

APPLICATION CHECKLIST/ INFORMATION FORM

DEVELOPER : McDowell Housing Partners	OWNER : MHP Region 7 II, LLC
PROJECT : Anderson Creek	FUNDING CYCLE DEADLINE : Third Quarter FY2019-2020
FEDERAL TAX ID NO: 83-1081028	DUNS NO: 117039298
PROJECT ADDRESS: 1701 E. Anderson Ln. ,Austin	PROGRAM : RHDA / OHDA / BOTH: RHDA
CONTACT NAME : Ariana Brendle	AMOUNT REQUESTED: \$4,500,000
CONTACT ADDRESS AND PHONE : 601 Brickell Key Drive, Suite 700, Miami FL - 786-257-2793	

APPLICATION TABS		INITIALS
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5	PROPERTY INFORMATION	5.a.	Appraisal	N/A
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		5.d.	Proof of Site control	AB
		5.e.	Phase I/ESA	N/A
		5.f.	SHPO	N/A

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

CShear

PRINTED NAME

Christopher Shear

TITLE OF APPLICANT

Managing Director

DATE OF SUBMISSION

1/31/2020

DATE AND TIME STAMP OF RECEIPT

City of Austin

JAN 31 2020

NHCD / AHFC

FOR AHFC USE ONLY

**City of Austin
Rental Housing
Development Assistance
Application**

**Anderson Creek
1701 East Anderson Lane**

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Application Pages

0a. Application Information

0b. Summary Form

0c. Timeline

0d. Development Budget

0e. Operating Pro Forma

0f. Scoring Sheet

Project Summary Form

1) **Project Name** Anderson Creek 2) **Project Type** 100% Affordable 3) **New Construction or Rehabilitation?** New Construction

4) **Location Description** (Acreage, side of street, distance from intersection) 1701 E. Anderson Lane 5) **Mobility Bond Corridor**

6) **Census Tract** 18.11 7) **Council District** District 1 8) **Elementary School** ANDREWS EL 9) **Affordability Period** 40 years

10) **Type of Structure** Multi-family 11) **Occupied?** No 12) **How will funds be used?** ion, Pre-development, and Cons

13) Summary of Rental Units by MFI Level

Income Level	Efficiency	One Bedroom	Two Bedroom	Three Bedroom	Four (+) Bedroom	Total
Up to 20% MFI						0
Up to 30% MFI		5	5			10
Up to 40% MFI						0
Up to 50% MFI		35	35			70
Up to 60% MFI						0
Up to 80% MFI		10	10			20
Up to 120% MFI						0
No Restrictions						0
Total Units	0	50	50	0	0	100

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	5	Continuum of Care Units	6
Accessible Units for Sensory Impairments	2		

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

<u>Sources</u>	
Debt	10,650,000
Third Party Equity	6,178,876
Grant	
Deferred Developer Fee	479,655
Other	
Previous AHFC Funding	
Current AHFC Request	4,500,000

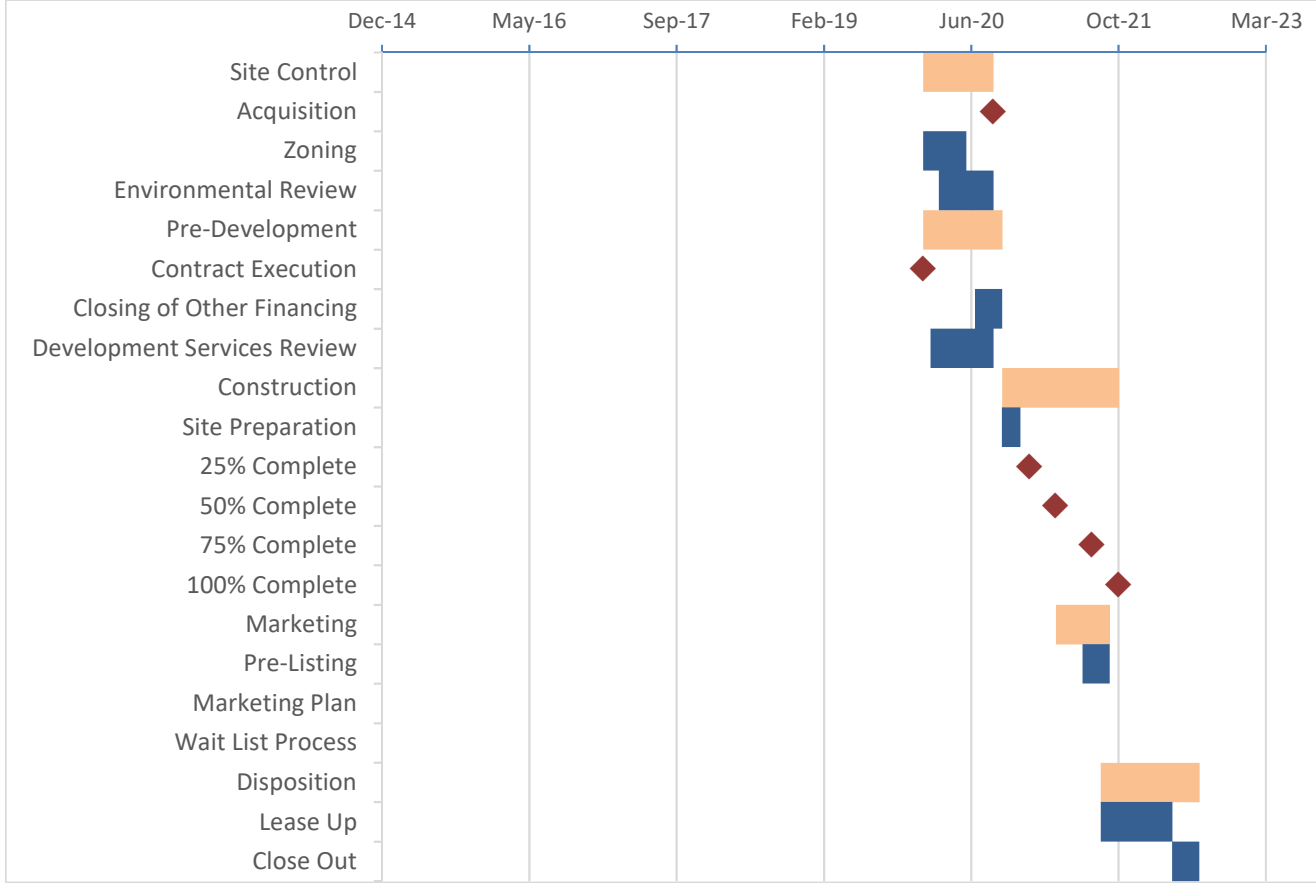
<u>Uses</u>	
Acquisition	4,000,000
Off-Site	-
Site Work	250,000
Sit Amenities	250,000
Building Costs	10,636,062
Contractor Fees	1,408,750
Soft Costs	1,984,033
Financing	1,227,331
Developer Fees	2,052,354

Total \$ 21,808,531

Total \$ 21,808,531

Development Schedule

	Start Date	End Date
Site Control	Jan-20	Sep-20
Acquisition	Sep-20	
Zoning	Jan-20	Jun-20
Environmental Review	Mar-20	Sep-20
Pre-Development	Jan-20	Oct-20
Contract Execution	Jan-20	
Closing of Other Financing	Jul-20	Oct-20
Development Services Review	Feb-20	Sep-20
Construction	Oct-20	Nov-21
Site Preparation	Oct-20	Dec-20
25% Complete	Jan-21	
50% Complete	Apr-21	
75% Complete	Aug-21	
100% Complete	Nov-21	
Marketing	Apr-21	Oct-21
Pre-Listing	Jul-21	Oct-21
Marketing Plan	Apr-21	Jan-00
Wait List Process		
Disposition	Sep-21	Aug-22
Lease Up	Sep-21	May-22
Close Out	May-22	Aug-22



Development Budget

	Total Project Cost	Requested AHFC Funds	Description
Pre-Development			
Appraisal	10,000		
Environmental Review	46,100	10,000	ESA and Soils Testing / energy
Engineering	85,000		
Survey	20,000		
Architectural	283,941	50,000	Includes Construction Monitoring
Subtotal Pre-Development Cost	\$445,041	\$60,000	
Acquisition			
Site and/or Land	4,000,000	2,000,000	Vacant Land
Structures			
Other (specify)	836,100		Loan Origination, Closing Costs, Issuance Fee
Subtotal Acquisition Cost	\$4,836,100	\$2,000,000	
Construction			
Infrastructure			
Site Work	586,063	250,000	
Demolition			
Concrete	1,172,125	160,000	
Masonry	351,638	30,000	
Rough Carpentry	2,707,609	500,000	
Finish Carpentry	1,406,550	400,000	All finishes
Waterproofing and Insulation	316,474	30,000	
Roofing and Sheet Metal	339,916	30,000	
Plumbing/Hot Water			
HVAC/Mechanical	1,289,338	380,000	Includes plumbing
Electrical	996,306	200,000	
Doors/Windows/Glass	703,275	40,000	
Lath and Plaster/Drywall and Acoustical			
Tiel Work			
Soft and Hard Floor			
Paint/Decorating/Blinds/Shades	49,229	10,000	Pool
Specialties/Special Equipment	175,129	10,000	
Cabinetry/Appliances	468,850	50,000	
Carpet			
Other (specify)	1,408,750	300,000	GC GR/Profit/Overhead
Construction Contingency	573,563	50,000	
Subtotal Construction Cost	\$12,544,813	\$2,440,000	
Soft & Carrying Costs			
Legal	175,000		
Audit/Accounting	40,000		
Title/Recordin	177,775		
Architectural (Inspections)	77,102		Lender Inspection Fees, Materials Testing
Construction Interest	667,381		
Construction Period Insurance	40,000		
Construction Period Taxes			
Relocation	252,233		There is no relocation, these are operating reserves
Marketing	107,000		Market Study and Marketing/Lease up
Davis-Bacon Monitoring	393,731		Permits, Impact Fees, Utility Fees, Credit Underwriting, LIHTC
Other (specify)	2,052,354		Developer Fee
Subtotal Soft & Carrying Costs	\$3,982,577	\$0	
TOTAL PROJECT BUDGET	\$21,808,531	\$4,500,000	

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	\$1,169,129	\$1,192,512	\$1,216,362	\$1,240,689	\$1,265,503	\$1,397,218	\$1,542,641
Secondary Income	\$24,000	\$24,720	\$25,462	\$26,225	\$27,012	\$31,315	\$36,302
POTENTIAL GROSS ANNUAL INCOME	\$1,193,129	\$1,217,232	\$1,241,824	\$1,266,915	\$1,292,515	\$1,428,532	\$1,578,944
Provision for Vacancy & Collection Loss	-\$87,685	-\$89,438	-\$91,227	-\$93,052	-\$94,913	-\$104,791	-\$115,698
Rental Concessions	\$0	\$0	\$0	\$0	\$0	\$0	\$0
EFFECTIVE GROSS ANNUAL INCOME	\$1,105,445	\$1,127,794	\$1,150,597	\$1,173,863	\$1,197,603	\$1,323,741	\$1,463,245
EXPENSES							
General & Administrative Expenses	\$25,000	\$25,750	\$26,523	\$27,318	\$28,138	\$32,619	\$37,815
Management Fee	\$49,745	\$50,751	\$51,777	\$52,824	\$53,892	\$59,568	\$65,846
Payroll, Payroll Tax & Employee Benefits	\$130,000	\$133,900	\$137,917	\$142,055	\$146,316	\$169,621	\$196,637
Repairs & Maintenance	\$60,000	\$61,800	\$63,654	\$65,564	\$67,531	\$78,286	\$90,755
Electric & Gas Utilities	\$24,000	\$24,720	\$25,462	\$26,225	\$27,012	\$31,315	\$36,302
Water, Sewer & Trash Utilities	\$36,000	\$37,080	\$38,192	\$39,338	\$40,518	\$46,972	\$54,453
Annual Property Insurance Premiums	\$40,000	\$41,200	\$42,436	\$43,709	\$45,020	\$52,191	\$60,504
Property Tax	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Reserve for Replacements	\$30,000	\$30,900	\$31,827	\$32,782	\$33,765	\$39,143	\$45,378
Other Expenses	\$29,000	\$29,870	\$30,766	\$31,689	\$32,640	\$37,838	\$43,865
TOTAL ANNUAL EXPENSES	\$423,745	\$435,971	\$448,553	\$461,504	\$474,832	\$547,554	\$631,555
NET OPERATING INCOME	\$681,700	\$691,823	\$702,043	\$712,359	\$722,770	\$776,188	\$831,691
DEBT SERVICE							
First Deed of Trust Annual Loan Payment	\$585,189	\$585,189	\$585,189	\$585,189	\$585,189	\$585,189	\$585,189
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	\$96,511	\$106,634	\$116,855	\$127,171	\$137,582	\$190,999	\$246,502
CUMULATIVE NET CASH FLOW	\$96,511	\$203,146	\$320,000	\$447,171	\$584,753	\$1,406,205	\$2,499,958
Debt Coverage Ratio	1.16	1.18	1.20	1.22	1.24	1.33	1.42

Project Name	Anderson Creek	
Project Type	100% Affordable	
Council District	District 1	
Census Tract	18.11	
Prior AHFC Funding	\$0	
Current AHFC Funding Request Amount	\$4,500,000	
Estimated Total Project Cost	\$21,532,382	
High Opportunity	No	
High Displacement Risk	NO	
High Frequency Transit	Yes	
Imagine Austin	Yes	
Mobility Bond Corridor	0	
SCORING ELEMENTS		Description
UNITS		
< 20% MFI	0	# of rental units at < 20% MFI
< 30% MFI	10	# of rental units at < 30% MFI
District Goal	1.41%	% of annual goal reached with units
High Opportunity	0.00%	% of annual goal reached with units
Displacement Risk	0.00%	% of annual goal reached with units
High Frequency Transit	3.65%	% of annual goal reached with units
Imagine Austin	3.65%	% of annual goal reached with units
Geographic Dispersion	0.00%	% of annual goal reached with units
Mobility Bond Corridor	0.00%	% of annual goal reached with units
SCORE	2	% of Goals * 20
< 40% MFI	0	# of rental units at < 40% MFI
< 50% MFI	70	# of rental units at < 50% MFI
District Goal	9.88%	% of annual goal reached with units
High Opportunity	0.00%	% of annual goal reached with units
Displacement Risk	0.00%	% of annual goal reached with units
High Frequency Transit	25.53%	% of annual goal reached with units
Imagine Austin	25.53%	% of annual goal reached with units
Geographic Dispersion	0.00%	% of annual goal reached with units
Mobility Bond Corridor	0.00%	% of annual goal reached with units
SCORE	9	% of Goals * 15
< 60% MFI	0	# of units for purchase at < 60% MFI
< 80% MFI	0	# of units for purchase at < 80% MFI
District Goal	0.00%	% of annual goal reached with units
High Opportunity	0.00%	% of annual goal reached with units
Displacement Risk	0.00%	% of annual goal reached with units
High Frequency Transit	0.00%	% of annual goal reached with units
Imagine Austin	0.00%	% of annual goal reached with units
Geographic Dispersion	0.00%	% of annual goal reached with units
Mobility Bond Corridor	0.00%	% of annual goal reached with units
SCORE	0	% of Goals * 15
Unit Score	11	MAXIMUM SCORE = 350
INITIATIVES AND PRIORITIES		
Continuum of Care	6	Total # of units provided up to 100 per year
Continuum of Care Score	1	(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	1	Mobility, Access to Jobs, Community Institutions, Social Cohesion
2 Bedroom Units	40	Total Affordable 2 Bedroom units
3 Bedroom Units	0	Total Affordable 3 Bedroom units
4 Bedroom Units	0	Total Affordable 4+ Bedroom units
Multi-Generational Housing Score	10	Multi-bedroom Unit/Total Units * 20
TEA Grade	72	Elementary School Rating from TEA
Multi-Generational Housing Weighted Score	2	Educational Attainment, Environment, Community Institutions, Social Cohesion, E
Accessible Units	7	mobility and sensory units
Non-PSH, Non-Voucher Under 20% MFI	0	Total units under 20% MFI
Accessibility Score	2	Accessible Unit/Total Units * 20
Metro Access Service	Yes	Within 3/4 mile of fixed route transit
Accessibility Weighted Score	0	Housing Stability, Health, Mobility, Community Institutions
Initiatives and Priorities Score	16	MAXIMUM SCORE = 200
UNDERWRITING		
AHFC Leverage	26%	% of total project cost funded through AHFC request
Leverage Score	18	25 - (% leverage * 25)
AHFC Per Unit Subsidy (including prior amounts)	\$56,250	Amount of assistance per unit
Subsidy per unit score	18	(\$200,000 - per unit subsidy)*25/\$200,000
AHFC Per Bedroom Subsidy	\$37,500	Amount of assistance per bedroom
Subsidy per Bedroom Score	20	(\$200,000 - per bedroom subsidy)*25/\$200,000
Debt Coverage Ratio (Year 5)	1.24	Measured at the 5 Year mark
Debt Coverage Ratio Score	24	Minimum = 1.0; Maximum = 1.5; 1.25 = best score
Underwriting Score	80	MAXIMUM SCORE = 100
APPLICANT		
FINAL QUANTITATIVE SCORE	107	THRESHOLD SCORE = 50
Previous Developments		
Compliance Score		
Proposal		
Supportive Services		
Development Team		
Management Team		
Notes		

1

Entity Information

Introduction

1a. Developer's experience

1b. Certificate of Status

1c. Statement on Confidence

Introduction

McDowell Housing Partners (MHP) is the affordable and workforce development and investment arm of McDowell Properties, a national multifamily housing investment company. MHP has established a team of professionals with a long track record of successfully producing and operating rent and income restricted assets. MHP Principals and key staff have completed the development of more than 3,000 affordable/workforce housing units. Most of this portfolio is in the state of Florida. However, McDowell Properties (the parent company) owns a number of developments throughout Texas, some of which are income restricted.

Mr. Chris Shear and Ms. Ariana Brendle are the key staff designated to this project. Detailed information on MHP, its principals, the key staff and Mr. Shear's affordable developments is provided in Section 2.



Franchise Tax Account Status

As of : 04/18/2019 21:49:00

This Page is Not Sufficient for Filings with the Secretary of State

MCDOWELL HOUSING PARTNERS, LLC

Texas Taxpayer Number	32070414225
Mailing Address	2425 WEST LOOP S STE 200 HOUSTON, TX 77027-4208
? Right to Transact Business in Texas	ACTIVE
State of Formation	DE
Effective SOS Registration Date	04/15/2019
Texas SOS File Number	0803292141
Registered Agent Name	CORPORATE CREATIONS NETWORK INC.
Registered Office Street Address	2425 W LOOP SOUTH #200 HOUSTON, TX 77027



April 25, 2019

James May
City of Austin
Neighborhood Housing and Community Development
1000 East 11th Street
Austin, Texas 78702

Subject: Reference for Christopher Shear, Managing Director of McDowell Housing Partners

Dear Mr. May:

First Housing is one of three firms directly engaged by Florida Housing Finance Corporation to underwrite and service the affordable housing developments financed by the allocation agency.

This letter is in reference to Mr. Shear's experience and ability to effectively utilize Low-Income Housing Tax Credits (LIHTC), tax-exempt bonds, and other sources of affordable housing financing. As Senior Vice President of Development for Housing Trust Group Mr. Shear lead the successful development of multiple new construction developments that were underwritten and serviced by FHDC. It is our opinion that the projects listed within the table below were efficiently underwritten, closed, and completed pursuant to the respective programmatic guidelines.

Development	Location	Financing Structure	# Units	Commencement	Completion	Job Cost
Whispering Palms	Pinellas County, FL	9% LIHTC + Pinellas Co. Loan	63	2014	Nov-15	\$11,650,000
Wagner Creek Apartments	Miami-Dade County, FL	LIHTC, Surtax, HOME	73	2015	Jan-17	\$22,800,000
Douglas Gardens	Broward County, FL	4% LIHTC + SAIL Loan + Broward Co. Loan	110	2016	Mar-19	\$24,188,445
Hammock Ridge	Hernando County, FL	9% LIHTC	104	2017	Apr-18	\$19,103,716
Hammock Ridge II	Hernando County, FL	9% LIHTC	92	2017	Est. May-2019	\$16,400,000

**All developments include a mix of income/rent set-asides at or below 60% of the area median income.*

In conclusion, we are confident in Mr. Shear's ability to successfully develop affordable housing in partnership with the City of Austin and Texas Department of Housing & Community Affairs.

Sincerely

Edward A. Busansky
Senior Vice President
ebusansky@firsthousingfl.com

Ph: 813-283-1043

the affordable housing experts

107 S. Willow Ave.
Tampa, FL 33606

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Toll Free: 800.967.9410

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2

Development Team

2a. Resumes of principals

2b. Resumes of development team

2c. Resume of management team

McDowell Housing Partners

McDowell Housing Partners (MHP) is the affordable and workforce development and investment arm of McDowell Properties, a national multifamily housing investment company focused on the acquisition, management and repositioning of apartment communities in growth markets across the United States.

Since 2004 McDowell Properties has capitalized the acquisition, redevelopment, and operation of over 45,000 apartment units (\$2.5BN of real estate assets) with a specific focus on in-depth capital improvements, operational efficiencies and community creation to provide more than just “four walls and a roof” to thousands of families across the US. The company has active offices in Dallas, New York, Miami, San Francisco and Raleigh. Our principals average over 20 years of experience in developing, optimizing, operating, and recapitalizing conventional, workforce, and housing Section 42 low-income tax credit housing across the country.

Leveraging McDowell Properties deep in-house operating platforms, including a vertically integrated team of finance, construction, project management, accounting and asset management staff, McDowell Housing Partners (MHP) implements a specific mission to create and preserve high-quality affordable housing communities that provide America’s workforce a safe, secure, and sustainable place to call home. At MHP we maintain a keen focus on the creation of innovative and valuable social programs that drive tenant satisfaction within our affordable housing communities.

McDowell Housing Partners has established a team of professionals with a long track record of successfully producing and operating rent and income restricted assets. MHP principals and key staff have completed the development of over 3,000 affordable/workforce units, most within Florida. The MHP team has a demonstrated track record of successfully partnering with state and local governments to deliver the essential workforce and affordable communities that house the families and seniors who make communities thrive.

With the lack of soft financing available, it has become extremely challenging to feasibly structure the necessary sources to develop quality affordable/workforce housing in the State of Florida. Our experience and strong relationships with the financial partners allow MHP to secure the most competitive financing terms in the industry. But relationships are often not enough. To mitigate the challenging constraints of developing affordable housing the MHP team relies on in-depth experience of Section 42 of the tax code (LIHTC), creativity in financial structuring, and perseverance to leverage all available sources of funding so we can deliver on time and as promised.

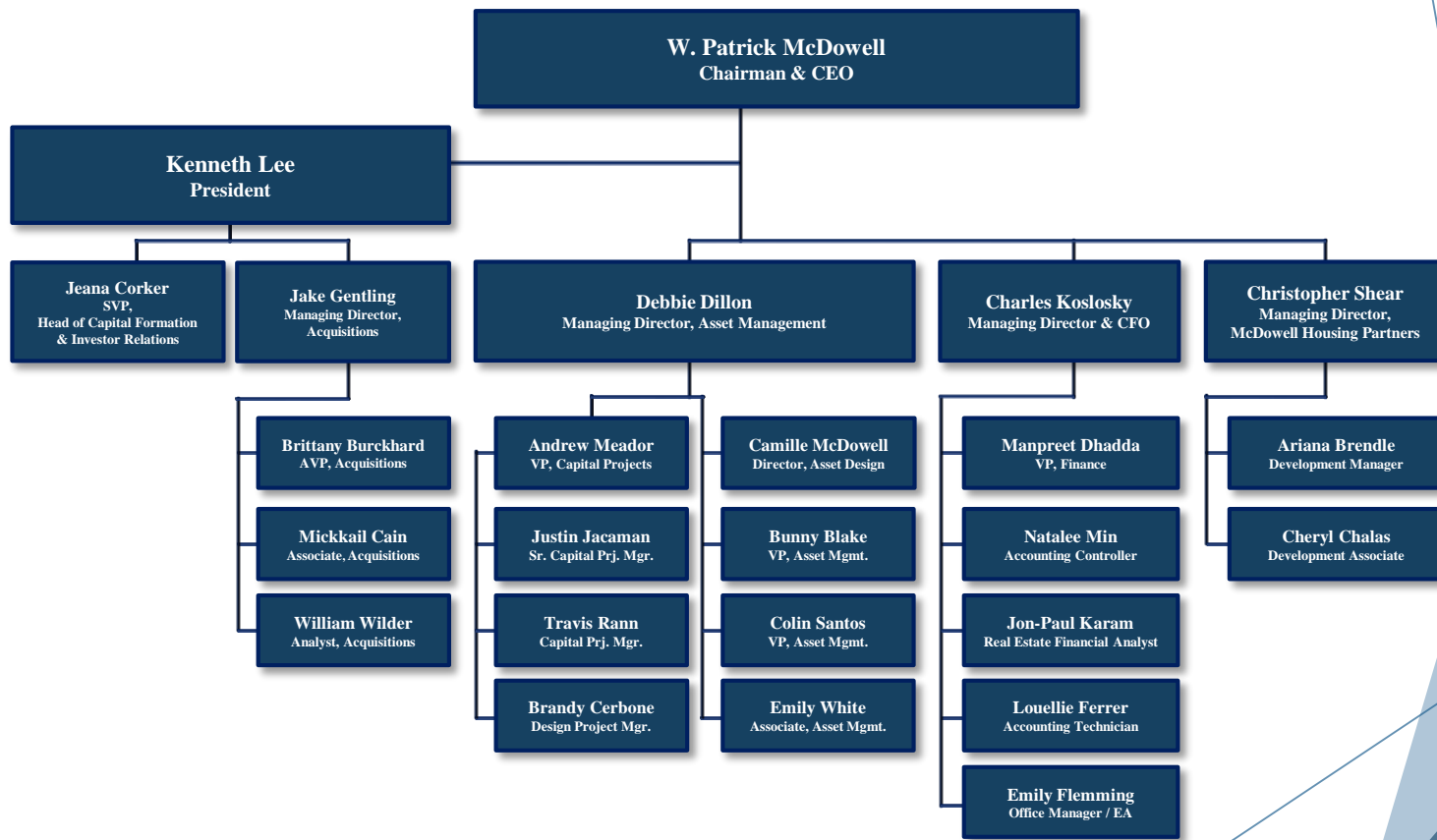
McDowell Housing Partners

All funding applications are prepared in-house, as well as the financial feasibility analysis to determine the appropriate funding structure and sources to use for each project. The MHP team has demonstrated ability utilizing intricate financing products and methods, such as FHA-insured mortgages (221(d)(4) and 223(f) loans, Multi-family Mortgage Revenue Bonds, HOME Investment Partnership loans, Affordable Housing Partnership loan (AHP), Florida's State Apartment Incentive Loan program (SAIL), Community Development Block Grants, Tax-increment Financing, renewable energy incentives, Department of Revenue sales tax rebates, as well as various state and local programs.

MHP's Managing Director has successfully orchestrated the development of over 2,600 affordable units utilizing these tools. A list of Mr. Shear's developments are provided for reference below:

Chris Shear - Project Resume				
Company / Project	Location	Financing Structure	Commencement	Units
Carlisle Development Group				
Northwest Gardens I	Fort Lauderdale, FL	4% LIHTC + AHP + TCEP	2008	143
Northwest Gardens III	Fort Lauderdale, FL	9% LIHTC + Broward HOME Loan + TCEP	2009	150
Kennedy Homes	Fort Lauderdale, FL	9% LIHTC + Broward HOME Loan + TCEP	2009	132
Dixie Court III	Fort Lauderdale, FL	9% LIHTC + AHP + Broward HOME Loan	2008	100
Palafox Landing	Pensacola, FL	4% LIHTC, HHRP, SHIP	2009	96
Dixie Court I/II	Fort Lauderdale, FL	9% LIHTC + TCEP+ Escambia County Hurricane Recovery Loan + TCAP	2007	154
Elderly Housing Development and Operations Corporation				
Mildred & Claude Pepper Towers	Miami, FL	9% LIHTC, FHA Loan + Section 8 HAP	2010	151
Mayfield Manor	Canton, OH	4% LIHTC, FHA Loan, Section 8 HAP	2011	144
Jacksonville Towers	Jacksonville, AR	FHA Loan + Section 8 HAP	2011	100
Johnson Towers	Washington, DC	FHA Loan + Section 8 HAP	2011	55
Robert Sharp Towers	Miami Gardens, FL	4% LIHTC + Section 8 HAP + Surtax	2012	110
Edward M. Marx Apartments	Chicago, IL	HUD Section 202 + City of Chicago Loan	2012	31
J. Michael Fitzgerald	Chicago, IL	HUD Section 202 + City of Chicago Loan	2012	63
John Piazza Apartments	Fontana, CA	HUD Section 202 + Fontana Redevelopment Agency Loan	2012	60
Housing Trust Group				
Village Place	Fort Lauderdale, FL	9% LIHTC, HOME	2013	112
Courtside Family Apartments	Miami, FL	4% LIHTC + City of Miami Loan + Surtax + HOME + Miami-Dade County Land Contribution (Lease)	2014	84
Whispering Palms	Largo, FL	9% LIHTC + Pinellas County Loan	2014	63
Cornell Colony	Avon Park, FL	HOME + AHP	2015	44
Wagner Creek Apartments	Miami, FL	LIHTC, Surtax, HOME	2015	73
Park at Wellington Apartments	Pasco County, FL	9% LIHTC + Pasco County Fee Waiver	2016	110
Park at Wellington Apartments II	Pasco County, FL	4% LIHTC + SAIL Loan	2016	110
Arbor View	Broward County, FL	9% LIHTC + HOME	2016	100
Douglas Gardens	Broward County, FL	4% LIHTC + SAIL Loan + Broward County Loan + State of Florida Land Contribution (Lease)	2016	110
Hammock Ridge	Hernando County, FL	9% LIHTC + Hernando County Loan	2017	104
Hammock Ridge II	Hernando County, FL	9% LIHTC	2017	92
Osprey Pointe	Pasco County, FL	4% LIHTC + SAIL	2018	110

Organizational Chart - MHP



Bios

W. Patrick McDowell
Chairman & CEO



Mr. McDowell has 48 years of experience in the real estate industry. As McDowell Properties Founder, Chairman and CEO, he leads the senior team in all aspects of the firm's business activities and strategic planning efforts and is Chairman of the firm's Investment Committee. Mr. McDowell also oversees the operations of McDowell Housing Partners, the affordable housing affiliate of McDowell Properties, as its Managing Partner.

McDowell Properties was formed in 2004 and has an equity investment strategy that focuses on the opportunistic acquisition of multifamily properties. McDowell Properties is also an active buyer of subordinate CMBS debt. Since inception the company has purchased over 40,000 rental units valued at over \$3BN and has made investments in subordinate, commercial mortgage-backed securities representing \$15.3BN of multifamily loans secured by over 229,000 units.

In 2019 McDowell Housing Partners was formed to build and rehab LIHTC affordable housing with an initial focus on Florida, Texas and Arizona.

Mr. McDowell was a founder and partner of The Fox Group and its successor company Metric Realty, a joint venture with Metropolitan Life Insurance Company, from 1971 until 1993. Fox/Metric invested in and managed over \$4 billion in real estate assets, comprising in excess of 400 individual properties located in more than 30 states. Mr. McDowell was Executive Vice President of Fox from 1975 until 1986, in charge of all acquisition, disposition and financing activities, and from 1986 until 1993, he was President and Chief Executive Officer.

Mr. McDowell has extensive experience investing and managing capital as a fiduciary for individual investors in public and private securities offerings and for public pension funds. While at Metric Realty Mr. McDowell raised and managed capital for more than 30 public pension plans, including CALPERS and CALSTRS.

Mr. McDowell is active in numerous industry organizations. He has served on the Advisory Committee for Troubled Projects of the U.S. Department of Housing and Urban Development, as well as the Vice Chairman of the National Multi Housing Council. He is on the Advisory Board of the Fisher Center for Real Estate at the University of California, Berkeley, a member of the Urban Land Institute and a Board member of the National Multi Housing Council.

Mr. McDowell has a BA from Stanford University and an MBA in Real Estate from the Graduate School of Business at the University of California, Berkeley.

Bios

Kenneth Lee
President



Mr. Lee is President of McDowell Properties. He is responsible for the firm's overall investment strategy overseeing all real estate acquisition, disposition and financing activities. Mr. Lee is also responsible for the firm's debt and preferred equity investments, and its institutional investment vehicles, including capital formation. During his tenure, he has acquired over \$3 billion of real estate assets and made investments in subordinate, commercial mortgage-backed securities representing \$15.3BN in multifamily loans. In addition, Mr. Lee is a Founder and Managing Partner of McDowell Housing Partners, the affordable housing affiliate of McDowell Properties.

Prior to joining McDowell Properties in 2004, Mr. Lee worked at Chase Securities, Inc. and its affiliates where he evaluated high-yield debt investments, completed over \$2 billion in merger advisory and debt/equity placement transactions and worked in the finance department of a portfolio company. He also worked at GMS Realty, LLC, a private real estate investment company.

Mr. Lee has a BA from Boston University and an MBA in Real Estate from the Haas School of Business at the University of California, Berkeley. He is currently a board member of the National Multi Housing Council, a member of the Advisory Board at the Fisher Center for Real Estate at the University of California, Berkeley and a member of the Urban Land Institute.

Bios

Charles Koslosky
Managing Director/ CFO



Charles Koslosky is the Managing Director - Chief Financial Officer for McDowell Properties. In this capacity, Mr. Koslosky is responsible for all financial and investor reporting, corporate finance, banking relationships, cash management, insurance, accounting, auditing, and human resources for the company. Mr. Koslosky also assists in arranging financing for property and portfolio assets.

Prior to joining McDowell Properties, Mr. Koslosky was Chief Financial Officer for the Reliant Group, a real estate investment firm focused on bond financed, affordable multifamily housing and adaptive re-use projects. Prior to the Reliant Group, Mr. Koslosky served as Vice President of Corporate Finance and Administration at BRIDGE Housing Corporation, the largest non-profit developer of affordable housing in California. From 1995 to 2000, Mr. Koslosky was Chief Financial Officer for Trowbridge, Kieselhorst & Company, a nationally recognized commercial mortgage banking firm that was acquired by Northmarq Capital in July 2000.

Prior to 1995, Mr. Koslosky was Chief Financial Officer for Grubb & Ellis Realty Advisors, and also arranged commercial real estate loans both as a broker and as a representative of a financial institution. Mr. Koslosky began his professional career in the tax department of a large public accounting firm.

Mr. Koslosky has a BA, MBA and JD from the University of San Francisco. Mr. Koslosky is a member of the State Bar of California.

Bios



Debbie Dillon

Managing Director, Asset Management

Debbie Dillon is the Managing Director - Asset Management for McDowell Properties. Ms. Dillon supervises asset management and construction management services across numerous markets. Ms. Dillon is responsible for overseeing third party fee managers, evaluating investment performance and the implementation of value-add strategies.

Ms. Dillon has specialized in multifamily repositioning for nearly 30 years and prior to joining McDowell Properties, she was employed by Fieldstone Properties developing investment and renovation plans for a large multifamily portfolio. She was essential in the effort to develop equity partnerships, acquisition of new investments and was responsible for executive level oversight of financial performance. During her tenure, she led the redevelopment strategy of a 2,900-unit, mixed use development, one of the largest multifamily projects on a national level.

