



Proposal for RHDA Funding
City of Austin

**ELIZABETH PROPERTY GROUP
and INTEGRAL CARE**

KENSINGTON APARTMENTS
3300 MANOR ROAD
AUSTIN, TEXAS

APPLICATION CHECKLIST/ INFORMATION FORM

DEVELOPER : Elizabeth Property Group	OWNER/BORROWER NAME : Kensington Apartments Austin, LP
DEVELOPMENT NAME : Kensington Apartments	FUNDING CYCLE DEADLINE : August 2022
FEDERAL TAX ID NO: 85-2350908	DUNS NO: WILL PROVIDE WHEN AVAILABLE
PROJECT ADDRESS: 3300 Manor Road	PROGRAM : RHDA
CONTACT NAME : Tisha Vaidya	AMOUNT REQUESTED: \$6,350,000
CONTACT ADDRESS AND PHONE : 5757 Alpha Road, Suite 505 Dallas, TX 75240	

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.
Unsigned/undated submissions will not be considered.

SIGNATURE OF APPLICANT



PRINTED NAME

Tisha Vaidya

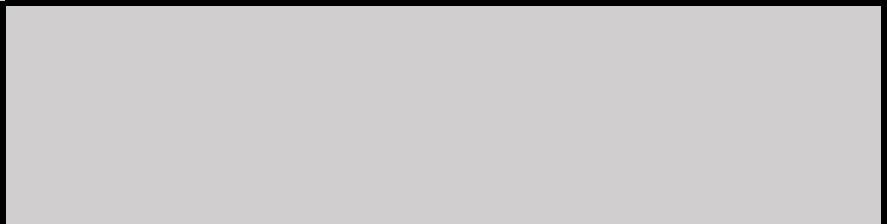
TITLE OF APPLICANT

Principal

DATE OF SUBMISSION

7/21/2022

DATE AND TIME STAMP OF RECEIPT



FOR AHFC USE ONLY



Executive Summary

ELIZABETH PROPERTY GROUP and INTEGRAL CARE

KENSINGTON APARTMENTS
3300 MANOR ROAD
AUSTIN, TEXAS

Development Proposal

A partnership between Integral Care and Elizabeth Property Group (“EPG”) acquired Kensington Apartments in June 2022 with bridge financing while the partnership seeks tax-exempt bonds and LIHTC financing. The Property is comprised of 148 units, with four buildings located on 2.7 acres adjacent to the Mueller development in Austin. The property was recently issued a bond reservation (expected July 26, 2022) and has an anticipated tax credit closing date in January 2023. 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 prior owner (until June 2022) did not accept housing choice vouchers because he kept all residents on a month-to-month lease. Integral Care and EPG, in partnership with the property management team (Asset Living fka Alpha Barnes) are currently working on an operational turnaround, performing some capex as needed to stabilize and re-lease the property.

In conjunction with a tax credit closing, EPG is seeking soft funding from the City of Austin to help cover construction costs to perform an extensive renovation and to continue the operational turnaround to make this safe, clean, and service-enriched housing, with a focus on serving those who are experiencing homelessness.

As part of the Partnership with Integral Care, the Property will house 30 referrals from Integral Care, housing people who have experienced homelessness. In addition, the Partnership has an MOU with ECHO for 30 Continuum of Care units, to serve those experiencing short term homelessness or housing instability.

In total, the Property will serve a total of 60 residents who are currently experiencing homelessness or housing instability. While the Property is formally restricted with 50% of the units at 50% AMI and 50% of the units at 60% AMI, the Property will be serving a much lower income resident base based on the income levels of those units.

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

✓ **Ability to add service enriched affordable housing – with 60 CoC units to serve those that have recently experienced homeless – NOW**

The Property has a bond reservation and will be closing into a tax credit partnership in January 2023 – opportunity for immediate housing. Unlike other projects which either don’t have a bond reservation or will take several years to build and occupy, Kensington Apartments will offer an opportunity to house people immediately. While the renovation scope will take 12-15 months, we are doing a rolling renovation plan that will allow residents to remain in-place at the property during the renovation. Wraparound/social services are already in-place (a full-time hire has been made), and will begin servicing the Property by August 2022, well before the tax credit partnership closes. The property will also continue to operate as all-bills-paid (a characteristic that is dwindling in the Austin submarket), including complimentary wi-fi throughout the property including inside resident units.

✓ Onsite services with full-time staff

EPG and Integral Care already own the property together in a partnership as of June 2022. The partnership needs the proceeds from tax credits and RHDA funds in order to complete a complete renovation of the property and to allow for expanded wraparound/social services and better management. As the Local Mental Health Authority for Travis County, Integral care supports adults and children living with mental illness, substance use disorder and intellectual and developmental disorders. Integral Care has been providing housing services in our community since the 1980s. Their housing programs provide access to housing and support services for over 15,000 people, either through units we own or relationships we've built with landlords around the community.

Integral Care will provide one, full time dedicated Qualified Mental Health Professional (case manager) to provide intensive supportive housing services to individuals who are residents of this property with the goal of promoting residents' wellness. This case manager's cost is paid from property operations and is already in-place today as of June 30, 2022. The case manager will provide supportive services to help residents maintain housing, decrease utilization of emergency mental health and medical services, and promote healthy, independent living. The supportive housing services will include:

- Providing outreach and engagement
- Case management
- Housing stability support
- Basic needs support (including financial assistance)
- Access to Integral Care's food pantry
- Benefits eligibility support including assistance applying for Social Security Income
- Psychosocial rehabilitation
- Referrals to peer support, referrals to vocational/employment services
- Referrals to psychiatric services, primary care, and other services as requested and needed by the individuals served.
- All residents at the property will have access to Integral Care's 24-hour helpline for immediate support, including connection to crisis and emergency services, as needed.

✓ Minimize displacement of vulnerable resident base

The 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 proposed operations would not be possible, and the residents, current and prospective, would likely be displaced in order to make a market-rate business plan economics work. There are very few naturally occurring affordable options remaining in East Austin for these residents to move to, that are available NOW. Local neighborhood groups have been consulted and are supportive of thoughtful, better managed, and service enriched housing at this location. The Property has had a history of poor management and crime, while being under utilized with many units unavailable or offline, and this business plan maintains affordability in this immediate area while endeavoring to improve the lives of the residents who live here and create a safe, attractive community that residents can call home.

✓ 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.

✓ 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, Ascension 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 entry point 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, and Part 2 and Part B, 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 population in need of housing.

Status

- The project has received notification of a bond reservation (as of July 26, 2022), with a tax credit closing anticipated within 180 days. Travis County HFC will be the bond issuer.
- The Property has received Part 1/A and Part 2/B approval from SHPO and NPS for historic tax credits. This is another funding source that reduces need for gap financing and helps to preserve affordability at this location.
- Not underwritten, but EPG AND integral Care anticipate applying for future Project based voucher RFPs (an RFP is expected from HACA in Q3 2022.) Based on the small unit sizes, this property would serve COC / rapid rehousing population well and is walkable to jobs, amenities, and retail.
- Based on a January 2023 tax credit closing, units will be available IMMEDIATELY (rolling renovation – please see attached detailed relocation plan), and the renovation will take approximately 12 months to complete.
- Social Services will begin IMMEDIATELY. Integral Care will provide one, full time dedicated Qualified Mental Health Professional (case manager) to provide intensive supportive housing services to individuals who are residents of this property with the goal of promoting residents' wellness. **This case manager's cost is paid from property operations and is already in-place today as of June 30, 2022.** The case manager will provide supportive services to help residents maintain housing, decrease utilization of emergency mental health and medical services, and promote healthy, independent living. The supportive housing services will include:
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 - All residents at the property will have access to Integral Care's 24-hour helpline for immediate support, including connection to crisis and emergency services, as needed.

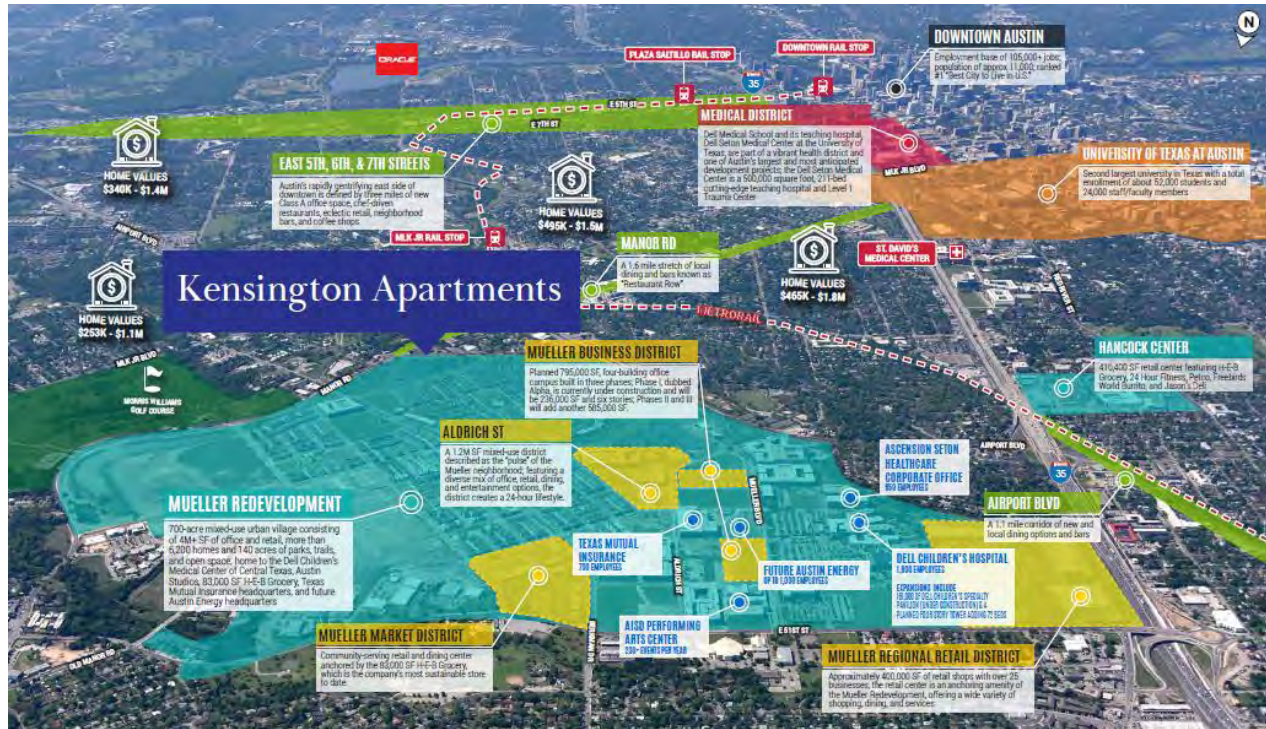
Unit Mix

Unit Type	#Units	Sq Feet	Max Gross LIHTC (50%) - All Bills Paid	Max Gross LIHTC (60%) – All Bills Paid
0/1 (50% AMI)	4	204	\$966	\$1,159
0/1 (60% AMI)	4	204	\$966	\$1,159
0/1 (50% AMI)	28	253	\$966	\$1,159
0/1 (60% AMI)	28	253	\$966	\$1,159
1/1 (50% AMI)	6	390	\$1,035	\$1,242
1/1 (60% AMI)	6	390	\$1,035	\$1,242
1/1 (50% AMI)	36	403	\$1,035	\$1,242
1/1 (60% AMI)	36	403	\$1,035	\$1,242
TOTAL	148	335	\$1,005	\$1,206

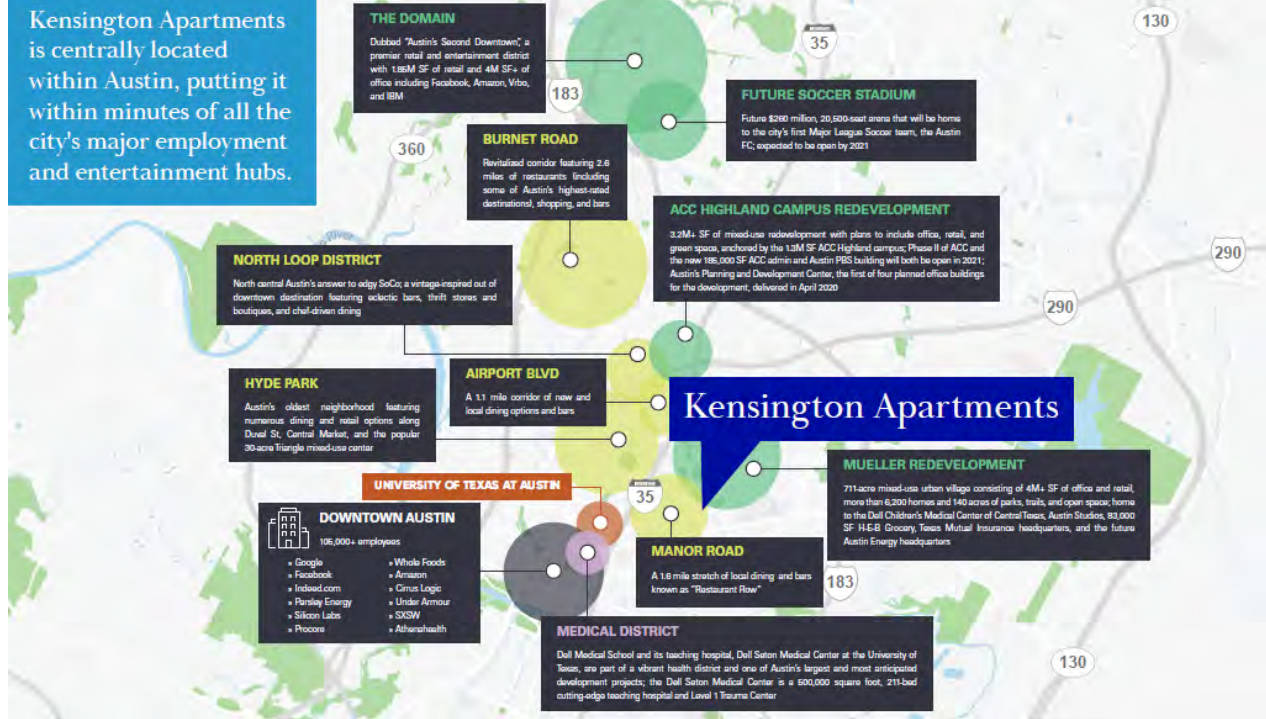
NOTE: There will be 60 CoC units for those who have experienced homelessness, including 30 units with Integral Care and 30 units via ECHO. While the underwritten AMI levels are at 50% and 60%, we anticipate serving much deeper affordability on average at this Property. However, in order to minimize request soft funding and make this project financially feasible, we are underwriting 50%-60% rents, based on a portion of residents having HCVs or Rapid Rehousing vouchers. This allows us to serve a much

- EPG is exploring ways to further offer deeper affordability – including PBVs, RHDA funding, etc.
- Historically, the Property did not accept Rapid Rehousing or Housing Choice Vouchers, as the prior owner was not signing 12-month leases and not willing to make basic improvements to qualify the units as eligible for vouchers.
- The Property has been sitting about 50% empty in recent years. We are proposing to IMMEDIATELY bring new housing units offline to serve those who have experienced homelessness, and are already working with Integral Care to make necessary upgrades to qualify units and get applicants approved for the Property.
- EPG and Integral Care will continue to apply for Project Based Vouchers at the property, which will further expand our affordability (note – not ‘underwritten’ at this time as it is not secured.)

Photos and Aerial



Kensington Apartments is centrally located within Austin, putting it within minutes of all the city's major employment and entertainment hubs.



Existing Photos



Proposed Renderings



KENSINGTON APARTMENTS

TBA
TIM BRANDON
ARCHITECTURE

Relocation Plan

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 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. 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.

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.

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 Plan

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:

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

Relocation Plan

Relocation Budget

Moving Activity	\$ per unit	Budget
Movers and Labor Assistance	\$495	\$73,260
Onsite Storage	\$75	\$11,100
Boxes, bins, and materials	\$100	\$14,800
Food, activities, and per diem	\$130	\$19,240
Contingency	\$200	\$29,600
Total	\$1,000	\$148,000

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						0
Up to 40% MFI						0
Up to 50% MFI	32	42				74
Up to 60% MFI	32	42				74
Up to 80% MFI						0
Up to 120% MFI						0
No Restrictions						0
Total Units	64	84	0	0	0	148

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	60
Accessible Units for Sensory Impairments	15		

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

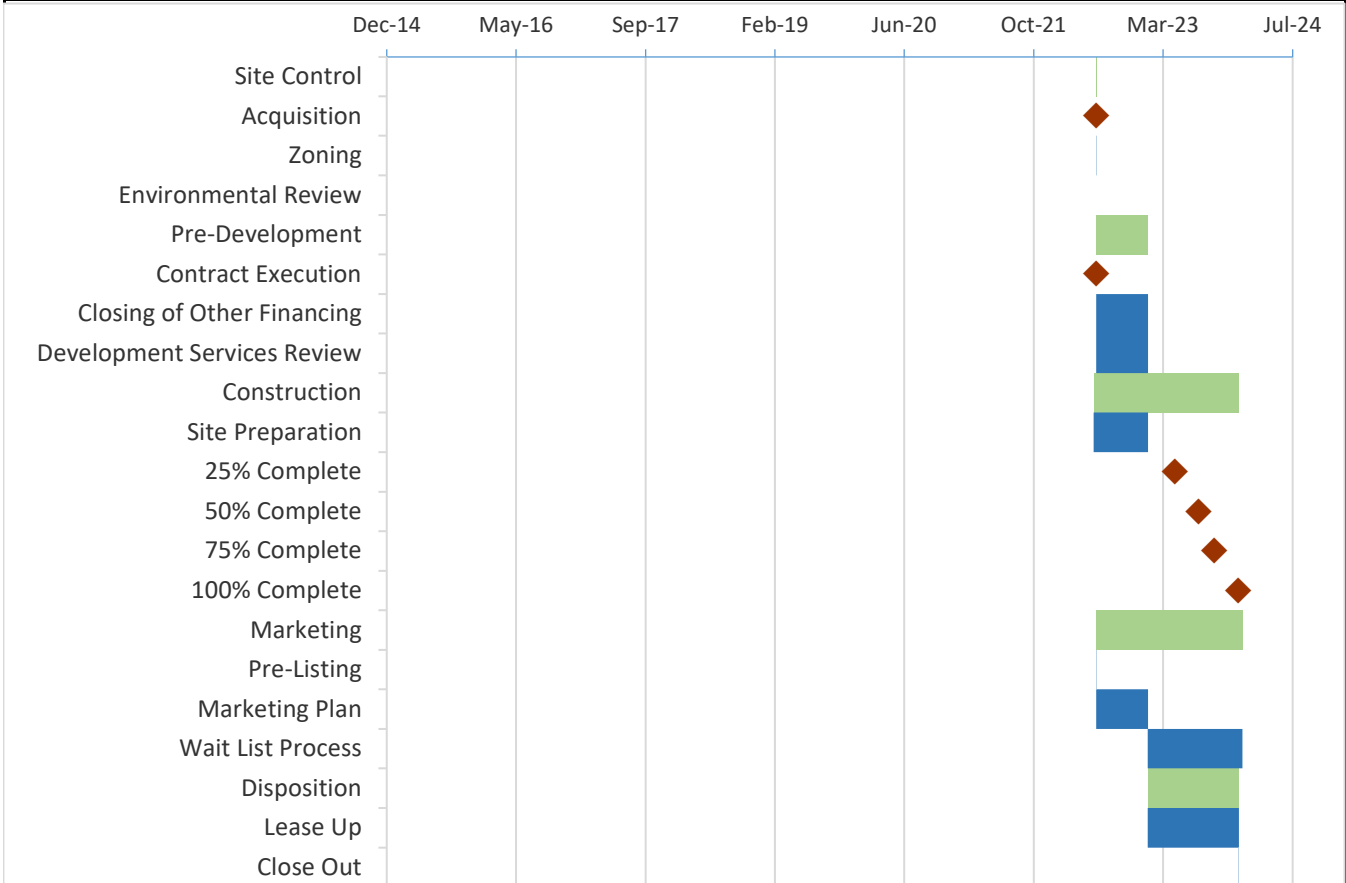
- 16) Is the property within 1/2 mile of an Imagine Austin Center or Corridor? Yes
- 17) Is the property within 1/4 mile of a High-Frequency Transit Stop? Yes
- 18) Is the property within 3/4 mile of Transit Service? Yes
- 19) The property has Healthy Food Access? Yes

20) Estimated Sources and Uses of funds

Sources		Uses	
Debt	15,900,000	Acquisition	16,150,000
Equity	19,252,722	Off-Site	
Grant		Site Work	
Other		Sit Amenities	
Deferred Developer Fee (not applicable for OHDA)	1,227,540	Building Costs	10,540,623
Previous AHFC Funding		Contractor Fees	1,475,687
Current AHFC Request	6,350,000	Soft Costs	2,001,252
		Financing	7,547,700
		Developer Fees	5,015,000
Total \$	42,730,262	Total \$	42,730,262

Development Schedule

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



Development Budget

	Total Project Cost	Requested AHFC Funds	Description
Pre-Development			
Appraisal	43,000	0	includes market study
Environmental Review	10,000	0	
Engineering	106,500	0	
Survey	19,000	0	
Architectural	250,000	0	
Subtotal Pre-Development Cost	\$428,500	\$0	
Acquisition			
Site and/or Land	2,300,000	0	
Structures	13,850,000	0	
Other (specify)			
Subtotal Acquisition Cost	\$16,150,000	\$0	
Construction			
Infrastructure			
Site Work	200,000	200,000	landscaping + fencing
Demolition			
Concrete	300,000	300,000	
Masonry	1,033,750	1,033,750	
Rough Carpentry	300,000	300,000	
Finish Carpentry	250,000	250,000	
Waterproofing and Insulation	400,000	400,000	
Roofing and Sheet Metal	800,000	800,000	
Plumbing/Hot Water	750,000	750,000	
HVAC/Mechanical	1,000,000	1,000,000	
Electrical	1,650,000	1,316,250	
Doors/Windows/Glass	1,150,000		
Lath and Plaster/Drywall and Acoustical	200,000		
Tiel Work	100,000		
Soft and Hard Floor	250,000		
Paint/Decorating/Blinds/Shades	500,000		
Specialties/Special Equipment	222,000		FF&E, security cameras, equipment
Cabinetry/Appliances	476,635		
Carpet			
Other (specify)	1,475,687		Contractor Fees (6%6%/2%)
Construction Contingency	958,238		
Subtotal Construction Cost	\$12,016,310	\$6,350,000	
Soft & Carrying Costs			
Legal	724,200		Bond counsel, H&HS fee, Transaction counsel, debt and equity
Audit/Accounting	15,000		
Title/Recordin	201,000		Includes title, impact fees and permits
Architectural (Inspections)	308,401		includes structural engineer
Construction Interest	3,220,148		Includes reserves, MIP, bond issuance, underwriting expense, .
Construction Period Insurance	265,000		Performance bonds, insurance
Construction Period Taxes			
Relocation	148,000		
Marketing			
Davis-Bacon Monitoring	44,500		includes HUD exam fee
Developer Fee	5,015,000		
Other (specify)	4,194,203		Reserves, Bridge Interest, Bridge Fees, Third party equity repay
Subtotal Soft & Carrying Costs	\$14,135,452	\$0	
TOTAL PROJECT BUDGET	\$42,730,262	\$6,350,000	

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	\$1,963,608	\$2,002,880	\$2,042,938	\$2,083,797	\$2,125,472	\$2,346,693	\$2,590,939
Secondary Income	\$28,080	\$28,642	\$29,214	\$29,799	\$30,395	\$33,558	\$37,051
POTENTIAL GROSS ANNUAL INCOME	\$1,991,688	\$2,031,522	\$2,072,152	\$2,113,595	\$2,155,867	\$2,380,252	\$2,627,990
Provision for Vacancy & Collection Loss	-\$149,377	-\$152,364	-\$155,411	-\$158,520	-\$161,690	-\$178,519	-\$197,099
Rental Concessions	\$0	\$0	\$0	\$0	\$0	\$0	\$0
EFFECTIVE GROSS ANNUAL INCOME	\$1,842,311	\$1,879,158	\$1,916,741	\$1,955,076	\$1,994,177	\$2,201,733	\$2,430,891
EXPENSES							
General & Administrative Expenses	\$25,900	\$26,677	\$27,477	\$28,302	\$29,151	\$33,794	\$39,176
Management Fee	\$73,692	\$75,166	\$76,670	\$78,203	\$79,767	\$88,069	\$97,236
Payroll, Payroll Tax & Employee Benefits	\$251,600	\$259,148	\$266,922	\$274,930	\$283,178	\$328,281	\$380,568
Repairs & Maintenance	\$68,800	\$70,864	\$72,990	\$75,180	\$77,435	\$89,768	\$104,066
Electric & Gas Utilities	\$78,978	\$81,347	\$83,788	\$86,301	\$88,890	\$103,048	\$119,461
Water, Sewer & Trash Utilities	\$71,380	\$73,521	\$75,727	\$77,999	\$80,339	\$93,135	\$107,969
Annual Property Insurance Premiums	\$70,000	\$72,100	\$74,263	\$76,491	\$78,786	\$91,334	\$105,881
Property Tax	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Reserve for Replacements	\$44,400	\$45,732	\$47,104	\$48,517	\$49,973	\$57,932	\$67,159
Other Expenses	\$97,920	\$100,858	\$103,883	\$107,000	\$110,210	\$127,763	\$148,113
TOTAL ANNUAL EXPENSES	\$782,670	\$805,414	\$828,824	\$852,922	\$877,728	\$1,013,125	\$1,169,628
NET OPERATING INCOME	\$1,059,641	\$1,073,744	\$1,087,916	\$1,102,153	\$1,116,449	\$1,188,608	\$1,261,262
DEBT SERVICE							
First Deed of Trust Annual Loan Payment	\$920,031	\$920,031	\$920,031	\$920,031	\$920,031	\$920,031	\$920,031
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	\$139,610	\$153,713	\$167,885	\$182,122	\$196,418	\$268,577	\$341,231
CUMULATIVE NET CASH FLOW	\$139,610	\$293,323	\$461,208	\$643,330	\$839,749	\$2,002,236	\$3,526,756
Debt Coverage Ratio	1.15	1.17	1.18	1.20	1.21	1.29	1.37

Project Name	Kensington Apartments	
Project Type	100% Affordable	
Council District	District 1	
Census Tract	3.06	
Prior AHFC Funding	\$0	
Current AHFC Funding Request Amount	\$6,350,000	
Estimated Total Project Cost	\$42,730,262	
High Opportunity	No	
High Displacement Risk	NO	
High Frequency Transit	Yes	
Imagine Austin	Yes	
Mobility Bond Corridor	Airport Blvd	
SCORING ELEMENTS		Description
UNITS		
< 20% MFI	0	# of rental units at < 20% MFI
< 30% MFI	0	# of rental units at < 30% MFI
District Goal	12%	% of City's affordable housing goal
High Opportunity	FALSE	% of City's affordable housing goal for high opportunity areas
Displacement Risk	0%	% of City's affordable housing goal to reduce displacement
High Frequency Transit	18%	% of City's affordable housing goal near high frequency transit
Imagine Austin	18%	% of City's affordable housing goal in imagine austin corridors
Geographic Dispersion	0%	% of City's affordable housing goal to increase geographic dispersion
Mobility Bond Corridor	6%	% of City's affordable housing goal within mobility bond corridors
SCORE	0	% of annual goal * units * 50%, max of 75
< 40% MFI	0	# of rental units at < 40% MFI
< 50% MFI	74	# of rental units at < 50% MFI
District Goal	12%	% of City's affordable housing goal
High Opportunity	FALSE	% of City's affordable housing goal for high opportunity areas
Displacement Risk	0%	% of City's affordable housing goal to reduce displacement
High Frequency Transit	18%	% of City's affordable housing goal near high frequency transit
Imagine Austin	18%	% of City's affordable housing goal in imagine austin corridors
Geographic Dispersion	0%	% of City's affordable housing goal to increase geographic dispersion
Mobility Bond Corridor	6%	% of City's affordable housing goal within mobility bond corridors
SCORE	10	% of annual goal * units * 25%, max of 75
< 60% MFI	0	# of units for purchase at < 60% MFI
District Goal	12%	% of City's affordable housing goal
High Opportunity	FALSE	% of City's affordable housing goal for high opportunity areas
Displacement Risk	0%	% of City's affordable housing goal to reduce displacement
High Frequency Transit	18%	% of City's affordable housing goal near high frequency transit
Imagine Austin	18%	% of City's affordable housing goal in imagine austin corridors
Geographic Dispersion	0%	% of City's affordable housing goal to increase geographic dispersion
Mobility Bond Corridor	6%	% of City's affordable housing goal within mobility bond corridors
SCORE	0	% of annual goal * units * 50%, max of 75
< 80% MFI	0	# of units for purchase at < 80% MFI
District Goal	12%	% of City's affordable housing goal
High Opportunity	FALSE	% of City's affordable housing goal for high opportunity areas
Displacement Risk	0%	% of City's affordable housing goal to reduce displacement
High Frequency Transit	18%	% of City's affordable housing goal near high frequency transit
Imagine Austin	18%	% of City's affordable housing goal in imagine austin corridors
Geographic Dispersion	0%	% of City's affordable housing goal to increase geographic dispersion
Mobility Bond Corridor	6%	% of City's affordable housing goal within mobility bond corridors
SCORE	0	% of annual goal * units * 25%, max of 75
Unit Score	10	MAXIMUM SCORE = 300
INITIATIVES AND PRIORITIES		
Continuum of Care	60	Total # of units provided up to 100 per year
Continuum of Care Score	8	(total CoC Units/100 + HF Units/50)*20
Access to Healthy Food	Yes	Within 1 Mile of Healthy Food (City GIS)
Continuum of Care Weighted Score	9	Mobility, Access to Jobs, Community Institutions, Social Cohesion
2 Bedroom Units	0	Total Affordable 2 Bedroom units
3 Bedroom Units	0	Total Affordable 3 Bedroom units
4 Bedroom Units	0	Total Affordable 4+ Bedroom units
Multi-Generational Housing Score	0	Multi-bedroom Unit/Total Units * 20
TEA Grade	77	Elementary School Rating from TEA
Multi-Generational Housing Weighted Score	0	Educational Attainment, Environment, Community Institutions, Social Cohesion,
Accessible Units	30	mobility and sensory units
Non-PSH, Non-Voucher Under 20% MFI	0	Total units under 20% MFI
Accessibility Score	8	Accessible Unit/Total Units * 20
Metro Access Service	Yes	Within 3/4 mile of fixed route transit
Accessibility Weighted Score	4	Housing Stability, Health, Mobility, Community Institutions
Initiatives and Priorities Score	29	MAXIMUM SCORE = 200
UNDERWRITING		
AHFC Leverage	30%	% of total project cost funded through AHFC request
Leverage Score	15	3 points per 5% reduction in leverage below 50% (max 30)
AHFC Per Unit Subsidy (including prior amounts)	\$85,811	Amount of assistance per unit
Subsidy per unit score	14	(\$200,000 - per unit subsidy)*25/\$200,000
AHFC Per Bedroom Subsidy	\$85,811	Amount of assistance per bedroom
Subsidy per Bedroom Score	14	(\$200,000 - per bedroom subsidy)*25/\$200,000
Debt Coverage Ratio (Year 5)	1.21	Measured at the 5 Year mark
Debt Coverage Ratio Score	21.34906744	Minimum = 1.0; Maximum = 1.5; 1.25 = best score
Underwriting Score	65	MAXIMUM SCORE = 100
APPLICANT		
FINAL QUANTITATIVE SCORE	104	THRESHOLD SCORE = 50
Previous Developments		
Compliance Score		
Proposal		
Supportive Services		
Development Team		
Management Team		
Notes		



Developer's Experience

ELIZABETH PROPERTY GROUP

JULY 2022

Developer

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

Elizabeth Property Group

Elizabeth Property Group (“EPG”) was formed in 2020 and is an affordable housing operator and certified Historically Underutilized Business (“HUB”) focused on preservation and rehabilitation of affordable multifamily properties in major Texas markets. EPG owns 4 affordable housing properties in Texas, totaling over 500 units.

In 2021, EPG acquired Midpark Towers 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, thereby suffering from significant deferred maintenance issues. The Property was serving deep affordability levels, with approximately 75% of tenants using Housing Choice Vouchers, despite being technically a market-rate property. The property was 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 was 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 primarily in Texas). 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 new(er) affordable housing 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 have a combined 25 years of multifamily investment and ownership industry experience, specifically within Texas (please see full principal resumes further in application).

BACKGROUND

Principals



Tisha Vaidya

Tisha is a co-founder and principal of Elizabeth Property Group. EPG owns and operates 4 affordable housing properties in Texas, including Midpark Towers, a 202-unit acq/\$10mm rehab project with 4% LIHTC, in partnership with the Dallas Housing Finance Corporation. Tisha Vaidya previously served as Director of Acquisitions, Development, and Capital Markets at Presidium, where she was 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 Oaxaca Interests, a retail/mixed-use development firm that planted the first flag in West Dallas in 2008. Tisha also owns and operates two naturally occurring affordable housing deals in Denton, a submarket of Dallas. In her career, Tisha has executed on acquisitions, financings, and dispositions in excess of \$3.5 billion in value. Tisha is based in Dallas, Texas.

- Emory University, BBA with concentrations in Finance and Real Estate, 2009
- Wharton School of the University of Pennsylvania, MBA with concentrations in Management and Entrepreneurship, 2015
- Leadership Dallas (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 greater Dallas area), 2019



Moira K. Concannon, CFA

Moira is a co-founder and principal of Elizabeth Property Group ("EPG"). EPG owns and operates 4 affordable housing properties in Texas, including Midpark Towers, a 202-unit acq/\$10mm rehab project with 4% LIHTC, in partnership with the Dallas Housing Finance Corporation. Moira previously served as Vice President at Drake Real Estate Partners in New York, a value-add real estate private equity fund, where she was responsible for sourcing and overseeing middle market real estate investments across different asset classes and geographies, including multifamily, regulated sectors, 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 is based in New York, New York.

- University of Virginia, BA in Economics and Spanish, 2009
- Wharton School of the University of Pennsylvania, MBA with concentrations in Real Estate and Finance, 2015

Our Approach to Affordable Housing Investments

Evaluate opportunities outside of already existing LIHTC regulated properties

- Evaluate properties that were “naturally occurring” affordable and on the cusp of becoming unaffordable to a 60% AMI tenant base, with the plan to convert the property to a “regulated” affordable property, thereby preserving affordability for the next 30+ years
- Focus on properties in in-fill pockets of major markets that have seen rapid transformation and population shift

Preserving affordable housing in well-located, high opportunity area

- Focused on the acquisition and preservation of affordable properties in well located, high opportunity areas that are well serviced by transit, essential retail, abundance of jobs, and key amenities

Partnership with local government, nonprofits, and housing authorities to best address the area’s need

- Work with local agencies to provide better services coordination. Wherever possible, provide deep affordability and options for a vulnerable population

Service enriched housing

- Provide service enriched housing to better address resident’s needed beyond just housing
- Focus on wraparound services, looking at the “whole picture” of a resident’s life
- Computer/financial literacy, mental/physical health & wellness, job application assistance, financial planning, food banks, and social activities are all focal points

CASE STUDY

Case Study / Midpark Towers



- In June 2021, EPG acquired Midpark Towers, a 202-unit market-rate multifamily property in North Dallas, Texas. The Property was previously built with Section 231 HUD financing but by 2021 was being operated as a market-rate property. The Property is located in a Qualified Census Tract (“QCT”). The Property is comprised of two 10- and 11-story towers located on 3.47 acres in the Richardson submarket of North Dallas/Dallas County.
- EPG worked with an experienced Texas consultant to take the property through the tax credit syndication process for tax exempt bonds / 4% LIHTC allocation and will regulate the Property to be an income-restricted community upon completion of construction/rehab.
- The majority of the tenants have DHA Section 8 vouchers and EPG is working with DHA and other Housing Authorities to ensure a compliant renovation process and evaluate a mark up to market of below-market vouchers rents based on the proposed renovation scope.
- EPG partnered with the Dallas Housing Finance Corporation to provide a 100% property tax exemption and bond issuance for the transaction. EPG also received CDBG soft funding as part of closing. EPG was also awarded 15 project based vouchers on this property (through Dallas Housing Authority).
- EPG financed this transaction with a HUD 221d4 loan to acquire and rehabilitate the Property with an all-in construction budget of ~\$45k/door (hard costs only). The scope includes major deferred maintenance items (systems updates), renovation of all unit interiors including ADA compliance, creation of additional tenant amenity space, and streetscape/exterior improvements.
- Anticipated substantial completion is expected by Q1 2023.
- See next page for post-renovation unit interior photos!

CASE STUDY

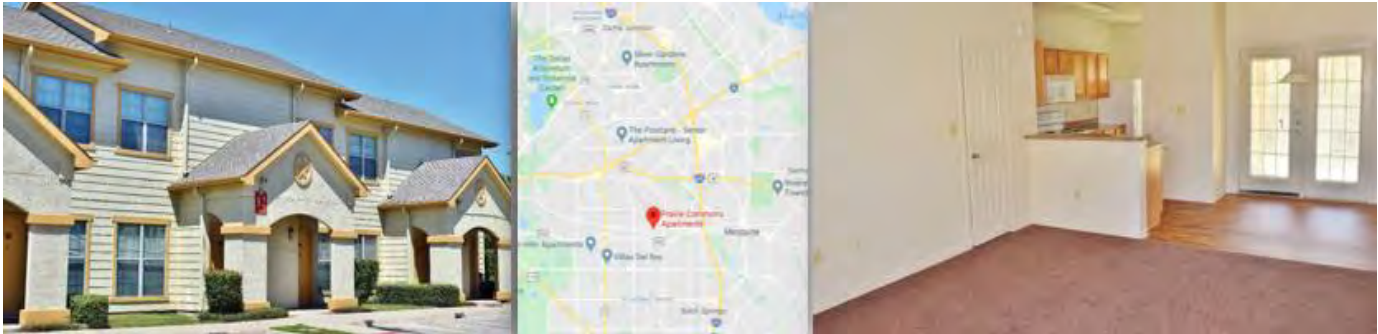
Case Study / Midpark Towers

- Post-renovation unit interior photos



CASE STUDY

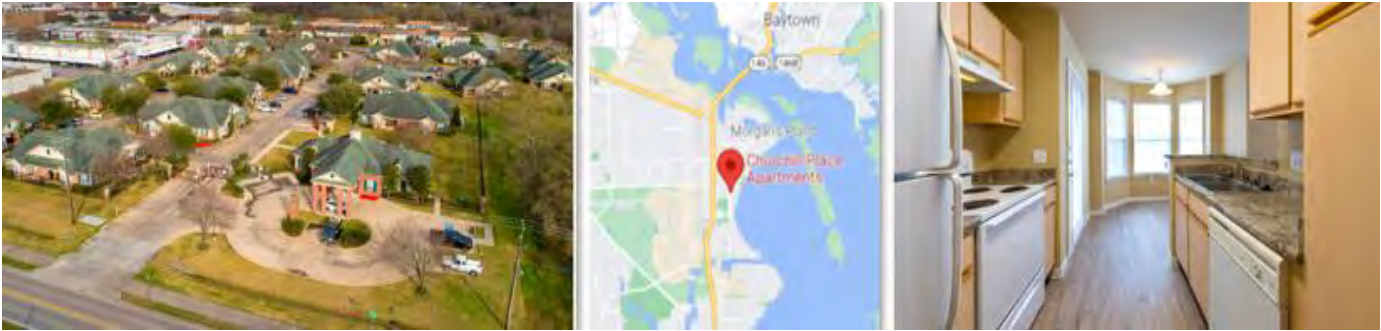
Case Study / Prairie Commons



- EPG acquired Prairie Commons, a 72-unit LIHTC/market-rate (25%) multifamily property in Dallas, Texas in December 2021. The Property was originally built in 2004 as a 9% tax credit project. The Property was purchased free and clear and is eligible for re-syndication. The Property is comprised of twelve buildings (2-BR and 3-BR flats & townhomes) with an internal playground, BBQ pit, and swimming pool, and is located on 4.90 acres in East Dallas, near Mesquite.
- The Property has an 811 contract in place via TDHCA, and PEG contemplate a future re-syndication when this contract is up for renewal. In addition, since acquiring the Property, Prairie Commons was awarded Project Based Vouchers from the Dallas Housing Authority.
- EPG acquired with a repeat partner that is a Community Housing Development Organization (“CHDO”).
- EPG is working with Asset Living (fka Alpha Barnes), a repeat property manager that has dominated the affordable housing property management space, not only in TX but now nationwide. They are best in class and have already demonstrated tremendous value-add at the property.
- Property amenities include a computer room, fitness center, pool, and playground.
- The long term plan is to preserve affordability at the property and eventually pursue new tax credits.

CASE STUDY

Case Study / Churchill Place Apartments



- EPG acquired Churchill Place Apartments, a 72-unit Seniors LIHTC/market-rate (25%) multifamily property in La Porte, Texas, a suburb of Houston metro. The Property was originally built in 2003 as a 9% tax credit project. The Property is comprised of eighteen buildings (flats/1-story duplexes) and 1 community building with a business center and social activity room, and is located on 6.26 acres just southeast of Downtown Houston.
- EPG sourced the opportunity off-market by working with another known affordable broker with whom we have transacted with in the past. EPG acquired this property with a repeat partner that is a Community Housing Development Organization (“CHDO”).
- EPG is working with Asset Living (fka Alpha Barnes), a repeat property manager that has dominated the affordable housing property management space, not only in TX but now nationwide. They are best in class and have already demonstrated tremendous value-add at the property.
- EPG plans to maintain long-term affordability at the Property, and will eventually pursue an extension of the existing LURA in conjunction with tax credits.
- Property closed in March 2022.

ABOUT INTEGRAL CARE

Integral Care / Services and Development Partner

- EPGIn 1963, President Kennedy signed the Community Mental Health Act. The Act helped establish community mental health centers throughout the country – bringing care for people living with mental illness out of institutions and back into the community. Integral Care, formerly the Austin-Travis County Mental Health Mental Retardation Center, has worked for five decades to make that bold vision a reality in Travis County. Since 1967, Integral Care has supported the health and well-being of adults and children living with mental illness, substance use disorder and intellectual and developmental disabilities. Integral Care was the first community center to provide high-quality, community-based behavioral health and intellectual disabilities services in Central Texas so that people seeking our services could reach their full potential and thrive. As the Local Mental Health and Intellectual and Developmental Disability Authority, Integral Care partners with local organizations to strengthen a community network in support of mental health, offers guidance to other behavioral health agencies, and continues to battle stigma surrounding mental illness throughout the community. Integral Care had a modest start with one location on Red River Street and a Quonset hut next door, which housed our methadone clinic. We now have over 40 locations across Travis County. Integral Care is here and ready to meet the needs in Travis County for the next 50 years and beyond.

HOUSING & HOMELESS SERVICES

Terrace at Oak Springs

Terrace at Oak Springs will be located at 3000 Oak Springs Drive in Austin. The apartment community will have 50 fully-furnished single-occupancy efficiency units offering permanent supportive housing to individuals experiencing homelessness in Travis County. Twenty-five units are reserved for veterans. Terrace opens May 2019.

Supportive Housing Services on-site:

- counseling and case management
- drug and alcohol treatment
- exercise and nutrition programs
- job training and employment support
- assistance accessing benefits
- medication management and support

Safe Haven

Safe Haven provides temporary housing for up to 15 veterans experiencing homelessness and mental illness and/or substance use disorders.

- connection to supportive services such as counseling, case management, job training, employment support and more
- private and semi-private rooms
- three meals a day
- laundry facilities and telephones

Seventy-eight percent of veterans at Safe Haven move on to permanent supportive housing. According to a 2015 VA report, Integral Care's Safe Haven performs the best of the 23 Safe Haven programs across the U.S.

ABOUT INTEGRAL CARE

Integral Care / Services and Development Partner

COUNSELING & CASE MANAGEMENT

Individuals and families may be coping with the impact of deployment, military service, post-traumatic stress, or traumatic brain injury. Clients work with our qualified therapists and case managers to address mental health concerns, build healthy relationships, heal from overwhelming events and grow. We provide the most appropriate services for your particular needs.

- mental health screening to identify issues like anxiety, depression, PTSD and more
- individual, family and marriage counseling
- Types of therapy, depending on need:
 - Cognitive Behavioral Therapy (CBT)
 - Prolonged Exposure (PE)
 - Eye Movement Desensitization and Reprocessing (EMDR)
 - Collaborative Assessment and Management of Suicidality (CAMS)
 - Cognitive Processing Therapy (CPT)
 - group therapy
- case management to help build life skills, apply for benefits and more
- support from fellow veterans and military family peers
- family support groups for emotional health

DRUG & ALCOHOL TREATMENT

Service members, veterans and their family members qualify for a wide array of Integral Care services to address drug and alcohol problems. We ensure that drug and alcohol treatment is coordinated with a person's mental and primary health care. Recovery from drugs and alcohol is not easy. Treatment coordinated with health care makes the process smoother.

- screening for substance use disorders
- medication assisted therapy for help recovering from dependence on opioids, such as heroin and prescription pain medicine
- residential treatment program for a safe place to start on the path to recovery
- medically supervised and assisted outpatient detox
- intensive outpatient treatment
- counseling for emotional support
- education and support groups for life skills training
- Hepatitis C and HIV testing
- support groups for people living with HIV

ABOUT BETCO HOUSING

BETCO Housing LLC

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 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.

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):

ABOUT BETCO HOUSING

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:

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)

BETCO Experience Summary

Program Year	Development Name	Location	Program(s)	Role	Developer	# of Units	Completion Year	Total Costs	Application Number
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	Wilhoit 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	\$16,656,449	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	

PROJECT TEAM

Architect

TBA Studio

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. 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 the following services, AHS/TBA offers Construction Management, Interior Design, Leadership in Energy and Environmental Design, and BIM. 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-diligence services.

Property Management

Asset Living (FKA Alpha Barnes)

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.

The reputation of Alpha Barnes is based on trust, integrity and commitment. 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. Real estate assets require periodic improvements, repairs, or in some cases, a complete repositioning.

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

PROJECT TEAM

General Contractor

ICON (ITEX) Builders

The ITEX Group, LLC (ITEX and its affiliated companies including ITEX Development LLC, ICON Builders LLC and ITEX Property Management LLC) are Texas-based, for-profit, limited liability companies. ITEX's corporate headquarters is in Houston, Texas and the company also has a regional and satellite office in Port Arthur, Texas and Sarasota, Florida with regional employees across the country. ITEX provides Development, Investment, Construction, and Management Services throughout the United States. ITEX and its affiliated companies employ over 250 people. ITEX has been named among America's "Best Places to Work in Multifamily."

Founded in 1981, ITEX has developed over 8,000 units in over 60 communities representing more than \$800 million in completed developments. The team currently manages over 7,400 attainable luxury and mixed-income housing units across Texas, Louisiana, and Colorado and has a pipeline of development projects planned for Florida and Arkansas. The development of new communities — from ground-up planning to comprehensive neighborhood revitalizations — is a core component of ITEX. We greatly value the positive impact our partnerships with local governments, housing authorities, non-profits, and employers have brought to the communities in which we invest and work. ITEX's experience covers ground-up planning to comprehensive neighborhood revitalization through partnerships with local governments, housing authorities, and non-profits.

Recently developed affordable housing projects (in the last 6 years) include:

Project	Owner	City	Number of Un
Park Avenue Manor	Orange Redevelopment PG, LP	Orange, TX	66
Park Central	Port Arthur Housing Initiative I, LP	Port Arthur, TX	184
Edison Square	3501 Edison Square, LLC	Port Arthur, TX	78
Whispering Oaks	Orange Redevelopment WO, LP	West Orange, TX	70
Avenue Station	Avenue CDC	Houston, TX	68
Avenue Terrace II	Avenue CDC	Houston, TX	48
Arthur Robinson	Housing Authority of the City of Orange	Orange, TX	N/A
Carver Terrace	Port Arthur Housing Authority	Port Arthur, TX	N/A
The Carlyle	China Carlyle, LP	China, TX	80
Place of Grace	Beaumont Place, LP	Beaumont, TX	128
Place of Grace- Harvey Damage	Beaumont Place, LP	Beaumont, TX	N/A
Retreat at Westlock	Retreat at Westlock, Ltd.	Tomball, TX	140
Retreat Lightning Damage	Retreat at Westlock, Ltd.	Tomball, TX	N/A
Retreat Fire Damage	Retreat at Westlock, Ltd.	Tomball, TX	N/A
Village at Palm Center	Houston 5510 Griggs Road Residential, LP	Houston, TX	222
Fulton Gardens II	Avenue CDC	Houston, TX	40
Pathways at Gaston Place	Pathways at Gaston Place, LP	Austin, TX	100
Villa Americana	Villa Americana Housing Partners, LP	Houston, TX	258
Waverly Village	New Waverly Village, LP	New Waverly, TX	50
Pines at Allen Street	Kountze Pines at Allen Street, LP	Kountze, TX	80
Retreat West Beaumont	Beaumont Retreat W, LP	Beaumont, TX	98
Providence at Ted Trout Drive	Providence Ted Trout Drive, LP	Hudson, TX	76
Retreat West Beaumont	Beaumont Retreat W, LP	Beaumont, TX	98
Sun Plaza	EP Sun Plaza, LP	El Paso, TX	330
Sherman South/Pooley	EP Sherman South, LP	El Paso, TX	194

Elizabeth Property Group, BETCO, ITEX and Asset Living (FKA Alpha Barnes) are partnered together on Midpark Towers in Dallas. Asset Living also manages Prairie Commons and Churchill Place with EPG.



Appendix

APPENDIX

List of EPG Principals' Transaction Experience

Name	Location	Closing Date	Approx. Deal Size	Type	Asset Class	Status	
Hacienda Del Sol	Dallas, TX	Q3 2022	\$4,850,000	Acquisition	Multifamily	U/C	As EPG
Churchill at Commerce	Commerce, TX	Q3 2022	\$8,400,000	Acquisition	Multifamily	U/C	
Kensington Apartments	Austin, TX	2022	\$21,700,000	Acq / Rehab	Multifamily	Closed	
Churchill Place Apartments	Houston, TX	2022	\$5,200,000	Acquisition	Multifamily	Closed	
Prairie Commons	Dallas, TX	2021	\$6,500,000	Acquisition	Multifamily	Closed	
Midpark Towers	Dallas, TX	2021	\$32,500,000	Acq / Rehab	Multifamily	Closed	
La Cantera Apartments	San Antonio, TX	2020	\$65,000,000	Development	Multifamily	Closed	
Hill Street Apartments	Grand Prairie, TX	2020	\$47,000,000	Development	Multifamily	Closed	
Revelstoke Apartments	Dallas, TX	2019	\$68,000,000	Development	Multifamily	Closed	
JTA Apartments	Jacksonville, FL	2019	\$64,000,000	Development	Multifamily	Closed	
Cottonwood Apartments	Dallas, TX	2019	\$25,414,000	Refinance	Multifamily	Closed	
Linear Apartments	Dallas, TX	2019	\$23,963,000	Refinance	Multifamily	Closed	
Edison Apartments	Austin, TX	2019	\$72,500,000	Refinance	Multifamily	Closed	
Clover Apartments	Dallas, TX	2019	\$21,852,000	Refinance	Multifamily	Closed	
Spice Creek Apartments	San Antonio, TX	2019	\$11,270,000	Refinance	Multifamily	Closed	
Houston Office Acquisition	Houston, TX	2019	\$23,000,000	Acquisition	Office	Closed	
Portfolio of NYC Regulated Condo/Co-Op Units	New York, NY	2019	\$38,000,000	Acquisition	Multifamily	Closed	
Inland Empire Apartments	Riverside, CA	2019	\$72,000,000	Acquisition	Multifamily	Closed	
Miami Industrial Truck Facility	Miami, FL	2019	\$20,000,000	Acquisition	Industrial	Closed	
Greenhill Village Apartments	Denton, TX	2018	\$2,200,000	Acquisition	Multifamily	Closed	
Neff Duplexes	Denton, TX	2018	\$1,158,000	Acquisition	Multifamily	Closed	
Durham Ground-up Multifamily	Durham, NC	2018	\$63,000,000	Development	Multifamily	Closed	
SOMA San Francisco Office/Telecom	San Francisco, CA	2017	\$60,000,000	Acquisition	Office/Telecom	Closed	
San Francisco Data Center	San Francisco, CA	2017	\$65,000,000	Acquisition	Data Center	Closed	
Toronto Data Center	Toronto, Canada	2017	\$15,000,000	Acquisition	Data Center	Closed	
Cheyenne Data Center	Cheyenne, WY	2017	\$20,000,000	Acquisition	Data Center	Closed	
South End Boston Office Acquisition	Boston, MA	2017	\$60,000,000	Acquisition	Office	Closed	
Owings Mills Multifamily (portfolio purchase)	Owings Mills, MD	2016	\$55,000,000	Acquisition + Disposition	Multifamily	Closed	
Davie FL Multifamily (portfolio purchase)	Davie, FL	2016	\$65,000,000	Acquisition	Multifamily	Closed	
Route 28 South Flex Portfolio (portfolio purchase)	Chantilly, VA	2016	\$25,000,000	Acquisition + Disposition	Industrial	Closed	
Adams Morgan Portfolio (TOPA Process), DC	Washington, D.C.	2015	\$100,000,000	AM	Multifamily	Closed	
Westchester CA Multifamily development	Los Angeles, CA	2015	\$25,000,000	Development	Multifamily	Closed	
1290 Avenue of the Americas	New York, NY	2012	\$950,000,000	Refinance	Office	Closed	
555 California	San Francisco, CA	2012	\$600,000,000	Refinance	Office	Closed	
501 Broadway	New York, NY	2012	\$32,500,000	Acquisition	Retail	Closed	
280 Park	New York, NY	2011	\$1,462,000,000	Recapitalization	Office	Closed	

1b / Certificate of Status



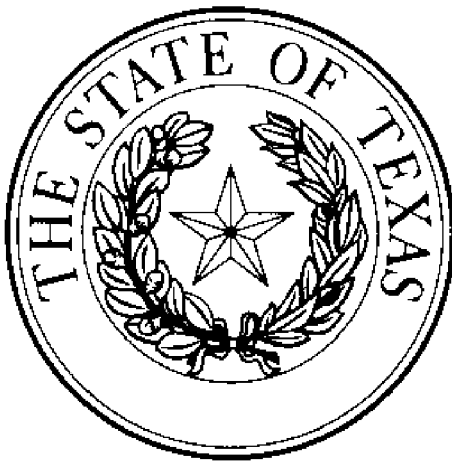
Office of the Secretary of State

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



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/tpasscmbsearch/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/tpasscmbsearch/index.jsp>) or by contacting the HUB Program at 512-463-5872 or toll-free in Texas at 1-888-863-5881.

