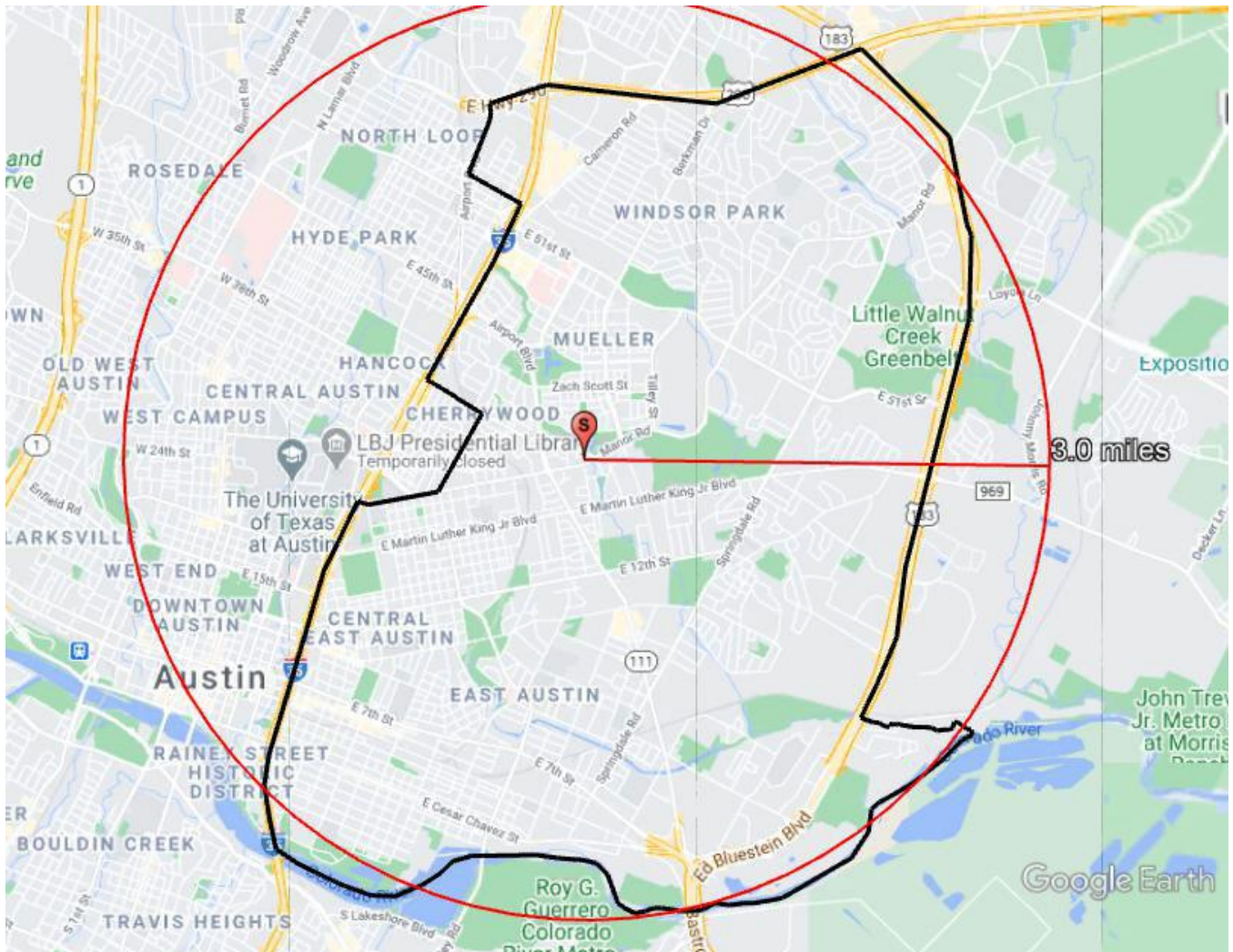


COMPARABLE PROPERTIES

#	Comparable Property	City	Rent Structure	Tenancy	Distance to Subject
1	Aldrich 51	Austin	LIHTC/ Market	Family	1.2 miles
2	Creekview Apartments*	Austin	LIHTC	Family	3.4 miles
3	Solaris	Austin	LIHTC/ Market	Family	2.1 miles
4	Thinkeast Apartment Homes	Austin	LIHTC	Family	1.8 miles
5	Villas On Sixth Street	Austin	LIHTC/ Market	Family	2.1 miles
6	3401 At Red River*	Austin	Market	Family	1.4 miles
7	Menlo At Mueller	Austin	Market	Family	2.4 miles
8	Mueller City View	Austin	Market	Family	2.0 miles
9	Seventytwo 27	Austin	Market	Family	2.7 miles
10	Volume 4	Austin	Market	Family	0.7 miles

*Located outside PMA

PMA Map – Roadways



Source: Google Earth, February 2021

ECONOMIC ANALYSIS

COVID-19 Impact Summary

The COVID-19 caseload increased in Texas throughout the summer, as initial restrictions were loosened. However, Austin has experienced a slowdown in case growth from August through October, allowing the city to scale down from Stage 4 to Stage 3 risk of COVID-19 as of August 25. Positive cases began to increase again in early November which continued through December. As of December 23, 2020, Austin Public Health announced Austin-Travis County is moving to Stage 5 guidelines ahead of Christmas and New Year's. Stage 5 guidelines recommend restaurants close all indoor dining and keep outdoor dining to 50 percent capacity. Businesses and restaurants are encouraged to switch to delivery and takeout only. Retail stores are urged to limit capacity to 50 percent. Additionally, residents are advised to avoid gathering with anyone outside of their household.

Nearly one quarter of Austin's population (approximately 500,000 people) consists of millennials, those between the ages of 20 and 34 years, which is top among the largest U.S. markets. With the presence of the University of Texas, as well as the large presence and continued growth of the technology sector in the city, these demographics are not likely to shift markedly. The presence of the university and large, desirable employers should position Austin to recover from the pandemic quickly. In addition to a number of other awards, the Austin metro area has been rated as the best place to live according to U.S. News and World Report for the past three years, displacing Denver for the top spot in 2017 due to exceptional job growth, migration, and desirability.

Employment Growth

The Subject is located in the Austin-Round Rock-Georgetown, TX Metropolitan Statistical Area (MSA), which is the secondary market area for the Subject's units. The following table details employment and unemployment trends for the MSA and the nation from 2004 through November 2020.

EMPLOYMENT & UNEMPLOYMENT TRENDS (NOT SEASONALLY ADJUSTED)

Year	Austin-Round Rock-Georgetown, TX Metropolitan Statistical Area				USA			
	Total Employment	% Change	Unemployment Rate	Change	Total Employment	% Change	Unemployment Rate	Change
2004	737,792	-	5.0%	-	139,252,000	-	5.5%	-
2005	761,992	3.3%	4.6%	-0.5%	141,730,000	1.8%	5.1%	-0.5%
2006	789,403	3.6%	4.1%	-0.4%	144,427,000	1.9%	4.6%	-0.5%
2007	813,256	3.0%	3.6%	-0.5%	146,047,000	1.1%	4.6%	0.0%
2008	827,538	1.8%	4.3%	0.7%	145,363,000	-0.5%	5.8%	1.2%
2009	825,071	-0.3%	6.9%	2.6%	139,878,000	-3.8%	9.3%	3.5%
2010	865,461	4.9%	7.0%	0.1%	139,064,000	-0.6%	9.6%	0.3%
2011	897,490	3.7%	6.6%	-0.4%	139,869,000	0.6%	9.0%	-0.7%
2012	931,584	3.8%	5.7%	-0.9%	142,469,000	1.9%	8.1%	-0.9%
2013	966,601	3.8%	5.2%	-0.5%	143,929,000	1.0%	7.4%	-0.7%
2014	1,004,806	4.0%	4.2%	-1.0%	146,305,000	1.7%	6.2%	-1.2%
2015	1,037,150	3.2%	3.4%	-0.8%	148,833,000	1.7%	5.3%	-0.9%
2016	1,081,654	4.3%	3.3%	-0.1%	151,436,000	1.7%	4.9%	-0.4%
2017	1,122,474	3.8%	3.1%	-0.1%	153,337,000	1.3%	4.4%	-0.5%
2018	1,165,291	3.8%	2.9%	-0.2%	155,761,000	1.6%	3.9%	-0.4%
2019	1,204,375	3.4%	2.7%	-0.3%	157,538,000	1.1%	3.7%	-0.2%
2020 YTD Average*	1,156,570	-4.0%	6.3%	3.7%	147,794,750	-6.2%	8.1%	4.4%
Nov-2019	1,222,617	-	2.5%	-	158,945,000	-	3.3%	-
Nov-2020	1,192,735	-2.4%	5.9%	3.4%	150,203,000	-5.5%	6.4%	3.1%

Source: U.S. Bureau of Labor Statistics, February 2021

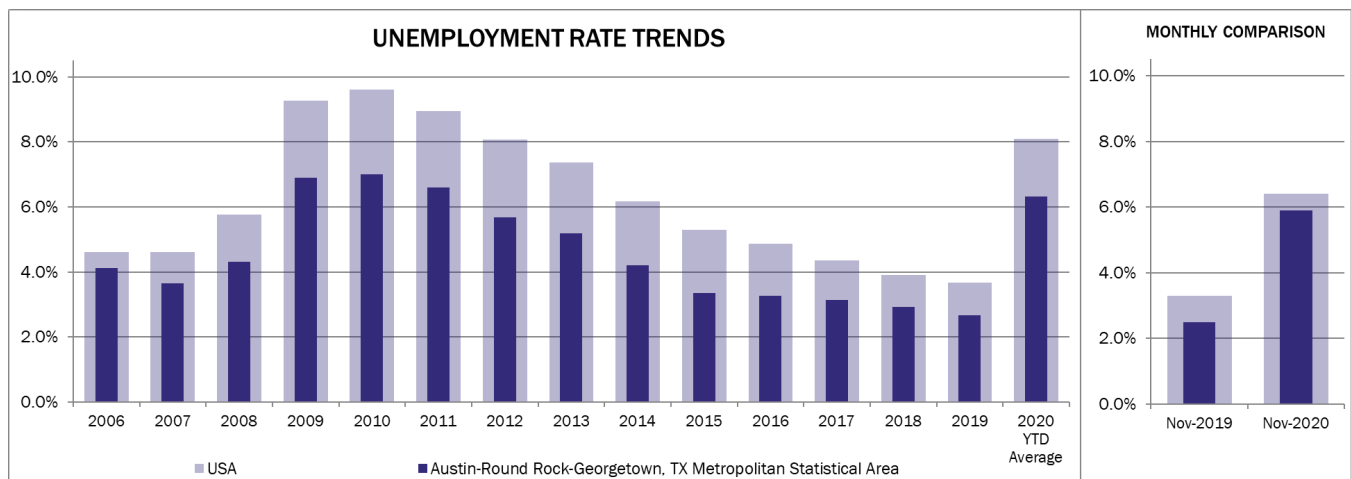
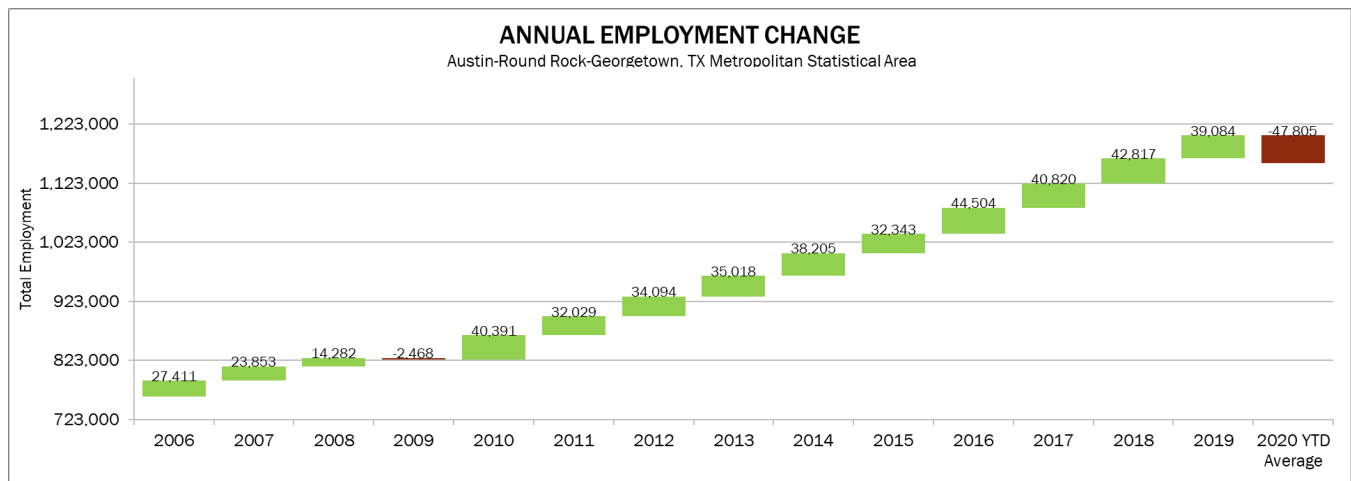
*2020 data is through November

Prior to 2020, total employment in the MSA increased every year since 2004, with the exception of 2009. More recently, total employment in the MSA increased by an average of 3.7 percent annually from 2012 to 2019, compared to 1.5 percent average annual employment growth nationwide. In 2019, employment in the

MSA increased at a rate of 3.4 percent year-over-year, well above the national growth rate of 1.1 percent. However, the MSA has been impacted by COVID-19, as total employment decreased 2.4 percent between November 2019 and November 2020, although, it has been less impacted than the nation which saw a 5.5 percent decrease in employment over the same time period.

Historically, the MSA has experienced a lower unemployment rate relative to the nation in every year dating back to 2004. From 2012 through 2019, the average unemployment rate in the MSA is 3.8 percent, compared to a 5.5 percent average national unemployment rate. The unemployment rate in the MSA reached a historical high of 12.2 percent in April 2020 as a result of the economic fallout from COVID-19. However, as of November 2020, the unemployment rate in the MSA is 5.9 percent, which is below the national unemployment rate of 6.4 percent. Prior to the pandemic, the local economy was in a prolonged expansionary phase, reaching a historic low unemployment rate of just 2.7 percent in 2019. Further, it appears as if COVID-19 has had a somewhat lesser impact on the MSA relative to the nation.

As of the date of this report, unemployment is slowly decreasing from a record high nationally, and is 6.4 percent as of November 2020. According to the Texas Workforce Commission, statewide unemployment rose to 8.1 percent in November 2020, after fluctuating from 8.3 percent in September 2020 to 6.9 in October. In comparison, Travis County's unemployment rate is 5.9 percent as of November, below that of the state and nation.

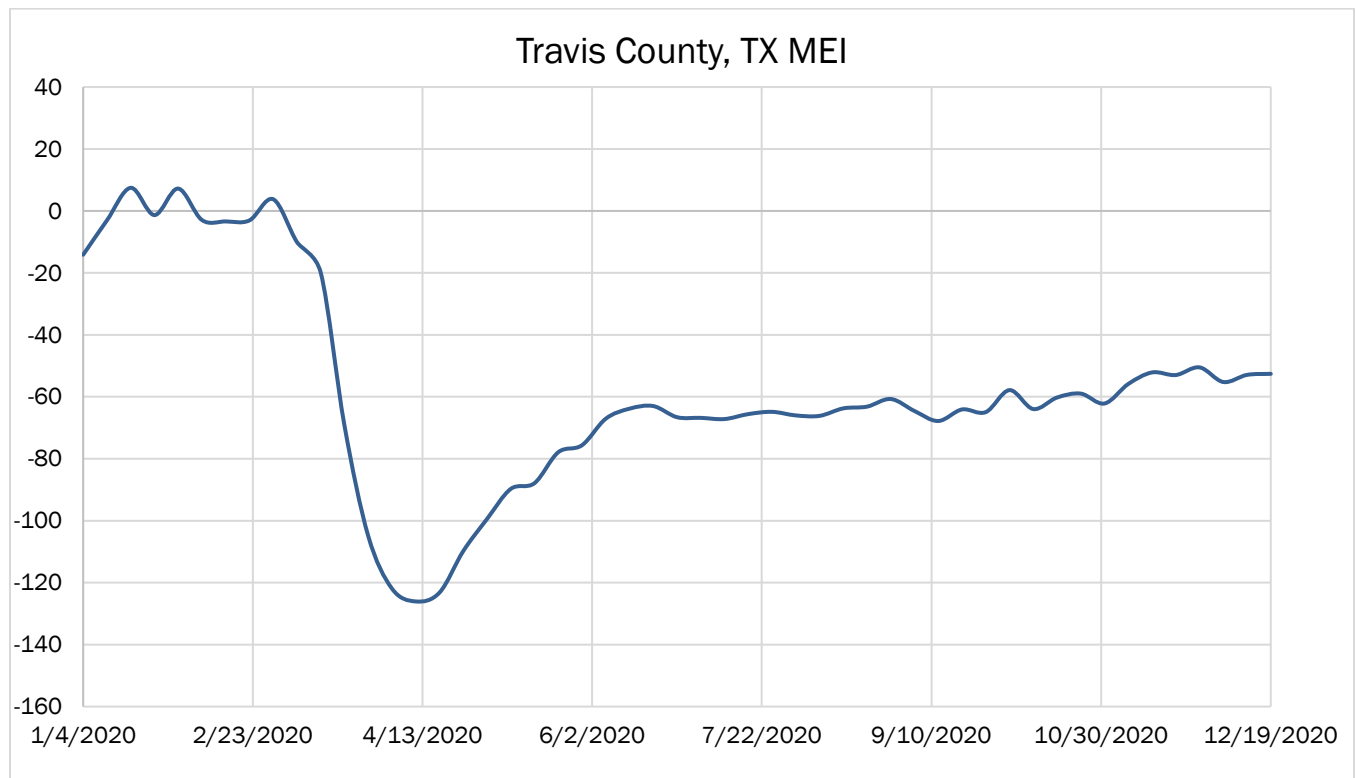


A key driver of the slowdown was a decline in mobility as people limited trips outside of their homes in order to mitigate the spread of COVID-19. Many businesses sharply curtailed, or even ceased, operations due to government-mandated closures, concern for the health of workers, or a lack of business, as consumers avoided social interaction.

To gain insight into the economic impact of the pandemic, the Federal Reserve Bank of Dallas developed an index of mobility and engagement. The Mobility and Engagement Index (MEI) plummeted in mid-March, coinciding with a large drop in economic activity. Without much doubt, diminished mobility and engagement was a major factor in the slowdown in economic activity and the sharp rise in unemployment.

The steep decrease in the MEI coincided with the large drop in the Weekly Economic Index (WEI) over the weeks from March 21 through April 11. In the second half of April, mobility and engagement began rising, while the WEI only slowed its decline. As of December, MEI has recovered over half of the losses from the beginning of the year, but has only slowly improved since it plateaued in July. While it is too early to tell, a continued drop in the WEI could indicate more conventional recessionary dynamics, as cautious consumers and businesses pull back from spending and hiring, amplifying the initial disruption caused by curbing mobility and engagement.

The MEI captures what is arguably the primary driver of the large drop in economic activity and, therefore, is a key metric in forming the Dallas Fed's assessment of economic conditions and the outlook for future activity. The Dallas Fed expects limits on mobility and engagement to decline further in the coming weeks and months as government restrictions continue to ease and vaccine deployment increases. The MEI for Travis County, Texas is shown below:



Employment by Industry

The following table illustrates employment by industry for the PMA and the nation in 2020.

2020 EMPLOYMENT BY INDUSTRY

Industry	PMA		USA	
	Number Employed	Percent Employed	Number Employed	Percent Employed
Prof/Scientific/Tech Services	6,013	13.8%	12,049,828	8.2%
Educational Services	5,085	11.7%	14,320,448	9.7%
Healthcare/Social Assistance	4,927	11.3%	22,313,586	15.1%
Construction	4,403	10.1%	10,829,187	7.4%
Accommodation/Food Services	3,863	8.9%	8,202,612	5.6%
Retail Trade	3,508	8.1%	14,356,334	9.7%
Admin/Support/Waste Mgmt Svcs	2,486	5.7%	5,786,624	3.9%
Manufacturing	2,412	5.5%	15,550,554	10.6%
Other Services	2,277	5.2%	6,772,309	4.6%
Public Administration	2,056	4.7%	7,071,492	4.8%
Finance/Insurance	1,261	2.9%	7,169,665	4.9%
Real Estate/Rental/Leasing	1,134	2.6%	3,082,197	2.1%
Information	1,108	2.5%	2,723,217	1.8%
Transportation/Warehousing	997	2.3%	6,959,787	4.7%
Arts/Entertainment/Recreation	856	2.0%	2,329,497	1.6%
Wholesale Trade	448	1.0%	3,744,789	2.5%
Utilities	292	0.7%	1,274,383	0.9%
Agric/Forestry/Fishing/Hunting	173	0.4%	1,852,333	1.3%
Mining	144	0.3%	729,605	0.5%
Mgmt of Companies/Enterprises	70	0.2%	210,175	0.1%
Total Employment	43,513	100.0%	147,328,622	100.0%

Source: Esri Demographics 2020, Novogradac Consulting LLP, January 2021

Employment in the PMA is concentrated in the professional/scientific/technological services, educational services, and healthcare/social assistance industries, which collectively comprise 36.8 percent of local employment. The large share of PMA employment in the healthcare industry is notable as this industry is historically stable, and exhibits greater resilience during economic downturns. Relative to the overall nation, the PMA features comparatively greater employment in the prof/scientific/tech services, accommodation/food services, and construction industries. Conversely, the PMA is underrepresented in the manufacturing, healthcare/social assistance, and transportation/warehousing industries.

Major Employers

The following tables detail the largest employers in Austin, Texas.

MAJOR EMPLOYERS AUSTIN, TEXAS

Employer Name	Industry	# Of Employees
Ascension Seton	Healthcare	11,000+
Apple	Manufacturing, Computer	7,000+
Austin Independent School District	Education	6,000+
City of Austin	Government	6,000+
Dell Technologies	Manufacturing, Computer	6,000+
US Federal Government	Government	6,000+
IBM Corporation	Manufacturing, Computer	6,000+
Round Rock Independent School District	Education	6,000+
Samsung	Manufacturing, Computer	6,000+
St. David's HealthCare Partnership	Healthcare	6,000+
State of Texas	Government	6,000+
University of Texas at Austin	Education	6,000+

Source: Austin Chamber of Commerce, January 2021

Austin's major employers are primarily concentrated within the computer and electronics manufacturing industries, with a strong presence in healthcare and education. Dell Technologies has maintained its headquarters in Austin since 1984. Dell has helped spur investment in computer technology in Austin, which has created an industry cluster and has helped the city build its reputation as the "Silicon Hills." In addition, the University of Texas is located approximately 8.3 miles west of the Subject site.

As of 2019, the university has an enrollment of 51,800 students, and is the largest university in the state of Texas. Nationally, there appears to be some softening in the education sector, and this pertains specifically to higher education. Primary education employment continues to be strong and will continue to provide stability to the local economy, but some colleges and universities are experiencing declining enrollment and staff due to COVID-19. According to an article published by Statesman dated June 24, 2020, the University of Texas System announced \$78-million in budget cuts ahead of the 2021 fiscal year across eight universities, with the University of Texas-Austin planning to cut more than \$28-million. These cuts are expected to result in layoffs and furloughs over the next year, though further details were not provided. Overall, the local economy is considered strong, aside from some short to mid-term uncertainty as a result of the pandemic, though this is the case in most major markets nationwide.

Employment Expansions/Contractions

We attempted to contact the Austin's Economic Development office to inquire about recent business expansions or contractions in the region. However, as of the date of this report, our calls have yet to be returned. We performed online research, and according to the Austin Chamber of Commerce, there have been multiple notable business expansions, which are detailed following. It should be noted that data for 2021 year-to-date is not yet available.

AUSTIN BUSINESS EXPANSIONS – 2020

Company	Industry	Jobs Created	Type
December			
Aceable	Technology	20	Expansion
Amazon San Marcos Fulfillment Center	Retail Trade	2,200	Expansion
Athlete Performance Solutions	Manufacturing	12	New
The Boring Company	Manufacturing	75	New
Fresh Texas	Manufacturing (Food Services)	100	Expansion
Giddy	Manufacturing	40	Expansion
Momentum Extraction	Oil	65	New
Oracle Corp.	Technology	2,000	New/ Expansion
Revenue Cycle	Healthcare	20	Expansion
Self Financial	Finance/Insurance	60	Expansion
Tata Consultancy Services	Technology	130	Expansion
Uhnder	Technology	20	Expansion
Volcon	Manufacturing	100	New
Warm Audio	Manufacturing (Electronics)	10	Expansion
Whole Foods Market	Retail Trade	600	Expansion
November			
8VC	Finance/Insurance	15	New
ActivTrak	Technology	100	Expansion
Assurely	Finance/Insurance	15	New
ClosedLoop.ai	Healthcare	27	Expansion
Freedom Solar Power	Manufacturing	25	Expansion
Iron Ox	Technology	28	New
Jump Trading	Finance/Insurance	35	New
Realtor.com	Real Estate	600	Expansion
Thermo Fisher Scientific	Manufacturing	50	Expansion
VORAGO Technologies	Technology	10	Expansion
ZenBusiness	Technology	100	Expansion
Zynga	Technology	25	Expansion
October			
CKD Corp.	Manufacturing	70	New
Eagle Eye Networks	Cyber Security	75	Expansion
East/West Manufacturing	Manufacturing (Electronics)	30	Expansion
Hiller Measurements	Manufacturing (Electronics)	30	Expansion
HUVRdata	Technology	25	Expansion
Infintum Electric	Manufacturing (Electronics)	10	Expansion
Pharmacists Mutual Insurance Group	Finance/Insurance	25	Expansion
RVshare	Accommodation/Food Services	10	Expansion
Skimmer	Technology	10	New
Steadily	Finance/Insurance	15	Expansion
Supply Drop	Retail Trade	50	Expansion
Tomo Networks	Finance/Insurance	50	New
Vertebrae	Technology	11	Expansion
September			
Double A Labs	Technology	15	Expansion
Gecko Technology Partners	Technology	25	New
Gembah	Technology	30	Expansion
Lowe's	Retail Trade	70	New
PIMCO	Finance/Insurance	200	Expansion
Saleen Performance Parts	Manufacturing (Electronics)	150	New
Shell (Studio X)	Technology	90	New

KENSINGTON APARTMENTS - AUSTIN, TEXAS – MARKET STUDY

August			
Abaco Systems	Manufacturing (Electronics)	25	Expansion
Auctane	Internet Retail	230	Expansion
Acutronic Aerospace	Manufacturing (Electronics)	25	Expansion
Aspiriant	Financial	25	Expansion
BAE Systems	Manufacturing (Aerospace)	700	Expansion
DanceFight (VirtualArts)	Entertainment	20	New
Fetch Package	Transportation	20	Expansion
Formaspace Technical Furniture	Manufacturing (Furniture)	12	Expansion
Social Solutions	Management	20	Expansion
SpyCloud	Cyber Security	60	Expansion
Tata Consultancy Services	IT Services	400	Expansion
Unity Technologies	Digital Technology	94	Expansion
US Farathane	Manufacturing (Auto)	200	Expansion
July			
A Cloud Guru	Technology	50	Expansion
AgencyKPI	Technology	30	New
Confluent Medical	Manufacturing (Medical)	40	Expansion
Diligent Robotics	Manufacturing (Medical)	10	Expansion
GOTHAMS	Technology	20	New
Hippo	Insurance	165	Expansion
SciPlay	Entertainment	50	Expansion
Tesla	Manufacturing (Auto)	5,000	New
June			
Amplify Snack Brands	Manufacturing (Food Services)	45	Expansion
Aspire Food Group	Manufacturing (Food Services)	33	Expansion
Bractlet	Manufacturing (Electronics)	31	Expansion
Canva	Technology	60	New
CognitOps	Professional Services	11	Expansion
FileTrail	Technology	25	New
Icon	Construction Technology	21	Expansion
Natera	Healthcare Technology	60	Expansion
Q2 Software	Financial	200	Expansion
TeleVet	Healthcare Technology	40	Expansion
Vilua Healthcare	Healthcare Technology	25	New
May			
Accruent	Technology	10	Expansion
Cloudflare	Technology	214	Expansion
Dell Children's Hospital	Healthcare	740	Expansion
Ethos Technologies	Insurance	25	New
Homeward	Internet Retail	70	Expansion
HumanCo	Financial	10	New
Kitchen United	Manufacturing (Food Services)	30	New
LPL Financial	Financial Technology	20	New
Magnitude Software	Technology	300	Expansion
Texas Children's Hospital	Healthcare	400	Expansion
April			
Airbreak Technologies	Technology	10	New
Airtable	Technology	100	New
AlertMedia	Technology	20	Expansion
CareStarter	Healthcare Technology	20	Expansion
Coder Technologies	Technology	25	Expansion
Literati	Entertainment	50	Expansion
Liveoak Technologies	Financial	20	Expansion
Ontic Technologies	Technology	15	Expansion
SourceDay	Technology	10	Expansion

KENSINGTON APARTMENTS - AUSTIN, TEXAS – MARKET STUDY

March			
Flex Health	Manufacturing (Medical)	600	New
Medici	Healthcare	12	Expansion
Membersy	Healthcare	30	Expansion
Ooni	Manufacturing (Food Services)	25	New
Overhaul	Technology	25	Expansion
February			
Acadeum	Education	10	Expansion
Chrono.gg	Technology	11	Expansion
Eventus Systems	Financial Services	15	Expansion
EverlyWell	Healthcare Technology	20	Expansion
RapidDeploy	Technology	50	Expansion
SchoolLinks	Education	20	Expansion
Self Financial	Financial	35	Expansion
SimpatiCo Consulting	Professional Services	10	New
Xbiotech	Healthcare Technology	65	Expansion
January			
ArtCraft Entertainment	Technology	10	Expansion
Astute Electronics	Manufacturing (Electronics)	36	Expansion
Boston Consulting Group	Professional Services	60	New
Citadel Securities	Financial	15	New
Flash Parking	Technology	150	Expansion
Four Hands	Distribution	12	Expansion
Kronologic	Technology	12	Expansion
NXP Semiconductors	Manufacturing (Electronics)	50	Expansion
QuestionPro	Technology	100	New
Stoplight	Technology	20	Expansion
Wheel	Healthcare	15	Expansion
2020 Total		18,717	

Source: Austin Chamber of Commerce, Retrieved January 2021

Tesla Investment

In the second quarter of 2020, Tesla announced that it had secured a 2,100-acre parcel of land located approximately 6.5 miles southeast of the Subject site. The land will be used to build a \$1.1-billion manufacturing facility totaling approximately 7.9-million square feet. According to Travis County, the facility will employ approximately 5,000 workers with a minimum hourly wage of \$15 per hour and an average annual salary of approximately \$47,000. Further, according to an article published by Eletrek.com on September 25, 2020, Tesla recently acquired an additional 381 acres to build a battery cell manufacturing facility, and is actively pursuing additional land purchases along the TX-130 corridor. The initial project is expected to be operational by summer 2021.

Apple Investment

In May 2020, Apple broke ground on a \$1-billion, 3-million square foot campus located in northwestern Austin. The campus spans 133 acres, and will house Apple's second headquarters. The campus is scheduled to be fully operational by second quarter 2022, and will initially employ 5,000, with the capacity to growth to 15,000 employees.

3M

3M, an electrical manufacturing company, recently opened a new 330,000-square foot campus in Austin, which will employ approximately 500 employees.

Austin Energy

Austin Energy, an electric utility company, recently broke ground on its new \$150 million headquarters in the Mueller Redevelopment, just north of the Subject. Upon completion, the four-story building will have 275,000 square feet with room for up to 1,100 employees.

The Worker Adjustment and Retraining Notification Act (WARN) provides protection to workers, their families and communities by requiring employers to provide notification 60 calendar days in advance of plant closings and mass layoffs. According to the Texas Workforce Commission, there have been 66 WARN notices for Austin during 2020, presented following.

WARN LISTINGS
Austin, TX - YTD 2020

Company	Employees Affected	Layoff Date
EVO Transportation	104	12/15/2020
Parsley Energy, Inc.-Congress Ave	85	12/7/2020
Parsley Energy, Inc.-ABA	2	12/7/2020
Parsley Energy, Inc.-Colorado St.	147	12/7/2020
Southwest-ABA	77	12/3/2020
Sodexo-Austin	80	11/6/2020
Scoobeez, Inc.-Austin	71	11/1/2020
Exela Enterprise Solutions, LLC	81	11/1/2020
Hilton-Austin	77	8/31/2020
IPIC Theaters, LLC	37	8/13/2020
Kimpton Hotel	180	6/30/2020
Magic Leap, LLC-Austin	15	6/21/2020
St Edwards University	95	5/31/2020
Sheraton Austin	99	5/21/2020
Live Nation-Austin	43	5/1/2020
Railcrew Xpress-RCX Logistics-Austin	88	4/12/2020
JW Marriott Austin	166	4/10/2020
uShip, Inc.	65	4/9/2020
Paul Martin's American Grill	81	4/7/2020
Wyndham Vacation Ownership	81	4/3/2020
David McDavid Acura	13	4/3/2020
InterContinental-Stephen F Austin	99	4/3/2020
Avis Budget Car Rental	3	4/1/2020
Compeat, Inc.	56	3/31/2020
Suitsupply-Austin	7	3/29/2020
Paper Source-N. Lamar	12	3/29/2020
Paper Source-Palm Way	10	3/29/2020
Sport Clips - FM620	6	3/28/2020
Sport Clips - Frontage Rd.	13	3/28/2020
Sport Clips - Shops Pkwy	13	3/28/2020
Sport Clips - N. Mopac	12	3/28/2020
Sport clips - Bee Caves	6	3/28/2020
Sport Clips - Lakeline	9	3/28/2020
Sport Clips - Hwy. 290	13	3/28/2020
Dyn365	95	3/27/2020
Cinemark Southpark Meadows	58	3/26/2020
Cinemark Hill Country Galleria	44	3/26/2020
Pappas Catering Austin	17	3/24/2020
Pappas Catering Austin	17	3/24/2020
Eviti Gaming Headquarters	183	3/23/2020
Eveti Production Facility	48	3/23/2020
Holiday Inn-Austin	67	3/23/2020
Austin Hotel and Residences	210	3/23/2020
Four Seasons Hotel-Austin	369	3/23/2020
Hyatt Corp	137	3/22/2020
Pappadeaux Seafood Kitchen 03	125	3/22/2020
Take 5 Department 241	5	3/22/2020
Take 5 Department 244	7	3/22/2020
Renaissance Hotel	243	3/21/2020
Go Rentals - Austin	7	3/21/2020
Marriott Austin South	69	3/20/2020
Ra Sushi-Austin	55	3/17/2020
Pappadeaux Seafood Kitchen 39	123	3/17/2020
Sydell Hotels LLC	181	3/16/2020

WARN LISTINGS
Austin, TX - YTD 2020

Company	Employees Affected	Layoff Date
Punch Bowl Social-Domain	92	3/16/2020
Punch Bowl Social-Congress	130	3/16/2020
Hyatt Regency - Austin	224	3/15/2020
Fleming's #5402	37	3/15/2020
Outback #4422	56	3/15/2020
Carrabba's #4403	53	3/15/2020
Fleming's #5406	59	3/15/2020
Double Tree by Hilton Hotel	63	3/13/2020
Car2go	47	3/6/2020
SXSW	60	3/6/2020
Aryzta, LLC	95	3/6/2020
Windhaven Insurance-Austin	35	2/28/2020
Total YTD 2020	5,445	

Source: Texas Workforce Commission, retrieved 12/2020

As shown, there have been 5,445 layoffs announced in Austin since January 2020. The vast majority of these have occurred between March and April 2020, and are likely a direct result of the ongoing COVID-19 pandemic. Some of the jobs lost are expected to return after restrictions are loosened.

Conclusion

Employment in the PMA is concentrated in the professional/scientific/technological services, educational services, and healthcare/social assistance industries, which collectively comprise 36.8 percent of local employment. The large share of PMA employment in the healthcare industry is notable as this industry is historically stable, and exhibits greater resilience during economic downturns. The MSA has been impacted by COVID-19, as total employment decreased 2.4 percent between November 2019 and November 2020, although, it has been less impacted than the nation which saw a 5.5 percent decrease in employment over the same time period. The unemployment rate in the MSA reached a historical high of 12.2 percent in April 2020 as a result of the economic fallout from COVID-19. However, as of November 2020, the unemployment rate in the MSA is 5.9 percent, which is below the national unemployment rate of 6.4 percent. Prior to the pandemic, the local economy was in a prolonged expansionary phase. Further, it appears as if COVID-19 has had a somewhat lesser impact on the MSA relative to the nation, at least in terms of employment levels.

POPULATION, HOUSEHOLD, AND INCOME TRENDS

The following section provides an analysis of the demographic characteristics within the Subject's market area. Data such as population, households, and growth patterns are studied, to determine if the PMA and the SMA are areas of growth or contraction. Based on TDHCA guidelines, the following demographic data includes projections for the Subject's market entry date of February 2023. It should be noted that per TDHCA guidelines, demographic data for a five-year period with the year of application as the base year must be included. The base year is considered the year the application for the development is submitted. Because data for 2021 is not yet available, we have utilized 2020 data as the application year.

Population

The table below illustrates population in the PMA, MSA, and nation from 2000 through 2025.

POPULATION						
Year	PMA		Austin-Round Rock-Georgetown, TX Metropolitan Statistical Area		USA	
	<i>Number</i>	<i>Annual Change</i>	<i>Number</i>	<i>Annual Change</i>	<i>Number</i>	<i>Annual Change</i>
2000	81,798	-	1,249,703	-	280,304,282	-
2010	66,046	-1.9%	1,716,289	3.7%	308,745,538	1.0%
2020	85,056	2.8%	2,296,794	3.3%	333,793,107	0.8%
Projected Mkt Entry	89,667	2.1%	2,459,051	2.7%	340,110,997	0.7%
2025	93,981	2.1%	2,610,839	2.7%	346,021,282	0.7%

Source: Esri Demographics 2020, Novogradac Consulting LLP, January 2021

Between 2000 and 2010 the total population within the PMA decreased by 1.9 percent annually, while the MSA and nation experienced population growth (3.7 and 1.0 percent, respectively). From 2010 to 2020 population in the PMA reversed course and increased by 2.8 percent annually, below that of the MSA's growth of 3.3 percent, but well above the nation's growth rate. Population growth is projected to slow to 2.1 percent from 2020 through market entry in 2023 and 2025.

Households

The following table is a summary of the total households in the PMA, MSA, and nation from 2000 through 2025.

HOUSEHOLDS						
Year	PMA		Austin-Round Rock-Georgetown, TX Metropolitan Statistical Area		USA	
	<i>Number</i>	<i>Annual Change</i>	<i>Number</i>	<i>Annual Change</i>	<i>Number</i>	<i>Annual Change</i>
2000	27,161	-	471,231	-	105,081,032	-
2010	24,937	-0.8%	650,486	3.8%	116,716,293	1.1%
2020	32,637	3.0%	867,851	3.3%	126,083,847	0.8%
Projected Mkt Entry	34,493	2.2%	928,619	2.7%	128,447,413	0.7%
2025	36,229	2.2%	985,466	2.7%	130,658,491	0.7%

Source: Esri Demographics 2020, Novogradac Consulting LLP, January 2021

The PMA experienced a decrease in the number of households between 2000 and 2010, while the MSA and nation experienced household growth (3.8 and 1.1 percent annually, respectively). Household formation in the PMA reversed course and increased 3.0 percent annually between 2010 and 2020, slightly less than the MSA. According to ESRI demographic projections, annualized PMA growth is expected to slow to 2.2 percent through market entry and 2025, which is slightly below the MSA but well above the nation.

Average Household Size

The following table illustrates the average household size for the PMA, MSA, and nation from 2000 through 2025.

AVERAGE HOUSEHOLD SIZE						
Year	PMA		Austin-Round Rock-Georgetown, TX Metropolitan Statistical Area		USA	
	<i>Number</i>	<i>Annual Change</i>	<i>Number</i>	<i>Annual Change</i>	<i>Number</i>	<i>Annual Change</i>
2010	2.18	-	2.58	-	2.57	-
2020	2.57	1.8%	2.60	0.1%	2.58	0.0%
Projected Mkt Entry	2.56	-0.1%	2.60	0.1%	2.58	0.0%
2025	2.56	-0.1%	2.61	0.1%	2.59	0.0%

Source: Esri Demographics 2020, Novogradac Consulting LLP, January 2021

As shown in the table, the average household size in the PMA is slightly smaller than that of the MSA and the nation. According to ESRI demographic projections, household sizes in the PMA will decrease slightly through market entry and 2025, while the MSA and the nation projected to increase slightly during the same period.

Median Household Income Levels

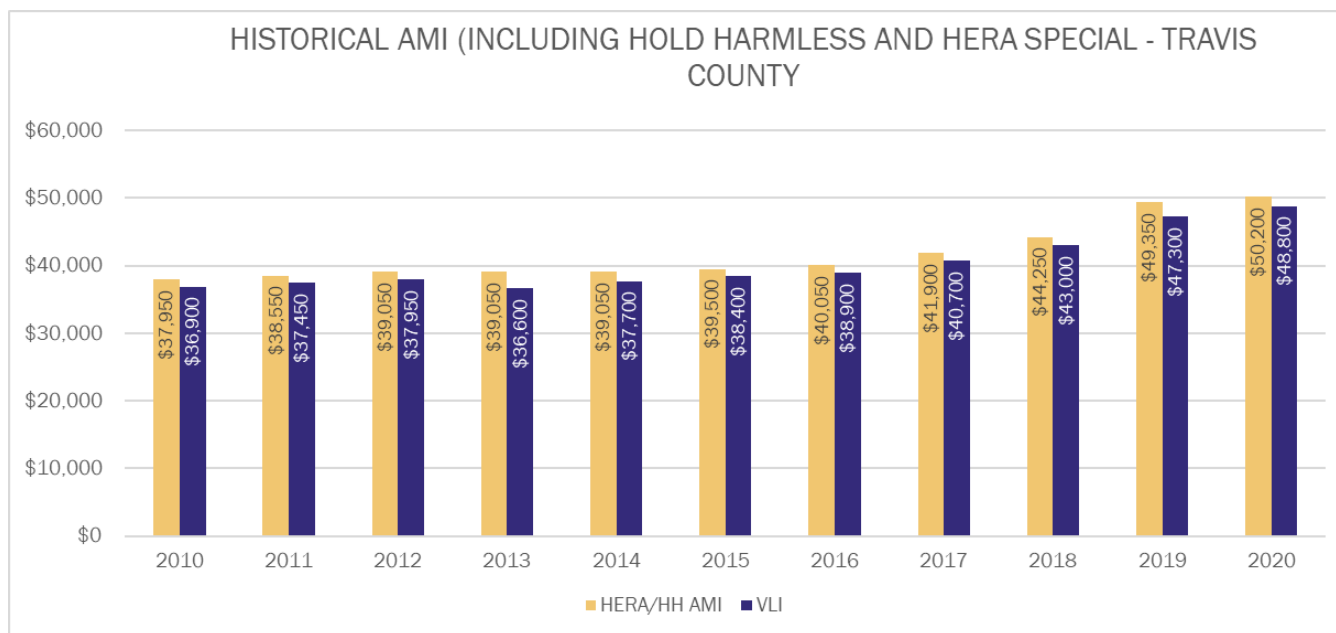
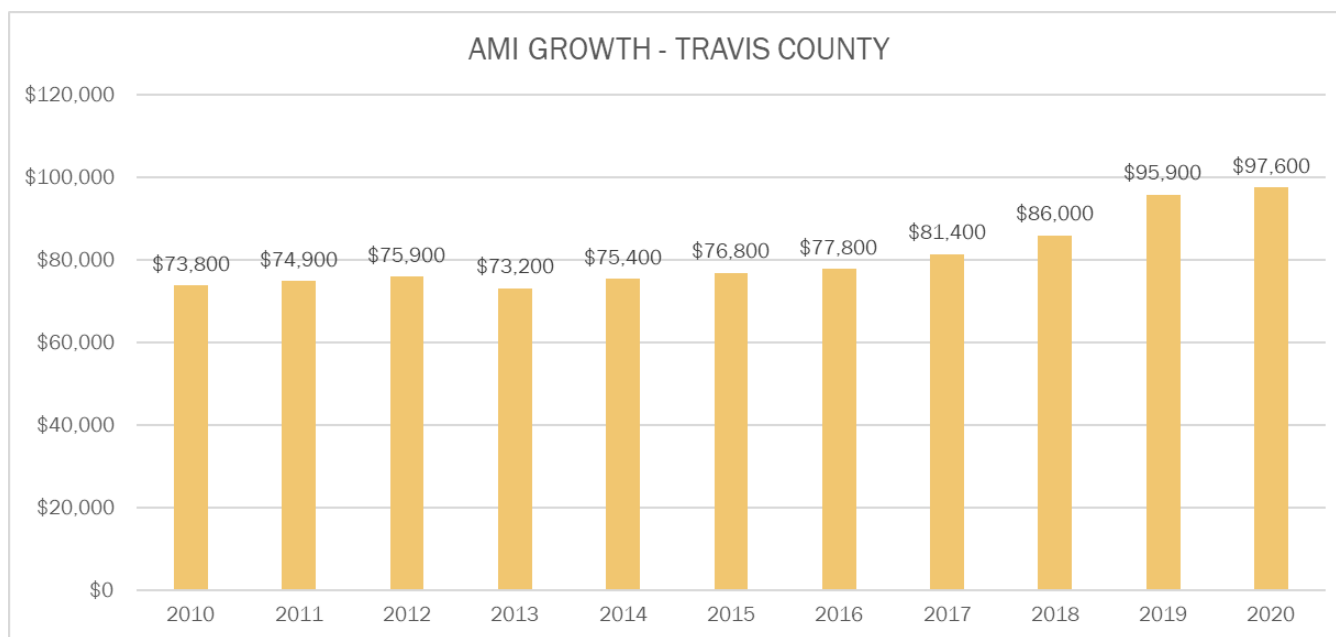
The table below illustrates median household income in the PMA, MSA, and the nation as a whole.

MEDIAN HOUSEHOLD INCOME						
Year	PMA		Austin-Round Rock-Georgetown, TX Metropolitan Statistical Area		USA	
	<i>Amount</i>	<i>Annual Change</i>	<i>Amount</i>	<i>Annual Change</i>	<i>Amount</i>	<i>Annual Change</i>
2000	\$32,627	-	\$53,376	-	\$44,333	-
2020	\$57,834	2.5%	\$78,659	1.5%	\$62,203	1.3%
Projected Mkt Entry	\$59,845	1.3%	\$81,138	1.2%	\$64,849	1.6%
2025	\$61,726	1.3%	\$83,458	1.2%	\$67,325	1.6%

Source: Esri Demographics 2020, Novogradac Consulting LLP, January 2021

As of 2020, the median income in the PMA was below the surrounding MSA. Median household income growth in the PMA was higher than that of the MSA between 2000 and 2020. Both geographic areas experienced population growth slightly above the overall nation during this time period. Of note, PMA income levels increased from 74 percent of the national median income in 2000 to 93 percent in 2020. According to ESRI demographic projections, annualized PMA growth is expected to slow 1.3 percent through market entry in 2023 and 2025, which is in line with projected growth in the MSA, but slightly below the nation.

The following charts illustrate the AMGI level for a four-person household in Travis County.



Overall, the AMGI has increased at an average annual rate of 3.2 percent between 2010 and 2020. Nationally, 84.0 percent of counties experienced a decrease in the 2013 AMGI level due to decreased income limits in approximately 50.0 percent of counties nationwide. The Subject's area appears to have been affected by this change. The county's AMGI has increased each year since 2013 and reached its peak of \$97,600 in 2020. The AMGI increased by 33.3 percent between 2013 and 2020.

Tenure Patterns

The following table illustrates the renter vs. owner households among all households in the PMA.

TENURE PATTERNS - TOTAL POPULATION

Year	PMA				Austin-Round Rock-Georgetown, TX Metropolitan Statistical Area			
	Owner-Occupied Units		Renter-Occupied Units		Owner-Occupied Units		Renter-Occupied Units	
	Number	Percentage	Number	Percentage	Number	Percentage	Number	Percentage
2000	11,976	44.1%	15,185	55.9%	278,017	59.0%	193,214	41.0%
2010	11,668	46.8%	13,269	53.2%	380,456	58.5%	270,030	41.5%
2020	14,824	45.4%	17,813	54.6%	516,813	59.6%	351,038	40.4%
Projected Mkt Entry	15,463	44.8%	19,030	55.2%	554,397	59.7%	374,221	40.3%
2025	16,061	44.3%	20,168	55.7%	589,557	59.8%	395,909	40.2%

Source: Esri Demographics 2020, Novogradac Consulting LLP, January 2021

As shown, the percentage of renter households in the PMA increased by 1.4 percent between 2010 and 2020, and is estimated to be 54.6 percent as of 2020. Through market entry and 2025, the number and percentage of renters within the PMA are projected to increase.

Household Income

The tables following illustrate household income in the PMA for 2020, market entry, and 2025. This data is provided by HISTA.

HOUSEHOLD INCOME DISTRIBUTION - PMA

Income Cohort	2020		Projected Mkt Entry February 2023		2025	
	Number	Percentage	Number	Percentage	Number	Percentage
\$0-9,999	2,642	8.1%	2,607	7.6%	2,574	7.1%
\$10,000-19,999	2,864	8.8%	2,800	8.1%	2,741	7.6%
\$20,000-29,999	2,985	9.1%	2,937	8.5%	2,892	8.0%
\$30,000-39,999	2,554	7.8%	2,574	7.5%	2,593	7.2%
\$40,000-49,999	2,540	7.8%	2,469	7.2%	2,403	6.6%
\$50,000-59,999	1,932	5.9%	2,136	6.2%	2,327	6.4%
\$60,000-74,999	2,924	9.0%	2,878	8.3%	2,834	7.8%
\$75,000-99,999	3,858	11.8%	4,014	11.6%	4,159	11.5%
\$100,000-124,999	2,726	8.4%	2,999	8.7%	3,254	9.0%
\$125,000-149,999	2,033	6.2%	2,257	6.5%	2,466	6.8%
\$150,000-199,999	2,503	7.7%	2,821	8.2%	3,118	8.6%
\$200,000+	3,076	9.4%	4,002	11.6%	4,868	13.4%
Total	32,637	100.0%	34,493	100.0%	36,229	100.0%

Source: HISTA Data / Ribbon Demographics 2020, Novogradac Consulting LLP, January 2021

HOUSEHOLD INCOME DISTRIBUTION - Austin-Round Rock-Georgetown, TX Metropolitan Statistical Area

Income Cohort	2020		Projected Mkt Entry February 2023		2025	
	Number	Percentage	Number	Percentage	Number	Percentage
\$0-9,999	36,051	4.2%	36,081	3.9%	36,109	3.7%
\$10,000-19,999	41,632	4.8%	41,181	4.4%	40,759	4.1%
\$20,000-29,999	55,545	6.4%	53,478	5.8%	51,545	5.2%
\$30,000-39,999	59,473	6.9%	58,399	6.3%	57,395	5.8%
\$40,000-49,999	63,112	7.3%	63,297	6.8%	63,470	6.4%
\$50,000-59,999	58,548	6.7%	60,130	6.5%	61,610	6.3%
\$60,000-74,999	84,037	9.7%	85,251	9.2%	86,387	8.8%
\$75,000-99,999	117,849	13.6%	122,724	13.2%	127,284	12.9%
\$100,000-124,999	92,542	10.7%	99,627	10.7%	106,255	10.8%
\$125,000-149,999	70,306	8.1%	77,963	8.4%	85,126	8.6%
\$150,000-199,999	78,832	9.1%	91,576	9.9%	103,497	10.5%
\$200,000+	109,924	12.7%	138,912	15.0%	166,029	16.8%
Total	867,851	100.0%	928,619	100.0%	985,466	100.0%

Source: HISTA Data / Ribbon Demographics 2020, Novogradac Consulting LLP, January 2021

As illustrated in the previous tables, approximately 33.8 percent of the households in the PMA earned less than \$40,000 in 2020. By 2025, the number of households earning less than \$40,000 in the PMA is expected to decrease to 29.9 percent. In both instances, a significant portion of households are projected to earn less than \$40,000. This data provides strong support for affordable rental housing in the Subject's PMA.

Renter Household Income

The tables following illustrate renter household income in the PMA and MSA for 2020, market entry, and 2025. This data is provided by HISTA, as required by TDHCA.

RENTER HOUSEHOLD INCOME DISTRIBUTION - PMA

Income Cohort	2020		Projected Mkt Entry February 2023		2025	
	Number	Percentage	Number	Percentage	Number	Percentage
\$0-9,999	1,964	11.0%	1,950	10.2%	1,936	9.6%
\$10,000-19,999	2,023	11.4%	1,975	10.4%	1,931	9.6%
\$20,000-29,999	2,137	12.0%	2,107	11.1%	2,078	10.3%
\$30,000-39,999	1,578	8.9%	1,646	8.6%	1,709	8.5%
\$40,000-49,999	1,681	9.4%	1,628	8.6%	1,578	7.8%
\$50,000-59,999	1,020	5.7%	1,167	6.1%	1,304	6.5%
\$60,000-74,999	1,635	9.2%	1,683	8.8%	1,727	8.6%
\$75,000-99,999	1,889	10.6%	2,075	10.9%	2,249	11.2%
\$100,000-124,999	1,064	6.0%	1,260	6.6%	1,444	7.2%
\$125,000-149,999	872	4.9%	981	5.2%	1,082	5.4%
\$150,000-199,999	1,002	5.6%	1,196	6.3%	1,378	6.8%
\$200,000+	948	5.3%	1,363	7.2%	1,752	8.7%
Total	17,813	100.0%	19,030	100.0%	20,168	100.0%

Source: HISTA Data / Ribbon Demographics 2020, Novogradac Consulting LLP, January 2021

**RENTER HOUSEHOLD INCOME DISTRIBUTION - Austin-Round Rock-Georgetown, TX Metropolitan
Statistical Area**

Income Cohort	2020		Projected Mkt Entry February 2023		2025	
	<i>Number</i>	<i>Percentage</i>	<i>Number</i>	<i>Percentage</i>	<i>Number</i>	<i>Percentage</i>
\$0-9,999	25,030	7.1%	25,079	6.7%	25,124	6.3%
\$10,000-19,999	27,201	7.7%	26,957	7.2%	26,729	6.8%
\$20,000-29,999	35,117	10.0%	33,782	9.0%	32,534	8.2%
\$30,000-39,999	35,360	10.1%	34,765	9.3%	34,209	8.6%
\$40,000-49,999	35,153	10.0%	35,906	9.6%	36,611	9.2%
\$50,000-59,999	30,004	8.5%	31,234	8.3%	32,384	8.2%
\$60,000-74,999	39,133	11.1%	40,600	10.8%	41,973	10.6%
\$75,000-99,999	42,926	12.2%	46,817	12.5%	50,457	12.7%
\$100,000-124,999	28,415	8.1%	32,318	8.6%	35,969	9.1%
\$125,000-149,999	17,921	5.1%	21,064	5.6%	24,005	6.1%
\$150,000-199,999	17,050	4.9%	21,536	5.8%	25,733	6.5%
\$200,000+	17,728	5.1%	24,162	6.5%	30,181	7.6%
Total	351,038	100.0%	374,221	100.0%	395,909	100.0%

Source: HISTA Data / Ribbon Demographics 2020, Novogradac Consulting LLP, January 2021

As illustrated in the previous tables, approximately 43.9 percent of the renter households in the PMA earned less than \$40,000 in 2020. By 2025, the number of renter households earning less than \$40,000 in the PMA is expected to decrease to 38.0 percent. In both instances a significant portion of households are projected to earn less than \$40,000. This data provides strong support for affordable rental housing in the Subject's PMA.

Conclusion

The PMA and MSA have demonstrated that they are both areas of growth in terms of population, number of households, and income levels. The population and the number of households are both expected to increase from 2020 to 2025. The average household size and median household income in the PMA is slightly smaller than that of the MSA and the nation. Furthermore, approximately 43.9 percent of the renter population in the PMA earned less than \$40,000 in 2020 and by 2025, the renter population earning less than \$40,000 in the PMA is expected to decrease to 39.0percent. These factors demonstrate a need for maintaining affordable housing developments such as the Subject.

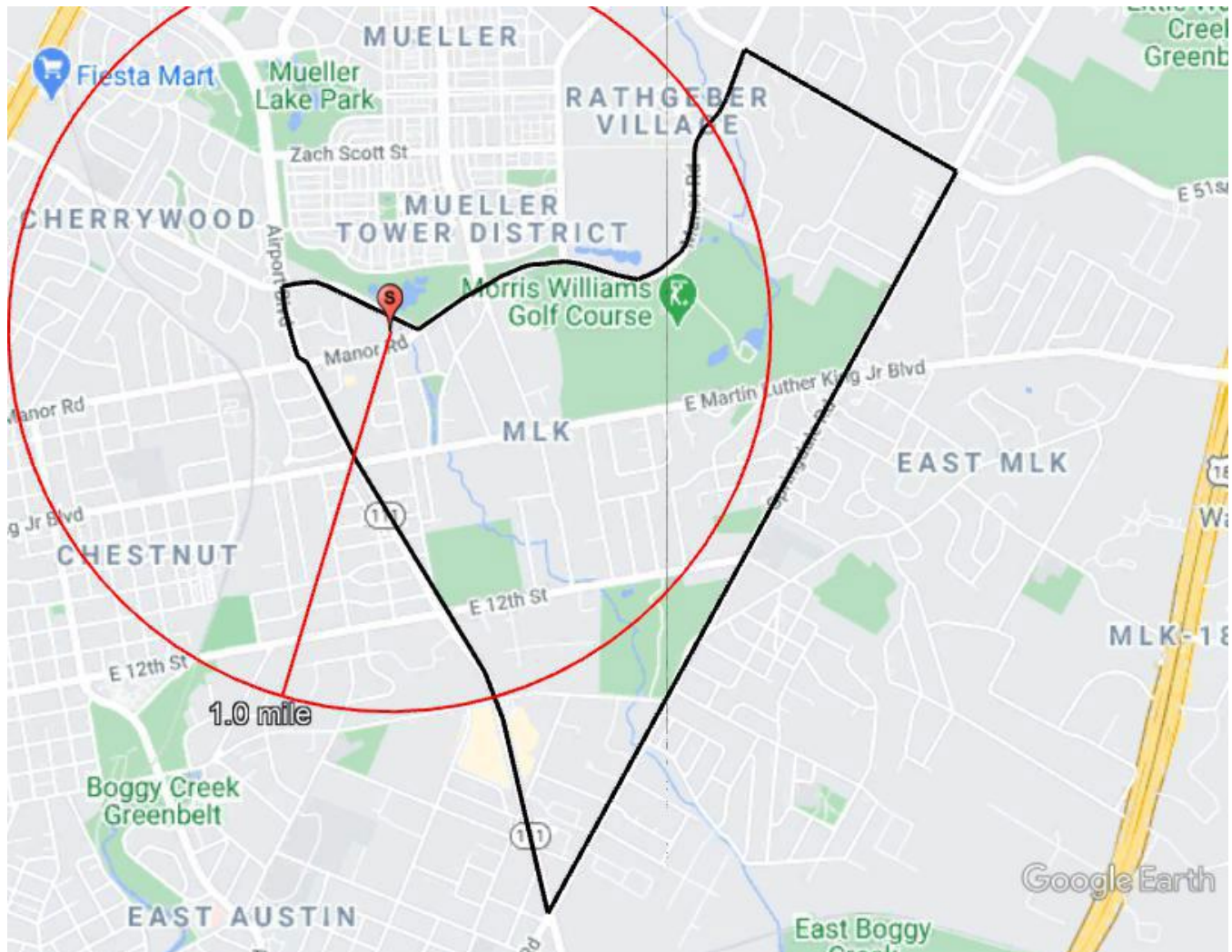
NEIGHBORHOOD DESCRIPTION

The neighborhood surrounding an apartment property often impacts the property's status, image, class, and style of operation, and sometimes its ability to attract and properly serve a particular market segment. This section investigates the Subject's neighborhood and evaluates any pertinent location factors that could affect its rent, its occupancy, and overall profitability.

The neighborhood analysis provides a bridge between the area analysis and the study of the Subject. The goal of the neighborhood analysis is to determine how the operation of social, economic, governmental, and environmental factors influences the marketability of real estate. In the neighborhood analysis, we focus on how these factors interact in the immediate vicinity of the Subject. Our analysis will focus on the neighborhood as a whole with individual focus on the location in the community and the demographic characteristics in the community.

Location and Boundaries

The Subject is located in the MLK neighborhood in the northeastern portion of Austin. General boundaries for the Subject's immediate neighborhood include Manor Road to the northwest, East 51st Street to the northeast, Springdale Road to the southeast, and Airport Boulevard to the southwest. The following map illustrates these boundaries in relation to the Subject site.



Predominant Land Uses

The Subject is located in the MLK neighborhood in the northeastern portion of Austin. The neighborhood primarily consists of commercial/retail, residential, and recreational uses. Land uses adjacent to the north of the Subject site consist of a community park and recreation area, followed by single-family homes in excellent condition. Land uses adjacent to the east of the Subject site consist of commercial/retail uses and single-family homes in fair to average condition, followed by various civic uses in average condition. Land uses adjacent to the south of the Subject site consist of industrial uses in poor condition, followed by an educational use and single-family homes in fair to average condition. Land uses adjacent to the west of the Subject consist of commercial/retail uses and single-family homes, all in fair to average condition.

This area has seen a lot of revitalization and infill in recent years, including the Mueller Redevelopment, which is just north of the Subject. The majority of commercial and retail uses exhibit average condition and are concentrated along main arterials including Manor Road, adjacent to the south of the Subject, and Airport Boulevard/Highway 111, approximately 0.3 miles to the west of the Subject. During our inspection, these uses appeared to be between 90 and 95 percent occupied. Residential uses generally consist of single-family homes ranging from average to excellent condition, the majority of which are currently listed for sale between \$385,000 and \$600,000, according to Zillow. In addition, the neighborhood benefits from public transportation including Austin Public Transit, with a bus stop located adjacent to the south of the Subject site. Further, the neighborhood offers good access to area highways including Airport Boulevard/Highway 111 and Interstate 35.

Accessibility

The Subject is accessible from the south side of Manor Road, a three-lane, moderately-trafficked road that generally traverses northeast/southwest, providing access to Interstate 35, approximately 1.3 miles west of the Subject. Interstate 35 is a major arterial that generally traverses north and south, providing access throughout the Austin metro, as well as to Dallas, approximately 180 miles to the northeast, and to San Antonio, approximately 76 miles to the southwest. Overall, traffic flow is considered moderate, and access is considered good.

QCT

According to HUD, the Subject site is located within Census Tract 3.06, which is not a 2021 Qualified Census Tract.

Public Transportation

Austin Public Transit serves the Subject's area daily, and provides access throughout the Austin-Round Rock-Georgetown MSA via CapMetro. Normal one-way bus fares start at \$1.25, and reduced fares start at \$0.60 for seniors 65 years and older, active duty military personnel, and riders with disabilities. The nearest bus stop is located adjacent to the south of the Subject site at the corner of Manor Road and Tillery Street. Capital MetroRail provides rail transportation throughout the central and northern portions of Austin. Normal one-way light rail fares start at \$3.50, and reduced fares start at \$1.75 for seniors 65 years and older, active duty military personnel, and riders with disabilities. The nearest light rail station is the Plaza Saltillo Station, approximately 2.3 miles from the Subject site.

Education

The Subject is located within the Austin Independent School District, which serves the majority of the Austin metropolitan area. The district consists of 125 schools and is served by over 11,000 professionals. Given the Subject's unit mix and unit size, we assume that a small percentage of the Subject's tenants will be families with school-aged children. The closest schools to the Subject are Campbell Elementary School, Kealing Middle School, and Gonzalo Garza High School, all located within 1.6 miles of the Subject.

Higher Education

The University of Texas at Austin is located approximately 1.6 miles to the west of the Subject. The University of Texas at Austin offers nearly 400 academic degree programs and more than 170 undergraduate fields of study. The university had an enrollment of 51,832 students with over 3,133 teaching faculty as of fall 2018 (most recent available).

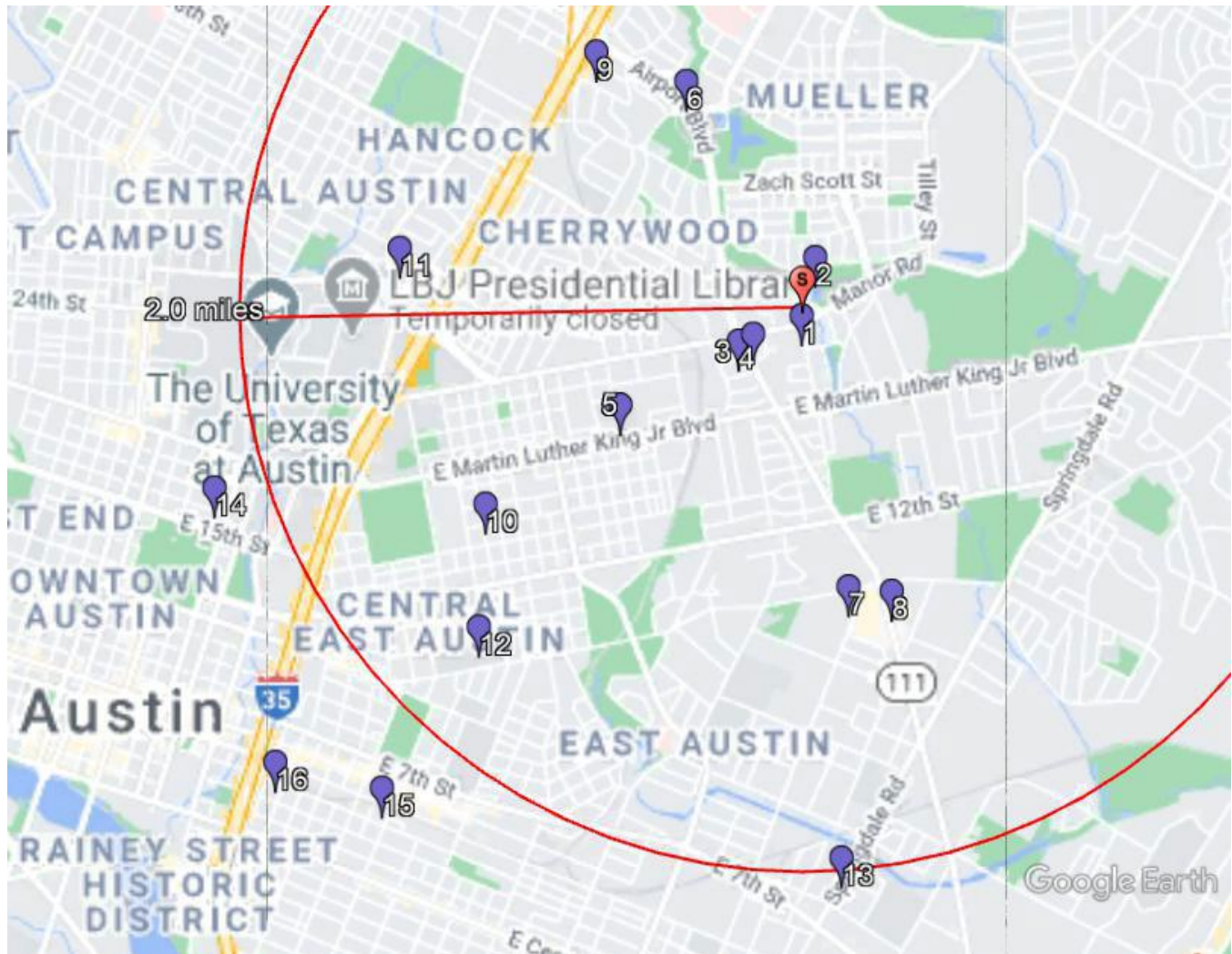
Healthcare

The closest hospital to the Subject is St. David's Medical Center located 1.4 miles to the west of the Subject site. The facility consists of a 350-bed acute care hospital and 64-bed rehabilitation hospital offering comprehensive inpatient and outpatient care.

Proximity to Local Services

The Subject is close to important local services as shown in the following table. All major amenities and services are located within close proximity to the Subject site.

Locational Amenities Map



LOCATIONAL AMENITIES

Map #	Service or Amenity	Distance from Subject (Crow)
1	Bus Stop	0.0 miles
2	Southwest Greenway Park	0.2 miles
3	CVS Pharmacy	0.2 miles
4	Shell Gas Station	0.3 miles
5	Campbell Elementary	0.7 miles
6	Fire Station	0.9 miles
7	Austin Public Library	1.0 miles
8	Wells Fargo Bank	1.1 miles
9	Fiesta Mart (Grocery Store)	1.2 miles
10	Gonzalo Garza High School	1.3 miles
11	St. David's Medical Center	1.4 miles
12	Kealing Middle School	1.6 miles
13	Austin Police Department	2.0 miles
14	United States Postal Service	2.2 miles
15	Plaza Saltillo Station	2.3 miles
16	Target	2.5 miles

Crime Statistics

The following table shows personal and property crimes for the PMA and MSA as an index, meaning an index of 100 is average. Any number above 100 is above average compared to the national crime index, while any number below 100 indicates lower than average crime.

2020 CRIME INDICES

	PMA	Austin-Round Rock-Georgetown, TX Metropolitan Statistical Area
Total Crime*	237	120
Personal Crime*	164	79
Murder	143	64
Rape	116	97
Robbery	175	75
Assault	165	79
Property Crime*	247	126
Burglary	204	113
Larceny	274	137
Motor Vehicle Theft	143	72

Source: Esri Demographics 2020, Novogradac Consulting LLP, January 2021

*Unweighted aggregations

The risk of crime in the PMA and MSA are above the national average, and the risk in the PMA is also above that in the MSA. The Subject offers video surveillance and security patrol as security features. The majority of the comparables also offer some form of security. According to the client, crime is not a significant concern at the Subject and surrounding neighborhood.

Conclusion

The Subject is located in the MLK neighborhood in the northeastern portion of Austin. The Subject's immediate neighborhood is mixed-use, primarily consisting of commercial/retail, residential, and recreational uses. The majority of local amenities and services are located within 2.5 miles from the Subject, including public transportation, schools, and healthcare. In addition, neighborhood benefits from good access to major highways and local arterials. Overall, the Subject site is a good location for multifamily use.

V. SUPPLY ANALYSIS

SUPPLY ANALYSIS

HOUSING STOCK OVERVIEW

Tenure

The following table is a summary of the housing stock in the PMA.

TENURE PATTERNS PMA				
Year	Owner-Occupied Units	Percentage Owner-Occupied	Renter-Occupied Units	Percentage Renter-Occupied
2000	11,976	44.1%	15,185	55.9%
2010	11,668	46.8%	13,269	53.2%
2020	14,824	45.4%	17,813	54.6%
2025	16,061	44.3%	20,168	55.7%

Source: Esri Demographics 2020, Novogradac Consulting LLP, January 2021

Renter-occupied units dominate the PMA with 54.6 percent of occupied housing units being renter-occupied. Both the percentage and number of renter-occupied housing units are projected to increase through 2025.

INTERVIEWS

Provided below is a summary of interviews conducted to discern the current and potential future demand for affordable housing in the PMA.

The Housing Authority of the City of Austin

We attempted to contact the Housing Authority of the City of Austin, however, as of the date of this report our calls have not been returned. As such, we conducted further online and internal research. The agency is allocated approximately 5,400 vouchers within the city of Austin. The waiting list for Housing Choice vouchers is currently closed, with approximately 1,900 people on the list. Below are the current payment standards as of March 2020.

PAYMENT STANDARDS		
Unit Type	Subject's Proposed Gross Rents	Payment Standards
0BR	\$855	\$988
1BR	\$915	\$1,134

The Subject's proposed rent for studios at the 50 percent AMI levels is above the current payment standard, while the proposed rent for one-bedroom units is below the current payment standard. As such, voucher holding tenants will be able to reside at the Subject's one-bedroom units without having to pay additional out of pocket. We are unaware if the Subject currently has any tenants utilizing Housing Choice Vouchers.

LIHTC Competition/Recent and Proposed Construction

According to the Texas Department of Housing and Community Affairs Tax Credit Awards there have been 10 LIHTC developments allocated tax credits from 2018 through 2021 year-to-date. The table below details the recently allocated developments.

RECENT LIHTC ALLOCATIONS IN PMA

Property Name	Year Allocated	Rent Structure	Type	Tenancy	Total Units	Status	Competitive Units	Competitive Units
							Planned, Proposed, or Under Construction - All	Planned, Proposed, or Under Construction - Relevant
Pathways at Chalmers Courts East	2018	LIHTC/Section 8	Rehab	Family	156	Complete	0	0
Travis Flats	2018	LIHTC/Market Rate	New	Family	146	Under Construction	122	29
Pathways at Chalmers Courts South	2018	LIHTC/PBV/RAD	New	Family	86	Complete	0	0
Walnut Creek Apartments	2018	LIHTC/Section 8	Rehab	Family	0	Complete	0	0
RBJ Tower	2019	LIHTC/PBV	New	Senior	279	Under Construction	0	0
Talavera Lofts	2019	LIHTC	New	Family	92	Under Construction	90	40
The Abali	2019	LIHTC/Market Rate	New	Family	56	Under Construction	51	11
Govalle Terrace	2019	LIHTC	New	Family	97	Planned	96	13
Pathways at Chalmers Courts West	2020	LIHTC/Public Housing	Rehab	Family	156	Planned	0	0
Marshall Apartments	2020	LIHTC/Section 8	Rehab	Family	100	Planned	0	0
Total					1,168		359	93

*Utilized as a rental comparable

Of the 1,168 recently allocated competitive units, 93 are currently either planned or under construction in the PMA and will offer studio and one-bedroom units at the 50 percent AMI level, similar to the Subject. As such, we have accounted for these 93 units in our demand analysis.

Planning Department

We attempted to contact a representative of the City of Austin Planning and Zoning Department, in order to identify any multifamily developments that have been proposed, are under construction, or recently completed within the Subject's PMA. However, as of the date of this report, our calls have not been returned. As such, we conducted further online research and consulted CoStar to identify multifamily developments that have been proposed, are under construction, or recently completed within the Subject's PMA. Our findings are detailed following.

RECENT MULTIFAMILY DEVELOPMENTS IN THE PMA

Property Name	Location	Tenancy	Program	# of Total Units	# of Total Competitive Units	Status
The Rail at MLK	2921 E 17th St	All	Market	235	0	Under Construction
Sixth and Chicon	1812-1814 E 6th St	All	Market	50	0	Proposed
1210 E 7th St	1210 E 7th St	All	Market	N/Av	0	Proposed
Lenox 7th	4910 E 7th St	All	Market/Affordable	332	28	Under Construction
RBJ Tower II	1320 Art Dilly Dr	Senior	Affordable	181	0	Under Construction
Elan on the Colorado	1901 Ed Bluestein Blvd	All	Market	142	0	Under Construction
Goodwin Apartments	3706 Goodwin Ave	All	Market	375	0	Proposed
The Huston	1107 N Interstate H35	All	Market	372	0	Under Construction
2901 Manor Rd	2901 Manor Rd	All	Market	318	0	Under Construction
MLK Highline	2832 E Martin Luther King Jr Blvd	All	Market	201	0	Under Construction
The Block Yard	2900 E Martin Luther King Jr Blvd	All	Market/Affordable	302	N/Av	Under Construction
Flats on Shady Lane	1125 Shady Ln	All	Market/Affordable	290	N/Av	Proposed
Gravity ATX	4901 Springdale Rd		Market	N/Av	0	Proposed
Total				2,798	28	

Source: CoStar, 1/2021

Building Permits

The following table demonstrates building permit information from 2000 to the most recent 2019 data for Travis County.

BUILDING PERMITS: TRAVIS COUNTY 2000 - 2019

Year	Single-family and Duplex	Three and Four-Family	Five or More Family	Total Units
2000	7,607	309	6,353	14,269
2001	4,498	218	6,035	10,751
2002	5,576	160	4,859	10,595
2003	6,364	386	1,815	8,565
2004	8,027	222	2,409	10,658
2005	9,921	96	4,217	14,234
2006	10,071	289	5,378	15,738
2007	6,906	542	4,573	12,021
2008	4,064	77	2,707	6,848
2009	3,677	11	1,561	5,249
2010	3,142	248	1,007	4,397
2011	3,298	44	2,419	5,761
2012	4,437	27	8,018	12,482
2013	4,694	168	9,051	13,913
2014	5,977	116	6,580	12,673
2015	5,986	30	7,808	13,824
2016	7,186	64	6,253	13,503
2017	8,681	72	7,976	16,729
2018	9,016	53	10,451	19,520
2019	9,738	27	11,652	21,417
Total	128,866	3,159	111,122	243,147
Average	6,270	165	5,235	11,670

Source: US Census Bureau Building Permits, January 2021

Permit volume declined significantly during the Great Recession, reaching a low in 2010. Permit issuance rose in seven out of nine years between 2010 and 2019. The most recent years with finalized data indicate construction activity increased by 9.7 percent between 2018 and 2019, and reached a new post-recession record in 2019. Since 2000, approximately 44.9 percent of the building permits issued have been for buildings with five or more units.

Affordable Properties in the PMA

The table following details all existing affordable developments in the PMA of which we are aware.

EXISTING AFFORDABLE PROPERTIES IN PMA

Property Name	Rent Structure	Tenancy	Total Units	LIHTC Units	Year Built/Allocated
Aldrich 51*	LIHTC/Market	Family	240	204	2017
Indie Apartments	LIHTC/Market	Family	138	17	2018
M Station Apartments	LIHTC	Family	153	153	2011
Rollins Martin	LIHTC	Family	15	15	1998
The Reserve at Springdale	LIHTC	Family	292	292	2016/2017
Heritage Pointe	LIHTC/Market	Senior	240	192	2005
Wildflower Terrace	LIHTC/Market	Senior	201	174	2011
The Jordan at Mueller	LIHTC	Family	132	132	2019
The Timbers Apartments	LIHTC	Family	104	104	1998
Capital Studios	LIHTC	Family	135	135	2014
Villas on Sixth Street*	LIHTC/Market	Family	160	136	2004
Housing First Oak Springs	LIHTC	Supportive Housing	50	50	2017
Solaris*	LIHTC/Market	Family	563	N/Av	1968/2010
La Vista De Guadalupe	LIHTC	Family	22	22	2008
Thinkeast Apartments*	LIHTC	Family	182	182	2018
Versailles/Princeton Apartments	LIHTC	Family	90	90	N/Av
Lancaster/Monticello Apartments	LIHTC	Family	15	15	1961
Scattered Cop Infill Housing	LIHTC	Family	75	75	N/Av
Springhollow Apartments	LIHTC	Family	98	98	1983
Marshall Apartments	Section 8	Family	100	0	1968
St. George's Senior Housing	Section 8	Senior/Disabled	60	0	1983
Pathways at Corondado Hills	Section 8	Disabled	48	0	1982
Pathways at Booker T. Washington Terraces	Section 8	Disabled	216	0	1953
Pathways at Gaston Place	LIHTC/Section 8	Senior	100	0	1978
East 12th Street Apartments	Section 8	Family	11	0	1996
Elm Ridge Apartments	Section 8	Family	130	0	1970
Lupine Terrace	Section 8	Family	140	0	1966
Mount Carmel Village	Section 8	Family	100	0	1971
Walnut Creek	Section 8	Family	98	0	1991
Rebekah Baines Johnson	Section 8	Seniors	524	0	1972/2020
Springdale Gardens	Section 8	Family	100	0	1966
Rosewood Senior Gardens	Section 8	Senior/Disabled	N/Av	0	N/Av
Franklin Gardens	Section 8	Senior/Disabled	22	0	2011
Manor House	Section 8	Family	11	0	N/Av
Oak Springs Villas	Section 8	Senior/Disabled	50	0	2003
Rosewood Courts	Section 8	Senior	124	0	1939
Total			4,739	2,086	

* Utilized as a comparable

Housing Units in PMA

The table below summarizes the housing stock in the Subject's PMA, per TDHCA's guidelines.

HOUSING UNITS IN THE PMA - 2020

	Number of Units
Total Housing Units - 2020	32,637
Total Owner Household Units	14,824
Total Renter Household Units	17,813
Number of Affordable Housing Units (LIHTC, Section 8)	4,739
Number of Market Rate Housing Units	13,074

Source: ESRI Demographics, Novogradac Consulting LLP, February 2021

According to the above table, the majority of the rental housing in the Subject's PMA is market rate. Approximately 26.6 percent of the rental housing in the Subject's PMA is formally affordable. Overall, the above analysis suggests a need for adding formal affordable housing such as the proposed Subject in the PMA.

SURVEY OF COMPARABLE PROPERTIES

Comparable properties are examined on the basis of proximity to the Subject site as well as similarities in target population, physical characteristics (i.e. building type, age/quality, and level of common amenities), rents and utility structure. We attempted to compare the Subject to the best available “true” comparables from the PMA to provide an accurate picture of the health and available supply in the market.

To evaluate the competitive position of the Subject, a multitude of potentially comparable affordable and market-rate properties were screened to ascertain whether these properties would compete with the Subject for prospective low-income tenants. Properties that were deemed comparable were also surveyed in depth for information on unit mix, size, absorption (if new), unit features and project/unit amenities tenant profiles, rental and utility structure, construction information and market trends in general. We excluded government subsidized developments from the comparable property analysis because the income qualifications and rent structures at these properties are not similar to the Subject as a proposed LIHTC property.

A map of the selected comparable properties as well as a summary matrix and complete profiles of the comparable properties are provided later in the report.

Excluded Properties

We selected the most similar properties based on location, unit mix, and design. The following table details some of the properties excluded from our analysis in addition to their reasons for exclusion.

EXCLUDED PROPERTIES

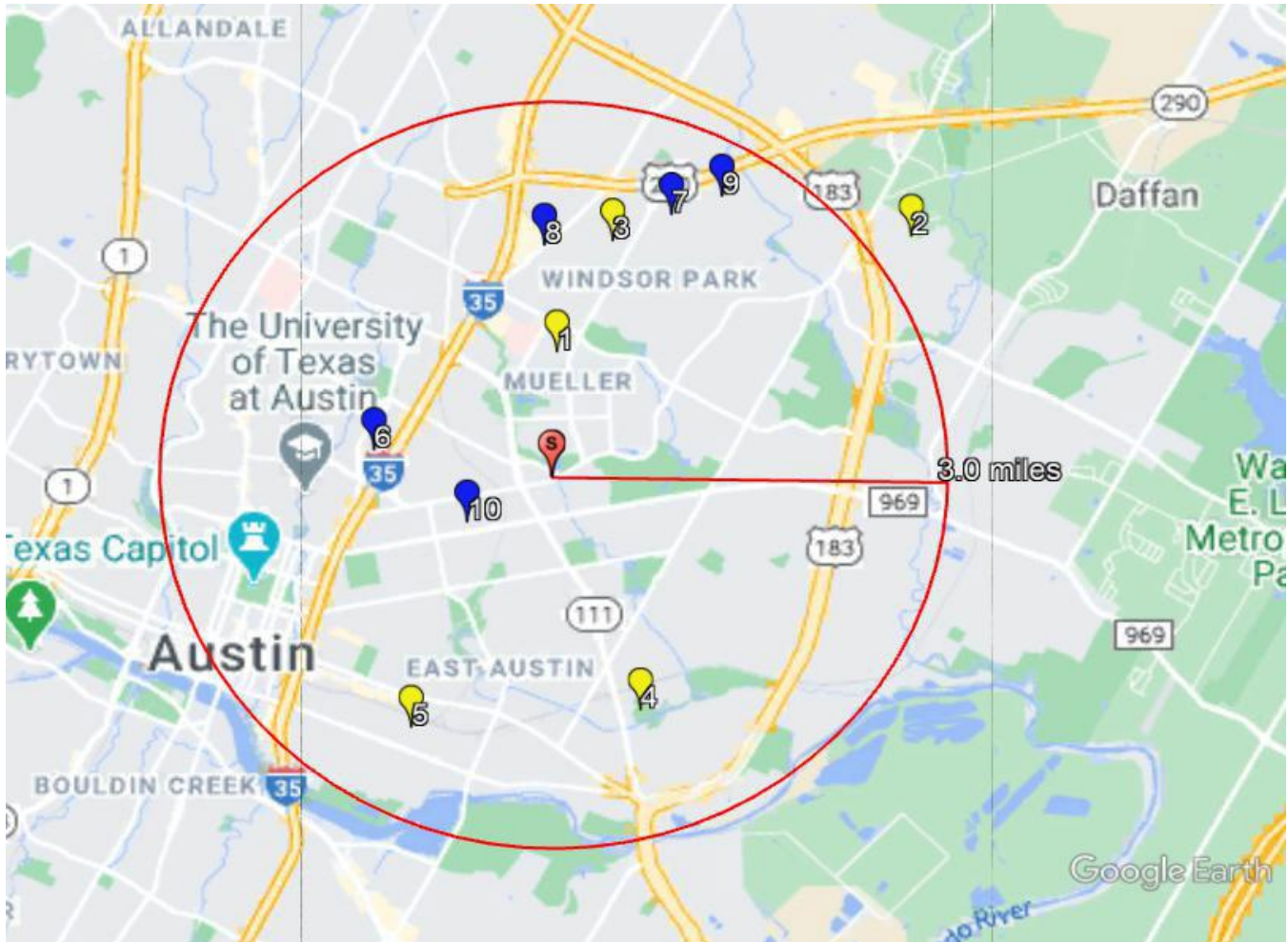
Property Name	Rent Structure	Tenancy	Reason for Exclusion
Indie Apartments	LIHTC/Market	Family	Unable to Contact
Rollins Martin	LIHTC	Family	Unable to Contact
Heritage Pointe	LIHTC/Market	Senior	Dissimilar Tenancy
Wildflower Terrace	LIHTC/Market	Senior	Dissimilar Tenancy
The Timbers Apartments	LIHTC	Family	Dissimilar Unit Mix
Capital Studios	LIHTC	Family	Dissimilar Unit Mix
Housing First Oak Springs	LIHTC	Supportive Housing	Dissimilar Tenancy
La Vista De Guadalupe	LIHTC	Family	More Comparable Properties
Versailles/Princeton Apartments	LIHTC	Family	More Comparable Properties
Lancaster/Monticello Apartments	LIHTC	Family	More Comparable Properties
Scattered Cop Infill Housing	LIHTC	Family	More Comparable Properties
Springhollow Apartments	LIHTC	Family	Dissimilar Unit Mix
AMLI at Mueller	Market	Family	Unable to Contact
E6 Apartments	Market	Family	Unable to Contact
Elan East Apartments	Market	Family	Unable to Contact
Mosairc at Mueller	Market	Family	Unable to Contact
Platform Apartments	Market	Family	Unable to Contact
SYNC at Mueller	Market	Family	Unable to Contact
The Guthrie	Market	Family	Unable to Contact
Marshall Apartments	Section 8	Family	Subsidized Rents
St. George's Senior Housing	Section 8	Senior/Disabled	Subsidized Rents
Pathways at Coronado Hills	Section 8	Disabled	Subsidized Rents
Pathways at Booker T. Washington Terraces	Section 8	Disabled	Subsidized Rents
Pathways at Gaston Place	LIHTC/Section 8	Senior	Subsidized Rents
East 12th Street Apartments	Section 8	Family	Subsidized Rents
Elm Ridge Apartments	Section 8	Family	Subsidized Rents
Lupine Terrace	Section 8	Family	Subsidized Rents
Mount Carmel Village	Section 8	Family	Subsidized Rents
Walnut Creek	Section 8	Family	Subsidized Rents
Rebekah Baines Johnson	Section 8	Seniors	Subsidized Rents
Springdale Gardens	Section 8	Family	Subsidized Rents
Rosewood Senior Gardens	Section 8	Senior/Disabled	Subsidized Rents
Franklin Gardens	Section 8	Senior/Disabled	Subsidized Rents
Manor House	Section 8	Family	Subsidized Rents
Oak Springs Villas	Section 8	Senior/Disabled	Subsidized Rents
Rosewood Courts	Section 8	Senior	Subsidized Rents

Description of Property Types Surveyed

To evaluate the competitive position of the Subject, we surveyed a total of 2,138 units in ten rental properties. The LIHTC data is considered good. We included five affordable developments located between 1.2 and 3.4 miles from the Subject site, one of which is located outside the PMA (Creekview Apartments). The market rate data is also considered good. We included five market rate properties located between 0.7 and 2.7 miles from the Subject site, one of which is located just outside the PMA (3401 At Red River). It should be noted that we included the two comparables located just outside the PMA given the limited supply of studio rentals in the PMA. Property managers were interviewed for information on unit mix, size, absorption, unit features and project amenities; tenant profiles; and market trends in general. Overall, we believe the availability of data is adequate to support our conclusions.

On the pages that follow are maps of the comparable properties utilized in this report followed by a summary matrix that details each of the comparables, a rent and square foot ranking table, an amenity matrix, and the property profile reports for the comparable developments.

Comparable Rental Property Map



COMPARABLE PROPERTIES

#	Comparable Property	City	Rent Structure	Tenancy	Distance to Subject
1	Aldrich 51	Austin	LIHTC/ Market	Family	1.2 miles
2	Creekview Apartments*	Austin	LIHTC	Family	3.4 miles
3	Solaris	Austin	LIHTC/ Market	Family	2.1 miles
4	Thinkeast Apartment Homes	Austin	LIHTC	Family	1.8 miles
5	Villas On Sixth Street	Austin	LIHTC/ Market	Family	2.1 miles
6	3401 At Red River*	Austin	Market	Family	1.4 miles
7	Menlo At Mueller	Austin	Market	Family	2.4 miles
8	Mueller City View	Austin	Market	Family	2.0 miles
9	Seventytwo 27	Austin	Market	Family	2.7 miles
10	Volume 4	Austin	Market	Family	0.7 miles

*Located outside PMA

KENSINGTON APARTMENTS - AUSTIN, TEXAS – MARKET STUDY

SUMMARY MATRIX																
Comp #	Property Name	Distance to Subject	Type / Built / Renovated	Rent Structure	Unit Description	#	%	Size (SF)	Restriction	Rent (Adj)	Max Rent?	Waiting List?	Vacant Units	Vacancy Rate		
Subject	Kensington Apartments - As Proposed 3300 Manor Road Austin, TX 78723 Travis County	-	Garden 2-stories 1968 / 2023 Family	@50%	OBR / 1BA	56	38.9%	250	@50%	\$855	Yes	N/A	N/A	N/A		
					1BR / 1BA	84	58.3%	410	@50%	\$915	Yes	N/A	N/A	N/A		
					1BR / 1BA	4	2.8%	450	@50%	\$915	Yes	N/A	N/A	N/A		
															N/A	N/A
1	Aldrich 51 2604 Aldrich Street Austin, TX 78723 Travis County	1.2 miles	Midrise 4-stories 2017 / n/a Family	@30%, @50%, @60%, Market	OBR / OBA	N/A	N/A	524	@30%	\$505	Yes	Yes	0	N/A		
					OBR / OBA	N/A	N/A	524	@50%	\$847	Yes	Yes	0	N/A		
					OBR / OBA	N/A	N/A	524	@60%	\$1,018	Yes	Yes	0	N/A		
					1BR / 1BA	N/A	N/A	712	@30%	\$537	Yes	Yes	0	N/A		
					1BR / 1BA	N/A	N/A	712	@50%	\$903	Yes	Yes	0	N/A		
					1BR / 1BA	N/A	N/A	712	@60%	\$1,086	Yes	Yes	0	N/A		
					1BR / 1BA	N/A	N/A	712	Market	\$1,346	N/A	No	4	N/A		
					2BR / 1BA	N/A	N/A	867	@50%	\$1,079	Yes	Yes	0	N/A		
					2BR / 1BA	N/A	N/A	867	@60%	\$1,299	Yes	Yes	0	N/A		
					2BR / 1BA	N/A	N/A	867	Market	\$1,506	N/A	No	6	N/A		
					2BR / 2BA	N/A	N/A	1,000	@50%	\$1,079	Yes	Yes	0	N/A		
					2BR / 2BA	N/A	N/A	1,199	@60%	\$1,299	Yes	Yes	0	N/A		
					2BR / 2BA	N/A	N/A	1,223	Market	\$1,910	N/A	No	2	N/A		
					3BR / 2BA	N/A	N/A	1,200	@60%	\$1,495	Yes	Yes	0	N/A		
					3BR / 2BA	N/A	N/A	1,950	Market	\$2,374	N/A	No	5	N/A		
															17	7.1%
2	Creekview Apartments 5001 Crainway Austin, TX 78724 Travis County	3.4 miles	Lowrise 3-stories 2020 / n/a Family	@60%	OBR / 1BA	32	12.1%	550	@60%	\$1,019	Yes	No	N/A	N/A		
					1BR / 1BA	120	45.5%	815	@60%	\$1,088	Yes	No	N/A	N/A		
					2BR / 2BA	76	28.8%	1,171	@60%	\$1,302	Yes	No	N/A	N/A		
					3BR / 3BA	36	13.6%	1,294	@60%	\$1,499	Yes	No	N/A	N/A		
															21	8.0%
3	Solaris 1601 Royal Crest Drive Austin, TX 78741 Travis County	2.1 miles	Garden 2-stories 1968 / 2010 Family	@50%, Market	OBR / 1BA	N/A	N/A	396	@50%	\$898	Yes	No	0	N/A		
					1BR / 1BA	N/A	N/A	506	@50%	\$981	Yes	No	0	N/A		
					1BR / 1BA	N/A	N/A	676	@50%	\$1,036	Yes	No	0	N/A		
					1BR / 1BA	N/A	N/A	746	@50%	\$1,021	Yes	No	0	N/A		
					1BR / 1BA	N/A	N/A	506	Market	\$1,036	N/A	No	1	N/A		
					1BR / 1BA	N/A	N/A	676	Market	\$1,043	N/A	No	1	N/A		
					1BR / 1BA	N/A	N/A	746	Market	\$1,060	N/A	No	1	N/A		
					2BR / 1BA	N/A	N/A	689	@50%	\$1,097	Yes	No	0	N/A		
					2BR / 1BA	N/A	N/A	689	Market	\$1,144	N/A	No	1	N/A		
					2BR / 1.5BA	N/A	N/A	716	@50%	\$1,127	Yes	No	0	N/A		
					2BR / 1.5BA	N/A	N/A	716	Market	\$1,285	N/A	No	0	N/A		
					2BR / 2BA	N/A	N/A	912	Market	\$1,321	N/A	No	2	N/A		
					2BR / 2BA	N/A	N/A	950	Market	\$1,350	N/A	No	0	N/A		
					2BR / 2BA	N/A	N/A	1,200	Market	\$1,523	N/A	No	0	N/A		
					3BR / 2.5BA	N/A	N/A	1,312	Market	\$1,713	N/A	No	0	N/A		
					4BR / 2BA	N/A	N/A	1,188	Market	\$1,858	N/A	No	0	N/A		
															6	1.1%
4	Thinkeast Apartment Homes 1143 Shady Lane Austin, TX 78721 Travis County	1.8 miles	Garden 3-stories 2018 / n/a Family	@60%	OBR / 1BA	N/A	N/A	583	@60%	\$1,019	Yes	No	N/A	N/A		
					1BR / 1BA	N/A	N/A	670	@60%	\$1,088	Yes	No	N/A	N/A		
					1BR / 1BA	N/A	N/A	692	@60%	\$1,088	Yes	No	N/A	N/A		
					1BR / 1BA	N/A	N/A	696	@60%	\$1,088	Yes	No	N/A	N/A		
					1BR / 1BA	N/A	N/A	753	@60%	\$1,088	Yes	No	N/A	N/A		
					2BR / 2BA	N/A	N/A	967	@60%	\$1,306	Yes	No	N/A	N/A		
					2BR / 2BA	N/A	N/A	1,067	@60%	\$1,306	Yes	No	N/A	N/A		
					2BR / 2BA	N/A	N/A	1,149	@60%	\$1,306	Yes	No	N/A	N/A		
					3BR / 2BA	N/A	N/A	1,265	@60%	\$1,509	Yes	No	N/A	N/A		
										8	4.4%					
5	Villas On Sixth Street 2011 East 6th Street Austin, TX 78702 Travis County	2.1 miles	Garden 3-stories 2004 / n/a Family	@40%, @50%, Market	1BR / 1BA	20	12.5%	756	@40%	\$753	Yes	Yes	0	0.0%		
					1BR / 1BA	20	12.5%	756	@50%	\$941	Yes	Yes	0	0.0%		
					1BR / 1BA	6	3.8%	756	Market	\$1,356	N/A	No	0	0.0%		
					2BR / 2BA	24	15.0%	917	@40%	\$904	Yes	Yes	0	0.0%		
					2BR / 2BA	30	18.8%	917	@50%	\$1,130	Yes	Yes	0	0.0%		
					2BR / 2BA	12	7.5%	917	Market	\$1,690	N/A	No	0	0.0%		
					3BR / 2BA	16	10.0%	1,049	@40%	\$1,044	Yes	Yes	0	0.0%		
					3BR / 2BA	26	16.3%	1,049	@50%	\$1,305	Yes	Yes	0	0.0%		
					3BR / 2BA	6	3.8%	1,049	Market	\$1,926	N/A	No	0	0.0%		
										0	0.0%					
6	3401 At Red River 3401 Red River Austin, TX 78705 Travis County	1.4 miles	Garden 3-stories 1976 / 2013 Family	Market	OBR / 1BA	35	25.4%	389	Market	\$1,273	N/A	No	1	2.9%		
					1BR / 1BA	2	1.5%	500	Market	\$1,386	N/A	No	0	0.0%		
					1BR / 1BA	30	21.7%	633	Market	\$1,440	N/A	No	1	3.3%		
					1BR / 1BA	20	14.5%	704	Market	\$1,450	N/A	No	4	20.0%		
					1BR / 1BA	34	24.6%	719	Market	\$1,655	N/A	No	1	2.9%		
					2BR / 1BA	13	9.4%	855	Market	\$1,984	N/A	No	2	15.4%		
					2BR / 1BA	4	2.9%	887	Market	\$2,000	N/A	No	1	25.0%		
															10	7.2%
					OBR / 1BA	16	6.5%	440	Market	\$976	N/A	No	2	12.5%		
OBR / 1BA	N/A	N/A	440	Market	\$940	N/A	No	N/A	N/A							
7	Menlo At Mueller 6855 Highway 290 East Austin, TX 78723 Travis County	2.4 miles	Various 2-stories 1973 / 2004 Family	Market	1BR / 1BA	20	8.1%	650	Market	\$998	N/A	No	1	5.0%		
					1BR / 1BA	20	8.1%	680	Market	\$1,088	N/A	No	1	5.0%		
					1BR / 1BA	20	8.1%	750	Market	\$1,053	N/A	No	6	30.0%		
					2BR / 1BA	41	16.5%	880	Market	\$1,362	N/A	No	8	19.5%		
					2BR / 1BA	N/A	N/A	880	Market	\$1,332	N/A	No	N/A	N/A		
					2BR / 1.5BA	41	16.5%	990	Market	\$1,557	N/A	No	5	12.2%		
					2BR / 1.5BA	N/A	N/A	990	Market	\$1,471	N/A	No	N/A	N/A		
					2BR / 2BA	41	16.5%	1,084	Market	\$1,507	N/A	No	3	7.3%		
					2BR / 2BA	N/A	N/A	1,084	Market	\$1,281	N/A	No	N/A	N/A		
					2BR / 2.5BA	41	16.5%	1,130	Market	\$1,532	N/A	No	8	19.5%		
					2BR / 2.5BA	N/A	N/A	1,130	Market	\$1,442	N/A	No	N/A	N/A		
					3BR / 2BA	8	3.2%	1,380	Market	\$1,817	N/A	No	1	12.5%		
															35	14.1%
8	Mueller City View 1100 Reinli Street Austin, TX 78723 Travis County	2.0 miles	Various 1-stories 1969 / 2018 Family	Market	OBR / 1BA	8	5.5%	410	Market	\$957	N/A	No	0	0.0%		
					1BR / 1BA	8	5.5%	570	Market	\$1,035	N/A	No	0	0.0%		
					1BR / 1BA	16	11.0%	668	Market	\$1,205	N/A	No	0	0.0%		
					1BR / 1BA	17	11.7%	680	Market	\$1,115	N/A	No	0	0.0%		
					2BR / 1BA	32	22.1%	808	Market	\$1,270	N/A	No	0	0.0%		
					2BR / 1BA	26	17.9%	818	Market	\$1,295	N/A	No	0	0.0%		
					2BR / 1.5BA	22	15.2%	1,002	Market	\$1,370	N/A	No	0	0.0%		
					2BR / 2BA	16	11.0%	956	Market	\$1,435	N/A	No	0	0.0%		
										0	0.0%					
9	Seventytwo 27 7227 E. Highway 290 Austin, TX 78723 Travis County	2.7 miles	Garden 3-stories 1970 / 2005 Family	Market	OBR / 1BA	58	35.4%	398	Market	\$940	N/A	No	0	0.0%		
					1BR / 1BA	50	30.5%	660	Market	\$1,130	N/A	No	0	0.0%		
					2BR / 1BA	24	14.6%	918	Market	\$1,344	N/A	No	1	4.2%		
					2BR / 2BA	32	19.5%	1,050	Market	\$1,434	N/A	No	0	0.0%		
										1	0.6%					
10	Volume 4 2709 Manor Rd Austin, TX 78722 Travis County	0.7 miles	Garden 2-stories 1973 / 2018 Family	Market	OBR / 1BA	18	50.0%	391	Market	\$993	N/A	No	3	16.7%		
					1BR / 1BA	18	50.0%	495	Market	\$1,100	N/A	No	1	5.6%		
										36						
										4	11.1%					

KENSINGTON APARTMENTS - AUSTIN, TEXAS – MARKET STUDY

RENT AND SQUARE FOOTAGE RANKING – All rents adjusted for utilities and concessions extracted from the market.				
	Units Surveyed:	2,138	Weighted Occupancy:	95.2%
	Market Rate	731	Market Rate	93.2%
	Tax Credit	1,407	Tax Credit	96.3%
Studio One Bath		One Bedroom One Bath		
Property	Average	Property	Average	
RENT				
3401 At Red River (Market)	\$1,273	3401 At Red River (Market)	\$1,655	
Thinkeast Apartment Homes (@60%)	\$1,019	3401 At Red River (Market)	\$1,450	
Creekview Apartments (@60%)	\$1,019	3401 At Red River (Market)	\$1,440	
Aldrich 51 (@60%)(OBA)	\$1,018	3401 At Red River (Market)	\$1,386	
Volume 4 (Market)	\$993	Villas On Sixth Street (Market)	\$1,356	
Menlo At Mueller (Market)	\$976	Aldrich 51 (Market)	\$1,346	
Mueller City View (Market)	\$957	Mueller City View (Market)	\$1,205	
Menlo At Mueller (Market)	\$940	Seventytwo 27 (Market)	\$1,130	
Seventytwo 27 (Market)	\$940	Mueller City View (Market)	\$1,115	
Solaris (@50%)	\$898	Volume 4 (Market)	\$1,100	
Kensington Apartments - As Proposed (@50%)	\$855	Thinkeast Apartment Homes (@60%)	\$1,088	
Aldrich 51 (@50%)(OBA)	\$847	Menlo At Mueller (Market)	\$1,088	
Aldrich 51 (@30%)(OBA)	\$505	Thinkeast Apartment Homes (@60%)	\$1,088	
		Thinkeast Apartment Homes (@60%)	\$1,088	
		Creekview Apartments (@60%)	\$1,088	
		Thinkeast Apartment Homes (@60%)	\$1,088	
		Aldrich 51 (@60%)	\$1,086	
		Solaris (Market)	\$1,060	
		Menlo At Mueller (Market)	\$1,053	
		Solaris (Market)	\$1,043	
		Solaris (Market)	\$1,036	
		Solaris (@50%)	\$1,036	
		Mueller City View (Market)	\$1,035	
		Solaris (@50%)	\$1,021	
		Menlo At Mueller (Market)	\$998	
		Solaris (@50%)	\$981	
		Villas On Sixth Street (@50%)	\$941	
		Kensington Apartments - As Proposed (@50%)	\$915	
		Kensington Apartments - As Proposed (@50%)	\$915	
		Aldrich 51 (@50%)	\$903	
		Villas On Sixth Street (@40%)	\$753	
		Aldrich 51 (@30%)	\$537	
SQUARE FOOTAGE				
Thinkeast Apartment Homes (@60%)	583	Creekview Apartments (@60%)	815	
Creekview Apartments (@60%)	550	Villas On Sixth Street (@50%)	756	
Aldrich 51 (@50%)(OBA)	524	Villas On Sixth Street (Market)	756	
Aldrich 51 (@60%)(OBA)	524	Villas On Sixth Street (@40%)	756	
Aldrich 51 (@30%)(OBA)	524	Thinkeast Apartment Homes (@60%)	753	
Menlo At Mueller (Market)	440	Menlo At Mueller (Market)	750	
Menlo At Mueller (Market)	440	Solaris (@50%)	746	
Mueller City View (Market)	410	Solaris (Market)	746	
Seventytwo 27 (Market)	398	3401 At Red River (Market)	719	
Solaris (@50%)	396	Aldrich 51 (@30%)	712	
Volume 4 (Market)	391	Aldrich 51 (@50%)	712	
3401 At Red River (Market)	389	Aldrich 51 (@60%)	712	
Kensington Apartments - As Proposed (@50%)	250	Aldrich 51 (Market)	712	
		3401 At Red River (Market)	704	
		Thinkeast Apartment Homes (@60%)	696	
		Thinkeast Apartment Homes (@60%)	692	
		Mueller City View (Market)	680	
		Menlo At Mueller (Market)	680	
		Solaris (Market)	676	
		Solaris (@50%)	676	
		Thinkeast Apartment Homes (@60%)	670	
		Mueller City View (Market)	668	
		Seventytwo 27 (Market)	660	
		Menlo At Mueller (Market)	650	
		3401 At Red River (Market)	633	
		Mueller City View (Market)	570	
		Solaris (Market)	506	
		Solaris (@50%)	506	
		3401 At Red River (Market)	500	
		Volume 4 (Market)	495	
		Kensington Apartments - As Proposed (@50%)	450	
		Kensington Apartments - As Proposed (@50%)	410	
RENT PER SQUARE FOOT				
Kensington Apartments - As Proposed (@50%)	\$3.42	3401 At Red River (Market)	\$2.77	
3401 At Red River (Market)	\$3.27	3401 At Red River (Market)	\$2.30	
Volume 4 (Market)	\$2.54	3401 At Red River (Market)	\$2.27	
Seventytwo 27 (Market)	\$2.36	Kensington Apartments - As Proposed (@50%)	\$2.23	
Mueller City View (Market)	\$2.33	Volume 4 (Market)	\$2.22	
Solaris (@50%)	\$2.27	3401 At Red River (Market)	\$2.06	
Menlo At Mueller (Market)	\$2.22	Solaris (Market)	\$2.05	
Menlo At Mueller (Market)	\$2.14	Kensington Apartments - As Proposed (@50%)	\$2.03	
Aldrich 51 (@60%)(OBA)	\$1.94	Solaris (@50%)	\$1.94	
Creekview Apartments (@60%)	\$1.85	Aldrich 51 (Market)	\$1.89	
Thinkeast Apartment Homes (@60%)	\$1.75	Mueller City View (Market)	\$1.82	
Aldrich 51 (@50%)(OBA)	\$1.62	Mueller City View (Market)	\$1.80	
Aldrich 51 (@30%)(OBA)	\$0.96	Villas On Sixth Street (Market)	\$1.79	
		Seventytwo 27 (Market)	\$1.71	
		Mueller City View (Market)	\$1.64	
		Thinkeast Apartment Homes (@60%)	\$1.62	
		Menlo At Mueller (Market)	\$1.60	
		Thinkeast Apartment Homes (@60%)	\$1.57	
		Thinkeast Apartment Homes (@60%)	\$1.56	
		Solaris (Market)	\$1.54	
		Menlo At Mueller (Market)	\$1.54	
		Solaris (@50%)	\$1.53	
		Aldrich 51 (@60%)	\$1.53	
		Thinkeast Apartment Homes (@60%)	\$1.44	
		Solaris (Market)	\$1.42	
		Menlo At Mueller (Market)	\$1.40	
		Solaris (@50%)	\$1.37	
		Creekview Apartments (@60%)	\$1.33	
		Aldrich 51 (@50%)	\$1.27	
		Villas On Sixth Street (@50%)	\$1.24	
		Villas On Sixth Street (@40%)	\$1.00	
		Aldrich 51 (@30%)	\$0.75	

KENSINGTON APARTMENTS - AUSTIN, TEXAS – MARKET STUDY

AMENITY MATRIX

	Subject	Aldrich 51	Creekview Apartments	Solaris	ThinkEast Apartment Homes	Villas On Sixth Street	3401 At Red River	Menlo At Mueller	Mueller City View	Seventytwo 27	Volume 4
Rent Structure	LIHTC	LIHTC/	LIHTC	LIHTC/	LIHTC	LIHTC/	Market	Market	Market	Market	Market
Building											
Property Type	Garden	Midrise	Lowrise	Garden	Garden	Garden	Garden	Various	Various	Garden	Garden
# of Stories	2-stories	4-stories	3-stories	2-stories	3-stories	3-stories	3-stories	2-stories	1-stories	3-stories	2-stories
Year Built	1968	2017	2020	1968	2018	2004	1976	1973	1969	1970	1973
Year Renovated	2022	n/a	n/a	2010	n/a	n/a	2013	2004	2018	2005	2018
Commercial	no	yes	no	no	no	no	no	no	no	no	no
Elevators	no	yes	no	no	no	no	no	no	no	no	no
Courtyard	yes	yes	no	yes	no	no	no	no	no	no	yes
Utility Structure											
Cooking	yes	no	no	no	no	no	no	no	yes	no	no
Water Heat	yes	no	no	no	no	no	no	no	yes	no	no
Heat	yes	no	no	no	no	no	no	no	yes	no	no
Other Electric	yes	no	no	no	no	no	no	no	no	no	no
Water	yes	yes	yes	no	no	no	no	no	yes	yes	no
Sewer	yes	yes	yes	no	no	no	no	no	yes	yes	no
Trash	yes	yes	yes	no	yes	yes	no	yes	yes	yes	no
Unit Amenities											
Balcony/Patio	no	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Blinds	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Cable/Satellite	yes	no	no	no	no	no	no	no	no	no	no
Carpeting	no	yes	yes	no	no	yes	yes	yes	yes	yes	yes
Hardwood	yes	no	yes	yes	yes	no	no	no	no	no	yes
Central A/C	yes	yes	yes	no	yes	yes	yes	yes	yes	yes	yes
Ceiling Fan	yes	yes	no	yes	yes	yes	no	yes	yes	yes	no
Coat Closet	no	yes	yes	no	yes	yes	yes	yes	no	yes	yes
Exterior Storage	no	no	no	no	no	no	no	no	yes	yes	yes
Fireplace	no	no	no	no	no	no	no	yes	yes	yes	no
Furnishing	no	no	no	no	no	no	no	no	yes	no	no
Vaulted Ceilings	no	no	no	no	no	no	no	no	no	yes	no
Walk-in Closet	no	yes	no	yes	yes	yes	yes	yes	yes	yes	no
Washer/Dryer	no	no	yes	no	no	no	no	no	no	no	no
W/D Hookup	no	yes	yes	yes	no	yes	no	yes	no	yes	yes
Kitchen											
Dishwasher	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Disposal	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	no
Microwave	yes	yes	no	no	yes	yes	yes	no	no	no	no
Oven	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Refrigerator	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Community											
Business Center	yes	no	yes	yes	yes	yes	no	yes	no	no	no
Community Room	yes	yes	yes	yes	yes	yes	no	yes	no	no	no
Central Laundry	yes	yes	no	yes	yes	yes	yes	no	yes	yes	yes
On-Site Mgmt	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	no
Recreation											
Basketball Court	no	no	yes	no	no	no	no	no	no	no	no
Exercise Facility	no	yes	yes	no	yes	yes	no	yes	yes	no	no
Playground	no	no	yes	no	no	yes	no	no	no	no	no
Swimming Pool	no	yes	yes	yes	yes	yes	yes	yes	yes	yes	no
Picnic Area	yes	no	no	yes	yes	yes	yes	yes	no	no	yes
Jacuzzi	no	no	no	no	no	no	no	no	no	yes	no
Hot Tub	no	no	no	no	no	no	no	no	no	yes	no
Theatre	no	yes	no	no	no	no	no	no	no	no	no
Recreational Area	yes	no	no	yes	no	no	yes	yes	no	no	no
Service Coordination	yes	no	no	no	no	no	no	no	no	no	no
Security											
Intercom (Buzzer)	no	yes	yes	no	no	no	no	no	no	no	no
Limited Access	no	yes	yes	no	yes	no	no	no	no	yes	no
Patrol	yes	no	no	yes	no	no	yes	no	no	no	yes
Perimeter Fencing	no	no	yes	no	yes	yes	no	no	no	yes	no
Video Surveillance	yes	no	no	no	no	no	no	no	no	yes	no
Parking											
Carport	no	no	yes	no	no	yes	yes	yes	no	no	no
Carport Fee	n/a	\$0	\$0	\$0	n/a	\$35	\$60	\$0	\$0	\$0	\$0
Garage	no	yes	no	no	no	no	no	no	no	no	no
Garage Fee	n/a	\$0	\$0	\$0	n/a	\$0	\$0	\$0	\$0	\$0	\$0
Off-Street Parking	yes	no	yes	yes	yes	yes	yes	yes	yes	yes	yes
Off-Street Fee	n/a	\$0	\$0	\$35	n/a	\$0	\$0	\$0	\$0	\$0	\$0

PROPERTY PROFILE REPORT

Aldrich 51

Effective Rent Date	1/13/2021
Location	2604 Aldrich Street Austin, TX 78723 Travis County
Distance	1.2 miles
Units	240
Vacant Units	17
Vacancy Rate	7.1%
Type	Midrise (4 stories)
Year Built/Renovated	2017 / N/A
Marketing Began	N/A
Leasing Began	9/01/2017
Last Unit Leased	6/01/2018
Major Competitors	AML on Aldrich
Tenant Characteristics	Mixed tenancy
Contact Name	Yasmine
Phone	512-904-0501



Market Information

Program	@30%, @50%, @60%, Market
Annual Turnover Rate	30%
Units/Month Absorbed	25
HCV Tenants	14%
Leasing Pace	Pre-leased; within one week
Annual Chg. in Rent	Kept at max, MR decreased 13-15% since
Concession	None
Waiting List	Yes; 30 percent and 50 closed with 100 households. 60 percent with 50 households. No waiting list for market rate units.