Ms. Dillon spent 15 years with L&B Realty Advisors, a pension fund advisor, as Director of Asset Management. She was responsible for retaining third party fee managers and the strategic and tactical planning of multifamily assets. She was a member of the Investment Committee and worked closely with the acquisition team. Ms. Dillon oversaw assets at a national level, including projects in Denver, Salt Lake City, Chicago, Tampa, Las Vegas, Washington D.C. and numerous markets in Texas and California. During her capacity as Senior Asset Manager at L&B, Ms. Dillon was engaged in the financial management of over 50 properties with a total value of approximately \$1.0 Billion.

Ms. Dillon served as a Vice President of Property Operations with First Worthing Company overseeing more than 30,000 units. Ms. Dillon previously held a national marketing and training position with National Housing Partnership and has been involved with multifamily housing since 1986.

Her professional affiliations include the National Apartment Association, Institute of Real Estate Management and Commercial Investment Real Estate Institute. Ms. Dillon is also a member of CREW, Commercial Real Estate Women. Ms. Dillon has earned the Certified Apartment Manager, Certified Property Manager and Certified Commercial Investment Member designations.

Bios

Christopher Shear
Managing Director



In February 2019, Christopher Shear joined McDowell Properties as Managing Director to facilitate the formation of McDowell Housing Partners (MHP), an affiliated company focused on affordable and workforce housing development and investment.

Having developed over 2,600 affordable/workforce housing units under an array of complex financial and public/partnership structures over his career, Mr. Shear maintains a resolute passion for the development and preservation of housing that serves the low and moderate income workforce population. Mr. Shear's success is largely attributable to creatively utilizing 9% and 4% Low-Income Housing Tax Credits, Tax-Exempt Bonds, Tax-Increment Financing, Community Development Block Grants (CDBG), HOME investment Partnership Loans, Federal Home Loan Bank AHP loans, FHA insured mortgage products, Section 8 Project-Based Rental Assistance, and various local affordable housing subsidies.

As Managing Director, Mr. Shear continues to apply his experience and leadership across MHP's acquisition, development, accounting, and operational teams for income and rent restricted assets. Likewise, Mr. Shear is responsible for devising and implementing MHP's growth, development and investment strategies; hiring and assignment of key personnel; and formulating strategic partnerships with local governments, mission driven non-profits, housing authorities, faith and community-based organizations.

Prior to joining McDowell Housing Partners Mr. Shear served in leadership roles with prominent for-profit and non-profit affordable housing firms. Most recently, as Senior Vice President for Housing Trust Group, Mr. Shear was instrumental to HTG's rapid growth as a result of orchestrating the development of 12 competitively-funded new construction developments (1,112 units) during his 7-year tenure.

Mr. Shear is a LEED Accredited Professional and holds a B.S. in Economics, with a concentration in Real Estate and Urban Land Economics, from the University of Wisconsin–Madison. He is also a member of the Coalition of Affordable Housing Providers, Inc., and also a board member of the Miami Beach Community Development Corporation. A list of Mr. Shear's developments are provided for reference below:

Bios

Ariana Brendle
Development Manager



Ms. Brendle serves as Development Manager at McDowell Housing Partners ("MHP"), where she is responsible for managing all aspects of the development process from asset acquisition through debt conversion and stabilization. As lead project manager, Ms. Brendle will serve as the liaison between the financing, construction and tax credit allocation sides of the deal with the full support of the MHP's vertically integrated team, including legal, finance, underwriting, asset management, construction management, accounting, and compliance executives.

Ms. Brendle's professional experience encompasses both affordable & market-rate multifamily housing development and financing. She was previously employed with AGM Financial Services, Inc., a HUD FHA Lender, where she underwrote over \$100M in FHA insured loans utilizing 221(d)(4) New Construction & Sub-Rehabilitation, 223(f)(a)(7), 202 and 231 loan products. The capital stacks of these developments typically included Low Income Housing Tax Credits (4% & 9%), Tax Exempt Bonds, and subordinate debt.

Inspired by the work of many low-income housing developers, as well as her desire to be actively involved in preserving and creating new affordable housing for low income families, Ms. Brendle later joined AHC Inc. – one of the largest nonprofit developers of affordable and mixed-income housing in the Washington-Baltimore metro area. As their Development Manager, Ms. Brendle helped identify potential new projects, evaluate financial feasibility, obtain financing, and manage the development team members during all phases of the project.

Ms. Brendle received a BA in International Business from Faculdade Cenecista de Joinville (Brazil), as well as a Master's in Business Administration – Finance from the University of Baltimore. She is a graduate of the Mortgage Bankers Association FHA Multifamily Underwriting Training Program, and a member of the Coalition of Affordable Housing Providers, Inc.

Bios



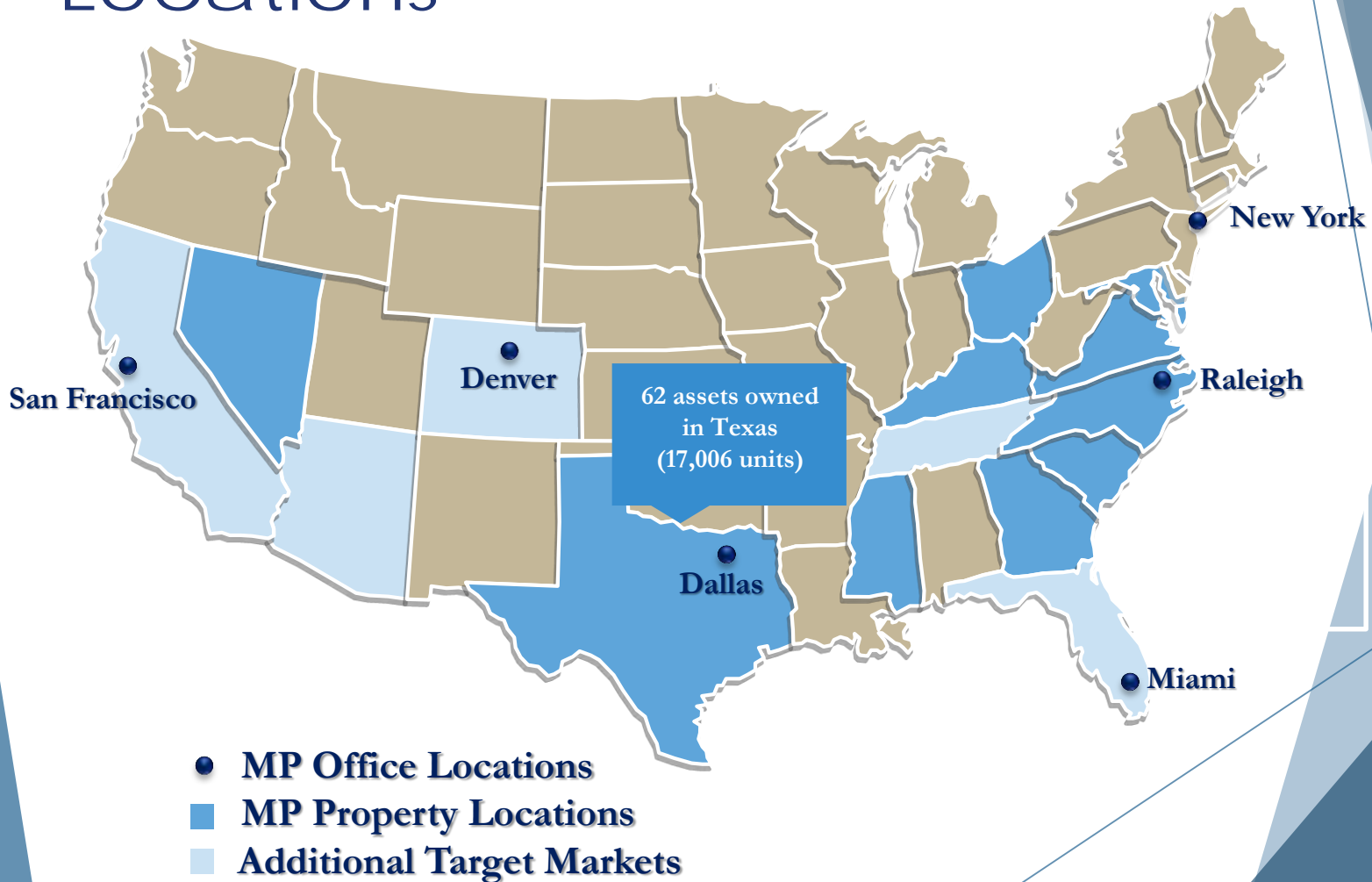
Cheryl Chalas
Development Associate

Cheryl Chalas is a Development Associate for McDowell Housing Partners in our Miami office, directly supporting the Managing Partners of McDowell Housing Partners, Mr. W. Patrick McDowell and Mr. Kenneth Lee.

Prior to joining McDowell Properties in 2014, Mrs. Chalas was the Executive Assistant / Office Manager for Andbank Wealth Management. Mrs. Chalas has years of proven experience. Having worked for Lehman Brothers, Mrs. Chalas managed administrative tasks and supported the Managing Director of the Global Real Estate Group and Global Risk Management Group as well. Mrs. Chalas also served under the Director of Finance at the Aids Center of Queens County in New York, managing, amongst other things, and intra-agency coordination. Mrs. Chalas is fluent in both English and Spanish. She is technically proficient, highly motivated and is an integral part of the McDowell team.

Mrs. Chalas has a BBA Double Major in Finance and International Business from Florida International University.

Regional Offices & Property Locations



Financial Strength

- ▶ Extremely Well Capitalized and Experienced Team!
 - McDowell Properties has been a designated **Freddie Mac Select Sponsor** since the inception of the program. This is a highly coveted designation, recognizing sponsors with a successful track record, and alignment with Freddie Mac's mission to provide liquidity, stability, and affordability to the U.S. housing market with an emphasis on securing housing for low and moderate income families;
 - Acquired, re-developed, and managed \$3BN of apartments (over 40,000 units), and made investments in commercial mortgage backed securities representing \$15.3BN of multifamily loans secured by over 229,000 units in US.

Anderson Creek Development Team

Application Consultant

Structure Development

Sarah Andre

sarah@structuretexas.com

(512) 698-3369

*Structure Development is a woman-owned business and certified as a Texas HUB

Rezoning

Ron Thrower

ront@throwerdesign.com

(512) 476-4456

ESA

ProGEA

Charles Summers

csummers@progeaglobal.com

Market Analyst

Apartment Market Data

Darrell Jack

djack@stic.net

(210) 530-0040

Kirt Shell

kirt02@hotmail.com

(512) 312-4238

Engineer

Carney Engineering

Craig Carney

craig@eng-firm.com

(469) 855-8991

Architect

Fugleberg Kock

Mike Griffin

(407) 629-0595

mgriffin@fuglebergkock.com

General Contractor

Kaufman Lynn

Neil Carson

ncarson@kaufmanlynn.com

(561) 361-6700

SARAH ANDRÉ, MA, MS CRP
Owner, Structure Development

Ms. André has 23 years experience in the Affordable Housing field. Specializing in Affordable Housing Finance, deal structuring and project management, Ms. André consults on multi-family residential development projects throughout Texas. She is experienced in the use of public subsidies for affordable housing, including Low Income Housing Tax Credits, Historic Tax Credits, HOME and CDBG funds. Since 2007, Ms. Andre has been involved in the development of more than 7500 units.

Recent projects include:

- *CityWalk@Akard*, a 200-unit, rehabilitation project in downtown Dallas. CityWalk is a mixed use, mixed-income development that includes Low Income Housing Tax Credits, New Market Tax Credits, Historic Tax Credits, HOME, CDBG, private grants and conventional financing.
- *Franklin Gardens*, a 22-unit new construction project for seniors in Austin. Sponsored by a non profit developer and funded with Section 202 funds.
- *Leona Apartments, Heritage Square, Park Place Apartments, Gholson Hotel, Arrowsmith Apartments*. 200+ units in five Mark-to-Market projects scattered across Texas. Rehabilitation financing includes Low Income Housing Tax Credits, Tax Credit Exchange Funds and HAP contracts.

Ms. Andre has held positions at Diana McIver & Associates, The Enterprise Foundation and Austin Revitalization Authority. In her capacity as an employee, she provided training and technical assistance to nonprofits on a variety of topics including Fair Housing, Universal Design, “Development 101”, funding for housing projects and the role of non-profit boards. She also oversaw the development of the Juniper-Olive Historic District on East 11th Street in Austin, a single-family development including new construction and historic rehabilitation.

Ms. André is the author of numerous studies related to affordable housing. Topics include impediments to Fair Housing, housing resources for persons with disabilities, project feasibility, and affordable housing in Transit Oriented Design districts. She founded the Austin CHDO Roundtable in 2002, is a member of the Congress for New Urbanism and is working with the Real Estate Council of Austin on development code changes to improve affordability in Austin.



CARNEY
ENGINEERING, PLLC

CARNEY ENGINEERING, PLLC

Carney Engineering, PLLC is a multiple disciplined civil engineering design and consulting firm. Based in Plano, Texas Carney provides services on a variety of projects involving Real Estate Site Development, Multi-family Apartments, Shopping Centers, Mid-Rise Office Buildings, Commercial and Residential Subdivisions, Lignite Mining, Airport Improvements, Water Lines, Sewer Lines, Water and Waste Water Treatment Plants, Municipal Sanitary Landfills, and Bridges. These projects have been provided in 11 states and the Republic of Mexico.

T. Craig Carney, P.E. is the manager of the domestic Professional Limited Liability Corporation (PLLC). Mr. Carney has been a registered engineer since 1984 and is currently licensed in multiple States. Resumes of our professional design team and client references can be provided upon request.



CARNEY
ENGINEERING, PLLC

RESUME
of
T. CRAIG CARNEY, P.E.

[REDACTED]
[REDACTED]
[REDACTED]
Craig@eng-firm.com

ENGINEERING

Mr. Carney is a registered professional engineer and has provided complete civil, environmental, and geotechnical services on a variety of projects that include Real Estate Site Development, Multi-family Apartments, Shopping Centers, Mid-Rise Office Buildings, Commercial and Residential Subdivisions, Lignite Mining, Airport Improvements, Water Lines, Sewer Lines, Water and Waste Water Treatment Plants, Municipal Sanitary Landfills, and Bridges.

In the Environmental Engineering area, Mr. Carney has experience regarding Environmental Site Audits, Site Cleanup and Remediation, Underground Storage Tanks, Wetlands Permit, Permits for landfill disposal, solid waste management and waste minimization.

Mr. Carney has a variety of litigation experience as it relates to expert witness and human factor analyses. This work has included premise liability, construction accidents, oil field accidents, and third party worker's compensation cases. Experience has included complex multiple party fatality cases to less complex "slip and fall" cases.

REAL ESTATE DEVELOPMENT

The following is a limited representation of projects whereby Mr. Carney has been involved:

Apartment Projects

- Timber Village, Marshall, Texas
- Timber Village II, Marshall, Texas
- Mesa Vista, Donna, Texas
- Ponsettia Apartments, Alamo, Texas
- Figueroa Apartments, Robstown, Texas
- Timber Grove, D'Iberville, Mississippi
- Regency Way, Gulfport, Mississippi
- Morrison Village, Pascagoula, Mississippi
- Taylor Heights, Pascagoula, Mississippi
- Highland Springs, Jackson County, Mississippi

T. CRAIG CARNEY, P.E.

Resume

Page Two

- Baywood Place, Gulfport, Mississippi
- Village Place, Gulfport, Mississippi
- Sunset Way, Port Arthur, Texas
- Sevilla Apartments, Weslaco, Texas
- Horizon Meadows; LaMarque, Texa
- Heartland Village, Sulphur Springs, Texas
- Bella Terra, Brownsville, Texas
- Riverstone Apartments, Corpus Christi, Texas
- Riverview Apartments, Corpus Christi, Texas
- Bella Vista, Alton, Texas
- Vista Pointe, San Antonio, Texas
- Laurel Glen Apartments, San Antonio, Texas
- Windy Ridge Apartments, Austin, Texas
- Caville Place (preliminary), Ft. Worth, Texas
- Terraces at Arboretum, Houston, Texas
- Avanti at Greenwood, Corpus Christi, Texas
- Lockhart Springs, Lockhart, Texas
- Avanti at Sienna Palms Legacy, Weslaco, Texas

Wal-Mart SuperCenters

- Carrizon Springs, Texas
 - Paris, Texas
 - Canton
 - Houston (I-10 East at Uvalde)
 - Jasper
 - Marshall
 - Laredo
 - Corpus Christi
 - Bay City
 - West Monroe, Louisiana
 - Hermantown, Minnesota
 - Superior, Wisconsin
 - Port Arthur, Texas
- Park Central Crossing, 53-acre Wal-Mart/Lowes/Retail with Pad Sites

T. CRAIG CARNEY, P.E.

Resume

Page Three

Shopping Centers

- River Lakes Plaza; 14,000 sf; Richmond, Texas
- Marble Falls Plaza; 12,000 sf; Marble Falls, Texas
- Derek Plaza; 14,000 sf; Lake Charles, Louisiana
- Baytown Village 65,000 sf; Baytown, Texas
- Copperfield Crossing; 68,000 sf; FM 529, Houston, Texas
- Lake Worth, Texas
 - Landmark Lakes I; 24-ac; 178,000 sf Grocery/Hobby Lobby/Retail with Pad Sites (
- Ft. Worth, Texas
 - Landmark Lakes II; 25-ac; 104,000 sf Retail with Pad Sites
- Spencer Crossing; 15-ac; 90,000 sf Retail with Pad Sites
- West Road Shopping Center; 10-ac; 95,000 sf Retail with Pad Sites
- Shoppes of Port Arthur 10-ac; 85,000 sf Retail with Pad Sites
- Searcy Shopping Center 2-ac; 18,000 sf Retail
- Sprouts Anchored Shopping Center 7.6-ac; 48,000 sf with Pad

Free Standing

- Radio Shack; Sulfur, Louisiana
- Radio Shack; Mexia, Texas
- Blockbuster Video; Mexia, Texas
- Blockbuster Video; Baytown, Texas
- Blockbuster, Seagoville, Texas
- Blockbuster, Mansfield, Texas
- Chili's Restaurant; Bay City, Texas
- Walgreen's – Beeville, Texas
- Walgreens's – Midlothian, Texas
- Walgreens's – Palestine, Texas
- Walgreens's – Houston (Kirkwood), Texas

EDUCATION:

Bachelor of Science, Civil Engineering, University of Texas at Arlington, 1979

Master of Science in Civil Engineering (Completed course work)

T. CRAIG CARNEY, P.E.

Resume

Page Four

UNIVERSITY ACTIVITIES:

Four-Year Letterman (Football-Quarterback)
National Football Foundation Hall of Fame Scholar-Athlete of the Year, 1977
Fellowship Christian Athletes, President
Student Judicial Board
American Society of Civil Engineers, Vice President
Big Brothers of America
Soil-Test Scholarship Award (One of six given nationally)
Who's Who in American Universities & Colleges
Graduated with honors, 3.5 GPA

PROFESSIONAL REGISTRATIONS & LICENSES

Registered Professional Engineer (Past and Present)

State of Texas No. 55714
State of Wisconsin No. 26271
State of Minnesota No. 20465
State of Arkansas No. 6519
State of Arizona No. 21280
State of Mississippi No. 10993
State of Georgia No. 019874
State of New Mexico No. 9967
State of Oklahoma No. 17404
State of Kentucky No. 21366
State of Missouri No. 2010006784
State of Alabama No. 30990-E
State of Louisiana No. 35762

ENGINEERING HONOR SOCIETIES:

Tau Beta Pi
Chi Epsilon

PROFESSIONAL AWARDS:

Young Engineer of the Year - 1985, East Texas Chapter-TSPE



FUGLEBERG KOCH

AFFORDABLE HOUSING PROFILE

Fugleberg Koch has completed over \$15 billion dollars in building volume. This includes over 280,000 multi-family dwelling units, 35,000 resort hotel rooms and 15 million square feet of commercial, industrial, and institutional building area. The firm conducts business through its office in Winter Park, Florida (metropolitan Orlando), maintaining registrations in several states throughout the country. The firm's client list includes many major national multi-family and commercial developers.

Residential work of the firm represents a broad spectrum of that industry that includes all forms of affordable housing, mid-range apartment complexes, student housing, military family housing and multifamily ownership projects.

Fugleberg Koch maintains a staff dedicated to architecture, land planning and interior architecture, making it one of the premier residential design firms in the United States. A highly developed Building Information Modeling (BIM) department and in-house graphic presentation capabilities allow the firm to respond quickly to the urgencies of assignments. Our dedication to sustainability includes numerous LEED certified staff members and certifications in the Earthcraft and Design for Living programs.

Key professionals in the firm are actively involved in regional and municipal planning and zoning boards, and maintain licenses in real estate, building construction, and development. Members of the firm are frequent speakers at national forums and seminars.

Throughout its history, the firm has been acknowledged with design awards by the American Institute of Architects, HUD, the United States Air Force, and the Southeast Builders Conference, the Home Builders Association, government agencies and trade organizations. These acknowledgments focus on the overall financial success as well as design excellence.

Various current and past affordable housing activities include:

1. Served as Architect of Record for over 6,000 units constructed in Florida under the Federal Tax Credit Initiative during the past ten years.
2. Served as faculty participant in Affordable Housing Management Education Program through Miami Dade Community College under contract to the State of Florida Department of Community Affairs.
3. Participation in Orlando Housing Authority Moving to Work application workshop.
4. Frequent speaker at NAHB, and ULI conferences
5. Member participation on Orlando Municipal Planning and Zoning Board and attendee at NTC Reuse Commission sessions.
6. Member participation on Orlando's Affordable Housing Advisory Board.
7. Provided architectural consulting services to local non-profits on new and renovation initiatives in Central Florida focused at affordable housing production.
8. Architect for over 2,000 units in Central Florida privately developed under affordable criterion as established by local definitions.
9. Active spokesperson at state and regional meetings of HBA on housing design and development.
10. Served on various housing agency and non-profit planning workshops.
11. Christian Service Center - Meals on Wheels Advisory Board.
12. Pro bono design services to the Orlando Regional Board of Realtors, Art in Architecture affordable housing program.
13. Crossroads Community Revitalization & Development, Inc. Advisory Board.

Affordable housing

workforce | multifamily | single family



ARCHITECTURE . URBAN DESIGN . PLANNING . LANDSCAPE ARCHITECTURE . DEVELOPMENT CONSULTING

FUGLEBERG KOCH



R Residential Affordable & Workforce

Housing Communities

The availability of affordable housing for our nation's workforce and families continues to be an important part of a stable and healthy community. Many of us, at some point in our lives, have been qualifying candidates for affordable housing. The affordable consumer seeks the same conveniences as other market segments, such as schools, shopping, parks and accessibility to work.

Fugleberg Koch has been a pioneer in affordable and workforce housing since the early 70's. We have extensive experience working with the various government programs, private development strategies and public/ private joint initiatives.

Designing affordable communities for people and families that keep towns and cities alive with their hard work, is where we draw the most inspiration. Changing and improving lives for the better is our basic mission as architects.



-
- 150 Affordable Rental Units
 - 3 Story Residential Buildings
 - Mixed Use Component



-
- 144 Units on 9 Acres
 - 3,500sf Clubhouse
 - Affordable Housing Project



-
- 144 Units on 9 Acres
 - 3,500sf Clubhouse
 - Affordable Housing Project



-
- Orlando Housing Authority
 - Rowhomes & Townhomes
 - Duplex & Quadplex



-
- Orlando Housing Authority
 - Rowhomes & Townhomes
 - Duplex & Quadplex



-
- 86 Affordable Rental Units
 - One 3 Story elevator served building
 - FHFC Construction Features & NGBS Energy Compliance



-
- 104 Affordable Rental Units
 - 3 Story wood frame construction
 - Clubhouse with pool amenities
 - 4.8 acres



-
- 104 Affordable Rental Units
 - 3 Story wood frame construction
 - Clubhouse with pool amenities
 - 4.8 acres



-
- 110 Affordable Rental Units
 - 5 Buildings, 3 Story Breezeway
 - 5,040 sf Clubhouse



UNIT B1



UNIT C1

-
- 110 Affordable Rental Units
 - 5 Buildings, 3 Story Breezeway
 - 5,040 sf Clubhouse



-
- 96 Affordable Rental Units
 - 12 Buildings, 2 Story Breezeway
 - Surface Parking
 - Housing Authority of the City of El Paso



-
- 270 Units, 9 Stories, 250,000 sq. ft. Office Space
 - 1,000 Car Attached Parking Garage
 - Orlando Neighborhood Improvement Corp, 40% Affordable, 60% Market Rate
 - Winner Golden Brick Award - Affordable Housing Development



-
- 300 Units
 - 11 Residential Buildings
 - 5,000 sf Clubhouse and Amenities
 - Exterior Access Garages with Pedestrian Walkways and Greenspace



-
- 11 Direct Entry 8 Plex Buildings
 - Clubhouse Building and Pool Amenities
 - Garage Access and Surface Parking
 - Courtyards and Greenspace



-
- 11 Direct Entry 8 Plex Buildings
 - Clubhouse Building and Pool Amenities
 - Garage Access and Surface Parking
 - Courtyards and Greenspace



-
- 11 Direct Entry 8 Plex Buildings
 - Clubhouse Building and Pool Amenities
 - Garage Access and Surface Parking
 - Courtyards and Greenspace



-
- 218 Units
 - 9 Residential Buildings
 - 4,800 sf Clubhouse and Amenities
 - 12 Acres with Pedestrian Walkways, Courtyards and Greenspace

CURRENT & RECENT TAX CREDIT | apartment projects

HIBISCUS APARTMENTS

Ft. Myers, FL
Construction Documents
96 Units
Owner:
BDG Hibiscus Apartments, LP
Orlando, FL

LUNA TRAILS

Titusville, FL
Construction Documents
84 Units, Age Restricted
Owner:
Housing Trust Group
Coconut Grove, FL

HAMMOCK RIDGE PHASE I

Hernando County, FL
Permitting
92 Units
Owner:
Housing Trust Group
Coconut Grove, FL

HAMMOCK RIDGE PHASE II

Hernando County, FL
Permitting
92 Units
Owner:
Housing Trust Group
Coconut Grove, FL

THE PARK AT WELLINGTON PHASE II

Holiday, FL
Completed
110 Units
Owner:
Housing Trust Group
Coconut Grove, FL

FREEDOM GARDENS

Brooksville, FL
Completed
96 Units
Owner:
Housing Trust Group
Coconut Grove, FL

THE PARK AT WELLINGTON PHASE I

Holiday, FL
Completed
110 Units
Owner:
Housing Trust Group
Coconut Grove, FL

VALENCIA GROVES

Eustis, FL
Completed
144 Units
Owner:
Housing Trust Group
Coconut Grove, FL

HAYMON KRUPP

El Paso, TX
Completed
96 Units
Owner:
Hunt Development
El Paso, TX

HACEP RAD

El Paso, TX
Completed
1650 Renovated Units
Owner:
Hunt Development
El Paso, TX



COMPANY PROFILE



TABLE OF CONTENTS

- Company Overview
- Recent Awards & Recognition
- Texas Team Resumes
- Texas Project Experience

COMPANY OVERVIEW

COMPANY OVERVIEW

Kaufman Lynn Construction is a commercial contractor with 220 professionals headquartered in Delray Beach, Florida with regional offices in Fort Myers, Florida; Raleigh, North Carolina; and Austin, Texas.



ENRSoutheast



INTEGRITY | INGENUITY | INITIATIVE

Kaufman Lynn Construction has a 30-year track record of award-winning construction

through time-tested strategic practices. By blending best-in-class cost savings alternatives with stringent quality control processes, Kaufman Lynn Construction continues to be a respected industry leader in building private and public projects throughout the Southeast. As a full service general contractor and construction manager headquartered in Delray Beach, Florida with regional offices in Fort Myers, Florida, Raleigh-Durham, North Carolina, and Austin, Texas, we offer services to multiple market sectors including multifamily, governmental/municipal, education, senior living, healthcare, country club, retail, mixed-use, office, cultural and industrial using the Construction Management at Risk, Design/Build, Negotiated and standard Design/Bid/Build contract delivery systems.

Incorporated in 1989, Kaufman Lynn Construction is ranked by Engineering News Records (ENR) among the Top 400 Contractors nationwide.

Kaufman Lynn Construction began as a “two-man show” with tenant build-outs and small commercial projects in Palm Beach, Broward and Dade Counties and has grown to a height of \$250+ million per year in gross revenues.

Dedicated to Perfecting the Goals of each Owner. Our team approach is fostered by our positive attitude and constant interaction with our clients, design professionals, subcontractors and vendors. Our practice is to embrace the goals of each owner and provide the highest level of personal service to exceed expectations. The senior management team is actively involved in every project and maintains direct communication that expedites critical decisions, making us more responsive to our clients’ needs. Our high level of enthusiasm translates into a

willingness to go the extra mile for our clients and respond with creativity and initiative to the challenges of each unique project.

Creative Solutions to Budget Challenges. We are noted for bringing challenging projects into budget by providing true cost savings alternatives that maintain the program’s integrity and provide the best possible options for all the building’s systems. We pay special attention to improving economic and energy efficiencies, aesthetic appeal and life cycle value.

On Time Performance. Since the inception of Kaufman Lynn Construction, Michael Kaufman has insisted on strict adherence to the schedule and stringent cost control standards that has given our company a reputation for on-time completions and targeted budgeting. We maintain accurate “critical path” scheduling with weekly updates and detailed monthly cost reviews to ensure our owners’ receive their project on or ahead of schedule and on or under budget.

Award Winning Quality. Kaufman Lynn Construction constantly strives to improve our quality and performance through continuing education seminars, self-analysis and in-house training for our professionals. We optimize design and construction techniques, which consistently produce projects that exceed our clients’ expectations. We are noted for the successful completion of hundreds of projects that deliver high quality with cost savings for our clients. As a testament to the level of quality achieved on projects, ENR named our restoration of the Freedom Tower in downtown Miami as The Best of The Best Restoration Project in the United States in 2012 and Associated Builders and Contractors have recognized numerous projects for Excellence in Construction, including three projects in 2018.

Environmentally Conscious and Technology Savvy. Whether the goal is to achieve LEED certification or not, we provide our clients a host of energy saving suggestions as well as alternative systems as part of Kaufman Lynn Construction's Standard Operating procedures. To find the best overall solutions for our clients, we start the process to sustainable construction with a 'question and answer' workshop with LEED accredited in-house professionals and your staff. This conversation allows us to set meaningful and affordable goals and objectives. Kaufman Lynn Construction has completed **numerous LEED Certified buildings ranging from LEED Certified to LEED Gold.**

Kaufman Lynn Construction has been using **Building Information Modeling (BIM)** to view the design intent in context, and obtain quantities, which allows us to provide critical feedback to the client and design team with regards to cost and constructability. Using this data allows us to critically evaluate subcontractor estimates and hone in on quantity issues or identifying scope gaps. Our superintendents use tablets in the field that are continually updated with the most recent plans noting any new changes. Checking subcontractors work against the plans any concerns can be shown to the foremen in a simple, up-to-date format.



Freedom Tower - ENR Best Restoration Project in United States.



Kaufman Lynn Project Manager and Superintendent working off of Procore on their iPad on the jobsite.

Recognized by our Peers for Quality, Safety, Business Practices and Community Service.

In addition to recent awards for quality, safety, impressive growth and outstanding business practices, Kaufman Lynn Construction has also been recognized for its accomplishments and its service and support for community projects by several organizations. Our special blend of personal service, professionalism and broad capability has earned us respect and confidence in our industry. We are confident that our credentials, which feature our ability to safely and successfully complete projects on time and within budget, will provide you with the expertise needed to build your project.



KL Cares: Our Kaufman Lynn team presenting the kids of Florence Fuller their new backpacks and supplies for school.



RECENT AWARDS & RECOGNITION

RECENT AWARDS & RECOGNITION



2015-2019

SunSentinel - Top Work Places
5-year Consecutive Winner

2018

ABC Florida East Coast Chapter Excellence in Construction
- Coral Springs Municipal Complex — Eagle Award Winner
- 850 Broken Sound — Eagle Award Winner
- Kaufman Lynn Construction Headquarters— Eagle Award Winner

2018

CASF Craftsmanship Awards
- Kaufman Lynn Construction Headquarters

2018

Corporate Partner of the Year by Palm Beach Partners Business MatchMaker



2018

DBIA Florida - Federal/State/County/Municipal Category
Best Overall - Pompano Beach Pier Parking Garage

2016-2018

Engineering News-Record - Top 400 Contractors Nationwide
Currently Ranked 387

2005-2018

South Florida Business Journal - Top 25 General Contractors
Currently Ranked 10th Largest Contractor



2017

ABC Florida East Coast Chapter Excellence in Construction
- Miami City Self Storage 3rd Ave — Eagle Award Winner
- Pompano Beach Pier Parking Garage — Pyramid Award Winner
- Paraiso at Fountain Square — Pyramid Award Winner

2017

ABC Florida Gulf Coast Chapter Excellence in Construction
- Moorings Park at Grey Oaks — Eagle Award Winner

2016

Florida Trend - Best Companies to Work for in Florida

2017

South Florida Business Journal - Fast 50
Ranked Among South Florida's 50 Fastest Growing Companies

2016

CASF Craftsmanship Awards
- Pompano Beach Pier Parking Garage
- St. Mark's Episcopal Church and School Phase IV

2016

ABC Florida East Coast Chapter Excellence in Construction
- Miramar West Center — Pyramid Award Winner
- South of Atlantic Delray Beach — Eagle Award Winner
- Jean & David Colker Center, United Way of Broward — Eagle Award Winner

2015

CASF Craftsmanship Awards
- Boca Pointe Entrances

2015

ENR Southeast – Best Project, Higher Education/Research
Award of Merit - Miramar West Center

2014

CASF Craftsmanship Awards
- Doral View, Mandel JCC

2014

ENR Southeast – Best Project, Cultural/Worship
Award of Merit – Mandel JCC

2013

ENR Southeast – Best Project, Higher Education/Research
Award of Merit - Miami Dade College Academic Support Center

2012

Engineering News Record (ENR National) – Best of the Best, Historic Restoration
Freedom Tower

2012

ENR Southeast – Best Project, Historic Restoration – Freedom Tower

2012

ABC Florida East Coast Chapter Excellence in Construction
- Freedom Tower Restoration – Eagle Award Winner



TEXAS TEAM RESUMES



CHRIS DAVIS

Regional Senior Vice President

Background

Chris is managing the company's Texas operations. He has over 25 years of experience in the construction industry. Chris has built his career on a strong work ethic, upfront communication, and attention to detail. His experience spans a wide variety of building types with outstanding safety records and coordination facets. Having worked in the Central Texas area for over 20 years, Chris has established great relationships with local subcontractors, suppliers, City officials, design teams and clients. He is involved from the beginning of every assigned project, assisting the estimating team and negotiating contracts and qualifications. He manages project managers and superintendents during construction and monitors financials of assigned projects.

EDUCATION

B.S. Construction
Science,
Texas A&M

REGISTRATIONS/ CERTIFICATIONS

30 Hours OSHA

Safety Trained Supervisor
Certified

Certified Healthcare
Constructor

YEARS OF EXPERIENCE

27

Experience

The Pearl, Austin, TX — New construction of a 383-unit, VA apartment complex. This project will include a parking garage, clubhouse with pool and amenity areas.

Oaks 55, Euless, TX — New construction of a 150-unit, 127,629 s.f., 4-story woodframe age-restricted community. This project includes a clubhouse, pool, and amenities. \$17.5 million.

Terraces at Arboretum, Houston, TX — Construction of 112 multifamily units. \$14 million.

The Bristol, San Antonio, TX — New construction of a 96-unit, garden style apartment complex consisting of 3-story buildings. This project includes a clubhouse with pool and cabanas, and common area amenities. \$9.3 million.