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

1c / Statement of Confidence

To Whom it May Concern:

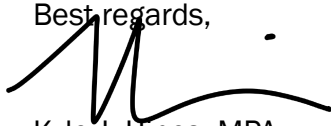
The City of Dallas HFC is partnering with Elizabeth Property Group on the acquisition and redevelopment of Midpark Towers in Dallas. Midpark Towers is a 202-unit property that was financed with tax-exempt bonds, 4% LIHTC, HUD 221d4 financing, a TSAHC AHP grant, and a CDBG loan from the City of Dallas. 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,



Kyle J. Hines, MPA
Assistant General Manager

2a / Resumes of Principals

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 - Current

Principal

- Owner, operator, and developer of low-income housing with a primary focus on the major Texas markets.
- **Midpark Towers (Dallas, TX; closed June 2021)**: 202-unit, 10 story-towers off of 635/75. 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 closing Q2 2022)**: 149-units, 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; closed December 2021)**: 72-unit existing LIHTC apartment property, Freddie debt & traditional equity

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 (PJBuycback, 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.

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

Asset Management, Analyst

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
- Cofounded My Best Friend's Weekend: won \$15,000 in prize money, received Best Business Plan Award, and reached Semi-Finals in the Wharton Business Plan Competition (2015)

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

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.
- Prairie Common, Dallas, TX (Closed December 2021); 72-unit existing LIHTC apartment property
- Churchill Place, La Porte, TX (Closed March 2022); 72-unit existing Senior LIHTC apartment property
- Kensington Apartments, Austin, TX (Under contract; anticipated close Q2 2022); 148-unit multifamily property in Austin, TX

Drake Real Estate Partners
Vice President

New York, NY
2018-2022

- 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)

8600 Roxton Cove
Austin, Texas 78736

(770) 845-7951

Marlene.Buchanan@integralcare.org

Professional Summary:

An accomplished Licensed Professional Counselor (LPC) with hands-on experience in leadership, oversight, and management of multiple teams. Ability to create and maintain budgets for behavioral health divisions and adept in program and policy development. Experience with collaborating with partners or stakeholders within and outside of the agency and acting as the liaison for multiple governmental entities and within committees. Strengths include providing executive level supervision of multiple staff, gathering and interpreting data, leading and taking initiative, proficient written and verbal skills, organizational skills, and successful program development and implementation.

Professional Experience:

Integral Care- Austin, Texas

Director of Systems of Care

February 2021-present

- Oversee the behavioral health system of care within the organization
- Provide supervision to management staff and leadership of Integral Care Adult, Child and Family, and Housing and Homelessness divisions.
- Provide administrative, operational, and clinical services for the Adult, Child and Family, and Housing and Homelessness divisions.
- Oversee budgets for the division.
- Oversee program development and implementation for the Adult, Child and Family, and Housing and Homelessness divisions.
- Collaborate with community stakeholders and hold positions on various boards and executive committees in Travis County.
- Collaborates with other directors and the executive team to carry out the vision of the agency.

Integral Care- Austin, Texas

Director of Child and Family Services

August 2020-February 2021

- Oversee Child and Family Services for Integral Care
- Provide supervision to management staff and leadership of Integral Care Child and Family Services team.
- Provide administrative, operational, and clinical services for the Child and Family Services division.
- Oversee budgets for the Child and Family Services division.
- Oversee program development and implementation for the Child and Family Services division.
- Collaborate with community stakeholders and hold positions on various boards and executive committees in Travis County.
- Collaborates with other directors and the executive team to carry out the vision of the agency.

Practice Administrator- Substance Use

March 2019-August 2020

- Oversaw Substance Use Services for Integral Care
- Provided direct supervision to the management staff of Integral Care's substance use teams including Office Based Opioid Treatment, Ambulatory Detox, the Narcotic Treatment Program, Intensive Outpatient and Supportive Outpatient Programs, COPSD programs, Recovery Navigation Services, Residential Services, and Psychiatric Emergency Services.
- Provides administrative, operational and clinical oversight for all programs.
- Develop and maintain budgets for the agency. Work closely with the business office in allocating funds to the correct program and ensuring all teams are meeting their budget expectations.
- Provide program implementation and development including developing, budgeting, and building new programs. Maintain these programs in an effort for them to remain sustainable.
- Collaborates with community stakeholders and committees to represent Integral Care to various county, city, and program officials.
- Part of several internal committees such as Joint Commission, Electronic Health Record Core Team, Risk and Safety, Employee Retention, CCBHC, etc.
- Maintain requirements for a SAMSHA grant and several HHSC contracts.
- Completes program development tasks such as applications for programs, applications for funding, stakeholder meetings, and grant writing.
- Ensures that all programs meet their total operating revenue as evidenced by meeting monthly volume and productivity requirements.
- Conducts various staffing and trainings.
- Hire and conduct all personnel tasks, including performance improvement planning and disciplinary actions, when needed.
- Ensures that programs and sites uphold standards of safety and health as set by internal policies and procedures as evidenced by consistent compliance to safety tasks.
- Ensures QMHP and Management staff meet achievement expectation and documentation in accordance with HHSC and TAC (Texas Administrative Code) standards.
- Work closely with the executive team to carry out the vision of the agency.

Metrocare Services- Dallas, Texas

Director of Specialty Services

February 2015-February 2019

- Part of the upper management team reporting directly to the Chief Clinical Officer
- Provides direct supervision of twelve Clinical Managers for Metrocare Services Specialty Programs. This team of 12 management staff, including three Assertive Community Treatment (ACT) and one Forensic Assertive Community Treatment (FACT) team, a DSRIP funded crisis team, a residential treatment center, three TCOOMMI programs, one jail diversion program, one forensic outpatient clinic, and children and adolescent specialty services including the YES Waiver, Wraparound teams, and Juvenile TCOOMMI.
- Provides administrative, operational and clinical oversight for all programs.
- Develop and maintain budgets for the agency. Work closely with the finance department in allocating funds to the correct program and ensuring all teams are meeting their budget expectations.

- Provide program implementation and development including developing, budgeting, and building new programs. Maintain these programs in an effort for them to remain sustainable.
- Collaborates with community stakeholders and committees to represent Metrocare Services to various county, city, and program officials.
- Work closely with the revenue cycle management team to ensure billing is completed thoroughly and accurately for the Specialty Programs.
- Part of several internal committees such as CARF accreditation, CCBHC, DSRIP, MIPS, etc.
- Maintain various state and federal grants.
- Completes program development tasks such as applications for programs, applications for funding, stakeholder meetings, and grant writing.
- Ensures that all programs meet their total operating revenue as evidenced by meeting monthly volume and productivity requirements.
- Maintains a positive monthly contribution margin for responsible programs.
- Sustains prime metrics for Specialty Programs.
- Conducts various staffing and trainings.
- Hire and conduct all personnel tasks for the Specialty Services, including performance improvement planning and disciplinary actions, when needed.
- Ensures that programs and sites uphold standards of safety and health as set by internal policies and procedures as evidenced by consistent compliance to safety tasks.
- Ensures QMHP and Management staff meet achievement expectation and documentation in accordance with HHSC and TAC (Texas Administrative Code) standards.
- Work closely with the executive team to carry out the vision of the agency.

Bluebonnet Trails Community Service Center, Round Rock, Texas

TCOOMMI Program Director/Justice Involved 1115 Waiver Project Manager

December 2012-December 2014

- Supervised 15 Qualified Mental Health Professionals (QMHP's) within adult and juvenile TCOOMMI.
- Ensured staff were meeting achievement expectation and documenting in accordance with DSHS and TAC (Texas Administrative Code) standards.
- Followed strict TCOOMMI standards and managed staff to ensure caseload compliance.
- Developed and managed several new programs under the 1115 waiver and provided documentation on DSRIP projects.
- Conducted mental health assessments for Williamson County's pre-sentencing investigators to be used in court.
- Interacted with clinical staff and external resources such as schools, probation/parole offices, and other state agencies.

Behavioral Health Counselor

September 2011- December 2012

- Provided individual, family, group, and marital therapy sessions.
- Reference and used various therapy techniques, including cognitive behavioral therapy, cognitive processing therapy, trauma-focused cognitive behavioral therapy, and family systems therapy.
- Lead a Dialectical Behavioral Therapy skills group.
- Diagnosed mental health, emotional, and substance use disorders.
- Documented all information including service plans, treatment plans, and progress notes.

Team Lead/Intensive Case Manager

January 2011-September 2011

- Served as a lead clinician for individuals diagnosed with Bipolar Disorder, Major Depressive Disorder, and Schizophrenia/Schizoaffective Disorder.
- Organized treatment projects that focused on problem solving skills and critical thinking.
- Taught individuals in services psychosocial rehabilitation techniques such as anger management, relaxation skills, impulse control, social skills, emotional coping and functional living skills.
- Completed and updated ANSA's and collaboratively documented in Anasazi.

Alliance for Change Through Treatment, Atlanta, Georgia

Intensive Family Intervention Team Member (IFI)

July 2010- December 2011

- Worked as an IFI team member and therapist for adolescent individuals (LOC4).
- Conducted individual and family therapy sessions as well as case management.
- Collaborated with psychiatrists, therapists, schools, probation officers, courts, CPS, and case workers to advocate.
- Worked with individuals diagnosed with Bipolar disorder, Mood Disorder, ADHD, Reactive Attachment Disorder, substance use, victims, PTSD, Schizophrenia, family relational issues, and other diagnoses.
- Completed intake assessments.
- Administered and updated CANS, treatment plans, discharge plans, and safety plans.
- Documented progress notes in accordance with Georgia standards.

The Bridges Center, Atlanta, Georgia

Intensive Case Manager

September 2009-June 2010

- Worked on an IFI (Intensive Family Intervention) team conducting in home counseling for adolescence and their families.
- Managed a caseload of 10-16 individuals.
- Provided behavioral health interventions for intense individuals.
- Lead a Dialectical Behavioral Therapy teen girls group.
- Worked with individuals diagnosed with Bipolar disorder, Mood Disorder, ADHD, Reactive Attachment Disorder, substance use, victims, PTSD, Schizophrenia, family relational issues, and other diagnoses.
- Administered and updated CANS, treatment plans, discharge plans, and safety plans
- Documented progress notes in accordance with Georgia standards.

Education and Training:

The Chicago School of Professional Psychology, Chicago, Illinois

August 2007-May 2009

- Masters of Arts in Forensic Psychology
- GPA: 3.85

Auburn University, Auburn, Alabama

August 2003-May 2007

- Bachelor of Arts in Criminal Justice and Psychology

Certifications, Trainings, and Affiliations:

- LPC (Licensed Professional Counselor TX: 70368)
- Youth Mental Health First Aid Trainer
- YES Waiver Implementation and Manager training
- Illness Management and Recovery training
- Seeking Safety training
- Person Centered Recovery Practices Supervisor training
- Trauma Focused Cognitive Behavioral Therapy (TF-CBT) training
- Cognitive Behavioral Therapy (CBT) training
- Cognitive Processing Therapy (CPT) training
- Dialectical Behavioral Therapy (DBT) training
- HIPAA and Confidentiality training
- CPR and First Aid Certified
- Crisis Prevention Intervention (CPI) training
- Member of Texas Correctional Association (TCA)
- National Board of Certified Counselors (NBCC)
- Psi Chi Psychology Fraternity Member
- Alpha Phi Sigma Criminal Justice Fraternity Member
- Auburn Alumni Association
- The Chicago School of Professional Psychology Alumni Association

References Available Upon Request

Achievements:

- Presented at the Healthier Texas Submit
- Assisted in opening a Single Site Permanent Supportive Housing Program that has an onsite Integrated Care Clinic.
- Sit as a Co-chair the local Continuum of Care Committee
- Provided interviews for FOX news
- Co-developed Substance Use Treatment Program for chronically homeless individuals
- Presented at Veterans Administration conference on Homeless Veteran Services
- Presented at Celebrate Recovery and COSA meetings
- Graduated with Masters of Arts in Counseling Program with 4.0 GPA
- Volunteered at Communities in Schools

Experience:**Integral Care****March 2018-Current***Practice Administrator—Housing Administration & Assertive Community Treatment*

- Responsible for the administrative oversight of three Assertive Community Treatment teams
- Develop and implement quality improvement plans to improve client services and experience
- Provide progress updates and grant recommendations to all levels of executive management and the Board of Directors.
- Responsible for budget and quarterly reporting for local, state and federal contracts
- Author, rank and select Request for Proposals to meet agency contracting needs
- Contribute to the application process for local, state and federal contract
- Collaborate with City, County and local officials on partnerships including a Hotel Conversion project to Permanent Supportive Housing
- Agency expert on Housing Subsidies and HUD regulations
- Duties as described below

Practice Manager-Housing Administration

- Responsible for managing the administration for Integral Care's homeless services resources by overseeing compliance, staff resources and patient satisfaction
- Develop and maintain policies and procedures
- Provide ongoing monitoring and oversight of all federal, state and local government housing contracts and grants
- Build and maintain strong relationships with housing community partners, stakeholders and government entities
- Responsible for organizing the work flow for unit, providing clear direction to staff, and evaluating program and staff performance
- Analyze and manage multiple complex budgets to ensure unit expenditures stay within budget allocations based on federal and state contract requirements
- Assist Executive Management in problem solving complex challenges
- Identify and create work plans that foster division growth and success

A New Entry, Inc., Austin, Texas**May 2011-February 2018***Chief Operations Officer*

- Responsible for the overall daily operations of the residential substance use treatment facility
- Networking with outside stakeholders to promote smooth coordination of care and to increase client access to city/county resources
- Creating strategies for the functioning of the company along with the chief executive officer
- Plan execution strategies for agency development
- Provide training in leadership, management and best practices in a residential substance use treatment facility
- Oversee donor management utilizing the NeonCRM software, overseeing events and website

development

- Investigate grant and contract opportunities and oversee the RFA, LOI and application processes
- Develop marketing materials and represent agency at stakeholder events
- Strategically plan and maintain the financial stability of the facility
- In authority for the recruitment, hiring, evaluating, employee retention and discharging of employees
- Coordinates the development of the agency's human resources department
- Supervise the development of clinical programming and provide supervision
- Decrease barriers to client care and provide crisis intervention
- Ensure all resources are utilized efficient and effectively
- Interacting with heads of all departments of the company and managing their functions

Director of Advanced Care and Contract Manager

- Sought and applied for RFPs and grants
- Managed contracts with Veteran's Administration, Downtown Austin Community Court and Austin Travis County Integral Care
- Developed policy and procedures in accordance with local, state and federal standards and in alignment best practices.
- Managed various departments including intern program and direct care team
- Organized and led trainings for clinical and direct care staff
- Experience completing monthly billing procedures for ATCIC and other government contracts
- Intervened using non-violent crisis intervention with staff and residents
- Created documentation required by DSHS for client files as required by auditors
- Conducted client assessments to include Addiction Severity Index, Mini Mental Status Exam and Dissociative Experiences Scale
- Conducted individual, group counseling, couples counseling, trauma therapy and mental health counseling to complex dual diagnosed residents.
- Complete screening, intake, master treatment plans, clinical notes, master treatment plan reviews, relapse prevention plans, continued care plans and discharge summaries.

Program Coordinator, Intake Coordinator, Case Manager & Facilitator

- Liaison between Veteran's Administration, Travis County & Austin Downtown Community Court
- Managed and trained interns
- Coordinating client interviews, intakes & discharges
- Providing community referrals, client support & care plans
- Creating case management & recovery plans
- Co-facilitator for therapy & educational programs
- Outreach coordination, procedure development & documentation

Travis County Counseling and Education, Austin, Texas

July 2010-July 2011

Case Manager & Facilitator- Commitment to Change Substance Abuse Program (State Jail)

- Conducting client interviews for acceptance into program
- Referring clients to community organization, providing support & advocacy
- Responsible for intake & discharge plans
- Creating case management & recovery plans
- Facilitate Anger Management, Cognitive Education & Job Training

Travis County Counseling and Education, Austin, Texas

May 2009- August 2009

Intern

- Provided customer service during initial contacts with all clients to organization
- Observed Counseling & assessments sessions with clients (Drug & Family Violence Offenders)
- Observed group therapy in men & women's prisons
- Worked with Judges in Travis County during sentencing and as they assisted clients who were participating in family drug court

***Additional work experience available upon request**

Education:

St. Edwards University, Austin, Texas

Program: Master of Arts in Counseling

Graduated: December 2013

Austin College, Sherman, Texas

Major: Psychology

Minor: Exercise and Sports Science

Graduated: May 2010

Current Licenses & Training:

Licensed Professional Counselor

Licensed Chemical Dependency Counselor

EMDR Trained

Gottman Couples Method Levels 1,2 and 3 Trained

CPR Certified

Safety Care Certified

RUTH AHEARN

SKILLS & ABILITIES

Licensed Marriage and Family Therapist
Skilled in Motivational Interviewing, Person Centered Care/Recovery Model, Tobacco Cessation, SAMHSA Evidenced Based Practices for Supportive Housing, Supported Employment, Housing First Model, Integrated Care, Harm Reduction
Strong knowledge of HMIS, Coordinated Entry Systems
Experience in Program Development and Grant Management

EXPERIENCE

PRACTICE ADMINISTRATOR OF HOUSING AND HEALTH CARE FOR THE HOMELESS INITIATIVES, INTEGRAL CARE

10/2020-Present

Responsible for oversight of quality assessment and management of clinical services and business operations for the Supported Housing and Homeless Outreach Teams within the Adult Behavioral Health Division. Provides guidance and direction to Housing and Homeless Services Practice Managers to ensure the delivery of quality patient care that is person centered. Collaborates with key partners within the larger Austin/Travis County Homeless Continuum of Care, including the City of Austin, Austin Public Health, ECHO, Downtown Austin Alliance, Mobile Loaves and Fishes, Veteran's Administration, and local Housing Authorities. Provides ongoing monitoring and reporting for local, state and federal grants.

PRACTICE MANGER OF SUPPORTED HOUSING SERVICES, INTEGRAL CARE

1/2018-10/2020

Responsible for the clinical oversight of the supported housing teams with Integral Care. Teams consist of the Community Recovery PSH team, Rapid Rehousing Team, M3 (Integrated Mobile Medical and Mental health team), 3000 Oak Springs Clinic, Terrace at Oak Springs Residential Team and the Community First! Village clinic. Manage the Healthy Community Collaborative Grant and provide quarterly reports to the Health and Human Services Commission ensuring quality services are being provided through the collaboration.

PROGRAM MANAGER/HEALTHY COMMUNITY COLLABORATIVE, INTEGRAL CARE

2/2015-1/2018

Managed a team of 10-12 rehabilitation specialists providing permanent supportive housing and mental health case management services to adults who were chronically homeless and diagnosed with severe mental health and substance use needs.

ASSISTANT PROGRAM MANAGER/ANEW, AUSTIN TRAVIS COUNTY INTEGRAL CARE

4/2009-2/2015

Assistant program manager for TCOOMMI funded adult behavioral health services. Provided clinical and technical supervision to staff; managed continuity of care program for adults releasing from the Texas Department of Criminal Justice Institutional Division with severe and persistence mental illness.

THERAPIST AND CASE MANAGER/FAMILY PRESERVATION, AUSTIN TRAVIS COUNTY INTEGRAL CARE

2/2006-4/2009

Provided intensive, in-home family and individual counseling to adolescents who were on probation. Counseled individuals and groups who resided in the Juvenile Probation Intermediate Sanctions Center Residential Program. Provided case management, staffing with probation officers and attended court with families as needed.

EDUCATION

PEPPERDINE UNIVERSITY- MALIBU, CA- MA CLINICAL PSYCHOLOGY 2005

-Emphasis in Marriage and Family Therapy

NEW COLLEGE OF FLORIDA- SARASOTA, FL- BA PSYCHOLOGY 2002

LEADERSHIP

Participant in the National Council For Behavioral Health's 2020 Addressing Health Disparities Leadership Program

Participant in the National Health Care for the Homeless Council's 2019-200 Diversity, Equity and Inclusion Learning Collaborative

Austin/Travis County Continuum of Care Leadership Council Vice Chair 5/2021- Present

Integral Care's Diversity and Inclusion Council Co-Chair 6/2021-Present

2b / Resumes of Development Team



Project Team

ELIZABETH PROPERTY GROUP

KENSINGTON APARTMENTS
3300 MANOR ROAD
AUSTIN, TEXAS

Project Team

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

Elizabeth Property Group

Elizabeth Property Group (“EPG”) was formed in 2019 and is an affordable housing operator and certified Historically Underutilized Business (“HUB”) focused on preservation and rehabilitation of affordable multifamily properties in major Texas markets. EPG owns 4 affordable housing properties in Texas, totaling over 500 units.

In 2021, EPG acquired Midpark Towers 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, thereby suffering from significant deferred maintenance issues and was in general a problem child for the City of Dallas and Dallas Police Department. The Property was serving deep affordability levels, with approximately 75% of tenants using Housing Choice Vouchers, despite being technically a market-rate property. The property was 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 was 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 primarily in Texas). 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 new(er) affordable housing 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 have a combined 25 years of multifamily investment and ownership industry experience, specifically within Texas (please see full principal resumes further in application).

Tisha Vaidya

Tisha is a co-founder and principal of Elizabeth Property Group. Tisha Vaidya previously served as Director of Acquisitions, Development, and Capital Markets at Presidium, where she was 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 Oaxaca Interests, a retail/mixed-use development firm that planted the first flag in West Dallas in 2008. Tisha also owns and operates a portfolio of smaller 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 previously served as Vice President at Drake Real Estate Partners in New York, a value-add real estate private equity fund, where she was 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

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.

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)

BETCO Experience Summary

Program Year	Development Name	Location	Program(s)	Role	Developer	# of Units	Completion Year	Total Costs	Application Number
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	Wilhoit 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	\$16,656,449	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	

Integral Care / Services and Development Partner

- EPGIn 1963, President Kennedy signed the Community Mental Health Act. The Act helped establish community mental health centers throughout the country – bringing care for people living with mental illness out of institutions and back into the community. Integral Care, formerly the Austin-Travis County Mental Health Mental Retardation Center, has worked for five decades to make that bold vision a reality in Travis County. Since 1967, Integral Care has supported the health and well-being of adults and children living with mental illness, substance use disorder and intellectual and developmental disabilities. Integral Care was the first community center to provide high-quality, community-based behavioral health and intellectual disabilities services in Central Texas so that people seeking our services could reach their full potential and thrive. As the Local Mental Health and Intellectual and Developmental Disability Authority, Integral Care partners with local organizations to strengthen a community network in support of mental health, offers guidance to other behavioral health agencies, and continues to battle stigma surrounding mental illness throughout the community. Integral Care had a modest start with one location on Red River Street and a Quonset hut next door, which housed our methadone clinic. We now have over 40 locations across Travis County. Integral Care is here and ready to meet the needs in Travis County for the next 50 years and beyond.

HOUSING & HOMELESS SERVICES

Terrace at Oak Springs

Terrace at Oak Springs will be located at 3000 Oak Springs Drive in Austin. The apartment community will have 50 fully-furnished single-occupancy efficiency units offering permanent supportive housing to individuals experiencing homelessness in Travis County. Twenty-five units are reserved for veterans. Terrace opens May 2019.

Supportive Housing Services on-site:

- counseling and case management
- drug and alcohol treatment
- exercise and nutrition programs
- job training and employment support
- assistance accessing benefits
- medication management and support

Safe Haven

Safe Haven provides temporary housing for up to 15 veterans experiencing homelessness and mental illness and/or substance use disorders.

- connection to supportive services such as counseling, case management, job training, employment support and more
- private and semi-private rooms
- three meals a day
- laundry facilities and telephones

Seventy-eight percent of veterans at Safe Haven move on to permanent supportive housing. According to a 2015 VA report, Integral Care's Safe Haven performs the best of the 23 Safe Haven programs across the U.S.

Integral Care / Services and Development Partner

COUNSELING & CASE MANAGEMENT

Individuals and families may be coping with the impact of deployment, military service, post-traumatic stress, or traumatic brain injury. Clients work with our qualified therapists and case managers to address mental health concerns, build healthy relationships, heal from overwhelming events and grow. We provide the most appropriate services for your particular needs.

- mental health screening to identify issues like anxiety, depression, PTSD and more
- individual, family and marriage counseling
- Types of therapy, depending on need:
 - Cognitive Behavioral Therapy (CBT)
 - Prolonged Exposure (PE)
 - Eye Movement Desensitization and Reprocessing (EMDR)
 - Collaborative Assessment and Management of Suicidality (CAMS)
 - Cognitive Processing Therapy (CPT)
 - group therapy
- case management to help build life skills, apply for benefits and more
- support from fellow veterans and military family peers
- family support groups for emotional health

DRUG & ALCOHOL TREATMENT

Service members, veterans and their family members qualify for a wide array of Integral Care services to address drug and alcohol problems. We ensure that drug and alcohol treatment is coordinated with a person's mental and primary health care. Recovery from drugs and alcohol is not easy. Treatment coordinated with health care makes the process smoother.

- screening for substance use disorders
- medication assisted therapy for help recovering from dependence on opioids, such as heroin and prescription pain medicine
- residential treatment program for a safe place to start on the path to recovery
- medically supervised and assisted outpatient detox
- intensive outpatient treatment
- counseling for emotional support
- education and support groups for life skills training
- Hepatitis C and HIV testing
- support groups for people living with HIV

Architect

TBA Studio

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. 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 the following services, AHS/TBA offers Construction Management, Interior Design, Leadership in Energy and Environmental Design, and BIM. 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-diligence services.

Property Management

Asset Living (FKA Alpha Barnes)

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.

The reputation of Alpha Barnes is based on trust, integrity and commitment. 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. Real estate assets require periodic improvements, repairs, or in some cases, a complete repositioning.

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

General Contractor

ICON (ITEX) Builders

The ITEX Group, LLC (ITEX and its affiliated companies including ITEX Development LLC, ICON Builders LLC and ITEX Property Management LLC) are Texas-based, for-profit, limited liability companies. ITEX's corporate headquarters is in Houston, Texas and the company also has a regional and satellite office in Port Arthur, Texas and Sarasota, Florida with regional employees across the country. ITEX provides Development, Investment, Construction, and Management Services throughout the United States. ITEX and its affiliated companies employ over 250 people. ITEX has been named among America's "Best Places to Work in Multifamily."

Founded in 1981, ITEX has developed over 8,000 units in over 60 communities representing more than \$800 million in completed developments. The team currently manages over 7,400 attainable luxury and mixed-income housing units across Texas, Louisiana, and Colorado and has a pipeline of development projects planned for Florida and Arkansas. The development of new communities — from ground-up planning to comprehensive neighborhood revitalizations — is a core component of ITEX. We greatly value the positive impact our partnerships with local governments, housing authorities, non-profits, and employers have brought to the communities in which we invest and work. ITEX's experience covers ground-up planning to comprehensive neighborhood revitalization through partnerships with local governments, housing authorities, and non-profits.

Recently developed affordable housing projects (in the last 6 years) include:

Project	Owner	City	Number of Un
Park Avenue Manor	Orange Redevelopment PG, LP	Orange, TX	66
Park Central	Port Arthur Housing Initiative I, LP	Port Arthur, TX	184
Edison Square	3501 Edison Square, LLC	Port Arthur, TX	78
Whispering Oaks	Orange Redevelopment WO, LP	West Orange, TX	70
Avenue Station	Avenue CDC	Houston, TX	68
Avenue Terrace II	Avenue CDC	Houston, TX	48
Arthur Robinson	Housing Authority of the City of Orange	Orange, TX	N/A
Carver Terrace	Port Arthur Housing Authority	Port Arthur, TX	N/A
The Carlyle	China Carlyle, LP	China, TX	80
Place of Grace	Beaumont Place, LP	Beaumont, TX	128
Place of Grace- Harvey Damage	Beaumont Place, LP	Beaumont, TX	N/A
Retreat at Westlock	Retreat at Westlock, Ltd.	Tomball, TX	140
Retreat Lightning Damage	Retreat at Westlock, Ltd.	Tomball, TX	N/A
Retreat Fire Damage	Retreat at Westlock, Ltd.	Tomball, TX	N/A
Village at Palm Center	Houston 5510 Griggs Road Residential, LP	Houston, TX	222
Fulton Gardens II	Avenue CDC	Houston, TX	40
Pathways at Gaston Place	Pathways at Gaston Place, LP	Austin, TX	100
Villa Americana	Villa Americana Housing Partners, LP	Houston, TX	258
Waverly Village	New Waverly Village, LP	New Waverly, TX	50
Pines at Allen Street	Kountze Pines at Allen Street, LP	Kountze, TX	80
Retreat West Beaumont	Beaumont Retreat W, LP	Beaumont, TX	98
Providence at Ted Trout Drive	Providence Ted Trout Drive, LP	Hudson, TX	76
Retreat West Beaumont	Beaumont Retreat W, LP	Beaumont, TX	98
Sun Plaza	EP Sun Plaza, LP	El Paso, TX	330
Sherman South/Pooley	EP Sherman South, LP	El Paso, TX	194

Elizabeth Property Group, BETCO, ITEX and Asset Living (FKA Alpha Barnes) are partnered together on Midpark Towers in Dallas. Asset Living also manages Prairie Commons and Churchill Place with EPG.

Property Management

Asset Living (FKA Alpha Barnes)

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.

The reputation of Alpha Barnes is based on trust, integrity and commitment. 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. Real estate assets require periodic improvements, repairs, or in some cases, a complete repositioning.

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

Elizabeth Property Group, BETCO, ITEX and Asset Living (FKA Alpha Barnes) are partnered together on Midpark Towers in Dallas. Asset Living also manages Prairie Commons and Churchill Place with EPG.



Departments

ITEX DEVELOPMENT, LLC

ITEX assembles complex mixed-finance real estate developments, including debt, equity and gap financing. ITEX acquires land and existing income producing assets, engages architects, design engineers, 3rd Party reports from environmental and market analysis experts and prepares the financial models required by LIHTC, lenders and equity investors. ITEX has extensive experience in partnering with city officials and local housing authorities to help them achieve their affordable and public housing goals, including advising on RAD conversions. ITEX prepares required information for HUD layering reviews, authority to grant funds, and other HUD documents concerning new or existing PHA's properties. ITEX works with public officials on zoning issues and permitting issues and analyzes QCTs, SDDAs, local amenities, and crime statistics as part of its site selection process. ITEX prepares RFP/RFQ responses, negotiate contracts, engaged title companies, prepare tax credit applications, and applications for grant funds. They handle community relations, fair housing issues, HUD programs including compliance with the Uniform Relocation Act. ITEX Developers works closely with legal counsel, non-profit partners, and financial partners to prepare the necessary documents for closing complex real estate transactions.

ITEX PROPERTY MANAGEMENT, LLC

ITEX manages market rate, tax credit, Project-based Section 8, RAD and CDBG financed multi-family apartments and townhomes as well as single-family homes for its own account and for other owners and limited partner investors. ITEX offers a complete list of management services including; touring available units, tenant screening/selection, credit and criminal background checks, verification of employment and income, re-certifications, lease-up, lease enforcement, delinquency management, compliance reviews of full tenant applications, housekeeping inspections, maintenance of tenant files, tenant services, rent collection and depositing funds into designated bank accounts, security deposit management, maintenance, capital improvement planning, make-readies, landscape maintenance, work order logs,

tenant utility hookups, administration of an approved sub-contractors, pest control and trash removal, removal of impediments to tenant safety, tenant Fair Housing Plans, hurricane preparation plans and communications, compliance with HUD's declaration of Restrictive Covenants, TDHCA LURAs, and HAP contracts. ITEX is experienced in accrual accounting following HUD Chart of Accounts, accounts payable, budgeting and variances, monthly financial and management reporting. ITEX's regional managers and property managers are well trained and certified to manage the properties and follow local state and housing authority guidelines. ITEX also has a highly trained staff in property management compliance and asset management which oversees the performance of existing properties.

SELECTED HIGHLIGHTS

- ITEX has over 250 employees in its development, construction, and property management affiliated companies.
- Currently own and manages approximately 60 properties with 8,000 units with a market value over \$450,000,000
- Apartment communities located in over 20 cities across Southeast Texas, Louisiana, and Colorado
- Fully integrated apartment investment, development, construction and management company
- Capable of incorporating state-of-the-art designs, Green Building standards, and utilizing environmentally responsible practices.

Executive Team



Chris Akbari - CEO, President

Chris is the President of ITEX . He serves on the Investments Team, is a member of the Investments Committee, and directs the Construction, Development, Investment, and Management divisions.

Before joining ITEX, Chris graduated from Lamar University with a Finance degree and is a graduate from Harvard Business School Owner/President/Management Executive Education program (OPM51). Chris is an active member of the Urban Land Institute, National Affordable & Workforce Housing Council, Texas Affiliation of Affordable Housing Providers, Texas Apartment Association, and the National Multifamily Housing Council.



Tim Nolan - Chief Financial Officer

Tim is the Chief Financial Officer of ITEX . As CFO, he is focused on managing the financials for all of the Investment, Development, Construction, and Management divisions.

Timothy has fifteen years of finance and accounting experience including capital asset management, corporate tax and accounting, and working with large net worth individuals. He has held positions with the Texas Attorney General's office, a boutique CPA firm, and multiple Fortune 500 companies.

He received his undergraduate degree in Accounting from St. Edward's University in Austin, Texas and his MBA from Washington University in St. Louis, Missouri. Timothy enjoys spreadsheets, cars, and spending time with his family.



Bobken Simonians - Chief Operating Officer of Real Estate Investment & Development

Bobken is a Sr. Vice President and Managing Director of Real Estate Investments and Development. He serves on the Investments team and is a member of the Investments Committee.

Prior to joining ITEX, Bobken previously worked for Houston Housing Authority as VP of Real Estate Investments & Development and has developed, constructed, and modernized over 1,000 units in the HHA portfolio. Prior to HHA, Bobken worked as Housing Director for the City of Los Angeles Housing Department. Bobken has over thirteen years of banking and underwriting experience and holds an MA Degree in Economics from California State University, Los Angeles and a BS Degree in Economics with Minors in Management and Mathematics from the University of Massachusetts.



John Pecore - General Counsel and Chief Compliance Officer

John serves as General Counsel and Chief Compliance Officer for ITEX. Based out of the Houston office, John leads our legal team on risk management, litigation, development, and acquisitions.

Prior to joining ITEX John served as the General Counsel for The Dhanani Group advising on each real estate merger, acquisitions, and litigation. John has a B.A. in Government from The University of Texas and obtained Juris Doctorate from South Texas College of Law.



Paula Watts - Senior Vice President of Property Management

Paula is Senior Vice President of the Property Management Division. She focuses on all aspects of the Property Management Division for all properties owned and/or managed by ITEX. Prior to joining ITEX, Paula worked for the Port Arthur Housing Authority as a senior executive.

She spent fifteen years at this agency working in all departments of this housing authority. She is experienced in all HUD Programs administered by the agency including; Public Housing, Housing Choice Voucher, Desegregated Housing Opportunity, Disaster Housing, Homeownership, Family Self Sufficiency, Accounting and grant writing. Paula's staff is composed of regional managers, compliance managers, property managers, assistant managers, maintenance, tenant services and accountants.



Kevin Hardy - Executive Vice President of Construction

Kevin is the Executive Vice President of Construction, he has many years of successful experience leading the long-term planning, and daily operations of major U.S. construction organizations. He directed the development of domestic and international properties of all types and sizes ranging in value from \$1.2M to \$220M.

He most recently served as Executive Vice President of Killian Construction of Springfield, MO. His more than 20-year career in construction management included other successful roles as Vice President of Operations providing oversight for design/build and general construction operations for projects with a total value of approximately \$3 Billion.



Miranda Sprague - Senior Vice President of Real Estate Investment & Development

Miranda is the Vice President of Development, she has served as Project Manager for multiple mixed-finance projects. She has worked with housing authorities to obtain HUD approvals including, but not limited to, Authority to Use Grant Funds, Mixed-Finance, Subsidy Layering Review, Site and Neighborhood Standards, and SAC Demolish/Disposition approvals. She has also been involved in completing RAD applications for HUD.

She has experience with 4% noncompetitive Housing Tax Credits with bond financing, 9% competitive Housing Tax Credits, and Community Development Block Grant – Disaster Recovery (CDBG-DR) Funds. Miranda earned a Bachelor Degree in Business Administration from the University at Albany in Albany, New York.



Will Moyers - President of Development

Will is the Vice President of Acquisitions & Development, he is actively involved in all aspects of the development process and leads ITEX's investment committee. Whether Market-Rate or Affordable, rehab or new construction, he analyzes a project's financial feasibility among various funding structures and recommends the best course of action to insure the success and diversity of ITEX's future real estate investments. He was heavily involved in developing ITEX's first student housing development and has worked on multiple mixed-finance developments with Low-Income Housing Tax Credits, Historic Tax Credits, Block Grants, and HUD financing.

Will is focused on expanding ITEX's national footprint and is an active member in Affordable Housing Organizations in Texas, Louisiana, Colorado and Florida. He works with several Public Housing Authorities to redevelop their existing public housing portfolios, including HUD's RAD program. He has nearly 10 years of experience in the banking and finance industry, and holds a Degree from Texas State University.



Gilbert Contreras - Vice President of Human Resources

Gilbert is the Vice President of Human resources, he is responsible for ITEX's human resources strategy and practices. Gilbert has been with ITEX since 2015 and has over seventeen years of experience of aligning business strategies with Human Resource solutions mostly in the petrochemical industry in Southeast Texas.

Prior to joining ITEX Gilbert served in various Human Resources positions in the Food Processing, Telecommunications, and petrochemical industries. Gilbert received his Bachelor's degree in Psychology from the University of Arkansas and earned his Masters of Business Administration from the University of Phoenix.



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





COMPANY HISTORY

ITEX and its affiliated companies including ITEX Development LLC, ICON Builders LLC and ITEX Property Management LLC are Texas-based, for-profit, limited liability companies. ITEX's corporate headquarters is in Port Arthur, Texas and the company also has an executive office in Houston, Texas with additional regional employees across the United States. ITEX provides Development, Investment, Construction and Management Services throughout the United States. ITEX and its affiliated companies employ over 250 people throughout the United States.

OUR EXPERIENCE

ITEX is a highly respected real estate development company specializing in new residential and commercial projects. ITEX's primary business activities and experience are in developing, constructing and managing multi-family housing with mixed-use, mixed-income, and mixed-finance components. ITEX has considerable experience in leading development teams of individuals and companies of diverse disciplines, geographic locations, roles and skill sets to make its developments successful.



60

Properties currently owned or managed by ITEX



7,580

Total units featuring market rate and affordable housing



20

Located in over 20 cities across Southeast Texas, Louisiana, and Colorado



OUR EXPERIENCE

ITEX's experience includes market rate, senior, and quality mixed-income developments partially financed using equity from the sale of federal and state tax credits, federal, state and local grants, capital funds from housing authorities, federally insured or commercial bank loans, and its own equity capital. ITEX is a highly respected developer with approximately 60 developments located throughout southeast Texas, Louisiana, and Colorado. ITEX is a family-owned company which began in Port Arthur, TX, with regional employees and offices across 20 cities. Its principal affiliated companies include ITEX Development, LLC, ICON Builders, LLC and ITEX Property Management, LLC.


OUR PHILOSOPHY

The key to our success is the depth of our experience and our nimble size. We can quickly react to changes in the real estate market, as well as provide a distinct advantage to our investors and clients through the cycles of the real estate industry. We work to ensure successful and profitable investment opportunities.

MISSION & VISION


To be a good corporate citizen and industry leader in developing, constructing, and managing best in class real estate investments. By implementing socially responsible business practices, we increase value and create an environment where our internal and external stakeholders thrive.

To be the preeminent real-estate development, construction management and investment organization maximizing shareholder value in a socially responsible manner.

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 Address
9 Greenway Plaza, Ste 1250
Houston, TX 77046

2c / Resumes of Management Team



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
Briarbend	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
Hilldale 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

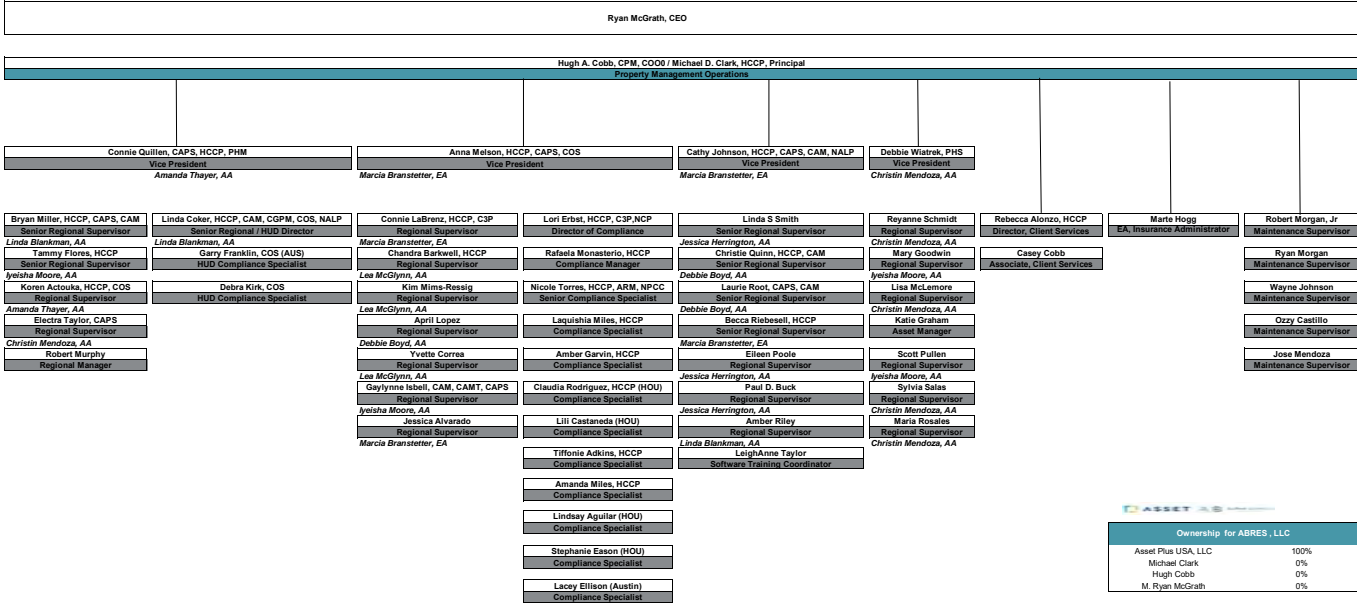
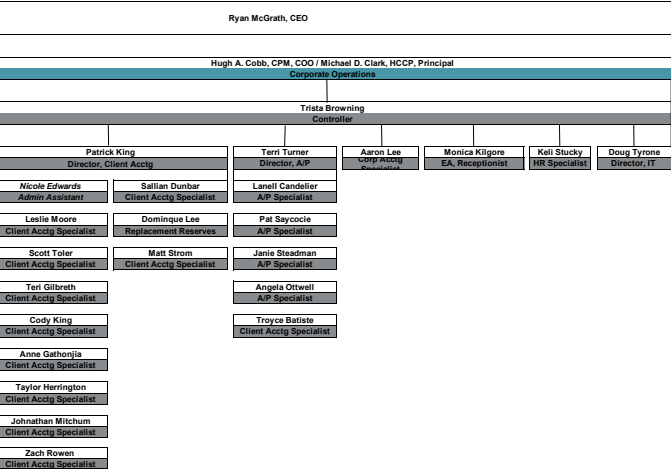
Property	City	State	Zip	Units	Region	Description	LIHTC
Lyons Gardens	Austin	TX	78702	54	Central Texas	Seniors	No
Maeghan Pointe Apartments	Edcouch	TX	78538	80	South Texas	Family	Yes
Magnolia at Village Creek	Fort Worth	TX	76119	252	North Texas	Family	Yes
Magnolia Place Senior Apts	Houston	TX	77033	144	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

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)	Haltom 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



Ownership for ABRES, LLC	
Asset Plus USA, LLC	100%
Michael Clark	0%
Hugh Cobb	0%
M. Ryan McGrath	0%

3a / Federal IRS Certification

Internal Revenue Service

Department of the Treasury

District
Director

1100 Commerce St. Dallas, Texas 75241

Advance Ruling Period Ends:

Person to Contact:

EOMF Tax Examiner

Telephone Number:

(214) 767-~~3000~~ 3004

Refer Reply to:

RM: CSB: : EO MC-1250-DAL

Date: 08-20-86

Mental Health Mental Retardation
Center Austin-Travis County
1430 Collier
Austin, TX 78704

EIN: 74-1547909

Gentlemen:

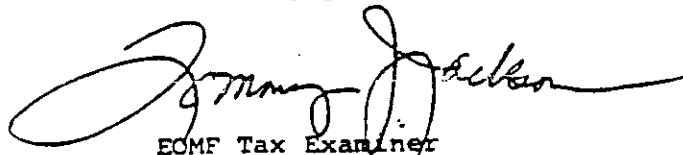
Our Records show that Mental Health Mental Retardation Center Austin-Travis County is exempt from Federal Income Tax under section 501(c)(3) of the Internal Revenue Code. This exemption was granted October 1972 and remains in full force and effect. Contributions to your organizations are deductible in the manner and to the extent provided by section 170 of the Code.

We have classified your organization as one that is not a private foundation within the meaning of section 509(a) of the Internal Revenue Code because you are an organization described in section 170(b)(1)(A)(vi).

Grantors and donors may rely on the determination that you are not a private foundation until 90 days after the end of your advance ruling period. If you submit the required information within 90 days grantors and donors may continue to rely on the advance determination until the Service makes a final determination.

If we may be of further assistance, please contact the person whose name and telephone number are shown above.

Sincerely yours,



EOMF Tax Examiner

INTERNAL REVENUE SERVICE
DISTRICT DIRECTOR
1100 COMMERCE STREET
DALLAS, TX 75242-0000

MAY 20 1991
DEPARTMENT OF THE TREASURY

Date:

MAY 13 1991

AIDS SERVICES OF AUSTIN
7215 CAMERON RD.
AUSTIN, TX 78752

Employer Identification Number:
74-2440845

Contact Person:
SHARI FLOWERS

Contact Telephone Number:
(214) 767-3526

Our Letter Dated:
April 23, 1987

Addendum Applies:
No

Dear Applicant:

This modifies our letter of the above date in which we stated that you would be treated as an organization which is not a private foundation until the expiration of your advance ruling period.

Your exempt status under section 501(a) of the Internal Revenue Code as an organization described in section 501(c)(3) is still in effect. Based on the information you submitted, we have determined that you are not a private foundation within the meaning of section 509(a) of the code because you are an organization of the type described in section 509(a)(1) and 170(b)(1)(A)(vi).

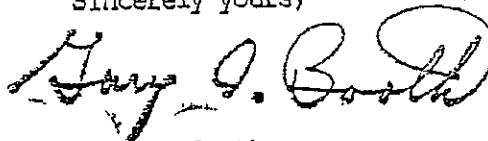
Grantors and contributors may rely on this determination unless the Internal Revenue Service publishes notice to the contrary. However, if you lose your section 509(a)(1) status, a grantor or contributor may not rely on this determination if he or she was in part responsible for, or was aware of, the act or failure to act, or the substantial or material change on the part of the organization that resulted in your loss of such status, or if he or she acquired knowledge that the Internal Revenue Service had given notice that you would no longer be classified as a section 509(a)(1) organization.

If we have indicated in the heading of this letter that an addendum applies, the addendum enclosed is an integral part of this letter.

Because this letter could help resolve any questions about your private foundation status, please keep it in your permanent records.

If you have any questions, please contact the person whose name and telephone number are shown above.

Sincerely yours,



Gary O. Booth
District Director

Letter 1050(DO/CG)

3b / Certified Financial Audit



Financial Statements
August 31, 2021

Introductory Section	
Certificate of Board Approval	1
Listing of Officials	2
Independent Auditor’s Report	3
Management’s Discussion and Analysis	6
Government Wide Financial Statements	
Statement of Net Position	18
Statement of Activities.....	19
Fund Financial Statements	
Balance Sheet – Governmental Funds	20
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	21
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	22
Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – General Fund	23
Statement of Net Position – Proprietary Funds.....	25
Statement of Revenues, Expenses, and Changes in Fund Net Position – Proprietary Funds.....	26
Statement of Cash Flows – Proprietary Funds.....	27
Notes to Financial Statements	28
Statistical Section (Unaudited)	
Schedule of Revenues and Expenditures by Source of Funds – General Fund.....	50
Reconciliation of Total Revenues and Expenditures to Fourth Quarter Financial Report.....	51
Schedule of Indirect Costs.....	53
Schedule of Insurance in Force	54
Schedule of Leases in Effect.....	56
Schedule of Bond Coverage	57
Schedule of Professional and Consulting Fees and Contracted Provider Services	58
Schedule of Professional and Consulting Fees and Contracted Provider Services	59
Schedule of Legal Services	60
Federal and State Award Section	
Independent Auditor’s Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	61
Independent Auditor’s Report on Compliance for Each Major Federal and State Program; Report on Internal Control over Compliance Required by the Uniform Guidance and the State of Texas Single Audit Circular.....	63
Schedule of Expenditures of State and Federal Awards	65
Notes to the Schedule of Expenditures of State and Federal Awards.....	68
Schedule of Findings and Questioned Costs	70

CERTIFICATE OF BOARD APPROVAL

I, Hal Katz, Chairperson of the Board of Trustees of Integral Care, hereby certify that this accompanying audit report for fiscal year 2021 from Eide Bailly LLP was reviewed and approved at a meeting of the Executive Committee of the Board of Trustees held on the 27th day of January, 2022.

A handwritten signature in black ink that reads "Hal Katz". The signature is written in a cursive style with a long, sweeping tail on the letter "z".

Chairperson, Board of Trustees

01/27/2022

Date

LISTING OF OFFICIALS

BOARD OF TRUSTEES

Officers

Hal Katz – Chairperson
Luanne Southern – Vice Chair
Sarah Churchill Llamas – Secretary/Treasurer

Members

H. Ed Calahan
Emmitt Hayes
Cynthia Ramos
David Springer
Trish Young Brown
Guadalupe Zamora, M.D.
Sheriff Sally Hernandez

Key Officers

David Evans
David Weden
Lisa Laky
Dawn Handley
Louise Lynch
Ellen Richards
Ken Winston
Sherry Blyth

Mesha Barnes
Kathleen Casey

Marlene Buchanan
Kim Macakiage
Dr. Craig Franke

Chief Executive Officer
Chief Administrative Officer/CFO
General Counsel
Chief Operations Officer
Provider Network & Authority Officer
Chief Strategy Officer
Director of IDD Services
Director of Practice Management,
Crisis, Criminal Justice and Substance
Use Treatment Services
Executive Manager
Director of Clinical Innovation and
Development
Director of System of Care
Director of Accountable Care Systems
Medical Director



Independent Auditor's Report

To the Board of Trustees
Integral Care
Austin, Texas

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Integral Care (the Center), as of and for the year ended August 31, 2021, and the related notes to the financial statements, which collectively comprise the Center's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of NMF Housing I, Inc., NMF Housing II, Inc., NMF Housing III, Inc., NMF Housing IV, Inc., NMF Housing V, Inc., NMF Housing VI, Inc., and NMF Housing VII, Inc., which collectively represent 81.76%, 80.97% and 74.59%, respectively, of the assets, net position and revenues of the business-type activities and 86.64%, 86.08% and 74.59%, respectively, of the assets, net position and revenues of the New Milestones Foundation major enterprise fund. Those statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for NMF Housing I – VII, Inc., is based solely on the reports of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the *Guidelines for Annual Financial and Compliance Audits of Community Mental Health and Mental Retardation Centers*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Center as of August 31, 2021, and the respective changes in financial position and, where applicable, cash flows thereof, and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 6 through 17 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Center's financial statements. The introductory and statistical sections are presented for purposes of additional analysis and are not a required part of the financial statements. The accompanying schedule of expenditures of state and federal awards is presented for purposes of additional analysis as required by the audit requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the State of Texas *Single Audit Circular* and is not a required part of the financial statements.

The schedule of expenditures of state and federal awards is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to basic the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of state and federal awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated January 27, 2022, on our consideration of the Center's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Center's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Center's internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "Eide Bailly LLP".

Abilene, Texas
January 27, 2022

As management of Integral Care, we offer readers of Integral Care's financial statements this overview and analysis of the financial activities of Integral Care for the fiscal year ended August 31, 2021.

FINANCIAL HIGHLIGHTS

- The assets of Integral Care exceeded its liabilities at the close of the most recent fiscal year by \$74,472,543 (net position). Of this amount, \$40,225,984 (unrestricted net position) may be used to meet Integral Care's ongoing obligations.
- Integral Care's total government-wide net position increased by \$1,049,168 in fiscal year 2021. Of that, Integral Care's governmental operations provided an increase in net position of \$1,013,530. New Milestones Foundation had an increase in net position of \$35,638 and Housing First, LLC had no change in net position.
- As of the close of the fiscal year, Integral Care's governmental funds reported combined ending fund balances of \$38,988,308, an increase of \$2,172,628 in comparison with the prior fiscal year.
- At the end of the fiscal year, unassigned (unreserved and undesignated) fund balance for the General Fund was \$24,447,059, 23.65% of total General Fund expenditures.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to Integral Care's basic financial statements. Integral Care's basic financial statements consist of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide Financial Statements. The *government-wide financial statements* are designed to provide readers with a broad overview of Integral Care's finances, in a manner similar to a private-sector business.

The *statement of net position* presents all of Integral Care's assets and deferred outflows of resources and liabilities and deferred inflows of resources, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of Integral Care is improving or deteriorating.

The *statement of activities* presents information showing how Integral Care's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected Medicaid receipts and earned but unused vacation leave).