Utilities

A/C	not included -- central
Cooking	not included -- electric
Water Heat	not included -- electric
Heat	not included -- electric
Other Electric	not included
Water	included
Sewer	included
Trash Collection	included

Aldrich 51, continued

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
0	0	Midrise (4 stories)	N/A	524	\$464	\$0	@30%	Yes	0	N/A	yes	None
0	0	Midrise (4 stories)	N/A	524	\$806	\$0	@50%	Yes	0	N/A	yes	None
0	0	Midrise (4 stories)	N/A	524	\$977	\$0	@60%	Yes	0	N/A	yes	None
1	1	Midrise (4 stories)	N/A	712	\$491	\$0	@30%	Yes	0	N/A	yes	None
1	1	Midrise (4 stories)	N/A	712	\$857	\$0	@50%	Yes	0	N/A	yes	None
1	1	Midrise (4 stories)	N/A	712	\$1,040	\$0	@60%	Yes	0	N/A	yes	None
1	1	Midrise (4 stories)	N/A	712	\$1,300	\$0	Market	No	4	N/A	N/A	None
2	1	Midrise (4 stories)	N/A	867	\$1,019	\$0	@50%	Yes	0	N/A	yes	None
2	1	Midrise (4 stories)	N/A	867	\$1,239	\$0	@60%	Yes	0	N/A	yes	None
2	1	Midrise (4 stories)	N/A	867	\$1,446	\$0	Market	No	6	N/A	N/A	None
2	2	Midrise (4 stories)	N/A	1,000	\$1,019	\$0	@50%	Yes	0	N/A	yes	None
2	2	Midrise (4 stories)	N/A	1,199	\$1,239	\$0	@60%	Yes	0	N/A	yes	None
2	2	Midrise (4 stories)	N/A	1,223	\$1,850	\$0	Market	No	2	N/A	N/A	None
3	2	Midrise (4 stories)	N/A	1,200	\$1,421	\$0	@60%	Yes	0	N/A	yes	None
3	2	Midrise (4 stories)	N/A	1,950	\$2,300	\$0	Market	No	5	N/A	N/A	None

Unit Mix

@30%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent	@50%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
Studio / OBA	\$464	\$0	\$464	\$41	\$505	Studio / OBA	\$806	\$0	\$806	\$41	\$847
1BR / 1BA	\$491	\$0	\$491	\$46	\$537	1BR / 1BA	\$857	\$0	\$857	\$46	\$903
						2BR / 1BA	\$1,019	\$0	\$1,019	\$60	\$1,079
						2BR / 2BA	\$1,019	\$0	\$1,019	\$60	\$1,079
@60%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent	Market	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
Studio / OBA	\$977	\$0	\$977	\$41	\$1,018	1BR / 1BA	\$1,300	\$0	\$1,300	\$46	\$1,346
1BR / 1BA	\$1,040	\$0	\$1,040	\$46	\$1,086	2BR / 1BA	\$1,446	\$0	\$1,446	\$60	\$1,506
2BR / 1BA	\$1,239	\$0	\$1,239	\$60	\$1,299	2BR / 2BA	\$1,850	\$0	\$1,850	\$60	\$1,910
2BR / 2BA	\$1,239	\$0	\$1,239	\$60	\$1,299	3BR / 2BA	\$2,300	\$0	\$2,300	\$74	\$2,374
3BR / 2BA	\$1,421	\$0	\$1,421	\$74	\$1,495						

Amenities

In-Unit		Security	Services
Balcony/Patio	Blinds	Intercom (Buzzer)	None
Carpeting	Central A/C	Limited Access	
Coat Closet	Dishwasher		
Ceiling Fan	Garbage Disposal		
Microwave	Oven		
Refrigerator	Walk-In Closet		
Washer/Dryer hookup			
Property		Premium	Other
Clubhouse/Meeting Room/Community	Commercial/Retail	None	Bike storage
Courtyard	Elevators		
Exercise Facility	Garage		
Central Laundry	On-Site Management		
Swimming Pool	Theatre		

Comments

The contact reported that the property has had to work out payment plans with fifteen households in order to avoid any bad debt. The contact reported there have been no other impacts to the property due to the COVID-19 pandemic, and they are actively leasing from the waiting list. Garage parking is included in the rent.

Trend Report

Vacancy Rates

4Q19	2Q20	3Q20	1Q21
0.0%	0.0%	2.9%	7.1%

Trend: @30%

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2019	4	N/A	\$426	\$0	\$426	\$472
2020	2	N/A	\$474	\$0	\$474	\$520
2020	3	N/A	\$491	\$0	\$491	\$537
2021	1	N/A	\$491	\$0	\$491	\$537

Studio / OBA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2019	4	N/A	\$402	\$0	\$402	\$443
2020	2	N/A	\$448	\$0	\$448	\$489
2020	3	N/A	\$464	\$0	\$464	\$505
2021	1	N/A	\$464	\$0	\$464	\$505

Trend: @50%

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2019	4	N/A	\$749	\$0	\$749	\$795
2020	2	N/A	\$829	\$0	\$829	\$875
2020	3	N/A	\$857	\$0	\$857	\$903
2021	1	N/A	\$857	\$0	\$857	\$903

2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2019	4	N/A	\$889	\$0	\$889	\$949
2020	2	N/A	\$986	\$0	\$986	\$1,046
2020	3	N/A	\$1,019	\$0	\$1,019	\$1,079
2021	1	N/A	\$1,019	\$0	\$1,019	\$1,079

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2019	4	N/A	\$889	\$0	\$889	\$949
2020	2	N/A	\$986	\$0	\$986	\$1,046
2020	3	N/A	\$1,019	\$0	\$1,019	\$1,079
2021	1	N/A	\$1,019	\$0	\$1,019	\$1,079

Studio / OBA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2019	4	N/A	\$702	\$0	\$702	\$743
2020	2	N/A	\$779	\$0	\$779	\$820
2020	3	N/A	\$806	\$0	\$806	\$847
2021	1	N/A	\$806	\$0	\$806	\$847

Aldrich 51, continued

Trend: @60%

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2019	4	N/A	\$910	\$0	\$910	\$956
2020	2	N/A	\$1,107	\$0	\$1,107	\$1,153
2020	3	N/A	\$1,040	\$0	\$1,040	\$1,086
2021	1	N/A	\$1,040	\$0	\$1,040	\$1,086

2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2019	4	N/A	\$1,081	\$0	\$1,081	\$1,141
2020	2	N/A	\$1,199	\$0	\$1,199	\$1,259
2020	3	N/A	\$1,239	\$0	\$1,239	\$1,299
2021	1	N/A	\$1,239	\$0	\$1,239	\$1,299

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2019	4	N/A	\$1,081	\$0	\$1,081	\$1,141
2020	2	N/A	\$1,081	\$0	\$1,081	\$1,141
2020	3	N/A	\$1,239	\$0	\$1,239	\$1,299
2021	1	N/A	\$1,239	\$0	\$1,239	\$1,299

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2019	4	N/A	\$1,241	\$0	\$1,241	\$1,315
2020	2	N/A	\$1,374	\$0	\$1,374	\$1,448
2020	3	N/A	\$1,421	\$0	\$1,421	\$1,495
2021	1	N/A	\$1,421	\$0	\$1,421	\$1,495

Studio / OBA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2019	4	N/A	\$854	\$0	\$854	\$895
2020	2	N/A	\$945	\$0	\$945	\$986
2020	3	N/A	\$977	\$0	\$977	\$1,018
2021	1	N/A	\$977	\$0	\$977	\$1,018

Trend: Market

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2019	4	N/A	\$1,500	\$0	\$1,500	\$1,546
2020	2	N/A	\$1,500	\$0	\$1,500	\$1,546
2020	3	N/A	\$1,500	\$0	\$1,500	\$1,546
2021	1	N/A	\$1,300	\$0	\$1,300	\$1,346

2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2019	4	N/A	\$1,900	\$0	\$1,900	\$1,960
2020	2	N/A	\$1,700	\$0	\$1,700	\$1,760
2020	3	N/A	\$1,700	\$0	\$1,700	\$1,760
2021	1	N/A	\$1,446	\$0	\$1,446	\$1,506

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2019	4	N/A	\$1,900	\$0	\$1,900	\$1,960
2020	2	N/A	\$1,900	\$0	\$1,900	\$1,960
2020	3	N/A	\$1,900	\$0	\$1,900	\$1,960
2021	1	N/A	\$1,850	\$0	\$1,850	\$1,910

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2019	4	N/A	\$2,300	\$0	\$2,300	\$2,374
2020	2	N/A	\$2,300	\$0	\$2,300	\$2,374
2020	3	N/A	\$2,300	\$0	\$2,300	\$2,374
2021	1	N/A	\$2,300	\$0	\$2,300	\$2,374

Trend: Comments

4Q19	The contact reported strong demand for affordable housing in the area. The contact was unable to provide a breakdown of units by unit type. The property accepts Housing Choice Vouchers; however, the contact was unable to provide how many tenants use vouchers.
2Q20	The contact was unable to provide a breakdown of units by unit type and restriction levels or provide the specific numbers on each waiting list due to the variability and the amount of households on it that fluctuate daily. The contact reported that the property has not had any trouble with management or with its incoming inquiries due to COVID-19; however, they have had to workout payment plans with fifteen households in order to avoid any bad debt. The contact reported that interest in the property has remained consistent and stable.
3Q20	The contact reported that the property has not had any trouble with management or with its incoming inquiries due to COVID-19; however, they have had to workout payment plans with fifteen households in order to avoid any bad debt. The contact reported that traffic at the property has slowed due to the pandemic. Garage parking is included in the rent.
1Q21	The contact reported that the property has had to work out payment plans with fifteen households in order to avoid any bad debt. The contact reported there have been no other impacts to the property due to the COVID-19 pandemic, and they are actively leasing from the waiting list. Garage parking is included in the rent.

Photos



PROPERTY PROFILE REPORT

Creekview Apartments

Effective Rent Date	1/13/2021
Location	5001 Crainway Austin, TX 78724 Travis County
Distance	3.4 miles
Units	264
Vacant Units	21
Vacancy Rate	8.0%
Type	Lowrise (3 stories)
Year Built/Renovated	2020 / N/A
Marketing Began	N/A
Leasing Began	8/01/2020
Last Unit Leased	N/A
Major Competitors	None identified
Tenant Characteristics	Mixed tenancy from local area
Contact Name	Nancy
Phone	512-871-0873



Market Information

Program	@60%
Annual Turnover Rate	N/A
Units/Month Absorbed	6
HCV Tenants	18%
Leasing Pace	Within two to three weeks
Annual Chg. in Rent	Kept at Max
Concession	None
Waiting List	None

Utilities

A/C	not included -- central
Cooking	not included -- electric
Water Heat	not included -- electric
Heat	not included -- electric
Other Electric	not included
Water	included
Sewer	included
Trash Collection	included

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
0	1	Lowrise (3 stories)	32	550	\$978	\$0	@60%	No	N/A	N/A	yes	None
1	1	Lowrise (3 stories)	120	815	\$1,042	\$0	@60%	No	N/A	N/A	yes	None
2	2	Lowrise (3 stories)	76	1,171	\$1,242	\$0	@60%	No	N/A	N/A	yes	None
3	3	Lowrise (3 stories)	36	1,294	\$1,425	\$0	@60%	No	N/A	N/A	yes	None

Unit Mix

@60%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
Studio / 1BA	\$978	\$0	\$978	\$41	\$1,019
1BR / 1BA	\$1,042	\$0	\$1,042	\$46	\$1,088
2BR / 2BA	\$1,242	\$0	\$1,242	\$60	\$1,302
3BR / 3BA	\$1,425	\$0	\$1,425	\$74	\$1,499

Creekview Apartments, continued

Amenities

In-Unit		Security	Services
Balcony/Patio	Blinds	Intercom (Buzzer)	None
Carpet/Hardwood	Carpeting	Limited Access	
Central A/C	Coat Closet	Perimeter Fencing	
Dishwasher	Garbage Disposal		
Oven	Refrigerator		
Washer/Dryer	Washer/Dryer hookup		
Property		Premium	Other
Basketball Court	Business Center/Computer Lab	None	None
Carport	Clubhouse/Meeting Room/Community		
Exercise Facility	Off-Street Parking		
On-Site Management	Playground		
Swimming Pool			

Comments

The property will offer a total of 10 buildings once fully completely. Currently, only six of the buildings are open. The property opened in August of 2020 and is nearing the end of its initial lease-up phase. The contact expected the property would stabilize in February or March 2021. The contact stated leasing has slowed some since it initially began and believed the ongoing COVID-19 pandemic was beginning to impact the leasing pace. The contact was unable to provide a breakdown of vacancies by unit type. Each unit offers an in-unit washer/dryer, and carport parking is included with rent.

Creekview Apartments, continued

Trend Report

Vacancy Rates

2Q20	3Q20	4Q20	1Q21
82.6%	87.9%	79.9%	8.0%

Trend: @60%

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2020	3	N/A	\$1,041	\$0	\$1,041	\$1,087
2020	4	N/A	\$1,041	\$0	\$1,041	\$1,087
2021	1	N/A	\$1,042	\$0	\$1,042	\$1,088

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2020	3	N/A	\$1,240	\$0	\$1,240	\$1,300
2020	4	N/A	\$1,240	\$0	\$1,240	\$1,300
2021	1	N/A	\$1,242	\$0	\$1,242	\$1,302

3BR / 3BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2020	3	N/A	\$1,422	\$0	\$1,422	\$1,496
2020	4	N/A	\$1,422	\$0	\$1,422	\$1,496
2021	1	N/A	\$1,425	\$0	\$1,425	\$1,499

Studio / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2020	3	N/A	\$977	\$0	\$977	\$1,018
2020	4	N/A	\$977	\$0	\$977	\$1,018
2021	1	N/A	\$978	\$0	\$978	\$1,019

Trend: Comments

2Q20	The contact reported the property is still under construction. Phase I of the property will begin housing tenants within the month of June. The contact stated the property began leasing in August of 2019, and currently has 46 units pre-leased.
3Q20	The contact was unable to provide a breakdown by bedroom type. The contact noted the property has 10 buildings, of which, four are open. The property opened in August of 2020 and is currently in its initial lease-up phase. The contact was unable to provide a breakdown of vacancies; however, did note they are currently 12 percent occupied. Each unit offers an in-unit washer/dryer and carport parking is included with rent. The contact was unable to provide information on how the COVID-19 pandemic has affected operations.
4Q20	The property will offer a total of 10 buildings once fully completely. Currently only six of the buildings are open. The property opened in August of 2020 and is currently in its initial lease-up phase. The contact expected the property would stabilize in February 2021. The contact did not believe the ongoing COVID-19 pandemic was impacting the leasing pace. Each unit offers an in-unit washer/dryer and carport parking is included with rent.
1Q21	The property will offer a total of 10 buildings once fully completely. Currently, only six of the buildings are open. The property opened in August of 2020 and is nearing the end of its initial lease-up phase. The contact expected the property would stabilize in February or March 2021. The contact stated leasing has slowed some since it initially began and believed the ongoing COVID-19 pandemic was beginning to impact the leasing pace. The contact was unable to provide a breakdown of vacancies by unit type. Each unit offers an in-unit washer/dryer, and carport parking is included with rent.

Photos



PROPERTY PROFILE REPORT

Solaris

Effective Rent Date 1/13/2021

Location 1601 Royal Crest Drive
Austin, TX 78741
Travis County

Distance 2.1 miles

Units 563

Vacant Units 6

Vacancy Rate 1.1%

Type Garden (2 stories)

Year Built/Renovated 1968 / 2010

Marketing Began N/A

Leasing Began N/A

Last Unit Leased N/A

Major Competitors None identified

Tenant Characteristics Mixed tenancy from Austin

Contact Name Namaris

Phone 512-444-7797



Market Information

Program @50%, Market

Annual Turnover Rate 35%

Units/Month Absorbed N/A

HCV Tenants 0%

Leasing Pace Within two weeks

Annual Chg. in Rent Kept at Max, MR fluctuated -6% to 6% since

Concession None

Waiting List None

Utilities

A/C not included -- central

Cooking not included -- electric

Water Heat not included -- gas

Heat not included -- gas

Other Electric not included

Water not included

Sewer not included

Trash Collection not included

Solaris, continued

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
0	1	Garden (2 stories)	N/A	396	\$724	\$0	@50%	No	0	N/A	yes	None
1	1	Garden (2 stories)	N/A	506	\$800	\$0	@50%	No	0	N/A	yes	None
1	1	Garden (2 stories)	N/A	676	\$855	\$0	@50%	No	0	N/A	yes	None
1	1	Garden (2 stories)	N/A	746	\$840	\$0	@50%	No	0	N/A	yes	None
1	1	Garden (2 stories)	N/A	506	\$855	\$0	Market	No	1	N/A	N/A	None
1	1	Garden (2 stories)	N/A	676	\$862	\$0	Market	No	1	N/A	N/A	None
1	1	Garden (2 stories)	N/A	746	\$879	\$0	Market	No	1	N/A	N/A	None
2	1	Garden (2 stories)	N/A	689	\$882	\$0	@50%	No	0	N/A	yes	None
2	1	Garden (2 stories)	N/A	689	\$929	\$0	Market	No	1	N/A	N/A	None
2	1.5	Garden (2 stories)	N/A	716	\$912	\$0	@50%	No	0	N/A	yes	None
2	1.5	Garden (2 stories)	N/A	716	\$1,070	\$0	Market	No	0	N/A	N/A	None
2	2	Garden (2 stories)	N/A	912	\$1,106	\$0	Market	No	2	N/A	N/A	None
2	2	Garden (2 stories)	N/A	950	\$1,135	\$0	Market	No	0	N/A	N/A	None
2	2	Garden (2 stories)	N/A	1,200	\$1,308	\$0	Market	No	0	N/A	N/A	None
3	2.5	Garden (2 stories)	N/A	1,312	\$1,460	\$0	Market	No	0	N/A	N/A	None
4	2	Garden (2 stories)	N/A	1,188	\$1,573	\$0	Market	No	0	N/A	N/A	None

Unit Mix

@50%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent	Market	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
Studio / 1BA	\$724	\$0	\$724	\$174	\$898	1BR / 1BA	\$855 - \$879	\$0	\$855 - \$879	\$181	\$1,036 - \$1,060
1BR / 1BA	\$800 - \$855	\$0	\$800 - \$855	\$181	\$981 - \$1,036	2BR / 1BA	\$929	\$0	\$929	\$215	\$1,144
2BR / 1BA	\$882	\$0	\$882	\$215	\$1,097	2BR / 1.5BA	\$1,070	\$0	\$1,070	\$215	\$1,285
2BR / 1.5BA	\$912	\$0	\$912	\$215	\$1,127	2BR / 2BA	\$1,106 - \$1,308	\$0	\$1,106 - \$1,308	\$215	\$1,321 - \$1,523
						3BR / 2.5BA	\$1,460	\$0	\$1,460	\$253	\$1,713
						4BR / 2BA	\$1,573	\$0	\$1,573	\$285	\$1,858

Amenities

In-Unit		Security	Services
Balcony/Patio	Blinds	Patrol	None
Carpet/Hardwood	Dishwasher		
Ceiling Fan	Garbage Disposal		
Oven	Refrigerator		
Walk-In Closet	Washer/Dryer hookup		
Property		Premium	Other
Business Center/Computer Lab	Clubhouse/Meeting Room/Community	None	None
Courtyard	Central Laundry		
Off-Street Parking(\$35.00)	On-Site Management		
Picnic Area	Recreation Areas		
Swimming Pool			

Comments

The contact stated COVID-19 has impacted the property minimally. Tenants who have struggled to pay rent have been able to use rental assistance programs to pay on time. Reserved off-street parking is available for a monthly fee of \$35.

Trend Report

Vacancy Rates

1Q16	1Q18	4Q18	1Q21
4.6%	5.7%	0.0%	1.1%

Trend: @50%

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2016	1	N/A	\$660 - \$749	\$0	\$660 - \$749	\$841 - \$930
2018	1	N/A	\$710 - \$795	\$0	\$710 - \$795	\$891 - \$976
2018	4	N/A	\$840	\$0	\$840	\$1,021
2021	1	N/A	\$800 - \$855	\$0	\$800 - \$855	\$981 - \$1,036

2BR / 1.5BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2016	1	N/A	\$800	\$0	\$800	\$1,015
2018	1	N/A	\$894	\$0	\$894	\$1,109
2018	4	N/A	\$894	\$0	\$894	\$1,109
2021	1	N/A	\$912	\$0	\$912	\$1,127

2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2016	1	N/A	\$800	\$0	\$800	\$1,015
2018	1	N/A	\$894	\$0	\$894	\$1,109
2018	4	N/A	\$894	\$0	\$894	\$1,109
2021	1	N/A	\$882	\$0	\$882	\$1,097

Studio / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2016	1	N/A	\$640	\$0	\$640	\$814
2018	1	N/A	\$693	\$0	\$693	\$867
2018	4	N/A	\$693	\$0	\$693	\$867
2021	1	N/A	\$724	\$0	\$724	\$898

Trend: Market

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2016	1	N/A	\$760 - \$875	\$0	\$760 - \$875	\$941 - \$1,056
2018	1	N/A	\$710 - \$835	\$0	\$710 - \$835	\$891 - \$1,016
2018	4	N/A	\$865	\$0	\$865	\$1,046
2021	1	N/A	\$855 - \$879	\$0	\$855 - \$879	\$1,036 - \$1,060

2BR / 1.5BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2016	1	N/A	\$900	\$0	\$900	\$1,115
2018	1	N/A	\$1,070	\$0	\$1,070	\$1,285
2018	4	N/A	\$1,070	\$0	\$1,070	\$1,285
2021	1	N/A	\$1,070	\$0	\$1,070	\$1,285

2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2016	1	N/A	\$900	\$0	\$900	\$1,115
2018	1	N/A	\$1,070	\$0	\$1,070	\$1,285
2018	4	N/A	\$1,070	\$0	\$1,070	\$1,285
2021	1	N/A	\$929	\$0	\$929	\$1,144

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2016	1	N/A	\$1,000 - \$1,089	\$0	\$1,000 - \$1,089	\$1,215 - \$1,304
2018	1	N/A	\$1,029 - \$1,210	\$0	\$1,029 - \$1,210	\$1,244 - \$1,425
2018	4	N/A	\$1,029 - \$1,150	\$0	\$1,029 - \$1,150	\$1,244 - \$1,365
2021	1	N/A	\$1,106 - \$1,308	\$0	\$1,106 - \$1,308	\$1,321 - \$1,523

3BR / 2.5BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2016	1	N/A	\$1,300	\$0	\$1,300	\$1,553
2018	1	N/A	\$1,325	\$0	\$1,325	\$1,578
2018	4	N/A	\$1,340	\$0	\$1,340	\$1,593
2021	1	N/A	\$1,460	\$0	\$1,460	\$1,713

4BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2016	1	N/A	\$1,500	\$0	\$1,500	\$1,785
2018	1	N/A	\$1,500	\$0	\$1,500	\$1,785
2018	4	N/A	\$1,500	\$0	\$1,500	\$1,785
2021	1	N/A	\$1,573	\$0	\$1,573	\$1,858

Studio / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2016	1	N/A	\$730	\$0	\$730	\$904
2018	1	N/A	\$783	\$0	\$783	\$957

Trend: Comments

1Q16	The contact was unable to provide a detailed breakdown by unit type and AMI level.
1Q18	The contact was unable to provide a detailed breakdown by unit type and AMI level. The contact also reported that of the 32 vacant units, there are 29 applications pending.
4Q18	The contact reported that the property is currently phasing out formerly offered rents at the 80% AMI restriction level and working to offer only rents at the 50% AMI restriction level as well as market rates. The contact was unable to provide information on how long the process is expected to take. Reserved off-street parking is available for a monthly fee of \$25.
1Q21	The contact stated COVID-19 has impacted the property minimally. Tenants who have struggled to pay rent have been able to use rental assistance programs to pay on time. Reserved off-street parking is available for a monthly fee of \$35.

Photos



PROPERTY PROFILE REPORT

Thinkeast Apartment Homes

Effective Rent Date	1/14/2021
Location	1143 Shady Lane Austin, TX 78721 Travis County
Distance	1.8 miles
Units	180
Vacant Units	8
Vacancy Rate	4.4%
Type	Garden (3 stories)
Year Built/Renovated	2018 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	None identified
Tenant Characteristics	Mixed tenancy
Contact Name	Anthony
Phone	512-768-8228



Market Information

Program	@60%
Annual Turnover Rate	30%
Units/Month Absorbed	N/A
HCV Tenants	27%
Leasing Pace	Within two weeks to one month
Annual Chg. in Rent	Kept at max
Concession	None
Waiting List	None

Utilities

A/C	not included -- central
Cooking	not included -- electric
Water Heat	not included -- electric
Heat	not included -- electric
Other Electric	not included
Water	not included
Sewer	not included
Trash Collection	included

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
0	1	Garden (3 stories)	N/A	583	\$870	\$0	@60%	No	N/A	N/A	yes	None
1	1	Garden (3 stories)	N/A	670	\$932	\$0	@60%	No	N/A	N/A	yes	None
1	1	Garden (3 stories)	N/A	692	\$932	\$0	@60%	No	N/A	N/A	yes	None
1	1	Garden (3 stories)	N/A	696	\$932	\$0	@60%	No	N/A	N/A	yes	None
1	1	Garden (3 stories)	N/A	753	\$932	\$0	@60%	No	N/A	N/A	yes	None
2	2	Garden (3 stories)	N/A	967	\$1,116	\$0	@60%	No	N/A	N/A	yes	None
2	2	Garden (3 stories)	N/A	1,067	\$1,116	\$0	@60%	No	N/A	N/A	yes	None
2	2	Garden (3 stories)	N/A	1,149	\$1,116	\$0	@60%	No	N/A	N/A	yes	None
3	2	Garden (3 stories)	N/A	1,265	\$1,283	\$0	@60%	No	N/A	N/A	yes	None

Thinkeast Apartment Homes, continued

Unit Mix

@60%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
Studio / 1BA	\$870	\$0	\$870	\$149	\$1,019
1BR / 1BA	\$932	\$0	\$932	\$156	\$1,088
2BR / 2BA	\$1,116	\$0	\$1,116	\$190	\$1,306
3BR / 2BA	\$1,283	\$0	\$1,283	\$226	\$1,509

Amenities

In-Unit		Security	Services
Balcony/Patio	Blinds	Limited Access	None
Carpet/Hardwood	Central A/C	Perimeter Fencing	
Coat Closet	Dishwasher		
Ceiling Fan	Garbage Disposal		
Microwave	Oven		
Refrigerator	Walk-In Closet		
Property		Premium	Other
Business Center/Computer Lab	Clubhouse/Meeting Room/Community	None	None
Exercise Facility	Central Laundry		
Off-Street Parking	On-Site Management		
Picnic Area	Swimming Pool		

Comments

The property is offering payment plans and is waiving late fees for residents having difficulty paying rent due to COVID-19. The contact reported an increase in delinquencies as the most apparent impact to the property. Tenants are choosing to stay and become delinquent due to the City of Austin's stop order on evictions rather than move out. The property is also directing tenants to outside resources that can help.

Thinkeast Apartment Homes, continued

Trend Report

Vacancy Rates

3Q20	1Q21
2.8%	4.4%

Trend: @60%

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2020	3	N/A	\$1,014	\$25	\$989	\$1,145
2021	1	N/A	\$932	\$0	\$932	\$1,088

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2020	3	N/A	\$1,214	\$25	\$1,189	\$1,379
2021	1	N/A	\$1,116	\$0	\$1,116	\$1,306

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2020	3	N/A	\$1,395	\$25	\$1,370	\$1,596
2021	1	N/A	\$1,283	\$0	\$1,283	\$1,509

Studio / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2020	3	N/A	\$952	\$25	\$927	\$1,076
2021	1	N/A	\$870	\$0	\$870	\$1,019

Trend: Comments

3Q20	The contact noted that tenants have been affected by job losses and furloughs due to the ongoing COVID-19 pandemic. The property is offering payment plans and is waiving late fees for residents having difficulty paying rent. In addition, the property is directing tenants to outside resources that can help. The face rents are set at the maximum allowable levels; however, the property is currently offering a minor concession and as such the effective rents are slightly below maximum allowable levels.
1Q21	The property is offering payment plans and is waiving late fees for residents having difficulty paying rent due to COVID-19. The contact reported an increase in delinquencies as the most apparent impact to the property. Tenants are choosing to stay and become delinquent due to the City of Austin's stop order on evictions rather than move out. The property is also directing tenants to outside resources that can help.

Photos



PROPERTY PROFILE REPORT

Villas On Sixth Street

Effective Rent Date	1/14/2021
Location	2011 East 6th Street Austin, TX 78702 Travis County
Distance	2.1 miles
Units	160
Vacant Units	0
Vacancy Rate	0.0%
Type	Garden (3 stories)
Year Built/Renovated	2004 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	None identified
Tenant Characteristics	Mixed tenancy primarily from East Austin area. Many work in retail, service industry, & warehousing jobs
Contact Name	Becky
Phone	512-314-5483



Market Information

Program	@40%, @50%, Market
Annual Turnover Rate	20%
Units/Month Absorbed	N/A
HCV Tenants	7%
Leasing Pace	Pre-leased; One month
Annual Chg. in Rent	LIHTC kept at max; MR remained stable
Concession	None
Waiting List	Yes; 60 households for LIHTC units

Utilities

A/C	not included -- central
Cooking	not included -- gas
Water Heat	not included -- electric
Heat	not included -- electric
Other Electric	not included
Water	not included
Sewer	not included
Trash Collection	included

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (3 stories)	20	756	\$597	\$0	@40%	Yes	0	0.0%	yes	None
1	1	Garden (3 stories)	20	756	\$785	\$0	@50%	Yes	0	0.0%	yes	None
1	1	Garden (3 stories)	6	756	\$1,200	\$0	Market	No	0	0.0%	N/A	None
2	2	Garden (3 stories)	24	917	\$714	\$0	@40%	Yes	0	0.0%	yes	None
2	2	Garden (3 stories)	30	917	\$940	\$0	@50%	Yes	0	0.0%	yes	None
2	2	Garden (3 stories)	12	917	\$1,500	\$0	Market	No	0	0.0%	N/A	None
3	2	Garden (3 stories)	16	1,049	\$818	\$0	@40%	Yes	0	0.0%	yes	None
3	2	Garden (3 stories)	26	1,049	\$1,079	\$0	@50%	Yes	0	0.0%	yes	None
3	2	Garden (3 stories)	6	1,049	\$1,700	\$0	Market	No	0	0.0%	N/A	None

Villas On Sixth Street, continued

Unit Mix

@40%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent	@50%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$597	\$0	\$597	\$156	\$753	1BR / 1BA	\$785	\$0	\$785	\$156	\$941
2BR / 2BA	\$714	\$0	\$714	\$190	\$904	2BR / 2BA	\$940	\$0	\$940	\$190	\$1,130
3BR / 2BA	\$818	\$0	\$818	\$226	\$1,044	3BR / 2BA	\$1,079	\$0	\$1,079	\$226	\$1,305
Market	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent						
1BR / 1BA	\$1,200	\$0	\$1,200	\$156	\$1,356						
2BR / 2BA	\$1,500	\$0	\$1,500	\$190	\$1,690						
3BR / 2BA	\$1,700	\$0	\$1,700	\$226	\$1,926						

Amenities

In-Unit		Security	Services
Balcony/Patio	Blinds	Perimeter Fencing	None
Carpeting	Central A/C		
Coat Closet	Dishwasher		
Ceiling Fan	Garbage Disposal		
Microwave	Oven		
Refrigerator	Walk-In Closet		
Washer/Dryer hookup			
Property		Premium	Other
Business Center/Computer Lab	Carport(\$35.00)	None	Dog Park
Clubhouse/Meeting Room/Community	Exercise Facility		
Central Laundry	Off-Street Parking		
On-Site Management	Picnic Area		
Playground	Swimming Pool		

Comments

The contact stated that rents have recently been raised to the 2020 maximum allowable levels. The contact noted that tenants have been affected by job losses and furloughs due to the ongoing COVID-19 pandemic, and the property is working with residents on a case-by-case basis. The contact stated leasing for the market rate units has slowed to one month, whereas previously leasing took less than two weeks. It was also noted that demand for the affordable units at the property has increased.

Villas On Sixth Street, continued

Trend Report

Vacancy Rates

3Q18	4Q18	3Q20	1Q21
0.0%	0.0%	0.0%	0.0%

Trend: @40%

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2018	3	0.0%	\$588	\$0	\$588	\$744
2018	4	0.0%	\$588	\$0	\$588	\$744
2020	3	0.0%	\$677	\$0	\$677	\$833
2021	1	0.0%	\$597	\$0	\$597	\$753

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2018	3	0.0%	\$692	\$0	\$692	\$882
2018	4	0.0%	\$692	\$0	\$692	\$882
2020	3	0.0%	\$799	\$0	\$799	\$989
2021	1	0.0%	\$714	\$0	\$714	\$904

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2018	3	0.0%	\$787	\$0	\$787	\$1,013
2018	4	0.0%	\$787	\$0	\$787	\$1,013
2020	3	0.0%	\$912	\$0	\$912	\$1,138
2021	1	0.0%	\$818	\$0	\$818	\$1,044

Trend: @50%

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2018	3	0.0%	\$754	\$0	\$754	\$910
2018	4	0.0%	\$754	\$0	\$754	\$910
2020	3	0.0%	\$865	\$0	\$865	\$1,021
2021	1	0.0%	\$785	\$0	\$785	\$941

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2018	3	0.0%	\$891	\$0	\$891	\$1,081
2018	4	0.0%	\$891	\$0	\$891	\$1,081
2020	3	0.0%	\$1,025	\$0	\$1,025	\$1,215
2021	1	0.0%	\$940	\$0	\$940	\$1,130

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2018	3	0.0%	\$1,017	\$0	\$1,017	\$1,243
2018	4	0.0%	\$1,017	\$0	\$1,017	\$1,243
2020	3	0.0%	\$1,173	\$0	\$1,173	\$1,399
2021	1	0.0%	\$1,079	\$0	\$1,079	\$1,305

Trend: Market

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2018	3	0.0%	\$1,200	\$0	\$1,200	\$1,356
2018	4	0.0%	\$1,200	\$0	\$1,200	\$1,356
2020	3	0.0%	\$1,200	\$0	\$1,200	\$1,356
2021	1	0.0%	\$1,200	\$0	\$1,200	\$1,356

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2018	3	0.0%	\$1,500	\$0	\$1,500	\$1,690
2018	4	0.0%	\$1,500	\$0	\$1,500	\$1,690
2020	3	0.0%	\$1,500	\$0	\$1,500	\$1,690
2021	1	0.0%	\$1,500	\$0	\$1,500	\$1,690

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2018	3	0.0%	\$1,700	\$0	\$1,700	\$1,926
2018	4	0.0%	\$1,700	\$0	\$1,700	\$1,926
2020	3	0.0%	\$1,700	\$0	\$1,700	\$1,926
2021	1	0.0%	\$1,700	\$0	\$1,700	\$1,926

Trend: Comments

3Q18	N/A
4Q18	The contact provided no additional comments.
3Q20	The rents are being held below the maximum allowable levels in order to keep the units affordable for tenants during the pandemic. Normally, the maximum allowable rents are achievable, and the property will likely return rents to the maximum allowable levels after the pandemic ends. The contact noted that tenants have been affected by job losses and furloughs due to the ongoing COVID-19 pandemic. The property is working with residents on a case-by-case basis. The property is also sending lists of agencies that can help tenants with their rent payments if they've been affected by the pandemic. Traffic at the property is slower than normal due to the pandemic.
1Q21	The contact stated that rents have recently been raised to the 2020 maximum allowable levels. The contact noted that tenants have been affected by job losses and furloughs due to the ongoing COVID-19 pandemic, and the property is working with residents on a case-by-case basis. The contact stated leasing for the market rate units has slowed to one month, whereas previously leasing took less than two weeks. It was also noted that demand for the affordable units at the property has increased.

Photos



PROPERTY PROFILE REPORT

3401 At Red River

Effective Rent Date	1/14/2021
Location	3401 Red River Austin, TX 78705 Travis County
Distance	1.4 miles
Units	138
Vacant Units	10
Vacancy Rate	7.2%
Type	Garden (3 stories)
Year Built/Renovated	1976 / 2013
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Oak Park
Tenant Characteristics	Mixed tenancy
Contact Name	Andrew
Phone	512-201-2765



Market Information

Program	Market
Annual Turnover Rate	26%
Units/Month Absorbed	N/A
HCV Tenants	0%
Leasing Pace	Within two weeks
Annual Chg. in Rent	Fluctuated -5% to 4% since 4Q19
Concession	None
Waiting List	None

Utilities

A/C	not included -- central
Cooking	not included -- electric
Water Heat	not included -- electric
Heat	not included -- electric
Other Electric	not included
Water	not included
Sewer	not included
Trash Collection	not included

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
0	1	Garden (3 stories)	35	389	\$1,099	\$0	Market	No	1	2.9%	N/A	None
1	1	Garden (3 stories)	2	500	\$1,205	\$0	Market	No	0	0.0%	N/A	None
1	1	Garden (3 stories)	30	633	\$1,259	\$0	Market	No	1	3.3%	N/A	None
1	1	Garden (3 stories)	20	704	\$1,269	\$0	Market	No	4	20.0%	N/A	None
1	1	Garden (3 stories)	34	719	\$1,474	\$0	Market	No	1	2.9%	N/A	None
2	1	Garden (3 stories)	13	855	\$1,769	\$0	Market	No	2	15.4%	N/A	None
2	1	Garden (3 stories)	4	887	\$1,785	\$0	Market	No	1	25.0%	N/A	None

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
Studio / 1BA	\$1,099	\$0	\$1,099	\$174	\$1,273
1BR / 1BA	\$1,205 - \$1,474	\$0	\$1,205 - \$1,474	\$181	\$1,386 - \$1,655
2BR / 1BA	\$1,769 - \$1,785	\$0	\$1,769 - \$1,785	\$215	\$1,984 - \$2,000

3401 At Red River, continued

Amenities

In-Unit		Security	Services
Balcony/Patio	Blinds	Patrol	None
Carpeting	Central A/C		
Coat Closet	Dishwasher		
Garbage Disposal	Microwave		
Oven	Refrigerator		
Walk-In Closet			
Property		Premium	Other
Carport(\$60.00)	Central Laundry	None	None
Off-Street Parking	On-Site Management		
Picnic Area	Recreation Areas		
Swimming Pool			

Comments

The contact reported that a full renovation including a new roof was completed in 2013. The contact stated there have been no impacts to the property as a result of COVID-19.

3401 At Red River, continued

Trend Report

Vacancy Rates

4Q19	1Q21
0.7%	7.2%

Trend: Market

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2019	4	0.0%	\$1,235 - \$1,399	\$0	\$1,235 - \$1,399	\$1,416 - \$1,580
2021	1	7.0%	\$1,205 - \$1,474	\$0	\$1,205 - \$1,474	\$1,386 - \$1,655

2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2019	4	5.9%	\$1,795	\$0	\$1,795	\$2,010
2021	1	17.6%	\$1,769 - \$1,785	\$0	\$1,769 - \$1,785	\$1,984 - \$2,000

Studio / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2019	4	0.0%	\$1,199	\$0	\$1,199	\$1,373
2021	1	2.9%	\$1,099	\$0	\$1,099	\$1,273

Trend: Comments

4Q19	This property does not accept Housing Choice Vouchers. There are 40 covered garages available for tenants to rent on-site for \$60 per month. The contact reported that a full renovation including a new roof was completed in 2013. The contact also reported a strong demand for multifamily housing.
1Q21	The contact reported that a full renovation including a new roof was completed in 2013. The contact stated there have been no impacts to the property as a result of COVID-19.

Photos



PROPERTY PROFILE REPORT

Menlo At Mueller

Effective Rent Date	1/15/2021
Location	6855 Highway 290 East Austin, TX 78723 Travis County
Distance	2.4 miles
Units	248
Vacant Units	35
Vacancy Rate	14.1%
Type	Various (2 stories)
Year Built/Renovated	1973 / 2004
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	None identified
Tenant Characteristics	Mixed tenancy
Contact Name	Adriana
Phone	512-675-1119



Market Information

Program	Market
Annual Turnover Rate	50%
Units/Month Absorbed	N/A
HCV Tenants	0%
Leasing Pace	Within one week
Annual Chg. in Rent	Fluctuated -17-5% since 1Q20
Concession	\$99 off first month's rent
Waiting List	None

Utilities

A/C	not included -- central
Cooking	not included -- electric
Water Heat	not included -- electric
Heat	not included -- electric
Other Electric	not included
Water	not included
Sewer	not included
Trash Collection	included

Menlo At Mueller, continued

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
0	1	Garden (2 stories)	16	440	\$835	\$8	Market	No	2	12.5%	N/A	HIGH*
0	1	Garden (2 stories)	N/A	440	\$799	\$8	Market	No	N/A	N/A	N/A	LOW*
1	1	Garden (2 stories)	20	650	\$850	\$8	Market	No	1	5.0%	N/A	None
1	1	Garden (2 stories)	20	680	\$940	\$8	Market	No	1	5.0%	N/A	None
1	1	Garden (2 stories)	20	750	\$905	\$8	Market	No	6	30.0%	N/A	None
2	1	Garden (2 stories)	41	880	\$1,180	\$8	Market	No	8	19.5%	N/A	HIGH*
2	1	Garden (2 stories)	N/A	880	\$1,150	\$8	Market	No	N/A	N/A	N/A	LOW*
2	1.5	Townhouse (2 stories)	41	990	\$1,375	\$8	Market	No	5	12.2%	N/A	HIGH*
2	1.5	Townhouse (2 stories)	N/A	990	\$1,289	\$8	Market	No	N/A	N/A	N/A	LOW*
2	2	Garden (2 stories)	41	1,084	\$1,325	\$8	Market	No	3	7.3%	N/A	HIGH*
2	2	Garden (2 stories)	N/A	1,084	\$1,099	\$0	Market	No	N/A	N/A	N/A	LOW*
2	2.5	Townhouse (2 stories)	41	1,130	\$1,350	\$8	Market	No	8	19.5%	N/A	HIGH*
2	2.5	Townhouse (2 stories)	N/A	1,130	\$1,260	\$8	Market	No	N/A	N/A	N/A	LOW*
3	2	Townhouse (2 stories)	8	1,380	\$1,599	\$8	Market	No	1	12.5%	N/A	None

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
Studio / 1BA	\$799 - \$835	\$8	\$791 - \$827	\$149	\$940 - \$976
1BR / 1BA	\$850 - \$940	\$8	\$842 - \$932	\$156	\$998 - \$1,088
2BR / 1BA	\$1,150 - \$1,180	\$8	\$1,142 - \$1,172	\$190	\$1,332 - \$1,362
2BR / 1.5BA	\$1,289 - \$1,375	\$8	\$1,281 - \$1,367	\$190	\$1,471 - \$1,557
2BR / 2BA	\$1,099 - \$1,325	\$0 - \$8	\$1,099 - \$1,317	\$190	\$1,289 - \$1,507
2BR / 2.5BA	\$1,260 - \$1,350	\$8	\$1,252 - \$1,342	\$190	\$1,442 - \$1,532
3BR / 2BA	\$1,599	\$8	\$1,591	\$226	\$1,817

Amenities

In-Unit		Security	Services
Balcony/Patio		None	None
Carpeting	Blinds		
Coat Closet	Central A/C		
Ceiling Fan	Dishwasher		
Garbage Disposal	Fireplace		
Refrigerator	Oven		
Washer/Dryer hookup	Walk-In Closet		
Property		Premium	Other
Business Center/Computer Lab	Carport	None	None
Clubhouse/Meeting Room/Community	Exercise Facility		
Off-Street Parking	On-Site Management		
Picnic Area	Recreation Areas		
Swimming Pool			

Comments

The contact noted that the property is finishing a renovation, which is attributed to the elevated vacancy. The range in leasing rates is based on whether or not units have been renovated. All one-bedroom units have been renovated. Renovations include new flooring, counter tops, appliances, and cabinets. According to the contact, units with fireplaces rent for a premium of approximately \$15 per month. The contact reported no major effects related to COVID-19.

Trend Report

Vacancy Rates

3Q18	4Q19	1Q20	1Q21
11.3%	11.3%	25.8%	14.1%

Trend: Market

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2018	3	N/A	\$885 - \$935	\$0	\$885 - \$935	\$1,041 - \$1,091
2019	4	N/A	\$905 - \$950	\$0	\$905 - \$950	\$1,061 - \$1,106
2020	1	N/A	\$905 - \$1,025	\$67 - \$77	\$838 - \$948	\$994 - \$1,104
2021	1	13.3%	\$850 - \$940	\$8	\$842 - \$932	\$998 - \$1,088

2BR / 1.5BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2018	3	N/A	\$1,160	\$0	\$1,160	\$1,350
2019	4	N/A	\$1,265	\$0	\$1,265	\$1,455
2020	1	N/A	\$1,375	\$106	\$1,269	\$1,459
2021	1	N/A	\$1,289 - \$1,375	\$8	\$1,281 - \$1,367	\$1,471 - \$1,557

2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2018	3	N/A	\$1,100	\$0	\$1,100	\$1,290
2019	4	N/A	\$1,160	\$0	\$1,160	\$1,350
2020	1	N/A	\$1,180	\$90	\$1,090	\$1,280
2021	1	N/A	\$1,150 - \$1,180	\$8	\$1,142 - \$1,172	\$1,332 - \$1,362

2BR / 2.5BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2018	3	N/A	\$1,225	\$0	\$1,225	\$1,415
2019	4	N/A	\$1,260	\$0	\$1,260	\$1,450
2020	1	N/A	\$1,285	\$99	\$1,186	\$1,376
2021	1	N/A	\$1,260 - \$1,350	\$8	\$1,252 - \$1,342	\$1,442 - \$1,532

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2018	3	N/A	\$1,195	\$0	\$1,195	\$1,385
2019	4	N/A	\$1,325	\$0	\$1,325	\$1,515
2020	1	N/A	\$1,325	\$102	\$1,223	\$1,413
2021	1	N/A	\$1,099 - \$1,325	\$0 - \$8	\$1,099 - \$1,317	\$1,289 - \$1,507

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2018	3	N/A	\$1,550	\$0	\$1,550	\$1,776
2019	4	N/A	\$1,599	\$0	\$1,599	\$1,825
2020	1	N/A	\$1,699	\$133	\$1,566	\$1,792
2021	1	12.5%	\$1,599	\$8	\$1,591	\$1,817

Studio / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2018	3	N/A	\$820	\$0	\$820	\$969
2019	4	N/A	\$805	\$0	\$805	\$954
2020	1	N/A	\$835	\$61	\$774	\$923
2021	1	N/A	\$799 - \$835	\$8	\$791 - \$827	\$940 - \$976

Trend: Comments

3Q18	The contact stated the low occupancy is due to continued renovations which began a year ago. The current rents represent post renovation prices. Upgrades include new flooring, cabinetry, counters, backsplash, two-tone paint, fixtures, ceiling fans, and appliances as needed. The property previously accepted Housing Choice Vouchers but does not anymore.
4Q19	The contact was unable to provide an explanation for the elevated vacancy rate.
1Q20	The contact noted that the property is finishing a renovation, which is attributed to the elevated vacancy. According to the contact, fireplaces rent for a premium of approximately \$15 per month. Base rents are reflected in the rent profile.
1Q21	The contact noted that the property is finishing a renovation, which is attributed to the elevated vacancy. The range in leasing rates is based on whether or not units have been renovated. All one-bedroom units have been renovated. Renovations include new flooring, counter tops, appliances, and cabinets. According to the contact, units with fireplaces rent for a premium of approximately \$15 per month. The contact reported no major effects related to COVID-19.

Photos



PROPERTY PROFILE REPORT

Mueller City View

Effective Rent Date	1/19/2021
Location	1100 Reinli Street Austin, TX 78723 Travis County
Distance	2 miles
Units	145
Vacant Units	0
Vacancy Rate	0.0%
Type	Various
Year Built/Renovated	1969 / 2018
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	The Tressells, Cameron Greens
Tenant Characteristics	Mix of families and singles, 15% students
Contact Name	Elania
Phone	512-452-3202



Market Information

Program	Market
Annual Turnover Rate	30%
Units/Month Absorbed	N/A
HCV Tenants	0%
Leasing Pace	Within one month
Annual Chg. in Rent	Fluctuated -1% to 20 % since 1020
Concession	\$300 off first month for select units
Waiting List	None

Utilities

A/C	not included -- central
Cooking	included -- gas
Water Heat	included -- gas
Heat	included -- gas
Other Electric	not included
Water	included
Sewer	included
Trash Collection	included

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
0	1	Garden (2 stories)	8	410	\$925	\$0	Market	No	0	0.0%	N/A	None
1	1	Garden (2 stories)	8	570	\$999	\$0	Market	No	0	0.0%	N/A	None
1	1	Garden (2 stories)	16	668	\$1,194	\$25	Market	No	0	0.0%	N/A	None
1	1	Garden (2 stories)	17	680	\$1,079	\$0	Market	No	0	0.0%	N/A	None
2	1	Garden (2 stories)	32	808	\$1,249	\$25	Market	No	0	0.0%	N/A	None
2	1	Garden (2 stories)	26	818	\$1,249	\$0	Market	No	0	0.0%	N/A	None
2	1.5	Townhouse	22	1,002	\$1,349	\$25	Market	No	0	0.0%	N/A	None
2	2	Garden (2 stories)	16	956	\$1,389	\$0	Market	No	0	0.0%	N/A	None

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
Studio / 1BA	\$925	\$0	\$925	\$32	\$957
1BR / 1BA	\$999 - \$1,194	\$0 - \$25	\$999 - \$1,169	\$36	\$1,035 - \$1,205
2BR / 1BA	\$1,249	\$0 - \$25	\$1,224 - \$1,249	\$46	\$1,270 - \$1,295
2BR / 1.5BA	\$1,349	\$25	\$1,324	\$46	\$1,370
2BR / 2BA	\$1,389	\$0	\$1,389	\$46	\$1,435

Mueller City View, continued

Amenities

In-Unit		Security	Services
Balcony/Patio	Blinds	None	None
Carpeting	Central A/C		
Dishwasher	Exterior Storage		
Ceiling Fan	Fireplace		
Furnishing	Garbage Disposal		
Oven	Refrigerator		
Walk-In Closet			
Property		Premium	Other
Exercise Facility	Central Laundry	None	None
Off-Street Parking	On-Site Management		
Swimming Pool			

Comments

The property was formerly known as The Legacy. The contact reported that the property has been under new ownership since late 2017 with the name change in early 2018. The contact noted that the majority of units were renovated in 2018. Renovations included new flooring, stainless steel appliances, new back splash tile, counter tops, cabinets, fresh paint, lighting, and hardware. The contact had no comments regarding the impact of COVID-19 at the property.

Mueller City View, continued

Trend Report

Vacancy Rates

4Q17	3Q18	1Q20	1Q21
5.5%	5.5%	1.4%	0.0%

Trend: Market

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2017	4	N/A	\$850 - \$925	\$0	\$850 - \$925	\$886 - \$961
2018	3	0.0%	\$850 - \$975	\$0	\$850 - \$975	\$886 - \$1,011
2020	1	2.4%	\$949 - \$999	\$0	\$949 - \$999	\$985 - \$1,035
2021	1	0.0%	\$999 - \$1,194	\$0 - \$25	\$999 - \$1,169	\$1,035 - \$1,205

2BR / 1.5BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2017	4	N/A	\$1,250	\$0	\$1,250	\$1,296
2018	3	N/A	\$1,270	\$42	\$1,228	\$1,274
2020	1	0.0%	\$1,319	\$42	\$1,277	\$1,323
2021	1	0.0%	\$1,349	\$25	\$1,324	\$1,370

2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2017	4	N/A	\$1,125 - \$1,200	\$0	\$1,125 - \$1,200	\$1,171 - \$1,246
2018	3	N/A	\$1,195 - \$1,215	\$42	\$1,153 - \$1,173	\$1,199 - \$1,219
2020	1	1.7%	\$1,219	\$42	\$1,177	\$1,223
2021	1	0.0%	\$1,249	\$0 - \$25	\$1,224 - \$1,249	\$1,270 - \$1,295

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2017	4	N/A	\$1,400	\$0	\$1,400	\$1,446
2018	3	N/A	\$1,400	\$42	\$1,358	\$1,404
2020	1	0.0%	\$1,414	\$0	\$1,414	\$1,460
2021	1	0.0%	\$1,389	\$0	\$1,389	\$1,435

Studio / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2017	4	N/A	\$750	\$0	\$750	\$782
2018	3	N/A	\$825	\$0	\$825	\$857
2020	1	0.0%	\$875	\$0	\$875	\$907
2021	1	0.0%	\$925	\$0	\$925	\$957

Trend: Comments

4Q17	N/A
3Q18	The property was FKA The Legacy and the contact reported the property has been under new ownership since late 2017 and changed names in early 2018. She noted the majority of units have been renovated during 2018. Renovations include new flooring, stainless steel appliances, new back splash tile, counters, cabinets, fresh paint, lighting, and hardware.
1Q20	The property was FKA The Legacy and the contact reported the property has been under new ownership since late 2017 and changed names in early 2018. The contact noted the majority of units have been renovated during 2018. Renovations include new flooring, stainless steel appliances, new back splash tile, counters, cabinets, fresh paint, lighting, and hardware.
1Q21	The property was formerly known as The Legacy. The contact reported that the property has been under new ownership since late 2017 with the name change in early 2018. The contact noted that the majority of units were renovated in 2018. Renovations included new flooring, stainless steel appliances, new back splash tile, counter tops, cabinets, fresh paint, lighting, and hardware. The contact had no comments regarding the impact of COVID-19 at the property.

PROPERTY PROFILE REPORT

Seventytwo 27

Effective Rent Date	1/18/2021
Location	7227 E. Highway 290 Austin, TX 78723 Travis County
Distance	2.7 miles
Units	164
Vacant Units	1
Vacancy Rate	0.6%
Type	Garden (3 stories)
Year Built/Renovated	1970 / 2005
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Travis Station, Promintary Point,
Tenant Characteristics	Mixed tenancy with some students.
Contact Name	Elaine
Phone	512-929-3150



Market Information

Program	Market
Annual Turnover Rate	36%
Units/Month Absorbed	N/A
HCV Tenants	0%
Leasing Pace	Within two weeks
Annual Chg. in Rent	Fluctuated -6 to 4% since 4Q20
Concession	None
Waiting List	None

Utilities

A/C	not included -- central
Cooking	not included -- electric
Water Heat	not included -- electric
Heat	not included -- electric
Other Electric	not included
Water	included
Sewer	included
Trash Collection	included

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
0	1	Garden (3 stories)	58	398	\$899	\$0	Market	Yes	0	0.0%	N/A	None
1	1	Garden (3 stories)	50	660	\$1,084	\$0	Market	Yes	0	0.0%	N/A	None
2	1	Garden (3 stories)	24	918	\$1,284	\$0	Market	Yes	1	4.2%	N/A	None
2	2	Garden (3 stories)	32	1,050	\$1,374	\$0	Market	Yes	0	0.0%	N/A	None

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
Studio / 1BA	\$899	\$0	\$899	\$41	\$940
1BR / 1BA	\$1,084	\$0	\$1,084	\$46	\$1,130
2BR / 1BA	\$1,284	\$0	\$1,284	\$60	\$1,344
2BR / 2BA	\$1,374	\$0	\$1,374	\$60	\$1,434

Amenities

In-Unit		Security	Services
Balcony/Patio	Blinds	Limited Access	None
Carpeting	Central A/C	Perimeter Fencing	
Coat Closet	Dishwasher	Video Surveillance	
Exterior Storage	Ceiling Fan		
Fireplace	Garbage Disposal		
Oven	Refrigerator		
Vaulted Ceilings	Walk-In Closet		
Washer/Dryer hookup			
Property		Premium	Other
Jacuzzi	Central Laundry	None	None
Off-Street Parking	On-Site Management		
Swimming Pool			

Comments

The property was formerly known as Penbrook Club and changed names following a change in management. The contact reported that the property is renovating units as they become available. Renovations include new paint, flooring, fixtures, and appliances. The leasing rates listed are for renovated units. The contact reported that the property experienced an increase in move-outs as a result of the COVID-19 pandemic, and multiple tenants are currently delinquent on rent.

Trend Report

Vacancy Rates

4Q15	3Q16	4Q20	1Q21
4.3%	3.0%	3.0%	0.6%

Trend: Market

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2015	4	4.0%	\$790	\$0	\$790	\$836
2016	3	4.0%	\$815	\$0	\$815	\$861
2020	4	N/A	\$1,084	\$8	\$1,076	\$1,122
2021	1	0.0%	\$1,084	\$0	\$1,084	\$1,130

2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2015	4	8.3%	\$950	\$0	\$950	\$1,010
2016	3	4.2%	\$975	\$0	\$975	\$1,035
2020	4	N/A	\$1,294	\$8	\$1,286	\$1,346
2021	1	4.2%	\$1,284	\$0	\$1,284	\$1,344

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2015	4	6.2%	\$995	\$0	\$995	\$1,055
2016	3	3.1%	\$1,020	\$0	\$1,020	\$1,080
2020	4	N/A	\$1,379	\$8	\$1,371	\$1,431
2021	1	0.0%	\$1,374	\$0	\$1,374	\$1,434

Studio / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2015	4	1.7%	\$625	\$0	\$625	\$666
2016	3	1.7%	\$650	\$0	\$650	\$691
2020	4	N/A	\$914	\$8	\$906	\$947
2021	1	0.0%	\$899	\$0	\$899	\$940

Trend: Comments

4Q15	The contact reported that demand for units in the neighborhood has increased over the last few years and rents have continually increased for the past three years.
3Q16	N/A
4Q20	The contact reported that the property experienced move outs as a result of the COVID-19 pandemic and the current vacancies are due to move outs. The property was formerly known as Penbrook Club and changed names following a change in management. The contact reported no renovations following the change in management. The contact could not comment on annual changes in rent. The property is currently offering \$99 off application and administration fees. The households on the waiting list are waiting for ground floor units to come available.
1Q21	The property was formerly known as Penbrook Club and changed names following a change in management. The contact reported that the property is renovating units as they become available. Renovations include new paint, flooring, fixtures, and appliances. The leasing rates listed are for renovated units. The contact reported that the property experienced an increase in move-outs as a result of the COVID-19 pandemic, and multiple tenants are currently delinquent on rent.

Photos



PROPERTY PROFILE REPORT

Volume 4

Effective Rent Date	1/19/2021
Location	2709 Manor Rd Austin, TX 78722 Travis County
Distance	0.7 miles
Units	36
Vacant Units	4
Vacancy Rate	11.1%
Type	Garden (2 stories)
Year Built/Renovated	1973 / 2018
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Sandstone
Tenant Characteristics	Mixed tenancy; some students
Contact Name	Walida
Phone	512-320-9955



Market Information

Program	Market
Annual Turnover Rate	15%
Units/Month Absorbed	N/A
HCV Tenants	N/A
Leasing Pace	Within two weeks
Annual Chg. in Rent	Decreased 2-4% since 2Q18
Concession	None
Waiting List	None

Utilities

A/C	not included -- central
Cooking	not included -- electric
Water Heat	not included -- gas
Heat	not included -- gas
Other Electric	not included
Water	not included
Sewer	not included
Trash Collection	not included

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
0	1	Garden (2 stories)	18	391	\$819	\$0	Market	No	3	16.7%	N/A	None
1	1	Garden (2 stories)	18	495	\$919	\$0	Market	No	1	5.6%	N/A	None

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
Studio / 1BA	\$819	\$0	\$819	\$174	\$993
1BR / 1BA	\$919	\$0	\$919	\$181	\$1,100

Amenities

In-Unit	Security	Services
Balcony/Patio	Patrol	None
Carpet/Hardwood		
Central A/C		
Dishwasher		
Oven		
Washer/Dryer hookup		
Blinds		
Carpeting		
Coat Closet		
Exterior Storage		
Refrigerator		
Property	Premium	Other
Courtyard	None	None
Off-Street Parking		
Central Laundry		
Picnic Area		

Comments

The Volume development consists of five phases that offer studios, one-bedroom, and two-bedroom units. Storage space is located at Volume III but is available to tenants of all five Volumes for a fee of \$15 per month. The contact indicated that the property does accept Housing Choice Vouchers but could not provide an estimated percentage of tenants using them. The contact noted that the property reserves a percentage of its units for low income housing but could not provide more details. The contact had no comments regarding the affects of COVID-19 at the property.

Trend Report

Vacancy Rates

2Q18	1Q21
2.8%	11.1%

Trend: Market

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2018	2	0.0%	\$1,044	\$0	\$1,044	\$1,225
2021	1	5.6%	\$919	\$0	\$919	\$1,100

Studio / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2018	2	5.6%	\$869	\$0	\$869	\$1,043
2021	1	16.7%	\$819	\$0	\$819	\$993

Trend: Comments

2Q18	The Volume development consists of five phases that offer studios, one-bedroom, and two-bedroom units. Storage space is located at Volume III but is available to tenants of all five Volumes for a fee of \$15 per month. The contact indicated that the property does accept Housing Choice Vouchers but could not provide an estimated percentage of tenants using them. The contact noted that the property reserves a percentage of its units for low income housing but could not provide more details.
1Q21	The Volume development consists of five phases that offer studios, one-bedroom, and two-bedroom units. Storage space is located at Volume III but is available to tenants of all five Volumes for a fee of \$15 per month. The contact indicated that the property does accept Housing Choice Vouchers but could not provide an estimated percentage of tenants using them. The contact noted that the property reserves a percentage of its units for low income housing but could not provide more details. The contact had no comments regarding the affects of COVID-19 at the property.

Photos



PROPERTY CHARACTERISTICS

Following are relevant characteristics of the comparable properties surveyed:

Location

The following table compares the Subject's location (defined as a 0.5-mile radius from the property) compared to that of the comparable properties.

LOCATION COMPARISON						
No.	Property Name	Zip Code	Median Income	Median Rent	Median Home Value	Rent Differential
S	Kensington Apartments - As	78723	\$49,606	\$964	\$268,700	-
1	Aldrich 51	78723	\$49,606	\$964	\$268,700	0.0%
2	Creekview Apartments*	78724	\$45,158	\$1,091	\$122,100	11.6%
3	Solaris	78741	\$39,049	\$1,002	\$156,800	3.8%
4	Thinkeast Apartment Homes	78721	\$41,611	\$990	\$212,400	2.6%
5	Villas On Sixth Street	78702	\$54,053	\$1,020	\$297,700	5.5%
6	3401 At Red River*	78705	\$15,309	\$1,198	\$417,800	19.5%
7	Menlo At Mueller	78723	\$49,606	\$964	\$268,700	0.0%
8	Mueller City View	78723	\$49,606	\$964	\$268,700	0.0%
9	Seventytwo 27	78723	\$49,606	\$964	\$268,700	0.0%
10	Volume 4	78722	\$69,267	\$1,280	\$358,900	24.7%

*Located outside of the PMA

In terms of demographics, three of the comparables (Creekview Apartments, 3401 At Red River, and Volume 4) are located in slightly superior neighborhoods relative to the Subject, while the remaining comparables are located in generally similar neighborhoods relative to the Subject. Further, based on our observations during our inspection, the comparables offer similar access to highways compared to the Subject. Overall, we believe the Subject's neighborhood is good for multifamily development, and offers a similar to slightly inferior location relative to the comparables.

Age, Condition, Design

The Subject was constructed in 1968 and will be renovated in 2023. Following completion of the renovations, the Subject will be in good overall condition. The LIHTC comparables were built or last renovated between 2004 and 2020 and range from good to excellent condition. Of the LIHTC comparables, Solaris and Villas On Sixth Street will exhibit similar condition to the Subject upon renovation, while the remaining LIHTC comparables will exhibit slightly superior condition to the Subject upon renovation.

In comparison, the market rate comparables were built between 1969 and 1976. Two of the comparables (3401 At Red River and Mueller City View) were renovated between 2013 and 2018, and exhibit good condition, similar to the Subject's condition upon renovation. Two other comparables (Menlo At Mueller and Seventytwo27) were renovated between 2004 and 2005, and exhibit good condition, but slightly inferior to the Subject's condition upon renovation. The remaining comparable (Volume 4) reported limited renovations in 2018, and exhibits average to good condition, inferior to the Subject.

The Subject offers garden-style units, all of which are contained in one two-story residential building. The majority of the comparables offer lowrise and garden-style designs ranging from two to three stories. Two of the comparables offer a combination of garden-style and townhouse units, while one offers a four-story, elevator-serviced midrise design. Overall, the Subject's garden-style units are considered similar to the comparable walk-up designs, and we believe the Subject's design is appropriate and will continued to be well received.

Unit Sizes

The following table compares the Subject's unit sizes to the comparable properties.

UNIT SIZE COMPARISON		
Bedroom Type	OBR	1BR
Subject	225 – 250	410
Average	464	677
Min	389	495
Max	583	815
Advantage/Disadvantage	-51.5% : -46.1%	-39%

As shown, the Subject's studio and one-bedroom units exhibit significant size disadvantages relative to the comparable averages. Overall, we believe the Subject's unit sizes are a weakness of the Subject development. However, given the demand for housing, as well as the proposed added amenities and improved condition, we believe the Subject will still be accepted by the market, despite the unit size disadvantage at appropriately positioned rents. It should be noted that this does have a significant impact on achievable market rents.

MARKET CHARACTERISTICS

Following are relevant market characteristics of the all of the comparable properties surveyed.

Absorption

Absorption information was only available for one of the comparables (Creekview Apartments). However, we were able to obtain absorption information from several additional, recently constructed developments within ten miles of the Subject. The following table details our findings.

ABSORPTION					
Property Name	Rent	Tenancy	Year	Total Units	Absorption (units/month)
Trailhead Apartments	Market	Family	2020	308	27
St. Johns West	Market	Family	2020	297	16
Mckinney Falls Apartments	LIHTC	Family	2020	312	16
Eastridge Apartments	Market	Family	2020	300	20
Creekview Apartments*	LIHTC	Family	2020	264	6
Colorado Creek Apartments	LIHTC	Family	2020	240	7
The Jordan At Mueller	LIHTC	Family	2019	132	22
The Bridge At Harris Ridge	LIHTC	Family	2019	324	25
The Beckett	LIHTC	Family	2019	302	16
Lenox Ridge	Market	Family	2019	350	25
Heights On Parmer Phase II	LIHTC	Family	2019	80	16
FLORA Apartments	Market	Family	2019	194	16
East Vue Ranch	Market	Family	2019	340	20
Bridge At Cameron	LIHTC	Family	2019	263	20
Aura Riverside	Market	Family	2019	368	17
Walnut Park Apartments	Market	Family	2018	277	22
The Guthrie	Market	Family	2018	322	48
Rivers Edge	Market	Family	2018	92	15
Indie Apartments	LIHTC	Family	2018	138	22
E6 Apartments	Market	Family	2018	208	9
Creeside On Parmer Lane	Market	Family	2018	300	14
AMLI Aldrich	Market	Family	2018	318	25
Average					19

*Utilized as a comparable

As shown, reported absorption rates range from six to 48 units per month with an average of 19 units per month. Assuming the Subject was 100 percent vacant, we believe that the Subject would experience an absorption rate of 15 to 20 units per month, and would reach stabilized occupancy of 95 percent within eight to 10 months of opening. However, based on the most recent rent roll dated September 30, 2020, the Subject is currently 89.3 percent occupied. Further, the majority of tenants are expected to remain income-qualified to reside at the Subject, and the proposed renovations are expected to occur with limited tenant-displacement, based on information provided by the client

Unit Mix

The following table displays the unit mix of the surveyed comparable properties, where available. It is worth noting that the complete unit mix by floorplan was not available for several of the comparables. Our findings are summarized following.

UNIT MIX

Unit Type	Total Units (Subject)	Percent (Subject)	Total Units (Comps)*	Percent (Comps)*
Studio	56	39%	167	14%
1BR	88	61%	421	36%
2BR	0	0%	475	41%
3BR	0	0%	92	8%
4BR	0	0%	0	0%
Total	144	100%	1,155	100%

*Does not include units at Aldrich 51, Solaris, and Thineast Apartment Homes.

The comparables offer primarily two-bedroom units followed by one-bedroom and studio units. The Subject offers more studio and one-bedroom units relative to the comparables, and does not offer any two or three-bedroom units. Overall, we anticipate the Subject's unit mix will continue to be well received in the market.

Turnover

The following table displays the annual turnover rates at the comparable properties.

TURNOVER

Property Name	Rent Structure	Tenancy	Annual Turnover
Aldrich 51	LIHTC/ Market	Family	30%
Creekview Apartments*	LIHTC	Family	N/A
Solaris	LIHTC/ Market	Family	35%
Thineast Apartment Homes	LIHTC	Family	30%
Villas On Sixth Street	LIHTC/ Market	Family	20%
3401 At Red River*	Market	Family	26%
Menlo At Mueller	Market	Family	50%
Mueller City View	Market	Family	30%
Seventytwo 27	Market	Family	36%
Volume 4	Market	Family	15%
Average Turnover			30%

*Located outside of the PMA

The comparables reported turnover rates ranging from 15 to 50 percent, with an overall average of 30 percent. The LIHTC comparables operate with an average turnover rate of 29 percent, while the market rate comparables operate with an average turnover rate of 31 percent. The Subject has experienced a turnover rate of approximately 18 percent in 2020. Based on the performance of the LIHTC comparables as well as the Subject, we expect the Subject will operate with a turnover rate of approximately 30 percent or less.

Impact of COVID-19

The following comparables reported an impact from COVID-19.

Aldrich 51 – The contact reported that the property has had to work out payment plans with 15 households affected by COVID-19.

Creekview Apartments – The contact stated that lease-up of the property has slowed some due to the COVID-19 pandemic.

Solaris – The contact stated COVID-19 has impacted the property minimally, and tenants who have struggled to pay rent have been able to use rental assistance programs to pay on time.

Thinkeast Apartment Homes – The contact reported an increase in delinquencies as the most apparent impact to the property due to COVID-19. The property is offering payment plans and is waiving late fees for residents having difficulty paying rent.

Villas On Sixth Street – The contact noted that tenants have been affected by job losses and furloughs due to the ongoing COVID-19 pandemic, and the property is working with residents on a case-by-case basis. The contact stated leasing for the market rate units has slowed to one month, whereas previously leasing took less than two weeks. It was also noted that demand for the affordable units at the property has increased.

Seventytwo 27 – The contact reported that the property experienced an increase in move-outs as a result of the COVID-19 pandemic, and multiple tenants are currently delinquent on rent.

Rental Rate Increases

The table below illustrates the reported rental rate increases and decreases.

RENT GROWTH			
Property Name	Rent Structure	Tenancy	Rent Growth
Aldrich 51	LIHTC/ Market	Family	Kept at max, MR decreased 13-15% since 3Q20
Creekview Apartments*	LIHTC	Family	Kept at Max
Solaris	LIHTC/ Market	Family	Kept at Max, MR fluctuated -6% to 6% since 4Q18
Thinkeast Apartment Homes	LIHTC	Family	Kept at max
Villas On Sixth Street	LIHTC/ Market	Family	LIHTC kept at max; MR remained stable
3401 At Red River*	Market	Family	Fluctuated -5% to 4% since 4Q19
Menlo At Mueller	Market	Family	Fluctuated -17-5% since 1Q20
Mueller City View	Market	Family	Fluctuated -1% to 20 % since 1Q20
Seventytwo 27	Market	Family	Fluctuated -6 to 4% since 4Q20
Volume 4	Market	Family	Decreased 2-4% since 2Q18

*Located outside of the PMA

All of the LIHTC comparables reported keeping rent levels at the maximum allowable levels. Comparatively, the market rate comparables generally experienced fluctuations in rent in recent months. Overall, we believe that the Subject will be able to experience moderate annual rent increases within the allowable limits.

Concessions

The following analysis summarizes concessions being offered at the surveyed properties.

CONCESSIONS

Property Name	Rent Structure	Tenancy	Concessions
Aldrich 51	LIHTC/ Market	Family	None
Creekview Apartments*	LIHTC	Family	None
Solaris	LIHTC/ Market	Family	None
Thinkeast Apartment Homes	LIHTC	Family	None
Villas On Sixth Street	LIHTC/ Market	Family	None
3401 At Red River*	Market	Family	None
Menlo At Mueller	Market	Family	\$99 off first month's rent
Mueller City View	Market	Family	\$300 off first month for select units
Seventytwo 27	Market	Family	None
Volume 4	Market	Family	None

*Located outside of the PMA

Only two of the market rate properties reported offering concessions. None of the affordable properties are currently offering concessions. Given the general lack of concessions in the market, we do not believe the Subject will need to offer rent concessions in order to maintain stabilized occupancy post-renovation.

Waiting Lists

The following analysis summarizes waiting lists at the surveyed properties.

WAITING LIST

Property Name	Rent Structure	Tenancy	Waiting List Length
Aldrich 51	LIHTC/ Market	Family	Yes; for LIHTC units only
Creekview Apartments*	LIHTC	Family	None
Solaris	LIHTC/ Market	Family	None
Thinkeast Apartment Homes	LIHTC	Family	None
Villas On Sixth Street	LIHTC/ Market	Family	Yes; 60 households for LIHTC units
3401 At Red River*	Market	Family	None
Menlo At Mueller	Market	Family	None
Mueller City View	Market	Family	None
Seventytwo 27	Market	Family	None
Volume 4	Market	Family	None

*Located outside of the PMA

Two of the affordable comparables currently maintain waiting lists. None of the market rate comparables maintain waiting lists, and the Subject does not currently have a waiting list. We anticipate that the Subject could, at times, maintain a short waiting list post-renovation.

Vacancy Rates

The following analysis summarizes overall weighted vacancy levels at the surveyed properties.

OVERALL VACANCY

Property Name	Rent Structure	Tenancy	Total Units	Vacant Units	Vacancy Rate
Aldrich 51	LIHTC/ Market	Family	240	17	7.1%
Creekview Apartments*	LIHTC	Family	264	21	8.0%
Solaris	LIHTC/ Market	Family	563	6	1.1%
Thinkeast Apartment Homes	LIHTC	Family	180	8	4.4%
Villas On Sixth Street	LIHTC/ Market	Family	160	0	0.0%
3401 At Red River*	Market	Family	138	10	7.2%
Menlo At Mueller	Market	Family	248	35	14.1%
Mueller City View	Market	Family	145	0	0.0%
Seventytwo 27	Market	Family	164	1	0.6%
Volume 4	Market	Family	36	4	11.1%
Total LIHTC			1,407	52	3.7%
Total Market Rate			731	50	6.8%
Overall Total			2,138	102	4.8%

*Located outside of the PMA

The comparables reported vacancy rates ranging from zero to 14.1 percent with an average of 4.8 percent. The average vacancy rate reported by the comparables that offer LIHTC units was 4.8 percent, below the 6.8 percent average vacancy rate reported for market rate units. It should be noted that two market rate comparables (Menlo At Mueller and Volume 4) reported elevated vacancy rates. However, the contact at Menlo At Mueller stated that the elevated vacancy rate is due to ongoing renovations. Additionally, Volume 4 reported only four vacancies, and the property is relatively small with only 36 units; as such, even a small number of vacancies can create a high vacancy rate. Excluding these two properties, the overall average vacancy rate is just 3.4 percent.

The majority of the property managers willing to comment reported no decrease in occupancy as a result of the COVID-19 pandemic. Several property managers did however observe a decrease in collections and subsequent increase in payment plans as a result. Overall, managers in the market do not expect the number of tenants experiencing difficulties to increase for the following months.

According to the rent roll dated September 30, 2020, the Subject is currently 89.3 percent occupied. The Subject's historical vacancy and collection loss was unavailable. It should be noted that the Subject currently offers weekly and monthly rentals, which likely results in fluctuating occupancy levels. Based on the performance of the comparables, we expect the Subject will operate with a vacancy and collection loss of five percent. Our vacancy conclusion assumes typical 12-month leases.

Historical Vacancy

The following table illustrates historical vacancy rates for the comparables where available.

HISTORICAL VACANCY

Property Name	Program	Total Units	1QTR 2018	2QTR 2018	3QTR 2018	4QTR 2018	2QTR 2019	4QTR 2019	1QTR 2020	2QTR 2020	3QTR 2020	4QTR 2020	1QTR 2021
Aldrich 51	LIHTC/ Market	240	43.3%	N/A	N/A	0.0%	4.6%	0.0%	N/A	0.0%	2.9%	N/A	7.1%
Creekview Apartments*	LIHTC	264	N/A	N/A	N/A	N/A	N/A	N/A	N/A	82.6%	87.9%	79.9%	8.0%
Solaris	LIHTC/ Market	563	5.7%	N/A	N/A	0.0%	N/A	N/A	N/A	N/A	N/A	N/A	1.1%
Thinkeast Apartment Homes	LIHTC	180	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	2.8%	N/A	4.4%
Villas On Sixth Street	LIHTC/ Market	160	N/A	0.0%	0.0%	0.0%	N/A	N/A	N/A	N/A	0.0%	N/A	0.0%
3401 At Red River*	Market	138	N/A	N/A	N/A	N/A	N/A	0.7%	N/A	N/A	N/A	N/A	7.2%
Menlo At Mueller	Market	248	N/A	N/A	11.3%	N/A	N/A	11.3%	25.8%	N/A	N/A	N/A	14.1%
Mueller City View	Market	145	N/A	N/A	5.5%	N/A	N/A	N/A	1.4%	N/A	N/A	N/A	0.0%
Seventytwo 27	Market	164	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	3.0%	0.6%
Volume 4	Market	36	N/A	2.8%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	11.1%
Total		2,138	24.5%	1.4%	5.6%	0.0%	4.6%	4.0%	13.6%	41.3%	23.4%	41.5%	5.4%

*Located outside PMA

As indicated, vacancies have fluctuated among the comparables with data available.

Per TDHCA 2021 guidelines, we have provided the following occupancy table by age, quality, and bedroom type. It is worth noting that several of the comparables reported limited renovations or ongoing renovations; the conditions illustrated below are based on information provided by management as well as our exterior inspections of these properties.

OVERALL VACANCY

Property Name	Year Built/Renovated	Condition	Rent Structure	Tenancy	Total Units	Vacant Units	Vacancy Rate
Aldrich 51	2017	Excellent	LIHTC/ Market	Family	240	17	7.1%
Creekview Apartments*	2020	Excellent	LIHTC	Family	264	21	8.0%
Solaris	1968/2010	Good	LIHTC/ Market	Family	563	6	1.1%
Thinkeast Apartment Homes	2018	Excellent	LIHTC	Family	180	8	4.4%
Villas On Sixth Street	2004	Good	LIHTC/ Market	Family	160	0	0.0%
3401 At Red River*	1976/2013	Good	Market	Family	138	10	7.2%
Menlo At Mueller	1973/2004	Good	Market	Family	248	35	14.1%
Mueller City View	1969/2018	Good	Market	Family	145	0	0.0%
Seventytwo 27	1970/2005	Good	Market	Family	164	1	0.6%
Volume 4	1973/2018	Average to Good	Market	Family	36	4	11.1%
Total LIHTC					1,407	52	3.7%
Total Market Rate					731	50	6.8%
Overall Total					2,138	102	4.8%

*Located outside of the PMA

VACANCY BY BEDROOM TYPE

Property Name	Rent Structure	Tenancy	0BR	1BR	2BR	3BR	Overall
Aldrich 51	LIHTC/ Market	Family	-	-	-	-	7.1%
Creekview Apartments*	LIHTC	Family	-	-	-	-	8.0%
Solaris	LIHTC/ Market	Family	-	-	-	-	1.1%
Thinkeast Apartment Homes	LIHTC	Family	-	-	-	-	4.4%
Villas On Sixth Street	LIHTC/ Market	Family	-	0.0%	0.0%	0.0%	0.0%
3401 At Red River*	Market	Family	2.9%	7.0%	17.6%	-	7.2%
Menlo At Mueller	Market	Family	12.5%	13.3%	14.6%	12.5%	14.1%
Mueller City View	Market	Family	0.0%	0.0%	0.0%	-	0.0%
Seventytwo 27	Market	Family	0.0%	0.0%	1.8%	-	0.6%
Volume 4	Market	Family	16.7%	5.6%	-	-	11.1%

*Located outside of the PMA

REASONABILITY OF RENTS

The following is a discussion about the Subject's and comparable properties' LIHTC rents. "Net rents" are rents adjusted for the cost of utilities (adjusted to the Subject's convention) and are used to compensate for the differing utility structures of the Subject and the comparable properties. Net rents represent the actual costs of residing at a property, and help to provide an "apples-to-apples" comparison of rents. The following tables illustrate the current rent roll and the current vs. proposed unit mixes.

The following table details the Subject's rent roll dated September 30, 2020.

RENT ROLL ANALYSIS (9/30/2020)

Unit Type	Unit Size (SF)	Number of Units	Vacant	Occupancy Rate	Min Leased Rent	Max Leased Rent*	Average Leased Rent*
<i>Market Rate</i>							
OBR / 1BA	225	8	1	12.5%	\$600	\$600	\$600
OBR / 1BA	250	56	9	16.1%	\$720	\$780	\$745
1BR / 1BA	410	84	6	7.1%	\$720	\$850	\$825
<i>Non-Rental</i>							
2BR / 2BA	780	1	0	0.0%	-	-	-
Total		149	16	10.7%			

*The Subject currently offers both weekly and monthly rentals.

Following acquisition/rehabilitation, the Subject will offer 56 studio units and 88 one-bedroom units restricted to low-income households with incomes at the 50 percent of the Area Median Income (AMI) or less. The renovation will also consist of taking the eight small studios and converting them into four one-bedroom (450 sf) units, and the managers unit will be converted to office space for the property management/social services staff. The Subject's proposed rents are set at the 2020 maximum allowable 50 percent AMI level. The following table illustrates the difference between proposed and current rents.

CURRENT/PROPOSED DIFFERENTIAL

Unit Type	Unit Size (SF)	Number of Units	Current Rent	Proposed Rent	Current/Proposed Differential	Current/Proposed Differential %
<i>Market Rate</i>						
OBR / 1BA	225	8	\$600	\$855	\$255	43%
OBR / 1BA	250	56	\$780	\$855	\$135	17%
1BR / 1BA	410	84	\$850	\$915	\$65	8%
<i>Non-Rental</i>						
2BR / 2BA	780	1	-	-	-	-
Total		149				

As illustrated, the proposed rents are higher than the current asking rents.

According to the client, the majority of households are expected to remain income-qualified to stay at the property following renovation. Further, the proposed renovations will occur with the tenants in-place. Thus, limited, if any, displacement is anticipated as a result of the proposed renovations. However, we assume that current tenants will not be charged the full asking rent, but rather will have rents increased over time. It should be noted that the speculation of tenants remaining income-qualified post-renovation is based on information

provided by the client, and an income audit was not provided.

Achievable LIHTC Rents

Provided following is a summary of the 50 percent AMI level rental analysis.

LIHTC RENT COMPARISON

Property Name	County	Tenancy	0BR	1BR	Rents at Max?
Kensington Apartments - As Proposed	Travis	Family	\$855	\$915	Yes
LIHTC Maximum Rent (Net)	Travis		\$1,026	\$1,098	
Aldrich 51 @60%	Travis	Family	\$1,018	\$1,086	Yes
Aldrich 51 @50%	Travis	Family	\$847	\$903	Yes
Creekview Apartments @60%	Travis	Family	\$1,019	\$1,088	Yes
Solaris @50%	Travis	Family	\$898	\$1,021	Yes
Thinkeast Apartment Homes @60%	Travis	Family	\$1,019	\$1,088	Yes
Villas on Sixth Street @50%	Travis	Family		\$941	Yes
Average			\$1,019	\$1,087	
Achievable LIHTC Rent			\$855	\$915	Yes

The Subject's proposed 50 percent AMI LIHTC rents are set at the 2020 maximum allowable levels. All of the comparables reported achieving rents at the maximum allowable levels, even at both the 50 and 60 percent AMI levels. As such, we believe that maximum allowable rents will be achievable for the Subject upon completion of the proposed renovations.

Achievable Market Rents & Comparable Units

Per TDHCA guidelines, Novogradac has prepared separate rent matrices to support the estimate of achievable unrestricted market rents, which can be found on the following pages. Following the grids, we have detailed the adjustments made in the Rent Comparability Matrices for the market rate properties. Through our explanation of adjustments, we have detailed additional comparable characteristics including age/year of renovation, condition, target population (all comparables target the general population, similar to the Subject), unit amenities, and utility structure. We included the most similar comparable studio and one-bedroom units at the most similar market rate comparables in the rent grids.

KENSINGTON APARTMENTS - AUSTIN, TEXAS – MARKET STUDY

OBR (250sf)

Subject		Comp #6		Comp #7		Comp #8		Comp #9	
Kensington Apartments - As Proposed		Data		Data		Data		Data	
3300 Manor Road		on							
Austin, Travis		Subject							
A. Rents Charged		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
1	\$ Last Rent / Restricted?	\$1,099	N	\$835	N	\$925	N	\$899	N
2	Date Last Leased (mo/yr)	Jan-21		Jan-21		Jan-21		Jan-21	
3	Rent Concessions	N		Y	(\$8)	N		N	
4	Occupancy for Unit Type	97.1%		87.5%		100.0%		100.0%	
5	Effective Rent & Rent / sq. ft	\$1,099	\$2.83	\$827	\$1.88	\$925	\$2.26	\$899	\$2.26
In Parts B thru E, adjust only for differences the subject's market values.									
B. Design, Location, Condition		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
6	Structure / Stories	G/2		G / 2		G / 2		G / 3	
7	Yr. Built / Yr. Renovated	1968 / 2023		1976 / 2013		1969 / 2018		1970 / 2005	
8	Condition / Street Appeal	G		G	\$100	G		G	\$100
9	Neighborhood	A		G	(\$50)	A		A	
10	Same Market? Miles to Subj.	Yes/1.4		Yes/2.4		Yes/2		Yes/2.7	
C. Unit Equipment / Amenities		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
11	# Bedrooms	0		0		0		0	
12	# Bathrooms	1		1		1		1	
13	Unit Interior Sq. Ft.	250		389	(\$100)	410	(\$100)	398	(\$100)
14	Balcony / Patio	N		Y	(\$10)	Y	(\$10)	Y	(\$10)
15	AC: Central / Wall	C		C		C		C	
16	Range / Refrigerator	R/F		R/F		R/F		R/F	
17	Microwave / Dishwasher	M / D		D		D		D	
18	Washer / Dryer	L		HU	(\$10)	L		L/HU	(\$15)
19	Floor Coverings	HW		C		C		C	
20	Window Coverings	B		B		B		B	
21	Cable / Satellite / Internet	Y		N	\$35	N	\$35	N	\$35
22	Special Features	N		N		N		N	
23									
D. Site Equipment / Amenities		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
24	Parking (\$ Fee)	L		L/C(\$60)	(\$30)	L		L	
25	Extra Storage	N		N		Y	(\$10)	Y	(\$10)
26	Security	Y		N	\$10	N	\$10	Y	
27	Clubhouse / Meeting Rooms	MR		MR		N	\$10	N	\$10
28	Pool / Recreation Areas	R		P/R	(\$10)	P/E	(\$10)	P	(\$5)
29	Business Ctr / Nbd Network	BC		N	\$10	BC		N	\$10
30	Service Coordination	Y		N	\$25	N	\$25	N	\$25
31	Non-shelter Services	N		N		N		N	
32	Neighborhood Network	N		N		N		N	
E. Utilities		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
33	Heat (in rent? / type)	Y/G		N/E	\$5	Y/G		N/E	\$5
34	Cooling (in rent? / type)	Y/C		N/C	\$10	N/C	\$10	N/C	\$10
35	Cooking (in rent? / type)	Y/G		N/E	\$1	Y/G		N/E	\$1
36	Hot water (in rent? / type)	Y/G		N/E	\$3	Y/G		N/E	\$3
37	Other Electric	Y		N	\$22	N	\$22	N	\$22
38	Cold Water / Sewer	Y/Y		N/N	\$108	Y/Y		Y/Y	
39	Trash / Recycling	Y		N	\$25	Y		Y	
F. Adjustments Recap		Pos	Neg	Pos	Neg	Pos	Neg	Pos	Neg
40	# Adjustments B to D	4	(4)	4	(5)	5	(4)	5	(5)
41	Sum Adjustments B to D	\$80	(\$170)	\$170	(\$165)	\$90	(\$130)	\$180	(\$140)
42	Sum Utility Adjustments	\$174		\$149		\$32		\$41	
		Net	Gross	Net	Gross	Net	Gross	Net	Gross
43	Net / Gross Adjustments B to E	\$84	\$424	\$154	\$484	(\$8)	\$252	\$81	\$361
G. Adjusted & Market Rents		Adj. Rent		Adj. Rent		Adj. Rent		Adj. Rent	
44	Adjusted Rent (5 + 43)	\$1,183		\$981		\$917		\$980	
45	Adj Rent / Last rent		108%		119%		99%		109%
46	Estimated Market Rent	\$1,050		\$4.20 Estimated Market Rent / Sq. Ft.					

KENSINGTON APARTMENTS - AUSTIN, TEXAS – MARKET STUDY

1BR (410sf)

Subject		Comp #6		Comp #7		Comp #8		Comp #9	
Kensington Apartments - As Proposed		Data		Data		Data		Data	
3300 Manor Road		on							
Austin, Travis		Subject							
A. Rents Charged		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
1	\$ Last Rent / Restricted?		\$1,205	N	\$850	N	\$999	N	\$1,084
2	Date Last Leased (mo/yr)		Jan-21		Jan-21		Jan-21		Jan-21
3	Rent Concessions		N		Y	(\$8)	N		N
4	Occupancy for Unit Type		100.0%		95.0%		100.0%		100.0%
5	Effective Rent & Rent / sq. ft		\$1,205	\$2.41	\$842	\$1.30	\$999	\$1.75	\$1,084
In Parts B thru E, adjust only for differences the subject's market values.									
B. Design, Location, Condition		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
6	Structure / Stories	G/2		G / 2		G / 2		G / 3	
7	Yr. Built / Yr. Renovated	1968 / 2023		1976 / 2013		1973 / 2004		1969 / 2018	
8	Condition / Street Appeal	G		G	\$100	G		G	\$100
9	Neighborhood	A		G	(\$50)	A		A	
10	Same Market? Miles to Subj.		Yes/1.4		Yes/2.4		Yes/2		Yes/2.7
C. Unit Equipment / Amenities		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
11	# Bedrooms	1		1		1		1	
12	# Bathrooms	1		1		1		1	
13	Unit Interior Sq. Ft.	410		500	(\$76)	650	(\$100)	570	(\$98)
14	Balcony / Patio	N		Y	(\$10)	Y	(\$10)	Y	(\$10)
15	AC: Central / Wall	C		C		C		C	
16	Range / Refrigerator	R/F		R/F		R/F		R/F	
17	Microwave / Dishwasher	M / D		M / D		D		D	
18	Washer / Dryer	L		L		HU	(\$10)	L	
19	Floor Coverings	HW		C		C		C	
20	Window Coverings	B		B		B		B	
21	Cable / Satellite / Internet	Y		N	\$35	N	\$35	N	\$35
22	Special Features	N		N		N		N	
23									
D. Site Equipment / Amenities		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
24	Parking (\$ Fee)	L		L/C(\$60)	(\$30)	L		L	
25	Extra Storage	N		N		Y	(\$10)	Y	(\$10)
26	Security	Y		Y		N	\$10	Y	
27	Clubhouse / Meeting Rooms	MR		N	\$10	MR		N	\$10
28	Pool / Recreation Areas	R		P/R	(\$10)	P/E/R	(\$10)	P	(\$5)
29	Business Ctr / Nbd Network	BC		N	\$10	BC		N	\$10
30	Service Coordination	Y		N	\$25	N	\$25	N	\$25
31	Non-shelter Services	N		N		N		N	
32	Neighborhood Network	N		N		N		N	
E. Utilities		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
33	Heat (in rent? / type)	Y/G		N/E	\$6	N/E	\$6	Y/G	
34	Cooling (in rent? / type)	Y/C		N/C	\$12	N/C	\$12	N/C	\$12
35	Cooking (in rent? / type)	Y/G		N/E	\$1	N/E	\$1	Y/G	
36	Hot water (in rent? / type)	Y/G		N/E	\$3	N/E	\$3	Y/G	
37	Other Electric	Y		N	\$24	N	\$24	N	\$24
38	Cold Water / Sewer	Y/Y		N/N	\$110	N/N	\$110	Y/Y	
39	Trash / Recycling	Y		N	\$25	Y		Y	
F. Adjustments Recap		Pos	Neg	Pos	Neg	Pos	Neg	Pos	Neg
40	# Adjustments B to D	4	(4)	4	(5)	5	(4)	5	(5)
41	Sum Adjustments B to D	\$80	(\$146)	\$170	(\$165)	\$90	(\$128)	\$180	(\$140)
42	Sum Utility Adjustments	\$181		\$156		\$36		\$46	
43	Net / Gross Adjustments B to E	\$115	\$407	\$161	\$491	(\$2)	\$254	\$96	\$366
G. Adjusted & Market Rents		Adj. Rent		Adj. Rent		Adj. Rent		Adj. Rent	
44	Adjusted Rent (5 + 43)	\$1,320		\$1,003		\$997		\$1,170	
45	Adj Rent / Last rent		110%		119%		100%		108%
46	Estimated Market Rent	\$1,225	\$2.99 Estimated Market Rent / Sq. Ft.						

KENSINGTON APARTMENTS - AUSTIN, TEXAS – MARKET STUDY

1BR (450sf)

Subject		Comp #6		Comp #7		Comp #8		Comp #9	
Kensington Apartments - As Proposed		Data		Data		Data		Data	
3300 Manor Road		on							
Austin, Travis		Subject							
A. Rents Charged		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
1	\$ Last Rent / Restricted?	\$1,205	N	\$850	N	\$999	N	\$1,084	N
2	Date Last Leased (mo/yr)	Jan-21		Jan-21		Jan-21		Jan-21	
3	Rent Concessions	N		Y	(\$8)	N		N	
4	Occupancy for Unit Type	100.0%		95.0%		100.0%		100.0%	
5	Effective Rent & Rent / sq. ft	\$1,205	\$2.41	\$842	\$1.30	\$999	\$1.75	\$1,084	\$1.64
In Parts B thru E, adjust only for differences the subject's market values.									
B. Design, Location, Condition		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
6	Structure / Stories	G/2		G / 2		G / 2		G / 3	
7	Yr. Built / Yr. Renovated	1968 / 2023		1976 / 2013		1969 / 2018		1970 / 2005	
8	Condition / Street Appeal	G		G	\$100	G		G	\$100
9	Neighborhood	A		G	(\$50)	A		A	
10	Same Market? Miles to Subj.	Yes/1.4		Yes/2.4		Yes/2		Yes/2.7	
C. Unit Equipment / Amenities		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
11	# Bedrooms	1		1		1		1	
12	# Bathrooms	1		1		1		1	
13	Unit Interior Sq. Ft.	450	(\$42)	500	(\$100)	570	(\$74)	660	(\$100)
14	Balcony / Patio	N	(\$10)	Y	(\$10)	Y	(\$10)	Y	(\$10)
15	AC: Central / Wall	C		C		C		C	
16	Range / Refrigerator	R/F		R/F		R/F		R/F	
17	Microwave / Dishwasher	M / D		M / D		D		D	
18	Washer / Dryer	L		L	(\$10)	L		L/HU	(\$15)
19	Floor Coverings	HW		C		C		C	
20	Window Coverings	B		B		B		B	
21	Cable / Satellite / Internet	Y	\$35	N	\$35	N	\$35	N	\$35
22	Special Features	N		N		N		N	
23									
D. Site Equipment / Amenities		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
24	Parking (\$ Fee)	L	L/C(\$60)	L	(\$30)	L		L	
25	Extra Storage	N		N		Y	(\$10)	Y	(\$10)
26	Security	Y		N	\$10	N	\$10	Y	
27	Clubhouse / Meeting Rooms	MR	\$10	MR		N	\$10	N	\$10
28	Pool / Recreation Areas	R	(\$10)	P/E/R	(\$15)	P/E	(\$10)	P	(\$5)
29	Business Ctr / Nbd Network	BC	\$10	BC		N	\$10	N	\$10
30	Service Coordination	Y	\$25	N	\$25	N	\$25	N	\$25
31	Non-shelter Services	N		N		N		N	
32	Neighborhood Network	N		N		N		N	
E. Utilities		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
33	Heat (in rent? / type)	Y/G	N/E \$6	N/E	\$6	Y/G		N/E	\$6
34	Cooling (in rent? / type)	Y/C	N/C \$12	N/C	\$12	N/C	\$12	N/C	\$12
35	Cooking (in rent? / type)	Y/G	N/E \$1	N/E	\$1	Y/G		N/E	\$1
36	Hot water (in rent? / type)	Y/G	N/E \$3	N/E	\$3	Y/G		N/E	\$3
37	Other Electric	Y	N \$24	N	\$24	N	\$24	N	\$24
38	Cold Water / Sewer	Y/Y	N/N \$110	N/N	\$110	Y/Y		Y/Y	
39	Trash / Recycling	Y	N \$25	Y		Y		Y	
F. Adjustments Recap		Pos	Neg	Pos	Neg	Pos	Neg	Pos	Neg
40	# Adjustments B to D	4	(4)	4	(5)	5	(4)	5	(5)
41	Sum Adjustments B to D	\$80	(\$112)	\$170	(\$165)	\$90	(\$104)	\$180	(\$140)
42	Sum Utility Adjustments	\$181		\$156		\$36		\$46	
		Net	Gross	Net	Gross	Net	Gross	Net	Gross
43	Net / Gross Adjustments B to E	\$149	\$373	\$161	\$491	\$22	\$230	\$86	\$366
G. Adjusted & Market Rents		Adj. Rent		Adj. Rent		Adj. Rent		Adj. Rent	
44	Adjusted Rent (5 + 43)	\$1,354		\$1,003		\$1,021		\$1,170	
45	Adj Rent / Last rent		112%		119%		102%		108%
46	Estimated Market Rent	\$1,250	\$2.78 Estimated Market Rent / Sq. Ft.						