Northshore, Austin, TX — New construction of a 42-story luxury apartment building featuring 429 units and 12,000 s.f. of resident amenities. Included a private lounge, fitness club, controlled access parking garage, and executive conference rooms. 3-Star Rated Green Building. \$118 million

The Independent, Austin, TX — New construction of a 62-story, 950,000 s.f. luxury condominium with 377 units. Amenities include a pool, club room, playground, dog park, fitness center, yoga deck, and outdoor lounge. \$180 million.

Round Rock ISD, Austin, TX — New construction of a STEAM elementary school. \$22 million.

Memorial South Bend, Austin, TX — Children's hospital expansion. \$34 million.



BRYAN ARDNER

VP of Preconstruction

Background

Bryan has over 30 years of experience in retail, commercial, healthcare, and higher education construction from renovation to new construction throughout the states of North Carolina and Ohio. As Vice President of Preconstruction, Bryan is responsible for overseeing the estimating staff, as well as leading estimating efforts on all North Carolina, Florida, and Texas projects along with estimating department employee training and budget controls.

Experience

ThinkEast, Austin, TX — New construction of a 181-unit, 3-story, 177,000 s.f. apartment complex. This project includes a clubhouse, pool, and amenities. \$16.3 million.

Laurel Glen, San Antonio, TX — New construction of a 81-unit, 4-story, 94,488 s.f. apartment complex. This project includes a clubhouse with pool, and 2 elevators. \$10.4 million.

The Pearl, Austin, TX — New construction of a 383-unit, VA apartment complex. This project will include a parking garage, clubhouse with pool and amenity areas.

321 at Water's Edge, Ft. Lauderdale, FL — New construction of a 23-unit, 11-story condominium. \$25 million.

Quadro, Miami, FL — New construction of a mixed-use residential project including 12 residential stories set atop of a 387-space parking garage. Project features 198 rental apartments and 26,880 s.f. of retail/commercial space, a 6th floor amenity deck with a pool, fountain, and a fitness center. \$47 million

Great Wolf Lodge, Mason, OH — New construction of a hotel and indoor waterpark. \$42 million.

Adena Health Northeast Expansion, Chillicothe, FL — A 118,443 s.f. patient tower addition. Construction included labor, delivery, post-partum, NCIU & nursery, c-section delivery departments. Also included were ICU, step down, variable acuity and nutrition departments. A post-op orthopaedic department was also built along with a pediatric wing. Construction took place on an occupied healthcare campus. \$37.5 million.

EDUCATION

B.S. Construction Management,
University of Cincinnati

REGISTRATIONS/ CERTIFICATIONS

30+ Hours OSHA

Training Course:
FMI Leadership Institute
in Colorado Springs

DLAP Training

YEARS OF EXPERIENCE

40



MICHAEL MUELLER, LEED GA Project Manager

Background

Michael has 15 years of experience in the construction industry. His portfolio includes multifamily, retail, and higher education projects. As project manager his duties include developing and maintaining the project schedule, coordinating with the owner's representatives and architect, managing cost control and financial reporting, supervising field staff, design participation, bidding, contract negotiation, facilities inspection and coordination of preventative maintenance.

Experience

Pathways at Goodrich, Austin, TX — The three-story complex will provide 120 high-quality affordable units with balconies and patios. The community will also include a covered playground and access to onsite youth enrichment activities, job training opportunities, and health and wellness programs. The project represents the redevelopment of an existing low income community, tripling the number of affordable units available. The partnership between the Housing Authority of the City of Austin and private investors received funding through competitive low-income housing tax credits from the Texas Department of Housing and Community Affairs. \$15.4 million.

Oaks 55, Euless, TX — New construction of a 150-unit, 127,629 s.f., 4-story woodframe age-restricted community. This project includes a clubhouse, pool, and amenities. \$17.5 million.

Village Lindo Paseo, San Diego, CA — New construction of a 4-story, 100,000 s.f., 287-unit luxury student housing complex over a 2-story, 71,000 s.f. subterranean parking structure. The 3 buildings included 5 courtyards, a full-service restaurant and 191 parking spaces. Amenities include a movie theater, game rooms, cross-fit gym, laundry facility, business center, and a tanning salon. This project included a 45 kW solar array, electric car charging stations, energy efficient climate control, grey-water fixtures and fuel cells. LEED Silver, \$24.5 million.

Vantage Pointe Condominiums and Retail, San Diego, CA — New construction of a 40-story, 1,800,000 s.f., 679-unit high-rise condominium over a 6-story subterranean parking structure. This facility included luxury grade finishes, high-end common area amenities, and a retail complex at grade. \$300 million.

EDUCATION

B.S. Psychology,
San Diego State
University

REGISTRATIONS/ CERTIFICATIONS

LEED Green Associate,
GBCI #10702635

Project Management
Professional Certified,
PMP #1750235

YEARS OF EXPERIENCE

17



CHARITY URBAN

Project Manager

Background

Charity has over 10 years of experience in the construction industry. She is highly experienced with multifamily construction. As project manager her duties include developing and maintaining the project schedule, coordinating with the owner's representatives and architect, managing cost control and financial reporting, supervising field staff, design participation, bidding, contract negotiation, facilities inspection and coordination of preventative maintenance.

Experience

ThinkEast, Austin, TX — New construction of a 181-unit, 3-story, 177,000 s.f. apartment complex. This project includes a clubhouse, pool, and amenities. \$16.3 million.

Laurel Glen, San Antonio, TX — New construction of a 81-unit, 4-story, 94,488 s.f. apartment complex. This project includes a clubhouse with pool, and 2 elevators. \$10.4 million.

The Yards at Denargo, Denver, CO — A 301 unit apartment project consisting of a 4-story and 5-story wood framed over a 1-story concrete podium building surrounding a 5-story garage. The development is situated on approximately 3 acres within the greater Denargo Market redevelopment. Common area facilities include a clubroom, leasing center, swimming pool, two highly landscaped and hardscaped courtyards, rooftop amenity area, fitness center and business center. \$35 million.

2785 Speer, Denver, CO — A 5-story, 332 unit mixed-use project with wood frame construction over concrete podium. LEED Certified. \$32 million.

Riviera Apartments, San Antonio, TX — Construction of 302 apartment units and 2,838 s.f. of retail in a 4-story wood framed apartment project surrounding 5 levels of parking. The development is situated on 3.70 acres. Common area facilities include a club room, theatre room, leasing center, swimming pool, fitness center, business center and roof level amenity deck. \$30 million.

EDUCATION

Studied Business Management, Metro State College

YEARS OF EXPERIENCE

12

ALAN BRIGGS

Superintendent



Background

Alan has over 46 years of construction experience. He has an extensive supervision background in commercial construction. As superintendent, his duties include overall responsibility for project progress, quality control oversight for all subcontractors, coordination of weekly safety meetings and monthly safety inspections, on-site coordination of subcontractor performance, communication and teamwork, preparation of Requests for Information (RFIs), tracking review of submittals, preparation of two-week look ahead schedule, job logs and daily reports.

EDUCATION

Brockton High School

REGISTRATIONS/ CERTIFICATIONS

10+ Hours OSHA

YEARS OF EXPERIENCE

46

Experience

Pathways at Goodrich, Austin, TX — The three-story complex will provide 120 high-quality affordable units with balconies and patios. The community will also include a covered playground and access to onsite youth enrichment activities, job training opportunities, and health and wellness programs. The project represents the redevelopment of an existing low income community, tripling the number of affordable units available. The partnership between the Housing Authority of the City of Austin and private investors received funding through competitive low-income housing tax credits from the Texas Department of Housing and Community Affairs. \$15.4 million.

Oakbrook Builders, Round Rock, TX — Served as superintendent responsible for building and managing relationships with subcontractors and owners for various projects, including:

- 184 Unit Multi-family apartment complex
- 77,000 s.f. Assisted Living Memory Care Building
- 37,000 s.f. Assisted Living Memory Care Building
- 36,000 s.f. Assisted Living Building

TEXAS PROJECT EXPERIENCE



THINKEAST

Austin, Texas

New construction of a 181-unit, 3-story wood frame apartment complex. This project includes a clubhouse, pool, and amenities.

Owner: *Atlantic Pacific Companies*

Architect: *Humphreys & Partners Architects*

Contract: *General Contract*

Size: *177,000 square feet*





LAUREL GLEN

San Antonio, Texas

New construction of a 81-unit, 4-story wood frame apartment complex. This project includes a clubhouse with pool, and 2 elevators.

Owner: *Atlantic Pacific Companies*

Architect: *Humphreys & Partners Architects*

Contract: *General Contract*

Size: *94,488 square feet*





OAKS 55

Eules, Texas

New construction of a 150-unit, 4-story wood frame apartment complex. This project includes a clubhouse, pool, and amenities.

Owner: *Teeple Partners*

Architect: *Humphreys & Partners Architects*

Contract: *General Contract*

Size: *127,629 square feet*





THE TERRACES AT ARBORETUM

Fort Bend County, Texas

New construction of a 112-unit, 2- and 3-story wood frame apartment complex. This project includes a clubhouse and amenities.

Owner: *Atlantic Pacific Companies*

Architect: *Humphreys & Partners Architects*

Contract: *General Contract*

Size: *137,000 square feet*





THE BRISTOL

San Antonio, Texas

New construction of a 96-unit, garden-style apartment complex consisting of 3-story buildings. This project includes a clubhouse with pool and cabanas, and common area amenities. Tax credit project with TDHCA and MBE requirements.

Owner: *Atlantic Pacific Companies*

Architect: *Gonzalez Newell Bender, Inc.*

Contract: *General Contract*

Value: *\$9.2 Million*

Size: *90,000 square feet*





THE PEARL

Austin, Texas

New construction of a 341,116 s.f., 383-unit VA apartment complex. Project includes a 146,391 s.f. parking garage. Project will also feature a clubhouse with pool and amenity areas.

Owner: *Ledcor Properties*

Architect: *Rhode Partners*

Contract: *General Contract*

Value: *\$39.0 Million*

Size: *487,507 square feet*





PATHWAYS AT GOODRICH PLACE

Austin, Texas

New construction of a 120-unit, 4-story, wood frame apartment complex. This project will include surface parking as well. Part of the newly launched HUD RAD program, ensuring compliance with Section 3 of TDHCA.

Owner: *Atlantic Pacific Companies*

Architect: *Humphreys & Partners Architects*

Contract: *General Contract*

Value: *\$15.4 Million*

Size: *141,708 square feet*





KAUFMAN LYNN
CONSTRUCTION

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Florida | North Carolina | Texas





EXCEEDING YOUR
EXPECTATIONS

AFFORDABLE



LUXURY | CONVENTIONAL | SENIOR | AFFORDABLE | MIXED-USE | VALUE-ADD

03 **PINNACLE EXPERIENCE**

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EXCEEDING YOUR EXPECTATIONS

Pinnacle is a privately held third party manager of multifamily communities with one of the nation's largest service platforms. A prominent resource for both market rate and affordable housing, Pinnacle ranks third on the National Multi-Housing Council's Top 50 list and fourth on the NAHMA Affordable 100 list. We consistently stay at the top of the industry by building great teams who provide a valuable service to all customers.

Pinnacle is resident-centric in our management style. Our teams work in the forefront to help residents feel appreciated, and right at home. We do what needs to be done to build their sense of place and better their lives. All the while, our teams are focused behind the scenes to increase revenues, reduce expenses, and ultimately build value for the community. Clients continue to reinvest in us because of our ability to do this well.

Pinnacle currently manages 172,000 conventional and affordable units. The following is a snapshot of our affordable portfolio.

- 154 affordable properties totaling 19,557 units
- 133 LIHTC properties totaling 19,037 units
- 6 LIHTC properties in lease-up totaling 356 units
- 47 HUD properties totaling 7,523 units



Pinnacle Compliance has partnered with RightSource Compliance services based in Minneapolis, Minnesota. Pinnacle's core support team is centered in Maitland, Florida, and guided by Director of Affordable Compliance, Mollie Kickbush, whose 12 years in the industry has been focused exclusively on Affordable. The Compliance Team has nine (9) Compliance Specialists, in addition to an Executive Project Manager, Compliance Manager, Lease-up Manager, and HUD Manager.



MOLLIE KICKBUSH

DIRECTOR OF COMPLIANCE

- Over 12 years of industry experience
- Oversees of all affordable compliance components to ensure ongoing adherence and accountability to the various affordable program regulations
- National Compliance Professional (NCP), Housing Credit Certified Professional (HCCP), and Novogradac Property Compliance Certification (NPCC) accreditations
- State University of New York graduate



KAREN BURGIO

SENIOR COMPLIANCE MANAGER- HUD & LEASE UP

- 17 years affordable housing experience.
- Experience with affordable programs including HUD, RD, LIHTC, BOND, HOME, SAIL, SHIP; On-site operations, affordable audit inspections, client inspections, HUD Physical (REAC) and HUD Management Occupancy Reviews (MOR)
- Housing Credit Certified Professional (HCCP), Certified Occupancy Specialist (COS)
- Baker College of Michigan Graduate



ANNE MESSER

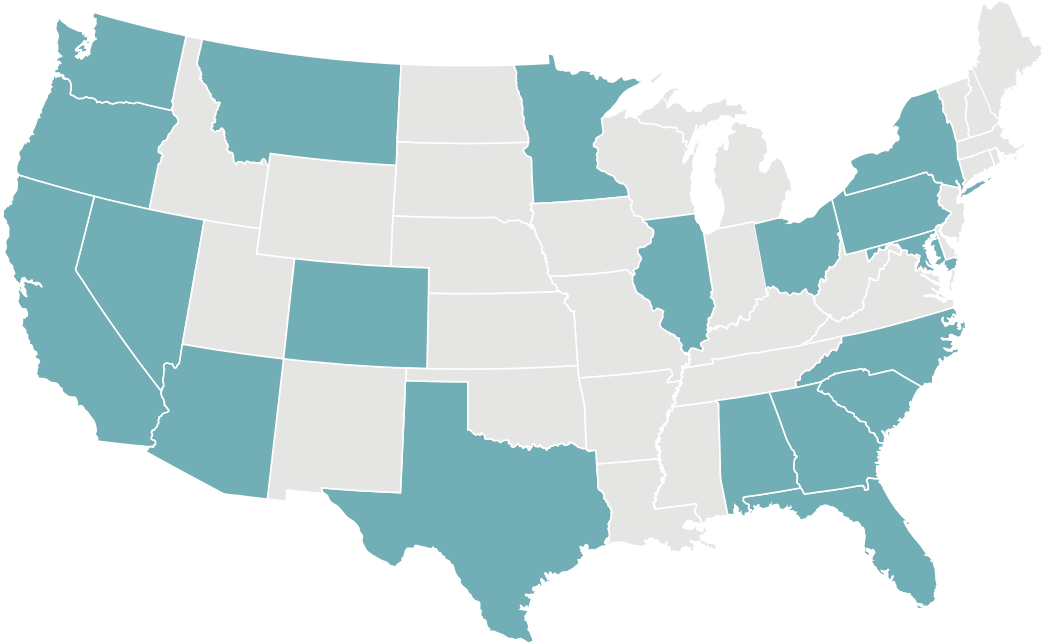
HUD MANAGER

- 12 years industry experience, 19 years government
- Experience with HUD guaranteed mortgages - new and refinance - compliance, Filing HUD 2530 through APPS Secure Systems, HUD Physical Inspections (REAC), Management Occupancy Reviews (MOR), HUD yearly audit reports (FASS), Project Based Section 8 subsidized projects (PBS8 federal and local), PBS8 Voucher filing and maintenance through TRACS system, PBS8 File and Site Compliance, EIV Coordinator, HAP OCAF Contract Renewals
- Certified Occupancy Specialist and Certified Multifamily Specialist (CMS)
- University of Florida graduate

PINNACLE EXPERIENCE

The compliance team’s understanding and implementation of fair housing laws, tenant rights and HUD guidelines is unprecedented. Assets flourish when they combine their talents with other behind the scenes professionals in operations, human resources, marketing, training, risk, insurance, safety, information technology and development.

Pinnacle is managing 154 affordable properties, 145 of which are Low Income Tax Credit (LIHTC), with over 19,500 apartment homes in 19 states.



State	Properties	Units
AL	1	120
CA	9	534
CO	1	86
CT	5	122
FL	40	7,662
GA	8	455
IL	4	266
MD	2	281
MN	7	684
MT	1	42
NC	2	183
NV	10	1,328
NY	2	181
OH	2	204
OR	20	1,234
PA	1	90
SC	7	338
TX	21	4,354
WA	11	1,393
Totals	19	19,557

LIHTC

Accuracy cannot be overstated as a key requirement of compliance. As such, our team rigorously stays up to date with the latest changes in laws, policies and procedures. They also maintain numerous industry designations to make sure standards are met. Our integrity with record keeping, auditing, monitoring, and assisting with state and syndicator audits is also exceptional.

Here are some of our specialties:

- Section 42
- SAIL
- SHIP
- Home
- BOND
- RD
- RAD
- Local/State development programs
- Housing Trust
- NSP
- FSS
- Hope VI
- RTC
- AHL



Managing affordable properties demands precise regulatory compliance and documentation, which must be readily demonstrated under scrutiny. Noncompliance penalties can be severe, even jeopardizing an owner's ability to take on new business by accruing previous participation demerits. Pinnacle applies substantial resources to making sure regulatory compliance is met through the following procedures:

- **Move-in approvals:** review and approval of each new move-in for tax credit and regulated properties
- **Financial reporting:** monthly, quarterly and annual reports for states, cities and counties; annual owner certifications
- **Income and set-aside:** baseline requirements, income limits and maximum permissible rents, audit-trail quality leasing and tenant files
- **Compliance and monitoring:** annual recertification, special targeted set-asides, amenities and resident services
- **Regulatory and compliance audits:** on-site preparation, real-time support on day of audit
- **Training:** state-certified seminars, federal and state continuing education, updated regulatory and reporting requirements
- **Recordkeeping and data preservation:** regulatory waivers, approvals and authorizations for regulatory audits

Here is a snapshot of some national and state memberships and certifications that elevate our team members in the industry.

National Memberships

- National Association of Home Builders (NAHB)
- The National Center for Housing (NCHM)
- National State Housing Agencies (NSHA)
- National Affordable Housing Management Association (NAHMA)
- Southern Affordable Housing Management Association (SAHMA)

National Certifications

- Tax Certified Compliance Specialist (TACCS)
- National Compliance Professional Executive (NCPE)
- Housing Credit Certified Professional (HCCP)
- Certified Credit Compliance Professional (C3P)
- Housing Tax Credit Certification (HTCC)
- Compliance Professional Certification
- National Leased Housing Association-USDA (STAR)
- Tax Credit Compliance Certification (TCCC)
- Certified Tax Compliance (CTC)
- RAM Program Certificate plus Tax Compliance Certificate with Quadel Consulting, SAHMA, NAHMA, IPED, Guggenheim (AHM)
- Housing Compliance Manager – HUD (HCM-H)
- Certified Occupancy Specialist – HUD (NCHM)
- Certified Multifamily Specialist (CMS) – HUD

State Certifications

Knowing the agency requirements for each of our managed affordable community is important so our professionals hold certifications in many states, including:

Alabama, Arizona, Arkansas, California, Colorado, Florida, Georgia, Hawaii, Idaho, Illinois, Indiana, Kansas, Louisiana, Maryland, Michigan, Missouri, Montana, Nevada, New Mexico, North Carolina, Ohio, Oklahoma, Oregon, Pennsylvania, South Carolina, Tennessee, Texas, Virginia, Virgin Islands, Washington, West Virginia and Wisconsin.

HUD

Pinnacle has been managing HUD subsidized and guaranteed mortgaged properties for years and has a current portfolio of 57 HUD properties, ten of which are in lease-up. Our experience with Risk Sharing bond also offers a competitive edge for first class service. The following breaks out our service platform for HUD properties.

Stabilized Properties

A focused HUD Manager provides the following client services:

- Acts as the client contact for the working relationship with HUD or any other agency on behalf of owner/agent
- Utilizes HUD APPS Electronic Filing System which streamlines the 2530 filing process
- Prepares, files and maintains all required documents including, but not limited to 9839b, 9832, Affirmative Fair Housing Marketing Plan, Resident Selection Plan, Management Plan, Fair Housing posters and logo, etc.
- Acts as the EIV Coordinator to guide and assist business managers
- Prepares and guides on-site associates for management reviews (MOR) or physical inspections (REAC)
- Provides assistance to independent auditor in preparation of required HUD yearly financial statements
- Assists with HAP contract renewals and yearly OCAF increases

A dedicated Compliance Specialist provides the following client services:

- Monitors all HUD resident files for accuracy and eligibility
- Files the monthly vouchers for our subsidized communities
- Provides management support

New Construction or Refinance Properties

A focused HUD Manager provides the following client services:

- Works directly with the client lender to make sure all necessary management company documents are provided to HUD for the Application/Firm Commitment stage
- Acts as the client contact for the local HUD contract administrator to establish a working relationship and to arrange meetings with HUD, the owner and investment manager 60 days prior to pre-leasing and makes introductions of owner and management agent
- Assists with monthly filing of three reports in the first year of the loan
- After the first year, a yearly financial audit by an independent firm is required and is arranged by the owner – the HUD Manager will assist the firm in obtaining any documents that Pinnacle controls and will remind the owner in January of yearly financial audit requirement.

PINNACLE – EARLY ADVOCATE OF VASH

Pinnacle first became aware of the VASH program in 2009 when its then affiliate, Cascade Affordable Housing, contacted the Department of Veteran Affairs to learn more about veteran homelessness and to determine what it could do to make a difference. Upon meeting with the VA and understanding the depth of the veteran homeless problem, Cascade and Pinnacle took proactive measures to become one of the first national operators of affordable housing to welcome veterans to its properties.



Many veterans holding the tenant-based VASH vouchers chose Pinnacle properties because barriers normally associated with applying for quality housing were lowered, or removed altogether. Pinnacle understood that regular and effective communication between case managers and onsite personnel was critical to ensuring a positive veteran experience at its communities. Flexibility with application fees, damage deposits, rental and background history made it possible for hundreds of veterans to attain safe, quality and affordable housing across Washington, California, Texas, Florida, South Carolina, North Carolina, and Tennessee.

While opening its doors to veterans, Pinnacle also became an advocate for VASH within the affordable housing industry. At that time, few affordable housing operators knew of the VASH program, and even fewer were willing to open their doors to veterans. Pinnacle personnel attended affordable conferences, met with affordable leaders, and talked with whomever it could to tell about the benefits of getting involved with VASH.

Today the affordable housing industry is a major partner in helping to eliminate veteran homelessness.

PINNACLE'S SUPPORTIVE HOUSING STRATEGY

Chronic homelessness is on the rise across the country and the practice of transitioning families off the street or out of a shelter can be very difficult. Pinnacle's work with supportive housing partners simplifies this transition and makes the process much less intimidating. We also make sure there is a place for case managers on site so these families can get the assistance they need on a daily basis.

Due to our track record, Pinnacle is regularly approached by agencies looking to partner on affordable housing initiatives. Before forming these relationships, we make sure the agencies meet the strictest operating and financial criteria and have a long history of mission driven success.

In the last several years Pinnacle's partnerships have secured both Project Based Vouchers (PBV) and Continuum of Care (CoC) funding to house the homeless in many of our communities across the country. Some of our supportive housing relationships include:

- Communities for Veterans
- YWCA
- Metro Dallas Homeless Alliance (MDHA)
- City of Dallas
- Family Gateway Volunteers of America
- SAMM Ministries
- Legacy Counseling
- VASH

VETERAN SPECIFIC SUPPORTIVE HOUSING

Pinnacle is the management firm for several Freedom's Path communities in Hines, Kerrville, Vancouver and Chillicothe, which are VA and Enhanced Use Lease (EUL) properties with project based HUD-VASH and Section 8 vouchers.

Our current portfolio includes 258 units of Veteran specific supportive housing communities in six states, with 192 CfV EUL new construction units coming. We administer HUD-VASH project based vouchers while working with the VA's Healthcare for Homeless Veterans programs, local referral entities, and four separate Public Housing Authorities, four state Housing Finance Agencies, and respective City and County Governments in all locations. Our work to transition the homeless to stable, high quality housing has a special emphasis with veterans as our staff recognizes the unique challenges and situations that apply in their circumstances.

Pinnacle's service provision at the Freedom's Path facilities includes assistance with furnishings, move-in packets (toiletries, linens, utensils and cookware), onsite education and enrichment programs as well as the resident-specific coordination with VA Case Managers. We also implement off-site outings and periodic special events (e.g. car shows, barbeques, special holiday meals and celebrations).

Our teams have been able to create extremely positive, pleasant, and respectful experiences for Veterans in need of housing by working in tandem with a company that has clearly made a commitment to provide the best possible services and an opportunity for them to return to wholeness.



MONITORING SERVICES

To ensure regulatory adherence, Pinnacle applies substantial resources to the following aspects of compliance:

- Review regulatory program reports prepared by the property's on-site management team
- Income and set-asides: baseline requirements, income limits and maximum permissible rents
- Compliance monitoring of new move-in application files, annual recertification, special targeted set-asides, amenities and resident services
- Regulatory and compliance agency monitoring visits: on-site preparation, real-time support on day of visit
- Recordkeeping and data preservation

Methodology

Application Review: Pinnacle's Compliance Team will review the eligibility of each application for income and program eligibility. The property's onsite management team will submit the appropriate application with corresponding verifications, certifications and clarifications for the Compliance Team to review prior to the initial occupancy of the applicant. The Compliance Team will review the annual recertification resident files for continued eligibility.

New Move-In Approvals: The Compliance Team will review and make a determination on each completed applicant file received within a 24-hour business period (a "business period" shall be within the time period of Monday thru Friday, 8:30 a.m. to 5:30 p.m. Eastern Standard Time). The Team will then submit an approval to the on-site management team if the applicant is eligible. If the applicant is ineligible, a brief explanation will be provided to the on-site management team to assist in options for qualifying the applicant. Once the ineligible applicant file is resubmitted to the management team for further clarification and/or correction it becomes the on-site management team's responsibility to return the applicant file back to the Compliance Team in a timely manner for re-review. All delivery shall be via encrypted electronic communication.

Lease-up – First Year Move-In Approvals: Compliance Specialists will review and make a determination on each completed applicant file received within a 24-hour business period (a "business period" shall be within the time period of Monday thru Friday, 8:30 a.m. to 5:30 p.m. Eastern Standard Time). The Compliance Team will then submit an approval to the on-site management team if the applicant is eligible. If the applicant is ineligible, a brief explanation will be provided to the on-site management team to assist in options for qualifying the applicant. Once the ineligible applicant file is re-submitted to the on-site management team for further clarification and/or correction it becomes the on-site management team's responsibility to return the applicant file back to the Compliance Team in a timely manner for re-review. All delivery shall be via encrypted electronic communication. The Compliance Team will store a copy of the First Year files and provide copies for future requests from interested parties.

Recertification Reviews: The Compliance Team will review and make a determination on each completed recertification file received within a 24-hour business period (a "business period" shall be within the time period of Monday thru Friday, 8:30 a.m. to 5:30 p.m. Eastern Standard Time). If the applicant is ineligible, a brief explanation will be provided to the on-site management team to assist in options for qualifying the applicant. All delivery shall be via encrypted electronic communication.

Forms: Owner agrees to the use of forms required by Federal, State, County and City laws and that all such required forms supersede any property forms and will be used according to the needs of the applicant and the agency and IRS mandate.

Reporting Requirements: The property's on-site management team will create and submit the appropriate regulatory agreement program report and corresponding verifications for the Compliance Team to review for information accuracy prior to the submission to the governing agency. The Compliance Team will review, and if the reporting document is eligible for submission, will approve for submission. If the report is ineligible, a brief explanation will be provided to the on-site management team to assist in options for correcting. Once the ineligible report is returned to the on-site management team for further clarification and/or correction it becomes the on-site management team's responsibility to return the report back to the Compliance Team in a timely manner for re-review. The Compliance Team will complete the Annual Owner Certification (AOC) and/or Certification of Continuing Program Compliance (CCPC) for ownership signature and submission. All delivery shall be via electronic mail or facsimile. The Compliance Team will store copies of the reports and provide copies for future requests from interested parties.

Regulatory Agency Reviews: The Compliance Team will be Pinnacle's primary contact for the monitoring agencies. They will assist with prepping the on-site management team and submitting any pre-audit documentation to the monitoring agent. The Compliance Team will respond on any issues noted during the review on behalf of the Owner. The on-site management team will submit the appropriate clarification and/or correction to the Compliance Team in the required time period for the submission to the monitoring agency. All delivery shall be via encrypted electronic communication and/or electronic mail.

Annual Income and Rent Limits: Updated maximum allowable income and rent limits shall be provided to the on-site management team and the Affordable IT team annually within 45 days of the income and rent limit changes.

Staff Training: Pinnacle's Learning and Development team will provide classroom and specialized web-based trainings for the on-site management team. The Compliance Team will support affordable training in the form of their Housing Academy forum.

General

Non-Guarantee of Tax Credits: The Compliance Department does not guarantee tax credits nor do they act as Owner's attorney in any respect. Any information, documentation or opinion provided is not legal advice and shall not be construed as legal advice.

Established Properties: On established properties, owner will provide the compliance team with the necessary documentation and information with regard to past and current non-compliance issues, which may include, but are not limited to, copies of the IRS Form 8609, copies of quarterly status reports, copies of regulatory agreement(s), copies of outstanding IRS 8823 reports, and any and all other documentation or correspondence that will assist the Compliance Team.

Confidentiality: The Compliance Department acknowledges and agrees that all information obtained during the course of performing compliance services pursuant to a management agreement is the proprietary information of owner and will remain confidential.

Asset Manager Support

- Investor Requests
 - Supply copies of the Annual Owner Certifications (AOC)
 - Deliver file copies for testing regulatory adherence on resident eligibility
 - Supply copies of agency monitoring reports
- Investor Site Visits
 - The compliance team will respond to any file question
- Regulatory Reports
 - Deliver timely copies of monthly or quarterly Continuing Compliance Program Certifications (CCPC) to Trustee (Bond)
 - Complete and deliver timely Annual Owner Certifications (AOC) to State Agency (LIHTC)
 - Complete and deliver timely 8703 (Bond) to IRS State Agency
- Utility Allowance
 - The compliance team will research best choice of utility allowance method
 - Submit to State Agency for approval
- Support
 - The compliance team will support in the form of a Compliance Toolbox with tips, updates, information web page, and Q&A
 - Database storage



PINNACLE AFFORDABLE RELATIONSHIPS

Pinnacle's relationships strengthen our ability to provide clients with the most comprehensive, integrated property management services.

State & Federal Agency Relationships

- Alabama Housing Finance Authority
- Arkansas Development Finance Authority
- California Tax Credit Allocation Committee
- Colorado Housing Finance Authority
- Florida Housing Finance Corporation
- Georgia Department of Community Affairs
- HUD
- Illinois Housing Development Authority
- Maryland Department of Housing & Community Development
- Minnesota Housing Finance Agency
- Mississippi Home Corporation
- Missouri Housing Development Commission
- Nevada Housing Division
- New York City Department of Housing Preservation and Development
- North Carolina Housing Finance Authority
- Ohio Housing Finance Agency
- Oregon Housing and Community Services
- Pennsylvania Housing Finance Agency
- South Carolina State Housing Finance and Development Authority
- Texas Dept. of Housing and Community Affairs
- Washington State Housing Finance Commission

Supportive Housing Partners

- YWCA
- Metro Dallas Homeless Alliance (MDHA)
- Volunteers of America
- SAMM Ministries
- City of Dallas
- VASH

Non-Profit Agencies

- AOF/Pacific Affordable Housing Corp
- Arbors at Creekside Non Profit Corporation
- Bridge Housing
- Charlotte Housing Authority
- Dallas Housing Authority
- Dallas Urban League Community Development Corporation
- Dominion Community Development Corporation
- Garland Housing Finance Corporation
- Harris County Housing Authority
- Hearthstone Housing Foundation
- Hope Link (Henderson Allied Community Advocates)
- Housing By St. Lawrence
- Housing Services Incorporated
- Las Varas Public Facility Corporation
- Pleasant Hill Community Development Corporation
- San Antonio Affordable Housing, Inc.
- San Antonio Housing Facility Corporation
- Silver State Housing
- Texas Gulf Coast Housing Partners
- The Community Revitalization & Development Corporation/Shasta Housing Development
- United Housing Associates
- Wakeland Housing & Development Corp.



RICK GRAF CPM

PRESIDENT & CEO

- Over 40 years real estate experience
- Responsible for overall strategy and vision of Pinnacle
- Certified Property Manager and Texas Broker
- Member of NMHC, NAA, NAHB, IREM, ULI
- NMHC – Executive Board Member; NAA – Vice President
- Richland College graduate



LARRY GOODMAN CCIM, RPA, FMA, MCR

CHIEF OPERATING OFFICER

- 30 years of industry experience
- Specializes in real estate investment, operations and asset management
- Certified Commercial Investment Member (CCIM), Real Property Administrator (RPA), Facilities Management Administrator (FMA), Master of Corporate Real Estate (MCR), ULI Development Certificate; Member of ULI, NMHC
- Graduated from University of Alabama, BS Real Estate



JOHN CARROSINO CPA

CHIEF FINANCIAL OFFICER

- 37 years of industry experience
- Specializes in business operations, strategy and best practices
- Oversees risk management, finance, accounting and legal matters for Pinnacle Washington CPA, AICPA and WSCPA
- Graduated from Seattle University



ERIC SCHWABE

EXECUTIVE VICE PRESIDENT

- 29 years of industry experience
- Specializes in bringing out the best in others
- Focuses on achieving success for Pinnacle's clients, team members and the firm
- Oversees multifamily, commercial, association, brokerage, and construction management portfolios in Washington, Oregon, California, Nevada, Colorado and Arizona
- Graduate of University of Washington, Business Administration



WOODY STONE

EXECUTIVE VICE PRESIDENT

- 20 years of industry experience
- Responsible for the company's operations and client relations from Texas to the East Coast
- Feels passionate about building great teams and making a difference
- Member of NMHC and NAA
- Graduated from Oklahoma Panhandle State University, BBA; and Criswell College, Master of Divinity

CORE VALUES



OUR MISSION

It is our privilege to exercise responsible stewardship over the assets that we manage and positively maximize the interactions with our team members, customers and clients.

OUR VISION

“To exceed our customers’ expectations”

Pinnacle has an established foundation of experience, resources and partnerships which we acquired over the course of our 39-year history. We leverage this foundation to provide clients with superior products and services that are customized to meet their unique needs. Our Core Values combined with our national support services enables Pinnacle to immediately improve operations and increase the value of your investment.

SERVICE

We put the interests of others ahead of our own



TRANSPARENCY

Demonstrate honesty and integrity in everything that we do



PERFORMANCE

We are measured on our ability to create value for our clients and shareholders



CREATIVITY

We relentlessly pursue the delivery of innovative quality services



COMMUNITY

Serving our community is at the heart of our team members’ priorities



High-level property performance is impossible without well-trained team members. Pinnacle created a state-of-the-art, comprehensive education program called The University of Pinnacle offering coursework specific to job roles. At hire, team members receive notifications about required courses they need to complete within a particular timeframe to orient and prepare them for each day. They must also finish a range of courses that require annual certification to keep them apprised of legislative and regulatory issues.

UNIVERSITY OF PINNACLE OVERVIEW

Based on job role, courses are offered on demand, in classrooms, one-on-one and through instructor-led virtual settings.