The government-wide financial statements distinguish functions of Integral Care that are provided from federal, state, and local funding sources (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*).

- The *governmental activities* of Integral Care include *Adult Behavioral Health Services, Children's Behavioral Health Services, Developmental Disabilities, and Substance Use Disorder*.

- The *business-type activities* of Integral Care include *New Milestones Foundation*, a non-profit organization that raises funds and acquires real property for use by Integral Care and *Housing First, LLC*, a limited liability corporation, of which Integral Care is the sole member, that serves as the developer entity for The Terrace at Oak Springs (Housing First Oak Springs).

The government-wide financial statements can be found on pages 18-19 of this report.

Fund Financial Statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Integral Care, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of Integral Care's funds can be divided into two categories: governmental funds and proprietary funds.

Governmental funds – *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on how cash resources flow into and out of those funds and the balances remaining at year-end that are available for spending. These funds are reported using an accounting method called *modified accrual* accounting, which requires the recognition of revenue when earned, only so long as the funds are collected within the period or soon enough afterwards to be used to pay liabilities of the current period.

It is useful to compare the information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

Integral Care maintains one individual governmental fund. Information is presented in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balance for the General Fund.

Integral Care adopts an annual budget for its General Fund. A budgetary comparison statement has been provided for the General Fund to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 20-24 of this report.

Proprietary funds – Integral Care maintains two *enterprise funds*, which are a type of proprietary fund. An *enterprise fund* is used to report the same functions as *business-type activities* in the government-wide financial statements. Integral Care uses enterprise funds to account for both New Milestones Foundation and Housing First, LLC.

The basic proprietary fund financial statements can be found on pages 25-27 of this report.

Notes to the Financial Statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 28-49 of this report.

Other Information. In addition to the basic financial statements and accompanying notes, this report also presents certain *statistical information* concerning Integral Care that is required by the Health and Human Services Commission, Uniform Guidance, and the State of Texas Single Audit Circular. This information can be found on pages 50-60 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of Integral Care, assets exceeded liabilities by \$74,472,543 at the close of the most recent fiscal year.

Approximately 45.42% of Integral Care's net position reflect its net investment in capital assets (e.g., land, buildings, vehicles, furniture and equipment, net of accumulated depreciation), less any related debt used to acquire those assets that is still outstanding. Integral Care uses these capital assets to provide services to the individuals it serves; consequently, these assets are not available for future spending.

Additionally, a 54.01% portion of Integral Care's net position represents unrestricted financial resources available for future operations.

The remaining 0.57% balance of Integral Care's net position represents resources restricted by the terms of the permanent endowment.

Summary of Net Position

	Governmental Activities		Business-Type Activities		Total	
	8/31/2021	8/31/2020	8/31/2021	8/31/2020	8/31/2021	8/31/2020
Current assets	\$ 40,728,298	\$ 38,641,298	\$ 1,004,928	\$ 950,965	\$ 41,733,226	\$ 39,592,263
Noncurrent assets	48,386,148	49,552,040	4,349,488	4,335,985	52,735,636	53,888,025
Total assets	89,114,446	88,193,338	5,354,416	5,286,950	94,468,862	93,480,288
Current liabilities	8,105,374	8,191,002	272,236	240,409	8,377,610	8,431,411
Noncurrent liabilities	11,618,708	11,625,502	-	-	11,618,708	11,625,502
Total liabilities	19,724,082	19,816,504	272,236	240,409	19,996,318	20,056,913
Net Position						
Net investment in capital assets	29,897,071	31,062,963	3,924,940	4,004,532	33,822,011	35,067,495
Restricted for permanent endowment - nonspendable	-	-	424,548	331,453	424,548	331,453
Unrestricted	39,493,293	37,313,871	732,691	710,556	40,225,984	38,024,427
Total net position	\$ 69,390,364	\$ 68,376,834	\$ 5,082,179	\$ 5,046,541	\$ 74,472,543	\$ 73,423,375

Governmental Activities. Governmental activities increased Integral Care's net position by \$1,013,530. Key elements of the increase are as follows on the next page.

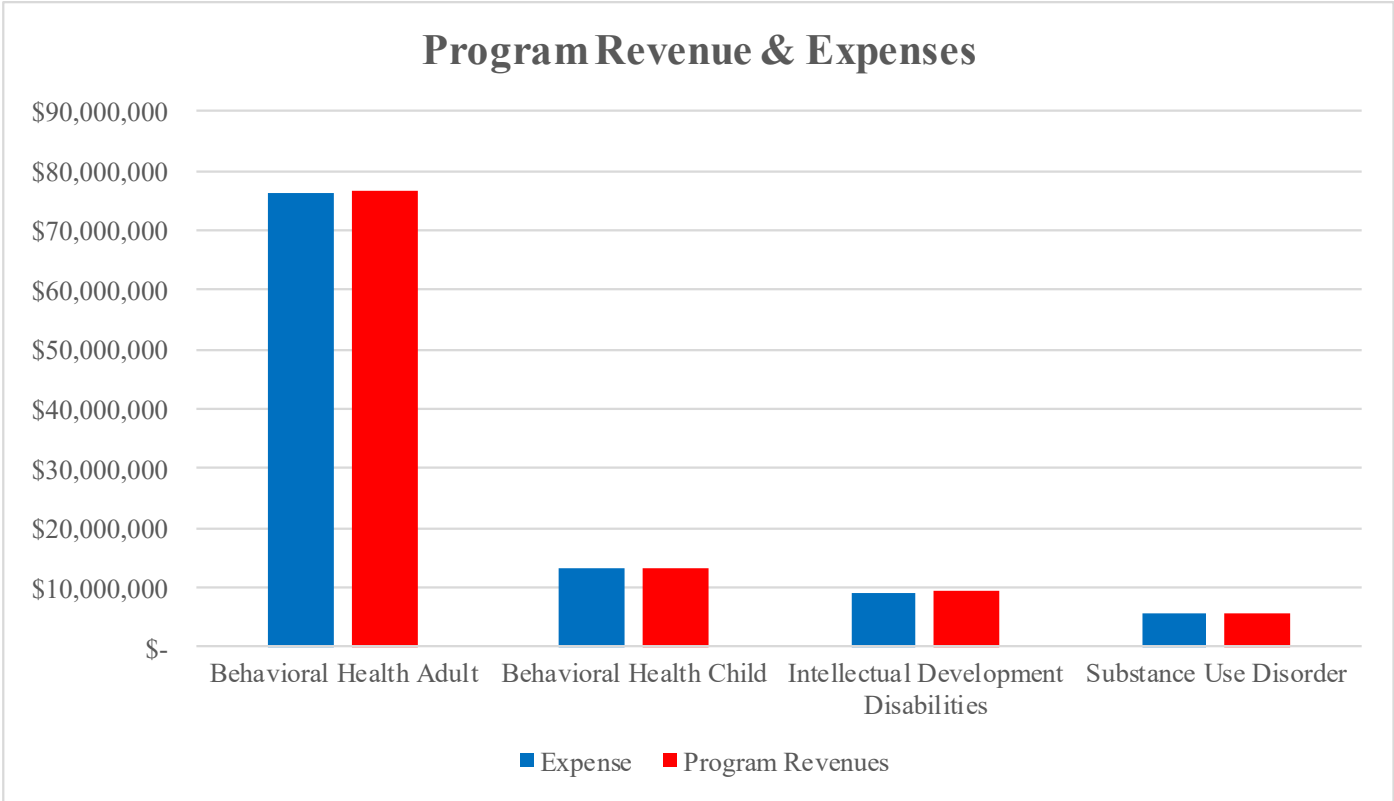
Integral Care
Management's Discussion and Analysis
August 31, 2021

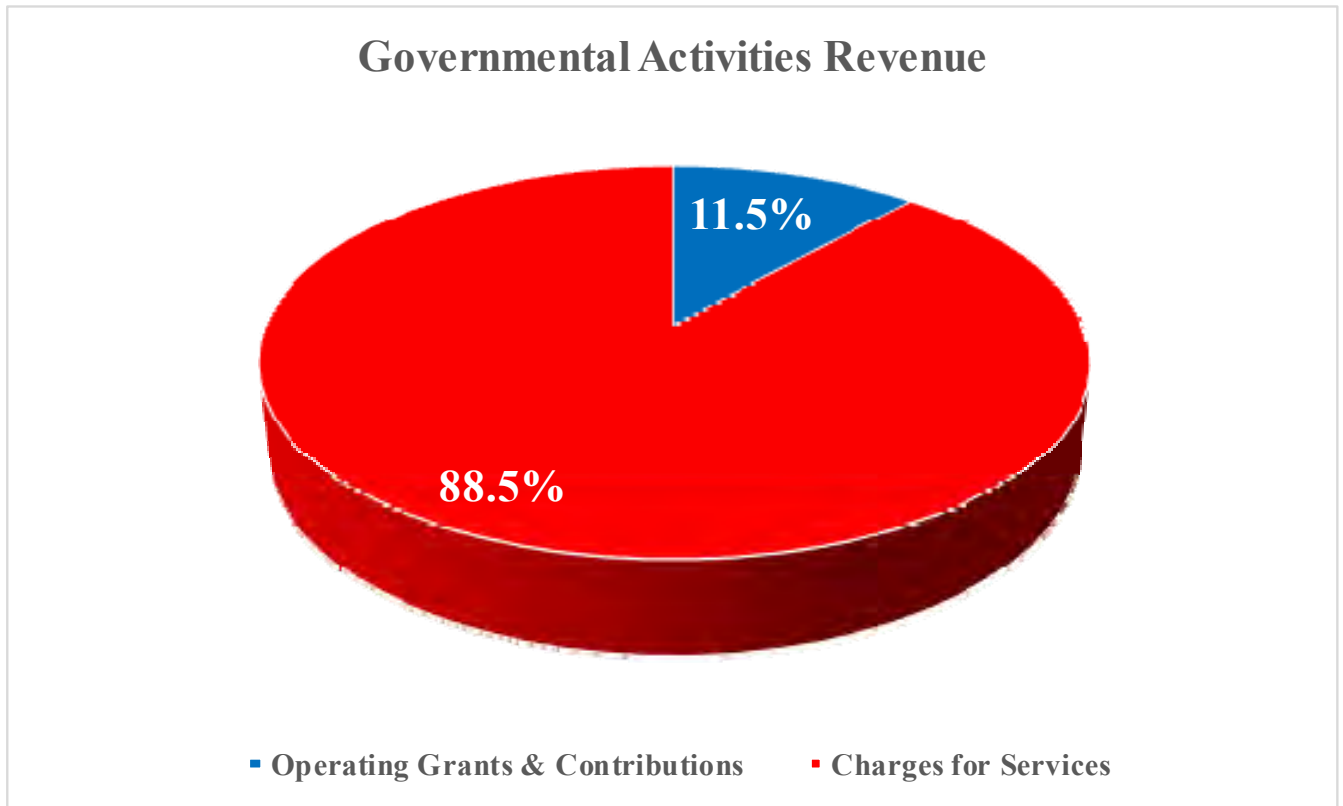
	Governmental Activities		Business-Type Activities		Total	
	8/31/2021	8/31/2020	8/31/2021	8/31/2020	8/31/2021	8/31/2020
Revenues						
Program revenues						
Charges for services	\$ 12,148,110	\$ 14,192,546	\$ -	\$ -	\$ 12,148,110	\$ 14,192,546
Operating grants and contributions	93,383,625	94,478,383	-	-	93,383,625	94,478,383
General revenues						
Unrestricted interest earnings	8,722	228,750	97,106	23,366	105,828	252,116
Contributions-not program restricted	-	1,202,504	-	-	-	1,202,504
Other income						
Property revenues	-	-	900,620	879,863	900,620	879,863
Other	-	-	218,954	186,820	218,954	186,820
Total revenues	105,540,457	110,102,183	1,216,680	1,090,049	106,757,137	111,192,232
Expenses						
Behavioral health adult	76,330,013	74,371,808	-	-	76,330,013	74,371,808
Behavioral health child	13,388,085	12,318,156	-	-	13,388,085	12,318,156
Intellectual & developmental disabilities	8,937,622	7,801,011	-	-	8,937,622	7,801,011
Substance Abuse	5,550,107	6,078,242	-	-	5,550,107	6,078,242
Early childhood intervention	-	1,614,172	-	-	-	1,614,172
Interest and fees on long-term debt	321,100	121,895	-	-	321,100	121,895
New Milestones Foundation Inc.	-	-	1,181,042	1,080,942	1,181,042	1,080,942
Total expenses	104,526,927	102,305,284	1,181,042	1,080,942	105,707,969	103,386,226
Increase (Decrease) in Net Position	1,013,530	7,796,899	35,638	9,107	1,049,168	7,806,006
Net Position, Fiscal Year Beginning	68,376,834	60,579,935	5,046,541	5,037,434	73,423,375	65,617,369
Net Position, Fiscal Year End	\$ 69,390,364	\$ 68,376,834	\$ 5,082,179	\$ 5,046,541	\$ 74,472,543	\$ 73,423,375

BUSINESS-TYPE ACTIVITIES:

Integral Care generated \$1,216,680 in revenue from Integral Care's business-type activities. Total expenses were \$1,181,042. Net position increased by \$35,638 to \$5,082,179.

GOVERNMENTAL ACTIVITIES





FINANCIAL ANALYSIS OF INTEGRAL CARE'S FUNDS

As noted earlier, Integral Care uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of Integral Care's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing Integral Care's financing requirements. In particular, *unassigned fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As Integral Care completed the year, its governmental funds, as presented in the balance sheet on page 20, reported a *combined* fund balance of \$38,988,308, which is an increase of \$2,172,628 from last year's total of \$36,815,680.

The General Fund is the chief operating fund of Integral Care. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$24,447,059 while the total fund balance reached \$38,988,308. As a measure of the General Fund's liquidity, it may be useful to compare unassigned fund balance to total fund expenditures. Unassigned fund balance represents 23.65% of the total General Fund expenditures.

Integral Care continued participation in the Patient Assistance Program with a dispense value of \$2,193,909 of medications dispensed.

Proprietary Funds. Integral Care's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

The New Milestones Foundation had a \$35,638 increase in net position in fiscal year 2021, compared to an increase of \$9,107 in 2020. Housing First, LLC had no change in net position in fiscal year 2021 or fiscal year 2020.

GENERAL FUND BUDGETARY HIGHLIGHTS

The original General Fund budgeted revenue plus net changes in fund balances was equal to \$111,783,361. Over the course of the year, the budgeted revenue plus net changes in fund balance changed to \$118,343,202. This increase in budget of \$6,559,841 can be summarized as follows:

Major Budget Amendments:

City of Austin Expanded Mobile Crisis Outreach Team (EMCOT)	\$ 1,515,998
City of Austin COVID related contracts	803,233
Downtown Austin Alliance (DAA) & Downtown Austin Community Court (DACC)	519,306
HHSC Suicide Care Prevention Pilot	633,696
Travis County System of Care	402,907
Del Valle ISD Truancy Prevention Program	400,000
Travis County Community Development Block Grant (CDBG)	324,046
HHSC COVID 19 Crisis Counseling Program-Regular Service Program	317,538
University of Houston, Cancer Prevention and Research Institute of Texas & CDC	312,575
HHSC Intellectual & Developmental Disability Outpatient Mental Health Learning Collaborat	300,000
Dell Medical School University of Texas total amendments	311,447
HHSC Substance Abuse total amendments	295,606
HHSC Mental Health General Revenue	246,671
Travis County Substance Abuse Managed Services Organization (SAMSO)	233,713
City of Austin Rapid Rehousing	176,000
Veterans Administration Safe Haven Low Demand Transitional Housing	151,594
City of Austin Homeless Outreach Street Team (HOST)	137,000
Integral Care Foundation	135,533
HHSC Intellectual & Developmental Disability Transition Support Team	134,800
TDCJ, Texas Correctional Office on Offenders with Medical or Mental Impairments (TCOOM	112,619
Fund Balance Committed	(632,844)
HHSC Community Collaboration	(266,666)
All Other	(4,931)
	<hr/>
Total 2021 Revenue Budget Amendments	<u><u>\$ 6,559,841</u></u>

The volume of budget amendments demonstrates the ongoing effort to identify funding for particular initiatives that address unmet needs within the community. In addition, it demonstrates the increased reliance on grant funding, which, as new legislation regarding lower limits on the percentage increase in local taxes without voter approval take effect, has the potential to limit the availability of these resources in the future.

Major variances between the final budgeted and actual amounts:

In regards to City funds and County funds, Integral Care has a large number of cost reimbursement contracts with both the City of Austin and Travis County. As these contracts are acquired, the full contract amount is budgeted on both the revenue and expense side. With the current pandemic and overall workforce challenges in the community, it has increased the gap between the funds contracted for and budgeted for the programs and the ability to draw down the revenue with reimbursable personnel expenses within the scope of work due to staff vacancies.

The primary reasons for the earned income variance deal with staffing challenges and engagement challenges. With the ongoing challenges in staffing positions during the time of the pandemic, the number of staff able to bill for services has declined. In addition, during the pandemic, the change of service delivery modalities to telehealth and telephone has created additional challenges in keeping individuals engaged in a service long enough to meet the minimal threshold per billing guidelines.

The HHSC Mental Health variance in federal funds was due to the COVID 19 Crisis Counseling Program Regular Services Program which included the full awarded budget funds in FY21 budget but which spanned FY21 and a portion of FY22 for service provision. The remaining amounts were in relation to one time funding added to the HHSC Suicide Regional Expansion and funds that could be appropriately expended prior to the close of FY21 being below the amount authorized for the project.

Integral Care budgets Medicaid Administrative Claiming conservatively as the claims are dependent on both internal expenditures and on random moment time study results from across the state-wide system of care. The variance is based on the difference between the actual quarterly claims and the conservative budget estimate.

During the Public Health Emergency, the Centers for Medicaid and Medicare Services is paying an enhanced FMAP on supplemental waiver programs such as the 1115 Transformation Waiver. As the enhanced rate was contingent on the continuation of the public health emergency, Integral Care did not budget for the enhanced portion of the payment during FY21. The enhanced portion of the FMAP received by Integral Care during FY21 amounted to approximately \$1.9 million.

In regards to personnel and employee benefits, Integral Care has a large number of cost reimbursement contracts with various entities such as the City of Austin, Travis County, and Texas Health and Human Services Commission. As these contracts are acquired, the full contract amount is budgeted with the corresponding portions of the personnel and employee benefit expenditures being budgeted per the scope of work for the contract. With the current pandemic and overall workforce challenges in the community, it has increased the gap between the funds budgeted for personnel and benefit expenses in comparison to the actual expenses.

Throughout FY21, COVID 19 caused a shift in services, at times causing some units to close. The consultation and professional fees variance is primarily due to the adjustment made due to COVID and the impact it had on staffing of units.

Integral Care acquired a \$14,000,000 note from Frost Bank in the prior fiscal year. \$9,405,644 of the note was utilized for purchase of property. The remaining \$4,594,356 was left to be drawn down for renovation of the property. In order to draw down the funds, architectural work was needed to be completed and City of Austin approval for appropriate building permits was needed. The building permits were issued in December 2021 and the loan proceeds will be utilized during FY22 for renovation of the facility.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets. Integral Care's investment in capital assets for its governmental and business-type activities as of August 31, 2021, amounts to \$43,227,655 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, vehicles, furniture, and equipment.

Capital Assets (Net of Accumulated Depreciation)

	Governmental Activities		Business-Type Activities		Total	
	8/31/2021	8/31/2020	8/31/2021	8/31/2020	8/31/2021	8/31/2020
Land, buildings and construction in progress	\$ 52,511,449	\$ 51,025,578	\$ 6,736,311	\$ 6,691,797	\$ 59,247,760	\$ 57,717,375
Furniture and equipment	9,388,545	9,121,696	160,285	112,195	9,548,830	9,233,891
Vehicles	1,042,582	1,042,582	-	-	1,042,582	1,042,582
Less accumulated depreciation	(23,639,861)	(20,721,249)	(2,971,656)	(2,799,460)	(26,611,517)	(23,520,709)
	<u>\$ 39,302,715</u>	<u>\$ 40,468,607</u>	<u>\$ 3,924,940</u>	<u>\$ 4,004,532</u>	<u>\$ 43,227,655</u>	<u>\$ 44,473,139</u>

Additional information regarding Integral Care's capital assets can be found at Note 12 titled "Capital Assets" on pages 41-42 of this report.

Long-term debt. The Center has a liability of \$9,405,644 for the loan with Frost Bank, received in April 2020.

Additional information on the Center's long-term obligations can be found in Note 13 to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS

Integral Care's current fiscal year 2022 amended budget of \$134,007,416 (November 2021) is a total increase of \$15,664,214, from the final fiscal year 2021 budget of \$118,343,202.

Major Budget Changes include the following:

HHSC Block Grant Supported Housing	\$ 3,250,000
SAMHSA Community Mental Health Centers Grant	2,500,000
SAMHSA Healthy Impacts through CCBHC	1,999,999
Fund Balance Committed	1,811,484
City of Austin Permanent Supportive Housing	1,558,200
Travis County Assertive Community Treatment (ACT)	1,291,579
HHSC Outpatient Expansion Program	1,237,757
HHSC Lifeline Expansion Planning	874,196
Medicaid/Medicare/Managed Care Organizations, All Fee for Service	713,079
Travis County Jail Based Intake & Care Navigation	715,300
Travis County Intensive Mobile Crisis Outreach Team Services for Children and Families	503,681
Travis County Intellectual & Developmental Disability Crisis Respite Care	484,406
HHSC Coordinated Specialty Care	429,180
Medicaid Administrative Claiming	400,000
Downtown Austin Community Court Homeless Encampment Assistance Link (HEAL)	373,333
Travis County EMCOT 911 Expansion	350,280
Travis County ProLodge	325,000
City of Austin Rapid Rehousing	324,000
City of Austin Homeless Outreach Street Team	291,292
Travis County Intellectual & Developmental Disability In-Home Respite	256,174
City of Austin Bridge to Recovery	229,925
HHSC Bridge to STAR+PLUS	195,386
HHSC Forensic Act	173,681
Front Steps Southbridge Shelter	165,539
Travis County Intellectual & Developmental Disability Intake & Enrollment	126,073
HHSC Residency Program	100,797
HHSC Suicide Care Prevention Pilot	(667,213)
City of Austin COVID related contracts	(497,412)
Del Valle ISD Victim of Crime Act	(400,000)
Travis County Community Development Block Grant (CDBG)	(324,046)
HHSC Intellectual & Developmental Disability Outpatient Mental Health Learning Collaborat	(300,000)
HHSC Substance Abuse total amendments	(264,411)
Episcopal Health Foundation	(258,447)
HHSC Mental Health General Revenue	(246,671)
HHSC Healthy Community Collaborative	(235,050)
Client Revenue - Retail Pharmacy	(191,848)
HHSC COVID 19 Crisis Counseling Program Regular Service Program	(163,826)

Travis County Substance Abuse Managed Services Organization (SAMSO)	(144,572)
Integral Care Foundation	(140,533)
HHSC Intellectual & Developmental Disability Transition Support Team	(134,800)
St. David's Foundation Herman Center	(119,167)
Meadows Foundation	(100,000)
All Other Changes (Less than \$100,000 each)	<u>(828,131)</u>
 Total Fiscal Year 2021 to 2022 Budget Change	 <u><u>\$ 15,664,214</u></u>

The major budget issues that impact the 2022 budget:

- Integral Care is implementing a Facility Master Plan. As part of the plan, Integral Care has been moving toward purchase and renovation of facilities with the debt-service replacing the ongoing lease payments Integral Care has been incurring. The \$4.5 million in proceeds from the Frost Note reflect funds toward renovation of one of the facilities. These funds will be coupled with up to an additional \$8.5 million to be financed to complete the renovations. The building permits have been acquired for the renovation which is expected to begin in February 2022 with completion near September 2022.
- Integral Care's fiscal year 2022 will be the 1115 Transformation Waiver demonstration year 10 of the Delivery System Reform Incentive Payment (DSRIP) program. The Center for Medicare and Medicaid Services (CMS) has authorized an extension of the original 5-year waiver through September 2021 for DSRIP with final payments occurring in July 2022. The State of Texas Health and Human Services Commission (HHSC) has negotiated a Directed Payment Program Behavioral Health Services and a Public Health Provider Charity Care Pool which will help replace DSRIP funding moving forward.
- Integral Care has a number of new contract awards for Fiscal Year 2022. These are listed in the Fiscal Year 2021 to 2022 Budget Changes listed above. The volume of the new awards coupled with the ongoing COVID pandemic will present challenges with acquiring and onboarding necessary workforce to meet the scope of work for each of the contracts.

REQUEST FOR INFORMATION

This financial report is designed to provide a general overview of the Integral Care's finances for all those with an interest in Integral Care's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Integral Care, Accounting Services Department, P.O. Box 3548, Austin, TX 78764-3548.

Integral Care
Statement of Net Position
August 31, 2021

	Governmental Activities	Business-type Activities	Total
Assets			
Current Assets			
Cash and investments	\$ 20,727,715	\$ 954,035	\$ 21,681,750
Accounts receivable	2,313,406	32,219	2,345,625
Employee receivables, net	234,503	-	234,503
Due from other governments, net	14,526,311	-	14,526,311
DPP IGT deposit	1,895,207	-	1,895,207
Prepaid expenses and other assets	1,031,156	18,674	1,049,830
Total current assets	<u>40,728,298</u>	<u>1,004,928</u>	<u>41,733,226</u>
Noncurrent Assets			
Restricted assets			
Investment in Austin Community Foundatio	-	424,548	424,548
Notes receivable	9,083,433	-	9,083,433
Capital assets, net			
Nondepreciable assets	12,842,330	530,700	13,373,030
Depreciable assets	26,460,385	3,394,240	29,854,625
Total noncurrent assets	<u>48,386,148</u>	<u>4,349,488</u>	<u>52,735,636</u>
Total assets	<u>89,114,446</u>	<u>5,354,416</u>	<u>94,468,862</u>
Liabilities			
Current Liabilities			
Accounts payable	4,623,886	86,334	4,710,220
Accrued expenses and other liabilities	1,544,574	56,448	1,601,022
Internal balances	(125,081)	125,081	-
Unearned revenue	2,061,995	4,373	2,066,368
Total current liabilities	<u>8,105,374</u>	<u>272,236</u>	<u>8,377,610</u>
Noncurrent Liabilities			
Notes payable - due in less than one year	471,060	-	471,060
Notes payable - due in more than one year	8,934,584	-	8,934,584
Accrued compensated absences - due in more than one year	2,213,064	-	2,213,064
Total noncurrent liabilities	<u>11,618,708</u>	<u>-</u>	<u>11,618,708</u>
Total liabilities	<u>19,724,082</u>	<u>272,236</u>	<u>19,996,318</u>
Net Position			
Net investment in capital assets	29,897,071	3,924,940	33,822,011
Restricted for permanent endowment - nonexpendable	-	424,548	424,548
Unrestricted	39,493,293	732,691	40,225,984
Total net position	<u>\$ 69,390,364</u>	<u>\$ 5,082,179</u>	<u>\$ 74,472,543</u>

Integral Care
Statement of Activities
Year Ended August 31, 2021

	Expenses			Program Revenues		Net (Expenses) Revenues and Changes in Net Position		
	Expenses	Administration Allocation	Expenses After Allocation of Administration	Charges for Services	Operating Grants and Contributions	Governmental Activities	Business Type Activities	Total
Governmental Activities								
Behavioral health - adult	\$ 67,917,101	\$ 8,412,912	\$ 76,330,013	\$ 4,108,419	\$ 72,643,667	\$ 422,073	\$ -	\$ 422,073
Behavioral health - children	11,902,390	1,485,695	13,388,085	2,263,911	11,186,270	62,096	-	62,096
Intellectual & developmental disabilities	7,950,131	987,491	8,937,622	3,314,448	6,264,323	641,149	-	641,149
Substance use disorder	4,936,673	613,434	5,550,107	2,461,332	3,289,365	200,590	-	200,590
Administration	11,499,532	(11,499,532)	-	-	-	-	-	-
Interest and fees on debt	321,100	-	321,100	-	-	(321,100)	-	(321,100)
Total governmental activities	104,526,927	-	104,526,927	12,148,110	93,383,625	1,004,808	-	1,004,808
Business-Type Activities								
New Milestones Foundation	1,181,042	-	1,181,042	900,620	218,954	-	(61,468)	(61,468)
Housing First, LLC	-	-	-	-	-	-	-	-
Total business-type activities	1,181,042	-	1,181,042	900,620	218,954	-	(61,468)	(61,468)
Total primary government	\$ 105,707,969	\$ -	\$ 105,707,969	\$ 13,048,730	\$ 93,602,579	1,004,808	(61,468)	943,340
				General Revenues				
					Investment earnings	8,722	97,106	105,828
					Total general revenues	8,722	97,106	105,828
					Change in Net Position	1,013,530	35,638	1,049,168
					Net Position, Beginning	68,376,834	5,046,541	73,423,375
					Net Position, Ending	\$ 69,390,364	\$ 5,082,179	\$ 74,472,543

Integral Care
Balance Sheet – Governmental Funds
August 31, 2021

	General	Total Governmental Funds
Assets		
Cash and investments	\$ 20,727,715	\$ 20,727,715
Accounts receivable	2,313,406	2,313,406
Employee receivables, net	234,503	234,503
Due from other governments, net	14,526,311	14,526,311
Due from other funds	125,081	125,081
Note receivable	6,365,384	6,365,384
DPP IGT deposit	1,895,207	1,895,207
Prepaid items	1,031,156	1,031,156
	<u>\$ 47,218,763</u>	<u>\$ 47,218,763</u>
Liabilities and Fund Balances		
Liabilities		
Accounts payable	\$ 4,623,886	\$ 4,623,886
Accrued expenditures and other liabilities	1,544,574	1,544,574
Unearned revenues	2,061,995	2,061,995
	<u>8,230,455</u>	<u>8,230,455</u>
Fund Balances		
Nonspendable	7,396,540	7,396,540
Committed	4,931,645	4,931,645
Assigned	2,213,064	2,213,064
Unassigned	24,447,059	24,447,059
	<u>38,988,308</u>	<u>38,988,308</u>
Total fund balances	<u>38,988,308</u>	<u>38,988,308</u>
Total liabilities and fund balances	<u>\$ 47,218,763</u>	<u>\$ 47,218,763</u>

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds	39,302,715
Long term note receivable not reported in the funds	2,718,049
The following liabilities are not due and payable in the current period and, therefore, are not reported in the funds:	
Notes payable	(9,405,644)
Accrued compensated absences	(2,213,064)
	<u>(11,618,688)</u>
Net position of governmental activities	<u>\$ 69,390,364</u>

Integral Care
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds
Year Ended August 31, 2021

	General	Total Governmental Funds
Revenues		
Local and earned revenues	\$ 35,502,993	\$ 35,502,993
State programs	34,716,613	34,716,613
Federal programs	35,312,129	35,312,129
Investment earnings	8,722	8,722
Total revenues	105,540,457	105,540,457
Expenditures		
Current		
Behavioral health - adult	65,869,793	65,869,793
Behavioral health - children	11,627,193	11,627,193
Intellectual and developmental disabilities	7,728,201	7,728,201
Substance use disorder	4,800,794	4,800,794
Administration	11,268,028	11,268,028
Debt service		
Interest	321,100	321,100
Capital outlay	1,752,720	1,752,720
Total expenditures	103,367,829	103,367,829
Net Change in Fund Balances	2,172,628	2,172,628
Fund Balances, September 1, 2020	36,815,680	36,815,680
Fund Balances, August 31, 2021	\$ 38,988,308	\$ 38,988,308

Integral Care

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities Year Ended August 31, 2021

Net change in fund balance - total governmental funds \$ 2,172,628

Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Capital outlay	1,752,720
Depreciation expense	(2,918,612)

Long-term liabilities for compensated absences are accrued in the Statement of Net Position but they are not due and payable out of current resources and therefore are not reported as liabilities in the governmental fund balance sheet.

Change in accrued compensated absences	<u>6,794</u>
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Change in net position of governmental activities	<u><u>\$ 1,013,530</u></u>
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Integral Care

Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – General Fund
Year Ended August 31, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Local and Earned Revenues				
City funds	\$ 7,918,952	\$ 10,180,152	\$ 7,503,303	\$ (2,676,849)
County funds	6,709,072	7,343,627	5,993,018	(1,350,609)
Other taxing authority funds	8,431,400	8,520,500	9,086,110	565,610
Earned income	11,639,085	11,641,204	8,490,281	(3,150,923)
Rental income	748,016	748,016	642,527	(105,489)
Miscellaneous income & contributions	3,345,302	4,327,363	3,787,754	(539,609)
Total local revenues	38,791,827	42,760,862	35,502,993	(7,257,869)
State Program Revenues				
HHSC - Mental Health	28,865,806	28,888,271	28,647,552	(240,719)
HHSC - substance use disorder	115,963	106,261	180,552	74,291
HHSC - IDD	3,822,049	4,136,231	3,604,688	(531,543)
TCOOMMI	1,957,311	2,069,930	2,132,995	63,065
Other state programs	155,347	467,922	150,826	(317,096)
Total state program revenues	34,916,476	35,668,615	34,716,613	(952,002)
Federal Program Revenues				
HHSC - Mental Health	5,301,092	6,222,220	5,518,781	(703,439)
HHSC - Substance use disorder	1,445,817	1,490,160	1,379,197	(110,963)
HHSC - IDD	653,053	729,056	329,492	(399,564)
City of Austin - Ryan White	395,185	411,007	330,694	(80,313)
City of Austin - CDBG - YAFAC	186,507	188,490	187,006	(1,484)
City of Austin - COVID Prolodges	-	688,749	268,853	(419,896)
HUD Supported Housing	439,116	439,116	438,611	(505)
Travis County - Parents in Recovery	54,231	119,231	68,958	(50,273)
Travis County - SAMSO (SAMHSA)	204,469	218,610	207,940	(10,670)
Travis County - CDBG CV	-	324,046	227,530	(96,516)
SAMHSA CCBHC	-	-	20,391	20,391
SAMHSA CHRP	400,000	400,000	247,443	(152,557)
SAMHSA MHAT	125,000	125,000	134,452	9,452
SAMHSA AOT	1,000,000	1,000,000	645,388	(354,612)
Del Valle ISD - VOCA	400,000	400,000	425,333	25,333
UTDMS SAMHSA	209,942	209,942	161,028	(48,914)
Veterans Administration - Safe Haven	840,320	991,914	762,641	(229,273)
Medicaid Administrative Claiming	2,600,000	2,600,000	3,267,055	667,055
1115 Transformation Waiver	19,185,970	18,721,828	20,691,337	1,969,509
Total federal program revenues	33,440,702	35,279,369	35,312,129	32,760
Investment Earnings	40,000	40,000	8,722	(31,278)
Total revenues	\$ 107,189,005	\$ 113,748,846	\$ 105,540,457	\$ (8,208,389)

Integral Care

Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – General Fund
Year Ended August 31, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Expenditures				
Current				
Personnel	\$ 54,607,739	\$ 58,826,826	\$ 53,758,794	\$ 5,068,032
Employee benefits	13,794,009	14,635,857	13,074,213	1,561,644
Training and travel	915,215	852,253	299,645	552,608
Medication costs	692,387	704,387	226,576	477,811
Consumable supplies	342,934	389,022	357,948	31,074
Consultation and professional fees	22,484,140	22,036,087	17,773,299	4,262,788
Furniture and equipment	96,230	591,459	470,439	121,020
Facilities, telephone, and utilities	6,853,767	7,114,374	7,444,304	(329,930)
Insurance	527,167	536,655	544,855	(8,200)
Transportation	212,341	223,564	143,086	80,478
Professional fees	146,310	146,310	347,309	(200,999)
Client support costs	2,090,944	2,493,701	2,583,520	(89,819)
Other operating costs	3,848,412	4,562,486	4,270,021	292,465
Total current	<u>106,611,595</u>	<u>113,112,981</u>	<u>101,294,009</u>	<u>11,818,972</u>
Debt Service				
Principal	-	-	-	-
Interest	377,410	377,410	321,100	56,310
Total debt service	<u>377,410</u>	<u>377,410</u>	<u>321,100</u>	<u>56,310</u>
Capital Outlay	<u>4,794,356</u>	<u>4,852,811</u>	<u>1,752,720</u>	<u>3,100,091</u>
Total expenditures	<u>111,783,361</u>	<u>118,343,202</u>	<u>103,367,829</u>	<u>14,975,373</u>
Excess (deficiency) of revenues over expenditures	<u>(4,594,356)</u>	<u>(4,594,356)</u>	<u>2,172,628</u>	<u>6,766,984</u>
Other Financing Sources (Uses)				
Loan proceeds	<u>4,594,356</u>	<u>4,594,356</u>	<u>-</u>	<u>(4,594,356)</u>
Total other financing sources (uses)	<u>4,594,356</u>	<u>4,594,356</u>	<u>-</u>	<u>(4,594,356)</u>
Net Changes in Fund Balances	-	-	2,172,628	2,172,628
Fund Balances, September 1, 2020	<u>36,815,680</u>	<u>36,815,680</u>	<u>36,815,680</u>	<u>-</u>
Fund Balances, August 31, 2021	<u>\$ 36,815,680</u>	<u>\$ 36,815,680</u>	<u>\$ 38,988,308</u>	<u>\$ 2,172,628</u>

Integral Care
Statement of Net Position – Proprietary Funds
August 31, 2021

	<u>Business-type Activities - Enterprise Funds</u>		
	<u>Housing First, LLC</u>	<u>New Milestones Foundation</u>	<u>Total</u>
Assets			
Current assets			
Cash and cash equivalents	\$ 271,524	\$ 682,511	\$ 954,035
Accounts receivables, net	30,000	2,219	32,219
Other assets	-	18,674	18,674
Total current assets	<u>301,524</u>	<u>703,404</u>	<u>1,004,928</u>
Noncurrent assets			
Restricted assets			
Investment in Austin Community Foundation	-	424,548	424,548
Capital assets, net	-	3,924,940	3,924,940
Total noncurrent assets	<u>-</u>	<u>4,349,488</u>	<u>4,349,488</u>
Total assets	<u>301,524</u>	<u>5,052,892</u>	<u>5,354,416</u>
Liabilities			
Current liabilities			
Accounts payable	-	86,334	86,334
Other liabilities	-	56,448	56,448
Unearned revenues	-	4,373	4,373
Due to other funds	-	125,081	125,081
Total current liabilities	<u>-</u>	<u>272,236</u>	<u>272,236</u>
Total liabilities	<u>-</u>	<u>272,236</u>	<u>272,236</u>
Net Position			
Investment in capital assets	-	3,924,940	3,924,940
Restricted for permanent endowment - nonexpendable	-	424,548	424,548
Unrestricted	301,524	431,167	732,691
Total Net Position	<u>\$ 301,524</u>	<u>\$ 4,780,655</u>	<u>\$ 5,082,179</u>

Integral Care
Statement of Revenues, Expenses, and Changes in Fund Net Position – Proprietary Funds
Year Ended August 31, 2021

	Business-type Activities - Enterprise Funds		
	Housing First, LLC	New Milestones Foundation	Total
Operating Revenues			
Property revenues	\$ -	\$ 900,620	\$ 900,620
Other revenues	-	218,954	218,954
Total operating revenues	-	1,119,574	1,119,574
Operating Expenses			
Property expenses	-	558,177	558,177
Depreciation	-	172,196	172,196
Administrative	-	450,669	450,669
Total operating expenses	-	1,181,042	1,181,042
Operating Income (Loss)	-	(61,468)	(61,468)
Nonoperating Revenues/Expenses			
Investment income	-	97,106	97,106
Total nonoperating revenues/expenses	-	97,106	97,106
Change in Net Position	-	35,638	35,638
Net Position, Beginning of Year	301,524	4,745,017	5,046,541
Net Position, End of Year	<u>\$ 301,524</u>	<u>\$ 4,780,655</u>	<u>\$ 5,082,179</u>

Integral Care
Statement of Cash Flows – Proprietary Funds
Year Ended August 31, 2021

	<u>Business-type Activities - Enterprise Funds</u>		
	New		
	<u>Housing First, LLC</u>	<u>Milestones Foundation</u>	<u>Total</u>
Operating Activities			
Cash received from customers	\$ -	\$ 899,286	\$ 899,286
Other receipts	-	218,954	218,954
Cash payments to suppliers for goods and services	(30,000)	(976,632)	(1,006,632)
Net Cash from Operating Activities	<u>(30,000)</u>	<u>141,609</u>	<u>111,609</u>
Capital and Related Financing Activities			
Purchase of capital assets	-	(92,604)	(92,604)
Net Cash used for Capital and Related Financing Activities	<u>-</u>	<u>(92,604)</u>	<u>(92,604)</u>
Investing Activities			
Interest on investments	-	97,106	97,106
Change in investment in Austin Community Foundation	-	(93,095)	(93,095)
Net Cash from Investing Activities	<u>-</u>	<u>4,011</u>	<u>4,011</u>
Net Change in Cash and Cash Equivalents	(30,000)	53,016	23,016
Cash and Cash Equivalents, Beginning of Year	<u>301,524</u>	<u>629,495</u>	<u>931,019</u>
Cash and Cash Equivalents, End of Year	<u>\$ 271,524</u>	<u>\$ 682,511</u>	<u>\$ 954,035</u>
Reconciliation of Operating Income (Loss) to Net Cash from Operating Activities			
Operating income (loss)	\$ -	\$ (61,468)	\$ (61,468)
Adjustments to reconcile operating loss to net cash from operating activities			
Noncash items included in net operating loss			
Depreciation	-	172,196	172,196
Change in assets and liabilities			
(Increase) decrease in			
Accounts receivable	(30,000)	(1,334)	(31,334)
Other assets	-	387	387
Increase (decrease) in			
Accounts payable	-	32,964	32,964
Other liabilities	-	380	380
Unearned revenues	-	(1)	(1)
Due to other funds	-	(1,516)	(1,516)
Net Cash from Operating Activities	<u>\$ (30,000)</u>	<u>\$ 141,609</u>	<u>\$ 111,609</u>

Note 1 - Reporting Entity

Austin Travis County Mental Health Mental Retardation Center dba Integral Care ('Integral Care') is established by the City of Austin and Travis County Central Health, as provided in the Texas Mental Health and Mental Retardation Act of 1965 (HB3). The purpose of this tax-exempt agency is to provide comprehensive behavioral health and intellectual & developmental disabilities services at the community level to citizens in the Austin and Travis County area. Principal funding sources are local, state and federal grants, the majority of which are subject to renewal on an annual basis. Integral Care is governed by a nine-member Board of Trustees (the Board) that has governance responsibilities over activities related to Integral Care. Integral Care is not included in any other governmental "reporting entity" as defined in Section 2100, Codification of Governmental Accounting and Financial Reporting Standards. The appointed members of the Board have the authority to make decisions, possesses the power to designate management, have the responsibility to significantly influence operations, and maintain primary accountability for fiscal matters.

In evaluating how to define Integral Care for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in Governmental Accounting Standards Board (GASB) Statement No. 14, "The Financial Reporting Entity", as amended. GASB defines the reporting entity as the primary government and those component units for which the primary government is financially accountable. Financial accountability is defined as appointment of a voting majority of the component unit's board, and either A) the ability for the primary government to impose its will; or B) the possibility the component unit will provide a financial benefit to or impose a financial burden on the primary government. Although legally separate entities, blended component units are in substance, part of the government's operations and are combined with data of Integral Care. The component units discussed in Notes 3, 6, and 7 are included in Integral Care's reporting entity as blended component units because of the significance of their operational and financial relationships with Integral Care.

Note 2 - Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e. the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by intergovernmental revenues, are reported separately from business-type activities which rely, to a significant extent, on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenue includes 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services or privileges provided by a given function or segment; and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Other items not properly included among program revenues are reported instead as general revenue. Administrative expenses are allocated among Integral Care's programs, excluding interest on long-term debt, based on each program's proportionate share of expenses.

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

Note 3 - Measurement Focus, Basis of Accounting and Financial Statement Presentation

The accounting policies of Integral Care conform to generally accepted accounting principles (GAAP) as applicable to state and local governmental units as promulgated by the GASB.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenue to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to accrued employee time and claims and judgments, are recorded only when payment is due.

Grant revenue, patient fees and interest associated with the current fiscal period are all considered to be susceptible to accrual and so, have been recognized as revenue of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by Integral Care.

Integral Care reports the following major governmental funds:

The General Fund is Integral Care's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

Additionally, Integral Care reports the following fund types:

The Enterprise Funds (proprietary fund types) are used to account for operations that are financed and operated in a manner similar to private business enterprises. Integral Care accounts for the activities of New Milestones Foundation (New Milestones) as a major enterprise fund. New Milestones is a component unit of Integral Care and is blended in this fund. Housing First, LLC is also included as a nonmajor enterprise fund.

Proprietary funds distinguish operating revenue and expenses from non-operating items. Operating revenue and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. All revenue and expenses not meeting this definition are reported as non-operating revenue and expenses.

When both restricted and unrestricted resources are available for use, it is Integral Care's policy to use restricted resources first, then unrestricted resources as needed.

Note 4 - Assets, Liabilities and Net Position or Equity

Cash and Cash Equivalents

Integral Care's cash and cash equivalents include cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

Investments

Investments in public funds investment pools are reported at amortized cost. Investment in the Austin Community Foundation is reported at net asset value.

Interfund Balances

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interim loans) or "advances to/from other funds" (i.e., the noncurrent portion of interfund loans.) All other outstanding balances between funds are reported as "due to/from other funds". Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances".

Employee Receivables

During fiscal year 2016, Integral Care made a payroll system conversion and a payroll change to its pay period from a bi-monthly (current) payroll period to bi-weekly (in-arrears) payroll period. A payroll advance was made available to all employees up to a maximum amount of 68 hours per employee. At August 31, 2021, the employee receivable balance on payroll advances was \$266,407, and the allowance for uncollectible was \$43,377. An additional payroll receivable of \$11,473 is also due from previous employees for health insurance (COBRA).

Due from Other Governments

Patient receivables are uncollateralized noninterest bearing patient and third-party payor obligations. Payments of patient receivables are allocated to the specific claims identified in the remittance advice or, if unspecified, are applied to the earliest unpaid claim.

The carrying amount of patient and client receivables is reduced by a valuation allowance that reflects management's estimate of amounts that will not be collected from patients and third-party payors. Management reviews patient and client receivables by payor class and applies percentages to determine estimated amounts that will not be collected from third parties under contractual agreements and amounts that will not be collected from patients due to bad debts. Management considers historical cash collections, write off and recovery information in determining the estimated bad debt provision. The allowance for uncollectible accounts in the General Fund as of August 31, 2021, is \$590,971.

Grant receivables represent contractual exchange transactions that are recognized as revenue as the services are performed or nonexchange operational grants. Management has not recorded an allowance on grants receivable as amounts are expected to be fully collected within the year.

Revenue

Net Patient and Client Service Revenue

The Center has agreements with third-party payors that provide for payments to the Center at contractually agreed upon rates. Net patient and client service revenue is reported at the estimated net realizable amounts from patients, clients, and third-party payors, and others for services rendered. The Center also entered into payment agreements with Medicare, certain commercial insurance carriers (managed care organizations) and other organizations. The basis for payment under these agreements is mostly based on fee for service arrangements. For uninsured patients, the Center recognizes revenue on the basis of its standard rates for services provided, adjusted for the minimum monthly fee provisions as mandated by the state of Texas. Revenue from Medicaid Waiver programs (such as 1115, Texas Home Living, YES) are recognized when services are rendered. These programs are billed based on state negotiated rates.

Laws and regulations governing the Medicare, Medicaid, and other programs are extremely complex and subject to interpretation. As a result, there is at least a reasonable possibility that recorded estimates will change by a material amount in the near term.

Grants

The Center receives grants from private organizations and state and federal agencies. Revenues from grants are recognized when all eligibility requirements, including time requirements, are met.

Other Revenues

Revenue is recognized when earned. Program service fees and payments under cost-reimbursable contracts received in advance are deferred to the applicable period in which the related services are performed, or expenditures are incurred, respectively. Contributions are recognized when cash, securities or other assets, an unconditional promise to give, or notification of a beneficial interest is received.

Intergovernmental Transfer (IGT)

The Center has enrolled in the Directed Payment Program (DPP) for Behavioral Health Services and, as of August 31, 2021, has sent HHSC one intergovernmental transfer (IGT) in the amount of \$1,895,207 in order to leverage federal funding, which is reported in the statement of net position and the general fund balance sheet. The Center reported a second IGT in December 2021.

Prepaid Items

Payments made to vendors for services that will benefit periods beyond August 31, 2021 are recorded as prepaid items in both government-wide and fund financial statements. Prepaid assets are equally offset by nonspendable fund balance in the governmental funds balance sheet, which indicates that it does not constitute available spendable resources even though they are components of total assets.

Capital Assets

Capital assets, which include property, plant and equipment, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by Integral Care as assets with an initial individual cost of more than \$5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or acquisition value at the date of donation. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

Property, plant and equipment are depreciated using the straight-line method over the following useful lives:

Building and improvements	30-40 years
Furniture and equipment	3-20 years
Vehicles	5 years

Source of Funds

Some funds from federal and other state sources represent fees for service reimbursements, as well as project grants. The funds that are specifically for individual patient service reimbursements are reported as local funds under patient fees or insurance reimbursements, identified by source as directed by Texas Health and Human Services Commission (HHSC).

Unearned Revenue

Unearned revenue arises when assets are recognized before revenue recognition criteria have been satisfied.

Long-term Obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations, such as compensated absences payable, are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Proceeds from issuance of debt is reported as other financing sources in governmental funds.

Compensated Absences

Integral Care has personnel policies for vacation and holiday time which allow for accumulation of unused time. This can be taken by employees in future periods or paid upon termination. Integral Care accrues its liability for such accumulated unpaid benefits in the government-wide financial statements. Actual compensated absences benefits paid during the year are recorded as expenditures in the general fund.

Risk Management

Integral Care is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets, errors and omission, injuries to employees, doctor's malpractice, and natural disasters. During fiscal year 2021, Integral Care was covered by insurance for these various risks at a cost it considered to be economically justifiable.

Net Position and Fund Balances

The government-wide and proprietary fund financial statements utilize a net position presentation. Net position represents the difference between assets and deferred outflows of resources, and liabilities and deferred inflows of resources and categorized as net investment in capital assets, restricted and unrestricted.

- Net Investment in Capital Assets– This category consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets.
- Restricted – This category reflects net position that is subject to constraints either by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation.

- Unrestricted – This category represents net position of Integral Care not restricted for any project or other purpose. Outstanding liabilities attributable to these assets reduce the balance of this category.

In the fund financial statements, governmental funds report fund balance as nonspendable, restricted, committed, assigned or unassigned based primarily on the extent to which Integral Care is bound to honor constraints on the specific purposes for which amounts in the funds can be spent.

- Nonspendable fund balance
The nonspendable fund balance includes amounts that are not in spendable form or are legally or contractually required to be maintained intact. This classification includes prepaid items and long-term note receivable.
- Restricted fund balance
The restricted fund balance includes amounts with constraints on their use that are either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation.
- Committed fund balance
The committed fund balance includes amounts that can only be used for the specific purposes determined by formal action of Integral Care’s highest level of decision- making authority, the Board of Trustees. Commitments may be changed only by the Board of Trustees taking the same formal action that originally imposed the constraint.
- Assigned fund balance
The assigned fund balance includes amounts that are constrained by Integral Care’s intent to be used for specific purposes. The intent can be expressed by either the highest level of decision-making authority or by a body or an official to which the Board of Trustees has delegated the authority.
- Unassigned fund balance
The unassigned fund balance is the residual classification for the General Fund and includes all amounts not contained in the other classifications. In other funds, the unassigned classification is used only if expenditures incurred for specific purposes exceed the amounts restricted, committed or assigned to those purposes.

When expenditures are incurred for which both restricted and unrestricted fund balance is available, the Center considers restricted funds to have been spent first. Similarly committed funds are considered spent first when there is a choice for the use of less restricted funds, then assigned and then unassigned funds.

Tax Exempt Status

The Internal Revenue Service has issued a determination letter dated October 1972, stating that Integral Care qualifies as an organization described in Section 501(c)(3) of the Internal Revenue Code and accordingly, is exempt from federal income taxes.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenditures during the reporting period. Accordingly, actual results could differ from those estimates.

Note 5 - Stewardship, Compliance and Accountability

The budget for the general fund is prepared on an accounting basis consistent with generally accepted accounting principles. The statement of revenues, expenditures and changes in fund balances – budget and actual is presented using the same format, terminology and classifications used in the budget document. Integral Care’s annual budget for the general fund is prepared based on estimated expenditures provided on a unit basis summarized by program category. The budget is submitted to the Board of Trustees. The budget must have the Board of Trustees approval. Budget amendments of \$100,000 or more must be approved by the Board of Trustees. All annual appropriations lapse at fiscal year-end.

Note 6 - New Milestones Foundation, Inc.

The New Milestones Foundation, Inc. (New Milestones), a non-profit organization, was established in 1981 primarily for the purpose of acquiring real and personal property for use by Integral Care. Two of Integral Care’s Trustees are members of the New Milestones Board of Directors. Although it is legally separate from Integral Care, New Milestones is reported as if it were part of Integral Care because it provides services primarily to Integral Care. New Milestones is accounted for as an enterprise fund in the basic financial statements of Integral Care and has an August 31 fiscal year end. New Milestones uses the accrual basis of accounting. Complete financial statements of New Milestones can be obtained from the administrative offices of Integral Care. New Milestones Foundation, Inc. has filed a dba of Integral Care Foundation. The dba was filed to show the alignment between the purposes of Integral Care and Integral Care Foundation.

Integral Care and New Milestones Transactions

New Milestones receives clerical and administrative assistance from Integral Care at no charge.

NMF Housing I-VII Corporations

A condition of the U.S. Department of Housing and Urban Development (HUD) Section 202 and 811 grants required New Milestones to form affiliated non-profit corporations – NMF Housing I, Inc., NMF Housing II, Inc., NMF Housing III, Inc., NMF Housing IV, Inc., NMF Housing V, Inc., NMF Housing VI, Inc., and NMF Housing VII, Inc. (NMF Housing I-VII corporations). At August 31, 2021, the assets, liabilities and net position of the corporations have been consolidated with New Milestones.