EXPLANATION OF ADJUSTMENTS & PROPERTY CHARACTERISTIC

Occupancy/Concessions

One of the comparables (Menlo At Mueller) is offering a concession and has been adjusted accordingly. None of the remaining comparables are offering concessions, and as such no adjustments are warranted.

Number of Stories/Elevators

The Subject's units are located in a two-story garden-style building. All of the comparables offer similar building types. As such, not adjustments are necessary.

Age/Condition (Built or Last Renovated)

The Subject was constructed in 1968 and will be renovated in 2023. Following completion of the renovations, the Subject will be in good overall condition. All of the comparables were built between 1969 and 1976. Two of the comparables (3401 At Red River and Mueller City View) were renovated between 2013 and 2018, and exhibit good condition, similar to the Subject's condition upon renovation. Two other comparables (Menlo At Mueller and Seventytwo27) were renovated between 2004 and 2005, and exhibit good condition, but slightly inferior to the Subject's condition upon renovation. The remaining comparable (Volume 4) reported limited renovations in 2018, and exhibits average to good condition, inferior to the Subject.

To estimate an adjustment for condition, we identified a market rate property (38 Plaza) in the area, which reported rent premiums ranging from \$145 to \$170 following recent renovations. As such, we have adjusted Menlo At Mueller and Seventytwo27 upward by \$100, and Volume 4 upward by \$150. No other adjustments are necessary.

Location/Neighborhood

The following table compares the Subject's location (defined as a 0.5-mile radius from the property) compared to that of the comparable properties.

LOCATION COMPARISON					
Property Name	Zip Code	Median Income	Median Rent	Median Home Value	Rent Differential
Kensington Apartments - As Is	78723	\$49,606	\$964	\$268,700	-
3401 At Red River*	78705	\$15,309	\$1,198	\$417,800	19.5%
Menlo At Mueller	78723	\$49,606	\$964	\$268,700	0.0%
Mueller City View	78723	\$49,606	\$964	\$268,700	0.0%
Seventytwo 27	78723	\$49,606	\$964	\$268,700	0.0%
Volume 4	78722	\$69,267	\$1,280	\$358,900	24.7%

In terms of demographics, two of the comparables (3401 At Red River and Volume 4) are located in slightly superior neighborhoods relative to the Subject, while the remaining comparables are located in generally similar neighborhoods relative to the Subject. As such, we have applied downward adjustments of \$50 to 3401 At Red River and Volume 4. No other adjustments are necessary.

Unit Type

All of the comparables offer similar units types relative to the Subject. As such, no adjustments are necessary.

Number of Bathrooms

The Subject offers one bathroom in all of its units, similar to the comparables. As such, no adjustments are necessary.

Unit Size Adjustment

The following table summarizes the unit size of comparable properties surveyed that correspond with the Subject's unit mix.

Bedroom Type	0BR	1BR
Subject	225 – 250	410
Average	464	677
Min	389	495
Max	583	815
Advantage/Disadvantage	-51.5% : -46.1%	-39%

The Subject's units are smaller than the surveyed average unit sizes, and below the surveyed ranges.

The Subject and the comparable properties vary in square footage. Most market observers agree that with all other variables being equal, a larger unit is more desirable than a smaller unit. However, typically the value of the additional square footage is mitigated to some degree by the similarity in perceived unit function (i.e. a 600 square foot two-bedroom functions similarly to a 700 square foot two-bedroom) reflective of economies of scale. In other words, there is a diminishing return of value for additional square footage, as each additional square foot does not necessarily equal additional functional utility. We have analyzed the following matched pairs among the comparable properties to determine the appropriate adjustments for unit sizes for one-bedroom units.

SUPPORT FOR SQUARE FOOTAGE ADJUSTMENT

Property Name	Unit Type	Structure	Rent	SF	Rent / SF	Marginal RPSF (%)
3401 At Red River	1BR / 1BA	Garden	\$1,259	633	\$1.99	20.4%
	1BR / 1BA	Garden	\$1,205	500	\$2.41	
	Difference		\$54	133	\$0.41	
3401 At Red River	1BR / 1BA	Garden	\$1,269	704	\$1.80	17.4%
	1BR / 1BA	Garden	\$1,205	500	\$2.41	
	Difference		\$64	204	\$0.31	
3401 At Red River	1BR / 1BA	Garden	\$1,269	704	\$1.80	7.8%
	1BR / 1BA	Garden	\$1,259	633	\$1.99	
	Difference		\$10	71	\$0.14	
3401 At Red River	1BR / 1BA	Garden	\$1,474	719	\$2.05	59.9%
	1BR / 1BA	Garden	\$1,205	500	\$2.41	
	Difference		\$269	219	\$1.23	
3401 At Red River	2BR / 1BA	Garden	\$1,785	887	\$2.01	24.8%
	2BR / 1BA	Garden	\$1,769	855	\$2.07	
	Difference		\$16	32	\$0.50	
Menlo At Mueller	1BR / 1BA	Garden	\$905	750	\$1.21	45.6%
	1BR / 1BA	Garden	\$850	650	\$1.31	
	Difference		\$55	100	\$0.55	
Menlo At Mueller	1BR / 1BA	Garden	\$905	750	\$1.21	41.4%
	1BR / 1BA	Garden	\$940	680	\$1.38	
	Difference		-\$35	70	\$0.50	
Mueller City View	1BR / 1BA	Garden	\$1,079	680	\$1.59	45.8%
	1BR / 1BA	Garden	\$999	570	\$1.75	
	Difference		\$80	110	\$0.73	
Solaris	1BR / 1BA	Garden	\$862	676	\$1.28	3.2%
	1BR / 1BA	Garden	\$855	506	\$1.69	
	Difference		\$7	170	\$0.04	
Solaris	1BR / 1BA	Garden	\$879	746	\$1.18	8.5%
	1BR / 1BA	Garden	\$855	506	\$1.69	
	Difference		\$24	240	\$0.10	
Solaris	1BR / 1BA	Garden	\$879	746	\$1.18	20.6%
	1BR / 1BA	Garden	\$862	676	\$1.28	
	Difference		\$17	70	\$0.24	
Solaris	2BR / 2BA	Garden	\$1,135	950	\$1.19	63.9%
	2BR / 2BA	Garden	\$1,106	912	\$1.21	
	Difference		\$29	38	\$0.76	
Solaris	2BR / 2BA	Garden	\$1,308	1,200	\$1.09	64.3%
	2BR / 2BA	Garden	\$1,106	912	\$1.21	
	Difference		\$202	288	\$0.70	
Solaris	2BR / 2BA	Garden	\$1,308	1,200	\$1.09	63.5%
	2BR / 2BA	Garden	\$1,135	950	\$1.19	
	Difference		\$173	250	\$0.69	
Average						34.8%

As indicated, the price per square foot differential ranges from 3.2 percent to 64.3 percent, with an average of 34.8 percent. As such, we believe a 35 percent rent differential is reasonable for the unit size adjustment and we have applied it to the comparables. We have, however, capped the square foot adjustment at \$100.

Utilities Paid by Tenant

The landlord is responsible for all utilities, including gas cooking, gas heating, gas water heating, general electric, cold water, sewer, and trash removal, as well as common area amenities. Post-renovation, the utility structure will remain the same. The comparable properties with differing utility structures when compared to the Subject have received adjustments. These adjustments are based on the utility allowance schedule provided by the Housing Authority of the City of Austin effective June 1, 2020.

Unit Amenities

The Subject's unit amenities include blinds, vinyl flooring, central heating and air conditioning, and walk-in closets. Kitchen appliances include an oven/stove and refrigerator. The Subject also offers basic cable included in the rent. Unit amenities will also include a dishwasher, garbage disposal, microwave, and ceiling fan, as well as free Wi-Fi following renovation. It should be noted that cable will not be included in the rent post-renovation. Overall, the Subject is similar to slightly inferior to the majority of the comparable properties based on unit amenities.

Parking/Transportation

The Subject offers 122 off-street surface parking spaces, or 0.8 parking spaces per unit. All of the market rate comparables offer off-street parking included in the rent, similar to the Subject. Additionally, two comparables also offer carport parking, one of which is for an additional \$60 per month. We therefore have applied a downward adjustment to the comparables offering free carport parking.

Property Amenities

The Subject's common area amenities include a central laundry facility, picnic area, recreation area, courtyard, and on-site management. Following renovation, a clubhouse/community room, computer lab/business center, and service coordination will also be offered, which will include social events, computer and financial literacy courses, and mental and physical wellness services. Overall, the Subject is similar to slightly superior to the market rate comparable properties based on property amenities.

Security

The Subject offers video surveillance and a security patrol as security features. Post-renovation, the security features will remain unchanged. All but two of the comparables offer some form of security; as such, no adjustments are warranted for these comparables. We have applied upward adjustments of to the two comparables with no security features.

Achievable Market Rents

Based on the proposed rents, the Subject's restricted rental rates are below the achievable market rates for the PMA. The following table shows the rent comparison for achievable market rents at comparable properties and the proposed rents at the Subject.

SUBJECT COMPARISON TO MARKET RENTS

Unit Type	SF	Rent Level	Subject's Pro Forma Rents	Surveyed Min	Surveyed Max	Surveyed Average	Achievable Market Rent	Subject Rent Advantage/Disadvantage
OBR / 1BA	250	@50%	\$855	\$940	\$1,273	\$1,013	\$1,050	19%
BR / 1BA	410	@50%	\$915	\$998	\$1,655	\$1,206	\$1,225	25%
1BR / 1BA	450	@50%	\$915	\$998	\$1,655	\$1,206	\$1,250	27%

The Subject will be in good condition as a newly renovated property and will be similar to slightly superior to the comparables in terms of age/condition. The Subject is similar to slightly inferior to the majority of the comparable properties based on unit amenities, and similar to slightly superior to the comparable properties based on property amenities. Conversely, the Subject will have inferior unit sizes relative to the comparables. While we have relied on all of the comparables, we have placed more weight on the comparables that offer the most similar condition relative to the Subject (3401 At Red River and Mueller City View). Overall, the Subject's proposed affordable rents will offer advantages ranging from 19 to 27 percent over our achievable market rents.

Impact on Existing Affordable Housing

The comparables reported vacancy rates ranging from zero to 14.1 percent with an average of 4.8 percent. The average vacancy rate reported by the comparables that offer LIHTC units was 4.8 percent, below the 6.8 percent average vacancy rate reported for market rate units. It should be noted that two market rate comparables (Menlo At Mueller and Volume 4) reported elevated vacancy rates. However, the contact at Menlo At Mueller stated that the elevated vacancy rate is due to ongoing renovations. Additionally, Volume 4 reported only four vacancies, and the property is relatively small with only 36 units; as such, even a small number of vacancies can create a high vacancy rate. Excluding these two properties, the overall average vacancy rate is just 3.4 percent.

The majority of the property managers willing to comment reported no decrease in occupancy as a result of the COVID-19 pandemic. Several property managers did however observe a decrease in collections and subsequent increase in payment plans as a result of the COVID-19 pandemic. Overall, managers in the market do not expect the number of tenants experiencing difficulties to increase for the following months.

According to the rent roll dated September 30, 2020, the Subject is currently 89.3 percent occupied. The Subject's historical vacancy and collection loss was unavailable. It should be noted that the Subject currently offers weekly and monthly rentals, which likely results in fluctuating occupancy levels. Based on the performance of the comparables, we expect the Subject will operate with a vacancy and collection loss of five percent. Our vacancy conclusion assumes typical 12-month leases.

Overall, given the performance of the comparables and that the Subject will be the acquisition/renovation of an existing well occupied development with rents comparable to those being achieved at affordable developments, we do not believe it will adversely impact the existing LIHTC comparable properties, as the majority of current tenants are expected to remain income qualified post-renovation, based on information provided by the client.

VI. DEMAND ANALYSIS

DEMAND ANALYSIS

The Subject property is an acquisition/rehabilitation of an existing market rate development. Following renovation, the Subject will offer 64 studio units and 84 one-bedroom units restricted to low-income households with incomes at the 50 percent of the Area Median Income (AMI) or less.

Per TDHCA guidelines, our estimate of demand for the LIHTC units proposed at the Subject will be based on base year current households (2020) adjusted to the projected date of market entry, which is February 2023. Demand will be calculated for each proposed rent level and each bedroom size. Income qualified households will not be double counted.

The results provide an indication of the total number of households that are income and size-qualified to reside at the Subject.

GROSS DEMAND FROM EXISTING HOUSEHOLDS – PMA

Number of Existing Households for the Current Year

The total number of renter households in the PMA in 2020 is 17,813 and the total number of renter households in 2025 is projected to be 20,168. Based on this information, the total number of renter households in the year of market entry is projected to be 19,030. This is a beginning point for analysis.

New Households at Market Entry

According to ESRI Business Information Solutions, the number of renter households in the PMA will increase from 17,813 to 19,030 between 2020 and February 2023, which is an increase of 1,217 households.

Number of Income and Size Qualified Renter Households

The Subject represents 144 LIHTC units. LIHTC maximum rent and income limits are based on the area median gross income (AMI), adjusted for household size, for the Subject's location. HUD estimates the relevant income levels with annual updates. The rents are calculated by HUD assuming that the gross rent a household pays is 30 percent of its household income at the relevant AMI level (50 percent for the Subject). HUD assumes household size to be 1.5 persons per bedroom for LIHTC rent calculation purposes.

If the tenant pays utilities in addition to the rent, the rent is reduced by a utility allowance, which is generally estimated by the local Housing Authority.

By multiplying the total number of renter households by the percentage of income eligible households, we can estimate the number of income eligible renter households in the local market area. Per TDHCA guidelines, if some households are eligible for more than one unit type due to overlapping eligible ranges for income or household size, we have adjusted Gross Demand to avoid including households more than once.

Setting the Minimum and Maximum Eligible Income Ranges

To establish the number of income eligible potential tenants for the Subject, the calculations are as follows:

First, we estimate the Subject minimum and maximum income levels for the proposed LIHTC project. Per TDHCA guidelines, minimum income levels were calculated based on the assumption that lower income family households should pay no more than 40 percent of their income to gross rent and lower income senior households should pay no more than 50 percent of their income to gross rent.

Often, lower income households pay a higher percentage of income to rent due to their income level. Although higher income households generally spend a smaller portion of their income on rent, the area is not dominated by high incomes.

Secondly, we illustrate the household population segregated by income band and household size to determine those who are income qualified to reside in the Subject property.

Third, we combine the allowable income range with the income distribution analysis to determine the number of potential income qualified households. In some cases the LIHTC income eligible band overlaps with more than one census income range. In those cases, the prorated share of more than one census range will be calculated. This provides an estimate of the total number of households and the percentage of households that are income eligible.

The proposed LIHTC rents are to be set at 50 percent of the AMI. HUD establishes the maximum income level for the Subject based on household size. For demand calculation purposes, we will assume 1.0 person per studio unit and 2.0 persons per one-bedroom unit when establishing maximum income eligibility for all units. The regulations promulgated by TDHCA indicate that the minimum income level scenario should assume that households are not paying more than 40 percent of their income on housing. The maximum and minimum eligible household income limits for the Subject's units are as follows.

FAMILY INCOME LIMITS

Unit Type	Minimum Allowable Income	Maximum Allowable Income
	@50%	
0BR	\$25,650	\$34,200
1BR	\$27,450	\$39,050

Number of Appropriate Sized Households

In order to determine the number of appropriate sized households for each bedroom type, we first analyze the number of households in each income cohort at the time of market entry, as detailed in the following table.

RENTER HOUSEHOLD INCOME BY HOUSEHOLD SIZE

Income Cohort	PMA Projected Mkt Entry February 2023				
	1	2	3	4	5+
\$0-9,999	1,127	278	170	156	219
\$10,000-19,999	951	277	271	125	350
\$20,000-29,999	764	413	256	264	410
\$30,000-39,999	586	366	216	148	330
\$40,000-49,999	549	364	239	250	226
\$50,000-59,999	378	419	208	104	58
\$60,000-74,999	416	546	458	101	161
\$75,000-99,999	587	581	363	350	195
\$100,000-124,999	337	360	206	268	89
\$125,000-149,999	284	325	106	67	199
\$150,000-199,999	399	433	259	54	51
\$200,000+	313	391	365	81	213
Total	6,691	4,753	3,117	1,968	2,500

Source: HISTA Data / Ribbon Demographics 2020, Novogradac Consulting LLP, January 2021

Calculation of Potential Household Demand by Income Cohort by Person – As Proposed

To avoid double counting, we have illustrated the potential household demand by person for each set aside. It should be noted that, according to the 2019 American Community Survey, of the 15,865 renter households in Travis County consisting of 5+ person households, 10,214 households, or 64.4 percent are five-person households, 4,089 or 25.8 percent are six-person households, and 1,562 or 9.9 percent are 7+ person households. Since the Subject will target one to two-person households, applying these percentages is not necessary.

Calculation of Potential Household Demand by Income Cohort by Person				
1 PERSON		@50%	LIHTC ONLY TOTAL	
Minimum Income Limit	1 PERSON	\$25,650	Eligible	Ineligible
Maximum Income Limit	Households	\$34,200		
\$0-9,999	1,127	0	0	1,127
\$10,000-19,999	951	0	0	951
\$20,000-29,999	764	332	332	432
\$30,000-39,999	586	246	246	340
\$40,000-49,999	549	0	0	549
\$50,000-59,999	378	0	0	378
\$60,000-74,999	416	0	0	416
\$75,000-99,999	587	0	0	587
\$100,000-124,999	337	0	0	337
\$125,000-149,999	284	0	0	284
\$150,000-199,999	399	0	0	399
\$200,000+	313	0	0	313
Subtotal	6,691	579	579	6,113

Calculation of Potential Household Demand by Income Cohort by Person				
2 PERSON		@50%	LIHTC ONLY TOTAL	
Minimum Income Limit	2 PERSON	\$27,450	Eligible	Ineligible
Maximum Income Limit	Households	\$39,050		
\$0-9,999	278	0	0	278
\$10,000-19,999	277	0	0	277
\$20,000-29,999	413	105	105	308
\$30,000-39,999	366	332	332	35
\$40,000-49,999	364	0	0	364
\$50,000-59,999	419	0	0	419
\$60,000-74,999	546	0	0	546
\$75,000-99,999	581	0	0	581
\$100,000-124,999	360	0	0	360
\$125,000-149,999	325	0	0	325
\$150,000-199,999	433	0	0	433
\$200,000+	391	0	0	391
Subtotal	4,753	437	437	4,317

The following table illustrates the total income qualified households by AMI level and household size.

DEMAND BY AMI LEVEL AND HOUSEHOLD SIZE

	1 Person	2 Person	3 Person	4 Person	5 Person	6 Person	7 Person
@50%	579	437	0	0	0	0	0
Total LIHTC*	579	437	0	0	0	0	0

*Some numbers may appear off due to rounding

We made assumptions (consistent with TDHCA minimum and maximum estimates of persons per bedroom) based on the average household size in the market to estimate the distribution of households by unit type. Following are these assumptions.

HOUSEHOLD DISTRIBUTION MATRIX		
Bedrooms		
Household Size	0BR	1BR
1 person	70%	30%
2 persons	0%	100%
3 persons	0%	0%
4 persons	0%	0%
5 persons	0%	0%
6 persons	0%	0%
7 persons	0%	0%

Third, we multiply the number of income eligible households by household size and bedroom type, as illustrated previously, by the estimated household distribution. The result is our calculation of Gross Demand for each bedroom type by AMI level.

CALCULATION OF GROSS DEMAND BY UNIT TYPE						
0BR @50%	1 Person	70.0%	*	579	=	405
	2 Person	0.0%	*	437	=	0
	3 Person	0.0%	*	0	=	0
	4 Person	0.0%	*	0	=	0
	5 Person	0.0%	*	0	=	0
	6 Person	0.0%	*	0	=	0
	7 Person	0.0%	*	0	=	0
	Gross Demand	=				405
1BR @50%	1 Person	30.0%	*	579	=	174
	2 Person	100.0%	*	437	=	437
	3 Person	0.0%	*	0	=	0
	4 Person	0.0%	*	0	=	0
	5 Person	0.0%	*	0	=	0
	6 Person	0.0%	*	0	=	0
	7 Person	0.0%	*	0	=	0
	Gross Demand	=				610

INDIVIDUAL UNIT CAPTURE RATES

For each Unit Type by number of bedrooms and rent restriction categories, the individual unit capture rate is defined as the Relevant Supply of proposed and unstabilized Comparable Units divided by the eligible demand for that Unit. The following tables illustrate our calculation of Individual Unit Capture Rates. We are unaware of any additional proposed LIHTC units within the PMA.

INDIVIDUAL AND GROSS CAPTURE RATES (AS PROPOSED)								
Relevant Supply								
	Subject's Units	Comparable Units	Total Relevant Supply		Gross Demand	Gross Demand + External Demand*		Capture Rate
@50%								
OBR	56	54	110	/	405	446	=	24.7%
1BR	88	39	127	/	610	671	=	18.9%
AMGI Band Capture Rate	144	93	237	/	1,374	1,511	=	15.7%

*Includes 10% external demand from outside PMA

In accordance with TDHCA guidelines, none of the Individual Unit Capture Rates for any unit type exceed 65 percent.

ALL LIHTC UNITS – GROSS DEMAND

The calculation of Gross Demand for all units is illustrated in the table below. Per the 2020 TDHCA Market Study Guide, “If some households are eligible for more than one Unit Type due to overlapping eligible ranges for income or household size, Gross Demand should be adjusted to avoid including households more than once.”

The following table illustrates the eligible incomes at the Subject by household size.

INCOME LIMITS (AS PROPOSED)		
Unit Type	Minimum Allowable Income	Maximum Allowable Income
	@50%	
1 Person	\$25,650	\$34,200
2 Person	\$27,450	\$39,050

We have calculated gross demand using only size appropriate (one to two person) households earning between the minimum and maximum income limits for the Subject (\$25,650 to \$39,050) at the time of market entry. The following table details our calculations.

GROSS DEMAND				
Minimum Income Limit Maximum Income Limit	Size-Appropriate Renter HH	\$25,650 \$39,050	LIHTC ONLY TOTAL	
			Eligible	Ineligible
\$0-9,999	1,405		0	1,405
\$10,000-19,999	1,229		0	1,229
\$20,000-29,999	1,177		512	1,177
\$30,000-39,999	952		862	90
\$40,000-49,999	913		0	913
\$50,000-59,999	797		0	797
\$60,000-74,999	962		0	962
\$75,000-99,999	1,168		0	1,168
\$100,000-124,999	697		0	697
\$125,000-149,999	609		0	609
\$150,000-199,999	832		0	832
\$200,000+	704		0	704
Subtotal	11,445	0	1,374	10,583

*Some numbers may appear off due to rounding

The gross demand for all LIHTC units is 1,374 renter households out of a total of 10,583 renter households in the PMA at the time of market entry.

RELEVANT SUPPLY

According to TDHCA, the Relevant Supply of proposed and unstabilized Comparable Units includes:

- 1) The proposed Subject Units
- 2) Comparable Units with priority over the Subject that have made application to the Department and have not been presented to the Board for decision
- 3) Comparable Units in previously approved but unstabilized Developments (A Development with Comparable Units that has been approved for funding by the TDHCA Board or is currently under construction or has not maintained a 90% occupancy level for at least 12 consecutive months following construction completion) in the PMA.

We have addressed each of the Relevant Supply criteria in the following manner:

- 1) We have included the proposed Subject LIHTC units in our capture rate.
- 2) We are unaware of any comparable units with priority over the Subject that have made application to the Department and have not been presented to the Board for decision. As such, no units have been deducted.
- 3) As was noted previously, we reviewed the TDHCA housing list to see if there have been any recently allocated, built, or under construction TDHCA-funded properties. According to TDHCA, there are four unstabilized (under construction or planned) projects within the PMA that will compete directly with the Subject. All of these developments are detailed in the following table.

RELEVANT SUPPLY - COMPARABLE UNITS BY BEDROOM AND AMI

	OBR	1BR
@50%		
Travis Flats	17	12
Talavera Lofts	29	11
The Abali	7	4
Govalle Terrace	1	12
Total @50% AMI	54	39

TDHCA defines the Gross Capture Rate as the Relevant Supply divided by the Gross Demand. We have evaluated the Gross Capture Rate for the Subject as a whole and by number of bedrooms and rent restriction categories, as illustrated in the following tables. Also illustrated are the individual unit capture rates.

INDIVIDUAL AND GROSS CAPTURE RATES (AS PROPOSED)								
<i>Relevant Supply</i>								
	Subject's Units	Comparable Units	Total Relevant Supply		Gross Demand	Gross Demand + External Demand*		Capture Rate
@50%								
OBR	56	54	110	/	405	446	=	24.7%
1BR	88	39	127	/	610	671	=	18.9%
AMGI Band Capture Rate	144	93	237	/	1,374	1,511	=	15.7%
GROSS DEMAND (LIHTC UNITS)								
All LIHTC Units	144	93	237	/	1,374	1,511	=	15.7%

*Some numbers may appear off due to rounding

In accordance with TDHCA guidelines, the gross capture rate is slightly higher than the ten percent threshold referenced in the 2021 QAP. However, the QAP outlines an exception for the 10 percent threshold. According to the QAP, a development will not be characterized as infeasible if it is located, “outside a Rural Area and targets the general population, and the Gross Capture Rate or any AMGI band capture rate exceeds 15% for Tax-Exempt Bond Developments located in an MSA (as defined in the HTC Site Demographics Characteristics Report) with a population greater than one million if the average physical occupancy is 92.5% or greater for all stabilized affordable housing developments located within a 20 minute drive time, as supported by the Market Analyst, from the subject Development)”. Based on the data provided in the following table, the Subject will not be considered infeasible given that the average occupancy rate of properties within a 20-minute drive time is 98 percent.

OCCUPANCY RATES
AFFORDABLE PROPERTIES WITHIN A 20-MINUTE DRIVE TIME FROM SUBJECT

#	Property Name	Full Address	Total Units	Occupancy Rate
1	1220 E 52Nd St	1220 E 52Nd St Austin, TX 78723	6	N/Av
2	Aldrich 51	2604 Aldrich Street Austin, TX 78723	240	93%
3	Allegre Point	1833 Cheddar Loop Austin, TX 78728	184	98%
4	Aria Grand	Swc Woodland Ave And Ih 35 Austin, TX 78704	70	N/Av
5	Arrowhead Park Apts	605 Masterson Pass Austin, TX 78753	290	96%
6	Austin Colorado Creek Apartments	Fallwell Road At State Highway 71 Austin, TX 78758	240	N/Av
7	Austin Oaks	4821 E Riverside Dr Austin, TX 78741	68	N/Av
8	Autumn Ridge Apt	1422 Collier St Austin, TX 78704	30	N/Av
9	Benjamin Todd Apts.	1507 West 39 1/2 Street Austin, TX 78756	20	N/Av
10	Bluebonnet Studios	2301 S Lamar Blvd Austin, TX 78704	107	100%
11	Blunn Creek Apts	701 Woodward St Austin, TX 78704	278	N/Av
12	Boyce Lane Apartment Homes	Parmer Lane At Boyce Lane Austin, TX 78754	280	N/Av
13	Brentwood Oaks Christian	7925 Rockwood Ln Austin, TX 78757	106	N/Av
14	Bridge At Cameron	9201 Cameron Road Austin, TX 78754	263	N/Av
15	Bridge At Harris Ridge	1501 E. Howard Lane Austin, TX 78754	324	100%
16	Cambridge Villas	15711 Dessau Rd Pflugerville, TX 78660	208	N/Av
17	Capital Studios	309 E 11Th St Austin, TX 78701	135	100%
18	Chisholm Trail Apartments	1525 Chisholm Trl Round Rock, TX 78681	50	N/Av
19	Circle S Apts	7201 S Congress Ave Austin, TX 78745	200	99%
20	Cityview At The Park	2000 Woodward St Austin, TX 78741	70	N/Av
21	Cobblestone	2101 Davis Ln Austin, TX 78745	69	N/Av
22	Country Club Creek	4501 E Riverside Dr Austin, TX 78741	212	N/Av
23	Creekview Apartment Homes	Old Manor Road And Crainway Drive Austin, TX 78724	264	N/Av
24	Cross Creek Apartments	1124 Rutland Drive Austin, TX 78758	200	N/Av
25	Del Valle 969 Apartments	14011 Fm 969 Austin, TX 78725	302	N/Av
26	Douglas Landings	2347 Douglas St Austin, TX 78741	96	96%
27	Eagles Landing Apts	8000 Decker Ln Austin, TX 78724	240	N/Av
28	East 12th Street Apartments	3005 E 12Th St Austin, TX 78702	11	100%
29	Eberhart Place	808 Eberhart Ln Austin, TX 78745	38	N/Av
30	Elm Ridge Apartments	1161 Harvey St Austin, TX 78702	130	100%
31	Elmridge Apts	1190 Airport Blvd Austin, TX 78702	130	N/Av
32	Esct Austin Housing I, Inc.	1201 Grove Blvd Apt 504 Austin, TX 78741	6	N/Av
33	Esct Austin Housing II, Inc.	7685 Northcross Dr Austin, TX 78757	10	N/Av
34	Esct Austin Housing III, Inc.	3204 Manchaca Rd Austin, TX 78704	8	N/Av
35	Esct Austin Housing IV, Inc.	3204 Manchaca Road Austin, TX 78704	10	N/Av
36	Fairway Village	6118 Fairway St Austin, TX 78741	128	96%
37	Forest Park	1088 Forest View Dr Austin, TX 78746	228	99%
38	Franklin Gardens	3522 E Martin Luther King Jr Blvd Austin, TX 78721	22	100%
39	Gardens Of Decker Lake	7000 Decker Ln Austin, TX 78724	200	N/Av
40	Gateway Apts (Austin)	505 Swanee Dr Austin, TX 78752	10	N/Av
41	Greentree Apts	6103 Manor Rd Austin, TX 78723	124	N/Av
42	Grove Place Apts	1881 Grove Blvd Austin, TX 78741	146	99%
43	Guadalupe I & II	7102 Guadalupe Street Austin, TX 78752	15	N/Av
44	Harris Branch Apts	12435 Dessau Rd Austin, TX 78754	248	100%
45	Harris Branch Seniors	12331 Dessau Road Austin, TX 78754	216	N/Av
46	Heatherwilde Park Retirement Apts	16500 Yellow Sage St Pflugerville, TX 78660	168	N/Av
47	Heights On Congress	2703 S Congress Ave Austin, TX 78704	170	98%
48	Heights On Parmer Phase Two	1524 East Parmer Lane Austin, TX 78753	80	94%
49	Henna Townhomes	2500 Louis Henna Blvd Round Rock, TX 78664	161	N/Av
50	Heritage Pointe	1950 Webberville Rd Austin, TX 78721	240	94%
51	Homestead Oaks	3226 W Slaughter Ln Austin, TX 78748	140	N/Av
52	Hometowne At Picadilly	500 Grand Ave Pkwy Pflugerville, TX 78660	167	N/Av
53	Housing First Oak Springs	3000 Oak Springs Austin, TX 78702	50	N/Av

OCCUPANCY RATES
AFFORDABLE PROPERTIES WITHIN A 20-MINUTE DRIVE TIME FROM SUBJECT

#	Property Name	Full Address	Total Units	Occupancy Rate
54	Indie Apartments	1630 E 6th Street, Austin, TX 78702	138	96%
55	King Fisher Creek	4601 E St Elmo Rd Austin, TX 78744	35	N/Av
56	Kingsgate Apts	2005 Willow Creek Dr Austin, TX 78741	270	N/Av
57	Kinney Avenue Apartments	1703 Kinney Ave Austin, TX 78704	9	N/Av
58	La Vista De Guadalupe	813 E Eighth St Austin, TX 78702	22	N/Av
59	Lamadrid Apartments	Swc Ravenscroft Dr And Manchaca Rd Austin, TX 78748	95	N/Av
60	Lancaster/Monticello Apt	1300 E 52Nd St Austin, TX 78723	15	N/Av
61	Lindys Landing	121 Woodward St Austin, TX 78704	52	N/Av
62	Lodge At Merriltown	14745 Merriltown Rd Austin, TX 78728	199	98%
63	Lupine Terrace	1137 Gunter St Austin, TX 78721	140	100%
64	M Station Apartments	2906 E Mlk Jr Blvd Austin, TX 78702	153	100%
65	Malibu Apts	8600 N Lamar Blvd Austin, TX 78753	476	N/Av
66	Manchaca Road Apts	3810 Manchaca Rd Austin, TX 78704	11	N/Av
67	Manor House	5905 Manor Rd Austin, TX 78723	11	100%
68	Marshall Apartments	1157 Salina St Austin, TX 78702	100	100%
69	Mary Lee Flagship	1312 Lamar Square Austin, TX 78704	21	N/Av
70	Meadow Ridge Apts	2501 Louis Henna Blvd Round Rock, TX 78664	232	N/Av
71	Mosaic Housing Corp Xxiii - Austin	2404 Roehampton Dr Austin, TX 78735	4	N/Av
72	Mosaic Housing Corporation Ix	13122 Humphrey Dr Austin, TX 78729	4	N/Av
73	Mosaic Housing Corporation X	9803 Willers Way Austin, TX 78748	3	N/Av
74	Mosaic Housing Corporation Xi	3015 Jubilee Trl Austin, TX 78748	3	N/Av
75	Mount Carmel Village	2504 New York Dr Austin, TX 78702	100	100%
76	Mountain Ranch Apts	2425 E Riverside Dr Austin, TX 78741	196	N/Av
77	Nightingale At Goodnight Ranch	5900 Charles Merle Drive Austin, TX 78747	174	N/Av
78	North Plaza Apts	9125 N Plaza Austin, TX 78753	62	N/Av
79	Oak Creek Village	2324 Wilson St Austin, TX 78704	173	N/Av
80	Oak Springs Villas	3001 Oak Springs Dr Austin, TX 78702	50	100%
81	Paddock At Norwood	1044 Norwood Park Blvd Austin, TX 78753	228	99%
82	Paradise Oaks Apts	1500 Faro Dr Austin, TX 78741	248	95%
83	Park Place At Loyola	6200 Loyola Ln Austin, TX 78724	252	95%
84	Pathways at Booker T. Washington	905 Bedford St Austin, TX 78702	216	100%
85	Pathways At Bouldin Oaks (Rad)	1203 Cumberland Rd Austin, TX 78704	144	N/Av
86	Pathways at Coronado Hills	1438 Coronado Hills Dr Austin, TX 78752	48	100%
87	Pathways at Gaston Place	1941 Gaston Place Dr Austin, TX 78723	100	100%
88	Pathways At Georgian Manor (Rad)	110 Bolles Circle Austin, TX 78753	94	N/Av
89	Pathways At Goodrich Place	2126 Goodrich Avenue Austin, TX 78704	120	N/Av
90	Pathways At Manchaca II (Rad)	6113 Buffalo Pass Austin, TX 78745	33	N/Av
91	Pathways At Manchaca Village (Rad)	3628 Manchaca Rd. Austin, TX 78704	33	N/Av
92	Pathways At Meadowbrook Courts (Rad)	1201 W Live Oak St Austin, TX 78704	160	N/Av
93	Pathways At North Loop (Rad)	2300 W. North Loop Blvd. Austin, TX 78756	130	N/Av
94	Pathways At Northgate West (Rad)	9120 Northgate Blvd. Austin, TX 78758	50	N/Av
95	Pathways At Shadowbend Ridge (Rad)	6328 Shadow Bend Austin, TX 78745	50	N/Av
96	Pecan Hills	13000 Hymeadow Dr Austin, TX 78729	24	N/Av
97	Pflugerville Meadows	201 Meadow Ln Pflugerville, TX 78660	20	N/Av
98	Pleasant Hill Apts	2501 Anken Dr Austin, TX 78741	99	N/Av
99	Pointe At Ben White	7000 E Ben White Blvd Austin, TX	250	98%
100	Primrose At Shadow Creek	1026 Clayton Ln Austin, TX 78723	173	N/Av
101	Quail Park Apartments	9920 Quail Blvd Austin, TX 78758	142	N/Av
102	Rebekah Baines Johnson	21 Waller St Austin, TX 78702	524	100%
103	Red Hills Villas	1401 S A W Grimes Blvd Round Rock, TX 78664	168	N/Av
104	Riverside Meadows	1601 Montopolis Dr Austin, TX 78741	240	95%
105	Rollins Martin	1172 Webberville Rd Austin, TX 78721	15	N/Av
106	Rosemont At Heather Bend	16701 N Heatherwilde Blvd Pflugerville, TX 78660	255	95%

OCCUPANCY RATES

AFFORDABLE PROPERTIES WITHIN A 20-MINUTE DRIVE TIME FROM SUBJECT

#	Property Name	Full Address	Total Units	Occupancy Rate
107	Rosemont At Hidden Creek	9371 E Hwy 290 Austin, TX 78724	249	93%
108	Rosemont At Williamson Creek	4509 E St Elmo Rd Austin, TX 78744	163	N/Av
109	Rosewood Courts	2800 Collins Creek Dr Austin, TX 78741	124	100%
110	Rosewood Senior Gardens	2720 Lyons Rd Austin, TX 78702	N/Av	100%
111	Round Rock Oak Grove	900 Westwood Dr Round Rock, TX 78681	24	N/Av
112	Round Rock Village Oak Apts	900 Westwood Dr Round Rock, TX 78681	23	N/Av
113	Runnymede Apts	1101 Rutland Dr Austin, TX 78758	249	99%
114	Santa Maria Village	8071 N Lamar Blvd Austin, TX 78753	176	98%
115	Santora Villas	1705 Frontier Valley Dr Austin, TX 78741	192	98%
116	Scattered Cop Infill Housing	1611 E 11Th St Austin, TX 78702	75	N/Av
117	Sea Oaks Apartments (Rad)	6119 Valiant Cir Austin, TX 78749	75	N/Av
118	Sea Rad Oaks	11607 Sierra Nevada Ln. / 6119 Valiant Circle Austin, TX 78759	75	N/Av
119	Sierra Vista	4320 S Congress Ave Austin, TX 78745	238	100%
120	Silver Springs Apts	12151 N Interstate 35 Austin, TX 78753	360	92%
121	Skyline Terrace	1212 W Ben White Blvd Austin, TX 78704	100	N/Av
122	Solaris	1601 Royal Crest Drive, Austin, TX 78741	563	99%
123	Southwest Trails	8405 Old Bee Caves Rd Austin, TX 78735	160	N/Av
124	Spring Valley Apts	2302 E William Cannon Dr Austin, TX 78744	173	95%
125	Springdale Apts	6415 Springdale Rd Austin, TX 78723	98	N/Av
126	Springdale Gardens	3701 Oak Springs Dr Austin, TX 78721	100	100%
127	Springhollow Apartments	4803 Loyola Ln Austin, TX 78723	98	N/Av
128	St. George's Senior Housing	1443 Coronado Hills Dr Austin, TX 78752	60	100%
129	Stassney Apartments	5600 Nancy Austin, TX 78745	9	N/Av
130	Terrace At Walnut Creek	Old Manor Road And Us Hwy 290 Austin, TX 78724	324	97%
131	The Heights On Congress	2707 S Congress Ave Austin, TX 78704	172	98%
132	The Jordan at Mueller	2725 Philomena Street Austin, TX 78723	132	100%
133	The Park At Summer's Grove	2900 Century Park Blvd Austin, TX 78727	216	N/Av
134	The Reserve at Springdale	5605 Springdale Road Austin, TX 78723	292	88%
135	The Timbers Apartments	1034 Clayton Ln Austin, TX 78723	104	100%
136	Thinkeast Apartments	1143 Shady Lane Austin, TX 78721	182	97%
137	Town Vista Apts	2201 Montopolis Dr Austin, TX 78741	280	N/Av
138	Travis Park	1110 E Oltorf St Austin, TX 78704	199	N/Av
139	Trinity Place	1203 Cushing Dr Round Rock, TX 78664	68	N/Av
140	Urban Oaks	6725 Circle S Road Austin, TX 78745	194	97%
141	Versailles/Princeton Apartments	4411 Airport Blvd Austin, TX 78722	90	N/Av
142	Village At Collinwood	1001 Collinwood W Dr Austin, TX 78753	172	92%
143	Villages At Fiskville	10017 Middle Fiskville Road Austin, TX 78753	172	N/Av
144	Villages Of Ben White	7000 E Ben White Blvd Austin, TX 78741	173	100%
145	Villas Of Cordoba	5901 E Stassney Ln Austin, TX 78744	156	95%
146	Villas on Sixth Street	1900 E Sixth St Austin, TX 78702	160	100%
147	Walnut Creek	6409 Springdale Rd Austin, TX 78723	98	100%
148	Waterloo Apts	45 Waller St Austin, TX 78702	30	N/Av
149	Waters At Willow Run Apts	15433 Fm 1325 Austin, TX 78728	242	N/Av
150	West Gate Ridge	8700 West Gate Boulevard Austin, TX 78745	140	100%
151	Westchester Woods	19600 N Heatherwilde Blvd Pflugerville, TX 78660	250	N/Av
152	Western Trails	2422 Western Trails Blvd Austin, TX 78745	99	N/Av
153	Wildflower Terrace	3801 Berkman Dr Austin, TX 78723	201	93%
154	Windcrest Parkside Apts	1088 Park Plz Austin, TX 78753	228	N/Av
155	Windy Ridge	10910 N Ranch Rd 620 Austin, TX 78726	120	100%
156	Winfield Scott Tower	515 S Capital Of Texas Hwy West Lake Hills, TX 78746	48	100%
157	Woodway Square Apts	1700 Teri Rd Austin, TX 78744	240	91%
158	Woodway Village Apts	4600 Nuckols Crossing Rd Austin, TX 78744	160	99%
Average Occupancy Rate				98%

As shown, the average occupancy rate of existing LIHTC properties within a 20-minute drive time from the Subject is approximately 98 percent, which exceeds the 92.5 percent threshold referenced in the QAP.

Demand Analysis Conclusions

The Demand Analysis illustrates demand for the Subject based on capture rates of size and income eligible renter households. When viewing total eligible renter households for the Subject's 144 affordable units, the calculation illustrates an overall gross capture rate of 15.7 percent, which is considered good and is indicative of demand for the Subject's units. Per TDHCA guidelines, these calculations assume 10 percent leakage from outside the PMA.

It is important to note that TDHCA requires that the capture rate analysis includes all proposed, under construction and non-stabilized competitive properties located within the PMA with "priority" application status. Generally, this includes those applications that were submitted to TDHCA prior to the application submission date of the development we are analyzing. This capture rate analysis is segmented by AMI level and unit type. While Novogradac will include all publicly known and published developments in our capture rate analysis, our analysis is limited to the data made available prior to our market study effective date. There is potential for proposed developments to be submitted to TDHCA which are not publicly available to Novogradac, have not yet been published on TDHCA's website and/or are made known publicly only after the effective date of Novogradac's market study.

During the TDHCA review process, TDHCA staff may request Novogradac to revise the market study capture rate analysis to account for relevant supply that has a priority over the Subject property (data that was not known to us as of the effective date of the market study). If this occurs, our capture rate conclusions for the Subject may no longer meet the thresholds. Novogradac is not liable for changes to these calculations that are necessitated based upon information made publicly available after the effective date of our report, and prior to full application submission.

VII. EFFECTIVE GROSS INCOME ANALYSIS

EFFECTIVE GROSS INCOME ANALYSIS

POTENTIAL GROSS INCOME

In our search for properties comparable to the Subject, we concentrated on obtaining information on those projects considered similar to the Subject improvements on the basis of location, size, age, condition, design, quality of construction and overall appeal. In our previous comparable property analysis, we provided the results of our research regarding properties considered generally comparable or similar to the Subject.

The potential gross income of the Subject is the total annual income capable of being generated by all sources, including rental revenue and other income sources. The Subject's potential rental income is based upon the achievable LIHTC rent as derived in the Reasonable of Rents Section of this report, which is equivalent to the proposed rent. It should be noted that we are providing an estimate based on the proposed post-renovation rents.

POTENTIAL GROSS RENTAL INCOME (RESTRICTED - AS PROPOSED (LIHTC))

Unit Type	Restriction	Number of Units	Unit Size (SF)	Achievable Rent	Monthly Gross Rent	Annual Gross Rent
OBR / 1BA	@50%	56	250	\$855	\$47,880	\$574,560
1BR / 1BA	@50%	4	450	\$915	\$3,660	\$43,920
1BR / 1BA	@50%	84	410	\$915	\$76,860	\$922,320
Total		144			\$128,400	\$1,540,800

Other Income

Other income typically includes revenue generated for laundry fees, application and administration fees, vending, late fees, utility reimbursements, damage fees, and deposit forfeitures, etc. The Subject's historical financials indicate other income of \$352 and \$390 per unit for 2018 and 2019, respectively. Given the Subject's historical financials, we have concluded to an estimated other income of \$380 per unit.

Vacancy and Collection Loss

In developing an income forecast, a prudent investor would typically include a minimum vacancy and collection loss factor, typically three to seven percent. According to the rent roll dated September 30, 2020, the Subject is currently 89.3 percent occupied. The Subject's historical vacancy and collection loss was unavailable. It should be noted that the Subject currently offers weekly and monthly rentals, which likely results in fluctuating occupancy levels. Based on the performance of the comparables, we expect the Subject will operate with a vacancy and collection loss of five percent. Our vacancy conclusion assumes typical 12-month leases.

EFFECTIVE GROSS INCOME

Provided below is a summary of Novogradac's estimate of Effective Gross Income for the Subject, which is projected to be \$1,517,549 as proposed assuming achievable LIHTC rents, in the first year of stabilization.

EFFECTIVE GROSS INCOME

	Number of Units	Per Unit	Total Annual Revenue
Total Potential Rental Income	144	\$10,700	\$1,540,800
Other Income		\$380	\$56,620
Total Potential Revenue			\$1,597,420
Vacancy/Collection Loss (5%)			\$79,871
Effective Gross Income			\$1,517,549

VIII. CONCLUSIONS

CONCLUSIONS

- The Subject development involves the acquisition and rehabilitation of an existing 149-unit market rate development. Following acquisition/rehabilitation, the Subject will offer 56 studio units and 88 one-bedroom units restricted to low-income households with incomes at the 50 percent of the Area Median Income (AMI) or less, totaling 144 units. The renovation will also consist of taking the eight small studios and converting them into four one-bedroom (450 sf) units, and the managers unit will be converted to office space for the property management/social services staff. The name will remain unchanged following the renovation.

The property was originally constructed in 1968 and has not undergone a substantial property-wide renovation since its initial construction. A Property Condition Report was requested but not provided for the development. However, according to the client, no immediate or critical repairs are necessary. Based on our site inspection, the property is currently in average overall condition.

The following table details the Subject's proposed post-renovation unit mix and rents.

PROPOSED RENTS

Unit Type	Unit Size (SF)	Number of Units	Asking Rent	Utility Allowance (1)	Gross Rent	2020 LIHTC Maximum Allowable Gross Rent	2021 HUD Fair Market Rents
@50%							
OBR / 1BA	250	56	\$855	\$0	\$855	\$855	\$1,059
1BR / 1BA	410	84	\$915	\$0	\$915	\$915	\$1,212
1BR / 1BA	450	4	\$915	\$0	\$915	\$915	\$1,212
		144					

Notes (1) All utilities are included in the rent.

Following acquisition/rehabilitation, the Subject will offer 56 studio units and 88 one-bedroom units restricted to low-income households with incomes at the 50 percent of the Area Median Income (AMI) or less. The renovation will also consist of taking the eight small studios and converting them into four one-bedroom (450 sf) units, and the managers unit will be converted to office space for the property management/social services staff. The Subject's proposed rents are set at the 2020 maximum allowable 50 percent AMI level. The following table illustrates the difference between proposed and current rents.

CURRENT/PROPOSED DIFFERENTIAL

Unit Type	Unit Size (SF)	Number of Units	Current Rent	Proposed Rent	Current/Proposed Differential	Current/Proposed Differential %
<i>Market Rate</i>						
OBR / 1BA	225	8	\$600	\$855	\$255	43%
OBR / 1BA	250	56	\$780	\$855	\$135	17%
1BR / 1BA	410	84	\$850	\$915	\$65	8%
<i>Non-Rental</i>						
2BR / 2BA	780	1	-	-	-	-
Total		149				

As illustrated, the proposed rents are higher than the current asking rents.

According to the client, the majority of households are expected to remain income-qualified to stay at the property following renovation. Further, the proposed renovations will occur with the tenants in-place. Thus, limited, if any, displacement is anticipated as a result of the proposed renovations. However, we assume that current tenants will not be charged the full asking rent, but rather will have rents increased over time. It should be noted that the speculation of tenants remaining income-qualified post-renovation is based on information provided by the client, and an income audit was not provided.

- Provided following is a summary of the 50 percent AMI level rental analysis.

LIHTC RENT COMPARISON

Property Name	County	Tenancy	OBR	1BR	Rents at Max?
Kensington Apartments - As Proposed	Travis	Family	\$855	\$915	Yes
LIHTC Maximum Rent (Net)	Travis		\$1,026	\$1,098	
Aldrich 51 @60%	Travis	Family	\$1,018	\$1,086	Yes
Aldrich 51 @50%	Travis	Family	\$847	\$903	Yes
Creekview Apartments @60%	Travis	Family	\$1,019	\$1,088	Yes
Solaris @50%	Travis	Family	\$898	\$1,021	Yes
Thinkeast Apartment Homes @60%	Travis	Family	\$1,019	\$1,088	Yes
Villas on Sixth Street @50%	Travis	Family		\$941	Yes
Average			\$1,019	\$1,087	
Achievable LIHTC Rent			\$855	\$915	Yes

The Subject's proposed 50 percent AMI LIHTC rents are set at the 2020 maximum allowable levels. All of the comparables reported achieving rents at the maximum allowable levels, even at both the 50 and 60 percent AMI levels. As such, we believe that maximum allowable rents will be achievable for the Subject upon completion of the proposed renovations.

- Based on the proposed rents, the Subject's restricted rental rates are below the achievable market rates for the PMA. The following table shows the rent comparison for achievable market rents at comparable properties and the proposed rents at the Subject.

SUBJECT COMPARISON TO MARKET RENTS

Unit Type	SF	Rent Level	Subject's Pro Forma Rents	Surveyed Min	Surveyed Max	Surveyed Average	Achievable Market Rent	Subject Rent Advantage/Disadvantage
OBR / 1BA	250	@50%	\$855	\$940	\$1,273	\$1,013	\$1,050	19%
BR / 1BA	410	@50%	\$915	\$998	\$1,655	\$1,206	\$1,225	25%
1BR / 1BA	450	@50%	\$915	\$998	\$1,655	\$1,206	\$1,250	27%

The Subject will be in good condition as a newly renovated property and will be similar to slightly superior to the comparables in terms of age/condition. The Subject is similar to slightly inferior to the majority of the comparable properties based on unit amenities, and similar to slightly superior to the comparable properties based on property amenities. Conversely, the Subject will have inferior unit sizes relative to the comparables. While we have relied on all of the comparables, we have placed more weight on the comparables that offer the most similar condition relative to the Subject (3401 At Red River and Mueller City View). Overall, the Subject's proposed affordable rents will offer advantages ranging from 19 to 27 percent over our achievable market rents.

- Provided below is a summary of Novogradac’s estimate of Effective Gross Income for the Subject, which is projected to be \$1,517,549 as proposed assuming achievable LIHTC rents, in the first year of stabilization.

EFFECTIVE GROSS INCOME

	Number of Units	Per Unit	Total Annual Revenue
Total Potential Rental Income	144	\$10,700	\$1,540,800
Other Income		\$380	\$56,620
Total Potential Revenue			\$1,597,420
Vacancy/Collection Loss (5%)			\$79,871
Effective Gross Income			\$1,517,549

- TDHCA defines the Gross Capture Rate as the Relevant Supply divided by the Gross Demand. We have evaluated the Gross Capture Rate for the Subject as a whole and by number of bedrooms and rent restriction categories, as illustrated in the following tables. Also illustrated are the individual unit capture rates.

INDIVIDUAL AND GROSS CAPTURE RATES (AS PROPOSED)								
Relevant Supply								
	Subject's Units	Comparable Units	Total Relevant Supply		Gross Demand	Gross Demand + External Demand*		Capture Rate
@50%								
OBR	56	54	110	/	405	446	=	24.7%
1BR	88	39	127	/	610	671	=	18.9%
AMGI Band Capture Rate	144	93	237	/	1,374	1,511	=	15.7%
GROSS DEMAND (LIHTC UNITS)								
All LIHTC Units	144	93	237	/	1,374	1,511	=	15.7%

*Some numbers may appear off due to rounding

In accordance with TDHCA guidelines, the gross capture rate is slightly higher than the ten percent threshold referenced in the 2021 QAP. However, the QAP outlines an exception for the 10 percent threshold. According to the QAP, a development will be not be characterized as infeasible if it is located, “outside a Rural Area and targets the general population, and the Gross Capture Rate or any AMGI band capture rate exceeds 15% for Tax-Exempt Bond Developments located in an MSA (as defined in the HTC Site Demographics Characteristics Report) with a population greater than one million if the average physical occupancy is 92.5% or greater for all stabilized affordable housing developments located within a 20 minute drive time, as supported by the Market Analyst, from the subject Development)”. Based on the data provided earlier in the report, the Subject will not be considered infeasible given that the average occupancy rate of properties within a 20-minute drive time is 98 percent.

- Post-renovation, the Subject will be a LIHTC property targeted to a general tenancy offering 144 studio and one-bedroom units restricted at the 50 percent AMI level. According to the rent roll dated September 30, 2020, the Subject is currently 89.3 percent occupied. The Subject’s historical vacancy and collection loss was unavailable. It should be noted that the Subject currently offers weekly and monthly rentals, which likely results in fluctuating occupancy levels. Based on the performance of the comparables, we expect the Subject will operate with a vacancy and collection loss of five percent. Our vacancy conclusion assumes typical 12-month leases.

- Absorption information was only available for one of the comparables (Creekview Apartments). However, we were able to obtain absorption information from several additional, recently constructed developments within ten miles of the Subject. The following table details our findings.

ABSORPTION					
Property Name	Rent	Tenancy	Year	Total Units	Absorption (units/month)
Trailhead Apartments	Market	Family	2020	308	27
St. Johns West	Market	Family	2020	297	16
McKinney Falls Apartments	LIHTC	Family	2020	312	16
Eastridge Apartments	Market	Family	2020	300	20
Creekview Apartments*	LIHTC	Family	2020	264	6
Colorado Creek Apartments	LIHTC	Family	2020	240	7
The Jordan At Mueller	LIHTC	Family	2019	132	22
The Bridge At Harris Ridge	LIHTC	Family	2019	324	25
The Beckett	LIHTC	Family	2019	302	16
Lenox Ridge	Market	Family	2019	350	25
Heights On Parmer Phase II	LIHTC	Family	2019	80	16
FLORA Apartments	Market	Family	2019	194	16
East Vue Ranch	Market	Family	2019	340	20
Bridge At Cameron	LIHTC	Family	2019	263	20
Aura Riverside	Market	Family	2019	368	17
Walnut Park Apartments	Market	Family	2018	277	22
The Guthrie	Market	Family	2018	322	48
Rivers Edge	Market	Family	2018	92	15
Indie Apartments	LIHTC	Family	2018	138	22
E6 Apartments	Market	Family	2018	208	9
Creekside On Parmer Lane	Market	Family	2018	300	14
AMLI Aldrich	Market	Family	2018	318	25
Average					19

*Utilized as a comparable

As shown, reported absorption rates range from six to 48 units per month with an average of 19 units per month. Assuming the Subject was 100 percent vacant, we believe that the Subject would experience an absorption rate of 15 to 20 units per month, and would reach stabilized occupancy of 95 percent within eight to 10 months of opening. However, based on the most recent rent roll dated September 30, 2020, the Subject is currently 89.3 percent occupied, and the developer expects the majority of tenants to remain income-qualified to reside at the property post-renovation.

- The comparables reported vacancy rates ranging from zero to 14.1 percent with an average of 4.8 percent. The average vacancy rate reported by the comparables that offer LIHTC units was 4.8 percent, below the 6.8 percent average vacancy rate reported for market rate units. It should be noted that two market rate comparables (Menlo At Mueller and Volume 4) reported elevated vacancy rates. However, the contact at Menlo At Mueller stated that the elevated vacancy rate is due to ongoing renovations. Additionally, Volume 4 reported only four vacancies, and the property is relatively small with only 36 units; as such, even a small number of vacancies can create a high vacancy rate. Excluding these two properties, the overall average vacancy rate is just 3.4 percent.

The majority of the property managers willing to comment reported no decrease in occupancy as a result of the COVID-19 pandemic. Several property managers did however observe a decrease in collections and subsequent increase in payment plans as a result of the COVID-19 pandemic. Overall, managers in the market do not expect the number of tenants experiencing difficulties to increase for the following months.

According to the rent roll dated September 30, 2020, the Subject is currently 89.3 percent occupied. The Subject's historical vacancy and collection loss was unavailable. It should be noted that the Subject currently offers weekly and monthly rentals, which likely results in fluctuating occupancy levels. Based on the performance of the comparables, we expect the Subject will operate with a vacancy and collection loss of five percent. Our vacancy conclusion assumes typical 12-month leases.

Overall, given the performance of the comparables and that the Subject will be the acquisition/renovation of an existing well occupied development with rents comparable to those being achieved at affordable developments, we do not believe it will adversely impact the existing LIHTC comparable properties, as the majority of current tenants are expected to remain income qualified post-renovation, based on information provided by the client.

ADDENDUM A

Certification

CERTIFICATION

The undersigned hereby certify that:

We have no present or contemplated future interest in the real estate that is the subject of this market study; the opinions expressed in this report are not based in whole or part upon race, color, or national origin of the current/prospective owners or occupants; We have no personal interest or bias with respect to the subject matter of this market study report or the parties involved.

Our compensation is not contingent upon the reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value estimate, the attainment of a stipulated result, or the occurrence of a subsequent event; The assignment was not based on a requested minimum valuation, a specific valuation, or the approval of a loan.

We have read and understand the requirements of the TDHCA 2021 Real Estate Analysis Rules and Guidelines. We will not materially benefit from the Development in any other way than receiving a fee for performing the Market Analysis, and such fee is in no way contingent upon the outcome of the Market Analysis. All persons who have a property interest in this report hereby must acknowledge that TDHCA may publish the full report on the TDHCA's website, release this report in response to a request for public information and make other use of the report as authorized by law.

This consulting report sets forth all of the limiting conditions (imposed by the terms of this assignment or by the undersigned) affecting the analyses, opinions, and conclusions contained in this report; our analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice.

Gino Rossi personally inspected the Subject property. Rachel Talmadge also provided much of the research and analysis in this report. Sara Nachbar and Rachel Denton, MAI, reviewed all of the comparable market data, provided oversight and completed the final review of this Market Study. All referenced parties are competent to perform such analyses.

Novogradac Consulting LLP certifies it is in good standing with the State of Texas as evidenced by being an approved service provider by the TDHCA.



Rachel Denton, MAI
Partner
Rachel.Denton@novoco.com
913-312-4612



Sara Nachbar
Manager
Sara.Nachbar@novoco.com
913-312-4616



Rachel Talmadge
Analyst
Rachel.Talmadge@novoco.com
(913) 312-4622



Gino Rossi
Junior Analyst

ADDENDUM B

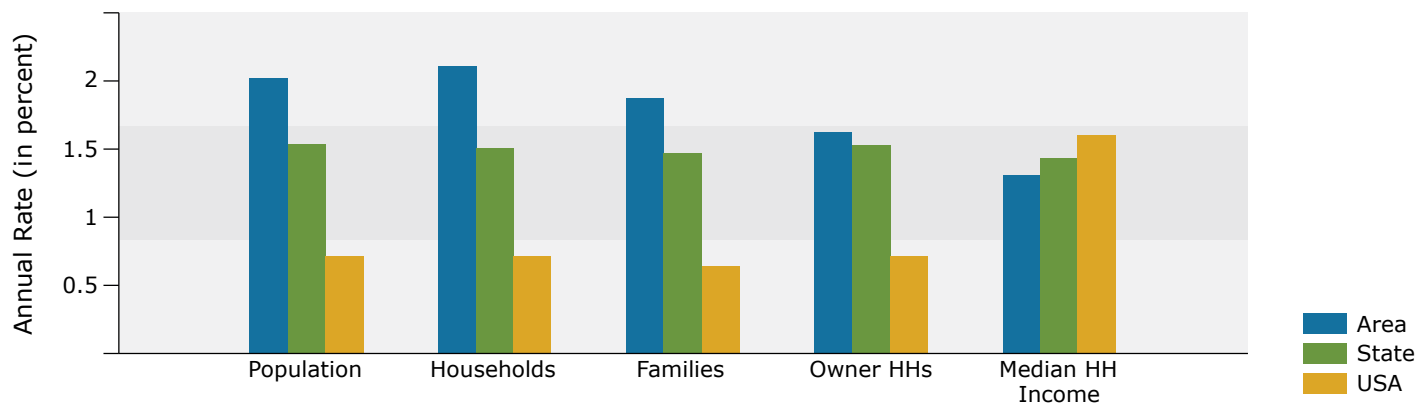
Demographic Reports

Summary	Census 2010		2020		2025	
Population	66,042		85,056		93,981	
Households	24,902		32,701		36,291	
Families	13,642		17,272		18,962	
Average Household Size	2.60		2.56		2.56	
Owner Occupied Housing Units	11,660		14,865		16,106	
Renter Occupied Housing Units	13,242		17,836		20,184	
Median Age	31.9		34.0		34.7	
Trends: 2020-2025 Annual Rate	Area		State		National	
Population	2.02%		1.54%		0.72%	
Households	2.11%		1.51%		0.72%	
Families	1.88%		1.47%		0.64%	
Owner HHs	1.62%		1.53%		0.72%	
Median Household Income	1.31%		1.43%		1.60%	
Households by Income	2020		2025			
	Number	Percent	Number	Percent		
<\$15,000	4,402	13.5%	4,451	12.3%		
\$15,000 - \$24,999	2,838	8.7%	2,859	7.9%		
\$25,000 - \$34,999	2,693	8.2%	2,844	7.8%		
\$35,000 - \$49,999	4,194	12.8%	4,486	12.4%		
\$50,000 - \$74,999	5,554	17.0%	6,240	17.2%		
\$75,000 - \$99,999	3,696	11.3%	4,313	11.9%		
\$100,000 - \$149,999	4,791	14.7%	5,761	15.9%		
\$150,000 - \$199,999	2,291	7.0%	2,828	7.8%		
\$200,000+	2,243	6.9%	2,510	6.9%		
Median Household Income	\$57,834		\$61,726			
Average Household Income	\$82,841		\$89,184			
Per Capita Income	\$31,911		\$34,494			
Population by Age	Census 2010		2020		2025	
	Number	Percent	Number	Percent	Number	Percent
0 - 4	5,390	8.2%	5,999	7.1%	6,598	7.0%
5 - 9	4,427	6.7%	5,593	6.6%	5,847	6.2%
10 - 14	3,804	5.8%	5,279	6.2%	5,557	5.9%
15 - 19	3,924	5.9%	5,001	5.9%	5,523	5.9%
20 - 24	5,873	8.9%	6,425	7.6%	7,422	7.9%
25 - 34	13,564	20.5%	15,745	18.5%	16,587	17.6%
35 - 44	9,343	14.1%	13,044	15.3%	14,135	15.0%
45 - 54	7,603	11.5%	9,726	11.4%	11,171	11.9%
55 - 64	5,665	8.6%	8,351	9.8%	8,986	9.6%
65 - 74	3,235	4.9%	5,520	6.5%	6,696	7.1%
75 - 84	2,291	3.5%	2,975	3.5%	3,905	4.2%
85+	927	1.4%	1,402	1.6%	1,558	1.7%
Race and Ethnicity	Census 2010		2020		2025	
	Number	Percent	Number	Percent	Number	Percent
White Alone	32,925	49.9%	43,099	50.7%	47,901	51.0%
Black Alone	15,480	23.4%	18,391	21.6%	19,857	21.1%
American Indian Alone	853	1.3%	930	1.1%	1,016	1.1%
Asian Alone	944	1.4%	1,935	2.3%	2,438	2.6%
Pacific Islander Alone	31	0.0%	51	0.1%	56	0.1%
Some Other Race Alone	13,401	20.3%	17,296	20.3%	18,825	20.0%
Two or More Races	2,409	3.6%	3,355	3.9%	3,889	4.1%
Hispanic Origin (Any Race)	31,231	47.3%	40,769	47.9%	46,023	49.0%

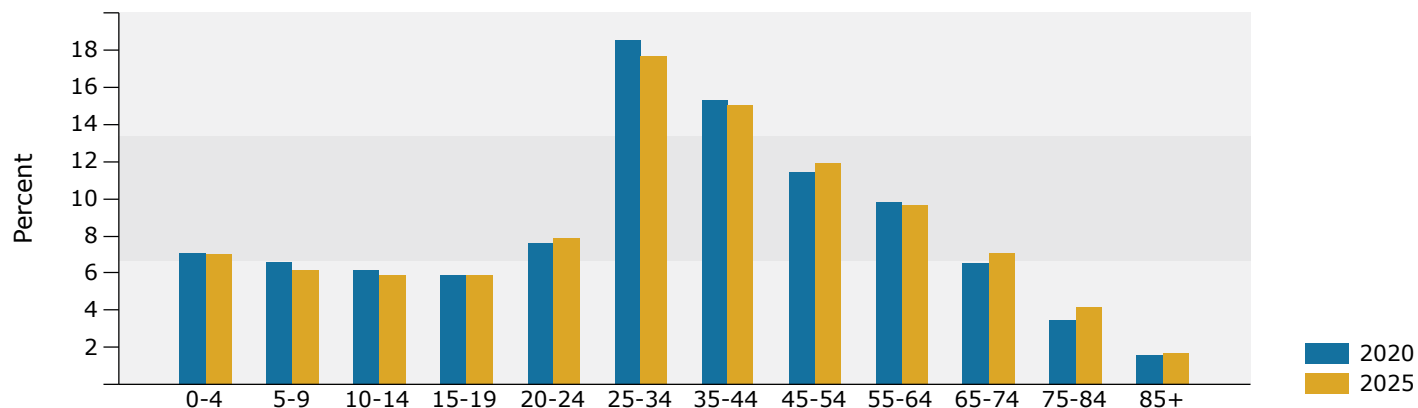
Data Note: Income is expressed in current dollars.

Source: U.S. Census Bureau, Census 2010 Summary File 1. Esri forecasts for 2020 and 2025.

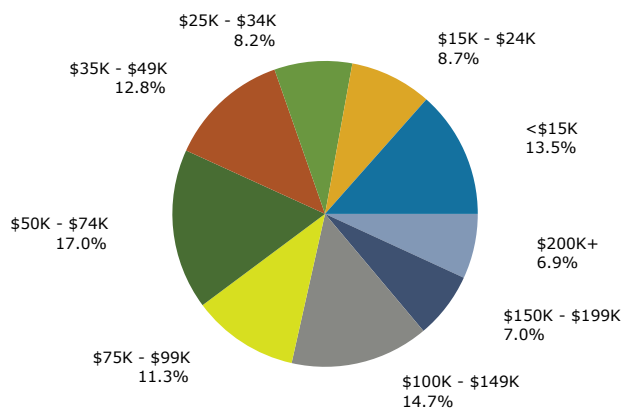
Trends 2020-2025



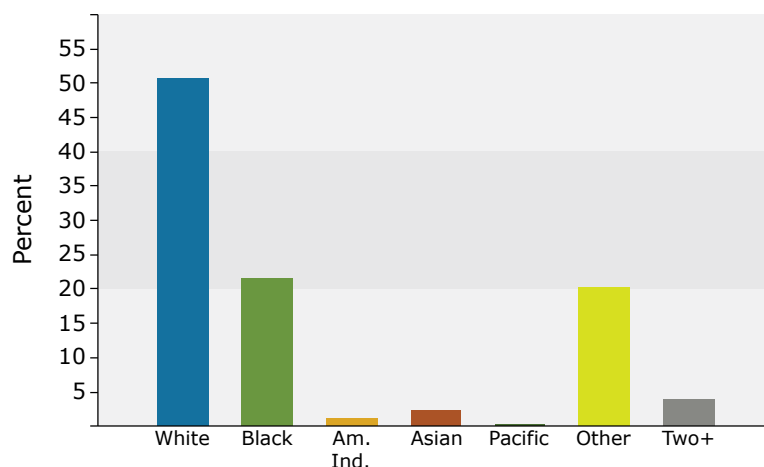
Population by Age



2020 Household Income



2020 Population by Race



2020 Percent Hispanic Origin: 47.9%

ADDENDUM C
Subject Property Photographs

PHOTOGRAPHS OF SUBJECT AND NEIGHBORHOOD



View west on Manor Road



View east on Manor Road



Subject exterior



Subject exterior



Subject exterior



Subject exterior and parking lot



Subject courtyard



Subject signage



Subject exterior



Leasing office exterior



Leasing office



Parking lot



Central laundry facility



Picnic area



Typical stairwell



Typical living area



Typical kitchen



Typical bathroom



Typical walk-in closet



Typical bedroom



Typical living area



Typical bathroom



Typical kitchen



Bus stop adjacent to the south of the Subject



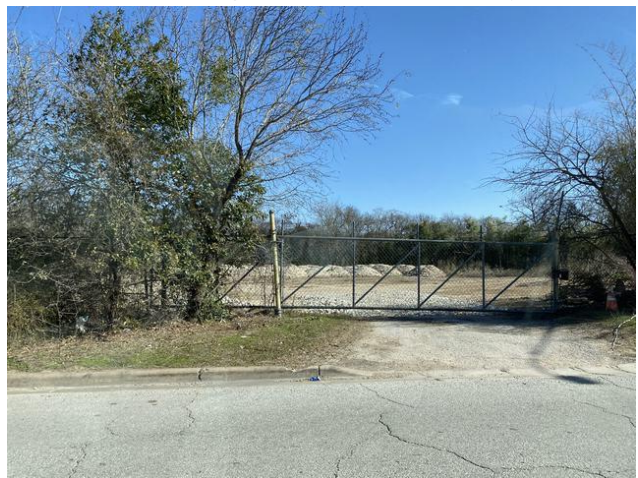
Community park/recreation area north of Subject



Commercial/retail use east of Subject



Commercial/retail use east of Subject



Industrial use south of Subject



Commercial/retail use west of Subject



Commercial/retail use west of Subject



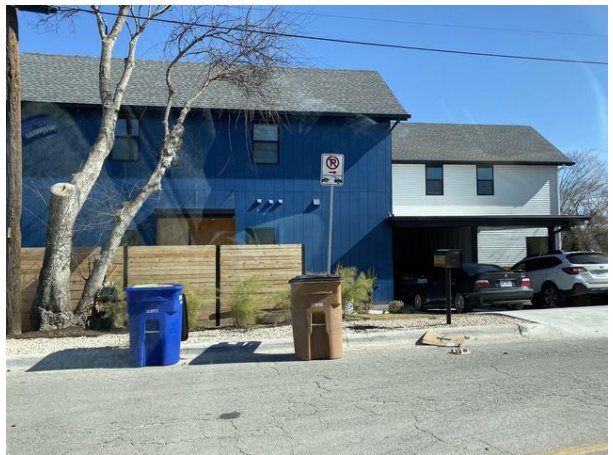
Single-family homes in Subject neighborhood



Single-family homes in Subject neighborhood



Commercial/retail use west of Subject



Single-family homes in Subject neighborhood

ADDENDUM D

Qualifications of Consultants

STATEMENT OF PROFESSIONAL QUALIFICATIONS
RACHEL BARNES DENTON, MAI

I. EDUCATION

Cornell University, Ithaca, NY
School of Architecture, Art & Planning, Bachelor of Science in City & Regional Planning

II. LICENSING AND PROFESSIONAL AFFILIATION

Designated Member of the Appraisal Institute
Member of National Council of Housing Market Analysts (NCHMA)
Member of Commercial Real Estate Women (CREW) Network
 2011 and 2012 Communications Committee Co-Chair for the Kansas City CREW Chapter
 2013 Director of Communications and Board Member for Kansas City CREW
 2014 Secretary and Board Member for Kansas City CREW
 2015 and 2016 Treasurer and Board Member for Kansas City CREW

State of Arkansas Certified General Real Estate Appraiser No. CG3527
State of California Certified General Real Estate Appraiser No. AG044228
State of Colorado Certified General Real Estate Appraiser No. 100031319
State of Hawaii Certified General Real Estate Appraiser No. CGA1048
State of Illinois Certified General Real Estate Appraiser No. 553.002012
State of Kansas Certified General Real Estate Appraiser No. G-2501
State of Minnesota Certified General Real Estate Appraiser No. 40420897
State of Missouri Certified General Real Estate Appraiser No. 2007035992
State of Nebraska Certified General Real Estate Appraiser No. CG2017030R
State of New Mexico Certified General Real Estate Appraiser No. 03424-G
State of Oklahoma Certified General Real Estate Appraiser No. 13085CGA
State of Oregon Certified General Real Estate Appraiser No. C000951
State of Texas Certified General Real Estate Appraiser No. 1380396

III. PROFESSIONAL EXPERIENCE

Novogradac & Company LLP, Partner
Novogradac & Company LLP, Principal
Novogradac & Company LLP, Manager
Novogradac & Company LLP, Senior Real Estate Analyst

IV. PROFESSIONAL TRAINING

Educational requirements successfully completed for the Appraisal Institute:
 Appraisal Principals, September 2004
 Basic Income Capitalization, April 2005
 Uniform Standards of Professional Appraisal Practice, various
 Advanced Income Capitalization, August 2006
 General Market Analysis and Highest & Best Use, July 2008
 Advanced Sales Comparison and Cost Approaches, June 2009
 Advanced Applications, June 2010
 General Appraiser Report Writing and Case Studies, July 2014
 Standards and Ethics (USPAP and Business Practices and Ethics)
 MAI Designation General Comprehensive Examination, January 2015
 MAI Demonstration of Knowledge Report, April 2016

Completed HUD MAP Training, Columbus, Ohio, May 2010

Have presented and spoken at both national Novogradac conferences and other industry events, including the National Council of Housing Market Analysts (NCHMA) Annual Meetings and FHA Symposia, National Housing and Rehabilitation Association Conferences, Institute for Professional and Executive Development (IPED) conferences, and state housing conferences, such as Housing Colorado and Missouri Workforce Housing Association.

V. REAL ESTATE ASSIGNMENTS

A representative sample of Due Diligence, Consulting, or Valuation Engagements includes:

In general, have managed and conducted numerous market analyses and appraisals for various types of commercial real estate since 2003, with an emphasis on affordable multifamily housing.

Conducted and managed appraisals of proposed new construction, rehab and existing Low-Income Housing Tax Credit properties, Section 8 Mark-to-Market properties, HUD MAP Section 221(d)(4) and 223(f) properties, USDA Rural Development, and market rate multifamily developments on a national basis. Analysis includes property screenings, economic and demographic analysis, determination of the Highest and Best Use, consideration and application of the three traditional approaches to value, and reconciliation to a final value estimate. Both tangible real estate values and intangible values in terms of tax credit valuation, beneficial financing, and PILOT are considered. Additional appraisal assignments completed include commercial land valuation, industrial properties for estate purposes, office buildings for governmental agencies, and leasehold interest valuation. Typical clients include developers, lenders, investors, and state agencies.

Managed and conducted market studies for proposed Low-Income Housing Tax Credit, HUD MAP, market rate, HOME financed, USDA Rural Development, and HUD subsidized properties, on a national basis. Analysis includes property screenings, market analysis, comparable rent surveys, demand analysis based on the number of income qualified renters in each market, supply analysis and operating expense analysis. Property types include proposed multifamily, senior independent living, large family, acquisition/rehabilitation, historic rehabilitation, adaptive reuse, and single family developments. Typical clients include developers, state agencies, syndicators, investors, and lenders.

Completed and have overseen numerous Rent Comparability Studies in accordance with HUD's Section 8 Renewal Policy and Chapter 9 for various property owners and local housing authorities. The properties were typically undergoing recertification under HUD's Mark to Market Program.

Performed and managed market studies and appraisals of proposed new construction and existing properties insured and processed under the HUD Multifamily Accelerated Processing (MAP) program. These reports meet the requirements outlined in HUD Handbook 4465.1 and Chapter 7 of the HUD MAP Guide for 221(d)(4) and 223(f) programs.

Performed and have overseen numerous market study/appraisal assignments for USDA RD properties in several states in conjunction with acquisition/rehabilitation redevelopments. Documents are used by states, lenders, USDA, and the developer in the underwriting process. Market studies are compliant to State, lender, and USDA requirements. Appraisals are compliant to lender requirements and USDA HB-1-3560 Chapter 7 and Attachments.

Performed appraisals for estate valuation and/or donation purposes for various types of real estate, including commercial office, industrial, and multifamily assets. These engagements were conducted in accordance with the Internal Revenue Service's Real Property Valuation Guidelines, Section 4.48.6 of the Internal Revenue Manual.

Performed analyses of various real estate asset types subject to USDA 4279-B, Business and Industry Guaranteed Loans, Section 4279.150 guidelines.

Conducted various Highest and Best Use Analyses for proposed development sites nationwide. Completed an analysis of existing and proposed senior supply of all types of real estate, and conducted various

demand and feasibility analyses in order to determine level of need and ultimate highest and best use of the site.

Prepared a three-year Asset Management tracking report for a 16-property portfolio in the southern United States. Data points monitored include economic vacancy, levels of concessions, income and operating expense levels, NOI and status of capital projects. Data used to determine these effects on the project's ability to meet its income-dependent obligations.

Performed various community-wide affordable housing market analyses and needs assessments for communities and counties throughout the Midwest and Western states. Analysis included demographic and demand forecasts, interviews with local stakeholders, surveys of existing and proposed affordable supply, and reconciliation of operations at existing supply versus projected future need for affordable housing. Additional analyses included identification of housing gaps, potential funding sources, and determination of appropriate recommendations. These studies are typically used by local, state, and federal agencies in order to assist with housing development and potential financing.

Managed a large portfolio of Asset Management reports for a national real estate investor. Properties were located throughout the nation, and were diverse in terms of financing, design, tenancy, and size. Information compiled included income and expenses, vacancy, and analysis of property's overall position in the market.

Performed appraisals of LIHTC assets for Year 15 purposes; valuations of both the underlying real estate asset and partnership interests have been completed. These reports were utilized to assist in potential disposition options for the property, including sale of the asset, buyout of one or more partners, or potential conversion to market rate.

STATEMENT OF PROFESSIONAL QUALIFICATIONS

SARA N. NACHBAR

I. EDUCATION

Missouri State University – Springfield, MO

Bachelor of Science – Finance

II. PROFESSIONAL EXPERIENCE

Manager, Novogradac & Company LLP

Executive Assistant, Helzberg Entrepreneurial Mentoring Program

Claims Associate, Farmers Insurance Group

III. REAL ESTATE ASSIGNMENTS

A representative sample of Due Diligence, Consulting, or Valuation Engagements includes:

- Prepared market studies for proposed Low-Income Housing Tax Credit, market rate, HOME financed, USDA Rural Development, and HUD subsidized properties on a national basis. Analysis includes property screenings, market analysis, comparable rent surveys, demand analysis based on the number of income qualified renters in each market, supply analysis, and operating expenses analysis. Property types include proposed multifamily, senior independent living, assisted living, large family, and acquisition with rehabilitation.
- Assisted in the preparation of Rent Comparability Studies for expiring Section 8 contracts and USDA contracts for subsidized properties located throughout the United States. Engagements included site visits to the subject property, interviewing and inspecting potentially comparable properties, and the analyses of collected data including adjustments to comparable data to determine appropriate adjusted market rents using HUD form 92273.
- Assisted in appraisals of proposed new construction, rehabilitation, and existing Low Income Housing Tax Credit properties. Analysis included property screenings, valuation analysis, capitalization rate analysis, expense comparability analysis, determination of market rents, and general market analysis.
- Prepared market studies and assisted in appraisals of proposed new construction and existing properties under the HUD Multifamily Accelerated Processing (MAP) program. These reports meet the requirements outlined in HUD Handbook 4465.1 and Chapter 7/Appendix 7 of the HUD MAP Guide for 221(d)(4) and 223(f) programs.
- Researched and analyzed local and national economy and economic indicators for specific projects throughout the United States. Research included employment industries analysis, employment historical trends and future outlook, and demographic analysis.
- Examined local and national housing market statistical trends and potential outlook in order to determine sufficient demand for specific projects throughout the United States.
- Conducted more than 40 site inspections for market studies and appraisals throughout the United States for various reports including proposed new construction and rehabilitation multifamily projects.

STATEMENT OF PROFESSIONAL QUALIFICATIONS

Rachel Talmadge

I. Education

University of Missouri-Kansas City – Kansas City, MO
Bachelor of Science in Mathematics and Statistics

II. Professional Experience

Novogradac & Company LLP – December 2019 – Present
Analyst

Novogradac & Company LLP – August 2018 – December 2019
Junior Analyst

Cerner – May 2018 – August 2018
Data Analytics Intern

Novogradac & Company LLP – December 2017 – May 2018
Junior Analyst Intern

III. REAL ESTATE ASSIGNMENTS

A representative sample of Due Diligence, Consulting, or Valuation Engagements includes:

- Assists in the preparation of market studies for proposed Low-Income Housing Tax Credit, market rate, HOME financed, USDA Rural Development, and HUD subsidized properties on a national basis. Analysis includes property screenings, market analysis, comparable rent surveys, demand analysis based on the number of income qualified renters in each market, supply analysis, and operating expenses analysis. Property types include proposed multifamily, senior independent living, assisted living, large family, and acquisition with rehabilitation.
- Conducts physical inspections of subject properties and comparables to determine condition and evaluate surrounding markets.
- Assists in the preparation of Rent Comparability Studies for expiring Section 8 contracts and USDA contracts for subsidized properties located throughout the United States. Engagements includes site visits to the subject property, interviewing and inspecting potentially comparable properties, and the analyses of collected data including adjustments to comparable data to determine appropriate adjusted market rents using HUD form 92273.
- Researches and analyzes local and national economy and economic indicators for specific projects throughout the United States. Research includes employment industries analysis, employment historical trends and future outlook, and demographic analysis.
- Examines local and national housing market statistical trends and potential outlook in order to determine sufficient demand for specific projects throughout the United States.

STATEMENT OF PROFESSIONAL QUALIFICATIONS

Egidio “Gino” Rossi

I. EDUCATION

Virginia Tech, May 2018
Bachelor of Science – Finance with Real Estate Minor

University at Albany (SUNY), May 2020
Master of Public Administration – Nonprofit Leadership; Public Financial Management & Economics

II. PROFESSIONAL EXPERIENCE

Novogradac & Company LLP
Junior Analyst, September 2020 – Present

New York State Division of the Budget
Fiscal Policy Analyst, November 2018 – August 2020

III. REAL ESTATE ASSIGNMENTS

A representative sample of Due Diligence, Consulting, or Valuation Engagements includes:

- Assisted in appraisals of proposed new construction, rehabilitation, and existing Low Income Housing Tax Credit properties. Analysis included property screenings, valuation analysis, capitalization rate analysis, expense comparability analysis, determination of market rents, and general market analysis.
- Prepared market studies for proposed Low-Income Housing Tax Credit, market rate, HOME financed, USDA Rural Development, and HUD subsidized properties on a national basis. Analysis includes property screenings, market analysis, comparable rent surveys, demand analysis based on the number of income qualified renters in each market, supply analysis, and operating expenses analysis. Property types include proposed multifamily, senior independent living, assisted living, large family, and acquisition with rehabilitation.
- Assisted in the preparation of Rent Comparability Studies for expiring Section 8 contracts and USDA contracts for subsidized properties located throughout the United States. Engagements included site visits to the subject property, interviewing and inspecting potentially comparable properties, and the analyses of collected data including adjustments to comparable data to determine appropriate adjusted market rents using HUD form 92273.
- Researched and analyzed local and national economy and economic indicators for specific projects throughout the United States. Research included employment industries analysis, employment historical trends and future outlook, and demographic analysis.
- Examined local and national housing market statistical trends and potential outlook in order to determine sufficient demand for specific projects throughout the United States.

ADDENDUM E
NCHMA Certification and Checklist



Formerly known as
National Council of Affordable
Housing Market Analysts

NCHMA MEMBER CERTIFICATION

This market study has been prepared by Novogradac Consulting LLP, a member in good standing of the National Council of Housing Market Analysts (NCHMA). This study has been prepared in conformance with the standards adopted by NCHMA for the market analysts' industry. These standards include the *Standard Definitions of Key Terms Used in Market Studies*, and *Model Content Standards for the Content of Market Studies*. These Standards are designed to enhance the quality of market studies and to make them easier to prepare, understand, and use by market analysts and by the end users. These Standards are voluntary only, and no legal responsibility regarding their use is assumed by the National Council of Housing Market Analysts.

Novogradac Consulting LLP is duly qualified and experienced in providing market analysis for Affordable Housing. The company's principals participate in the National Council of Housing Market Analysts (NCHMA) educational and information sharing programs to maintain the highest professional standards and state-of-the-art knowledge. Novogradac Consulting LLP is an independent market analyst. No principal or employee of Novogradac Consulting LLP has any financial interest whatsoever in the development for which this analysis has been undertaken.

Rachel B. Denton, MAI
Partner
913-312-4612
Rachel.Denton@novoco.com

Certificate of Professional Designation

This certificate verifies that

Rachel Denton
Novogradac & Company LLP

*Has completed NCHMA's Professional Designation Requirements
and is hence an approved member in good standing of:*



Formerly known as
NCAHMA

National Council of Housing Market Analysts
1400 16th St. NW
Suite 420
Washington, DC 20036
202-939-1750

Membership Term
1/1/2021 to 12/31/2021



Thomas Amdur
President, NCHMA

NCHMA Market Study Index

Introduction: Members of the National Council of Housing Market Analysts provide the following checklist referencing various components necessary to conduct a comprehensive market study for rental housing. By completing the following checklist, the NCHMA Analyst certifies that he or she has performed all necessary work to support the conclusions included within the comprehensive market study. By completion of this checklist, the analyst asserts that he/she has completed all required items per section.

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NCHMA Market Study Index

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DATA SOURCES

Sources used in this study include data that is both written and oral, published and unpublished, and proprietary and non-proprietary. Real estate developers, housing officials, local housing and planning authority employees, property managers and other housing industry participants were interviewed. In addition, we conducted a survey of existing, comparable properties.

This report incorporates published data supplied by various agencies and organizations including:

- U.S. Census Bureau
- Bureau of Labor Statistics
- Bureau of Justice Statistics
- City of Austin
- Travis County
- Travis Central Appraisal District
- Texas Workforce Commission
- ESRI Demographics
- Ribbon Demographics
- Department of Housing and Urban Development (HUD)
- Housing Authority of the City of Austin
- 2020 Housing Authority of the City of Austin Utility Allowance
- TDHCA 2021 Market Study Requirements
- TDHCA List of Funded Projects
- RealtyTrac
- CoStar

**KENSINGTON APARTMENTS
AUSTIN, TEXAS**

RELOCATION PLAN

Project Information

Kensington Apartments is a 149-unit, multifamily housing community located in Austin, Texas. The development was built in 1969 and consists of 64 efficiency units and 85 one-bedroom units in a U-shaped 2-story building. The development was originally built in 1969 as a luxury motel lodge, but has been operated as an apartment community for over thirty years. Currently, the development is being operated as a market rate development, as there is no income, age, rent, or disability restrictions. The current landlord signs only bi-weekly and month-to-month leases. It is currently 85% occupied, with tenants of low-income levels, as many residents receive funding support from nonprofits and local churches.

The rehabilitation program will focus on energy efficiency upgrades, tenant safety upgrades, improving tenant amenities and quality of life and replacing aging systems to extend the useful of the buildings. The unit interior work generally includes:

- **General Interior:** painting, flooring, energy efficient lighting, new energy efficient heating and cooling systems, electrical panel upgrades, new doors as needed and new window treatments.
- **Bathrooms:** new vanities, sinks, and faucets, medicine cabinets, tub surrounds as needed, toilets, and painting
- **Kitchens:** new cabinets, counters, sinks, faucets, appliances, new dishwashers, microwaves

Anticipated funding for the development's rehabilitation will come from the sale of 4% tax credits, tax-exempt bonds, and HUD 221(d)(4).

Current Status

Currently, approximately 125 units are occupied.

A. Temporary Relocation Strategy

The planned rehabilitation will require that tenants be moved into another unit onsite for a period of approximately 14 days while their unit is being renovated. The scope of work should not require any offsite tenant relocation from the units or prolonged tenant absences. Moving services will be

**KENSINGTON APARTMENTS
AUSTIN, TEXAS**

provided by the owner along with additional assistance for any tenants that may require it. The rehabilitation will be phased and tenants will not be relocated out of their units for more than a few weeks and certainly not exceed a year. Vacant units will be turned over to the construction company so they can undergo rehabilitation during the first month. When the rehabilitation of these units is complete, tenants will be relocated into these apartments in accordance with a posted phasing schedule that will be made available to the tenants. Upon completion of the rehabilitation, the tenants would be returned to their original unit.

Every effort will be made to avoid any temporary displacement of existing tenants during the renovation. Arrangements will be made to accommodate tenants during the time their original unit is unavailable; this will include activities and food in the community room and relocation to another vacant unit onsite. If rehabilitation activities require offsite accommodations, tenants will be moved to temporary suitable, decent, safe and sanitary hotel/motel unit that may not be the same size, but is adequate for the needs of the relocated tenants for the short duration of the relocation. Costs for food, activities, and offsite accommodations, if necessary, have been included in the budget included in this plan.

B. Move-Out and Move-In Inspections

The assigned member of the management team will perform both move-out inspection, along with a member of the construction team when a tenant is to be temporarily relocated to commence work on their unit. Once the work is completed, the management team member with the assigned construction team member will inspect the unit and ensure complete work, cleanliness, and sanitization in preparation to move the tenant back into their original unit. The management team and construction team will work closely in this endeavor.

C. Security and Safety

A member of the construction team will ensure adequate security and safety precautions be in place during the construction. This is not just for the materials, equipment, and employees, but for the protection of the tenants residing in the buildings while the rehabilitation is being completed. This protection extends for safety precautions during the pandemic to ensure the safety of the workers and tenants and property staff.

Project Location

3300 Manor Road, Austin, Texas

Assessment of Relocation Needs

At the time the project is initiated, personal interviews with the affected tenant households will be conducted and income certifications completed. Inquiries made of the residential occupants will concern household size and composition, income, monthly rent, length of occupancy, home language, physical disabilities, and special needs. It will be determined at these meetings if there will be any special accommodation that must be made for the household during the rehabilitation phase.

**KENSINGTON APARTMENTS
AUSTIN, TEXAS**

To address the possibility that temporary housing may be required for one or more households, a resource review will be conducted to identify all available temporary housing in the area. The average rent amount is among the figures used based on preliminary information gathered to make benefit and budget projections for the plan. This amount is, naturally, subject to change according to the market rates prevailing at the time of displacement, should it occur.

Relocation Program

This relocation program is designed to minimize hardship, be responsive to unique project circumstances, emphasize maintaining personal contact with all affected individuals, consistently apply all regulatory criteria to formulate eligibility and benefit determinations.

A. Temporary Relocation Assistance

In the event a tenant incurs any out-of-pocket costs related to a required temporary displacement from their unit, they will be reimbursed for eligible costs such as hotel/motel costs, a per diem for food, pet boarding, and transportation to and from the temporary unit, etc. Assistance will also be available to identify and secure temporary housing or accommodations should it be necessary. *Any moving costs associated with moving to and from temporary housing will also be paid by the owner.*

B. Permanent Relocation

No permanent relocation is expected as this is a “tenant in-place” or “rolling” rehabilitation.

C. Relocation Coordination Contracts:

- Chad Wakefield
Revival Development Services
chad@revivaldevelopmentservices.com
- A member of Alpha Barnes Real Estate Management (Management Company) team will also be assigned to Relocation Consultant to support relocation efforts and coordination.

Administrative Provisions

A. Notices

The tenants will be notified of the plan to rehabilitate the development prior to the closing of the acquisition. The notices will be physically delivered to each unit and attached to this plan. The tenants will receive timely noticing of all activities. Each notice shall be personally delivered or sent certified or registered first-class mail. Each notice will indicate the name and telephone number of a person who may be contacted for answers to questions, resolve concerns, complaints, and address other matters.

B. Privacy of Records

All information obtained from is considered confidential and will not be shared without consent of the tenant or the owner. Management staff will comply with federal regulations concerning safeguarding of relocation files and their contents.

C. Projected Date of Rehabilitation Activates

Rehabilitation activities are anticipated to start July 2022.

D. Estimated Relocation Costs

The total budget for relocation-related payments for this project is \$144,000. Should it go over budget, the difference will be funded out of the deferred development fee. **All relocation expenses will be paid by the owner.**

Relocation Budget

Moving Activity	\$ Per Unit	Budget
Movers and Labor Assistance/Relocation Coordinator	\$395	\$56,880
Onsite Storage	\$75	\$10,800
Boxes, bins, and other materials	\$100	\$14,400
Food, activities, and per diem	\$130	\$18,720
Hotel expense	\$100	\$14,400
Contingency	\$200	\$28,800
Total	\$1000	\$144,000

KENSINGTON APARTMENTS
3300 MANOR ROAD
AUSTIN, TEXAS

Kensington Apartments – Neighborhood Support Letter

April 13, 2021

Elizabeth Property Group
info@elizabethpropertygroup.com

Re: Renovation of Kensington Apartments using Low-Income Housing Tax Credits

The Mueller Neighborhood Association Steering Committee is thankful for the opportunity to provide comments on the renovation of Kensington Apartments by the Elizabeth Property Group using a 4% Low-Income Housing Tax Credit.

From our neighborhood's beginning, the Mueller Affordable Homes Program set aside 25% of the total for-sale and for-rent residences throughout the community to be affordable through income-restriction. This has had numerous positive impacts, both for the families living in the affordable units as well as the entire neighborhood. The Steering Committee also recognizes that the wealth of amenities (e.g. job centers, parks, grocery store, hospital) and transit options within Mueller are a benefit to the Kensington Apartments residents.

We also acknowledge that without the use of a Low-Income Housing Tax Credit or other funding source, the development pressures and overall housing shortage in Austin would likely cause Kensington Apartments to be sold and demolished in the coming years. This would result in the displacement of hundreds of residents living in the 140 housing units, further gentrifying an area of Austin that has historically been the home of many African-American community members.

The Steering Committee had some initial concerns that the redevelopment of the Kensington Apartments could cause temporary displacement as residents would be forced to move during the renovation. However, the Elizabeth Property Group assured us that the planned rehabilitation would only require that tenants be moved into another unit onsite for a period of approximately 14 days while their unit is being renovated. In addition, the scope of work should not require any offsite tenant relocation or prolonged tenant absences. Furthermore, the rents would be cheaper as they would now be subsidized instead of being affordable due to the market.

The Mueller Neighborhood Association Steering Committee supports the renovation of the Kensington Apartments using a 4% Low-Income Housing Tax Credit.

Sincerely,

Mueller Neighborhood Association Steering Committee

**KENSINGTON APARTMENTS
3300 MANOR ROAD
AUSTIN, TEXAS**

S.M.A.R.T. Housing is N/A due to acq/rehab.

**KENSINGTON APARTMENTS
3300 MANOR ROAD
AUSTIN, TEXAS**

ECHO MOU



August 6, 2021

RE: Letter of Support for Elizabeth Property Group

To Whom It May Concern:

The Ending Community Homelessness Coalition (ECHO) is the lead Continuum of Care (CoC) agency for Austin/Travis County. ECHO is charged with creating and managing access to permanent housing on behalf of the homeless response system. Elizabeth Property Group has committed 30 units to the CoC as documented by an executed Memorandum of Understanding between Elizabeth Property Group and ECHO. Units dedicated to the CoC will be made available to the homeless response system for the duration of the executed agreement. ECHO is therefore in support of the Elizabeth Property Group development as it will produce long term resources to end homelessness in Austin/Travis County.

Please feel free to reach out with any questions.

Sincerely,

Kate Moore

Kate Moore (Aug 6, 2021 12:01 CDT)

Kate Moore
VP of Strategic Planning and Partnerships
katemoore@austinecho.org

Established Point of Contact:

Kaylin Rubin
Community Housing Portfolio Manager
kaylinrubin@austinecho.org






ElizabethGroup_SupportLetter

Final Audit Report

2021-08-06

Created:	2021-08-06
By:	Poleth Robledo (polethrobledo@austinecho.org)
Status:	Signed
Transaction ID:	CBJCHBCAABAATTUwsVBxubI2SFNHk5sTQhclNGAm-Phy

"ElizabethGroup_SupportLetter" History

-  Document created by Poleth Robledo (polethrobledo@austinecho.org)
2021-08-06 - 4:48:53 PM GMT- IP address: 162.229.210.47
-  Document emailed to Kate Moore (katemoore@austinecho.org) for signature
2021-08-06 - 4:49:08 PM GMT
-  Email viewed by Kate Moore (katemoore@austinecho.org)
2021-08-06 - 5:01:27 PM GMT- IP address: 136.62.173.63
-  Document e-signed by Kate Moore (katemoore@austinecho.org)
Signature Date: 2021-08-06 - 5:01:50 PM GMT - Time Source: server- IP address: 136.62.173.63
-  Agreement completed.
2021-08-06 - 5:01:50 PM GMT

**KENSINGTON APARTMENTS
3300 MANOR ROAD
AUSTIN, TEXAS**

EPG and Integral Care are in discussion on a potential partnership, after which a more detailed scope of proposed services will be presented. The basis for the conversation assumes at least a 15:1 COC resident to onsite staff member (funded via reserved development fee and priority cash flow, as well as funding grants raised by the nonprofit partner.)

**Memorandum of Understanding (MOU) Between
Ending Community Homelessness Coalition (ECHO) and Rental Housing
Development Assistance (RHDA) Applicant**

I. OVERVIEW

- To qualify for a Continuum of Care unit, applicants will meet the following definition of homelessness:
 1. "Households that qualify as homeless under the HUD HEARTH Act ¹Homeless definition paragraph one: (i) those whose primary nighttime residence is not designed as a sleeping accommodation for human beings, (ii) those in shelter, transitional housing, or motels paid for by charitable organizations, and (iii) those exiting institutions after 90 days or less and who were previously homeless;" and
 2. Be referred through Coordinated Assessment.
- The owner/agent will dedicate X units to the Continuum of Care.

II. GENERAL ROLES

- The Owner/Agent will systematically alert ECHO of anticipated unit vacancies to be filled by the Continuum of Care, comply with the summary of time limitations outlined below, and comply with attached tenant screening criteria. Details outlined below.
- ECHO will assume responsibility for readying eligible homeless applicants to quickly apply to fill those vacancies and efficiently meet all requirements of the tenant screening and lease up process to the Owner/Agent's satisfaction. Details outlined below. Referred households will have the following characteristics:
 1. Homeless status has been certified
 2. Household matches the property's income, unit size restrictions, etc.
 3. Household has completed Coordinated Assessment
- For each referral, ECHO will identify the household as prioritized through the Coordinated Assessment system; individual household vulnerability and eligibility will be considered as part of the Coordinated Assessment process. ECHO will then pair that household with an appropriate support service program. These are support service programs, not governed by ECHO, that are often positioned to provide short term and/or long term support services to the households during their new tenancy that will promote their stability as tenants. Details outlined below.

¹ *The Homeless Emergency Assistance and Rapid Transition to Housing Act* (HEARTH); May 20, 2009. The HEARTH Act amends and reauthorizes the McKinney-Vento Homeless Assistance Act .



III. RESPONSIBILITIES OF OWNER/AGENT

- Provide ECHO, in a separate email, the following documents at least 30 days prior to the start of application acceptance:
 1. Standard Application
 2. Standard Lease Agreement - including specifications regarding utility payments
 3. List of documents needed for a complete application
 4. Property rules related to smoking, parking, pets, etc.
- Email ECHO point of contact with timely notification of a vacancy that will be assigned as a CoC unit and provide relevant information about the vacant unit.
- Copy assigned support service provider on all communication with a homeless applicant. Note that ECHO will obtain a Release of Information for each household to allow this communication to proceed.
- Whenever possible, accept initial applications by secure email or fax in order to decrease the number of visits the applicant and service provider need to make to the property.
- Screen the batch of up to three referred applicants for eligibility and suitability in the order received from ECHO (i.e. Applicant #1 and Applicant #2).
- Alert ECHO, assigned support service provider, and applicants of any deficiencies in applications.
- Make an eligibility determination within 5 business days whenever possible.
- Ensure a general response time for all communications with the MOU partner of 1-2 business days.

IV. RESPONSIBILITIES OF ECHO

- Provide Owner/Agent with a batch of up to three applicants that meet the property's eligibility criteria within 5 business days of notification from the Owner/Agent of an available CoC unit. If the applicants are rejected or decline an offer of housing, ECHO can refer more applicants if requested by the Owner/Agent. If a suitable applicant is not identified within 30 business days, then the property may revert back to its standing waiting list to fill the vacancy.
- Provide the Owner/Agent with a complete referral package for each referral that includes:
 1. Completed housing application of the Owner/Agent.
 2. Required supporting documentation needed by the Owner/Agent to process applications::
 - a. Picture IDs for all adults
 - b. Income and asset documentation
 3. Verification of homelessness for CoC unit eligibility.
 4. Determination that household is most appropriate as determined by the Austin/Travis County Continuum-of-Care Coordinated Assessment process.

5. Release of Information from the referred households to authorize ECHO and the Owner/Agent to share information regarding the households' applications, including third party documents the development receives from doing third party verifications (i.e. bank statements, credit reports, etc).
 6. Contact information for assigned support service provider.
- Support the appropriate support service program in informing the applicants referred that this is only a referral and does not constitute an offer of housing and that the Owner/Agent will confirm eligibility for the housing and conduct a screening that will include a credit check, criminal background check, and landlord history check.
 - Support the appropriate support service program in accompanying the referred applicants for interviews with the Owner/Agent and lease signing at the property if the household needs that support.
 - For each referral, ECHO will identify the household as prioritized through the Coordinated Assessment process; individual household vulnerability and eligibility will be considered as part of the Coordinated Assessment process. ECHO will then pair that household with an appropriate support service program. These are support service programs, not governed or guaranteed by ECHO, that are often positioned to provide short term and/or long term human services to the households during their new tenancy that will promote their stability as new tenants.
 - Ensure a general response time for all communications with the MOU partner of 1-2 business days.
-

V. SUMMARY OF TIME LIMITATIONS TO COORDINATION

Party	Step	Time Limitation
Owner/Agent	Email announcement of vacancy to be dedicated to homeless preference	Immediately upon vacancy - or as soon as anticipated
ECHO	Submit up to 3 referrals to fill vacancy in a ranking order for consideration	5 business days
Owner/Agent	Announce eligibility determination	5 business days
ECHO	Second attempt to fill unit before vacancy may go to general waiting list	5 business days
All parties	General response time for all communications between parties	1-2 business days

VI. ESTABLISHED POINTS OF CONTACT

ECHO Point of Contact

Name: Bree Williams

Title: Director of Community Housing

Phone: 512-940-9690

Email: breewilliams@austinecho.org

Address:

Website: www.austinecho.org

RHDA Applicant Point of Contact

Name:

Title: Owner

Phone:

Email:

Address:

Website:

VII. VACANCY INFORMATION

Vacancy Announcement Email Contents

Property Name:

Contact Person:

Phone:

Email:

Date unit will be ready for occupancy:

of Bedrooms:

Utilities tenant is responsible for:

Is this a first floor or elevator unit?

Is this an accessible unit?

Anything else an applicant should know about the unit?

VIII. MOU ATTACHMENTS

- RHDA Applicant should attach the following to this MOU:
 1. Rental Application and related document requirements, if available
 2. Standard Lease and utility payment specifications, if available

- ECHO should attach the following to this MOU:
 1. CoC Unit Screening Criteria
 2. Sample Release of Information

IX. MOU SIGNATURES

ECHO

Name:

Title: Executive Director

Phone:

Email:

Address:

Website: www.austinecho.org

Signature:

Date:

RHDA Applicant

Name:

Title: Owner

Phone:

Email:

Address:

Website:

Signature:

Date:

**KENSINGTON APARTMENTS
3300 MANOR ROAD
AUSTIN, TEXAS**

Novogradac Appraisal

A MARKET VALUATION OF:

KENSINGTON APARTMENTS

A MARKET VALUATION OF: **KENSINGTON APARTMENTS**

3300 Manor Road
Austin, Travis County, Texas 78723

Inspection Date: January 15, 2021
Effective Date: January 15, 2021
Report Date: February 5, 2021

Prepared for:
Tisha Vaidya
Elizabeth Property Group
5580 LBJ Freeway, Suite 630
Dallas, TX 75240

And

Texas Department of Housing & Community Affairs (TDHCA)
221 East 11th Street
Austin, Texas 78701

Prepared by:
Novogradac Consulting LLP
6700 Antioch Road, Suite 450
Merriam, Kansas 66204
913-677-4600

Per TDHCA appraisal rules and guidelines, "any person signing this Report acknowledges that the Department may publish the full report on the Department's website, release the report in response to a request for public information and make other use of the report as authorized by law."