- Highly interactive and user-friendly Learning Management System
- Qualified trainers and instructional designers who teach customized material
- Proprietary materials for corporate and onsite team members focus on business impact and results enhancement in a blended learning format
- Assessments measure learning and provide opportunity for course feedback
- Real time access to internal company and industry news and resource documents
- Reporting and tracking of individual performance with assigned learning tracks, team member transcripts and certificates
- Opportunities to pursue advanced skills and career paths by obtaining competencies, badges, and industry certifications



BETH LUQUES

DIRECTOR OF ORGANIZATIONAL LEARNING & DEVELOPMENT

- Over 10 years of industry experience
- Develops curriculum, creates national learning platforms and continually expands the functionality of Pinnacle's Learning Management System
- Member of National Apartment Association and the Association for Talent and Development
- Appalachian State and North Carolina State graduate



SHELLY TWIBELL

NATIONAL TRAINING DIRECTOR

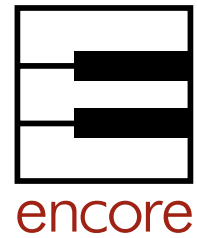
- More than 15 years of industry experience with a heavy emphasis in operations
- Responsibilities include involvement with new technology rollouts, new property training, national learning project implementation and oversight of Pinnacle's national trainers
- Attended Central Methodist University and Missouri Southern State University

MARKETING & COMMUNICATIONS

Pinnacle’s Marketing team has ad agency-level capabilities. These experts collaborate with the regional teams as well as third party companies to execute strategic marketing plans and digital campaigns through a variety of traditional, non-traditional and online mediums. Our brand development team takes in-depth market insight and intimate knowledge of each asset to create strong brand identities that resonate with the target markets. All collateral development can be facilitated through our preferred service provider, and we can coordinate printing, production banners and signage.

MARKETING TEAM SERVICES

- Advertising, collateral development, graphic design, logo design and promotional items
- Branding/rebranding materials
- Online banner ads
- Copy writing
- Web design, architecture, development and hosting
- Search engine optimization and search engine marketing
- Social media



JENNIFER STACIOKAS

SENIOR VICE PRESIDENT - MARKETING, TRAINING & REVENUE MANAGEMENT

- Over 19 years of industry experience
- Oversees Learning & Development, Property Marketing, Corporate Marketing, and Revenue Management
- Member of NMHC, NAA and the Zillow Multifamily Advisory Board
- West Chester University and George Mason University graduate



GARIN HAMBURGER

SENIOR DIRECTOR, NATIONAL PROPERTY MARKETING

- Over 15 years of multifamily marketing experience
- Oversees property marketing initiatives across all Pinnacle managed communities
- Specializes in creative marketing, innovation, analytical analysis, and strategic planning
- William Jewell College graduate

BRAND DEVELOPMENT

Without the right messaging, even the most impressive community is reduced to an example of unfulfilled potential and missed opportunity. Pinnacle’s brand development team takes in-depth market insight and intimate knowledge of the asset to create a strong brand identity that resonates with the target demographic.



DIGITAL MARKETING

More than 80 percent of people begin their apartment searches on the Internet. It’s vital that an upscale living community has a strong online presence. Pinnacle can provide a comprehensive digital marketing plan that includes everything from website development to search engine optimization to reputation management. In addition to our wide breadth of digital experience, Pinnacle has a constant finger on the pulse of that latest innovations in our ever-changing digital world.



CONSTRUCTION & DEVELOPMENT SERVICES

With over 140 combined years of experience, our team has completed more than 30,000 ground-up multifamily units across the country as well as mixed use, residential retail, office and hospitality projects with a construction value in excess of \$1 billion. Our renovation expertise, ranging from full repositioning to disaster recovery, also spans over 25,000 units across the country. We offer full development services, consulting and due diligence, major asset preservation and disaster recovery.



ATLANTA, GA

PARK POINTE NORTH

770 UNITS | **RENOVATION**

- Completed \$2 million in extensive capital exterior renovations for the community.
- Completed exterior renovations and updated resident amenities including tennis courts, fitness center, community room and pool.
- Increased renewals by 9 percent, rental rates by 5 percent and revenue by 8 percent after takeover.

THE PINNACLE ADVANTAGE

- National experience in pre-development, ground up construction and renovation
- Regional representation with local market knowledge and expertise
- Complete understanding of multifamily from concept to renovation and preservation



RAYMOND VAN BEVEREN

SENIOR VICE PRESIDENT - CONSTRUCTION &
FACILITIES SERVICES

- Over 22 years of industry experience
- Oversees the Construction, Maintenance and Purchasing departments for Pinnacle
- Active committee member of the National Apartment Association and member of the National Multi Housing Council
- Southern Methodist University graduate

MAINTENANCE

Daily operations is performed by an industry leading team of onsite professionals tasked with maintaining each asset. Our service teams proactively develop programs designed to save operational dollars and perform critical tasks that other firms often outsource at a significant cost. To exceed our residents' expectations, our maintenance teams handle in-unit service requests 24-hours a day.

Pinnacle's maintenance systems and internal controls help to reduce errors and operating costs by measuring/tracking performance and holding staff accountable. We have invested heavily in creating operations strategies, training programs, and support tools to increase performance, motivate team members and reduce risk.

PURCHASING

Pinnacle maximizes NOI for our clients by reducing expenses and implementing technologically advanced purchasing standards and procedures. Utilizing our network of national vendors, our team leverages the portfolio to negotiate robust partnerships that yield substantial savings.

Our national purchasing power enables clients to benefit from preferred pricing on all contract services and maintenance supplies. Pinnacle is also very experienced with negotiating material and vendor contracts, budgeting and implementing efficient cost control measures help keep expenses to a minimum without sacrificing quality or service. Some of the program benefits include:

- Leveraging company size for volume pricing, discounts and rebates
- Providing national influence to control costs
- Flexibility to renegotiate individual "field" level contracts
- Rapidly identifying new trends and services to maintain competitive stance
- Ensuring absolute transparency so that 100 percent of every discount is realized by your property
- Providing expertise in areas of telecom contracts, deregulated energy procurement and waste management



RAYMOND VAN BEVEREN

SENIOR VICE PRESIDENT - CONSTRUCTION & FACILITIES SERVICES

- Over 22 years of industry experience
- Oversees the Construction, Maintenance and Purchasing departments for Pinnacle
- Active committee member of the National Apartment Association and member of the National Multi Housing Council
- Southern Methodist University graduate



BRIAN RACKLIFF

DIRECTOR OF PURCHASING

- More than 9 years of industry experience
- Responsible for building the company's national purchasing power to benefit Pinnacle's properties and clients
- State of Colorado Employing Broker Real Estate License
- University of Southern Maine graduate

REVENUE MANAGEMENT

Highly active in revenue management, Pinnacle utilizes YieldStar and LRO to establish daily unit-level pricing based on the site level and demand of over 52,000 units. This partnership has yielded very impressive results for our clients. On average, these sites are outpacing market revenue growth, and while every property is unique, we are confident in the positive results. In addition, clients who participate in revenue management can take advantage of utilizing Pinnacle's in-house pricing advisor.



JENNIFER STACIOKAS

SENIOR VICE PRESIDENT - MARKETING, TRAINING & REVENUE MANAGEMENT

- Over 19 years of industry experience
- Oversees Learning & Development, Property Marketing, Corporate Marketing, and Revenue Management
- Member of NMHC, NAA and the Zillow Multifamily Advisory Board
- West Chester University and George Mason University graduate



CONNIE ALDAPE

DIRECTOR OF REVENUE MANAGEMENT

- Over 20 years of industry experience
- Oversees the Revenue Management team of specialists and revenue enhancing processes for Pinnacle's managed communities
- Proficient with Rainmaker LRO, Yieldstar, Yardi, Entrata, OneSite

RISK MANAGEMENT

Multifamily and commercial properties are exposed to a wide range of risks, which when not adequately managed, can determine the financial viability of the asset. Pinnacle's Risk Management department is dedicated to protecting your asset, liability exposures and reputation through a series of risk control, loss prevention and risk transfer programs. Whether the exposure arises from residents, vendors, guests, the media or natural disasters Pinnacle has controls in place to minimize the adverse financial impact those risks may present.

- Loss prevention and asset protection
- Renters insurance
- Vendor insurance credentialing
- Emergency operations and life-safety
- Media communications



RENTER'S INSURANCE

Pinnacle has exclusively partnered with LeasingDesk Insurance Services to provide properties an innovative renters insurance program that saves money, protects the asset, and provides residents with a valuable and needed amenity.

- Ensures coverages for both the renter and the asset
- Reduces deductible expense from residents with no coverage
- Save on the property insurance premium
- Ancillary income when resident coverage lapse



JOHN CARROSINO, CPA
CHIEF FINANCIAL OFFICER

- Over 37 years of industry experience
- Oversees finance, accounting and insurance
- Member of American Institute of Certified Public Accountants
- Seattle University graduate



LAURA BOYD
PROGRAM MANAGER PROPERTY RISK

- More than 15 years of industry experience
- Directs the Property Risk team which is responsible for insurance, risk control, renters insurance, incident reporting and vendor compliance
- Property and Casualty Licensed in over 25 states and Colorado Real Estate License

Pinnacle's Compliance team provides onsite and regional support for the affordable housing communities we manage. Proactive and thorough in our approach, the team provides a consistent and efficient service that many of our competitors are not able to offer. Some of our specialties include:

- Section 42 Compliance SAIL
- Bond
- SHIP
- Housing Trust
- Rural Development
- NSP
- FSS
- Hope VI
- RTC
- AHL
- HOME Programs
- Various HUD
- Local/State Community Development Programs

The Compliance team stays up-to-date on the latest changes in laws, policies and procedures and maintains numerous designations and certifications to make sure specific standards are met in the areas of reporting; establishing income and set-aside requirements; monitoring; audits; record keeping; or working with HUD and other governmental agencies.

INTERNAL AUDIT

Pinnacle's Internal Audit team conducts random financial desk audits at the property level as well as within the corporate organization and develops action plans to correct deficiencies. When audits and reviews uncover irregularities, investigations are conducted to determine discrepancies. Through their vigilant processes, Pinnacle's internal audit team drives bottom-line value by eliminating operational waste, reducing cost and preventing loss.



MOLLIE KICKBUSH
DIRECTOR OF COMPLIANCE

- Over 12 years of industry experience
- Oversees of all affordable compliance components to ensure ongoing adherence and accountability to the various affordable program regulations
- National Compliance Professional (NCP), Housing Credit Certified Professional (HCCP), and Novogradac Property Compliance Certification (NPCC) accreditations
- State University of New York graduate

CLIENT REPORTING

Pinnacle's Client Reporting team is comprised of accounting, compliance and internal audit experts. Our team of professionals and CPAs provide financial information for all our managed communities in their requested formats, from cash basis to Generally Accepted Accounting Principles (GAAP) basis. Additionally, we have team members who play a vital role in supporting both the on-site and regional property management operations for the affordable housing communities managed by Pinnacle. Focusing on a culture of integrity and trust, our team also upholds and maintains efficient and effective operations addressing fraud identification and prevention through on-site reviews and investigations.

Utilizing Yardi, our preferred property management software, the Client Reporting team is able to exchange information between managed properties, clients and the centralized accounting center in Orlando, Florida. The team also interfaces electronically with banking institutions. On-going software training and a software help desk is available to aid on-site property management staff with accounting activities.



SALLY MILTON

SENIOR VICE PRESIDENT - CLIENT REPORTING

- Over 33 years of industry experience
- Specializes in accounting, financial reporting and operations management
- Drives employee engagement for over 170 accounting professionals and ensures timely delivery of monthly financial packages to clients
- CREW, FICPA, NAA, Valencia College Accounting Advisory Council, and Active Board Member (Treasurer) for one Central Florida non-profit
- Graduated from University of Florida, BSBA in Management

HUMAN RESOURCES

Pinnacle's Human Resources department (HR) is a cornerstone that supports the firm's principles of quality people, strong customer service, solid market knowledge, quality systems and support capabilities. The department offers professional consulting services, as well as programs designed to recruit and retain quality personnel. Pinnacle also utilizes HR information systems that meet the unique needs of the property management business.

Pinnacle offers market competitive employee compensation and benefits packages, as well as orientation programs, training, performance management and other policies that support employee success and retention. By taking these steps the department has built a strong talent base of tenured team members, adding significant value to our clients.

- Corporate and property staffing, on-boarding, training and retention support
- Pre-hiring assessments
- Competitive health care coverage
- Performance management
- Payroll services
- Benefits administration
- Employment law, unemployment & workers' comp



ERINN CASSIDY

VICE PRESIDENT - HUMAN RESOURCES

- 19 years of human resources experience with 12 years in property management
- Background in employee relations, talent development and planning, training and development, performance management, recruitment, benefits administration, team building, and group facilitation.
- Senior Professional in Human Resources (SPHR); Senior Certified Professional in Human Resources (SHRM – SCP)
- University of Washington and Seattle University graduate

INFORMATION TECHNOLOGY

Pinnacle's technology infrastructure provides team members access to a custom property management application environment, residents with convenient and innovative services and solutions, and clients with accurate and timely property and portfolio information. These technology systems are scalable and flexible to meet changing business needs and to ensure Pinnacle's continued prominent position among the country's leading real estate service providers. We continually research, develop and implement improved systems to deliver secure and effective technology to team members, residents and clients.

The information technology department consists of Network Operations, Application Development, Property Transitions and Technical and Application Support and Administration. Pinnacle's core preferred property management software is Yardi Voyager, an industry-leading web-based application designed specifically for property and asset managers, owners, investors and fund advisors in global residential and commercial real estate markets. In addition to the core system, Pinnacle's property management technology offerings include:

- Property websites
- Online leasing
- Applicant screening
- Online rent payments
- Check scanning
- Lead management
- Revenue management systems
- Utility billing
- Vendor management
- Business intelligence analytics
- Custom reporting



SCOTT MCCURDY

SENIOR VICE PRESIDENT - INFORMATION TECHNOLOGY

- 30 years of real estate industry experience
- Oversees current information and technology systems and creates future strategies for the company
- Member of NMHC, NAREIM, NCREIF, Microsoft IT Advisory Panel and Dallas Chamber CIO/CTO Forum
- Grove City College graduate

Our team of sustainability experts work to implement and uphold eco-friendly building practices.

Pinnacle is committed to sustainability and green planning for the properties we manage. Our dedication to conservation and the environment takes many forms, from extensive recycling programs and electronic communications to EnergyStar appliances in our homes. Our goal is to maximize return on investments through property efficiencies and performance, while lowering our energy consumption and carbon footprint.

GREEN INITIATIVES

- Managing LEED certified buildings
- Utilizing available energy efficient product rebate programs
- Implementing sustainable operating practices
- Reducing consumption of materials and products
- Participating in green events



NATIONAL CONTACTS

Rick Graf

President and CEO

P: (214) 891-7846

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5055 Keller Springs Road, Suite 400
Addison, TX 75001

Jeremy Edmiston

Senior Vice President - Client Services

P: (214) 891-7868

E: jedmiston@pinnacleliving.com

5055 Keller Springs Road, Suite 400
Addison, TX 75001

Mollie Kickbush

Director of Compliance

P: (407) 949-3212

E: mkickbush@pinnacleliving.com

2600 Lake Lucien, Suite 300
Maitland, FL 32751

REGIONAL CONTACTS

Eric Schwabe

Executive Vice President - West

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E: eschwabe@pinnacleliving.com

11235 SE 6th Street, Suite 200
Bellevue, WA 98004

Woody Stone

Executive Vice President - East

P: (214) 891-7854

E: wstone@pinnacleliving.com

5055 Keller Springs Road, Suite 400
Addison, TX 75001

www.pinnacleliving.com

Property Management Texas Portfolio

The Property Management Team manages 16 properties in Texas, all of which are monitored by TDHCA under the LIHTC program. The enclosed list shows the date of the most recent inspection, the type of inspection, and

Property Name	Location	Date of Review	Type of Review	Status
Champions of North Dallas AKA Brightons Mark	Dallas	10/24/2017	File	Currently under correction period for response due 6/14/19
Rosemont at Meadow Lane	Dallas	2/7/2018	File	Response submitted; pending TDHCA review and closeout
Rosemont at Mission Trails	Dallas	9/12/2018	Physical	Response submitted; pending TDHCA review and closeout
Rosemont at Ash Creek	Dallas	9/26/2018	File	Currently under correction period for response due 5/3/19
Rosemont at Bethel Place	San Antonio	10/11/2018	File	Pending management follow up response
Rosemont at Mission Trails	Dallas	10/18/2018	File	Pending TDHCA extension request
Rosemont at Ash Creek	Dallas	11/26/2018	Physical	Response submitted; pending TDHCA review and closeout
Primrose at Park Villas	Dallas	12/19/2018	File	Currently under correction period for response due 5/9/19
Primrose at Highland Meadows	Dallas	12/20/2018	File	Currently under correction period for response due 5/21/19
Rosemont at Sierra Vista	Dallas	12/20/2018	File	Currently under correction period for response due 5/20/19
Primrose at Highland Meadows	Dallas	1/11/2019	Physical	Currently under correction period for response due 5/16/19
Freedoms Path at Kerrville Apartments	Kerrville	2/20/2019	File	Findings not yet received
Primrose at Park Place	Garland	3/13/2019	File	Currently under correction period for response due 7/7/19
Rosemont at Baytown	Baytown	3/21/2019	File	Currently under correction period for response due 7/7/19
Rosemont at Sierra Vista	Dallas	3/28/2019	Physical	Currently under correction period for response due 7/15/19
Primrose of Pasadena	Pasadena	4/3/2019	File	Findings not yet received

3

Financial Information

3a. Federal IRS Cert.

3d. Financial Statements

2019 FOREIGN LIMITED LIABILITY COMPANY AMENDED ANNUAL REPORT

DOCUMENT# M18000005555

Entity Name: MCDOWELL HOUSING PARTNERS, LLC

Current Principal Place of Business:

601 BRICKELL KEY DRIVE, SUITE 700
MIAMI, FL 33131

Current Mailing Address:

601 BRICKELL KEY DRIVE, SUITE 700
MIAMI, FL 33131 US

FEI Number: 83-1081028

Certificate of Status Desired: No

Name and Address of Current Registered Agent:

CORPORATE CREATIONS NETWORK, INC.
11380 PROSPERITY FARMS ROAD #221E
PALM BEACH GARDENS, FL 33410 US

The above named entity submits this statement for the purpose of changing its registered office or registered agent, or both, in the State of Florida.

SIGNATURE: _____

Electronic Signature of Registered Agent

Date

Authorized Person(s) Detail :

Title MEMBER
Name W. PATRICK MCDOWELL 2001 TRUST
Address 601 BRICKELL KEY DRIVE, SUITE 700
City-State-Zip: MIAMI FL 33131

Title MEMBER
Name ARCHIPELAGO HOUSING, LLC
Address 157 COLUMBUS AVE.
SUITE 522
City-State-Zip: NEW YORK NY 10023

Title CFO, ASSISTANT SECRETARY
Name KOSLOSKY, CHARLES
Address 601 BRICKELL KEY DRIVE, SUITE 700
City-State-Zip: MIAMI FL 33131

Title MANAGING DIRECTOR – HEAD OF AFFORDABLE HOUSING
Name SHEAR, CHRISTOPHER
Address 601 BRICKELL KEY DRIVE, SUITE 700
City-State-Zip: MIAMI FL 33131

I hereby certify that the information indicated on this report or supplemental report is true and accurate and that my electronic signature shall have the same legal effect as if made under oath; that I am a managing member or manager of the limited liability company or the receiver or trustee empowered to execute this report as required by Chapter 605, Florida Statutes; and that my name appears above, or on an attachment with all other like empowered.

SIGNATURE: KOSLOSKY , CHARLES

**CHIEF FINANCIAL
OFFICER**

08/28/2019

Electronic Signature of Signing Authorized Person(s) Detail

Date

Financial Capacity

McDowell Properties, headquartered in Dallas, Texas, is the parent company of McDowell Housing Partners (MHP). As such, information on the financial capacity has been provided in the name of McDowell Properties. The company has offices in Dallas, New York, Miami, San Francisco and Raleigh. Over the past 40 years, senior management has owned and operated over 120,000 apartment units in 41 of the 50 largest MSAs.

Since 2004, McDowell Properties has acquired more than \$2.5 billion in apartment projects consisting of more than 40,000 units. McDowell Properties has purchased and sold more than 56 developments in Texas alone. McDowell currently owns and operates developments in 11 states across the country. A financial statement for McDowell Properties is enclosed. Please note that McDowell Properties is the development company, all physical assets are held in separate entities with their own financial statements.

4

Project Information

4a. Market Study

4b. Good Neighbor Policy

4c. SMART Housing Letter

4d. MOU with ECHO

4e. Resident Services

Project Description

Anderson Creek Apartments is a proposed 100-unit new construction development to be located at 1701 East Anderson Lane. The project will be financed with a bond issuance and 4% tax credits and will be 100% income-restricted housing. The development is intended to serve seniors and has a mix of one- and two-bedroom units. A complete unit mix, including the size of the units, is below.

Unit Mix – Anderson Creek Apartments

Unit Type	Size	Number of Units	Income Level Served	Current Net Rent (after utilities)
1/1	700 sf	5	30% AMFI	\$446
1/1	700 sf	35	50% AMFI	\$812
1/1	700 sf	10	80% AMFI	\$1,361
2/2	950 sf	5	30% AMFI	\$537
2/2	950 sf	35	50% AMFI	\$976
2/2	950 sf	10	80% AMFI	\$1,634

Of the 100 units, 10 are set aside for households earning 30% or less of the median income, 70 are set aside for households earning 50% or less of the median income and 20 units are for households at or below 80% of the area median income. A preliminary Market Assessment is included in this application and the unit mix and income targets were developed with this knowledge.

Services to be provided are described in another section but are general in nature. This is not a supportive housing development for a special-needs population. The development will accept Housing Choice Vouchers but there are no specific set-asides for voucher holders, nor are there any project-based vouchers designated to the development. Of the 100 units, 5 will be accessible to persons with mobility impairments and 2 will be accessible for those with visual or hearing impairments.

The proposed development site is located in the St Johns/Coronado Hills Neighborhood Plan area (SJCHNP). The SJCHNP discusses both multi-family housing and affordable housing and is not explicitly supportive of additional multi-family housing. The plan states as a goal: "ensure the *current* multifamily stock is maintained through multi-family land use and/or mixed land use." The plan is supportive of affordable housing but is a proponent of promoting affordable home ownership opportunities via a mixed-use land designation to support the development of townhomes and condos. The proposed site is marked as commercial on the future land use map. McDowell Housing Partners has sent out notifications to more than 50 land owners and organizations in the area and will hold a community meeting to listen to ideas and feedback for the proposed project.

Total project costs are projected at \$21.8 million, which will be funded as follows:

- Bond issuance/permanent financing: \$10.65M
- Equity from the sale of tax credits: \$6.2M
- Developer Contribution: \$480,000
- RHDA gap funding: \$4.5M

The project is not located in a mobility corridor; however, the site is within ½ mile of an Imagine Austin Corridor. We do not believe the site will benefit from any density bonus programs. The project meets SMART Housing requirements by being affordable with a mix of incomes, containing accessible units, and being located near transit.

APARTMENT MARKET DATA, LLC

CONSULTANTS, ECONOMISTS, ANALYSTS

September 25, 2019

Mr. Christopher Shear
McDowell Housing Partners
601 Brickell Key Drive, Suite 700
Miami, Florida 33131

Re: Preliminary Analysis
1700 E Anderson Lane (9% HTC)
Austin, Texas

Greetings:

Per your request, we have conducted a preliminary demand analysis for the proposed construction of an affordable senior community to be located at 1700 E. Anderson Lane, Austin, Texas. A final analysis would be provided in a full market study.

For this analysis, we utilized a **“primary market area”** encompassing 23.64 square miles. These boundaries follow the census tracts listed:

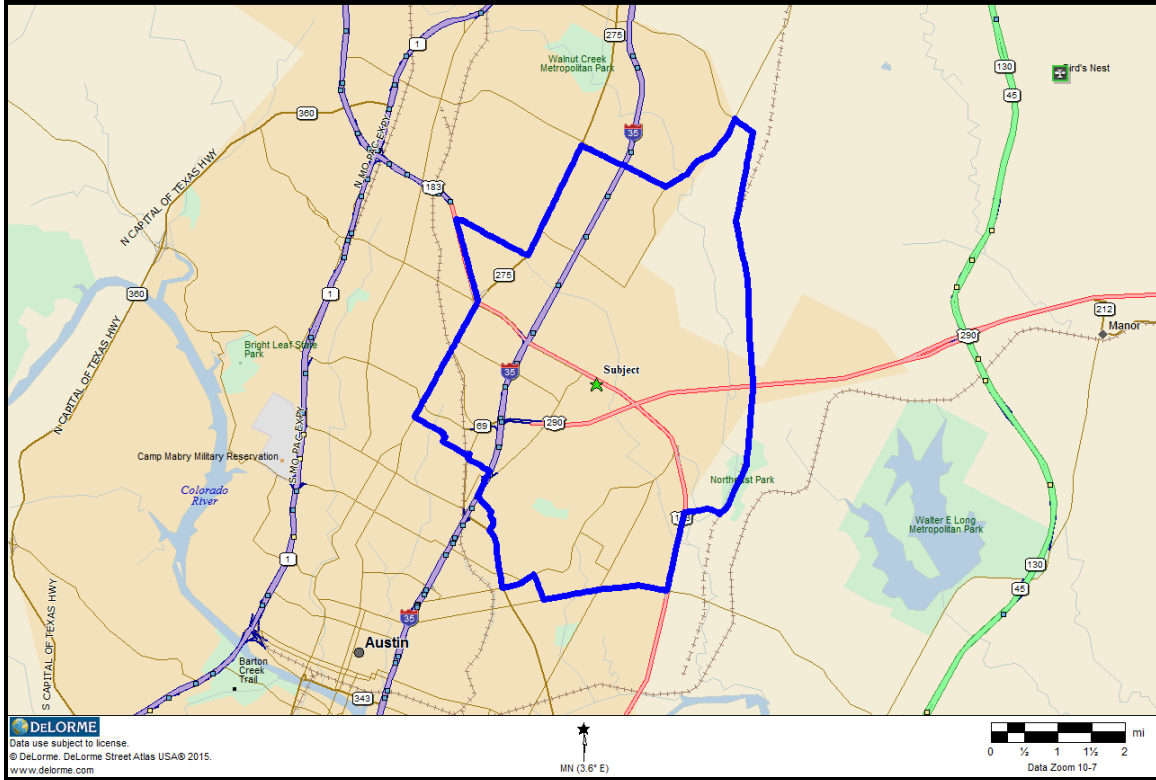
Census Tracts	Census Tracts	Census Tracts	Census Tracts
484530003.06	484530015.03	484530018.04	484530018.05
484530018.06	484530018.11	484530018.12	484530018.13
484530018.23	484530018.33	484530018.34	484530021.04
484530021.05	484530021.06	484530021.07	484530021.08
484530021.12	484530021.13	484530022.01	



20475 Hwy. 46 West
(210) 530-0040

Suite 180 - PMB 416
Fax (210) 340-5830

Spring Branch, Texas 77080
www.aptmktdata.com



This area was used as it complies with the definition of a “Primary Market Area” (PMA) as defined by the Texas Department of Housing and Community Affairs (TDHCA).

CAPTURE RATE

ELIGIBLE HOUSEHOLDS BY INCOME

HH Size	30% of AMI		50% of AMI		80% of AMI	
	min	max	min	max	min	max
1	\$12,768	\$19,890	\$21,288	\$33,150	\$34,080	\$53,040
2	\$12,768	\$22,710	\$21,288	\$37,850	\$34,080	\$60,560
3	\$15,336	\$25,560	\$25,560	\$42,600	\$40,896	\$68,160
4	\$15,336	\$28,380	\$25,560	\$47,300	\$40,896	\$75,680

Target Population

The primary renter profile will have an income from \$12,768 to \$75,680, which represents 60.3% of senior (55+) renter households and 63.2% of senior (55+) owner households in the area.

INCOME BANDING OF THE PRIMARY QUALIFIED RENTER HOUSEHOLDS BY HH SIZE

SUBJECT	2019 Households	2024 Households	HH Growth 2019 - 2024
\$ 12,768 - \$ 19,999	712	747	35
\$ 20,000 - \$ 29,999	823	892	69
\$ 30,000 - \$ 39,999	593	711	118
\$ 40,000 - \$ 49,999	415	524	109
\$ 50,000 - \$ 59,999	311	384	73
\$ 60,000 - \$ 74,999	352	437	85
\$ 75,000 - \$ 75,680	12	16	4
Primary Qualified Households	3,218	3,711	494

HISTA Data

INCOME BANDING OF THE PRIMARY QUALIFIED OWNER HOUSEHOLDS BY HH SIZE

SUBJECT	2019 Households	2024 Households	HH Growth 2019 - 2024
\$ 12,768 - \$ 19,999			
\$ 20,000 - \$ 29,999	373	374	1
\$ 30,000 - \$ 39,999	657	626	-31
\$ 40,000 - \$ 49,999	499	553	54
\$ 50,000 - \$ 59,999	594	619	25
\$ 60,000 - \$ 74,999	448	475	27
\$ 75,000 - \$ 75,680	776	856	80
Primary Qualified Households	3,369	3,528	159

ANNUAL INCOME-ELIGIBLE SUBMARKET DEMAND SUMMARY		
Income Qual. Demand / Forecast Demand*	Units of Demand	% of Total Demand
Renter – 2019	3,218	42.7%
Renter - 2020 & 2021	197	2.6%
Owner – 2019	3,369	44.7%
Owner - 2020 & 2021	64	0.8%
External Demand (10%)	685	9.1%
TOTAL DEMAND	7,533	100.0%

* Income eligible without rental assistance

Now that we know the total demand, we have to account for other affordable projects in the trade area that have not leased up and maintained a stabilized occupancy of 90% for the previous 12 months. The following table is taken from the TDHCA database of affordable properties within the designated trade area.

TDHCA	Name of Project	# of Units	Distance	Population	# of Comparable Units
TBD	Subject	116	-	Senior	116
				TOTAL	116

Based on the information taken table above, we calculate the inclusive capture rate for the subject to be as follows:

$$\frac{\text{Subject's L/I Units} + \text{Other Previous L/I Units}}{\text{Total Units of Income Qualified Demand}} = \text{Capture Rate}$$

$$\frac{116 \text{ Total L/I Units}}{7,533 \text{ Units of Demand}} = 1.5\% \text{ Capture Rate}$$

The calculations of the capture rate is below the maximum allowable under the TDHCA underwriting guidelines.

CAPTURE RATE BY AMGI INCOME BAND

Due to overlapping incomes, the concluded Area Median Gross Income (AMGI) capture rates are dependent on the apportionment of demand to each AMGI band. The table below shows the income minimums and program maximums by AMGI, as well as the adjusted minimums and maximums used for this analysis.

	Min. Income Requirement	Maximum Income	Adjusted Minimum	Adjusted Maximum
30% AMGI Band	\$12,768	\$28,380	\$12,768	\$28,380
50% AMGI Band	\$21,288	\$47,300	\$28,380	\$47,300
80% AMGI Band	\$34,080	\$75,680	\$47,300	\$75,680

Using the adjusted income levels in the table above, the following table is used to calculate the total demand for the subject's units.

Unit Size	2019 Demand	2020-2021 Growth Demand	10% External Demand	Total Demand	Subject Units	Comparable Units	Capture Rate
30% Band	2,325	27	235	2,588	6	0	0.2%
50% Band	2,068	110	218	2,397	70	0	2.9%
80% Band	2,194	123	232	2,549	40	0	1.6%

CAPTURE RATE SUMMARY

The following table summarizes the overall demand, demand by AMGI Band, as well as the individual demand by unit type. The table below shows the number of additional units currently allowed in the Primary Market Area.

Unit Size	2019 Demand	2020-2021 Growth Demand	External Demand (10%)	Total Demand	Subject Units	Comparable Unstable Units	Capture Rate
Overall	6,587	261	685	7,533	116	0	1.5%
30% Band	2,325	27	235	2,588	6	0	0.2%
50% Band	2,068	110	218	2,397	70	0	2.9%
80% Band	2,194	123	232	2,549	40	0	1.6%
1 BR/30%	795	9	80	885	3	0	0.3%
1 BR/50%	1,057	28	108	1,193	35	0	2.9%
1 BR/80%	1,045	64	111	1,220	20	0	1.6%
2 BR/30%	451	1	45	497	3	0	0.6%
2 BR/50%	759	31	79	869	35	0	4.0%
2 BR/80%	1,110	45	115	1,270	20	0	1.6%

MARKET CONDITIONS

The subject site is located in the C2 sub-market, as reported by Apartment MarketData. The following table provides data on LIHTC/Bond and market rate multifamily projects located in the sub-market.

LIHTC & Bond - August 2019

2019	Units	Occupancy	Rate	Size	Occupied	Rent
<1970	0	0.0%	\$0.000	0	0	\$0.00
1970's	98	100.0%	\$1.315	846	98	\$1,112.49
1980's	330	100.0%	\$1.365	631	330	\$861.32
1990's	104	100.0%	\$1.115	1,103	104	\$1,229.85
2000's	869	98.8%	\$1.042	890	859	\$927.38
2010's	894	98.7%	\$1.134	857	882	\$971.84

Market Rate - August 2019

2019	Units	Occupancy	Rate	Size	Occupied	Rent
<1970	508	100.0%	\$1.353	794	508	\$1,074.28
1970's	1,588	98.5%	\$1.249	813	1,564	\$1,015.44
1980's	2,381	98.9%	\$1.512	739	2,355	\$1,117.37
1990's	142	100.0%	\$1.859	383	142	\$712.00
2000's	890	98.1%	\$2.448	1,024	873	\$2,506.75
2010's	3,067	96.8%	\$2.480	803	2,969	\$1,991.44

POPULATION AND HOUSEHOLD GROWTH

The following table represents the population growth and projections from 2000 through the year 2023.

**MAPINFO FORECAST POPULATION CHANGE
2000-2023**

YEAR	POPULATION	% Chg.	Annual
2023 Projection	110,321	3.1%	1.6%
2020 Estimate	107,001	4.9%	1.6%
2018 Estimate	102,020	13.7%	1.7%
2010 Census	89,694	5.0%	0.5%
2000 Census	85,392		

The table below shows that as population has increased, there has been a corresponding increase in the demand for housing. By analyzing the trends gleaned from the population and data, we can project the need for additional housing.