Mortgage Notes Payable

On September 18, 1995, NMF Housing I-VII corporations entered into capital advance program mortgage notes with HUD. The notes bear no interest and repayment is not required so long as the housing remains available for very low-income elderly persons or very low-income persons with disabilities in accordance with Section 202 of the Housing Act of 1959 or Section 811 of the National Affordable Housing Act of 1990 (Acts). The notes shall be deemed to be paid and discharged beginning June 1, 2036, provided that 1) the housing has remained available for occupancy by eligible families until the maturity date; and 2) the notes have not otherwise become due and payable by reasons of default. If default occurs under the terms of the note, the entire principal and interest shall be due and payable at an interest rate of 7.875%. The debt may not be prepaid prior to the maturity date without the prior written approval of HUD. As of August 31, 2021, New Milestones and its affiliated corporations had capital advances of \$6,570,299 which are deemed reimbursable costs under Section 202 and Section 811 of the Acts. The surplus cash was placed in a separate replacement reserve account in accordance with HUD guidelines.

Capital Assets

Capital assets of New Milestones, less accumulated depreciation, at August 31, 2021 consisted of the following:

Land		\$	530,700
Building and improvements			6,205,611
Equipment			160,285
			6,896,596
Less accumulated depreciation			(2,971,656)
Capital assets, net			\$ 3,924,940

Depreciation expense for the year ended August 31, 2021, was \$172,196. Capital assets are depreciated over their useful life on a straight-line basis. Useful lives range from 5 to 40 years.

Income Taxes

New Milestones and its affiliated non-profit corporations are qualified as not-for-profit organizations under Section 501(c)(3) of the Internal Revenue Code of 1986. Accordingly, they are exempt from federal income taxation.

Note 7 - Housing First, LLC

Housing First, LLC was organized as a Texas limited liability company and has Integral Care as its sole member. Housing First, LLC has entered into a Development Fee Agreement with Housing First Oak Springs, LP. As Developer, Housing First, LLC will receive \$2 million in Development Fees upon completion of specified conditions as outlined in the Development Fee Agreement of the Amended and Restated Limited Partnership Agreement of Housing First Oak Springs, LP dated December 19, 2017. The first portion of the Development Fees, \$301,524, has been received by Housing First, LLC and is shown within the business-type activities on the financial statements.

Although it is legally separate from Integral Care, Housing First, LLC is reported as if it were part of Integral Care because it provides services primarily to Integral Care. Housing First, LLC is accounted for as an enterprise fund in the basic financial statements of Integral Care and has an August 31 fiscal year end. Housing First, LLC uses the accrual basis of accounting.

Note 8 - Housing First Oak Springs, GP, LLC

Housing First Oak Springs, GP, LLC, with Integral Care as its sole member, entered into Housing First Oak Springs, LP as General Partner with a 0.01% interest, along with Limited Partner, NEF Assignment Corporation, with a 99.99% interest in the partnership. The purpose of Housing First Oak Springs, LP is primarily to acquire, construct, own, finance, lease, and operate Housing First Oak Springs (HFOS) in a manner that provides decent, safe and affordable housing for low-income persons and ensures HFOS will be and remain a qualified low income housing project within the meaning of Section 42 of the Code. Integral Care as the sole member of Housing First Oak Springs, GP, LLC made a capital contribution of \$740,000 representing the use of land transferred to the Limited Partnership pursuant to a ground lease in exchange for the 0.01% interest in the limited partnership. The limited partner will make capital contributions totaling \$7,906,525 to the partnership in accordance with terms outlined in the Amended and Restated Limited Partnership agreement. Financing within Housing First Oak Springs, LP includes a construction loan of \$11,500,000 and three subordinate cash flow loans to the limited partnership: City of Austin (Austin Housing Finance Corporation) \$3,888,112; Department of State Health Services (Health and Human Services Commission) \$4,442,438; and sponsor loan (Integral Care) \$4,640,995. Integral Care keeps track of all expenses related to the project and is invoiced directly by contractors. Integral Care in turn books a receivable from Housing First as Integral Care is not liable for these expenses. The amount receivable from Housing First Oak Springs, GP, LLC was \$2,313,406 at August 31, 2021.

Note 9 - Deposits and Investments

Cash

Custodial Credit Risk – Deposits – Integral Care’s demand and time deposits are required to be fully secured at August 31, 2021 by federal deposit insurance and by pledged securities held by Integral Care’s agent in Integral Care’s name. Such total collateralization and insurance coverage is required by the Rules of the Commissioner of the Texas HHSC and the Board of Trustees of Integral Care.

State statutes and Integral Care’s investment policy require that all deposits in financial institutions be fully collateralized by U.S. Government obligations or its agencies and instrumentalities or direct obligations of Texas or its agencies or instrumentalities that have a market value of not less than the principal amount of the deposits. Integral Care’s deposits were fully insured or collateralized as required by state statutes as of August 31, 2021.

Investments

Integral Care’s investment policies and types of investments are governed by the Public Funds Investment Act (PFIA). These policies authorize Integral Care to invest in 1) obligations of the United States Government, its agencies and instrumentalities, excluding all mortgage-backed securities; 2) fully insured or collateralized certificates of deposit from a bank doing business in the State of Texas; 3) FDIC insured brokered certificates of deposit purchased from a broker or a bank in Texas; 4) AAA-rated, no-load, SEC registered money market funds, restricted to investments authorized by the Act; 5) AAA- rated, constant-dollar Texas local government investment pools, as defined by the Act; 6) interest bearing accounts of banks doing business in Texas; and 7) general debt obligations of any U.S. state or locality rated AA or higher by at least one nationally recognized rating agency.

At August 31, 2021, Integral Care had the following investments:

	<u>August 31, 2021</u>	<u>Due in less than one year</u>
Investment in Austin Community Foundation	\$ 424,548	\$ -
TexPool	2,344,935	2,344,935

TexPool, a Texas local government investment pool, uses amortized cost to value portfolio assets. In order to meet the criteria to be recorded at amortized cost, the investment pool must transact at a stable net asset value per share and maintain certain maturity, quality, liquidity and diversification requirements within the investment pool. The investment pool transacts at a net asset value of \$1.00 per share, has weighted average maturities of 60 days or less and weighted average lives of 120 days or less, investments held are highly rated by nationally recognized statistical rating organizations, have no more than 5% of portfolio with one issuer (excluding U.S. government securities), and can meet reasonably foreseeable redemptions. TexPool has a redemption notice period of one day and may redeem daily. The investment pool’s authority may only impose restrictions on redemptions in the event of a general suspension of trading on major securities markets, general banking moratorium or nation state of emergency that affect the pool’s liquidity.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates may adversely affect the fair value of an investment. The risk increases the longer the investment is held. At August 31, 2021, Integral Care’s investments mature in less than one year, thereby limiting exposure from rising interest rates.

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. State law and Integral Care policy limit investments in public funds investment pools to those rated no lower than AAA or AAAM or an equivalent rating by at least one nationally recognized statistical rating organization. As of August 31, 2021, Integral Care's investment in TexPool was rated AAAM by Standard & Poor's, the highest rating a local government investment pool can achieve. Under the TexPool Participation Agreement, administrative and investment services to TexPool are provided by Federated Investors, Inc. through an agreement with the State of Texas Comptroller of Public Accounts. The State Comptroller is the sole officer, director, and shareholder of the Texas Treasury Safekeeping Trust Company authorized to operate TexPool.

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of Integral Care's investments in a single user. Integral Care's investment policy does not limit investments in any one issuer, except as limited by the PFIA.

Note 10 - Due from Other Governments

Due from other governments are reimbursement of expenditures and fees for service provided under various programs and grants. All amounts are expected to be collected within the next year. A summary of these receivables follows:

Source of Grant	
City of Austin	\$ 2,016,862
Travis County	1,974,606
Community Care Collaborative (CCC)	3,686,570
HHSC -Behavioral Health & Substance Abuse	2,682,374
HHSC - Medicaid Administrative Claim, TxHmLvg	1,703,534
Medicaid/Medicare/HMO/State SA	1,634,049
TCOOMMI	392,435
Other Local	362,769
Other State	90,091
Other Federal	573,992
Total due from other governments	<u>15,117,282</u>
Allowance for uncollectible accounts	(590,971)
	<u><u>\$ 14,526,311</u></u>

Note 11 - Notes Receivable

On December 1, 2017, the Center entered into a promissory note receivable agreement with Housing First Oak Springs, LP, in the amount of \$4,442,438. The note does not accrue interest on the outstanding principal balance unless an event of default, as defined by the agreement, occurs and is continuing, in which case interest on the unpaid principal balance will accrue at the rate equal to the lower of 8% per annum, or the highest interest rate per annum allowed by applicable law, until the default is cured. The proceeds of this note were provided by DSHS to the Center as a healthy community collaborative grant by means of the 2014-2015 General Appropriations Act, 5.B.1 83rd Legislature 2013. The Proceeds of this note will be made available to borrower on a draw basis for the payment of budgeted items related to the construction of a 50-unit permanent supportive housing complex and related improvement for chronically homeless individuals. Beginning in calendar year 2020, the note will be repaid in forty annual installments of accrued interest only and in addition to the fortieth annual installment, all outstanding principal and accrued interest will be due and payable on maturity date in 2060. At August 31, 2021, the balance on this note receivable was \$4,442,438.

On December 1, 2017, the Center entered into a promissory note receivable agreement with Housing First Oak Springs, LP, in the amount of \$4,640,995. The note does not accrue interest on the outstanding principal balance unless an event of default, as defined by the agreement, occurs and is continuing, in which case interest on the unpaid principal balance will accrue at the rate equal to the lower of 8% per annum, or the highest interest rate per annum allowed by applicable law, until the default is cured. Beginning in calendar year 2020, the note will be repaid in forty annual installments of accrued interest only and in addition to the fortieth annual installment, all outstanding principal and accrued interest will be due and payable on maturity date in 2060. At August 31, 2021, the balance on this note receivable was \$4,640,995.

\$1,724,389 of the DSHS funds referenced in the first paragraph of Note 11, were expensed by Integral Care toward Housing First Oak Springs in prior fiscal years prior to the closing of Housing First Oak Springs, LP. These funds were reimbursed to Integral Care upon closing and were then advanced to Housing First Oak Springs, LP to fully fund the DSHS note. As these funds were previously reported as expensed to DSHS, the \$1,724,389 of the note payable would be reimbursable to Integral Care. The \$1,724,389 plus the \$4,640,995 note receivable referenced in the second paragraph in Note 11, account for the \$6,365,384 note receivable reported by Integral Care in the general fund.

Note 12 - Capital Assets

A summary of changes in capital assets for governmental activities for the year ended August 31, 2021 is as follows:

	Balance at September 1, 2020	Additions	Retirements/ Transfers	Balance at August 31, 2021
Governmental Activities				
Nondepreciable assets:				
Land	\$ 1,551,017	\$ -	\$ -	\$ 1,551,017
Construction in progress	14,152,758	1,425,450	(4,286,895)	11,291,313
Total nondepreciable assets	<u>15,703,775</u>	<u>1,425,450</u>	<u>(4,286,895)</u>	<u>12,842,330</u>
Depreciable assets:				
Buildings and improvements	35,321,803	60,421	4,286,895	39,669,119
Furniture and equipment	9,121,696	266,849	-	9,388,545
Vehicles	1,042,582	-	-	1,042,582
Total depreciable assets	<u>45,486,081</u>	<u>327,270</u>	<u>4,286,895</u>	<u>50,100,246</u>
Less accumulated depreciation for:				
Buildings and improvements	(14,733,618)	(1,195,107)	-	(15,928,725)
Furniture and equipment	(5,050,743)	(1,694,069)	-	(6,744,812)
Vehicles	(936,888)	(29,436)	-	(966,324)
Total accumulated depreciation	<u>(20,721,249)</u>	<u>(2,918,612)</u>	<u>-</u>	<u>(23,639,861)</u>
Governmental activities capital assets, net	<u>\$ 40,468,607</u>	<u>\$ (1,165,892)</u>	<u>\$ -</u>	<u>\$ 39,302,715</u>

Depreciation expense for the year ended August 31, 2021 was charged to the following functions and programs of the government-wide financial statements as follows:

Governmental Activities	
Behavioral health - adult	\$ 2,047,308
Behavioral health - children	275,197
Intellectual and developmental disabilities	221,930
Substance use disorder	135,879
Authority and general administration	<u>238,298</u>
 Total depreciation expense	 <u><u>\$ 2,918,612</u></u>

A summary of changes in capital assets for business-type activities is as follows:

	Balance at September 1, 2020	Additions	Retirements/ Transfers	Balance at August 31, 2021
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Business-Type Activities				
Nondepreciable assets				
Land	\$ 530,700	\$ -	\$ -	\$ 530,700
Depreciable assets				
Buildings and improvements	6,161,097	44,514		6,205,611
Equipment	112,195	48,090	-	160,285
	<u>6,273,292</u>	<u>92,604</u>	<u>-</u>	<u>6,365,896</u>
Less accumulated depreciation	<u>(2,799,460)</u>	<u>(172,196)</u>	<u>-</u>	<u>(2,971,656)</u>
Total depreciable assets	<u>3,473,832</u>	<u>(79,592)</u>	<u>-</u>	<u>3,394,240</u>
Business-type activities capital assets, net	<u><u>\$ 4,004,532</u></u>	<u><u>\$ (79,592)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 3,924,940</u></u>

Depreciation expense charged to operating expenses in the statement of revenues, expenses and changes in net position for proprietary funds, business-type activities - enterprise fund, for the year ended August 31, 2021 was \$172,196.

Note 13 - Long-Term Debt

The following is a summary of changes in long-term debt for the year ended August 31, 2021:

	Balance at September 1, 2020	Additions	Retirements	Balance at August 31, 2021	Due Within One Year
Governmental activities					
Frost Bank loan, fully collateralized by real property. Interest is payable monthly at 3.13%. Loan matures April 2040.	\$ 9,405,644	\$ -	\$ -	\$ 9,405,644	\$ 471,060
Compensated absences	2,219,858	3,652,244	(3,659,038)	2,213,064	-
Total	<u>\$ 11,625,502</u>	<u>\$ 3,652,244</u>	<u>\$ (3,659,038)</u>	<u>\$ 11,618,708</u>	<u>\$ 471,060</u>

In April 2020, Integral Care obtained a loan from Frost Bank in order to purchase and renovate property at 6397 N IH-35 in Austin, Texas. The total amount of the note was \$14,000,000. At August 31, 2021, the loan had a balance of \$9,405,644, representing the amount funded to date. Principal and interest payments are required through the maturity date April 6, 2040.

A schedule of future maturities of long-term notes follows:

	Principal	Interest	Total
2022	\$ 471,060	\$ 413,535	\$ 884,595
2023	580,703	420,950	1,001,653
2024	598,288	403,366	1,001,654
2025	618,667	382,986	1,001,653
2026	638,589	363,065	1,001,654
2027-2031	3,513,975	1,494,293	5,008,268
2032-2036	4,117,273	890,994	5,008,267
2037-2040	3,461,445	211,285	3,672,730
Total	<u>\$ 14,000,000</u>	<u>\$ 4,580,474</u>	<u>\$ 18,580,474</u>
Less: funding to be advanced in FY2022	<u>(4,594,356)</u>		
	<u>\$ 9,405,644</u>		

At August 31, 2021, Integral Care is not obligated in any manner for the debt of its component unit, New Milestones.

Note 14 - Leases

Integral Care leases equipment and certain of its facilities under operating leases which expire at various dates through 2027. The following is a schedule by year of future minimum lease payments under noncancelable operating leases with initial or remaining term greater than one year:

2022	\$ 1,340,687
2023	970,127
2024	964,705
2025	858,645
2026	885,804
2027	<u>73,876</u>
Total	<u><u>\$ 5,093,844</u></u>

Total rent expenditures under operating leases, including leases with maturities of less than one year, were \$2,619,900 for the year ended August 31, 2021.

Note 15 - Fund Balances

At August 31, 2021, the fund balance for governmental funds is made up of the following:

	<u>General Fund</u>
Nonspendable	
Prepaid items	\$ 1,031,156
Notes receivable	6,365,384
Committed	
Budget contingency	4,931,645
Assigned	
Accrued compensated absences	2,213,064
Unassigned	<u>24,447,059</u>
Total	<u><u>\$ 38,988,308</u></u>

The notes receivable of \$6,365,384 represents funds Integral Care advanced to Housing First Oak Springs, LP. Of that amount, \$2,595,356 had been received through donations as of August 31, 2021 and \$1,724,389 had been received from the Department of State Health Services.

Note 16 - Interfund Receivables and Payables

The following is a summary of interfund receivables and payables:

	Interfund Receivables	Interfund Payables
General fund	\$ 125,081	\$ -
New Milestones Foundation	-	125,081
Total enterprise fund	\$ 125,081	\$ 125,081

All balances resulted from various timing differences between dates that interfund goods and services are provided and payments between funds are made.

Note 17 - Employee Benefit Plan

Integral Care has a benefit plan for its full-time employees under a 401(a) defined contribution plan. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. Employees are eligible to participate after six months of service. Integral Care has elected to contribute four and one-half percent (4.5%) of the employees' base salary each pay period plus plan administrative costs. The plan allows loans by participants. Participants start to vest in the employers' contribution at the completion of one year of service with 100% vesting occurring after five years. Integral Care's contributions were \$2,146,359 for 2021 which were approximately 4.0% of the covered payroll. Integral Care also sponsors a Section 403(b) salary reduction plan, which is also a defined contribution plan that covers all full-time employees. Employees may contribute the maximum allowed by IRS regulations. Integral Care is not required to match the employee's contribution. Contributions from participating employees totaled \$1,491,792 for the year ended August 31, 2021. In addition, employees contributed an additional \$19,500 to a 457 plan and \$641,558 to a 403 ROTH.

Note 18 - Contingencies

Integral Care has participated in a number of state and federally assisted grant programs, Medicare, and Medicaid programs. These programs are subject to financial and compliance audits by the grantors or their representatives and regulatory authorities. The purpose of the audits is to ensure compliance with conditions relating to the granting of funds and other reimbursement regulations. Integral Care's management believes that any liability for reimbursement which may arise as the result of these audits is not believed to be material to the financial position of Integral Care. Integral Care is subject to certain penalties in the event that performance targets are not met.

For fiscal years 2016 through 2021, Integral Care funded 80% of workers' compensation premiums up front (assessed by Texas Council Risk Management Fund (TCRMF) based on the standard contribution for that year). Based on actual claims for those years, TCRMF can later assess up to 110% of that year's standard contribution. Thus, Integral Care has contingencies relating to previous years' workers' compensation claims for plan years that have not been declared closed. Due to low reported losses to date for open plan years, Integral Care has not accrued any estimated liabilities for these contingencies in the accompanying financial statements.

Note 19 - Community Action Network

Effective February 1, 1998, Integral Care entered into an agreement with the Community Action Network (CAN) to act as the CAN's fiscal agent. The CAN is a separate organization that resulted from a contractual arrangement between the City of Austin and Austin Travis County Health and Human Services Department, United Way Capital Area, Greater Austin Chamber of Commerce, Health Partnership 2000, Austin Area Research Organization, Austin Independent School District, Community Justice Council, Austin Metropolitan Ministries, Workforce Development Board and Integral Care. Representatives from these organizations comprise the CAN Resource Council. Under the terms of the contract between Integral Care and the CAN, Integral Care's role entails the following:

The CAN staff members become official employees of Integral Care and are eligible for Integral Care's employee benefits, services, obligations and responsibilities. The CAN employees are paid through Integral Care's payroll using CAN funds. Integral Care has no direct supervisory control or authority over the staff of the CAN. Responsibility for the CAN employees is that of the CAN Resource Council. Integral Care receives all money contributed or paid to CAN and disburses all monies for CAN expenses as directed by the CAN staff and approved by the CAN Executive Director and CAN Executive Committee.

Integral Care provides monthly CAN income and expense reports to support CAN financial reporting requirements. The partners of the organization jointly control and govern the CAN. Each partner retains an ongoing financial responsibility of this organization.

Note 20 - Integrated Care Collaboration

Effective June 29, 2001, Integral Care entered into an agreement with the Integrated Care Collaboration (ICC) to act as the ICC's fiscal agent. The ICC is a public-private organization of regional health care providers and partners established to improve healthcare services for the uninsured in Hays, Travis and Williamson counties. Representatives from these regional healthcare providers and partners comprise the ICC Council. Under the terms of the contract between Integral Care and the ICC, Integral Care's role entails the following:

The ICC staff members become official employees of Integral Care and are eligible for Integral Care's employee benefits, services, obligations and responsibilities. The ICC employees are paid through Integral Care's payroll using ICC funds. Integral Care has no direct supervisory control or authority over the staff of the ICC. Responsibility for the ICC employees is that of the ICC Council.

Integral Care receives all money contributed or paid to ICC and disburses all monies for ICC expenses as directed by the ICC staff and approved by the ICC Executive Director and ICC Executive Committee. Integral Care provides monthly ICC income and expense reports to support ICC financial reporting requirements. The partners of the organization jointly control and govern the ICC. Each partner retains an ongoing financial responsibility of this organization.

Note 21 - Economic Dependence

The Center receives a substantial portion of its revenues in the form of annual performance contracts with HHSC to provide behavioral health and/or IDD services to its service area. The Center is economically dependent on the continuation of these contracts. At August 31, 2021, these contracts have been continued through August 31, 2022.

The following table shows the Center's concentration of revenues greater than 10% of total revenue in the General Fund:

	Amount	Percent
HHSC - Mental Health	\$ 34,166,333	32.4%
1115 Transformation Waiver	20,691,337	19.6%

Note 22 - Austin Housing Finance Corporation

Effective March 10, 2010, Integral Care entered into a loan agreement with Austin Housing Finance Corporation in the amount of \$1,752,175 in order to renovate a former short-stay hotel facility to serve as a 24-unit/bed transitional housing facility for low-income individuals. The note matures on January 31, 2030 with principal and interest at 0%, due at that time. However, according to the loan agreement, provided Integral Care does not violate any of the terms and conditions of that certain RHDA Affordable Housing General Obligation Bonds Loan agreement, unpaid principal and accrued unpaid interest will be forgiven.

Note 23 - Patient Assistance Program

Consumers periodically receive prescription medications through a program known as the Patient Assistance Program (PAP). These prescriptions are provided at no cost to the consumer. These items do not meet the criteria for recognition on the Center's financial statements; however, they do provide significant assistance to the consumers the Center serves. Management estimates that consumers received prescription medications through this program valued at \$2,193,909 during the year ending August 31, 2021.

Note 24 - Healthcare Transformation and Quality Improvement Program 1115 Demonstration Waiver ('1115 Waiver')

In December 2011, the Centers for Medicare and Medicaid Services (CMS) approved the Texas Health and Human Services Commission (HHSC) Healthcare Transformation and Quality Improvement Program 1115 demonstration waiver (the '1115 wavier'). As it pertains to Community Centers like Integral Care, this 1115 waiver aims to:

- Transform the healthcare delivery system for low income Texans, and
- Increase access to quality behavioral health services as a recognized means to improve both individual and system level outcomes.

The 1115 waiver will be in effect until September 30, 2022. The 1115 waiver is intended to reimburse providers in the State of Texas that undertake and complete projects that accomplish the goals of the 1115 waiver. Integral Care (as a Community Center and a public Medicaid provider) has been designated as a performing provider of the 1115 waiver and has been granted the ability to transfer locally managed state and local dollars to draw down federal funding for projects of the 1115 waiver through intergovernmental transfers (IGT). Integral Care will be cooperating and collaborating with other community partners to carry out the 1115 waiver projects by increasing access to behavioral health services through the 1115 waiver's key component entitled the Delivery System Incentive Reform Payment (DSRIP) pool. The DSRIP portion of the 1115 Waiver, the portion in which Integral Care participates, will have funding through September 30, 2021. Beginning October 1, 2017, the DSRIP measures are moving to provider based measures for achievement of payment and will no longer be based on specific projects.

Fiscal year 2021 was the 1115 transformation waiver demonstration year 10. During fiscal year 2021, Integral Care recognized and earned \$20,691,337 in revenues from this program.

On January 15, 2021, the Centers for Medicare and Medicaid Services approved an extension of the 1115 Wavier in Texas through September 30, 2030. A portion of the extension includes an initial \$500,000,000 Public Health Providers Charity Care Pool (PHP-CCP) which includes publicly owned and operated community mental health clinics in participation. The PHP-CCP, along with the Directed Payment Program for Behavioral Health Services being proposed by Health and Human Services Commission, give a path to provide financial stability through the transition of the 1115 Waiver.

CMS approved the Directed Payment Program – Behavioral Health on November 15, 2021 for the period of September 1, 2021 through August 31, 2022. Reporting for this payment initiative began December 2021 and will cover the first six months of calendar year 2021. The Center will report twice a year to earn DPP-BH funds. The revenue will be recognized after review and approval by CMS. As a result, the DPP-BH funds will not be expenditure-reimbursement type funds. As of August 31, 2021, the Center has sent HHSC one intergovernmental transfer (IGT) in the amount of \$1,895,207, in order to leverage federal funding. This amount can be found on the Statement of Net Position and the General Fund Balance Sheet. The Center reported a second IGT in December 2021. Reporting as a participation condition of the program also began in December 2021.

Note 25 - Subsequent Events

6937 North Interstate Highway 35

On October 4th, 2021, the Executive Committee of the Integral Care Board of Trustees authorized drawing down \$4,594,356 from a construction loan with Frost Bank and placing the funds in an escrow account for renovations at 6937 and 7023 North Interstate Highway 35. This action was approved on the Consent Agenda of the Integral Care Board of Trustees at their October 28th, 2021 meeting. The \$4,594,356 was placed in an escrow account with Frost Bank on October 8th, 2021. The funds in the escrow account, coupled with the \$9,405,644 which had been drawn on the loan for the purchase of the facility, total the \$14,000,000 note entered into in April 2020 which matures on April 6, 2040.

On December 9th, 2021, the Integral Care Board of Trustees authorized the negotiation and execution of an additional note up to \$8.5 Million toward the renovations at 6937 North Interstate Highway 35. The building permits for the renovation were issued by the City of Austin on December 9, 2021 and the additional financing is expected to be completed in late January or early February at which time renovation on the facility will commence. At the December 9th, 2021 meeting, the Integral Care Board also authorized for completion of negotiations and entering into a contract with Trimbuilt for the renovation of the facility. The initial bid by Trimbuilt was for \$11.3 Million and includes modifying the facility to house the call center, an adult mental health clinic, a children's mental health clinic, the pharmacy, learning and development, various administrative offices, and other programs.

Revenue Anticipation Note

On December 9th, 2021, the Integral Care Board of Trustees authorized a Revenue Anticipation Note in the amount of \$10,300,000. The note was issued on December 1, 2021. The purpose of the Revenue Anticipation Note is to assist Integral Care with cash flow when Intergovernmental Transfer funds are submitted for the 1115 Waiver DSRIP (Delivery System Reform Incentive Payments) payments. Draws on the note will occur when the Intergovernmental Transfer amounts are due and will be repaid as soon as the DSRIP payments are received, generally within 30 days.

Housing First Oak Springs, LP

Integral Care, as sole member of Housing First Oak Springs, GP, LLC, General Partner of Housing First Oak Springs, LP, has been in discussions with the limited partner of Housing First Oak Springs, LP, NEF Assignment Corporation, regarding establishment of a Stabilization Reserve in the amount of \$1,879,391 in order to bring the property to the fiscal stability standards required by the Texas Department of Housing and Community Affairs in order to have the Low Income Housing Tax Credits authorized. \$784,061 of the reserve will be financed from Non-Deferred Development Fees that have not yet been paid. The remaining \$1,095,430 will be financed by Integral Care utilizing funds from Housing First, LLC and from a \$1,000,000 donation toward Housing First that is currently being collected. The Stabilization Reserve will have established annual maximums that can be drawn in order to assist with property expenses. The Integral Care Board of Trustees authorized the Subsidy Reserve agreement at the June 24, 2021 meeting and the documents were fully executed on December 28, 2021.



Statistical Section (Unaudited)
August 31, 2021

Integral Care

Integral Care

Schedule of Revenues and Expenditures by Source of Funds – General Fund
(Unaudited)

Year Ended August 31, 2021

Fund Source	Total Revenues	Total Behavioral Health Adult Expenditures	Total Behavioral Health Children Expenditures	Total Crisis Services Expenditures	Total Intellectual & Developmental Disabilities Expenditures	Total Other Expenditures	Total Center Expenditures	Excess Revenues Over Expenditures
Objects of Expense								
Personnel	\$53,752,000	\$20,344,603	\$6,373,777	\$9,923,652	\$5,710,190	\$11,399,778	\$ 53,752,000	\$ -
Employee benefits	13,074,213	5,028,852	1,595,214	2,258,128	1,423,544	2,768,475	13,074,213	-
Professional and consultant services	17,773,299	2,055,810	345,067	12,072,993	465,955	2,833,474	17,773,299	-
Training and travel	299,645	108,843	34,618	40,927	50,678	64,579	299,645	-
Debt service	321,100	8,289	2,412	6,260	2,140	301,999	321,100	-
Capital outlay	1,752,720	17,873	6,296	21,760	1,996	1,704,795	1,752,720	-
Non-capitalized equipment	470,439	92,579	23,869	113,980	74,616	165,395	470,439	-
Pharmaceutical expense	226,576	138,147	92	13,453	84	74,800	226,576	-
Pharmaceutical expense (PAP only)	2,193,909	2,193,909	-	-	-	-	2,193,909	-
Other operating expense	15,691,043	5,574,773	1,305,920	2,883,205	859,781	5,067,364	15,691,043	-
Total expenditures	\$ 105,554,944	\$ 35,563,678	\$ 9,687,265	\$ 27,334,358	\$ 8,588,984	\$ 24,380,659	\$ 105,554,944	\$ -
Method of Finance								
General revenue - behavioral health	\$ 12,890,170	\$ 10,507,295	\$ 2,382,875	-	-	-	\$ 12,890,170	\$ -
General revenue - IDD	3,608,657	-	-	-	3,608,657	-	3,608,657	-
Mental Health Block Grant	2,394,868	1,453,178	941,690	-	-	-	2,394,868	-
Other federal - DADS	329,492	-	-	-	329,492	-	329,492	-
Other general revenue	7,050,624	5,622,604	766,840	661,180	-	-	7,050,624	-
Crisis services - mental health	8,700,724	-	-	8,700,724	-	-	8,700,724	-
Other state funds	4,919,878	617,021	-	-	4,775	4,298,082	4,919,878	-
Other federal funds	25,746,275	9,796,127	2,660,104	5,475,405	315,790	5,319,427	23,566,853	2,179,422
Earned income	6,843,311	609,062	90,737	47,721	3,308,479	2,787,312	6,843,311	-
Required local match	3,476,144	2,274,175	-	854,974	346,995	-	3,476,144	-
Additional local match	31,774,223	4,684,216	2,845,019	11,594,354	674,796	11,975,838	31,774,223	-
Total expended sources	\$ 107,734,366	\$ 35,563,678	\$ 9,687,265	\$ 27,334,358	\$ 8,588,984	\$ 24,380,659	\$ 105,554,944	\$ 2,179,422

Integral Care
Reconciliation of Total Revenues and Expenditures to Fourth Quarter Financial Report
(Unaudited)
Year Ended August 31, 2021

	Revenues			Audited Financial Statements
	Care Report III	Additions	Deletions	
Local Revenues				
City funds	\$ 7,503,303	\$ -	\$ -	\$ 7,503,303
County funds	5,993,018	-	-	5,993,018
Other taxing authority funds	9,086,110	-	-	9,086,110
Earned income	8,490,281	-	-	8,490,281
Rental income	642,527	-	-	642,527
Miscellaneous income & contribution	3,787,754	-	-	3,787,754
Patient Assistance Programs	2,193,909	-	(2,193,909) (a)	-
Total local revenue	<u>37,696,902</u>	<u>-</u>	<u>(2,193,909)</u>	<u>35,502,993</u>
State Program Revenues				
HHSC - Mental Health	28,647,552	-	-	28,647,552
HHSC - substance use disorder	180,552	-	-	180,552
HHSC - IDD	3,604,688	-	-	3,604,688
TCOOMMI	2,132,995	-	-	2,132,995
Other state programs	150,826	-	-	150,826
Total state program revenues	<u>34,716,613</u>	<u>-</u>	<u>-</u>	<u>34,716,613</u>
Federal Program Revenues				
HHSC - Mental Health	5,518,781	-	-	5,518,781
HHSC - Substance use disorder	1,379,197	-	-	1,379,197
HHSC - IDD	329,492	-	-	329,492
City of Austin - Ryan White	330,694	-	-	330,694
City of Austin - CDBG - YAFAC	187,006	-	-	187,006
City of Austin - COVID Prolodges	268,853	-	-	268,853
HUD Supported Housing	438,611	-	-	438,611
Travis County - Parents in Recovery	68,958	-	-	68,958
Travis County - SAMSO (SAMHSA)	207,940	-	-	207,940
Travis County - CDBG CV	227,530	-	-	227,530
SAMHSA CCBHC	20,391	-	-	20,391
SAMHSA CHRP	247,443	-	-	247,443
SAMHSA MHAT	134,452	-	-	134,452
SAMHSA AOT	645,388	-	-	645,388
Del Valle ISD - VOCA	425,333	-	-	425,333
UTDMS SAMHSA	161,028	-	-	161,028
Veterans Administration - Safe Haven	762,641	-	-	762,641
Medicaid Administrative Claiming	3,267,055	-	-	3,267,055
1115 Transformation Waiver	20,691,337	-	-	20,691,337
Total federal program revenues	<u>35,312,129</u>	<u>-</u>	<u>-</u>	<u>35,312,129</u>
Investment Earnings	8,722	-	-	8,722
Total revenues	<u>\$ 107,734,366</u>	<u>\$ -</u>	<u>\$ (2,193,909)</u>	<u>\$ 105,540,457</u>

(a) Free medicine used

Integral Care
Reconciliation of Total Revenues and Expenditures to Fourth Quarter Financial Report
(Unaudited)
Year Ended August 31, 2021

Function	Expenditures			Audited Financial Statements
	Care Report III	Additions	Deletions	
Personnel	\$ 53,752,000	\$ 6,794 (b)	\$ -	\$ 53,758,794
Employee benefits	13,074,213	-	-	13,074,213
Professional and consultant service	17,773,299	-	-	17,773,299
Training and travel	299,645	-	-	299,645
Debt service	321,100	-	-	321,100
Capital outlay	1,752,720	-	-	1,752,720
Non-capitalized equipment	470,439	-	-	470,439
Pharmaceutical expense	226,576	-	-	226,576
Pharmaceutical expense (PAP only)	2,193,909	-	(2,193,909) (a)	-
Other operating expense	15,691,043	-	-	15,691,043
	<u>\$ 105,554,944</u>	<u>\$ 6,794</u>	<u>\$ (2,193,909)</u>	<u>\$ 103,367,829</u>

(a) Free medicine used

(b) Change in compensated absences - used only in government-wide financial statements

Integral Care
Schedule of Indirect Costs
(Unaudited)
Year Ended August 31, 2021

	Total Costs	Nonallowable Costs	Depreciation	Total Adjusted Costs	Direct Costs	Indirect Costs
Personnel	\$ 53,752,000	\$ -	\$ -	\$ 53,752,000	\$ 46,334,315	\$ 7,417,685
Employee benefits	13,074,213	-	-	13,074,213	11,400,158	1,674,055
Capital outlay	1,752,720	1,752,720	-	-	-	-
Depreciation	-	-	2,918,612	2,918,612	2,689,566	229,046
Other operating expenses	34,782,101	830,888	-	33,951,213	31,639,857	2,311,356
Total expenditures	\$ 103,361,034	\$ 2,583,608	\$ 2,918,612	\$ 103,696,038	\$ 92,063,896	\$ 11,632,142
Indirect cost						11,632,142
Direct costs						92,063,896
Indirect cost rate						<u>12.63%</u>

Integral Care
Schedule of Insurance in Force
(Unaudited)
Year Ended August 31, 2021

Insurer	Policy Period	Coverage	Limits or Amounts
Texas Council Risk Management Fund	9/1/20- 9/1/2021	Workers Compensation	Statutory
	9/1/20- 9/1/2021	General Liability	\$1,000,000 Combined Single Limit \$1,000 Deductible
	9/1/20- 9/1/2021	Errors & Omission	\$1,000,000 Per Claim \$3,000,000 Annual Aggregate \$25,000 Deductible
	9/1/20- 9/1/2021	Professional Liability	\$1,000,000 Per Claim \$3,000,000 Annual Aggregate \$10,000 Deductible
	9/1/20- 9/1/2021	Automobile Liability	\$1,000,000 Combined Single Limit
		Liability	Various
		Physical Damage	\$100k/\$300k Limits
		Uninsured/Underinsured	\$1,000,000 Combined Single Limit
	9/1/20- 9/1/2021	Excess Liability	\$1,000,000 Aggregate
		Buildings	\$28,350,001
		Contents	\$6,481,028
		Boiler & Machinery Equipment	\$100,744
		EDP Equipment	\$6,837,685
		Personal Effects	\$10,000
		Vacant Buildings	\$499,855
		Property - Off Premises	\$10,000
		Valuable Papers	\$250,000
		EDP - Media/Software	\$250,000
		Loss of Revenue/Business	\$1,000,000
		Extra Expense	\$1,000,000
		Loss of Rents/Rental Income	\$500,000
		Accounts Receivable	\$50,000
		Flood - Other than Zones A/V	\$10,000,000
		Newly Acquired Locations	\$1,500,000
		Prop in the Course of Const.	\$1,000,000
		Expediting Expenses	\$100,000
		Property in Transit	\$500,000
		Increased Cost of Construction	\$1,000,000
		Demolition Cost	\$500,000
		Debris Removal	\$500,000
		Hazardous Materials Cleanup	\$10,000
		Off-Premises Service Interr.	\$1,000,000
		Miscellaneous Locations	\$500,000
		Contingent Business Interr.	\$50,000

Integral Care
 Schedule of Insurance in Force
 (Unaudited)
 Year Ended August 31, 2021

Insurer	Policy Period	Coverage	Limits or Amounts	
American Bankers Insurance Company of Florida	2/18/20-2/18/21	Flood - Tahoe Trail-Building		
		1st Floor	\$250,000	
		Contents	\$19,800	
			Deductible	\$1,250
	10/1/20-10/1/21	Flood - Jones House Building		
		Contents	\$250,000	
		Deductible	\$100,000	
			Deductible	\$1,250
	11/28/20-11/28/21	Flood - 403 E 15th St		
Contents		\$500,000		
Deductible		\$141,800		
		Deductible	\$2,000	

Integral Care
Schedule of Leases in Effect
(Unaudited)
Year Ended August 31, 2021

Lessor	Location	Period Covered	Amount (\$ per month)
Property Leases			
Collier Properties LLC	1700 S. Lamar, Bldg. 1	12/1/2012 6/30/2022	\$ 28,067
	1701 S. Lamar, Suite 230	7/1/2013 6/30/2024	\$ 5,682
	1701 S. Lamar, Suite 240	7/1/2016 6/30/2022	\$ 7,322
	1701 S. Lamar, Suite 322	7/1/2016 6/30/2024	\$ 5,131
Travis County	502 E. Highland Mall	10/1/2021 9/30/2026	\$ 7,801
Sigland Properties II, Ltd	825 E. Rundberg Lane - Base Rent	2/1/2015 1/31/2022	\$ 28,337
2410 East Riverside Ltd	2410 E. Riverside, Suite G3	2/1/2015 1/31/2022	\$ 13,398
Boyd Austin I GSA LL	5015 South IH-35	12/15/2013 9/30/2026	\$ 54,965
Copiers and Printers			
Various	Various	Various	\$ 8,800
Other Rental Payments			
Iron Mountain		Month to Month	\$ 3,470
Safe Site, Inc.		Month to Month	\$ 1,764

Integral Care
Schedule of Bond Coverage
(Unaudited)
Year Ended August 31, 2021

Surety Company	Scope of Coverage	Limit	Deductible
Travelers 8/31/19 - 8/31/22	Employee Theft	\$ 5,000,000	\$ 25,000
	ERISA Fidelity	500,000	None
	Employee Theft of Client Property	100,000	5,000
	Forgery or Alteration	100,000	2,500
	On Premises	10,000	2,500
	In Transit	10,000	2,500
	Money Orders and Counterfeit Paper	10,000	2,500
	Computer Frauds and Funds Transfer	1,000,000	10,000
	Computer Program & Electronic Data Restoration	100,000	5,000
	Funds Transfer Fraud	1,000,000	10,000
	Personal Accounts Protection	25,000	1,000
	Claim Expense	5,000	-
Chubb 01/16/2020 - 01/16/2021	Computer Privacy & Network Security Liability	2,000,000	50,000
	Regulatory Proceedings	500,000	50,000
	Electronic, Social and Printed Media Liability	1,000,000	50,000
	Network Extortion	2,000,000	50,000

Integral Care
Schedule of Professional and Consulting Fees and Contracted Provider Services
(Unaudited)
Year Ended August 31, 2021

Name	Type of Service	Amount
TWG INVESTMENTS LTD	Crises Residential Center Staffing	\$ 2,270,055
UNIVERSITY OF TX AT AUSTIN	Clinical Svcs	739,458
STG DESIGN INC	Architect & Engineering Fees	554,771
CARMAHEALTH PLLC	Psychiatric Services	194,025
MERIDIAN PSYCHIATRIC SERVICES	Psychiatric Services	148,665
LOCUMTENENS.COM	Psychiatric Services	147,520
DOUBLETREE RESIDENTIAL SERVICES INC	Direct Care Services	124,902
WESTWAYS STAFFING SERVICES INC	Counselors/Nurse Staffing	113,671
MAINTENANCE & RECOVERY SERVICES	Clinical Svcs	112,082
EIDE BAILLY LLP	Accounting Services	106,675
MERIDELL ACHIEVEMENT CENTER	Trauma Informed Care Svcs	101,320
MEDICAL STAFFING NETWORK INC	Pharmacy Staffing	44,607
JSA HEALTH CORPORATION	Psychiatric Services	41,820
DUKE C GARWOOD ARCHITECTS INC	Architect & Engineering Fees	40,547
A TO Z HEALTHCARE SERVICES LLC	Healthcare Services Consultant	28,247
MIGL ENGINEERING & CONSULTING	Architect & Engineering Fees	26,633
LANDRUM COUNSELING AND CONSULTING PLLC	Therapy Services	15,641
COHNREZNICK	Accounting Services	13,725
MAYRA ROSALES M.ED LPC	Therapy Services	11,505
HARRISON PSYCHOLOGICAL SERVICES PLLC	Psychological Services	11,000
LABYRINTH COUNSELING	Therapy Services	10,540
DENIS TRESHOT FLYNN	Psychiatric Services	10,200
ALMA MENA	Bilingual Therapy	10,153
MAXWELL LOCKE & RITTER LLP	Accounting Services	10,000
MICHAEL D ROMERO LCSW	Therapy Services	7,855
MANOS DE CRISTO INC	Dental Services	7,608
MCFARLANE DENTAL	Dental Services	6,625
BILINGUAL COUNSELORS OF TEXAS	Therapy Services	5,735
APRIL L PHILLIPS LCSW	Therapy Services	5,585
CONNIE HEAPS LPC	Therapy Services	5,060
FRIEND OF A FRIEND YOUTH & FAMILY SERVICES	Direct Care Services	5,056
AUSTIN TRAUMA THERAPY CENTER	Therapy Services	4,505
OVERLAND CHILDREN & FAMILY SERVICES	Therapy Services	4,105
OWN YOUR HAPPINESS	Psychosocial Therapy	4,095
DENNIS GOEHRING DDS	Dental Services	4,075
DIANA VERDIN LPC	Therapy Services	3,930
AUSTIN DSG PLLC	Dental Services	3,805
ANIMAL-ASSISTED THERAPIST LLC	Psychotherapy Svcs	3,783
ANA MARIA CABEZAS LPC	Therapy Services	3,355
NRC BILINGUAL PSYCHOLOGICAL SERVICES, PLLC	Psychological Services	3,350
BENITA BONNIE HERNANDEZ	Client Medical Services	3,019
REBECCA ROTH PLLC	Therapy Services	2,975

Integral Care
 Schedule of Professional and Consulting Fees and Contracted Provider Services
 (Unaudited)
 Year Ended August 31, 2021

Name	Type of Service	Amount
COMPLETE THERAPIES LLC	Therapy Services	2,407
NEXUS RECOVERY CENTER INC	Therapy Services	2,210
SOUTH AUSTIN MICROENDODONTICS	Dental Services	2,032
SPECTRUM SOCIAL & RECREATIONAL SERVICES	Therapy Services	2,000
TX STATE OPTICAL OF CAPITAL PLAZA	Optical	1,920
LISA M LASATER PHD	Psychological Services	1,800
NICOLAS CARRASCO PHD	Therapy Services	1,600
DARA WESTON LCSW	Therapy Services	1,530
JERRY L STRICKLAND	Therapy Services	1,450
CRISTINA PECK LPC LMFTA	Therapy Services	1,403
ELIZABETH DEANDA LCSW	Therapy Services	1,025

Integral Care
Schedule of Legal Services
(Unaudited)
Year Ended August 31, 2021

Name	City	Type of Service	Amount
Taylor Olson Adkins Sralla & Elam LLP	Austin	General Legal Counsel	\$ 413
Husch Blackwell	Austin	General Legal Counsel	6,811
Kuperman Orr & Albers PC	Austin	General Legal Counsel	<u>2,750</u>
			<u>\$ 9,974</u>



Federal and State Award Section
August 31, 2021

Integral Care



Independent Auditor’s Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

To the Board of Trustees
Integral Care
Austin, Texas

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Integral Care (the Center), as of and for the year ended August 31, 2021, and the related notes to the financial statements, which collectively comprise the Center’s basic financial statements and have issued our report thereon dated January 27, 2022.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Center’s internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Center’s internal control. Accordingly, we do not express an opinion on the effectiveness of the Center’s internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity’s financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Center's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Eide Bailly LLP". The signature is written in a cursive, flowing style.

Abilene, Texas
January 27, 2022



Independent Auditor’s Report on Compliance for Each Major Federal and State Program; Report on Internal Control over Compliance Required by the Uniform Guidance and the State of Texas Single Audit Circular

To the Board of Trustees
Integral Care
Austin, Texas

Report on Compliance for Each Major Federal and State Program

We have audited Integral Care’s (the Center) compliance with the types of compliance requirements described in the *OMB Compliance Supplement, State of Texas Single Audit Circular (TSAC) and Guidelines for Annual Financial and Compliance Audits of Community Mental Health and Mental Retardation Centers* that could have a direct and material effect on each of the Center’s major federal and state programs for the year ended August 31, 2021. The Center’s major federal and state programs are identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs.

The Center’s financial statements include the operations of the following component units: NMF Housing I, Inc., NMF Housing II, Inc., NMF Housing III, Inc., NMF Housing IV, Inc., NMF Housing V, Inc., NMF Housing VI, Inc., and NMF Housing VII, Inc., which expended \$5,417,580 in federal awards which is not included in the Center’s schedule of expenditures of federal awards during the year ended August 31, 2021. Our audit, described below, did not include the operations of the component units because the component units engaged other auditors to perform an audit of compliance.

Management’s Responsibility

Management is responsible for compliance with federal statutes, regulations, and terms and conditions of its federal and state awards applicable to its federal and state programs.

Auditor’s Responsibility

Our responsibility is to express an opinion on compliance for each of the Center’s major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); *State of Texas Single Audit Circular and Guidelines for Annual Financial and Compliance Audits of Community Mental Health and Mental Retardation Centers* (Audit Guidelines). Those standards, the Uniform Guidance, TSAC, and the Audit Guidelines require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal or state program occurred. An audit includes examining, on a test basis, evidence about the Center’s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal and state program. However, our audit does not provide a legal determination of the Center's compliance.

Opinion on Each Major Federal and State Program

In our opinion, the Center complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended August 31, 2021.

Report on Internal Control Over Compliance

Management of the Center is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Center's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal and state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal and state program and to test and report on internal control over compliance in accordance with the Uniform Guidance and TSAC, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Center's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal or state program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal or state program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal or state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance and TSAC. Accordingly, this report is not suitable for any other purpose.



Abilene, Texas
January 27, 2022

Integral Care
Schedule of Expenditures of State and Federal Awards
Year Ended August 31, 2021

Program Title	Pass Through Grantor Number	Expenditures	Subrecipient Expenditures
State Awards			
Texas Health and Human Services Commission			
Local Mental Health Authority (LMHA)			
General Revenue - Behavioral Health Adult	HHS000612500001	\$ 10,507,295	\$ -
General Revenue - Behavioral Health Child	HHS000612500001	2,382,875	-
Crisis Redesign	HHS000612500001	2,384,095	-
PESC	HHS000612500001	3,419,892	-
Outpatient Competency Restoration	HHS000612500001	567,030	-
Private Psychiatric Beds	HHS000612500001	2,252,939	-
Veteran Services	HHS000612500001	99,286	96,804
Supportive Housing	HHS000612500001	310,655	-
Non-Physician Mental Health	HHS000612500001	111,835	-
Post Discharge Meds for Civil Commitments	HHS000612500001	2,275	-
Mental Health First Aid	HHS000017600002	18,800	-
Healthy Community Collaboratives (HCC)	2016-048882-001	3,191,197	178,643
Mental Health Grant for Justice-Involved Individuals (SB292)	HHS000134400011	2,500,000	-
Community Mental Health Grant Program (HB13)	HHS000149700015	772,095	-
PRSP Residency	2015-048734-001	27,963	-
Block Grant Homeless/Path - MH	HHS000231500016	16,210	-
Rider 39	HHS000740900004	6,341	-
COVID Inpatient	HHS000808200001	76,768	-
Total LMHA		<u>28,647,551</u>	<u>275,447</u>
Local IDD Authority (LIDDA)			
General Revenue - Intellectual & Developmental Disabilities	HHS000612500001	2,669,190	-
CLOIP	HHS000612500001	257,659	-
Permanency Planning	HHS000612500001	32,149	-
Crisis Intervention Specialists	HHS000612500001	206,230	-
Crisis Respite	HHS000612500001	86,404	-
Nursing Facility PASRR Service Coordination	HHS000612500001	3,054	-
Outpatient Learning Collaborative Carryover	HHS000776900003	70,704	-
Outpatient Learning Collaborative	HHS000776900003	279,295	-
Total LIDDA		<u>3,604,685</u>	<u>-</u>
Texas Health and Human Services Commission (Substance Abuse)			
Medication Assisted Treatment	HHS000663700146	137,355	-
Ambulatory Detox Outpatient Treatment for Adults (TRA)	HHS000663700221	3,469	-
Outpatient Treatment for Adults (TRA)	HHS000663700221	38,978	-
Total Texas Health and Human Services Commission (Substance Abuse)		<u>179,802</u>	<u>-</u>
Cancer Prevention and Research Institute of Texas (CPRIT)			
Passed through The University of Houston			
Taking Texas Tobacco Free	R-18-0043	21,584	-
Taking Texas Tobacco Free	R-20-0072	71,691	-
Taking Texas Tobacco Free	R-21-0037	45,208	-
Taking Texas Tobacco Free	R-21-0076	7,568	-
Total Cancer Prevention and Research Institute of Texas (CPRIT)		<u>146,051</u>	<u>-</u>
Total State Awards		<u>\$ 32,578,089</u>	<u>\$ 275,447</u>

Integral Care
Schedule of Expenditures of State and Federal Awards
Year Ended August 31, 2021

Federal Grantor / Pass-through Grantor / Program or Cluster Title	Federal Financial Assistance Listing/Federal CFDA Number	Pass Through Grantor Number	Expenditures	Subrecipient Expenditures
Federal Awards				
U.S. Department of Health and Human Services				
Passed through the Texas Health and Human Services Commission				
Medicaid Cluster				
Medicaid Administrative Claiming	93.778	529-09-0032-00050A	\$ 3,257,525	\$ -
ECI Medicaid Administrative Claiming	93.778	529-09-0032-00037A	9,529	-
Total CFDA 93.778 Medicaid Cluster			<u>3,267,054</u>	<u>-</u>
Passed through the Texas Health and Human Services Commission				
Money Follows the Person - Transition Support Team	93.791	HHS000612500001	257,518	-
Money Follows the Person - Enhanced Community Coordination	93.791	HHS000612500001	71,974	-
Total CFDA 93.791			<u>329,492</u>	<u>-</u>
Block Grant Homeless/PATH	93.150	HHS000231500016	524,133	-
Temporary Assistance for Needy Families (TANF)	93.558	HHS000612500001	509,998	-
Social Services Block Grant - Title XX SSBG	93.667	HHS000612500001	159,113	-
Mental Health Block Grant	93.958 (1)	HHS000612500001	1,550,277	-
Mental Health First Aid	93.958 (1)	HHS000017600002	70,259	-
Supportive Housing	93.958 (1)	HHS000612500001	10,176	-
Suicide Regional Expansion	93.958 (1)	HHS000502700001	647,689	-
Lifeline Expansion	93.243 (4)	HHS000790600003	613,672	-
Lifeline Expansion II	93.243 (4)	HHS000790600003 #2	23,145	-
COVID-19 Provider Relief Fund	93.498	HHS000612500001	29,391	-
Community MH Worker	93.959 (3)	HHS000780300001	696,000	-
Mental Health Block Grant - Consumer Operated Services	93.958 (1)	HHS000612500001	175,480	157,932
MHBG Coordinated Specialty Care	93.958 (1)	2016-049446-001	465,000	-
Passed through City of Austin				
Ryan White Title I Funds	93.914	NG170000042	314,703	-
COVID-19 Ryan White	93.914	NG170000042	15,991	-
Total CFDA 93.914			<u>330,694</u>	<u>-</u>
Passed through the Texas Health and Human Services Commission (Substance Abuse)				
Office Based Treatment	93.788 (2)	2018-050034-001	54,249	-
Medication Assisted Treatment	93.959 (3)	HHS000663700146	1,017,141	-
Ambulatory Detox Outpatient Treatment for Adults	93.959 (3)	HHS000663700221	3,024	-
Outpatient Treatment for Adults (TRA)	93.959 (3)	HHS000663700221	117,383	-
Co-Occurring Psychiatric and Substance Abuse Services	93.959 (3)	HHS000663700068	19,254	-
Passed through University of Texas San Antonio				
UT San Antonio OBOT	93.788 (2)	167340/42943-6	166,545	-

Integral Care
Schedule of Expenditures of State and Federal Awards
Year Ended August 31, 2021

Federal Grantor / Pass-through Grantor / Program or Cluster Title	Federal Financial Assistance Listing/Federal CFDA Number	Pass Through Grantor Number	Expenditures	Subrecipient Expenditures
Direct award from Substance Abuse and Mental Health Service Administration				
Amplify Care Through CCBHC	93.829	1H79SM081907-01	\$ 20,391	\$ -
SAMHSA Assistive Outpatient Treatment	93.997	1H79SM082924-01	645,388	-
Clinical High Risk Psychosis	93.243 (4)	1H79SM081187-01	247,443	-
Mental Health Awareness Training	93.243 (4)	1H79SM081224-01	134,452	18,684
			<u>1,047,674</u>	<u>18,684</u>
Passed through Dell Medical School and University of Texas at Austin				
National Institutes of Health	93.242	R01MH124965	4,646	-
SAMHSA A Community-Based Integrative Dual Disorders Treatment Intervention for Individuals Experiencing Homelessness in Austin, TX	93.243 (4)	1H79SM080714-01	156,382	-
			<u>161,028</u>	<u>-</u>
Passed through Travis County				
Managed Services Organization SAMHSA Enhance the Safety of Children Affected by Parental Methamphetamine or Other Substance Abuse -System of Care	93.243 (4)	4400004025	207,940	-
	93.087	4400003965 Mod#4	68,959	-
Total U.S. Department of Health and Human Services			<u>12,264,770</u>	<u>157,932</u>
U.S. Department of Homeland Security				
Passed through the Texas Health and Human Services Commission				
COVID-19 Disaster Crisis Counseling Program ISP	97.032	HHS000434500032	2,086	-
COVID-19 Disaster Crisis Counseling Program RSP	97.032	HHS000434500032-4485 RSP	78,595	-
Total U.S. Department of Homeland Security			<u>80,681</u>	<u>-</u>
U.S. Department of Justice				
Passed through Del Valle ISD				
Del Valle ISD VOCA	16.575	2019-2020 QMHP MOU	425,333	-
Total U.S. Department of Justice			<u>425,333</u>	<u>-</u>
U.S. Department of Housing and Urban Development				
Passed through Travis County				
COVID-19 CDBG COVID	14.228	CDBG-CV	227,530	-
Direct Award				
Continuum of Care Program - HUD Fresh Start	14.267	TX0374L6J031805	438,611	-
Total CCP - HUD Fresh Start			<u>438,611</u>	<u>-</u>
Passed through City of Austin				
Community Development Block Grant - YAFAC	14.218	NG170000008	187,006	-
Total CDBG - Entitlement Grants Cluster			<u>187,006</u>	<u>-</u>
Total U.S. Department of Housing and Urban Development			<u>853,147</u>	<u>-</u>
Total federal awards			<u>\$ 13,623,931</u>	<u>\$ 176,616</u>
Total state and federal awards			<u>\$ 46,202,020</u>	<u>\$ 452,063</u>

(1) Total for CFDA 93.958	\$ 2,918,881
(2) Total for CFDA 93.788	220,794
(3) Total for CFDA 93.959	1,852,802
(4) Total for CFDA 93.243	1,383,034

Note 1 - Reporting Entity

The accompanying Schedule of Expenditures of State and Federal Awards presents the activity of all applicable state and federal awards of Integral Care. Integral Care's reporting entity is defined in Note 1 to the basic financial statements. State and federal awards received directly from state and federal agencies, as well as federal awards passed through other governmental agencies, are included on the schedule.