February 5, 2021

Tisha Vaidya
Elizabeth Property Group
5580 LBJ Freeway, Suite 630
Dallas, TX 75240

And

Texas Department of Housing & Community Affairs (TDHCA)
221 East 11th Street
Austin, Texas 78701

Re: Appraisal of Kensington Apartments
3300 Manor Road
Austin, Travis County, Texas 78723

Dear Ms. Vaidya:

We are pleased to present our findings with respect to the value of the above-referenced property, Kensington Apartments ("Subject"). The Subject is an existing 149-unit market rate development proposed for acquisition/rehabilitation with LIHTCs. The Subject offers 64 studio units and 84 one-bedroom unrestricted rental units, in addition to a non-rental manager's unit. We have provided value estimates that are in accordance with the client and that meet the Texas Department of Housing and Community Affairs (TDHCA) QAP and USPAP requirements.

- Market Value "as is" of the fee simple interest in the property
- Indication of underlying land value as if vacant

Elizabeth Property Group is the client in this engagement. We understand that they will use this document for internal investment decisions and determination of tax credit eligible basis. Intended users are those transaction participants who are interested parties and have knowledge of the Section 42 LIHTC program. These could include local housing authorities, state allocating agencies including TDHCA, state lending authorities, LIHTC construction and permanent lenders, and LIHTC syndicators. As our client, Elizabeth Property Group owns this report and permission must be granted from them before another third party can use this document. We assume that by reading this report another third party has accepted the terms of the original engagement letter including scope of work and limitations of liability. We are prepared to modify this document to meet any specific needs of the potential users under a separate agreement.

This valuation engagement was conducted in accordance with the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute, which standards incorporate the Uniform Standards of Professional Appraisal Practice (USPAP). In accordance with these standards, we have reported our findings herein in an appraisal report, as defined by USPAP.

For the purposes of this assignment, market value is defined as:

The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

1. Buyer and seller are typically motivated;
2. Both parties are well informed or well advised and acting in what they consider their best interest;
3. A reasonable time is allowed for exposure in the open market;
4. Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and,
5. The price represents normal considerations for the property sold, unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.¹

Our value conclusion was based on general economic conditions as they existed on the date of the analysis and did not include an estimate of the potential impact of any sudden or sharp rise or decline in general economic conditions from that date to the effective date of our report. Events or transactions that may have occurred subsequent to the effective date of our opinion have not been considered. We are not responsible to update or revise this report based on such subsequent events, although we would be pleased to discuss with you the need for revisions that may be occasioned as a result of changes that occur after the valuation date. The Subject property and the comparables were inspected on January 15, 2021, which will serve as the effective date of this report.

An Environmental Site Assessment Phase I was not available. We requested a copy of the environmental site assessment, but this document was not available as of the date of this valuation. Thus, it is an extraordinary assumption that there are no recognized environmental conditions that would impact the value of the Subject.

A Property Condition Report was also not available. However, according to the client, no immediate or critical repairs are necessary. Thus, it is an extraordinary assumption that there are no needed critical repairs that would impact the value of the Subject property.

The aforementioned extraordinary assumptions were necessary for the valuation of the Subject. No other extraordinary assumptions or hypothetical conditions were necessary to complete the valuation for the Subject.

The use of extraordinary assumptions and/or hypothetical conditions may affect the assignment results. Please refer to the complete Assumptions and Limiting Conditions in the Addenda of this report.

As a result of our investigation and analysis, it our opinion that, subject to the limiting conditions and assumptions contained herein, the estimated value of the underlying land, as if vacant, of the fee simple interest, as of January 15, 2021, is:

**TWO MILLION THREE HUNDRED THOUSAND DOLLARS
(\$2,300,000)**

¹ 12 C.F.R. Part 34.42(g); 55 Federal Register 34696, August 24, 1990.

As a result of our investigation and analysis, it is our opinion that, subject to the limiting conditions and assumptions contained herein, the estimated market value "As Is" in the fee simple interest, as of January 15, 2021, is:

SIXTEEN MILLION DOLLARS
(\$16,000,000)

We appreciate this opportunity to be of service. Please contact us if you have any comments or questions.

Respectfully submitted,
Novogradac Consulting LLP

A handwritten signature in black ink that reads "R. B. Denton". The signature is written in a cursive, flowing style.

Rachel B. Denton, MAI
Partner
Certified General Real Estate Appraiser
TX License # 1380396
Rachel.Denton@novoco.com
913.312.4612

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I. EXECUTIVE SUMMARY

EXECUTIVE SUMMARY

Property Appraised:

The Subject is an existing 149-unit market rate development located at 3300 Manor Road in Austin, Travis County, Texas. The Subject offers 64 studio units and 84 one-bedroom unrestricted rental units, in addition to a non-rental manager's unit. The Subject consists of one two-story garden-style residential building. The building has wood frame construction with concrete foundation, brick exterior, and pitched roofing.

The property was originally constructed in 1968 and has not undergone a substantial property-wide renovation since its initial construction. A Property Condition Report was requested but not provided for the development. However, according to the client, no immediate or critical repairs are necessary. Based on our site inspection, the property is currently in average overall condition.

Recent Operation:

According to the rent roll dated September 30, 2020, the Subject is currently 89.3 percent occupied. The Subject's historical vacancy and collection loss was unavailable. It should be noted that the Subject currently offers weekly and monthly rentals, which likely results in fluctuating occupancy levels.

The image on the following page depicts the Subject site boundaries.

Aerial Image:



Source: Google Earth, February 2021

Tax Map ID: According to the Travis Central Appraisal District's office the Subject's legal description is: 207647.

Land Area: The Subject site is 2.70 acres, or 117,500 square feet.

Legal Interest Appraised: Fee simple estate.

Zoning: The Subject site is currently zoned CS-MU-V-NP (General Commercial Services—Mixed Use—Vertical Mixed-Use Building—Neighborhood Plan Combining District).

The General Commercial Services District "is intended predominately for commercial and industrial activities of a service nature having operating characteristics or traffic service requirements generally incompatible with residential environments." This district allows for a wide variety of commercial, industrial, and agricultural uses.

The Mixed-Use combining district “is intended for combination with selected base districts, in order to permit any combination of office, retail, commercial, and residential uses within a single development... [and] allows development of all types of residential uses, including single-family residential, multifamily residential, and townhomes.” The densities standards for the CS-MU district are 800 square feet of lot area per studio unit, 1,000 square feet of lot area per one-bedroom unit, and 1,200 square feet of lot area per two or more bedroom unit.

The purpose of the Vertical (V) Mixed-Use Building District “is to promote vertical mixed use” building development. Buildings in this district must be at least 12 feet high.

The purpose of the Neighborhood Plan Combining District “is to allow infill development by implementing a neighborhood plan that has been adopted by the council as an amendment to the comprehensive plan. Below is a list of items that may be added to properties (individual, subdistrict or area-wide) within an NP combining district. These options are discussed during the neighborhood planning process and, if chosen, are adopted concurrently with the neighborhood plan. These options may also be added in the future through the rezoning and plan amendment process.

- A. Application of infill special use options
 - Cottage Lot Urban
 - Home Secondary
 - Apartment
 - Neighborhood Urban Center
 - Corner Store
 - Neighborhood Mixed Use Building
 - Residential Infill
 - Secondary Apartment
 - Small Lot Amnesty
- B. Application of design standards
 - Front Porch Setback
 - Impervious Cover and Parking Placement Requirements
 - Garage Placement
- C. Other items
 - Establishment of Front or Side Yard Parking
 - Requirements for Mobile Food Establishments
 - Modification of Residential Design and Compatibility Standards
 - Modification of Affordability Requirements”

The Subject site is approximately 2.70 acres, or 117,500 square feet in size. As improved, the Subject has 64 studio units and 84 one-bedroom rental units, in addition to a non-rental manager unit. This equates to a

required lot size of approximately 136,200, or 3.13 acres (assuming the minimum required 800 square feet for each studio and 1,000 square feet for each one-bedroom unit). The Subject offers 122 off-street surface parking spaces, or 0.8 parking spaces per unit. The Subject therefore appears to represent a legal non-conforming use as currently improved due to its density.

Flood Zone:

According to the FEMA Flood Map Service Center, the Subject is located in Community Panel 48453C0465K, dated January 22, 2020, the Subject site is located in Zone X, an area outside the 100 and 500-year flood plains. Further analysis by Novogradac is beyond the scope of the report.

Current Rents and Unit Mix:

The Subject's current rents and unit mix are shown in the following table.

CURRENT RENTS			
Unit Type	Unit Size (SF)	Number of Units	Current Rent
<i>Market Rate</i>			
OBR / 1BA	225	8	\$600
OBR / 1BA	250	56	\$780
1BR / 1BA	410	84	\$850
<i>Non-Rental</i>			
2BR / 2BA	780	1	-
Total		149	

The following table details the Subject's rent roll dated September 30, 2020.

RENT ROLL ANALYSIS (9/30/2020)							
Unit Type	Unit Size (SF)	Number of Units	Vacant	Occupancy Rate	Min Leased Rent	Max Leased Rent*	Average Leased Rent*
<i>Market Rate</i>							
OBR / 1BA	225	8	1	12.5%	\$600	\$600	\$600
OBR / 1BA	250	56	9	16.1%	\$720	\$780	\$745
1BR / 1BA	410	84	6	7.1%	\$720	\$850	\$825
<i>Non-Rental</i>							
2BR / 2BA	780	1	0	0.0%	-	-	-
Total		149	16	10.7%			

*The Subject currently offers both weekly and monthly rentals.

Number of Stories:

Two.

Floor Plan Ratings:

Based on our physical inspection of representative units on January 15, 2021, the floor plans appear adequate relative to their intended use and they offer good functional utility.

Utility Structure:	The landlord is responsible for all utilities, including gas cooking, gas heating, gas water heating, general electric, cold water, sewer, and trash removal, as well as common area amenities.
Unit Amenities:	The Subject's unit amenities include blinds, vinyl flooring, central heating and air conditioning, and walk-in closets. Kitchen appliances include an oven/stove and refrigerator. The Subject also offers basic cable included in the rent.
Development Amenities:	The Subject's common area amenities include a central laundry facility, picnic area, recreation area, courtyard, and on-site management.
Parking:	The Subject offers 122 off-street surface parking spaces, or 0.8 parking spaces per unit.
Ownership History of the Subject:	According to the Travis Central Appraisal District, current ownership is vested in KML Inc. According to the Purchase and Sale Agreement dated January 8, 2021, the Subject is under contract between KLM, Inc. (Seller) and Elizabeth Property Group (Buyer) for a purchase price of \$16,000,000. The purchase price is equal to our reconciled "as is" value of \$16,000,000, indicating a market-oriented sale. There have been no other known transfers of ownership of the Subject over the past three years.
Highest and Best Use "As If Vacant":	The highest and best use of the site as if vacant would be to construct a 116-unit affordable, market rate, or mixed-use multifamily residential complex.
Highest and Best Use "As Improved":	The Subject property currently operates as a multifamily property in average condition. It is not deemed feasible to tear it down for an alternative use. Therefore, the highest and best use of the site "as improved" is continued operation as a multifamily housing development.
Effective Date:	The Subject property and the comparables were inspected on January 15, 2021, which will serve as the effective date of this report.

Indications of Value:

LAND VALUE

Scenario	No. of Units	Price/Unit	Indicated Value (Rounded)
Land Value	116	\$20,000	\$2,300,000

DIRECT CAPITALIZATION ANALYSIS - AS IS

Scenario	Cap Rate	Net Operating Income	Indicated Value (Rounded)
Unrestricted - As Is	4.50%	\$717,920	\$16,000,000

NOI/UNIT ANALYSIS

Scenario	Number of Units	Price per unit	Indicated Value (Rounded)
Unrestricted - As Is	149	\$107,000	\$15,900,000

An Environmental Site Assessment Phase I was not available. We requested a copy of the environmental site assessment, but this document was not available as of the date of this valuation. Thus, it is an extraordinary assumption that there are no recognized environmental conditions that would impact the value of the Subject.

A Property Condition Report was also not available. However, according to the client, no immediate or critical repairs are necessary. Thus, it is an extraordinary assumption that there are no needed critical repairs that would impact the value of the Subject property.

The aforementioned extraordinary assumptions were necessary for the valuation of the Subject. No other extraordinary assumptions or hypothetical conditions were necessary to complete the valuation for the Subject.

The use of extraordinary assumptions and/or hypothetical conditions may affect the assignment results. Please refer to the complete Assumptions and Limiting Conditions in the Addenda of this report.

Exposure Period:

Nine to 12 months.

II. FACTUAL DESCRIPTION

FACTUAL DESCRIPTION

APPRAISAL ASSIGNMENT AND VALUATION APPROACH

As requested, the appraisers provided the following value estimates, described and defined below:

- Market Value “as is” of the fee simple interest in the property
- Indication of underlying land value as if vacant

In determining the value estimates, the appraisers employed the sales comparison and income capitalization approaches to value. The property is an existing market rate apartment community. Given the Subject’s age, and investment type, the cost approach is not considered a reliable method of valuation. It is generally not used by participants in the marketplace. In lieu of the cost approach, we have provided a land value as if vacant given the scope of work.

The income capitalization approach involves an analysis of the investment characteristics of the property under valuation. The earnings' potential of the property is carefully estimated and converted into an estimate of the property's market value.

The sales comparison approach involves a comparison of the appraised property with similar properties that have sold recently. When properties are not directly comparable, sale prices may be broken down into units of comparison, which are then applied to the Subject for an indication of its likely selling price.

Property Identification

Kensington Apartments, the Subject, is an existing 149-unit market rate development. The Subject is located at 3300 Manor Road in Austin, Travis County, Texas 78723. The Subject site consists of one parcel that is approximately 2.70 acres, or 117,500 square feet square feet in size. The parcel is generally irregular in shape and is level in topography. The site is improved with one two-story garden-style residential building. The improvements were originally constructed in 1968, and no major capital expenditures were reported in the past three years. According to the Travis Central Appraisal District’s office the Subject’s parcel number is: 207647.

Intended Use and Intended User

Elizabeth Property Group is the client in this engagement. We understand that they will use this document for internal investment decisions and determination of tax credit eligible basis. Intended users are those transaction participants who are interested parties and have knowledge of the Section 42 LIHTC program. These could include local housing authorities, state allocating agencies including TDHCA, state lending authorities, LIHTC construction and permanent lenders, and LIHTC syndicators. As our client, Elizabeth Property Group owns this report and permission must be granted from them before another third party can use this document. We assume that by reading this report another third party has accepted the terms of the original engagement letter including scope of work and limitations of liability. We are prepared to modify this document to meet any specific needs of the potential users under a separate agreement.

Property Interest Appraised

The property interest appraised is fee simple estate, subject to any and all encumbrances, if applicable, for each value estimate.

Date of Inspection and Effective Date of Appraisal

The Subject property and the comparables were inspected on January 15, 2021, which will serve as the effective date of this report.

Scope of the Appraisal

For the purposes of this appraisal, Novogradac physically inspected the Subject and comparable data. Individuals from a variety of city agencies as well as the Subject's development team were consulted (in person or by phone). Various publications, both governmental (i.e. zoning ordinances) and private (i.e. Multiple List Services publications) were consulted and considered in the course of completing this appraisal.

The scope of this appraisal is limited to the gathering, verification, analysis and reporting of the available pertinent market data. All opinions are unbiased and objective with regard to value. The appraiser made a reasonable effort to collect, screen and process the best available information relevant to the valuation assignment and has not knowingly and/or intentionally withheld pertinent data from comparative analysis. Due to data source limitations and legal constraints (disclosure laws), however, the appraiser does not certify that all data was taken into consideration. We believe the scope of work is appropriate for the problem stated.

For the purposes of this appraisal, we have utilized the sales comparison and income approach to complete this assignment based on the scope of work required. In lieu of a cost approach, we have provided a value of the land as if vacant.

Extraordinary Assumptions (EA) and Hypothetical Conditions (HC)

An Environmental Site Assessment Phase I was not available. We requested a copy of the environmental site assessment, but this document was not available as of the date of this valuation. Thus, it is an extraordinary assumption that there are no recognized environmental conditions that would impact the value of the Subject.

A Property Condition Report was also not available. However, according to the client, no immediate or critical repairs are necessary. Thus, it is an extraordinary assumption that there are no needed critical repairs that would impact the value of the Subject property.

The aforementioned extraordinary assumptions were necessary for the valuation of the Subject. No other extraordinary assumptions or hypothetical conditions were necessary to complete the valuation for the Subject. The use of extraordinary assumptions and/or hypothetical conditions may affect the assignment results. Please refer to the complete *Assumptions and Limiting Conditions* in the Addenda of this report.

Market Value Definition

For the purposes of this assignment market value is defined as:

The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

1. Buyer and seller are typically motivated;
2. Both parties are well informed or well advised and acting in what they consider their best interest;
3. A reasonable time is allowed for exposure in the open market;
4. Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and,
5. The price represents normal considerations for the property sold, unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.²

Compliance and Competency Provision

The appraiser is aware of the compliance and competency provisions of USPAP, and within our understanding of those provisions, this report complies with all mandatory requirements, and the authors of this report

2 - 12 C.F.R. Part 34.42(g); 55 Federal Register 34696, August 24, 1990.

possess the education, knowledge, technical skills, and practical experience to complete this assignment competently, in conformance with the stated regulations. Moreover, Advisory Opinion 14 acknowledges preparation of appraisals for affordable housing requires knowledge and experience that goes beyond typical residential appraisal competency including understanding the various programs, definitions, and pertinent tax considerations involved in the particular assignment applicable to the location and development. We believe our knowledge and experience in the affordable housing industry meets these supplemental standards.

Unavailability of Information

In general, all information necessary to develop an estimate of value of the Subject property was available to the appraisers.

Furniture, Fixtures, and Equipment

Removable fixtures such as kitchen appliances and hot water heaters are considered to be real estate fixtures that are essential to the use and operation of the complex. Supplemental income typically obtained in the operation of an apartment complex is included, and may include minor elements of personal and business property. As immaterial components, no attempt is made to segregate these items.

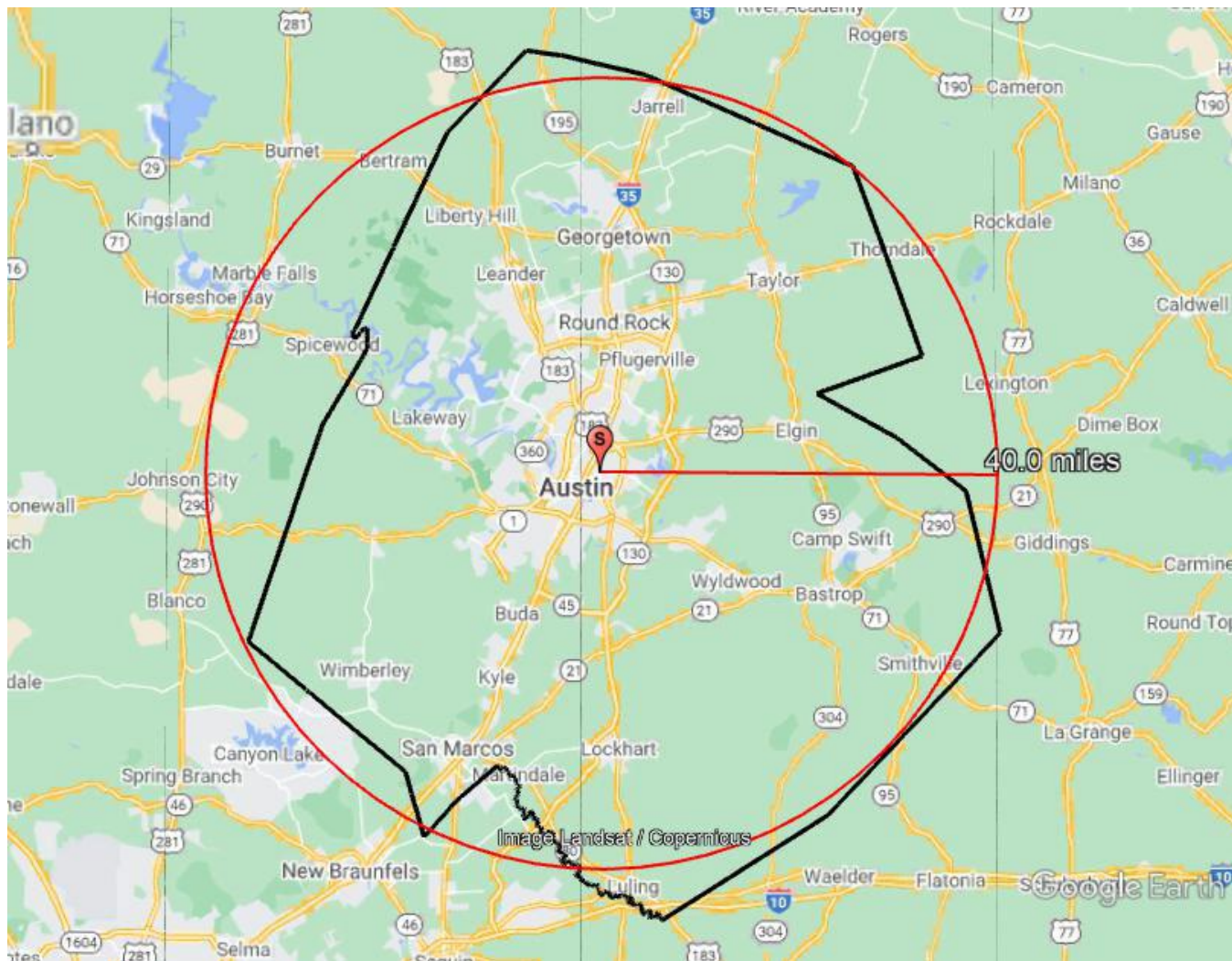
Ownership and History of Subject

According to the Travis Central Appraisal District, current ownership is vested in KML Inc. According to the Purchase and Sale Agreement dated January 8, 2021, the Subject is under contract between KLM, Inc. (Seller) and Elizabeth Property Group (Buyer) for a purchase price of \$16,000,000. The purchase price is equal to our reconciled “as is” value of \$16,000,000, indicating a market-oriented sale. There have been no other known transfers of ownership of the Subject over the past three years.

III. AREA DESCRIPTION AND ANALYSIS

AREA DESCRIPTION AND ANALYSIS

The Subject is located in MLK Neighborhood in Austin, Travis County, Texas. Travis County is part of the Austin-Round Rock-Georgetown, TX Metropolitan Statistical Area, which consists of Travis, Williamson, Hays, Bastrop, and Caldwell Counties. A map of the region is detailed below.



Source: Google Earth, February 2021

PRIMARY MARKET AREA

The Subject is located in MLK Neighborhood in Austin, Travis County, Texas. Travis County is part of the Austin-Round Rock-Georgetown, TX Metropolitan Statistical Area, which consists of Travis, Williamson, Hays, Bastrop, and Caldwell Counties.

Based on TDHCA guidelines, the boundaries of the PMA were defined by census tracts. Thus, for the purposes of this study, the Subject's Primary Market Area (PMA) is comprised of the following census tracts:

Census Tracts in PMA			
0021.05	0021.07	0008.02	0021.11
0021.04	0021.08	0021.10	0010.00
0021.06	0003.07	0008.04	-
0021.12	0004.02	0009.01	-
0021.13	0021.09 (Subject)	0009.02	-
0003.06	0008.03	0008.01	-

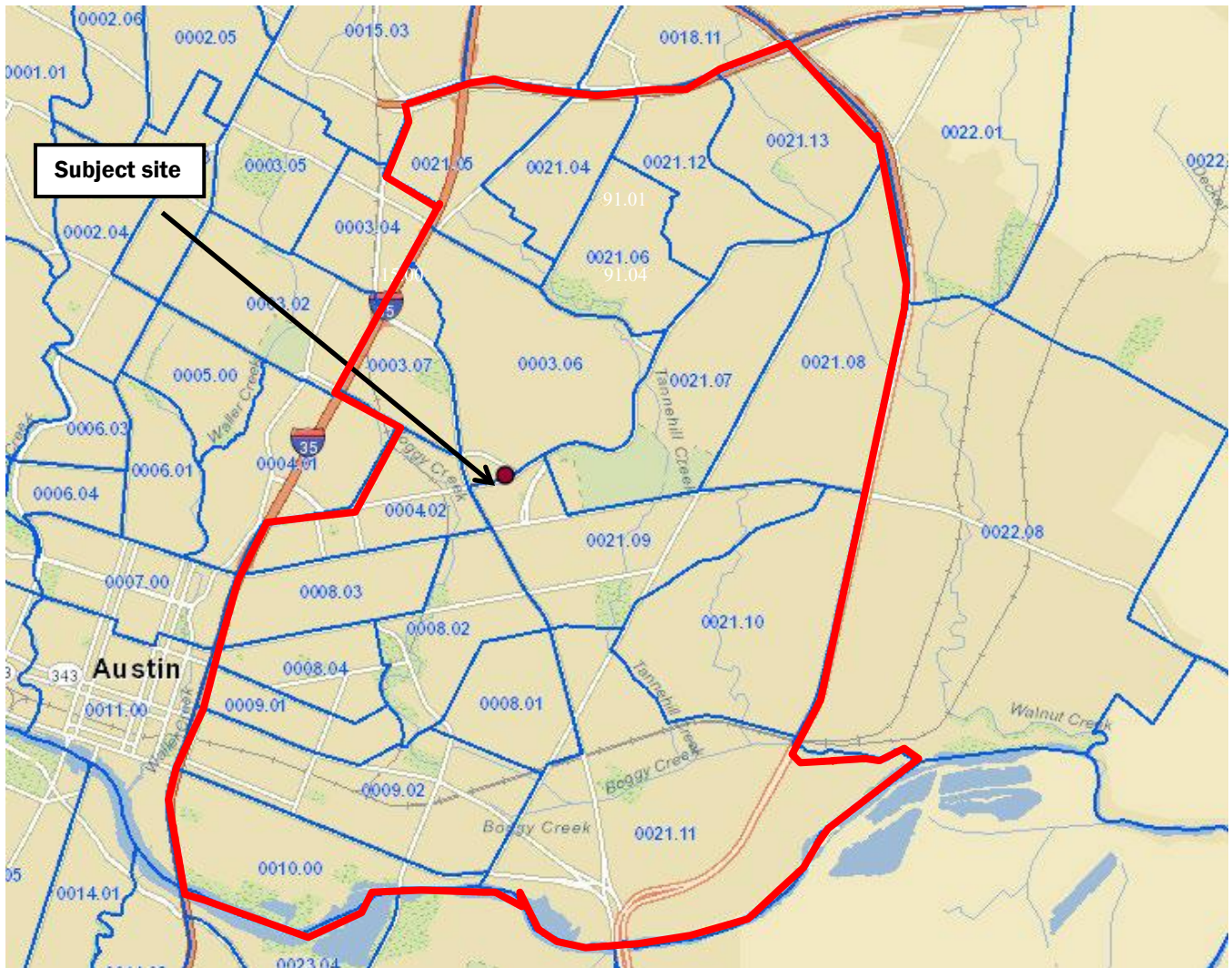
General boundaries of this PMA include:

North: Highway 290
South: The Colorado River
East: Ed Bluestein Boulevard/Route 183, Boggy Creek, and the Colorado River
West: Interstate 35, Manor Road, Cherrywood Road, East 38th ½ Street, East 52nd Street, and Airport Boulevard

The PMA is generally defined as a northeastern portion of Austin, and includes the neighborhoods of University Hills, Windsor Park, East MLK, and East Austin. The PMA was defined based on conversations with local property managers, including the Subject's, city and county officials, and overall similarities in market characteristics observed during the field investigation. We believe the PMA is the most logical area in which tenants would be willing to relocate from based on our conversations with local property managers and city officials. The PMA boundaries encompass approximately 18 square miles. The PMA does not cross county lines. Given that the Subject will be in good condition upon completion, we believe the Subject development will continue to draw tenants from throughout these census tracts to reside at the property. For the purpose of our analysis, we are assuming that 90 percent of the income qualified demand for the Subject will be generated from within the PMA. Per TDHCA guidelines, the base year (2020) population of the PMA is 85,056, and does not exceed 100,000 persons.

PMA Map – Census Tracts

The PMA encompasses approximately 18 square miles.



Novogradac Consulting LLP obtained economic information from the Bureau of Labor Statistics, Texas Workforce Commission, Austin Regional Economic Development Guide, and ESRI Demographics, a national data proprietor. These data sources are considered to be the most reliable and current.

ECONOMIC ANALYSIS

COVID-19 Impact Summary

The COVID-19 caseload increased in Texas throughout the summer, as initial restrictions were loosened. However, Austin has experienced a slowdown in case growth from August through October, allowing the city to scale down from Stage 4 to Stage 3 risk of COVID-19 as of August 25. Positive cases began to increase again in early November which continued through December. As of December 23, 2020, Austin Public Health announced Austin-Travis County is moving to Stage 5 guidelines ahead of Christmas and New Year's. Stage 5 guidelines recommend restaurants close all indoor dining and keep outdoor dining to 50 percent capacity. Businesses and restaurants are encouraged to switch to delivery and takeout only. Retail stores are urged to limit capacity to 50 percent. Additionally, residents are advised to avoid gathering with anyone outside of their household.

Nearly one quarter of Austin's population (approximately 500,000 people) consists of millennials, those between the ages of 20 and 34 years, which is top among the largest U.S. markets. With the presence of the University of Texas, as well as the large presence and continued growth of the technology sector in the city, these demographics are not likely to shift markedly. The presence of the university and large, desirable employers should position Austin to recover from the pandemic quickly. In addition to a number of other awards, the Austin metro area has been rated as the best place to live according to U.S. News and World Report for the past three years, displacing Denver for the top spot in 2017 due to exceptional job growth, migration, and desirability.

Employment Growth

The Subject is located in the Austin-Round Rock-Georgetown, TX Metropolitan Statistical Area (MSA), which is the secondary market area for the Subject's units. The following table details employment and unemployment trends for the MSA and the nation from 2004 through November 2020.

EMPLOYMENT & UNEMPLOYMENT TRENDS (NOT SEASONALLY ADJUSTED)

Austin-Round Rock-Georgetown, TX Metropolitan Statistical Area					USA			
Year	Total Employment	% Change	Unemployment Rate	Change	Total Employment	% Change	Unemployment Rate	Change
2004	737,792	-	5.0%	-	139,252,000	-	5.5%	-
2005	761,992	3.3%	4.6%	-0.5%	141,730,000	1.8%	5.1%	-0.5%
2006	789,403	3.6%	4.1%	-0.4%	144,427,000	1.9%	4.6%	-0.5%
2007	813,256	3.0%	3.6%	-0.5%	146,047,000	1.1%	4.6%	0.0%
2008	827,538	1.8%	4.3%	0.7%	145,363,000	-0.5%	5.8%	1.2%
2009	825,071	-0.3%	6.9%	2.6%	139,878,000	-3.8%	9.3%	3.5%
2010	865,461	4.9%	7.0%	0.1%	139,064,000	-0.6%	9.6%	0.3%
2011	897,490	3.7%	6.6%	-0.4%	139,869,000	0.6%	9.0%	-0.7%
2012	931,584	3.8%	5.7%	-0.9%	142,469,000	1.9%	8.1%	-0.9%
2013	966,601	3.8%	5.2%	-0.5%	143,929,000	1.0%	7.4%	-0.7%
2014	1,004,806	4.0%	4.2%	-1.0%	146,305,000	1.7%	6.2%	-1.2%
2015	1,037,150	3.2%	3.4%	-0.8%	148,833,000	1.7%	5.3%	-0.9%
2016	1,081,654	4.3%	3.3%	-0.1%	151,436,000	1.7%	4.9%	-0.4%
2017	1,122,474	3.8%	3.1%	-0.1%	153,337,000	1.3%	4.4%	-0.5%
2018	1,165,291	3.8%	2.9%	-0.2%	155,761,000	1.6%	3.9%	-0.4%
2019	1,204,375	3.4%	2.7%	-0.3%	157,538,000	1.1%	3.7%	-0.2%
2020 YTD Average*	1,156,570	-4.0%	6.3%	3.7%	147,794,750	-6.2%	8.1%	4.4%
Nov-2019	1,222,617	-	2.5%	-	158,945,000	-	3.3%	-
Nov-2020	1,192,735	-2.4%	5.9%	3.4%	150,203,000	-5.5%	6.4%	3.1%

Source: U.S. Bureau of Labor Statistics, January 2021

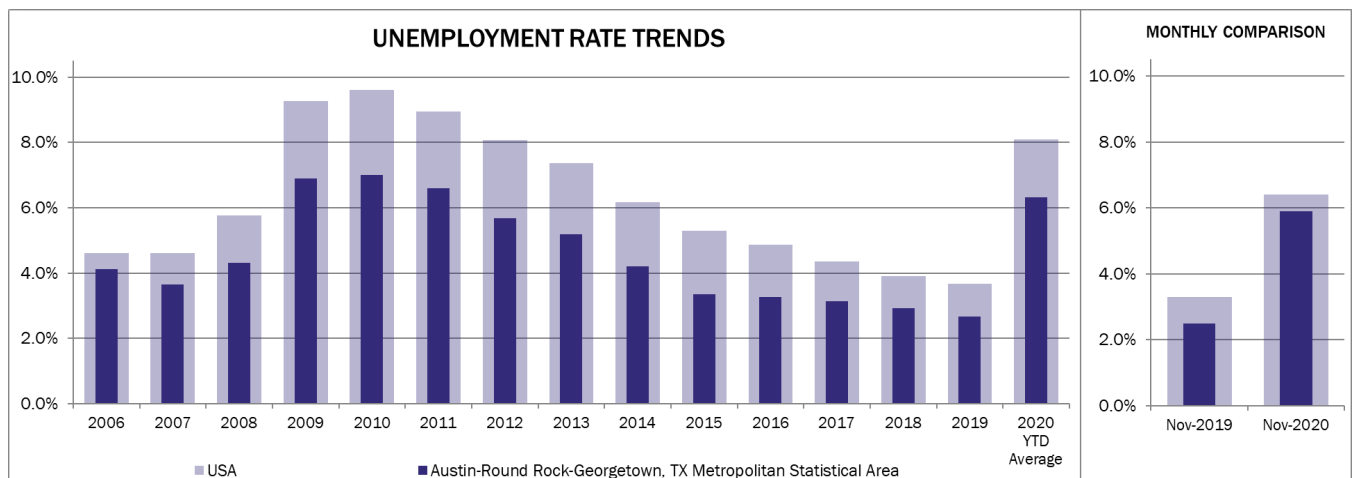
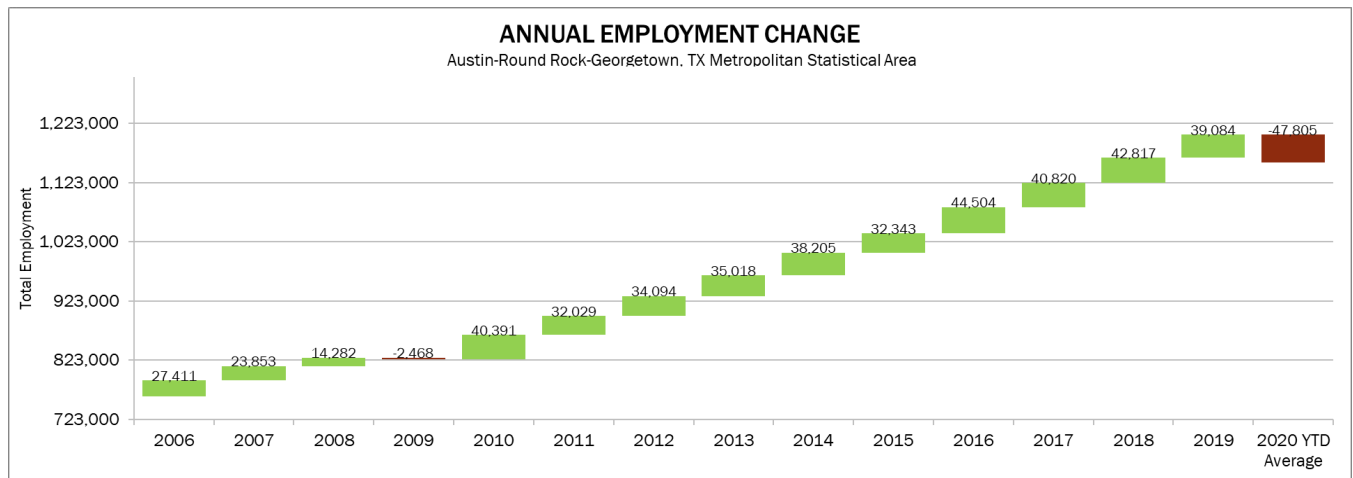
*2020 data is through November

Prior to 2020, total employment in the MSA increased every year since 2004, with the exception of 2009. More recently, total employment in the MSA increased by an average of 3.7 percent annually from 2012 to

2019, compared to 1.5 percent average annual employment growth nationwide. In 2019, employment in the MSA increased at a rate of 3.4 percent year-over-year, well above the national growth rate of 1.1 percent. However, the MSA has been impacted by COVID-19, as total employment decreased 2.4 percent between November 2019 and November 2020, although, it has been less impacted than the nation which saw a 5.5 percent decrease in employment over the same time period.

Historically, the MSA has experienced a lower unemployment rate relative to the nation in every year dating back to 2004. From 2012 through 2019, the average unemployment rate in the MSA is 3.8 percent, compared to a 5.5 percent average national unemployment rate. The unemployment rate in the MSA reached a historical high of 12.2 percent in April 2020 as a result of the economic fallout from COVID-19. However, as of November 2020, the unemployment rate in the MSA is 5.9 percent, which is below the national unemployment rate of 6.4 percent. Prior to the pandemic, the local economy was in a prolonged expansionary phase, reaching a historic low unemployment rate of just 2.7 percent in 2019. Further, it appears as if COVID-19 has had a somewhat lesser impact on the MSA relative to the nation.

As of the date of this report, unemployment is slowly decreasing from a record high nationally, and is 6.4 percent as of November 2020. According to the Texas Workforce Commission, statewide unemployment rose to 8.1 percent in November 2020, after fluctuating from 8.3 percent in September 2020 to 6.9 in October. In comparison, Travis County's unemployment rate is 5.9 percent as of November, below that of the state and nation.

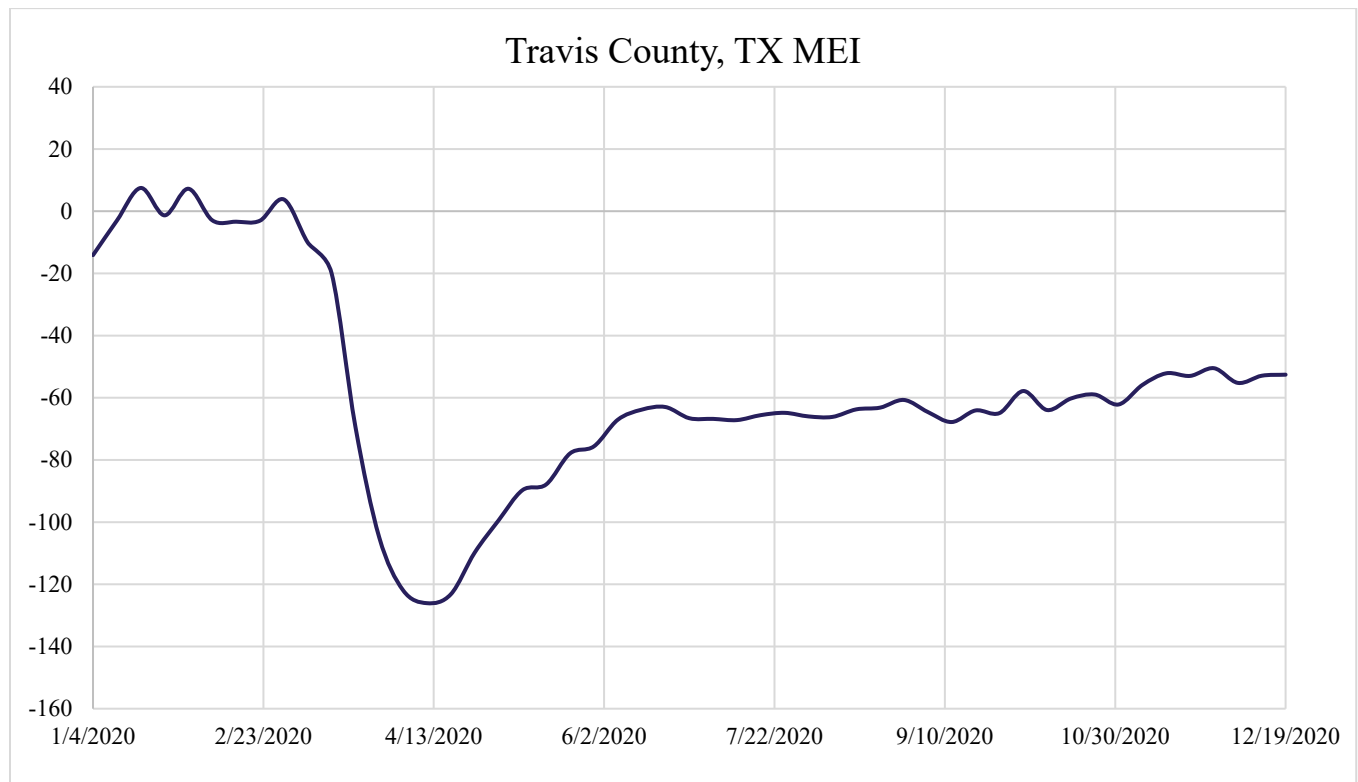


A key driver of the slowdown was a decline in mobility as people limited trips outside of their homes in order to mitigate the spread of COVID-19. Many businesses sharply curtailed, or even ceased, operations due to government-mandated closures, concern for the health of workers, or a lack of business, as consumers avoided social interaction.

To gain insight into the economic impact of the pandemic, the Federal Reserve Bank of Dallas developed an index of mobility and engagement. The Mobility and Engagement Index (MEI) plummeted in mid-March, coinciding with a large drop in economic activity. Without much doubt, diminished mobility and engagement was a major factor in the slowdown in economic activity and the sharp rise in unemployment.

The steep decrease in the MEI coincided with the large drop in the Weekly Economic Index (WEI) over the weeks from March 21 through April 11. In the second half of April, mobility and engagement began rising, while the WEI only slowed its decline. As of December, MEI has recovered over half of the losses from the beginning of the year, but has only slowly improved since it plateaued in July. While it is too early to tell, a continued drop in the WEI could indicate more conventional recessionary dynamics, as cautious consumers and businesses pull back from spending and hiring, amplifying the initial disruption caused by curbing mobility and engagement.

The MEI captures what is arguably the primary driver of the large drop in economic activity and, therefore, is a key metric in forming the Dallas Fed's assessment of economic conditions and the outlook for future activity. The Dallas Fed expects limits on mobility and engagement to decline further in the coming weeks and months as government restrictions continue to ease and vaccine deployment increases. The MEI for Travis County, Texas is shown below:



Employment by Industry

The following table illustrates employment by industry for the PMA and the nation in 2020.

2020 EMPLOYMENT BY INDUSTRY

Industry	PMA		USA	
	Number Employed	Percent Employed	Number Employed	Percent Employed
Prof/Scientific/Tech Services	6,013	13.8%	12,049,828	8.2%
Educational Services	5,085	11.7%	14,320,448	9.7%
Healthcare/Social Assistance	4,927	11.3%	22,313,586	15.1%
Construction	4,403	10.1%	10,829,187	7.4%
Accommodation/Food Services	3,863	8.9%	8,202,612	5.6%
Retail Trade	3,508	8.1%	14,356,334	9.7%
Admin/Support/Waste Mgmt Svcs	2,486	5.7%	5,786,624	3.9%
Manufacturing	2,412	5.5%	15,550,554	10.6%
Other Services	2,277	5.2%	6,772,309	4.6%
Public Administration	2,056	4.7%	7,071,492	4.8%
Finance/Insurance	1,261	2.9%	7,169,665	4.9%
Real Estate/Rental/Leasing	1,134	2.6%	3,082,197	2.1%
Information	1,108	2.5%	2,723,217	1.8%
Transportation/Warehousing	997	2.3%	6,959,787	4.7%
Arts/Entertainment/Recreation	856	2.0%	2,329,497	1.6%
Wholesale Trade	448	1.0%	3,744,789	2.5%
Utilities	292	0.7%	1,274,383	0.9%
Agric/Forestry/Fishing/Hunting	173	0.4%	1,852,333	1.3%
Mining	144	0.3%	729,605	0.5%
Mgmt of Companies/Enterprises	70	0.2%	210,175	0.1%
Total Employment	43,513	100.0%	147,328,622	100.0%

Source: Esri Demographics 2020, Novogradac Consulting LLP, January 2021

Employment in the PMA is concentrated in the professional/scientific/technological services, educational services, and healthcare/social assistance industries, which collectively comprise 36.8 percent of local employment. The large share of PMA employment in the healthcare industry is notable as this industry is historically stable, and exhibits greater resilience during economic downturns. Relative to the overall nation, the PMA features comparatively greater employment in the prof/scientific/tech services, accommodation/food services, and construction industries. Conversely, the PMA is underrepresented in the manufacturing, healthcare/social assistance, and transportation/warehousing industries.

Major Employers

The following tables detail the largest employers in Austin, Texas.

MAJOR EMPLOYERS AUSTIN, TEXAS

Employer Name	Industry	# Of Employees
Ascension Seton	Healthcare	11,000+
Apple	Manufacturing, Computer	7,000+
Austin Independent School District	Education	6,000+
City of Austin	Government	6,000+
Dell Technologies	Manufacturing, Computer	6,000+
US Federal Government	Government	6,000+
IBM Corporation	Manufacturing, Computer	6,000+
Round Rock Independent School District	Education	6,000+
Samsung	Manufacturing, Computer	6,000+
St. David's HealthCare Partnership	Healthcare	6,000+
State of Texas	Government	6,000+
University of Texas at Austin	Education	6,000+

Source: Austin Chamber of Commerce, January 2021

Austin's major employers are primarily concentrated within the computer and electronics manufacturing industries, with a strong presence in healthcare and education. Dell Technologies has maintained its headquarters in Austin since 1984. Dell has helped spur investment in computer technology in Austin, which has created an industry cluster and has helped the city build its reputation as the "Silicon Hills." In addition, the University of Texas is located approximately 8.3 miles west of the Subject site.

As of 2019, the university has an enrollment of 51,800 students, and is the largest university in the state of Texas. Nationally, there appears to be some softening in the education sector, and this pertains specifically to higher education. Primary education employment continues to be strong and will continue to provide stability to the local economy, but some colleges and universities are experiencing declining enrollment and staff due to COVID-19. According to an article published by Statesman dated June 24, 2020, the University of Texas System announced \$78-million in budget cuts ahead of the 2021 fiscal year across eight universities, with the University of Texas-Austin planning to cut more than \$28-million. These cuts are expected to result in layoffs and furloughs over the next year, though further details were not provided. Overall, the local economy is considered strong, aside from some short to mid-term uncertainty as a result of the pandemic, though this is the case in most major markets nationwide.

Employment Expansions/Contractions

We attempted to contact the Austin's Economic Development office to inquire about recent business expansions or contractions in the region. However, as of the date of this report, our calls have yet to be returned. We performed online research, and according to the Austin Chamber of Commerce, there have been multiple notable business expansions, which are detailed following. It should be noted that data for 2021 year-to-date is not yet available.

AUSTIN BUSINESS EXPANSIONS – 2020

Company	Industry	Jobs Created	Type
December			
Aceable	Technology	20	Expansion
Amazon San Marcos Fulfillment Center	Retail Trade	2,200	Expansion
Athlete Performance Solutions	Manufacturing	12	New
The Boring Company	Manufacturing	75	New
Fresh Texas	Manufacturing (Food Services)	100	Expansion
Giddy	Manufacturing	40	Expansion
Momentum Extraction	Oil	65	New
Oracle Corp.	Technology	2,000	New/ Expansion
Revenue Cycle	Healthcare	20	Expansion
Self Financial	Finance/Insurance	60	Expansion
Tata Consultancy Services	Technology	130	Expansion
Uhnder	Technology	20	Expansion
Volcon	Manufacturing	100	New
Warm Audio	Manufacturing (Electronics)	10	Expansion
Whole Foods Market	Retail Trade	600	Expansion
November			
8VC	Finance/Insurance	15	New
ActivTrak	Technology	100	Expansion
Assurely	Finance/Insurance	15	New
ClosedLoop.ai	Healthcare	27	Expansion
Freedom Solar Power	Manufacturing	25	Expansion
Iron Ox	Technology	28	New
Jump Trading	Finance/Insurance	35	New
Realtor.com	Real Estate	600	Expansion
Thermo Fisher Scientific	Manufacturing	50	Expansion
VORAGO Technologies	Technology	10	Expansion
ZenBusiness	Technology	100	Expansion
Zynga	Technology	25	Expansion
October			
CKD Corp.	Manufacturing	70	New
Eagle Eye Networks	Cyber Security	75	Expansion
East/West Manufacturing	Manufacturing (Electronics)	30	Expansion
Hiller Measurements	Manufacturing (Electronics)	30	Expansion
HUVRdata	Technology	25	Expansion
Infintum Electric	Manufacturing (Electronics)	10	Expansion
Pharmacists Mutual Insurance Group	Finance/Insurance	25	Expansion
RVshare	Accommodation/Food Services	10	Expansion
Skimmer	Technology	10	New
Steadily	Finance/Insurance	15	Expansion
Supply Drop	Retail Trade	50	Expansion
Tomo Networks	Finance/Insurance	50	New
Vertebrae	Technology	11	Expansion
September			
Double A Labs	Technology	15	Expansion
Gecko Technology Partners	Technology	25	New
Gembah	Technology	30	Expansion
Lowe's	Retail Trade	70	New
PIMCO	Finance/Insurance	200	Expansion
Saleen Performance Parts	Manufacturing (Electronics)	150	New
Shell (Studio X)	Technology	90	New

KENSINGTON APARTMENTS - AUSTIN, TEXAS – APPRAISAL

August			
Abaco Systems	Manufacturing (Electronics)	25	Expansion
Auctane	Internet Retail	230	Expansion
Acutronic Aerospace	Manufacturing (Electronics)	25	Expansion
Aspiriant	Financial	25	Expansion
BAE Systems	Manufacturing (Aerospace)	700	Expansion
DanceFight (VirtualArts)	Entertainment	20	New
Fetch Package	Transportation	20	Expansion
Formaspace Technical Furniture	Manufacturing (Furniture)	12	Expansion
Social Solutions	Management	20	Expansion
SpyCloud	Cyber Security	60	Expansion
Tata Consultancy Services	IT Services	400	Expansion
Unity Technologies	Digital Technology	94	Expansion
US Farathane	Manufacturing (Auto)	200	Expansion
July			
A Cloud Guru	Technology	50	Expansion
AgencyKPI	Technology	30	New
Confluent Medical	Manufacturing (Medical)	40	Expansion
Diligent Robotics	Manufacturing (Medical)	10	Expansion
GOTHAMS	Technology	20	New
Hippo	Insurance	165	Expansion
SciPlay	Entertainment	50	Expansion
Tesla	Manufacturing (Auto)	5,000	New
June			
Amplify Snack Brands	Manufacturing (Food Services)	45	Expansion
Aspire Food Group	Manufacturing (Food Services)	33	Expansion
Bractlet	Manufacturing (Electronics)	31	Expansion
Canva	Technology	60	New
CognitOps	Professional Services	11	Expansion
FileTrail	Technology	25	New
Icon	Construction Technology	21	Expansion
Natera	Healthcare Technology	60	Expansion
Q2 Software	Financial	200	Expansion
TeleVet	Healthcare Technology	40	Expansion
Vilua Healthcare	Healthcare Technology	25	New
May			
Accruent	Technology	10	Expansion
Cloudflare	Technology	214	Expansion
Dell Children's Hospital	Healthcare	740	Expansion
Ethos Technologies	Insurance	25	New
Homeward	Internet Retail	70	Expansion
HumanCo	Financial	10	New
Kitchen United	Manufacturing (Food Services)	30	New
LPL Financial	Financial Technology	20	New
Magnitude Software	Technology	300	Expansion
Texas Children's Hospital	Healthcare	400	Expansion
April			
Airbreak Technologies	Technology	10	New
Airtable	Technology	100	New
AlertMedia	Technology	20	Expansion
CareStarter	Healthcare Technology	20	Expansion
Coder Technologies	Technology	25	Expansion
Literati	Entertainment	50	Expansion
Liveoak Technologies	Financial	20	Expansion
Ontic Technologies	Technology	15	Expansion

SourceDay	Technology	10	Expansion
March			
Flex Health	Manufacturing (Medical)	600	New
Medici	Healthcare	12	Expansion
Membersy	Healthcare	30	Expansion
Ooni	Manufacturing (Food Services)	25	New
Overhaul	Technology	25	Expansion
February			
Acadeum	Education	10	Expansion
Chrono.gg	Technology	11	Expansion
Eventus Systems	Financial Services	15	Expansion
EverlyWell	Healthcare Technology	20	Expansion
RapidDeploy	Technology	50	Expansion
SchoolLinks	Education	20	Expansion
Self Financial	Financial	35	Expansion
SimpatiCo Consulting	Professional Services	10	New
Xbiotech	Healthcare Technology	65	Expansion
January			
ArtCraft Entertainment	Technology	10	Expansion
Astute Electronics	Manufacturing (Electronics)	36	Expansion
Boston Consulting Group	Professional Services	60	New
Citadel Securities	Financial	15	New
Flash Parking	Technology	150	Expansion
Four Hands	Distribution	12	Expansion
Kronologic	Technology	12	Expansion
NXP Semiconductors	Manufacturing (Electronics)	50	Expansion
QuestionPro	Technology	100	New
Stoplight	Technology	20	Expansion
Wheel	Healthcare	15	Expansion
2020 Total		18,717	

Source: Austin Chamber of Commerce, Retrieved January 2021

Tesla Investment

In the second quarter of 2020, Tesla announced that it had secured a 2,100-acre parcel of land located approximately 6.5 miles southeast of the Subject site. The land will be used to build a \$1.1-billion manufacturing facility totaling approximately 7.9-million square feet. According to Travis County, the facility will employ approximately 5,000 workers with a minimum hourly wage of \$15 per hour and an average annual salary of approximately \$47,000. Further, according to an article published by Eletrek.com on September 25, 2020, Tesla recently acquired an additional 381 acres to build a battery cell manufacturing facility, and is actively pursuing additional land purchases along the TX-130 corridor. The initial project is expected to be operational by summer 2021.

Apple Investment

In May 2020, Apple broke ground on a \$1-billion, 3-million square foot campus located in northwestern Austin. The campus spans 133 acres, and will house Apple's second headquarters. The campus is scheduled to be fully operational by second quarter 2022, and will initially employ 5,000, with the capacity to growth to 15,000 employees.

3M

3M, an electrical manufacturing company, recently opened a new 330,000-square foot campus in Austin, which will employ approximately 500 employees.

Austin Energy

Austin Energy, and electric utility company, recently broke ground on its new \$150 million headquarters in the Mueller Redevelopment, just north of the Subject. Upon completion, the four-story building will have 275,000 square feet with room for up to 1,100 employees.

The Worker Adjustment and Retraining Notification Act (WARN) provides protection to workers, their families and communities by requiring employers to provide notification 60 calendar days in advance of plant closings and mass layoffs. According to the Texas Workforce Commission, there have been 66 WARN notices for Austin during 2020, presented following.

WARN LISTINGS Austin, TX - YTD 2020

Company	Employees Affected	Layoff Date
EVO Transportation	104	12/15/2020
Parsley Energy, Inc.-Congress Ave	85	12/7/2020
Parsley Energy, Inc.-ABA	2	12/7/2020
Parsley Energy, Inc.-Colorado St.	147	12/7/2020
Southwest-ABA	77	12/3/2020
Sodexo-Austin	80	11/6/2020
Scoobeez, Inc.-Austin	71	11/1/2020
Exela Enterprise Solutions, LLC	81	11/1/2020
Hilton-Austin	77	8/31/2020
IPIC Theaters, LLC	37	8/13/2020
Kimpton Hotel	180	6/30/2020
Magic Leap, LLC-Austin	15	6/21/2020
St Edwards University	95	5/31/2020
Sheraton Austin	99	5/21/2020
Live Nation-Austin	43	5/1/2020
Railcrew Xpress-RCX Logistics-Austin	88	4/12/2020
JW Marriott Austin	166	4/10/2020
uShip, Inc.	65	4/9/2020
Paul Martin's American Grill	81	4/7/2020
Wyndham Vacation Ownership	81	4/3/2020
David McDavid Acura	13	4/3/2020
InterContinental-Stephen F Austin	99	4/3/2020
Avis Budget Car Rental	3	4/1/2020
Compeat, Inc.	56	3/31/2020
Suitsupply-Austin	7	3/29/2020
Paper Source-N. Lamar	12	3/29/2020
Paper Source-Palm Way	10	3/29/2020
Sport Clips - FM620	6	3/28/2020
Sport Clips - Frontage Rd.	13	3/28/2020
Sport Clips - Shops Pkwy	13	3/28/2020
Sport Clips - N. Mopac	12	3/28/2020
Sport clips - Bee Caves	6	3/28/2020
Sport Clips - Lakeline	9	3/28/2020
Sport Clips - Hwy. 290	13	3/28/2020
Dyn365	95	3/27/2020
Cinemark Southpark Meadows	58	3/26/2020
Cinemark Hill Country Galleria	44	3/26/2020
Pappas Catering Austin	17	3/24/2020
Pappas Catering Austin	17	3/24/2020
Eviti Gaming Headquarters	183	3/23/2020
Eveti Production Facility	48	3/23/2020
Holiday Inn-Austin	67	3/23/2020

WARN LISTINGS
Austin, TX - YTD 2020

Company	Employees Affected	Layoff Date
Austin Hotel and Residences	210	3/23/2020
Four Seasons Hotel-Austin	369	3/23/2020
Hyatt Corp	137	3/22/2020
Pappadeaux Seafood Kitchen 03	125	3/22/2020
Take 5 Department 241	5	3/22/2020
Take 5 Department 244	7	3/22/2020
Renaissance Hotel	243	3/21/2020
Go Rentals - Austin	7	3/21/2020
Marriott Austin South	69	3/20/2020
Ra Sushi-Austin	55	3/17/2020
Pappadeaux Seafood Kitchen 39	123	3/17/2020
Sydell Hotels LLC	181	3/16/2020
Punch Bowl Social-Domain	92	3/16/2020
Punch Bowl Social-Congress	130	3/16/2020
Hyatt Regency - Austin	224	3/15/2020
Fleming's #5402	37	3/15/2020
Outback #4422	56	3/15/2020
Carrabba's #4403	53	3/15/2020
Fleming's #5406	59	3/15/2020
Double Tree by Hilton Hotel	63	3/13/2020
Car2go	47	3/6/2020
SXSW	60	3/6/2020
Aryzta, LLC	95	3/6/2020
Windhaven Insurance-Austin	35	2/28/2020
Total YTD 2020	5,445	

Source: Texas Workforce Commission, retrieved 12/2020

As shown, there have been 5,445 layoffs announced in Austin since January 2020. The vast majority of these have occurred between March and April 2020, and are likely a direct result of the ongoing COVID-19 pandemic. Some of the jobs lost are expected to return after restrictions are loosened, and the pandemic subsides.

Commuting Patterns

The chart below shows the travel time to work for residents within the PMA.

COMMUTING PATTERNS

ACS Commuting Time to Work	Number of Commuters	Percentage
Travel Time < 5 min	936	2.4%
Travel Time 5-9 min	3,305	8.4%
Travel Time 10-14 min	6,042	15.3%
Travel Time 15-19 min	8,334	21.2%
Travel Time 20-24 min	7,842	19.9%
Travel Time 25-29 min	2,582	6.6%
Travel Time 30-34 min	5,179	13.2%
Travel Time 35-39 min	667	1.7%
Travel Time 40-44 min	1,057	2.7%
Travel Time 45-59 min	1,356	3.4%
Travel Time 60-89 min	1,317	3.3%
Travel Time 90+ min	763	1.9%

Source: US Census 2020, Novogradac Consulting LLP, January 2021

In the PMA, the highest percentage of commuters travel between 15 and 19 minutes. Further, 67.2 percent of PMA commuters travel under 24 minutes, indicating many households work inside of the PMA.

Conclusion

Employment in the PMA is concentrated in the professional/scientific/technological services, educational services, and healthcare/social assistance industries, which collectively comprise 36.8 percent of local employment. The large share of PMA employment in the healthcare industry is notable as this industry is historically stable, and exhibits greater resilience during economic downturns. The MSA has been impacted by COVID-19, as total employment decreased 2.4 percent between November 2019 and November 2020, although, it has been less impacted than the nation which saw a 5.5 percent decrease in employment over the same time period. The unemployment rate in the MSA reached a historical high of 12.2 percent in April 2020 as a result of the economic fallout from COVID-19. However, as of November 2020, the unemployment rate in the MSA is 5.9 percent, which is below the national unemployment rate of 6.4 percent. Prior to the pandemic, the local economy was in a prolonged expansionary phase. Further, it appears as if COVID-19 has had a somewhat lesser impact on the MSA relative to the nation, at least in terms of employment levels.

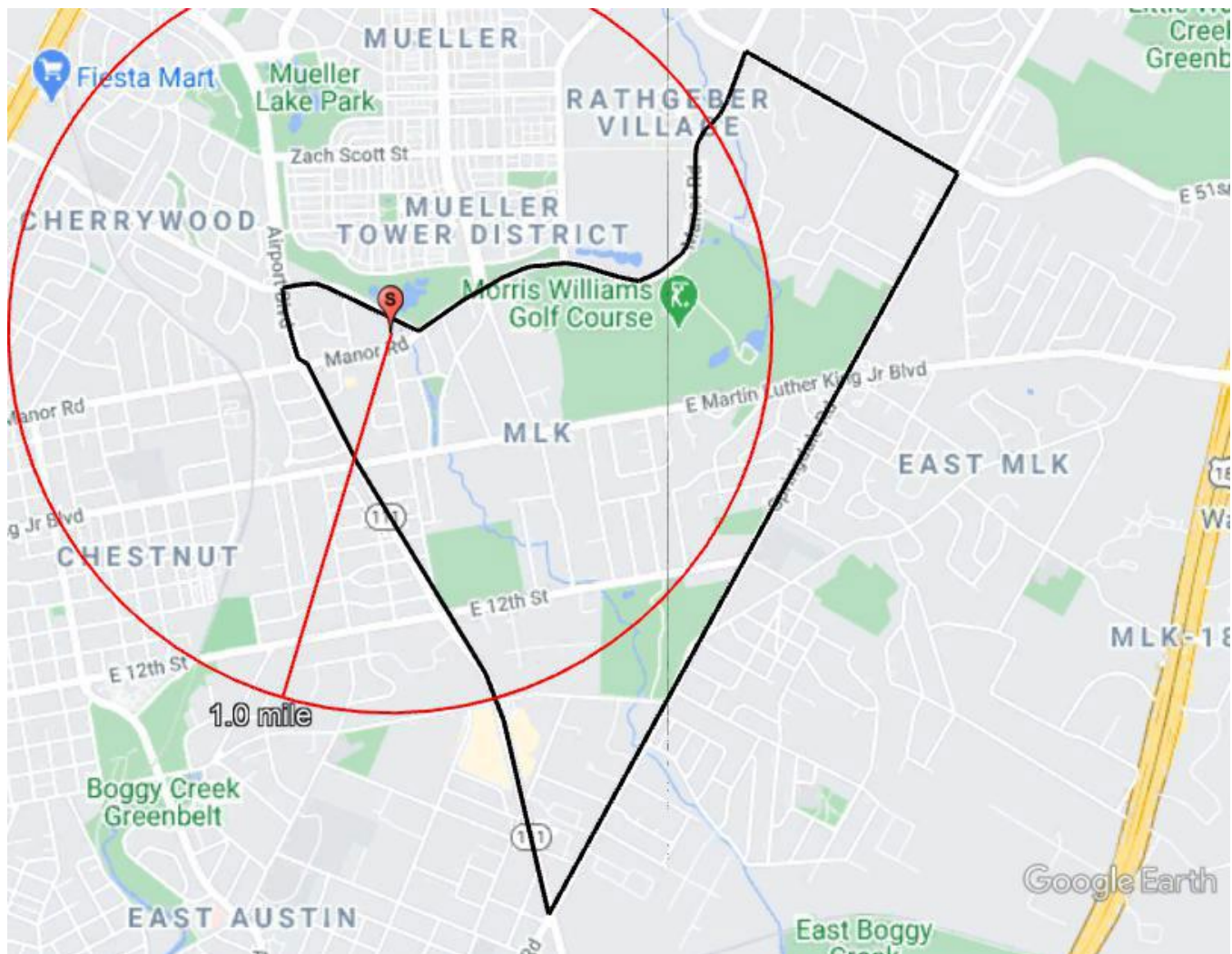
NEIGHBORHOOD DESCRIPTION AND ANALYSIS

Introduction

The neighborhood surrounding an apartment property often impacts the property's status, image, class, and style of operation, and sometimes its ability to attract and properly serve a particular market segment. This section investigates the Subject's neighborhood and evaluates any pertinent location factors that could affect its rent, its occupancy, and overall profitability.

Neighborhood Identification and Boundaries

The Subject is located in the MLK neighborhood in the northeastern portion of Austin. General boundaries for the Subject's immediate neighborhood include Manor Road to the northwest, East 51st Street to the northeast, Springdale Road to the southeast, and Airport Boulevard to the southwest. The following map illustrates these boundaries in relation to the Subject site.



Neighborhood Description

The Subject is located in the MLK neighborhood in the northeastern portion of Austin. The neighborhood primarily consists of commercial/retail, residential, and recreational uses. Land uses adjacent to the north of the Subject site consist of a community park and recreation area, followed by single-family homes in excellent

condition. Land uses adjacent to the east of the Subject site consist of commercial/retail uses and single-family homes in fair to average condition, followed by various civic uses in average condition. Land uses adjacent to the south of the Subject site consist of industrial uses in poor condition, followed by an educational use and single-family homes in fair to average condition. Land uses adjacent to the west of the Subject consist of commercial/retail uses and single-family homes, all in fair to average condition.

This area has seen a lot of revitalization and infill in recent years, including the Mueller Redevelopment, which is just north of the Subject. The majority of commercial and retail uses exhibit average condition and are concentrated along main arterials including Manor Road, adjacent to the south of the Subject, and Airport Boulevard/Highway 111, approximately 0.3 miles to the west of the Subject. During our inspection, these uses appeared to be between 90 and 95 percent occupied. Residential uses generally consist of single-family homes ranging from average to excellent condition, the majority of which are currently listed for sale between \$385,000 and \$600,000, according to Zillow. In addition, the neighborhood benefits from public transportation including Austin Public Transit, with a bus stop located adjacent to the south of the Subject site. Further, the neighborhood offers good access to area highways including Airport Boulevard/Highway 111 and Interstate 35.

Access and Traffic Flow

The Subject is accessible from the south side of Manor Road, a three-lane, moderately-trafficked road that generally traverses northeast/southwest, providing access to Interstate 35, approximately 1.3 miles west of the Subject. Interstate 35 is a major arterial that generally traverses north and south, providing access throughout the Austin metro, as well as to Dallas, approximately 180 miles to the northeast, and to San Antonio, approximately 76 miles to the southwest. Overall, traffic flow is considered moderate, and access is considered good.

Visibility/Views

The Subject has excellent visibility from Manor Road and Anchor Lane. Views to the north of the Subject consist of a community park and recreation area. Views to the east of the Subject consist of commercial/retail uses in fair to average condition. Views to the south of the Subject consist of a tree line and industrial uses in poor condition. Views to the west of the Subject consist of a commercial/retail use in average condition. Overall, visibility is excellent, and views are considered fair to average.

Public Transportation

Austin Public Transit serves the Subject's area daily, and provides access throughout the Austin-Round Rock MSA via CapMetro. Normal one-way bus fares start at \$1.25, and reduced fares start at \$0.60 for seniors 65 years and older, active duty military personnel, and riders with disabilities. The nearest bus stop is located adjacent to the south of the Subject site at the corner of Manor Road and Tillery Street. Capital MetroRail provides rail transportation throughout the central and northern portions of Austin. Normal one-way light rail fares start at \$3.50, and reduced fares start at \$1.75 for seniors 65 years and older, active duty military personnel, and riders with disabilities. The nearest light rail station is the Plaza Saltillo Station, approximately 2.3 miles from the Subject site.

Healthcare

The closest hospital to the Subject is St. David's Medical Center located 1.4 miles to the west of the Subject site. The facility consists of a 350-bed acute care hospital and 64-bed rehabilitation hospital offering comprehensive inpatient and outpatient care.

Higher Education

The University of Texas at Austin is located approximately 1.6 miles to the west of the Subject. The University of Texas at Austin offers nearly 400 academic degree programs and more than 170 undergraduate fields of

study. The university had an enrollment of 51,832 students with over 3,133 teaching faculty as of fall 2018 (most recent available).

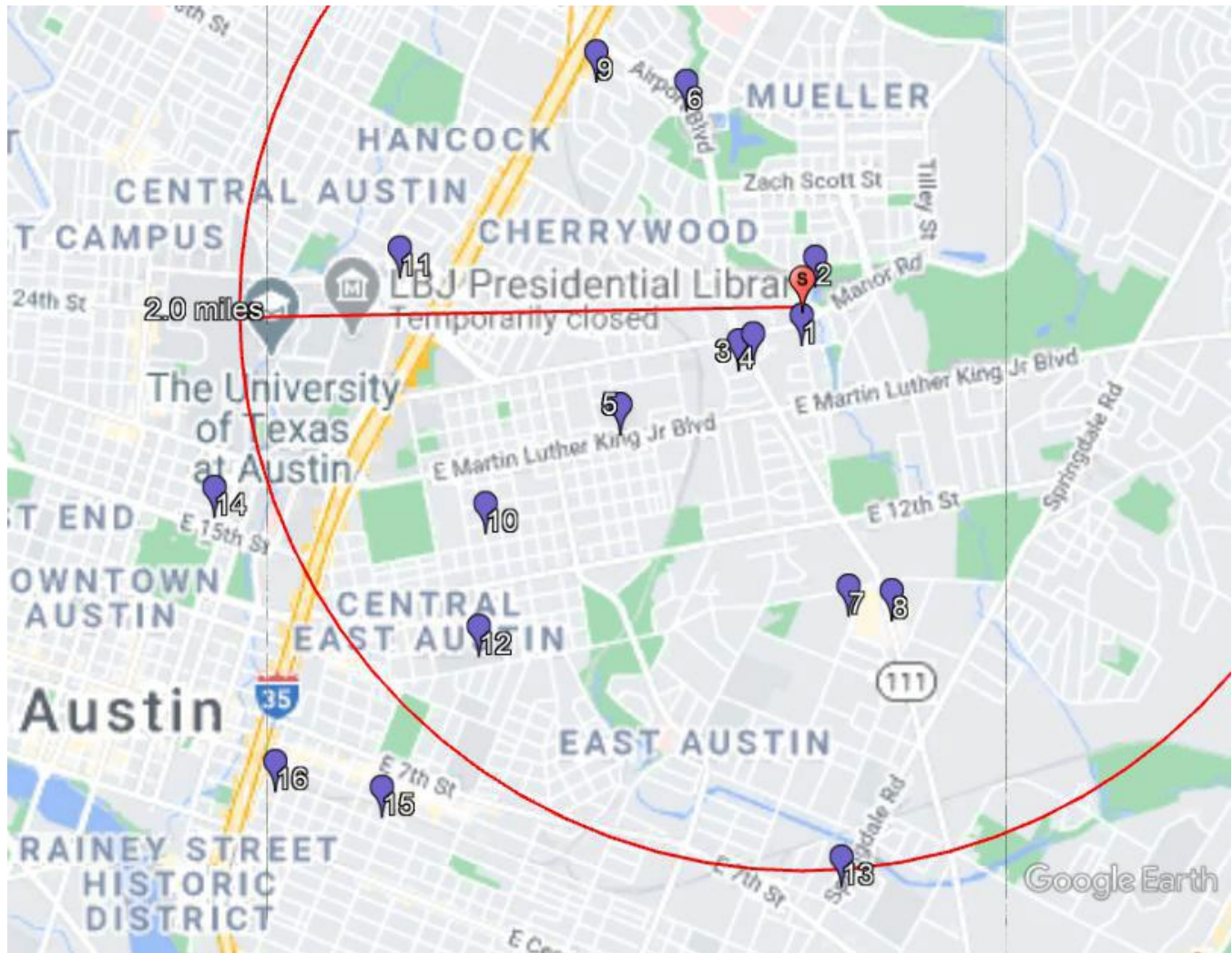
Education

The Subject is located within the Austin Independent School District, which serves the majority of the Austin metropolitan area. The district consists of 125 schools and is served by over 11,000 professionals. Given the Subject's unit mix and unit size, we assume that a small percentage of the Subject's tenants will be families with school-aged children. The closest schools to the Subject are Campbell Elementary School, Kealing Middle School, and Gonzalo Garza High School, all located within 1.6 miles of the Subject.

Locational Amenities and Distances from the Site

The following map and table illustrate the surrounding locational amenities and their proximity to the Subject.

Locational Amenities Map



LOCATIONAL AMENITIES

Map #	Service or Amenity	Distance from Subject (Crow)
1	Bus Stop	0.0 miles
2	Southwest Greenway Park	0.2 miles
3	CVS Pharmacy	0.2 miles
4	Shell Gas Station	0.3 miles
5	Campbell Elementary	0.7 miles
6	Fire Station	0.9 miles
7	Austin Public Library	1.0 miles
8	Wells Fargo Bank	1.1 miles
9	Fiesta Mart (Grocery Store)	1.2 miles
10	Gonzalo Garza High School	1.3 miles
11	St. David's Medical Center	1.4 miles
12	Kealing Middle School	1.6 miles
13	Austin Police Department	2.0 miles
14	United States Postal Service	2.2 miles
15	Plaza Saltillo Station	2.3 miles
16	Target	2.5 miles

Adequacy/Availability of Utilities

All utilities are available to the neighborhood.

Crime Statistics

The following table shows personal and property crimes for the PMA and MSA as an index, meaning an index of 100 is average. Any number above 100 is above average compared to the national crime index, while any number below 100 indicates lower than average crime.

2020 CRIME INDICES

	PMA	Austin-Round Rock-Georgetown, TX Metropolitan Statistical Area
Total Crime*	237	120
Personal Crime*	164	79
Murder	143	64
Rape	116	97
Robbery	175	75
Assault	165	79
Property Crime*	247	126
Burglary	204	113
Larceny	274	137
Motor Vehicle Theft	143	72

Source: Esri Demographics 2020, Novogradac Consulting LLP, January 2021

*Unweighted aggregations

The risk of crime in the PMA and MSA are above the national average, and the risk in the PMA is also above that in the MSA. The Subject offers video surveillance and security patrol as security features. The majority of the comparables also offer some form of security. According to the client, crime is not a significant concern at the Subject and surrounding neighborhood.

Summary

The Subject is located in the MLK neighborhood in the northeastern portion of Austin. The Subject's immediate neighborhood is mixed-use, primarily consisting of commercial/retail, residential, and recreational uses. The majority of local amenities and services are located within 2.5 miles from the Subject, including public

transportation, schools, and healthcare. In addition, neighborhood benefits from good access to major highways and local arterials. Overall, the Subject site is a good location for multifamily use.

IV. DEMOGRAPHIC TRENDS

DEMOGRAPHIC TRENDS

In this section we compare population, household, and income trends in the PMA with the MSA for the general population. The PMA is generally defined as a northeastern portion of Austin, and includes the neighborhoods of University Hills, Windsor Park, East MLK, and East Austin. The secondary market area (SMA) for the Subject is the Austin-Round Rock-Georgetown, TX Metropolitan Statistical Area, which consists of Travis, Williamson, Hays, Bastrop, and Caldwell Counties. All information is provided to us by ESRI Demographics and Ribbon Demographics, national proprietary data providers. The data is presented for both the PMA and the MSA in which the project is located, as well as national data where available.

Population and Households

The tables below illustrate the population and household trends in the PMA, MSA, and nation from 2000 through 2025.

POPULATION

Year	PMA		Austin-Round Rock-Georgetown, TX Metropolitan Statistical Area		USA	
	<i>Number</i>	<i>Annual Change</i>	<i>Number</i>	<i>Annual Change</i>	<i>Number</i>	<i>Annual Change</i>
2000	81,798	-	1,249,703	-	280,304,282	-
2010	66,046	-1.9%	1,716,289	3.7%	308,745,538	1.0%
2020	85,056	2.8%	2,296,794	3.3%	333,793,107	0.8%
2025	93,981	2.1%	2,610,839	2.7%	346,021,282	0.7%

Source: Esri Demographics 2020, Novogradac Consulting LLP, January 2021

HOUSEHOLDS

Year	PMA		Austin-Round Rock-Georgetown, TX Metropolitan Statistical Area		USA	
	<i>Number</i>	<i>Annual Change</i>	<i>Number</i>	<i>Annual Change</i>	<i>Number</i>	<i>Annual Change</i>
2000	27,161	-	471,231	-	105,081,032	-
2010	24,937	-0.8%	650,486	3.8%	116,716,293	1.1%
2020	32,637	3.0%	867,851	3.3%	126,083,847	0.8%
2025	36,229	2.2%	985,466	2.7%	130,658,491	0.7%

Source: Esri Demographics 2020, Novogradac Consulting LLP, January 2021

Between 2000 and 2010 the total population within the PMA decreased by 1.9 percent annually, while the MSA and nation experienced population growth (3.7 and 1.0 percent, respectively). From 2010 to 2020 population in the PMA reversed course and increased by 2.8 percent annually, below that of the MSA's growth of 3.3 percent, but well above the nation's growth rate. Population growth is projected to slow to 2.1 percent from 2020 through 2025.

The PMA experienced a decrease in the number of households between 2000 and 2010, while the MSA and nation experienced household growth (3.8 and 1.1 percent annually, respectively). Household formation in the PMA reversed course and increased 3.0 percent annually between 2010 and 2020, slightly less than the MSA. According to ESRI demographic projections, annualized PMA growth is expected to slow to 2.2 percent through 2025, which is slightly below the MSA but well above the nation.

Average Household Size

The following table is a summary of the average household size in the PMA, MSA, and nation from 2000 through 2025.

AVERAGE HOUSEHOLD SIZE						
Year	PMA		Austin-Round Rock-Georgetown, TX Metropolitan Statistical Area		USA	
	Number	Annual Change	Number	Annual Change	Number	Annual Change
2010	2.18	-	2.58	-	2.57	-
2020	2.57	1.8%	2.60	0.1%	2.58	0.0%
2025	2.56	-0.1%	2.61	0.1%	2.59	0.0%

Source: Esri Demographics 2020, Novogradac Consulting LLP, January 2021

As shown in the table, the average household size in the PMA is slightly smaller than that of the MSA and the nation. According to ESRI demographic projections, household sizes in the PMA will decrease slightly through 2025, while the MSA and the nation projected to increase slightly during the same period.

Median Household Income

The table below illustrates median household income in the PMA, MSA, and nation from 2000 through 2025.

MEDIAN HOUSEHOLD INCOME						
Year	PMA		Austin-Round Rock-Georgetown, TX Metropolitan Statistical Area		USA	
	Amount	Annual Change	Amount	Annual Change	Amount	Annual Change
2000	\$32,627	-	\$53,376	-	\$44,333	-
2020	\$57,834	3.8%	\$78,659	2.3%	\$62,203	2.0%
2025	\$61,726	1.3%	\$83,458	1.2%	\$67,325	1.6%

Source: Esri Demographics 2020, Novogradac Consulting LLP, January 2021

As of 2020, the median income in the PMA was below the surrounding MSA. Median household income growth in the PMA was higher than that of the MSA between 2000 and 2020. Both geographic areas experienced population growth slightly above the overall nation during this time period. Of note, PMA income levels increased from 74 percent of the national median income in 2000 to 93 percent in 2020. According to ESRI demographic projections, annualized PMA growth is expected to slow to 1.3 percent through 2025, which is in line with projected growth in the MSA, but slightly below the nation.

Household Income Distribution

The following tables illustrate the household income distribution for the PMA and MSA for 2020 and 2025.

HOUSEHOLD INCOME PMA

Income Cohort	2020		2025		Annual Change 2020 to 2025	
	Number	Percentage	Number	Percentage	Number	Percentage
\$0-9,999	2,642	8.1%	2,574	7.1%	-14	-0.5%
\$10,000-19,999	2,864	8.8%	2,741	7.6%	-25	-0.9%
\$20,000-29,999	2,985	9.1%	2,892	8.0%	-19	-0.6%
\$30,000-39,999	2,554	7.8%	2,593	7.2%	8	0.3%
\$40,000-49,999	2,540	7.8%	2,403	6.6%	-27	-1.1%
\$50,000-59,999	1,932	5.9%	2,327	6.4%	79	4.1%
\$60,000-74,999	2,924	9.0%	2,834	7.8%	-18	-0.6%
\$75,000-99,999	3,858	11.8%	4,159	11.5%	60	1.6%
\$100,000-124,999	2,726	8.4%	3,254	9.0%	106	3.9%
\$125,000-149,999	2,033	6.2%	2,466	6.8%	87	4.3%
\$150,000-199,999	2,503	7.7%	3,118	8.6%	123	4.9%
\$200,000+	3,076	9.4%	4,868	13.4%	358	11.7%
Total	32,637	100.0%	36,229	100.0%		

Source: HISTA Data / Ribbon Demographics 2020, Novogradac Consulting LLP, January 2021

HOUSEHOLD INCOME MSA

Income Cohort	Austin-Round Rock-Georgetown, TX Metropolitan Statistical Area					
	2020		2025		Annual Change 2020 to 2025	
	Number	Percentage	Number	Percentage	Number	Percentage
\$0-9,999	36,051	4.2%	36,109	3.7%	12	0.0%
\$10,000-19,999	41,632	4.8%	40,759	4.1%	-175	-0.4%
\$20,000-29,999	55,545	6.4%	51,545	5.2%	-800	-1.4%
\$30,000-39,999	59,473	6.9%	57,395	5.8%	-416	-0.7%
\$40,000-49,999	63,112	7.3%	63,470	6.4%	72	0.1%
\$50,000-59,999	58,548	6.7%	61,610	6.3%	612	1.0%
\$60,000-74,999	84,037	9.7%	86,387	8.8%	470	0.6%
\$75,000-99,999	117,849	13.6%	127,284	12.9%	1,887	1.6%
\$100,000-124,999	92,542	10.7%	106,255	10.8%	2,743	3.0%
\$125,000-149,999	70,306	8.1%	85,126	8.6%	2,964	4.2%
\$150,000-199,999	78,832	9.1%	103,497	10.5%	4,933	6.3%
\$200,000+	109,924	12.7%	166,029	16.8%	11,221	10.2%
Total	867,851	100.0%	985,466	100.0%		

Source: HISTA Data / Ribbon Demographics 2020, Novogradac Consulting LLP, January 2021

As illustrated, the income cohort with the highest percentage of renter households in the PMA is the \$75,000 to \$99,999 cohort, followed by the \$200,000+ and \$20,000 to \$29,999 cohorts. As of 2020, approximately 41.6 percent of renter households in the PMA have annual incomes of less than \$50,000. This compares to 29.6 percent in the MSA.

Renter Household Income Distribution

The following tables illustrate the renter household income distribution for the PMA and MSA for 2020 and 2025.

RENTER HOUSEHOLD INCOME

Income Cohort	2020		2025		Annual Change 2020 to 2025	
	Number	Percentage	Number	Percentage	Number	Percentage
\$0-9,999	1,964	11.0%	1,936	9.6%	-6	-0.3%
\$10,000-19,999	2,023	11.4%	1,931	9.6%	-18	-0.9%
\$20,000-29,999	2,137	12.0%	2,078	10.3%	-12	-0.6%
\$30,000-39,999	1,578	8.9%	1,709	8.5%	26	1.7%
\$40,000-49,999	1,681	9.4%	1,578	7.8%	-21	-1.2%
\$50,000-59,999	1,020	5.7%	1,304	6.5%	57	5.6%
\$60,000-74,999	1,635	9.2%	1,727	8.6%	18	1.1%
\$75,000-99,999	1,889	10.6%	2,249	11.2%	72	3.8%
\$100,000-124,999	1,064	6.0%	1,444	7.2%	76	7.1%
\$125,000-149,999	872	4.9%	1,082	5.4%	42	4.8%
\$150,000-199,999	1,002	5.6%	1,378	6.8%	75	7.5%
\$200,000+	948	5.3%	1,752	8.7%	161	17.0%
Total	17,813	100.0%	20,168	100.0%		

Source: HISTA Data / Ribbon Demographics 2020, Novogradac Consulting LLP, January 2021

RENTER HOUSEHOLD INCOME

Income Cohort	Austin-Round Rock-Georgetown, TX Metropolitan Statistical Area					
	2020		2025		Annual Change 2020 to 2025	
	Number	Percentage	Number	Percentage	Number	Percentage
\$0-9,999	25,030	7.1%	25,124	6.3%	19	0.1%
\$10,000-19,999	27,201	7.7%	26,729	6.8%	-94	-0.3%
\$20,000-29,999	35,117	10.0%	32,534	8.2%	-517	-1.5%
\$30,000-39,999	35,360	10.1%	34,209	8.6%	-230	-0.7%
\$40,000-49,999	35,153	10.0%	36,611	9.2%	292	0.8%
\$50,000-59,999	30,004	8.5%	32,384	8.2%	476	1.6%
\$60,000-74,999	39,133	11.1%	41,973	10.6%	568	1.5%
\$75,000-99,999	42,926	12.2%	50,457	12.7%	1,506	3.5%
\$100,000-124,999	28,415	8.1%	35,969	9.1%	1,511	5.3%
\$125,000-149,999	17,921	5.1%	24,005	6.1%	1,217	6.8%
\$150,000-199,999	17,050	4.9%	25,733	6.5%	1,737	10.2%
\$200,000+	17,728	5.1%	30,181	7.6%	2,491	14.0%
Total	351,038	100.0%	395,909	100.0%		

Source: HISTA Data / Ribbon Demographics 2020, Novogradac Consulting LLP, January 2021

As illustrated, the income cohort with the highest percentage of renter households in the PMA is the \$20,000 to \$29,999 cohort, followed by the \$10,000 to \$19,999 and zero to \$9,999 cohorts. Approximately 52.7 percent of renter households in the PMA have annual incomes of less than \$50,000 in 2020. This compares to 44.9 in the MSA.

Conclusion

The PMA and MSA have demonstrated that they are both areas of growth in terms of population, number of households, and income levels. The population and the number of households are both expected to increase

from 2020 to 2025. The average household size and median household income in the PMA is slightly smaller than that of the MSA and the nation. Furthermore, approximately 52.7 percent of the renter population in the PMA earned less than \$50,000 in 2020 and by 2025, the renter population earning less than \$50,000 in the PMA is expected to decrease to 45.8 percent.

V. PROPERTY DESCRIPTION

PROPERTY DESCRIPTION

DESCRIPTION OF THE SITE

The location of a multifamily property can have a substantial negative or positive impact upon the performance, safety and appeal of the project. The site description will discuss the physical features of the site, as well as layout, access issues, and traffic flow. An aerial map of the Subject is provided following.



Source: Google Earth, February 2021

General:

The Subject site is located at 3300 Manor Road in Austin, Travis County, Texas. The site is located within Census Tract 3.06, which is not a 2021 Qualified Census Tract.

Assessor's Parcel Numbers (APNs):

According to the Travis Central Appraisal District's office the Subject is identified by parcel number 207647.

Size:

The Subject site is approximately 2.70 acres, or 117,500 square feet.

Shape: The site is irregular in shape.

Zoning: The Subject site is currently zoned CS-MU-V-NP (General Commercial Services—Mixed Use—Vertical Mixed-Use Building—Neighborhood Plan Combining District).

The General Commercial Services District “is intended predominately for commercial and industrial activities of a service nature having operating characteristics or traffic service requirements generally incompatible with residential environments.” This district allows for a wide variety of commercial, industrial, and agricultural uses.

The Mixed-Use combining district “is intended for combination with selected base districts, in order to permit any combination of office, retail, commercial, and residential uses within a single development... [and] allows development of all types of residential uses, including single-family residential, multifamily residential, and townhomes.” The densities standards for the CS-MU district are 800 square feet of lot area per studio unit, 1,000 square feet of lot area per one-bedroom unit, and 1,200 square feet of lot area per two or more bedroom unit.

The purpose of the Vertical (V) Mixed-Use Building District “is to promote vertical mixed use” building development. Buildings in this district must be at least 12 feet high.

The purpose of the Neighborhood Plan Combining District “is to allow infill development by implementing a neighborhood plan that has been adopted by the council as an amendment to the comprehensive plan. Below is a list of items that may be added to properties (individual, subdistrict or area-wide) within an NP combining district. These options are discussed during the neighborhood planning process and, if chosen, are adopted concurrently with the neighborhood plan. These options may also be added in the future through the rezoning and plan amendment process.

D. Application of infill special use options

- Cottage Lot Urban
- Home Secondary
- Apartment
- Neighborhood Urban Center
- Corner Store
- Neighborhood Mixed Use Building
- Residential Infill
- Secondary Apartment
- Small Lot Amnesty

E. Application of design standards

- Front Porch Setback
- Impervious Cover and Parking Placement Requirements
- Garage Placement

F. Other items

- Establishment of Front or Side Yard Parking
- Requirements for Mobile Food Establishments
- Modification of Residential Design and Compatibility Standards
- Modification of Affordability Requirements”

The Subject site is approximately 2.70 acres, or 117,500 square feet in size. As improved, the Subject has 64 studio units and 84 one-bedroom rental units, in addition to a non-rental manager unit. This equates to a required lot size of approximately 136,200, or 3.13 acres (assuming the minimum required 800 square feet for each studio and 1,000 square feet for each one-bedroom unit). The Subject offers 122 off-street surface parking spaces, or 0.8 parking spaces per unit. The Subject therefore appears to represent a legal non-conforming use as currently improved due to its density.

Frontage:

The Subject has frontage along Manor Road and Anchor Lane.

Topography

The site is generally level and at street grade.

Utilities:

All utilities are available to the site.

Contiguous Land Use:

The Subject is located in the MLK neighborhood in the northeastern portion of Austin. The neighborhood primarily consists of commercial/retail, residential, and recreational uses. Land uses adjacent to the north of the Subject site consist of a community park and recreation area, followed by single-family homes in excellent condition. Land uses adjacent to the east of the Subject site consist of commercial/retail uses and single-family homes in fair to average condition, followed by various civic uses in average condition. Land uses adjacent to the south of the Subject site consist of industrial uses in poor condition, followed by an educational use and single-family homes in fair to average condition. Land uses adjacent to the west of the Subject consist of commercial/retail uses and single-family homes, all in fair to average condition.

This area has seen a lot of revitalization and infill in recent years, including the Mueller Redevelopment, which is just north of the Subject. The majority of commercial and retail uses exhibit average condition and are concentrated along main arterials including Manor Road, adjacent to the south of the Subject, and Airport Boulevard/Highway 111, approximately 0.3 miles to the west of the Subject. During our inspection, these uses appeared to be between 90 and 95 percent occupied. Residential uses generally consist of single-family homes ranging from average to excellent condition, the majority of which are currently listed for sale between \$385,000 and \$600,000, according to Zillow. In addition, the neighborhood benefits from public transportation including Austin Public Transit, with a bus stop located adjacent to the south of the Subject site. Further, the neighborhood offers good access to area highways including Airport Boulevard/Highway 111 and Interstate 35.

Existing Improvements:

The Subject is improved with one two-story residential building.

Visibility/Views:	The Subject has excellent visibility from Manor Road and Anchor Lane. Views to the north of the Subject consist of a community park and recreation area. Views to the east of the Subject consist of commercial/retail uses in fair to average condition. Views to the south of the Subject consist of a tree line and industrial uses in poor condition. Views to the west of the Subject consist of a commercial/retail use in average condition. Overall, visibility is excellent, and views are considered fair to average.
Density:	The site is currently developed to a density of approximately 55.2 units per acre.
Environmental, Soil and Subsoil Conditions and Drainage:	We requested a copy of the environmental site assessment, but this document was not available as of the date of this valuation. Thus, it is an extraordinary assumption that there are no recognized environmental conditions that would impact the value of the Subject. Novogradac Consulting LLP does not offer expertise in this field and cannot opine on this issue. Further analysis by Novogradac is beyond the scope of the report.
Flood Plain:	According to the FEMA Flood Map Service Center, the Subject is located in Community Panel 48453C0465K, dated January 22, 2020, the Subject site is located in Zone X, an area outside the 100 and 500-year flood plains. Further analysis by Novogradac is beyond the scope of the report.
Detrimental Influences:	No significant detrimental influences were identified.
Conclusion:	The site is physically capable of supporting a variety of legally permissible uses, and is considered a desirable building site.

DESCRIPTION OF THE IMPROVEMENTS

Details of the Subject's improvements are summarized on the following pages.

Property Improvements:

The Subject is an existing 149-unit market rate development located at 3300 Manor Road in Austin, Travis County, Texas. The Subject offers 64 studio units and 84 one-bedroom unrestricted rental units, in addition to a non-rental manager's unit. The Subject consists of one two-story garden-style residential building. The building has wood frame construction with concrete foundation, brick exterior, and pitched roofing.

The property was originally constructed in 1968 and has not undergone a substantial property-wide renovation since its initial construction. A Property Condition Report was requested but not provided for the development. However, according to the client, no immediate or critical repairs are necessary. Based on our site inspection, the property is currently in average overall condition.

Rent Roll:

The following table details the Subject's rent roll dated September 30, 2020, which is the most recent available.

RENT ROLL ANALYSIS (9/30/2020)

Unit Type	Unit Size (SF)	Number of Units	Vacant	Occupancy Rate	Min Leased Rent	Max Leased Rent*	Average Leased Rent*
<i>Market Rate</i>							
OBR / 1BA	225	8	1	12.5%	\$600	\$600	\$600
OBR / 1BA	250	56	9	16.1%	\$720	\$780	\$745
1BR / 1BA	410	84	6	7.1%	\$720	\$850	\$825
<i>Non-Rental</i>							
2BR / 2BA	780	1	0	0.0%	-	-	-
Total		149	16	10.7%			

*The Subject currently offers both weekly and monthly rentals.

Current Rents and Unit Mix:

The following table details the current asking rents and unit mix at the Subject.

CURRENT RENTS

Unit Type	Unit Size (SF)	Number of Units	Current Rent
<i>Market Rate</i>			
OBR / 1BA	225	8	\$600
OBR / 1BA	250	56	\$780
1BR / 1BA	410	84	\$850
<i>Non-Rental</i>			
2BR / 2BA	780	1	-
Total		149	

Year Built or Date of Construction:	The Subject was originally constructed in 1968 and has not undergone a substantial property-wide renovation since initial construction.
Tenancy:	The Subject targets the general population.
Number of Stories:	Two.
Floor Plan Ratings:	Based on our physical inspection of representative units on January 15, 2021, the floor plans appear adequate relative to their intended use and they offer good functional utility.
Construction Details:	The Subject consists of one two-story garden-style residential building. The building has wood frame construction with concrete foundation, brick exterior, and pitched roofing.
Utility Structure:	The landlord is responsible for all utilities, including gas cooking, gas heating, gas water heating, general electric, cold water, sewer, and trash removal, as well as common area amenities.
Unit Amenities:	The Subject's unit amenities include blinds, vinyl flooring, central heating and air conditioning, and walk-in closets. Kitchen appliances include an oven/stove and refrigerator. The Subject also offers basic cable included in the rent.
Development Amenities:	The Subject's common area amenities include a central laundry facility, picnic area, recreation area, courtyard, and on-site management.
Parking:	The Subject offers 122 off-street surface parking spaces, or 0.8 parking spaces per unit.
Quality of Construction	The quality of construction is average.
Americans With Disabilities Act of 1990:	We did not observe any obvious violations of the Americans with Disabilities Act of 1990.
PCA:	A Property Condition Assessment was not available for the Subject. It is an extraordinary assumption of this report that there are no critical immediate repairs required for the Subject property that would impact the value.
Remaining Economic Life:	The Subject's actual age is 53 years based on the original construction of 1968. Based on a typical economic life of 60 years and the Subject's current condition as observed during the recent site inspection, and assumed maintenance over time, we have estimated the remaining economic life is approximately 20 years as is.
Quality of Construction:	At the time of the inspection, the Subject was in average condition. The Subject appears to have been completed in a manner consistent with the information provided, using average-quality materials in a professional manner.

Functional Utility:

Based on our site inspection, the Subject does not appear to suffer from functional obsolescence.

Conclusion:

The existing improvements provide adequate functional utility, and are in average condition given the age of construction. The design of the improvements is consistent with surrounding properties and is considered similar to competing properties.

ASSESSMENT VALUE AND TAXES

The following real estate tax estimate is based upon our interviews with local assessment officials, either in person or via telephone. We do not warrant its accuracy. It is our best understanding of the current system as reported by local authorities. Currently, the assessment of affordable housing properties is a matter of intense debate and in many jurisdictions pending legal action. The issue often surrounds how the intangible value or restricted rents are represented. We cannot issue a legal opinion as to how the taxing authority will assess the Subject. We advise the client to obtain legal counsel to provide advice as to the most likely outcome of a possible reassessment.

The Subject site is within the Travis County real estate taxing jurisdiction and is identified by parcel number 207647. Real estate taxes for a property located in Travis County are based upon a property's assessed valuation. Real estate taxes in this county represent ad valorem taxes, meaning a tax applied in proportion to value. According to the CAD, the sales and income approaches are used in valuing multifamily properties with preference given to the income approach. Properties are reassessed every year to establish a taxable value. All real property in Travis County is assessed at 100 percent of the full market value. The current total tax rate for the Subject is 2.23 percent, per the CAD. The real estate taxes to an individual property may be determined by multiplying the assessed value for the property by a composite rate, which is commonly termed a levy, and is established for each taxing district. The following table outlines the Subject's current taxes and assessment, as well as historic assessments, as provided by the Travis County Central Appraisal District.

CURRENT ASSESSMENT AND TAX BURDEN

Parcel	Assessed Value	Assessed Value Per Unit	Tax Rate	Total Taxes	Taxes Per Unit
207647	\$6,090,000	\$40,872	2.23%	\$135,604	\$910

SUBJECT'S HISTORIC ASSESSMENT

Year	Total Assessment	Assessed Value Per Unit	Percent Increase Over Previous Year
2020	\$6,090,000	\$40,872	3.4%
2019	\$5,890,000	\$39,530	16.4%
2018	\$5,060,000	\$33,960	1.5%
2017	\$4,982,900	\$33,442	24.1%
2016	\$4,016,012	\$26,953	-
Average			11.4%

As shown, the Subject's average annual increase in assessment per is 11.4 percent.

Provided below is a summary of market rate tax comparables in the area, several of which are also included as rent comparables in the *Supply Analysis* presented later.

COMPARABLE ASSESSMENTS

Property	Type	Year Built	Number of Units	Assessed Value	Assessed Value Per Unit
Denison Apartments	Market	1967	22	\$786,400	\$35,745
High Point Village	Market	1979	168	\$11,269,332	\$67,079
Volume III	Market	1972/2017	43	\$3,160,080	\$73,490
Volume I	Market	1971/2019	102	\$7,960,000	\$78,039
Volume IV	Market	1973/2017	36	\$2,964,760	\$82,354
Average				\$5,228,114	\$67,342

As indicated in the previous table, the market rate properties have assessed values ranging from \$35,745 to \$82,354 per unit, with an average of \$67,342 per unit. The Subject's current assessed value per unit is toward the low end of the comparable range at \$40,872 per unit. The Subject is most similar to Denison Apartments and High Point Village, as they offer similar condition relative to the Subject.

Based on the comparable properties, as well as the Subject's average annual increase in assessed value, we have assumed an assessed value of \$45,000 per unit as is, which is above the Subject's current assessed value per unit, but within the range of the most similar properties.

TAX CALCULATION UNRESTRICTED - AS IS

Property	Market Value Per Unit	Assessment Ratio	Assessed Value Per Unit	Total Assessed Value	Millage Rate	Estimated Tax Burden	Estimated Tax Burden Per Unit
Subject	\$45,000	100%	\$45,000	\$6,705,000	2.23%	\$149,298	\$1,002

ZONING

Current Zoning

A zoning map for the Subject's neighborhood is included below.

[Questions? Click here for help and contact information.](#)

Disclaimer
The Information on this website has been produced by the City of Austin as a working staff map and is not warranted for any other use. No warranty is made by the City regarding its accuracy and completeness.

For official verification of the zoning of a property, please order a Zoning Verification Letter at **512-978-4000**.

Location:	3300 MANOR RD (3,126,867.5, 10,078,022)
Grid:	L24
Future Land Use (FLUM):	Mixed Use
Regulating Plan:	
Zoning:	CS-MU-V-NP
Zoning Case:	C14-2007-0258
Zoning Ordinance (Mostly after 2000):	20080320-048 99-0225-70(b) 021107-Z-12C
Zoning Overlays:	NEIGHBORHOOD PLANNING AREA ■ RMMA NEIGHBORHOOD PLANNING AREA ■ MLK ■ East MLK Combined NPA RESIDENTIAL DESIGN STANDARDS

Source: City of Austin Zoning Profile Report, retrieved February 2021

The Subject site is currently zoned CS-MU-V-NP (General Commercial Services—Mixed Use—Vertical Mixed-Use Building—Neighborhood Plan Combining District).

The General Commercial Services District “is intended predominately for commercial and industrial activities of a service nature having operating characteristics or traffic service requirements generally incompatible with residential environments.” This district allows for a wide variety of commercial, industrial, and agricultural uses.

The Mixed-Use combining district “is intended for combination with selected base districts, in order to permit any combination of office, retail, commercial, and residential uses within a single development... [and] allows development of all types of residential uses, including single-family residential, multifamily residential, and townhomes.” The densities standards for the CS-MU district are 800 square feet of lot area per studio unit, 1,000 square feet of lot area per one-bedroom unit, and 1,200 square feet of lot area per two or more bedroom unit.

The purpose of the Vertical (V) Mixed-Use Building District “is to promote vertical mixed use” building development. Buildings in this district must be at least 12 feet high.

The purpose of the Neighborhood Plan Combining District “is to allow infill development by implementing a neighborhood plan that has been adopted by the council as an amendment to the comprehensive plan. Below is a list of items that may be added to properties (individual, subdistrict or area-wide) within an NP combining district. These options are discussed during the neighborhood planning process and, if chosen, are adopted concurrently with the neighborhood plan. These options may also be added in the future through the rezoning and plan amendment process.

- A. Application of infill special use options
 - Cottage Lot Urban
 - Home Secondary
 - Apartment
 - Neighborhood Urban Center
 - Corner Store
 - Neighborhood Mixed Use Building
 - Residential Infill
 - Secondary Apartment
 - Small Lot Amnesty
- B. Application of design standards
 - Front Porch Setback
 - Impervious Cover and Parking Placement Requirements
 - Garage Placement
- C. Other items
 - Establishment of Front or Side Yard Parking
 - Requirements for Mobile Food Establishments
 - Modification of Residential Design and Compatibility Standards
 - Modification of Affordability Requirements”

The Subject site is approximately 2.70 acres, or 117,500 square feet in size. As improved, the Subject has 64 studio units and 84 one-bedroom rental units, in addition to a non-rental manager unit. This equates to a required lot size of approximately 136,200, or 3.13 acres (assuming the minimum required 800 square feet for each studio and 1,000 square feet for each one-bedroom unit). The Subject offers 122 off-street surface parking spaces, or 0.8 parking spaces per unit. The Subject therefore appears to represent a legal non-conforming use as currently improved due to its density.

Potential Zoning Changes

We are not aware of any proposed zoning changes at this time.

VI. COMPETITIVE RENTAL ANALYSIS

COMPETITIVE RENTAL ANALYSIS

HOUSING STOCK OVERVIEW

Tenure

The following table is a summary of the housing stock in the PMA.

TENURE PATTERNS PMA

Year	Owner-Occupied Units	Percentage Owner-Occupied	Renter-Occupied Units	Percentage Renter-Occupied
2000	11,976	44.1%	15,185	55.9%
2010	11,668	46.8%	13,269	53.2%
2020	14,824	45.4%	17,813	54.6%
2025	16,061	44.3%	20,168	55.7%

Source: Esri Demographics 2020, Novogradac Consulting LLP, January 2021

As of 2020, renter-occupied units comprised 54.6 percent of units in the PMA. Through 2025, the number of renter-occupied units is projected to increase by 2,355.

New Supply

We attempted to contact a representative of the City of Austin Planning and Zoning Department, in order to identify any multifamily developments that have been proposed, are under construction, or recently completed within the Subject's PMA. However, as of the date of this report, our calls have not been returned. As such, we conducted further online research and consulted CoStar to identify multifamily developments that have been proposed, are under construction, or recently completed within the Subject's PMA. Our findings are detailed following.

RECENT MULTIFAMILY DEVELOPMENTS IN THE PMA

Property Name	Location	Tenancy	Program	# of Total Units	Status
The Rail at MLK	2921 E 17th St	All	Market	235	Under Construction
Sixth and Chicon	1812-1814 E 6th St	All	Market	50	Proposed
1210 E 7th St	1210 E 7th St	All	Market	N/Av	Proposed
Lenox 7th	4910 E 7th St	All	Market/Affordable	332	Under Construction
RBJ Tower II	1320 Art Dilly Dr	Senior	Affordable	181	Under Construction
Elan on the Colorado	1901 Ed Bluestein Blvd	All	Market	142	Under Construction
Goodwin Apartments	3706 Goodwin Ave	All	Market	375	Proposed
The Huston	1107 N Interstate H35	All	Market	372	Under Construction
2901 Manor Rd	2901 Manor Rd	All	Market	318	Under Construction
MLK Highline	2832 E Martin Luther King Jr Blvd	All	Market	201	Under Construction
The Block Yard	2900 E Martin Luther King Jr Blvd	All	Market/Affordable	302	Under Construction
Flats on Shady Lane	1125 Shady Ln	All	Market/Affordable	290	Proposed
Gravity ATX	4901 Springdale Rd		Market	N/Av	Proposed
Total				2,798	

Source: CoStar, 1/2021

LIHTC Competition / Recent and Proposed Construction

According to the Texas Department of Housing and Community Affairs Tax Credit Awards there have been 10 LIHTC developments allocated tax credits from 2018 through 2021 year-to-date. The table below details the recently allocated developments.