**HOUSEHOLD FORMATION
2000 to 2023**

YEAR	HOUSEHOLDS	% Chg.	Annual	Avg. Size
2023 Projection	38,975	2.5%	1.3%	2.82
2020 Estimate	38,020	3.9%	1.3%	2.81
2018 Estimate	36,587	11.1%	1.4%	2.78
2010 Census	32,923	3.9%	0.4%	2.71
2000 Census	31,683			2.67

Our estimate of the growth of the apartment households per year for the trade area, based on the MapInfo straight-line forecast delineation and our assessment of the new households in the area, is as follows:

FORECAST APARTMENT HOUSEHOLD DEMAND TABLE

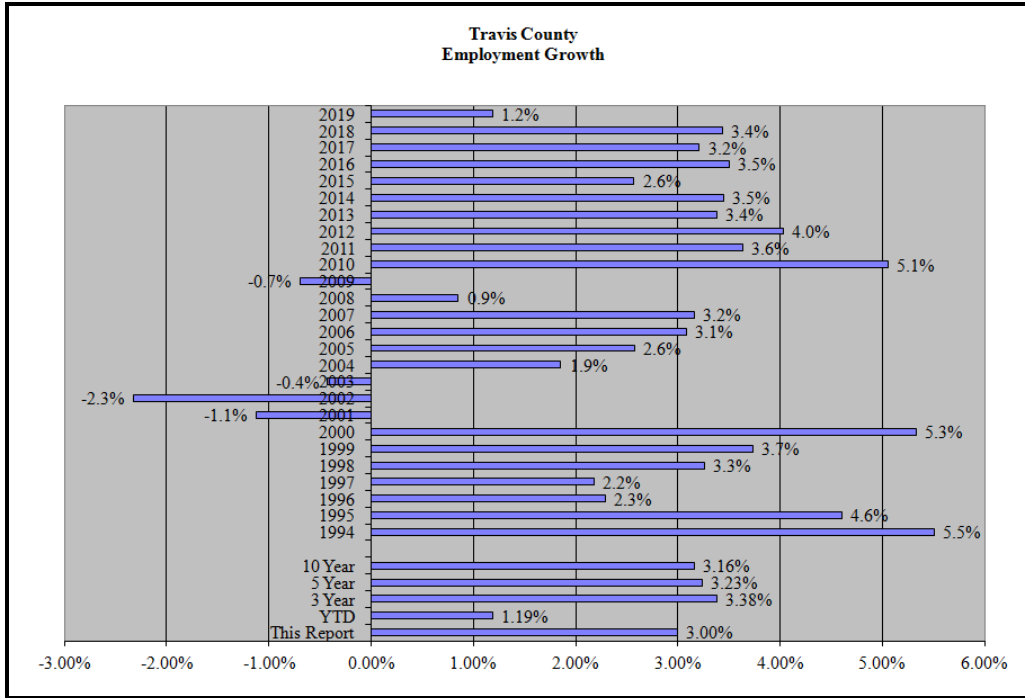
YEAR	2019	2020	2021	2022	2023
DEMAND	321	321	321	321	321

EMPLOYMENT

The current unemployment rates of 2.8% for Travis County is lower than the state average of 3.7% the national average of 3.7%.¹

For the purposes of the following employment based forecast, we have used a conservative annual growth rate of 3.0%. We feel that this rate is appropriate, while not exceedingly optimistic.

¹ Bureau of Labor Statistics – July 2019



Our estimate of the growth of the apartment households per year for the Primary Market Area, based on the employment growth methodology, straight-line delineation and our assessment of the new households in the area, is as follows:

FORECAST APARTMENT HOUSEHOLD DEMAND TABLE

YEAR	2019	2020	2021	2022	2023
DEMAND	741	741	741	741	741

SUMMARY

Based on our preliminary analysis, the subject will meet TDHCA capture rate guidelines and be readily accepted by the market.

Sincerely,

A handwritten signature in black ink, appearing to read "Kirt Shell". The signature is fluid and cursive, with the first name "Kirt" and last name "Shell" clearly distinguishable.

Kirt Shell
Analyst

ANDERSON CREEK
1700 E. Anderson Lane
Neighborhood Engagement Plan

Single Point of Contact
Ariana Brendle
Email: abrendle@mcdhousing.com
Office Phone: 786-257-2793

McDowell Housing Partners is committed to being a good neighbor to residents, property owners, and businesses surrounding the Anderson Creek apartment complex.

To facilitate a positive and collaborative relationship with stakeholders, the following actions have been, or will be, taken.

1. **Preliminary Research.** In winter of 2018, after a careful and thorough investigation, McDowell Housing Partners (“MHP”) identified potential sites that fit the purposes of the Austin Strategic Housing Blueprint, which serves to align resources, ensure a unified strategic direction, and facilitate community partnerships to achieve a shared vision of housing affordability. MHP has reviewed the plan in detail, and along with a market analysis, confirmed the need for additional affordable & workforce housing at the AMI levels that are being proposed. The team also identified other neighborhood property owners and stakeholders to contact.
2. **Initial Neighborhood Contacts.** McDowell Housing Partners will be contacting the following organizations:
 - Coronado Hills Neighborhood Plan Contact Team
 - Coronado Hills/ Creekside Neighborhood Association
3. **Property Owner Notification.** In April 2019, once development plans were more concrete, MHP sent letters to property owners within a 500 foot radius of the site. Evidence of notification will be submitted to the City of Austin Neighborhood Community Development Department as required.
4. **Neighborhood Engagement - Planning and Construction Phase.** The following communication strategies are or will be in place during the planning and construction phases.
 - MHP will be sending out quarterly newsletter with construction updates;
 - MHP has made staff available to attend neighborhoods association meetings, offer presentations on the development of the project, or have small meetings with stakeholders (including the surrounding library, school and businesses);

- This plan establishes a Single Point of Contact for the planning and construction phases. Any changes to this contact will be communicated to the residents and neighborhood organizations. MHP will promptly respond to neighborhood inquiries;
- Neighborhood stakeholders will be invited to Groundbreaking and Ribbon-Cutting ceremonies.

5. Neighborhood Engagement - Ongoing Building Operations.

- Upon receiving a Certificate of Occupancy for the building, a Single Point of Contact on the MHP team will be assigned to be the liaison between the agency and neighbors. Their contact information and the agency's response timeline will be listed on the website;
- MHP will respond promptly to neighborhood contacts;
- MHP will work closely with the neighborhood to attend neighborhood organization meetings as invited to do so, or hosting periodic meetings at a time and location that is convenient for the nearby neighbors, as requested.
- MHP will inform neighborhood stakeholders of on-site social events and opportunities to volunteer at the property.



April 22, 2019

Coronado Hills/Creekside Neighborhood Association
Meredith Morningstar
PO BOX 16384
Austin, TX 78761

Dear Meredith Morningstar,

You are receiving this notice because you own a property within 500 feet of a proposed multi-family development, to be located near 1700 E Anderson Lane, Austin, Texas. McDowell Housing Partner's ("MHP") development plan consists of 120-units within a three-story garden-style building. Units will feature solid surface countertops; plywood cabinets; ceramic and/or luxury vinyl tile flooring; full-size energy star appliances including range, refrigerator microwave, and dishwasher; and LED lighting throughout. Community amenities will consist of a large heated pool, fitness center, playground, and a multipurpose community room/clubhouse.

This new community will bring many benefits to you, as owners, as well as to the community in general:

- Creation of Workforce Housing: The average rent is increasing faster in Austin than in any other major metropolitan city in Texas. This activity is pushing workers out of housing they could afford in areas that are convenient for them and forcing many into long commutes from unfamiliar neighborhoods. By creating new workforce housing, MHP will help reduce the shortage in supply (estimated at 15,000 units over a period of 10 years), and allow residents to remain in their neighborhood;
- Community Revitalization: When a developer creates housing through new construction or rehabilitation, it produces direct job opportunities during construction and over the long-term from indirect and induced spending, stimulating the local and regional economies. Upon completion, these projects bring new customers for retail businesses, new tax dollars to the city, county & school district, and support permanent jobs to service local residents;

601 Brickell Key Drive, Suite 700
Miami, FL 33131



- Home Value: Many times, the creation of new housing on land that has long been vacant will have a direct and positive impact on current properties in the same neighborhood. The tendency is that as newer and more expensive construction moves in, the existing homes' values will increase. This is one of the most direct benefits for you, as current owner.

The financing and construction permitting process has been initiated with the City of Austin and construction is estimated to begin in February 2020. MHP will keep you updated on the status of the project, as we want to ensure we have an open and ongoing two-way communication with all of you.

You do not need to take any action regarding this notice. The notice was sent to you to keep you informed about the proposed project in your neighborhood. Should you have any questions about the proposed development or would like any additional information, please contact me at abrendle@mcdhousing.com or at 786-257-2793.

Sincerely,

A handwritten signature in blue ink that reads "Ariana Brendle".

Ariana Brendle
Development Manager
McDowell Housing Partners

To Be Signed

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.

Signed

printed name

date



City of Austin

P.O. Box 1088, Austin, TX 78767
www.cityofaustin.org/housing

Neighborhood Housing and Community Development Department

January 16, 2020 (Revision to letter dated April 30, 2019)

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

McDowell Housing Partners – Anderson Creek – (Project ID 654)

TO WHOM IT MAY CONCERN:

McDowell Housing Partners (development contact: Ariana Brendle: (o) 786-257-2793; abrendle@mcdhousing.com) is planning to develop the Anderson Creek Apartments, a **100 unit multi-family** development at 1700 East Anderson Lane, Austin TX 78752. The project is subject to a minimum 5 year affordability period after issuance of certificate of occupancy, unless project funding requirements are longer.

This revision changes the total unit count from 96 – 100 and the unit mix to the updated numbers below.

The applicant has submitted evidence of contacting the Coronado Hills Neighborhood Plan Contact Team notifying them of their project. The applicant has indicated they will address any legitimate concerns of the neighborhood residents.

Neighborhood Housing and Community Development (NHCD) certifies the proposed project meets the S.M.A.R.T. Housing standards at the pre-submittal stage. Since **100%** of the units will serve households at or below **80% MFI**, the development will be eligible for 100% waiver of fees listed in Land Development Code, Chapter 25-1-704, as amended or other fees waived under a separate ordinance. The unit mix is as follows: **10%** of the units (**10** units) will serve households at or below **30%** Median Family Income (MFI); **70%** of the units (**70** units) will serve households at or below **50%** Median Family Income (MFI); and **20%** of the units (**20** units) will serve households at or below **80%** Median Family Income (MFI). The expected fee waivers include, but are not limited to, the following fees:

AWU Capital Recovery Fees

- Building Permit
- Concrete Permit
- Electrical Permit
- Mechanical Permit
- Plumbing Permit
- Site Plan Review

Misc. Site Plan Fee

- Construction Inspection
- Subdivision Plan Review
- Misc. Subdivision Fee
- Zoning Verification
- Land Status Determination
- Building Plan Review

Parkland Dedication (*by separate ordinance*)

- Neighborhood Plan
- Amendment Fee

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

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

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

- ◆ Pass a final inspection and obtain a signed Final Approval from the Green Building Program. (Separate from any other inspections required by the City of Austin or Austin Energy).
- ◆ Pass a final inspection to certify that the required accessibility or visitability standards have been met.
- ◆ An administrative hold will be placed on the building permit, until the following items have been completed: 1) the number of affordable units have been finalized and evidenced through a sealed letter from project architect and/or engineer, 2) a Restrictive Covenant stating the affordability requirements and terms has been filed for record at the Travis County Clerk Office.

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

Please contact me by phone 512.974.3128 or by email at Sandra.harkins@austintexas.gov if you need additional information.

Sincerely,



Sandra Harkins, Project Coordinator
Neighborhood Housing and Community Development

Cc: Kristin Martinez, AE

Ellis Morgan, NHCD Jonathan Orenstein, AWU

Mashell Smith, ORS



Memorandum of Understanding (MOU) Between Ending Community Homelessness Coalition (ECHO) and McDowell Housing Partners

I. OVERVIEW

- To qualify for a Continuum of Care unit, applicants will meet the following definition of homelessness:
 1. "Households that qualify as homeless under the HUD HEARTH Act¹Homeless definition paragraph one: (i) those whose primary nighttime residence is not designed as a sleeping accommodation for human beings, (ii) those in shelter, transitional housing, or motels paid for by charitable organizations, and (iii) those exiting institutions after 90 days or less and who were previously homeless;" and
 2. Be referred through Coordinated Assessment.
 - McDowell Housing Partners will dedicate 5% of the total development unit count at City Heights to the Continuum of Care.
 - This Memorandum of Understanding is subject to review by McDowell Housing Partners and ECHO after two years from receipt of certificate of occupancy.
-

II. GENERAL ROLES

- McDowell Housing Partners will systematically alert ECHO of anticipated unit vacancies to be filled by the Continuum of Care, comply with the summary of time limitations outlined below, and comply with attached tenant screening criteria. Details outlined below.
- ECHO will ensure that Continuum of Care agencies are adequately readying eligible homeless applicants to quickly apply to fill those vacancies and will efficiently meet all requirements of the tenant screening and lease up process to McDowell Housing Partners' satisfaction. Details outlined below. Referred households will have the following characteristics:
 1. Homeless status has been certified
 2. Household matches the property's income restrictions, unit size restrictions, etc.
 3. Household has completed Coordinated Assessment
- For each referral, ECHO will identify the household as prioritized through the Coordinated Assessment system; individual household vulnerability and eligibility will be considered as

¹ *The Homeless Emergency Assistance and Rapid Transition to Housing Act (HEARTH)*; May 20, 2009. The HEARTH Act amends and reauthorizes the McKinney-Vento Homeless Assistance Act .



part of the Coordinated Assessment process. ECHO will then pair that household with an appropriate support service program. These are support service programs, not governed by ECHO, that are often positioned to provide short term and/or long term support services to the households during their new tenancy that will promote their stability as tenants. Details outlined below.

III. RESPONSIBILITIES OF MCDOWELL HOUSING PARTNERS

- Provide ECHO, in a separate email, the following documents at least 30 days prior to the start of application acceptance:
 1. Standard Application
 2. Standard Lease Agreement - including specifications regarding utility payments
 3. List of documents needed for a complete application
 4. Property rules related to smoking, parking, pets, etc.

- Email ECHO point of contact with timely notification of a vacancy that will be assigned as a CoC unit and provide relevant information about the vacant unit. Details outlined in Vacancy Announcement Email Contents section.

- Copy assigned support service provider on all communication with a homeless applicant, during their enrollment in support services. Note that ECHO will obtain a Release of Information for each household to allow this communication to proceed.

- Whenever possible, accept initial applications by secure email or fax in order to decrease the number of visits the applicant and service provider need to make to the property.

- Screen the batch of up to three referred applicants for eligibility and suitability in the order received from ECHO (i.e. Applicant #1 and Applicant #2), and approve applicant on a first-qualified basis.

- Alert ECHO, assigned support service provider, and applicants of any deficiencies in application materials.

- Make an approval determination within 5 business days whenever possible.

- Ensure a general response time for all communications with the MOU partner of 1-2 business days.

IV. RESPONSIBILITIES OF ECHO

- Provide McDowell Housing Partners with up to three applicants that meet the property's eligibility criteria. If the applicants are rejected or decline an offer of housing, ECHO can refer more applicants if requested by McDowell Housing Partners. If a suitable applicant is not



identified within 20 business days, then the property may revert back to its standing waiting list to fill the vacancy.

- Provide McDowell Housing Partners with a complete application package for each referral that includes:
 1. Completed housing application of McDowell Housing Partners for all adults ages 18 or older.
 2. Required supporting documentation needed by the McDowell Housing Partners to process applications:
 - a. Picture IDs for all adults
 - b. Income and asset documentation
 3. Verification of homelessness for CoC unit eligibility.
 4. Determination that household is most appropriate as determined by the Austin/Travis County Continuum-of-Care Coordinated Assessment process.
 5. Release of Information from the referred households to authorize ECHO and McDowell Housing Partners to share information regarding the households' applications, including third party documents the development receives from doing third party verifications (i.e. bank statements, credit reports, etc).
 6. Contact information for assigned support service provider.
 - Support the appropriate support service program in informing the applicants referred that this is only a referral and does not constitute an offer of housing and that McDowell Housing Partners will confirm eligibility for the housing and conduct a screening that will include a credit check, criminal background check, and landlord history check.
 - Ensure that the appropriate support service program accompanies the referred applicants for meetings with McDowell Housing Partners and lease signing at the property if the household needs that support.
 - For each referral, ECHO will identify the household as prioritized through the Coordinated Assessment process; individual household vulnerability and eligibility will be considered as part of the Coordinated Assessment process. ECHO will then pair that household with an appropriate support service program. These are support service programs, not governed or guaranteed by ECHO, that are often positioned to provide short term and/or long term social services to the households during their new tenancy that will promote their stability as new tenants.
 - Ensure a general response time for all communications with the MOU partner of 1-2 business days.
-



V. SUMMARY OF TIME LIMITATIONS TO COORDINATION

Party	Step	Time Limitation
McDowell Housing Partners	Email announcement of vacancy to be dedicated to homeless preference	Immediately upon vacancy - or as soon as anticipated
ECHO	Submit up to 3 referrals to fill vacancy in a ranking order for consideration	5 business days
McDowell Housing Partners	Announce eligibility determination	5 business days
ECHO	Second attempt to fill unit before vacancy may go to general waiting list	5 business days
All parties	General response time for all communications between parties	1-2 business days



VI. ESTABLISHED POINTS OF CONTACT

ECHO Point of Contact

Name: Bree Williams

Title: Director of Community Housing

Phone: 512-940-9690

Email: breewilliams@austinecho.org

Address: 300 E. Highland Mall Blvd. Ste 200, Austin, TX 78752

Website: www.austinecho.org

RHDA Applicant Point of Contact

Name: Christopher Shear

Title: Managing Director

Phone: 786-257-2767

Email: cshear@mcdhousing.com

Address: 601 Brickell Key Dr. Ste 700, Miami, FL 33131

Website: mcdhousing.com



VII. VACANCY INFORMATION

Vacancy Announcement Email Contents

Property Name: City Heights

Contact Person: Chris Shear

Phone: 786 - 257 - 2767

Email: Cshear@mcdhousing.com

Date unit will be ready for occupancy: TBD

of Bedrooms: +120 units / 5% CoC units / 1, 2, & 3 bedroom units

Utilities tenant is responsible for: Electric / Water / Sewer

Is this a first floor or elevator unit? Yes

Is this an accessible unit? Yes

Anything else an applicant should know about the unit?



VIII. MOU ATTACHMENTS

- RHDA Applicant should attach the following to this MOU:
 1. Rental Application and related document requirements, if available
 2. Standard Lease and utility payment specifications, if available

- ECHO should attach the following to this MOU:
 1. CoC Unit Screening Criteria
 2. Sample Release of Information



IX. MOU SIGNATURES

ECHO

Name: Ann Howard


Title: Executive Director

Phone: 512-963-7630

Email: annhoward@austinecho.org

Address: 300 E. Highland Mall Blvd. Ste 200, Austin, TX 78752

Website: www.austinecho.org

Signature: 

Date: 7/12/2019

RHDA Applicant

Name: Christopher Shear

Title: Managing Director

Phone: 786-257-2767

Email: cshear@mcdhousing.com

Address: 601 Brickell Key Dr. Ste 700, Miami, FL 33131

Website: mcdhousing.com

Signature: 

Date: 6/20/19

Description of General Services to be Provided.

McDowell Housing Partners (MHP) has a track record of owning and operating multifamily properties, many of which are or have been encumbered by a Land Use Restriction Agreement requiring affordability as well as the provision of services. The operating budget for the development will allow for the proper provision of services by onsite staff as well as through contracts with local nonprofit service providers. The community building also has space specifically designed to allow for service provision – there is a large gathering space for classes, events and celebrations as well as a business center for instruction and assignments that involve computer use. The fitness center and pool may be used for exercise classes.

Anderson Creek will provide senior residents with a safe, secure, amenity-rich community to call home. The development plan boast a number of amenities and resident services including: stand-alone clubhouse with community gathering areas, fitness center, computer lab, resort-style swimming pool, community garden, secured access, and recorded security camera coverage of the grounds. Our senior residents will be provided with various programs and services in health & wellness, education, and social programs such as computer training, financial literacy courses, resume and interview preparatory classes, cooking classes, health fairs, exercise classes, and gardening clubs all tailored to enhance the quality of life for senior residents.

5

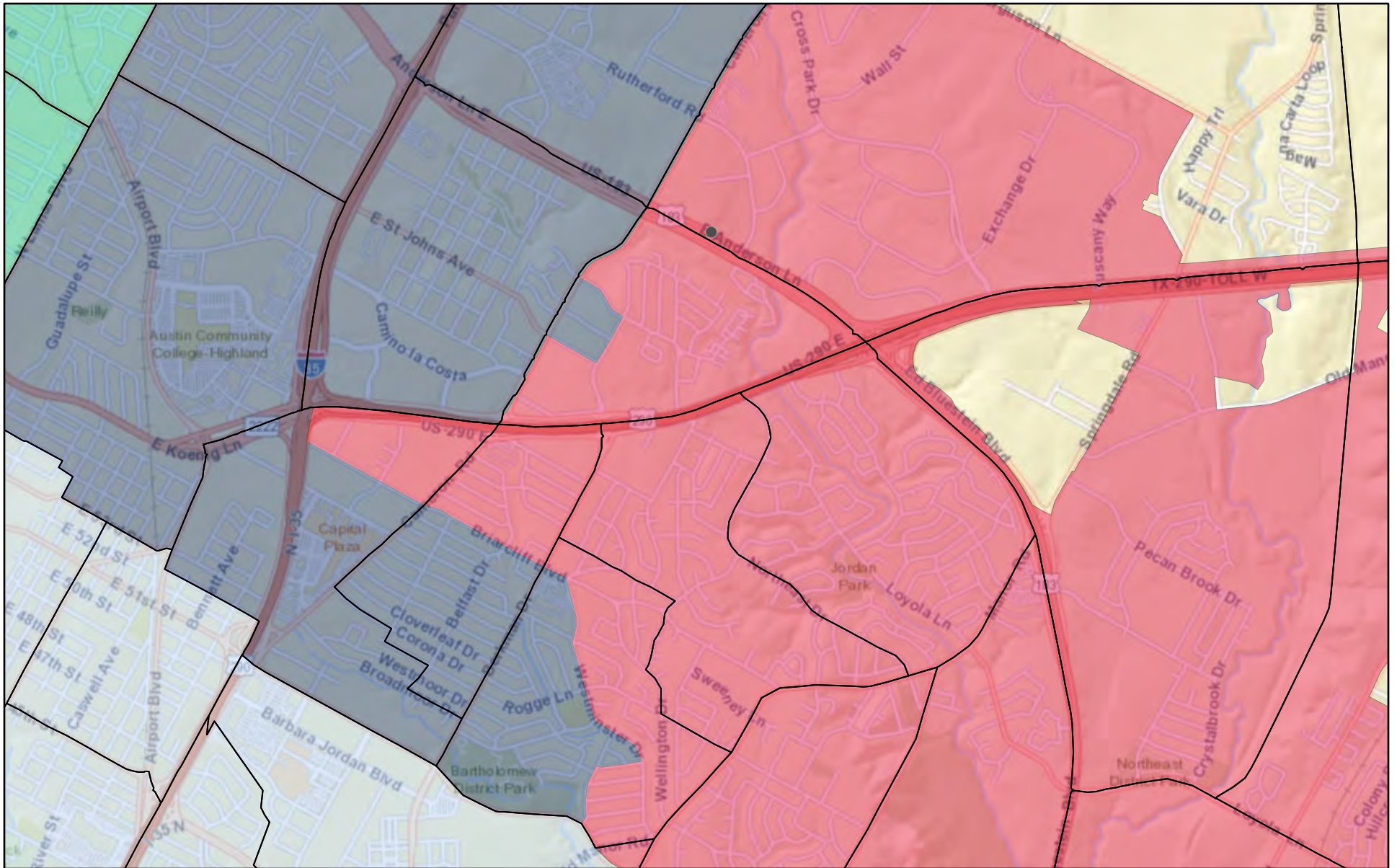
Property Information

5b. Maps of the Property

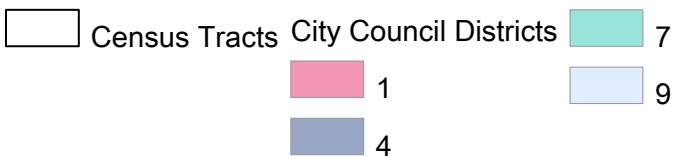
5c. Zoning Verification Letter

5d. Proof of site control

Census Tract 18.11 and City Council District 1

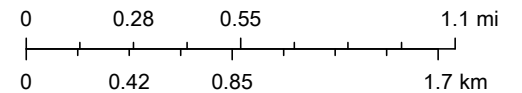


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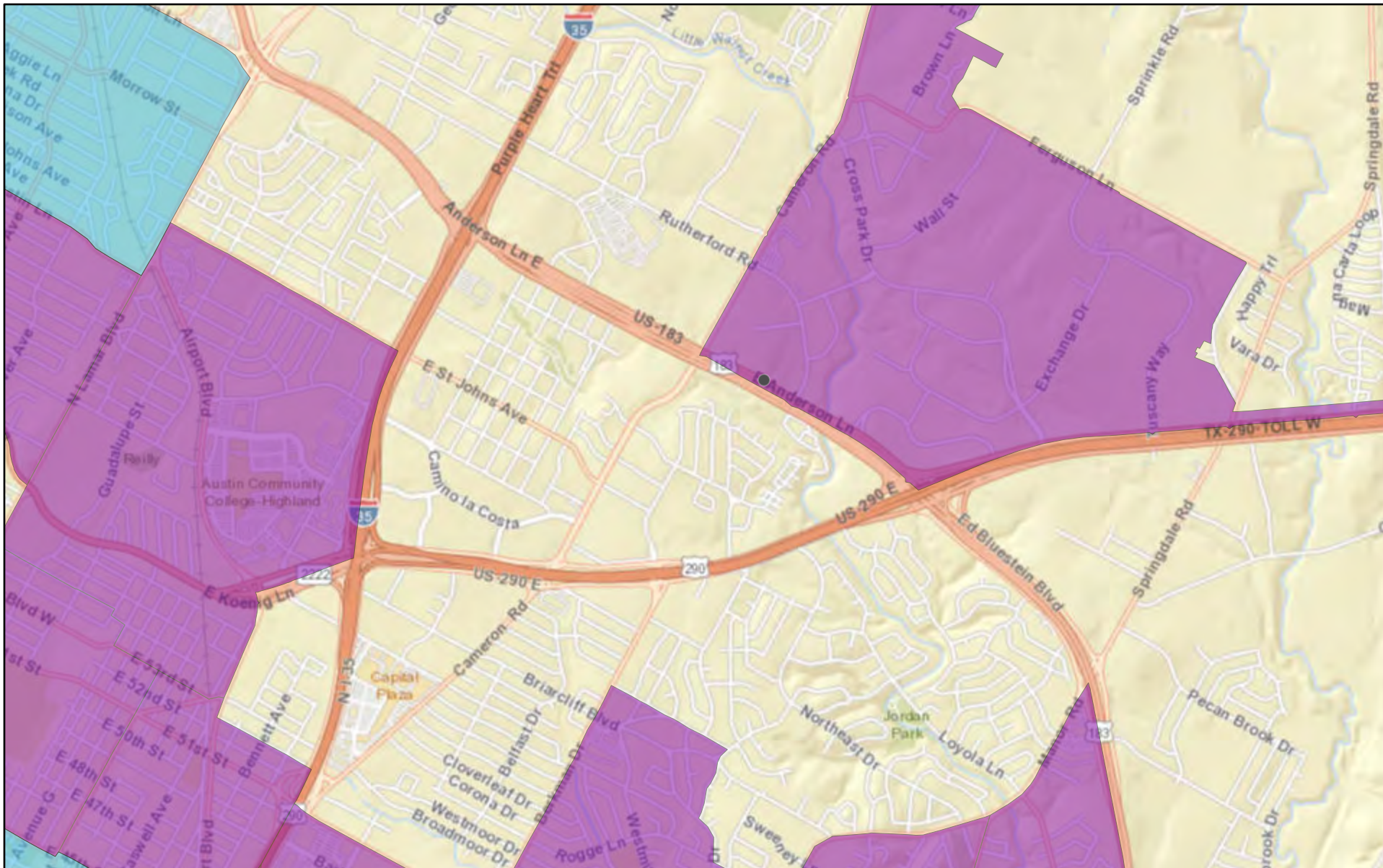
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Sources: Esri, HERE, Garmin, USGS, Intermap, INCREMENT P, NRCan,

Web AppBuilder for ArcGIS
Austin Community College, Esri, HERE, Garmin, INCREMENT P, NGA, USGS |

Opportunity Values Map

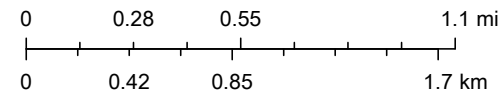


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- High Opportunity
- Emerging Opportunity

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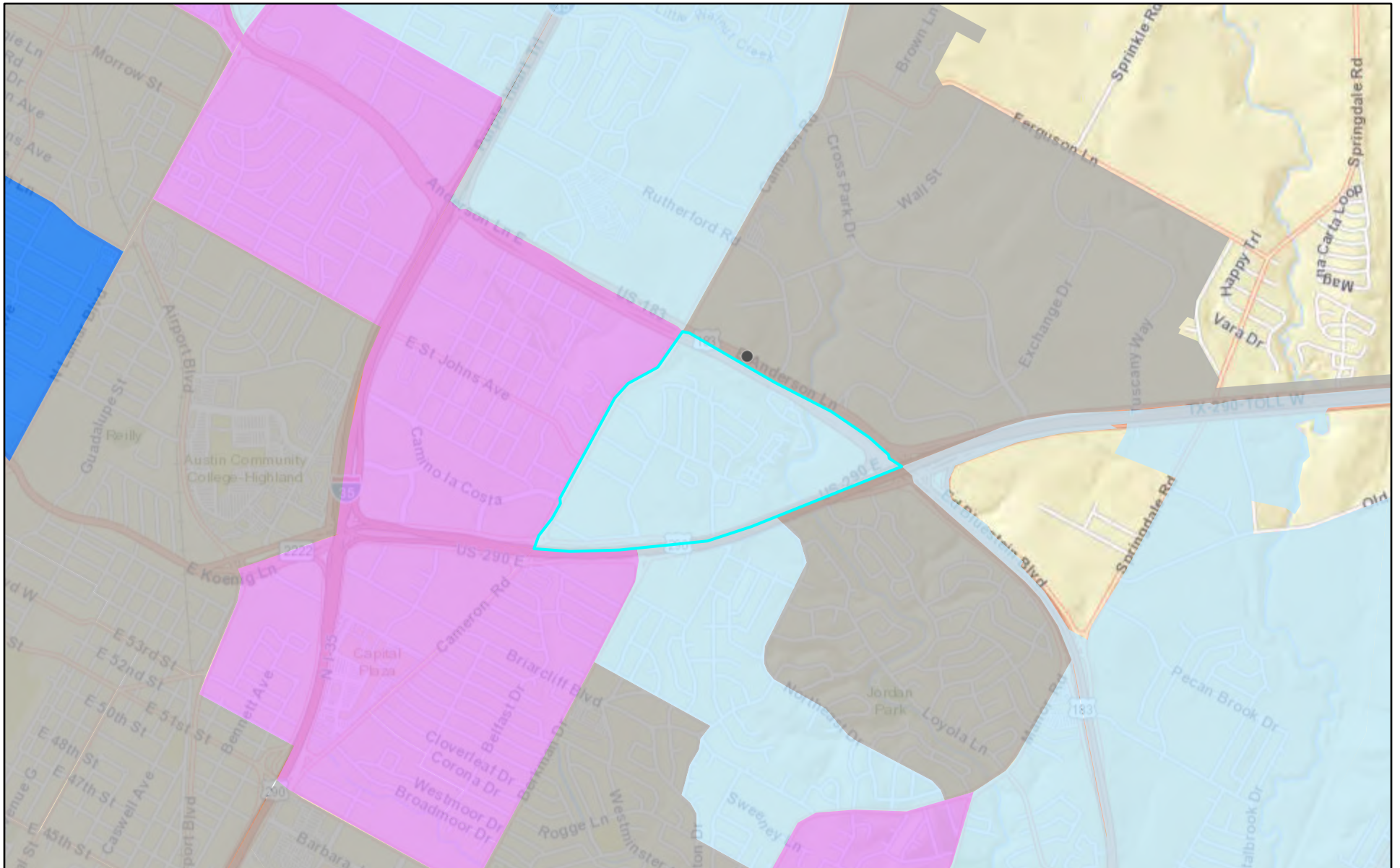
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Sources: Esri, HERE, Garmin, USGS, Intermap, INCREMENT P, NRCan,

Web AppBuilder for ArcGIS
Austin Community College, Esri, HERE, Garmin, INCREMENT P, NGA, USGS |

Gentrification Values Map

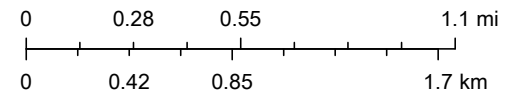


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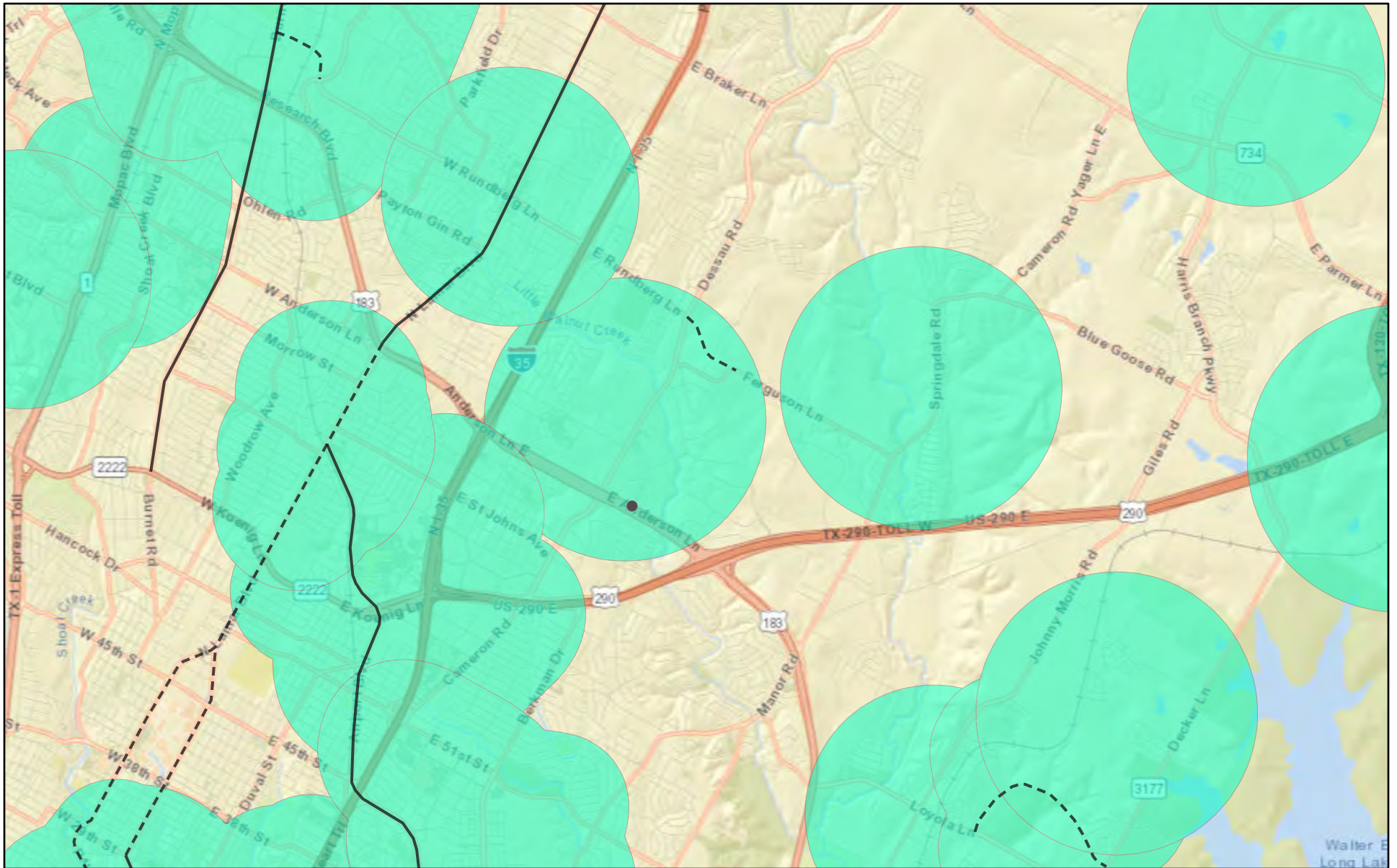
- Gentrification_RHDAHODA_view
- Continued Loss
 - Susceptible
 - Early: Type 1