The information in the Schedule of Expenditures of State and Federal Awards is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule of Expenditures of State and Federal Awards presents only a selected portion of the operations of the Center, it is not intended to and does not present the financial position, changes in financial position, or cash flows of the Center.

Note 2 - Basis of Accounting

The accompanying Schedule of Expenditures of State and Federal Awards is presented using the modified accrual basis of accounting. The modified accrual basis of accounting is described in Note 3 of the basic financial statements. Such expenditures are recognized following the cost principles contained in the Uniform Guidance or State of Texas *Uniform Grant Management Standards*, wherein certain types of expenditures are not allowable or are limited as to reimbursement. State and federal grant funds are considered to be earned to the extent of expenditures made under the provisions of the grant, and, accordingly, when such funds are received, they are recorded as unearned revenues until earned.

Note 3 - State Award Guidelines

State awards are subject to the Texas Health and Human Services Commission's (HHSC) *Guidelines for Annual Financial and Compliance Audits of Community MHMR Centers*. Such guidelines are consistent with those required under Title 2, U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), the State of Texas *Uniform Grant Management Standards*, and *Government Auditing Standards*, issued by the Comptroller General of the United States.

Note 4 - Relationship to Basic Financial Statements

Certain state and federal awards have been excluded from the Schedule of Expenditures of State and Federal Awards (SESFA).

Federal revenues earned and received from the Centers for Medicare and Medicaid Services (CMS) and passed through HHSC for the HHSC Healthcare Transformation and Quality Improvement Program – 1115 demonstration waiver are excluded from the Federal awards section of the SESFA. In addition, certain state contracts have been excluded from the State awards section of the SESFA by specific request of the funding agency. These contracts are with the Texas Correctional Office on the Offenders with Medical or Mental Impairments (TCOOMI) which is passed through the Texas Department of Criminal Justice. The state and federal monies excluded from the SESFA are not considered federal or state awards as defined by the Uniform Guidance or State of Texas Single Audit Circular.

The Center received amounts from the U.S. Department of Health and Human Services (HHS) through the Provider Relief Fund (PRF) program (Federal Financial Assistance Listing/CFDA #93.498) during the year ended August 31, 2020. The Center incurred eligible expenditures and, therefore, recognized revenues totaling \$576,060 for the year ended August 31, 2020, on the financial statements. In accordance with the compliance supplement addendum, the PRF expenditures recognized on the schedule are based on the reporting to HHS for the calendar year ending December 31, 2020, as required under the PRF program.

State and federal revenues in Integral Care’s basic financial statements differ from the accompanying schedule due to classifications based on the pass-through entity.

A reconciliation of the SESFA to the audited financial statements is as follows:

State expenditures per SESFA	\$ 32,578,089
TCOOMMI	2,132,995
TRC Fees Billed	4,775
Other	754
	<u>34,716,613</u>
State revenues per basic financial statements	<u>\$ 34,716,613</u>
Federal expenditures per SESFA	\$ 13,623,931
1115 Transformation Waiver	20,691,337
Veterans Administration	762,641
COA Prolodges	268,853
CARES Provider Funds received prior to June 30, 2020	(29,391)
Other	(5,242)
	<u>35,312,129</u>
Federal revenues per basic financial statements	<u>\$ 35,312,129</u>

Note 5 - Indirect Cost Rate

Integral Care has elected to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

Section 1 - Summary of Auditors' Results

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

- Material weaknesses identified? No
- Significant deficiencies identified that are not considered to be material weaknesses? None Reported

Noncompliance material to financial statements noted? No

Federal and State Awards

Internal control over major programs:

- Material weaknesses identified? No
- Significant deficiencies identified that are not considered to be material weaknesses? None Reported

Type of auditor's report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a) of the Uniform Guidance? No

Identification of major programs:

- Federal Financial Assistance Listing/CFDA Number
 93.778 – Medical Assistance Program (Medicaid Cluster)
 93.958 – Mental Health Block Grant
- State General Revenue:
 Behavioral Health (Mental Health Adult and Crisis, Mental Health Child, PESC, PPB)
 Intellectual & Developmental Disabilities

Dollar threshold used to distinguish between type A and type B programs?

Federal awards	\$ 750,000
State awards	\$ 977,343

Auditee qualified as low-risk auditee? No

Section II – Financial Statement Findings

The audit disclosed no findings required to be reported.

Section III - Federal and State Award Findings and Questioned Costs

The audit disclosed no findings and questioned costs required to be reported.

3c / Board Resolution

**RESOLUTIONS OF THE BOARD OF TRUSTEES OF
AUSTIN-TRAVIS COUNTY MENTAL HEALTH AND MENTAL
RETARDATION CENTER**

(Approval for Memorandum of Understanding and Property Ownership)

The Board of Trustees (the “**Board**”) of Austin-Travis County Mental Health and Mental Retardation Center (d/b/a/ Integral Care) (“**Integral Care**”), pursuant to the Bylaws of Integral Care, held a regular meeting of the Board on March 31, 2022 and adopted the following resolutions.

1. Partnership Advance for Development Guaranteed Obligation.

WHEREAS, David Evans is the Chief Executive Officer (the “**CEO**”) and David Weden is the Chief Administrative Officer/Chief Financial Officer (the “**CFO**”) of Integral Care;

WHEREAS, Integral Care and Elizabeth Property Group Texas, LLC, a Texas limited liability company (“**Developer**”) will enter into a Memorandum of Understanding (the “**MOU**”) whereby both parties will adhere to a plan of acquisition, renovation ownership, financing, and management of The Kensington Apartments at 3300 Manor Road, Austin, Texas 78723 (the “**Property**”);

WHEREAS, Integral Care is being provided the opportunity to provide services to the residents of the Property, consistent with its mission and purpose;

WHEREAS, Developer will cause the formation of a Texas limited partnership (the “**Partnership**”) to finance, renovate and operate the Property;

WHEREAS, Integral Care will cause the formation of a non-profit affiliate proposed to be known as Kensington GP, LLC, a Texas limited liability company (the “**Agency Participant**”) and to be the sole general partner of the Partnership with a 0.005% interest therein;

WHEREAS, Integral Care will own the land upon which the Property is located and lease it to the Partnership with the intent of securing an exemption from ad valorem tax;

RESOLVED, that (a) Integral Care's execution of the MOU is ratified and approved; (b) Integral Care's formation of the Agency Participant to be the sole general partner of the Partnership is ratified and approved; (c) Integral Care's acquisition of the land and lease to the Partnership is ratified and approved; and (d) the CEO or CFO are individually authorized, each acting on behalf of Integral Care to (i) execute and deliver any and all documents and instruments in connection therewith as may be necessary or desirable (such necessity and desirability to be conclusively evidenced by the signature of the CEO or CFO, as applicable); and (ii) do all things necessary or desirable to perform Integral Care's obligations under the MOU.

2. Authorization/Ratification.

RESOLVED, that the CEO or CFO are individually authorized, each acting on behalf of Integral Care, acting on its own behalf or on behalf of the General Partner, acting on its own behalf or on behalf of the Partnership, to (a) sign, certify to, acknowledge, deliver, accept, file, and record any and all instruments and documents, and (b) take, or cause to be taken, any and all such action, in the name and on behalf of Integral Care, the General Partner, and/or Partnership, as applicable, as such individual shall deem to be necessary, desirable, or appropriate (such necessity, desirability, or appropriateness to be conclusively evidenced by the signature of the CEO or CFO, as applicable) in order to effect the purposes of the foregoing resolutions.

FURTHER RESOLVED, that any and all action taken by the CEO or CFO, each acting on behalf of Integral Care, acting on its own behalf or on behalf of the General Partner, acting on its own behalf or on behalf of the Partnership, prior to the date this consent is actually executed in effecting the purposes of the foregoing resolutions is hereby approved, ratified, and adopted in all respects.

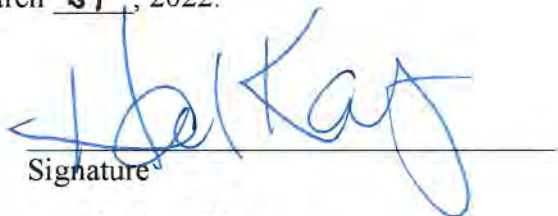
FURTHER RESOLVED, that the Committee Resolution and the matters authorized therein are ratified and approved by the Board.

[Certification page follows.]

CERTIFICATION

The undersigned are the Chairperson and Secretary of the Board of Trustees of Integral Care and each hereby certifies that the foregoing resolutions were duly adopted and approved by the Board in a regular meeting of the Board on March 31, 2022.

Chairperson:


Signature

Hal Katz
Printed Name

3/31/22
Date

Secretary:


Signature

Sarah Churchill Llamas
Printed Name

3/31/22
Date

3d / Financial Statements

Financial Statements available upon request under separate cover

3e / Funding Commitment Letters

FOSS BRIDGE CREDIT, LLC

Confidential

Proposal for Historic Tax Credit Bridge Loan

July 20, 2022

Ms. Tisha Vaidya
Elizabeth Property Group Texas LLC
5580 LBJ Freeway, Suite 630
Dallas, TX 75240

RE: The Lexington Apartments and Motor Inns – Austin, TX

- Proposed Transaction:** The Borrower is in the process of converting the existing Lexington Apartments and Motor Inn Building located at 3300 Manor Road in Austin, Texas into 148 units of affordable rental apartments (the “Project”). Renovation work is expected to begin in January 2023 and construction will be completed in April 2024. The financing for such activities includes the syndication of \$3,769,657 of 2024 Texas Historic Preservation Tax Credits (the “Texas Tax Credits”) to Foss Texas Fund, LLC (“Foss”). The total Texas Tax Credit proceeds expected to be contributed by Foss are \$3,468,084. Pending the receipt and acceptance by Bridge Lender of all required due diligence materials and closing documents, Bridge Lender is willing to provide bridge loan financing related to the Tax Credits, in the form of a loan facility intended to be repaid from the capital/equity contributions (“Capital Contributions” or “Proceeds”) of Foss and the Federal Investor.
- Borrower:** Kensington Apartments, LP (the “Borrower”).
- Guarantors:** Tisha Vaidya, Moira Concannon; and other such individuals or entities as may be determined during the Due Diligence Period.
- Lender:** Foss Bridge Credit, LLC (the “Bridge Lender”).
- Loan Facility:** The lesser of \$3,121,276 or ninety percent (90%) of the tax credit equity being bridged (the “Credit Facility”). Final amount of Credit Facility will be reduced by an amount equal to any tax credit equity proceeds that are (a) contributed prior to project completion, (b) pledged or used for any purpose other than repayment of the Credit Facility, or (c) contingent upon Project stabilization. See Exhibit A for a sample bridge loan sizing calculation.
- Use of Proceeds:** Proceeds of the Credit Facility shall be used solely for qualified rehabilitation costs associated with the Project.
- Maturity Date:** The first to occur of (a) 24 Months from the closing date or (b) receipt of sufficient Proceeds from the Tax Credits to pay the Credit Facility in full. Mandatory principal payments shall be made when and as Capital Contributions and Proceeds are due from Foss and the Federal Investor. Additional term may be granted by the Bridge Lender in the event that the final transaction structure, as

approved by the Bridge Lender, contemplates that Foss's Capital Installment is not to be fully paid until more than 18 months after closing.

- Interest Rate:** 7.0% fixed. Interest payments shall be made monthly until the maturity date, at which point all principal and outstanding interest shall be due. Bridge Lender will establish an interest reserve (the "Interest Reserve") from the loan proceeds sufficient to pay all projected interest payments through the Maturity Date.
- Origination Fee:** 2%
- Disbursements:** Bridge Lender requires that the development sources and uses at all times be in balance, and accordingly, that all Borrower equity required for the rehabilitation be funded and disbursed prior to draws on the Credit Facility. Thereafter, Bridge Lender requires that the Credit Facility be advanced on at least a pro rata basis with other sources of debt financing. Bridge Lender may, in its discretion, approve disbursement of the Credit Facility on a more accelerated disbursement schedule (including full disbursement of the Credit Facility ahead of disbursement of other debt financing).
- Prepayment Penalty:** The Credit Facility may be prepaid by the Borrower, in whole or in part without penalty during the term of the loan.
- Amortization:** None.
- Security Interest:** The Credit Facility shall be secured by, in the Bridge Lender's discretion, any or all of the following: (1) a first priority Assignment of Capital Contributions and Proceeds, (2) a first priority Assignment of the sponsor's or its affiliate's managing member or general partner interest in Borrower, including rights to distributions, credits and all other ownership interests, (3) a power of attorney (or similar rights) from the Borrower, allowing, but not requiring, after an event of default during the continuance thereof, Bridge Lender to take action on Borrower's behalf to complete rehabilitation of the Project in a manner consistent with all historic approvals, and make all required filings necessary to obtain the State Tax Credits and Federal Tax Credits, and (4) any other security reasonably requested by the Lender.
- Financial Covenants:** None.
- Due Diligence:** The Bridge Lender will need as part of necessary due diligence, and as a condition to making the Credit Facility available, the following, but not limited to:
- (i) Appraisal including a Market and Feasibility Study and a valuation of the Tax Credits;
 - (ii) Borrower, Managing Member, Sponsor and Guarantor Financial Statements and Tax Returns;
 - (iii) Phase I and Phase II environmental reports including asbestos and lead paint remediation plan;
 - (iv) Part I and Part II of federal historic tax credit application, including a list of any/all imposed conditions;

- (v) Any State Tax Credit award letter or other documentation required as a prerequisite to qualifying and/or claiming the Tax Credits, together with a list of all imposed conditions, if applicable;
- (vi) Term Sheet from Federal Investor;
- (vii) Copy of Developer's Agreement;
- (viii) Owner's Title Insurance Commitment for fee owner of Project (or leasehold commitment if Borrower is master tenant), plus, if a second position Mortgage (or Deed of Trust) is required by Bridge Lender, a Lender's Title Insurance Commitment;
- (ix) Evidence that Borrower has closed with Construction Lender;
- (x) The Borrower closing on the Construction Loan, the terms of which are satisfactory to Bridge Lender;
- (xi) Borrower has entered into either a Stipulated Sum or a Guaranteed Maximum Price contract with a General Contractor approved by Lender;
- (xii) General Contractor has provided a Payment & Performance Bond with a penal sum (bond amount) equal to the stipulated sum or guaranteed maximum price of the construction contract. Such P&P Bonds shall be from a surety and in a form acceptable to Bridge Lender. Bridge Lender shall be named as an additional beneficiary under the P&P Bonds;
- (xiii) The Borrower and all related entities obtaining all necessary approvals and making all necessary filings to obtain the Tax Credits;
- (xiv) The receipt of insurance coverage for the Project acceptable to Bridge Lender;
- (xv) The Borrower receiving all necessary permits and approvals required with respect to the Project;
- (xvi) Development of mutually agreed upon controls with respect to advances and disbursements of Credit Facility proceeds;
- (xvii) Bridge Lender and Construction Lender entering into an intercreditor agreement and subordination and non-disturbance agreement containing such terms and conditions acceptable to Bridge Lender, including the agreement of the Construction Lender not to foreclose on the Project and the right of the lenders to replace the General Contractor upon the default of the Borrower;
- (xviii) Any general information concerning the Borrower, the sponsor, the Project, and financing that has not already been provided to Bridge Lender, such as the following:
 - 1. Developer resume/biography;
 - 2. Previous Tax Credit Development Experience;
 - 3. Project Overview;
 - 4. Discussion and details of ownership structure for Project;
 - 5. Project timeline;
 - 6. Overall sources and uses for entire Project;
 - 7. Detailed breakdown of Tax Credits comprising bridge request;
 - 8. Identification and background/resume of general contractor;
 - 9. Identification and background/resume of architect;
 - 10. Any agreements with the city where the Project is located (e.g., development agreements, etc.);
- (xix) Evidence that Borrower (or any affiliate connected with the Project) is not in default on the Construction Loan or any other document relating to the financing, development, or construction of the Project; and
- (xx) Other items as requested during further review.

Expenses:

The Borrower shall reimburse Foss Bridge Credit, LLC and its participants for all reasonable out-of-pocket legal and documentation expenses incurred in connection with the transaction.

This is a form of terms that may lead to a commitment to lend upon further review and a subsequent Commitment Letter. Acceptance below assures Foss Bridge Credit, LLC of their exclusive consideration as “Bridge Lender” for the Tax Credits in exchange for the expense in time and travel of the proposed due diligence. This Summary of Principal Terms will expire if not signed by 20 DAYS FROM ISSUANCE.

Thank you for the opportunity to be of service to you.

Sincerely,

George Barry
President
Foss Bridge Credit, LLC

Accepted this ____ day of _____, 2022

Kensington Apartments, LP

By:

By: _____
Its: _____

Guarantors:

FOSS TEXAS FUND, LLC

Letter of Intent for Historic Tax Credits

July 20, 2022

Ms. Tisha Vaidya
Elizabeth Property Group Texas LLC
5580 LBJ Freeway, Suite 630
Dallas, TX 75240

RE: The Lexington Apartments and Motor Inns – Austin, TX

Dear Ms. Vaidya:

I am pleased to present the following terms and conditions relating to a possible purchase by Foss Texas Fund, LLC, or its assigns (“Purchaser”), with its principal place of business at 832 Sansome Street, 2nd Floor, San Francisco, CA 94111, in the State of Texas Historic Preservation Tax Credits (“State Historic Tax Credits” or “Tax Credit”) to be generated by the historic rehabilitation of the Lexington Apartments and Motor Inns.

Please be advised that this letter merely represents a proposal of terms and conditions, and an understanding of the issues and structure as set forth by the Sponsor, under consideration by Purchaser. Any such transaction is subject to, among other things, Due Diligence review and approval by Purchaser, its attorneys, accountants, and other appropriate parties, as well as subject to appropriate legal documentation signed by all parties. No such approval has been submitted or obtained.

Project: The Lexington Apartments and Motor Inns – Austin, TX

The project consists of the rehabilitation of the Lexington Apartments and Motor Inn Building located at 3300 Manor Road in Austin, Texas (the “Project”). The rehabilitation of the Project is to begin in January 2023 and the project is expected to be completed in April of 2024. Upon completion of construction, the Project will contain 148 affordable housing apartments. The Property will be substantially rehabilitated in accordance with the standards set by the Secretary of the Interior in order to qualify eligible expenditures for Credits. All approvals in this regard (i.e. Part II) will be received by Purchaser prior to its execution of a Purchase Agreement.

Owner Entity: Kensington Apartments, LP, a Texas Limited Partnership (the “Seller”).

Sponsor: Elizabeth Property Group, LLC.

Tax Credits: Projected 2024 Texas Historic Preservation Tax Credits of \$3,769,657.

Statutory Authority: Chapter 171, Subchapter S of the Texas Tax Code.

Administering Agencies: Texas Historical Commission; Texas Department of Revenue.

**823 SANSOME STREET, 2ND FLOOR
SAN FRANCISCO, CA 94111**

- Purchase Price:** Approximately **\$3,468,084** (or **\$0.92** for each State Credit dollar available to the Purchaser in 2024 (assumed to be \$3,769,657)).
- Such price shall be adjusted, up or down, to reflect the final Tax Credit amount shown on each Certificate issued by the Texas Historical Commission. Should the final Tax Credit amount increase by more than 10% from the above (the "Cap"), then Purchaser shall have the option, but not the obligation, to purchase such additional credits delivered in excess of the Cap.
- Credit Assignment:** Purchaser will pay \$.92 per dollar of Tax Credit as reflected on the Historic Structure Credit Certificate issued by the Texas Office of the Comptroller (the "Certificate") upon receipt of the following items: the Certificate; certificate of occupancy, National Park Service Part 3 Approval, audited cost report and the Certificate of Eligibility issued by the Texas Historical Commission.
- Due Diligence:** Within 60 days of accepting and executing this Proposal, Sponsor will provide Purchaser with certain Due Diligence materials for the Project and the Seller, including but not limited to copies of:
- a) State Parts 1 and 2 historic tax credit applications;
 - b) State Parts 1 and 2 approvals;
 - c) Current Owner Entity Operating Agreement and Articles of Organization;
 - d) Project development budget including tax credit calculation;
 - e) Operating pro forma for a minimum five-year period;
 - f) Current financial statements from the Owner Entity and Sponsor/Guarantor;
 - g) Environmental Report; and
 - h) Recent market study or appraisal.
- Upon receipt of all of the requested materials, Purchaser will have 30 days (the "Due Diligence Period") to commit in writing to the state credit purchase or inform the Sponsor of its decision not to proceed. Upon committing, both the Purchaser and Sponsor agree to work diligently, and to authorize their attorneys and other agents to finalize the Purchase Agreement. Upon a decision by Purchaser not to proceed, then this proposal shall become null and void, and neither party shall have any obligation to the other.
- Guarantor(s):** Tisha Vaidya, Moira Concannon and other such individuals or entities as may be determined during the Due Diligence Period.
- Obligations:** Tax Credit Recapture Obligation – The Sponsor and Guarantor(s) have the affirmative obligation to take all necessary acts to prevent the recapture of any Tax Credits that Purchaser may become subject to for any reason relating to the Project, the Sponsor, the Seller, and their duties and obligations under state or federal law or regulation. The Guarantor(s) shall guaranty the Sponsor's obligation to repay Purchaser for any loss or recapture of tax credits, but excluding any recapture caused by act or omission of the Purchaser, plus interest, penalty, fees, and reasonable costs of defense, if any. In the event of tax rule changes in Texas which reduce or defers the use of the tax credits by Purchaser, then Purchaser is required only to purchase those Tax Credits which can be used on a current basis for the 2024 or 2025 tax year.
- Transaction Expenses:** Sponsor will reimburse Purchaser up to \$10,000 for due diligence and closing expenses to be paid upon execution of the Tax Credit Purchase Agreement. Outside of this \$10,000 re-imbursement, each party will pay for its own legal and other expenses incurred in this transaction. Notwithstanding the foregoing, should closing not occur due to no fault of Purchaser, then the Manager, Sponsor, and the Guarantor(s) agree to pay all of Purchaser's costs, including but not limited to legal, accounting, and other due diligence investigation costs.

Financial Projections and Cost Certification:	The Financial Projections shall mean those financial projections for the Project that have been prepared by accountants experienced in historic tax credit transactions and approved by the Purchaser. Cost Certification shall mean an audited Cost Certification for the project that has been prepared by accountants experienced in historic tax credit transactions and approved by the Purchaser. Sponsor represents that it has adequate legal representation with respect to the requirements under state and federal regulations, and the allocation of the State Credits to Purchaser.
Sponsor Representations:	Sponsor represents that it will proceed diligently in effecting the allocation thereof and will act in good faith and in accordance with the rules and regulations of the Administering Agencies.
Purchaser Representations:	Purchaser represents that it is familiar with the rules and regulations relating to the issuance of State Credits, and that it has engaged adequate legal representation with respect to the requirements under state and federal regulations, and the sale of the State Credits to Purchaser.
Submissions & Reporting:	The Purchaser acknowledges that the State Credits have not been registered under the Securities Act of 1933, as amended (the "Act"), or any state securities laws and are being offered and sold in reliance upon exemptions from such registration, including Purchaser's representation that it is an "accredited investor" under the Act. Sponsor shall provide all such material as is necessary to file with the IRS and the State of Texas to claim the Tax Credits, including but not limited to Parts 1, 2 and 3 of the Texas historic certification forms, the Certificate of Eligibility issued by the Texas Historical Commission, the Historic Structure Credit Certificate issued by the Texas Office of the Comptroller, and a Certified Public Accountant's cost certification. Sponsor must submit all of these documents to Purchaser by February 15, 2025 . If all of these documents are not received by this date, then Purchaser will have the option, but not the obligation, to continue the transaction as contemplated herein.
Construction Inspector:	Seller shall cause the construction lender and/or federal historic investor for the Project, as applicable, to provide Buyer with copies of each construction inspection report prepared with respect to the Project. Purchaser reserves the right to bring in a third party building inspector to review the construction plans, construction progress, and construction draws to ensure that the project is progressing in accordance with the NPS Part II Approval and the accountant created financial model for the project. The Seller shall pay all fees of the inspector retained to perform said services up to a maximum amount of \$3,000.
Option for Late Delivery:	Assignment of the Tax Credits shall occur on or before February 15, 2025 (the "Closing Date"), unless modified by mutual written agreement of Purchaser and Seller or earlier terminated by either party if there is a change in law prior to transfer of the Tax Credits and such law change prohibits the issuance or transfer of the Tax Credits to Purchaser or adversely changes or limits Purchaser's ability to utilize the Tax Credits. In the event the Closing Date does not occur on or before February 15, 2025, then Purchaser shall have the option, but not the obligation, to extend the Closing Date to on or before March 31, 2026 (the "Extended Closing Date") by written notice to Seller and a late delivery penalty of \$.04 per dollar of credit will be imposed so that Purchaser will pay \$.88 per dollar of Tax Credit.

The Sponsor acknowledges that it currently controls the Seller, the land upon which the Project is built or renovated, will control the allocation of State Credits related to such Project, and expects to do so through the completion of the transaction contemplated herein. The Sponsor acknowledges that no agreement exists, written or otherwise, which would adversely affect its ability to enter into this agreement, and to timely complete the transaction contemplated herein. In consideration of Purchaser's interest and the mutual considerations described herein, the Sponsor grants to Purchaser the exclusive right to complete such transaction, and shall not engage in any discussion about the sale or transfer of the Project's State Credits and the associated benefits discussed herein, or its interest in them with any party other than the Purchaser until the earliest to occur of (a) Purchaser completing the transaction contemplated herein, (b) Purchaser's failure to commit to the investment in writing acceptable to the Sponsor prior to the expiration of the Due Diligence Period, or (c) December 31, 2022.

Please sign below as acknowledgment of your understanding and concurrence with the terms and conditions herein presented, and as authority to allow Purchaser, its subsidiaries, and its agents to research the Project, the Owner Entity, and the financial, professional, and character background of the principals involved. One original signed copy of this letter or electronic copy of same should be returned to Foss & Company. This proposal shall expire on August 15, 2022, if Purchaser has not received your acceptance hereof by such date.

FOSS TEXAS FUND, L.L.C.,
("PURCHASER")

By: Texas Historic Partners, LLC
Its: Managing Member

By: George Barry
Its: Manager

Accepted this ____ day of _____, 2022

Kensington Apartments, LP

By:
Its:



Boston Financial
Investment Management, LP
a Limited Partnership

101 Arch Street
Boston, Massachusetts 02110
T: 617.439.3911
F: 617.439.9978
www.bfim.com

July 22, 2022

Pratiksha Vaidya
Moira Concannon
Elizabeth Property Group
5757 Alpha Road, Suite 505
Dallas, TX 75240

Re: Kensington Apartments, Austin, TX (the “Property”)

Dear Tisha and Moira:

Thank you for giving us the opportunity to present a proposal for an equity placement for Kensington Apartments (the “Property”). The Property consists of 148 units. Permanent financing is projected to come from Federal tax credit equity of approximately \$13,225,197, State and Federal historic tax credits of \$5,997,525, a proposed first mortgage loan of \$15,900,000, and soft funding of \$6,350,000. Given the history of our successful investment in affordable housing in Texas and your familiarity with us, I expect that we will be able to quickly close a transaction that works for everybody in accordance with TDHCA regulations.

Based on the information you have provided to us, this letter will outline the principal terms on which a limited partnership sponsored by Boston Financial (“BFLP”) would acquire an interest in the partnership owning the Property (the “Partnership”) for an institutional fund of ours.

Assuming no issues arise, our due diligence review should be completed within 60 days of receipt of all due diligence materials. BFLP shall pay for all of its legal expenses. BFLP will require an Operating Reserve equal to six (6) months of operating expenses, replacement reserve deposits and required debt service. Also, property operating expenses will include annual funding of the Replacement Reserve in the amount of at least \$300 per unit per year, or such greater amount as required by any lender or state housing authority.

1. Price.

We are assuming that the Property will generate Federal LIHTC of approximately \$1,425,433 annually, State Historic tax credits of \$3,769,657, and Federal Historic tax credits of \$2,810,771. BFLP’s net proceeds of approximately \$15,784,638, representing an equity raise of \$0.93 per federal credit dollar and \$0.90 per historic credit dollar for 99.99% of the tax credits, would be contributed directly to the project.

We are prepared to fund the capital contributions in multiple installments under a negotiated pay-in schedule. Prior to closing, we will confirm your equity needs to ensure that they meet the requirements of all your lenders. The investor service fee, in the amount of \$3,000 per year, will be due after all debt service and operating costs and can be deferred and accrue if cash flow is insufficient.

Our pay-in schedule appears below:

Percent Paid (%)	Amount Paid (\$)	Conditions
25	3,946,160	Initial Closing
53	8,365,858	100% Completion
12	1,894,157	Final Closing / Stabilization
10	1,578,463	Receipt of 8609s
100%	\$15,784,638	

2. Operating Benefits and Residuals

The profits, losses and tax credits of the Partnership will be shared among the partners as follows: 99.99% to BFLP and .01% to a to-be-formed single purpose entity (the "General Partner"). The General Partner will be a corporation in which the manager is expected to be an affiliate of Elizabeth Property Group. After BFLP receives its investor service fee, 90% of the remaining cash flow will go to the General Partner. A portion of the General Partner's share may be distributed as an incentive management fee.

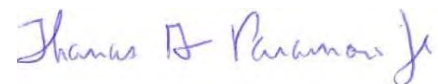
Upon sale or refinancing of a Property, 90% of the residuals will go to the General Partner after the satisfaction of any outstanding General Partner obligations.

3. Guarantees

In addition, the General Partner and the developers will be required to complete construction and accomplish a final loan closing at their cost. Additionally, for a negotiated period of time the General Partner will be required to fund deficits without reimbursement. Subsequently, the General Partner will be required to lend funds, up to a maximum negotiated amount, if the project continues to run at a deficit. These loans can be repaid from cash flow or residuals. We expect a guarantor satisfactory to BFLP will guarantee construction completion and lease-up through stabilized occupancy, as well as operating deficits and tax credit recapture.

Boston Financial is a nationally recognized expert in low-income housing. We have the largest affordable housing portfolio in the industry with a total cost in excess of \$10 billion under management. Based upon a long history of conservative structuring and economic evaluation of properties, we have an outstanding record of success for investments which we have sponsored over the past 50 years.

Sincerely,



Thomas Paramore
Senior Vice President



MASON JOSEPH COMPANY, INC.

July 22, 2022

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 148-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:	\$15.9 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:	4.75% (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:	\$56,000
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: 6 months of Debt Service
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,



Michael B. Backman
Vice President

4a / Market Study



July 20, 2022

Moira Concannon
Elizabeth Property Group
5757 Alpha Road, Suite 505
Dallas, TX 75240

Re: Market Conditions Update Letter – Kensington Apartments, located at 3300 Manor Road, Austin, Travis County, TX 78723

Dear Moira Concannon:

We previously completed market study and appraisal reports for you (the Client) for submission to the Texas Department of Housing & Community Affairs (TDHCA) for low income housing tax credit application. According to our discussions and correspondence with the client, an abbreviated letter summarizing market conditions will be acceptable for initial submission to TDHCA and potentially other soft funding source agencies in July 2022, followed by fully updated and TDHCA-compliant reports in August 2022. Therefore, the Client has requested that Novogradac provide a letter evaluating current market conditions and the potential impact on the conclusions of our original market study of the Subject property, which had an effective date of January 15, 2021.

This letter is an addendum to the referenced market study, and all limiting conditions and assumptions contained therein apply to this analysis. The scope of this assignment includes the following: updating the rent comparables, analyzing current market conditions with respect to comparable supply, review of pipeline product, abbreviated preliminary demand calculations, and presentation of current findings considering this updated market information, and taking into account the Subject's current development pro forma.

Summary of Development Changes

Since the original market study, there have been changes to the development scheme, as summarized following:

1. Rents have increased from 2020 maximum allowable levels to 2022 maximum allowable levels, an approximate 13 percent increase total over two fiscal years for this jurisdiction.
2. The total unit count has increased from 144 total units to 148 total units.
3. Originally, the property featured 100 percent of units at 50 percent AMI; the current pro forma indicates that the property will offer 50 percent of the property's units at 50 percent AMI and the remaining 50 percent at 60 percent AMI, thereby widening the range of potential incomes targeted by the property.
4. Base unit sizes of 250 and 410 square feet for studio and one-bedroom units, respectively, remain unchanged; however, the property was to have four slightly larger one-bedroom units at 450 square feet initially. Currently, all one-bedroom floor plans are designated at the same square footage.
5. The original timeline assumed construction completion in February 2023; although an updated timeline was not provided, we assume for purposes of this limited analysis, that completion/market entry will occur in early 2024.

Review of Pipeline Supply

No major changes have occurred with respect to LIHTC pipeline supply since our original study; one additional development, The Henderson on Reinli, has received TDHCA approval. This new construction development was allocated in 2021, and will consist of 306 total LIHTC units, targeted to families. A portion of the units will

MARKET CONDITIONS LETTER
PAGE 2

be directly competitive with the Subject. This development has been accounted for in our preliminary demand analysis, presented within this letter.

As far as conventional construction, there continues to be a considerable amount of supply in the pipeline, which appears to have accelerated. In our original report, CoStar reported nearly 2,800 multifamily units in the pipeline; as of the date of this letter, that number has increased to more than 4,000. Although development activity is robust, most development is concentrated within the conventional market.

Analysis of Supply and Market Conditions

We attempted to re-survey all ten of the comparables, five LIHTC (three of which are mixed-income), and five market rate, as part of our analysis. We successfully interviewed eight of the ten comparables in July 2022. One LIHTC development, Villas on Sixth Street, we were unable to survey, however, we last interviewed this property in March 2022. The remaining comparable, Seventytwo 27, was last surveyed as recently as May 2022. Copies of the rent comparable profiles are appended to this letter.

In terms of operations, vacancy levels have improved since our January 2021 study; the current overall vacancy rate is 3.6 percent, lower than the 4.8 percent rate reported in our original study. Similarly, the current LIHTC vacancy rate is 0.4 percent, compared to 3.7 percent in early 2021. None of the comparables are offering concessions now, whereas two market rate developments were in 2021. Two comparables maintained waiting lists in our original report, whereas four total do now. Rent increases have occurred among both LIHTC and market rate supply; all LIHTC properties reported rents at maximum permitted levels. Broadly speaking, market conditions with respect to comparable property operations have improved compared to those reported in the original study.

Aside from just operational changes, market conditions with respect to the economy have improved greatly since the January 2021 study. The impact of COVID remained acute in terms of employment loss and unemployment rates in early 2021. Although metro Austin was impacted less severely economically by the pandemic even in 2020 and early 2021, relative to national trends, losses were still realized. However, trends have improved considerably as of the effective date of this letter. Current unemployment (based on April 2022 data) is 2.5 percent, compared to 3.3 percent nationally. Employment increased 8.1 percent in 2021 (3.2 percent nationally) and 6.8 percent year over year for the 12 month period ending April 2022. Current employment in Austin is at a record high level. Improving economic conditions appear to have had a positive impact on the multifamily market.

Preliminary Demand Estimate

As previously noted, the pro forma has changed since the original study. As a result, we have presented a preliminary estimate of demand below. Note that this demand follows TDHCA format and requirements. However, the nature of this engagement precluded an in depth analysis of area supply that may be proposed outside the market area. Therefore, it is possible demand calculations may change once the full market study report is completed. However, we believe the below calculations are a reasonable estimate of demand, considering current market conditions, proposed known supply, and the Subject's current development scheme.

MARKET CONDITIONS LETTER
PAGE 3

INDIVIDUAL, AMGI BAND, AND GROSS CAPTURE RATES – PRELIMINARY								
		Relevant Supply						Capture Rate
	Subject Units	Comparable Units	Total Relevant Supply		Gross Demand	Gross Demand + External Demand*	=	
@50%								
OBR	32	0	32	/	414	455	=	7.0%
1BR	42	77	119	/	663	728	=	16.3%
AMGI Band Capture Rate	74	77	151	/	2,570	2,827	=	5.3%
@60%								
OBR	32	0	32	/	306	336	=	9.5%
1BR	42	112	154	/	473	520	=	29.6%
AMGI Band Capture Rate	74	112	186	/	1,320	1,452	=	12.8%
GROSS DEMAND (LIHTC UNITS)								
Gross Demand	148	189	337	/	3,890	4,279	=	7.9%

*Some numbers may appear off due to rounding

As indicated, Dividing the Subject’s 148 total LIHTC units and the relevant supply for a total of 337 units by the total demand of 4,279 renter households indicates a capture rate of 7.9 percent, 90 percent of which is drawing from the PMA and 10 percent of which is drawing from outside the PMA, per TDHCA guidelines. Additionally, all individual unit capture rates are 29.6 percent or less, meeting the TDHCA threshold of 65 percent or less. Lastly, the total capture rate for the 50 percent AMGI band is 5.3 percent, meeting the TDHCA threshold of 10 percent or less. The preliminary 60 percent AMGI Band capture rate is 12.8 percent, slightly exceeding the ten percent threshold. However, this estimate is preliminary as previously noted. **It is possible upon further research demand estimates could shift slightly, due to final pro forma, final determination of relevant supply, and determination of official market entry date.** This market is growing rapidly, so the shift of market entry by even a few months could have a significant impact on demand figures.

Lastly, it is important to recognize that the gross demand and AMGI band capture rates indicated above are lower than the rates indicated in the original January 2021 study. There are additional provisions for capture rates to be above the indicated threshold levels if the development serves as existing housing deemed affordable, and/or 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). The latter provision was supported in the January 2021 market study. **Additional analysis related to feasibility and final demand estimates will be conducted as part of the completion of the full TDHCA-complaint market study.**

Summary of Findings and Conclusions

As indicated, the market has improved since our original market study was prepared in January 2021. All findings from the initial report and that were considered herein remain valid. The most notable change to the development scheme pertains to changes to the pro forma considering the recent release of 2022 income limit data, as well as the inclusion of 60 percent units as part of the overall unit mix, and the net increase of four units, bringing the total unit count from 144 to 148. Demand estimates are preliminary but largely favorable, as outlined above, apart from the 60 percent AMGI Band, which needs to be further researched. Any additional analysis is speculative, though market conditions remain favorable.

MARKET CONDITIONS LETTER
PAGE 4

It is a specific assumption of this assignment that the reader has also reviewed the referenced prior market study work. The format of this letter has been determined by the Client (in consultation with Novogradac and acknowledging the limitations herein) to be acceptable for their underwriting purposes, and for purposes of initial submission to TDHCA and potentially other soft funding source agencies. Another user may find this format less useful. Novogradac can modify the reporting with the permission of the Client for other users, subject to new engagement terms and a determined scope of work.

Please contact us if you have any comments or questions.

Respectfully submitted,
Novogradac

A handwritten signature in cursive script that reads "R. Denton".

Rachel Denton, MAI
Partner
Rachel.Denton@novoco.com
913-312-4612

PROPERTY PROFILE REPORT

Aldrich 51

Effective Rent Date	7/14/2022
Location	2604 Aldrich Street Austin, TX 78723 Travis County
Distance	1.2 miles
Units	240
Vacant Units	0
Vacancy Rate	0.0%
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	AMLI on Aldrich
Tenant Characteristics	Mixed tenancy
Contact Name	Sara
Phone	(512) 904-0501



Market Information

Program	@30%, @50%, @60%, Market
Annual Turnover Rate	10%
Units/Month Absorbed	25
HCV Tenants	14%
Leasing Pace	Pre-leased; within one week
Annual Chg. in Rent	LIHTC kept at max
Concession	None
Waiting List	Yes; undetermined length

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	1	Midrise (4 stories)	12	524	\$531	\$0	@30%	Yes	0	0.0%	yes	None
0	1	Midrise (4 stories)	10	524	\$918	\$0	@50%	Yes	0	0.0%	yes	None
0	1	Midrise (4 stories)	16	524	\$1,111	\$0	@60%	Yes	0	0.0%	yes	None
1	1	Midrise (4 stories)	2	712	\$564	\$0	@30%	Yes	0	0.0%	yes	None
1	1	Midrise (4 stories)	12	712	\$978	\$0	@50%	Yes	0	0.0%	yes	None
1	1	Midrise (4 stories)	65	712	\$1,185	\$0	@60%	Yes	0	0.0%	yes	None
1	1	Midrise (4 stories)	8	712	\$1,300	\$0	Market	No	0	0.0%	N/A	None
2	1	Midrise (4 stories)	29	867	\$1,163	\$0	@50%	Yes	0	0.0%	yes	None
2	1	Midrise (4 stories)	56	867	\$1,411	\$0	@60%	Yes	0	0.0%	yes	None
2	1	Midrise (4 stories)	5	867	\$1,446	\$0	Market	No	0	0.0%	N/A	None
2	2	Midrise (4 stories)	4	1,000	\$1,163	\$0	@50%	Yes	0	0.0%	yes	None
2	2	Midrise (4 stories)	6	1,199	\$1,411	\$0	@60%	Yes	0	0.0%	yes	None
2	2	Midrise (4 stories)	7	1,200	\$1,550	\$0	Market	No	0	0.0%	N/A	None
3	2	Midrise (4 stories)	4	1,200	\$1,621	\$0	@60%	Yes	0	0.0%	yes	None
3	2	Midrise (4 stories)	4	1,223	\$1,950	\$0	Market	No	0	0.0%	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 / 1BA	\$531	\$0	\$531	\$62	\$593	Studio / 1BA	\$918	\$0	\$918	\$62	\$980
1BR / 1BA	\$564	\$0	\$564	\$67	\$631	1BR / 1BA	\$978	\$0	\$978	\$67	\$1,045
						2BR / 1BA	\$1,163	\$0	\$1,163	\$81	\$1,244
						2BR / 2BA	\$1,163	\$0	\$1,163	\$81	\$1,244
@60%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent	Market	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
Studio / 1BA	\$1,111	\$0	\$1,111	\$62	\$1,173	1BR / 1BA	\$1,300	\$0	\$1,300	\$67	\$1,367
1BR / 1BA	\$1,185	\$0	\$1,185	\$67	\$1,252	2BR / 1BA	\$1,446	\$0	\$1,446	\$81	\$1,527
2BR / 1BA	\$1,411	\$0	\$1,411	\$81	\$1,492	2BR / 2BA	\$1,550	\$0	\$1,550	\$81	\$1,631
2BR / 2BA	\$1,411	\$0	\$1,411	\$81	\$1,492	3BR / 2BA	\$1,950	\$0	\$1,950	\$95	\$2,045
3BR / 2BA	\$1,621	\$0	\$1,621	\$95	\$1,716						

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 water, pest control and garage parking are included in the rent. The contact reported that they keep separate waitlists for different units at different AMI levels. The rents have stayed at 2022 maximum since Q12022

Trend Report

Vacancy Rates

3Q21	1Q22	2Q22	3Q22
4.2%	1.3%	0.0%	0.0%

Trend: @30%

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2021	3	0.0%	\$499	\$0	\$499	\$566
2022	1	0.0%	\$499	\$0	\$499	\$566
2022	2	0.0%	\$564	\$0	\$564	\$631
2022	3	0.0%	\$564	\$0	\$564	\$631

Studio / OBA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2021	3	0.0%	\$470	\$0	\$470	\$532
2022	1	0.0%	\$471	\$0	\$471	\$533

Studio / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2022	2	0.0%	\$531	\$0	\$531	\$593
2022	3	0.0%	\$531	\$0	\$531	\$593

Trend: @50%

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2021	3	0.0%	\$871	\$0	\$871	\$938
2022	1	0.0%	\$871	\$0	\$871	\$938
2022	2	0.0%	\$978	\$0	\$978	\$1,045
2022	3	0.0%	\$978	\$0	\$978	\$1,045

2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2021	3	0.0%	\$1,035	\$0	\$1,035	\$1,116
2022	1	3.4%	\$1,035	\$0	\$1,035	\$1,116
2022	2	0.0%	\$1,163	\$0	\$1,163	\$1,244
2022	3	0.0%	\$1,163	\$0	\$1,163	\$1,244

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2021	3	0.0%	\$1,035	\$0	\$1,035	\$1,116
2022	1	0.0%	\$1,035	\$0	\$1,035	\$1,116
2022	2	0.0%	\$1,163	\$0	\$1,163	\$1,244
2022	3	0.0%	\$1,163	\$0	\$1,163	\$1,244

Studio / OBA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2021	3	0.0%	\$817	\$0	\$817	\$879
2022	1	0.0%	\$818	\$0	\$818	\$880

Studio / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2022	2	0.0%	\$918	\$0	\$918	\$980
2022	3	0.0%	\$918	\$0	\$918	\$980

Aldrich 51, continued

Trend: @60%

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2021	3	0.0%	\$1,056	\$0	\$1,056	\$1,123
2022	1	0.0%	\$1,056	\$0	\$1,056	\$1,123
2022	2	0.0%	\$1,185	\$0	\$1,185	\$1,252
2022	3	0.0%	\$1,185	\$0	\$1,185	\$1,252

2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2021	3	0.0%	\$1,258	\$0	\$1,258	\$1,339
2022	1	0.0%	\$1,258	\$0	\$1,258	\$1,339
2022	2	0.0%	\$1,411	\$0	\$1,411	\$1,492
2022	3	0.0%	\$1,411	\$0	\$1,411	\$1,492

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2021	3	0.0%	\$1,258	\$0	\$1,258	\$1,339
2022	1	0.0%	\$1,258	\$0	\$1,258	\$1,339
2022	2	0.0%	\$1,411	\$0	\$1,411	\$1,492
2022	3	0.0%	\$1,411	\$0	\$1,411	\$1,492

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2021	3	0.0%	\$1,442	\$0	\$1,442	\$1,537
2022	1	0.0%	\$1,443	\$0	\$1,443	\$1,538
2022	2	0.0%	\$1,621	\$0	\$1,621	\$1,716
2022	3	0.0%	\$1,621	\$0	\$1,621	\$1,716

Studio / OBA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2021	3	0.0%	\$990	\$0	\$990	\$1,052
2022	1	12.5%	\$991	\$0	\$991	\$1,053

Studio / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2022	2	0.0%	\$1,111	\$0	\$1,111	\$1,173
2022	3	0.0%	\$1,111	\$0	\$1,111	\$1,173

Trend: Market

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2021	3	50.0%	\$1,300	\$0	\$1,300	\$1,367
2022	1	0.0%	\$1,300	\$0	\$1,300	\$1,367
2022	2	0.0%	\$1,300	\$0	\$1,300	\$1,367
2022	3	0.0%	\$1,300	\$0	\$1,300	\$1,367

2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2021	3	60.0%	\$1,446	\$0	\$1,446	\$1,527
2022	1	0.0%	\$1,446	\$0	\$1,446	\$1,527
2022	2	0.0%	\$1,446	\$0	\$1,446	\$1,527
2022	3	0.0%	\$1,446	\$0	\$1,446	\$1,527

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2021	3	0.0%	\$1,550	\$0	\$1,550	\$1,631
2022	1	0.0%	\$1,550	\$0	\$1,550	\$1,631
2022	2	0.0%	\$1,550	\$0	\$1,550	\$1,631
2022	3	0.0%	\$1,550	\$0	\$1,550	\$1,631

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2021	3	75.0%	\$1,950	\$0	\$1,950	\$2,045
2022	1	0.0%	\$1,950	\$0	\$1,950	\$2,045
2022	2	0.0%	\$1,950	\$0	\$1,950	\$2,045
2022	3	0.0%	\$1,950	\$0	\$1,950	\$2,045

Trend: Comments

3Q21	The contact reported that the property worked 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.
1Q22	N/A
2Q22	The contact reported that water, pest control and garage parking are included in the rent. The contact reported that they keep separate waitlists for different units at different AMI levels.
3Q22	The contact reported that water, pest control and garage parking are included in the rent. The contact reported that they keep separate waitlists for different units at different AMI levels. The rents have stayed at 2022 maximum since Q12022

Photos



PROPERTY PROFILE REPORT

Creekview Apartments

Effective Rent Date	7/14/2022
Location	5001 Crainway Austin, TX 78724 Travis County
Distance	3.4 miles
Units	264
Vacant Units	0
Vacancy Rate	0.0%
Type	Garden (3 stories)
Year Built/Renovated	2020 / N/A
Marketing Began	N/A
Leasing Began	8/01/2020
Last Unit Leased	7/01/2021
Major Competitors	None identified
Tenant Characteristics	Mixed tenancy from local area
Contact Name	Geena
Phone	512-871-0873



Market Information

Program	@60%
Annual Turnover Rate	N/A
Units/Month Absorbed	24
HCV Tenants	18%
Leasing Pace	Within two 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	Garden (3 stories)	32	550	\$1,039	\$0	@60%	No	0	0.0%	yes	None
1	1	Garden (3 stories)	120	815	\$1,113	\$0	@60%	No	0	0.0%	yes	None
2	2	Garden (3 stories)	76	1,171	\$1,336	\$0	@60%	No	0	0.0%	yes	None
3	2	Garden (3 stories)	36	1,294	\$1,543	\$0	@60%	No	0	0.0%	yes	None

Unit Mix

@60%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
Studio / 1BA	\$1,039	\$0	\$1,039	\$62	\$1,101
1BR / 1BA	\$1,113	\$0	\$1,113	\$67	\$1,180
2BR / 2BA	\$1,336	\$0	\$1,336	\$81	\$1,417
3BR / 2BA	\$1,543	\$0	\$1,543	\$95	\$1,638

Creekview Apartments, continued

Amenities

In-Unit		Security	Services
Balcony/Patio	Blinds	Intercom (Buzzer)	None
Carpet/Hardwood	Central A/C	Limited Access	
Coat Closet	Dishwasher	Perimeter Fencing	
Garbage Disposal	Oven		
Refrigerator	Washer/Dryer		
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 opened in August 2020 and was stabilized in July 2021. The contact stated the ongoing COVID-19 pandemic negatively affected the leasing pace. According to the contact, several tenants are behind on their monthly rent as a result of job losses and furloughs due to the pandemic. The property is offering payment plans and are waiving late fees for residents having difficulty paying rent. Each unit offers an in-unit washer/dryer, and carport parking is included with rent.