RECENT LIHTC ALLOCATIONS IN PMA

Property Name	Year Allocated	Rent Structure	Type	Tenancy	Total Units	Status
Pathways at Chalmers Courts East	2018	LIHTC/Section 8	Rehab	Family	156	Complete
Travis Flats	2018	LIHTC/Market Rate	New	Family	146	Under Construction
Pathways at Chalmers Courts South	2018	LIHTC	New	Family	86	Complete
Walnut Creek Apartments	2018	LIHTC/Section 8	Rehab	Family	0	Complete
RBJ Tower	2019	LIHTC/PBV	New	Senior	279	Under Construction
Talavera Lofts	2019	LIHTC	New	Family	92	Under Construction
The Abali	2019	LIHTC/Market Rate	New	Family	56	Under Construction
Govalle Terrace	2019	LIHTC	New	Family	97	Planned
Pathways at Chalmers Courts West	2020	LIHTC/Public Housing	Rehab	Family	156	Planned
Marshall Apartments	2020	LIHTC/Section 8	Rehab	Family	100	Planned
Total					1,168	

Local Housing Authority Discussion

We attempted to contact the Housing Authority of the City of Austin, however, as of the date of this report our calls have not been returned. As such, we conducted further online and internal research. The agency is allocated approximately 5,400 vouchers within the city of Austin. The waiting list for Housing Choice vouchers is currently closed, with approximately 1,900 households on the list. Below are the current payment standards as of March 2020.

PAYMENT STANDARDS

Unit Type	Subject's Current Highest Rents	Payment Standards
OBR	\$780	\$988
1BR	\$850	\$1,134

As shown, the Subject's highest current market rate rents are below the current gross payment standards, which indicates that voucher-holding tenants qualify to reside at the Subject without paying extra rent out-of-pocket. We are unaware if the Subject currently has any tenants utilizing Housing Choice Vouchers.

SURVEY OF COMPARABLE PROJECTS

Comparable properties are examined on the basis of physical characteristics, e.g., building type, building age/quality, the level of common amenities, absorption rates, and similarity in rent structure. We attempted to compare the Subject to properties from the competing market, in order to provide a picture of the general economic health and available supply in the market.

Description of Property Types Surveyed/Determination of Number of Units

To evaluate the competitive position of the Subject, a multitude of potentially comparable market-rate properties were screened to ascertain whether these properties would compete with the Subject for prospective low-income tenants. Properties that were deemed comparable were also surveyed in depth for information on unit mix, size, absorption (if new), unit features and project/unit amenities tenant profiles, rental and utility structure, construction information and market trends in general.

In all, we surveyed a total of 731 units in five rental properties. The market rate data is considered good. We included five market rate properties located between 0.7 and 2.7 miles from the Subject site, one of which is located just outside the PMA (3401 At Red River). Property managers were interviewed for information on unit mix, size, absorption, unit features and project amenities; tenant profiles; and market trends in general. Overall, we believe the availability of data is adequate to support our conclusions.

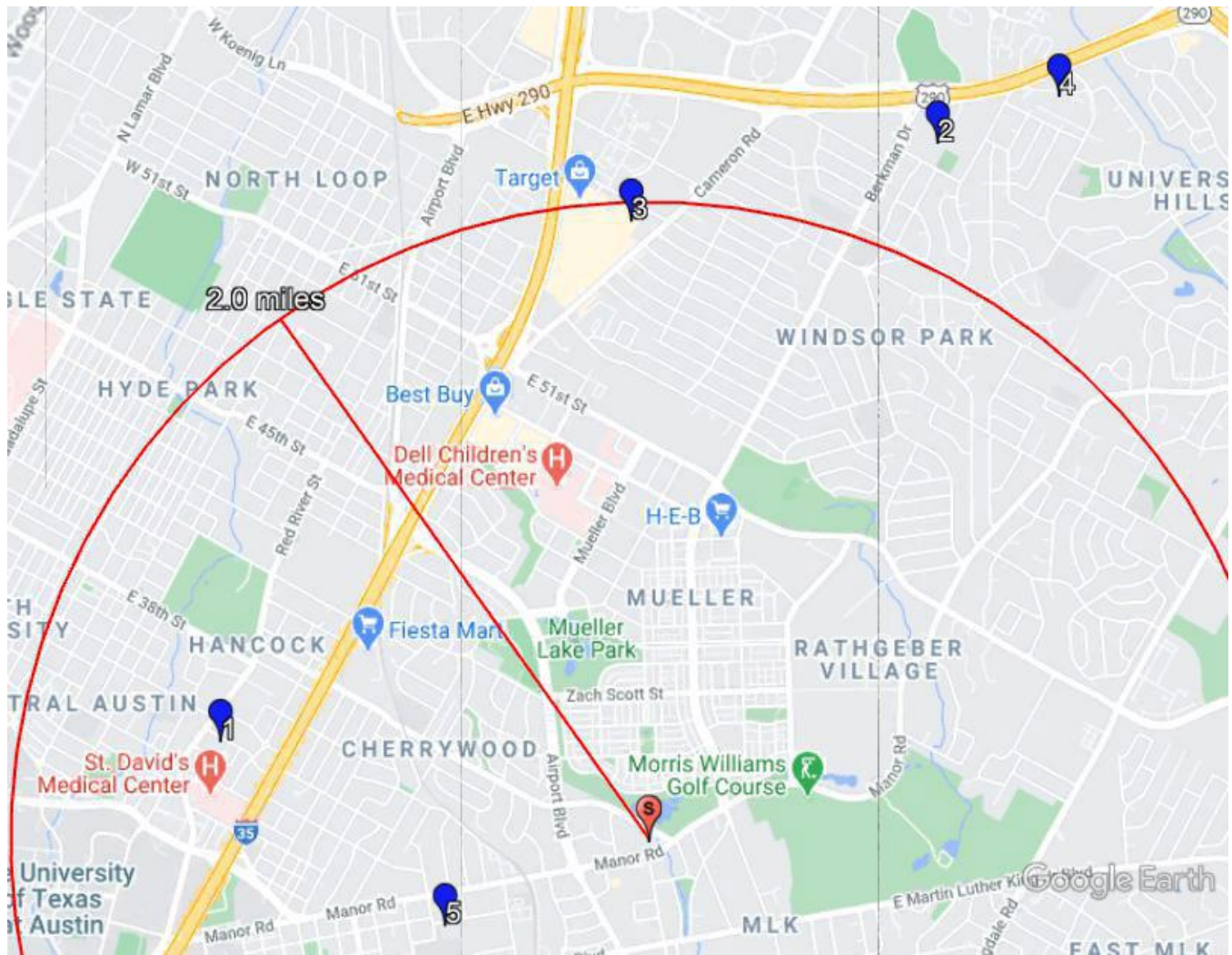
We selected the most similar properties based on location, unit mix, and design. The following table details the affordable properties in the PMA excluded from our analysis in addition to their reasons for exclusion.

EXCLUDED PROPERTIES

Property Name	Rent Structure	Tenancy	Reason for Exclusion
Indie Apartments	LIHTC/Market	Family	Affordable
Rollins Martin	LIHTC	Family	Affordable
Heritage Pointe	LIHTC/Market	Senior	Dissimilar Tenancy, Affordable
Wildflower Terrace	LIHTC/Market	Senior	Dissimilar Tenancy, Affordable
The Timbers Apartments	LIHTC	Family	Affordable
Capital Studios	LIHTC	Family	Affordable
Housing First Oak Springs	LIHTC	Supportive Housing	Dissimilar Tenancy, Affordable
La Vista De Guadalupe	LIHTC	Family	Affordable
Versailles/Princeton Apartments	LIHTC	Family	Affordable
Lancaster/Monticello Apartments	LIHTC	Family	Affordable
Scattered Cop Infill Housing	LIHTC	Family	Affordable
Springhollow Apartments	LIHTC	Family	Affordable
AMLI at Mueller	Market	Family	Affordable
E6 Apartments	Market	Family	Affordable
Elan East Apartments	Market	Family	Affordable
Mosairc at Mueller	Market	Family	Affordable
Platform Apartments	Market	Family	Affordable
SYNC at Mueller	Market	Family	Affordable
The Guthrie	Market	Family	Affordable
Marshall Apartments	Section 8	Family	Affordable
St. George's Senior Housing	Section 8	Senior/Disabled	Dissimilar Tenancy, Affordable
Pathways at Corondado Hills	Section 8	Disabled	Dissimilar Tenancy, Affordable
Pathways at Booker T. Washington Terraces	Section 8	Disabled	Dissimilar Tenancy, Affordable
Pathways at Gaston Place	LIHTC/Section 8	Senior	Dissimilar Tenancy, Affordable
East 12th Street Apartments	Section 8	Family	Affordable
Elm Ridge Apartments	Section 8	Family	Affordable
Lupine Terrace	Section 8	Family	Affordable
Mount Carmel Village	Section 8	Family	Affordable
Walnut Creek	Section 8	Family	Affordable
Rebekah Baines Johnson	Section 8	Seniors	Dissimilar Tenancy, Affordable
Springdale Gardens	Section 8	Family	Affordable
Rosewood Senior Gardens	Section 8	Senior/Disabled	Dissimilar Tenancy, Affordable
Franklin Gardens	Section 8	Senior/Disabled	Dissimilar Tenancy, Affordable
Manor House	Section 8	Family	Affordable
Oak Springs Villas	Section 8	Senior/Disabled	Dissimilar Tenancy, Affordable
Rosewood Courts	Section 8	Senior	Dissimilar Tenancy, Affordable
Aldrich 51	LIHTC/ Market	Family	Affordable
Solaris	LIHTC/ Market	Family	Affordable
Thinkeast Apartment Homes	LIHTC	Family	Affordable
Villas On Sixth Street	LIHTC/ Market	Family	Affordable

The following pages include individual comparable property profiles, along with a summary table. A map of the comparables, in relation to the Subject, is also included following.

Comparable Rental Property Map



COMPARABLE PROPERTIES

#	Comparable Property	City	Rent Structure	Tenancy	Distance to Subject
1	3401 At Red River*	Austin	Market	Family	1.4 miles
2	Menlo At Mueller	Austin	Market	Family	2.4 miles
3	Mueller City View	Austin	Market	Family	2.0 miles
4	Seventytwo 27	Austin	Market	Family	2.7 miles
5	Volume 4	Austin	Market	Family	0.7 miles

*Located outside PMA

KENSINGTON APARTMENTS - AUSTIN, TEXAS – APPRAISAL

SUMMARY MATRIX

Comp #	Property Name	Distance to Subject	Type / Built / Renovated	Rent Structure	Unit Description	#	%	Size (SF)	Restriction	Rent (Adj)	Max Rent?	Waiting List?	Vacant Units	Vacancy Rate
Subject	Kensington Apartments - As Is 3300 Manor Road Austin, TX 78723 Travis County	-	Garden 2-stories 1968 / n/a Family	Market	0BR / 1BA	8	5.4%	225	Market	\$600	N/A	N/A	1	12.5%
					0BR / 1BA	56	37.6%	250	Market	\$780	N/A	N/A	9	16.1%
					1BR / 1BA	84	56.4%	410	Market	\$850	N/A	N/A	6	7.1%
					2BR / 2BA	1	0.7%	780	Non-Rental	-	N/A	N/A	0	0.0%
						149							16	10.7%
1	3401 At Red River 3401 Red River Austin, TX 78705 Travis County	1.4 miles	Garden 3-stories 1976 / 2013 Family	Market	0BR / 1BA	35	25.4%	389	Market	\$1,273	N/A	No	1	2.9%
					1BR / 1BA	2	1.5%	500	Market	\$1,386	N/A	No	0	0.0%
					1BR / 1BA	30	21.7%	633	Market	\$1,440	N/A	No	1	3.3%
					1BR / 1BA	20	14.5%	704	Market	\$1,450	N/A	No	4	20.0%
					1BR / 1BA	34	24.6%	719	Market	\$1,655	N/A	No	1	2.9%
					2BR / 1BA	13	9.4%	855	Market	\$1,984	N/A	No	2	15.4%
					2BR / 1BA	4	2.9%	887	Market	\$2,000	N/A	No	1	25.0%
						138							10	7.2%
2	Menlo At Mueller 6855 Highway 290 East Austin, TX 78723 Travis County	2.4 miles	Various 2-stories 1973 / 2004 Family	Market	0BR / 1BA	16	6.5%	440	Market	\$976	N/A	No	2	12.5%
					0BR / 1BA	N/A	N/A	440	Market	\$940	N/A	No	N/A	N/A
					1BR / 1BA	20	8.1%	650	Market	\$998	N/A	No	1	5.0%
					1BR / 1BA	20	8.1%	680	Market	\$1,088	N/A	No	1	5.0%
					1BR / 1BA	20	8.1%	750	Market	\$1,053	N/A	No	6	30.0%
					2BR / 1BA	41	16.5%	880	Market	\$1,362	N/A	No	8	19.5%
					2BR / 1BA	N/A	N/A	880	Market	\$1,332	N/A	No	N/A	N/A
					2BR / 1.5BA	41	16.5%	990	Market	\$1,557	N/A	No	5	12.2%
					2BR / 1.5BA	N/A	N/A	990	Market	\$1,471	N/A	No	N/A	N/A
					2BR / 2BA	41	16.5%	1,084	Market	\$1,507	N/A	No	3	7.3%
					2BR / 2BA	N/A	N/A	1,084	Market	\$1,289	N/A	No	N/A	N/A
					2BR / 2.5BA	41	16.5%	1,130	Market	\$1,532	N/A	No	8	19.5%
					2BR / 2.5BA	N/A	N/A	1,130	Market	\$1,442	N/A	No	N/A	N/A
					3BR / 2BA	8	3.2%	1,380	Market	\$1,817	N/A	No	1	12.5%
						248							35	14.1%
3	Mueller City View 1100 Reinli Street Austin, TX 78723 Travis County	2.0 miles	Various 1-stories 1969 / 2018 Family	Market	0BR / 1BA	8	5.5%	410	Market	\$957	N/A	No	0	0.0%
					1BR / 1BA	8	5.5%	570	Market	\$1,035	N/A	No	0	0.0%
					1BR / 1BA	16	11.0%	668	Market	\$1,205	N/A	No	0	0.0%
					1BR / 1BA	17	11.7%	680	Market	\$1,115	N/A	No	0	0.0%
					2BR / 1BA	32	22.1%	808	Market	\$1,270	N/A	No	0	0.0%
					2BR / 1BA	26	17.9%	818	Market	\$1,295	N/A	No	0	0.0%
					2BR / 1.5BA	22	15.2%	1,002	Market	\$1,370	N/A	No	0	0.0%
					2BR / 2BA	16	11.0%	956	Market	\$1,435	N/A	No	0	0.0%
						145							0	0.0%
4	Seventytwo 27 7227 E. Highway 290 Austin, TX 78723 Travis County	2.7 miles	Garden 3-stories 1970 / 2005 Family	Market	0BR / 1BA	58	35.4%	398	Market	\$940	N/A	Yes	0	0.0%
					1BR / 1BA	50	30.5%	660	Market	\$1,130	N/A	Yes	0	0.0%
					2BR / 1BA	24	14.6%	918	Market	\$1,344	N/A	Yes	1	4.2%
					2BR / 2BA	32	19.5%	1,050	Market	\$1,434	N/A	Yes	0	0.0%
						164							1	0.6%
5	Volume 4 2709 Manor Rd Austin, TX 78722 Travis County	0.7 miles	Garden 2-stories 1973 / 2018 Family	Market	0BR / 1BA	18	50.0%	391	Market	\$993	N/A	No	3	16.7%
					1BR / 1BA	18	50.0%	495	Market	\$1,100	N/A	No	1	5.6%
						36							4	11.1%

AMENITY MATRIX

	Subject	3401 At Red River	Menlo At Mueller	Mueller City View	Seventytwo 27	Volume 4
Rent Structure	Market	Market	Market	Market	Market	Market
Tenancy	Family	Family	Family	Family	Family	Family
Building						
Property Type	Garden	Garden	Various	Various	Garden	Garden
# of Stories	2-stories	3-stories	2-stories	1-stories	3-stories	2-stories
Year Built	1968	1976	1973	1969	1970	1973
Year Renovated	n/a	2013	2004	2018	2005	2018
Commercial	no	no	no	no	no	no
Elevators	no	no	no	no	no	no
Courtyard	yes	no	no	no	no	yes
Utility Structure						
Cooking	yes	no	no	yes	no	no
Water Heat	yes	no	no	yes	no	no
Heat	yes	no	no	yes	no	no
Other Electric	yes	no	no	no	no	no
Water	yes	no	no	yes	yes	no
Sewer	yes	no	no	yes	yes	no
Trash	yes	no	yes	yes	yes	no
Unit Amenities						
Balcony/Patio	no	yes	yes	yes	yes	yes
Blinds	yes	yes	yes	yes	yes	yes
Cable/Satellite	yes	no	no	no	no	no
Carpeting	no	yes	yes	yes	yes	yes
Hardwood	yes	no	no	no	no	yes
Central A/C	yes	yes	yes	yes	yes	yes
Ceiling Fan	no	no	yes	yes	yes	no
Coat Closet	no	yes	yes	no	yes	yes
Exterior Storage	no	no	no	yes	yes	yes
Exterior Storage Fee	-	-	-	\$0	\$0	\$15
Walk-In Closet	yes	yes	yes	yes	yes	no
Washer/Dryer	no	no	no	no	no	no
Washer/Dryer Fee	-	-	-	-	-	-
W/D Hookup	no	no	yes	no	yes	yes
Kitchen						
Dishwasher	no	yes	yes	yes	yes	yes
Disposal	no	yes	yes	yes	yes	no
Microwave	no	yes	no	no	no	no
Oven	yes	yes	yes	yes	yes	yes
Refrigerator	yes	yes	yes	yes	yes	yes
Community						
Business Center	no	no	yes	no	no	no
Community Room	no	no	yes	no	no	no
Central Laundry	yes	yes	no	yes	yes	yes
On-Site Mgmt	yes	yes	yes	yes	yes	no
Concierge	no	no	no	no	no	no
Recreation						
Basketball Court	no	no	no	no	no	no
Exercise Facility	no	no	yes	yes	no	no
Playground	no	no	no	no	no	no
Swimming Pool	no	yes	yes	yes	yes	no
Picnic Area	yes	yes	yes	no	no	yes
Hot Tub	no	no	no	no	yes	no
Theatre	no	no	no	no	no	no
Recreational Area	yes	yes	yes	no	no	no
WiFi	yes	no	no	no	no	no
Security						
Intercom (Buzzer)	no	no	no	no	no	no
Limited Access	no	no	no	no	yes	no
Patrol	no	yes	no	no	no	yes
Perimeter Fencing	no	no	no	no	yes	no
Video Surveillance	no	no	no	no	yes	no
Parking						
Carport	no	yes	yes	no	no	no
Carport Fee	-	\$60	\$0	-	-	\$0
Garage	no	no	no	no	no	no
Garage Fee	-	\$0	-	-	-	-
Off-Street Parking	yes	yes	yes	yes	yes	yes
Off-Street Fee	-	\$0	\$0	\$0	\$0	\$0

PROPERTY PROFILE REPORT

3401 At Red River

Effective Rent Date	1/14/2021
Location	3401 Red River Austin, TX 78705 Travis County
Distance	1.4 miles
Units	138
Vacant Units	10
Vacancy Rate	7.2%
Type	Garden (3 stories)
Year Built/Renovated	1976 / 2013
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Oak Park
Tenant Characteristics	Mixed tenancy
Contact Name	Andrew
Phone	512-201-2765



Market Information

Program	Market
Annual Turnover Rate	26%
Units/Month Absorbed	N/A
HCV Tenants	0%
Leasing Pace	Within two weeks
Annual Chg. in Rent	Fluctuated -5% to 4% since 4Q19
Concession	None
Waiting List	None

Utilities

A/C	not included -- central
Cooking	not included -- electric
Water Heat	not included -- electric
Heat	not included -- electric
Other Electric	not included
Water	not included
Sewer	not included
Trash Collection	not included

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
0	1	Garden (3 stories)	35	389	\$1,099	\$0	Market	No	1	2.9%	N/A	None
1	1	Garden (3 stories)	2	500	\$1,205	\$0	Market	No	0	0.0%	N/A	None
1	1	Garden (3 stories)	30	633	\$1,259	\$0	Market	No	1	3.3%	N/A	None
1	1	Garden (3 stories)	20	704	\$1,269	\$0	Market	No	4	20.0%	N/A	None
1	1	Garden (3 stories)	34	719	\$1,474	\$0	Market	No	1	2.9%	N/A	None
2	1	Garden (3 stories)	13	855	\$1,769	\$0	Market	No	2	15.4%	N/A	None
2	1	Garden (3 stories)	4	887	\$1,785	\$0	Market	No	1	25.0%	N/A	None

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
Studio / 1BA	\$1,099	\$0	\$1,099	\$174	\$1,273
1BR / 1BA	\$1,205 - \$1,474	\$0	\$1,205 - \$1,474	\$181	\$1,386 - \$1,655
2BR / 1BA	\$1,769 - \$1,785	\$0	\$1,769 - \$1,785	\$215	\$1,984 - \$2,000

3401 At Red River, continued

Amenities

In-Unit		Security	Services
Balcony/Patio	Blinds	Patrol	None
Carpeting	Central A/C		
Coat Closet	Dishwasher		
Garbage Disposal	Microwave		
Oven	Refrigerator		
Walk-In Closet			
Property		Premium	Other
Carport(\$60.00)	Central Laundry	None	None
Off-Street Parking	On-Site Management		
Picnic Area	Recreation Areas		
Swimming Pool			

Comments

The contact reported that a full renovation including a new roof was completed in 2013. The contact stated there have been no impacts to the property as a result of COVID-19.

3401 At Red River, continued

Trend Report

Vacancy Rates

4Q19	1Q21
0.7%	7.2%

Trend: Market

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2019	4	0.0%	\$1,235 - \$1,399	\$0	\$1,235 - \$1,399	\$1,416 - \$1,580
2021	1	7.0%	\$1,205 - \$1,474	\$0	\$1,205 - \$1,474	\$1,386 - \$1,655

2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2019	4	5.9%	\$1,795	\$0	\$1,795	\$2,010
2021	1	17.6%	\$1,769 - \$1,785	\$0	\$1,769 - \$1,785	\$1,984 - \$2,000

Studio / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2019	4	0.0%	\$1,199	\$0	\$1,199	\$1,373
2021	1	2.9%	\$1,099	\$0	\$1,099	\$1,273

Trend: Comments

4Q19	This property does not accept Housing Choice Vouchers. There are 40 covered garages available for tenants to rent on-site for \$60 per month. The contact reported that a full renovation including a new roof was completed in 2013. The contact also reported a strong demand for multifamily housing.
1Q21	The contact reported that a full renovation including a new roof was completed in 2013. The contact stated there have been no impacts to the property as a result of COVID-19.

Photos



PROPERTY PROFILE REPORT

Menlo At Mueller

Effective Rent Date	1/15/2021
Location	6855 Highway 290 East Austin, TX 78723 Travis County
Distance	2.4 miles
Units	248
Vacant Units	35
Vacancy Rate	14.1%
Type	Various (2 stories)
Year Built/Renovated	1973 / 2004
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	None identified
Tenant Characteristics	Mixed tenancy
Contact Name	Adriana
Phone	512-675-1119



Market Information

Program	Market
Annual Turnover Rate	50%
Units/Month Absorbed	N/A
HCV Tenants	0%
Leasing Pace	Within one week
Annual Chg. in Rent	Fluctuated -17-5% since 1Q20
Concession	\$99 off first month's rent
Waiting List	None

Utilities

A/C	not included -- central
Cooking	not included -- electric
Water Heat	not included -- electric
Heat	not included -- electric
Other Electric	not included
Water	not included
Sewer	not included
Trash Collection	included

Menlo At Mueller, continued

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
0	1	Garden (2 stories)	16	440	\$835	\$8	Market	No	2	12.5%	N/A	HIGH*
0	1	Garden (2 stories)	N/A	440	\$799	\$8	Market	No	N/A	N/A	N/A	LOW*
1	1	Garden (2 stories)	20	650	\$850	\$8	Market	No	1	5.0%	N/A	None
1	1	Garden (2 stories)	20	680	\$940	\$8	Market	No	1	5.0%	N/A	None
1	1	Garden (2 stories)	20	750	\$905	\$8	Market	No	6	30.0%	N/A	None
2	1	Garden (2 stories)	41	880	\$1,180	\$8	Market	No	8	19.5%	N/A	HIGH*
2	1	Garden (2 stories)	N/A	880	\$1,150	\$8	Market	No	N/A	N/A	N/A	LOW*
2	1.5	Townhouse (2 stories)	41	990	\$1,375	\$8	Market	No	5	12.2%	N/A	HIGH*
2	1.5	Townhouse (2 stories)	N/A	990	\$1,289	\$8	Market	No	N/A	N/A	N/A	LOW*
2	2	Garden (2 stories)	41	1,084	\$1,325	\$8	Market	No	3	7.3%	N/A	HIGH*
2	2	Garden (2 stories)	N/A	1,084	\$1,099	\$8	Market	No	N/A	N/A	N/A	LOW*
2	2.5	Townhouse (2 stories)	41	1,130	\$1,350	\$8	Market	No	8	19.5%	N/A	HIGH*
2	2.5	Townhouse (2 stories)	N/A	1,130	\$1,260	\$8	Market	No	N/A	N/A	N/A	LOW*
3	2	Townhouse (2 stories)	8	1,380	\$1,599	\$8	Market	No	1	12.5%	N/A	None

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
Studio / 1BA	\$799 - \$835	\$8	\$791 - \$827	\$149	\$940 - \$976
1BR / 1BA	\$850 - \$940	\$8	\$842 - \$932	\$156	\$998 - \$1,088
2BR / 1BA	\$1,150 - \$1,180	\$8	\$1,142 - \$1,172	\$190	\$1,332 - \$1,362
2BR / 1.5BA	\$1,289 - \$1,375	\$8	\$1,281 - \$1,367	\$190	\$1,471 - \$1,557
2BR / 2BA	\$1,099 - \$1,325	\$8	\$1,091 - \$1,317	\$190	\$1,281 - \$1,507
2BR / 2.5BA	\$1,260 - \$1,350	\$8	\$1,252 - \$1,342	\$190	\$1,442 - \$1,532
3BR / 2BA	\$1,599	\$8	\$1,591	\$226	\$1,817

Amenities

In-Unit		Security	Services
Balcony/Patio	Blinds	None	None
Carpeting	Central A/C		
Coat Closet	Dishwasher		
Ceiling Fan	Fireplace		
Garbage Disposal	Oven		
Refrigerator	Walk-In Closet		
Washer/Dryer hookup			
Property		Premium	Other
Business Center/Computer Lab	Carport	None	None
Clubhouse/Meeting Room/Community	Exercise Facility		
Off-Street Parking	On-Site Management		
Picnic Area	Recreation Areas		
Swimming Pool			

Comments

The contact noted that the property is finishing a renovation, which is attributed to the elevated vacancy. The range in leasing rates is based on whether or not units have been renovated. All one-bedroom units have been renovated. Renovations include new flooring, counter tops, appliances, and cabinets. According to the contact, units with fireplaces rent for a premium of approximately \$15 per month. The contact reported no major effects related to COVID-19.

Trend Report

Vacancy Rates

3Q18	4Q19	1Q20	1Q21
11.3%	11.3%	25.8%	14.1%

Trend: Market

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2018	3	N/A	\$885 - \$935	\$0	\$885 - \$935	\$1,041 - \$1,091
2019	4	N/A	\$905 - \$950	\$0	\$905 - \$950	\$1,061 - \$1,106
2020	1	N/A	\$905 - \$1,025	\$67 - \$77	\$838 - \$948	\$994 - \$1,104
2021	1	13.3%	\$850 - \$940	\$8	\$842 - \$932	\$998 - \$1,088

2BR / 1.5BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2018	3	N/A	\$1,160	\$0	\$1,160	\$1,350
2019	4	N/A	\$1,265	\$0	\$1,265	\$1,455
2020	1	N/A	\$1,375	\$106	\$1,269	\$1,459
2021	1	N/A	\$1,289 - \$1,375	\$8	\$1,281 - \$1,367	\$1,471 - \$1,557

2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2018	3	N/A	\$1,100	\$0	\$1,100	\$1,290
2019	4	N/A	\$1,160	\$0	\$1,160	\$1,350
2020	1	N/A	\$1,180	\$90	\$1,090	\$1,280
2021	1	N/A	\$1,150 - \$1,180	\$8	\$1,142 - \$1,172	\$1,332 - \$1,362

2BR / 2.5BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2018	3	N/A	\$1,225	\$0	\$1,225	\$1,415
2019	4	N/A	\$1,260	\$0	\$1,260	\$1,450
2020	1	N/A	\$1,285	\$99	\$1,186	\$1,376
2021	1	N/A	\$1,260 - \$1,350	\$8	\$1,252 - \$1,342	\$1,442 - \$1,532

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2018	3	N/A	\$1,195	\$0	\$1,195	\$1,385
2019	4	N/A	\$1,325	\$0	\$1,325	\$1,515
2020	1	N/A	\$1,325	\$102	\$1,223	\$1,413
2021	1	N/A	\$1,099 - \$1,325	\$8	\$1,091 - \$1,317	\$1,281 - \$1,507

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2018	3	N/A	\$1,550	\$0	\$1,550	\$1,776
2019	4	N/A	\$1,599	\$0	\$1,599	\$1,825
2020	1	N/A	\$1,699	\$133	\$1,566	\$1,792
2021	1	12.5%	\$1,599	\$8	\$1,591	\$1,817

Studio / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2018	3	N/A	\$820	\$0	\$820	\$969
2019	4	N/A	\$805	\$0	\$805	\$954
2020	1	N/A	\$835	\$61	\$774	\$923
2021	1	N/A	\$799 - \$835	\$8	\$791 - \$827	\$940 - \$976

Trend: Comments

3Q18	The contact stated the low occupancy is due to continued renovations which began a year ago. The current rents represent post renovation prices. Upgrades include new flooring, cabinetry, counters, backsplash, two-tone paint, fixtures, ceiling fans, and appliances as needed. The property previously accepted Housing Choice Vouchers but does not anymore.
4Q19	The contact was unable to provide an explanation for the elevated vacancy rate.
1Q20	The contact noted that the property is finishing a renovation, which is attributed to the elevated vacancy. According to the contact, fireplaces rent for a premium of approximately \$15 per month. Base rents are reflected in the rent profile.
1Q21	The contact noted that the property is finishing a renovation, which is attributed to the elevated vacancy. The range in leasing rates is based on whether or not units have been renovated. All one-bedroom units have been renovated. Renovations include new flooring, counter tops, appliances, and cabinets. According to the contact, units with fireplaces rent for a premium of approximately \$15 per month. The contact reported no major effects related to COVID-19.

Photos



PROPERTY PROFILE REPORT

Mueller City View

Effective Rent Date	1/19/2021
Location	1100 Reinli Street Austin, TX 78723 Travis County
Distance	2 miles
Units	145
Vacant Units	0
Vacancy Rate	0.0%
Type	Various
Year Built/Renovated	1969 / 2018
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	The Tressells, Cameron Greens
Tenant Characteristics	Mix of families and singles, 15% students
Contact Name	Elania
Phone	512-452-3202



Market Information

Program	Market
Annual Turnover Rate	30%
Units/Month Absorbed	N/A
HCV Tenants	0%
Leasing Pace	Within one month
Annual Chg. in Rent	Fluctuated -1% to 20 % since 1020
Concession	\$300 off first month for select units
Waiting List	None

Utilities

A/C	not included -- central
Cooking	included -- gas
Water Heat	included -- gas
Heat	included -- gas
Other Electric	not included
Water	included
Sewer	included
Trash Collection	included

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
0	1	Garden (2 stories)	8	410	\$925	\$0	Market	No	0	0.0%	N/A	None
1	1	Garden (2 stories)	8	570	\$999	\$0	Market	No	0	0.0%	N/A	None
1	1	Garden (2 stories)	16	668	\$1,194	\$25	Market	No	0	0.0%	N/A	None
1	1	Garden (2 stories)	17	680	\$1,079	\$0	Market	No	0	0.0%	N/A	None
2	1	Garden (2 stories)	32	808	\$1,249	\$25	Market	No	0	0.0%	N/A	None
2	1	Garden (2 stories)	26	818	\$1,249	\$0	Market	No	0	0.0%	N/A	None
2	1.5	Townhouse	22	1,002	\$1,349	\$25	Market	No	0	0.0%	N/A	None
2	2	Garden (2 stories)	16	956	\$1,389	\$0	Market	No	0	0.0%	N/A	None

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
Studio / 1BA	\$925	\$0	\$925	\$32	\$957
1BR / 1BA	\$999 - \$1,194	\$0 - \$25	\$999 - \$1,169	\$36	\$1,035 - \$1,205
2BR / 1BA	\$1,249	\$0 - \$25	\$1,224 - \$1,249	\$46	\$1,270 - \$1,295
2BR / 1.5BA	\$1,349	\$25	\$1,324	\$46	\$1,370
2BR / 2BA	\$1,389	\$0	\$1,389	\$46	\$1,435

Mueller City View, continued

Amenities

In-Unit		Security	Services
Balcony/Patio	Blinds	None	None
Carpeting	Central A/C		
Dishwasher	Exterior Storage		
Ceiling Fan	Fireplace		
Furnishing	Garbage Disposal		
Oven	Refrigerator		
Walk-In Closet			
Property		Premium	Other
Exercise Facility	Central Laundry	None	None
Off-Street Parking	On-Site Management		
Swimming Pool			

Comments

The property was formerly known as The Legacy. The contact reported that the property has been under new ownership since late 2017 with the name change in early 2018. The contact noted that the majority of units were renovated in 2018. Renovations included new flooring, stainless steel appliances, new back splash tile, counter tops, cabinets, fresh paint, lighting, and hardware. The contact had no comments regarding the impact of COVID-19 at the property.

Mueller City View, continued

Trend Report

Vacancy Rates

4Q17	3Q18	1Q20	1Q21
5.5%	5.5%	1.4%	0.0%

Trend: Market

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2017	4	N/A	\$850 - \$925	\$0	\$850 - \$925	\$886 - \$961
2018	3	0.0%	\$850 - \$975	\$0	\$850 - \$975	\$886 - \$1,011
2020	1	2.4%	\$949 - \$999	\$0	\$949 - \$999	\$985 - \$1,035
2021	1	0.0%	\$999 - \$1,194	\$0 - \$25	\$999 - \$1,169	\$1,035 - \$1,205

2BR / 1.5BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2017	4	N/A	\$1,250	\$0	\$1,250	\$1,296
2018	3	N/A	\$1,270	\$42	\$1,228	\$1,274
2020	1	0.0%	\$1,319	\$42	\$1,277	\$1,323
2021	1	0.0%	\$1,349	\$25	\$1,324	\$1,370

2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2017	4	N/A	\$1,125 - \$1,200	\$0	\$1,125 - \$1,200	\$1,171 - \$1,246
2018	3	N/A	\$1,195 - \$1,215	\$42	\$1,153 - \$1,173	\$1,199 - \$1,219
2020	1	1.7%	\$1,219	\$42	\$1,177	\$1,223
2021	1	0.0%	\$1,249	\$0 - \$25	\$1,224 - \$1,249	\$1,270 - \$1,295

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2017	4	N/A	\$1,400	\$0	\$1,400	\$1,446
2018	3	N/A	\$1,400	\$42	\$1,358	\$1,404
2020	1	0.0%	\$1,414	\$0	\$1,414	\$1,460
2021	1	0.0%	\$1,389	\$0	\$1,389	\$1,435

Studio / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2017	4	N/A	\$750	\$0	\$750	\$782
2018	3	N/A	\$825	\$0	\$825	\$857
2020	1	0.0%	\$875	\$0	\$875	\$907
2021	1	0.0%	\$925	\$0	\$925	\$957

Trend: Comments

4Q17	N/A
3Q18	The property was FKA The Legacy and the contact reported the property has been under new ownership since late 2017 and changed names in early 2018. She noted the majority of units have been renovated during 2018. Renovations include new flooring, stainless steel appliances, new back splash tile, counters, cabinets, fresh paint, lighting, and hardware.
1Q20	The property was FKA The Legacy and the contact reported the property has been under new ownership since late 2017 and changed names in early 2018. The contact noted the majority of units have been renovated during 2018. Renovations include new flooring, stainless steel appliances, new back splash tile, counters, cabinets, fresh paint, lighting, and hardware.
1Q21	The property was formerly known as The Legacy. The contact reported that the property has been under new ownership since late 2017 with the name change in early 2018. The contact noted that the majority of units were renovated in 2018. Renovations included new flooring, stainless steel appliances, new back splash tile, counter tops, cabinets, fresh paint, lighting, and hardware. The contact had no comments regarding the impact of COVID-19 at the property.

PROPERTY PROFILE REPORT

Seventytwo 27

Effective Rent Date	1/18/2021
Location	7227 E. Highway 290 Austin, TX 78723 Travis County
Distance	2.7 miles
Units	164
Vacant Units	1
Vacancy Rate	0.6%
Type	Garden (3 stories)
Year Built/Renovated	1970 / 2005
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Travis Station, Promintary Point,
Tenant Characteristics	Mixed tenancy with some students.
Contact Name	Elaine
Phone	512-929-3150



Market Information

Program	Market
Annual Turnover Rate	36%
Units/Month Absorbed	N/A
HCV Tenants	0%
Leasing Pace	Within two weeks
Annual Chg. in Rent	Fluctuated -6 to 4% since 4Q20
Concession	None
Waiting List	None

Utilities

A/C	not included -- central
Cooking	not included -- electric
Water Heat	not included -- electric
Heat	not included -- electric
Other Electric	not included
Water	included
Sewer	included
Trash Collection	included

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
0	1	Garden (3 stories)	58	398	\$899	\$0	Market	No	0	0.0%	N/A	None
1	1	Garden (3 stories)	50	660	\$1,084	\$0	Market	No	0	0.0%	N/A	None
2	1	Garden (3 stories)	24	918	\$1,284	\$0	Market	No	1	4.2%	N/A	None
2	2	Garden (3 stories)	32	1,050	\$1,374	\$0	Market	No	0	0.0%	N/A	None

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
Studio / 1BA	\$899	\$0	\$899	\$41	\$940
1BR / 1BA	\$1,084	\$0	\$1,084	\$46	\$1,130
2BR / 1BA	\$1,284	\$0	\$1,284	\$60	\$1,344
2BR / 2BA	\$1,374	\$0	\$1,374	\$60	\$1,434

Amenities

In-Unit		Security	Services
Balcony/Patio	Blinds	Limited Access	None
Carpeting	Central A/C	Perimeter Fencing	
Coat Closet	Dishwasher	Video Surveillance	
Exterior Storage	Ceiling Fan		
Fireplace	Garbage Disposal		
Oven	Refrigerator		
Vaulted Ceilings	Walk-In Closet		
Washer/Dryer hookup			
Property		Premium	Other
Jacuzzi	Central Laundry	None	None
Off-Street Parking	On-Site Management		
Swimming Pool			

Comments

The property was formerly known as Penbrook Club and changed names following a change in management. The contact reported that the property is renovating units as they become available. Renovations include new paint, flooring, fixtures, and appliances. The leasing rates listed are for renovated units. The contact reported that the property experienced an increase in move-outs as a result of the COVID-19 pandemic, and multiple tenants are currently delinquent on rent.

Trend Report

Vacancy Rates

4Q15	3Q16	4Q20	1Q21
4.3%	3.0%	3.0%	0.6%

Trend: Market

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2015	4	4.0%	\$790	\$0	\$790	\$836
2016	3	4.0%	\$815	\$0	\$815	\$861
2020	4	N/A	\$1,084	\$8	\$1,076	\$1,122
2021	1	0.0%	\$1,084	\$0	\$1,084	\$1,130

2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2015	4	8.3%	\$950	\$0	\$950	\$1,010
2016	3	4.2%	\$975	\$0	\$975	\$1,035
2020	4	N/A	\$1,294	\$8	\$1,286	\$1,346
2021	1	4.2%	\$1,284	\$0	\$1,284	\$1,344

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2015	4	6.2%	\$995	\$0	\$995	\$1,055
2016	3	3.1%	\$1,020	\$0	\$1,020	\$1,080
2020	4	N/A	\$1,379	\$8	\$1,371	\$1,431
2021	1	0.0%	\$1,374	\$0	\$1,374	\$1,434

Studio / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2015	4	1.7%	\$625	\$0	\$625	\$666
2016	3	1.7%	\$650	\$0	\$650	\$691
2020	4	N/A	\$914	\$8	\$906	\$947
2021	1	0.0%	\$899	\$0	\$899	\$940

Trend: Comments

4Q15	The contact reported that demand for units in the neighborhood has increased over the last few years and rents have continually increased for the past three years.
3Q16	N/A
4Q20	The contact reported that the property experienced move outs as a result of the COVID-19 pandemic and the current vacancies are due to move outs. The property was formerly known as Penbrook Club and changed names following a change in management. The contact reported no renovations following the change in management. The contact could not comment on annual changes in rent. The property is currently offering \$99 off application and administration fees. The households on the waiting list are waiting for ground floor units to come available.
1Q21	The property was formerly known as Penbrook Club and changed names following a change in management. The contact reported that the property is renovating units as they become available. Renovations include new paint, flooring, fixtures, and appliances. The leasing rates listed are for renovated units. The contact reported that the property experienced an increase in move-outs as a result of the COVID-19 pandemic, and multiple tenants are currently delinquent on rent.

Photos



PROPERTY PROFILE REPORT

Volume 4

Effective Rent Date	1/19/2021
Location	2709 Manor Rd Austin, TX 78722 Travis County
Distance	0.7 miles
Units	36
Vacant Units	4
Vacancy Rate	11.1%
Type	Garden (2 stories)
Year Built/Renovated	1973 / 2018
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Sandstone
Tenant Characteristics	Mixed tenancy; some students
Contact Name	Walida
Phone	512-320-9955



Market Information

Program	Market
Annual Turnover Rate	15%
Units/Month Absorbed	N/A
HCV Tenants	N/A
Leasing Pace	Within two weeks
Annual Chg. in Rent	Decreased 2-4% since 2Q18
Concession	None
Waiting List	None

Utilities

A/C	not included -- central
Cooking	not included -- electric
Water Heat	not included -- gas
Heat	not included -- gas
Other Electric	not included
Water	not included
Sewer	not included
Trash Collection	not included

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
0	1	Garden (2 stories)	18	391	\$819	\$0	Market	No	3	16.7%	N/A	None
1	1	Garden (2 stories)	18	495	\$919	\$0	Market	No	1	5.6%	N/A	None

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
Studio / 1BA	\$819	\$0	\$819	\$174	\$993
1BR / 1BA	\$919	\$0	\$919	\$181	\$1,100

Amenities

In-Unit	Security	Services
Balcony/Patio	Patrol	None
Carpet/Hardwood		
Central A/C		
Dishwasher		
Oven		
Washer/Dryer hookup		
Property	Premium	Other
Courtyard	None	None
Off-Street Parking		

Comments

The Volume development consists of five phases that offer studios, one-bedroom, and two-bedroom units. This profile reflects only Volume 4. Storage space is located at Volume III but is available to tenants of all five Volumes for a fee of \$15 per month. The contact indicated that the property does accept Housing Choice Vouchers but could not provide an estimated percentage of tenants using them. The contact noted that the property reserves a percentage of its units for low income housing but could not provide more details. The contact had no comments regarding the affects of COVID-19 at the property.

Trend Report

Vacancy Rates

2Q18	1Q21
2.8%	11.1%

Trend: Market

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2018	2	0.0%	\$1,044	\$0	\$1,044	\$1,225
2021	1	5.6%	\$919	\$0	\$919	\$1,100

Studio / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2018	2	5.6%	\$869	\$0	\$869	\$1,043
2021	1	16.7%	\$819	\$0	\$819	\$993

Trend: Comments

2Q18	The Volume development consists of five phases that offer studios, one-bedroom, and two-bedroom units. Storage space is located at Volume III but is available to tenants of all five Volumes for a fee of \$15 per month. The contact indicated that the property does accept Housing Choice Vouchers but could not provide an estimated percentage of tenants using them. The contact noted that the property reserves a percentage of its units for low income housing but could not provide more details.
1Q21	The Volume development consists of five phases that offer studios, one-bedroom, and two-bedroom units. This profile reflects only Volume 4. Storage space is located at Volume III but is available to tenants of all five Volumes for a fee of \$15 per month. The contact indicated that the property does accept Housing Choice Vouchers but could not provide an estimated percentage of tenants using them. The contact noted that the property reserves a percentage of its units for low income housing but could not provide more details. The contact had no comments regarding the affects of COVID-19 at the property.

Photos



PROPERTY CHARACTERISTICS

Following are relevant characteristics of the comparable properties surveyed:

Location

The following table compares the Subject's location (defined as a 0.5-mile radius from the property) compared to that of the comparable properties.

LOCATION COMPARISON						
No.	Property Name	Zip Code	Median Income	Median Rent	Median Home Value	Rent Differential
S	Kensington Apartments - As Is	78723	\$49,606	\$964	\$268,700	-
1	3401 At Red River*	78705	\$15,309	\$1,198	\$417,800	19.5%
2	Menlo At Mueller	78723	\$49,606	\$964	\$268,700	0.0%
3	Mueller City View	78723	\$49,606	\$964	\$268,700	0.0%
4	Seventytwo 27	78723	\$49,606	\$964	\$268,700	0.0%
5	Volume 4	78722	\$69,267	\$1,280	\$358,900	24.7%

* Located outside of the PMA

In terms of demographics, two of the comparables (3401 At Red River and Volume 4) are located in slightly superior neighborhoods relative to the Subject, while the remaining comparables are located in generally similar neighborhoods relative to the Subject. Further, based on our observations during our inspection, the comparables offer similar access to highways compared to the Subject. Overall, we believe the Subject's neighborhood is good for multifamily development, and offers a similar to slightly inferior location relative to the comparables.

Age, Condition, Design

The Subject was built in 1968 and exhibits average condition. The comparables were built or last renovated between 1973 and 2018, and all exhibit average to good condition, slightly superior to the Subject. Overall, we believe the condition of a development commands a premium (or discount) in rent.

The Subject offers garden-style units, all of which are contained in one two-story residential building. The majority of the comparables offer lowrise and garden-style designs ranging from two to three stories. Two of the comparables offer a combination of garden-style and townhouse units. Overall, the Subject's garden-style units are considered similar to the lowrise and garden-style units, and we believe the Subject's design is appropriate and will continued to be well received.

Unit Sizes

The following table compares the Subject's unit sizes to the comparable properties.

UNIT SIZE COMPARISON		
Bedroom Type	OBR	1BR
Subject	225 - 250	410
Average	411	642
Min	389	495
Max	440	750
Advantage/Disadvantage	-45.3% : -39.2%	-36.2%

As shown, the Subject's studio and one-bedroom units exhibit significant size disadvantages relative to the comparable averages. Overall, we believe the Subject's unit sizes are a weakness of the Subject development.

However, based on historical occupancy levels, we believe the Subject will continue to be well-received, despite the unit size disadvantage at appropriately positioned rents.

MARKET CHARACTERISTICS

Following are relevant market characteristics for the comparable properties surveyed.

Absorption

Absorption information was not available for any of the comparables. However, we were able to obtain absorption information from several additional, recently constructed developments within ten miles of the Subject. The following table details our findings.

ABSORPTION

Property Name	Rent	Tenancy	Year	Total Units	Absorption (units/month)
Trailhead Apartments	Market	Family	2020	308	27
St. Johns West	Market	Family	2020	297	16
Eastridge Apartments	Market	Family	2020	300	20
Lenox Ridge	Market	Family	2019	350	25
FLORA Apartments	Market	Family	2019	194	16
East Vue Ranch	Market	Family	2019	340	20
Aura Riverside	Market	Family	2019	368	17
Walnut Park Apartments	Market	Family	2018	277	22
The Guthrie	Market	Family	2018	322	48
Rivers Edge	Market	Family	2018	92	15
E6 Apartments	Market	Family	2018	208	9
Creekside On Parmer Lane	Market	Family	2018	300	14
AMLI Aldrich	Market	Family	2018	318	25
Average					21

As shown, reported absorption rates range from nine to 48 units per month with an average of 21 units per month. Assuming the Subject was 100 percent vacant, we believe that the Subject would experience an absorption rate of 15 to 20 units per month, and would reach stabilized occupancy of 95 percent within eight to 10 months of opening.

Turnover

The following table displays the annual turnover rates at the comparable properties.

TURNOVER

Property Name	Rent Structure	Tenancy	Annual Turnover
3401 At Red River*	Market	Family	26%
Menlo At Mueller	Market	Family	50%
Mueller City View	Market	Family	30%
Seventytwo 27	Market	Family	36%
Volume 4	Market	Family	15%
Average Turnover			31%

*Located outside of the PMA

The comparables reported turnover rates ranging from 15 to 50 percent, with an average of 31 percent. The Subject has experienced a turnover rate of approximately 18 percent in 2020. Based on the performance of

the comparables as well as the Subject, we expect the Subject will operate with a turnover rate of approximately 20 percent or less.

Vacancy Levels

The following analysis summarizes overall weighted vacancy levels at the surveyed properties.

OVERALL VACANCY

Property Name	Rent Structure	Tenancy	Total Units	Vacant Units	Vacancy Rate
3401 At Red River*	Market	Family	138	10	7.2%
Menlo At Mueller	Market	Family	248	35	14.1%
Mueller City View	Market	Family	145	0	0.0%
Seventytwo 27	Market	Family	164	1	0.6%
Volume 4	Market	Family	36	4	11.1%
Overall Total			731	50	6.8%

*Located outside of the PMA

The comparables reported vacancy rates ranging from zero to 14.1 percent with an average of 6.8 percent. It should be noted that two comparables (Menlo At Mueller and Volume 4) reported elevated vacancy rates. However, the contact at Menlo At Mueller stated that the elevated vacancy rate is due to ongoing renovations. Additionally, Volume 4 reported only four vacancies, and the property is relatively small with only 36 units; as such, even a small number of vacancies can create a high vacancy rate. Excluding these two properties, the overall average vacancy rate is just 2.5 percent.

Only one comparable reported an increase in move-outs as a result of the COVID-19 pandemic. Further, according to the rent roll dated September 30, 2020, the Subject is currently 89.3 percent occupied. The Subject's historical vacancy and collection loss was unavailable. It should be noted that the Subject currently offers weekly and monthly rentals, which likely results in fluctuating occupancy levels. Based on the performance of the comparables, we expect the Subject will operate with a vacancy and collection loss of five percent. Our vacancy conclusion assumes typical 12-month leases.

Impact of COVID-19

Only one comparable reported effects directly related to the ongoing the COVID-19 pandemic, which is detailed following. However, it should be noted that based on our analysis, it appears that at least a few of the comparable properties are seeing some softness in the market with elevated vacancy and decreased in rents.

Seventytwo 27 – The contact reported that the property experienced an increase in move-outs as a result of the COVID-19 pandemic, and multiple tenants are currently delinquent on rent.

Reasonability of Rents

The following table illustrates the current rents at the Subject.

CURRENT RENTS

Unit Type	Unit Size (SF)	Number of Units	Current Rent
<i>Market Rate</i>			
0BR / 1BA	225	8	\$600
0BR / 1BA	250	56	\$780
1BR / 1BA	410	84	\$850
<i>Non-Rental</i>			
2BR / 2BA	780	1	-
Total		149	

The following table illustrates the rents of the comparable market rate properties surveyed. The rents have been adjusted for variances in utilities and concessions only.

MARKET RENT COMPARISON

Property Name	OBR	1BR
Subject Current Rents (Market)	225 SF - \$600 250 SF - \$780	\$850
	\$1,273	\$1,386
3401 At Red River	-	\$1,440
	-	\$1,450
	-	\$1,655
	\$976	\$998
Menlo At Mueller	\$940	\$1,088
	-	\$1,053
	\$957	\$1,035
Mueller City View	-	\$1,205
	-	\$1,115
Seventytwo 27	\$940	\$1,130
Volume 4	\$993	\$1,100
Average	\$1,013	\$1,221
Average Rent Per SF	\$2.48	\$1.93
Achievable Market Rent	225 SF - \$775 250 SF - \$800	\$950
Achievable Market Rent Per SF	225 SF - \$3.44 250 SF - \$3.20	\$2.32

The average rents for comparable studio and one-bedroom units are \$1,013 and \$1,221, respectively. The Subject exhibits slightly inferior condition, and smaller unit sizes relative to all of the comparables. As such, we have concluded to achievable rents below the comparable averages. Overall, our achievable market rate rents for the Subject as is are \$775 for the studio units at 225 square feet, \$800 for the studio units at 250 square feet, and \$950 for the one-bedroom units.

The following table illustrates the rent per square footage ranking of the Subject and the comparables.

RENT AND SQUARE FOOTAGE RANKING – All rents adjusted for utilities and concessions extracted from the				
	Units Surveyed:	731	Weighted Occupancy:	93.2%
	Studio One Bath		One Bedroom One Bath	
	Property	Average	Property	Average
RENT PER SQUARE FOOT	Kensington Apartments - AMR	\$3.44	3401 At Red River (Market)	\$2.77
	3401 At Red River (Market)	\$3.27	Kensington Apartments - AMR	\$2.32
	Kensington Apartments - AMR	\$3.20	3401 At Red River (Market)	\$2.30
	Kensington Apartments - As Is (Market)	\$3.12	3401 At Red River (Market)	\$2.27
	Kensington Apartments - As Is (Market)	\$2.67	Volume 4 (Market)	\$2.22
	Volume 4 (Market)	\$2.54	Kensington Apartments - As Is (Market)	\$2.07
	Seventytwo 27 (Market)	\$2.36	3401 At Red River (Market)	\$2.06
	Mueller City View (Market)	\$2.33	Mueller City View (Market)	\$1.82
	Menlo At Mueller (Market)	\$2.22	Mueller City View (Market)	\$1.80
	Menlo At Mueller (Market)	\$2.14	Seventytwo 27 (Market)	\$1.71
			Mueller City View (Market)	\$1.64
			Menlo At Mueller (Market)	\$1.60
			Menlo At Mueller (Market)	\$1.54
			Menlo At Mueller (Market)	\$1.40

As shown, the Subject's achievable market rents per square footage are within or slightly above the ranges of the comparables, which appears reasonable.

For additional support, we identified three other comparable properties with studios in the area, two of which are located just outside the PMA. We were unable to contact the properties; however, we have included information obtained from Apartments.com, which is detailed following.

ADDITIONAL COMPARABLE PROPERTIES						
Property Name	BR Type	Rent Structure	Tenancy	Condition	SF	Rent
921 E 46th*	OBR/1BA	Market	Family	Average	415	\$795
911 13th E St	OBR/1BA	Market	Family	Average	270	\$799
4712 Depew Ave*	OBR/1BA	Market	Family	Average	400	\$775
Average						\$790

*Located outside of the PMA

As illustrated, our concluded studio rents are in generally in line with the studio rents at these additional comparable properties.

VII. HIGHEST AND BEST USE

HIGHEST AND BEST USE

Highest and Best Use is defined as: “The reasonably probable use of property that results in the highest value. The four criteria that the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum productivity.”³

Investors continually attempt to maximize profits on invested capital. The observations of investor activities in the area are an indication of that use which can be expected to produce the highest value. The principle of conformity holds, in part, that conformity in use is usually a highly desirable adjunct of real property, since it generally helps create and/or maintains maximum value.

It is to be recognized that in cases where a site has existing improvements on it, the highest and best use may be determined to be different from the existing use. The existing use will continue, however, unless and until land value in its highest and best use exceeds the total value of the property in its existing use. Implied in this definition is that the determination of highest and best use takes into account the contribution of a specific use to the community and community development goals as well as the benefits of that use to individual property owners. The principle of Highest and Best Use may be applied to the site if vacant and to the site as it is improved.

The Highest and Best Use determination is a function of neighborhood land use trends, property size, shape, zoning, and other physical factors, as well as the market environment in which the property must compete. Four tests are typically used to determine the highest and best use of a particular property. Thus, the following areas are addressed.

1. Physically Possible: The uses to which it is physically possible to put on the site in question.
2. Legally Permissible: The uses that are permitted by zoning and deed restrictions on the site in question.
3. Feasible Use: The possible and permissible uses that will produce any net return to the owner of the site.
4. Maximally Productive: Among the feasible uses, the use that will produce the highest net return or the highest present worth.

³ Source: Appraisal Institute, The Dictionary of Real Estate Appraisal, 6th ed. (Chicago: Appraisal Institute, 2015).

HIGHEST AND BEST USE AS IF VACANT

Physically Possible

The Subject site is 2.70 acres, or 117,500 square feet square feet. The parcel is irregular in shape and features topography. The Subject has frontage from Manor Road and Anchor Lane, and is accessible via the south side of Manor Road, a three-lane, moderately-trafficked road that generally traverses northeast/southwest. The site is considered adequate for a variety of legally permissible uses.

Legally Permissible

The Subject site is currently zoned CS-MU-V-NP (General Commercial Services—Mixed Use—Vertical Mixed-Use Building—Neighborhood Plan Combining District).

The General Commercial Services District “is intended predominately for commercial and industrial activities of a service nature having operating characteristics or traffic service requirements generally incompatible with residential environments.” This district allows for a wide variety of commercial, industrial, and agricultural uses.

The Mixed-Use combining district “is intended for combination with selected base districts, in order to permit any combination of office, retail, commercial, and residential uses within a single development... [and] allows development of all types of residential uses, including single-family residential, multifamily residential, and townhomes.” The densities standards for the CS-MU district are 800 square feet of lot area per studio unit, 1,000 square feet of lot area per one-bedroom unit, and 1,200 square feet of lot area per two or more bedroom unit.

The purpose of the Vertical (V) Mixed-Use Building District “is to promote vertical mixed use” building development. Buildings in this district must be at least 12 feet high.

The purpose of the Neighborhood Plan Combining District “is to allow infill development by implementing a neighborhood plan that has been adopted by the council as an amendment to the comprehensive plan. Below is a list of items that may be added to properties (individual, subdistrict or area-wide) within an NP combining district. These options are discussed during the neighborhood planning process and, if chosen, are adopted concurrently with the neighborhood plan. These options may also be added in the future through the rezoning and plan amendment process.

- A. Application of infill special use options
 - Cottage Lot Urban
 - Home Secondary
 - Apartment
 - Neighborhood Urban Center
 - Corner Store
 - Neighborhood Mixed Use Building
 - Residential Infill
 - Secondary Apartment
 - Small Lot Amnesty
- B. Application of design standards
 - Front Porch Setback
 - Impervious Cover and Parking Placement Requirements
 - Garage Placement

C. Other items

- Establishment of Front or Side Yard Parking
- Requirements for Mobile Food Establishments
- Modification of Residential Design and Compatibility Standards
- Modification of Affordability Requirements”

The Subject site is approximately 2.70 acres, or 117,500 square feet in size.

Given the site characteristics, the zoning of the site, the surrounding land uses, and the strong demand for housing in the city of Austin, the most likely use of the site is for affordable or market rate multifamily development. As previously discussed, the maximum allowable density for this site depends on the proposed unit mix. Assuming a multifamily development with 100 percent one-bedroom units, the maximum allowable density is approximately 43.6 units per acre.

The three comparable land sales have been or are proposed to be developed to densities of 19.3 to 61.1 units per acre. Taking all of this into account, along with the zoning of the Subject site, we believe the site could support an affordable multifamily development up to approximately 43 units per acre, for a total development of 116 units.

Financially Feasible

The cost of the land limits those uses that are financially feasible for the site. Any use of the Subject site that provides a financial return to the land in excess of the cost of the land are those uses that are financially feasible. The Subject’s feasible uses are restricted to those that are allowed by zoning and are physically possible. Development of multifamily properties in the Subject’s immediate market area is feasible with the benefit of tax credits, tax-exempt bond financing, government grants, or other subsidies, or as market rate. As such, a mixed-use or affordable multifamily development is financially feasible on the site.

Maximally Productive

Current construction costs do not exceed financial returns required for new market rate multifamily development in this area, and indicate the feasibility of the project with or without some type of subsidy. Based upon our analysis, new construction of multifamily housing is financially feasible with or without the tax subsidy. Therefore, the maximally productive use of this site as if vacant would be to construct a qualifying affordable or mixed-use multifamily residential complex using tax credit equity, favorable financing, or other gap subsidies, or as market rate.

Conclusion

Highest and Best Use “As If Vacant”

The highest and best use of the site as if vacant would be to construct a 116-unit affordable, market rate, or mixed-use multifamily residential complex.

HIGHEST AND BEST USE AS IMPROVED

The Subject property currently operates as a multifamily property in average condition. It is not deemed feasible to tear it down for an alternative use. Therefore, the highest and best use of the site “as improved” is continued operation as a multifamily housing development.

VIII. APPRAISAL METHODOLOGY

APPRAISAL METHODOLOGY

Contemporary appraisers usually gather and process data according to the discipline of the three approaches to value.

The cost approach consists of a summation of land value and the cost to reproduce or replace the improvements, less appropriate deductions for depreciation. Reproduction cost is the cost to construct a replica of the Subject improvements. Replacement cost is the cost to construct improvements having equal utility.

The sales comparison approach involves a comparison of the appraised property with similar properties that have sold recently. When properties are not directly comparable, sale prices may be broken down into units of comparison, which are then applied to the Subject for an indication of its likely selling price.

The income capitalization approach involves an analysis of the investment characteristics of the property under valuation. The earnings' potential of the property is carefully estimated and converted into an estimate of the property's market value.

Applicability to the Subject Property

The cost approach consists of a summation of land value (as though vacant) and the cost to reproduce or replace the improvements, less appropriate deductions for depreciation. Reproduction cost is the cost to construct a replica of the Subject improvements. Replacement cost is the cost to construct improvements having equal utility. This valuation technique was not undertaken since we do not believe the approach would yield a reliable indication of value for the Subject property given the Subject's age and condition. However, we have provided an estimate of land value.

The income capitalization approach requires estimation of the anticipated economic benefits of ownership, gross and net incomes, and capitalization of these estimates into an indication of value using investor yield or return requirements. Yield requirements reflect the expectations of investors in terms of property performance, risk, and alternative investment possibilities. Because the Subject is an income producing property, this is considered to be the best method of valuation. A direct capitalization technique is utilized.

In the sales comparison approach, we estimate the value of a property by comparing it with similar, recently sold properties in surrounding or competing areas. Inherent in this approach is the principle of substitution, which holds that when a property is replaceable in the market, its value tends to be set at the cost of acquiring an equally desirable substitute property, assuming that no costly delay is encountered in making the substitution. There is adequate information to use the EGIM and NOI Per Unit analyses in valuing the Subject property.

IX. COST APPROACH

COST APPROACH

The employment of the Cost Approach in the valuation process is based on the principle of substitution. As discussed, this valuation technique was not undertaken since we do not believe the approach would yield a reliable indication of value for the Subject property. This is primarily attributed to the age and condition of the improvements, and the attendant difficulty in accurately estimating accrued physical depreciation. For these reasons, the Cost Approach has not been presented in this report. However, an indication of land value is a component of this engagement.

LAND VALUATION

To arrive at an estimated land value for the Subject site, the appraisers have analyzed actual sales of comparable properties in the competitive area.

No two parcels of land are alike; therefore, these sales have been adjusted for various factors including location, size, shape, topography, utility, and marketability. The adjustments made are the result of a careful analysis of market data, as well as interviews with various informed buyers, sellers, real estate brokers, builders and lending institutions. The following pages outline our findings.

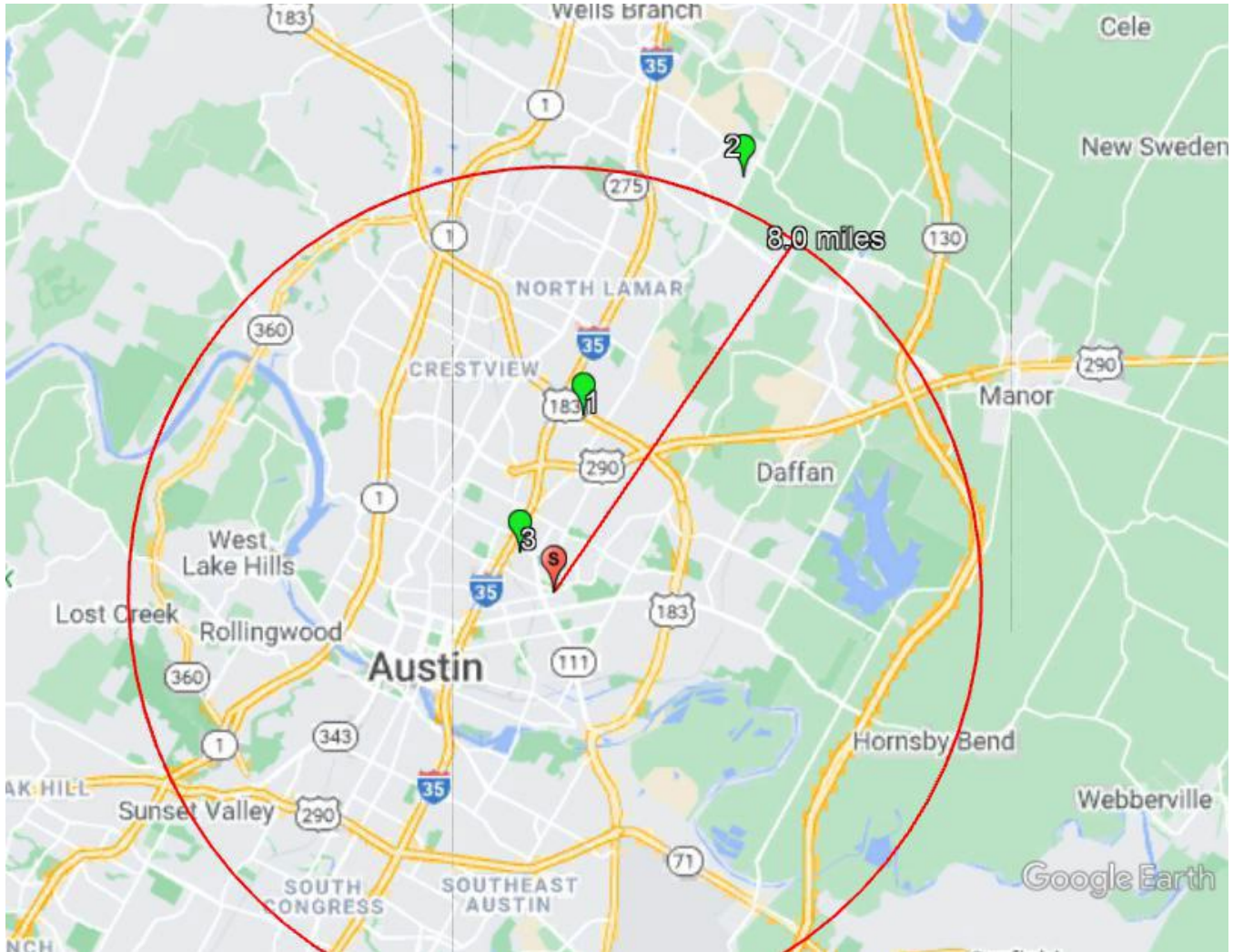
The sales comparison approach typically reflects the actions of buyers and sellers in the marketplace and serves as an excellent benchmark as to what a potential buyer would be willing to pay for the Subject property. We made an extensive search for multifamily comparable land sales that have sold recently. We were able to identify three recent multifamily land sales in the MSA, which are located within nine miles of the Subject site. We will account for any locational differences in the following analysis. From our research, we selected the best transactions available that represent the most recent competitive alternative sales or contracts in the marketplace.

COMPARABLE LAND SALES

#	Property Name	Location	Sale Date	Sale Price	Land Acres	# Units	Price Per Unit
1	L6 & 918 Norwood Park Bouleva	Austin, TX	Oct/2019	\$4,500,000	11.3	228	\$19,737
2	13527 Harrisglenn Drive	Austin, TX	Jun/2019	\$1,960,200	12.0	232	\$8,449
3	4605 N Interstate 35	Austin, TX	Feb/2019	\$1,900,000	0.9	56	\$33,929

Throughout our conversations with market participants and buyers and sellers of the comparable sales, the respondents indicated that the purchase price is typically based upon a price per unit. This is typical of the local multifamily market and will be used as a basis for analysis. A location map is presented on the following page.

Comparable Land Sales Map



Land Sale: 916 & 918 Norwood Park Boulevard**Transaction**

Address	916 & 918 Norwood Park Boulevard	Sale Date	2019-10-03
City	Austin	Sale Price	\$4,500,000
State	TX	Sale Status	Closed
Zip	78753	Sale Conditions	None
County	Travis	Rights Conveyed	Fee Simple
Buyer	LDG Development LLC	Verification	TDHCA Underwriting
Seller	VXchnge Facilities, LLC		Report, Assessor's Office

Site

Land Acres	11.29	Topography	Level
Land Sq Ft	491,792	Zoning	Multifamily
Shape	Irregular	Corner	No

Improvements and Ratios

Proposed Units	228	Price \$/Proposed Unit	\$19,737
		Price \$/SF	\$9.15

Remarks

This parcel was purchased to construct Norwood Estates, a 228-unit LIHTC development that will target families. The project was awarded LIHTC funding in 2019. We are not aware of the project's construction timeline.

Land Sale: 13527 Harrisglenn Drive



Transaction

Address	13527 Harrisglenn Drive	Sale Date	2019-06-06
City	Austin	Sale Price	\$1,960,200
State	TX	Sale Status	Closed
Zip	78753	Sale Conditions	None
County	Travis	Rights Conveyed	Fee Simple
Buyer	Fish John Colbert & Dana H	Verification	TDHCA, Assessor's Office
Seller	TCHFC Dessau Land LLC		

Site

Land Acres	12.0	Topography	Level
Land Sq Ft	522,720	Zoning	Multifamily
Shape	Irregular	Corner	No

Improvements and Ratios

Proposed Units	232	Price \$/Proposed Unit	\$8,449
		Price \$/SF	\$3.75

Remarks

This parcel was purchased to construct Legacy Ranch at Dessau East, a proposed 232-unit senior LIHTC development awarded tax credits in 2019. Construction is underway as of the date of this report.

Land Sale: 4605 N Interstate 35**Transaction**

Address	4605 N Interstate 35	Sale Date	2019-02-26
City	Austin	Sale Price	\$1,900,000
State	TX	Sale Status	Closed
Zip	78722	Sale Conditions	None
County	Travis	Rights Conveyed	Fee Simple
Buyer	Saigebrook Development, LLC	Verification	TDHCA
Seller	Behzad Bahrami		

Site

Land Acres	0.916	Topography	Level
Land Sq Ft	39,901	Zoning	LO NP and GR CO NP
Shape	Rectangular	Corner	No

Improvements and Ratios

Proposed Units	56	Price \$/Proposed Unit	\$33,929
		Price \$/SF	\$47.62

Remarks

The site was purchased to develop The Abali, a proposed 56-unit LIHTC development. At the time of the sale, the site was improved with two single-family homes that were razed to allow for construction of the Subject. The estimated demolition costs or building square footages were not available. At the time of the sale, the site was not zoned to allow for multifamily housing; however, a zoning change was in the works to allow for the proposed use.

Explanation of Adjustments

The adjustment grid follows at the end of this section. As illustrated, adjustments have been made based on price differences created by the following factors:

- Property Rights
- Financing
- Conditions of Sale
- Market Conditions
- Location
- Zoning
- Topography
- Shape
- Density

Property Rights

We are valuing the fee simple interest in the land. No adjustments are warranted.

Financing

The sales were cash transactions; therefore, no adjustment is necessary.

Conditions of Sale

At the time of sale, Sale 3 was improved with two single-family homes that required demolition. The building square footage was unavailable. As such, we have estimated the building square footage at 1,500 per home based on other single-family homes nearby. Further, we have estimated a demolition cost at \$5.00 per square foot, and applied an upward adjustment of \$15,000 to this sale. No other unusual conditions existed or are known; therefore, no adjustment is necessary.

Market Conditions

Real estate values vary over time due to changes in market conditions. The rate of this change fluctuates due to investor's perceptions and responses to prevailing market conditions. This adjustment category reflects market differences occurring between the effective date of the appraisal and the sale date of the comparables, when values have appreciated or depreciated. The comparable sales were sold between February 2019 and October 2019. We considered the changes in market conditions of comparable properties relying upon data from the *PwC Real Estate Investor Survey*, as detailed in the following table.

PwC Real Estate Investor Survey - National Apartment Market Overall Capitalization Rate - Institutional Grade Investments		
Quarter	Cap Rate	Change (bps)
1Q19	5.03	-0.13
2Q19	5.14	0.11
3Q19	5.10	-0.04
4Q19	5.15	0.05
1Q20	5.14	-0.01
2Q20	5.19	0.05
3Q20	5.22	0.03
4Q20	5.22	0.00

Source: PwC Real Estate Investor Survey, Q4 2020

Capitalization rates for multifamily properties have generally remained stable since the first quarter of 2019. As such, no adjustments are necessary.

It should be noted that we are aware of the current state of economy in light of the COVID-19 crisis. Despite the impact that COVID-19 has had on the economy nationwide, we do not believe that the crisis will impact the market for multifamily land in the Subject's market. Furthermore, given the losses of income and spikes in unemployment, we would expect the demand for affordable housing (particularly subsidized housing) to increase.

Location

Location encompasses a number of issues, including location within different market areas with different supply/demand pressures, the character/condition of surrounding development, access, and visibility. It is important to assess which factors truly impact value for different types of real estate. We addressed this issue (as well as the remaining elements of comparison) on a comparable-by-comparable basis. The following table illustrate the differences between the Subject and the comparables in terms of median rent, median household income, and median home value, and will be used to determine an appropriate adjustment for the Subject as compared to the comparables.

LAND SALES - LOCATION COMPARISON

#	Property Name	Zip Code	Median Income	Median Rent	Median Home Value	Income Differential	Rent Differential With Subject	Home Value Differential	Average Delta
S	Kensington Apartments - As Is	78723	\$49,606	\$964	\$268,700	-	-	-	-
1	916 & 918 Norwood Park Boulevard	78753	\$45,983	\$1,003	\$161,000	-7%	4%	-40%	-14%
2	13527 Harrisglenn Drive	78753	\$45,983	\$1,003	\$161,000	-7%	4%	-40%	-14%
3	4605 N Interstate 35	78722	\$69,267	\$1,280	\$358,900	40%	33%	34%	35%

All three sales are located in Austin. Sales 1 and 2 are located in areas with similar median rent, but lower median income and median home value relative to the Subject. Sale 3 is located in an area with higher median income, rent, and home value. Additionally, Sale 2 offers a more outlying, suburban location relative to the Subject. As such, Sales 1 and 2 have received upward adjustments ranging from 10 to 30 percent, and Sale 3 has received a downward adjustment of 30 percent.

Zoning/Use

The Subject and all of the comparables permit multifamily development. As such, no adjustments are warranted.

Topography/Site Characteristics

The land sales offer level topography, similar to the Subject. Further, the Subject and all of the comparables are functional in shape. As such, no adjustments are warranted.

Size

With respect to size, the general convention is that larger properties tend to sell for less on a per unit basis than smaller properties. Conversely, smaller properties typically sell for more per unit than larger properties. The pool of potential purchasers decreases as property size (and purchase price) increases, effectively reducing competition. The pricing relationship is not linear and certain property sizes, while different, may not receive differing prices based on the grouping within levels. The previous highest and best use analysis indicated that the Subject site could support 116 multifamily units. Sales 1 and 2 are larger than the Subject in terms of development size, while Sale 3 is smaller. Sales 1 and 2 have received upward adjustments of 10 percent, and Sale 3 has received a downward adjustment of 10 percent.

Land Value Estimate

The land sales grid is presented following:

LAND SALES DATA ADJUSTMENT GRID				
	Subject	1	2	3
Property Name	Kensington Apartments	916 & 918 Norwood Park Boulevard	13527 Harrisglenn Drive	4605 N Interstate 35
Address	3300 Manor Road	916 & 918 Norwood Park Boulevard	13527 Harrisglenn Drive	4605 N Interstate 35
City	Austin	Austin	Austin	Austin
Parcel Data				
Zoning		Multifamily	Multifamily	LO NP and GR CO NP
Topography		Level	Level	Level
Shape		Irregular	Irregular	Rectangular
Size (SF)	117,612	491,792	522,720	39,901
Size (Acres)	2.7	11.3	12.0	0.9
Units	116	228	232	56
Units Per Acre	43.0	20.2	19.3	61.1
Sales Data				
Date		Oct/2019	Jun/2019	Feb/2019
Interest		Fee Simple	Fee Simple	Custom
Price		\$4,500,000	\$1,960,200	\$1,900,000
Price per Unit		\$19,737	\$8,449	\$33,929
Adjustments				
Property Rights		Fee Simple	Fee Simple	Custom
Adjustment		\$0	\$0	\$0
		\$4,500,000	\$1,960,200	\$1,900,000
Financing Terms		Typical	Typical	Typical
Adjustment		\$0	\$0	\$0
		\$4,500,000	\$1,960,200	\$1,900,000
Conditions of Sale		None	None	Demolition Cost
Adjustment		\$0	\$0	\$15,000
		\$4,500,000	\$1,960,200	\$1,915,000
Market Conditions		1.00	1.00	1.00
Adjusted Sales Price		\$4,500,000	\$1,960,200	\$1,915,000
Adjusted Price Per Unit		\$19,737	\$8,449	\$34,196
Adjustments				
Location		10%	30%	-30%
Zoning/Use		0%	0%	0%
Topography		0%	0%	0%
Site Characteristics		0%	0%	0%
Size		10%	10%	-10%
Overall Adjustment		20%	40%	-40%
Adjusted Price Per Unit		\$23,684	\$11,829	\$20,518

The sales indicate a range of adjusted price per unit from \$11,829 to \$23,684 per unit, with an average of \$18,677 per unit. We have considered all sales, but placed more reliance on Sale 1, which is the most recent. Overall, we believe an indication of \$20,000 per unit is reasonable. This correlates with an indication of land value as follows: 116 units at \$20,000 per unit, equates to \$2,300,000 (rounded).

Land Value – As If Vacant

As a result of our investigation and analysis, it our opinion that, subject to the limiting conditions and assumptions contained herein, the estimated value of the underlying land, as if vacant, of the fee simple interest, as of January 15, 2021, is:

**TWO MILLION THREE HUNDRED THOUSAND DOLLARS
(\$2,300,000)**

Please refer to the complete Assumptions and Limiting Conditions in the Addenda of this report.

X. INCOME CAPITALIZATION APPROACH

INCOME CAPITALIZATION APPROACH

Introduction

We were asked to provide the following value estimate:

- Market Value “as is” of the fee simple interest in the property.

The Income Capitalization Approach to value is based upon the premise that the value of an income-producing property is largely determined by the ability of the property to produce future economic benefits. The value of such a property to the prudent investor lies in anticipated annual cash flows and an eventual sale of the property. An estimate of the property’s market value is derived via the capitalization of these future income streams.

It is important to note that the projections of income and expenses are based on the basic assumption that the apartment complex is managed and staffed by competent personnel and that the property is professionally advertised and aggressively promoted.

The Subject’s “as is” value was determined via direct capitalization.

Income Analysis

Potential Gross Income

In our search for properties comparable to the Subject, we concentrated on obtaining information on those projects considered similar to the Subject improvements on the basis of location, size, age, condition, design, quality of construction and overall appeal. In our market analysis we provided the results of our research regarding properties considered generally comparable or similar to the Subject.

The potential gross income of the Subject is the total annual income capable of being generated by all sources, including rental revenue and other income sources. The Subject’s potential rental income is based upon the achievable market rent as derived in the Reasonable of Rents Section of this report.

POTENTIAL GROSS RENTAL INCOME (UNRESTRICTED - AS IS)

Unit Type	Restriction	Number of Units	Unit Size (SF)	Achievable Rent	Monthly Gross Rent	Annual Gross Rent
OBR / 1BA	Market	8	225	\$775	\$6,200	\$74,400
OBR / 1BA	Market	56	250	\$800	\$44,800	\$537,600
1BR / 1BA	Market	84	410	\$950	\$79,800	\$957,600
2BR / 2BA	Market	1	780	\$0	\$0	\$0
Total		149			\$130,800	\$1,569,600

Other Income

Other income typically includes revenue generated for laundry fees, application and administration fees, vending, late fees, utility reimbursements, damage fees, and deposit forfeitures, etc. The comparables reported other income ranging from \$214 to \$1,378 with an average of \$926 per unit. The Subject’s historical financials reflect other income between \$352 to \$390 per unit in 2018 and 2019, respectively. Based on the historical and comparable date, we have concluded to an other income figure of \$380 per unit.

Vacancy and Collection Loss

According to the rent roll dated September 30, 2020, the Subject is currently 89.3 percent occupied. The Subject’s historical vacancy and collection loss was unavailable. It should be noted that the Subject currently offers weekly and monthly rentals, which likely results in fluctuating occupancy levels. Based on the

performance of the comparables, we expect the Subject will operate with a vacancy and collection loss of five percent. Our vacancy conclusion assumes typical 12-month leases.

Explanation of Expenses

Typical deductions from the calculated Effective Gross Income fall into three categories on real property: fixed, variable, and non-operating expenses. Historical operating expenses of the Subject and comparable properties were relied upon in estimating the Subject's operating expenses. The comparable data can be found on the following pages.

It is important to note that the projections of income and expenses are based on the basic assumption that the apartment complex will be managed and staffed by competent personnel and that the property will be professionally advertised and aggressively promoted.

Comparable operating expense data was collected from five market rate properties in the Subject's area in Austin. It should be noted that we focused on older properties with smaller units sizes, similar to the Subject. The following table provides additional information on each of the comparable expense properties.

COMPARABLE EXPENSES						
	Subject	Comp 1	Comp 2	Comp 3	Comp 4	Comp 5
Year Built	1962	1984	1964	1963	1976	1962
Structure	Garden	Garden	Garden	Garden	Garden	Garden
Tenancy	Family	Family	Family	Family	Family	Family
Rent Restrictions	Market	Market	Market	Market	Market	Market

The comparable data was compared to the Subject's 2018 and 2019 historical financials.

KENSINGTON APARTMENTS - AUSTIN, TEXAS – APPRAISAL

Scenario Property Program Tenancy Statement Type Year City State Year Built / Renovated Number of Units	SUBJECT Novoco Estimate Unrestricted - As Is Kensington Apartments - As Is Market Family Pro Forma Austin, TX 1968 149		SUBJECT Subject Historical Kensington Apartments - As Is Market Family Actuals 2019 Austin, TX 1968 149		SUBJECT Subject Historical Kensington Apartments - As Is Market Family Actuals 2019 Austin, TX 1968 149		Comp 1 Confidential Market Family Audited 2019 Austin, TX 1962 128		Comp 2 Confidential Market Family Audited 2019 Austin, TX 1984 150		Comp 3 Confidential Market Family Audited 2019 Austin, TX 1964 127		Comp 4 Confidential Market Family Audited 2019 Austin, TX 1963 204		Comp 5 Confidential Market Family Audited 2019 Austin, TX 1976 102	
INCOME CATEGORY	Total	Per Unit	Total	Per Unit	Total	Per Unit	Total	Per Unit	Total	Per Unit	Total	Per Unit	Total	Per Unit	Total	Per Unit
Rental Income	\$1,569,600	\$10,534	\$1,216,276	\$8,163	\$1,224,910	\$8,221	\$1,733,743	\$13,545	\$2,016,743	\$13,445	\$1,700,206	\$13,387	\$3,315,463	\$16,252	\$1,056,533	\$10,358
Other Income	\$56,620	\$380	\$58,171	\$390	\$52,384	\$352	\$70,627	\$552	\$144,168	\$961	\$129,183	\$1,017	\$282,614	\$1,385	\$111,186	\$1,090
Vacancy Loss	(\$81,311)	(\$546)	\$0	\$0	\$0	\$0	\$0	\$0	(\$106,136)	(\$708)	(\$105,258)	(\$829)	(\$0)	(\$769)	(\$0)	(\$840)
		-5.00%		0.00%		0.00%		0.00%		-4.91%		-5.75%		-4.36%		-7.34%
SUBTOTAL	\$1,544,909	\$10,368	\$1,274,447	\$8,553	\$1,277,294	\$8,572	\$1,804,370	\$14,097	\$2,054,768	\$13,698	\$1,724,124	\$13,576	\$3,441,125	\$16,868	\$1,081,992	\$10,608
EXPENSE CATEGORY	Total	Per Unit	Total	Per Unit	Total	Per Unit	Total	Per Unit	Total	Per Unit	Total	Per Unit	Total	Per Unit	Total	Per Unit
ADMINISTRATION SUBTOTAL	\$34,270	\$230	\$56,204	\$377	\$62,629	\$420	\$52,505	\$410	\$116,623	\$777	\$75,903	\$598	\$161,525	\$792	\$76,464	\$750
OPERATING, REPAIRS & MAINTENANCE SUBTOTAL	\$89,400	\$600	\$180,431	\$1,211	\$198,079	\$1,329	\$110,568	\$864	\$84,214	\$561	\$97,180	\$765	\$138,284	\$678	\$46,180	\$453
UTILITIES SUBTOTAL	\$210,090	\$1,410	\$233,909	\$1,570	\$243,750	\$1,636	\$83,827	\$655	\$131,073	\$874	\$161,998	\$1,276	\$176,220	\$864	\$59,338	\$582
PAYROLL SUBTOTAL	\$205,400	\$1,379	\$325,178	\$2,182	\$371,984	\$2,497	\$189,761	\$1,483	\$247,445	\$1,650	\$182,033	\$1,433	\$332,324	\$1,629	\$142,601	\$1,398
TAXES AND INSURANCE Real Estate Taxes Insurance SUBTOTAL	\$149,298 \$39,485 \$188,783	\$1,002 \$265 \$1,267	\$128,444 \$38,976 \$167,420	\$862 \$262 \$1,124	\$112,958 \$46,552 \$159,510	\$758 \$312 \$1,071	\$332,025 \$52,142 \$384,167	\$2,594 \$407 \$3,001	\$367,341 \$62,181 \$429,522	\$2,449 \$415 \$2,863	\$307,513 \$45,383 \$352,896	\$2,421 \$357 \$2,779	\$532,918 \$35,542 \$568,460	\$2,612 \$174 \$2,787	\$120,809 \$16,536 \$137,345	\$1,184 \$162 \$1,347
MANAGEMENT FEE	\$61,796	\$415	\$0	\$0	\$0	\$0	\$108,000	\$844	\$61,643	\$411	\$51,724	\$407	\$103,234	\$506	\$54,099	\$530
		4.0%		0.0%		0.0%		6.0%		3.0%		3.0%		3.0%		5.0%
REPLACEMENT RESERVES	\$37,250	\$250	\$37,250	\$250	\$37,250	\$250	\$32,000	\$250	\$37,500	\$250	\$31,750	\$250	\$51,000	\$250	\$25,500	\$250
Total All Expenses	\$826,989	\$5,550	\$1,000,392	\$6,714	\$1,073,202	\$7,203	\$960,828	\$7,506	\$1,108,020	\$7,387	\$953,484	\$7,508	\$1,531,047	\$7,505	\$541,527	\$5,309
Total Expenses less TUR	\$430,351	\$2,888	\$600,789	\$4,032	\$679,244	\$4,559	\$512,976	\$4,008	\$572,106	\$3,814	\$452,223	\$3,561	\$770,909	\$3,779	\$335,880	\$3,293

General Administrative and Marketing

This category includes all professional fees for items such as legal, accounting, marketing, and office expenses. The following table details the historical administrative and marketing expenses at the Subject, in addition to the comparable figures.

Administration											
Subject			Comp 1	Comp 2	Comp 3	Comp 4	Comp 5				
Type	Audited	Audited	Audited	Audited	Audited	Audited	Audited	Range (Comparables)			Range (Benchmarks)
Year	2019	2018	2019	2019	2019	2019	2019	Min	Max	Average	Region Unit Size
Expense (\$)	\$377	\$420	\$410	\$777	\$598	\$792	\$750	\$410	\$792	\$665	\$705 \$636

The Subject's historical expenses are at or below the range of the comparables with this expense. However, it appears that the Subject's historical administrative expense category includes a variety of non-administrative expenses, causing this expense category to be elevated. As such, we have concluded to a total administration and marketing expense of \$230 per unit, which is below the historical range.

Total Maintenance and Operating

Included in this expense are normal items of repair including roof, painting, decorating, maintenance of public areas, cleaning, etc. The following table details the historical maintenance and operating expenses at the Subject, in addition to the comparable figures.

Operating, Repairs, and Maintenance											
Subject			Comp 1	Comp 2	Comp 3	Comp 4	Comp 5				
Type	Audited	Audited	Audited	Audited	Audited	Audited	Audited	Range (Comparables)			Range (Benchmarks)
Year	2019	2018	2019	2019	2019	2019	2019	Min	Max	Average	Region Unit Size
Expense (\$)	\$1,211	\$1,329	\$864	\$561	\$765	\$678	\$453	\$453	\$864	\$664	\$1,218 \$986

The Subject's historical expenses are above the comparable range. Further, it appears that the Subject's historical maintenance and operating expense category includes a variety of personal/extraneous expenses that should not be in this category. As such, we have concluded to a total repairs and maintenance expense of \$600 per unit. This is based on the Subject's small unit sizes leading to decreased supplies and amount of repairs cost, as well as the Subject's lack of common area with minimal landscaping/grounds cost. Our estimate is within the comparable range, but below the historical range.

Utilities

The landlord is responsible for all utilities, including gas cooking, gas heating, gas water heating, general electric, cold water, sewer, and trash removal, as well as common area amenities. Additionally, the Subject has historically included cable in the rent. However, it should be noted that, according to the client, cable will not be included in the rent going forward. The following table details the historical utility expenses at the Subject, in addition to the comparable figures.

Utilities											
Subject			Comp 1	Comp 2	Comp 3	Comp 4	Comp 5				
Type	Audited	Audited	Audited	Audited	Audited	Audited	Audited	Range (Comparables)			Range (Benchmarks)
Year	2019	2018	2019	2019	2019	2019	2019	Min	Max	Average	Region Unit Size
Expense (\$)	\$1,570	\$1,636	\$655	\$874	\$1,276	\$864	\$582	\$582	\$1,276	\$850	\$767 \$831

Due to the fact that properties often vary in terms of utility responsibilities, comparisons are difficult. We have placed the greatest weight on the historical expenses, accounting for the fact that the property will no longer include cable in the rent. As such, we have concluded to a utility expense of \$1,410 per unit, which is below the historical range.

Payroll and Leasing Expenses

Payroll expenses are directly connected to the administration of the complex, including office, maintenance and management salaries. In addition, employee benefits and employment related taxes are included in the

category. Overall, we typically find that properties the size of the Subject operate with a staff of one full-time manager, one part-time assistant manager, one full-time maintenance supervisor, and one part-time maintenance technicians. Benefits for the Subject's employees are estimated at \$5,000 per full-time employee and \$2,500 per part-time employee, and payroll taxes equal to 12 percent of the sum of the salaries. The following table details the historical payroll expenses at the Subject, in addition to the comparable figures.

Payroll												
Subject			Comp 1	Comp 2	Comp 3	Comp 4	Comp 5					
Type	Audited	Audited	Audited	Audited	Audited	Audited	Audited	Range (Comparables)			Range (Benchmarks)	
Year	2019	2018	2019	2019	2019	2019	2019	Min	Max	Average	Region	Unit Size
Expense (\$)	\$2,182	\$2,497	\$1,483	\$1,650	\$1,433	\$1,629	\$1,398	\$1,398	\$1,650	\$1,519	\$1,329	\$1,394

We conclude to a payroll expenses of \$1,379 per unit; the following table details these expenses.

PAYROLL - UNRESTRICTED

Type	Qty	Annual Salary	Full Cost
Manager	1	\$55,000	\$55,000
Assistant Manager (PT)	1	\$30,000	\$30,000
Maintenance Supervisor	1	\$55,000	\$55,000
Maintenance Technician (PT)	1	\$30,000	\$30,000
Subtotal			\$170,000
Payroll taxes at 12%			\$20,400
Benefits			\$15,000
Total Payroll			\$205,400
Total Per Unit			\$1,379

Taxes

Please refer to the real estate tax section of this report for further discussion and analysis.

Insurance

The following table details the historical insurance expenses at the Subject, in addition to the comparable figures.

Insurance												
Subject			Comp 1	Comp 2	Comp 3	Comp 4	Comp 5					
Type	Audited	Audited	Audited	Audited	Audited	Audited	Audited	Range (Comparables)			Range (Benchmarks)	
Year	2019	2018	2019	2019	2019	2019	2019	Min	Max	Average	Region	Unit Size
Expense (\$)	\$262	\$312	\$407	\$415	\$357	\$174	\$162	\$162	\$415	\$303	\$376	\$339

Overall, we have concluded to insurance costs of \$265 per unit, which is within the historical and comparable ranges.

Management Fees

Management fees are typically based on a percent of effective gross rental income, depending upon the size and age of the apartment complex. The following table details the historical management fees at the Subject, in addition to the comparable figures.

Management Fee												
Subject			Comp 1	Comp 2	Comp 3	Comp 4	Comp 5					
Type	Audited	Audited	Audited	Audited	Audited	Audited	Audited	Range (Comparables)			Range (Benchmarks)	
Year	2019	2018	2019	2019	2019	2019	2019	Min	Max	Average	Region	Unit Size
Expense (\$)	\$0	\$0	\$844	\$411	\$407	\$506	\$530	\$407	\$844	\$540	\$459	\$603

The comparables illustrate a range of 3.0 to 6.0 percent of EGI. The Subject's historical financials do not indicate a management fee expense. However, we have assumed a management fee of 4.0 in our estimate.

Replacement Reserves

The reserve for replacement allowance is often considered a hidden expense of ownership not normally seen on an expense statement. Reserves must be set aside for future replacement of items such as the roof, HVAC systems, parking area, appliances and other capital items. It is difficult to ascertain market information for replacement reserves, as it is not a common practice in the marketplace for properties of the Subject's size and investment status. Underwriting requirements for replacement reserve for existing properties typically ranges from \$250 to \$400 per unit per year. Given the Subject's small unit sizes, we have used an expense of \$250 per unit based on the unit mix, tenancy, and condition of the Subject property.

Summary

Operating expenses were estimated based upon the comparable expenses. In the following table, we compared the total operating expenses per unit proposed by the Subject with the total expenses reported by comparable properties utilized in our operating expense analysis.

TOTAL EXPENSES PER UNIT		TOTAL EXPENSES PER UNIT LESS TUR	
Subject Expenses		Subject Expenses	
2019 (Audited)	\$6,714	2019 (Audited)	\$4,032
2018 (Audited)	\$7,203	2018 (Audited)	\$4,559
Comparable Properties		Comparable Properties	
Comp 1	\$7,506	Comp 1	\$4,008
Comp 2	\$7,387	Comp 2	\$3,814
Comp 3	\$7,508	Comp 3	\$3,561
Comp 4	\$7,505	Comp 4	\$3,779
Comp 5	\$5,309	Comp 5	\$3,293
Subject Conclusions		Subject Conclusions	
Unrestricted - As Is	\$5,550	Unrestricted - As Is	\$2,888

After excluding taxes, utilities and reserves, our expense estimate is below the range of the Subject's historical figures, and slightly below the comparable range. Overall, our estimates appear reasonable and will be utilized in our analysis.

DIRECT CAPITALIZATION

We have provided an estimate of the Subject's as is value. To quantify the income potential of the Subject, a direct capitalization of a stabilized cash flow is employed. In this analytical method, we estimate the present values of future cash flow expectations by applying the appropriate overall capitalization rate to the forecast net operating income. In order to estimate the appropriate capitalization rate, we relied upon several methods, discussed below.

Market Extraction

The table below summarizes the recent improved sales of the most comparable properties that were used in our market extraction analysis:

IMPROVED SALES COMPARISON										
#	Property Name	Location	Sale Date	Sale Price	Number of Units	Year Built	Year Renovated	Price / Unit	EGIM	Cap Rate
1	Terrace Cove	Austin, TX	Feb/2020	\$34,200,000	304	1986	2008	\$112,500	9.8	4.9%
2	Plaza 38	Austin, TX	Dec/2019	\$10,300,000	48	1963	n/a	\$214,583	12.4	4.1%
3	Great Oak & Grand Oak	Austin, TX	Aug/2019	\$14,650,000	62	1970	1999	\$236,290	14.2	4.5%
4	Casa Del Rio	Austin, TX	Jun/2019	\$6,400,000	32	1966	n/a	\$200,000	11.0	4.9%
5	St. Johns Square	Austin, TX	Apr/2019	\$6,350,000	64	1969	N/A	\$99,219	8.7	5.5%
Average					102			\$172,518	11.22	4.8%

The sales illustrate a range of overall rates from 4.1 to 5.5 percent, with an average of 4.8 percent. The properties all represent typical market transactions for multifamily market rate properties in the area. Therefore, we have utilized five conventional market rate multifamily developments in our sales approach.

The primary factors that influence the selection of an overall rate is the Subject's condition, size, location, and market conditions. In terms of location, the Subject's location is considered similar to Sales 2, 3, and 4, but slightly inferior to Sales 1 and 5. In terms of size, the Subject is smaller than Sale 1, but larger than the remaining Sales. In terms of condition, the Subject is considered similar to Sales 2, 4, and 5, and slightly inferior to Sales 1 and 3.

It should be noted that the Subject's submarket is desirable, as evidenced by the three lowest rates reported by Sales 2, 3, and 4, which are the most similar in terms of location. The Subject has significant upside potential, and therefore we believe a rate slightly below average is supported.

Taking all of this data into account, we conclude to a rate of 4.5 percent, which is within the range and slightly below the overall average.

CoStar

We consulted the CoStar Multi-Family Submarket Report for East Austin for the first quarter of 2021 to gather information on the local apartment rental market. According to this report, the submarket experienced an average capitalization rate of 5.9 percent over the past 12 months. This represents nine sales, all of which had a capitalization rate of 5.9 percent.

The PwC Real Estate Investor Survey

The *PwC Real Estate Investor Survey* tracks capitalization rates utilized by national investors in commercial and multifamily real estate. The following summarizes the information for the national multifamily housing market:

PwC REAL ESTATE INVESTOR SURVEY**National Apartment Market****Overall Capitalization Rate**

Range:	3.50%-8.00%
Average:	5.22%

Institutional Grade Investments

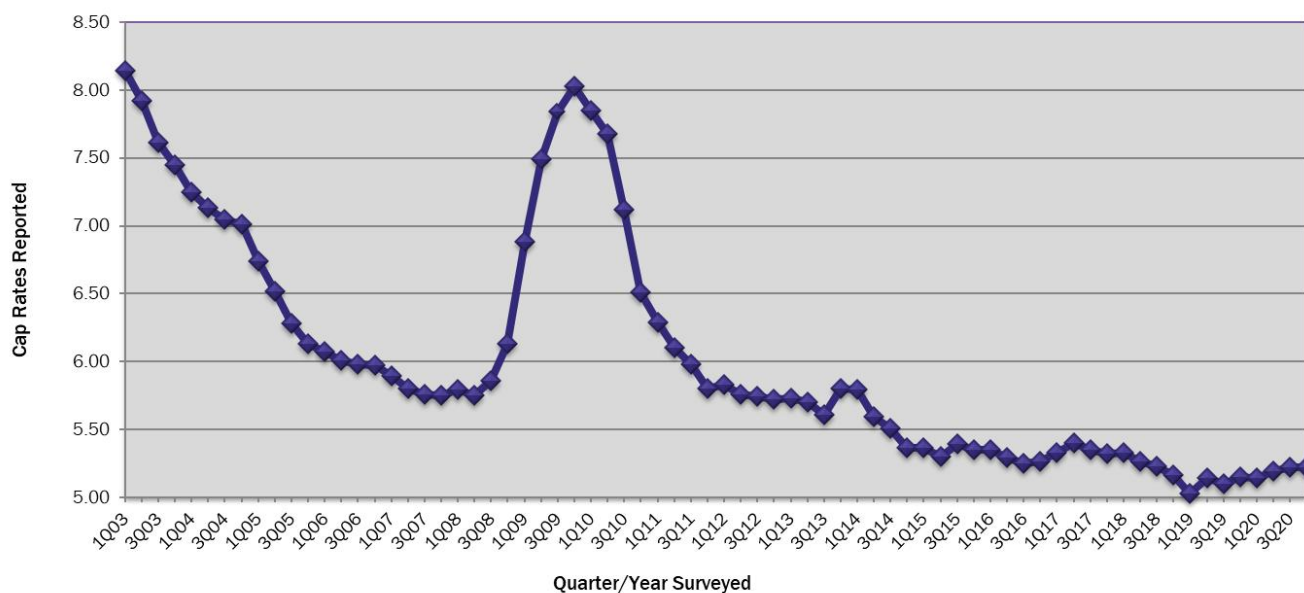
Range:	5.00%-5.50%
Average:	5.25%

Non-Institutional Grade Investments

Range:	5.50%-6.50%
Average:	6.00%

Source: PwC Real Estate Investor Survey, Q4 2020

The *PwC Real Estate Investor Survey* defines “Institutional – Grade” real estate as real property investments that are sought out by institutional buyers and have the capacity to meet generally prevalent institutional investment criteria⁴. Typical “Institutional – Grade” apartment properties are newly constructed, well amenitized, market-rate properties in urban or suburban locations. Rarely could subsidized properties, either new construction or acquisition/rehabilitation, be considered institutional grade real estate. Therefore, for our purpose, the Non-Institutional Grade capitalization rate is most relevant; this is currently 75 basis points higher than the Institutional Grade rate on average. However, local market conditions have significant weight when viewing capitalization rates.

PwC National Apartment Market Survey⁴ PwC Real Estate Investor Survey

PwC Real Estate Investor Survey - National Apartment Market								
Overall Capitalization Rate								
Quarter	Cap Rate	Change (bps)	Quarter	Cap Rate	Change (bps)	Quarter	Cap Rate	Change (bps)
1Q03	8.14	-	1Q09	6.88	0.75	1Q15	5.36	0.00
2Q03	7.92	-0.22	2Q09	7.49	0.61	2Q15	5.30	-0.06
3Q03	7.61	-0.31	3Q09	7.84	0.35	3Q15	5.39	0.09
4Q03	7.45	-0.16	4Q09	8.03	0.19	4Q15	5.35	-0.04
1Q04	7.25	-0.20	1Q10	7.85	-0.18	1Q16	5.35	0.00
2Q04	7.13	-0.12	2Q10	7.68	-0.17	2Q16	5.29	-0.06
3Q04	7.05	-0.08	3Q10	7.12	-0.56	3Q16	5.25	-0.04
4Q04	7.01	-0.04	4Q10	6.51	-0.61	4Q16	5.26	0.01
1Q05	6.74	-0.27	1Q11	6.29	-0.22	1Q17	5.33	0.07
2Q05	6.52	-0.22	2Q11	6.10	-0.19	2Q17	5.40	0.07
3Q05	6.28	-0.24	3Q11	5.98	-0.12	3Q17	5.35	-0.05
4Q05	6.13	-0.15	4Q11	5.80	-0.18	4Q17	5.32	-0.03
1Q06	6.07	-0.06	1Q12	5.83	0.03	1Q18	5.33	0.01
2Q06	6.01	-0.06	2Q12	5.76	-0.07	2Q18	5.26	-0.07
3Q06	5.98	-0.03	3Q12	5.74	-0.02	3Q18	5.23	-0.03
4Q06	5.97	-0.01	4Q12	5.72	-0.02	4Q18	5.16	-0.07
1Q07	5.89	-0.08	1Q13	5.73	0.01	1Q19	5.03	-0.13
2Q07	5.80	-0.09	2Q13	5.70	-0.03	2Q19	5.14	0.11
3Q07	5.76	-0.04	3Q13	5.61	-0.09	3Q19	5.10	-0.04
4Q07	5.75	-0.01	4Q13	5.80	0.19	4Q19	5.15	0.05
1Q08	5.79	0.04	1Q14	5.79	-0.01	1Q20	5.14	-0.01
2Q08	5.75	-0.04	2Q14	5.59	-0.20	2Q20	5.19	0.05
3Q08	5.86	0.11	3Q14	5.51	-0.08	3Q20	5.22	0.03
4Q08	6.13	0.27	4Q14	5.36	-0.15	4Q20	5.22	0.00

Source: PwC Real Estate Investor Survey, Q4 2020

As the graph indicates, the downward trend through early 2007 is clear. The average capitalization rate decreased 225 basis points over a four-year period from 2003 to 2007. However, capitalization rates stabilized in 2007 and began a steep increase in late 2008. They appear to have peaked in the fourth quarter of 2009 and have generally decreased through the third quarter of 2016. Capitalization rates as of the fourth quarter of 2020 have increased slightly compared to the capitalization rates from the fourth quarter of 2019. Overall, we have estimated a capitalization rate of 4.50 percent, which is below the range of the Non-Institutional Grade capitalization rates.

Debt Coverage Ratio

The debt coverage ratio (DCR) is frequently used as a measure of risk by lenders wishing to measure the margin of safety and by purchasers analyzing leveraged property. It can be applied to test the reasonableness of a project in relation to lender loan specifications. Lenders typically use the debt coverage ratio as a quick test to determine project feasibility. The debt coverage ratio has two basic components: the properties net operating income and its annual debt service (represented by the mortgage constant).

The ratio used is:

$$\text{Net Operating Income} / \text{Annual Debt Service} = \text{Debt Coverage Ratio}$$

One procedure by which the debt coverage ratio can be used to estimate the overall capitalization rate is by multiplying the debt coverage ratio by the mortgage constant and the lender required loan-to-value ratio. The

indicated formula is:

$$R_o = D.C.R \times R_M \times M$$

Where:

R_o = Overall Capitalization Rate
D.C.R = Debt Coverage Ratio
 R_M = Mortgage Constant
M = Loan-to-Value Ratio

Band of Investment

This method involves deriving the property's equity dividend rate from the improved comparable sales and applying it, at current mortgage rate and terms, to estimate the value of the income stream.