1700 East Anderson Lane

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Imagine Austin Center Map



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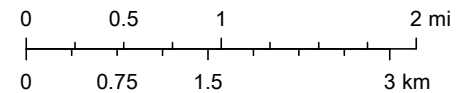
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1:72,224

2016 Mobility Bond Corridor Projects - - - - Preliminary Engineering and Design

— Construction Eligible Corridor

Imagine Austin Center: 1/2-Mile Buffer

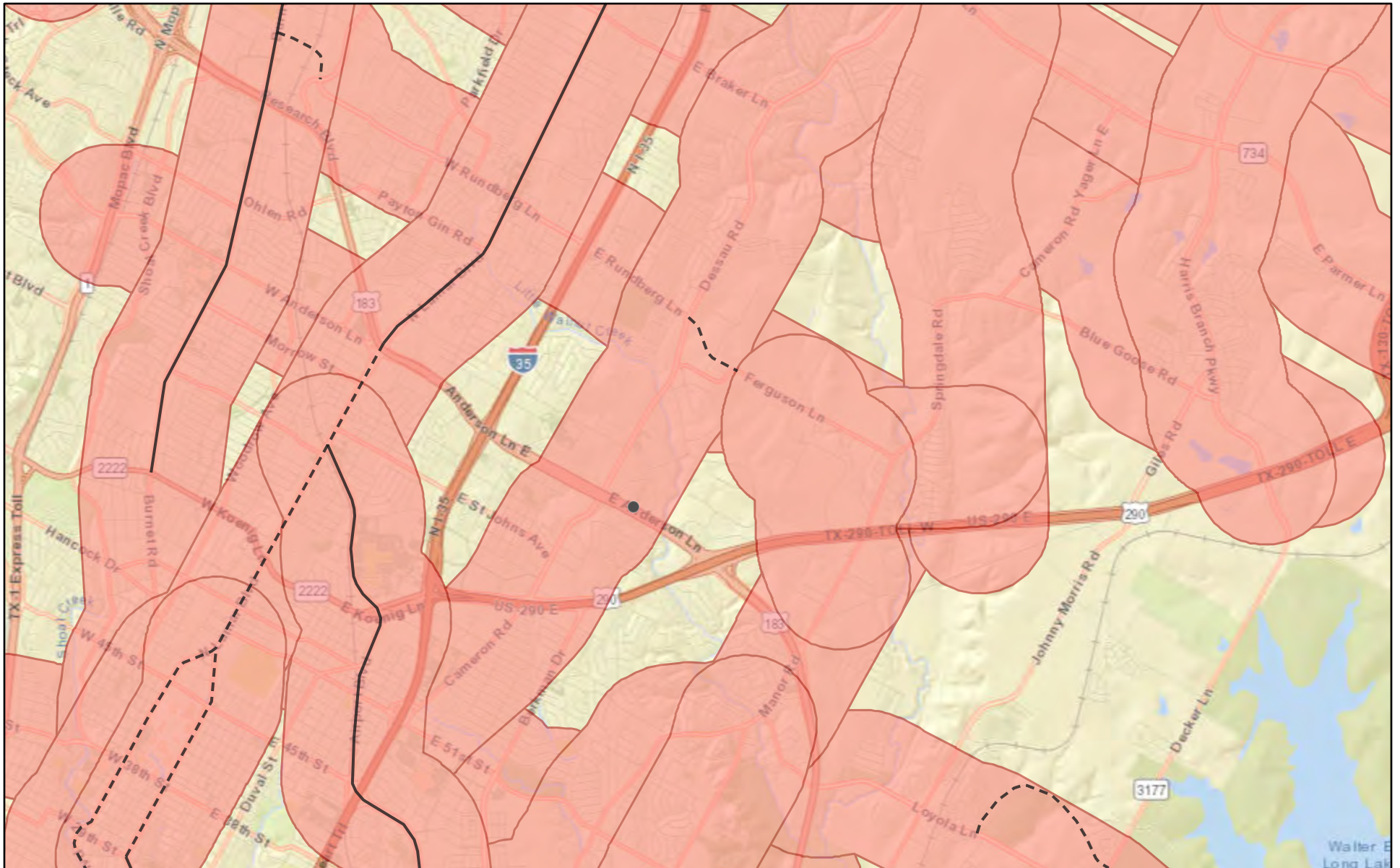


Sources: Esri, HERE, Garmin, USGS, Intermap, INCREMENT P, NRCan,

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Austin Community College, Esri, HERE, Garmin, INCREMENT P, NGA, USGS | City of Austin Planning and Development Review Department |

Imagine Austin Corridor Map



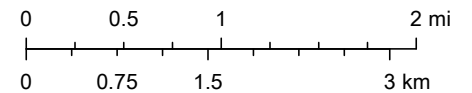
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1700 East Anderson Lane

1:72,224

2016 Mobility Bond Corridor Projects - - - - Preliminary Engineering and Design

— Construction Eligible Corridor Imagine Austin Corridor: 1/2-Mile Buffer

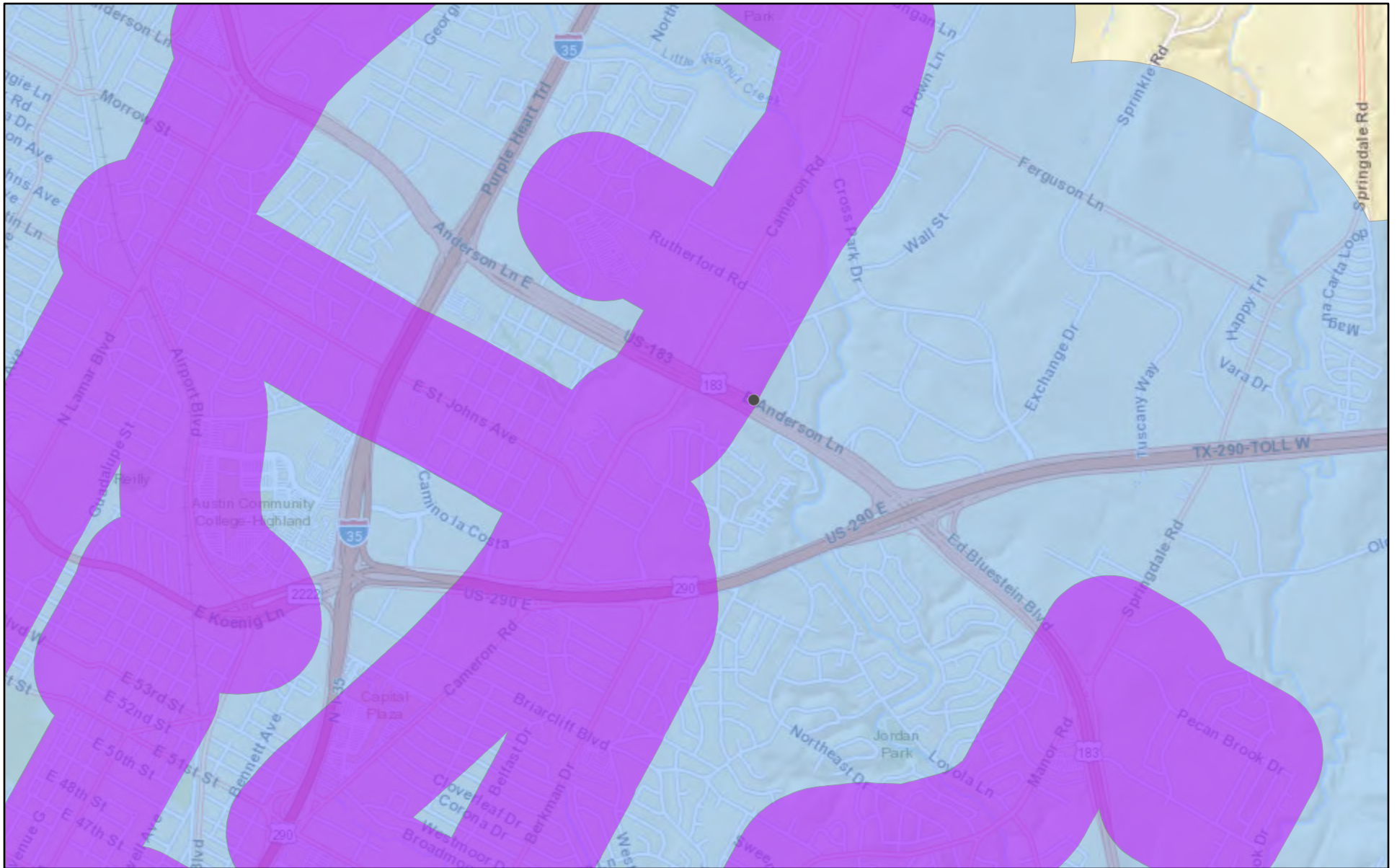


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
Web AppBuilder for ArcGIS

Austin Community College, Esri, HERE, Garmin, INCREMENT P, NGA, USGS | City of Austin Planning and Development Review Department |

Transit Map

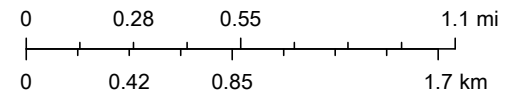


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-  High Frequency Bus Routes: 1/4-Mile Buffer
-  Bus Routes: 3/4-Mile Buffer

1700 East Anderson Lane

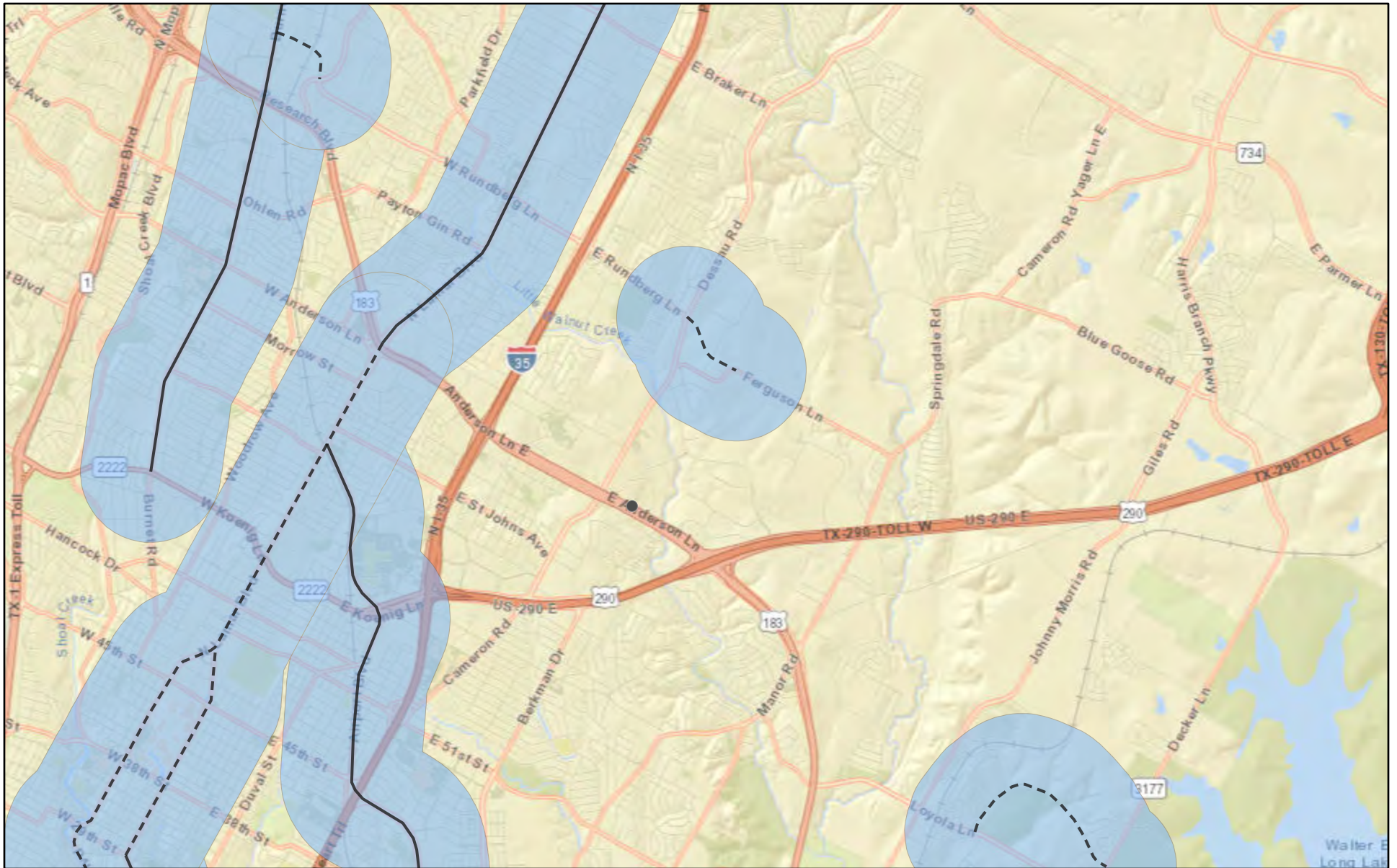
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Sources: Esri, HERE, Garmin, USGS, Intermap, INCREMENT P, NRCan,

Web AppBuilder for ArcGIS
Austin Community College, Esri, HERE, Garmin, INCREMENT P, NGA, USGS |

Mobility Bond Corridor Map



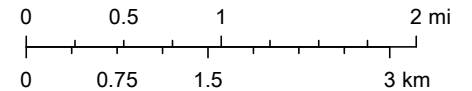
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2016 Mobility Bond Corridor Projects - - - - Preliminary Engineering and Design

— Construction Eligible Corridor Mobility Bond Corridor: 1/2-Mile Buffer

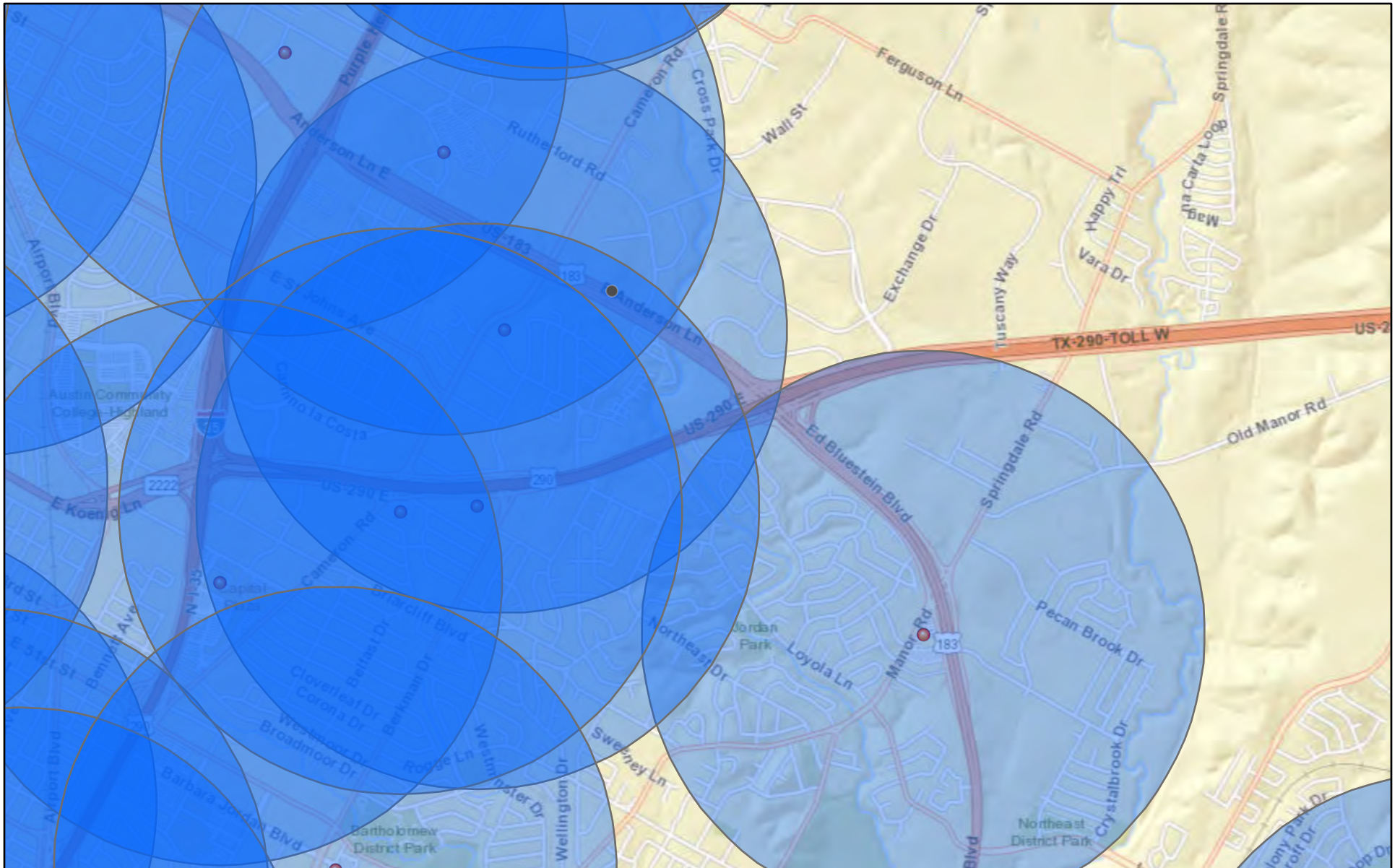


Sources: Esri, HERE, Garmin, USGS, Intermap, INCREMENT P, NRCan,

Web AppBuilder for ArcGIS

Austin Community College, Esri, HERE, Garmin, INCREMENT P, NGA, USGS | City of Austin Planning and Development Review Department |

Healthy Food Access



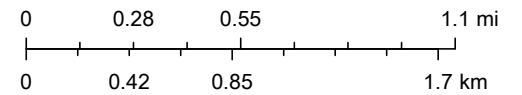
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 Healthy Food

1700 East Anderson Lane

 Healthy Food Retail Locations

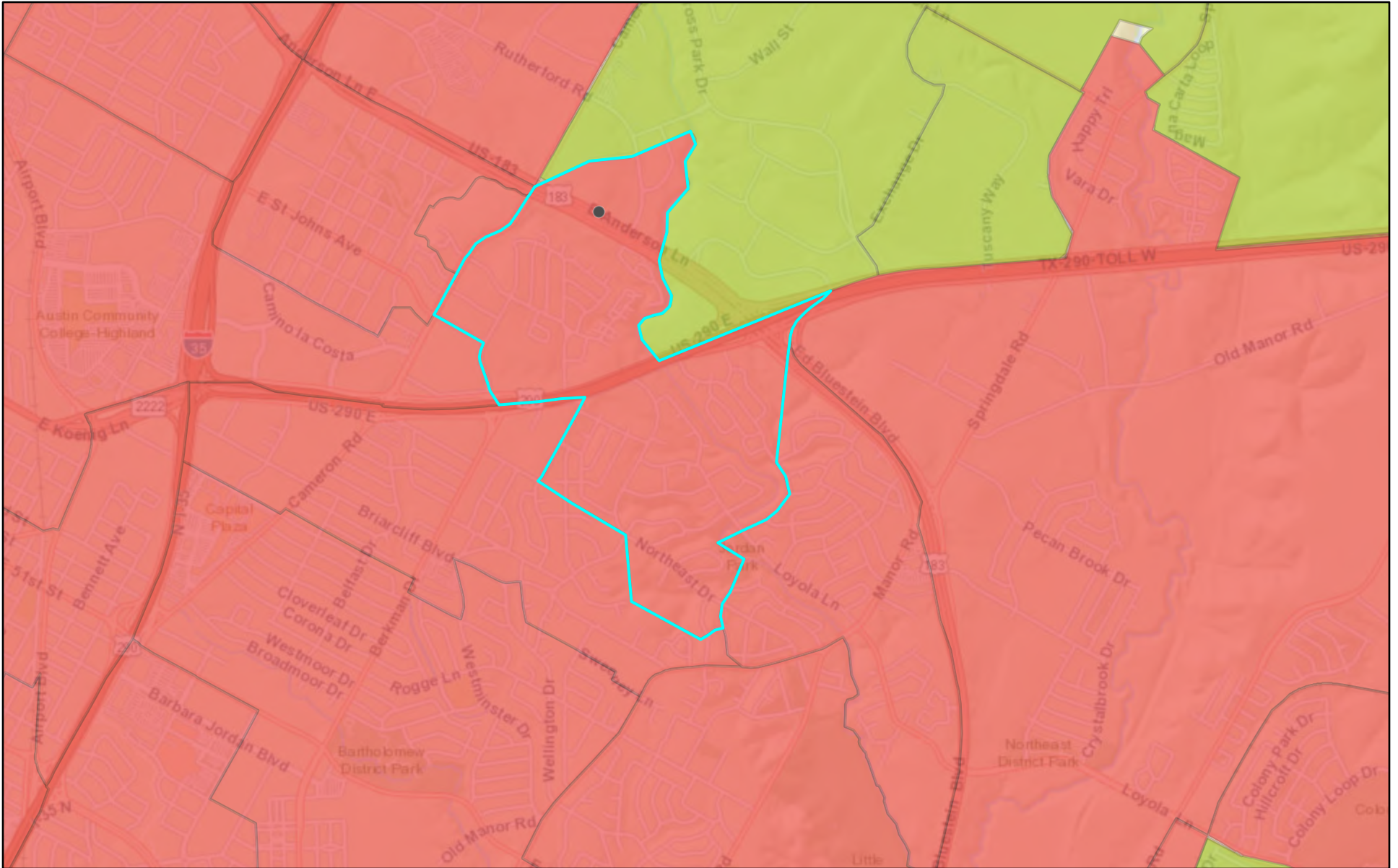
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Sources: Esri, HERE, Garmin, USGS, Intermap, INCREMENT P, NRCan,

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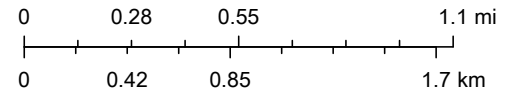
Andrews EL, Austin ISD



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Austin Elementary School Attendance Areas  Manor ISD
 Austin ISD

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Sources: Esri, HERE, Garmin, USGS, Intermap, INCREMENT P, NRCan,

Web AppBuilder for ArcGIS
Austin Community College, Esri, HERE, Garmin, INCREMENT P, NGA, USGS |



FEMA Floodplain

- 100 Year (Detailed-AE)
- 100 year (Shallow-AO)
- 100 Year (Approx-A)
- X Protected by Levee
- 500 Year

This custom map was created with FloodPro and is for informational purposes only. It is not intended for or suitable for legal, engineering, or surveying purposes. It does not represent on-the-ground survey and represents only the approximate relative locations of property boundaries. No warranty is made by the City of Austin regarding the specific accuracy or completeness of the map. Final determination of floodplain status for a property must be based on topographic survey by a Texas registered professional. For regulatory purposes, floodplain elevations must be determined from an engineering model created in accordance with the Drainage Criteria Manual and approved by the City of Austin.

0 848 1,696 Feet

Prepared: 4/17/2019



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:	(3,132,852.96, 10,093,835.74)
Grid:	M27
Future Land Use (FLUM):	Commercial
Regulating Plan:	
Zoning:	RR-NP LO-CO-NP
Zoning Case:	C14-2011-0116 NP-2011-0029 C14-96-0003
Zoning Ordinance (Mostly after 2000):	99-0225-70(b) 960613-D 20120426-102 960613-D
Zoning Overlays:	NEIGHBORHOOD PLANNING AREA <ul style="list-style-type: none"> ■ CORONADO HILLS ■ St. John Coronado Hills 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.



TEXAS ASSOCIATION OF REALTORS®
COMMERCIAL CONTRACT - UNIMPROVED PROPERTY

USE OF THIS FORM BY PERSONS WHO ARE NOT MEMBERS OF THE TEXAS ASSOCIATION OF REALTORS® IS NOT AUTHORIZED.
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1. PARTIES: Seller agrees to sell and convey to Buyer the Property described in Paragraph 2. Buyer agrees to buy the Property from Seller for the sales price stated in Paragraph 3. The parties to this contract are:

Seller: 183 Apartment Site LTD

Address: 510 S. Congress Ave., Ste. 400, Austin, TX 78704

Phone: 512-474-4242

E-mail: pivy@byramproperties.com

Fax: 512-474-5213

Other: tjuarez@byramproperties.com

Buyer: McDowell Acquisitions, LLC

Address: 601 Brickell Key Drive, Suite 700, Miami Florida 33131

Phone: 786.257.2767

E-mail: cshear@mcdhousing.com

Fax: _____

Other: _____

2. PROPERTY:

A. "Property" means that real property situated in Travis County, Texas at 1701 E. Anderson Lane, Austin, TX 78757 (address) and that is legally described on the attached Exhibit _____ or as follows:

Lot One (1), WALNUT CREEK CENTER, a subdivision in Travis County, Texas, according to the map or plat thereof recorded in Volume 86, Page 37B of the Plat Records of Travis County, Texas (Travis County Appraisal District Property ID #: 230725).

B. Seller will sell and convey the Property together with:

- (1) all rights, privileges, and appurtenances pertaining to the Property, including Seller's right, title, and interest in any minerals, utilities, adjacent streets, alleys, strips, gores, and rights-of-way;
- (2) Seller's interest in all leases, rents, and security deposits for all or part of the Property; and
- (3) Seller's interest in all licenses and permits related to the Property.

*(Describe any exceptions, reservations, or restrictions in Paragraph 12 or an addendum.)
 (If mineral rights are to be reserved an appropriate addendum should be attached.)*

3. SALES PRICE:

A. At or before closing, Buyer will pay the following sales price for the Property:

- (1) Cash portion payable by Buyer at closing \$ _____
- (2) Sum of all financing described in Paragraph 4 \$ _____
- (3) Sales price (sum of 3A(1) and 3A(2)) \$ 4,000,000.00

B. Adjustment to Sales Price: (Check (1) or (2) only.)

- (1) The sales price will not be adjusted based on a survey.
- (2) The sales price will be adjusted based on the latest survey obtained under Paragraph 6B.

(a) The sales price is calculated on the basis of \$ _____ per:

- (i) square foot of total area net area.
- (ii) acre of total area net area.

(b) "Total area" means all land area within the perimeter boundaries of the Property. "Net area" means total area less any area of the Property within:

- (i) public roadways;
- (ii) rights-of-way and easements other than those that directly provide utility services to the Property; and
- (iii) _____

(c) If the sales price is adjusted by more than _____ % of the stated sales price, either party may terminate this contract by providing written notice to the other party within _____ days after the terminating party receives the survey. If neither party terminates this contract or if the variance is less than the stated percentage, the adjustment to the sales price will be made to the cash portion of the sales price payable by Buyer.

4. **FINANCING:** Buyer ~~will finance the portion of the sales price under Paragraph 6A(2) as follows:~~

A. **Third Party Financing:** ~~One or more third party loans in the total amount of \$ _____.~~

This contract:

- (1) is not contingent upon Buyer obtaining third party financing.
- (2) is contingent upon Buyer obtaining third party financing in accordance with the attached Commercial Contract Financing Addendum (TAR-1931).

B. **Assumption:** In accordance with the attached Commercial Contract Financing Addendum (TAR-1931), Buyer will assume the existing promissory note secured by the Property, which balance at closing will be \$ _____.

C. **Seller Financing:** ^{Option} The delivery of a promissory note and deed of trust to Seller under the terms ~~of the attached Commercial Contract Financing Addendum (TAR 1931) in the amount of \$ _____ set forth in the Addendum to this Contract.~~

5. **EARNEST MONEY:**

A. Not later than 3 days after the effective date, Buyer must deposit \$ 50,000.00 as earnest money with Heritage Title Company of Austin, Inc. (title company) at 401 Congress Avenue, Ste. 1500, Austin, TX 78701 (address) Emily Mansfield (closer). If Buyer fails to timely deposit the earnest money, Seller may terminate this contract or exercise any of Seller's other remedies under Paragraph 15 by providing written notice to Buyer before Buyer deposits the earnest money.

B. Buyer will deposit an additional amount of \$ _____ with the title company to be made part of the earnest money on or before:

- (i) _____ days after Buyer's right to terminate under Paragraph 7B expires; or
- (ii) _____

Buyer will be in default if Buyer fails to deposit the additional amount required by this Paragraph 5B within 3 days after Seller notifies Buyer that Buyer has not timely deposited the additional amount.

C. Buyer may instruct the title company to deposit the earnest money in an interest-bearing account at a federally insured financial institution and to credit any interest to Buyer.

6. TITLE POLICY AND SURVEY:

A. Title Policy:

- (1) Seller, at Seller's expense, will furnish Buyer an Owner's Policy of Title Insurance (the title policy) issued by any underwriter of the title company in the amount of the sales price, dated at or after closing, insuring Buyer against loss under the title policy, subject only to:
 - (a) those title exceptions permitted by this contract or as may be approved by Buyer in writing; and
 - (b) the standard printed exceptions contained in the promulgated form of title policy unless this contract provides otherwise.
- (2) The standard printed exception as to discrepancies, conflicts, or shortages in area and boundary lines, or any encroachments or protrusions, or any overlapping improvements:
 - (a) will not be amended or deleted from the title policy.
 - (b) ~~will~~ be amended to read "shortages in areas" at the expense of Buyer Seller.
- (3) Within 10 days after the effective date, Seller will furnish Buyer a commitment for title insurance (the commitment) including legible copies of recorded documents evidencing title exceptions. Seller authorizes the title company to deliver the commitment and related documents to Buyer at Buyer's address.

B. Survey: Within 10 days after the effective date:

- (1) Buyer will obtain a survey of the Property at Buyer's expense and deliver a copy of the survey to Seller. The survey must be made in accordance with the: (i) ALTA/NSPS Land Title Survey standards, or (ii) Texas Society of Professional Surveyors' standards for a Category 1A survey under the appropriate condition. Seller will reimburse Buyer _____ (insert amount) of the cost of the survey at closing, if closing occurs.
- (2) Seller, at Seller's expense, will furnish Buyer a survey of the Property dated after the effective date. The survey must be made in accordance with the: (i) ALTA/NSPS Land Title Survey standards, or (ii) Texas Society of Professional Surveyors' standards for a Category 1A survey under the appropriate condition.
- (3) Seller will deliver to Buyer and the title company a true and correct copy of Seller's most recent survey of the Property along with an affidavit required by the title company for approval of the existing survey. If the existing survey is not acceptable to the title company, Seller Buyer (updating party), will, at the updating party's expense, obtain a new or updated survey acceptable to the title company and deliver the acceptable survey to the other party and the title company within 45 days after the title company notifies the parties that the existing survey is not acceptable to the title company. The closing date will be extended daily up to 20 days if necessary for the updating party to deliver an acceptable survey within the time required. The other party will reimburse the updating party \$0.00 (insert amount or percentage) of the cost of the new or updated survey at closing, if closing occurs.

C. Buyer's Objections to the Commitment and Survey:

On or before March 30, 2020,

- (1) ~~Within 5 days after Buyer receives the last of the commitment, copies of the documents evidencing the title exceptions, and any required survey,~~ Buyer may object in writing to matters disclosed in the items if: (a) the matters disclosed are a restriction upon the Property or constitute a defect or encumbrance to title other than those permitted by this contract or liens that Seller will satisfy at closing or Buyer will assume at closing; or (b) the items show that any part of the Property lies in a special flood hazard area (an "A" or "V" zone as defined by FEMA). If the commitment or survey is revised or any new document evidencing a title exception is delivered, Buyer may object to any new matter revealed in such revision or new document. Buyer's objection must be made within the same number of days stated in this paragraph, beginning when the revision or new

document is delivered to Buyer. If Paragraph 6B(1) applies, Buyer is deemed to receive the survey on the earlier of: (i) the date of Buyer's actual receipt of the survey; or (ii) of the deadline specified in Paragraph 6B.

(2) Seller may, but is not obligated to, cure Buyer's timely objections within 15 days after Seller receives the objections. The closing date will be extended as necessary to provide such time to cure the objections. If Seller fails to cure the objections by the time required, Buyer may terminate this contract by providing written notice to Seller within 5 days after the time by which Seller must cure the objections. If Buyer terminates, the earnest money, less any independent consideration under Paragraph 7B(1), will be refunded to Buyer.

(3) Buyer's failure to timely object or terminate under this Paragraph 6C is a waiver of Buyer's right to object except that Buyer will not waive the requirements in Schedule C of the commitment.

7. PROPERTY CONDITION:

A. Present Condition: Buyer accepts the Property in its present condition, ^{AS IS} ~~except that Seller, at Seller's expense, will complete the following before closing:~~ _____

B. Feasibility Period: Buyer may terminate this contract for any reason ^{on or before July 31, 2020} ~~within _____ days after the effective date~~ (feasibility period) by providing Seller written notice of termination.

(1) Independent Consideration. (Check only one box and insert amounts.)

(a) If Buyer terminates under this Paragraph 7B, the earnest money will be refunded to Buyer less \$ ~~See Addendum~~ \$100 that Seller will retain as independent consideration for Buyer's unrestricted right to terminate. Buyer has tendered the independent consideration to Seller upon payment of the amount specified in Paragraph 5A to the title company. The independent consideration is to be credited to the sales price only upon closing of the sale. ~~If no dollar amount is stated in this Paragraph 7B(1) or if Buyer fails to deposit the earnest money, Buyer will not have the right to terminate under this Paragraph 7B.~~

(b) Not later than 3 days after the effective date, Buyer must pay Seller \$ _____ as independent consideration for Buyer's right to terminate by tendering such amount to Seller or Seller's agent. If Buyer terminates under this Paragraph 7B, the earnest money will be refunded to Buyer and Seller will retain the independent consideration. The independent consideration will be credited to the sales price only upon closing of the sale. ~~If no dollar amount is stated in this Paragraph 7B(2) or if Buyer fails to pay the independent consideration, Buyer will not have the right to terminate under this Paragraph 7B.~~

(2) Feasibility Period Extension: Prior to the expiration of the initial feasibility period, Buyer may extend the feasibility period for a single period of an additional 30 days by depositing additional earnest money in the amount of \$ 25,000.00 with the title company. ~~If no dollar amount is stated in this Paragraph or if Buyer fails to timely deposit the additional earnest money, the extension of the feasibility period will not be effective.~~

C. Inspections, Studies, or Assessments:

(1) During the feasibility period, Buyer, at Buyer's expense, may complete or cause to be completed any and all inspections, studies, or assessments of the Property (including all improvements and fixtures) desired by Buyer.

- (2) Buyer must:
 - (a) employ only trained and qualified inspectors and assessors;
 - (b) notify Seller, in advance, of when the inspectors or assessors will be on the Property;
 - (c) abide by any reasonable entry rules or requirements of Seller;
 - (d) not interfere with existing operations or occupants of the Property; and
 - (e) restore the Property to its original condition if altered due to inspections, studies, or assessments that Buyer completes or causes to be completed.
- (3) Except for those matters that arise from the negligence of Seller or Seller's agents, Buyer is responsible for any claim, liability, encumbrance, cause of action, and expense resulting from Buyer's inspections, studies, or assessments, including any property damage or personal injury. Buyer will indemnify, hold harmless, and defend Seller and Seller's agents against any claim involving a matter for which Buyer is responsible under this paragraph. This paragraph survives termination of this contract.

D. Property Information:

- (1) Delivery of Property Information: Within 5 days after the effective date, Seller will deliver to Buyer: *(Check all that apply.)*
 - (a) copies of all current leases, including any mineral leases, pertaining to the Property, including any modifications, supplements, or amendments to the leases;
 - (b) copies of all notes and deeds of trust against the Property that Buyer will assume or that Seller will not pay in full on or before closing;
 - (c) copies of all previous environmental assessments, geotechnical reports, studies, or analyses made on or relating to the Property;
 - (d) copies property tax statements for the Property for the previous 2 calendar years;
 - (e) plats of the Property;
 - (f) copies of current utility capacity letters from the Property's water and sewer service provider; and
 - (g) Seller will deliver to Buyer, the items checked in Section 7D (1), to the extent they are applicable and in the Seller's possession.