Creekview Apartments, continued

Trend Report

Vacancy Rates

4Q20	1Q21	3Q21	3Q22
79.9%	8.0%	0.0%	0.0%

Trend: @60%

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2020	4	N/A	\$1,041	\$0	\$1,041	\$1,108
2021	1	N/A	\$1,042	\$0	\$1,042	\$1,109
2021	3	0.0%	\$1,057	\$0	\$1,057	\$1,124
2022	3	0.0%	\$1,113	\$0	\$1,113	\$1,180

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2020	4	N/A	\$1,240	\$0	\$1,240	\$1,321
2021	1	N/A	\$1,242	\$0	\$1,242	\$1,323
2021	3	0.0%	\$1,260	\$0	\$1,260	\$1,341
2022	3	0.0%	\$1,336	\$0	\$1,336	\$1,417

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2021	3	0.0%	\$1,445	\$0	\$1,445	\$1,540
2022	3	0.0%	\$1,543	\$0	\$1,543	\$1,638

3BR / 3BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2020	4	N/A	\$1,422	\$0	\$1,422	\$1,517
2021	1	N/A	\$1,425	\$0	\$1,425	\$1,520

Studio / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2020	4	N/A	\$977	\$0	\$977	\$1,039
2021	1	N/A	\$978	\$0	\$978	\$1,040
2021	3	0.0%	\$981	\$0	\$981	\$1,043
2022	3	0.0%	\$1,039	\$0	\$1,039	\$1,101

Trend: Comments

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 2020. 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.
3Q21	The property opened in August 2020 and was stabilized in July 2021. The contact stated the ongoing COVID-19 pandemic negatively affected the leasing pace. According to the contact, several tenants are behind on their monthly rent as a result of job losses and furloughs due to the pandemic. The property is offering payment plans and are waiving late fees for residents having difficulty paying rent. Each unit offers an in-unit washer/dryer, and carport parking is included with rent.
3Q22	N/A

Photos



PROPERTY PROFILE REPORT

Solaris

Effective Rent Date 7/14/2022
Location 1601 Royal Crest Drive
Austin, TX 78741
Travis County
Distance 2.1 miles
Units 563
Vacant Units 5
Vacancy Rate 0.9%
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 LIHTC units kept at Max
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	\$1,039	\$0	@50%	No	0	N/A	yes	None
1	1	Garden (2 stories)	N/A	506	\$1,049	\$0	@50%	No	0	N/A	yes	None
1	1	Garden (2 stories)	N/A	676	\$1,069	\$0	@50%	No	0	N/A	yes	None
1	1	Garden (2 stories)	N/A	746	\$1,099	\$0	@50%	No	0	N/A	yes	None
1	1	Garden (2 stories)	N/A	506	\$915	\$0	Market	No	1	N/A	N/A	None
1	1	Garden (2 stories)	N/A	676	\$922	\$0	Market	No	0	N/A	N/A	None
1	1	Garden (2 stories)	N/A	746	\$949	\$0	Market	No	1	N/A	N/A	None
2	1	Garden (2 stories)	N/A	689	\$1,169	\$0	@50%	No	0	N/A	yes	None
2	1	Garden (2 stories)	N/A	689	\$1,015	\$0	Market	No	0	N/A	N/A	None
2	1.5	Garden (2 stories)	N/A	716	\$1,199	\$0	@50%	No	0	N/A	yes	None
2	1.5	Garden (2 stories)	N/A	716	\$1,086	\$0	Market	No	0	N/A	N/A	None
2	2	Garden (2 stories)	N/A	912	\$1,179	\$0	Market	No	2	N/A	N/A	None
2	2	Garden (2 stories)	N/A	950	\$1,209	\$0	Market	No	1	N/A	N/A	None
2	2	Garden (2 stories)	N/A	1,200	\$1,436	\$0	Market	No	0	N/A	N/A	None
3	2.5	Garden (2 stories)	N/A	1,312	\$1,525	\$0	Market	No	0	N/A	N/A	None
4	2	Garden (2 stories)	N/A	1,188	\$1,725	\$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	\$1,039	\$0	\$1,039	\$195	\$1,234	1BR / 1BA	\$915 - \$949	\$0	\$915 - \$949	\$202	\$1,117 - \$1,151
1BR / 1BA	\$1,049 - \$1,099	\$0	\$1,049 - \$1,099	\$202	\$1,251 - \$1,301	2BR / 1BA	\$1,015	\$0	\$1,015	\$236	\$1,251
2BR / 1BA	\$1,169	\$0	\$1,169	\$236	\$1,405	2BR / 1.5BA	\$1,086	\$0	\$1,086	\$236	\$1,322
2BR / 1.5BA	\$1,199	\$0	\$1,199	\$236	\$1,435	2BR / 2BA	\$1,179 - \$1,436	\$0	\$1,179 - \$1,436	\$236	\$1,415 - \$1,672
						3BR / 2.5BA	\$1,525	\$0	\$1,525	\$274	\$1,799
						4BR / 2BA	\$1,725	\$0	\$1,725	\$0	\$1,725

Amenities

In-Unit

Balcony/Patio
Carpet/Hardwood
Ceiling Fan
Oven
Walk-In Closet

Blinds
Dishwasher
Garbage Disposal
Refrigerator
Washer/Dryer hookup

Security

Patrol

Services

None

Property

Business Center/Computer Lab
Courtyard
Off-Street Parking
Picnic Area
Swimming Pool

Clubhouse/Meeting Room/Community
Central Laundry
On-Site Management
Recreation Areas

Premium

None

Other

None

Comments

The contact stated COVID-19 minimally impacted the property. 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. Contact could only provide rent information for the Low Income units. The building as a whole maintains above 95% occupancy at all times and LIHTC units are very hard to come by.

Trend Report

Vacancy Rates

4Q18	1Q21	3Q21	3Q22
0.0%	1.1%	0.9%	0.9%

Trend: @50%

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2018	4	N/A	\$840	\$0	\$840	\$1,042
2021	1	N/A	\$800 - \$855	\$0	\$800 - \$855	\$1,002 - \$1,057
2021	3	N/A	\$800 - \$878	\$0	\$800 - \$878	\$1,002 - \$1,080
2022	3	N/A	\$1,049 - \$1,099	\$0	\$1,049 - \$1,099	\$1,251 - \$1,301

2BR / 1.5BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2018	4	N/A	\$894	\$0	\$894	\$1,130
2021	1	N/A	\$912	\$0	\$912	\$1,148
2021	3	N/A	\$923	\$0	\$923	\$1,159
2022	3	N/A	\$1,199	\$0	\$1,199	\$1,435

2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2018	4	N/A	\$894	\$0	\$894	\$1,130
2021	1	N/A	\$882	\$0	\$882	\$1,118
2021	3	N/A	\$923	\$0	\$923	\$1,159
2022	3	N/A	\$1,169	\$0	\$1,169	\$1,405

Studio / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2018	4	N/A	\$693	\$0	\$693	\$888
2021	1	N/A	\$724	\$0	\$724	\$919
2021	3	N/A	\$809	\$0	\$809	\$1,004
2022	3	N/A	\$1,039	\$0	\$1,039	\$1,234

Trend: Market

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2018	4	N/A	\$865	\$0	\$865	\$1,067
2021	1	N/A	\$855 - \$879	\$0	\$855 - \$879	\$1,057 - \$1,081
2021	3	N/A	\$915 - \$949	\$0	\$915 - \$949	\$1,117 - \$1,151
2022	3	N/A	\$915 - \$949	\$0	\$915 - \$949	\$1,117 - \$1,151

2BR / 1.5BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2018	4	N/A	\$1,070	\$0	\$1,070	\$1,306
2021	1	N/A	\$1,070	\$0	\$1,070	\$1,306
2021	3	N/A	\$1,086	\$0	\$1,086	\$1,322
2022	3	N/A	\$1,086	\$0	\$1,086	\$1,322

2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2018	4	N/A	\$1,070	\$0	\$1,070	\$1,306
2021	1	N/A	\$929	\$0	\$929	\$1,165
2021	3	N/A	\$1,015	\$0	\$1,015	\$1,251
2022	3	N/A	\$1,015	\$0	\$1,015	\$1,251

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2018	4	N/A	\$1,029 - \$1,150	\$0	\$1,029 - \$1,150	\$1,265 - \$1,386
2021	1	N/A	\$1,106 - \$1,308	\$0	\$1,106 - \$1,308	\$1,342 - \$1,544
2021	3	N/A	\$1,179 - \$1,436	\$0	\$1,179 - \$1,436	\$1,415 - \$1,672
2022	3	N/A	\$1,179 - \$1,436	\$0	\$1,179 - \$1,436	\$1,415 - \$1,672

3BR / 2.5BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2018	4	N/A	\$1,340	\$0	\$1,340	\$1,614
2021	1	N/A	\$1,460	\$0	\$1,460	\$1,734
2021	3	N/A	\$1,525	\$0	\$1,525	\$1,799
2022	3	N/A	\$1,525	\$0	\$1,525	\$1,799

4BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2018	4	N/A	\$1,500	\$0	\$1,500	\$1,500
2021	1	N/A	\$1,573	\$0	\$1,573	\$1,573
2021	3	N/A	\$1,725	\$0	\$1,725	\$1,725
2022	3	N/A	\$1,725	\$0	\$1,725	\$1,725

Studio / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
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Trend: Comments

- 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.
- 3Q21 The contact stated COVID-19 minimally impacted the property. 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.
- 3Q22 The contact stated COVID-19 minimally impacted the property. 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. Contact could only provide rent information for the Low Income units. The building as a whole maintains above 95% occupancy at all times and LIHTC units are very hard to come by.

Photos



PROPERTY PROFILE REPORT

Thinkeast Apartment Homes

Effective Rent Date	7/14/2022
Location	1143 Shady Lane Austin, TX 78721 Travis County
Distance	1.8 miles
Units	180
Vacant Units	0
Vacancy Rate	0.0%
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	Isabelle
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	\$1,084	\$0	@60%	Yes	0	N/A	yes	None
1	1	Garden (3 stories)	N/A	670	\$1,161	\$0	@60%	Yes	0	N/A	yes	None
1	1	Garden (3 stories)	N/A	692	\$1,161	\$0	@60%	Yes	0	N/A	yes	None
1	1	Garden (3 stories)	N/A	696	\$1,161	\$0	@60%	Yes	0	N/A	yes	None
1	1	Garden (3 stories)	N/A	753	\$1,161	\$0	@60%	Yes	0	N/A	yes	None
2	2	Garden (3 stories)	N/A	967	\$1,388	\$0	@60%	Yes	0	N/A	yes	None
2	2	Garden (3 stories)	N/A	1,067	\$1,388	\$0	@60%	Yes	0	N/A	yes	None
2	2	Garden (3 stories)	N/A	1,149	\$1,388	\$0	@60%	Yes	0	N/A	yes	None
3	2	Garden (3 stories)	N/A	1,265	\$1,600	\$0	@60%	Yes	0	N/A	yes	None

Thinkeast Apartment Homes, continued

Unit Mix

@60%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
Studio / 1BA	\$1,084	\$0	\$1,084	\$170	\$1,254
1BR / 1BA	\$1,161	\$0	\$1,161	\$177	\$1,338
2BR / 2BA	\$1,388	\$0	\$1,388	\$211	\$1,599
3BR / 2BA	\$1,600	\$0	\$1,600	\$247	\$1,847

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		
Washer/Dryer hookup			
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 contact reported that several tenants are behind on their monthly rents as a result of job losses and furloughs due to the ongoing COVID-19 pandemic. However, the contact could not comment on any programs the property may be using to help tenants pay rent. Washer/dryers are available for \$40 per month.

Thinkeast Apartment Homes, continued

Trend Report

Vacancy Rates

1Q21	3Q21	1Q22	3Q22
4.4%	0.0%	0.0%	0.0%

Trend: @60%

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2021	1	N/A	\$932	\$0	\$932	\$1,109
2021	3	N/A	\$1,030	\$0	\$1,030	\$1,207
2022	1	N/A	\$1,032	\$0	\$1,032	\$1,209
2022	3	N/A	\$1,161	\$0	\$1,161	\$1,338

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2021	1	N/A	\$1,116	\$0	\$1,116	\$1,327
2021	3	N/A	\$1,232	\$0	\$1,232	\$1,443
2022	1	N/A	\$1,235	\$0	\$1,235	\$1,446
2022	3	N/A	\$1,388	\$0	\$1,388	\$1,599

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2021	1	N/A	\$1,283	\$0	\$1,283	\$1,530
2021	3	N/A	\$1,421	\$0	\$1,421	\$1,668
2022	1	N/A	\$1,422	\$0	\$1,422	\$1,669
2022	3	N/A	\$1,600	\$0	\$1,600	\$1,847

Studio / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2021	1	N/A	\$870	\$0	\$870	\$1,040
2021	3	N/A	\$965	\$0	\$965	\$1,135
2022	1	N/A	\$964	\$0	\$964	\$1,134
2022	3	N/A	\$1,084	\$0	\$1,084	\$1,254

Trend: Comments

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.
3Q21	The property is offering payment plans and waived late fees for residents that had difficulty paying rent due to COVID-19. The contact reported an increase in delinquencies in 2020 and early 2021 as the most apparent impact to the property. However, the property directed tenants to outside resources for assistance. Overall, the property remained stable and the market is strong.
1Q22	The contact reported that several tenants are behind on their monthly rents as a result of job losses and furloughs due to the ongoing COVID-19 pandemic. However, the contact could not comment on any programs the property may be using to help tenants pay rent. Washer/dryers are available for \$40 per month.
3Q22	N/A

Photos



PROPERTY PROFILE REPORT

Villas On Sixth Street

Effective Rent Date	3/18/2022
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 at 2021 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	\$688	\$0	@40%	Yes	0	0.0%	yes	None
1	1	Garden (3 stories)	20	756	\$879	\$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	\$813	\$0	@40%	Yes	0	0.0%	yes	None
2	2	Garden (3 stories)	30	917	\$1,042	\$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	\$928	\$0	@40%	Yes	0	0.0%	yes	None
3	2	Garden (3 stories)	26	1,049	\$1,192	\$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

Trend Report

Vacancy Rates

1Q21	3Q21	1Q22	3Q22
0.0%	0.0%	0.0%	0.0%

Trend: @40%

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2021	1	0.0%	\$597	\$0	\$597	\$774
2021	3	0.0%	\$688	\$0	\$688	\$865
2022	1	0.0%	\$688	\$0	\$688	\$865
2022	3	0.0%	\$688	\$0	\$688	\$865

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2021	1	0.0%	\$714	\$0	\$714	\$925
2021	3	0.0%	\$813	\$0	\$813	\$1,024
2022	1	0.0%	\$813	\$0	\$813	\$1,024
2022	3	0.0%	\$813	\$0	\$813	\$1,024

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2021	1	0.0%	\$818	\$0	\$818	\$1,065
2021	3	0.0%	\$928	\$0	\$928	\$1,175
2022	1	0.0%	\$928	\$0	\$928	\$1,175
2022	3	0.0%	\$928	\$0	\$928	\$1,175

Trend: @50%

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2021	1	0.0%	\$785	\$0	\$785	\$962
2021	3	0.0%	\$879	\$0	\$879	\$1,056
2022	1	0.0%	\$879	\$0	\$879	\$1,056
2022	3	0.0%	\$879	\$0	\$879	\$1,056

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2021	1	0.0%	\$940	\$0	\$940	\$1,151
2021	3	0.0%	\$1,042	\$0	\$1,042	\$1,253
2022	1	0.0%	\$1,042	\$0	\$1,042	\$1,253
2022	3	0.0%	\$1,042	\$0	\$1,042	\$1,253

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2021	1	0.0%	\$1,079	\$0	\$1,079	\$1,326
2021	3	0.0%	\$1,192	\$0	\$1,192	\$1,439
2022	1	0.0%	\$1,192	\$0	\$1,192	\$1,439
2022	3	0.0%	\$1,192	\$0	\$1,192	\$1,439

Trend: Market

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2021	1	0.0%	\$1,200	\$0	\$1,200	\$1,377
2021	3	0.0%	\$1,200	\$0	\$1,200	\$1,377
2022	1	0.0%	\$1,200	\$0	\$1,200	\$1,377
2022	3	0.0%	\$1,200	\$0	\$1,200	\$1,377

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2021	1	0.0%	\$1,500	\$0	\$1,500	\$1,711
2021	3	0.0%	\$1,500	\$0	\$1,500	\$1,711
2022	1	0.0%	\$1,500	\$0	\$1,500	\$1,711
2022	3	0.0%	\$1,500	\$0	\$1,500	\$1,711

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2021	1	0.0%	\$1,700	\$0	\$1,700	\$1,947
2021	3	0.0%	\$1,700	\$0	\$1,700	\$1,947
2022	1	0.0%	\$1,700	\$0	\$1,700	\$1,947
2022	3	0.0%	\$1,700	\$0	\$1,700	\$1,947

Trend: Comments

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.
3Q21	The contact stated that rents have recently been raised to the 2021 maximum allowable levels. The contact noted that several tenants were affected by job losses and furloughs due to the COVID-19 pandemic, and the property worked with residents on a case-by-case basis. The contact reported strong demand for affordable and market rate units.
1Q22	The contact stated that rents have been at the 2021 maximum allowable levels. The contact noted that several tenants were affected by job losses and furloughs due to the COVID-19 pandemic, and the property worked with residents on a case-by-case basis. The contact reported strong demand for affordable and market rate units.
3Q22	N/A

Photos



PROPERTY PROFILE REPORT

Menlo At Mueller

Effective Rent Date	7/14/2022
Location	6855 Highway 290 East Austin, TX 78723 Travis County
Distance	2.4 miles
Units	248
Vacant Units	2
Vacancy Rate	0.8%
Type	Various (2 stories)
Year Built/Renovated	1973 / 2004/2020
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	None identified
Tenant Characteristics	Mixed tenancy
Contact Name	Ashely
Phone	512-928-0384



Market Information

Program	Market
Annual Turnover Rate	25%
Units/Month Absorbed	N/A
HCV Tenants	0%
Leasing Pace	Seven days
Annual Chg. in Rent	Inc. 12% - 23% since 4Q2021
Concession	None
Waiting List	Yes; 8 households in length

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 (2 stories)	16	440	\$1,185	\$0	Market	Yes	0	0.0%	N/A	None
1	1	Garden (2 stories)	20	650	\$1,315	\$0	Market	Yes	1	5.0%	N/A	None
1	1	Garden (2 stories)	20	680	N/A	\$0	Market	Yes	0	0.0%	N/A	None
1	1	Garden (2 stories)	20	750	\$1,335	\$0	Market	Yes	1	5.0%	N/A	None
2	1	Garden (2 stories)	41	880	\$1,463	\$0	Market	Yes	0	0.0%	N/A	None
2	1.5	Townhouse (2 stories)	41	990	\$1,683	\$0	Market	Yes	0	0.0%	N/A	None
2	2	Garden (2 stories)	41	1,084	\$1,714	\$0	Market	Yes	0	0.0%	N/A	None
2	2.5	Townhouse (2 stories)	41	1,130	\$1,794	\$0	Market	Yes	0	0.0%	N/A	None
3	2	Townhouse (2 stories)	8	1,380	\$2,115	\$0	Market	Yes	0	0.0%	N/A	None

Menlo At Mueller, continued

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
Studio / 1BA	\$1,185	\$0	\$1,185	\$170	\$1,355
1BR / 1BA	\$1,315 - \$1,335	\$0	\$1,315 - \$1,335	\$177	\$1,492 - \$1,512
2BR / 1BA	\$1,463	\$0	\$1,463	\$211	\$1,674
2BR / 1.5BA	\$1,683	\$0	\$1,683	\$211	\$1,894
2BR / 2BA	\$1,714	\$0	\$1,714	\$211	\$1,925
2BR / 2.5BA	\$1,794	\$0	\$1,794	\$211	\$2,005
3BR / 2BA	\$2,115	\$0	\$2,115	\$247	\$2,362

Amenities

In-Unit		Security	Services
Balcony/Patio	Blinds	None	None
Carpeting	Central A/C		
Coat Closet	Dishwasher		
Ceiling Fan	Fireplace		
Garbage Disposal	Oven		
Refrigerator	Vaulted Ceilings		
Walk-In Closet	Washer/Dryer hookup		
Property		Premium	Other
Business Center/Computer Lab	Carport(\$45.00)	None	None
Clubhouse/Meeting Room/Community	Exercise Facility		
Off-Street Parking	On-Site Management		
Picnic Area	Recreation Areas		
Swimming Pool			

Comments

The vacant units are pre-leased at this property. The contact reported that the property does not accept Housing Choice Vouchers.

Trend Report

Vacancy Rates

1Q21	4Q21	2Q22	3Q22
14.1%	11.3%	3.6%	0.8%

Trend: Market

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2021	1	13.3%	\$850 - \$940	\$8	\$842 - \$932	\$1,019 - \$1,109
2021	4	N/A	\$976 - \$1,101	\$0	\$976 - \$1,101	\$1,153 - \$1,278
2022	2	8.3%	\$1,235 - \$1,249	\$0	\$1,235 - \$1,249	\$1,412 - \$1,426
2022	3	3.3%	\$1,315 - \$1,335	\$0	\$1,315 - \$1,335	\$1,492 - \$1,512

2BR / 1.5BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2021	1	N/A	\$1,289 - \$1,375	\$8	\$1,281 - \$1,367	\$1,492 - \$1,578
2021	4	N/A	\$1,265	\$0	\$1,265	\$1,476
2022	2	2.4%	\$1,559	\$0	\$1,559	\$1,770
2022	3	0.0%	\$1,683	\$0	\$1,683	\$1,894

2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2021	1	N/A	\$1,150 - \$1,180	\$8	\$1,142 - \$1,172	\$1,353 - \$1,383
2021	4	N/A	\$1,212	\$0	\$1,212	\$1,423
2022	2	0.0%	N/A	\$0	N/A	N/A
2022	3	0.0%	\$1,463	\$0	\$1,463	\$1,674

2BR / 2.5BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2021	1	N/A	\$1,260 - \$1,350	\$8	\$1,252 - \$1,342	\$1,463 - \$1,553
2021	4	N/A	\$1,411	\$0	\$1,411	\$1,622
2022	2	0.0%	N/A	\$0	N/A	N/A
2022	3	0.0%	\$1,794	\$0	\$1,794	\$2,005

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2021	1	N/A	\$1,099 - \$1,325	\$8	\$1,091 - \$1,317	\$1,302 - \$1,528
2021	4	N/A	\$1,351	\$0	\$1,351	\$1,562
2022	2	4.9%	\$1,655	\$0	\$1,655	\$1,866
2022	3	0.0%	\$1,714	\$0	\$1,714	\$1,925

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2021	1	12.5%	\$1,599	\$8	\$1,591	\$1,838
2021	4	N/A	\$1,794	\$0	\$1,794	\$2,041
2022	2	12.5%	\$2,015	\$0	\$2,015	\$2,262
2022	3	0.0%	\$2,115	\$0	\$2,115	\$2,362

Studio / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2021	1	N/A	\$799 - \$835	\$8	\$791 - \$827	\$961 - \$997
2021	4	N/A	\$935	\$0	\$935	\$1,105
2022	2	0.0%	\$1,095	\$0	\$1,095	\$1,265
2022	3	0.0%	\$1,185	\$0	\$1,185	\$1,355

Trend: Comments

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.
4Q21	Six of the vacant units are pre-leased. The contact indicated that the relatively high vacancy rate is due to the slower fall/winter season. 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 that some tenants are behind on their monthly rent payments as a result of job losses and furloughs due to the ongoing COVID-19 pandemic. The property is offering payment plans for residents having difficulty paying rent. Carport parking is included in the rent. The property does not accept Housing Choice Vouchers.
2Q22	The vacant units are pre-leased at this property. The contact reported that the property does not accept Housing Choice Vouchers.
3Q22	N/A

Photos



PROPERTY PROFILE REPORT

Mueller City View

Effective Rent Date	7/15/2022
Location	1106 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	Megan
Phone	737-250-7660



Market Information

Program	Market
Annual Turnover Rate	33%
Units/Month Absorbed	N/A
HCV Tenants	0%
Leasing Pace	Within two weeks
Annual Chg. in Rent	Inc. 1% - 5% since 2Q2022
Concession	None
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	\$1,148	\$0	Market	Yes	0	0.0%	N/A	AVG*
1	1	Garden (2 stories)	8	570	\$1,225	\$0	Market	Yes	0	0.0%	N/A	None
1	1	Garden (2 stories)	16	668	\$1,275	\$0	Market	Yes	0	0.0%	N/A	None
1	1	Garden (2 stories)	17	680	\$1,325	\$0	Market	Yes	0	0.0%	N/A	None
2	1	Garden (2 stories)	32	808	\$1,440	\$0	Market	Yes	0	0.0%	N/A	None
2	1	Garden (2 stories)	26	818	\$1,460	\$0	Market	Yes	0	0.0%	N/A	None
2	1.5	Townhouse	22	1,002	\$1,750	\$0	Market	Yes	0	0.0%	N/A	AVG*
2	2	Garden (2 stories)	16	956	\$1,675	\$0	Market	Yes	0	0.0%	N/A	AVG*

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
Studio / 1BA	\$1,148	\$0	\$1,148	\$32	\$1,180
1BR / 1BA	\$1,225 - \$1,325	\$0	\$1,225 - \$1,325	\$36	\$1,261 - \$1,361
2BR / 1BA	\$1,440 - \$1,460	\$0	\$1,440 - \$1,460	\$46	\$1,486 - \$1,506
2BR / 1.5BA	\$1,750	\$0	\$1,750	\$46	\$1,796
2BR / 2BA	\$1,675	\$0	\$1,675	\$46	\$1,721

Amenities

In-Unit		Security	Services
Balcony/Patio	Blinds	None	None
Carpeting	Central A/C		
Coat Closet	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 is going through renovations but the contact was not able to mention the scope of the renovations, but mention units will start becoming available in August/September. Reserved parking is available for a fee of \$30 per month.

Mueller City View, continued

Trend Report

Vacancy Rates

2Q21	4Q21	2Q22	3Q22
2.8%	0.0%	5.5%	0.0%

Trend: Market

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2021	2	0.0%	\$1,049 - \$1,194	\$0	\$1,049 - \$1,194	\$1,085 - \$1,230
2021	4	0.0%	\$1,075 - \$1,125	\$0	\$1,075 - \$1,125	\$1,111 - \$1,161
2022	2	4.9%	\$1,225 - \$1,295	\$0	\$1,225 - \$1,295	\$1,261 - \$1,331
2022	3	0.0%	\$1,225 - \$1,325	\$0	\$1,225 - \$1,325	\$1,261 - \$1,361

2BR / 1.5BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2021	2	0.0%	\$1,349	\$0	\$1,349	\$1,395
2021	4	0.0%	\$1,375	\$0	\$1,375	\$1,421
2022	2	13.6%	\$1,650	\$0	\$1,650	\$1,696
2022	3	0.0%	\$1,750	\$0	\$1,750	\$1,796

2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2021	2	3.4%	\$1,304 - \$1,354	\$0	\$1,304 - \$1,354	\$1,350 - \$1,400
2021	4	0.0%	\$1,300 - \$1,335	\$0	\$1,300 - \$1,335	\$1,346 - \$1,381
2022	2	3.4%	\$1,399 - \$1,495	\$0	\$1,399 - \$1,495	\$1,445 - \$1,541
2022	3	0.0%	\$1,440 - \$1,460	\$0	\$1,440 - \$1,460	\$1,486 - \$1,506

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2021	2	6.2%	\$1,389	\$0	\$1,389	\$1,435
2021	4	0.0%	\$1,450	\$0	\$1,450	\$1,496
2022	2	0.0%	N/A	\$0	N/A	N/A
2022	3	0.0%	\$1,675	\$0	\$1,675	\$1,721

Studio / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2021	2	12.5%	\$949	\$0	\$949	\$981
2021	4	0.0%	\$950	\$0	\$950	\$982
2022	2	12.5%	\$1,095	\$0	\$1,095	\$1,127
2022	3	0.0%	\$1,148	\$0	\$1,148	\$1,180

Trend: Comments

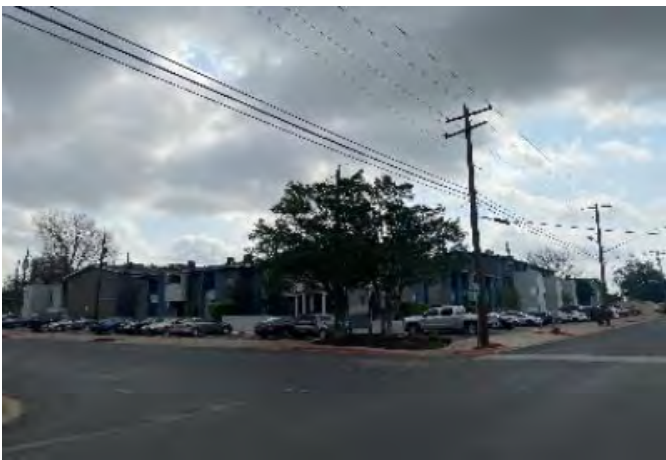
2Q21 N/A

4Q21 The property is under new management. The property will begin renovations in December 2021, starting with a building that was damaged by fire, then the renovations will slowly roll out to the remaining buildings on the property. The renovations will be extensive and include new flooring, cabinets, countertops, appliances, fixtures, paint, and bathrooms. The property was also recently renovated in 2018. Rents in the profile reflect units that have been renovated. Non-renovated units rent for \$25 to \$70 less per month.

2Q22 The property was recently renovated in 2021. Rents in the profile reflect available units.

3Q22 The property is going through renovations but the contact was not able to mention the scope of the renovations, but mention units will start becoming available in August/September. Reserved parking is available for a fee of \$30 per month.

Photos



PROPERTY PROFILE REPORT

Seventytwo 27

Effective Rent Date	5/19/2022
Location	7227 E. Highway 290 Austin, TX 78723 Travis County
Distance	2.7 miles
Units	164
Vacant Units	36
Vacancy Rate	22.0%
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	April
Phone	512-929-3150



Market Information

Program	Market
Annual Turnover Rate	36%
Units/Month Absorbed	N/A
HCV Tenants	0%
Leasing Pace	Within three days
Annual Chg. in Rent	Rents increased 5% - 27%
Concession	None
Waiting List	None reported

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	\$1,064	\$0	Market	No	N/A	N/A	N/A	None
1	1	Garden (3 stories)	50	660	\$1,340	\$0	Market	No	N/A	N/A	N/A	None
2	1	Garden (3 stories)	24	918	\$1,514	\$0	Market	No	N/A	N/A	N/A	None
2	2	Garden (3 stories)	32	1,050	\$1,900	\$0	Market	No	N/A	N/A	N/A	None

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
Studio / 1BA	\$1,064	\$0	\$1,064	\$62	\$1,126
1BR / 1BA	\$1,340	\$0	\$1,340	\$67	\$1,407
2BR / 1BA	\$1,514	\$0	\$1,514	\$81	\$1,595
2BR / 2BA	\$1,900	\$0	\$1,900	\$81	\$1,981

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 recently came under new management in February. The rental rates in the property profile are for units located on the second and third floors. Units on the first floor are discounted. The property does not accept Housing Choice Vouchers. According to the contact, the demand for rental housing in the area is high.

Trend Report

Vacancy Rates

4Q20	1Q21	4Q21	2Q22
3.0%	0.6%	1.8%	22.0%

Trend: Market

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2020	4	N/A	\$1,084	\$8	\$1,076	\$1,143
2021	1	0.0%	\$1,084	\$0	\$1,084	\$1,151
2021	4	2.0%	\$1,159	\$0	\$1,159	\$1,226
2022	2	N/A	\$1,340	\$0	\$1,340	\$1,407

2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2020	4	N/A	\$1,294	\$8	\$1,286	\$1,367
2021	1	4.2%	\$1,284	\$0	\$1,284	\$1,365
2021	4	0.0%	\$1,414	\$0	\$1,414	\$1,495
2022	2	N/A	\$1,514	\$0	\$1,514	\$1,595

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2020	4	N/A	\$1,379	\$8	\$1,371	\$1,452
2021	1	0.0%	\$1,374	\$0	\$1,374	\$1,455
2021	4	0.0%	\$1,499	\$0	\$1,499	\$1,580
2022	2	N/A	\$1,900	\$0	\$1,900	\$1,981

Studio / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2020	4	N/A	\$914	\$8	\$906	\$968
2021	1	0.0%	\$899	\$0	\$899	\$961
2021	4	3.4%	\$1,014	\$0	\$1,014	\$1,076
2022	2	N/A	\$1,064	\$0	\$1,064	\$1,126

Trend: Comments

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.
4Q21	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 did not report any additional challenges or an increase in bad debt associated with the COVID-19 pandemic. Washer/dryers are available for \$45 per month. The property does not accept Housing Choice Vouchers.
2Q22	The property recently came under new management in February. The rental rates in the property profile are for units located on the second and third floors. Units on the first floor are discounted. The property does not accept Housing Choice Vouchers. According to the contact, the demand for rental housing in the area is high.

Photos



PROPERTY PROFILE REPORT

The Hive Red River

Effective Rent Date	7/14/2022
Location	3401 Red River Austin, TX 78705 Travis County
Distance	1.4 miles
Units	138
Vacant Units	8
Vacancy Rate	5.8%
Type	Garden (3 stories)
Year Built/Renovated	1976 / 2013/2022
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Oak Park
Tenant Characteristics	Mixed tenancy
Contact Name	Carol
Phone	512-478-9775



Market Information

Program	Market
Annual Turnover Rate	60%
Units/Month Absorbed	N/A
HCV Tenants	0%
Leasing Pace	Within two weeks
Annual Chg. in Rent	Decreased 10%-15%
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	\$1,455	\$0	Market	No	0	0.0%	N/A	None
1	1	Garden (3 stories)	2	500	\$1,475	\$0	Market	No	1	50.0%	N/A	None
1	1	Garden (3 stories)	30	633	\$1,520	\$0	Market	No	0	0.0%	N/A	None
1	1	Garden (3 stories)	20	663	\$1,580	\$0	Market	No	0	0.0%	N/A	None
1	1	Garden (3 stories)	34	776	\$1,604	\$0	Market	No	4	11.8%	N/A	None
2	1	Garden (3 stories)	13	855	\$1,875	\$0	Market	No	1	7.7%	N/A	None
2	1	Garden (3 stories)	4	920	\$2,145	\$0	Market	No	2	50.0%	N/A	None

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
Studio / 1BA	\$1,455	\$0	\$1,455	\$195	\$1,650
1BR / 1BA	\$1,475 - \$1,604	\$0	\$1,475 - \$1,604	\$202	\$1,677 - \$1,806
2BR / 1BA	\$1,875 - \$2,145	\$0	\$1,875 - \$2,145	\$236	\$2,111 - \$2,381

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 renovations are in process, and expect to have a more available units in July and August. The contact reported that prices vary, some units have washer/dryer and others have been fully renovated. The contact reported that the property largely aims to students in the area, and number of moves outs increase dramatically in the summer. The contact reported that the property does not accept Housing Choice Vouchers.

Trend Report

Vacancy Rates

4Q19	1Q21	2Q22	3Q22
0.7%	7.2%	1.4%	5.8%

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	\$1,437 - \$1,601
2021	1	7.0%	\$1,205 - \$1,474	\$0	\$1,205 - \$1,474	\$1,407 - \$1,676
2022	2	N/A	\$1,322 - \$1,741	\$0	\$1,322 - \$1,741	\$1,524 - \$1,943
2022	3	5.8%	\$1,475 - \$1,604	\$0	\$1,475 - \$1,604	\$1,677 - \$1,806

2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2019	4	5.9%	\$1,795	\$0	\$1,795	\$2,031
2021	1	17.6%	\$1,769 - \$1,785	\$0	\$1,769 - \$1,785	\$2,005 - \$2,021
2022	2	N/A	\$1,857 - \$2,246	\$0	\$1,857 - \$2,246	\$2,093 - \$2,482
2022	3	17.6%	\$1,875 - \$2,145	\$0	\$1,875 - \$2,145	\$2,111 - \$2,381

Studio / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2019	4	0.0%	\$1,199	\$0	\$1,199	\$1,394
2021	1	2.9%	\$1,099	\$0	\$1,099	\$1,294
2022	2	N/A	\$1,342 - \$1,463	\$0	\$1,342 - \$1,463	\$1,537 - \$1,658
2022	3	0.0%	\$1,455	\$0	\$1,455	\$1,650

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.
2Q22	The contact reported that renovations are in process, and expect to have a more available units in July and August. The contact reported that prices vary, some units have washer/dryer and others have been fully renovated. The contact reported that the property largely aims to students in the area, and number of moves outs increase dramatically in the summer. The contact reported that the property does not accept Housing Choice Vouchers.
3Q22	N/A

Photos



PROPERTY PROFILE REPORT

Volume 4

Effective Rent Date	7/14/2022
Location	2709 Manor Rd Austin, TX 78722 Travis County
Distance	0.7 miles
Units	36
Vacant Units	0
Vacancy Rate	0.0%
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	Yes; undetermined length

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	\$1,179	\$0	Market	Yes	0	0.0%	N/A	None
1	1	Garden (2 stories)	18	495	\$1,349	\$0	Market	Yes	0	0.0%	N/A	None

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
Studio / 1BA	\$1,179	\$0	\$1,179	\$195	\$1,374
1BR / 1BA	\$1,349	\$0	\$1,349	\$202	\$1,551

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. 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	3Q22
2.8%	11.1%	0.0%

Trend: Market

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2018	2	0.0%	\$1,044	\$0	\$1,044	\$1,246
2021	1	5.6%	\$919	\$0	\$919	\$1,121
2022	3	0.0%	\$1,349	\$0	\$1,349	\$1,551

Studio / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2018	2	5.6%	\$869	\$0	\$869	\$1,064
2021	1	16.7%	\$819	\$0	\$819	\$1,014
2022	3	0.0%	\$1,179	\$0	\$1,179	\$1,374

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.
3Q22	N/A

Photos



4b / Good Neighbor Policy

City of Austin Good Neighbor Checklist

The Neighborhood Housing and Community Development Office (NHCD) offers a Good Neighbor Policy to standardize process and identify expectations for all projects funded through the City of Austin's Rental Housing Development Assistance (RHDA) and Acquisition and Development (A&D) programs. Applicants of these programs are required to prepare and begin implementing a community engagement plan, including neighborhood notification activities. The community engagement plan is required whether the application is for funding for new construction or renovation of an existing building, regardless of whether there is a change in ownership.

A successful community engagement plan leads to open, ongoing two-way communication between developers and neighbors. This requires good-faith efforts and cooperation by developers, City officials and residents. A positive, open dialogue between housing developers and neighbors can prevent misunderstandings, facilitate prompt resolution of any inadvertent misunderstandings, and provide a fair, thoughtful, dependable means of resolving differences.

The following checklist of items is required of all applicants for funding:

(1) Preliminary Research

- Review the Neighborhood Plan (if applicable)

(2) Neighborhood Notification

- Notify property owners within at least 500 feet of the site and registered neighborhood organizations with boundaries included in the proposed development site, using a written notice, letter or flyer.

(3) Pre-Application Engagement

- Contact neighborhood organizations to provide current information about the project, including any neighborhood association whose boundaries are included in the proposed development site and Neighborhood Planning Contact Team (if applicable). *(see full City of Austin Good Neighbor Guidelines for more detailed information on what kind of information may be appropriate to share)*
- Appoint a Single-Point-of-Contact (SPOC) to serve as the liaison for exchanging information.

(4) Application requirements

- Provide communications plan
- Provide documentation showing the content of the notice, and proof of delivery
- Provide signed copy of this checklist.

I have reviewed and completed all of the above checklist items required by the City of Austin's Good Neighbor Guidelines.

Moira Concannon
Signed

Moira Concannon
printed name

7/22/2022
date

Good Neighbor Policy

Kensington Apartments

3300 Manor Road
Austin, TX 78723

Contact

Tisha Vaidya
5580 LBJ Freeway, Ste 360
Dallas, TX 75240
tisha@elizabethpropertygroup.com
(214) 336-7495

Moira Concannon
5580 LBJ Freeway, Ste 360
Dallas, TX 75240
moira@elizabethpropertygroup.com
(727) 687-6999

COMMUNICATIONS PLAN FOR NEIGHBORHOOD ENGAGEMENT

Elizabeth Property Group (EPG) is committed to working with the neighborhood and key stakeholders to communicate information about the development, target population, and provided community services.

The following steps have already or will soon occur to communicate with the neighborhoods surrounding the proposed development:

- 1. Preliminary Research** – As part of the preliminary due diligence, EPG’s development team used the City of Austin Community Registry to identify the neighborhood organizations that contain the proposed site and reviewed any Neighborhood Plans and FLUM in place. The following active neighborhood organizations were identified:
 - Friends of Northeast Austin
 - Mueller Community Association
 - Mueller Neighborhood Association
 - Austin Neighborhood Council
 - East MLK Combined Neighborhood Plan
 - Friends of Austin Neighborhoods
 - Homelessness Neighborhood Association
 - JJ Seabrook Neighborhood Association
 - Neighbors United for Progress
 - Del Valle Community Coalition

Neighborhood Plan: Kensington Apartments is not located in a City of Austin neighborhood plan.

- 2. Neighborhood Notification** – EPG sent a notification letter to the neighborhood organizations identified in the City of Austin Community Registry, see attached letters. Receipt of notification is available upon request.
- 3. Pre-Application Engagement** – After notification, EPG has engaged with neighbors and organizations, including attending neighborhood association meetings and having one-on-one conversations. All responses to the engagement have been positive.

- EPG established a single point of contact with neighborhood organizations and offered to present at neighborhood meetings.
- At the meetings, EPG presents information about our organization, design plans of the property, target population served, and community services provided to the residents, and to the public, if available.
 - *EPG presented at the Mueller NA meeting on May 02, 2022 and plans to present at the JJ Seabrook NA meeting in August 2022.*
- EPG will offer to provide updates on the project's progression upon neighborhood requests.

4. Implementation/Ongoing Relations – EPG will implement the following processes to encourage ongoing relations with neighborhood members:

- Neighborhood members will be invited to the Ground Breaking and Ribbon Cutting events that will be held for the property. Neighborhoods will be recognized for their support.
- EPG will invite neighborhood members to participate in services/programs being offered at our community, if available.
- EPG will establish an open-door policy so that neighborhood members will feel comfortable communicating any concerns with either the on-site property management or the single point of contact.



June 28, 2022

President Ana Aguire
Austin Neighborhoods Council
PO Box 301975
Austin, TX 78703

Dear Ms. Aguire;

The purpose of this letter is to notify you that **Kensington Apartments, LP** is making an application for **Bond and Tax Credits** funding through the Texas Department of Housing and Community Affairs for the **Kensington Apartments Development** which is located at **3319 Manor Road in Austin, Texas 78742, in Travis County**. This **Rehabilitation development** is an **apartment** community and would be comprised of up to 149 units out of which at least **149** of the **proposed** units would be for low to moderate-income tenants. As proposed the residential density of the development (i.e. number of units per acre) is approximately **55.2**.

In the spring, the Department will hold public hearings in various locations around the state or virtually to gather input on Competitive Housing Tax Credit applications. The hearing schedule along with contact information for written public comment will be posted on TDHCA's [Public Comment Center](#) website later this year.

An interested party or Neighborhood Organization can provide comments on any and all applications at each hearing, or can provide written comments to the Department by email at HTCPC@tdhca.state.tx.us, or by mail at:

Texas Department of Housing and Community Affairs
Public Comment - Multifamily Finance Division
P.O. Box 13941
Austin, Texas 78711-3941

We are excited at the opportunity to bring another option to residents for quality affordable housing. If you have any questions, please do not hesitate to contact me any time.

Sincerely,

Lora Myrick

Representative of
Kensington Apartments, LP
Development Owner
5599 LBJ Fwy, Suite 630
Dallas, Texas 75259
(214) 336-7514



June 28, 2022

President Susanna Woody
Del Valle Community Coalition
7433 Montezuma St
Austin, TX 78744

Dear Ms. Woody;

The purpose of this letter is to notify you that **Kensington Apartments, LP** is making an application for **Bond and Tax Credits** funding through the Texas Department of Housing and Community Affairs for the **Kensington Apartments Development** which is located at **3319 Manor Road** in **Austin, Texas 78742**, in **Travis County**. This **Rehabilitation development** is an **apartment** community and would be comprised of up to 149 units out of which at least **149** of the **proposed** units would be for low to moderate-income tenants. As proposed the residential density of the development (i.e. number of units per acre) is approximately **55.2**.

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Development Owner
5599 LBJ Fwy, Suite 630
Dallas, Texas 75259
(214) 336-7514

Lora Myrick

(512) 785-3710

lora@betcohousinglab.com

| 2201 Northland Drive, Austin, Texas 78756 | 812 San Antonio Street, Suite L-20, Austin, Texas 78701 |



June 28, 2022

Co-Chair Angela Benavides-Garza
East MLK Combined Neighborhood Plan Contact Team
1114 Berger St Unit D
Austin, TX 78721

Dear Ms. Benavides-Garza;

The purpose of this letter is to notify you that **Kensington Apartments, LP** is making an application for **Bond and Tax Credits** funding through the Texas Department of Housing and Community Affairs for the **Kensington Apartments Development** which is located at **3319 Manor Road in Austin, Texas 78742, in Travis County**. This **Rehabilitation development** is an **apartment** community and would be comprised of up to 149 units out of which at least **149** of the **proposed** units would be for low to moderate-income tenants. As proposed the residential density of the development (i.e. number of units per acre) is approximately **55.2**.

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| 2201 Northland Drive, Austin, Texas 78756 | 812 San Antonio Street, Suite L-20, Austin, Texas 78701 |



June 28, 2022

Treasurer Roger Cauvin
Friends of Austin Neighborhoods
311 W 5th St #1006
Austin, TX 78701

Dear Mr. Cauvin;

The purpose of this letter is to notify you that **Kensington Apartments, LP** is making an application for **Bond and Tax Credits** funding through the Texas Department of Housing and Community Affairs for the **Kensington Apartments Development** which is located at **3319 Manor Road** in **Austin, Texas 78742**, in **Travis County**. This **Rehabilitation development** is an **apartment** community and would be comprised of up to 149 units out of which at least **149** of the **proposed** units would be for low to moderate-income tenants. As proposed the residential density of the development (i.e. number of units per acre) is approximately **55.2**.

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Kensington Apartments, LP
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5599 LBJ Fwy, Suite 630
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(214) 336-7514

Lora Myrick

(512) 785-3710

lora@betcohousinglab.com

| 2201 Northland Drive, Austin, Texas 78756 | 812 San Antonio Street, Suite L-20, Austin, Texas 78701 |



June 28, 2022

Mr. Kirk Becker
Homeless Neighborhood Association
1015 W William Cannon Dr Apt 208
Austin, TX 78745

Dear Mr. Becker;

The purpose of this letter is to notify you that **Kensington Apartments, LP** is making an application for **Bond and Tax Credits** funding through the Texas Department of Housing and Community Affairs for the **Kensington Apartments Development** which is located at **3319 Manor Road in Austin, Texas 78742, in Travis County**. This **Rehabilitation development** is an **apartment** community and would be comprised of up to 149 units out of which at least **149** of the **proposed** units would be for low to moderate-income tenants. As proposed the residential density of the development (i.e. number of units per acre) is approximately **55.2**.

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lora@betcohousinglab.com

| 2201 Northland Drive, Austin, Texas 78756 | 812 San Antonio Street, Suite L-20, Austin, Texas 78701 |



June 28, 2022

President Elizabeth Johnson
JJ Seabrook Neighborhood Association
1801 E 51st St, Ste 365
Austin, TX 78723

Dear Ms. Johnson;

The purpose of this letter is to notify you that **Kensington Apartments, LP** is making an application for **Bond and Tax Credits** funding through the Texas Department of Housing and Community Affairs for the **Kensington Apartments Development** which is located at **3319 Manor Road** in **Austin, Texas 78742**, in **Travis County**. This **Rehabilitation development** is an **apartment** community and would be comprised of up to 149 units out of which at least **149** of the **proposed** units would be for low to moderate-income tenants. As proposed the residential density of the development (i.e. number of units per acre) is approximately **55.2**.

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lora@betcohousinglab.com

| 2201 Northland Drive, Austin, Texas 78756 | 812 San Antonio Street, Suite L-20, Austin, Texas 78701 |



June 28, 2022

Ms. Rachel Robinson
Neighbors United for Progress
6002 Jain Ln
Austin, TX 78721

Dear Ms. Robinson;

The purpose of this letter is to notify you that **Kensington Apartments, LP** is making an application for **Bond and Tax Credits** funding through the Texas Department of Housing and Community Affairs for the **Kensington Apartments Development** which is located at **3319 Manor Road** in **Austin, Texas 78742**, in **Travis County**. This **Rehabilitation development** is an **apartment** community and would be comprised of up to 149 units out of which at least **149** of the **proposed** units would be for low to moderate-income tenants. As proposed the residential density of the development (i.e. number of units per acre) is approximately **55.2**.

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| 2201 Northland Drive, Austin, Texas 78756 | 812 San Antonio Street, Suite L-20, Austin, Texas 78701 |



June 28, 2022

Ms. Barbara Scott
Friends of Northeast Austin
6705 Hillcroft Dr.
Austin, TX 78724

Dear Ms. Scott;

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Sincerely,

Lora Myrick

Representative of
Kensington Apartments, LP
Development Owner
5580 LBJ Fwy, Suite 630
Dallas, Texas 75240
(214) 336-7495

Lora Myrick

(512) 785-3710

lora@betcohousinglab.com

| 2201 Northland Drive, Austin, Texas 78756 | 812 San Antonio Street, Suite L-20, Austin, Texas 78701 |



June 28, 2022

Ms. Jessica Reynolds
Mueller Community Association
4550 Mueller Blvd.
Austin, TX 78723

Dear Ms. Reynolds;

The purpose of this letter is to notify you that **Kensington Apartments, LP** is making an application for **Bond and Tax Credits** funding through the Texas Department of Housing and Community Affairs for the **Kensington Apartments Development** which is located at **3300 Manor Road** in **Austin, Texas 78723**, in **Travis County**. This **Rehabilitation development** is an **apartment** community and would be comprised of up to 149 units out of which at least **149** of the **proposed** units would be for low to moderate-income tenants. As proposed the residential density of the development (i.e. number of units per acre) is approximately **55.2**.

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Lora Myrick

Representative of
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Development Owner
5580 LBJ Fwy, Suite 630
Dallas, Texas 75240
(214) 336-7495



June 28, 2022

Ms. Koreena Malone
Mueller Neighborhood Association
4342 Attra St.
Austin, TX 78723

Dear Ms. Malone;

The purpose of this letter is to notify you that **Kensington Apartments, LP** is making an application for **Bond and Tax Credits** funding through the Texas Department of Housing and Community Affairs for the **Kensington Apartments Development** which is located at **3300 Manor Road** in **Austin, Texas 78723**, in **Travis County**. This **Rehabilitation development** is an **apartment** community and would be comprised of up to 149 units out of which at least **149** of the **proposed** units would be for low to moderate-income tenants. As proposed the residential density of the development (i.e. number of units per acre) is approximately **55.2**.

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Sincerely,

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5580 LBJ Fwy, Suite 630
Dallas, Texas 75240
(214) 336-7495

4c / S.M.A.R.T.

This is an acq/rehab so we do not believe SMART is required, however, we have submitted the SMART application regardless and are pending an update.

4d / ECHO MOU

Please note that the MOU with ECHO is for 30 COC units, and another 30 units COC / Rapid Rehousing units with Integral Care as part of our partnership agreement.



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:	CBJCHBCAABAATTUwsVBxubl2SFNHk5sTQhclNGAm-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



Resident Services

ELIZABETH PROPERTY GROUP
INTEGRAL CARE

KENSINGTON APARTMENTS
3300 MANOR ROAD
AUSTIN, TEXAS

Integral Care

Services and Development Partner

In 1963, President Kennedy signed the Community Mental Health Act. The Act helped establish community mental health centers throughout the country – bringing care for people living with mental illness out of institutions and back into the community. Integral Care, formerly the Austin-Travis County Mental Health Mental Retardation Center, has worked for five decades to make that bold vision a reality in Travis County. Since 1967, Integral Care has supported the health and well-being of adults and children living with mental illness, substance use disorder and intellectual and developmental disabilities.

Integral Care was the first community center to provide high-quality, community-based behavioral health and intellectual disabilities services in Central Texas so that people seeking our services could reach their full potential and thrive. As the Local Mental Health and Intellectual and Developmental Disability Authority, Integral Care partners with local organizations to strengthen a community network in support of mental health, offers guidance to other behavioral health agencies, and continues to battle stigma surrounding mental illness throughout the community. Integral Care had a modest start with one location on Red River Street and a Quonset hut next door, which housed our methadone clinic. We now have over 40 locations across Travis County. Integral Care is here and ready to meet the needs in Travis County for the next 50 years and beyond.

Terrace at Oak Springs

Terrace at Oak Springs will be located at 3000 Oak Springs Drive in Austin. The apartment community will have 50 fully-furnished single occupancy efficiency units offering permanent supportive housing to individuals experiencing homelessness in Travis County. Twenty-five units are reserved for veterans. Terrace opens in May 2019.

Supportive Housing Services on-site:

- counseling and case management
- drug and alcohol treatment
- exercise and nutrition programs
- job training and employment support
- assistance accessing benefits
- medication management and support

Safe Haven

Safe Haven provides temporary housing for up to 15 veterans experiencing homelessness and mental illness and/or substance use disorders.

- connection to supportive services such as counseling, case management, job training, employment support and more
- private and semi-private rooms
- three meals a day
- laundry facilities and telephones

Seventy-eight percent of veterans at Safe Haven move on to permanent supportive housing. According to a 2015 VA report, Integral Care's Safe Haven performs the best of the 23 Safe Haven programs across the U.S.

COUNSELING & CASE MANAGEMENT

Individuals and families may be coping with the impact of deployment, military service, post-traumatic stress, or traumatic brain injury. Clients work with our qualified therapists and case managers to address mental health concerns, build healthy relationships, heal from overwhelming events and grow. We provide the most appropriate services for your particular needs.

- mental health screening to identify issues like anxiety, depression, PTSD and more
- individual, family and marriage counseling
- Types of therapy, depending on need:
 - Cognitive Behavioral Therapy (CBT)
 - Prolonged Exposure (PE)
 - Eye Movement Desensitization and Reprocessing (EMDR)
 - Collaborative Assessment and Management of Suicidality (CAMS)
 - Cognitive Processing Therapy (CPT)
 - Group therapy
- case management to help build life skills, apply for benefits and more
- support from fellow veterans and military family peers
- family support groups for emotional health

DRUG & ALCOHOL TREATMENT

Service members, veterans and their family members qualify for a wide array of Integral Care services to address drug and alcohol problems. We ensure that drug and alcohol treatment is coordinated with a person's mental and primary health care. Recovery from drugs and alcohol is not easy. Treatment coordinate with health care makes the process smoother.