The formula is:

$$R_o = M \times R_M + (1-M) \times R_E$$

Where:

R_o = Overall Capitalization Rate
M = Loan-to-Value Ratio
 R_M = Mortgage Constant
 R_E = Equity Dividend

The Mortgage Constant (R_M) is based upon the calculated interest rate from the ten-year treasury. We use six percent as our estimate of equity return. The following table summarizes calculations for the two previously discussed methods of capitalization rate derivation. We will utilize a market oriented interest rate of 3.5 percent. Based on our work files, the typical amortization period is 30 years and the loan to value ratio is 70 to 90 percent with interest rates between 3.5 and 5.0 percent. Therefore, we believe a 3.5 percent interest rate with a 30-year amortization period and a loan to value of 70 percent is reasonable. The following table illustrates the capitalization rates for the Subject property.

CAPITALIZATION RATE DERIVATION

Inputs and Assumptions				Interest Rate Calculations			
DCR	1.1			Treasury Bond Basis*			
R_M	0.0539			10 Year T Bond Rate (January 29, 2021)		1.05%	
Interest (per annum)*	3.50%			Interest rate spread		245	
Amortization (years)	30			Interest Rate (per annum)		3.50%	
M	0.7						
R_E	6.00%						

Debt Coverage Ratio									
R_o	=	DCR	X	R_M	X	M			
4.15%	=	1.1	X	0.0539	X	70%			

Band of Investment									
R_o	=	(M	X	R_M)	+	((1-M)	X	R_E)	
5.57%		70%	X	0.0539	+	30%	X	6.00%	

Source: Bloomberg.com, January 29, 2021

Conclusion of Overall Rate Selection

CAPITALIZATION RATE SELECTION SUMMARY	
Method	Indicated Rate
Market Extraction	4.50%
The PwC Investor Survey	4.50%
CoStar	5.90%
Debt Coverage Ratio	4.15%
Band of Investment	5.57%

The following issues impact the determination of a capitalization rate for the Subject:

- Current market health
- Existing competition
- Subject's construction type, tenancy and physical appeal
- The demand growth expected over the next three years
- Local market overall rates

The various approaches indicate a range from 4.15 to 5.90 percent. We reconciled to a 4.50 percent capitalization rate based primarily upon the market-extracted data.

Indication of Value – As Is

A summary of the direct capitalization analysis is following.

DIRECT CAPITALIZATION ANALYSIS			
Operating Revenues			
Unrestricted - As Is			
<u>Apartment Rentals</u>	<u>Market Unit</u> <u>Mix</u>	<u>Average Rent</u> <u>(Monthly)</u>	<u>Total Revenue</u>
Total Potential Rental Income	149	\$878	\$1,569,600
<u>Other Income</u>			
Miscellaneous		\$380	\$56,620
Potential Revenue		\$10,914	\$1,626,220
<u>Vacancy Loss</u>		(\$546)	(\$81,311)
Vacancy Percentage			-5.0%
<u>Effective Gross Income</u>		<u>\$10,369</u>	<u>\$1,544,909</u>
Operating Expenses			
Unrestricted - As Is			
Administration		\$230	\$34,270
Operating, Repairs & Maintenance		\$600	\$89,400
Utilities		\$1,410	\$210,090
Payroll		\$1,379	\$205,400
Real Estate Taxes		\$1,002	\$149,298
Insurance		\$265	\$39,485
Management Fee		\$415	\$61,796
Replacement Reserves		\$250	\$37,250
Total Operating Expenses		\$5,550	\$826,989
Expenses as a ratio of EGI			53.5%
Valuation			
Unrestricted - As Is			
Net Operating Income		\$4,818	\$717,920
Capitalization Rate			4.50%
Indicated Value "rounded"		\$107,383	\$16,000,000

Conclusion

The following table summarizes the findings of the direct capitalization analysis.

DIRECT CAPITALIZATION ANALYSIS - AS IS

Scenario	Cap Rate	Net Operating Income	Indicated Value (Rounded)
Unrestricted - As Is	4.50%	\$717,920	\$16,000,000

As a result of our investigation and analysis, it is our opinion that, subject to the limiting conditions and assumptions contained herein, the estimated market value “As Is” of the fee simple interest, via the income capitalization approach as of January 15, 2021, is:

SIXTEEN MILLION DOLLARS
(\$16,000,000)

An Environmental Site Assessment Phase I was not available. We requested a copy of the environmental site assessment, but this document was not available as of the date of this valuation. Thus, it is an extraordinary assumption that there are no recognized environmental conditions that would impact the value of the Subject.

A Property Condition Report was also not available. However, according to the client, no immediate or critical repairs are necessary. Thus, it is an extraordinary assumption that there are no needed critical repairs that would impact the value of the Subject property.

The aforementioned extraordinary assumptions were necessary for the valuation of the Subject. No other extraordinary assumptions or hypothetical conditions were necessary to complete the valuation for the Subject.

The use of extraordinary assumptions and/or hypothetical conditions may affect the assignment results. Please refer to the complete Assumptions and Limiting Conditions in the Addenda of this report.

XI. SALES COMPARISON APPROACH

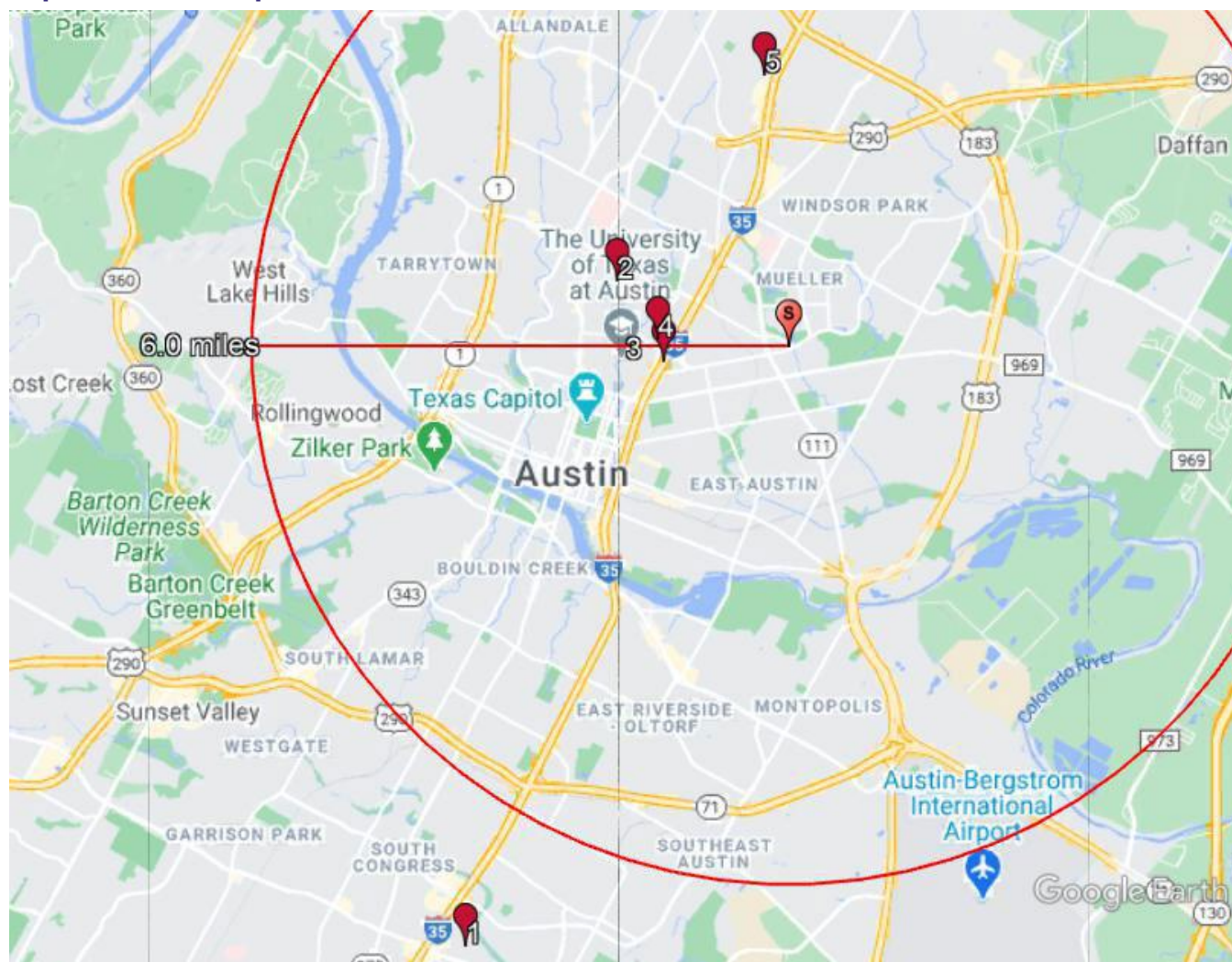
SALES COMPARISON APPROACH

The sales comparison approach to value is a process of comparing market data; that is, the price paid for similar properties, prices asked by owners, and offers made by hypothetical purchasers willing to buy or lease. It should be noted, the sales utilized represent the best sales available. Market data is good evidence of value because it represents the actions of users and investors. The sales comparison approach is based on the principle of substitution, which states that a prudent investor would not pay more to buy or rent a property than it will cost them to buy or rent a comparable substitute. The sales comparison approach recognizes that the typical buyer will compare asking prices and work through the most advantageous deal available. In the sales comparison approach, the appraisers are observers of the buyer's actions. The buyer is comparing those properties that constitute the market for a given type and class.

We believe the improved sales we have chosen for our analysis represent the typical multifamily market in the Subject's area. Therefore, we have utilized five conventional market rate developments in our sales approach.

The following pages supply the analyzed sale data and will conclude with a value estimate considered reasonable.

Improved Sales Map



IMPROVED SALES COMPARISON

#	Property Name	Location	Sale Date	Sale Price	Number of Units	Year Built	Year Renovated	Price / Unit	EGIM	Cap Rate
1	Terrace Cove	Austin, TX	Feb/2020	\$34,200,000	304	1986	2008	\$112,500	9.8	4.90%
2	Plaza 38	Austin, TX	Dec/2019	\$10,300,000	48	1963	n/a	\$214,583	12.4	4.05%
3	Great Oak & Grand Oak	Austin, TX	Aug/2019	\$14,650,000	62	1970	1999	\$236,290	14.2	4.50%
4	Casa Del Rio	Austin, TX	Jun/2019	\$6,400,000	32	1966	n/a	\$200,000	11.0	4.85%
5	St. Johns Square	Austin, TX	Apr/2019	\$6,350,000	64	1969	N/A	\$99,219	8.7	5.50%
Average					102			\$172,518	11.22	4.76%

Improved Sale: Terrace Cove



Transaction

Name:	Terrace Cove	Sale Date	2020-02-05
Address	6201 Sneed Cove	Sale Price	\$34,200,000
City	Austin	Price Per Unit	\$112,500
State	TX	Sale Status	Closed
Zip	78744	Sale Conditions	Typical
County	Travis	Financing	Conventional
Buyer:	Calvera Partners	Verification	CoStar, Travis County
Seller:	Steadfast Investment Properties, Inc.		Assessor's Office

Site and Improvements

No. of Units	304	Land Acres	12.76
Year Built	1986	Land Sq Ft	555,826
Year Renovated	2008		

Financial Data

EGI	\$3,499,800	NOI	\$1,675,800
Total Expenses	\$1,824,000	Expense Ratio	52%
Expenses / Unit	\$6,000	EGIM (\$)	9.77
Cap Rate	4.90%		

Remarks

This market rate development offers 304 one and two-bedroom units, and was reportedly 95 percent occupied at the time of sale. Information was obtained via CoStar, who confirmed the sale price, capitalization rate, and occupancy with the parties related to the sale. Novogradac has assumed operating expenses at \$6,000 per unit.

Improved Sale: Plaza 38



Transaction

Name:	Plaza 38	Sale Date	2019-12-10
Address	206 W. 38th Street	Sale Price	\$10,300,000
City	Austin	Price Per Unit	\$214,583
State	TX	Sale Status	Closed
Zip	78705	Sale Conditions	Typical
County	Travis	Financing	Conventional
Buyer:	RPC Plaza 38 LLC	Verification	Purchase contract, Travis
Seller:	206 West 38th Street LTD		CAD

Site and Improvements

No. of Units	48	Land Acres	1.1
Year Built	1963	Land Sq Ft	47,916
Year Renovated	n/a		

Financial Data

EGI	\$828,744	NOI	\$417,288
Total Expenses	\$411,456	Expense Ratio	50%
Expenses / Unit	\$8,572	EGIM (\$)	12.43
Cap Rate	4.05%		

Remarks

This market rate development consists of 18 one-bedroom and 30 two-bedroom units. The property was 100 percent occupied at the time of sale. The purchase price was confirmed by the buyer. The income and expenses are based on the 2018 year-end operating statements (and do not include an allowance for replacement reserves).

Improved Sale: Great Oak & Grand Oak



Transaction

Name:	Great Oak & Grand Oak	Sale Date	2019-08-30
Address	2901 Swisher Street	Sale Price	\$14,650,000
City	Austin	Price Per Unit	\$236,290
State	TX	Sale Status	Closed
Zip	78705	Sale Conditions	Typical
County	Travis	Financing	Conventional
Buyer:	Colliers International	Verification	CoStar, Broker
Seller:	512 Realty		

Site and Improvements

No. of Units	62	Land Acres	1.26
Year Built	1970	Land Sq Ft	54,886
Year Renovated	1999		

Financial Data

EGI	\$1,031,250	NOI	\$659,250
Total Expenses	\$372,000	Expense Ratio	36%
Expenses / Unit	\$6,000	EGIM (\$)	14.21
Cap Rate	4.50%		

Remarks

This sale consists of two adjacent multifamily buildings that were in average condition at the time of the sale. The information was confirmed by the broker and CoStar, except expenses, which were estimated by Novogradac at \$6,000 per unit.

Improved Sale: Casa Del Rio



Transaction

Name:	Casa Del Rio	Sale Date	2019-06-04
Address	3212 Red River Street	Sale Price	\$6,400,000
City	Austin	Price Per Unit	\$200,000
State	TX	Sale Status	Closed
Zip	78705	Sale Conditions	Typical
County	Travis	Financing	Conventional
Buyer:	N/Av	Verification	CoStar, Broker (Brandon Buell 713-300-7956)
Seller:	512 Realty		

Site and Improvements

No. of Units	32	Land Acres	0.7
Year Built	1966	Land Sq Ft	30,492
Year Renovated	n/a		

Financial Data

EGI	\$580,563	NOI	\$310,262
Total Expenses	\$270,301	Expense Ratio	47%
Expenses / Unit	\$8,447	EGIM (\$)	11.02
Cap Rate	4.85%		

Remarks

This property offers 13 one and 19 two-bedroom units and was reportedly 95 percent occupied at the time of sale. All information was confirmed through CoStar, the Warranty Deed, and the Broker, Brandon Buell with Newmark Knight Frank.

Improved Sale: St. Johns Square



Transaction

Name:	St. Johns Square	Sale Date	2019-04-30
Address	7200 Duval Street	Sale Price	\$6,350,000
City	Austin	Price Per Unit	\$99,219
State	TX	Sale Status	Closed
Zip	78752	Sale Conditions	Typical
County	Travis	Financing	Conventional
Buyer:	Forefront Austin Apartments II LLC	Verification	CoStar, Travis County
Seller:	JD Lapis Property LLC		Assessor's Office

Site and Improvements

No. of Units	64	Land Acres	1.59
Year Built	1969	Land Sq Ft	69,260
Year Renovated	N/A		

Financial Data

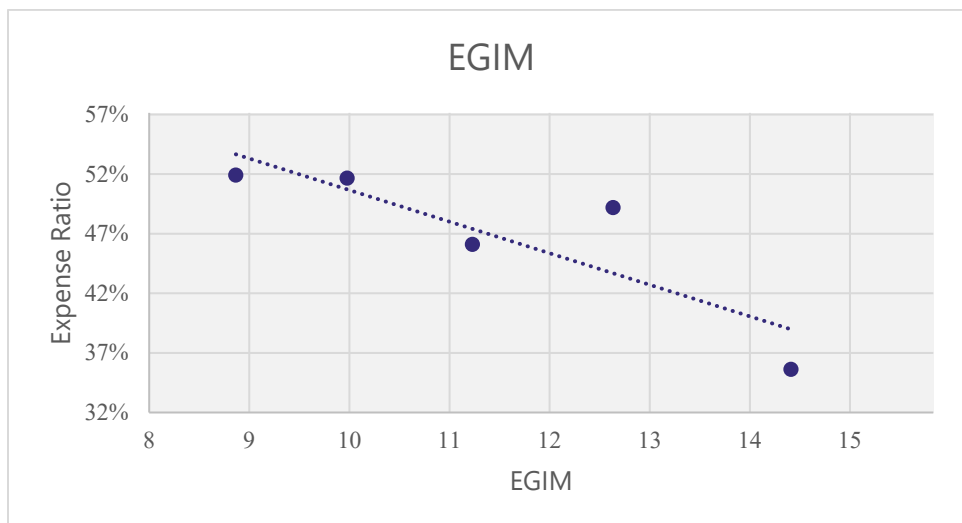
EGI	\$733,250	NOI	\$349,250
Total Expenses	\$384,000	Expense Ratio	52%
Expenses / Unit	\$6,000	EGIM (\$)	8.66
Cap Rate	5.50%		

Remarks

This market rate development offers 62 one and two-bedroom units and two three-bedroom units. The sale price, capitalization rate, and occupancy at sale were confirmed by CoStar. Novogradac estimated expenses at \$6,000 per unit.

EGIM ANALYSIS

We first estimate the Subject's value using the EGIM analysis. The EGIM compares the ratios of sales price to the annual gross income for the property, less a deduction for vacancy and collection loss. A reconciled multiplier for the Subject is then used to convert the Subject's anticipated effective gross income into an estimate of value. The following chart highlights the correlation between the EGIM and the expense ratios reported by the comparable sales utilized in our analysis.



Typically, the higher the expense ratio, the lower the multiplier. The Subject's expense ratio is 53.5 percent, which is just above the range of the comparables. As such, we have concluded to an EGIM of 10.25 for the Subject.

EGIM						
#	Property Name	Sale Price	EGI	Expense Ratio	Total Expenses	EGIM
1	Terrace Cove	\$34,200,000	\$3,499,800	52.1%	\$1,824,000	9.77
2	Plaza 38	\$10,300,000	\$828,744	49.6%	\$411,456	12.43
3	Great Oak & Grand Oak	\$14,650,000	\$1,031,250	36.1%	\$372,000	14.21
4	Casa Del Rio	\$6,400,000	\$580,563	46.6%	\$270,301	11.02
5	St. Johns Square	\$6,350,000	\$733,250	52.4%	\$384,000	8.66
	Unrestricted - As Is	\$15,800,000	\$1,544,909	53.5%	\$826,989	10.25

NOI/UNIT ANALYSIS

The available sales data also permits the use of the NOI/Unit analysis. The NOI/Unit analysis examines the income potential of a property relative to the price paid per unit. The sales indicate that, in general, investors are willing to pay more for properties with greater income potential. Based on this premise, we are able to gauge the Subject's standing in our market survey group, thereby estimating a value on a price per unit applicable to the Subject. This analysis allows us to provide a quantitative adjustment process and avoids qualitative, speculative adjustments.

To estimate an appropriate price/unit for the Subject, we examined the change in NOI/Unit and how it affects the price/unit. By determining the percent variance of the comparable properties NOI/Unit to the Subject, we determine an adjusted price/unit for the Subject.

The table below summarizes the calculated adjustment factors and the indicated adjusted prices.

NOI/UNIT ANALYSIS
Unrestricted - As Is

No.	Subject's Stabilized NOI/Unit	/	Sale's NOI/Unit	=	Adjustment Factor	x	Unadjusted Price/Unit	=	Adjusted Price/Unit
1	\$4,818	/	\$5,513	=	0.874	x	\$112,500	=	\$98,332
2	\$4,818	/	\$8,694	=	0.554	x	\$214,583	=	\$118,930
3	\$4,818	/	\$10,633	=	0.453	x	\$236,290	=	\$107,072
4	\$4,818	/	\$9,696	=	0.497	x	\$200,000	=	\$99,390
5	\$4,818	/	\$5,457	=	0.883	x	\$99,219	=	\$87,605
Average			\$7,998		0.652		\$172,518		\$102,266

We have considered all of the sales in our analysis, as all are good representatives of the market with similar years of construction relative to the Subject. Our value indication via the NOI per unit analysis is summarized following.

NOI/UNIT ANALYSIS

Scenario	Number of Units	Price per unit	Indicated Value (Rounded)
Unrestricted - As Is	149	\$107,000	\$15,900,000

Conclusion

The Subject's fee simple value of the real estate assuming Section 8 encumbrances "As Is", via the Sales Comparison Approach, as of January 15, 2021 is:

FIFTEEN MILLION NINE HUNDRED THOUSAND DOLLARS
(\$15,900,000)

An Environmental Site Assessment Phase I was not available. We requested a copy of the environmental site assessment, but this document was not available as of the date of this valuation. Thus, it is an extraordinary assumption that there are no recognized environmental conditions that would impact the value of the Subject.

A Property Condition Report was also not available. However, according to the client, no immediate or critical repairs are necessary. Thus, it is an extraordinary assumption that there are no needed critical repairs that would impact the value of the Subject property.

The aforementioned extraordinary assumptions were necessary for the valuation of the Subject. No other extraordinary assumptions or hypothetical conditions were necessary to complete the valuation for the Subject.

The use of extraordinary assumptions and/or hypothetical conditions may affect the assignment results. Please refer to the complete Assumptions and Limiting Conditions in the Addenda of this report.

XII. RECONCILIATION

RECONCILIATION

We were asked to provide an estimate of the Subject's "as is" value. We considered the traditional approaches in the estimation of the Subject's value. The resulting value estimates are presented following:

LAND VALUE

Scenario	No. of Units	Price/Unit	Indicated Value (Rounded)
Land Value	116	\$20,000	\$2,300,000

DIRECT CAPITALIZATION ANALYSIS - AS IS

Scenario	Cap Rate	Net Operating Income	Indicated Value (Rounded)
Unrestricted - As Is	4.50%	\$717,920	\$16,000,000

NOI/UNIT ANALYSIS

Scenario	Number of Units	Price per unit	Indicated Value (Rounded)
Unrestricted - As Is	149	\$107,000	\$15,900,000

The value indicated by the income capitalization approach is a reflection of a prudent investor's analysis of an income producing property. In this approach, income is analyzed in terms of quantity, quality, and durability. Due to the fact that the Subject is income producing in nature, this approach is the most applicable method of valuing the Subject property.

The sales comparison approach reflects an estimate of value as indicated by the sales market. In this approach, we searched the local market for transfers of similar type properties. These transfers were analyzed for comparative units of value based upon the most appropriate indices (i.e. \$/Unit, OAR, etc.). Our search revealed several sales over the past two years. While there was substantial information available on each sale, the sales varied in terms of location, quality of income stream, condition, etc. As a result, the appraisers used both an EGIM and a NOI/unit analysis as well as a sales price per unit analysis. These analyses provide a good indication of the Subject's market value.

The cost approach is, on occasion, one of the main steps of the appraisal process. The value indicated by this approach is derived by first estimating the value of the land. Next, the replacement cost of the improvements, less depreciation from all causes is added to the land value. In essence, value by this approach consists of land value plus the depreciated value of the improvements. As discussed, this method was not developed due to a lack of accurate cost data, the difficulty in estimating accrued depreciation and the fact that most market participants do not place any reliance on this approach for properties of this age. However, we have provided an Indication of underlying land value as if vacant.

In the final analysis, the appraisers have considered the influence of the two fully developed approaches in relation to one another and in relation to the Subject. The Subject is an income producing property, and a prudent investor would be more interested in the value indication derived using the income approach.

An Environmental Site Assessment Phase I was not available. We requested a copy of the environmental site assessment, but this document was not available as of the date of this valuation. Thus, it is an extraordinary assumption that there are no recognized environmental conditions that would impact the value of the Subject.

A Property Condition Report was also not available. However, according to the client, no immediate or critical repairs are necessary. Thus, it is an extraordinary assumption that there are no needed critical repairs that would impact the value of the Subject property.

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The use of extraordinary assumptions and/or hypothetical conditions may affect the assignment results. Please refer to the complete Assumptions and Limiting Conditions in the Addenda of this report.

As a result of our investigation and analysis, it our opinion that, subject to the limiting conditions and assumptions contained herein, the estimated value of the underlying land, as if vacant, of the fee simple interest, as of January 15, 2021, is:

TWO MILLION THREE HUNDRED THOUSAND DOLLARS
(\$2,300,000)

As a result of our investigation and analysis, it is our opinion that, subject to the limiting conditions and assumptions contained herein, the estimated market value “As Is” in the fee simple interest, as of January 15, 2021, is:

SIXTEEN MILLION DOLLARS
(\$16,000,000)

Reasonable Exposure Time:

Advisory Opinion 35 (AO-35) to USPAP notes that reasonable exposure time is one of a series of conditions in most market value definitions. Exposure time is always presumed to precede the effective date of the appraisal. It is defined as "an opinion, based on supporting market data, of the length of time that the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal." Based on our read of the market, historical information provided by the PwC Investor Survey and recent sales of apartment product, an exposure time of nine to 12 months appears adequate.

ADDENDUM A

Assumptions and Limiting Conditions, Certification

ASSUMPTIONS AND LIMITING CONDITIONS

1. In the event that the client provided a legal description, building plans, title policy and/or survey, etc., the appraiser has relied extensively upon such data in the formulation of all analyses.
2. The legal description as supplied by the client is assumed to be correct and the author assumes no responsibility for legal matters, and renders no opinion of property title, which is assumed to be good and merchantable.
3. All encumbrances, including mortgages, liens, leases, and servitudes, were disregarded in this valuation unless specified in the report. It was recognized, however, that the typical purchaser would likely take advantage of the best available financing, and the effects of such financing on property value were considered.
4. All information contained in the report which others furnished was assumed to be true, correct, and reliable. A reasonable effort was made to verify such information, but the author assumes no responsibility for its accuracy.
5. The report was made assuming responsible ownership and capable management of the property.
6. The sketches, photographs, and other exhibits in this report are solely for the purpose of assisting the reader in visualizing the property. The author made no property survey, and assumes no liability in connection with such matters. It was also assumed there is no property encroachment or trespass unless noted in the report.
7. The author of this report assumes no responsibility for hidden or unapparent conditions of the property, subsoil or structures, or the correction of any defects now existing or that may develop in the future. Equipment components were assumed in good working condition unless otherwise stated in this report.
8. It is assumed that there are no hidden or unapparent conditions for the property, subsoil, or structures, which would render it more or less valuable. No responsibility is assumed for such conditions or for engineering, which may be required to discover such factors.
9. The investigation made it reasonable to assume, for report purposes, that no insulation or other product banned by the Consumer Product Safety Commission has been introduced into the Subject premises. Visual inspection by the appraiser did not indicate the presence of any hazardous waste. It is suggested the client obtain a professional environmental hazard survey to further define the condition of the Subject soil if they deem necessary.
10. Any distribution of total property value between land and improvements applies only under the existing or specified program of property utilization. Separate valuations for land and buildings must not be used in conjunction with any other study or appraisal and are invalid if so used.
11. A valuation estimate for a property is made as of a certain day. Due to the principles of change and anticipation the value estimate is only valid as of the date of valuation. The real estate market is non-static and change and market anticipation is analyzed as of a specific date in time and is only valid as of the specified date.
12. Possession of the report, or a copy thereof, does not carry with it the right of publication, nor may it be reproduced in whole or in part, in any manner, by any person, without the prior written consent of the author particularly as to value conclusions, the identity of the author or the firm with which he or she is connected. Neither all nor any part of the report, or copy thereof shall be disseminated to the general public by the use of advertising, public relations, news, sales, or other media for public communication without the prior written consent and approval of the appraiser. Nor shall the appraiser, firm, or professional organizations of which the appraiser is a member be identified without written consent of the appraiser.

13. Disclosure of the contents of this report is governed by the Bylaws and Regulations of the professional appraisal organization with which the appraiser is affiliated: specifically, the Appraisal Institute.
14. The author of this report is not required to give testimony or attendance in legal or other proceedings relative to this report or to the Subject property unless satisfactory additional arrangements are made prior to the need for such services.
15. The opinions contained in this report are those of the author and no responsibility is accepted by the author for the results of actions taken by others based on information contained herein.
16. Opinions of value contained herein are estimates. There is no guarantee, written or implied, that the Subject property will sell or lease for the indicated amounts.
17. All applicable zoning and use regulations and restrictions are assumed to have been complied with, unless nonconformity has been stated, defined, and considered in the appraisal report.
18. It is assumed that all required licenses, permits, covenants or other legislative or administrative authority from any local, state, or national governmental or private entity or organization have been or can be obtained or renewed for any use on which the value estimate contained in this report is based.
19. On all appraisals, subject to satisfactory completion, repairs, or alterations, the appraisal report and value conclusions are contingent upon completion of the improvements in a workmanlike manner and in a reasonable period of time. A final inspection and value estimate upon the completion of said improvements should be required.
20. All general codes, ordinances, regulations or statutes affecting the property have been and will be enforced and the property is not subject to flood plain or utility restrictions or moratoriums, except as reported to the appraiser and contained in this report.
21. The party for whom this report is prepared has reported to the appraiser there are no original existing condition or development plans that would subject this property to the regulations of the Securities and Exchange Commission or similar agencies on the state or local level.
22. Unless stated otherwise, no percolation tests have been performed on this property. In making the appraisal, it has been assumed the property is capable of passing such tests so as to be developable to its highest and best use, as detailed in this report.
23. No in-depth inspection was made of existing plumbing (including well and septic), electrical, or heating systems. The appraiser does not warrant the condition or adequacy of such systems.
24. No in-depth inspection of existing insulation was made. It is specifically assumed no Urea Formaldehyde Foam Insulation (UFFI), or any other product banned or discouraged by the Consumer Product Safety Commission has been introduced into the appraised property. The appraiser reserves the right to review and/or modify this appraisal if said insulation exists on the Subject property.
25. Acceptance of and/or use of this report constitute acceptance of all assumptions and the above conditions. Estimates presented in this report are not valid for syndication purposes.

An Environmental Site Assessment Phase I was not available. We requested a copy of the environmental site assessment, but this document was not available as of the date of this valuation. Thus, it is an extraordinary assumption that there are no recognized environmental conditions that would impact the value of the Subject.

A Property Condition Report was also not available. However, according to the client, no immediate or critical repairs are necessary. Thus, it is an extraordinary assumption that there are no needed critical repairs that would impact the value of the Subject property..

The aforementioned extraordinary assumptions were necessary for the valuation of the Subject. No other extraordinary assumptions or hypothetical conditions were necessary to complete the valuation for the Subject.

The use of extraordinary assumptions and/or hypothetical conditions may affect the assignment results.

CERTIFICATION

The undersigned hereby certify that, to the best of our knowledge and belief:

- The statements of fact contained in this report are true and correct;
- The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are our personal, impartial, and unbiased professional analyses, opinions, and conclusions;
- We have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved;
- We are preparing a market study concurrent with this report. We have performed no prior appraisal services regarding the property that is the Subject within the three-year period immediately preceding acceptance of this assignment except for: None;
- We have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment;
- Our engagement in this assignment was not contingent upon developing or reporting predetermined results;
- Our compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal;
- Our analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the *Uniform Standards of Professional Appraisal Practice*;
- Gino Rossi has inspected the interior and exterior of the Subject property. Rachel B. Denton did not inspect the site that is the subject of this report;
- No one provided significant real property appraisal assistance to the persons signing this certification, aside from Rachel Talmadge, Sara Nachbar, and Gino Rossi. Mr. Rossi inspected the Subject and comparables, and Ms. Talmadge and Ms. Nachbar collected data and assisted with the preparation of the report.
- The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute;
- The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives;
- As of the date of this report, Rachel Denton has completed the continuing education program for Designated Members of the Appraisal Institute.



Rachel B. Denton, MAI
Certified General Real Estate Appraiser

ADDENDUM B

Qualifications of Consultants

STATEMENT OF PROFESSIONAL QUALIFICATIONS
RACHEL BARNES DENTON, MAI

I. EDUCATION

Cornell University, Ithaca, NY
School of Architecture, Art & Planning, Bachelor of Science in City & Regional Planning

II. LICENSING AND PROFESSIONAL AFFILIATION

Designated Member of the Appraisal Institute
Member of National Council of Housing Market Analysts (NCHMA)
Member of Commercial Real Estate Women (CREW) Network
 2011 and 2012 Communications Committee Co-Chair for the Kansas City CREW Chapter
 2013 Director of Communications and Board Member for Kansas City CREW
 2014 Secretary and Board Member for Kansas City CREW
 2015 and 2016 Treasurer and Board Member for Kansas City CREW

State of Arkansas Certified General Real Estate Appraiser No. CG3527
State of California Certified General Real Estate Appraiser No. AG044228
State of Colorado Certified General Real Estate Appraiser No. 100031319
State of Hawaii Certified General Real Estate Appraiser No. CGA1048
State of Illinois Certified General Real Estate Appraiser No. 553.002012
State of Kansas Certified General Real Estate Appraiser No. G-2501
State of Minnesota Certified General Real Estate Appraiser No. 40420897
State of Missouri Certified General Real Estate Appraiser No. 2007035992
State of Nebraska Certified General Real Estate Appraiser No. CG2017030R
State of New Mexico Certified General Real Estate Appraiser No. 03424-G
State of Oklahoma Certified General Real Estate Appraiser No. 13085CGA
State of Oregon Certified General Real Estate Appraiser No. C000951
State of Texas Certified General Real Estate Appraiser No. 1380396

III. PROFESSIONAL EXPERIENCE

Novogradac & Company LLP, Partner
Novogradac & Company LLP, Principal
Novogradac & Company LLP, Manager
Novogradac & Company LLP, Senior Real Estate Analyst

IV. PROFESSIONAL TRAINING

Educational requirements successfully completed for the Appraisal Institute:
 Appraisal Principals, September 2004
 Basic Income Capitalization, April 2005
 Uniform Standards of Professional Appraisal Practice, various
 Advanced Income Capitalization, August 2006
 General Market Analysis and Highest & Best Use, July 2008
 Advanced Sales Comparison and Cost Approaches, June 2009
 Advanced Applications, June 2010
 General Appraiser Report Writing and Case Studies, July 2014
 Standards and Ethics (USPAP and Business Practices and Ethics)
 MAI Designation General Comprehensive Examination, January 2015
 MAI Demonstration of Knowledge Report, April 2016

Completed HUD MAP Training, Columbus, Ohio, May 2010

Have presented and spoken at both national Novogradac conferences and other industry events, including the National Council of Housing Market Analysts (NCHMA) Annual Meetings and FHA Symposia, National Housing and Rehabilitation Association Conferences, Institute for Professional and Executive Development (IPED) conferences, and state housing conferences, such as Housing Colorado and Missouri Workforce Housing Association.

V. REAL ESTATE ASSIGNMENTS

A representative sample of Due Diligence, Consulting, or Valuation Engagements includes:

In general, have managed and conducted numerous market analyses and appraisals for various types of commercial real estate since 2003, with an emphasis on affordable multifamily housing.

Conducted and managed appraisals of proposed new construction, rehab and existing Low-Income Housing Tax Credit properties, Section 8 Mark-to-Market properties, HUD MAP Section 221(d)(4) and 223(f) properties, USDA Rural Development, and market rate multifamily developments on a national basis. Analysis includes property screenings, economic and demographic analysis, determination of the Highest and Best Use, consideration and application of the three traditional approaches to value, and reconciliation to a final value estimate. Both tangible real estate values and intangible values in terms of tax credit valuation, beneficial financing, and PILOT are considered. Additional appraisal assignments completed include commercial land valuation, industrial properties for estate purposes, office buildings for governmental agencies, and leasehold interest valuation. Typical clients include developers, lenders, investors, and state agencies.

Managed and conducted market studies for proposed Low-Income Housing Tax Credit, HUD MAP, market rate, HOME financed, USDA Rural Development, and HUD subsidized properties, on a national basis. Analysis includes property screenings, market analysis, comparable rent surveys, demand analysis based on the number of income qualified renters in each market, supply analysis and operating expense analysis. Property types include proposed multifamily, senior independent living, large family, acquisition/rehabilitation, historic rehabilitation, adaptive reuse, and single family developments. Typical clients include developers, state agencies, syndicators, investors, and lenders.

Completed and have overseen numerous Rent Comparability Studies in accordance with HUD's Section 8 Renewal Policy and Chapter 9 for various property owners and local housing authorities. The properties were typically undergoing recertification under HUD's Mark to Market Program.

Performed and managed market studies and appraisals of proposed new construction and existing properties insured and processed under the HUD Multifamily Accelerated Processing (MAP) program. These reports meet the requirements outlined in HUD Handbook 4465.1 and Chapter 7 of the HUD MAP Guide for 221(d)(4) and 223(f) programs.

Performed and have overseen numerous market study/appraisal assignments for USDA RD properties in several states in conjunction with acquisition/rehabilitation redevelopments. Documents are used by states, lenders, USDA, and the developer in the underwriting process. Market studies are compliant to State, lender, and USDA requirements. Appraisals are compliant to lender requirements and USDA HB-1-3560 Chapter 7 and Attachments.

Performed appraisals for estate valuation and/or donation purposes for various types of real estate, including commercial office, industrial, and multifamily assets. These engagements were conducted in accordance with the Internal Revenue Service's Real Property Valuation Guidelines, Section 4.48.6 of the Internal Revenue Manual.

Performed analyses of various real estate asset types subject to USDA 4279-B, Business and Industry Guaranteed Loans, Section 4279.150 guidelines.

Conducted various Highest and Best Use Analyses for proposed development sites nationwide. Completed an analysis of existing and proposed senior supply of all types of real estate, and conducted various

demand and feasibility analyses in order to determine level of need and ultimate highest and best use of the site.

Prepared a three-year Asset Management tracking report for a 16-property portfolio in the southern United States. Data points monitored include economic vacancy, levels of concessions, income and operating expense levels, NOI and status of capital projects. Data used to determine these effects on the project's ability to meet its income-dependent obligations.

Performed various community-wide affordable housing market analyses and needs assessments for communities and counties throughout the Midwest and Western states. Analysis included demographic and demand forecasts, interviews with local stakeholders, surveys of existing and proposed affordable supply, and reconciliation of operations at existing supply versus projected future need for affordable housing. Additional analyses included identification of housing gaps, potential funding sources, and determination of appropriate recommendations. These studies are typically used by local, state, and federal agencies in order to assist with housing development and potential financing.

Managed a large portfolio of Asset Management reports for a national real estate investor. Properties were located throughout the nation, and were diverse in terms of financing, design, tenancy, and size. Information compiled included income and expenses, vacancy, and analysis of property's overall position in the market.

Performed appraisals of LIHTC assets for Year 15 purposes; valuations of both the underlying real estate asset and partnership interests have been completed. These reports were utilized to assist in potential disposition options for the property, including sale of the asset, buyout of one or more partners, or potential conversion to market rate.

ADDENDUM C

Subject Photos

PHOTOGRAPHS OF SUBJECT AND NEIGHBORHOOD



View west on Manor Road



View east on Manor Road



Subject exterior



Subject exterior



Subject exterior



Subject exterior and parking lot



Subject courtyard



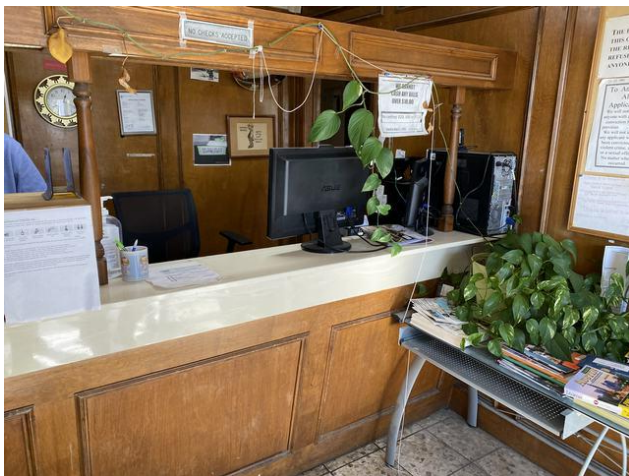
Subject signage



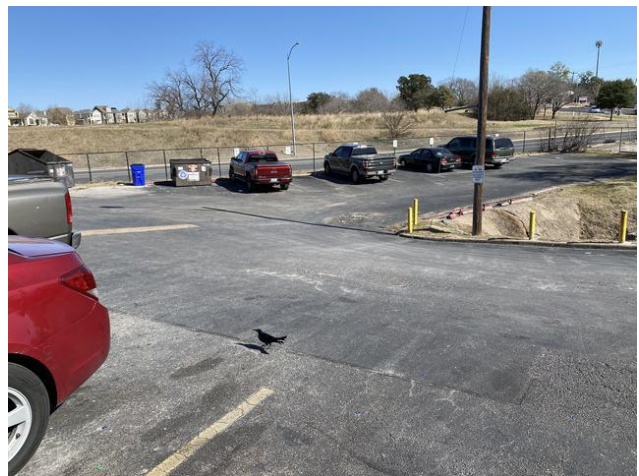
Subject exterior



Leasing office exterior



Leasing office



Parking lot



Central laundry facility



Picnic area



Typical stairwell



Typical living area



Typical kitchen



Typical bathroom



Typical walk-in closet



Typical bedroom



Typical living area



Typical bathroom



Typical kitchen



Bus stop adjacent to the south of the Subject



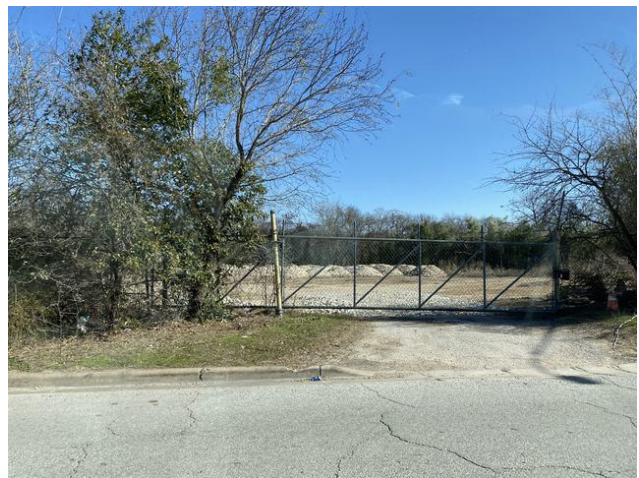
Community park/recreation area north of Subject



Commercial/retail use east of Subject



Commercial/retail use east of Subject



Industrial use south of Subject



Commercial/retail use west of Subject



Commercial/retail use west of Subject



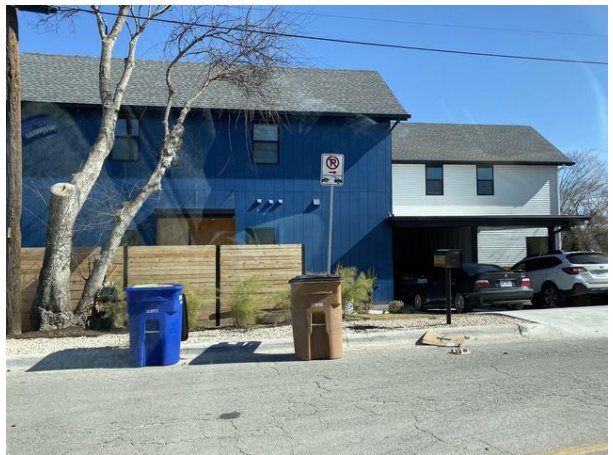
Single-family homes in Subject neighborhood



Single-family homes in Subject neighborhood



Commercial/retail use west of Subject



Single-family homes in Subject neighborhood

ADDENDUM D
Rent Roll

	Tenant Roll	SEPTEMBER 30, 2020						
APT #	NAME	MOVE-IN DATE	WEEKLY RENT	MONTHLY RENT	DEPOSIT	AMOUNT PD	WKLY/MTHLY	EFF./1BDRM
101	Robert Hill	10-01-10	\$215.00	\$820.00	\$70.00	\$820.00	MTHLY	1BDRM
102	Ronald Hillard	02-14-18	\$220.00	\$820.00	\$100.00	\$220.00	MONTHLY	1BDRM
103	Holly Glimp	12-28-17	\$215.00	\$820.00	\$100.00	\$215.00	WKLY	1BDRM
104	Alfred Adams	04-18-00	\$194.00	\$780.00	\$120.00	\$780.00	MTHLY	1BDRM
105	Jonathon Nallella	03-17-20	\$101.00	\$850.00	\$100.00	\$850.00	MTHLY	1BDRM
106	Raynell Hardeman	03-02-15	\$194.00	\$720.00	\$75.00	\$720.00	MTHLY	EFF
107	Michael Lee	08-27-07	\$194.00	\$720.00	\$50.00	\$720.00	MTHLY	EFF
108	VACANT		\$194.00	\$780.00	\$75.00			EFF
109	Elmer Alexander, Jr.	05-20-19	\$194.00	\$720.00	\$75.00	\$720.00	MTHLY	EFF
110	Louis Ghesley	08-10-20	\$205.00	\$780.00	\$75.00	\$780.00	MTHLY	EFF
111	Risesvola Haynes	09-25-15	\$215.00	\$820.00	\$100.00	\$430.00	BI-WKLY	1BDRM
112	Quinton Randolph	04-11-18	\$215.00	\$820.00	\$100.00	\$820.00	MTHLY	1BDRM
113	Edwin Allen	10-10-18	\$194.00	\$720.00	\$75.00	\$720.00	MTHLY	EFF
114	Beulah Hollan	10-09-18	\$194.00	\$720.00	\$75.00	\$194.00	WKLY	EFF
115	Jeremy/Elizabeth Crowell	10-24-19	\$194.00	\$780.00	\$75.00	\$780.00	MTHLY	EFF
116	Sadie McGinnis	03-29-16	\$194.00	\$720.00	\$75.00	\$194.00	WKLY	EFF
117	Virgil Smith	01-12-99	\$194.00	\$720.00	\$75.00	\$720.00	MTHLY	EFF
118	James Fairley, Jr	05-05-15	\$215.00	\$820.00	\$100.00	\$820.00	MTHLY	1BDRM
119	Yvette / Rodrick Jenkins	04-04-16	\$215.00	\$820.00	\$100.00	\$820.00	MTHLY	1BDRM
120	Dione Monroe	01-31-13	\$215.00	\$820.00	\$100.00	\$820.00	MTHLY	1BDRM
121	James Walker	02-12-14	\$215.00	\$720.00	\$100.00	\$820.00	MTHLY	1BDRM
122	Lois Young (Staff)	05-03-02			\$145.00			1BDRM
123	Richard May	05-31-12	\$215.00	\$820.00	\$70.00	\$215.00	WKLY	1BDRM
124	VACANT		\$220.00	\$850.00	\$100.00			1BDRM
125	Sheria Hicks / Santiago Estrada	02-12-16	\$215.00	\$820.00	\$100.00	\$430.00	BI-WKLY	1BDRM
126	Anita Wooley	10-24-19	\$215.00	\$820.00	\$100.00	\$820.00	MTHLY	1BDRM
127	Sharon Winn	12-12-19	\$220.00	\$850.00	\$100.00	\$850.00	MTHLY	1BDRM
128	Cynthia Szarbo	09-09-16	\$194.00	\$720.00	\$75.00	\$720.00	MTHLY	EFF
129	Anthony Daniels	07-07-10	\$194.00	\$720.00	\$50.00	\$720.00	MTHLY	EFF
130	Suzanne Ledet	11-13-14	\$194.00	\$720.00	\$75.00	\$720.00	MTHLY	EFF
131	VACANT		\$205.00	\$780.00	\$75.00			EFF
132	VACANT		\$205.00	\$780.00	\$75.00		MTHLY	EFF
133	Dorothy Alexander	08-08-13	\$215.00	\$820.00	\$100.00	\$820.00	MTHLY	1BDRM
134	Tonya Hunter	11-01-13	\$215.00	\$820.00	\$70.00	\$430.00	BI-WKLY	1BDRM
135	Donte Oliver	03-24-07	\$194.00	\$720.00	\$50.00	\$720.00	MTHLY	EFF
136	Anita DAVIS	0321-20	\$205.00	\$780.00	\$75.00	\$780.00	MONTHLY	EFF

137	Becky Ford	01-06-16	\$194.00	\$720.00	\$75.00	\$720.00	MTHLY	EFF
138	VACANT		\$194.00	\$780.00	\$75.00			EFF
139	Demps Cedric	02-15-19	\$194.00	\$720.00	\$75.00	\$194.00	WKLY	EFF
APT #	NAME	MOVE-IN DATE	WEEKLY RENT	MONTHLY RENT	DEPOSIT	AMOUNT PD	WKLY/MTHLY	EFF./1BDRM
140	Angelina Limbs	01-26-18	\$215.00	\$820.00	\$100.00	\$430.00	BI-WKLY	1BDRM
141	VACANT		\$220.00	\$850.00	\$100.00			1BDRM
142	C/O		\$194.00	\$730.00	\$100.00			1BDRM
143	Ida Torres	03-03-17	\$215.00	\$820.00	\$100.00	\$820.00	MTHLY	1BDRM
144	Leticia Castillo	01-17-18	\$215.00	\$820.00	\$100.00	\$430.00	BI-WKLY	1BDRM
145	Margarita Briones/Felicia Barton	09-08-14	\$215.00	\$820.00	\$70.00	\$820.00	MTHLY	1BDRM
146	Miguel Corona/Rubcelia Aguilar (Staff)	09-04-15			\$100.00			1BDRM
147	Timeka Cooksey	07-30-14	\$215.00	\$820.00	\$70.00	\$215.00	WKLY	1 BDRM
148	Douglas Smalley	06-12-20	\$220.00	\$850.00	\$100.00	\$850.00	MTHLY	1BDRM
149	Willard Houston	04-16-12	\$215.00	\$820.00	\$70.00	\$820.00	MTHLY	1BDRM
150	Felicia Roe	12-05-18	\$215.00	\$820.00	\$100.00	\$820.00	MTHLY	1BDRM
151	April Yett	09-30-16	\$215.00	\$820.00	\$100.00	\$430.00	BI-WKLY	1BDRM
152	VACANT		\$194.00	\$780.00	\$75.00			EFF
153	George Shipp	05-14-19	\$194.00	\$720.00	\$75.00	\$720.00	MTHLY	EFF
154	Joe Earls	11-23-09	\$194.00	\$720.00	\$50.00	\$720.00	MTHLY	EFF
155	Caldewell Kyla	12-21-19	\$205.00	\$780.00	\$75.00	\$410.00	BI-WKLY	EFF
156	VACANT		\$205.00	\$780.00	\$75.00			EFF
157	May Sanders	04-06-20	\$205.00	\$780.00	\$75.00	\$780.00	MTHLY	EFF
158	Terrance Bennett	06-26-20	\$205.00	\$780.00	\$75.00	\$780.00	MTHLY	EFF
159	Latouf Terry	01-15-20	\$205.00	\$780.00	\$75.00	\$780.00	MTHLY	EFF
160	Robert Musto/Jennifer Batts	06-11-20	\$220.00	\$850.00	\$100.00	\$850.00	MTHLY	1BDRM
161	Asunta Washington	02-24-17	\$215.00	\$820.00	\$100.00	\$215.00	WKLY	1BDRM
162	Andre/Antoinette Johnson	04-17-19	\$215.00	\$820.00	\$100.00	\$430.00	BI-WKLY	1BDRM
163	Clark Shyquette	01-15-20	\$215.00	\$850.00	\$100.00	\$430.00	BI-WKLY	1BDRM
164	Mosie Parks	04-20-20	\$220.00	\$850.00	\$100.00	\$440.00	BI WEEKLY	1BDRM
165	Yolanda Shipley	06-06-11	\$215.00	\$820.00	\$70.00	\$820.00	MTHLY	1BDRM
166	James Knoch	07-05-12	\$215.00	\$820.00	\$70.00	\$820.00	MTHLY	1BDRM
167	Joel Renosa	09-08-20	\$169.00	\$600.00	\$75.00	\$600.00	MTHLY	SM EFF
168	Kamery Towsend	10-16-19	\$220.00	\$850.00	\$100.00	\$440.00	BI-WKLY	1BDRM
169	Gertie Castle	06-08-15	\$215.00	\$820.00	\$100.00	\$820.00	MTHLY	1BDRM
170	Wilbert Smith	06-01-20	\$169.00	\$600.00	\$75.00	\$600.00	MTHLY	SMEFF
171	Torey Woods	10-22-18	\$169.00	\$600.00	\$75.00	\$600.00	MTHLY	SMEFF
172	Mark Cave	11-01-19	\$215.00	\$820.00	\$100.00	\$820.00	MTHLY	1BDRM
173	Andrew Brooks	03-16-20	\$220.00	\$850.00	\$100.00	\$850.00	MTHLY	1BDRM

174	VACANT		\$169.00	\$600.00	\$75.00			SM EFF
201	Fernando Yopez	04-10-18	\$215.00	\$820.00	\$100.00	\$820.00	MTHLY	1BDRM
202	Melvin Valentine	07-23-10	\$215.00	\$820.00	\$70.00	\$820.00	MTHLY	1BDRM
203	Kroshawnd Eason	08-29-19	\$215.00	\$820.00	\$100.00	\$215.00	WKLY	1BDRM
204	Richard Overton	10-15-19	\$215.00	\$820.00	\$100.00	\$430.00	BI-WKLY	1BDRM
APT #	NAME	MOVE-IN DATE	WEEKLY RENT	MONTHLY RENT	DEPOSIT	AMOUNT PD	WKLY/MTHLY	EFF./1BDRM
205	Ashley McGrue	01-07-15	\$215.00	\$820.00	\$100.00	\$215.00	WKLY	1BDRM
206	VACANT		\$205.00	\$780.00	\$75.00			EFF
207	Sylvia Barrett/Anthony Blaylock	04-03-20	\$205.00	\$780.00	\$75.00	\$780.00	MONTHLY	EFF
208	Stowers Terry	08-06-19	\$194.00	\$720.00	\$75.00	\$720.00	MTHLY	EFF
209	Jermaine Brown	12-18-14	\$194.00	\$720.00	\$75.00	\$194.00	WKLY	EFF
210	VACANT		\$194.00	\$780.00	\$75.00			EFF
211	Flonnie Price	01-14-20	\$220.00	\$850.00	\$100.00	\$440.00	BI-WKLY	1BDRM
212	Tiffany Herrera	06-08-20	\$220.00	\$850.00	\$100.00	\$440.00	BI-WKLY	1BDRM
213	Lawrence Houston	10-16-15	\$194.00	\$720.00	\$75.00	\$194.00	WKLY	EFF
214	Devin Davis	04-04-18	\$194.00	\$720.00	\$75.00	\$720.00	MTHLY	EFF
215	Reginald Anding	09-26-09	\$194.00	\$720.00	\$50.00	\$720.00	MTHLY	EFF
216	Stanley Sale	09-23-16	\$194.00	\$720.00	\$75.00	\$720.00	MTHLY	EFF
217	Cabrera Noel	01-27-20	\$205.00	\$780.00	\$75.00	\$780.00	MTHLY	
218	Keyona Glass	07-10-19	\$215.00	\$820.00	\$100.00	\$430.00	BI-WKLY	1BDRM
219	Brenda Jones	03-16-18	\$215.00	\$820.00	\$100.00	\$820.00	MTHLY	1BDRM
220	URAINEA GOREE	64-30-20	\$220.00	\$850.00	\$100.00	\$850.00	MTHLY	1BDRM
221	Sandra Massee / Novel Green	01-19-18	\$220.00	\$850.00	\$100.00	\$220.00	WKLY	1BDRM
222	Raymond Jennings	01-23-14	\$215.00	\$820.00	\$100.00	\$820.00	MTHLY	1BDRM
223	Rydell Early	07-10-19	\$215.00	\$820.00	\$100.00	\$430.00	BI-WKLY	1BDRM
224	Carlvin BRADLEY	04-10-20	\$220.00	\$850.00	\$100.00	\$850.00	MTHLY	1BDRM
225	Lawn Burton	04-13-12	\$215.00	\$820.00	\$70.00	\$820.00	MTHLY	1BDRM
226	VACANT		\$220.00	\$850.00	\$100.00			1BDRM
227	Jean Walker	03-09-15	\$215.00	\$820.00	\$100.00	\$430.00	BI-WKLY	1BDRM
228	Jacqueline Brown	04-27-20	\$205.00	\$780.00	\$75.00	\$780.00	MTHLY	EFF
229	David Wilson	06-18-12	\$194.00	\$720.00	\$50.00	\$720.00	MTHLY	EFF
230	Veronica Burk	12-03-14	\$194.00	\$720.00	\$75.00	\$720.00	MTHLY	EFF
231	Everett Davis	03-26-06	\$194.00	\$720.00	\$50.00	\$720.00	MTHLY	EFF
232	VACANT	4/6/2020	\$205.00	\$780.00	\$75.00			EFF
233	VACANT		\$220.00	\$850.00	\$100.00			1BDRM
234	Mahalia Tardy / Richard Hensley	06-23-16	\$204.00	\$755.00	\$100.00	\$204.00	WKLY	1BDRM
235	Billy Morgan	11-29-01	\$194.00	\$720.00	\$125.00	\$720.00	MTHLY	EFF
236	Robert Raskin	03-02-20	\$205.00	\$780.00	\$75.00	\$780.00	MTHLY	EFF

237	Fredrick Walker	02-26-16	\$194.00	\$720.00	\$75.00	\$720.00	MTHLY	EFF
238	James Berry	09-30-15	\$194.00	\$720.00	\$75.00	\$720.00	MTHLY	EFF
239	VACANT		\$205.00	\$780.00	\$75.00			EFF
240	Donna Wright/Mario Mendez	12-09-13	\$215.00	\$820.00	\$70.00	\$215.00	WKLY	1BDRM
241	Teola Durham-Bryant	09-08-16	\$215.00	\$820.00	\$100.00	\$215.00	WKLY	1BDRM
242	Rita Seamster	01-31-17	\$215.00	\$820.00	\$100.00	\$430.00	BI-WKLY	1BDRM
243	VACANT		\$220.00	\$850.00	\$100.00			1BDRM
244	Patricia Salanis/Janie Ribera	12-03-18	\$215.00	\$820.00	\$100.00	\$820.00	MTHLY	1BDRM
APT #	NAME	MOVE-IN DATE	WEEKLY RENT	MONTHLY RENT	DEPOSIT	AMOUNT PD	WKLY/MTHLY	EFF./1BDRM
245	Linda Young	03-03-20	\$220.00	\$850.00	\$100.00	\$850.00	MTHLY	1BDRM
246	Santos Garza	12-18-19	\$220.00	\$850.00	\$100.00	\$430.00	BI-WKLY	1BDRM
247	Fredrick Williams	11-10-14	\$215.00	\$820.00	\$100.00	\$215.00	WKLY	1BDRM
248	Ronnie Lee	05-22-14	\$215.00	\$820.00	\$70.00	\$820.00	MTHLY	1BDRM
249	Renellquiane Blackburn	10-07-19	\$215.00	\$820.00	\$100.00	\$820.00	MTHLY	1BDRM
250	Derrick Shelton	03-01-17	\$215.00	\$820.00	\$100.00	\$820.00	MTHLY	1BDRM
251	Rachelle Williams	10-16-18	\$215.00	\$820.00	\$100.00	\$820.00	MTHLY	1BDRM
252	Victor Clark	08-01-13	\$194.00	\$720.00	\$50.00	\$720.00	MTHLY	EFF
253	Larry Henderson	08-04-12	\$194.00	\$720.00	\$50.00	\$388.00	BI-WKLY	EFF
254	Michael Thomas	10-26-16	\$194.00	\$720.00	\$75.00	\$194.00	WKLY	EFF
255	Patricia Damps	03-02-18	\$205.00	\$780.00	\$75.00	\$780.00	MTHLY	EFF
256	Alana Chiles	01-07-19	\$194.00	\$720.00	\$75.00	\$720.00	MTHLY	EFF
257	Tony Williams	05-27-20	\$205.00	\$780.00	\$75.00	\$780.00	MTHLY	EFF
258	Lester Brewer	02-04-10	\$194.00	\$720.00	\$50.00	\$720.00	MTHLY	EFF
259	Alice Wade- Bryant	02-20-19	\$194.00	\$720.00	\$50.00	\$720.00	MTHLY	EFF
260	Gabriella Berron	05-02-19	\$215.00	\$820.00	\$100.00	\$820.00	MTHLY	1BDRM
261	Howard Stevenson	04-02-20	\$220.00	\$850.00	\$100.00	\$850.00	MTHLY	1BDRM
262	Sally Alvarez	05-21-18	\$215.00	\$820.00	\$100.00	\$215.00	WKLY	1BDRM
263	Dejuanique James	12-05-17	\$215.00	\$820.00	\$100.00	\$820.00	MTHLY	1BDRM
264	Joshua Skinner	04-02-19	\$215.00	\$820.00	\$100.00	\$820.00	MTHLY	1BDRM
265	Alicia Stewart	05-05-09	\$215.00	\$820.00	\$70.00	\$215.00	WKLY	1BDRM
266	Jerome Blackwell	09-11-19	\$215.00	\$820.00	\$100.00	\$430.00	BI-WKLY	1BDRM
267	Clyde Carter	09-06-02	\$169.00	\$600.00	\$25.00	\$600.00	MTHLY	SM EFF
268	Wilford Alexander	12-24-17	\$215.00	\$820.00	\$100.00	\$820.00	MTHLY	1BDRM
269	Nicholas Crenshaw/Patricia Wilsn	06-29-20	\$220.00	\$850.00	\$100.00	\$440.00	BI-WKLY	1BDRM
270	Kayka Draughan	02-21-20	\$169.00	\$600.00	\$75.00	\$600.00	MTHLY	SM EFF
271	Sharon Hose	10-05-15	\$169.00	\$600.00	\$75.00	\$600.00	MTHLY	SM EFF
272	Joyia Stewart	03-21-19	\$215.00	\$820.00	\$100.00	\$430.00	BI-WKLY	1BDRM

273	Chandra Brown	12-07-18	\$215.00	\$820.00	\$100.00	\$215.00	WKLY	1BDRM
274	Aftab Nazar	05-18-16	\$169.00	\$600.00	\$75.00	\$169.00	WKLY	SM EFF
							UPDATED 9/30/2020	

ADDENDUM E
Purchase Agreement

PURCHASE AND SALE CONTRACT

BETWEEN

**KML, INC.,
a Texas corporation**

AS SELLER

AND

**ELIZABETH PROPERTY GROUP, LLC
a Delaware limited liability company**

AS PURCHASER

KENSINGTON APARTMENTS

PURCHASE AND SALE CONTRACT

This PURCHASE AND SALE CONTRACT (this “**Contract**”) is entered into as of the 8th day of January 2021 (the “**Effective Date**”) by and between **KML, Inc.**, a Texas corporation having an address at 3300 Manor Road, Austin, Texas 78723 (“**Seller**”), and **Elizabeth Property Group, LLC**, a Delaware limited liability company, having a principal address at 5580 LBJ Freeway, Suite 630, Dallas, Texas 75240, and/or its permitted assigns (“**Purchaser**”).

NOW, THEREFORE, in consideration of mutual covenants set forth herein, Seller and Purchaser hereby agree as follows:

RECITALS

A. Seller owns the real estate located in Austin, Travis County, Texas, as more particularly described in Exhibit A attached hereto and made a part hereof, and the improvements thereon, commonly known as “Kensington Apartments.”

B. Purchaser desires to purchase, and Seller desires to sell, such land, improvements and certain associated property, on the terms and conditions set forth below.

ARTICLE 1 DEFINED TERMS

1.1 **Definitions.** Unless otherwise defined herein, any term with its initial letter capitalized in this Contract shall have the meaning set forth in this Article 1.

1.1.1 “**ADA**” shall have the meaning set forth in Section 13.22.

1.1.2 “**Additional Deposit**” shall have the meaning set forth in Section 5.1.

1.1.3 “**Assumed Contracts**” shall have the meaning set forth in Section 3.4.

1.1.4 “**Broker**” shall have the meaning set forth in Section 9.1.

1.1.5 “**Business Day**” means any day other than a Saturday or Sunday, or a Federal holiday or legal holiday in the State of Texas.

1.1.6 “**Closing**” means the consummation of the purchase and sale and related transactions contemplated by this Contract in accordance with the terms and conditions of this Contract.

1.1.7 “**Closing Date**” means the date on which date the Closing of the conveyance of the Property is required to be held pursuant to Section 5.1.

1.1.8 “**Closing Documents**” shall mean those documents to be delivered by Seller and Purchaser prior to Closing pursuant to Section 5.2 and Section 5.3.

1.1.9 “**Closing Extension**” shall have the meaning set forth in Section 5.1.

1.1.10 “**Consultants**” shall have the meaning set forth in Section 3.1.

1.1.11 Intentionally Omitted

1.1.12 “**Deed**” shall have the meaning set forth in Section 5.2.1.

1.1.13 “**Deposit**” means, to the extent actually deposited by Purchaser with Escrow Agent, the Initial Deposit, the Second Deposit, and each of the Extension Deposits.

1.1.14 “**Escrow Agent**” shall have the meaning set forth in Section 2.2.1.

1.1.15 “**Excluded Permits**” means those Permits which, under applicable law, are nontransferable and such other Permits, if any, as may be designated as Excluded Permits on Schedule 1 attached hereto.

1.1.16 “**Existing Survey**” shall have the meaning set forth in Section 4.2.

1.1.17 “**Extension Deposit**” shall have the meaning set forth in Section 5.1.

1.1.18 “**Extension Notice**” shall have the meaning set forth in Section 5.1.

1.1.19 “**Feasibility Period**” shall have the meaning set forth in Section 3.1.

1.1.20 “**Final Response Deadline**” shall have the meaning set forth in Section 4.3.

1.1.21 “**Fixtures and Tangible Personal Property**” means all fixtures, furniture, furnishings, fittings, equipment, machinery, apparatus, appliances and other articles of tangible personal property located on the Land or in the Improvements as of the Effective Date and used or usable in connection with the occupation or operation of all or any part of the Property, but only to the extent transferable, including but not limited to those items expressly identified in Schedule 2 hereto. The term “Fixtures and Tangible Personal Property” does not include (a) equipment leased by Seller and the interest of Seller in any equipment provided to the Property for use, but not owned or leased by Seller, or (b) property owned or leased by any Tenant or guest, employee or other person furnishing goods or services to the Property, or (c) property and equipment owned by Seller, which in the ordinary course of business of the Property is not used exclusively for the business, operation or management of the Property.

1.1.22 “**General Assignment**” shall have the meaning set forth in Section 5.2.3.

1.1.23 “**Good Funds**” shall have the meaning set forth in Section 2.2.1.

1.1.24 “**Improvements**” means all buildings and improvements located on the Land.

1.1.25 “**Initial Deposit**” shall have the same meaning set forth in Section 2.2.1.

1.1.26 “**Independent Contract Consideration**” shall have the meaning set forth in Section 2.2.2.

1.1.27 “**Land**” means those certain tracts of land located in the State of Texas described on Exhibit A, and all rights, privileges and appurtenances pertaining thereto.

1.1.28 “**Lease(s)**” means the interest of Seller in and to all leases, subleases and other occupancy contracts, whether or not of record, which provide for the use or occupancy of space or facilities on or relating to the Property and which are in force as of the Closing Date for the applicable Property.

1.1.29 “**Leases Assignment**” shall have the meaning set forth in Section 5.2.4.

1.1.30 “**LIHTC**” shall have the meaning set forth in Section 3.4.

1.1.31 “**Materials**” shall have the meaning set forth in Section 3.3.1.

1.1.32 “**Miscellaneous Property Assets**” means all contract rights, leases, tax abatements, concessions, warranties, plans, drawings and other items of intangible personal property relating to the ownership or operation of the Property and owned by Seller, excluding, however, (a) receivables, (b) Property Contracts, (c) Leases, (d) Permits, (e) cash or other funds, whether in petty cash or house “banks,” or on deposit in bank accounts or in transit for deposit, (f) refunds, rebates or other claims, or any interest thereon, for periods or events occurring prior to the Closing Date, (g) utility and similar deposits, (h) insurance or other prepaid items, or (i) Seller’s proprietary books and records. The term “Miscellaneous Property Assets” also shall include all of Seller’s rights, if any, in and to the name “Kensington Apartments” as it relates solely to use in connection with the Property (and not with respect to any other property owned or managed by Seller, Property Manager, or their respective affiliates).

1.1.33 “**New Survey**” shall have the meaning set forth in Section 4.2.

1.1.34 “**Objection Deadline**” shall have the meaning set forth in Section 4.3.

1.1.35 “**Objection Notice**” shall have the meaning set forth in Section 4.3.

1.1.36 “**Objections**” shall have the meaning set forth in Section 4.3.

1.1.37 “**Permits**” means all licenses and permits granted by any governmental authority having jurisdiction over the Property owned by Seller and required in order to own and operate the Property.

1.1.38 “**Permitted Exceptions**” means those exceptions or conditions that affect or may affect title to the Property that are approved or deemed to be approved by Purchaser in accordance with Article 4 of this Contract.

1.1.39 “**Prohibited Person**” means any of the following: (a) a person or entity that is listed in the Annex to, or is otherwise subject to the provisions of, Executive Order No. 13224 on Terrorist Financing (effective September 24, 2001) (the “**Executive Order**”); (b) a person or entity owned or controlled by, or acting for or on behalf of any person or entity that is listed in the Annex to, or is otherwise subject to the provisions of, the Executive Order; (c) a person or entity that is named as a “specially designated national” or “blocked person” on the most current list published by the U.S. Treasury Department’s Office of Foreign Assets Control (“**OFAC**”) at its official website (<http://www.treas.gov/offices/enforcement/ofac/>); or (d) a person or entity who is affiliated with a person or entity listed above.

1.1.40 “**Property**” means (a) the Land and Improvements and all rights of Seller, if any, in and to all of the easements, rights, privileges, and appurtenances belonging or in any way appertaining to the Land and Improvements, (b) the right, if any and only to the extent transferable, of Seller in the Property Contracts, Leases, Permits (other than Excluded Permits), and the Fixtures and Tangible Personal Property, and (c) the Miscellaneous Property Assets owned by Seller which are located on the Property and used in its operation.

1.1.41 “**Property Contracts**” means all contracts, agreements, equipment leases, purchase orders, maintenance, service, or utility contracts and similar contracts, excluding Leases, which relate to the ownership, maintenance, construction or repair and/or operation of the Property, but only to the extent assignable by their terms or applicable law (including any contracts that are assumable with the express consent of the applicable vendor), and not including (a) any national contracts entered into by Seller or Property Manager with respect to the Property (i) which terminate automatically upon transfer of the Property by Seller, or (ii) which Seller, in Seller’s sole discretion, elects to terminate with respect to the Property effective as of the Closing Date or (b) any property management contract for the Property.

1.1.42 “**Property Contracts Notice**” shall have the meaning set forth in Section 3.4.

1.1.43 “**Property Manager**” means the current property manager of the Property.

1.1.44 “**Proration Schedule**” shall have the meaning set forth in Section 5.4.1.

1.1.45 “**Purchase Price**” means the consideration to be paid by Purchaser to Seller for the purchase of the Property pursuant to Section 2.2.

1.1.46 “**Purchaser’s Indemnified Parties**” means Purchaser, together with Purchaser’s affiliates, parent and subsidiary entities, successors, assigns, partners, managers, members, employees, officers, directors, trustees, shareholders, counsel, representatives, and agents.

1.1.47 “**Rent Roll**” shall have the meaning set forth in Section 6.1.15.

1.1.48 “**Records Hold Period**” shall have the meaning set forth in Section 5.4.11.

1.1.49 “**Response Deadline**” shall have the meaning set forth in Section 4.3.

1.1.50 “**Response Notice**” shall have the meaning set forth in Section 4.3.

1.1.51 “**Second Deposit**” shall have the meaning set forth in Section 2.2.3.

1.1.52 “**Seller’s Indemnified Parties**” means Seller, together with Seller’s affiliates, parent and subsidiary entities, successors, assigns, partners, managers, members, employees, officers, directors, trustees, shareholders, counsel, representatives, and agents.

1.1.52 “**Seller’s Property-Related Files and Records**” shall have the meaning set forth in Section 5.4.11.

1.1.53 “**Seller’s Representations**” shall have the meaning set forth in Section 6.1.

1.1.54 “**Survey**” shall have the meaning ascribed thereto in Section 4.2.

1.1.55 “**Survival Period**” shall have the meaning set forth in Section 6.2.

1.1.56 “**Survival Provisions**” shall have the meaning set forth in Section 13.26.

1.1.56 “**TDHCA**” shall have the meaning set forth in Section 3.4.

1.1.57 “**Tenant**” means any person or entity entitled to occupy any portion of the Property under a Lease.

1.1.58 “**Tenant Deposits**” means all security deposits, prepaid rentals, cleaning fees and other refundable deposits and fees collected from Tenants, plus any interest accrued thereon, paid by Tenants to Seller pursuant to the Leases. Tenant Deposits shall not include any non-refundable deposits or fees paid by Tenants to Seller, either pursuant to the Leases or otherwise.

1.1.59 “**Tenant Security Deposit Balance**” shall have the meaning set forth in Section 5.4.6.2.

1.1.60 “**Terminated Contracts**” shall have the meaning set forth in Section 3.4.

1.1.61 “**Third-Party Reports**” means any reports, studies or other information prepared or compiled for Seller and/or Purchaser by any Consultant or other third- party in connection with the Property.

1.1.62 “**Title Documents**” shall have the meaning set forth in Section 4.1.

1.1.63 “**Title Insurer**” shall have the meaning set forth in Section 2.2.1.

1.1.64 “**Title Policy**” shall have the meaning set forth in Section 4.1.

1.1.65 “**Uncollected Rents**” shall have the meaning set forth in Section 5.4.6.1.

1.1.66 “**Vendor Terminations**” shall have the meaning set forth in Section 5.2.5.

ARTICLE 2

PURCHASE AND SALE, PURCHASE PRICE & DEPOSIT

2.1 **Purchase and Sale**. Seller agrees to sell and convey the Property to Purchaser and Purchaser agrees to purchase the Property from Seller, all in accordance with the terms and conditions set forth in this Contract.

2.2 **Purchase Price and Deposit**. The total purchase price (“**Purchase Price**”) for the Property shall be Sixteen Million and No/100 Dollars (\$16,000,000), which shall be paid by Purchaser, as follows:

Within three (3) Business Days of the Effective Date, Purchaser shall deliver to Corridor Title (“**Escrow Agent**” or “**Title Insurer**”), at 171 Benney Lane, Bldg 1, Dripping Springs, Texas 78620, Attn: Gina Kufrovich, an initial deposit (the “**Initial Deposit**”) of One Hundred Fifty Thousand and No/100 Dollars (\$150,000.00) by wire transfer of immediately available funds (“**Good Funds**”). The Initial Deposit shall be fully refundable until expiration of the Feasibility Period, when the Initial Deposit shall become immediately non-refundable to Purchaser. The Initial Deposit shall be held and disbursed in accordance with the escrow provisions set forth in Section 2.3.

2.2.2 Seller and Purchaser agree that the amount of One Hundred and No/100 Dollars (\$100.00) of the Deposit is delivered to Escrow Agent for delivery by Escrow Agent to Seller as consideration for Seller’s execution and delivery of this Contract (the “**Independent Contract Consideration**”), and the Deposit is reduced by the amount of the Independent Contract Consideration. The Independent Contract Consideration is independent of any other consideration or payment provided for in this Contract and, notwithstanding anything to the contrary herein, is non-refundable in all events.

2.2.3 Within three (3) Business Days of the expiration of the Feasibility Period, below defined, Purchaser shall deliver to Escrow Agent a second deposit (the “**Second Deposit**”) of One Hundred Fifty Thousand and No/100 Dollars (\$150,000.00) by wire transfer of Good Funds. The Second Deposit shall be immediately non-refundable, except as noted herein. Both the Second Deposit and the Initial Deposit shall be fully applicable to the Purchase Price.

2.2.4 The balance of the Purchase Price for the Property shall be paid to and received by Escrow Agent by wire transfer of Good Funds no later than 3:00 p.m. (in the time zone in which the Escrow Agent is located) on the Closing Date.

2.3 **Escrow Provisions Regarding Deposit**.

2.3.1 Escrow Agent shall hold the Deposit and make delivery of the Deposit to the party entitled thereto under the terms of this Contract. Escrow Agent shall invest the Deposit in such short-term, high-grade securities, interest-bearing bank accounts, money market funds or accounts, bank certificates of deposit or bank repurchase contracts as Escrow Agent, in its discretion, deems

suitable, and all interest and income thereon shall become part of the Deposit and shall be remitted to Purchaser or Seller as set forth herein.

2.3.2 Escrow Agent shall hold the Deposit until the earlier occurrence of (i) the Closing Date, at which time the Deposit shall be applied against the Purchase Price, or (ii) the date on which Escrow Agent shall be authorized to disburse the Deposit as set forth in Section 2.3.3. The tax identification numbers of the parties shall be furnished to Escrow Agent upon request.

2.3.3 If the Deposit has not been released earlier in accordance with Section 2.3.2, and either party makes a written demand upon Escrow Agent for payment of the Deposit, Escrow Agent shall give written notice via certified mail or overnight delivery and email to the other party of such demand. If Escrow Agent does not receive a written objection from the other party to the proposed payment within five (5) Business Days after the giving of such notice, Escrow Agent is hereby authorized to make such payment to Purchaser or Seller, as applicable.

2.3.4 The parties acknowledge that Escrow Agent is acting solely as a stakeholder at their request and for their convenience, that Escrow Agent shall not be deemed to be the agent of either of the parties for any act or omission on its part unless taken or suffered in bad faith in willful disregard of this Contract or involving gross negligence. Seller and Purchaser jointly and severally shall indemnify and hold Escrow Agent harmless from and against all costs, claims and expenses, including reasonable attorney's fees, incurred in connection with the performance of Escrow Agent's duties hereunder, except with respect to actions or omissions taken or suffered by Escrow Agent in bad faith, in willful disregard of this Contract or involving gross negligence on the part of the Escrow Agent.

2.3.5 The parties shall deliver to Escrow Agent an executed copy of this Contract, which shall constitute the sole instructions to Escrow Agent. Escrow Agent shall execute the signature page for Escrow Agent attached hereto with respect to the provisions of this Section 2.3; provided, however, that (a) Escrow Agent's signature hereon shall not be a prerequisite to the binding nature of this Contract on Purchaser and Seller, and the same shall become fully effective upon execution by Purchaser and Seller, and (b) the signature of Escrow Agent will not be necessary to amend any provision of this Contract other than this Section 2.3.

2.3.6 The provisions of this Section 2.3 shall survive the termination of this Contract, and if not so terminated, Closing and delivery of the Deed to Purchaser.

ARTICLE 3 FEASIBILITY PERIOD

3.1 Feasibility Period. From the Effective Date to and including the date which is two hundred ten (210) days after the Effective Date (the "**Feasibility Period**"), Purchaser, and its agents, contractors, engineers, surveyors, attorneys, and employees (collectively, "**Consultants**") shall have the right from time to time to enter onto the Property:

3.1.1 To conduct and make any and all customary studies, examinations, inquiries, file audits, and inspections (including, but not limited to, a Phase I environmental site assessment

and engineering tests, but any invasive or destructive testing, including but not limited to a Phase II environmental assessment, shall not be conducted without Seller's prior written consent), or investigations (collectively, the "**Inspections**") of or concerning the Property (and Seller shall cooperate with Purchaser, or its agents, in arranging the Inspections). Purchaser and its duly authorized agents or representatives shall be permitted to enter upon the Property upon at least two (2) business days prior notice to Seller during the Feasibility Period in order to conduct the Inspections, provided however that Seller shall have the right to be present for all Inspections and to impose reasonable conditions to prevent the spread of COVID-19 or any other disease by requiring the wearing of masks and gloves, imposing social distancing and other reasonable precautions. Buyer agrees to promptly discharge any liens that may be imposed against the Property as a result of the Inspections and to indemnify, defend and hold Seller and Seller's Indemnified Parties harmless from and against any and all claims, suits, losses, costs, expenses (including without limitation court costs and attorneys' fees), liabilities, judgments and damages (collectively, "**Claims**"), incurred by Seller or Seller's Indemnified Parties as a result of any Inspections performed by Buyer.

3.1.2 To confirm any and all matters which Purchaser may reasonably desire to confirm with respect to the Property;

3.1.3 To ascertain and confirm the suitability of the Property for Purchaser's intended use of the Property; and

3.1.4 To review the Materials at Purchaser's sole cost and expense.

3.2 **Expiration of Feasibility Period.** If the results of any of the matters referred to in Section 3.1 appear unsatisfactory to Purchaser for any reason or if Purchaser elects not to proceed with the transaction contemplated by this Contract for any other reason, or for no reason whatsoever, in Purchaser's sole and absolute discretion, then Purchaser shall have the right to terminate this Contract by giving written notice, in accordance with the notice provisions of this Contract, to that effect to Seller and Escrow Agent on or before 5:00 p.m. Central Standard Time on the date of expiration of the Feasibility Period. If Purchaser exercises such right to terminate, this Contract shall terminate and be of no further force and effect, subject to and except for Purchaser's indemnification obligations set forth in Section 3.1 above and the Survival Provisions, and Escrow Agent shall forthwith return the Deposit, as applicable, to Purchaser. If Purchaser fails to provide Seller with written notice of termination prior to the expiration of the Feasibility Period in accordance with the notice provisions of this Contract, Purchaser's right to terminate under this **Section 3.2** shall be waived (unless agreed otherwise) and this Contract shall remain in full force and effect, the Deposit shall be non-refundable, but applicable to the Purchase Price, and Purchaser's obligation to purchase the Property shall be non-contingent and unconditional except only for satisfaction of the conditions expressly stated in **Section 8.1**.

3.3 **Property Materials.**

3.3.1 Within five (5) Business Days after the Effective Date, Seller shall provide copies of documents set forth on **Schedule 3** hereto (the "**Materials**") to Purchaser, to the extent that the same are in the Seller's actual possession or reasonably attainable by Seller. In the alternative, at Seller's option and within the foregoing five (5) day period, Seller may make such Materials

available to Purchaser on a secure web site or at the Property. To the extent that Purchaser determines that any of the Materials have not been made available or delivered to Purchaser pursuant to this Section 3.3.1, Purchaser shall notify Seller and Seller shall use commercially reasonable efforts to deliver the same to Purchaser within three (3) Business Days after such notification is received by Seller, to the extent that such Materials are in Seller's actual possession or reasonably attainable by Seller. Purchaser shall have the option, in its sole discretion, to waive a specific item required in the Materials.

3.3.2 Any information and Materials provided by Seller to Purchaser under the terms of this Contract is for informational purposes only and, together with all Third-Party Reports that are not confidential or proprietary, shall be returned by Purchaser to Seller (specifically excluding any Materials made available to Purchaser on a secure web site or made available at the Property) if this Contract is terminated for any reason.

3.3.3 Purchaser agrees that it shall promptly deliver to Seller a copy of any PCR Report/Phase I and surveys it produces during the Feasibility Period in the event that Purchaser terminates this Contract.

3.4 Property Contracts. On or before the expiration of the Feasibility Period, Purchaser may deliver written notice to Seller (the "**Property Contracts Notice**") specifying any Property Contracts which Purchaser desires to terminate at Closing (the "**Terminated Contracts**"); provided that (a) the effective date of such termination after Closing shall be subject to the express terms of such Terminated Contracts (and, to the extent that the effective date of termination of any Terminated Contract is after the Closing Date, Purchaser shall be deemed to have assumed all of Seller's obligations under such Terminated Contract as of the Closing Date), (b) if any such Property Contract cannot by its terms be terminated, it shall be assumed by Purchaser and not be a Terminated Contract, and (c) to the extent that any such Terminated Contract requires payment of a penalty or premium for cancellation, Seller shall be solely responsible for the payment of any such cancellation fees or penalties. If Purchaser fails to deliver the Property Contracts Notice on or before the expiration of the Feasibility Period, there shall be no Terminated Contracts and Purchaser shall assume all Property Contracts at Closing. To the extent that any Property Contract to be assumed by Purchaser (including any Property Contracts that, because of advance notice requirement, will be temporarily assumed by Purchaser pending the effective date of termination after the Closing Date) (such assumed Property Contracts, the "**Assumed Contracts**") is assignable but requires the applicable vendor to consent to the assignment or assumption of the Property Contract by Seller to Purchaser, then, prior to Closing, Seller shall be responsible for using commercially reasonable efforts to obtain from each applicable vendor a consent (each a "**Required Assignment Consent**") to the assignment of the Property Contract by Seller to Purchaser. The provisions of this Section 3.4 shall survive Closing and delivery of the Deed to Purchaser.

3.4 LIHTC. Seller acknowledges that Purchaser intends to apply for an allocation of low-income housing tax credits ("**LIHTC**") from the Texas Department of Housing and Community Affairs ("**TDHCA**") under §42 of the Internal Revenue Code of 1986, as amended. Seller agrees to reasonably cooperate with Purchaser at Purchaser's expense to obtain the LIHTC award, including, but not limited to, executing all documents necessary for the application and/or transfer of the

Property. Purchaser shall regularly communicate with Seller regarding LIHTC and keep the Seller promptly apprised of the status of approvals.

ARTICLE 4 TITLE

4.1 Title Documents. Within five (5) days after the Effective Date, Seller shall cause to be delivered to Purchaser a standard TLTA form of commitment for title insurance (“**Title Commitment**”) for the Property in an amount equal to the Purchase Price from Title Insurer for an owner’s title insurance policy (the “**Title Policy**”), together with copies of all instruments identified as exceptions therein and a municipal lien search (together with the Title Commitment, referred to herein as the “**Title Documents**”). Seller shall be responsible only for payment of the basic premium for the Title Policy. Purchaser shall be solely responsible for payment of all other costs relating to procurement of the Title Commitment, the Title Policy, and any requested amendments or endorsements, unless such endorsement is required to cure a mechanic’s lien or an Objection to title, pursuant to Section 4.3, in which case Seller shall be responsible for the cost of such curative endorsement.

4.2 Survey. Within five (5) days after the Effective Date, Seller shall deliver to Purchaser a copy of any and all existing surveys of the Property in Seller’s possession (the “**Existing Survey**”). To the extent that Purchaser desires that a new survey of the Property be prepared (or that the Existing Survey be updated), Purchaser shall within sixty (60) days after receipt of the Title Documents and Existing Survey obtain a new survey or an update to the Existing Survey (the “**New Survey**,” and together with the Existing Survey, the “**Survey**”) prepared by a surveyor licensed by the State of Texas, dated no earlier than the Effective Date. The New Survey shall be at Purchaser’s cost and expense, provided, however, that Seller shall reimburse Purchaser for one-half (1/2) of the cost of the New Survey at Closing if this Contract is not otherwise terminated, as provided herein, further provided however that such reimbursement from Seller shall not exceed \$2,500.00.

4.3 Objection and Response Process. On or before the date which is ten (10) Business Days after Purchaser’s receipt of the last of the Title Commitment, Title Documents and the Survey, and in all events prior to the expiration of the Feasibility Period (the “**Objection Deadline**”), Purchaser shall give written notice (the “**Objection Notice**”) to Seller of any matter set forth in the Title Documents or the Survey to which Purchaser objects (the “**Objections**”). If Purchaser fails to tender an Objection Notice on or before the Objection Deadline, Purchaser shall be deemed to have approved and irrevocably waived any objections to any matters covered by the Title Documents and the Survey. On or before five (5) Business Days after receipt of Purchaser’s Objection Notice (the “**Response Deadline**”), Seller shall give Purchaser notice (the “**Response Notice**”) of those Objections which Seller is willing to cure, if any, provided however that Seller shall have no obligation to cure same. If Seller fails to deliver a Response Notice by the Response Deadline, Seller shall be deemed to have elected not to cure or otherwise resolve any matter set forth in the Objection Notice prior to the Closing Date. If Purchaser is dissatisfied with the Response Notice, if delivered by Seller prior to the expiration of the Response Deadline, or if Seller does not deliver a Response Notice, Purchaser may, as its exclusive remedy, elect by written notice given to Seller on or before the date that is five (5) days after the earlier to occur of (i) Purchaser’s receipt of Seller’s Response Notice or (ii) the expiration of the Response Deadline (the “**Final Response Deadline**”), either (a)

to accept the Title Documents and Survey with resolution, if any, of the Objections as set forth in the Response Notice (or if no Response Notice is tendered, without any resolution of the Objections) or (b) to terminate this Contract, in which event the Deposit shall be fully returned to Purchaser. If, following the receipt of the Response Notice, Purchaser fails to give notice to terminate this Contract on or before the Final Response Deadline, Purchaser shall be deemed to have elected to approve and irrevocably waived any objections to any matters covered by the Title Documents or the Survey.

4.4 New Title Matters. Before Closing, Seller shall cause the Title Commitment to be updated and:

4.4.1 If such update should reveal any material or adverse changes from the original Commitment which were caused by any action or affirmative inaction of Seller (“**New Seller Caused Title Objections**”), Purchaser shall notify Seller of same within five (5) days of receipt of the title commitment update. If such update should reveal any material and adverse changes from the original Commitment which were not caused by Seller (“**New Title Objections**”), Purchaser shall notify Seller of same and Seller shall be obligated to use commercially reasonable efforts (exclusive of litigation) to cure such New Title Objections and all dates shall be tolled for a reasonable time (not to exceed thirty (30) days) for Seller to do so, failing which, Purchaser shall elect to either (i) terminate this Contract, in which event the Deposit shall be returned to Purchaser and thereafter neither Purchaser nor Seller shall have any further rights or obligations hereunder except as otherwise expressly provided herein, or (ii) waive its objections to the New Title Objections that Seller cannot remove after using commercially reasonable efforts (exclusive of litigation), and proceed to Closing.

4.5 Permitted Exceptions. The Deed delivered pursuant to this Contract shall be subject to:

4.5.1 The Permitted Exceptions; and

4.5.2 All Leases.

ARTICLE 5 CLOSING

5.1 Closing Date. Subject to satisfaction of the conditions set forth in this Contract, including, but not limited to, those set forth in Section 5.2 and Section 8.1, the Closing shall occur on or before December 15, 2021 (the “**Closing Date**”), subject, however, to the right of Purchaser to extend the Closing Date by two (2), sixty (60) day periods (each, a “**Closing Extension**”). Purchaser shall exercise each Closing Extension by delivering to Seller and Escrow Agent written notice of its intent to extend the Closing Date no later than three (3) Business Days prior to the Closing Date or the extended Closing Date, as applicable (each, an “**Extension Notice**”). Together with delivery of the applicable Extension Notice, for each Closing Extension, Purchaser shall deliver to Escrow Agent an extension deposit of One Hundred Thousand and No/100 Dollars (\$100,000.00) by wire transfer of Good Funds (each, an “**Extension Deposit**”). Each Extension Deposit shall be immediately non-refundable, except as noted herein, upon delivery, but shall be fully applicable to the Purchase Price. Closing will be through an escrow with Escrow Agent, whereby Seller, Purchaser and their attorneys

need not be physically present at the Closing and may deliver documents by overnight air courier or other means.

5.2 Seller Closing Deliveries. No later than one (1) Business Day prior to the Closing Date, Seller shall deliver to Escrow Agent each of the following items:

5.2.1 Special Warranty Deed (the “**Deed**”) in the form attached as Exhibit B to Purchaser, subject to the Permitted Exceptions;

5.2.2 A Bill of Sale in the form attached as Exhibit C;

5.2.3 A General Assignment and Assumption Agreement in the form attached as Exhibit D (the “**General Assignment**”);

5.2.4 An Assignment and Assumption of Leases and Security Deposits in the form attached as Exhibit E (the “**Leases Assignment**”);

5.2.5 A letter in the form attached hereto as Exhibit F prepared by Seller and countersigned by Purchaser to each of the vendors under the Terminated Contracts informing them of the termination of such Property Contract as of the Closing Date (subject to any delay in the effectiveness of such termination pursuant to the express terms of each applicable Property Contract) (the “**Vendor Terminations**”);

5.2.6 A closing statement executed by Seller;

5.2.7 A title affidavit (or, at Seller’s option, an indemnity, as applicable, reasonably acceptable to Seller to enable Title Insurer to delete the standard exceptions to the title insurance policy set forth in this Contract other than matters constituting any Permitted Exceptions and matters which are to be completed or performed post-Closing) to be issued pursuant to the Title Commitment; provided that such affidavit does not subject Seller to any greater liability, or impose any additional obligations, other than as set forth in this Contract;

5.2.8 A certification of Seller’s non-foreign status pursuant to Section 1445 of the Internal Revenue Code of 1986, as amended;

5.2.9 Notification letters to all Tenants, executed by Seller in the form attached hereto as Exhibit G (or a form otherwise agreed to by the parties);

5.2.10 A certified Rent Roll, executed by Seller;

5.2.11 Resolutions, certificates of good standing, and such other organizational documents as Title Insurer shall reasonably require evidencing Seller’s authority to consummate this transaction; and

5.2.12 Such other documents as Purchaser may reasonably require.

5.3 Purchaser Closing Deliveries. No later than one (1) Business Day prior to Closing Date (except for the balance of the Purchase Price which is to be delivered at the time specified in Section 2.2.4), Purchaser shall deliver to Escrow Agent (for disbursement to Seller upon Closing) the following items with respect to the Property being conveyed at Closing:

5.3.1 The full Purchase Price (with credit for the Deposit, plus or minus the adjustments or prorations required by this Contract);

5.3.2 A closing statement executed by Purchaser;

5.3.3 A signed counterpart of the General Assignment;

5.3.4 A signed counterpart of the Leases Assignment;

5.3.5 A signed counterpart to each of the Vendor Terminations (Seller shall be responsible for identifying each of the vendors under the Terminated Contracts (subject to the terms and conditions of Section 3.4) and addressing and preparing each of the Vendor Terminations for execution by Purchaser and Seller); and

5.3.6 Resolutions, certificates of good standing, and such other organizational documents as Title Insurer shall reasonably require evidencing Purchaser's authority to consummate this transaction.

5.4 Closing Prorations and Adjustments.

5.4.1 General. All normal and customarily prorable items, including, without limitation, collected rents, operating expenses, personal property taxes, and other expenses and fees, shall be prorated as of the Closing Date, Seller being charged or credited, as appropriate, for all of same attributable to the period up to the Closing Date (and credited for any amounts paid by Seller attributable to the period on or after the Closing Date, if assumed by Purchaser) and Purchaser being responsible for, and credited or charged, as the case may be, for all of same attributable to the period on and after the Closing Date. Seller shall prepare a proration schedule (the "Proration Schedule") of the adjustments described in this Section 5.4 prior to Closing. Such adjustments shall be paid by Purchaser to Seller (if the prorations result in a net credit to Seller) or by Seller to Purchaser (if the prorations result in a net credit to Purchaser), by increasing or reducing the cash to be paid by Purchaser at Closing.

5.4.2 Operating Expenses. All of the operating, maintenance, taxes (other than real estate taxes; such as rental taxes), and other expenses incurred in operating the Property that Seller customarily pays, and any other costs incurred in the ordinary course of business for the management and operation of the Property, shall be prorated on an accrual basis. Seller shall pay all such expenses that accrue prior to Closing and Purchaser shall pay all such expenses that accrue from and after the Closing Date.

5.4.3 Utilities. The final readings and final billings for utilities will be made if possible as of the Closing Date, in which case Seller shall pay all such bills as of the Closing Date

and no proration shall be made at Closing with respect to utility bills. Otherwise, a proration shall be made based upon the parties' reasonable good faith estimate and a readjustment made within thirty (30) days after Closing, if necessary. Seller shall be entitled to the return of any deposit(s) posted by it with any utility company, and Seller shall notify each utility company serving the Property to terminate Seller's account, effective as of noon on the Closing Date.

5.4.4 Real Estate Taxes. Any real estate ad valorem or similar taxes for the Property, or any installment of assessments payable in the calendar year of Closing, shall be prorated to the Closing Date, based upon actual days involved. The proration of real property taxes or installments of assessments shall be based upon the assessed valuation and tax rate figures (assuming payment at the earliest time to allow for the maximum possible discount) for the year in which Closing occurs to the extent the same are available; provided, that in the event that actual figures (whether for the assessed value of the Property or for the tax rate) for the year of Closing are not available at the Closing Date, the proration shall be made using figures from the preceding year (assuming payment at the earliest time to allow for the maximum possible discount). The proration of real property taxes or installments of assessments shall not be final and is subject to re-adjustment after Closing when the real property tax statements for the current year are prepared by the applicable taxing jurisdictions.

5.4.5 Property Contracts. Purchaser shall assume at Closing the obligations under the Assumed Contracts; however, operating expenses shall be prorated under Section 5.4.2.

5.4.6 Leases.

5.4.6.1 All collected rent (whether fixed monthly rentals, additional rentals, escalation rentals, retroactive rentals, operating cost pass-throughs or other sums and charges payable by Tenants under the Leases), income and expenses from any portion of the Property shall be prorated as of the Closing Date (prorated for any partial month). Purchaser shall receive all collected rent and income attributable to dates from and after the Closing Date. Seller shall receive all collected rent and income attributable to dates prior to the Closing Date. Notwithstanding the foregoing, no prorations shall be made in relation to delinquent rents existing, if any, as of the Closing Date (referred to herein as the "**Uncollected Rents**"), which shall be the property of Seller. In adjusting for Uncollected Rents, no adjustments shall be made in Seller's favor for rents which have accrued and are unpaid as of Closing, but Purchaser shall pay Seller such accrued Uncollected Rents as, when and if collected by Purchaser. Purchaser agrees to bill Tenants of the Property for all Uncollected Rents but will be under no obligation to take any direct action to collect Uncollected Rents and any monies collected by Purchaser shall first be applied to pay any obligations owed to Purchaser before paying Seller any Uncollected Rents.

5.4.6.2 At Closing, Purchaser shall receive a credit against the Purchase Price in an amount equal to the received and unapplied balance of all cash (or cash equivalent) Tenant Deposits, including, but not limited to, security, damage or other refundable deposits or required to be paid by any of the Tenants to secure their respective obligations under the Leases, together, in all cases, with any interest payable to the Tenants thereunder as may be required by their respective Tenant Lease or state law (the "**Tenant Security Deposit Balance**"). Any cash (or cash equivalents) held by Seller which constitute the Tenant Security Deposit Balance shall be retained by Seller in

exchange for the foregoing credit against the Purchase Price and shall not be transferred by Seller pursuant to this Contract (or any of the documents delivered at Closing), but the obligation with respect to the Tenant Security Deposit Balance nonetheless shall be assumed by Purchaser. The Tenant Security Deposit Balance shall not include any non-refundable deposits or fees paid by Tenants to Seller, either pursuant to the Leases or otherwise.

5.4.6.3 With respect to operating expenses, taxes, utility charges, sums or charges payable by Tenants under the Tenant Leases, to the extent that Seller has received as of Closing payments allocable to periods subsequent to Closing, the same shall be properly prorated with an adjustment in favor of Purchaser, and Purchaser shall reserve a credit therefore at Closing. With respect to any payments received by Purchaser after Closing allocable to Seller prior to Closing, Purchaser shall promptly pay the same to Seller.

5.4.7 Insurance. No proration shall be made in relation to insurance premiums and insurance policies will not be assigned to Purchaser.

5.4.8 Employees. All of Seller's and Seller's manager's on-site employees shall have their employment at the Property terminated as of the Closing Date. After the date which is thirty (30) days prior to the Closing Date, Purchaser shall have the right to interview Seller's and Seller's manager's on-site employees during normal business hours at the Property.

5.4.9 Closing Costs. Purchaser shall pay any premiums or fees required to be paid by Purchaser with respect to the Title Policy pursuant to Section 4.1, one-half (1/2) of the cost of the New Survey pursuant to Section 4.2, the cost of recording Purchaser's security documents, and one-half (1/2) of the customary closing costs of the Escrow Agent. Seller shall pay the base premium for the Title Policy to the extent required by Section 4.1, one-half (1/2) of the cost of the New Survey pursuant to Section 4.2, the cost of recording the Deed, the cost of recording any instruments required to discharge any liens or encumbrances against the Property, and one-half (1/2) of the customary closing costs of the Escrow Agent.

5.4.10 Final Inspection. Purchaser shall have the right to inspect the Property, including, but not limited to, all vacant units within five (5) Business Days of the scheduled Closing Date. Purchaser shall receive a credit at Closing of no more than \$500 for each vacant unit, if any, that is not in a habitable condition as determined by James Young in his sole reasonable discretion.

5.4.11 Possession. Possession of the Property, subject to the Leases, Assumed Contracts, and Permitted Exceptions, shall be delivered to Purchaser at Closing upon release from escrow of all items to be delivered by Purchaser pursuant to Section 5.3, including, without limitation, the Purchase Price. To the extent reasonably available to Seller, originals or copies of the Leases and Property Contracts, lease files, warranties, guaranties, operating manuals, keys to the property, and Seller's books and records (other than proprietary information) regarding the Property (collectively, "**Seller's Property-Related Files and Records**") shall be made available to Purchaser at the Property after Closing. Purchaser agrees, for a period of not less than one (1) year after Closing (the "**Records Hold Period**"), to (a) provide and allow Seller reasonable access to Seller's Property-Related Files and Records for purposes of inspection and copying thereof, and (b) reasonably

maintain and preserve Seller's Property-Related Files and Records. Purchaser may dispose of Seller's Property-Related Files and Records at any time after the Records Hold Period.

5.4.12 Survival. The provisions of this Section 5.4 shall survive Closing and delivery of the Deed to Purchaser.

5.5 Post-Closing Adjustments. In general, and except as provided in this Contract or the Closing Documents, Seller shall be entitled to all income, and shall pay all expenses, relating to the operation of the Property for the period prior to the Closing Date and Purchaser shall be entitled to all income, and shall pay all expenses, relating to the operation of the Property for the period commencing on and after the Closing Date. Purchaser or Seller may request that Purchaser and Seller undertake to re-adjust any item on the Proration Schedule (or any item omitted therefrom) in accordance with the provisions of Section 5.4 of this Contract; provided, however, that neither party shall have any obligation to re-adjust any items (a) after the expiration of ninety (90) days after Closing, or (b) subject to such ninety (90)-day period, unless such items exceed \$5,000.00 in magnitude (either individually or in the aggregate). The provisions of this Section 5.6 shall survive Closing and delivery of the Deed to Purchaser.

ARTICLE 6

REPRESENTATIONS AND WARRANTIES OF SELLER AND PURCHASER

6.1 Seller's Representations. To induce Purchaser to execute, deliver and perform this Contract, Seller represents and warrants to Purchaser the following (collectively, the "**Seller's Representations**") as of the Effective Date and as of the Closing Date, except as otherwise set forth below:

6.1.1 Seller is a corporation duly organized, validly existing, and in good standing under the laws of Texas; and any approvals required from any third party to sell the Property have been obtained and, at Closing, Seller shall have the entity power and authority to sell and convey the Property and to execute the documents to be executed by Seller and prior to Closing will have taken as applicable, all corporate, partnership, limited liability company or equivalent entity actions required for the execution and delivery of this Contract, and the consummation of the transactions contemplated by this Contract. Seller's actual knowledge, the compliance with or fulfillment of the terms and conditions hereof will not conflict with, or result in a breach of, the terms, conditions or provisions of, or constitute a default under, any contract to which Seller is a party or by which Seller is otherwise bound, or any judgment, decree or order of any court or governmental body, or any applicable law or regulation, which conflict, breach or default would have a material adverse effect on Seller's ability to consummate the transaction contemplated by this Contract or on the Property. This Contract is a valid, binding and enforceable agreement against Seller in accordance with its terms;

6.1.2 Except as may be reflected in the Materials made available to Purchaser, (i) other than the Leases, the Property is not subject to any written leases executed by Seller or, to Seller's knowledge, any other possessory interests of any person, (ii) no rent has been paid in advance by any Tenant, (iii) no Tenant has received or is entitled to receive a rent concession or any physical

improvement to his/her unit in connection with his/her tenancy, and (iv) no Tenant or former tenant has any claim against Seller for any Tenant Deposits;

6.1.3 Seller is not a "foreign person," as that term is used and defined in the Internal Revenue Code, Section 1445, as amended;

6.1.4 There are no governmental investigations, condemnation actions, expropriation, eminent domain, or similar proceeding either pending or, to Seller's knowledge, threatened against all or a portion of the Property;

6.1.5 Seller has not received any written notice from any governmental agency of any uncured material violations of any federal, state, county or municipal law, ordinance, order, or regulation affecting the Property;

6.1.6 There are no laundry equipment leases and no management, service, equipment, supply, maintenance, or concession agreements with respect to or affecting all or any portion of the Property except as set forth in the Materials. There are no persons employed on-site by Seller in connection with the management, operation or maintenance of all or any portion of the Property except as set forth in the Materials. Seller has not received any written notice of any material default by Seller under any of the Assumed Contracts;

6.1.7 To Seller's actual knowledge, the Property does not contain, no activity upon the Property has produced, and the Property has not been used in any manner (i) for the discharge, deposit, dumping or storage of any hazardous or toxic waste, materials or contamination in violation of any law, ordinance, rule or regulation, or (ii) which requires any reporting to any governmental authority;

6.1.8 To Seller's actual knowledge, all books, records, information and data prepared by Seller and made available to Purchaser, including, without limitation, the Materials prepared by Seller (with the express exception of any Third-Party Reports), are and will be true and correct in all material respects as of the date of such information;

6.1.9 To Seller's actual knowledge, the Improvements comply in all material respects with all regulations, laws, ordinances and building codes;

6.1.10 To Seller's actual knowledge, the property is connected to and serviced by water, solid waste and sewage disposal, storm drainage and electricity and gas facilities that are adequate for the present use and operation of the Property as an apartment community;

6.1.11 There are currently no other contracts for the sale of the Property pending, nor do there exist any rights of first refusal or options to purchase the Property;

6.1.12 Seller acknowledges and agrees that Purchaser shall have no liability whatsoever to employees of Seller with respect to any accrued vacation or sick days, bonuses, employee benefit plans or programs, retirement plans, welfare benefits, excess benefit plans, plans maintained to provide worker's compensation or unemployment benefits and practices established

or followed by Seller for Seller's past employment of present employees, independent contractors or either of their beneficiaries or dependents prior to the Closing Date, whether or not any such employees are offered employment by, or become employees if Purchaser.