- (2) Return of Property Information: If this contract terminates for any reason, Buyer will, not later than 10 days after the termination date: *(Check all that apply.)*
 - (a) return to Seller all those items described in Paragraph 7D(1) that Seller delivered to Buyer in other than an electronic format and all copies that Buyer made of those items;
 - (b) delete or destroy all electronic versions of those items described in Paragraph 7D(1) that Seller delivered to Buyer or Buyer copied in any format; and
 - (c) deliver to Seller copies of all inspection and assessment reports related to the Property that Buyer completed or caused to be completed.

This Paragraph 7D(2) survives termination of this contract.

E. Contracts Affecting Operations: Until closing, Seller: (1) will operate the Property in the same manner as on the effective date under reasonably prudent business standards; and (2) will not transfer or dispose of any part of the Property, any interest or right in the Property, or any of the personal property or other items described in Paragraph 2B or sold under this contract. After the feasibility period ends, Seller may not enter into, amend, or terminate any other contract that affects the operations of the Property without Buyer's written approval.

8. **LEASES:** None.

A. ~~Each written lease Seller is to assign to Buyer under this contract must be in full force and effect according to its terms. Seller may not enter into any new lease, fail to comply with any existing lease, or make any amendment or modification to any existing lease without Buyer's written consent. Seller~~

~~must disclose, in writing, if any of the following exist at the time Seller provides the leases to the Buyer or subsequently occur before closing:~~

- ~~(1) any failure by Seller to comply with Seller's obligations under the leases;~~
- ~~(2) any circumstances under any lease that entitle the tenant to terminate the lease or seek any offsets or damages;~~
- ~~(3) any advance sums paid by a tenant under any lease;~~
- ~~(4) any concessions, bonuses, free rents, rebates, brokerage commissions, or other matters that affect any lease; and~~
- ~~(5) any amounts payable under the leases that have been assigned or encumbered, except as security for loan(s) assumed or taken subject to under this contract.~~

~~B. **Estoppel Certificates:** Within _____ days after the effective date, Seller will deliver to Buyer estoppel certificates signed not earlier than _____ by each tenant that leases space in the Property. The estoppel certificates must include the certifications contained in the current version of TAR Form 1938 - Commercial Tenant Estoppel Certificate and any additional information requested by a third party lender providing financing under Paragraph 4 if the third party lender requests such additional information at least 10 days prior to the earliest date that Seller may deliver the signed estoppel certificates.~~

9. BROKERS:

A. The brokers to this sale are:

Principal Broker: Helm CRE, LLC

Cooperating Broker: _____

Agent: Conley A. Covert

Agent: _____

Address: 1100 S. 1st Street, Austin, TX 78704

Address: _____

Phone & Fax: 512.963.9833

Phone & Fax: _____

E-mail: conley.covert@helmcre.com

E-mail: _____

License No.: 591667

License No.: _____

Principal Broker: (Check only one box)

- represents Seller only.
- represents Buyer only.
- is an intermediary between Seller and Buyer.

Cooperating Broker represents Buyer.

B. **Fees:** (Check only (1) or (2) below.)

(Complete the Agreement Between Brokers on page 14 only if (1) is selected.)

(1) Seller will pay Principal Broker the fee specified by separate written commission agreement between Principal Broker and Seller. Principal Broker will pay Cooperating Broker the fee specified in the Agreement Between Brokers found below the parties' signatures to this contract.

(2) At the closing of this sale, Seller will pay:

Principal Broker a total cash fee of:
 3.00 % of the sales price.

Cooperating Broker a total cash fee of:
 _____ % of the sales price.

The cash fees will be paid in Travis County, Texas. Seller authorizes the title company to pay the brokers from the Seller's proceeds at closing.

NOTICE: Chapter 62, Texas Property Code, authorizes a broker to secure an earned commission with a lien against the Property.

- C. The parties may not amend this Paragraph 9 without the written consent of the brokers affected by the amendment.

10. CLOSING:

- A. The date of the closing of the sale (closing date) will be on or before ~~the later of:~~

(1) _____ days after the expiration of the feasibility period.

December 15, 2020 (specific date).

~~(2) 7 days after objections made under Paragraph 6G have been cured or waived.~~

- B. If either party fails to close by the closing date, the non-defaulting party may exercise the remedies in Paragraph 15.

- C. At closing, Seller will execute and deliver, at Seller's expense, a general special warranty deed. The deed must include a vendor's lien if any part of the sales price is financed. The deed must convey good and indefeasible title to the Property and show no exceptions other than those permitted under Paragraph 6 or other provisions of this contract. Seller must convey the Property:

(1) with no liens, assessments, or other security interests against the Property which will not be satisfied out of the sales price, unless securing loans Buyer assumes;

~~(2) without any assumed loans in default; and~~

(3) with no persons in possession of any part of the Property as lessees, tenants at sufferance, or trespassers ~~except tenants under the written leases assigned to Buyer under this contract.~~

- D. At closing, Seller, at Seller's expense, will also deliver to Buyer:

(1) tax statements showing no delinquent taxes on the Property;

(2) an assignment of all leases to or on the Property;

(3) to the extent assignable, an assignment to Buyer of any licenses and permits related to the Property;

(4) evidence that the person executing this contract is legally capable and authorized to bind Seller;

(5) an affidavit acceptable to the title company stating that Seller is not a foreign person or, if Seller is a foreign person, a written authorization for the title company to: (i) withhold from Seller's proceeds an amount sufficient to comply with applicable tax law; and (ii) deliver the amount to the Internal Revenue Service (IRS) together with appropriate tax forms; and

(6) any notices, statements, certificates, affidavits, releases, and other documents required by this contract, the commitment, or law necessary for the closing of the sale and issuance of the title policy, all of which must be completed by Seller as necessary.

- E. At closing, Buyer will:

(1) pay the sales price in good funds acceptable to the title company;

(2) deliver evidence that the person executing this contract is legally capable and authorized to bind Buyer;

~~(3) sign and send to each tenant in a lease for any part of the Property a written statement that:~~

~~(a) acknowledges Buyer has received and is responsible for the tenant's security deposit, and~~

~~(b) specifies the exact dollar amount of the security deposit;~~

~~(4) sign an assumption of all leases then in effect; and~~

(5) execute and deliver any notices, statements, certificates, or other documents required by this contract or law necessary to close the sale.

- F. Unless the parties agree otherwise, the closing documents will be as found in the basic forms in the current edition of the State Bar of Texas Real Estate Forms Manual without any additional clauses.

- 11. POSSESSION:** Seller will deliver possession of the Property to Buyer upon closing and funding of this sale in its present condition ~~with any repairs Seller is obligated to complete under this contract~~, ordinary wear and tear excepted. Any possession by Buyer before closing or by Seller after closing that is not authorized by a separate written lease agreement is a landlord-tenant at sufferance relationship between the parties.
- 12. SPECIAL PROVISIONS:** The following special provisions apply and will control in the event of a conflict with other provisions of this contract. *(If special provisions are contained in an Addendum, identify the Addendum here and reference the Addendum in Paragraph 22D.)*

Please see Addendum

13. SALES EXPENSES:

- A. Seller's Expenses: Seller will pay for the following at or before closing:
- (1) releases of existing liens, other than those liens assumed by Buyer, including prepayment penalties and recording fees;
 - (2) release of Seller's loan liability, if applicable;
 - (3) tax statements or certificates;
 - (4) preparation of the deed;
 - (5) one-half of any escrow fee;
 - (6) costs to record any documents to cure title objections that Seller must cure; and
 - (7) other expenses that Seller will pay under other provisions of this contract.
- B. Buyer's Expenses: Buyer will pay for the following at or before closing:
- (1) all loan expenses and fees;
 - (2) preparation of any deed of trust;
 - (3) recording fees for the deed and any deed of trust;
 - (4) premiums for flood insurance as may be required by Buyer's lender;
 - (5) one-half of any escrow fee;
 - (6) other expenses that Buyer will pay under other provisions of this contract.

14. PRORATIONS:

- A. Prorations:
- (1) ~~Interest on any assumed loan, taxes, rents, and any expense reimbursements from tenants~~ will be prorated through the closing date.
 - (2) If the amount of ad valorem taxes for the year in which the sale closes is not available on the closing date, taxes will be prorated on the basis of taxes assessed in the previous year. If the taxes for the year in which the sale closes vary from the amount prorated at closing, the parties will adjust the prorations when the tax statements for the year in which the sale closes become available. This Paragraph 14A(2) survives closing.
 - (3) ~~If Buyer assumes a loan or is taking the Property subject to an existing lien, Seller will transfer all reserve deposits held by the lender for the payment of taxes, insurance premiums, and other charges to Buyer at closing and Buyer will reimburse such amounts to Seller by an appropriate adjustment at closing.~~
- B. Rollback Taxes: ~~If Seller's use or change in use of the Property before closing results in the assessment of additional taxes, penalties, or interest (assessments) for periods before closing, the assessments will be the obligation of the Seller. If this sale or Buyer's use of the Property after closing results in additional assessments for periods before closing, the assessments will be the obligation of Buyer. This Paragraph 14B survives closing.~~

- C. ~~Rent and Security Deposits: At closing, Seller will tender to Buyer all security deposits and the following advance payments received by Seller for periods after closing: prepaid expenses, advance rental payments, and other advance payments paid by tenants. Rents prorated to one party but received by the other party will be remitted by the recipient to the party to whom it was prorated within 5 days after the rent is received. This Paragraph 14C survives closing.~~

15. DEFAULT:

- A. If Buyer fails to comply with this contract, Buyer is in default and Seller, as Seller's sole remedy(ies), may terminate this contract and receive the earnest money, as liquidated damages for Buyer's failure except for any damages resulting from Buyer's inspections, studies or assessments in accordance with Paragraph 7C(3) which Seller may pursue; ~~or~~
(Check if applicable)
 ~~enforce specific performance, or seek such other relief as may be provided by law.~~
- B. If, without fault, Seller is unable within the time allowed to deliver the ~~estoppel certificate~~, survey or the commitment, Buyer may as its sole remedies:
(1) terminate this contract and receive the earnest money, less any independent consideration under Paragraph 7B(1), as liquidated damages and as Buyer's sole remedy; or
(2) extend the time for performance up to 15 days and the closing will be extended as necessary.
- C. Except as provided in Paragraph 15B, if Seller fails to comply with this contract, Seller is in default and Buyer may:
(1) terminate this contract and receive the earnest money, less any independent consideration under Paragraph 7B(1), as liquidated damages and as Buyer's sole remedy; or
(2) enforce specific performance, ~~or seek such other relief as may be provided by law, or both.~~

16. CONDEMNATION: If before closing, condemnation proceedings are commenced against any part of the Property, Buyer may as its sole remedies:

- A. terminate this contract by providing written notice to Seller within 15 days after Buyer is advised of the condemnation proceedings and the earnest money, less any independent consideration paid under Paragraph 7B(1), will be refunded to Buyer; or
- B. appear and defend in the condemnation proceedings and any award will, at Buyer's election, belong to:
(1) Seller and the sales price will be reduced by the same amount; or
(2) Buyer and the sales price will not be reduced.

17. ATTORNEY'S FEES: If Buyer, Seller, any broker, or the title company is a prevailing party in any legal proceeding brought under or with relation to this contract or this transaction, such party is entitled to recover from the non-prevailing parties all costs of such proceeding and reasonable attorney's fees. This Paragraph 17 survives termination of this contract.

18. ESCROW:

- A. At closing, the earnest money will be applied first to any cash down payment, then to Buyer's closing costs, and any excess will be refunded to Buyer. If no closing occurs, the title company may require payment of unpaid expenses incurred on behalf of the parties and a written release of liability of the title company from all parties.
- B. If one party makes written demand for the earnest money, the title company will give notice of the demand by providing to the other party a copy of the demand. If the title company does not receive written objection to the demand from the other party within 15 days after the date the title company sent the demand to the other party, the title company may disburse the earnest money to the party making demand, reduced by the amount of unpaid expenses incurred on behalf of the party receiving the earnest money and the title company may pay the same to the creditors.

- C. The title company will deduct any independent consideration under Paragraph 7B(1) before disbursing any earnest money to Buyer and will pay the independent consideration to Seller.
- D. If the title company complies with this Paragraph 18, each party hereby releases the title company from all claims related to the disbursal of the earnest money.
- E. Notices under this Paragraph 18 must be sent by certified mail, return receipt requested. Notices to the title company are effective upon receipt by the title company.
- F. Any party who wrongfully fails or refuses to sign a release acceptable to the title company within 7 days after receipt of the request will be liable to the other party for: (i) damages; (ii) the earnest money; (iii) reasonable attorney's fees; and (iv) all costs of suit.
- G. Seller Buyer ^{may} intend ~~to~~ to complete this transaction as a part of an exchange of like-kind properties in accordance with Section 1031 of the Internal Revenue Code, as amended. All expenses in connection with the contemplated exchange will be paid by the exchanging party. The other party will not incur any expense or liability with respect to the exchange. The parties agree to cooperate fully and in good faith to arrange and consummate the exchange so as to comply to the maximum extent feasible with the provisions of Section 1031 of the Internal Revenue Code. The other provisions of this contract will not be affected in the event the contemplated exchange fails to occur.

19. MATERIAL FACTS: ~~To the best of Seller's knowledge and belief. (Check only one box.)~~ See Addendum

- A. ~~Seller is not aware of any material defects to the Property except as stated in the attached Commercial Property Condition Statement (TAR-1408).~~
- B. Except as otherwise provided in this contract, Seller is not aware of:
 - (1) any subsurface structures, pits, waste, springs, or improvements;
 - (2) any pending or threatened litigation, condemnation, or assessment affecting the Property;
 - (3) any environmental hazards or conditions that materially affect the Property;
 - (4) whether the Property is or has been used for the storage or disposal of hazardous materials or toxic waste, a dump site or landfill, or any underground tanks or containers;
 - (5) whether radon, asbestos containing materials, urea-formaldehyde foam insulation, lead-based paint, toxic mold (to the extent that it adversely affects the health of ordinary occupants), or other pollutants or contaminants of any nature now exist or ever existed on the Property;
 - (6) any wetlands, as defined by federal or state law or regulation, on the Property;
 - (7) any threatened or endangered species or their habitat on the Property;
 - (8) any present or past infestation of wood-destroying insects in the Property's improvements;
 - (9) any contemplated material changes to the Property or surrounding area that would materially and detrimentally affect the ordinary use of the Property;
 - (10) any condition on the Property that violates any law or ordinance.

~~(Describe any exceptions to (1)-(10) in Paragraph 12 or an addendum.)~~

20. NOTICES: All notices between the parties under this contract must be in writing and are effective when hand-delivered, mailed by certified mail return receipt requested, or sent by facsimile transmission to the parties addresses or facsimile numbers stated in Paragraph 1. The parties will send copies of any notices to the broker representing the party to whom the notices are sent.

- A. Seller also consents to receive any notices by e-mail at Seller's e-mail address stated in Paragraph 1.
- B. Buyer also consents to receive any notices by e-mail at Buyer's e-mail address stated in Paragraph 1.

21. DISPUTE RESOLUTION: The parties agree to negotiate in good faith in an effort to resolve any dispute related to this contract that may arise. If the dispute cannot be resolved by negotiation, the parties will submit the dispute to mediation before resorting to arbitration or litigation and will equally share the costs of a mutually acceptable mediator. This paragraph survives termination of this contract. This paragraph does not preclude a party from seeking equitable relief from a court of competent jurisdiction.

22. AGREEMENT OF THE PARTIES:

- A. This contract is binding on the parties, their heirs, executors, representatives, successors, and permitted assigns. This contract is to be construed in accordance with the laws of the State of Texas. If any term or condition of this contract shall be held to be invalid or unenforceable, the remainder of this contract shall not be affected thereby.
- B. This contract contains the entire agreement of the parties and may not be changed except in writing.
- C. If this contract is executed in a number of identical counterparts, each counterpart is an original and all counterparts, collectively, constitute one agreement.

D. Addenda which are part of this contract are: *(Check all that apply.)*

- (1) Property Description Exhibit identified in Paragraph 2;
- (2) Commercial Contract Financing Addendum (TAR-1931);
- (3) Commercial Property Condition Statement (TAR-1408);
- (4) Commercial Contract Addendum for Special Provisions (TAR-1940);
- (5) Notice to Purchaser of Real Property in a Water District (MUD);
- (6) Addendum for Coastal Area Property (TAR-1915);
- (7) Addendum for Property Located Seaward of the Gulf Intracoastal Waterway (TAR-1916);
- (8) Information About Brokerage Services (TAR-2501);
- (9) Information About Mineral Clauses in Contract Forms (TAR-2509); and
- (10) Addendum

(Note: Counsel for the Texas Association of REALTORS® (TAR) has determined that any of the foregoing addenda which are promulgated by the Texas Real Estate Commission (TREC) or published by TAR are appropriate for use with this form.)

- E. Buyer may ^{only} ~~may not~~ assign this contract ^{to an affiliated entity} If Buyer assigns this contract, Buyer will be relieved of any future liability under this contract only if the assignee assumes, in writing, all obligations and liability of Buyer under this contract.

23. TIME: Time is of the essence in this contract. The parties require strict compliance with the times for performance. If the last day to perform under a provision of this contract falls on a Saturday, Sunday, or legal holiday, the time for performance is extended until the end of the next day which is not a Saturday, Sunday, or legal holiday.

24. EFFECTIVE DATE: The effective date of this contract for the purpose of performance of all obligations is the date the title company receipts this contract after all parties execute this contract.

25. ADDITIONAL NOTICES:

- A. Buyer should have an abstract covering the Property examined by an attorney of Buyer's selection, or Buyer should be furnished with or obtain a title policy.
- B. If the Property is situated in a utility or other statutorily created district providing water, sewer, drainage, or flood control facilities and services, Chapter 49, Texas Water Code, requires Seller to deliver and Buyer to sign the statutory notice relating to the tax rate, bonded indebtedness, or standby fees of the district before final execution of this contract.
- C. Notice Required by §13.257, Water Code: "The real property, described below, that you are about to purchase may be located in a certificated water or sewer service area, which is authorized by law to provide water or sewer service to the properties in the certificated area. If your property is located in a certificated area there may be special costs or charges that you will be required to pay before you can receive water or sewer service. There may be a period required to construct lines or other facilities necessary to provide water or sewer service to your property. You are advised to determine if the property is in a certificated area and contact the utility service provider to determine the cost that you

will be required to pay and the period, if any, that is required to provide water or sewer service to your property. The undersigned purchaser hereby acknowledges receipt of the foregoing notice at or before the execution of a binding contract for the purchase of the real property described in the notice or at closing of purchase of the real property." The real property is described in Paragraph 2 of this contract.

- D. If the Property adjoins or shares a common boundary with the tidally influenced submerged lands of the state, §33.135 of the Texas Natural Resources Code requires a notice regarding coastal area property to be included as part of this contract (*the Addendum for Coastal Area Property (TAR-1915) may be used*).
- E. If the Property is located seaward of the Gulf Intracoastal Waterway, §61.025, Texas Natural Resources Code, requires a notice regarding the seaward location of the Property to be included as part of this contract (*the Addendum for Property Located Seaward of the Gulf Intracoastal Waterway (TAR-1916) may be used*).
- F. If the Property is located outside the limits of a municipality, the Property may now or later be included in the extra-territorial jurisdiction (ETJ) of a municipality and may now or later be subject to annexation by the municipality. Each municipality maintains a map that depicts its boundaries and ETJ. To determine if the Property is located within a municipality's ETJ, Buyer should contact all municipalities located in the general proximity of the Property for further information.
- G. Brokers are not qualified to perform property inspections, surveys, engineering studies, environmental assessments, or inspections to determine compliance with zoning, governmental regulations, or laws. Buyer should seek experts to perform such services. Buyer should review local building codes, ordinances and other applicable laws to determine their effect on the Property. Selection of experts, inspectors, and repairmen is the responsibility of Buyer and not the brokers. Brokers are not qualified to determine the credit worthiness of the parties.
- H. NOTICE OF WATER LEVEL FLUCTUATIONS: If the Property adjoins an impoundment of water, including a reservoir or lake, constructed and maintained under Chapter 11, Water Code, that has a storage capacity of at least 5,000 acre-feet at the impoundment's normal operating level, Seller hereby notifies Buyer: "The water level of the impoundment of water adjoining the Property fluctuates for various reasons, including as a result of: (1) an entity lawfully exercising its right to use the water stored in the impoundment; or (2) drought or flood conditions."
- I. LICENSE HOLDER DISCLOSURE: Texas law requires a real estate license holder who is a party to a transaction or acting on behalf of a spouse, parent, child, business entity in which the license holder owns more than 10%, or a trust for which the license holder acts as a trustee or of which the license holder or the license holder's spouse, parent or child is a beneficiary, to notify the other party in writing before entering into a contract of sale. Disclose if applicable: _____.

26. CONTRACT AS OFFER: The execution of this contract by the first party constitutes an offer to buy or sell the Property. Unless the other party accepts the offer by 5:00 p.m., in the time zone in which the Property is located, on _____, the offer will lapse and become null and void.

Commercial Contract - Unimproved Property concerning 1701 E. Anderson Lane, Austin, TX 78757

READ THIS CONTRACT CAREFULLY. The brokers and agents make no representation or recommendation as to the legal sufficiency, legal effect, or tax consequences of this document or transaction. CONSULT your attorney BEFORE signing.

Seller: 183 Apartment Site, Ltd., a Texas limited partnership

Buyer: McDowell Acquisitions, LLC, a Delaware limited liability company

By: JDB Real Properties, Inc., a Texas corporation, Gen. Partner

By: McDowell Properties, a California corporation, its manager

By (signature): _____

By (signature): 

Printed Name: John Byram

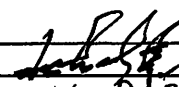
Printed Name: Kenneth Lee

Title: CEO & President

Title: President

By: _____

By: _____

By (signature): 

By (signature): _____

Printed Name: John D. Byram

Printed Name: _____

Title: CEO/President

Title: _____

AGREEMENT BETWEEN BROKERS

(use only if Paragraph 9B(1) is effective)

Principal Broker agrees to pay _____ (Cooperating Broker) a fee when the Principal Broker's fee is received. The fee to be paid to Cooperating Broker will be:

\$ _____, or
 _____ % of the sales price, or
 _____ % of the Principal Broker's fee.

The title company is authorized and directed to pay Cooperating Broker from Principal Broker's fee at closing. This Agreement Between Brokers supersedes any prior offers and agreements for compensation between brokers.

Principal Broker: _____ Cooperating Broker: _____

By: _____ By: _____

ATTORNEYS

Seller's attorney: William D. Brown
Sneed Vine & Perry

Buyer's attorney: _____

Address: 2705 Bee Caves Road, Suite 160
Austin TX 78746

Address: _____

Phone & Fax: 512-494-3127 & 512-476-1825

Phone & Fax: _____

E-mail: bbrown@sneedvine.com

E-mail: _____

Seller's attorney requests copies of documents, notices, and other information:

Buyer's attorney requests copies of documents, notices, and other information:

the title company sends to Seller.

the title company sends to Buyer.

Buyer sends to Seller.

Seller sends to Buyer.

ESCROW RECEIPT

The title company acknowledges receipt of:

A. the contract on this day January 7, 2020 (effective date);

B. earnest money in the amount of \$ 50,000.00 in the form of a business check
on January 7, 2020.

Title company: Heritage Title Company of Austin, Inc.

Address: 401 Congress Ave., Ste. 1500
Austin, TX 78701

By: Lauren Noonan for Emily Mansfield

Phone & Fax: 512.505.5000 & 512.505.5024

emansfield@heritage-title.com

Assigned file number (GF#): 201903861

E-mail: lnoonan@heritage-title.com

ADDENDUM TO COMMERCIAL CONTRACT – IMPROVED PROPERTY ("CONTRACT")
between
183 APARTMENT SITE, LTD. ("SELLER")
and
MCDOWELL ACQUISITIONS, LLC ("BUYER")

Notwithstanding anything in the Contract to the contrary, the Contract is amended as herein provided. Nothing contained herein shall constitute or be deemed a release of any obligations or liabilities of Seller or Buyer under the Contract except as may be provided herein. Except as provided herein, the Contract remains in full force and effect. To the extent that the terms of this Addendum conflict with or modify the Contract, the terms of this Addendum shall control.

1. **Financing.** Buyer has the option, but not the obligation, to pursue Seller Financing pursuant to the terms detailed in the Promissory Note, attached hereto as Exhibit B and incorporated herein ("Note", and the Deed of Trust, attached hereto as Exhibit C and incorporated herein ("Deed of Trust"). If Buyer elects Seller Financing, Buyer agrees to notify Seller within 30 days prior to Closing of such election (otherwise such right to Seller Financing is waived). At Closing, the forms attached hereto as Exhibit B and Exhibit C shall be completed with the missing information at the beginning of each document, executed by Buyer, and delivered to Seller at Closing. The Deed of Trust shall be a first lien deed of trust against the Property and Buyer shall pay all recording cost and the cost of the premium for the Loan Policy to be issued to Seller at Closing. Monthly payments of interest only will be due with all outstanding principal and interest becoming due on the 2nd anniversary date of the Note. This Contract is not contingent upon Buyer obtaining Seller Financing.

2. **Inspection.** Buyer shall be permitted to continue to conduct inspections, studies, and assessments of the Property while the Contract is in effect. Buyer's entry onto the Property is at Buyer's sole risk, and Buyer hereby releases Seller from all liability in connection therewith, provided, however, the foregoing release shall not be applicable to any losses, claims or damages suffered by Buyer arising from the gross negligence or willful misconduct of Seller or Seller's members, employees, or agents. Any expenses incurred by Buyer in the performance of the inspections will be paid for by Buyer. Buyer will not permit any liens to attach to the Property by reason of the exercise of Buyer's rights under the Contract. Buyer will not unreasonably disturb, interrupt, or interfere with any activities of Seller or Seller's agents, employees, or contractors. Upon completion of all testing or other examinations of the Property, Buyer will restore the Property as close as reasonably practicable to the condition it was in prior to the testing or examinations. If the Contract terminates for any reason, Buyer will, subject to any proprietary rights of Buyer's consultants, promptly deliver to Seller copies of all third party studies, reports, surveys, tests, and other materials of any kind or nature generated for Buyer in connection with the Property; provided, however, all of which shall not be assigned nor conveyed by Buyer to Seller unless Seller reimburses Buyer for its costs in acquiring the same; further provided that Buyer does not and will not make any warranties or representations as to the accuracy or completeness of such third party reports or materials and expressly disclaims any and all liability for any reliance thereon. This provision will survive Closing and any termination of the Contract.

3. **Insurance.** Before Buyer or any agent of Buyer enters upon the Property, Buyer will provide a certificate of general liability insurance to Seller, in an amount not less than \$1,000,000 per occurrence and \$2,000,000 general aggregate, naming Seller as an additional insured by appropriate endorsement and insuring against all risks in connection with any entry upon the Property. Buyer will maintain the required insurance in full force and effect for at least one year after Closing has occurred or the Contract has terminated or expired. Certificates of insurance evidencing this insurance coverage and containing a provision that the policies may not be terminated without prior written notice to Seller,

Addendum

together with the additional insured endorsements, must be delivered to Seller prior to any entry onto the Property by Buyer.

4. **"AS IS" TRANSACTION.** BUYER ACKNOWLEDGES AND AGREES THAT, PRIOR TO THE CLOSING, BUYER WILL HAVE PERFORMED DUE DILIGENCE TO BUYER'S SATISFACTION. NOTWITHSTANDING ANYTHING CONTAINED IN ANY OF THE THIRD-PARTY PREPARED DOCUMENTS PROVIDED IN SECTION 7.D.(1) OF THE CONTACT TO THE CONTRARY, BUYER ACKNOWLEDGES AND AGREES THAT BUYER IS RELYING ON BUYER'S (OR BUYER'S REPRESENTATIVES') DUE DILIGENCE OF THE PROPERTY AND NOT UPON ANY STATEMENTS (ORAL OR WRITTEN) WHICH MAY HAVE BEEN MADE OR MAY BE MADE BY SELLER OR ANY OF SELLER'S AGENTS OR REPRESENTATIVES. AS A MATERIAL PART OF THE CONSIDERATION FOR THIS CONTRACT, BUYER HEREBY AGREES THAT THIS IS AN "AS IS, WHERE IS, WITH ALL FAULTS" SALE. EXCEPT FOR THE WARRANTY OF TITLE IN THE DEED TO BE DELIVERED AT THE CLOSING AND THE REPRESENTATIONS AND WARRANTIES EXPRESSLY SET FORTH IN SECTION 7A OF THIS ADDENDUM, THE CONTRACT IS MADE WITHOUT REPRESENTATION, OR WARRANTY BY OR AGAINST SELLER, OF ANY KIND, EXPRESS, IMPLIED OR STATUTORY, AND THE PROPERTY WILL BE CONVEYED AND TRANSFERRED TO BUYER "AS IS, WHERE IS AND WITH ALL FAULTS". WITHOUT LIMITING THE FOREGOING, SELLER HAS NOT MADE, DOES NOT MAKE, AND SPECIFICALLY NEGATES AND DISCLAIMS ANY REPRESENTATIONS, WARRANTIES (OTHER THAN THE SPECIAL WARRANTY OF TITLE TO BE SET OUT IN THE DEED AND THE REPRESENTATIONS AND WARRANTIES IN SECTION 7A OF THIS ADDENDUM), PROMISES, COVENANTS, AGREEMENTS, OR GUARANTIES OF ANY KIND OR CHARACTER WHATSOEVER, WHETHER EXPRESS OR IMPLIED, ORAL OR WRITTEN, PAST, PRESENT, OR FUTURE, OF, AS TO, CONCERNING, OR WITH RESPECT TO FITNESS FOR A PARTICULAR PURPOSE, HABITABILITY, MERCHANTABILITY, SUITABILITY, PROFITABILITY, DESIGN, QUANTITY, QUALITY, LAYOUT, FOOTAGE, PHYSICAL OR ENVIRONMENTAL CONDITION, OPERATION, VALUE, COMPLIANCE WITH SPECIFICATIONS, ABSENCE OF LATENT DEFECTS OR COMPLIANCE WITH LAWS AND REGULATIONS (INCLUDING, WITHOUT LIMITATION, THOSE RELATING TO HEALTH, SAFETY, AND THE ENVIRONMENT) OR ANY OTHER MATTER AFFECTING THE PROPERTY. INFORMATION PROVIDED OR TO BE PROVIDED BY SELLER IN RESPECT OF THE PROPERTY WAS OBTAINED FROM A VARIETY OF SOURCES. NOTWITHSTANDING ANYTHING CONTAINED IN ANY OF THE THIRD-PARTY PREPARED DOCUMENTS PROVIDED IN SECTION 7.D.(1) OF THE CONTACT TO THE CONTRARY, SELLER HAS NOT MADE AN INDEPENDENT INVESTIGATION OF SUCH INFORMATION AND MAKES NO REPRESENTATIONS AS TO THE ACCURACY OR COMPLETENESS THEREOF. IN THIS REGARD, BUYER ACKNOWLEDGES THAT (A) BUYER WILL MAKE ITS DECISION TO PURCHASE THE PROPERTY BASED SOLELY UPON BUYER'S OWN DUE DILIGENCE AND INVESTIGATIONS, (B) BUYER HAS SUFFICIENT KNOWLEDGE AND EXPERIENCE IN REAL ESTATE INVESTMENT TO EVALUATE THE MERITS AND RISKS OF THE TRANSACTIONS PROVIDED IN THE CONTRACT, AND (C) BUYER IS FINANCIALLY ABLE TO BEAR THE ECONOMIC RISK OF THE LOSS OF SUCH INVESTMENT AND THE COST OF THE DUE DILIGENCE AND INVESTIGATIONS UNDER THE CONTRACT. IT IS UNDERSTOOD AND AGREED THAT THE PURCHASE PRICE HAS BEEN ADJUSTED BY PRIOR NEGOTIATION TO REFLECT THAT THE PROPERTY IS SOLD BY SELLER AND PURCHASED BY BUYER SUBJECT TO THE FOREGOING.

5. **No Recordation.** Neither the Contract nor any memorandum, affidavit, or other instrument evidencing the Contract or relating to the Contract (other than the closing documents contemplated by

Addendum

the Contract) will ever be recorded in the Official Public Records of Travis County, Texas, or in any other public records unless attributable to a dispute between the parties.

6. Date of Deadlines. In the event that any of the deadlines set forth herein end on a Saturday, Sunday, or legal holiday for national banks in Texas, such deadline will automatically be extended to the next day which is not a Saturday, Sunday, or legal holiday. Unless otherwise expressly provided herein, the last day of any period of time described herein shall be deemed to end at 11:59 p.m., Texas time. Time is of the essence in all things pertaining to the performance of the Contract.

7. Warranties, Covenants and Representations.

A. Seller warrants, covenants and represents to Buyer as of the Effective Date and as of the Closing Date, with Buyer relying upon such warranties, covenants and representations, that:

- i. Seller is authorized and empowered, and has the full capacity and right, to enter into the Contract and perform all of its obligations under the Contract and all other agreements, documents and instruments to be executed and delivered by Seller in connection with the transactions contemplated by the Contract (the "**Seller Transaction Documents**"); no consent of any third party or governmental agency is required, and the Contract and the Seller Transaction Documents constitute a legal, valid, and binding obligation of Seller enforceable in accordance with all said documents' terms. The individuals signing the Contract and the Seller Transaction Documents executed or to be executed pursuant hereto on behalf of Seller are and shall be duly authorized to sign the same on Seller's behalf and to bind Seller thereto. The Contract is, and when executed and delivered with the other Seller Transaction Documents shall be, binding upon and enforceable against Seller in accordance with their respective terms. The execution and delivery by Seller, and the performance by Seller of all of the terms, of the Seller Transaction Documents, will not violate (A) any judgment, order, writ, injunction, decree, or ruling of any court or governmental agency to which Seller is a party or to which Seller is subject, (B) any law, order, rule or regulation of any governmental agency or authority, or (C) any agreement to which Seller is a party or to which Seller or the Property is subject.
- ii. There are no pending actions, suits, arbitrations, claims, investigations, proceedings or investigations of any type against or affecting the Property or Seller and, to Seller's Knowledge (as defined below), none are threatened. Seller is not currently involved in any dispute with any governmental agency, or any agents or contractors of Seller. No judgments, orders, writs, injunctions or decrees of any court or governmental agency have been entered against Seller and that have not been satisfied or released. No attachments, execution proceedings, assignments for the benefit of creditors, insolvency, bankruptcy, reorganization or other similar proceedings are pending or, to Seller's Knowledge, threatened, against Seller or the Property.
- iii. Seller has not received any written notice of any violation of any law, rule, ordinance, order, requirement and/or regulation to which Seller or the Property is subject. Additionally, Seller has not violated any covenants, conditions, restrictions and easements that affect the Property.
- iv. There are no pending (A) special assessments (i.e. governmental, administrative or private) or (B) condemnation, eminent domain or similar actions/proceedings against any portion of the Property, and Seller has no Knowledge of any threatened,

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contemplated or pending special assessments or proceedings that would affect any portion of the Property in any manner.