- screening for substance use disorders
- medication assisted therapy for help recovering from dependence on opioids, such as heroin and prescription pain medicine
- residential treatment program for a safe place to start on the path to recovery
- medically supervised and assisted outpatient detox
- intensive outpatient treatment



July 12, 2022

As the Local Mental Health Authority for Travis County, Integral care supports adults and children living with mental illness, substance use disorder and intellectual and developmental disorders. We have been providing housing services in our community since the 1980s. Our housing programs provide access to housing and support services for over 1,5000 people, either through units we own or relationships we've built with landlords around the community. We are excited to collaborate with the Elizabeth Property Group to provide supportive services to residents of the Kensington Apartments.

Integral Care will provide one, full time dedicated Qualified Mental Health Professional (case manager) to provide intensive supportive housing services to individuals who are residents of this property with the goal of promoting residents' wellness. Our case manager will provide supportive services to help residents maintain housing, decrease utilization of emergency mental health and medical services, and promote healthy, independent living. The supportive housing services will include providing outreach and engagement, case management, housing stability support, basic needs support (including financial assistance), access to Integral Care's food pantry, benefits eligibility support including assistance applying for Social Security Income, psychosocial rehabilitation, referrals to peer support, referrals to vocational/ employment services, and referrals to psychiatric services, primary care, and other services as requested and needed by the individuals served. All residents will have access to Integral Care's 24-hour helpline for immediate support, including connection to crisis and emergency services, as needed.

Sincerely,

Marlene Buchanan

Marlene Buchanan, LPC
Director of Systems of Care
Marlene.Buchanan@integralcare.org
512-804-3523

5a / Appraisal

Please note – this appraisal is as of early 2021 and an updated appraisal has been ordered but not yet received.

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 cursive script that reads "R. B. Denton".

Rachel B. Denton, MAI
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TABLE OF CONTENTS

I.	Executive Summary	1
II.	Factual Description	8
	Appraisal Assignment and Valuation Approach.....	9
III.	Area Description and Analysis	12
	Primary Market Area.....	14
	Economic Analysis	16
	Neighborhood Description and Analysis	27
IV.	Demographic Trends	32
V.	Property Description	38
	Description of the Site.....	39
	Description of the Improvements	43
	Assessment Value and Taxes	46
	Zoning.....	48
VI.	Competitive Rental Analysis	50
	Housing Stock Overview.....	51
	Survey of Comparable Projects	53
	Property Characteristics	98
	Market Characteristics.....	99
VII.	Highest and Best Use.....	103
	Highest and Best Use As If Vacant	105
	Highest and Best Use As Improved	106
VIII.	Appraisal Methodology.....	107
IX.	Cost Approach	109
	Land Valuation.....	110
X.	Income Capitalization Approach.....	118
	Direct Capitalization	125
XI.	Sales Comparison Approach	132
	EGIM Analysis	140
	NOI/Unit Analysis.....	140
XII.	Reconciliation	142
	 Addendum A Assumptions and Limiting Conditions, Certification	
	Addendum B Qualifications of Consultants	
	Addendum C Subject Photos	
	Addendum D Rent Roll	
	Addendum E Purchase Agreement	

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.

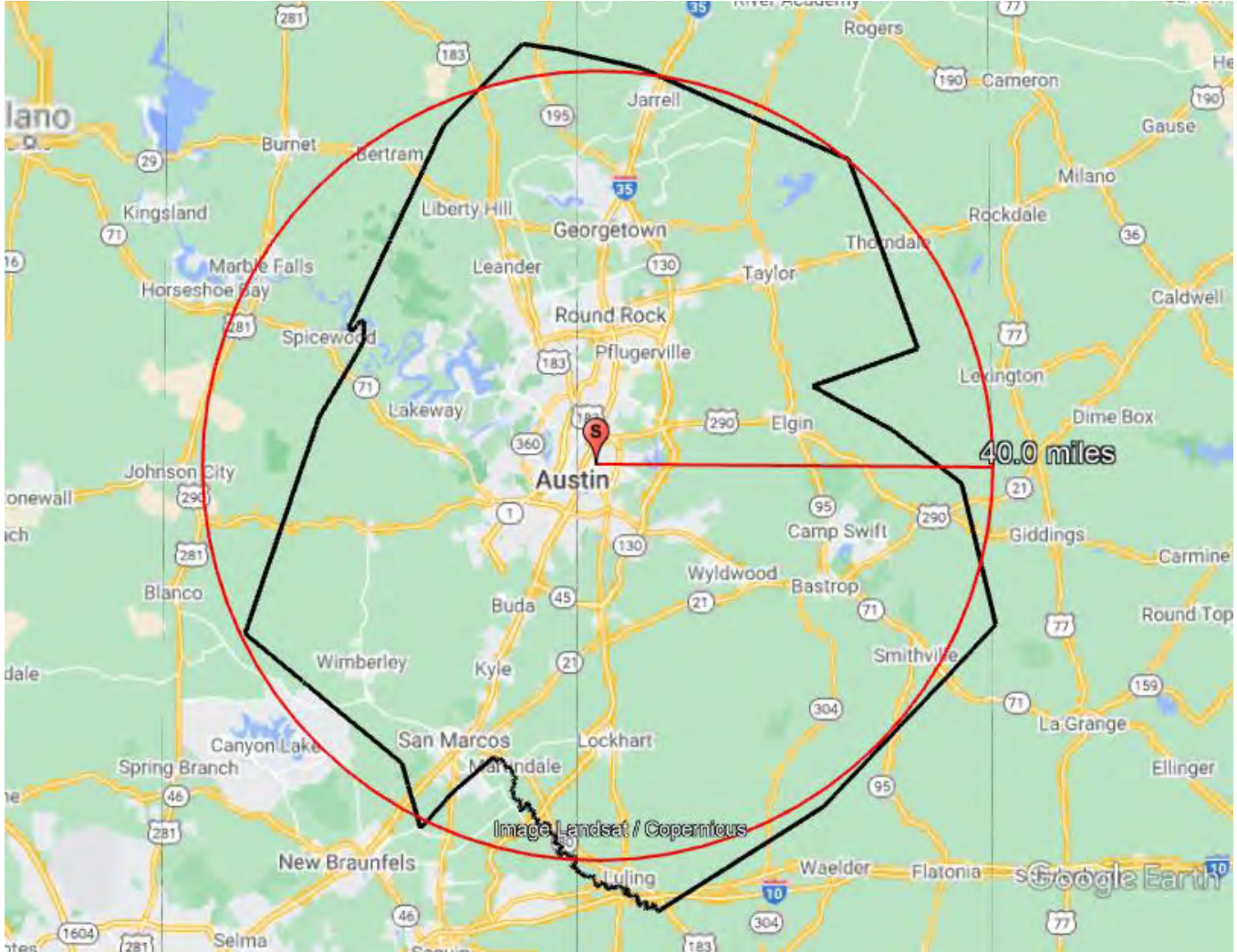
Ownership and History of Subject

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	-

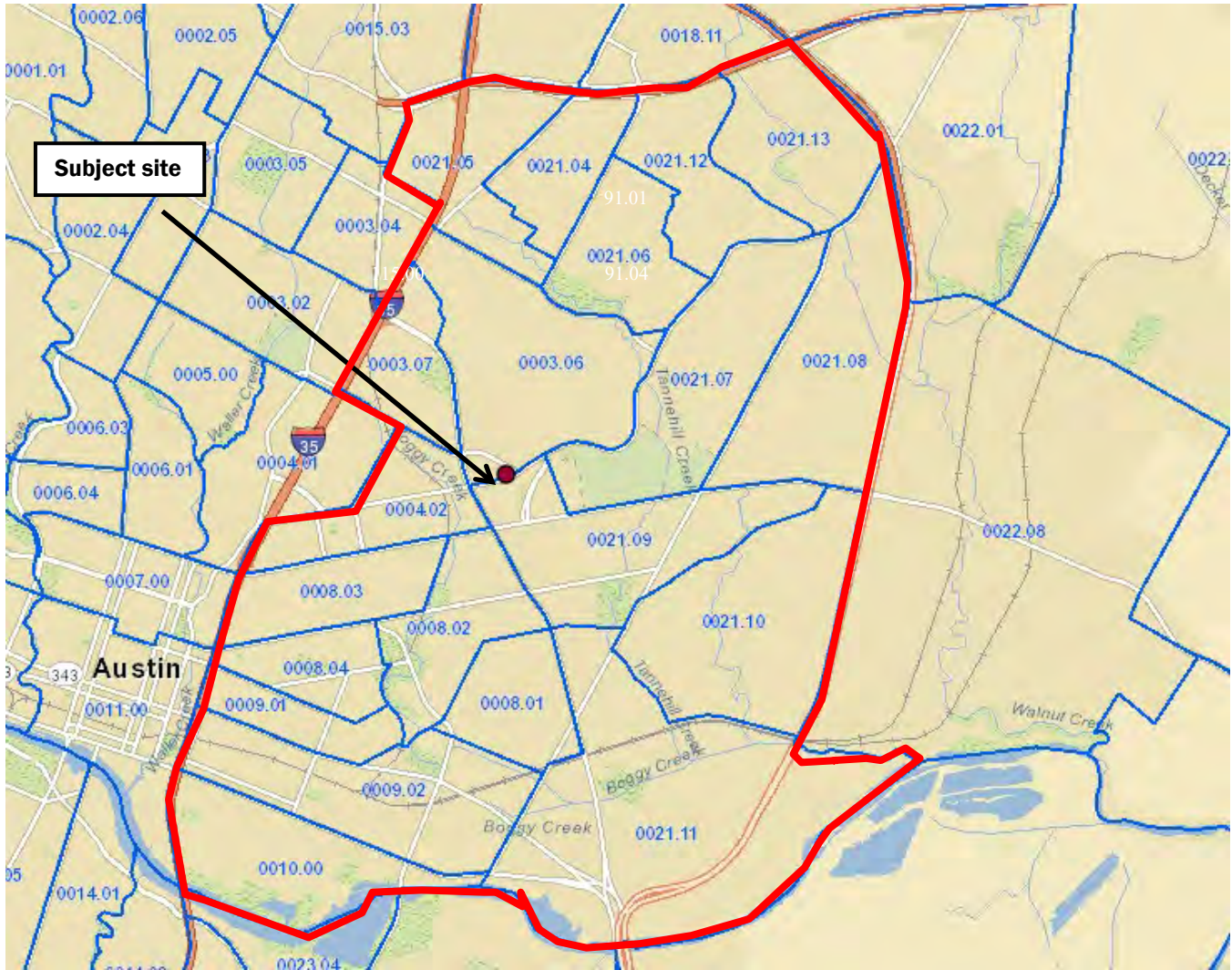
General boundaries of this PMA include:

- 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 52rd 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 relocated 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)

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, January 2021

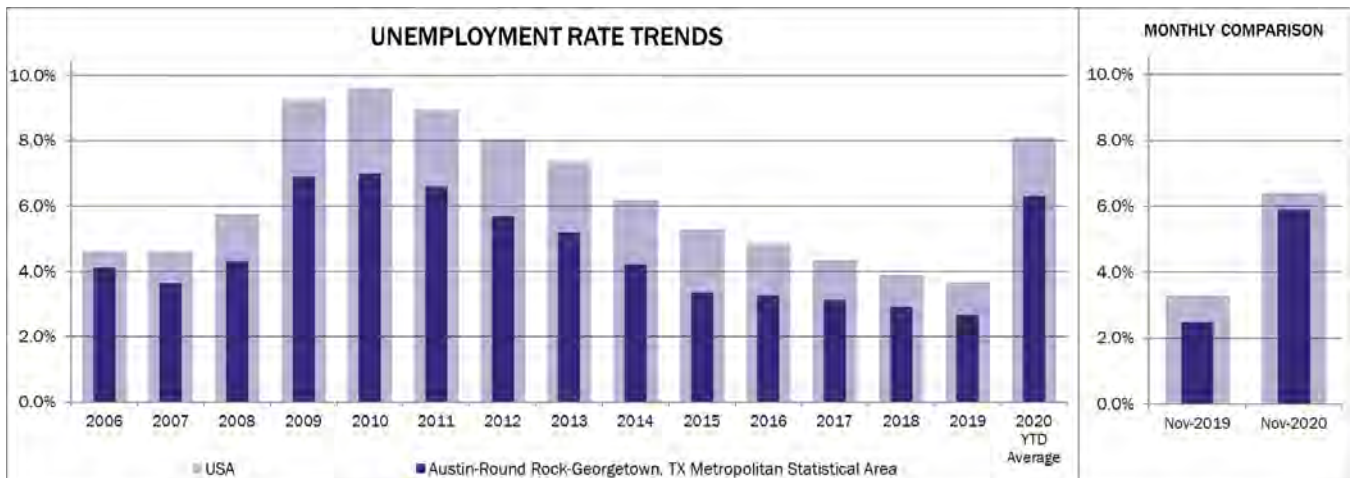
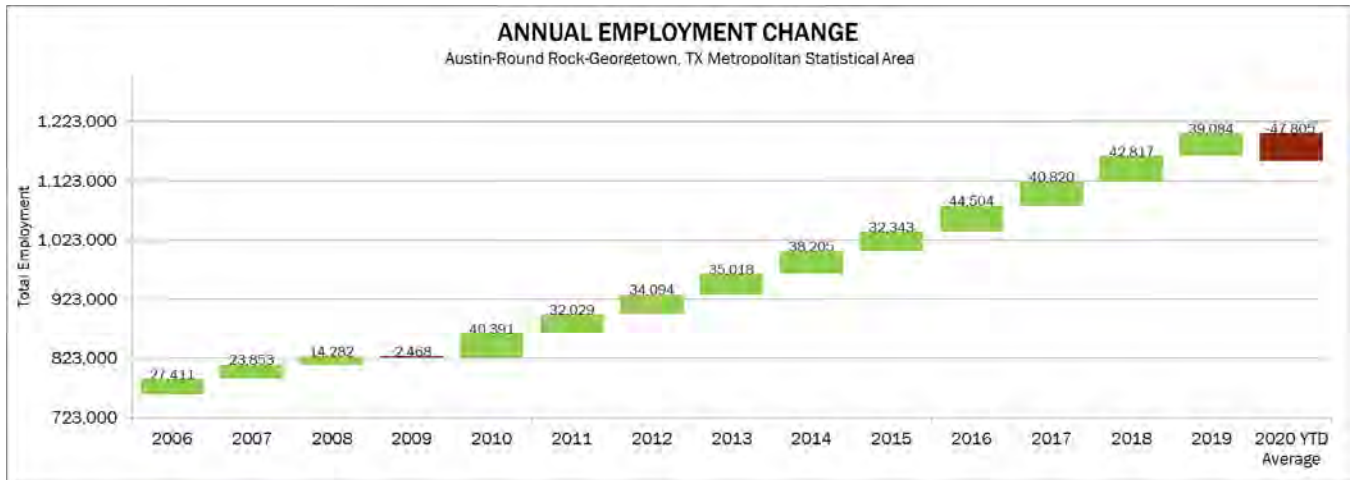
*2020 data is through November

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.

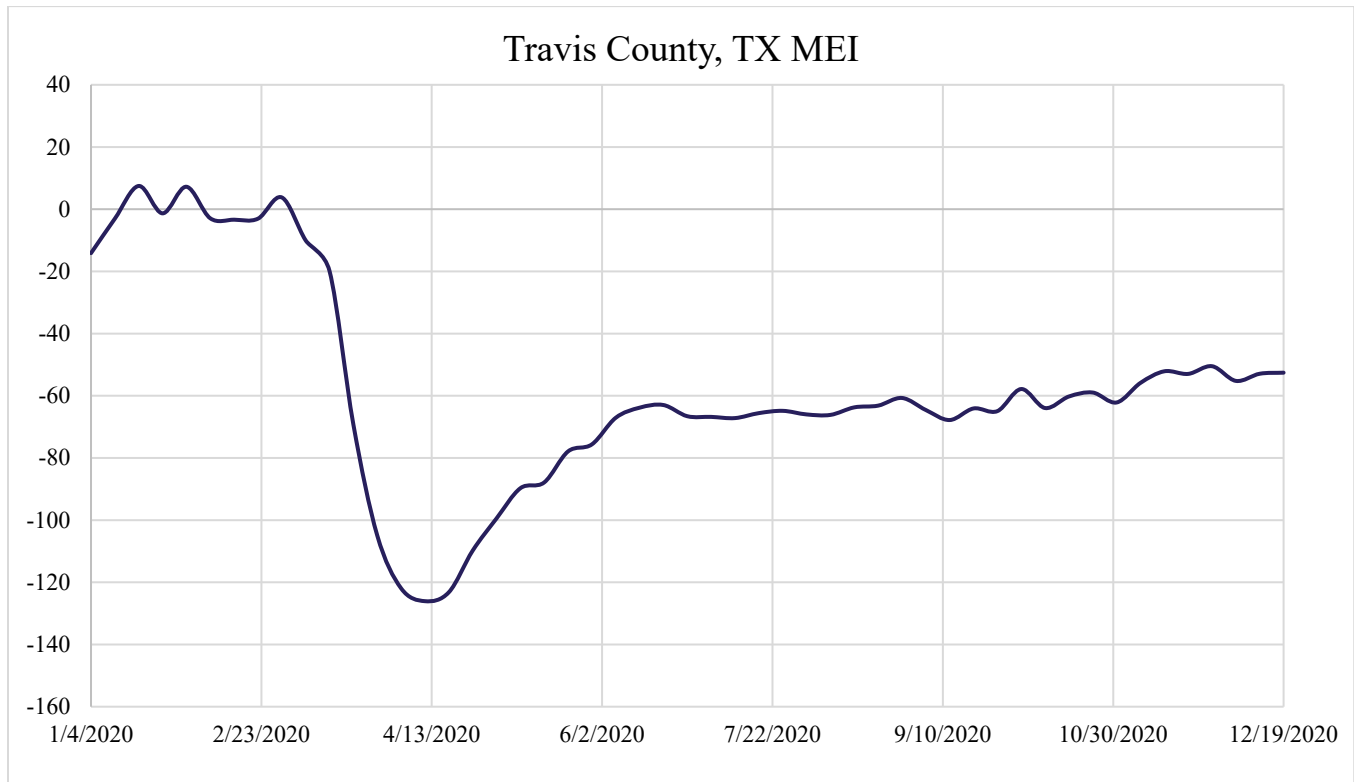


A key driver of the slowdown was a decline in mobility as people limited trips outside of their homes in order to mitigate the spread of COVID-19. Many businesses sharply curtailed, or even ceased, operations due to government-mandated closures, concern for the health of workers, or a lack of business,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

KENSINGTON APARTMENTS - AUSTIN, TEXAS – APPRAISAL

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
SimpatCo 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
Wyndhgam 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.

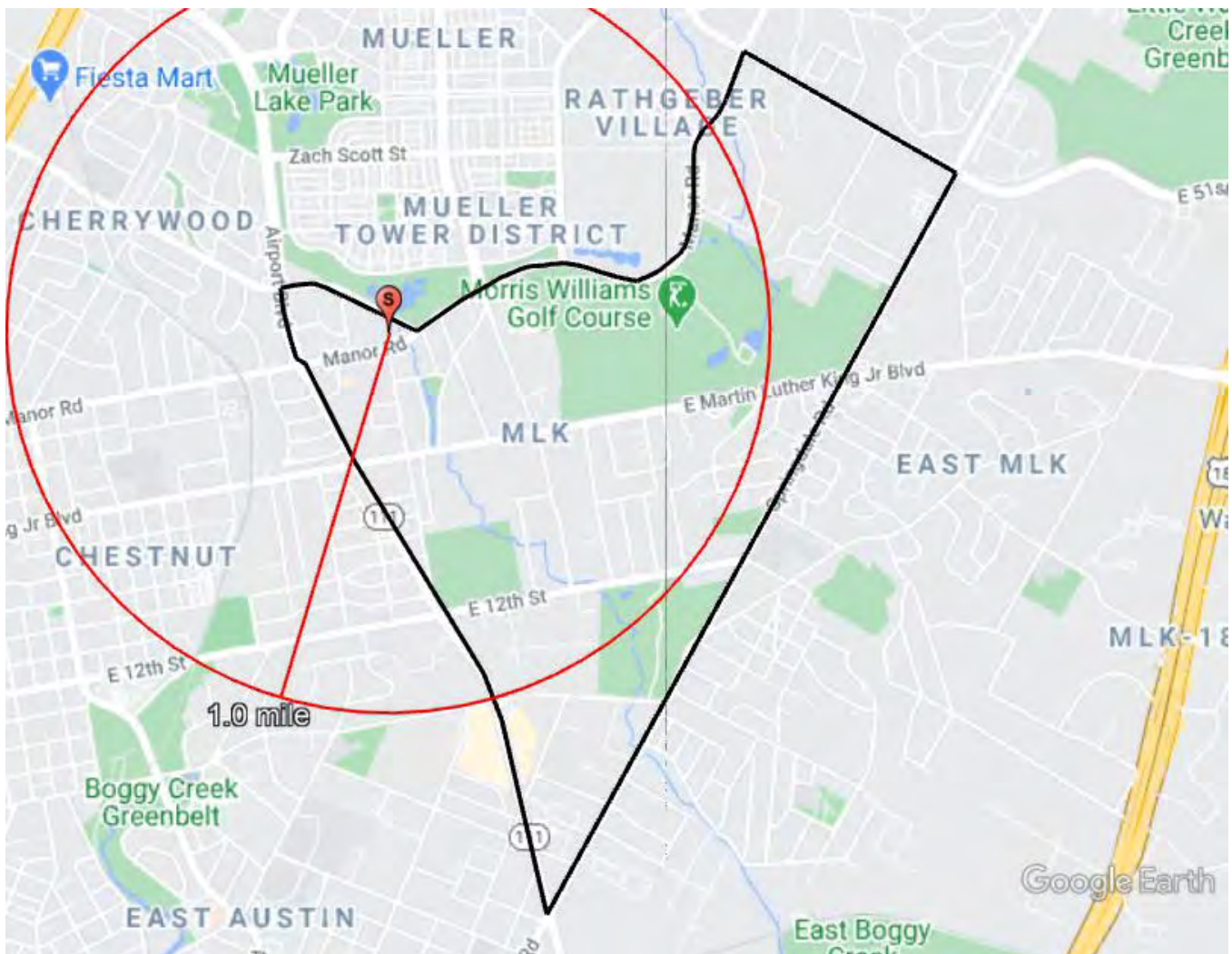
NEIGHBORHOOD DESCRIPTION AND ANALYSIS

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).

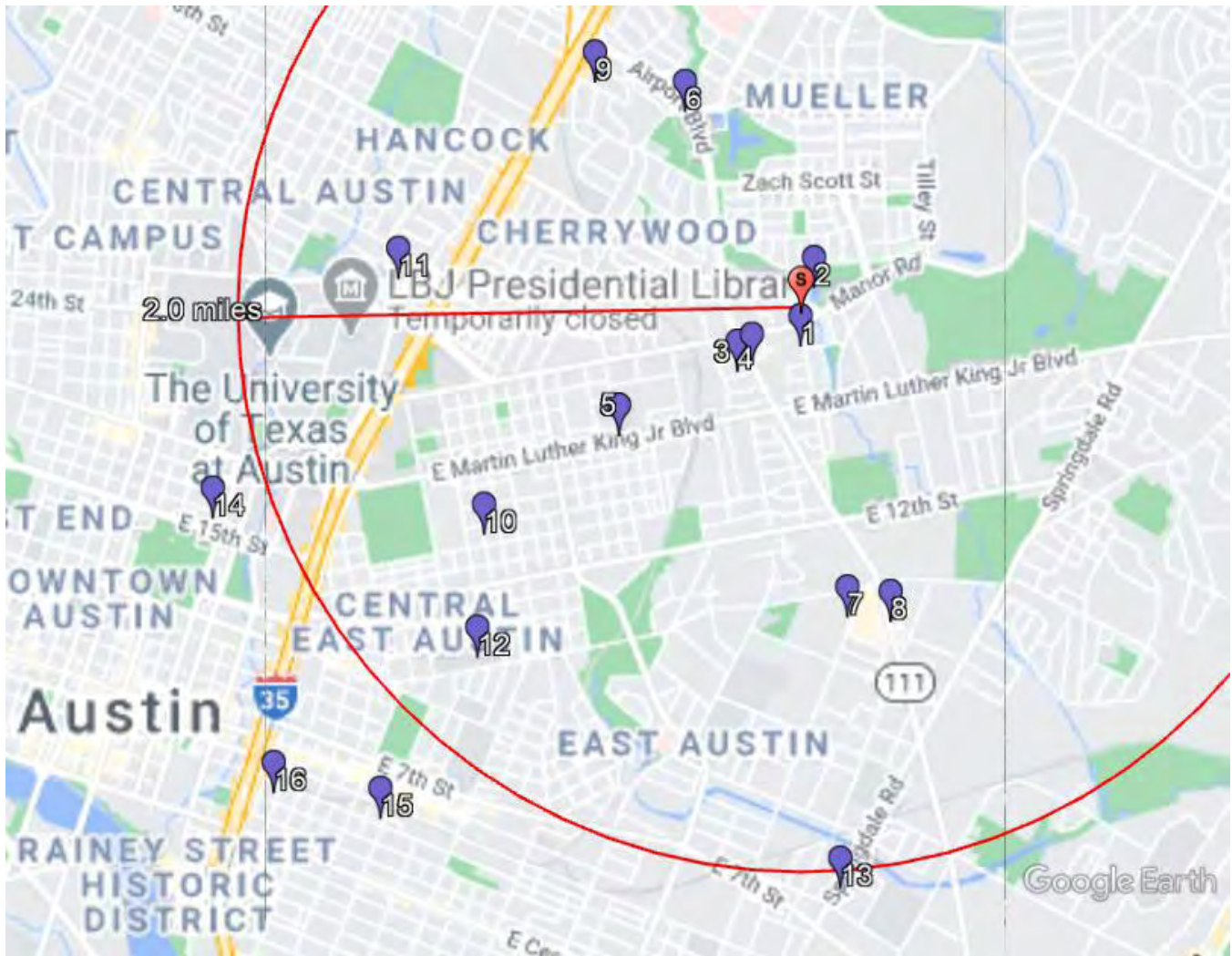
Education

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	
	Number	Annual Change	Number	Annual Change	Number	Annual Change
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	
	Number	Annual Change	Number	Annual Change	Number	Annual Change
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	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

Zoning Guide
The [Guide to Zoning](#) provides a quick explanation of the above Zoning codes, however, the [Development Assistance Center](#) provides general zoning assistance and can advise you on the type of development allowed on a property. General information on the [Neighborhood Planning Areas](#) is available from Neighborhood Planning. Visit [Zoning](#) for the description of each Base Zoning District.

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.

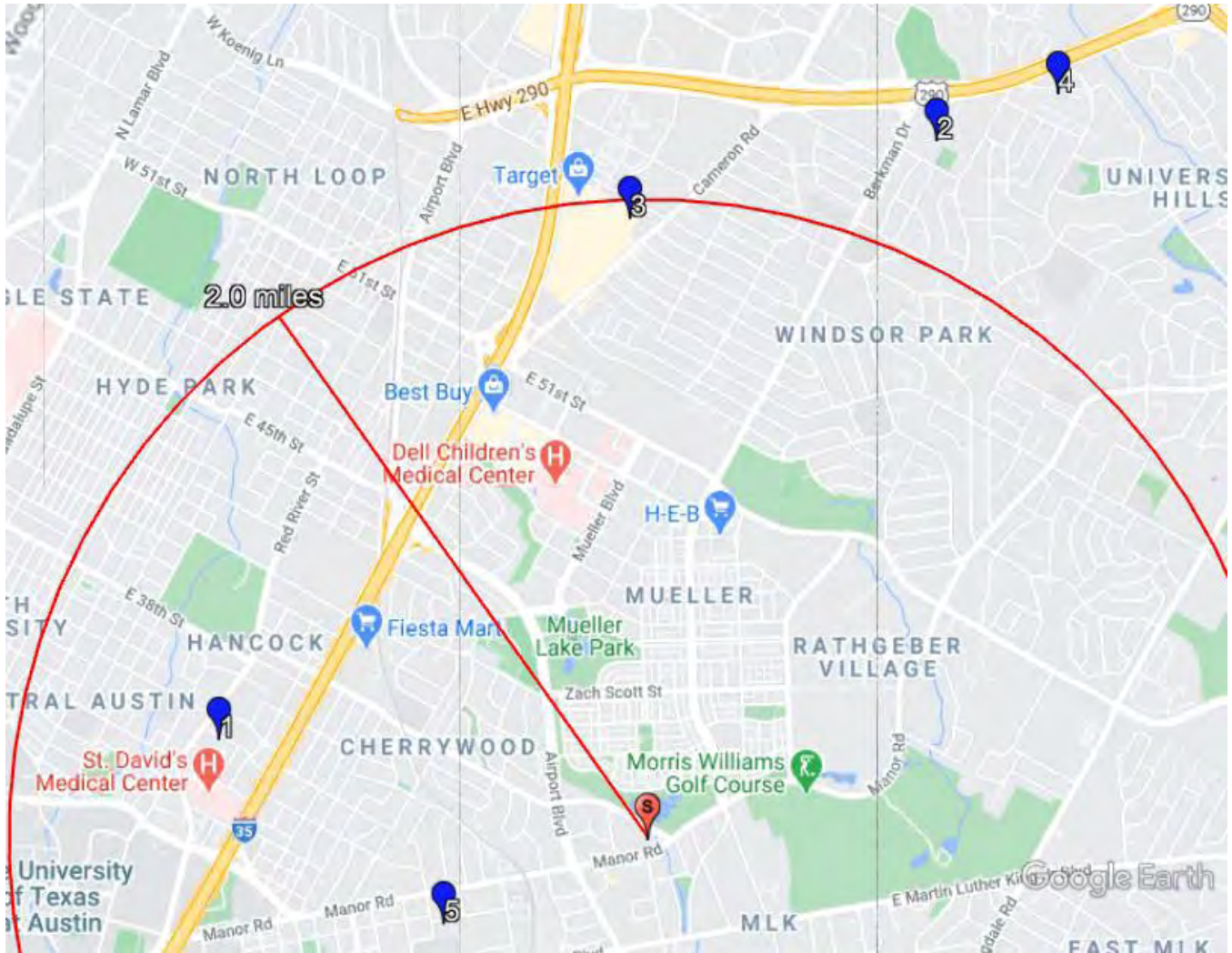
We selected the most similar properties based on location, unit mix, and design. The following table details the affordable properties in the PMA excluded from our analysis in addition to their reasons for exclusion.

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 Coronado 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	OBR / 1BA	8	5.4%	225	Market	\$600	N/A	N/A	1	12.5%
					OBR / 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									
1	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%
					138									
2	Menlo At Mueller 6855 Highway 290 East Austin, TX 78723 Travis County	2.4 miles	Various 2-stories 1973 / 2004 Family	Market	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
					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 Reinil 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%
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	OBR / 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									
5	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									

KENSINGTON APARTMENTS - AUSTIN, TEXAS – APPRAISAL

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

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.

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

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 1Q20
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

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.

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		
	Central Laundry	
	Picnic Area	

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.

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.

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 Parmar 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>			
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 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.

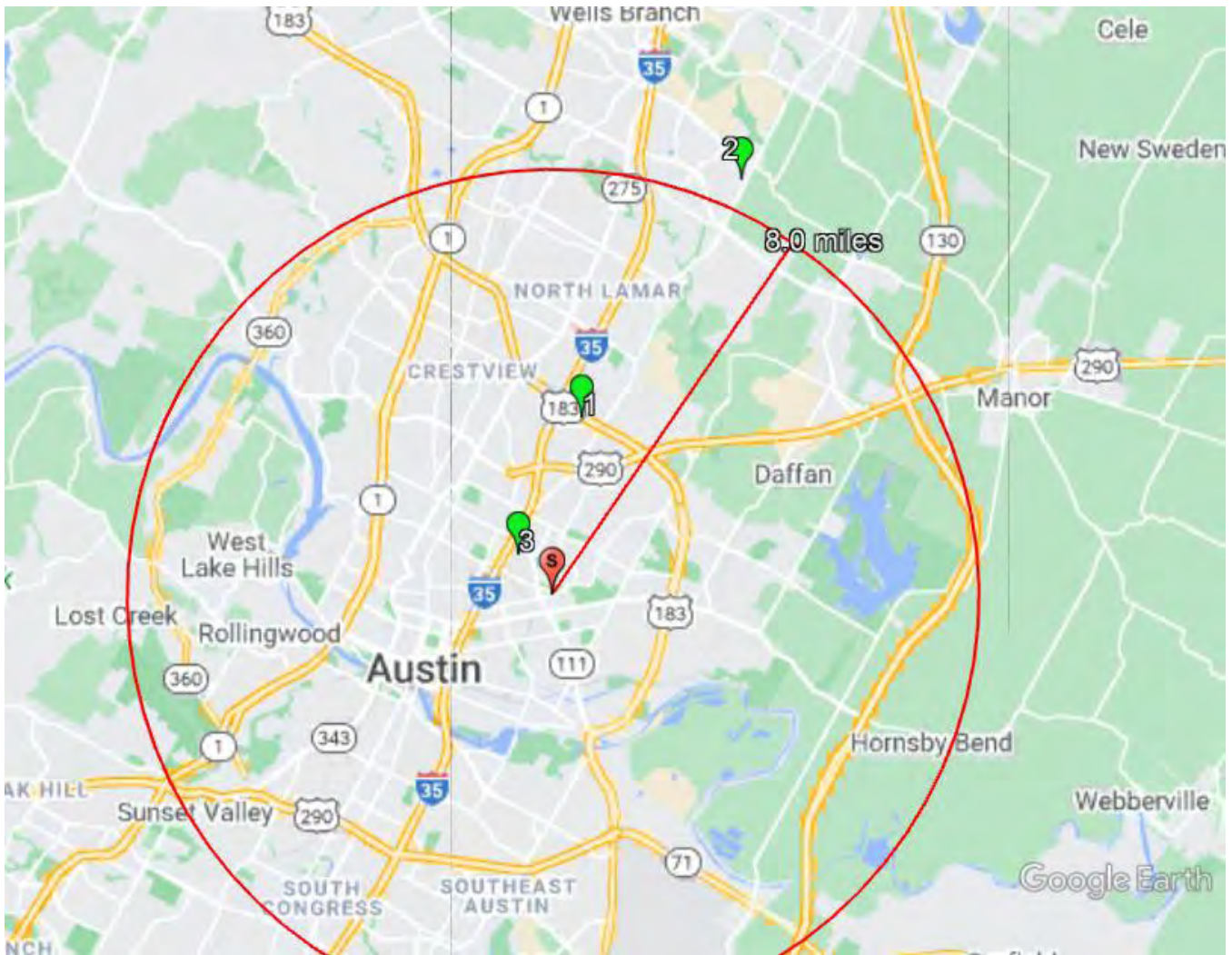
The sales comparison approach typically reflects the actions of buyers and sellers in the marketplace and serves as an excellent benchmark as to what a potential buyer would be willing to pay for the Subject property. We made an extensive search for multifamily comparable land sales that have sold recently. 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 Report, Assessor's Office
Seller	VXchnge Facilities, LLC		

Site

Land Acres	11.29	Topography	Level
Land Sq Ft	491,792	Zoning	Multifamily
Shape	Irregular	Corner	No

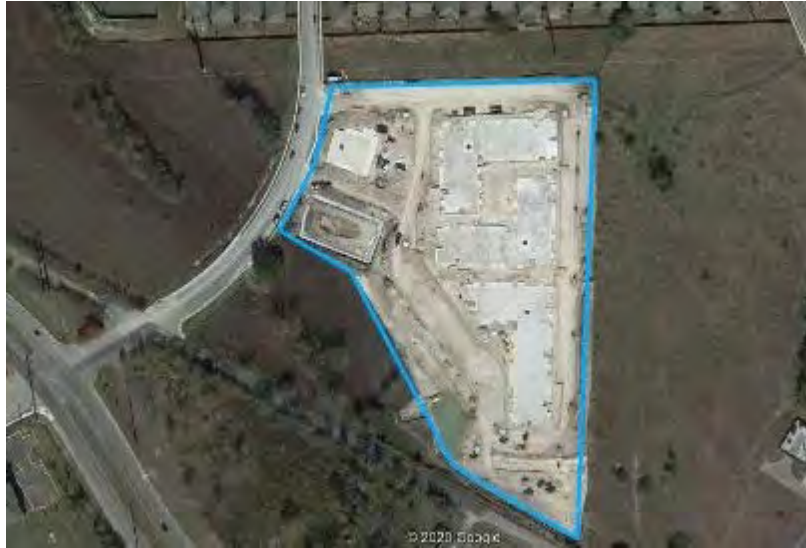
Improvements and Ratios

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		SUBJECT Subject Historical Kensington Apartments - As Is Market Family Actuals 2019		SUBJECT Subject Historical Kensington Apartments - As Is Market Family Actuals 2019		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	
	Total	Per Unit	Total	Per Unit	Total	Per Unit	Total	Per Unit	Total	Per Unit	Total	Per Unit	Total	Per Unit	Total	Per Unit
INCOME CATEGORY																
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																
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	\$149,298	\$1,002	\$128,444	\$862	\$112,958	\$758	\$332,025	\$2,594	\$367,341	\$2,449	\$307,513	\$2,421	\$532,918	\$2,612	\$120,809	\$1,184
Insurance	\$39,485	\$265	\$38,976	\$262	\$46,552	\$312	\$52,142	\$407	\$62,181	\$415	\$45,383	\$357	\$35,542	\$174	\$16,536	\$162
SUBTOTAL	\$188,783	\$1,267	\$167,420	\$1,124	\$159,510	\$1,071	\$384,167	\$3,001	\$429,522	\$2,863	\$352,896	\$2,779	\$568,460	\$2,787	\$137,345	\$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	\$7,287	\$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	Range (Comparables)			Range (Benchmarks)		
Type	Audited	Audited	Audited	Audited	Audited	Audited	Audited	Audited	Min	Max	Average	Region	Unit Size
Year	2019	2018	2019	2019	2019	2019	2019	2019					
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	Range (Comparables)			Range (Benchmarks)		
Type	Audited	Audited	Audited	Audited	Audited	Audited	Audited	Audited	Min	Max	Average	Region	Unit Size
Year	2019	2018	2019	2019	2019	2019	2019	2019					
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	Range (Comparables)			Range (Benchmarks)		
Type	Audited	Audited	Audited	Audited	Audited	Audited	Audited	Audited	Min	Max	Average	Region	Unit Size
Year	2019	2018	2019	2019	2019	2019	2019	2019					
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	Range (Comparables)			Range (Benchmarks)		
Type	Audited	Audited	Audited	Audited	Audited	Audited	Audited	Audited	Min	Max	Average	Region	Unit Size
Year	2019	2018	2019	2019	2019	2019	2019	2019					
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	Range (Comparables)			Range (Benchmarks)		
Type	Audited	Audited	Audited	Audited	Audited	Audited	Audited	Audited	Min	Max	Average	Region	Unit Size
Year	2019	2018	2019	2019	2019	2019	2019	2019					
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	Range (Comparables)			Range (Benchmarks)		
Type	Audited	Audited	Audited	Audited	Audited	Audited	Audited	Audited	Min	Max	Average	Region	Unit Size
Year	2019	2018	2019	2019	2019	2019	2019	2019					
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:

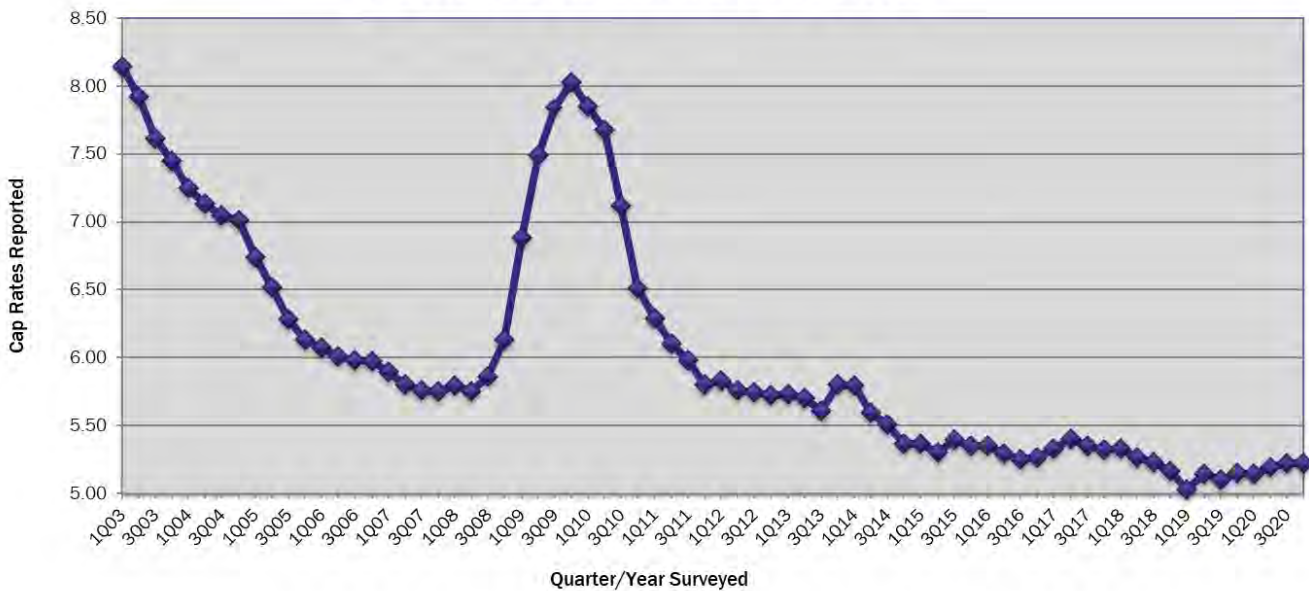
**PwC REAL ESTATE INVESTOR SURVEY
National Apartment Market**

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 Survey



⁴ 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:

$$R_0 = D.C.R \times R_M \times M$$

Where:

- R₀ = 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:

$$R_0 = M \times R_M + (1-M) \times R_E$$

Where:

- R₀ = 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	<i>Treasury Bond Basis*</i>	
Rm	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		
Re	6.00%		

Debt Coverage Ratio

$$R_0 = DCR \times R_m \times M$$

$$4.15\% = 1.1 \times 0.0539 \times 70\%$$

Band of Investment

$$R_0 = (M \times R_m) + ((1-M) \times R_e)$$

$$5.57\% = (0.70 \times 0.0539) + (0.30 \times 6.00\%)$$

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			
<i>Operating Revenues</i>			
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>
<i>Operating Expenses</i>			
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%
<i>Valuation</i>			
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

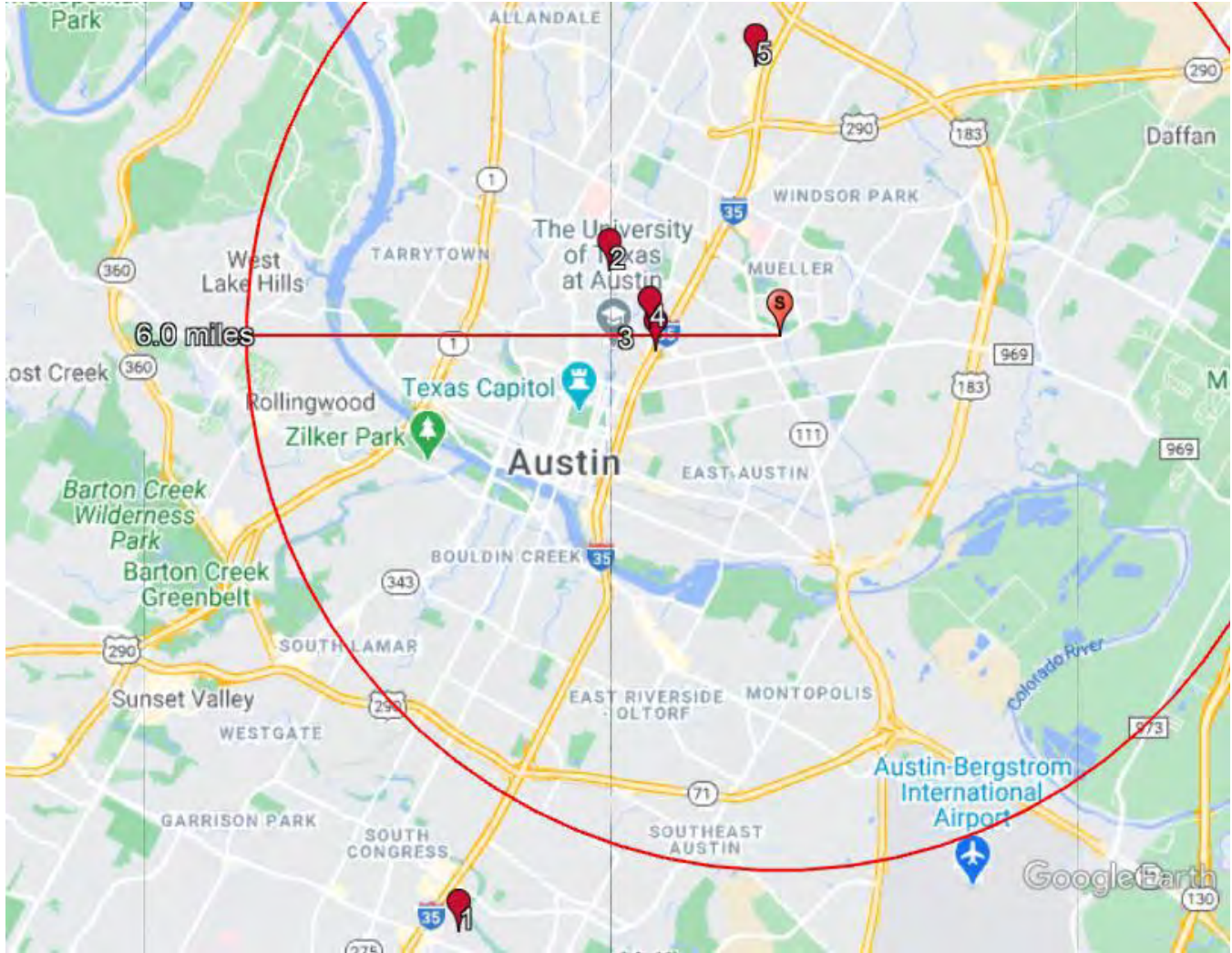
SALES COMPARISON APPROACH

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 Assessor's Office
Seller:	Steadfast Investment Properties, Inc.		

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 CAD
Seller:	206 West 38th Street LTD		

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 Assessor's Office
Seller:	JD Lapis Property LLC		

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

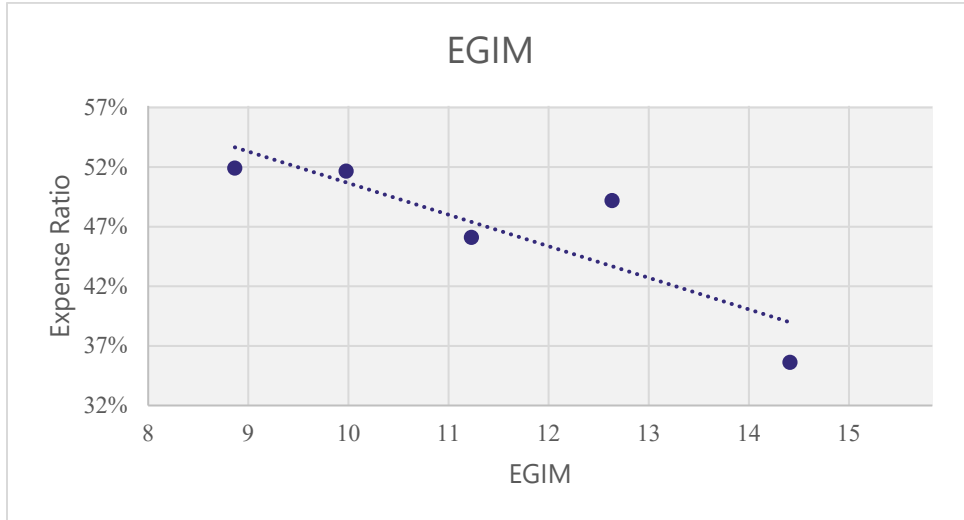
EGI	\$733,250	NOI	\$349,250
Total Expenses	\$384,000	Expense Ratio	52%
Expenses / Unit	\$6,000	EGIM (\$)	8.66
Cap Rate	5.50%		

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.

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)

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



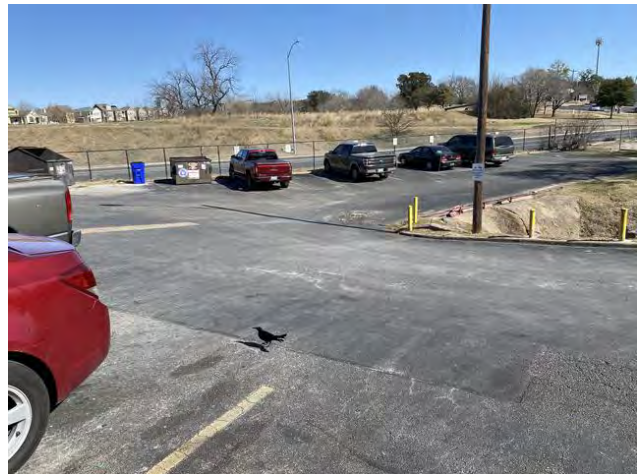
Subject exterior



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 Masee / 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 Demps	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

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 proratable 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.

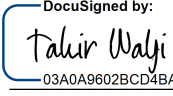
13.27. LEGAL ADVICE. IN SIGNING THIS CONTRACT, PURCHASER AN SELLER ACKNOWLEDGE AND AGREE THAT IT HAS BEEN ADVISED, AND HAS BEEN GIVEN THE OPPORTUNITY TO SEEK INDEPENDENT LEGAL ADVICE.

Signature Page Follows.

NOW, THEREFORE, the parties hereto have executed this Contract as of the Effective Date.


SELLER:

KML, INC.,
a Texas corporation

By:  03A0A9602BCD4BA...
Tahir Walji, President

PURCHASER:

ELIZABETH PROPERTY GROUP, LLC,
a Delaware limited liability company

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} ~~2021~~ ²⁰²¹ as the date of opening of escrow and designates XXXXXXXXX 20-4280-CH as the escrow number assigned to this Contract.

ESCROW AGENT:

CORRIDOR TITLE

By: DocuSigned 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)*

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: _____

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.

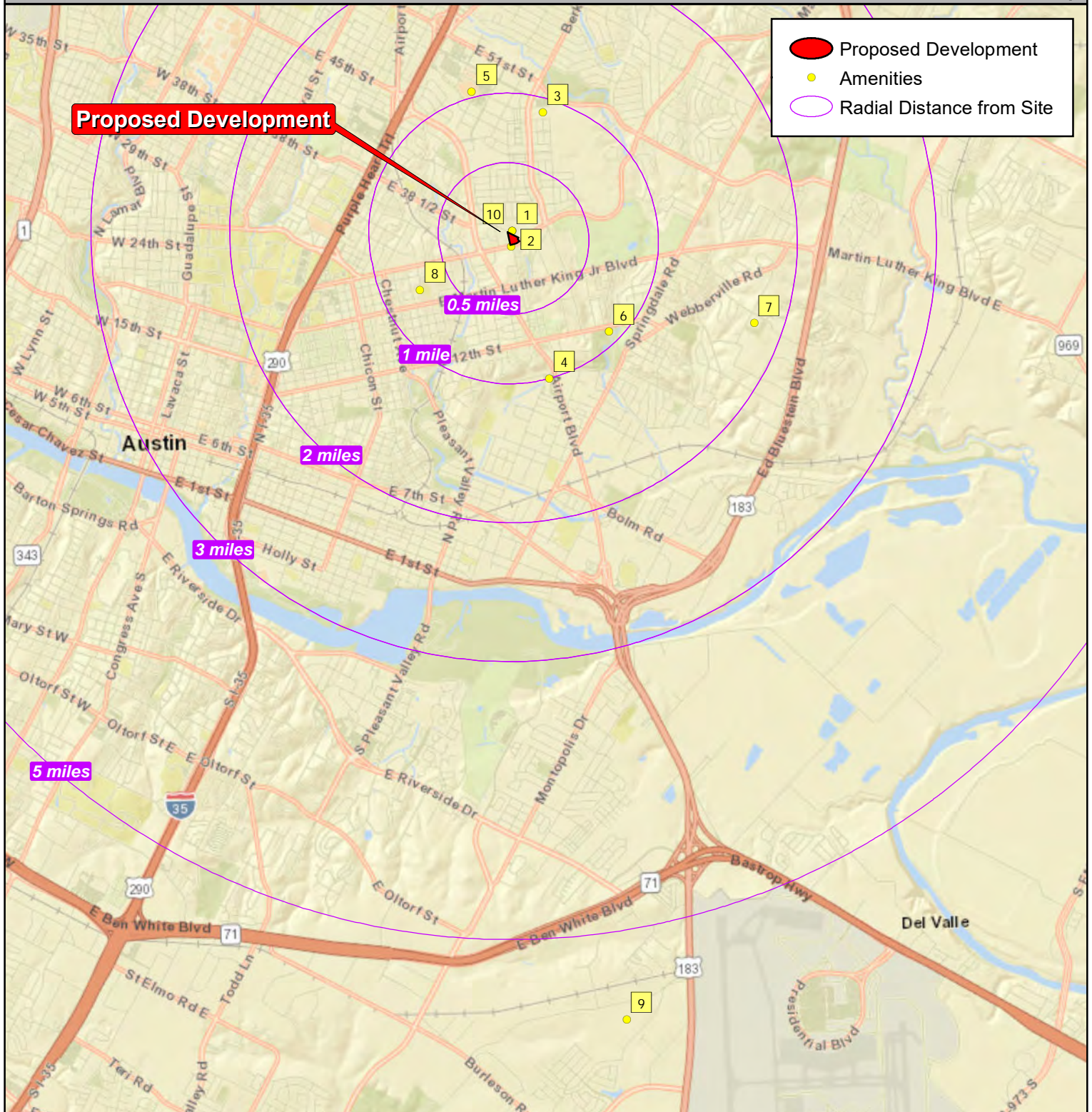
(ll) A copy of the management agreement with the Property Manager and any other management agreements applicable to the Property and/or the Leases.

(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.