6.1.13 Seller has delivered to Purchaser a list of all leases and other rights of occupancy or use for all or any portion of the Property in favor of all persons claiming by, through, or under Seller in effect on the Effective Date as part of the Materials (the "**Rent Roll**") and such Rent Roll is true, correct and complete in all material respects. An updated Rent Roll for the Leases and any other list, if required, regarding information as described herein shall be certified by Seller to be true and correct in all material respects as of the Effective Date, shall show the unapplied security deposits, and any advance rents, as of the Effective Date, and shall be delivered to Purchaser at Closing. To Seller's knowledge, there are no leases, tenancies, licenses, permits or other rights of occupancy or use arising by, through, or under Seller for all or any portion of the Property other than as set forth in the Materials.

6.1.14 The rents set forth on the Rent Roll are the actual rents presently payable or receivable under the Leases and there are no non-residential leases in existence as of the date hereof. No apartment is occupied rent-free or by any employee of Seller except as disclosed in the Materials, nor will any employee be entitled to occupy any apartment rent-free on or after the Closing Date. To Seller's actual knowledge, none of the Leases and none of the rents or other amounts payable thereunder have been assigned, pledged or encumbered except to the holder of the indebtedness currently secured by the Property.

6.1.15 As of the Effective Date, no currently outstanding and uncured written notice has been received by Seller from any holder of any mortgage or deed of trust on the Property, from any insurance company which has issued a policy with respect to any of the Property, or from any board of fire underwriters (or other body exercising similar functions) or from any governmental authority having jurisdiction over the Property, or from any other third party, any of which notices claim any defect or deficiency or request the performance of any repairs, alterations, renovation or other work to the Property, except as provided to Purchaser. If any such notice is received by Seller prior to Closing hereunder, Seller shall promptly furnish a copy thereof to Purchaser and, if such notice prevents Purchaser from closing (e.g., a clean code compliance letter cannot be obtained from the City and Buyer's lender and/or investor requires one to close), Seller shall use commercially reasonable efforts to cure the defect prior to Closing, provided however that if (a) such defect cannot reasonably be cured by Seller prior to Closing due to the nature of such defect; or (b) in the event that the cost of such cure would exceed \$25,000.00, then Seller shall not have the obligation to cure same.

6.1.16 Seller is not a party to and, to Seller's actual knowledge as of the date hereof, there is not any claim, action, suit, or proceeding pending against Seller (nor Seller's affiliates) which would materially, adversely impact its ability to perform its obligations hereunder or affecting title to any portion of the Property or materially affecting the Leases (other than in defense to any then pending forcible detainer or eviction proceeding) in any court or before or by any federal, state, county or municipal department, commission, board, bureau, or agency or other governmental instrumentality.

6.1.17 Neither Seller (nor its affiliates) has made any commitments to any governmental or quasi-governmental authority, homeowners or property owners association, or to any other individual, entity, organization or group relating to the Property which would impose an obligation upon Purchaser, or its successors or assigns to make any contribution or dedication of money or land, or to construct, repair install or maintain any improvement of a public or private nature on or off of the Property.

6.1.18 There are no attachments, executions, assignments for the benefit of creditors, receiverships, conservatorships or voluntary or involuntary proceedings in bankruptcy or pursuant to any other debtor relief laws contemplated or filed by Seller or, to Seller's actual knowledge, pending against Seller or the Property.

6.1.18 To Seller's actual knowledge, the operating statements delivered by Seller as part of the Materials are true and correct in all material respects.

6.2 Survival of Seller's Representations. Seller's Representations shall survive Closing for six (6) months following the Closing Date (the "**Survival Period**").

6.3 Representations and Warranties of Purchaser. Purchaser represents and warrants to Seller the following as of the Effective Date and as of the Closing Date:

6.3.1 Purchaser is a limited liability company duly organized, validly existing and in good standing under the laws of Delaware.

6.3.2 Purchaser, acting through any of its or their duly empowered and authorized officers or members, has all necessary entity power and authority to own and use its properties and to transact the business in which it is engaged, and has full power and authority to enter into this Contract, to execute and deliver the documents and instruments required of Purchaser herein, and to perform its obligations hereunder; and no consent of any of Purchaser's partners, directors, officers or members are required to so empower or authorize Purchaser. The compliance with or fulfillment of the terms and conditions hereof will not conflict with, or result in a breach of, the terms, conditions or provisions of, or constitute a default under, any contract to which Purchaser is a party or by which Purchaser is otherwise bound, which conflict, breach or default would have a material adverse effect on Purchaser's ability to consummate the transaction contemplated by this Contract. This Contract is a valid, binding and enforceable agreement against Purchaser in accordance with its terms.

6.3.3 No pending or, to the knowledge of Purchaser, threatened litigation exists which if determined adversely would restrain the consummation of the transactions contemplated by this Contract or would cause any of Purchaser's obligations or covenants to Seller to become illegal, invalid or non-binding.

6.3.4 Purchaser is not a Prohibited Person.

6.3.5 To Purchaser's knowledge, none of its investors, affiliates or brokers or other agents (if any), acting or benefiting in any capacity in connection with this Contract is a Prohibited Person.

6.3.6 The funds or other assets Purchaser will transfer to Seller under this Contract are not the property of, or beneficially owned, directly or indirectly, by a Prohibited Person.

6.4 As-Is, Where Is. EXCEPT AS SPECIFICALLY SET FORTH IN SECTION 6.1 HEREOF, NOTWITHSTANDING ANY PROVISION CONTAINED IN THIS AGREEMENT TO THE CONTRARY, PURCHASER, ACKNOWLEDGES THAT PURCHASER IS PURCHASING THE PROPERTY IN "AS-IS, WHERE-IS" CONDITION "WITH ALL FAULTS" AS OF THE CLOSING AND, EXCEPT AS SET FORTH IN SECTION 6.1 HEREOF, SPECIFICALLY AND EXPRESSLY WITHOUT ANY WARRANTIES, REPRESENTATIONS OR GUARANTEES, EITHER EXPRESS OR IMPLIED, FROM ANY OF THE SELLER INDEMNITEES AS TO, AND PURCHASER, ON BEHALF OF ITSELF AND ITS SUCCESSORS AND ASSIGNS, INCLUDING WITHOUT LIMITATION, ANY SUBSEQUENT OWNER OF THE PROPERTY OR ANY PORTION THEREOF, WAIVES ALL CLAIMS AGAINST AND RIGHT TO RECOVER FROM, RELEASES AND AGREES TO INDEMNIFY, DEFEND AND HOLD HARMLESS THE SELLER INDEMNITEES, AND EACH OF THEM, FROM ANY AND ALL PRESENT OR FUTURE DEMANDS, CLAIMS, LEGAL OR ADMINISTRATIVE PROCEEDINGS, LOSSES, LIABILITIES, DAMAGES, PENALTIES, FINES, LIENS, JUDGMENTS, COSTS OR EXPENSES, KNOWN OR UNKNOWN, FORESEEN OR UNFORESEEN, ARISING FROM OR RELATING TO: (I) THE PROPERTY'S CONDITION, FITNESS FOR ANY PARTICULAR PURPOSES, SUITABILITY, OR MERCHANTABILITY, (II) THE STRUCTURAL INTEGRITY OF AND/OR ANY DEFECTS IN THE IMPROVEMENTS, (III) THE ACCURACY OR COMPLETENESS OF ANY OF THE INFORMATION, DATA, MATERIALS OR CONCLUSIONS CONTAINED IN ANY INFORMATION PROVIDED PURCHASER, (IV) THE FAILURE OF THE PROPERTY TO COMPLY WITH ANY LAWS APPLICABLE TO THE PROPERTY, (V) ANY ENVIRONMENTAL CONDITION OF THE PROPERTY, INCLUDING, WITHOUT LIMITATION, THE PRESENCE OR ALLEGED PRESENCE OF ASBESTOS, RADON OR ANY HAZARDOUS MATERIALS OR HARMFUL OR TOXIC SUBSTANCES IN, ON, UNDER OR ABOUT THE PROPERTY, INCLUDING WITHOUT LIMITATION ANY CLAIMS UNDER OR ON ACCOUNT OF (A) THE COMPREHENSIVE ENVIRONMENTAL RESPONSE, COMPENSATION AND LIABILITY ACT OF 1980, AS THE SAME MAY HAVE BEEN OR MAY BE AMENDED FROM TIME TO TIME, AND SIMILAR STATE STATUTES, AND ANY REGULATIONS PROMULGATED THEREUNDER, (B) ANY OTHER FEDERAL, STATE OR LOCAL LAW, ORDINANCE, RULE OR REGULATION, NOW OR HEREAFTER IN EFFECT, THAT DEALS WITH OR OTHERWISE IN ANY MANNER RELATES TO, ENVIRONMENTAL MATTERS OF ANY KIND, (C) THIS AGREEMENT, OR (D) THE COMMON LAW, OR (VI) ANY OTHER WARRANTY OF ANY KIND, NATURE, OR TYPE WHATSOEVER FROM SELLER OR ANY OTHER PARTY ON BEHALF OF SELLER. PURCHASER SHALL, AT ITS SOLE COST AND EXPENSE, CONDUCT AND RELY EXCLUSIVELY UPON ITS OWN INDEPENDENT INVESTIGATION IN THE EVALUATION OF THE PROPERTY. IF PURCHASER ACQUIRES THE PROPERTY, PURCHASER ASSUMES ALL RISKS RELATING IN ANY MANNER TO THE PROPERTY OR ANY DEFECTS THEREIN, IF ANY, OF ANY TYPE OR NATURE WHATSOEVER, AND SHALL BE SOLELY AND COMPLETELY RESPONSIBLE FOR THE PAYMENT OF ALL COSTS AND EXPENSES IN CONNECTION THEREWITH. The provisions of this paragraph shall survive the termination of or Closing under this Agreement.

ARTICLE 7 OPERATION OF THE PROPERTY

7.1 Leases and Property Contracts. During the period of time from the Effective Date to the Feasibility Period, in the ordinary course of business Seller may enter into new Property Contracts, renew existing Leases or modify, terminate or accept the surrender or forfeiture of any of the Leases, modify any Property Contracts, or institute and prosecute any available remedies for default under any Lease or Property Contract without first obtaining the written consent of Purchaser; provided, however, Seller agrees that any such new Property Contracts shall be terminable by either party upon thirty (30) days' prior written notice to the other party and/or any new or renewed Leases shall not have a term in excess of one (1) year. Any (i) Property Contracts not terminable with thirty (30) days notice and/or Leases with a term in excess of one (1) year entered into prior to the expiration of the Feasibility Period, and (2) Property Contracts and/or Leases to be entered into after the expiration of the Feasibility Period and prior to the Closing Date, shall require the prior written consent of the Purchaser, which consent shall not be unreasonably withheld, delayed or conditioned.

7.2 General Operation of Property. Except as specifically set forth in this Article 7, Seller shall operate the Property after the Effective Date in the ordinary course of business, (including, but not limited to, leasing, repairs, maintenance, unit turnovers and marketing) and, except as necessary in Seller's sole discretion to address (a) any life or safety issue at the Property or (b) any other matter which in Seller's reasonable discretion materially adversely affects the use, operation or value of the Property, Seller will not make any material alterations to the Property or remove any material Fixtures and Tangible Personal Property without the prior written consent of Purchaser, which will not be unreasonably withheld. To the extent an individual unit is vacated by a Tenant within five (5) or more days prior to Closing, Seller shall be responsible for "turning over" (as that term is commonly used in the apartment rental industry and subject to Section 5.4.10) such unit prior to the Closing Date. Any such unit turn-over will be consistent with Seller's current business practices in this regard and at Seller's expense.

7.3 Liens. Other than utility easements and temporary construction easements, if any, granted by Seller in the ordinary course of business, Seller covenants that it will not voluntarily create or cause any permanent lien or encumbrance to attach to the Property between the Effective Date and the Closing Date (other than Leases and Property Contracts as provided in Section 7.1) without the prior written consent of the Purchaser to such lien or encumbrance, which consent shall not be unreasonably withheld or delayed. If Purchaser consents to any such subsequent lien or encumbrance, the same shall be deemed a Permitted Exception for all purposes hereunder.

ARTICLE 8 CONDITIONS PRECEDENT TO CLOSING

8.1 Purchaser's Conditions to Closing. Purchaser's obligation to proceed with Closing in accordance with this Contract, shall be subject to and conditioned upon the fulfillment of each and all of the following conditions precedent:

8.1.1 All of the documents required to be delivered by Seller to Purchaser at Closing pursuant to the terms and conditions hereof shall have been delivered;

8.1.2 Each of Seller's Representations shall be true in all material respects as of the Closing Date;

8.1.3 Seller shall have complied with, fulfilled and performed in all material respects each of the covenants, terms and conditions to be complied with, fulfilled or performed by Seller hereunder; and

8.1.4 Neither Seller nor Seller's general partner, managing member or similar governing person of Seller shall be a debtor in any bankruptcy proceeding nor shall have been in the last six (6) months a debtor in any bankruptcy proceeding.

Notwithstanding anything to the contrary, there are no other conditions on Purchaser's obligation to Close except as expressly set forth in this Section 8.1. If any condition set forth in Sections 8.1.1, 8.1.3 or 8.1.4 is not met, Purchaser may (a) waive any of the foregoing conditions and proceed to Closing on the Closing Date or (b) if such failure constitutes a default by Seller, exercise any of its remedies pursuant to Section 10.2. If the condition set forth in Sections 8.1.2 is not met, Purchaser may, as its sole and exclusive remedy, (i) notify Seller of Purchaser's election to terminate this Contract and receive a return of the Deposit from the Escrow Agent, and, if such failure constitutes a default by Purchaser, exercise any of its remedies under Section 10.2; or (ii) waive such condition and proceed to Closing on the Closing Date.

8.2 Seller's Conditions to Closing. Without limiting any of the rights of Seller elsewhere provided for in this Contract, Seller's obligation to close with respect to conveyance of the Property under this Contract shall be subject to and conditioned upon the fulfillment of each and all of the following conditions precedent:

8.2.1 All of the documents and funds required to be delivered by Purchaser to Seller at Closing pursuant to the terms and conditions hereof shall have been delivered;

8.2.2 Each of the representations, warranties and covenants of Purchaser contained herein shall be true in all material respects as of the Closing Date; and

8.2.3 Purchaser shall have complied with, fulfilled and performed in all material respects each of the covenants, terms and conditions to be complied with, fulfilled or performed by Purchaser hereunder.

If any of the foregoing conditions to Seller's obligation to close with respect to conveyance of the Property under this Contract are not met, Seller may (a) waive any of the foregoing conditions and proceed to Closing on the Closing Date, or (b) terminate this Contract, and, if such failure constitutes a default by Purchaser, exercise any of its remedies under Section 10.1.

ARTICLE 9 BROKERAGE

9.1 Indemnity. Seller agrees to pay the brokerage fees of Newmark (the “**Broker**”) pursuant to separate agreement if, as and when Closing occurs and is fully funded. Seller and Purchaser each represents and warrants to the other that, it has not dealt with or utilized the services of any real estate broker, sales person or finder in connection with this Contract other than the Broker, and each party agrees to indemnify, hold harmless, and, if requested in the sole and absolute discretion of the indemnitee, defend (with counsel approved by the indemnitee) the other party from and against all losses relating to brokerage commissions and finder’s fees arising from or attributable to the acts or omissions of the indemnifying party. The provisions of this Section 9.1 shall survive the termination of this Contract, and if not so terminated, Closing and delivery of the Deed to Purchaser.

ARTICLE 10 DEFAULTS AND REMEDIES

10.1 Purchaser Default. If Purchaser defaults in its representations, warranties, covenants, or obligations under this Contract and if such default continues for more than five (5) days after written notice from Seller, Purchaser shall forfeit the Deposit, and the Escrow Agent shall deliver the Deposit to Seller, and neither party shall be obligated to proceed with Closing. The Deposit is liquidated damages and recourse to the Deposit is, except for Purchaser’s indemnity obligations hereunder, Seller’s sole and exclusive remedy for Purchaser’s failure to perform its obligation to purchase the Property or breach of a representation or warranty. Seller expressly waives the remedies of specific performance and additional damages for such default by Purchaser. SELLER AND PURCHASER ACKNOWLEDGE THAT SELLER’S DAMAGES WOULD BE DIFFICULT TO DETERMINE, AND THAT THE DEPOSIT IS A REASONABLE ESTIMATE OF SELLER’S DAMAGES RESULTING FROM A DEFAULT BY PURCHASER IN ITS OBLIGATION TO PURCHASE THE PROPERTY. SELLER AND PURCHASER FURTHER AGREE THAT THIS SECTION 10.1 IS INTENDED TO AND DOES LIQUIDATE THE AMOUNT OF DAMAGES DUE SELLER, AND SHALL BE SELLER’S EXCLUSIVE REMEDY AGAINST PURCHASER, BOTH AT LAW AND IN EQUITY, ARISING FROM OR RELATED TO A BREACH BY PURCHASER OF ITS OBLIGATION TO CONSUMMATE THE TRANSACTIONS CONTEMPLATED BY THIS CONTRACT, OTHER THAN WITH RESPECT TO PURCHASER’S INDEMNITY OBLIGATIONS HEREUNDER.

10.2 Seller Default. If Seller, prior to Closing, defaults in its representations, warranties, covenants, or obligations under this Contract, including to sell the Property as required by this Contract and such default continues for more than five (5) days after written notice from Purchaser, then, at Purchaser’s election and as Purchaser’s sole and exclusive remedy, Purchaser may either (a) terminate this Contract and the Deposit provided by Purchaser hereunder shall be returned to Purchaser, and Purchaser may recover, as its sole recoverable damages (but without limiting its right to receive a refund of the Deposit), its out-of-pocket expenses and costs (documented by paid invoices to third parties) in connection with this transaction, including reasonable legal fees incurred in the pursuit of collection of such out-of-pocket expenses up to a maximum aggregate amount of \$50,000, or (b) Purchaser may seek specific performance of Seller’s obligation to deliver the Deed

pursuant to this Contract, provided that any suit for specific performance must be filed within sixty (60) days following the Closing Date or Purchaser's right to specific performance hereunder is deemed waived in its entirety. SELLER AND PURCHASER FURTHER AGREE THAT THIS SECTION 10.2 IS INTENDED TO AND DOES LIMIT THE REMEDIES AVAILABLE TO PURCHASER PRIOR TO CLOSING, AND SHALL BE PURCHASER'S EXCLUSIVE REMEDY, BOTH AT LAW AND IN EQUITY, ARISING FROM OR RELATED TO A BREACH BY SELLER OF ITS REPRESENTATIONS, WARRANTIES, OR COVENANTS OR ITS OBLIGATION TO CONSUMMATE THE TRANSACTIONS CONTEMPLATED BY THIS CONTRACT. UNDER NO CIRCUMSTANCES, EXCEPT AS NOTED BELOW, MAY PURCHASER SEEK OR BE ENTITLED TO RECOVER ANY DAMAGES FROM SELLER, INCLUDING, BUT NOT LIMITED TO, SPECIAL, CONSEQUENTIAL, PUNITIVE, SPECULATIVE OR INDIRECT DAMAGES, ALL OF WHICH PURCHASER SPECIFICALLY WAIVES, FROM SELLER FOR ANY BREACH BY SELLER, OF ITS REPRESENTATIONS, WARRANTIES OR COVENANTS OR ITS OBLIGATIONS UNDER THIS CONTRACT PRIOR TO CLOSING. PURCHASER SPECIFICALLY WAIVES THE RIGHT TO FILE ANY LIS PENDENS OR ANY LIEN AGAINST THE PROPERTY. NOTWITHSTANDING ANYTHING TO THE CONTRARY HEREIN, THE WAIVERS IN THIS SECTION 10.2 APPLY ONLY TO PURCHASER'S RIGHTS TO SEEK DAMAGES FOR A BREACH BY SELLER PRIOR TO CLOSING, THIS SECTION DOES NOT LIMIT PURCHASER'S RIGHTS TO SEEK DAMAGES AFTER CLOSING DUE TO A BREACH BY SELLER OF ITS EXPRESS REPRESENTATIONS AND WARRANTIES WHICH EXPRESSLY SURVIVE CLOSING HEREUNDER AND ONLY FOR THE PERIOD INDICATED.

10.3 Limitation on Liability. Notwithstanding any provision contained in this Agreement or any of the documents to be executed by Seller to Purchaser at Closing: (i) the representations, warranties, indemnities, undertakings, covenants and agreements of Seller (collectively, "**Seller's Undertakings**"), hereunder and in the documents to be executed by Seller to Purchaser at Closing, shall not constitute personal obligations of the officers, directors, employees, agents, trustees, partners, members, representatives, stockholders or other principals or representatives of Seller, and no personal liability or personal responsibility of any sort with respect to any of Seller's Undertakings or any alleged breach thereof is assumed by, or shall at any time be asserted or enforceable against any of the officers, directors, employees, agents, trustees, partners, members, representatives, stockholders or other principals or representatives of Seller; (ii) the period of limitations with respect to Seller's Undertakings shall expire upon the date which is two (2) years following the Closing Date; (iii) in no event shall Purchaser be entitled to recover any consequential, punitive or speculative damages or lost profits as a result of or in connection with any of Seller's Undertakings, it being agreed and understood that any action by Purchaser against Seller in connection with Seller's Undertakings shall be limited to actual, direct damages incurred by Purchaser in connection therewith, as limited by clause (iv) below; and (iv) Seller's liability for any and all of Seller's Undertakings shall be limited to \$100,000.00 in the aggregate with respect to a breach of Seller's Undertakings as to which Purchaser notifies Seller, which notice must describe the nature and extent of the breach and the measures necessary to cure same, and Seller shall have no liability in excess of such amount.

ARTICLE 11 RISK OF LOSS OR CASUALTY

11.1 Major Damage. In the event that the Property is damaged or destroyed by fire or other casualty prior to Closing, and the cost of repair is more than \$500,000 as determined in writing by Seller's insurance company, then Seller shall have no obligation to repair such damage or destruction and shall notify Purchaser in writing (which such notice shall include a copy of Seller's insurance company's written determination of such loss) of such damage or destruction (the "**Damage Notice**"). Within ten (10) days after Purchaser's receipt of the Damage Notice, Purchaser may elect at its option to terminate this Contract by delivering written notice to Seller, in which event the Deposit shall be returned to Purchaser. In the event Purchaser fails to terminate this Contract within the foregoing ten (10) day period or elects not to terminate this Contract, this transaction shall proceed to Closing in accordance with the terms of this Contract for the full Purchase Price, notwithstanding any such damage or destruction, and Purchaser shall receive all insurance proceeds pertaining thereto (plus a credit against the Purchase Price in the amount of any deductible payable by Seller in connection therewith) at Closing.

11.2 Minor Damage. In the event that the Property is damaged or destroyed by fire or other casualty prior to Closing, and the cost of repair is less than \$500,000, as determined in writing by Seller's insurance company then this transaction shall proceed to Closing in accordance with the terms of this Contract, notwithstanding the damage or destruction; provided, however, Seller shall make such repairs to the extent of any recovery from insurance carried on the Property if they can be reasonably effected before Closing. Subject to Section 11.3, if Seller is unable to effect such repairs, then Purchaser shall receive all insurance pertaining thereto (plus a credit against the Purchase Price in the amount of any deductible payable by Seller in connection therewith) at Closing.

11.3 Notice of Damage. Seller shall promptly notify Purchaser if the Property is damaged (whether minor or major) after the Effective Date, including, but not limited to, damage caused by fire, hail or other casualty.

ARTICLE 12 EMINENT DOMAIN

12.1 Eminent Domain. In the event that, at the time of Closing, any material part of the Property is (or previously has been) acquired, or is about to be acquired, by any governmental agency by the powers of eminent domain or transfer in lieu thereof (or in the event that at such time there is any notice of any such acquisition or intent to acquire by any such governmental agency), Seller shall notify Purchaser within three (3) Business Days of such event and Purchaser shall have the right, at Purchaser's option, to terminate this Contract by giving written notice within ten (10) days after Purchaser's receipt from Seller of notice of the occurrence of such event, and if Purchaser so terminates this Contract, Purchaser shall recover the Deposit hereunder. If Purchaser fails to terminate this Contract within such ten (10) day period, this transaction shall be closed in accordance with the terms of this Contract for the full Purchase Price and Purchaser shall receive the full benefit of any condemnation award. It is expressly agreed between the parties hereto that this Section shall in no way apply to customary dedications for public purposes which may be necessary for the rehabilitation of the Property.

ARTICLE 13 MISCELLANEOUS

13.1 Binding Effect of Contract. This Contract shall not be binding on either party until executed by both Purchaser and Seller. As provided in Section 2.3.5 above, Escrow Agent's execution of this Contract shall not be a prerequisite to its effectiveness.

13.2 Exhibits and Schedules. All Exhibits and Schedules, whether or not annexed hereto, are a part of this Contract for all purposes.

13.3 Assignability. This Contract is assignable by Purchaser to an affiliate (as defined below) without the prior consent of Seller. Any other assignment of this Contract by Purchaser shall require the written consent of Seller, which may be withheld in Seller's sole discretion. As used herein, an affiliate is a person or entity controlled by, under common control with, or controlling another person or entity.

13.4 Binding Effect. Subject to Section 13.3, this Contract shall be binding upon and inure to the benefit of Seller and Purchaser, and their respective successors, heirs and permitted assigns.

13.5 Captions. The captions, headings, and arrangements used in this Contract are for convenience only and do not in any way affect, limit, amplify, or modify the terms and provisions hereof.

13.6 Number and Gender of Words. Whenever herein the singular number is used, the same shall include the plural where appropriate, and words of any gender shall include each other gender where appropriate.

13.7 Notices. All notices, demands, requests and other communications required or permitted hereunder shall be in writing, and shall be (a) personally delivered with a written receipt of delivery, (b) sent by a nationally recognized overnight delivery service requiring a written acknowledgement of receipt or providing a certification of delivery or attempted delivery, (c) sent by certified or registered mail, return receipt requested, (d) sent by electronic transmission with an original copy thereof transmitted to the recipient by one of the means described in subsections (a) through (c) no later than three (3) Business Days thereafter. All notices shall be deemed effective when actually delivered as documented in a delivery receipt; provided, however, that if the notice was sent by overnight courier or mail as aforesaid and is affirmatively refused or cannot be delivered during customary business hours by reason of the absence of a signatory to acknowledge receipt, or by reason of a change of address with respect to which the addressor did not have either knowledge or written notice delivered in accordance with this paragraph, then the first attempted delivery shall be deemed to constitute delivery. Each party shall be entitled to change its address for notices from time to time by delivering to the other party notice thereof in the manner herein provided for the delivery of notices. All notices shall be sent to the addressee at its address set forth following its name below:

To Purchaser:

Elizabeth Property Group, LLC

5580 LBJ Freeway, Suite 630

Dallas, Texas 75240

Attention: Tisha Vaidya

E-mail: tisha@elizabethpropertygroup.com; moira@elizabethpropertygroup.com

with copy to:

(which shall not constitute notice)

Shackelford, Bowen, McKinley & Norton, LLP

9201 N. Central Expressway, Suite 400

Dallas, Texas 75231

Michelle Snedden

E-mail: msnedden@shackelford.law

To Seller:

KML, Inc.

10242 Rosser Road

Dallas, Texas 75229

Attn: Tahir Walji

E-mail: TahirWalji@gmail.com

with copy to:

(which shall not constitute notice)

Newmark

2530 Walsh Tarlton Lane, Suite 200

Austin, Texas 78745

Attn: James Young

E-mail: james.young@ngkf.com

AND:

Leggett Clemons Crandall, PLLC

5700 Granite Parkway, Suite 950

Plano, Texas 75024

Attn: Ryan Crandall

Email: rcrandall@lcclawfirm.com

Any notice required hereunder to be delivered to the Escrow Agent shall be delivered in accordance with above provisions as follows:

Corridor Title

171 Benney Lane, Bldg 1

Dripping Springs, Texas 78620

Attn: Gina Kufrovich
Email: Gina.Kufrovich@corridortitle.com

Unless specifically required to be delivered to the Escrow Agent pursuant to the terms of this Contract, no notice hereunder must be delivered to the Escrow Agent in order to be effective so long as it is delivered to the other party in accordance with the above provisions.

13.8 Governing Law and Venue. The laws of the State of Texas shall govern the validity, construction, enforcement, and interpretation of this Contract, unless otherwise specified herein except for the conflict of law's provisions thereof. Subject to Section 13.25, all claims, disputes and other matters in question arising out of or relating to this Contract, or the breach thereof, shall be decided by proceedings instituted and litigated in a court of competent jurisdiction in Dallas County, Texas, and the parties hereto expressly consent to the venue and jurisdiction of such court.

13.9 Entire Agreement. This Contract embodies the entire Contract between the parties hereto concerning the subject matter hereof and supersedes all prior conversations, proposals, negotiations, understandings and Contracts, whether written or oral.

13.10 Amendments. This Contract shall not be amended, altered, changed, modified, supplemented or rescinded in any manner except by a written contract executed by all of the parties; provided, however, that as provided in Section 2.3.5 above, the signature of the Escrow Agent shall not be required as to any amendment of this Contract other than an amendment of Section 2.3.

13.11 Severability. In the event that any part of this Contract shall be held to be invalid or unenforceable by a court of competent jurisdiction, such provision shall be reformed, and enforced to the maximum extent permitted by law. If such provision cannot be reformed, it shall be severed from this Contract and the remaining portions of this Contract shall be valid and enforceable.

13.12 Multiple Counterparts/Facsimile Signatures. This Contract may be executed in a number of identical counterparts. This Contract may be executed by facsimile signatures which shall be binding on the parties hereto, with original signatures to be delivered as soon as reasonably practical thereafter.

13.13 Construction. No provision of this Contract shall be construed in favor of, or against, any particular party by reason of any presumption with respect to the drafting of this Contract; both parties, being represented by counsel, having fully participated in the negotiation of this instrument.

13.14 Confidentiality. Purchaser and Seller shall not disclose the terms and conditions contained in this Contract and shall keep the same confidential, provided that Purchaser and Seller may disclose the terms and conditions of this Contract (a) as required by law, (b) to consummate the terms of this Contract, or any financing relating thereto, or (c) to Purchaser's and Seller's respective attorneys and accountants. Any information and Materials provided by Seller to Purchaser or by Purchaser to Seller (including, but not limited to, information regarding Purchaser's partners and/or equity investors) hereunder are confidential and Purchaser and Seller shall be prohibited from making such information public to any other person or entity other than its Consultants, agents and legal representatives, without Seller's or Purchaser's, as applicable, prior written authorization,

which may be granted or denied in Seller's or Purchaser's, as applicable, sole discretion. Notwithstanding the provisions of Section 13.9, Purchaser and Seller agree that the covenants, restrictions and agreements of Purchaser and Seller contained in any confidentiality, non-disclosure or non-solicitation agreement executed by Purchaser and Seller prior to the Effective Date shall survive the execution of this Contract and shall not be superseded hereby.

13.15 Time of the Essence. It is expressly agreed by the parties hereto that time is of the essence with respect to this Contract.

13.16 Waiver. No delay or omission to exercise any right or power accruing upon any default, omission, or failure of performance hereunder shall impair any right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. No waiver, amendment, release, or modification of this Contract shall be established by conduct, custom, or course of dealing and all waivers must be in writing and signed by the waiving party.

13.17 Attorneys' Fees. In the event either party hereto commences litigation or arbitration against the other to enforce its rights hereunder, the substantially prevailing party in such litigation shall be entitled to recover from the other party its reasonable attorneys' fees and expenses incidental to such litigation and arbitration, including the cost of in-house counsel and any appeals.

13.18 Time Periods. Unless otherwise specified herein, in computing any period of time described herein, the day of the act or event after which the designated period of time begins to run is not to be included and the last day of the period so computed is to be included, unless such last day is not a Business Day, in which event the period shall run until the end of the next Business Day thereafter. The last day of any period of time described herein shall be deemed to end at 5:00 p.m. in the time zone where the Property is located.

13.19 No Personal Liability of Officers, Trustees or Directors of Seller's Partners. Purchaser acknowledges that this Contract is entered into by Seller which is a Texas corporation, and Purchaser agrees that none of Seller's Indemnified Parties shall have any personal liability under this Contract or any document executed in connection with the transactions contemplated by this Contract.

13.20 No Personal Liability of Officers, Trustees or Directors of Purchaser's Partners. Seller acknowledges that this Contract is entered into by Purchaser which is a Delaware limited liability company, and Seller agrees that none of Purchaser's Indemnified Parties shall have any personal liability under this Contract or any document executed in connection with the transactions contemplated by this Contract.

13.21 Exclusive Negotiations. Commencing on the Effective Date and continuing for such period of time thereafter as this Contract remains in full force and effect, Seller will not enter into any new negotiations with any third parties for the sale of the Property.

13.22 ADA Disclosure. Purchaser acknowledges that the Property may be subject to the ADA. The ADA requires, among other matters, that tenants and/or owners of "public

accommodations” remove barriers in order to make the Property accessible to disabled persons and provide auxiliary aids and services for hearing, vision or speech impaired persons.

13.23 No Recording. Purchaser shall not cause or allow this Contract or any contract or other document related hereto, nor any memorandum or other evidence hereof, to be recorded or become a public record without Seller’s prior written consent, which consent may be withheld at Seller’s sole discretion. If Purchaser records this Contract or any other memorandum or evidence thereof, Purchaser shall be in default of its obligations under this Contract. Purchaser hereby appoints Seller as Purchaser’s attorney-in-fact to prepare and record any documents necessary to effect the nullification and release of the Contract or other memorandum or evidence thereof from the public records. This appointment shall be coupled with an interest and irrevocable.

13.24 Relationship of Parties. Purchaser and Seller acknowledge and agree that the relationship established between the parties pursuant to this Contract is only that of a seller and a purchaser of property. Neither Purchaser nor Seller is, nor shall either hold itself out to be, the agent, employee, joint venturer or partner of the other party.

13.25 Waiver Of Right To Jury Trial. IN THE EVENT THAT LITIGATION IS COMMENCED BY EITHER PARTY RELATED TO THIS CONTRACT, PURCHASER AND SELLER IRREVOCABLY WAIVE ALL RIGHTS TO A JURY TRIAL IN ANY ACTION, SUIT, PROCEEDING, OR COUNTERCLAIM OF ANY KIND, DIRECTLY OR INDIRECTLY ARISING OUT OF OR IN ANY WAY RELATING TO THIS CONTRACT OR ANY OF THE OTHER DOCUMENTS EXECUTED BY PURCHASER OR SELLER IN CONNECTION WITH THE SALE OF THE PROPERTY CONTEMPLATED BY THIS CONTRACT. THE JURY TRIAL WAIVER CONTAINED IN THIS SECTION IS INTENDED TO APPLY TO THE FULLEST EXTENT PERMITTED BY LAW AND TO ANY AND ALL DISPUTES AND CONTROVERSIES THAT ARISE OUT OF OR ARE IN ANY WAY RELATED TO THE MATTERS DESCRIBED IN THE PRECEDING SENTENCE, INCLUDING, WITHOUT LIMITATION, ALL CONTRACT CLAIMS, TORT CLAIMS, COMMON LAW CLAIMS, AND STATUTORY CLAIMS OF ANY KIND. PURCHASER AND SELLER ACKNOWLEDGE AND AGREE THAT: (1) PURCHASER AND SELLER HAVE CAREFULLY READ AND UNDERSTAND ALL OF THE TERMS OF THIS CONTRACT; (2) PURCHASER AND SELLER HAVE EXECUTED THIS CONTRACT FREELY AND VOLUNTARILY, AFTER HAVING CONSULTED WITH THEIR INDEPENDENT LEGAL COUNSEL AND AFTER HAVING HAD ALL OF THE TERMS OF THIS CONTRACT EXPLAINED TO THEM BY THEIR INDEPENDENT LEGAL COUNSEL, OR AFTER HAVING HAD A FULL AND ADEQUATE OPPORTUNITY TO CONSULT WITH INDEPENDENT LEGAL COUNSEL; (3) THE WAIVERS CONTAINED IN THIS CONTRACT ARE REASONABLE, NOT CONTRARY TO PUBLIC POLICY OR LAW, AND HAVE BEEN INTENTIONALLY, INTELLIGENTLY, KNOWINGLY AND VOLUNTARILY AGREED TO BY THE PARTIES; (4) THE WAIVERS CONTAINED IN THIS CONTRACT HAVE BEEN AGREED TO BY PURCHASER AND SELLER WITH FULLY KNOWLEDGE OF THEIR SIGNIFICANCE AND CONSEQUENCES, INCLUDING FULL KNOWLEDGE OF THE SPECIFIC NATURE OF ANY RIGHTS OR DEFENSES WHICH EACH PARTY HAS AGREED TO WAIVE PURSUANT TO THIS CONTRACT; (5) PURCHASER AND SELLER HAVE HAD A FULL AND ADEQUATE OPPORTUNITY TO LOOK OVER THE TERMS CONTAINED IN THIS CONTRACT; (6)

PURCHASER AND SELLER ARE EXPERIENCED IN AND FAMILIAR WITH TRANSACTIONS OF THE TYPE EVIDENCED BY THIS CONTRACT; AND (7) THE WAIVERS CONTAINED IN THIS CONTRACT ARE MATERIAL INDUCEMENTS TO THE PARTIES ENTERING INTO THIS TRANSACTION AND THE PARTIES HAVE RELIED ON SUCH WAIVERS IN ENTERING INTO THIS CONTRACT AND WILL CONTINUE TO RELY ON SUCH WAIVERS IN ANY RELATED FUTURE DEALINGS WITH EACH OTHER. THE WAIVERS CONTAINED IN THIS SECTION SHALL APPLY TO ALL SUBSEQUENT EXTENSIONS, RENEWALS, MODIFICATIONS AND REPLACEMENTS OF THIS CONTRACT.

13.26 Survival. Except for (a) all of the provisions of this Article 13, and (b) any provision of this Contract which expressly states that it shall so survive, and (c) any payment obligation of Purchaser under this Contract (the foregoing (a), (b) and (c) referred to herein as the “**Survival Provisions**”), none of the terms and provisions of this Contract shall survive the termination of this Contract, and, if the Contract is not so terminated, all of the terms and provisions of this Contract (other than the Survival Provisions) shall be merged into the Closing Documents and shall not survive Closing.

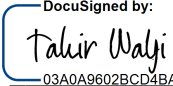
13.27. LEGAL ADVICE. IN SIGNING THIS CONTRACT, PURCHASER AND SELLER ACKNOWLEDGE AND AGREE THAT IT HAS BEEN ADVISED, AND HAS BEEN GIVEN THE OPPORTUNITY TO SEEK INDEPENDENT LEGAL ADVICE.

Signature Page Follows.

NOW, THEREFORE, the parties hereto have executed this Contract as of the Effective Date.


SELLER:

KML, INC.,
a Texas corporation

By:  DocuSigned by:
03A0A9602BCD4BA...
Tahir Walji, President

PURCHASER:

ELIZABETH PROPERTY GROUP, LLC,
a Delaware limited liability company

By:  DocuSigned by:
91390A6925F44B2...
Pratiksha Vaidya, Manager

ESCROW AGENT SIGNATURE PAGE

The undersigned executes the Contract to which this signature page is attached for the purpose of agreeing to the provisions of Section 2.3 of the Contract, and hereby establishes December 1/8/2021 | 1:43 PM CST as the date of opening of escrow and designates 20-4280-CH as the escrow number assigned to this Contract. ^{XXXXXX}

ESCROW AGENT:

CORRIDOR TITLE

DocuSigned by:

By: Gina Kufrovich
Name: Gina Kufrovich
Title: Lead Escrow Officer

EXHIBIT A

Legal Description of the Land

BEING ALL OF LOTS 1 AND 2, RESUBDIVISION OF A PART OF OUTLOT 36, DIVISION C, CITY OF AUSTIN, TRAVIS COUNTY, TEXAS AS RECORDED IN VOL. 11, PG. 69, PLAT RECORDS, TRAVIS COUNTY, TEXAS, SAVE AND EXCEPT A 943 SQUARE FOOT TRACT CONVEYED TO THE CITY OF AUSTIN FOR STREET PURPOSES IN VOL. 3349, PG. 1507, DEED RECORDS, TRAVIS COUNTY, TEXAS.

Exhibit A

*Purchase and Sale Contract
(EPG – Kensington Apartments)*

EXHIBIT B**Form of Special Warranty Deed**

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

SPECIAL WARRANTY DEED

THE STATE OF TEXAS §
 §
 COUNTY OF TRAVIS §

KML, INC., a Texas corporation, hereinafter called "**Grantor**", for and in consideration of the sum of Ten and No/100 Dollars (\$10.00) and other valuable consideration to the undersigned in hand paid by [____], a [____], called the "**Grantee**", the receipt and sufficiency of which are hereby acknowledged, has GRANTED, SOLD AND CONVEYED, and by these presents does GRANT, SELL AND CONVEY unto Grantee, the land described on Exhibit A attached hereto (the "**Land**"), together with all of Grantor's right, title, and interest in and to all related rights and appurtenances, including, without limitation, any and all right, title and interest of Grantor in and to (i) easements, adjacent streets, waterways, air rights, strips and gores, roads, alleys or rights of way open or proposed, and rights, titles and interests of Grantor in and to any reversionary rights, if any, attributable or appurtenant to the Land, (ii) all buildings, structures, parking areas, sidewalks, landscaping and other improvements and fixtures located on the Land, (iii) any land lying in the bed of any street, road or avenue opened or proposed, public or private, adjoining the Land, (iv) any award made or to be made in lieu thereof, and (v) any unpaid award for damage to the Land by reason of change of grade of any street (collectively, the "**Property**"), effective as of [____], 202[___] (the "**Effective Date**").

This conveyance, however, is made and accepted subject to the matters described on Exhibit B attached hereto and made a part hereof (hereinafter referred to as the "**Permitted Encumbrances**").

TO HAVE AND TO HOLD the Property, together with all and singular the rights and appurtenances thereto in anywise belonging, unto Grantee and Grantee's successors and assigns FOREVER, subject to the Permitted Encumbrances, Grantor does hereby bind itself, its successors and assigns to WARRANT AND FOREVER DEFEND all and singular the Property unto Grantee, Grantee's successors and assigns against every person whomsoever claiming or to claim the same or any part thereof, when the claim is by, through, or under Grantor but not otherwise.

Signature Page Follows.

EXECUTED as of the Effective Date.

GRANTOR:

KML, INC.,
a Texas corporation

By: _____
Tahir Walji, President

THE STATE OF TEXAS §
 §
COUNTY OF TRAVIS §

This instrument was acknowledged before me on the ____ day of _____, 202__, by Tahir Walji, President of KML, Inc., on behalf of said corporation.

Notary Public in and for the State of Texas

GRANTEE'S ADDRESS FOR TAX NOTICES:

When recorded, return to:

Exhibit A to Form of Special Warranty Deed

Legal Description of Land

BEING ALL OF LOTS 1 AND 2, RESUBDIVISION OF A PART OF OUTLOT 36, DIVISION C, CITY OF AUSTIN, TRAVIS COUNTY, TEXAS AS RECORDED IN VOL. 11, PG. 69, PLAT RECORDS, TRAVIS COUNTY, TEXAS, SAVE AND EXCEPT A 943 SQUARE FOOT TRACT CONVEYED TO THE CITY OF AUSTIN FOR STREET PURPOSES IN VOL. 3349, PG. 1507, DEED RECORDS, TRAVIS COUNTY, TEXAS.

Exhibit B to Form of Special Warranty Deed

Permitted Encumbrances

EXHIBIT C

Form of Bill of Sale

BILL OF SALE

This BILL OF SALE (this “**Bill of Sale**”) is made this ____ day of _____, 202[____] (the “***Effective Date***”), by KML, Inc., a Texas corporation (“**Seller**”), in favor of [____], a [____] (“**Purchaser**”).

WITNESSETH:

WHEREAS, Seller and Purchaser entered into that certain Purchase and Sale Contract dated as of December ____, 2020 (the “**Contract**”), with respect to the sale of certain the real property identified on Exhibit A attached hereto and the Improvements located thereon. Any term not otherwise defined herein shall have the meaning set forth in the Contract.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Seller does hereby absolutely and unconditionally give, grant, bargain, sell, transfer, set over, assign, convey, release, confirm and deliver to Purchaser all of the Fixtures and Tangible Personal Property, including those items expressly identified in Exhibit B attached hereto, without representation or warranty of any kind whatsoever except as set forth in and subject to the terms of the Contract.

WITH RESPECT TO ALL MATTERS TRANSFERRED, WHETHER TANGIBLE OR INTANGIBLE, PERSONAL OR REAL, SELLER EXPRESSLY DISCLAIMS A WARRANTY OF MERCHANTABILITY AND WARRANTY FOR FITNESS FOR A PARTICULAR USE OR ANY OTHER WARRANTY EXPRESSED OR IMPLIED THAT MAY ARISE BY OPERATION OF LAW OR UNDER THE UNIFORM COMMERCIAL CODE FOR THE STATE IN WHICH THE PROPERTY IS LOCATED OR ANY OTHER STATE.

This Bill of Sale shall be binding upon and inure to the benefit of the successors, assigns, personal representatives, heirs and legatees of Purchaser and Seller.

This Bill of Sale shall be governed by, interpreted under, and construed and enforceable in accordance with, the laws of the State of Texas.

Signature Page Follows.

EXECUTED as of the Effective Date.

SELLER:

KML, INC.,
a Texas corporation

By: _____
Tahir Walji, President

Exhibit A to Form of Bill of Sale

Legal Description of the Land

BEING ALL OF LOTS 1 AND 2, RESUBDIVISION OF A PART OF OUTLOT 36, DIVISION C, CITY OF AUSTIN, TRAVIS COUNTY, TEXAS AS RECORDED IN VOL. 11, PG. 69, PLAT RECORDS, TRAVIS COUNTY, TEXAS, SAVE AND EXCEPT A 943 SQUARE FOOT TRACT CONVEYED TO THE CITY OF AUSTIN FOR STREET PURPOSES IN VOL. 3349, PG. 1507, DEED RECORDS, TRAVIS COUNTY, TEXAS.

Exhibit B to Form of Bill of Sale

Fixtures and Tangible Personal Property

EXHIBIT D

Form of General Assignment

GENERAL ASSIGNMENT AND ASSUMPTION AGREEMENT

This GENERAL ASSIGNMENT AND ASSUMPTION AGREEMENT (this “**Assignment**”) is executed by and between KML, Inc., a Texas corporation (“**Seller**”), and [____], a [____] (“**Purchaser**”), as of [____], 202[____] (the “**Effective Date**”).

Seller and Purchaser, have entered into that certain Purchase and Sale Contract dated as of December ___, 2020 (the “**Contract**”), in which Seller has agreed to sell and Purchaser has agreed to purchase the real property described in Exhibit A attached thereto and the Improvements located thereon (collectively, the “**Project**”). Capitalized terms not otherwise defined herein shall have the meaning ascribed to them in the Contract.

Pursuant to the Contract, Seller has agreed to assign, without recourse or warranty, to Purchaser all of Seller’s right, title and interest, if any, in and to the Miscellaneous Property Assets, the Permits (other than the Excluded Permits), and the Property Contracts.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Seller and Purchaser agree as follows:

1. **Assignment**. As of the Effective Date, Seller hereby assigns, sells and transfers, without recourse or warranty, to Purchaser all of Seller’s right, title and interest, if any, in and to the Miscellaneous Property Assets, the Permits (other than the Excluded Permits), and the Property Contracts.
2. **Assumption**. As of the Effective Date, Purchaser expressly agrees to assume and hereby assumes all liabilities and obligations of Seller in connection with the Miscellaneous Property Assets, the Permits (other than the Excluded Permits), and the Assumed Contracts; provided, however, that to the extent that any Assumed Contract constitutes a Terminated Property Contract, Purchaser assumes such Assumed Contract only through the effective date of the termination of such Property Contract pursuant to its express terms. Purchaser does not assume and Seller shall remain liable to the extent of any cancellation fees or penalties due as a result of such termination.
3. **Counterparts**. This Assignment may be executed in counterparts, each of which shall be deemed an original, and both of which together shall constitute one and the same instrument.
4. **Attorneys’ Fees**. If any action or proceeding is commenced by either party to enforce its rights under this Assignment, the substantially prevailing party in such action or proceeding shall be awarded all reasonable costs and expenses incurred in such action or proceeding, including reasonable attorneys’ fees and costs (including the cost of in-house counsel and appeals), in addition to any other relief awarded by the court.

5. Applicable Law. This Assignment shall be governed by and interpreted in accordance with the laws of the State of Texas.

6. Binding Effect. This Assignment shall be binding upon and inure to the benefit of the parties hereto and their respective transferees, successors, and assigns.

WITH RESPECT TO ALL MATTERS TRANSFERRED, WHETHER TANGIBLE OR INTANGIBLE, PERSONAL OR REAL, SELLER EXPRESSLY DISCLAIMS A WARRANTY OF MERCHANTABILITY AND WARRANTY FOR FITNESS FOR A PARTICULAR USE OR ANY OTHER WARRANTY EXPRESSED OR IMPLIED THAT MAY ARISE BY OPERATION OF LAW OR UNDER THE UNIFORM COMMERCIAL CODE FOR THE STATE IN WHICH THE PROPERTY IS LOCATED OR ANY OTHER STATE.

Signature Page Follows.

EXECUTED as of the Effective Date.

SELLER:

KML, INC.,
a Texas corporation

By: _____

Name: _____

Title: _____

PURCHASER:

_____,

a _____

By: _____

Name: _____

Title: _____

EXHIBIT E

Form of Leases Assignment

ASSIGNMENT AND ASSUMPTION OF LEASES AND SECURITY DEPOSITS

This ASSIGNMENT AND ASSUMPTION OF LEASES AND SECURITY DEPOSITS (this “**Assignment**”) is executed by and between KML, Inc., a Texas corporation (“**Assignor**”), and [____], a [____] (“**Assignee**”), as of [____], 202[____] (the “**Effective Date**”).

Assignee and Assignor have entered into that certain Purchase and Sale Contract, dated December __, 2020 (the “**Contract**”), in which Assignor has agreed to sell and Assignee has agreed to purchase the real property described on Exhibit A attached thereto and the Improvements located thereon (collectively, the “**Project**”).

Assignor, as landlord, has entered into certain leases for the use of the Project by tenants (collectively, together with all amendments, modifications, supplements, restatements and guarantees thereof, the “**Leases**”).

The Contract requires Assignor and Assignee to execute this Assignment.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Assignor and Assignee hereby agree as follows:

1. **Capitalized Terms**. All capitalized terms used, but not otherwise defined herein, shall have the meanings set forth in the Contract.
2. **Assignment and Assumption**. As of the Effective Date, Assignor hereby irrevocably assigns, sets over, transfers and conveys to Assignee all of Assignor’s right, title and interest in and to (a) the Leases, and (b) the Tenant Security Deposit Balance. Assignee hereby accepts this Assignment and the rights granted herein, and Assignee hereby expressly assumes, for itself and its successors, assigns and legal representatives, the Leases and the Tenant Security Deposit Balance and all of the obligations and liabilities, fixed and contingent, of Assignor thereunder accruing from and after the Effective Date with respect to the Leases and the Tenant Security Deposit Balance and agrees to (i) be fully bound by all of the terms, covenants, agreements, provisions, conditions, obligations and liability of Assignor thereunder, which accrue from and after the Effective Date, and (ii) keep, perform and observe all of the covenants and conditions contained therein on the part of Assignor to be kept, performed and observed, from and after the Effective Date.
3. **Indemnification**. Assignee shall indemnify, protect, defend and hold harmless Assignor from and against any and all claims incurred by Assignor with respect to the Security Deposits as assigned herein.

4. General Provisions.

a. Successors. This Assignment shall inure to the benefit of, and be binding upon, the parties hereto and their respective successors and assigns.

b. Counterparts. This Assignment may be executed in as many counterparts as may be deemed necessary and convenient, and by the different parties hereto on separate counterparts, each of which, when so executed, shall be deemed an original, but all such counterparts shall constitute one and the same instrument.

c. Governing Law. This Assignment and the legal relations between the parties hereto shall be governed by and construed and enforced in accordance with the laws of the State of Texas, without reference to the conflict of law provisions thereof.

d. Attorney's Fees. If any action or proceeding is commenced by either party to enforce its rights under this Assignment, the substantially prevailing party in such action or proceeding shall be awarded all reasonable costs and expenses incurred in such action or proceeding, including reasonable attorneys' fees and costs (including the cost of in-house counsel and appeals), in addition to any other relief awarded by the court.

Signature Page Follows.

EXECUTED as of the Effective Date.

ASSIGNOR:

KML, INC.,
a Texas corporation

By: _____
Name: _____
Title: _____

ASSIGNEE:

_____,
a _____

By: _____
Name: _____
Title: _____

EXHIBIT F

Form of Vendor Terminations

**NOTICE TO VENDOR REGARDING TERMINATION OF CONTRACT
KENSINGTON APARTMENTS**

[DATE]

To: [INSERT VENDOR INFORMATION]

Re: Termination [insert name and date of contract] (the “**Contract**”)

Dear [insert name]:

Effective as of [____], 202[___] (the “**Closing Date**”), KML, Inc., a Texas corporation (“**Seller**”), has sold the property located at 3300 Manor Road, Austin, Texas 78723 to [____], a [____] (“**Purchaser**”). In connection with such purchase and sale, Purchaser has elected to terminate the Contract.

Accordingly, this letter shall serve as notice that the Contract is terminated as of [____], 202[___] [INSERT DATE OF CLOSING, OR LATER DATE IF REQUIRED BY TERMINATED CONTRACT] (the “**Termination Date**”).

To the extent that the Contract requires payment of any penalty or premium as a result of the termination of the Contract, Seller shall be solely responsible for the payment of any such cancellation fees or penalties. Also, to the extent that the Termination Date is after the Closing Date, Purchaser shall be deemed to have assumed all of Seller’s obligations under the Contract as of the Closing Date and until the Termination Date.

Any and all future notices and inquiries that you may have regarding the termination of the Contract should be forwarded to Purchaser at the following address:

Attn: _____

Very truly yours,

SELLER:

KML, INC.,
a Texas corporation

By: _____

Name: _____

Title: _____

PURCHASER:

_____,
a _____

By: _____

Name: _____

Title: _____

EXHIBIT G
TENANT NOTIFICATION

(Date)

To Tenants of Kensington Apartments

Ladies and Gentlemen:

This is to advise you that, effective this date, Kensington Apartments has been sold to _____ ("**Purchaser**").

Effective immediately, please make all rent checks payable to _____ and make all rental payments to _____. In connection with the transfer and assignment of your lease, Purchaser has assumed the obligations of the transferor as landlord under your lease and has also been transferred any unapplied and refundable portion of your security deposit(s). The amount of your security deposit(s) is \$_____. .

Additionally, effective immediately, _____ Management Company, is no longer the manager of Kensington Apartments. The new manager of Kensington Apartments is _____.

Please contact _____ at _____ if you have any questions regarding this transfer.

Very truly yours,

_____,
a _____

By: _____

Name: _____

Title: _____

Exhibit G

Purchase and Sale Contract
(EPG – Kensington Apartments)

SCHEDULE 1

List of Excluded Permits

None.

SCHEDULE 2

List of Fixtures and Tangible Personal Property

MAINTENANCE INVENTORY

1. None.

MODEL INVENTORY

1. None.

OFFICE AND STORAGE

1. None.

SCHEDULE 3

List of Materials Delivered

- (a) Copy of the most current Rent Roll for the Property (in MS Excel if available).
- (b) Copies of month-end delinquency reports for the previous 12 months, detailing delinquency by tenant and unit, as well as amount owed.
- (c) As applicable, copies of accountant's or internally prepared monthly detail operating statements for 2019, 2020, and 2021 YTD (in MS Excel if available).
- (d) Make available at the Property copies of all Leases and Tenant files, including, but not limited to, all amendments and exhibits to same, all lease summaries and/or abstracts, all Tenant correspondence, credit reports and background checks, addendums, guarantees, renewals, and commission agreements.
- (e) Copy of every lease form in effect at time of purchase.
- (f) Monthly lease expiration schedule for following twelve (12) months.
- (g) Current concessions report by unit.
- (h) Detail report of ancillary income for previous twenty-four (24) months, if not part of item (c) above.
- (i) Copies of the 2019 - 2020 paid property tax receipts along with tax bills and 2021 notices, including assessments, from all taxing authorities.
- (j) History of tax protests for the previous three years, including original valuation and final valuation, and an overview of any tax protests in process, including the name and contact information of the consultant/attorney handling such tax protest.
- (k) Copies of property, liability, workers compensation and any other insurance policies currently in effect at the Property, together with claims information and loss runs for all policies for the last 5 years.
- (l) Copy of workers compensation claim records that are available from the Property Manager, including files that remain open and the most recent years (2019, 2020 and 2021) closed files that are available to Seller.
- (m) Copies of any utility contracts including, without limitation, local or long-distance phone service, internet service, cable or satellite televisions, water, sewer, gas, electricity or trash removal.

- (n) Copies of all Property Contracts including, without limitation, grounds maintenance and landscaping, snow removal, extermination, fire protection, security, cleaning, or maintenance.
- (o) Summary schedule of all service contracts, detailing contractor, scheduled payments, and expiration dates.
- (p) Copy of the capital improvement expenditures for 2019, 2020, and 2021 YTD.
- (q) A list of all warranty issues in dispute and the dollar amount of each item.
- (r) Schedule list all Tenant Deposits.
- (s) Schedule of all Fixtures and Tangible Personal Property to be included in the sale.
- (t) Copies of any available as-built plans and specifications for the Improvements, including, without limitation, architectural, civil engineering, utility reports/plans, landscape design (including sprinkler systems), mechanical, electrical, and plumbing.
- (u) Copy of the Existing Survey and any subsequent updates prepared for third parties, including Seller's lender(s).
- (v) Copies of any and all Phase I or II or other environmental reports in Seller's possession.
- (w) Copies of any and all site studies and/or any and all geotechnical, wetlands, engineering, soils, inspection, and/or other reports in Seller's possession.
- (x) Copies of any and all physical needs assessments, engineering reports, or inspection reports in Seller's possession.
- (y) Copies of any existing or prior title policies for the Property in Seller's possession and any documents referenced therein.
- (z) Copies of all warranties (including a comprehensive maintenance log to be available at the Property for review by Seller that includes a log for warranties obtained during Seller's ownership of the Property), operations, and maintenance manuals, including the contractor warranty and the roof warranty and assignment of warranty.
- (aa) Property marketing brochures and photos (preferably in electronic format, if available), original digital files of logos, floor plans, etc.
- (bb) Copies of any citations, code violations or deficiencies relating to the Property, past or present.
- (cc) A list of any (past and present) actual or threatened litigation matters involving the Property Manager or Seller, including (i) a brief description of each matter, (ii) the estimated dollar amount

involved and (iii) the name and contact information of the attorney handling such claims, provided that such summary shall be prepared to Seller's knowledge and Seller makes no representations or warranties regarding the outcome of such claims.

(dd) A twenty-four 24-month history of extermination invoices and a copy of the most recent termite inspection.

(ee) Copies of historical tax, electric, and utility bills for the Property with a list of applicable account numbers.

(ff) A schedule of employees, including salaries, benefits and apartment agreements.

(gg) Schedule of carpet, vinyl and appliance replacements by unit that are available to Seller.

(hh) Copies of all Permits and certificates of occupancy.

(ii) Copies of all maintenance and service history for all boilers and chillers located on the Property.

(jj) To be provided MONTHLY until Closing or the earlier termination of the Contract: (1) current operating statements, (2) current Rent Roll, (3) end of month delinquency report, (4) schedule of current rents and (5) renewal reports.

(kk) Certificate of Occupancy.

(ll) A copy of the management agreement with the Property Manager and any other management agreements applicable to the Property and/or the Leases.

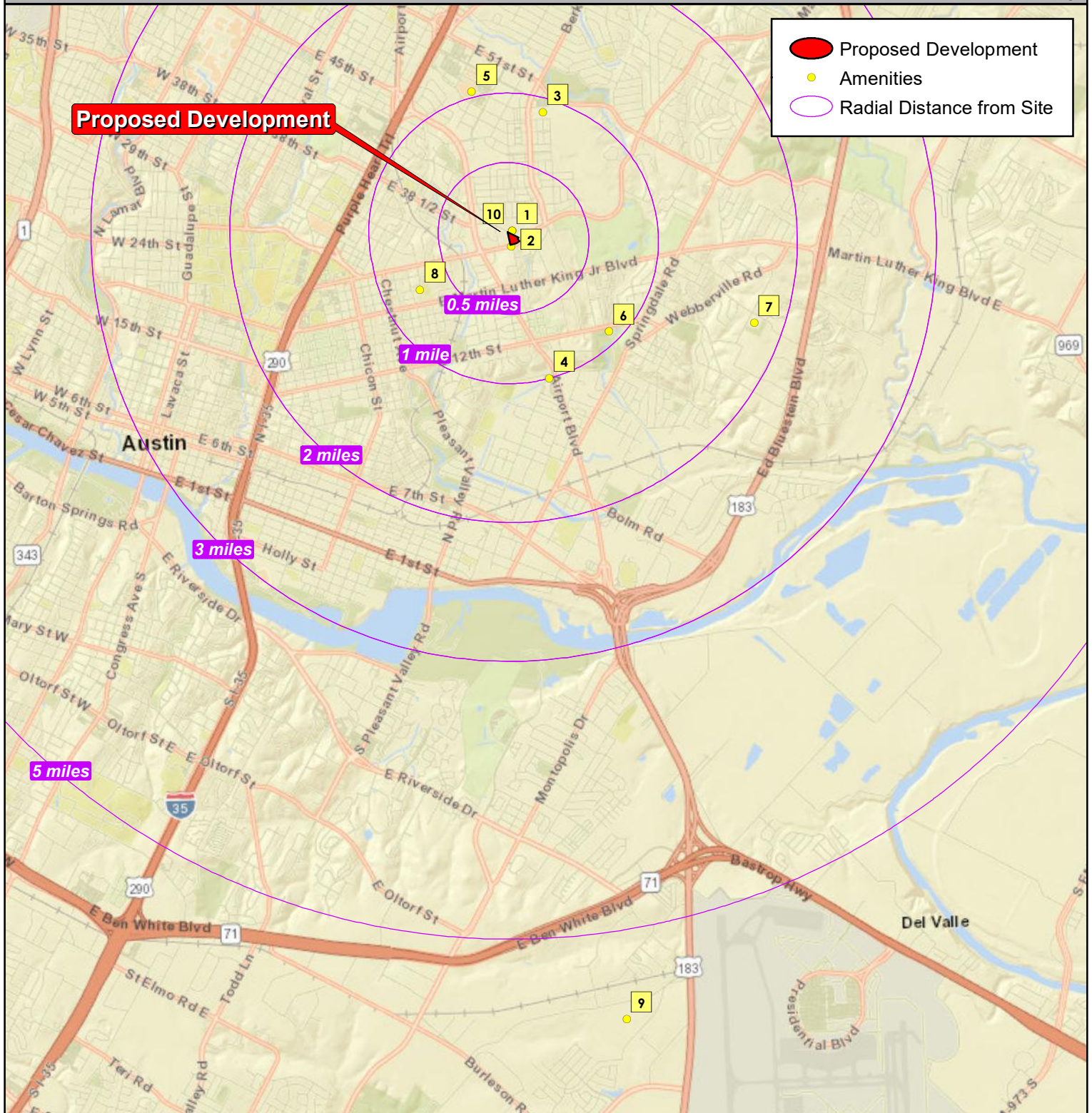
(mm) All regulatory documentation related to the previous LIHTC syndication, Land Use Regulatory Agreement, HAP Contract (including approval to engage with HUD affiliate administrator), and other related contracts.

KENSINGTON APARTMENTS
3300 MANOR ROAD
AUSTIN, TEXAS

Kensington Apartments - Maps

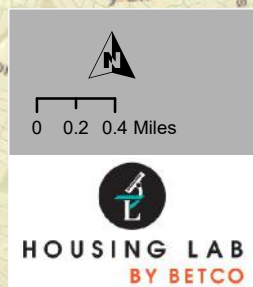
Kensington Apartments

3300 Manor Rd., Austin, Texas 78723
Amenities Map



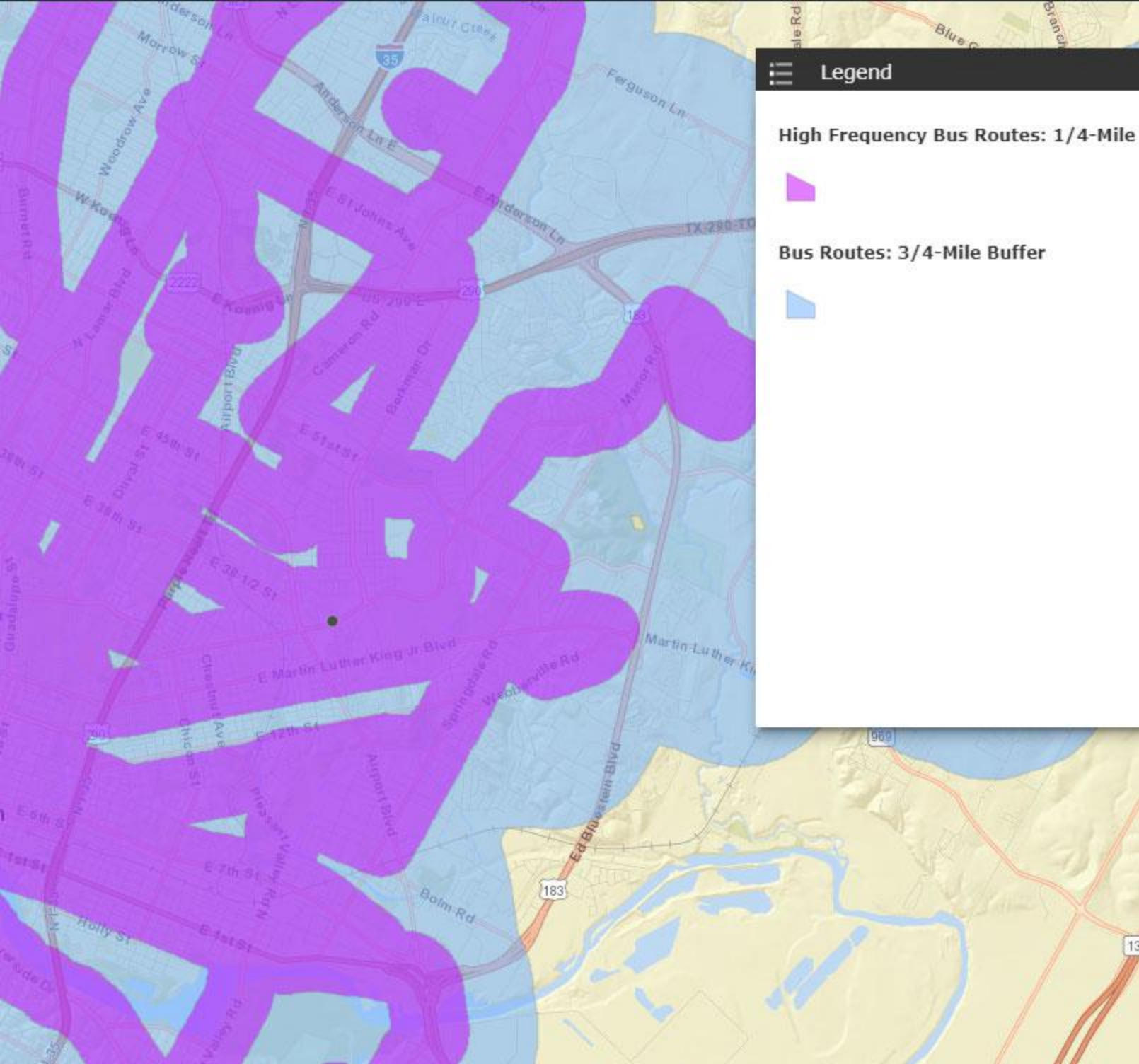
- Proposed Development
- Amenities
- Radial Distance from Site

Map Number	Amenity Type	Amenity Name	Address	Distance to Proposed Development (in miles)
1	Public Park	Mueller Southwest Greenway	2501 Tom Miller St, Austin, TX 78723	0.01
2	Public Transit	3219 Manor/Tillery - Stop ID: 5617	SWC Manor & Tillery	0.02
3	Full Grocery Store	HEB	1801 E 51st St, Austin, TX 78723	0.86
4	Pharmacy	Walgreens	1144 Airport Blvd, Austin, TX 78702	1.00
5	Health Facility	Dell Children's Medical Center	4900 Mueller Blvd, Austin, TX 78723	0.91
6	Outdoor Recreation	Givens Recreation Center	3811 E 12th St #1936, Austin, TX 78721	0.82
7	School	Sims Elem School	4001 Tannehill Ln, Austin, TX 78721	1.74
8	School	Campbell Elem School	2613 Rogers Ave, Austin, TX 78722	0.71
9	Health Facility Clinic	Austin Outpatient Clinic	7901 Metropolis Dr, Austin, TX 78744	5.56
10	Public Park	J.J. Seabrook Park	2501 Tom Miller St, Austin, TX 78723	0.11



DISCLAIMER:

All information (information) provided or depicted on this web map and web map application has been obtained from third party sources deemed reliable however, neither Housing Lab By BETCO nor any of its employees or affiliated consultants (collectively, Housing Lab By BETCO and Related Parties) have made an independent investigation of the information sources, and no warranty or representation is made by Housing Lab By BETCO and Related Parties as to the accuracy of such information. The information is submitted subject to possible errors or omissions, and no person or organization should rely on the information, unless such person or organization has conducted an independent investigation to confirm the accuracy thereof.



1/7/2021

NeighborhoodScout

Overview	Real Estate	Demographics	Crime	Schools	Trends & Forecasts
Crime Rate (per 1,000 residents)	2.60	30.77	33.37		

NEIGHBORHOOD VIOLENT CRIME

VIOLENT CRIME INDEX

53

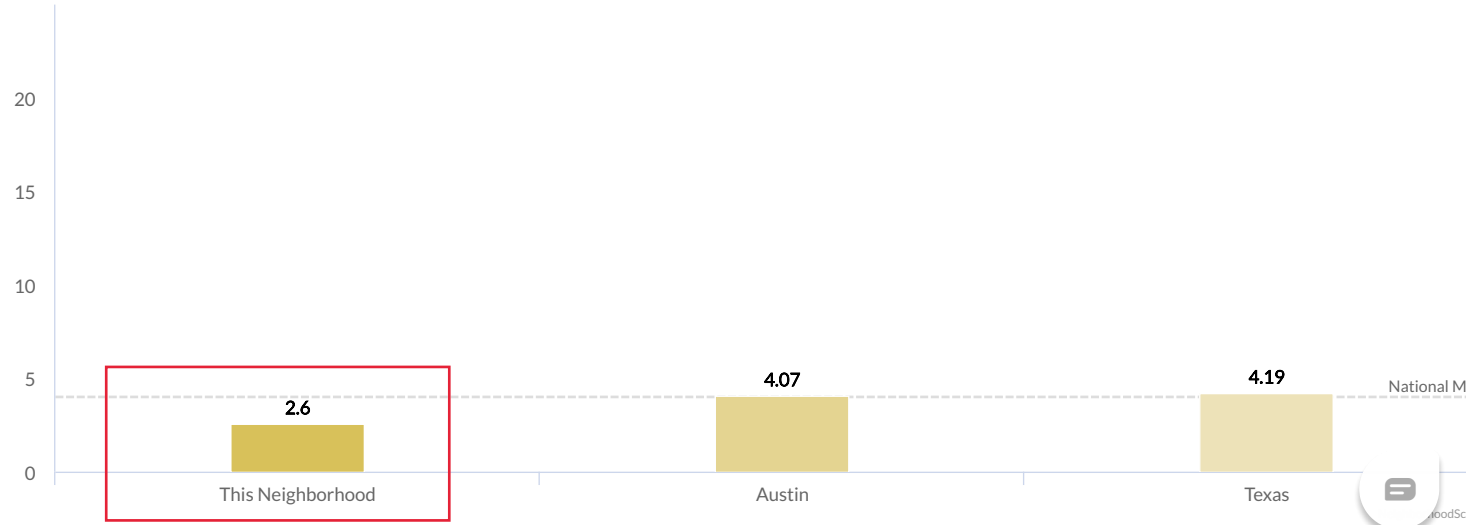
(100 is safest)

Safer than 53% of U.S. neighborhoods.

VIOLENT CRIME INDEX BY TYPE

MURDER INDEX	RAPE INDEX	ROBBERY INDEX	ASSAULT INDEX
69	41	42	55
100 is safest	100 is safest	100 is safest	100 is safest

VIOLENT CRIME COMPARISON (PER 1,000 RESIDENTS)



AUSTIN VIOLENT CRIMES

POPULATION: 978,908

	MURDER	RAPE	ROBBERY	ASSAULT
Report Total	32	547	977	2,433
Rate per 1,000	0.03	0.56	1.00	2.49

UNITED STATES VIOLENT CRIMES

POPULATION: 328,239,523

	MURDER	RAPE	ROBBERY	ASSAULT
Report Total	16,425	139,815	267,988	821,182
Rate per 1,000	0.05	0.43	0.82	2.50

NEIGHBORHOOD PROPERTY CRIME

PROPERTY CRIME INDEX

25

(100 is safest)

Safer than 25% of U.S. neighborhoods.

PROPERTY CRIME INDEX BY TYPE

BURGLARY INDEX	THEFT INDEX	MOTOR VEHICLE THEFT
54 100 is safest	17 100 is safest	88 100 is safest

Overview

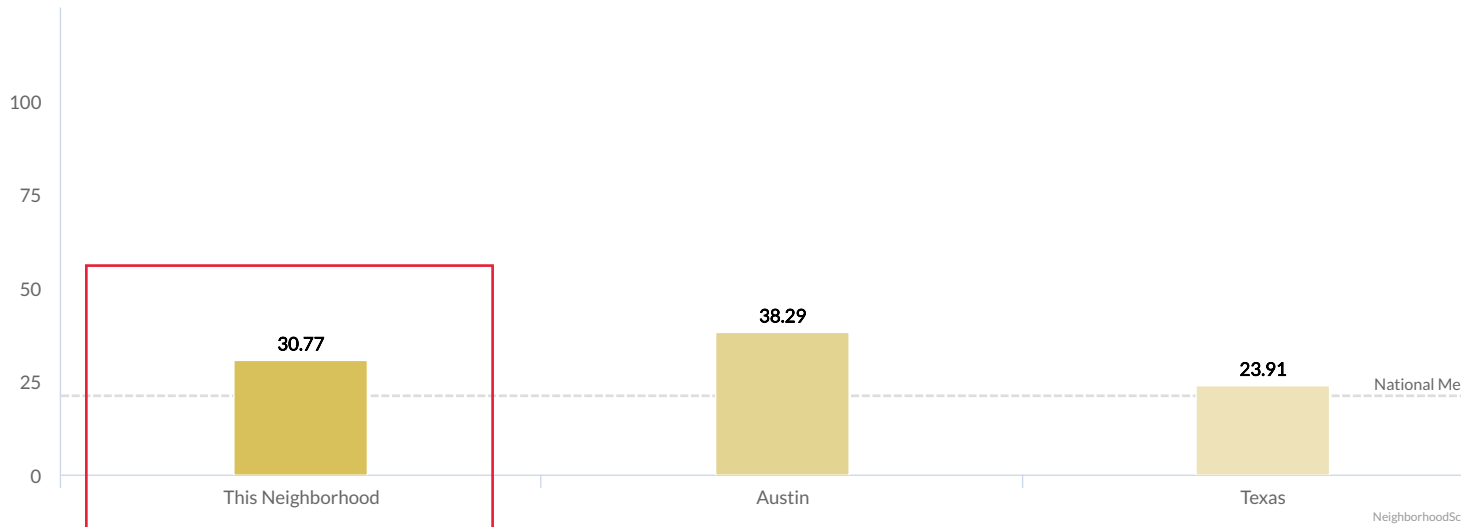
Real Estate

Demographics

Crime

Schools

Trends & Forecasts



MY CHANCES OF BECOMING A VICTIM OF A PROPERTY CRIME

1 IN 32
in this Neighborhood1 IN 26
in Austin1 IN 42
in Texas

AUSTIN PROPERTY CRIMES

POPULATION: 978,908

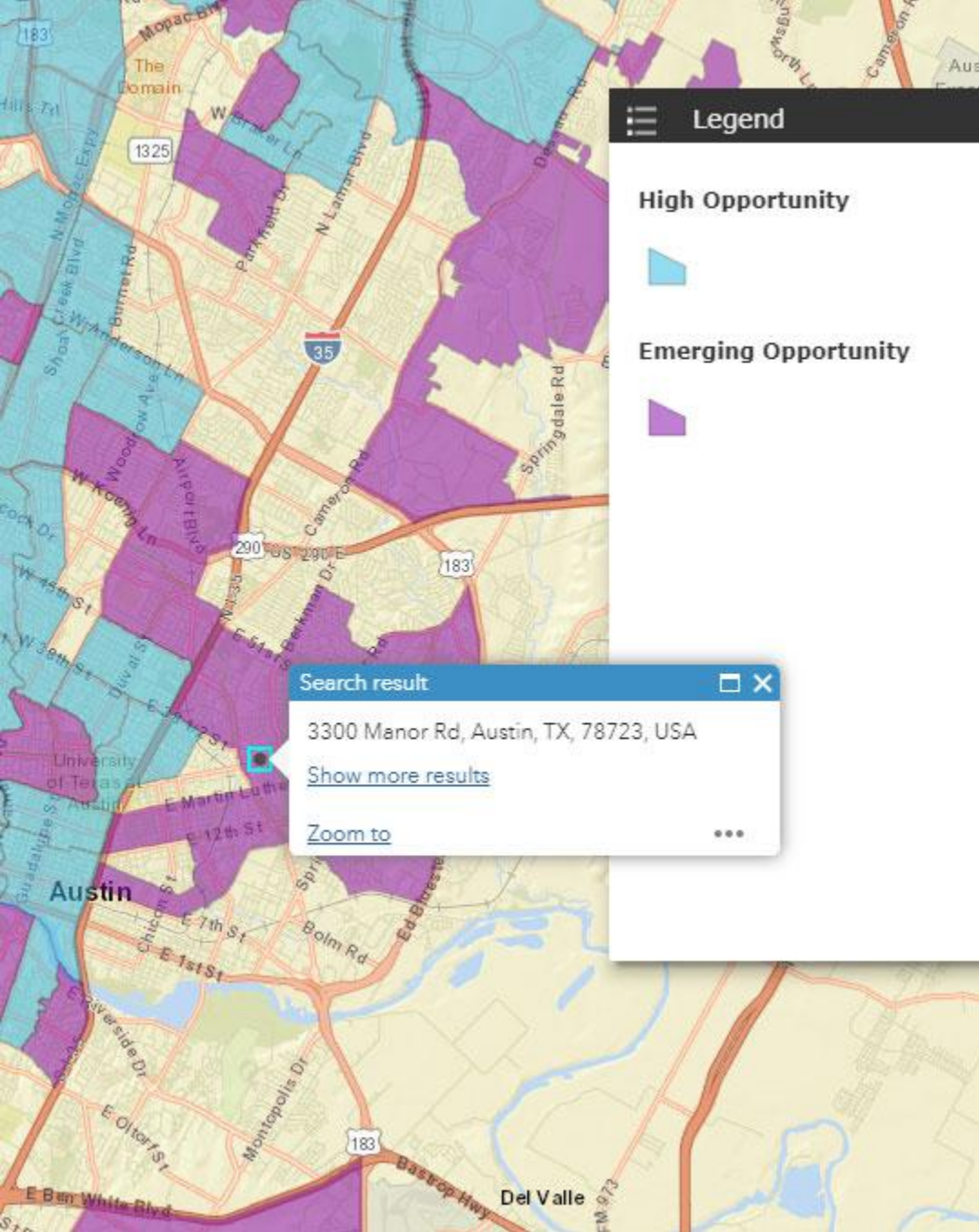
	BURGLARY	THEFT	MOTOR VEHICLE THEFT
Report Total	4,383	30,033	3,071
Rate per 1,000	4.48	30.68	3.14

UNITED STATES PROPERTY CRIMES

POPULATION: 328,239,523

	BURGLARY	THEFT	MOTOR VEHICLE THEFT
Report Total	1,117,696	5,086,096	721,885
Rate per 1,000	3.41	15.50	2.20

CRIMES PER SQUARE MILE



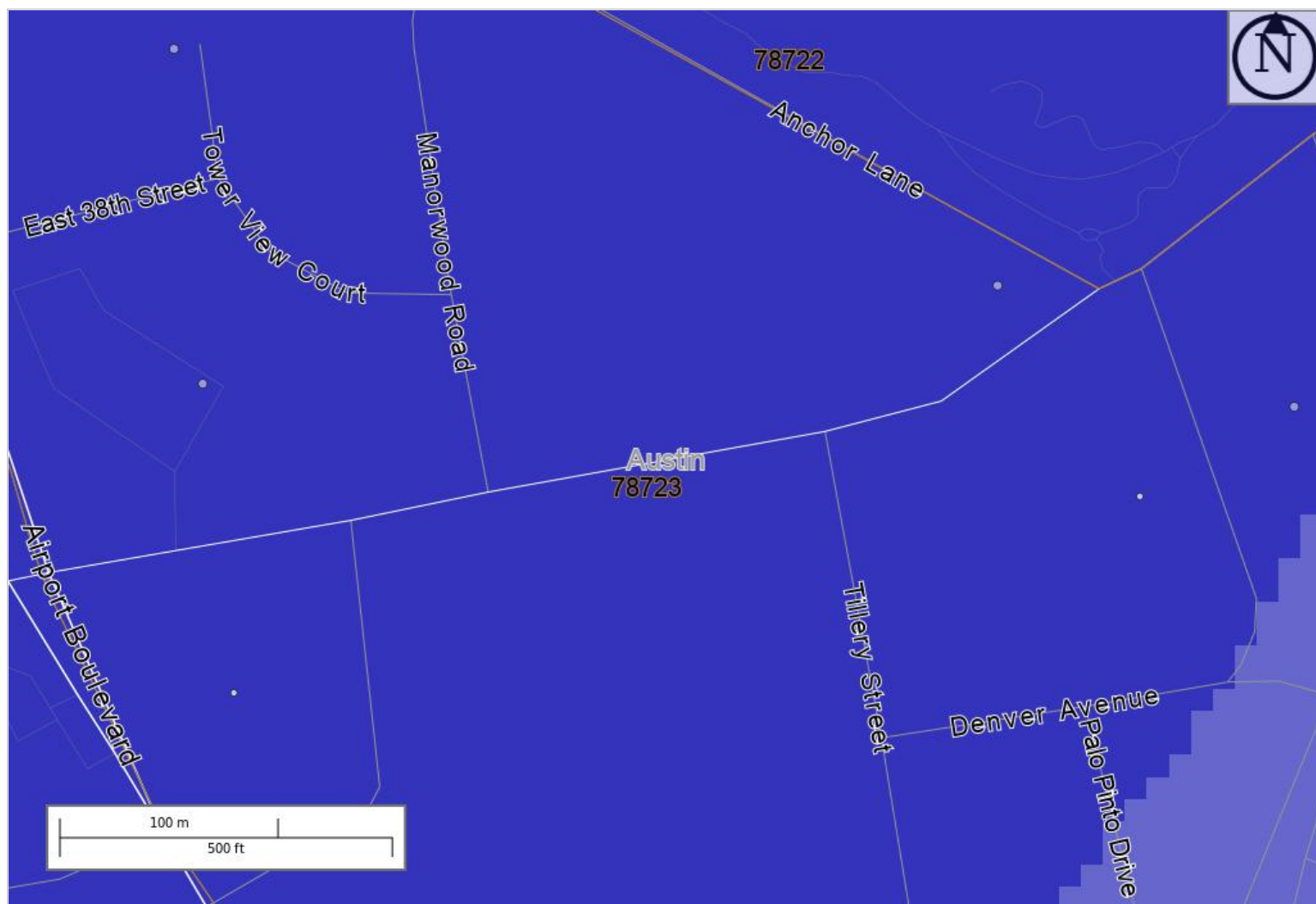
Work Area Profile Report

3300 Manor Road, Austin, Texas 78723

Created by the U.S. Census Bureau's OnTheMap <https://onthemap.ces.census.gov> on 02/11/2021

Counts and Density of Private Primary Jobs in Work Selection Area in 2018

All Workers



Map Legend

Job Density [Jobs/Sq. Mile]

- 5 - 202
- 203 - 795
- 796 - 1,784
- 1,785 - 3,167
- 3,168 - 4,947

Job Count [Jobs/Census Block]

- 1 - 4
- 5 - 49
- 50 - 245
- 246 - 773
- 774 - 1,888

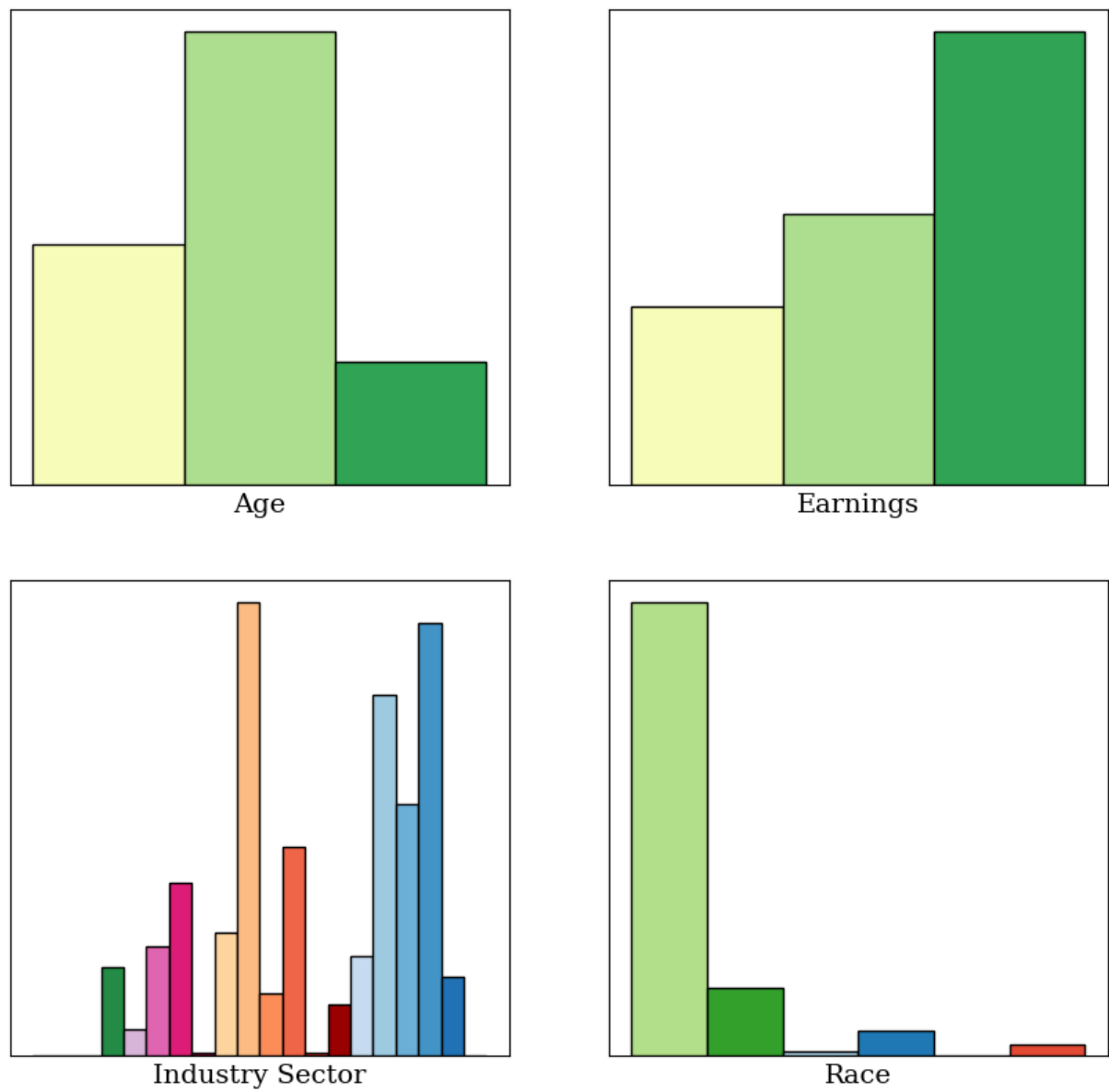
Selection Areas

- Analysis Selection



Private Primary Jobs for All Workers by Total in 2018

Employed in Selection Area



Private Primary Jobs for All Workers by Total in 2018

Employed in Selection Area

Total	2018	
	Count	Share
Total Private Primary Jobs	4,502	100.0

Total	2018	
	Count	Share
Total Private Primary Jobs	4,502	100.0

Additional Information

Analysis Settings

Analysis Type	Area Profile
Selection area as	Work
Year(s)	2018
Job Type	Private Primary Jobs
Labor Market Segment	All Workers
Selection Area	Selection Area Address buffered 1.00 miles
Selected Census Blocks	208
Analysis Generation Date	02/11/2021 23:58 - OnTheMap 6.8
Code Revision	5dc8e60ec2609d78ebfa7d4b188db13aacbb1ba6
LODES Data Version	20201117_1559

Data Sources

Source: U.S. Census Bureau, OnTheMap Application and LEHD Origin-Destination Employment Statistics (Beginning of Quarter Employment, 2nd Quarter of 2002-2018).

Notes

1. Race, Ethnicity, Educational Attainment, and Sex statistics are beta release results and are not available before 2009.
2. Educational Attainment is only produced for workers aged 30 and over.
3. Firm Age and Firm Size statistics are beta release results for All Private jobs and are not available before 2011 and in 2018.



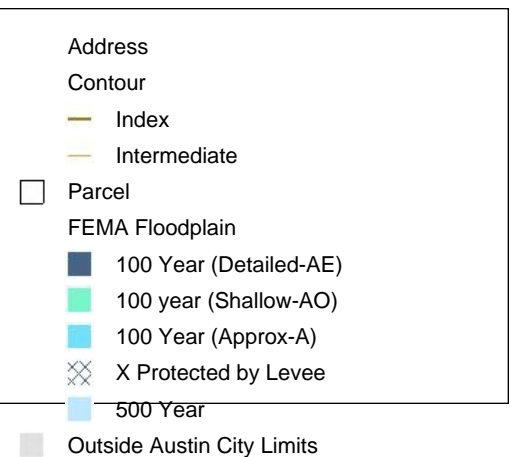
FEMA Floodplains

The City of Austin Watershed Protection Department produced this product for informational purposes. It is not intended for or suitable for legal, engineering, or surveying purposes. It does not represent an on-the-ground survey and represents only the approximate relative locations of property boundaries. No warranty is made by the City of Austin regarding specific accuracy or completeness. Final determination of the floodplain status for a property must be based on a topographic survey by a Texas registered professional. For regulatory purposes, 100-Year floodplain elevations must be determined from an engineering model created in accordance with the Drainage Criteria Manual and approved by the City of Austin.

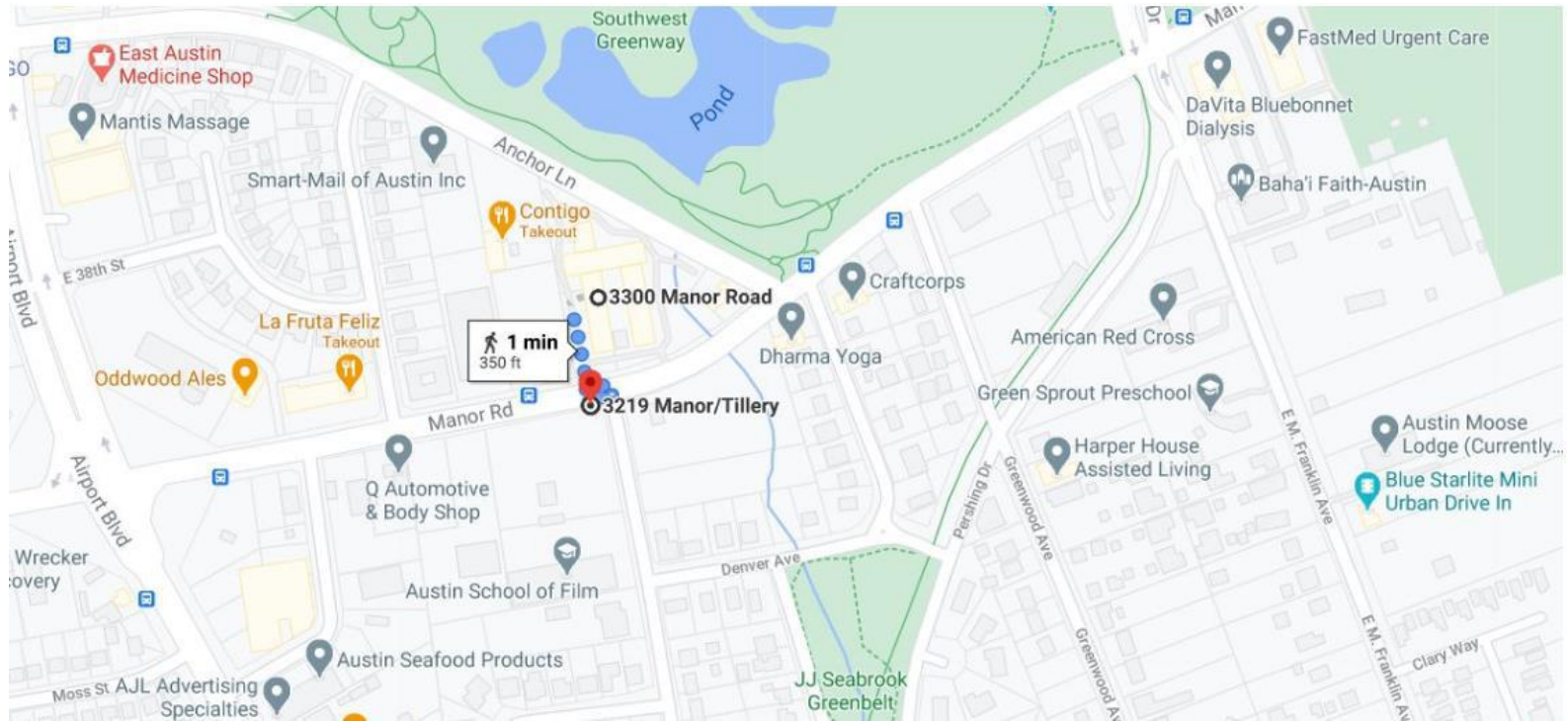
0 200 400 Feet



Prepared: 12/13/2020



Proximity to Transit Map



**KENSINGTON APARTMENTS
3300 MANOR ROAD
AUSTIN, TEXAS**

Kensington Apartments - Zoning Verification Letter



CITY OF AUSTIN - ZONING VERIFICATION LETTER

For questions concerning zoning compliance or any development criteria contact the Development Assistance Center of the City of Austin at (512) 974-6370.

This letter is to verify that the parcel listed is covered by the listed zoning classification on the date the letter was created.

Party Requesting Verification

Name: Tisha Vaidya
Mailing Address:
5580 LBJ Freeway, Suite 630
Dallas, TX 75240

Tax Parcel Identification Number

Agency: TCAD
Parcel ID: 207647

Zoning Classification(s)

Find definitions at <http://www.austintexas.gov/page/zoning-districts>

CS-MU-V-NP

Zoning Case Number(s)

Look up case info at https://www.austintexas.gov/devreview/a_queryfolder_permits.jsp

C14-02-0142.003, C14-2007-0258

Zoning Ordinance Number(s)

Look up ordinances at <http://austintexas.gov/edims/search.cfm>

021107-Z-12C, 20080320-048

For Address Verification visit:

<http://austintexas.gov/addressverification>

To access zoning ordinance documentation visit:

<http://austintexas.gov/edims/search.cfm>

To access zoning overlay documentation (Land Development Code Chapter 25-2 Division 6) visit:

<http://austintexas.gov/departments/austin-city-code-land-development-code>

<http://austintexas.gov/departments/zoning>

This letter was produced by the City of Austin Communication Technology Management Department on behalf of the Planning and Development Review Department.

I, Stacy Meeks, of the Communications and Technology Management Department for the City of Austin, do hereby certify that the above information reflects the data and records on file in this office.

A handwritten signature in black ink, appearing to read "Stacy Meeks".

**KENSINGTON APARTMENTS
3300 MANOR ROAD
AUSTIN, TEXAS**

Kensington Apartments – Purchase and Sale Agreement

*Note – a contract extension is currently being finalized and will be provided as a supplement to this application

PURCHASE AND SALE CONTRACT

BETWEEN

**KML, INC.,
a Texas corporation**

AS SELLER

AND

**ELIZABETH PROPERTY GROUP, LLC
a Delaware limited liability company**

AS PURCHASER

KENSINGTON APARTMENTS

PURCHASE AND SALE CONTRACT

This PURCHASE AND SALE CONTRACT (this “**Contract**”) is entered into as of the 8th day of January 2021 (the “**Effective Date**”) by and between **KML, Inc.**, a Texas corporation having an address at 3300 Manor Road, Austin, Texas 78723 (“**Seller**”), and **Elizabeth Property Group, LLC**, a Delaware limited liability company, having a principal address at 5580 LBJ Freeway, Suite 630, Dallas, Texas 75240, and/or its permitted assigns (“**Purchaser**”).

NOW, THEREFORE, in consideration of mutual covenants set forth herein, Seller and Purchaser hereby agree as follows:

RECITALS

A. Seller owns the real estate located in Austin, Travis County, Texas, as more particularly described in Exhibit A attached hereto and made a part hereof, and the improvements thereon, commonly known as “Kensington Apartments.”

B. Purchaser desires to purchase, and Seller desires to sell, such land, improvements and certain associated property, on the terms and conditions set forth below.

ARTICLE 1 DEFINED TERMS

1.1 **Definitions.** Unless otherwise defined herein, any term with its initial letter capitalized in this Contract shall have the meaning set forth in this Article 1.

1.1.1 “**ADA**” shall have the meaning set forth in Section 13.22.

1.1.2 “**Additional Deposit**” shall have the meaning set forth in Section 5.1.

1.1.3 “**Assumed Contracts**” shall have the meaning set forth in Section 3.4.

1.1.4 “**Broker**” shall have the meaning set forth in Section 9.1.

1.1.5 “**Business Day**” means any day other than a Saturday or Sunday, or a Federal holiday or legal holiday in the State of Texas.

1.1.6 “**Closing**” means the consummation of the purchase and sale and related transactions contemplated by this Contract in accordance with the terms and conditions of this Contract.

1.1.7 “**Closing Date**” means the date on which date the Closing of the conveyance of the Property is required to be held pursuant to Section 5.1.

1.1.8 “**Closing Documents**” shall mean those documents to be delivered by Seller and Purchaser prior to Closing pursuant to Section 5.2 and Section 5.3.

1.1.9 “**Closing Extension**” shall have the meaning set forth in Section 5.1.

1.1.10 “**Consultants**” shall have the meaning set forth in Section 3.1.

1.1.11 Intentionally Omitted

1.1.12 “**Deed**” shall have the meaning set forth in Section 5.2.1.

1.1.13 “**Deposit**” means, to the extent actually deposited by Purchaser with Escrow Agent, the Initial Deposit, the Second Deposit, and each of the Extension Deposits.

1.1.14 “**Escrow Agent**” shall have the meaning set forth in Section 2.2.1.

1.1.15 “**Excluded Permits**” means those Permits which, under applicable law, are nontransferable and such other Permits, if any, as may be designated as Excluded Permits on Schedule 1 attached hereto.

1.1.16 “**Existing Survey**” shall have the meaning set forth in Section 4.2.

1.1.17 “**Extension Deposit**” shall have the meaning set forth in Section 5.1.

1.1.18 “**Extension Notice**” shall have the meaning set forth in Section 5.1.

1.1.19 “**Feasibility Period**” shall have the meaning set forth in Section 3.1.

1.1.20 “**Final Response Deadline**” shall have the meaning set forth in Section 4.3.

1.1.21 “**Fixtures and Tangible Personal Property**” means all fixtures, furniture, furnishings, fittings, equipment, machinery, apparatus, appliances and other articles of tangible personal property located on the Land or in the Improvements as of the Effective Date and used or usable in connection with the occupation or operation of all or any part of the Property, but only to the extent transferable, including but not limited to those items expressly identified in Schedule 2 hereto. The term “Fixtures and Tangible Personal Property” does not include (a) equipment leased by Seller and the interest of Seller in any equipment provided to the Property for use, but not owned or leased by Seller, or (b) property owned or leased by any Tenant or guest, employee or other person furnishing goods or services to the Property, or (c) property and equipment owned by Seller, which in the ordinary course of business of the Property is not used exclusively for the business, operation or management of the Property.

1.1.22 “**General Assignment**” shall have the meaning set forth in Section 5.2.3.

1.1.23 “**Good Funds**” shall have the meaning set forth in Section 2.2.1.

1.1.24 “**Improvements**” means all buildings and improvements located on the Land.

1.1.25 “**Initial Deposit**” shall have the same meaning set forth in Section 2.2.1.

1.1.26 “**Independent Contract Consideration**” shall have the meaning set forth in Section 2.2.2.

1.1.27 “**Land**” means those certain tracts of land located in the State of Texas described on Exhibit A, and all rights, privileges and appurtenances pertaining thereto.

1.1.28 “**Lease(s)**” means the interest of Seller in and to all leases, subleases and other occupancy contracts, whether or not of record, which provide for the use or occupancy of space or facilities on or relating to the Property and which are in force as of the Closing Date for the applicable Property.

1.1.29 “**Leases Assignment**” shall have the meaning set forth in Section 5.2.4.

1.1.30 “**LIHTC**” shall have the meaning set forth in Section 3.4.

1.1.31 “**Materials**” shall have the meaning set forth in Section 3.3.1.

1.1.32 “**Miscellaneous Property Assets**” means all contract rights, leases, tax abatements, concessions, warranties, plans, drawings and other items of intangible personal property relating to the ownership or operation of the Property and owned by Seller, excluding, however, (a) receivables, (b) Property Contracts, (c) Leases, (d) Permits, (e) cash or other funds, whether in petty cash or house “banks,” or on deposit in bank accounts or in transit for deposit, (f) refunds, rebates or other claims, or any interest thereon, for periods or events occurring prior to the Closing Date, (g) utility and similar deposits, (h) insurance or other prepaid items, or (i) Seller’s proprietary books and records. The term “Miscellaneous Property Assets” also shall include all of Seller’s rights, if any, in and to the name “Kensington Apartments” as it relates solely to use in connection with the Property (and not with respect to any other property owned or managed by Seller, Property Manager, or their respective affiliates).

1.1.33 “**New Survey**” shall have the meaning set forth in Section 4.2.

1.1.34 “**Objection Deadline**” shall have the meaning set forth in Section 4.3.

1.1.35 “**Objection Notice**” shall have the meaning set forth in Section 4.3.

1.1.36 “**Objections**” shall have the meaning set forth in Section 4.3.

1.1.37 “**Permits**” means all licenses and permits granted by any governmental authority having jurisdiction over the Property owned by Seller and required in order to own and operate the Property.

1.1.38 “**Permitted Exceptions**” means those exceptions or conditions that affect or may affect title to the Property that are approved or deemed to be approved by Purchaser in accordance with Article 4 of this Contract.

1.1.39 “**Prohibited Person**” means any of the following: (a) a person or entity that is listed in the Annex to, or is otherwise subject to the provisions of, Executive Order No. 13224 on Terrorist Financing (effective September 24, 2001) (the “**Executive Order**”); (b) a person or entity owned or controlled by, or acting for or on behalf of any person or entity that is listed in the Annex to, or is otherwise subject to the provisions of, the Executive Order; (c) a person or entity that is named as a “specially designated national” or “blocked person” on the most current list published by the U.S. Treasury Department’s Office of Foreign Assets Control (“**OFAC**”) at its official website (<http://www.treas.gov/offices/enforcement/ofac/>); or (d) a person or entity who is affiliated with a person or entity listed above.

1.1.40 “**Property**” means (a) the Land and Improvements and all rights of Seller, if any, in and to all of the easements, rights, privileges, and appurtenances belonging or in any way appertaining to the Land and Improvements, (b) the right, if any and only to the extent transferable, of Seller in the Property Contracts, Leases, Permits (other than Excluded Permits), and the Fixtures and Tangible Personal Property, and (c) the Miscellaneous Property Assets owned by Seller which are located on the Property and used in its operation.

1.1.41 “**Property Contracts**” means all contracts, agreements, equipment leases, purchase orders, maintenance, service, or utility contracts and similar contracts, excluding Leases, which relate to the ownership, maintenance, construction or repair and/or operation of the Property, but only to the extent assignable by their terms or applicable law (including any contracts that are assumable with the express consent of the applicable vendor), and not including (a) any national contracts entered into by Seller or Property Manager with respect to the Property (i) which terminate automatically upon transfer of the Property by Seller, or (ii) which Seller, in Seller’s sole discretion, elects to terminate with respect to the Property effective as of the Closing Date or (b) any property management contract for the Property.

1.1.42 “**Property Contracts Notice**” shall have the meaning set forth in Section 3.4.

1.1.43 “**Property Manager**” means the current property manager of the Property.

1.1.44 “**Proration Schedule**” shall have the meaning set forth in Section 5.4.1.

1.1.45 “**Purchase Price**” means the consideration to be paid by Purchaser to Seller for the purchase of the Property pursuant to Section 2.2.

1.1.46 “**Purchaser’s Indemnified Parties**” means Purchaser, together with Purchaser’s affiliates, parent and subsidiary entities, successors, assigns, partners, managers, members, employees, officers, directors, trustees, shareholders, counsel, representatives, and agents.

1.1.47 “**Rent Roll**” shall have the meaning set forth in Section 6.1.15.

1.1.48 “**Records Hold Period**” shall have the meaning set forth in Section 5.4.11.

1.1.49 “**Response Deadline**” shall have the meaning set forth in Section 4.3.

1.1.50 “**Response Notice**” shall have the meaning set forth in Section 4.3.

1.1.51 “**Second Deposit**” shall have the meaning set forth in Section 2.2.3.

1.1.52 “**Seller’s Indemnified Parties**” means Seller, together with Seller’s affiliates, parent and subsidiary entities, successors, assigns, partners, managers, members, employees, officers, directors, trustees, shareholders, counsel, representatives, and agents.

1.1.52 “**Seller’s Property-Related Files and Records**” shall have the meaning set forth in Section 5.4.11.

1.1.53 “**Seller’s Representations**” shall have the meaning set forth in Section 6.1.

1.1.54 “**Survey**” shall have the meaning ascribed thereto in Section 4.2.

1.1.55 “**Survival Period**” shall have the meaning set forth in Section 6.2.

1.1.56 “**Survival Provisions**” shall have the meaning set forth in Section 13.26.

1.1.56 “**TDHCA**” shall have the meaning set forth in Section 3.4.

1.1.57 “**Tenant**” means any person or entity entitled to occupy any portion of the Property under a Lease.

1.1.58 “**Tenant Deposits**” means all security deposits, prepaid rentals, cleaning fees and other refundable deposits and fees collected from Tenants, plus any interest accrued thereon, paid by Tenants to Seller pursuant to the Leases. Tenant Deposits shall not include any non-refundable deposits or fees paid by Tenants to Seller, either pursuant to the Leases or otherwise.

1.1.59 “**Tenant Security Deposit Balance**” shall have the meaning set forth in Section 5.4.6.2.

1.1.60 “**Terminated Contracts**” shall have the meaning set forth in Section 3.4.

1.1.61 “**Third-Party Reports**” means any reports, studies or other information prepared or compiled for Seller and/or Purchaser by any Consultant or other third- party in connection with the Property.

1.1.62 “**Title Documents**” shall have the meaning set forth in Section 4.1.

1.1.63 “**Title Insurer**” shall have the meaning set forth in Section 2.2.1.

1.1.64 “**Title Policy**” shall have the meaning set forth in Section 4.1.

1.1.65 “**Uncollected Rents**” shall have the meaning set forth in Section 5.4.6.1.

1.1.66 “**Vendor Terminations**” shall have the meaning set forth in Section 5.2.5.

ARTICLE 2

PURCHASE AND SALE, PURCHASE PRICE & DEPOSIT

2.1 **Purchase and Sale.** Seller agrees to sell and convey the Property to Purchaser and Purchaser agrees to purchase the Property from Seller, all in accordance with the terms and conditions set forth in this Contract.

2.2 **Purchase Price and Deposit.** The total purchase price (“**Purchase Price**”) for the Property shall be Sixteen Million and No/100 Dollars (\$16,000,000), which shall be paid by Purchaser, as follows:

Within three (3) Business Days of the Effective Date, Purchaser shall deliver to Corridor Title (“**Escrow Agent**” or “**Title Insurer**”), at 171 Benney Lane, Bldg 1, Dripping Springs, Texas 78620, Attn: Gina Kufrovich, an initial deposit (the “**Initial Deposit**”) of One Hundred Fifty Thousand and No/100 Dollars (\$150,000.00) by wire transfer of immediately available funds (“**Good Funds**”). The Initial Deposit shall be fully refundable until expiration of the Feasibility Period, when the Initial Deposit shall become immediately non-refundable to Purchaser. The Initial Deposit shall be held and disbursed in accordance with the escrow provisions set forth in Section 2.3.

2.2.2 Seller and Purchaser agree that the amount of One Hundred and No/100 Dollars (\$100.00) of the Deposit is delivered to Escrow Agent for delivery by Escrow Agent to Seller as consideration for Seller’s execution and delivery of this Contract (the “**Independent Contract Consideration**”), and the Deposit is reduced by the amount of the Independent Contract Consideration. The Independent Contract Consideration is independent of any other consideration or payment provided for in this Contract and, notwithstanding anything to the contrary herein, is non-refundable in all events.

2.2.3 Within three (3) Business Days of the expiration of the Feasibility Period, below defined, Purchaser shall deliver to Escrow Agent a second deposit (the “**Second Deposit**”) of One Hundred Fifty Thousand and No/100 Dollars (\$150,000.00) by wire transfer of Good Funds. The Second Deposit shall be immediately non-refundable, except as noted herein. Both the Second Deposit and the Initial Deposit shall be fully applicable to the Purchase Price.

2.2.4 The balance of the Purchase Price for the Property shall be paid to and received by Escrow Agent by wire transfer of Good Funds no later than 3:00 p.m. (in the time zone in which the Escrow Agent is located) on the Closing Date.

2.3 **Escrow Provisions Regarding Deposit.**

2.3.1 Escrow Agent shall hold the Deposit and make delivery of the Deposit to the party entitled thereto under the terms of this Contract. Escrow Agent shall invest the Deposit in such short-term, high-grade securities, interest-bearing bank accounts, money market funds or accounts, bank certificates of deposit or bank repurchase contracts as Escrow Agent, in its discretion, deems

suitable, and all interest and income thereon shall become part of the Deposit and shall be remitted to Purchaser or Seller as set forth herein.

2.3.2 Escrow Agent shall hold the Deposit until the earlier occurrence of (i) the Closing Date, at which time the Deposit shall be applied against the Purchase Price, or (ii) the date on which Escrow Agent shall be authorized to disburse the Deposit as set forth in Section 2.3.3. The tax identification numbers of the parties shall be furnished to Escrow Agent upon request.

2.3.3 If the Deposit has not been released earlier in accordance with Section 2.3.2, and either party makes a written demand upon Escrow Agent for payment of the Deposit, Escrow Agent shall give written notice via certified mail or overnight delivery and email to the other party of such demand. If Escrow Agent does not receive a written objection from the other party to the proposed payment within five (5) Business Days after the giving of such notice, Escrow Agent is hereby authorized to make such payment to Purchaser or Seller, as applicable.

2.3.4 The parties acknowledge that Escrow Agent is acting solely as a stakeholder at their request and for their convenience, that Escrow Agent shall not be deemed to be the agent of either of the parties for any act or omission on its part unless taken or suffered in bad faith in willful disregard of this Contract or involving gross negligence. Seller and Purchaser jointly and severally shall indemnify and hold Escrow Agent harmless from and against all costs, claims and expenses, including reasonable attorney's fees, incurred in connection with the performance of Escrow Agent's duties hereunder, except with respect to actions or omissions taken or suffered by Escrow Agent in bad faith, in willful disregard of this Contract or involving gross negligence on the part of the Escrow Agent.

2.3.5 The parties shall deliver to Escrow Agent an executed copy of this Contract, which shall constitute the sole instructions to Escrow Agent. Escrow Agent shall execute the signature page for Escrow Agent attached hereto with respect to the provisions of this Section 2.3; provided, however, that (a) Escrow Agent's signature hereon shall not be a prerequisite to the binding nature of this Contract on Purchaser and Seller, and the same shall become fully effective upon execution by Purchaser and Seller, and (b) the signature of Escrow Agent will not be necessary to amend any provision of this Contract other than this Section 2.3.

2.3.6 The provisions of this Section 2.3 shall survive the termination of this Contract, and if not so terminated, Closing and delivery of the Deed to Purchaser.

ARTICLE 3 FEASIBILITY PERIOD

3.1 Feasibility Period. From the Effective Date to and including the date which is two hundred ten (210) days after the Effective Date (the "**Feasibility Period**"), Purchaser, and its agents, contractors, engineers, surveyors, attorneys, and employees (collectively, "**Consultants**") shall have the right from time to time to enter onto the Property:

3.1.1 To conduct and make any and all customary studies, examinations, inquiries, file audits, and inspections (including, but not limited to, a Phase I environmental site assessment

and engineering tests, but any invasive or destructive testing, including but not limited to a Phase II environmental assessment, shall not be conducted without Seller's prior written consent), or investigations (collectively, the "**Inspections**") of or concerning the Property (and Seller shall cooperate with Purchaser, or its agents, in arranging the Inspections). Purchaser and its duly authorized agents or representatives shall be permitted to enter upon the Property upon at least two (2) business days prior notice to Seller during the Feasibility Period in order to conduct the Inspections, provided however that Seller shall have the right to be present for all Inspections and to impose reasonable conditions to prevent the spread of COVID-19 or any other disease by requiring the wearing of masks and gloves, imposing social distancing and other reasonable precautions. Buyer agrees to promptly discharge any liens that may be imposed against the Property as a result of the Inspections and to indemnify, defend and hold Seller and Seller's Indemnified Parties harmless from and against any and all claims, suits, losses, costs, expenses (including without limitation court costs and attorneys' fees), liabilities, judgments and damages (collectively, "**Claims**"), incurred by Seller or Seller's Indemnified Parties as a result of any Inspections performed by Buyer.

3.1.2 To confirm any and all matters which Purchaser may reasonably desire to confirm with respect to the Property;

3.1.3 To ascertain and confirm the suitability of the Property for Purchaser's intended use of the Property; and

3.1.4 To review the Materials at Purchaser's sole cost and expense.

3.2 **Expiration of Feasibility Period.** If the results of any of the matters referred to in Section 3.1 appear unsatisfactory to Purchaser for any reason or if Purchaser elects not to proceed with the transaction contemplated by this Contract for any other reason, or for no reason whatsoever, in Purchaser's sole and absolute discretion, then Purchaser shall have the right to terminate this Contract by giving written notice, in accordance with the notice provisions of this Contract, to that effect to Seller and Escrow Agent on or before 5:00 p.m. Central Standard Time on the date of expiration of the Feasibility Period. If Purchaser exercises such right to terminate, this Contract shall terminate and be of no further force and effect, subject to and except for Purchaser's indemnification obligations set forth in Section 3.1 above and the Survival Provisions, and Escrow Agent shall forthwith return the Deposit, as applicable, to Purchaser. If Purchaser fails to provide Seller with written notice of termination prior to the expiration of the Feasibility Period in accordance with the notice provisions of this Contract, Purchaser's right to terminate under this **Section 3.2** shall be waived (unless agreed otherwise) and this Contract shall remain in full force and effect, the Deposit shall be non-refundable, but applicable to the Purchase Price, and Purchaser's obligation to purchase the Property shall be non-contingent and unconditional except only for satisfaction of the conditions expressly stated in **Section 8.1**.

3.3 **Property Materials.**

3.3.1 Within five (5) Business Days after the Effective Date, Seller shall provide copies of documents set forth on **Schedule 3** hereto (the "**Materials**") to Purchaser, to the extent that the same are in the Seller's actual possession or reasonably attainable by Seller. In the alternative, at Seller's option and within the foregoing five (5) day period, Seller may make such Materials

available to Purchaser on a secure web site or at the Property. To the extent that Purchaser determines that any of the Materials have not been made available or delivered to Purchaser pursuant to this Section 3.3.1, Purchaser shall notify Seller and Seller shall use commercially reasonable efforts to deliver the same to Purchaser within three (3) Business Days after such notification is received by Seller, to the extent that such Materials are in Seller's actual possession or reasonably attainable by Seller. Purchaser shall have the option, in its sole discretion, to waive a specific item required in the Materials.

3.3.2 Any information and Materials provided by Seller to Purchaser under the terms of this Contract is for informational purposes only and, together with all Third-Party Reports that are not confidential or proprietary, shall be returned by Purchaser to Seller (specifically excluding any Materials made available to Purchaser on a secure web site or made available at the Property) if this Contract is terminated for any reason.

3.3.3 Purchaser agrees that it shall promptly deliver to Seller a copy of any PCR Report/Phase I and surveys it produces during the Feasibility Period in the event that Purchaser terminates this Contract.

3.4 Property Contracts. On or before the expiration of the Feasibility Period, Purchaser may deliver written notice to Seller (the "**Property Contracts Notice**") specifying any Property Contracts which Purchaser desires to terminate at Closing (the "**Terminated Contracts**"); provided that (a) the effective date of such termination after Closing shall be subject to the express terms of such Terminated Contracts (and, to the extent that the effective date of termination of any Terminated Contract is after the Closing Date, Purchaser shall be deemed to have assumed all of Seller's obligations under such Terminated Contract as of the Closing Date), (b) if any such Property Contract cannot by its terms be terminated, it shall be assumed by Purchaser and not be a Terminated Contract, and (c) to the extent that any such Terminated Contract requires payment of a penalty or premium for cancellation, Seller shall be solely responsible for the payment of any such cancellation fees or penalties. If Purchaser fails to deliver the Property Contracts Notice on or before the expiration of the Feasibility Period, there shall be no Terminated Contracts and Purchaser shall assume all Property Contracts at Closing. To the extent that any Property Contract to be assumed by Purchaser (including any Property Contracts that, because of advance notice requirement, will be temporarily assumed by Purchaser pending the effective date of termination after the Closing Date) (such assumed Property Contracts, the "**Assumed Contracts**") is assignable but requires the applicable vendor to consent to the assignment or assumption of the Property Contract by Seller to Purchaser, then, prior to Closing, Seller shall be responsible for using commercially reasonable efforts to obtain from each applicable vendor a consent (each a "**Required Assignment Consent**") to the assignment of the Property Contract by Seller to Purchaser. The provisions of this Section 3.4 shall survive Closing and delivery of the Deed to Purchaser.

3.4 LIHTC. Seller acknowledges that Purchaser intends to apply for an allocation of low-income housing tax credits ("**LIHTC**") from the Texas Department of Housing and Community Affairs ("**TDHCA**") under §42 of the Internal Revenue Code of 1986, as amended. Seller agrees to reasonably cooperate with Purchaser at Purchaser's expense to obtain the LIHTC award, including, but not limited to, executing all documents necessary for the application and/or transfer of the

Property. Purchaser shall regularly communicate with Seller regarding LIHTC and keep the Seller promptly apprised of the status of approvals.

ARTICLE 4 TITLE

4.1 Title Documents. Within five (5) days after the Effective Date, Seller shall cause to be delivered to Purchaser a standard TLTA form of commitment for title insurance (“**Title Commitment**”) for the Property in an amount equal to the Purchase Price from Title Insurer for an owner’s title insurance policy (the “**Title Policy**”), together with copies of all instruments identified as exceptions therein and a municipal lien search (together with the Title Commitment, referred to herein as the “**Title Documents**”). Seller shall be responsible only for payment of the basic premium for the Title Policy. Purchaser shall be solely responsible for payment of all other costs relating to procurement of the Title Commitment, the Title Policy, and any requested amendments or endorsements, unless such endorsement is required to cure a mechanic’s lien or an Objection to title, pursuant to Section 4.3, in which case Seller shall be responsible for the cost of such curative endorsement.

4.2 Survey. Within five (5) days after the Effective Date, Seller shall deliver to Purchaser a copy of any and all existing surveys of the Property in Seller’s possession (the “**Existing Survey**”). To the extent that Purchaser desires that a new survey of the Property be prepared (or that the Existing Survey be updated), Purchaser shall within sixty (60) days after receipt of the Title Documents and Existing Survey obtain a new survey or an update to the Existing Survey (the “**New Survey**,” and together with the Existing Survey, the “**Survey**”) prepared by a surveyor licensed by the State of Texas, dated no earlier than the Effective Date. The New Survey shall be at Purchaser’s cost and expense, provided, however, that Seller shall reimburse Purchaser for one-half (1/2) of the cost of the New Survey at Closing if this Contract is not otherwise terminated, as provided herein, further provided however that such reimbursement from Seller shall not exceed \$2,500.00.

4.3 Objection and Response Process. On or before the date which is ten (10) Business Days after Purchaser’s receipt of the last of the Title Commitment, Title Documents and the Survey, and in all events prior to the expiration of the Feasibility Period (the “**Objection Deadline**”), Purchaser shall give written notice (the “**Objection Notice**”) to Seller of any matter set forth in the Title Documents or the Survey to which Purchaser objects (the “**Objections**”). If Purchaser fails to tender an Objection Notice on or before the Objection Deadline, Purchaser shall be deemed to have approved and irrevocably waived any objections to any matters covered by the Title Documents and the Survey. On or before five (5) Business Days after receipt of Purchaser’s Objection Notice (the “**Response Deadline**”), Seller shall give Purchaser notice (the “**Response Notice**”) of those Objections which Seller is willing to cure, if any, provided however that Seller shall have no obligation to cure same. If Seller fails to deliver a Response Notice by the Response Deadline, Seller shall be deemed to have elected not to cure or otherwise resolve any matter set forth in the Objection Notice prior to the Closing Date. If Purchaser is dissatisfied with the Response Notice, if delivered by Seller prior to the expiration of the Response Deadline, or if Seller does not deliver a Response Notice, Purchaser may, as its exclusive remedy, elect by written notice given to Seller on or before the date that is five (5) days after the earlier to occur of (i) Purchaser’s receipt of Seller’s Response Notice or (ii) the expiration of the Response Deadline (the “**Final Response Deadline**”), either (a)

to accept the Title Documents and Survey with resolution, if any, of the Objections as set forth in the Response Notice (or if no Response Notice is tendered, without any resolution of the Objections) or (b) to terminate this Contract, in which event the Deposit shall be fully returned to Purchaser. If, following the receipt of the Response Notice, Purchaser fails to give notice to terminate this Contract on or before the Final Response Deadline, Purchaser shall be deemed to have elected to approve and irrevocably waived any objections to any matters covered by the Title Documents or the Survey.

4.4 New Title Matters. Before Closing, Seller shall cause the Title Commitment to be updated and:

4.4.1 If such update should reveal any material or adverse changes from the original Commitment which were caused by any action or affirmative inaction of Seller (“**New Seller Caused Title Objections**”), Purchaser shall notify Seller of same within five (5) days of receipt of the title commitment update. If such update should reveal any material and adverse changes from the original Commitment which were not caused by Seller (“**New Title Objections**”), Purchaser shall notify Seller of same and Seller shall be obligated to use commercially reasonable efforts (exclusive of litigation) to cure such New Title Objections and all dates shall be tolled for a reasonable time (not to exceed thirty (30) days) for Seller to do so, failing which, Purchaser shall elect to either (i) terminate this Contract, in which event the Deposit shall be returned to Purchaser and thereafter neither Purchaser nor Seller shall have any further rights or obligations hereunder except as otherwise expressly provided herein, or (ii) waive its objections to the New Title Objections that Seller cannot remove after using commercially reasonable efforts (exclusive of litigation), and proceed to Closing.

4.5 Permitted Exceptions. The Deed delivered pursuant to this Contract shall be subject to:

4.5.1 The Permitted Exceptions; and

4.5.2 All Leases.

ARTICLE 5 CLOSING

5.1 Closing Date. Subject to satisfaction of the conditions set forth in this Contract, including, but not limited to, those set forth in Section 5.2 and Section 8.1, the Closing shall occur on or before December 15, 2021 (the “**Closing Date**”), subject, however, to the right of Purchaser to extend the Closing Date by two (2), sixty (60) day periods (each, a “**Closing Extension**”). Purchaser shall exercise each Closing Extension by delivering to Seller and Escrow Agent written notice of its intent to extend the Closing Date no later than three (3) Business Days prior to the Closing Date or the extended Closing Date, as applicable (each, an “**Extension Notice**”). Together with delivery of the applicable Extension Notice, for each Closing Extension, Purchaser shall deliver to Escrow Agent an extension deposit of One Hundred Thousand and No/100 Dollars (\$100,000.00) by wire transfer of Good Funds (each, an “**Extension Deposit**”). Each Extension Deposit shall be immediately non-refundable, except as noted herein, upon delivery, but shall be fully applicable to the Purchase Price. Closing will be through an escrow with Escrow Agent, whereby Seller, Purchaser and their attorneys

need not be physically present at the Closing and may deliver documents by overnight air courier or other means.

5.2 Seller Closing Deliveries. No later than one (1) Business Day prior to the Closing Date, Seller shall deliver to Escrow Agent each of the following items:

5.2.1 Special Warranty Deed (the “**Deed**”) in the form attached as Exhibit B to Purchaser, subject to the Permitted Exceptions;

5.2.2 A Bill of Sale in the form attached as Exhibit C;

5.2.3 A General Assignment and Assumption Agreement in the form attached as Exhibit D (the “**General Assignment**”);

5.2.4 An Assignment and Assumption of Leases and Security Deposits in the form attached as Exhibit E (the “**Leases Assignment**”);

5.2.5 A letter in the form attached hereto as Exhibit F prepared by Seller and countersigned by Purchaser to each of the vendors under the Terminated Contracts informing them of the termination of such Property Contract as of the Closing Date (subject to any delay in the effectiveness of such termination pursuant to the express terms of each applicable Property Contract) (the “**Vendor Terminations**”);

5.2.6 A closing statement executed by Seller;

5.2.7 A title affidavit (or, at Seller’s option, an indemnity, as applicable, reasonably acceptable to Seller to enable Title Insurer to delete the standard exceptions to the title insurance policy set forth in this Contract other than matters constituting any Permitted Exceptions and matters which are to be completed or performed post-Closing) to be issued pursuant to the Title Commitment; provided that such affidavit does not subject Seller to any greater liability, or impose any additional obligations, other than as set forth in this Contract;

5.2.8 A certification of Seller’s non-foreign status pursuant to Section 1445 of the Internal Revenue Code of 1986, as amended;

5.2.9 Notification letters to all Tenants, executed by Seller in the form attached hereto as Exhibit G (or a form otherwise agreed to by the parties);

5.2.10 A certified Rent Roll, executed by Seller;

5.2.11 Resolutions, certificates of good standing, and such other organizational documents as Title Insurer shall reasonably require evidencing Seller’s authority to consummate this transaction; and

5.2.12 Such other documents as Purchaser may reasonably require.

5.3 Purchaser Closing Deliveries. No later than one (1) Business Day prior to Closing Date (except for the balance of the Purchase Price which is to be delivered at the time specified in Section 2.2.4), Purchaser shall deliver to Escrow Agent (for disbursement to Seller upon Closing) the following items with respect to the Property being conveyed at Closing:

5.3.1 The full Purchase Price (with credit for the Deposit, plus or minus the adjustments or prorations required by this Contract);

5.3.2 A closing statement executed by Purchaser;

5.3.3 A signed counterpart of the General Assignment;

5.3.4 A signed counterpart of the Leases Assignment;

5.3.5 A signed counterpart to each of the Vendor Terminations (Seller shall be responsible for identifying each of the vendors under the Terminated Contracts (subject to the terms and conditions of Section 3.4) and addressing and preparing each of the Vendor Terminations for execution by Purchaser and Seller); and

5.3.6 Resolutions, certificates of good standing, and such other organizational documents as Title Insurer shall reasonably require evidencing Purchaser's authority to consummate this transaction.

5.4 Closing Prorations and Adjustments.

5.4.1 General. All normal and customarily prorable items, including, without limitation, collected rents, operating expenses, personal property taxes, and other expenses and fees, shall be prorated as of the Closing Date, Seller being charged or credited, as appropriate, for all of same attributable to the period up to the Closing Date (and credited for any amounts paid by Seller attributable to the period on or after the Closing Date, if assumed by Purchaser) and Purchaser being responsible for, and credited or charged, as the case may be, for all of same attributable to the period on and after the Closing Date. Seller shall prepare a proration schedule (the "Proration Schedule") of the adjustments described in this Section 5.4 prior to Closing. Such adjustments shall be paid by Purchaser to Seller (if the prorations result in a net credit to Seller) or by Seller to Purchaser (if the prorations result in a net credit to Purchaser), by increasing or reducing the cash to be paid by Purchaser at Closing.

5.4.2 Operating Expenses. All of the operating, maintenance, taxes (other than real estate taxes; such as rental taxes), and other expenses incurred in operating the Property that Seller customarily pays, and any other costs incurred in the ordinary course of business for the management and operation of the Property, shall be prorated on an accrual basis. Seller shall pay all such expenses that accrue prior to Closing and Purchaser shall pay all such expenses that accrue from and after the Closing Date.

5.4.3 Utilities. The final readings and final billings for utilities will be made if possible as of the Closing Date, in which case Seller shall pay all such bills as of the Closing Date

and no proration shall be made at Closing with respect to utility bills. Otherwise, a proration shall be made based upon the parties' reasonable good faith estimate and a readjustment made within thirty (30) days after Closing, if necessary. Seller shall be entitled to the return of any deposit(s) posted by it with any utility company, and Seller shall notify each utility company serving the Property to terminate Seller's account, effective as of noon on the Closing Date.

5.4.4 Real Estate Taxes. Any real estate ad valorem or similar taxes for the Property, or any installment of assessments payable in the calendar year of Closing, shall be prorated to the Closing Date, based upon actual days involved. The proration of real property taxes or installments of assessments shall be based upon the assessed valuation and tax rate figures (assuming payment at the earliest time to allow for the maximum possible discount) for the year in which Closing occurs to the extent the same are available; provided, that in the event that actual figures (whether for the assessed value of the Property or for the tax rate) for the year of Closing are not available at the Closing Date, the proration shall be made using figures from the preceding year (assuming payment at the earliest time to allow for the maximum possible discount). The proration of real property taxes or installments of assessments shall not be final and is subject to re-adjustment after Closing when the real property tax statements for the current year are prepared by the applicable taxing jurisdictions.

5.4.5 Property Contracts. Purchaser shall assume at Closing the obligations under the Assumed Contracts; however, operating expenses shall be prorated under Section 5.4.2.

5.4.6 Leases.

5.4.6.1 All collected rent (whether fixed monthly rentals, additional rentals, escalation rentals, retroactive rentals, operating cost pass-throughs or other sums and charges payable by Tenants under the Leases), income and expenses from any portion of the Property shall be prorated as of the Closing Date (prorated for any partial month). Purchaser shall receive all collected rent and income attributable to dates from and after the Closing Date. Seller shall receive all collected rent and income attributable to dates prior to the Closing Date. Notwithstanding the foregoing, no prorations shall be made in relation to delinquent rents existing, if any, as of the Closing Date (referred to herein as the "**Uncollected Rents**"), which shall be the property of Seller. In adjusting for Uncollected Rents, no adjustments shall be made in Seller's favor for rents which have accrued and are unpaid as of Closing, but Purchaser shall pay Seller such accrued Uncollected Rents as, when and if collected by Purchaser. Purchaser agrees to bill Tenants of the Property for all Uncollected Rents but will be under no obligation to take any direct action to collect Uncollected Rents and any monies collected by Purchaser shall first be applied to pay any obligations owed to Purchaser before paying Seller any Uncollected Rents.

5.4.6.2 At Closing, Purchaser shall receive a credit against the Purchase Price in an amount equal to the received and unapplied balance of all cash (or cash equivalent) Tenant Deposits, including, but not limited to, security, damage or other refundable deposits or required to be paid by any of the Tenants to secure their respective obligations under the Leases, together, in all cases, with any interest payable to the Tenants thereunder as may be required by their respective Tenant Lease or state law (the "**Tenant Security Deposit Balance**"). Any cash (or cash equivalents) held by Seller which constitute the Tenant Security Deposit Balance shall be retained by Seller in

exchange for the foregoing credit against the Purchase Price and shall not be transferred by Seller pursuant to this Contract (or any of the documents delivered at Closing), but the obligation with respect to the Tenant Security Deposit Balance nonetheless shall be assumed by Purchaser. The Tenant Security Deposit Balance shall not include any non-refundable deposits or fees paid by Tenants to Seller, either pursuant to the Leases or otherwise.

5.4.6.3 With respect to operating expenses, taxes, utility charges, sums or charges payable by Tenants under the Tenant Leases, to the extent that Seller has received as of Closing payments allocable to periods subsequent to Closing, the same shall be properly prorated with an adjustment in favor of Purchaser, and Purchaser shall reserve a credit therefore at Closing. With respect to any payments received by Purchaser after Closing allocable to Seller prior to Closing, Purchaser shall promptly pay the same to Seller.

5.4.7 Insurance. No proration shall be made in relation to insurance premiums and insurance policies will not be assigned to Purchaser.

5.4.8 Employees. All of Seller's and Seller's manager's on-site employees shall have their employment at the Property terminated as of the Closing Date. After the date which is thirty (30) days prior to the Closing Date, Purchaser shall have the right to interview Seller's and Seller's manager's on-site employees during normal business hours at the Property.

5.4.9 Closing Costs. Purchaser shall pay any premiums or fees required to be paid by Purchaser with respect to the Title Policy pursuant to Section 4.1, one-half (1/2) of the cost of the New Survey pursuant to Section 4.2, the cost of recording Purchaser's security documents, and one-half (1/2) of the customary closing costs of the Escrow Agent. Seller shall pay the base premium for the Title Policy to the extent required by Section 4.1, one-half (1/2) of the cost of the New Survey pursuant to Section 4.2, the cost of recording the Deed, the cost of recording any instruments required to discharge any liens or encumbrances against the Property, and one-half (1/2) of the customary closing costs of the Escrow Agent.

5.4.10 Final Inspection. Purchaser shall have the right to inspect the Property, including, but not limited to, all vacant units within five (5) Business Days of the scheduled Closing Date. Purchaser shall receive a credit at Closing of no more than \$500 for each vacant unit, if any, that is not in a habitable condition as determined by James Young in his sole reasonable discretion.

5.4.11 Possession. Possession of the Property, subject to the Leases, Assumed Contracts, and Permitted Exceptions, shall be delivered to Purchaser at Closing upon release from escrow of all items to be delivered by Purchaser pursuant to Section 5.3, including, without limitation, the Purchase Price. To the extent reasonably available to Seller, originals or copies of the Leases and Property Contracts, lease files, warranties, guaranties, operating manuals, keys to the property, and Seller's books and records (other than proprietary information) regarding the Property (collectively, "**Seller's Property-Related Files and Records**") shall be made available to Purchaser at the Property after Closing. Purchaser agrees, for a period of not less than one (1) year after Closing (the "**Records Hold Period**"), to (a) provide and allow Seller reasonable access to Seller's Property-Related Files and Records for purposes of inspection and copying thereof, and (b) reasonably

maintain and preserve Seller's Property-Related Files and Records. Purchaser may dispose of Seller's Property-Related Files and Records at any time after the Records Hold Period.

5.4.12 Survival. The provisions of this Section 5.4 shall survive Closing and delivery of the Deed to Purchaser.

5.5 Post-Closing Adjustments. In general, and except as provided in this Contract or the Closing Documents, Seller shall be entitled to all income, and shall pay all expenses, relating to the operation of the Property for the period prior to the Closing Date and Purchaser shall be entitled to all income, and shall pay all expenses, relating to the operation of the Property for the period commencing on and after the Closing Date. Purchaser or Seller may request that Purchaser and Seller undertake to re-adjust any item on the Proration Schedule (or any item omitted therefrom) in accordance with the provisions of Section 5.4 of this Contract; provided, however, that neither party shall have any obligation to re-adjust any items (a) after the expiration of ninety (90) days after Closing, or (b) subject to such ninety (90)-day period, unless such items exceed \$5,000.00 in magnitude (either individually or in the aggregate). The provisions of this Section 5.6 shall survive Closing and delivery of the Deed to Purchaser.

ARTICLE 6

REPRESENTATIONS AND WARRANTIES OF SELLER AND PURCHASER

6.1 Seller's Representations. To induce Purchaser to execute, deliver and perform this Contract, Seller represents and warrants to Purchaser the following (collectively, the "**Seller's Representations**") as of the Effective Date and as of the Closing Date, except as otherwise set forth below:

6.1.1 Seller is a corporation duly organized, validly existing, and in good standing under the laws of Texas; and any approvals required from any third party to sell the Property have been obtained and, at Closing, Seller shall have the entity power and authority to sell and convey the Property and to execute the documents to be executed by Seller and prior to Closing will have taken as applicable, all corporate, partnership, limited liability company or equivalent entity actions required for the execution and delivery of this Contract, and the consummation of the transactions contemplated by this Contract. Seller's actual knowledge, the compliance with or fulfillment of the terms and conditions hereof will not conflict with, or result in a breach of, the terms, conditions or provisions of, or constitute a default under, any contract to which Seller is a party or by which Seller is otherwise bound, or any judgment, decree or order of any court or governmental body, or any applicable law or regulation, which conflict, breach or default would have a material adverse effect on Seller's ability to consummate the transaction contemplated by this Contract or on the Property. This Contract is a valid, binding and enforceable agreement against Seller in accordance with its terms;

6.1.2 Except as may be reflected in the Materials made available to Purchaser, (i) other than the Leases, the Property is not subject to any written leases executed by Seller or, to Seller's knowledge, any other possessory interests of any person, (ii) no rent has been paid in advance by any Tenant, (iii) no Tenant has received or is entitled to receive a rent concession or any physical

improvement to his/her unit in connection with his/her tenancy, and (iv) no Tenant or former tenant has any claim against Seller for any Tenant Deposits;

6.1.3 Seller is not a “foreign person,” as that term is used and defined in the Internal Revenue Code, Section 1445, as amended;

6.1.4 There are no governmental investigations, condemnation actions, expropriation, eminent domain, or similar proceeding either pending or, to Seller’s knowledge, threatened against all or a portion of the Property;

6.1.5 Seller has not received any written notice from any governmental agency of any uncured material violations of any federal, state, county or municipal law, ordinance, order, or regulation affecting the Property;

6.1.6 There are no laundry equipment leases and no management, service, equipment, supply, maintenance, or concession agreements with respect to or affecting all or any portion of the Property except as set forth in the Materials. There are no persons employed on-site by Seller in connection with the management, operation or maintenance of all or any portion of the Property except as set forth in the Materials. Seller has not received any written notice of any material default by Seller under any of the Assumed Contracts;

6.1.7 To Seller’s actual knowledge, the Property does not contain, no activity upon the Property has produced, and the Property has not been used in any manner (i) for the discharge, deposit, dumping or storage of any hazardous or toxic waste, materials or contamination in violation of any law, ordinance, rule or regulation, or (ii) which requires any reporting to any governmental authority;

6.1.8 To Seller’s actual knowledge, all books, records, information and data prepared by Seller and made available to Purchaser, including, without limitation, the Materials prepared by Seller (with the express exception of any Third-Party Reports), are and will be true and correct in all material respects as of the date of such information;

6.1.9 To Seller’s actual knowledge, the Improvements comply in all material respects with all regulations, laws, ordinances and building codes;

6.1.10 To Seller’s actual knowledge, the property is connected to and serviced by water, solid waste and sewage disposal, storm drainage and electricity and gas facilities that are adequate for the present use and operation of the Property as an apartment community;

6.1.11 There are currently no other contracts for the sale of the Property pending, nor do there exist any rights of first refusal or options to purchase the Property;

6.1.12 Seller acknowledges and agrees that Purchaser shall have no liability whatsoever to employees of Seller with respect to any accrued vacation or sick days, bonuses, employee benefit plans or programs, retirement plans, welfare benefits, excess benefit plans, plans maintained to provide worker’s compensation or unemployment benefits and practices established

or followed by Seller for Seller's past employment of present employees, independent contractors or either of their beneficiaries or dependents prior to the Closing Date, whether or not any such employees are offered employment by, or become employees if Purchaser.

6.1.13 Seller has delivered to Purchaser a list of all leases and other rights of occupancy or use for all or any portion of the Property in favor of all persons claiming by, through, or under Seller in effect on the Effective Date as part of the Materials (the "**Rent Roll**") and such Rent Roll is true, correct and complete in all material respects. An updated Rent Roll for the Leases and any other list, if required, regarding information as described herein shall be certified by Seller to be true and correct in all material respects as of the Effective Date, shall show the unapplied security deposits, and any advance rents, as of the Effective Date, and shall be delivered to Purchaser at Closing. To Seller's knowledge, there are no leases, tenancies, licenses, permits or other rights of occupancy or use arising by, through, or under Seller for all or any portion of the Property other than as set forth in the Materials.

6.1.14 The rents set forth on the Rent Roll are the actual rents presently payable or receivable under the Leases and there are no non-residential leases in existence as of the date hereof. No apartment is occupied rent-free or by any employee of Seller except as disclosed in the Materials, nor will any employee be entitled to occupy any apartment rent-free on or after the Closing Date. To Seller's actual knowledge, none of the Leases and none of the rents or other amounts payable thereunder have been assigned, pledged or encumbered except to the holder of the indebtedness currently secured by the Property.

6.1.15 As of the Effective Date, no currently outstanding and uncured written notice has been received by Seller from any holder of any mortgage or deed of trust on the Property, from any insurance company which has issued a policy with respect to any of the Property, or from any board of fire underwriters (or other body exercising similar functions) or from any governmental authority having jurisdiction over the Property, or from any other third party, any of which notices claim any defect or deficiency or request the performance of any repairs, alterations, renovation or other work to the Property, except as provided to Purchaser. If any such notice is received by Seller prior to Closing hereunder, Seller shall promptly furnish a copy thereof to Purchaser and, if such notice prevents Purchaser from closing (e.g., a clean code compliance letter cannot be obtained from the City and Buyer's lender and/or investor requires one to close), Seller shall use commercially reasonable efforts to cure the defect prior to Closing, provided however that if (a) such defect cannot reasonably be cured by Seller prior to Closing due to the nature of such defect; or (b) in the event that the cost of such cure would exceed \$25,000.00, then Seller shall not have the obligation to cure same.

6.1.16 Seller is not a party to and, to Seller's actual knowledge as of the date hereof, there is not any claim, action, suit, or proceeding pending against Seller (nor Seller's affiliates) which would materially, adversely impact its ability to perform its obligations hereunder or affecting title to any portion of the Property or materially affecting the Leases (other than in defense to any then pending forcible detainer or eviction proceeding) in any court or before or by any federal, state, county or municipal department, commission, board, bureau, or agency or other governmental instrumentality.

6.1.17 Neither Seller (nor its affiliates) has made any commitments to any governmental or quasi-governmental authority, homeowners or property owners association, or to any other individual, entity, organization or group relating to the Property which would impose an obligation upon Purchaser, or its successors or assigns to make any contribution or dedication of money or land, or to construct, repair install or maintain any improvement of a public or private nature on or off of the Property.

6.1.18 There are no attachments, executions, assignments for the benefit of creditors, receiverships, conservatorships or voluntary or involuntary proceedings in bankruptcy or pursuant to any other debtor relief laws contemplated or filed by Seller or, to Seller's actual knowledge, pending against Seller or the Property.

6.1.18 To Seller's actual knowledge, the operating statements delivered by Seller as part of the Materials are true and correct in all material respects.

6.2 Survival of Seller's Representations. Seller's Representations shall survive Closing for six (6) months following the Closing Date (the "**Survival Period**").

6.3 Representations and Warranties of Purchaser. Purchaser represents and warrants to Seller the following as of the Effective Date and as of the Closing Date:

6.3.1 Purchaser is a limited liability company duly organized, validly existing and in good standing under the laws of Delaware.

6.3.2 Purchaser, acting through any of its or their duly empowered and authorized officers or members, has all necessary entity power and authority to own and use its properties and to transact the business in which it is engaged, and has full power and authority to enter into this Contract, to execute and deliver the documents and instruments required of Purchaser herein, and to perform its obligations hereunder; and no consent of any of Purchaser's partners, directors, officers or members are required to so empower or authorize Purchaser. The compliance with or fulfillment of the terms and conditions hereof will not conflict with, or result in a breach of, the terms, conditions or provisions of, or constitute a default under, any contract to which Purchaser is a party or by which Purchaser is otherwise bound, which conflict, breach or default would have a material adverse effect on Purchaser's ability to consummate the transaction contemplated by this Contract. This Contract is a valid, binding and enforceable agreement against Purchaser in accordance with its terms.

6.3.3 No pending or, to the knowledge of Purchaser, threatened litigation exists which if determined adversely would restrain the consummation of the transactions contemplated by this Contract or would cause any of Purchaser's obligations or covenants to Seller to become illegal, invalid or non-binding.

6.3.4 Purchaser is not a Prohibited Person.

6.3.5 To Purchaser's knowledge, none of its investors, affiliates or brokers or other agents (if any), acting or benefiting in any capacity in connection with this Contract is a Prohibited Person.

6.3.6 The funds or other assets Purchaser will transfer to Seller under this Contract are not the property of, or beneficially owned, directly or indirectly, by a Prohibited Person.

6.4 As-Is, Where Is. EXCEPT AS SPECIFICALLY SET FORTH IN SECTION 6.1 HEREOF, NOTWITHSTANDING ANY PROVISION CONTAINED IN THIS AGREEMENT TO THE CONTRARY, PURCHASER, ACKNOWLEDGES THAT PURCHASER IS PURCHASING THE PROPERTY IN "AS-IS, WHERE-IS" CONDITION "WITH ALL FAULTS" AS OF THE CLOSING AND, EXCEPT AS SET FORTH IN SECTION 6.1 HEREOF, SPECIFICALLY AND EXPRESSLY WITHOUT ANY WARRANTIES, REPRESENTATIONS OR GUARANTEES, EITHER EXPRESS OR IMPLIED, FROM ANY OF THE SELLER INDEMNITEES AS TO, AND PURCHASER, ON BEHALF OF ITSELF AND ITS SUCCESSORS AND ASSIGNS, INCLUDING WITHOUT LIMITATION, ANY SUBSEQUENT OWNER OF THE PROPERTY OR ANY PORTION THEREOF, WAIVES ALL CLAIMS AGAINST AND RIGHT TO RECOVER FROM, RELEASES AND AGREES TO INDEMNIFY, DEFEND AND HOLD HARMLESS THE SELLER INDEMNITEES, AND EACH OF THEM, FROM ANY AND ALL PRESENT OR FUTURE DEMANDS, CLAIMS, LEGAL OR ADMINISTRATIVE PROCEEDINGS, LOSSES, LIABILITIES, DAMAGES, PENALTIES, FINES, LIENS, JUDGMENTS, COSTS OR EXPENSES, KNOWN OR UNKNOWN, FORESEEN OR UNFORESEEN, ARISING FROM OR RELATING TO: (I) THE PROPERTY'S CONDITION, FITNESS FOR ANY PARTICULAR PURPOSES, SUITABILITY, OR MERCHANTABILITY, (II) THE STRUCTURAL INTEGRITY OF AND/OR ANY DEFECTS IN THE IMPROVEMENTS, (III) THE ACCURACY OR COMPLETENESS OF ANY OF THE INFORMATION, DATA, MATERIALS OR CONCLUSIONS CONTAINED IN ANY INFORMATION PROVIDED PURCHASER, (IV) THE FAILURE OF THE PROPERTY TO COMPLY WITH ANY LAWS APPLICABLE TO THE PROPERTY, (V) ANY ENVIRONMENTAL CONDITION OF THE PROPERTY, INCLUDING, WITHOUT LIMITATION, THE PRESENCE OR ALLEGED PRESENCE OF ASBESTOS, RADON OR ANY HAZARDOUS MATERIALS OR HARMFUL OR TOXIC SUBSTANCES IN, ON, UNDER OR ABOUT THE PROPERTY, INCLUDING WITHOUT LIMITATION ANY CLAIMS UNDER OR ON ACCOUNT OF (A) THE COMPREHENSIVE ENVIRONMENTAL RESPONSE, COMPENSATION AND LIABILITY ACT OF 1980, AS THE SAME MAY HAVE BEEN OR MAY BE AMENDED FROM TIME TO TIME, AND SIMILAR STATE STATUTES, AND ANY REGULATIONS PROMULGATED THEREUNDER, (B) ANY OTHER FEDERAL, STATE OR LOCAL LAW, ORDINANCE, RULE OR REGULATION, NOW OR HEREAFTER IN EFFECT, THAT DEALS WITH OR OTHERWISE IN ANY MANNER RELATES TO, ENVIRONMENTAL MATTERS OF ANY KIND, (C) THIS AGREEMENT, OR (D) THE COMMON LAW, OR (VI) ANY OTHER WARRANTY OF ANY KIND, NATURE, OR TYPE WHATSOEVER FROM SELLER OR ANY OTHER PARTY ON BEHALF OF SELLER. PURCHASER SHALL, AT ITS SOLE COST AND EXPENSE, CONDUCT AND RELY EXCLUSIVELY UPON ITS OWN INDEPENDENT INVESTIGATION IN THE EVALUATION OF THE PROPERTY. IF PURCHASER ACQUIRES THE PROPERTY, PURCHASER ASSUMES ALL RISKS RELATING IN ANY MANNER TO THE PROPERTY OR ANY DEFECTS THEREIN, IF ANY, OF ANY TYPE OR NATURE WHATSOEVER, AND SHALL BE SOLELY AND COMPLETELY RESPONSIBLE FOR THE PAYMENT OF ALL COSTS AND EXPENSES IN CONNECTION THEREWITH. The provisions of this paragraph shall survive the termination of or Closing under this Agreement.

ARTICLE 7 OPERATION OF THE PROPERTY

7.1 Leases and Property Contracts. During the period of time from the Effective Date to the Feasibility Period, in the ordinary course of business Seller may enter into new Property Contracts, renew existing Leases or modify, terminate or accept the surrender or forfeiture of any of the Leases, modify any Property Contracts, or institute and prosecute any available remedies for default under any Lease or Property Contract without first obtaining the written consent of Purchaser; provided, however, Seller agrees that any such new Property Contracts shall be terminable by either party upon thirty (30) days' prior written notice to the other party and/or any new or renewed Leases shall not have a term in excess of one (1) year. Any (i) Property Contracts not terminable with thirty (30) days notice and/or Leases with a term in excess of one (1) year entered into prior to the expiration of the Feasibility Period, and (2) Property Contracts and/or Leases to be entered into after the expiration of the Feasibility Period and prior to the Closing Date, shall require the prior written consent of the Purchaser, which consent shall not be unreasonably withheld, delayed or conditioned.

7.2 General Operation of Property. Except as specifically set forth in this Article 7, Seller shall operate the Property after the Effective Date in the ordinary course of business, (including, but not limited to, leasing, repairs, maintenance, unit turnovers and marketing) and, except as necessary in Seller's sole discretion to address (a) any life or safety issue at the Property or (b) any other matter which in Seller's reasonable discretion materially adversely affects the use, operation or value of the Property, Seller will not make any material alterations to the Property or remove any material Fixtures and Tangible Personal Property without the prior written consent of Purchaser, which will not be unreasonably withheld. To the extent an individual unit is vacated by a Tenant within five (5) or more days prior to Closing, Seller shall be responsible for "turning over" (as that term is commonly used in the apartment rental industry and subject to Section 5.4.10) such unit prior to the Closing Date. Any such unit turn-over will be consistent with Seller's current business practices in this regard and at Seller's expense.

7.3 Liens. Other than utility easements and temporary construction easements, if any, granted by Seller in the ordinary course of business, Seller covenants that it will not voluntarily create or cause any permanent lien or encumbrance to attach to the Property between the Effective Date and the Closing Date (other than Leases and Property Contracts as provided in Section 7.1) without the prior written consent of the Purchaser to such lien or encumbrance, which consent shall not be unreasonably withheld or delayed. If Purchaser consents to any such subsequent lien or encumbrance, the same shall be deemed a Permitted Exception for all purposes hereunder.

ARTICLE 8 CONDITIONS PRECEDENT TO CLOSING

8.1 Purchaser's Conditions to Closing. Purchaser's obligation to proceed with Closing in accordance with this Contract, shall be subject to and conditioned upon the fulfillment of each and all of the following conditions precedent:

8.1.1 All of the documents required to be delivered by Seller to Purchaser at Closing pursuant to the terms and conditions hereof shall have been delivered;

8.1.2 Each of Seller's Representations shall be true in all material respects as of the Closing Date;

8.1.3 Seller shall have complied with, fulfilled and performed in all material respects each of the covenants, terms and conditions to be complied with, fulfilled or performed by Seller hereunder; and

8.1.4 Neither Seller nor Seller's general partner, managing member or similar governing person of Seller shall be a debtor in any bankruptcy proceeding nor shall have been in the last six (6) months a debtor in any bankruptcy proceeding.

Notwithstanding anything to the contrary, there are no other conditions on Purchaser's obligation to Close except as expressly set forth in this Section 8.1. If any condition set forth in Sections 8.1.1, 8.1.3 or 8.1.4 is not met, Purchaser may (a) waive any of the foregoing conditions and proceed to Closing on the Closing Date or (b) if such failure constitutes a default by Seller, exercise any of its remedies pursuant to Section 10.2. If the condition set forth in Sections 8.1.2 is not met, Purchaser may, as its sole and exclusive remedy, (i) notify Seller of Purchaser's election to terminate this Contract and receive a return of the Deposit from the Escrow Agent, and, if such failure constitutes a default by Purchaser, exercise any of its remedies under Section 10.2; or (ii) waive such condition and proceed to Closing on the Closing Date.

8.2 Seller's Conditions to Closing. Without limiting any of the rights of Seller elsewhere provided for in this Contract, Seller's obligation to close with respect to conveyance of the Property under this Contract shall be subject to and conditioned upon the fulfillment of each and all of the following conditions precedent:

8.2.1 All of the documents and funds required to be delivered by Purchaser to Seller at Closing pursuant to the terms and conditions hereof shall have been delivered;

8.2.2 Each of the representations, warranties and covenants of Purchaser contained herein shall be true in all material respects as of the Closing Date; and

8.2.3 Purchaser shall have complied with, fulfilled and performed in all material respects each of the covenants, terms and conditions to be complied with, fulfilled or performed by Purchaser hereunder.

If any of the foregoing conditions to Seller's obligation to close with respect to conveyance of the Property under this Contract are not met, Seller may (a) waive any of the foregoing conditions and proceed to Closing on the Closing Date, or (b) terminate this Contract, and, if such failure constitutes a default by Purchaser, exercise any of its remedies under Section 10.1.

ARTICLE 9 BROKERAGE

9.1 Indemnity. Seller agrees to pay the brokerage fees of Newmark (the “**Broker**”) pursuant to separate agreement if, as and when Closing occurs and is fully funded. Seller and Purchaser each represents and warrants to the other that, it has not dealt with or utilized the services of any real estate broker, sales person or finder in connection with this Contract other than the Broker, and each party agrees to indemnify, hold harmless, and, if requested in the sole and absolute discretion of the indemnitee, defend (with counsel approved by the indemnitee) the other party from and against all losses relating to brokerage commissions and finder’s fees arising from or attributable to the acts or omissions of the indemnifying party. The provisions of this Section 9.1 shall survive the termination of this Contract, and if not so terminated, Closing and delivery of the Deed to Purchaser.

ARTICLE 10 DEFAULTS AND REMEDIES

10.1 Purchaser Default. If Purchaser defaults in its representations, warranties, covenants, or obligations under this Contract and if such default continues for more than five (5) days after written notice from Seller, Purchaser shall forfeit the Deposit, and the Escrow Agent shall deliver the Deposit to Seller, and neither party shall be obligated to proceed with Closing. The Deposit is liquidated damages and recourse to the Deposit is, except for Purchaser’s indemnity obligations hereunder, Seller’s sole and exclusive remedy for Purchaser’s failure to perform its obligation to purchase the Property or breach of a representation or warranty. Seller expressly waives the remedies of specific performance and additional damages for such default by Purchaser. SELLER AND PURCHASER ACKNOWLEDGE THAT SELLER’S DAMAGES WOULD BE DIFFICULT TO DETERMINE, AND THAT THE DEPOSIT IS A REASONABLE ESTIMATE OF SELLER’S DAMAGES RESULTING FROM A DEFAULT BY PURCHASER IN ITS OBLIGATION TO PURCHASE THE PROPERTY. SELLER AND PURCHASER FURTHER AGREE THAT THIS SECTION 10.1 IS INTENDED TO AND DOES LIQUIDATE THE AMOUNT OF DAMAGES DUE SELLER, AND SHALL BE SELLER’S EXCLUSIVE REMEDY AGAINST PURCHASER, BOTH AT LAW AND IN EQUITY, ARISING FROM OR RELATED TO A BREACH BY PURCHASER OF ITS OBLIGATION TO CONSUMMATE THE TRANSACTIONS CONTEMPLATED BY THIS CONTRACT, OTHER THAN WITH RESPECT TO PURCHASER’S INDEMNITY OBLIGATIONS HEREUNDER.

10.2 Seller Default. If Seller, prior to Closing, defaults in its representations, warranties, covenants, or obligations under this Contract, including to sell the Property as required by this Contract and such default continues for more than five (5) days after written notice from Purchaser, then, at Purchaser’s election and as Purchaser’s sole and exclusive remedy, Purchaser may either (a) terminate this Contract and the Deposit provided by Purchaser hereunder shall be returned to Purchaser, and Purchaser may recover, as its sole recoverable damages (but without limiting its right to receive a refund of the Deposit), its out-of-pocket expenses and costs (documented by paid invoices to third parties) in connection with this transaction, including reasonable legal fees incurred in the pursuit of collection of such out-of-pocket expenses up to a maximum aggregate amount of \$50,000, or (b) Purchaser may seek specific performance of Seller’s obligation to deliver the Deed

pursuant to this Contract, provided that any suit for specific performance must be filed within sixty (60) days following the Closing Date or Purchaser's right to specific performance hereunder is deemed waived in its entirety. SELLER AND PURCHASER FURTHER AGREE THAT THIS SECTION 10.2 IS INTENDED TO AND DOES LIMIT THE REMEDIES AVAILABLE TO PURCHASER PRIOR TO CLOSING, AND SHALL BE PURCHASER'S EXCLUSIVE REMEDY, BOTH AT LAW AND IN EQUITY, ARISING FROM OR RELATED TO A BREACH BY SELLER OF ITS REPRESENTATIONS, WARRANTIES, OR COVENANTS OR ITS OBLIGATION TO CONSUMMATE THE TRANSACTIONS CONTEMPLATED BY THIS CONTRACT. UNDER NO CIRCUMSTANCES, EXCEPT AS NOTED BELOW, MAY PURCHASER SEEK OR BE ENTITLED TO RECOVER ANY DAMAGES FROM SELLER, INCLUDING, BUT NOT LIMITED TO, SPECIAL, CONSEQUENTIAL, PUNITIVE, SPECULATIVE OR INDIRECT DAMAGES, ALL OF WHICH PURCHASER SPECIFICALLY WAIVES, FROM SELLER FOR ANY BREACH BY SELLER, OF ITS REPRESENTATIONS, WARRANTIES OR COVENANTS OR ITS OBLIGATIONS UNDER THIS CONTRACT PRIOR TO CLOSING. PURCHASER SPECIFICALLY WAIVES THE RIGHT TO FILE ANY LIS PENDENS OR ANY LIEN AGAINST THE PROPERTY. NOTWITHSTANDING ANYTHING TO THE CONTRARY HEREIN, THE WAIVERS IN THIS SECTION 10.2 APPLY ONLY TO PURCHASER'S RIGHTS TO SEEK DAMAGES FOR A BREACH BY SELLER PRIOR TO CLOSING, THIS SECTION DOES NOT LIMIT PURCHASER'S RIGHTS TO SEEK DAMAGES AFTER CLOSING DUE TO A BREACH BY SELLER OF ITS EXPRESS REPRESENTATIONS AND WARRANTIES WHICH EXPRESSLY SURVIVE CLOSING HEREUNDER AND ONLY FOR THE PERIOD INDICATED.

10.3 Limitation on Liability. Notwithstanding any provision contained in this Agreement or any of the documents to be executed by Seller to Purchaser at Closing: (i) the representations, warranties, indemnities, undertakings, covenants and agreements of Seller (collectively, "**Seller's Undertakings**"), hereunder and in the documents to be executed by Seller to Purchaser at Closing, shall not constitute personal obligations of the officers, directors, employees, agents, trustees, partners, members, representatives, stockholders or other principals or representatives of Seller, and no personal liability or personal responsibility of any sort with respect to any of Seller's Undertakings or any alleged breach thereof is assumed by, or shall at any time be asserted or enforceable against any of the officers, directors, employees, agents, trustees, partners, members, representatives, stockholders or other principals or representatives of Seller; (ii) the period of limitations with respect to Seller's Undertakings shall expire upon the date which is two (2) years following the Closing Date; (iii) in no event shall Purchaser be entitled to recover any consequential, punitive or speculative damages or lost profits as a result of or in connection with any of Seller's Undertakings, it being agreed and understood that any action by Purchaser against Seller in connection with Seller's Undertakings shall be limited to actual, direct damages incurred by Purchaser in connection therewith, as limited by clause (iv) below; and (iv) Seller's liability for any and all of Seller's Undertakings shall be limited to \$100,000.00 in the aggregate with respect to a breach of Seller's Undertakings as to which Purchaser notifies Seller, which notice must describe the nature and extent of the breach and the measures necessary to cure same, and Seller shall have no liability in excess of such amount.

ARTICLE 11 RISK OF LOSS OR CASUALTY

11.1 Major Damage. In the event that the Property is damaged or destroyed by fire or other casualty prior to Closing, and the cost of repair is more than \$500,000 as determined in writing by Seller's insurance company, then Seller shall have no obligation to repair such damage or destruction and shall notify Purchaser in writing (which such notice shall include a copy of Seller's insurance company's written determination of such loss) of such damage or destruction (the "**Damage Notice**"). Within ten (10) days after Purchaser's receipt of the Damage Notice, Purchaser may elect at its option to terminate this Contract by delivering written notice to Seller, in which event the Deposit shall be returned to Purchaser. In the event Purchaser fails to terminate this Contract within the foregoing ten (10) day period or elects not to terminate this Contract, this transaction shall proceed to Closing in accordance with the terms of this Contract for the full Purchase Price, notwithstanding any such damage or destruction, and Purchaser shall receive all insurance proceeds pertaining thereto (plus a credit against the Purchase Price in the amount of any deductible payable by Seller in connection therewith) at Closing.

11.2 Minor Damage. In the event that the Property is damaged or destroyed by fire or other casualty prior to Closing, and the cost of repair is less than \$500,000, as determined in writing by Seller's insurance company then this transaction shall proceed to Closing in accordance with the terms of this Contract, notwithstanding the damage or destruction; provided, however, Seller shall make such repairs to the extent of any recovery from insurance carried on the Property if they can be reasonably effected before Closing. Subject to Section 11.3, if Seller is unable to effect such repairs, then Purchaser shall receive all insurance pertaining thereto (plus a credit against the Purchase Price in the amount of any deductible payable by Seller in connection therewith) at Closing.

11.3 Notice of Damage. Seller shall promptly notify Purchaser if the Property is damaged (whether minor or major) after the Effective Date, including, but not limited to, damage caused by fire, hail or other casualty.

ARTICLE 12 EMINENT DOMAIN

12.1 Eminent Domain. In the event that, at the time of Closing, any material part of the Property is (or previously has been) acquired, or is about to be acquired, by any governmental agency by the powers of eminent domain or transfer in lieu thereof (or in the event that at such time there is any notice of any such acquisition or intent to acquire by any such governmental agency), Seller shall notify Purchaser within three (3) Business Days of such event and Purchaser shall have the right, at Purchaser's option, to terminate this Contract by giving written notice within ten (10) days after Purchaser's receipt from Seller of notice of the occurrence of such event, and if Purchaser so terminates this Contract, Purchaser shall recover the Deposit hereunder. If Purchaser fails to terminate this Contract within such ten (10) day period, this transaction shall be closed in accordance with the terms of this Contract for the full Purchase Price and Purchaser shall receive the full benefit of any condemnation award. It is expressly agreed between the parties hereto that this Section shall in no way apply to customary dedications for public purposes which may be necessary for the rehabilitation of the Property.

ARTICLE 13

MISCELLANEOUS

13.1 Binding Effect of Contract. This Contract shall not be binding on either party until executed by both Purchaser and Seller. As provided in Section 2.3.5 above, Escrow Agent's execution of this Contract shall not be a prerequisite to its effectiveness.

13.2 Exhibits and Schedules. All Exhibits and Schedules, whether or not annexed hereto, are a part of this Contract for all purposes.

13.3 Assignability. This Contract is assignable by Purchaser to an affiliate (as defined below) without the prior consent of Seller. Any other assignment of this Contract by Purchaser shall require the written consent of Seller, which may be withheld in Seller's sole discretion. As used herein, an affiliate is a person or entity controlled by, under common control with, or controlling another person or entity.

13.4 Binding Effect. Subject to Section 13.3, this Contract shall be binding upon and inure to the benefit of Seller and Purchaser, and their respective successors, heirs and permitted assigns.

13.5 Captions. The captions, headings, and arrangements used in this Contract are for convenience only and do not in any way affect, limit, amplify, or modify the terms and provisions hereof.

13.6 Number and Gender of Words. Whenever herein the singular number is used, the same shall include the plural where appropriate, and words of any gender shall include each other gender where appropriate.

13.7 Notices. All notices, demands, requests and other communications required or permitted hereunder shall be in writing, and shall be (a) personally delivered with a written receipt of delivery, (b) sent by a nationally recognized overnight delivery service requiring a written acknowledgement of receipt or providing a certification of delivery or attempted delivery, (c) sent by certified or registered mail, return receipt requested, (d) sent by electronic transmission with an original copy thereof transmitted to the recipient by one of the means described in subsections (a) through (c) no later than three (3) Business Days thereafter. All notices shall be deemed effective when actually delivered as documented in a delivery receipt; provided, however, that if the notice was sent by overnight courier or mail as aforesaid and is affirmatively refused or cannot be delivered during customary business hours by reason of the absence of a signatory to acknowledge receipt, or by reason of a change of address with respect to which the addressor did not have either knowledge or written notice delivered in accordance with this paragraph, then the first attempted delivery shall be deemed to constitute delivery. Each party shall be entitled to change its address for notices from time to time by delivering to the other party notice thereof in the manner herein provided for the delivery of notices. All notices shall be sent to the addressee at its address set forth following its name below:

To Purchaser:
Elizabeth Property Group, LLC
5580 LBJ Freeway, Suite 630
Dallas, Texas 75240
Attention: Tisha Vaidya
E-mail: tisha@elizabethpropertygroup.com; moira@elizabethpropertygroup.com

with copy to:
(which shall not constitute notice)

Shackelford, Bowen, McKinley & Norton, LLP
9201 N. Central Expressway, Suite 400
Dallas, Texas 75231
Michelle Snedden
E-mail: msnedden@shackelford.law

To Seller:
KML, Inc.
10242 Rosser Road
Dallas, Texas 75229
Attn: Tahir Walji
E-mail: TahirWalji@gmail.com

with copy to:
(which shall not constitute notice)

Newmark
2530 Walsh Tarlton Lane, Suite 200
Austin, Texas 78745
Attn: James Young
E-mail: james.young@ngkf.com

AND:

Leggett Clemons Crandall, PLLC
5700 Granite Parkway, Suite 950
Plano, Texas 75024
Attn: Ryan Crandall
Email: rcrandall@lcclawfirm.com

Any notice required hereunder to be delivered to the Escrow Agent shall be delivered in accordance with above provisions as follows:

Corridor Title
171 Benney Lane, Bldg 1
Dripping Springs, Texas 78620

Attn: Gina Kufrovich
Email: Gina.Kufrovich@corridortitle.com

Unless specifically required to be delivered to the Escrow Agent pursuant to the terms of this Contract, no notice hereunder must be delivered to the Escrow Agent in order to be effective so long as it is delivered to the other party in accordance with the above provisions.

13.8 Governing Law and Venue. The laws of the State of Texas shall govern the validity, construction, enforcement, and interpretation of this Contract, unless otherwise specified herein except for the conflict of law's provisions thereof. Subject to Section 13.25, all claims, disputes and other matters in question arising out of or relating to this Contract, or the breach thereof, shall be decided by proceedings instituted and litigated in a court of competent jurisdiction in Dallas County, Texas, and the parties hereto expressly consent to the venue and jurisdiction of such court.

13.9 Entire Agreement. This Contract embodies the entire Contract between the parties hereto concerning the subject matter hereof and supersedes all prior conversations, proposals, negotiations, understandings and Contracts, whether written or oral.

13.10 Amendments. This Contract shall not be amended, altered, changed, modified, supplemented or rescinded in any manner except by a written contract executed by all of the parties; provided, however, that as provided in Section 2.3.5 above, the signature of the Escrow Agent shall not be required as to any amendment of this Contract other than an amendment of Section 2.3.

13.11 Severability. In the event that any part of this Contract shall be held to be invalid or unenforceable by a court of competent jurisdiction, such provision shall be reformed, and enforced to the maximum extent permitted by law. If such provision cannot be reformed, it shall be severed from this Contract and the remaining portions of this Contract shall be valid and enforceable.

13.12 Multiple Counterparts/Facsimile Signatures. This Contract may be executed in a number of identical counterparts. This Contract may be executed by facsimile signatures which shall be binding on the parties hereto, with original signatures to be delivered as soon as reasonably practical thereafter.

13.13 Construction. No provision of this Contract shall be construed in favor of, or against, any particular party by reason of any presumption with respect to the drafting of this Contract; both parties, being represented by counsel, having fully participated in the negotiation of this instrument.

13.14 Confidentiality. Purchaser and Seller shall not disclose the terms and conditions contained in this Contract and shall keep the same confidential, provided that Purchaser and Seller may disclose the terms and conditions of this Contract (a) as required by law, (b) to consummate the terms of this Contract, or any financing relating thereto, or (c) to Purchaser's and Seller's respective attorneys and accountants. Any information and Materials provided by Seller to Purchaser or by Purchaser to Seller (including, but not limited to, information regarding Purchaser's partners and/or equity investors) hereunder are confidential and Purchaser and Seller shall be prohibited from making such information public to any other person or entity other than its Consultants, agents and legal representatives, without Seller's or Purchaser's, as applicable, prior written authorization,

which may be granted or denied in Seller's or Purchaser's, as applicable, sole discretion. Notwithstanding the provisions of Section 13.9, Purchaser and Seller agree that the covenants, restrictions and agreements of Purchaser and Seller contained in any confidentiality, non-disclosure or non-solicitation agreement executed by Purchaser and Seller prior to the Effective Date shall survive the execution of this Contract and shall not be superseded hereby.

13.15 Time of the Essence. It is expressly agreed by the parties hereto that time is of the essence with respect to this Contract.

13.16 Waiver. No delay or omission to exercise any right or power accruing upon any default, omission, or failure of performance hereunder shall impair any right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. No waiver, amendment, release, or modification of this Contract shall be established by conduct, custom, or course of dealing and all waivers must be in writing and signed by the waiving party.

13.17 Attorneys' Fees. In the event either party hereto commences litigation or arbitration against the other to enforce its rights hereunder, the substantially prevailing party in such litigation shall be entitled to recover from the other party its reasonable attorneys' fees and expenses incidental to such litigation and arbitration, including the cost of in-house counsel and any appeals.

13.18 Time Periods. Unless otherwise specified herein, in computing any period of time described herein, the day of the act or event after which the designated period of time begins to run is not to be included and the last day of the period so computed is to be included, unless such last day is not a Business Day, in which event the period shall run until the end of the next Business Day thereafter. The last day of any period of time described herein shall be deemed to end at 5:00 p.m. in the time zone where the Property is located.

13.19 No Personal Liability of Officers, Trustees or Directors of Seller's Partners. Purchaser acknowledges that this Contract is entered into by Seller which is a Texas corporation, and Purchaser agrees that none of Seller's Indemnified Parties shall have any personal liability under this Contract or any document executed in connection with the transactions contemplated by this Contract.

13.20 No Personal Liability of Officers, Trustees or Directors of Purchaser's Partners. Seller acknowledges that this Contract is entered into by Purchaser which is a Delaware limited liability company, and Seller agrees that none of Purchaser's Indemnified Parties shall have any personal liability under this Contract or any document executed in connection with the transactions contemplated by this Contract.

13.21 Exclusive Negotiations. Commencing on the Effective Date and continuing for such period of time thereafter as this Contract remains in full force and effect, Seller will not enter into any new negotiations with any third parties for the sale of the Property.

13.22 ADA Disclosure. Purchaser acknowledges that the Property may be subject to the ADA. The ADA requires, among other matters, that tenants and/or owners of "public

accommodations” remove barriers in order to make the Property accessible to disabled persons and provide auxiliary aids and services for hearing, vision or speech impaired persons.

13.23 No Recording. Purchaser shall not cause or allow this Contract or any contract or other document related hereto, nor any memorandum or other evidence hereof, to be recorded or become a public record without Seller’s prior written consent, which consent may be withheld at Seller’s sole discretion. If Purchaser records this Contract or any other memorandum or evidence thereof, Purchaser shall be in default of its obligations under this Contract. Purchaser hereby appoints Seller as Purchaser’s attorney-in-fact to prepare and record any documents necessary to effect the nullification and release of the Contract or other memorandum or evidence thereof from the public records. This appointment shall be coupled with an interest and irrevocable.

13.24 Relationship of Parties. Purchaser and Seller acknowledge and agree that the relationship established between the parties pursuant to this Contract is only that of a seller and a purchaser of property. Neither Purchaser nor Seller is, nor shall either hold itself out to be, the agent, employee, joint venturer or partner of the other party.

13.25 Waiver Of Right To Jury Trial. IN THE EVENT THAT LITIGATION IS COMMENCED BY EITHER PARTY RELATED TO THIS CONTRACT, PURCHASER AND SELLER IRREVOCABLY WAIVE ALL RIGHTS TO A JURY TRIAL IN ANY ACTION, SUIT, PROCEEDING, OR COUNTERCLAIM OF ANY KIND, DIRECTLY OR INDIRECTLY ARISING OUT OF OR IN ANY WAY RELATING TO THIS CONTRACT OR ANY OF THE OTHER DOCUMENTS EXECUTED BY PURCHASER OR SELLER IN CONNECTION WITH THE SALE OF THE PROPERTY CONTEMPLATED BY THIS CONTRACT. THE JURY TRIAL WAIVER CONTAINED IN THIS SECTION IS INTENDED TO APPLY TO THE FULLEST EXTENT PERMITTED BY LAW AND TO ANY AND ALL DISPUTES AND CONTROVERSIES THAT ARISE OUT OF OR ARE IN ANY WAY RELATED TO THE MATTERS DESCRIBED IN THE PRECEDING SENTENCE, INCLUDING, WITHOUT LIMITATION, ALL CONTRACT CLAIMS, TORT CLAIMS, COMMON LAW CLAIMS, AND STATUTORY CLAIMS OF ANY KIND. PURCHASER AND SELLER ACKNOWLEDGE AND AGREE THAT: (1) PURCHASER AND SELLER HAVE CAREFULLY READ AND UNDERSTAND ALL OF THE TERMS OF THIS CONTRACT; (2) PURCHASER AND SELLER HAVE EXECUTED THIS CONTRACT FREELY AND VOLUNTARILY, AFTER HAVING CONSULTED WITH THEIR INDEPENDENT LEGAL COUNSEL AND AFTER HAVING HAD ALL OF THE TERMS OF THIS CONTRACT EXPLAINED TO THEM BY THEIR INDEPENDENT LEGAL COUNSEL, OR AFTER HAVING HAD A FULL AND ADEQUATE OPPORTUNITY TO CONSULT WITH INDEPENDENT LEGAL COUNSEL; (3) THE WAIVERS CONTAINED IN THIS CONTRACT ARE REASONABLE, NOT CONTRARY TO PUBLIC POLICY OR LAW, AND HAVE BEEN INTENTIONALLY, INTELLIGENTLY, KNOWINGLY AND VOLUNTARILY AGREED TO BY THE PARTIES; (4) THE WAIVERS CONTAINED IN THIS CONTRACT HAVE BEEN AGREED TO BY PURCHASER AND SELLER WITH FULLY KNOWLEDGE OF THEIR SIGNIFICANCE AND CONSEQUENCES, INCLUDING FULL KNOWLEDGE OF THE SPECIFIC NATURE OF ANY RIGHTS OR DEFENSES WHICH EACH PARTY HAS AGREED TO WAIVE PURSUANT TO THIS CONTRACT; (5) PURCHASER AND SELLER HAVE HAD A FULL AND ADEQUATE OPPORTUNITY TO LOOK OVER THE TERMS CONTAINED IN THIS CONTRACT; (6)

PURCHASER AND SELLER ARE EXPERIENCED IN AND FAMILIAR WITH TRANSACTIONS OF THE TYPE EVIDENCED BY THIS CONTRACT; AND (7) THE WAIVERS CONTAINED IN THIS CONTRACT ARE MATERIAL INDUCEMENTS TO THE PARTIES ENTERING INTO THIS TRANSACTION AND THE PARTIES HAVE RELIED ON SUCH WAIVERS IN ENTERING INTO THIS CONTRACT AND WILL CONTINUE TO RELY ON SUCH WAIVERS IN ANY RELATED FUTURE DEALINGS WITH EACH OTHER. THE WAIVERS CONTAINED IN THIS SECTION SHALL APPLY TO ALL SUBSEQUENT EXTENSIONS, RENEWALS, MODIFICATIONS AND REPLACEMENTS OF THIS CONTRACT.

13.26 Survival. Except for (a) all of the provisions of this Article 13, and (b) any provision of this Contract which expressly states that it shall so survive, and (c) any payment obligation of Purchaser under this Contract (the foregoing (a), (b) and (c) referred to herein as the “**Survival Provisions**”), none of the terms and provisions of this Contract shall survive the termination of this Contract, and, if the Contract is not so terminated, all of the terms and provisions of this Contract (other than the Survival Provisions) shall be merged into the Closing Documents and shall not survive Closing.

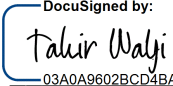
13.27. LEGAL ADVICE. IN SIGNING THIS CONTRACT, PURCHASER AND SELLER ACKNOWLEDGE AND AGREE THAT IT HAS BEEN ADVISED, AND HAS BEEN GIVEN THE OPPORTUNITY TO SEEK INDEPENDENT LEGAL ADVICE.

Signature Page Follows.

NOW, THEREFORE, the parties hereto have executed this Contract as of the Effective Date.


SELLER:

KML, INC.,
a Texas corporation

By:  DocuSigned by:
03A0A9602BCD4BA...
Tahir Walji, President

PURCHASER:

ELIZABETH PROPERTY GROUP, LLC,
a Delaware limited liability company

By:  DocuSigned by:
91390A6925F44B2...
Pratiksha Vaidya, Manager

ESCROW AGENT SIGNATURE PAGE

The undersigned executes the Contract to which this signature page is attached for the purpose of agreeing to the provisions of Section 2.3 of the Contract, and hereby establishes December ____, 2021 as the date of opening of escrow and designates _____ as the escrow number assigned to this Contract.

ESCROW AGENT:

CORRIDOR TITLE

By: _____

Name: _____

Title: _____

EXHIBIT A

Legal Description of the Land

BEING ALL OF LOTS 1 AND 2, RESUBDIVISION OF A PART OF OUTLOT 36, DIVISION C, CITY OF AUSTIN, TRAVIS COUNTY, TEXAS AS RECORDED IN VOL. 11, PG. 69, PLAT RECORDS, TRAVIS COUNTY, TEXAS, SAVE AND EXCEPT A 943 SQUARE FOOT TRACT CONVEYED TO THE CITY OF AUSTIN FOR STREET PURPOSES IN VOL. 3349, PG. 1507, DEED RECORDS, TRAVIS COUNTY, TEXAS.

EXHIBIT B

Form of Special Warranty Deed

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

SPECIAL WARRANTY DEED

THE STATE OF TEXAS §
 §
COUNTY OF TRAVIS §

KML, INC., a Texas corporation, hereinafter called "**Grantor**", for and in consideration of the sum of Ten and No/100 Dollars (\$10.00) and other valuable consideration to the undersigned in hand paid by [____], a [____], called the "**Grantee**", the receipt and sufficiency of which are hereby acknowledged, has GRANTED, SOLD AND CONVEYED, and by these presents does GRANT, SELL AND CONVEY unto Grantee, the land described on Exhibit A attached hereto (the "**Land**"), together with all of Grantor's right, title, and interest in and to all related rights and appurtenances, including, without limitation, any and all right, title and interest of Grantor in and to (i) easements, adjacent streets, waterways, air rights, strips and gores, roads, alleys or rights of way open or proposed, and rights, titles and interests of Grantor in and to any reversionary rights, if any, attributable or appurtenant to the Land, (ii) all buildings, structures, parking areas, sidewalks, landscaping and other improvements and fixtures located on the Land, (iii) any land lying in the bed of any street, road or avenue opened or proposed, public or private, adjoining the Land, (iv) any award made or to be made in lieu thereof, and (v) any unpaid award for damage to the Land by reason of change of grade of any street (collectively, the "**Property**"), effective as of [____], 202[___] (the "**Effective Date**").

This conveyance, however, is made and accepted subject to the matters described on Exhibit B attached hereto and made a part hereof (hereinafter referred to as the "**Permitted Encumbrances**").

TO HAVE AND TO HOLD the Property, together with all and singular the rights and appurtenances thereto in anywise belonging, unto Grantee and Grantee's successors and assigns FOREVER, subject to the Permitted Encumbrances, Grantor does hereby bind itself, its successors and assigns to WARRANT AND FOREVER DEFEND all and singular the Property unto Grantee, Grantee's successors and assigns against every person whomsoever claiming or to claim the same or any part thereof, when the claim is by, through, or under Grantor but not otherwise.

Signature Page Follows.

EXECUTED as of the Effective Date.

GRANTOR:

KML, INC.,
a Texas corporation

By: _____
Tahir Walji, President

THE STATE OF TEXAS §
 §
COUNTY OF TRAVIS §

This instrument was acknowledged before me on the ____ day of _____, 202__, by Tahir Walji, President of KML, Inc., on behalf of said corporation.

Notary Public in and for the State of Texas

GRANTEE'S ADDRESS FOR TAX NOTICES:

When recorded, return to:

Exhibit A to Form of Special Warranty Deed

Legal Description of Land

BEING ALL OF LOTS 1 AND 2, RESUBDIVISION OF A PART OF OUTLOT 36, DIVISION C, CITY OF AUSTIN, TRAVIS COUNTY, TEXAS AS RECORDED IN VOL. 11, PG. 69, PLAT RECORDS, TRAVIS COUNTY, TEXAS, SAVE AND EXCEPT A 943 SQUARE FOOT TRACT CONVEYED TO THE CITY OF AUSTIN FOR STREET PURPOSES IN VOL. 3349, PG. 1507, DEED RECORDS, TRAVIS COUNTY, TEXAS.

Exhibit B to Form of Special Warranty Deed

Permitted Encumbrances

EXHIBIT C

Form of Bill of Sale

BILL OF SALE

This BILL OF SALE (this “**Bill of Sale**”) is made this ____ day of _____, 202[____] (the “**Effective Date**”), by KML, Inc., a Texas corporation (“**Seller**”), in favor of [____], a [____] (“**Purchaser**”).

WITNESSETH:

WHEREAS, Seller and Purchaser entered into that certain Purchase and Sale Contract dated as of December ____, 2020 (the “**Contract**”), with respect to the sale of certain the real property identified on Exhibit A attached hereto and the Improvements located thereon. Any term not otherwise defined herein shall have the meaning set forth in the Contract.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Seller does hereby absolutely and unconditionally give, grant, bargain, sell, transfer, set over, assign, convey, release, confirm and deliver to Purchaser all of the Fixtures and Tangible Personal Property, including those items expressly identified in Exhibit B attached hereto, without representation or warranty of any kind whatsoever except as set forth in and subject to the terms of the Contract.

WITH RESPECT TO ALL MATTERS TRANSFERRED, WHETHER TANGIBLE OR INTANGIBLE, PERSONAL OR REAL, SELLER EXPRESSLY DISCLAIMS A WARRANTY OF MERCHANTABILITY AND WARRANTY FOR FITNESS FOR A PARTICULAR USE OR ANY OTHER WARRANTY EXPRESSED OR IMPLIED THAT MAY ARISE BY OPERATION OF LAW OR UNDER THE UNIFORM COMMERCIAL CODE FOR THE STATE IN WHICH THE PROPERTY IS LOCATED OR ANY OTHER STATE.

This Bill of Sale shall be binding upon and inure to the benefit of the successors, assigns, personal representatives, heirs and legatees of Purchaser and Seller.

This Bill of Sale shall be governed by, interpreted under, and construed and enforceable in accordance with, the laws of the State of Texas.

Signature Page Follows.

EXECUTED as of the Effective Date.

SELLER:

KML, INC.,
a Texas corporation

By: _____
Tahir Walji, President

Exhibit A to Form of Bill of Sale

Legal Description of the Land

BEING ALL OF LOTS 1 AND 2, RESUBDIVISION OF A PART OF OUTLOT 36, DIVISION C, CITY OF AUSTIN, TRAVIS COUNTY, TEXAS AS RECORDED IN VOL. 11, PG. 69, PLAT RECORDS, TRAVIS COUNTY, TEXAS, SAVE AND EXCEPT A 943 SQUARE FOOT TRACT CONVEYED TO THE CITY OF AUSTIN FOR STREET PURPOSES IN VOL. 3349, PG. 1507, DEED RECORDS, TRAVIS COUNTY, TEXAS.

Exhibit B to Form of Bill of Sale

Fixtures and Tangible Personal Property

EXHIBIT D

Form of General Assignment

GENERAL ASSIGNMENT AND ASSUMPTION AGREEMENT

This GENERAL ASSIGNMENT AND ASSUMPTION AGREEMENT (this “**Assignment**”) is executed by and between KML, Inc., a Texas corporation (“**Seller**”), and [____], a [____] (“**Purchaser**”), as of [____], 202[____] (the “**Effective Date**”).

Seller and Purchaser, have entered into that certain Purchase and Sale Contract dated as of December ___, 2020 (the “**Contract**”), in which Seller has agreed to sell and Purchaser has agreed to purchase the real property described in Exhibit A attached thereto and the Improvements located thereon (collectively, the “**Project**”). Capitalized terms not otherwise defined herein shall have the meaning ascribed to them in the Contract.

Pursuant to the Contract, Seller has agreed to assign, without recourse or warranty, to Purchaser all of Seller’s right, title and interest, if any, in and to the Miscellaneous Property Assets, the Permits (other than the Excluded Permits), and the Property Contracts.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Seller and Purchaser agree as follows:

1. **Assignment.** As of the Effective Date, Seller hereby assigns, sells and transfers, without recourse or warranty, to Purchaser all of Seller’s right, title and interest, if any, in and to the Miscellaneous Property Assets, the Permits (other than the Excluded Permits), and the Property Contracts.
2. **Assumption.** As of the Effective Date, Purchaser expressly agrees to assume and hereby assumes all liabilities and obligations of Seller in connection with the Miscellaneous Property Assets, the Permits (other than the Excluded Permits), and the Assumed Contracts; provided, however, that to the extent that any Assumed Contract constitutes a Terminated Property Contract, Purchaser assumes such Assumed Contract only through the effective date of the termination of such Property Contract pursuant to its express terms. Purchaser does not assume and Seller shall remain liable to the extent of any cancellation fees or penalties due as a result of such termination.
3. **Counterparts.** This Assignment may be executed in counterparts, each of which shall be deemed an original, and both of which together shall constitute one and the same instrument.
4. **Attorneys’ Fees.** If any action or proceeding is commenced by either party to enforce its rights under this Assignment, the substantially prevailing party in such action or proceeding shall be awarded all reasonable costs and expenses incurred in such action or proceeding, including reasonable attorneys’ fees and costs (including the cost of in-house counsel and appeals), in addition to any other relief awarded by the court.

5. Applicable Law. This Assignment shall be governed by and interpreted in accordance with the laws of the State of Texas.

6. Binding Effect. This Assignment shall be binding upon and inure to the benefit of the parties hereto and their respective transferees, successors, and assigns.

WITH RESPECT TO ALL MATTERS TRANSFERRED, WHETHER TANGIBLE OR INTANGIBLE, PERSONAL OR REAL, SELLER EXPRESSLY DISCLAIMS A WARRANTY OF MERCHANTABILITY AND WARRANTY FOR FITNESS FOR A PARTICULAR USE OR ANY OTHER WARRANTY EXPRESSED OR IMPLIED THAT MAY ARISE BY OPERATION OF LAW OR UNDER THE UNIFORM COMMERCIAL CODE FOR THE STATE IN WHICH THE PROPERTY IS LOCATED OR ANY OTHER STATE.

Signature Page Follows.

EXECUTED as of the Effective Date.

SELLER:

KML, INC.,
a Texas corporation

By: _____

Name: _____

Title: _____

PURCHASER:

_____,

a _____

By: _____

Name: _____

Title: _____

EXHIBIT E

Form of Leases Assignment

ASSIGNMENT AND ASSUMPTION OF LEASES AND SECURITY DEPOSITS

This ASSIGNMENT AND ASSUMPTION OF LEASES AND SECURITY DEPOSITS (this “**Assignment**”) is executed by and between KML, Inc., a Texas corporation (“**Assignor**”), and [____], a [____] (“**Assignee**”), as of [____], 202[____] (the “**Effective Date**”).

Assignee and Assignor have entered into that certain Purchase and Sale Contract, dated December __, 2020 (the “**Contract**”), in which Assignor has agreed to sell and Assignee has agreed to purchase the real property described on Exhibit A attached thereto and the Improvements located thereon (collectively, the “**Project**”).

Assignor, as landlord, has entered into certain leases for the use of the Project by tenants (collectively, together with all amendments, modifications, supplements, restatements and guarantees thereof, the “**Leases**”).

The Contract requires Assignor and Assignee to execute this Assignment.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Assignor and Assignee hereby agree as follows:

1. **Capitalized Terms**. All capitalized terms used, but not otherwise defined herein, shall have the meanings set forth in the Contract.
2. **Assignment and Assumption**. As of the Effective Date, Assignor hereby irrevocably assigns, sets over, transfers and conveys to Assignee all of Assignor’s right, title and interest in and to (a) the Leases, and (b) the Tenant Security Deposit Balance. Assignee hereby accepts this Assignment and the rights granted herein, and Assignee hereby expressly assumes, for itself and its successors, assigns and legal representatives, the Leases and the Tenant Security Deposit Balance and all of the obligations and liabilities, fixed and contingent, of Assignor thereunder accruing from and after the Effective Date with respect to the Leases and the Tenant Security Deposit Balance and agrees to (i) be fully bound by all of the terms, covenants, agreements, provisions, conditions, obligations and liability of Assignor thereunder, which accrue from and after the Effective Date, and (ii) keep, perform and observe all of the covenants and conditions contained therein on the part of Assignor to be kept, performed and observed, from and after the Effective Date.
3. **Indemnification**. Assignee shall indemnify, protect, defend and hold harmless Assignor from and against any and all claims incurred by Assignor with respect to the Security Deposits as assigned herein.

4. General Provisions.

a. Successors. This Assignment shall inure to the benefit of, and be binding upon, the parties hereto and their respective successors and assigns.

b. Counterparts. This Assignment may be executed in as many counterparts as may be deemed necessary and convenient, and by the different parties hereto on separate counterparts, each of which, when so executed, shall be deemed an original, but all such counterparts shall constitute one and the same instrument.

c. Governing Law. This Assignment and the legal relations between the parties hereto shall be governed by and construed and enforced in accordance with the laws of the State of Texas, without reference to the conflict of law provisions thereof.

d. Attorney's Fees. If any action or proceeding is commenced by either party to enforce its rights under this Assignment, the substantially prevailing party in such action or proceeding shall be awarded all reasonable costs and expenses incurred in such action or proceeding, including reasonable attorneys' fees and costs (including the cost of in-house counsel and appeals), in addition to any other relief awarded by the court.

Signature Page Follows.

EXECUTED as of the Effective Date.

ASSIGNOR:

KML, INC.,
a Texas corporation

By: _____

Name: _____

Title: _____

ASSIGNEE:

_____,

a _____

By: _____

Name: _____

Title: _____

EXHIBIT F

Form of Vendor Terminations

**NOTICE TO VENDOR REGARDING TERMINATION OF CONTRACT
KENSINGTON APARTMENTS**

[DATE]

To: [INSERT VENDOR INFORMATION]

Re: Termination [insert name and date of contract] (the “**Contract**”)

Dear [insert name]:

Effective as of [____], 202[___] (the “**Closing Date**”), KML, Inc., a Texas corporation (“**Seller**”), has sold the property located at 3300 Manor Road, Austin, Texas 78723 to [____], a [____] (“**Purchaser**”). In connection with such purchase and sale, Purchaser has elected to terminate the Contract.

Accordingly, this letter shall serve as notice that the Contract is terminated as of [____], 202[___] [INSERT DATE OF CLOSING, OR LATER DATE IF REQUIRED BY TERMINATED CONTRACT] (the “**Termination Date**”).

To the extent that the Contract requires payment of any penalty or premium as a result of the termination of the Contract, Seller shall be solely responsible for the payment of any such cancellation fees or penalties. Also, to the extent that the Termination Date is after the Closing Date, Purchaser shall be deemed to have assumed all of Seller’s obligations under the Contract as of the Closing Date and until the Termination Date.

Any and all future notices and inquiries that you may have regarding the termination of the Contract should be forwarded to Purchaser at the following address:

Attn: _____

Very truly yours,

SELLER:

KML, INC.,
a Texas corporation

By: _____
Name: _____
Title: _____

PURCHASER:

_____,
a _____

By: _____
Name: _____
Title: _____

EXHIBIT G
TENANT NOTIFICATION

(Date)

To Tenants of Kensington Apartments

Ladies and Gentlemen:

This is to advise you that, effective this date, Kensington Apartments has been sold to _____ ("**Purchaser**").

Effective immediately, please make all rent checks payable to _____ and make all rental payments to _____. In connection with the transfer and assignment of your lease, Purchaser has assumed the obligations of the transferor as landlord under your lease and has also been transferred any unapplied and refundable portion of your security deposit(s). The amount of your security deposit(s) is \$_____. .

Additionally, effective immediately, _____ Management Company, is no longer the manager of Kensington Apartments. The new manager of Kensington Apartments is _____.

Please contact _____ at _____ if you have any questions regarding this transfer.

Very truly yours,

_____,
a _____

By: _____

Name: _____

Title: _____

Exhibit G

*Purchase and Sale Contract
(EPG – Kensington Apartments)*

SCHEDULE 1

List of Excluded Permits

None.

SCHEDULE 2

List of Fixtures and Tangible Personal Property

MAINTENANCE INVENTORY

1. None.

MODEL INVENTORY

1. None.

OFFICE AND STORAGE

1. None.

SCHEDULE 3

List of Materials Delivered

- (a) Copy of the most current Rent Roll for the Property (in MS Excel if available).
- (b) Copies of month-end delinquency reports for the previous 12 months, detailing delinquency by tenant and unit, as well as amount owed.
- (c) As applicable, copies of accountant's or internally prepared monthly detail operating statements for 2019, 2020, and 2021 YTD (in MS Excel if available).
- (d) Make available at the Property copies of all Leases and Tenant files, including, but not limited to, all amendments and exhibits to same, all lease summaries and/or abstracts, all Tenant correspondence, credit reports and background checks, addendums, guarantees, renewals, and commission agreements.
- (e) Copy of every lease form in effect at time of purchase.
- (f) Monthly lease expiration schedule for following twelve (12) months.
- (g) Current concessions report by unit.
- (h) Detail report of ancillary income for previous twenty-four (24) months, if not part of item (c) above.
- (i) Copies of the 2019 - 2020 paid property tax receipts along with tax bills and 2021 notices, including assessments, from all taxing authorities.
- (j) History of tax protests for the previous three years, including original valuation and final valuation, and an overview of any tax protests in process, including the name and contact information of the consultant/attorney handling such tax protest.
- (k) Copies of property, liability, workers compensation and any other insurance policies currently in effect at the Property, together with claims information and loss runs for all policies for the last 5 years.
- (l) Copy of workers compensation claim records that are available from the Property Manager, including files that remain open and the most recent years (2019, 2020 and 2021) closed files that are available to Seller.
- (m) Copies of any utility contracts including, without limitation, local or long-distance phone service, internet service, cable or satellite televisions, water, sewer, gas, electricity or trash removal.

- (n) Copies of all Property Contracts including, without limitation, grounds maintenance and landscaping, snow removal, extermination, fire protection, security, cleaning, or maintenance.
- (o) Summary schedule of all service contracts, detailing contractor, scheduled payments, and expiration dates.
- (p) Copy of the capital improvement expenditures for 2019, 2020, and 2021 YTD.
- (q) A list of all warranty issues in dispute and the dollar amount of each item.
- (r) Schedule list all Tenant Deposits.
- (s) Schedule of all Fixtures and Tangible Personal Property to be included in the sale.
- (t) Copies of any available as-built plans and specifications for the Improvements, including, without limitation, architectural, civil engineering, utility reports/plans, landscape design (including sprinkler systems), mechanical, electrical, and plumbing.
- (u) Copy of the Existing Survey and any subsequent updates prepared for third parties, including Seller's lender(s).
- (v) Copies of any and all Phase I or II or other environmental reports in Seller's possession.
- (w) Copies of any and all site studies and/or any and all geotechnical, wetlands, engineering, soils, inspection, and/or other reports in Seller's possession.
- (x) Copies of any and all physical needs assessments, engineering reports, or inspection reports in Seller's possession.
- (y) Copies of any existing or prior title policies for the Property in Seller's possession and any documents referenced therein.
- (z) Copies of all warranties (including a comprehensive maintenance log to be available at the Property for review by Seller that includes a log for warranties obtained during Seller's ownership of the Property), operations, and maintenance manuals, including the contractor warranty and the roof warranty and assignment of warranty.
- (aa) Property marketing brochures and photos (preferably in electronic format, if available), original digital files of logos, floor plans, etc.
- (bb) Copies of any citations, code violations or deficiencies relating to the Property, past or present.
- (cc) A list of any (past and present) actual or threatened litigation matters involving the Property Manager or Seller, including (i) a brief description of each matter, (ii) the estimated dollar amount

involved and (iii) the name and contact information of the attorney handling such claims, provided that such summary shall be prepared to Seller's knowledge and Seller makes no representations or warranties regarding the outcome of such claims.

(dd) A twenty-four 24-month history of extermination invoices and a copy of the most recent termite inspection.

(ee) Copies of historical tax, electric, and utility bills for the Property with a list of applicable account numbers.

(ff) A schedule of employees, including salaries, benefits and apartment agreements.

(gg) Schedule of carpet, vinyl and appliance replacements by unit that are available to Seller.

(hh) Copies of all Permits and certificates of occupancy.

(ii) Copies of all maintenance and service history for all boilers and chillers located on the Property.

(jj) To be provided MONTHLY until Closing or the earlier termination of the Contract: (1) current operating statements, (2) current Rent Roll, (3) end of month delinquency report, (4) schedule of current rents and (5) renewal reports.

(kk) Certificate of Occupancy.

(ll) A copy of the management agreement with the Property Manager and any other management agreements applicable to the Property and/or the Leases.

(mm) All regulatory documentation related to the previous LIHTC syndication, Land Use Regulatory Agreement, HAP Contract (including approval to engage with HUD affiliate administrator), and other related contracts.

SECOND AMENDMENT TO PURCHASE AND SALE CONTRACT

This SECOND AMENDMENT TO PURCHASE AND SALE CONTRACT (this "***Amendment***") is made and entered into effective as of August 13, 2021 (the "***Effective Date***"), by and between KML, INC., a Texas corporation ("***Seller***"), and ELIZABETH PROPERTY GROUP, LLC, a Texas limited liability company ("***Buyer***").

RECITALS

WHEREAS, Buyer and Seller, entered into that certain Purchase and Sale Contract, dated as of January 8, 2021, as amended by that certain First Amendment to Purchase and Sale Contract, dated as of August 6, 2021 (as amended, the "***Contract***"), for the purchase and sale of that certain real property and the improvements thereon located in Austin, Travis County, Texas, as more particularly described in the Contract;

WHEREAS, Buyer and Seller desire to amend the Contract as set forth herein.

AGREEMENT

NOW, THEREFORE, the parties hereby agree as follows:

1. Purchase Price. Section 2.2 of the Contract is hereby amended to change the Purchase Price from Sixteen Million and No/100 Dollars (\$16,000,000.00) to Sixteen Million One Hundred Fifty Thousand and No/100 Dollars (\$16,150,000.00).

2. Closing Date. Section 5.1 is hereby deleted in its entirety and replaced with the following:

"5.1 Closing Date. Subject to satisfaction of the conditions set forth in this Contract, including, but not limited to, those set forth in Section 5.2 and Section 8.1, the Closing shall occur on or before December 15, 2021 (the "***Closing Date***"), subject, however, to the right of Purchaser to extend the Closing Date by two (2), sixty (60) day periods (each, a "***Closing Extension***"). Purchaser shall exercise each Closing Extension by delivering to Seller and Escrow Agent written notice of its intent to extend the Closing Date no later than three (3) Business Days prior to the Closing Date or the extended Closing Date, as applicable (each, an "***Extension Notice***"). Together with delivery of the applicable Extension Notice, for each Closing Extension, Purchaser shall deliver to Escrow Agent an extension deposit of One Hundred Thousand and No/100 Dollars (\$100,000.00) by wire transfer of Good Funds (each, an "***Extension Deposit***"). Each Extension Deposit shall be immediately non-refundable, except as noted herein, upon delivery, but shall be fully applicable to the Purchase Price. In addition, Purchaser shall have the option to extend the Closing Date to July 29, 2022 (the "***Additional Closing Extension***"). Purchaser shall exercise the Additional Closing Extension by delivering to Seller and Escrow Agent an Extension Notice. Closing will be through an escrow with Escrow Agent, whereby Seller, Purchaser and their

attorneys need not be physically present at the Closing and may deliver documents by overnight air courier or other means.”

3. Required Repairs. The following is added as Section 7.4:

“If the Property is in violation of any applicable codes and repair of the same is required by the City of Austin prior to Closing or if a repair to the Property is required prior to Closing for the continuing function of the Property, including, but not limited to, repairs to the HVAC system, the boilers, plumbing or other life and/or safety repairs (each, a “**Required Repair**”), then, notwithstanding Section 6.1.15, Seller shall be obligated to cure the applicable Required Repair and pay, per each single Required Repair, up to Fifteen Thousand and No/100 Dollars (\$15,000.00) of the cost of such work as is necessary to correct the same, and (ii) Purchaser shall reimburse Seller at Closing for the cost of such work as is necessary to complete the applicable Required Repair that exceeds Fifteen Thousand and No/100 Dollars (\$15,000.00), but only to the extent such costs are not covered by insurance proceeds, provided, however, that Purchaser shall be allowed to procure three (3) bids for the scope of the work to be so reimbursed and Seller and Purchaser shall mutually agree on the contractor to perform the work for the applicable Required Repair.”

4. Conflicts. The Contract is not amended in any other respect. Any conflict between this Amendment and the Contract shall be resolved in favor of this Amendment.

5. Headings and Sections. The headings in this Amendment are inserted for convenience only and are in no way intended to describe, interpret, define, or limit the scope, extent or intent of this Amendment or any provision hereof. Unless the context requires otherwise, all references in this Amendment to Sections shall be deemed to mean and refer to Sections of this Amendment.

6. Number and Gender. Where the context so indicates, the masculine shall include feminine and neuter, and the neuter shall include the masculine and feminine, the singular shall include the plural, and, in all instances, vice versa.

7. Governing Law. This Amendment shall be governed by and construed in accordance with the laws of the State of Texas.

8. Legal Construction. In case any one or more of the provisions contained in this Amendment shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provision hereof, and this Amendment shall be construed as if such invalid, illegal, or unenforceable provision were omitted.

9. Multiple Counterparts. This Amendment may be executed in multiple counterparts, each of which shall be deemed to be an original and shall be binding upon the party who executed the same, but all of such counterparts shall constitute the same Amendment.

Signature Page Follows.

IN WITNESS WHEREOF, this Amendment is executed as of the Effective Date.

SELLER:

KML, INC.,
a Texas corporation

By: Tahir Walji
Tahir Walji, President

PURCHASER:

ELIZABETH PROPERTY GROUP, LLC,
a Delaware limited liability company

By: Pratiksha Vaidya
Pratiksha Vaidya, Manager

**KENSINGTON APARTMENTS
3300 MANOR ROAD
AUSTIN, TEXAS**

Kensington Apartments – SHPO and NPS Confirmation

Development team is pursuing Historic Tax Credits and intends to preserve the historic aspects of the Property. This also increases equity funding available to the project and allows the development team to preserve deeper affordability as a result.



HISTORIC PRESERVATION CERTIFICATION APPLICATION
STATE HISTORIC PRESERVATION OFFICE
REVIEW & RECOMMENDATION SHEET
PART 1—SIGNIFICANCE

SECTION 1. APPLICATION INFORMATION

PROJECT NUMBER THC-1603-21-016

Historic Property Name Lexington Apartments and Motor Inn

Property Address 3300 Manor Road, Austin, Travis County, Texas

Historic District or National Register Property _____

☐ National Register District ☐ Certified State or Local District

☐ Property with multiple buildings, including individually-listed properties and properties in a historic district (see Section 6)

Application received (date) 3-10-2021

Additional information requested (date/s) 4-13-2021

Complete information received (date) 5-19-2021

Transmitted to NPS (date) _____

Property visited by SHPO staff (date) _____

Preliminary consultation (date) _____

SHPO REVIEW SUMMARY

- ☒ No outstanding concerns
- ☐ In-depth NPS review requested
- ☐ SHPO recommendation differs from applicant's request
- ☐ SHPO recommendation differs from NR documentation on file
- ☐ Applicant informed of SHPO recommendation

SECTION 2. APPLICATION MATERIALS

☒ Photographs ☐ Historic District Map ☐ Other (list) _____

☐ For properties with more than one building -- map or site plan of the entire property and map or site plan of the portion of the property under applicant's ownership or control.

SECTION 3. SHPO RECOMMENDATION

Gregory Smith, who meets the Secretary of the Interior's Professional Qualification Standards, has reviewed this application.

- ☐ The property contributes to the significance of the above-named district or National Register property and is a "certified historic structure" for the purpose of rehabilitation.
- ☐ The property contributes to the significance of the above-named district and is a "certified historic structure" for a charitable contribution for conservation purposes in accordance with the Internal Revenue Code.
- ☐ The property does not contribute to the significance of the above-named district.
- ☐ Insufficient documentation has been provided to evaluate the property.
- ☐ This application is being forwarded without recommendation.

Preliminary Determinations

- ☒ The property appears to meet the National Register Criteria for Evaluation and will be nominated individually.
- ☐ The property does not appear to meet the National Register Criteria for Evaluation and will not be nominated.
- ☐ The property appears to contribute to the significance of a:
- ☐ proposed historic district that appears to meet the National Register Criteria for Evaluation and will likely be nominated.
 - ☐ registered historic district but is outside the period(s) or areas of significance as documented in the National Register nomination or district documentation on file with the NPS. The nominated will be amended.
- ☐ The property is located in a proposed historic district and:
- ☐ the property does not appear to contribute to the significance of the proposed historic district.
 - ☐ the proposed historic district does not appear to meet the National Register Criteria for Evaluation and will not be nominated.

June 22, 2021

Date



State Historic Preservation Office Signature (National Register Coordinator)

HISTORIC PRESERVATION CERTIFICATION APPLICATION
PART 1 – EVALUATION OF SIGNIFICANCE



Instructions: This page must bear the applicant's original signature and must be dated. The National Park Service certification decision is based on the descriptions in this application form. In the event of any discrepancy between the application form and other, supplementary material submitted with it (such as architectural plans, drawings and specifications), the application form takes precedence. A copy of this form will be provided to the Internal Revenue Service.

NPS Project Number

43571

1. Historic Property Name The Lexington Apartments and Motor Inns

Street 3300 Manor Road

City Austin County Travis State TX Zip 78723-5723

Name of Historic District or National Register property _____

☐ National Register district ☐ certified state or local district ☐ potential district ☐ National Register property

2. Nature of Request (check only one box)

- ☐ certification that the building contributes to the significance of the above-named historic district or National Register property for rehabilitation purposes.
☐ certification that the building contributes to the significance of the above-named historic district for a charitable contribution for conservation purposes.
☐ certification that the building does not contribute to the significance of the above-named district or National Register property.
☒ preliminary determination for individual listing in the National Register.
☐ preliminary determination that a building located within a potential historic district contributes to the significance of the district.
☐ preliminary determination that a building outside the period or area of significance contributes to the significance of the district.

3. Project Contact (if different from applicant)

Name Cindy Hamilton Company Heritage Consulting Group

Street 15 West Highland Avenue City Philadelphia State PA

Zip 19118 Telephone (215) 248-1260 Email Address chamilton@heritage-consulting.com

4. Applicant

I hereby attest that the information I have provided is, to the best of my knowledge, correct. I further attest that [check one or both boxes, as applicable]:

- ☐ I am the owner of the above-described property within the meaning of "owner" set forth in 36 CFR § 67.2 (2011), and/or
☒ if I am not the fee simple owner of the above described property, the fee simple owner is aware of the action I am taking relative to this application and has no objection, as noted in a written statement from the owner, a copy of which (i) either is attached to this application form and incorporated herein, or has been previously submitted, and (ii) meets the requirements of 36 CFR § 67.3(a)(1) (2011).

For purposes of this attestation, the singular shall include the plural wherever appropriate. I understand that knowing and willful falsification of factual representations in this application may subject me to fines and imprisonment under 18 U.S.C. § 1001, which, under certain circumstances, provides for imprisonment of up to 8 years.

Name Tisha Vaidya Signature (Sign in ink) [Signature] Date 7/21/21

Applicant Entity Elizabeth Property Group Texas LLC SSN _____ or TIN 85-2350908

Street 5580 LBJ Freeway, Suite 630 City Dallas State TX

Zip 75240 Telephone (214) 336-7495 Email Address tisha@elizabethpropertygroup.com

NPS Official Use Only

The National Park Service has reviewed the Historic Preservation Certification Application – Part 1 for the above-named property and has determined that the property:

- ☐ contributes to the significance of the above-named district or National Register property and is a "certified historic structure" for rehabilitation purposes.
☐ contributes to the significance of the above-named district and is a "certified historic structure" for a charitable contribution for conservation purposes.
☐ does not contribute to the significance of the above-named district or National Register property.

Preliminary Determinations:

- ☒ appears to meet the National Register Criteria for Evaluation and will likely be listed in the National Register of Historic Places if nominated by the State Historic Preservation Officer according to the procedures set forth in 36 CFR Part 60.
☐ does not appear to meet the National Register Criteria for Evaluation and will likely not be listed in the National Register.
☐ appears to contribute to the significance of a potential historic district, which will likely be listed in the National Register of Historic Places if nominated by the State Historic Preservation Officer.
☐ appears to contribute to the significance of a registered historic district if the period or area of significance as documented in the National Register nomination or district documentation on file with the NPS is expanded by the State Historic Preservation Officer.
☐ does not appear to qualify as a certified historic structure.

Date

7/21/21

National Park Service Authorized Signature (Sign in ink)

[Signature]

☐ NPS Comments Attached