5b / Property Maps

Kensington Apartments

3300 Manor Rd., Austin, Texas 78723
Amenities Map



- Proposed Development
- Amenities
- Radial Distance from Site

Proposed Development

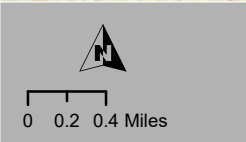
0.5 miles

1 mile

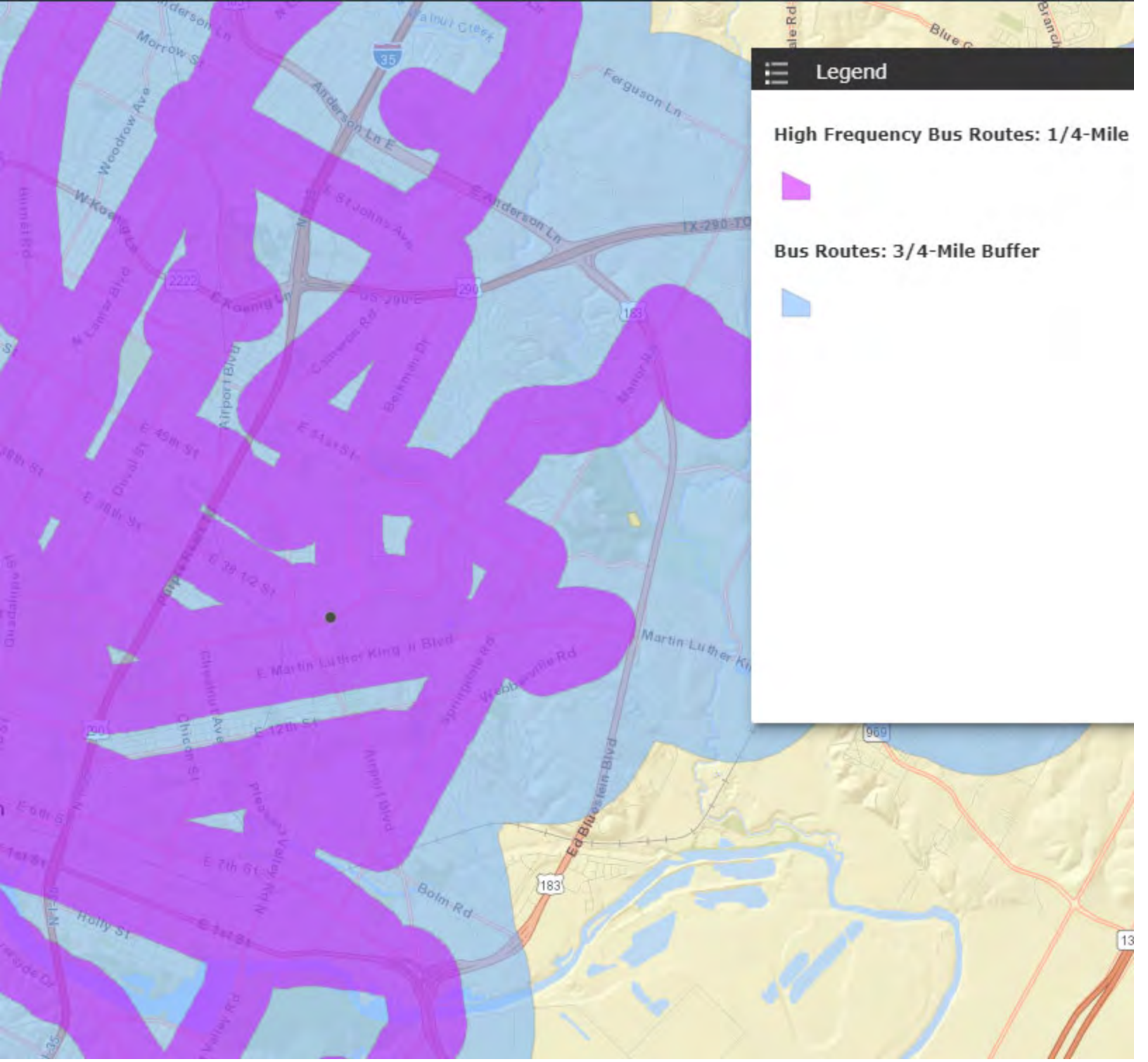
2 miles

3 miles

5 miles



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



Legend

High Frequency Bus Routes: 1/4-Mile



Bus Routes: 3/4-Mile Buffer



Overview	Real Estate	Demographics	Crime	Schools	Trends & Forecasts
Crime Rate (per 1,000 residents)	2.60	30.77	33.37		

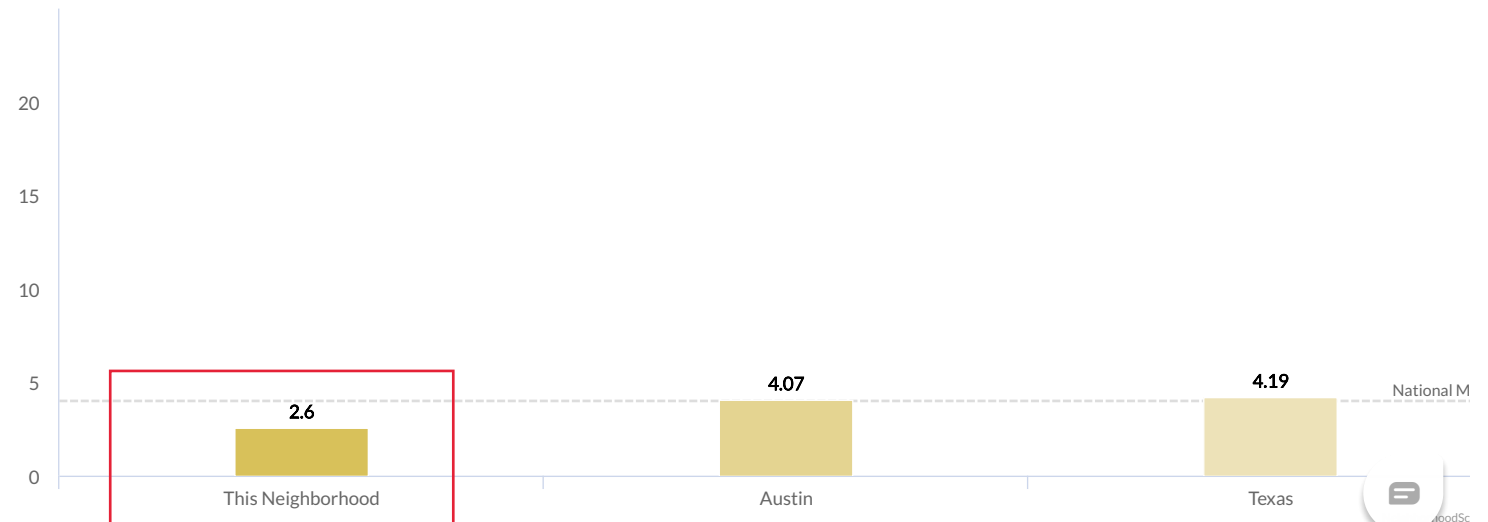
NEIGHBORHOOD VIOLENT CRIME



VIOLENT CRIME INDEX BY TYPE

MURDER INDEX	RAPE INDEX	ROBBERY INDEX	ASSAULT INDEX
69 100 is safest	41 100 is safest	42 100 is safest	55 100 is safest

VIOLENT CRIME COMPARISON (PER 1,000 RESIDENTS)



Overview	Real Estate	Demographics	Crime	Schools	Trends & Forecasts
1 IN 385 in this Neighborhood		1 IN 245 in Austin		1 IN 239 in Texas	

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

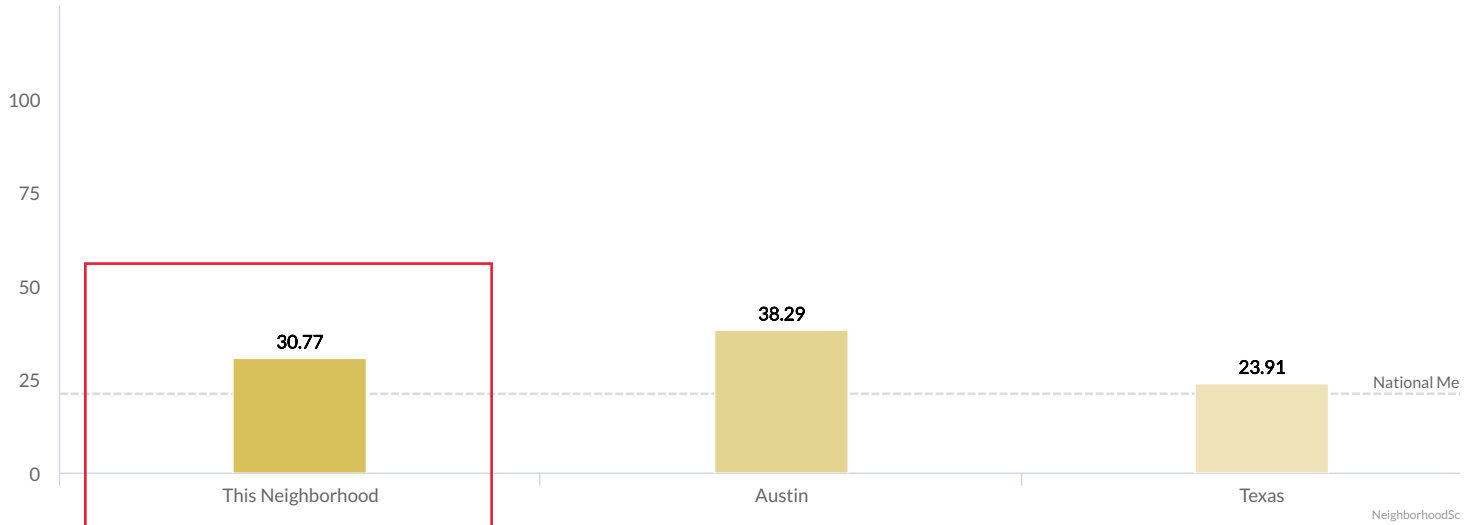
25

(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



MY CHANCES OF BECOMING A VICTIM OF A PROPERTY CRIME

1 IN 32 in this Neighborhood	1 IN 26 in Austin	1 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

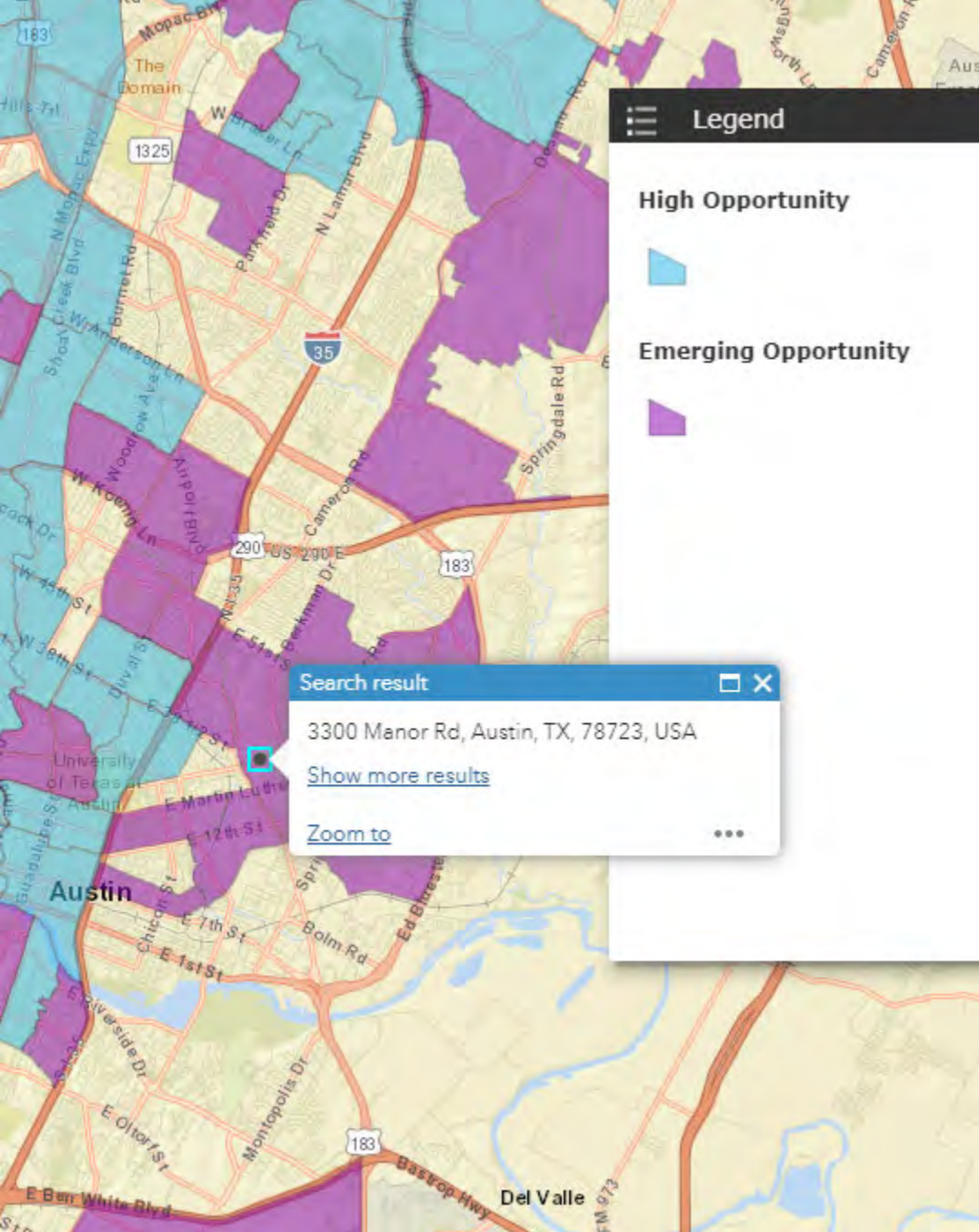
UNITED STATES PROPERTY CRIMES

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





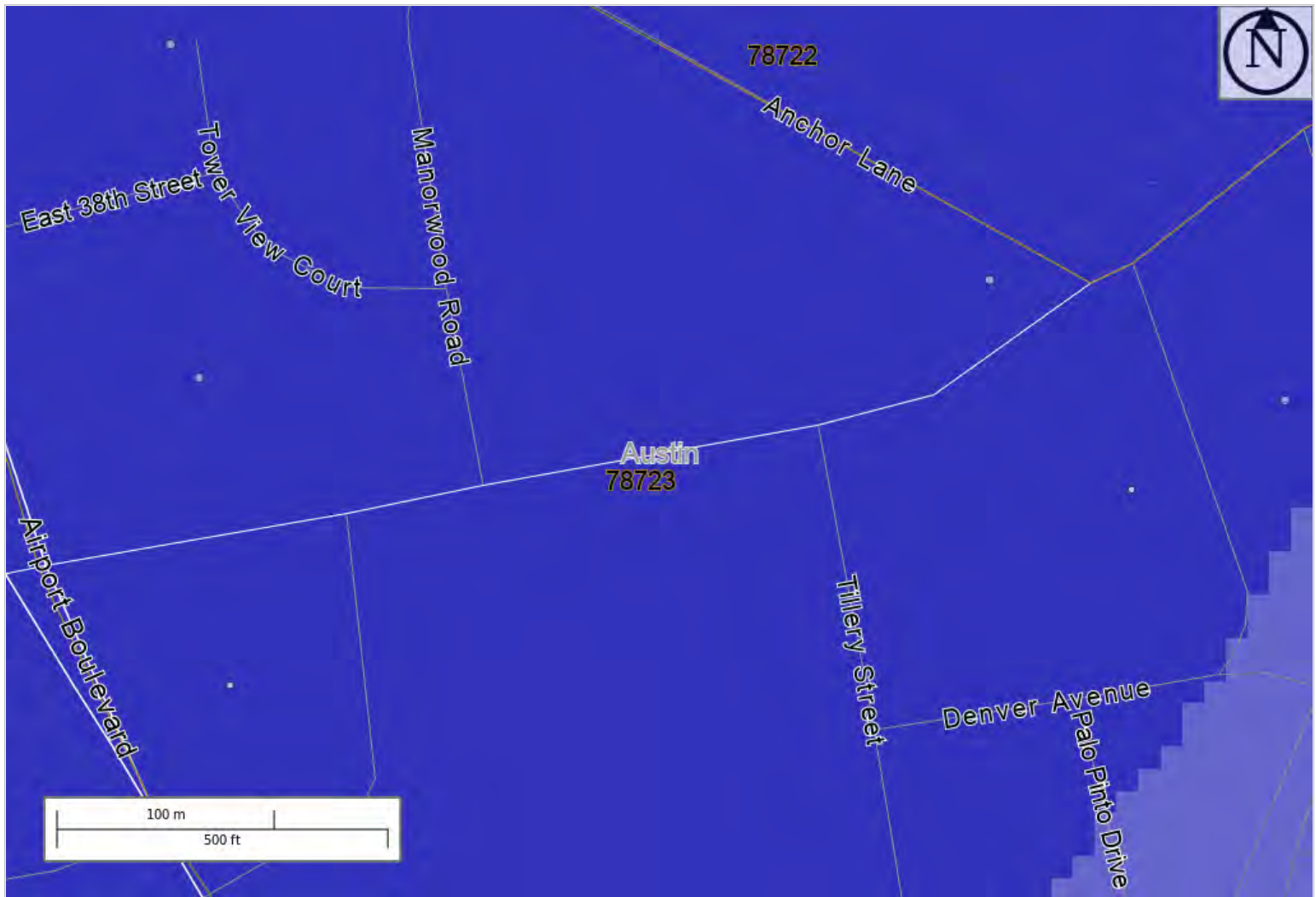
Work Area Profile Report

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

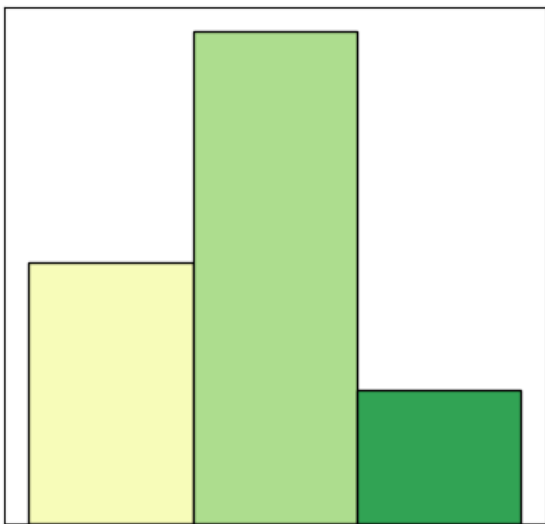
Selection Areas

- 📍 Analysis Selection

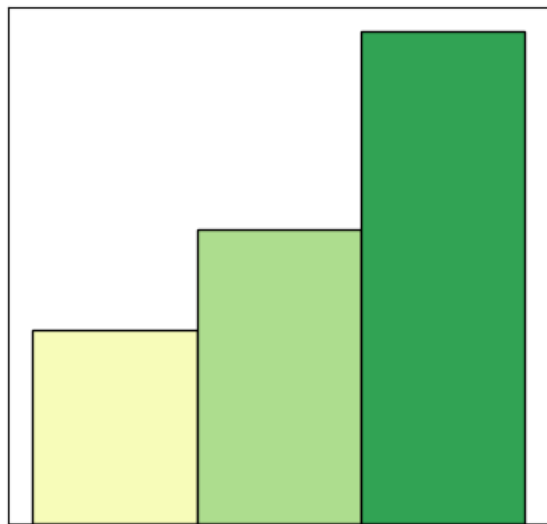


Private Primary Jobs for All Workers by Total in 2018

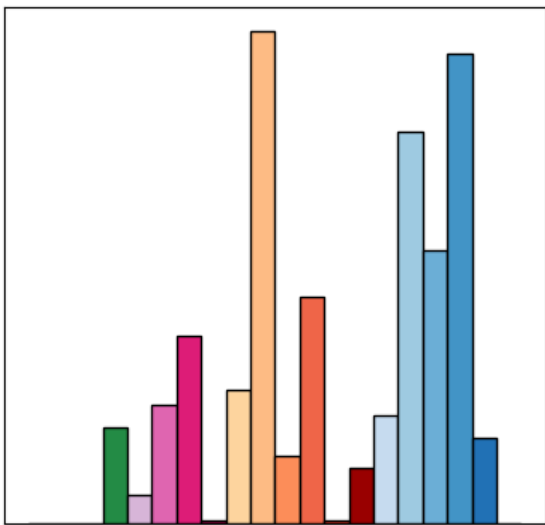
Employed in Selection Area



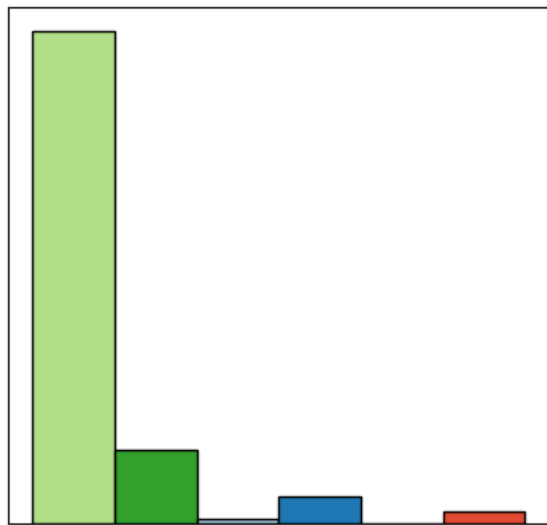
Age



Earnings



Industry Sector



Race

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.



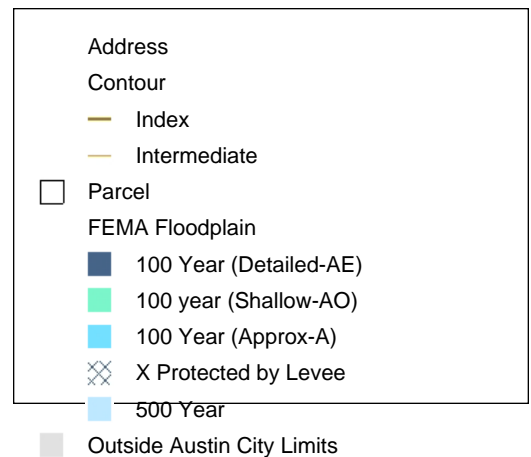
FEMA Floodplains

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.

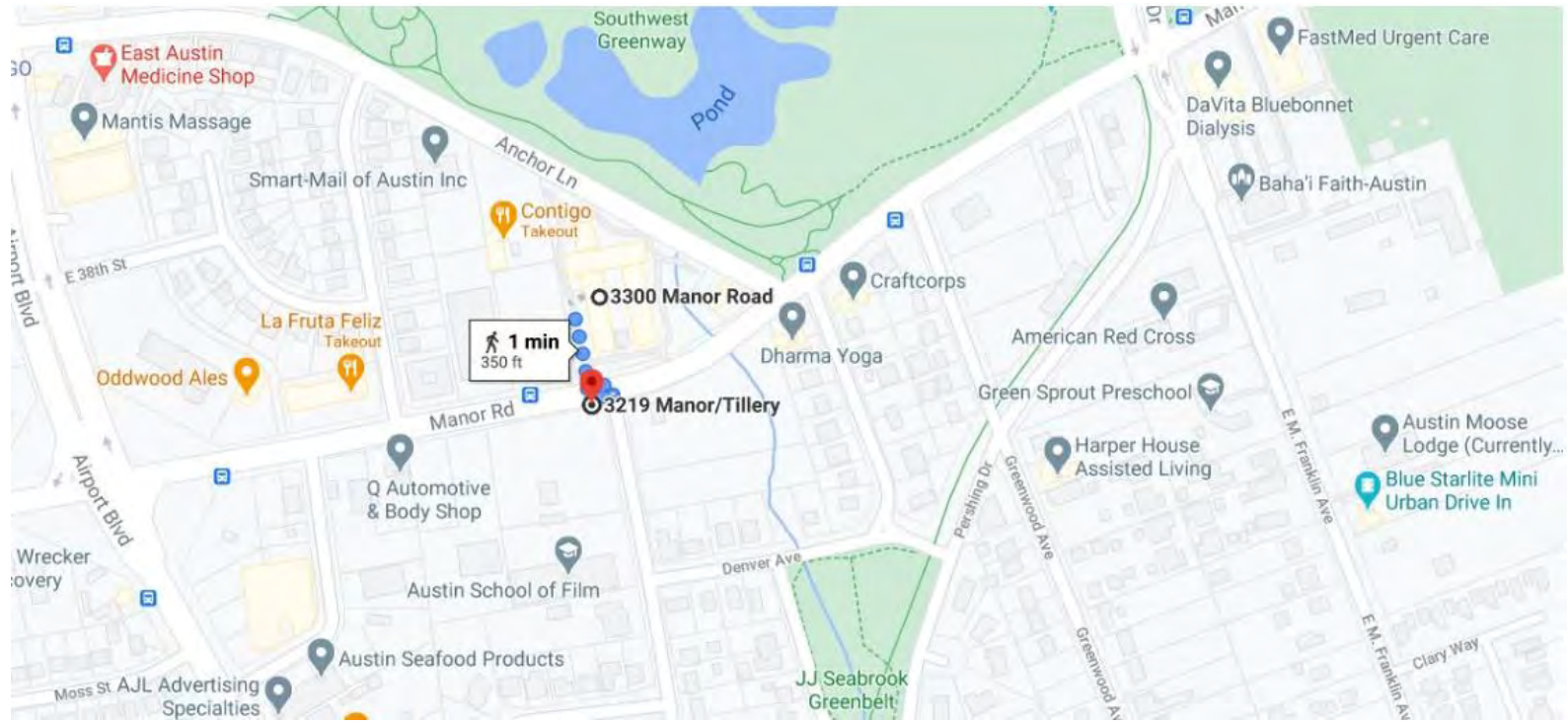
0 200 400 Feet



Prepared: 12/13/2020



Proximity to Transit Map



5c / Zoning Verification



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/department/austin-city-code-land-development-code>

<http://austintexas.gov/department/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.

5d / Proof of Site Control

EXECUTED as of the Effective Date.

GRANTOR:

KML, INC.,
a Texas corporation

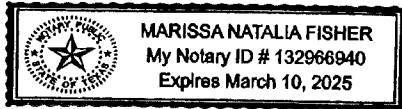
By: Tahir Walji
Tahir Walji, President

THE STATE OF TEXAS

§
§
§

COUNTY OF TRAVIS

This instrument was acknowledged before me on the 29 day of June, 2022, by Tahir Walji, President of KML, Inc., on behalf of said corporation.



Marissa Fisher
Notary Public in and for the State of Texas

GRANTEE'S ADDRESS FOR TAX NOTICES:
5580 LBJ Freeway, Suite 630
Dallas, Texas 75240
Attn: Tisha Vaidya

Exhibit A**Legal Description of Land**

2.709 ACRES OUT OF THE LOGAN VANDEVER SURVEY, ABSTRACT NUMBER 784, BEING LOT 1 AND LOT 2, OF THE RESUBDIVISION OF A PART OF OUTLOT 36, DIVISION C, A SUBDIVISION OF RECORD IN VOLUME 11, PAGE 69, OF THE PLAT RECORDS OF TRAVIS COUNTY, TEXAS.; SAVE AND EXCEPT THAT 943 SQUARE FOOT TRACT CONVEYED TO THE CITY OF AUSTIN BY DEED OF RECORDED IN VOLUME 3346, PAGE 1507, OF THE DEED RECORDS OF TRAVIS COUNTY, TEXAS, SAID 2.709 ACRE TRACT BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

BEGINNING, at a 1/2-Inch Iron rod found in the north right-of-way line of Manor Road (r.o.w. varies), being the southeast corner of Lot 3-B, of the Resubdivision of Lot 3 of H & M Subdivision, a subdivision of record in Book 72, Page 90 of the said Plat Records, for the southwesterly corner of said Lot 2 and hereof;

THENCE, N11°45'45"W, leaving said north right-of-way line, along the east line of said Lot 3-B and Lot 3-A, of said Resubdivision of Lot 3 of H & M Subdivision, being the west lines of said Lots 1 and 2, a distance of 500.61 feet to a 1/2-Inch Iron rod found at the northeast corner of said Lot 3-A, being in the south right-of-way line of Anchor Lane (r.o.w. varies), for the northwesterly corner of said Lot 1 and hereof;

THENCE, S63°08'24"E, along the said south right-of-way line of Anchor Lane, being the north line of said Lot 1, 460.49 feet to a 1/2-Inch iron rod found at the north common corner of said Lot 1 and Lot 3, of said Resubdivision of a Part of Outlot 36, Division C, for the northeasterly corner hereof;

THENCE, leaving the said south right of way of Anchor Lane, along the line common to said Lots 1 and 3, the following two (2) courses and distances:

1. S32°08'22"W, a distance of 80.00 feet to a 1/2-Inch Iron rod found, for an angle point;
2. S43°57'29"E, a distance of 98.10 feet to a 1/2-Inch Iron rod found on the said north right-of-way line of Manor Road, being the northeast corner of said 943 square foot tract, for the southeasterly corner hereof;

THENCE, leaving the west line of said Lot 3, over and across said Lot 1, along the north line of said 943 square foot tract and said north line of Manor Road, the following two (2) courses and distances:

1. S49°32'15"W, a distance of 28.97 feet to a 1/2-Inch Iron found at the point of curvature of a curve to the right;
2. Along said curve, having a radius of 470.51 feet, a central angle of 28°17'22", an arc length of 232.31 feet, and a chord which bears S63°42'11"W, a distance of 229.96 feet to a 60D nail found in the south line of said Lot 1, being the most westerly corner of said 943 square foot tract;

THENCE, S77°45'54"W, continuing along said north right-of-way line, being the south lines of said Lots 1 and 2, a distance of 108.56 feet to the POINT OF BEGINNING, and containing 2.709 acres (117,988 square feet) of land, more or less.

Exhibit B

Permitted Encumbrances

1. The following restrictive covenants of record itemized below: Those recorded in Volume 699, Page 296, Deed Records, Travis County, Texas, but deleting any covenant, condition or restriction indicating a preference, limitation or discrimination based on race, color, religion, sex, handicap, familial status, or national origin unless and only to the extent that said covenant (a) is exempt under Chapter 42, Section 3607 of the United States Code or (b) relates to handicap but does not discriminate against handicapped persons.
2. Standby fees, taxes and assessments by any taxing authority for the year 2022, and subsequent years.
3. All leases, grants, exceptions or reservations of coal, lignite, oil, gas and other minerals, together with all rights, privileges and immunities relating thereto, appearing in the Public Records
4. Rights of tenants in possession under unrecorded leases or rental agreements.
5. 30' drainage easement traversing subject property as shown on Plat recorded in Volume 11, Page 69, of the Plat Records of County, Texas, and as shown on the survey dated May 23, 2022, prepared by Abram C. Dashner, Registered Professional Land Surveyor No. 5901.
6. Easement granted to City of Austin, recorded in Volume 2206, Page 305, of the Deed Records of Travis County, Texas, and as shown on the survey dated May 23, 2022, prepared by Abram C. Dashner, Registered Professional Land Surveyor No. 5901.
7. Easement granted to City of Austin, recorded in Volume 3482, Page 1420, of the Deed Records of Travis County, Texas, and as shown on the survey dated May 23, 2022, prepared by Abram C. Dashner, Registered Professional Land Surveyor No. 5901.
8. Easement granted to City of Austin, recorded in Volume 3513, Page 121, of the Deed Records of Travis County, Texas, and as shown on the survey dated May 23, 2022, prepared by Abram C. Dashner, Registered Professional Land Surveyor No. 5901.
9. Terms, conditions and stipulations of that certain Installation and Service Agreement, as evidenced by Memorandum, and recorded in Volume 13356, Page 185, of the Real Property Records, and Document No. 2004014786, Official Public Records of Travis County, Texas.
10. No liability is assumed by reason of that certain concrete slab for refrigeration units encroaching over and into 10' electric easement recorded in Volume 3513, Page 121, Deed

Records of Travis County, Texas, as shown on Survey dated May 23, 2022, prepared by Abram C. Dashner, Registered Professional Land Surveyor No. 5901.

11. No liability is assumed of the location of overhead utility line(s), power pole(s), and guy wire(s), within the boundary of subject property and being situated outside any designated easement, together with all easement rights appurtenant thereto, as shown on Survey dated May 23, 2022, prepared by Abram C. Dashner, Registered Professional Land Surveyor No. 5901.
12. No liability is assumed by reason of the encroachment and/or protrusion of the asphalt parking, flag poles, and sign, outside the southerly boundary lines, and curbs outside the northerly boundary lines of subject property, as shown on Survey dated May 23, 2022, prepared by Abram C. Dashner, Registered Professional Land Surveyor No. 5901.
13. No liability is assumed by reason of the encroachment and/or protrusion of fences into or outside the boundary lines of subject property, together with any assertion of ownership of land lying between said fences and the boundary lines of subject property, as shown on Survey dated May 23, 2022, prepared by Abram C. Dashner, Registered Professional Land Surveyor No. 5901.



Ra

Rebecca Guerrero, County Clerk
Travis County, Texas

Jun 30, 2022 03:28 PM Fee: \$42.00

2022115424

Electronically Recorded

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

SPECIAL WARRANTY DEED

STATE OF TEXAS

§

KNOW ALL MEN BY THESE PRESENTS:

COUNTY OF TRAVIS

§

§

KENSINGTON APARTMENTS AUSTIN, LLC, a Texas limited liability company ("**Grantor**"), for and in consideration of the sum of TEN AND NO/100 DOLLARS (\$10.00) cash and other good and valuable consideration to it paid by AUSTIN-TRAVIS COUNTY MEDICAL HEALTH AND MENTAL RETARDATION CENTER (d/b/a **Integral Care**), a community center created pursuant to Chapter 534 of the Texas Health and Safety Code ("**Grantee**"), whose mailing address is 1430 Collier Street, Austin, Texas 78704, the receipt and sufficiency of which are hereby acknowledged and confessed, has GRANTED, BARGAINED, SOLD and CONVEYED, and by these presents does GRANT, BARGAIN, SELL and CONVEY unto the Grantee, subject to the Permitted Exceptions (as defined below), that certain real property described in **Exhibit A** attached to and made a part of this Special Warranty Deed for all purposes, (the "**Land**") together with all rights, covenants, licenses, privileges, hereditaments and warranties and easements or similar rights appurtenant to the Land; air rights, water, water rights and water stock relating to the Property; and rights-of-way, rights of ingress or egress or other interests in, on or to any land, highway, street, road or avenue in, on, across, abutting or adjoining the Land and any strips and gores adjacent to or lying between the Land and any adjacent land or in any land lying in the bed of any street opened or proposed in front of or adjoining the Land (collectively, the "**Property**").

GRANTOR RESERVES FOR ITSELF, AND DOES NOT HEREBY GRANT, BARGAIN, SELL OR CONVEY TO GRANTEE, ANY IMPROVEMENTS, STRUCTURES, OR FIXTURES PLACED, CONSTRUCTED AND/OR INSTALLED UPON THE LAND, ALL OF WHICH SHALL REMAIN THE SOLE AND EXCLUSIVE PROPERTY OF GRANTOR FOR ALL PURPOSES. Further, this conveyance is given and accepted subject to the matters described on **Exhibit B** (the "**Permitted Exceptions**") attached hereto and made a part hereof for all purposes.

TO HAVE AND TO HOLD the above described Property, subject to the reservations and Permitted Encumbrances above, together with all and singular the rights and appurtenances thereto in anywise belonging unto the said Grantee, Grantee's successors and assigns forever and said Grantor does hereby bind Grantor, Grantor's successors and assigns to warrant and forever defend,

Corridor Title Co. GF# 20-4280-CH

This Special Warranty Deed is executed effective this 30th day of June, 2022.

GRANTOR:

KENSINGTON APARTMENTS AUSTIN, LLC,
a Texas limited liability company

By: Kensington GP, LLC,
a Texas limited liability company,
its managing member

By: *David Weden*
David Weden, President

ACKNOWLEDGEMENT

STATE OF TEXAS §
 §
COUNTY OF Travis §

BEFORE ME, the undersigned authority, a Notary Public in and for the State of Texas, on this day personally appeared David Weden, President of Kensington GP, LLC, a Texas limited liability company, the managing member of Kensington Apartments Austin, LLC, a Texas limited liability company, and acknowledged to me that the same was executed for the purposes and consideration therein expressed on behalf of said limited liability company.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this 28th day of June, 2022.

Rodney Guinn
Notary Public in and for the State of Texas

My Commission Expires:

5-17-2025

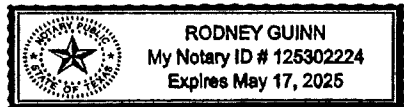


Exhibit A**Legal Description of Land**

2.709 ACRES OUT OF THE LOGAN VANDEVER SURVEY, ABSTRACT NUMBER 784, BEING LOT 1 AND LOT 2, OF THE RESUBDIVISION OF A PART OF OUTLOT 36, DIVISION C, A SUBDIVISION OF RECORD IN VOLUME 11, PAGE 69, OF THE PLAT RECORDS OF TRAVIS COUNTY, TEXAS.; SAVE AND EXCEPT THAT 943 SQUARE FOOT TRACT CONVEYED TO THE CITY OF AUSTIN BY DEED OF RECORDED IN VOLUME 3346, PAGE 1507, OF THE DEED RECORDS OF TRAVIS COUNTY, TEXAS, SAID 2.709 ACRE TRACT BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

BEGINNING, at a 1/2-inch iron rod found in the north right-of-way line of Manor Road (r.o.w. varies), being the southeast corner of Lot 3-B, of the Resubdivision of Lot 3 of H & M Subdivision, a subdivision of record in Book 72, Page 90 of the said Plat Records, for the southwesterly corner of said Lot 2 and hereof;

THENCE, N11°45'45"W, leaving said north right-of-way line, along the east line of said Lot 3-B and Lot 3-A, of said Resubdivision of Lot 3 of H & M Subdivision, being the west lines of said Lots 1 and 2, a distance of 500.61 feet to a 1/2-Inch iron rod found at the northeast corner of said Lot 3-A, being in the south right-of-way line of Anchor Lane (r.o.w. varies), for the northwesterly corner of said Lot 1 and hereof;

THENCE, S63°08'24"E, along the said south right-of-way line of Anchor Lane, being the north line of said Lot 1, 460.49 feet to a 1/2-Inch iron rod found at the north common corner of said Lot 1 and Lot 3, of said Resubdivision of a Part of Outlot 36, Division C, for the northeasterly corner hereof;

THENCE, leaving the said south right of way of Anchor Lane, along the line common to said Lots 1 and 3, the following two (2) courses and distances:

1. S32°08'22"W, a distance of 80.00 feet to a 1/2-inch Iron rod found, for an angle point;
2. S43°57'29"E, a distance of 98.10 feet to a 1/2-Inch Iron rod found on the said north right-of-way line of Manor Road, being the northeast corner of said 943 square foot tract, for the southeasterly corner hereof;

THENCE, leaving the west line of said Lot 3, over and across said Lot 1, along the north line of said 943 square foot tract and said north line of Manor Road, the following two (2) courses and distances:

1. S49°32'15"W, a distance of 28.97 feet to a 1/2-inch Iron found at the point of curvature of a curve to the right;
2. Along said curve, having a radius of 470.51 feet, a central angle of 28°17'22", an arc length of 232.31 feet, and a chord which bears S63°42'11"W, a distance of 229.96 feet to a 60D nail found in the south line of said Lot 1, being the most westerly corner of said 943 square foot tract;

THENCE, S77°45'54"W, continuing along said north right-of-way line, being the south lines of said Lots 1 and 2, a distance of 108.56 feet to the POINT OF BEGINNING, and containing 2.709 acres (117,988 square feet) of land, more or less.

Exhibit B

Permitted Encumbrances

1. The following restrictive covenants of record itemized below: Those recorded in Volume 699, Page 296, Deed Records, Travis County, Texas, but deleting any covenant, condition or restriction indicating a preference, limitation or discrimination based on race, color, religion, sex, handicap, familial status, or national origin unless and only to the extent that said covenant (a) is exempt under Chapter 42, Section 3607 of the United States Code or (b) relates to handicap but does not discriminate against handicapped persons.
2. Standby fees, taxes and assessments by any taxing authority for the year **2022**, and subsequent years.
3. All leases, grants, exceptions or reservations of coal, lignite, oil, gas and other minerals, together with all rights, privileges and immunities relating thereto, appearing in the Public Records
4. Rights of tenants in possession under unrecorded leases or rental agreements.
5. 30' drainage easement traversing subject property as shown on Plat recorded in Volume 11, Page 69, of the Plat Records of County, Texas, and as shown on the survey dated May 23, 2022, prepared by Abram C. Dashner, Registered Professional Land Surveyor No. 5901.
6. Easement granted to City of Austin, recorded in Volume 2206, Page 305, of the Deed Records of Travis County, Texas, and as shown on the survey dated May 23, 2022, prepared by Abram C. Dashner, Registered Professional Land Surveyor No. 5901.
7. Easement granted to City of Austin, recorded in Volume 3482, Page 1420, of the Deed Records of Travis County, Texas, and as shown on the survey dated May 23, 2022, prepared by Abram C. Dashner, Registered Professional Land Surveyor No. 5901.
8. Easement granted to City of Austin, recorded in Volume 3513, Page 121, of the Deed Records of Travis County, Texas, and as shown on the survey dated May 23, 2022, prepared by Abram C. Dashner, Registered Professional Land Surveyor No. 5901.
9. Terms, conditions and stipulations of that certain Installation and Service Agreement, as evidenced by Memorandum, and recorded in Volume 13356, Page 185, of the Real Property Records, and Document No. 2004014786, Official Public Records of Travis County, Texas.
10. No liability is assumed by reason of that certain concrete slab for refrigeration units encroaching over and into 10' electric easement recorded in Volume 3513, Page 121, Deed

Records of Travis County, Texas, as shown on Survey dated May 23, 2022, prepared by Abram C. Dashner, Registered Professional Land Surveyor No. 5901.

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13. No liability is assumed by reason of the encroachment and/or protrusion of fences into or outside the boundary lines of subject property, together with any assertion of ownership of land lying between said fences and the boundary lines of subject property, as shown on Survey dated May 23, 2022, prepared by Abram C. Dashner, Registered Professional Land Surveyor No. 5901.

5f / SHPO

Note that as part of the project sources, there will be Federal and State Historic Tax Credits. Part 1/A and Part 2/B approvals have been received.

Received

MAR



Division of Architecture

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

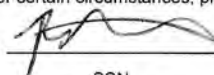
Zip 19118 Telephone (215) 248-1260 Email Address chamilton@heritage-consulting.com

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)  Date 2/26/21

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.

7/21/21

Date


National Park Service Authorized Signature (Sign in ink)

NPS Comments Attached





**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)

September 23, 2021

Tahir Walji, KML, Inc.
10242 Rosser Rd.
Dallas, TX 75229

PROPERTY: The Lexington Apartments and Motor Inn, Austin, Travis County
PROJECT NUMBER: THPTC-0674-21-032
APPLICATION: Part A
DECISION: Building Certified Historic—Designation Required

Dear Mr. Walji,

The Texas Historical Commission (THC) has reviewed your Texas Historic Preservation Tax Credit (THPTC) Application, Part A: Evaluation of Significance, for the above-named property, which corresponds with Federal Rehabilitation Tax Credit project #43571. This letter represents the official determination of the Executive Director of the THC. Our agency has received notification of the National Park Service's approval of your Part 1 application as of August 17 2021, and as such, has determined that the property listed above is a certified historic structure for the purposes of the THPTC program.

Important: it is your responsibility to pursue official designation for this property through listing in the National Register of Historic Places. The building must be designated at the time the tax credit is claimed. Please contact National Register Coordinator Gregory Smith (greg.smith@thc.texas.gov) to begin the formal designation process if you have not done so already. **When designation has been completed, our office requires a new Part A form to document the successful designation of the building.**

Congratulations on completing the first part of your tax credit application. If you have not done so already, the next step in the application process is submission of the Part B – Description of Rehabilitation. Note that the Part B should be submitted as early as possible in the course of the project. Our reviewers are available to consult with you on your planned work to ensure compliance with program requirements and the Secretary of Interior's Standards for Rehabilitation.

Thank you for your interest in the cultural heritage of Texas, and we look forward to continued work with you on this project. **If you have any questions concerning our review of the Part A application, please contact Greg Smith at greg.smith@thc.texas.gov, or at 512-463-6013. If we can be of assistance regarding further steps in the application process or to communicate with your tax credit project reviewer, please contact Caroline Wright at caroline.wright@thc.texas.gov, or at 512-463-7687.**

Sincerely,



Bess Althaus Graham, AIA, LEED AP BD+C
Director, Deputy SHPO, Division of Architecture
Texas Historical Commission

TEXAS HISTORICAL COMMISSION

Received

Texas Historic Preservation Tax Credit Application
Part A: Evaluation of Significance

MAR 11 2021

Division of Architecture

Read instructions carefully before completing application. No certification will be made unless a completed, signed application form has been received. Type or print clearly in black ink. If additional space is needed, attach blank sheets. Please submit only one copy of this application and supporting materials. Please do not use spiral binding, binders or folders to submit your application. You may submit your application in person, via courier service or U.S. Mail. E-mailed or faxed applications will not be accepted. Note: If you wish to participate in the Federal program, you must submit the appropriate Federal application(s) to the THIC. Visit www.nps.gov/tps to download applications.

Please Check One: State and Federal Application State Only Application

Property Name: The Lexington Apartments and Motor Inns
 Property Address: 3300 Manor Road Austin Travis 78723-5723
 Street City County Zip Code

Historic Designation (select all that apply)	
<input type="checkbox"/> Individually listed on the National Register of Historic Places	<input type="checkbox"/> Contributing resource in existing National Register District
<input type="checkbox"/> Individually listed as a Recorded Texas Historic Landmark	<input type="checkbox"/> Contributing resource in certified Local Historic District
<input type="checkbox"/> Individually listed as a State Antiquities Landmark	Name of district: _____
<input checked="" type="checkbox"/> This is a preliminary request for individual determination of eligibility for the National Register of Historic Places	<input type="checkbox"/> This is a preliminary request for a property outside the Area or Period of Significance of an existing district

Applicant			Project Contact		
Name <u>Tisha Vaidya</u>			Name <u>Cindy Hamilton</u>		
Organization <u>Elizabeth Property Group Texas LLC</u>			Organization <u>Heritage Consulting Group</u>		
Address <u>5580 LBJ Freeway, Suite 630</u>			Address <u>15 West Highland Avenue</u>		
City <u>Dallas</u>	State <u>TX</u>	Zip <u>75240</u>	City <u>Philadelphia</u>	State <u>PA</u>	Zip <u>19118</u>
Telephone <u>214-336-7495</u>	Email <u>tisha@elizabethpropertygroup.com</u>		Telephone <u>215-248-1260</u>	Email <u>chamilton@heritage-consulting.com</u>	
Property Owner 1			Property Owner 2		
Name <u>Tahir Walji</u>			Name <u>N/A</u>		
Organization <u>KML, Inc.</u>			Organization _____		
Address <u>10242 Rosser Road</u>			Address _____		
City <u>Dallas</u>	State <u>TX</u>	Zip <u>75229</u>	City _____	State _____	Zip _____
Telephone <u>214-769-3143</u>	Email <u>TahirWalji@gmail.com</u>		Telephone _____	Email _____	

THC Official Use Only

THPTC - 0674-21-032

The Texas Historical Commission has reviewed Part A for the above-named property and has determined that the property:

- is currently listed individually on the National Register, or as a State Antiquities Landmark or Recorded Texas Historic Landmark.
Date of listing _____ Name as listed _____
- contributes to the significance of a district or functionally-related complex listed in the National Register.
Date of listing _____ Name as listed _____
- does not contribute to the significance of the above-named district or property.

Preliminary determinations of eligibility:

- appears to meet the National Register Criteria for Evaluation or criteria for approval as a SAL or RTHL, and will likely be listed as such if nominated according to official procedures.
- does not appear to meet the criteria for individual listing in the National Register or as a SAL or RTHL.
- appears to contribute to the significance of a potential historic district, which will likely be listed if duly nominated.
- appears to contribute to the significance of a registered historic district if the period or area of significance as currently documented in NPS/THC records is expanded.
- does not appear to qualify as a certified historic structure.
- cannot be evaluated because insufficient information has been provided.

[Signature]
Texas Historical Commission Authorized Signature

8-25-2021
Date

3/2019

May 2, 2022

Tisha Vaidya
Elizabeth Property Group Texas LLC
5580 LBJ Freeway, Ste. 630
Dallas, TX 75240

PROPERTY: The Lexington Apartments & Motor Inns, Austin, Travis County
PROJECT NUMBER: THPIC-0674-21-032
APPLICATION: Part B
DECISION: Approved with Conditions

Dear Ms. Vaidya,

The Texas Historical Commission has reviewed your Texas Historic Preservation Tax Credit Application, Part B – Description of Rehabilitation for this property, and this letter represents the official determination of the Executive Director of the Texas Historical Commission. The rehabilitation of the above property, as described in the submitted Part B application, correlates with corresponding federal project #43571 and associated submissions up to the current date. Our office received notification of the conditional approval by NPS of this project on July 3, 2019. As such, this rehabilitation described will meet the Secretary of the Interior's Standards for Rehabilitation, provided that the following conditions are met:

- 1) Exterior masonry: If any masonry repair or cleaning is added to the project scope that has not been disclosed in the Part 2 application, details of this work must be submitted for review as an amendment as soon as available to ensure conformance of the overall project with the Secretary's Standards.
- 2) Window replacements: A better understanding of the condition of existing windows on the motel building is needed to justify full replacement of every window. Generally this work is not approvable without justification in some form. Furthermore, detail is needed in order to ensure any proposed windows meet the Standards. To that end, detailed dimensioned drawings of any proposed replacement windows, showing them in relationship to the wall assembly, must be submitted for review and approval once they become available. The glazing of the assembly must have a Visible Light Transmittance (VLT) of greater than 69% and a Visible Light Reflectance (VLR) of less than 11%.
- 3) ADA entrance doors: Given the proposed use for this building, the widening of several doorway to achieve ADA access is approvable. However, further information must be submitted indicating how many units and where they are located within the building. It was unclear to locate this information from the drawings submitted in the Part 2.
- 4) Flooring: LVT product specifications must be provided for review prior to installation.
- 5) Sprinklers: Any exposed sprinkler lines must be painted to match the ceiling.

- 6) Addition: Standing seam metal roof on the addition is incompatible with the character of the apartment complex and must be revised. Materials and detailing of the addition must allow the new construction to be differentiated from the historic; this can be done in subtle ways such as brick size, joint details, etc. The width of the addition should be slightly reduced to create an inset from the historic wall planes of the existing office building. Revised details and drawings must be provided for review.

Please note that these conditions are the same as those applied to your federal project. Any responses to these conditions or any substantive change in the work as described in the application must be treated as an amendment for both the federal and state programs, and submitted to the THC to ensure that the proposed project continues to meet the Standards. When your rehabilitation project is complete, you may submit Part C – Request for Certification of Completed Work.

Thank you for your commitment to the cultural heritage of Texas. **If you have any questions concerning our review or can be of further assistance, please contact Austin Lukes at Austin.Lukes@thc.texas.gov or at 512-463-5907.**

Sincerely,



Bess Althaus Graham, AIA, LEED AP BD+C
Director, Deputy SHPO, Division of Architecture
Texas Historical Commission

Applicant Agreement		
<p>I hereby swear or affirm, under penalty of perjury, that the information which has been provided in this application is, to the best of my knowledge, true, correct, and complete. I further swear or affirm that I am the owner or have the authority to act on behalf of the owner(s) of the above-described property (within the meaning of <i>owner</i> set forth in Title 13, section 13.1 of the Texas Administrative Code). If I am not the owner of this property, the owner(s) is/are aware of the action I am taking relative to this application, has no objection, and has signed below to affirm the same.</p>		
<p>Release of Project Financial Information</p> <p>I understand that the information I have provided in this Texas Historic Preservation Tax Credit application may be subject to release to the public under the Texas Public Information Act, Texas Government Code Chapter 552 (the "Act"). I also understand that under Subchapter C of the Act, certain information, including project costs, may be excepted from required disclosure if I timely demonstrate to the Office of the Attorney General of Texas that an exception to mandatory disclosure applies. By checking the appropriate box below, I hereby waive my right to assert that an exception applies to information I have provided in the Project Information section of the application and grant THIC permission to release this information in response to a records request submitted to THIC under the Act without notifying me. I further authorize THIC to use application information I provide in the Project Information section in THIC publications or on THIC's website to publicize and promote the Texas Historic Preservation Tax Credit and projects certified through the program. Applicant responses below do not affect approval or disapproval of this application.</p>		
<p><input type="checkbox"/> Yes, I authorize THIC to release information provided in the Project Information section as described above.</p> <p><input checked="" type="checkbox"/> No, I do not authorize release of information provided in this Application.</p>		
<p></p> <p>Applicant Signature</p>	<p><u>TISHA VAIDYA</u></p> <p>Applicant Name</p>	<p><u>11/3/21</u></p> <p>Date</p>
<p>Owner Signature</p>	<p>Owner Name</p>	<p>Date</p>

THC Official Use Only

Application fee received on 12/6/2021

The Texas Historical Commission has reviewed the Historic Preservation Tax Credit Application – Part B for the above-named property and has determined that:

- The proposed rehabilitation described herein is consistent with the character of the property and, where applicable, with the district in which it is located and that the project meets the Secretary of the Interior's *Standards for Rehabilitation*. This letter is a preliminary determination only, since a formal certification of rehabilitation can be issued to the owner(s) of a certified historic structure only after rehabilitation work is complete and found to conform to the description provided in this application.
- The proposed rehabilitation will meet the Secretary of the Interior's *Standards for Rehabilitation* if the attached conditions are met.
- The proposed rehabilitation is not consistent with the historic character of the property or the district in which it is located, and that the project does not meet the Secretary of the Interior's *Standards for Rehabilitation*.
- There is not enough information to determine whether the proposed rehabilitation will meet the Secretary of the Interior's *Standards for Rehabilitation*.
- The project (or portions thereof) does not appear to meet the program's eligibility requirements.

<p></p> <p>Texas Historical Commission Authorized Signature</p>	<p><u>5-5-2022</u></p> <p>Date</p>
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