- v. Seller holds good, insurable and indefeasible title to the Property subject to any matters of record shown in the Title Commitment, and no other person or entity has any claim, right, title, interest or lien of any kind in, to or on said Property, including, without limitation, pursuant to any written or oral lease.
- vi. There are no parties in possession of any portion of the Property as lessees, tenants at sufferance or trespassers.
- vii. There are no mechanic's liens, Uniform Commercial Code liens or unrecorded liens against the Property, and Seller shall not allow any such liens to attach to the Property before the Closing that will not be satisfied out of Seller's proceeds from Closing. All obligations of Seller arising from the ownership and operation of the Property and any business operated on the Property, including, but not limited to, taxes for the calendar year prior to the year of Closing, leasing commissions, salaries, contracts, and similar agreements, have been paid or will be paid before the Closing.
- viii. Seller has not generated, stored or disposed of any Hazardous Substances (as defined below) at the Property.
- ix. Seller is not a "foreign person", but is a "United States person", as such terms are defined in Sections 1445 and 7701 of the Internal Revenue Code of 1986, as amended.
- x. Except for the Contract, Seller has not entered into any contract for the sale of, and no person or entity has any option or any other rights to purchase, all or any portion of the Property. Prior to Closing or the earlier termination of the Contract in accordance with its terms, Seller will not enter into, or negotiate the terms and conditions of, any agreement or agreements with respect to the sale of the Property or any portion thereof (whether by option to purchase, right of first refusal, contract or otherwise) to any person other than Buyer and its assigns.
- xi. Seller has not entered into any agreements affecting the Property that shall be binding on Buyer after the date of Closing.
- xii. Seller agrees to pay and discharge all ownership, management, service, and maintenance and similar fees, costs and expenses incurred with respect to periods prior to and up through Closing, specifically including, without limitation, costs and expenses relating to materials supplied and labor performed.
- xiii. Seller agrees to continue to own, maintain and manage the Property in the same manner that Seller has heretofore owned, maintained and managed the Property up to and through Closing.
- xiv. Seller will not, without Buyer's prior written consent (with such consent to be within Buyer's sole and absolute discretion): (a) grant to, create or convey any interest in the Property (or any part thereof) to any other party other than Buyer and/or Buyer's assigns, or subject the Property to any liens, encumbrances, covenants, conditions, restrictions, easements or similar matters, (b) establish or consent to the establishment of any special association, community association, property owners'

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association, architectural control committee or any other such committee having jurisdiction over all or any portion of the Property, (c) obtain a plat or re-plat that includes the Property, (d) enter into any agreement affecting access to the Property, (e) enter into any lease with respect to the Property, (f) consent to any special assessment affecting the Property, and/or (g) affirmatively cause, or authorize third parties to cause, any use, generation, release, discharge, storage or disposal of Hazardous Substances on the Property. Seller promptly will provide to Buyer such information, in writing, regarding any proposals or plans relating to the items described in clauses (a) through (g) as Buyer may reasonably request.

- xv. Seller has not received any written notice of any existing or proposed plans to widen, modify or realign any street adjoining the Property. Additionally, Seller has not received any written notice of any pending or threatened proceeding by any governmental authority, or any other fact or condition, which would limit or result in the termination of the Property's access to and from such public highways, streets and roads.
 - xvi. During the pendency of this Agreement, Seller shall maintain all liability insurance Seller was carrying on the Effective Date.
- B. The representations, warranties and covenants of Seller contained in this Contract shall survive Closing for a period of one (1) year and not merge into the Deed (as defined below).
- C. As used in this Contract, the term "**Environmental Laws**" shall mean any local, state or federal ordinance, law, statute, rule, regulation, order or decree pertaining to environmental regulation, contamination, cleanup, disclosure and/or that imposes liability or standards of conduct concerning any Hazardous Substance, any state or federal superfund, superfund or environmental clean-up or disclosure statutes, and/or any amendments to any of the foregoing or as such matters are now or any time hereafter in effect. The term "**Hazardous Substances**" shall mean all substances and materials which are (a) included under, investigated, regulated, monitored, remediated or otherwise defined as "hazardous" or "toxic" by any governmental authority, Environmental Law or any local, state or federal ordinance, statute, regulation, rule, law, common law, order, action or policy of any kind or nature, including, but not limited to, (i) raw materials which include hazardous constituents, (ii) petroleum hydrocarbons, including crude oil or any fraction thereof, and all petroleum products, (iii) polychlorinated biphenyls, (iv) lead, (v) asbestos, (vi) infectious materials, and (vii) radioactive materials; (b) toxic, explosive, corrosive, flammable, carcinogenic, mutagenic, or otherwise hazardous or environmentally sensitive and are or become regulated by any governmental authority, agency, department, commission, board, agency or instrumentality; or (c) causing or threatening to cause a hazard to the health, safety, or welfare of persons on or about the Property.
- D. The term "**knowledge**" or "**Seller's knowledge**" or other words to that effect shall mean the current, actual knowledge, without inquiry or investigation, of Tony Juarez, an employee of Byram Properties, and the person who is the most knowledgeable of any of Seller's representatives about the Property. Buyer acknowledges that the individual named above is named solely for the purpose of defining and narrowing the scope of Seller's knowledge, and not for the purpose of imposing any liability on or creating any duties running from such individual to Buyer. Buyer covenants that it will bring no action of any kind against such individual, related to or arising out of these representations and warranties.
- E. If, prior to Closing, Buyer discovers that any of the representations, warranties or

Addendum

covenants made by Seller herein were, when made, or have subsequently become, materially false or misleading and Seller does not, within 30 days after written notice from Buyer requesting Seller remedy or cure such false or misleading statement, cause a change in the underlying facts to make such statement no longer materially false or misleading, then Buyer shall have the right, as its sole and exclusive remedy, by written notice delivered to Seller given prior to the Closing Date, to terminate this Contract, whereupon the earnest money (which shall include, to the extent applicable, the Released Earnest Money, the Additional Deposits, Closing Extension Fees, and the feasibility extension fee, less the Independent Consideration) shall be returned to Buyer and the parties shall be released from all future obligations hereunder except for those that expressly survive this Contract.

8. Entire Contract. The Contract, including this Addendum and the exhibits and schedules thereto, contains the entire agreement between the parties hereto pertaining to the subject matter hereof and fully supersedes all prior written or oral agreements and understandings between the parties pertaining to such subject matter.

9. Counterparts. The Contract may be executed in counterparts, all such executed counterparts shall constitute the same agreement, and the signature of any party to any counterpart shall be deemed a signature to, and may be appended to, any other counterpart.

10. Facsimile/Electronic Signatures. In order to expedite the transaction contemplated herein, emailed and/or telecopied signatures may be used in place of original signatures on the Contract. Seller and Buyer intend to be bound by the signatures on the emailed and/or telecopied document, are aware that the other party will rely on the emailed and/or telecopied signatures, and hereby waive any defenses to the enforcement of the terms of the Contract based on the form of signature.

11. Texas Law. Unless superseded by federal law, the Contract shall be construed under the laws of the State of Texas. Exclusive venue for any dispute arising out of the Contract shall be in Travis County, Texas.

12. Invalidity. If any provision in the Contract or this Addendum is invalid, illegal, or unenforceable, the Contract and this Addendum shall be construed as if such invalid, illegal, or unenforceable provision had never been in the Contract and/or this Addendum.

13. Further Assurances. In addition to the acts and deeds recited herein and contemplated to be performed, executed or delivered by Seller or Buyer, Seller and Buyer hereby agree to perform, execute and deliver, or cause to be performed, executed and delivered, on the Closing Date or thereafter any and all such further acts, deeds and assurances as Buyer or Seller, as the case may be, may reasonably require in order to consummate fully the transactions contemplated hereunder.

14. Waiver of Jury Trial. To the extent permitted by applicable law, the parties hereby waive any right to trial by jury in any legal proceeding arising out of or relating to the Contract or the transactions contemplated hereby.

15. Waivers. No waiver of any term or provision of the Contract shall constitute a waiver of any other provision, whether or not similar, nor shall any waiver be a continuing waiver. Except as expressly provided elsewhere in the Contract, no waiver shall be binding unless executed in writing by the party making the waiver. Either party may waive any term or provision of the Contract intended for its benefit.

16. Deed Form. The form of Special Warranty Deed to be delivered by Seller at Closing is attached to this Addendum as Exhibit A.

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17. **Release of Earnest Money.** Commencing as of the last calendar day of the first full month after the Effective Date and continuing on the last calendar day of each month thereafter, the Buyer hereby authorizes the escrow agent to release \$1,000.00 of the earnest money deposited by Buyer pursuant to Section 5.A. of the Contract to Seller (the "Released Earnest Money") until the earlier of (a) the Contract is terminated pursuant to the terms thereof, or (b) the date of the closing of the purchase and sale of the Property. The Released Earnest Money shall be non-refundable to Buyer, except as otherwise provided herein, and shall be applied to the sales price at closing. The escrow agent's failure to timely release any Released Earnest Money due shall not be deemed a default by Buyer under the Contract.

18. **Second Earnest Money Deposit.** If Buyer does not terminate this Agreement by delivering written notice thereof to Seller on or prior to May 29, 2020, Buyer shall deposit with the title company on or prior to such date additional earnest money in the amount of Fifty Thousand and 00/100 Dollars (\$50,000.00) (the "Second Earnest Money Deposit"). The Second Earnest Money Deposit shall be (i) non-refundable to Buyer, except as otherwise provided herein or in the Contract, and (ii) applied to the sales price at closing, and (iii) otherwise treated in the same manner as the earnest money. Notwithstanding the foregoing or anything contained herein or in the Contract to the contrary, in the event Buyer terminates the Contract pursuant to the termination right set forth in Section 7.B of the Contract (and not due to a Seller default), the Second Earnest Money Deposit shall be released to Seller.

19. **Third Earnest Money Deposit.** If Buyer does not terminate this Agreement by delivering written notice thereof to Seller on or prior to July 31, 2020, Buyer shall deposit with the title company on or prior to such date additional earnest money in the amount of One Hundred Twenty-Five Thousand and 00/100 Dollars (\$125,000.00) (the "Third Earnest Money Deposit", and together with the Second Earnest Money Deposit, the "Additional Deposits"). The Third Earnest Money Deposit shall be (i) non-refundable to Buyer, except as otherwise provided herein or in the Contract, (ii) applied to the sales price at closing, and (iii) otherwise treated in the same manner as the earnest money. Notwithstanding the foregoing or anything contained herein or in the Contract to the contrary, in the event Buyer terminates the Contract pursuant to the termination right set forth in Section 7.B of the Contract (and not due to a Seller default), the Third Earnest Money Deposit shall be released to Seller.

20. **Rollback Taxes.** If the sale contemplated hereby, a change in the use of the Property, or denial of any special use valuation of the Property would result in the assessment after the closing of additional taxes and interest applicable to the period of time before the closing ("Rollback Taxes"), then Buyer shall be responsible for the payment of the Rollback Taxes (including interest and penalties) if and when assessed after the closing. If any Rollback Taxes are due before the closing due to Seller's change in use of the Property or a denial of a special use valuation of the Property, then Seller shall pay those Rollback Taxes (including any interest and penalties) at or before the closing.

21. **Plans and Approvals.** Buyer shall have the right to file, at Buyer's expense, applications and plans necessary to obtain site development permits, any rezoning, and/or any other agreement, approval, or permit from any governmental authorities having jurisdiction over the Property that Buyer deems appropriate in connection with its intended use of the Property ("Buyer's Entitlements"). At no cost to Seller, Seller agrees to designate Buyer as Seller's agent to process applications for Buyer's Entitlements. Additionally, Seller agrees, at no cost to Seller, to join in the execution of any application required for Buyer's Entitlements (or file such application individually if required by the relevant governmental authority). Notwithstanding anything to the contrary contained herein, Buyer shall not, prior to the Closing Date, record or file with the City of Austin or other governmental authority any encumbrance, zoning ordinance or other document burdening Seller or the Property with any of Buyer's Entitlements without obtaining Seller's prior written consent, such consent not to be unreasonably withheld, conditioned, or delayed.

Addendum

22. Feasibility Extension. Section 7.B.(2) of the Contract is hereby amended by adding the following at the end thereof:

"Such feasibility extension fee shall become a part of the earnest money, and the aggregate total of the earnest money shall be (i) non-refundable, except as otherwise provided herein, (ii) applied to the sales price at closing, and (iii) otherwise treated in the same manner as the earnest money."

23. Buyer's Title Objections. The last sentence of Section 6.C.(2) of the Contract is deleted and the following shall be inserted in lieu thereof: "If Buyer terminates, the earnest money (which shall include, to the extent applicable, the Additional Deposits, Closing Extension Fees, and the feasibility extension fee, but not the Released Earnest Money), less any independent consideration under Paragraph 7B(1), will be refunded to Buyer.

24. Seller Default. Section 15.B.(1) of the Contract is deleted and the following shall be inserted in lieu thereof: "terminate this contract and receive the earnest money (which shall include, to the extent applicable, the Released Earnest Money, the Additional Deposits, Closing Extension Fees, and the feasibility extension fee), less any independent consideration under Paragraph 7B(1), as liquidated damages and as Buyer's sole remedy;". Section 15.C.(1) of the Contract is deleted and the following shall be inserted in lieu thereof: "terminate this contract and receive the earnest money (which shall include, to the extent applicable, the Released Earnest Money, the Additional Deposits, Closing Extension Fees, and the feasibility extension fee), less any independent consideration under Paragraph 7B(1), as liquidated damages and as Buyer's sole remedy;".

25. Notice and Cure. Notwithstanding the terms of Paragraph 15 of the Contract, neither Seller nor Buyer shall be deemed in default under the Contract until the non-defaulting party has delivered written notice of such default to the defaulting party and the defaulting party does not cure such default within five (5) days of its receipt of said notice.

26. Seller's Broker Fees. With respect to Paragraph 9 of the Contract, Seller shall pay all broker fees and commissions arising by, through or under Seller, if any, at closing pursuant to the terms of a separate agreement. Seller indemnifies Buyer against, and shall hold Buyer harmless from, any and all suits, claims, demands, judgments, damages, costs and expenses of or for all such broker fees and/or commissions, and shall pay all costs of defending any action or lawsuit brought to recover any fees or commissions incurred by Buyer, including without limitation reasonable attorneys' fees.

27. Buyer's Broker Fees. With respect to Paragraph 9 of the Contract, Buyer shall pay all broker fees and commissions arising by, through or under Buyer, if any, at closing pursuant to the terms of a separate agreement. Buyer indemnifies Seller against, and shall hold Seller harmless from, any and all suits, claims, demands, judgments, damages, costs and expenses of or for all such broker fees and/or commissions, and shall pay all costs of defending any action or lawsuit brought to recover any fees or commissions incurred by Seller, including without limitation reasonable attorneys' fees.

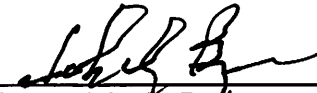
Addendum

SIGNATURE PAGE

SELLER:

183 APARTMENT SITE, LTD.,
a Texas limited partnership


By: JDB Real Properties, Inc.,
a Texas corporation,
its general partner

By: 
Name: John D. Byram
Title: Chief Executive Officer

BUYER:

MCDOWELL ACQUISITIONS, LLC,
a Delaware limited liability company

By: McDowell Properties,
a California corporation,
its manager

By: 
Name: Kenneth Lee
Title: President

Addendum

EXHIBIT A

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.

(Form of Special Warranty Deed)

SPECIAL WARRANTY DEED

THE STATE OF TEXAS

§
§
§

KNOW ALL MEN BY THESE PRESENTS:

COUNTY OF TRAVIS

183 APARTMENT SITE, LTD., a Texas limited partnership (hereinafter referred to as "Grantor"), for and in consideration of the sum of Ten Dollars (\$10.00) and other good and valuable consideration to it in hand paid by _____, a _____ (hereinafter referred to as "Grantee"), whose mailing address is [601 Brickell Key Drive, Suite 700, Miami, Florida 33131, Attn: Christopher Shear], the receipt and sufficiency of which consideration are hereby acknowledged and confessed, does hereby GRANT, BARGAIN, SELL and CONVEY, unto Grantee, and its successors and assigns forever, all of that certain real property situated in Travis County, Texas, described on Exhibit A attached hereto and made a part hereof for all purposes, and all rights, privileges and appurtenances pertaining thereto (the "Land"), together with any right, title and interest of Grantor, if any, relating to, associated with, and/or appurtenant to the Land, including but not limited to: (a) adjacent streets, alleys, and rights-of-way, (b) riparian and water rights, (c) air rights, (d) uses, servitudes, licenses, easements, tenements, hereditaments and appurtenances now or hereafter belonging to or benefiting the Land, (e) oil, gas and other minerals lying on or under the Land, (f) buildings, improvements and fixtures located on or under the Land; and (g) licenses, warranties, and permits (all of the foregoing, together with the Land, being referred to collectively herein as the "Property").

TO HAVE AND TO HOLD the Land, together with all and singular the rights and appurtenances thereto in anywise belonging to Grantor, unto Grantee and its successors and assigns, forever; and Grantor does hereby bind itself and its successors and assigns, to WARRANT AND FOREVER DEFEND all and singular the Land unto Grantee, its successors and assigns, against every person whomsoever lawfully claiming or to claim the same, or any part thereof, by, through or under Grantor, but not otherwise.

The warranty of title to the Land provided by Grantor herein is expressly made subject only to those encumbrances set forth on Exhibit B attached hereto and made a part hereof for all purposes, to the extent and only to the extent that the same are valid and subsisting and affect the Land (the "Exceptions").

This conveyance is being made by Grantor and accepted by Grantee subject to taxes for the year 2020, the payment of which shall be prorated between Grantor and Grantee in accordance with the terms of the Contract (as defined herein).

GRANTEE ACKNOWLEDGES AND AGREES IT HAS CONDUCTED ITS OWN INDEPENDENT INVESTIGATION AND INSPECTION OF ALL ASPECTS OF THE PROPERTY PRIOR TO THE DATE OF THIS DEED. GRANTEE FURTHER ACKNOWLEDGES AND AGREES

Addendum

THAT IT IS RELYING SOLELY ON SUCH INDEPENDENT INVESTIGATION AND INSPECTION IN PURCHASING THE PROPERTY AND IS NOT RELYING ON ANY INFORMATION PROVIDED BY GRANTOR. GRANTEE FURTHER ACKNOWLEDGES THAT IT IS FULLY AND COMPLETELY SATISFIED THAT THE PROPERTY IS SATISFACTORY IN ALL RESPECTS FOR ITS INTENDED USE AND GRANTEE SHALL HAVE NO RECOURSE WHATSOEVER AGAINST GRANTOR IN CONNECTION WITH THE PROPERTY EXCEPT FOR GRANTOR'S REPRESENTATIONS AND WARRANTIES SET FORTH IN THE COMMERCIAL CONTRACT – UNIMPROVED PROPERTY BETWEEN GRANTOR, AS SELLER, AND GRANTEE, AS BUYER (THE "CONTRACT"). EXCEPT FOR GRANTOR'S SPECIAL WARRANTY OF TITLE PROVIDED HEREIN AND THE REPRESENTATIONS AND WARRANTIES SET FORTH IN THE CONTRACT, GRANTEE HEREBY ACKNOWLEDGES AND AGREES THAT GRANTOR HAS NOT MADE, DOES NOT MAKE AND SPECIFICALLY DISCLAIMS ANY AND ALL REPRESENTATIONS, WARRANTIES, PROMISES, COVENANTS, AGREEMENTS OR GUARANTIES OF ANY KIND OR CHARACTER WHATSOEVER, WHETHER EXPRESS OR IMPLIED, ORAL OR WRITTEN, PAST, PRESENT OR FUTURE, OF, AS TO, CONCERNING OR WITH RESPECT TO THE PROPERTY, AND GRANTEE HEREBY WAIVES ANY SUCH REPRESENTATION, WARRANTY, PROMISE, COVENANT, AGREEMENT OR GUARANTY, AND GRANTEE ACKNOWLEDGES THAT GRANTOR IS CONVEYING THE PROPERTY TO GRANTEE "AS IS, WHERE IS", AND "WITH ALL FAULTS." SECTION 4 OF THE ADDENDUM TO THE CONTRACT IS INCORPORATED INTO THIS SPECIAL WARRANTY DEED FOR ALL PURPOSES.

[VENDOR'S LIEN LANGUAGE TO BE INSERTED IF BUYER ELECTS SELLER FINANCING]

IN WITNESS WHEREOF, this Special Warranty Deed has been executed by Grantor to be effective as of the ___ day of _____ 20__.

GRANTOR:

183 APARTMENT SITE, LTD., a Texas limited partnership

By: JDB REAL PROPERTIES, INC., a Texas corporation,
Its General Partner

Pro Forma – Do Not Sign

By: _____

Name: _____

Title: _____

THE STATE OF TEXAS

COUNTY OF _____

§
§
§

This instrument was acknowledged before me on the ___ day of _____ 20__,
by _____, as _____ of _____

Addendum

**JDB Real Properties, Inc., the General Partner of 183 Apartment Site, Ltd., a Texas limited partnership,
on behalf of said partnership.**

Notary Public, State of Texas

Addendum

Exhibit A to Special Warranty Deed

Legal Description

Lot One (1), WALNUT CREEK CENTER, a subdivision in Travis County, Texas, according to the map or plat thereof recorded in Volume 86, Page 37B of the Plat Records of Travis County, Texas.

Exhibit B to Special Warranty Deed

Exceptions

Addendum

EXHIBIT B

(Form of Promissory Note)

REAL ESTATE LIEN NOTE AND LOAN AGREEMENT NOTICE

**** LOAN AGREEMENT NOTICE ****

NOTICE: THIS DOCUMENT AND ALL OTHER DOCUMENTS RELATING TO THIS LOAN CONSTITUTE A WRITTEN LOAN AGREEMENT WHICH REPRESENTS THE FINAL AGREEMENT BETWEEN THE PARTIES AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS, OR SUBSEQUENT ORAL AGREEMENTS OF THE PARTIES.

THERE ARE NO UNWRITTEN ORAL AGREEMENTS BETWEEN THE PARTIES RELATING TO THIS LOAN.

DATED: _____

<p><u>LENDER/FINANCIAL INSTITUTION:</u></p> <p>183 APARTMENT SITE, LTD., a Texas limited partnership</p> <p>By: JDB REAL PROPERTIES, INC., a Texas corporation, Its General Partner</p> <p style="text-align: center;"><i>Pro Forma – Do Not Sign</i></p> <p>By: _____</p> <p>Name: _____</p> <p>Title: _____</p>	<p><u>MAKER/DEBTOR/OBLIGOR:</u></p> <p style="text-align: center;">_____, a</p> <p style="text-align: center;"><i>Pro Forma – Do Not Sign</i></p> <p>By: _____</p> <p>Name: _____</p> <p>Title: _____</p>
--	---

**** REAL ESTATE LIEN NOTE ****

DATE:

MAKER:

MAKER'S MAILING ADDRESS:

PAYEE: 183 APARTMENT SITE, LTD., a Texas limited partnership

PAYEE'S MAILING ADDRESS AND PLACE FOR PAYMENT:

PRINCIPAL AMOUNT: Three million two hundred thousand and 00/100 Dollars (\$3,200,000.00)

ANNUAL INTEREST RATE ON UNPAID PRINCIPAL FROM DATE OF FUNDING:

Six and one-half percent (6.50%)

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TERMS OF PAYMENT: (Interest Only): Interest on the outstanding Principal Amount under this Real Estate Lien Note (this "**Note**") shall be due and payable in monthly installments of _____/100ths Dollars (\$_____), each payable on the _____ (_____) day of each and every calendar month, the first payment being due on the _____ (_____) day of _____, 20____, and continuing regularly thereafter until _____, 2022 (the "**Maturity Date**") whereupon payment of the outstanding Principal Amount and all accrued and unpaid interest thereon shall be due and payable in full.

In the event any portion of the sums hereby loaned cannot be lawfully secured by the Deed of Trust securing this Note, payments in reduction of such sums shall be applied first to those portions not secured by the Deed of Trust. In the event that any applicable law limiting the amount of interest or other charges permitted to be collected is interpreted so that any charge provided for in this Note, or the Deed of Trust securing same, whether considered separately or together with other charges that are considered a part of this Note and the Deed of Trust securing same, violates such law by reason of the acceleration of the indebtedness herein set forth, or for any other reason, such charge is hereby reduced to the extent necessary to eliminate such violation. The amounts of such interest or other charges previously paid to Lender in excess of the amounts permitted by applicable law shall be applied by Lender to reduce the principal of the indebtedness evidenced by this Note, or, at Lender's option, be refunded.

The Maker hereof reserves the right to prepay this Note, in whole or in part, at any time prior to maturity without penalty, premium or restriction of any kind. Any prepayments are to be applied to the payment of installments last maturing and interest will immediately cease on the prepaid principal.

ANNUAL INTEREST RATE ON MATURED, UNPAID AMOUNTS: Past due principal and interest shall bear interest at ten percent (10.00%) per annum.

SECURITY FOR PAYMENT: A vendor's lien expressly retained in that certain Special Warranty Deed of even date herewith to Maker and executed by Payee to the Maker hereof upon the hereinafter described real property, and is additionally secured by a Deed of Trust to William D. Brown, Trustee (the "**Property**"), known as 1701 East Anderson Lane,, Austin, Texas, and further described as follows:

Lot One (1), WALNUT CREEK CENTER, a subdivision in Travis County, Texas, according to the map or plat thereof recorded in Volume 86, Page 37B of the Plat Records of Travis County, Texas.

Maker promises to pay to the order of Payee at the place for payment and according to the terms of payment the principal amount plus interest at the rates stated above. All unpaid amounts shall be due by the final scheduled payment date.

If Maker defaults in the payment of this Note or in Maker's payment obligation in any instrument securing or collateral to it, then Payee shall give Maker written notice of such default at the Maker's Mailing Address and Maker shall have ten (10) days from the date of the written notice to cure such default; provided, however, Payee shall only be obligated to give Maker written notice of a payment default two (2) times during any calendar year during the term of this Note. In the event Maker fails to cure such default within such cure time period, then Payee may declare the unpaid principal balance and earned interest on this Note immediately due.

If Maker defaults in the performance of any non-monetary obligation in this Note or in any instrument securing or collateral to it, then Payee shall give Maker written notice of such default at the Maker's Mailing Address and Maker shall have thirty (30) days from the date of the written notice to cure such default; provided, however, if the nature of such non-monetary obligation cannot be cured within such

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thirty (30) day time period, then Maker shall not be deemed in default of this Note or any other instrument securing or collateral to it so long as Maker commenced curing such default within the thirty (30) day time period and diligently pursues such cure thereafter and cures such default in all events within one hundred twenty (120) days from the date of written notice of such default. In the event Maker fails to cure such default within such cure time period or commences to cure such default (whichever is applicable), then Payee may declare the unpaid principal balance and earned interest on this Note immediately due.

If this Note or any instrument securing or collateral to it is given to an attorney for collection or enforcement, or if it is collected or enforced through probate, bankruptcy, or other judicial proceeding, then Maker shall pay Payee all costs of collection and enforcement, including reasonable attorney's fees and court costs, in addition to other amounts due.

Maker is responsible for the entire amount of this Note.

The terms Maker and Payee and other nouns and pronouns include the plural if more than one. The terms Maker and Payee also include, without limitation, their respective heirs, personal representatives, successors and assigns.

Nothing in this Note shall authorize the collection of interest in excess of the highest rate allowed by law. All agreements between Maker and Payee are expressly limited so that in no contingency or event whatsoever shall the amount paid, or agreed to be paid, to Payee for the use, forbearance, or detention of the money to be lent hereunder exceed the maximum amount permissible under applicable law. If, from any circumstances whatsoever, fulfillment of any provision hereof at the time such performance is due would involve transcending the limit of validity prescribed by law, then ipso facto the obligation to be fulfilled shall be reduced to the limit of such validity, and if from any circumstances Payee shall receive as interest an amount that would exceed the highest lawful rate, such amount that would be excessive interest shall be applied to the reduction of the principal amount owing hereunder, or shall be refunded, but shall not be applied to payment of interest. The provisions of this paragraph will control all agreements between Maker and Payee.

PAYEE'S RIGHT TO PAY AD VALOREM TAXES AND INSURANCE PREMIUMS: If Maker fails to pay before the same become delinquent, all taxes, assessments and other charges imposed, levied or assessed against said Property or to maintain the insurance coverage, all as herein provided, Payee may, at its option and without waiver of any other rights granted by this Note or the Deed of Trust securing same for breach of the covenants contained herein, procure and pay for any such insurance coverage and pay any such taxes, assessments and other charges, including any sums that may be necessary to redeem the Property from tax sale, without obligation to inquire into the validity of any such taxes, assessments, charges and tax sales, the receipts of the proper officers being conclusive evidence of the validity and amount thereof. All amounts so paid by Payee shall immediately become due to Payee, together with interest thereon from the date on which said payments were made at the rate provided in this Note, and all such amounts shall be added to and become a part of the indebtedness secured by this Note.

Maker shall pay a charge of \$25.00 for any check returned for any reason.

Late charges, fees incurred for failure to furnish proof of insurance or taxes and returned check charges may be deducted from monthly payments prior to the application of the payment received for principal and interest.

IN THE EVENT ANY INSTALLMENT OF THE NOTE SHALL BECOME OVERDUE AND NOT SUCCESSFULLY DEPOSITED IN PAYEE'S BANK ACCOUNT WITHIN TEN (10) DAYS OF THE

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DUE DATE OF SUCH INSTALLMENT, THEN, IN ADDITION TO THE MAKER BEING DEEMED TO BE IN DEFAULT OF THIS NOTE, WITH PAYEE HAVING ANY AND ALL RIGHTS AND REMEDIES DESCRIBED HEREIN OR OTHERWISE AFFORDED BY LAW TO PURSUE AGAINST MAKER, A CHARGE OF FIVE PERCENT (5%) OF THE TOTAL MONTHLY PAYMENT FOR EACH MONTH SO OVERDUE MAY BE CHARGED BY THE PAYEE OF THE NOTE FOR THE PURPOSE OF DEFRAYING THE EXPENSE INCIDENT TO HANDLING SUCH DELINQUENT PAYMENTS. THIS LATE CHARGE IS NOT A GRACE PERIOD, AND ALL INSTALLMENTS ARE DUE PROMPTLY ON THEIR DUE DATE.

ALL PAYMENTS HEREUNDER SHALL BE APPLIED FIRST TO UNPAID FEES, COSTS AND EXPENSES THEN DUE AND PAYABLE UNDER THE NOTE OR DEED OF TRUST, SECOND TO ACCRUED INTEREST DUE AND PAYABLE UNDER THE NOTE, AND FINALLY TO REDUCE THE PRINCIPAL AMOUNT OUTSTANDING.

NOTICE PROVISION: Maker expressly covenants and agrees that its address for all notices shall be its address as set forth on Page 1 of this document and shall remain the address for notices unless Maker requests IN WRITING that the notice be sent to a different address.

This written Note and the Deed of Trust securing same represent the final agreement between the parties and may not be contradicted by evidence of prior, contemporaneous, or subsequent oral agreements of the parties. There are no unwritten oral agreements between the parties.

THIS NOTE IS PAYABLE IN FULL ON THE MATURITY DATE. YOU MUST REPAY THE ENTIRE PRINCIPAL BALANCE OF THE NOTE AND UNPAID ACCRUED INTEREST THEN DUE. THE PAYEE IS UNDER NO OBLIGATION TO REFINANCE THE NOTE AT THAT TIME. YOU WILL, THEREFORE, BE REQUIRED TO MAKE PAYMENT OUT OF OTHER ASSETS YOU MAY OWN, OR YOU WILL HAVE TO FIND A LENDER WILLING TO LEND YOU THE MONEY AT PREVAILING MARKET RATES, WHICH MAY BE CONSIDERABLY HIGHER OR LOWER THAN THE INTEREST RATE ON THIS NOTE. IF YOU REFINANCE THIS NOTE AT MATURITY, YOU MAY HAVE TO PAY SOME OR ALL CLOSING COSTS NORMALLY ASSOCIATED WITH A NEW LOAN EVEN IF YOU OBTAIN REFINANCING FROM THE SAME LENDER.

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MAKER/DEBTOR/OBLIGOR:

_____ ,
_____ *Pro Forma – Do Not Sign* ^a
By: _____
Name: _____
Title: _____

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EXHIBIT C

(Form of Deed of Trust)

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

DEED OF TRUST

DATE:

GRANTOR:

GRANTOR'S ADDRESS:

TRUSTEE: WILLIAM D. BROWN

TRUSTEE'S ADDRESS: 2705 BEE CAVES ROAD, SUITE 160, AUSTIN, TEXAS 78746

BENEFICIARY: 183 APARTMENT SITE, LTD., a Texas limited partnership

BENEFICIARY'S ADDRESS: 510 SOUTH CONGRESS AVE., SUITE 400, AUSTIN, TEXAS 78704

NOTE:

NOTE DATE:

NOTE AMOUNT: \$3,200,000.00

NOTE MAKER:

NOTE PAYEE: 183 APARTMENT SITE, LTD., a Texas limited partnership

FINAL MATURITY DATE: [insert maturity date that is 2 years from the closing date]

TERMS OF PAYMENT: As therein set forth

PROPERTY (INCLUDING ANY IMPROVEMENTS):

Lot One (1), WALNUT CREEK CENTER, a subdivision in Travis County, Texas, according to the map or plat thereof recorded in Volume 86, Page 37B of the Plat Records of Travis County, Texas; together with the following: (a) any and all buildings, improvements, and tenements now or hereafter erected on the Property; (b) any and all heretofore or hereafter vacated alleys and streets abutting the Property, easements, rights, appurtenances, rents, leases, royalties, mineral, oil and gas rights and profits, water, water rights, and water stock appurtenant to the Property; (c) any and all fixtures, machinery, equipment, building materials, appliances, and goods of every nature whatsoever now or hereafter located in, on, or used, or intended to be used in connection with the Property, including, but not limited to: those for the purposes of supplying or distributing heating, cooling, electricity, gas, water, air and light; plumbing and plumbing fixtures; refrigerating, cooking and laundry equipment; floor coverings and interior and exterior window treatments; furniture and cabinets; interior and exterior plantings and plant and lawn maintenance equipment; (e) any and all contracts and subcontracts relating to the Property; (f) any and all accounts, contract rights, instruments, documents, general intangibles, and chattel paper arising from or by virtue of any transactions related to the Property; (g) any and all permits,

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licenses, franchises, certificates, and other rights and privileges obtained in connection with the Property; (h) any and all proceeds arising from or by virtue of the sale, lease, or other disposition of any of the Property; (i) any and all proceeds payable or to be payable under each policy of insurance relating to the Property; (j) any and all proceeds arising from the taking of all or a part of the Property for any public or quasi public use under any law, or by right of eminent domain, or by private or other purchase in lieu thereof; (k) all other interests of every kind and character which Grantor now has or at any time hereafter acquires in and to the Property, including all other items of property and rights described elsewhere in this instrument.

OTHER EXCEPTIONS TO CONVEYANCE AND WARRANTY: This conveyance is made and accepted subject to, without limitation, any and all conditions, restrictions, reservations, easements, licenses, permits, covenants, rights-of-way or prescriptive rights affecting the Property, whether or not appearing in the applicable county records.

PRIOR LIENS: NONE

For value received and to secure payment of the Note, Grantor conveys the Property to Trustee in trust. Grantor warrants and agrees to defend the title to the Property by, through and/or under Grantor, but not otherwise. If Grantor performs all the covenants and pays the Note according to its terms, this Deed of Trust shall have no further effect, and Beneficiary shall release it at Beneficiary's expense.

GRANTOR'S OBLIGATIONS:

Grantor agrees to:

1. Keep the Property in good repair and condition;
2. Pay all taxes and assessments on the Property before the same become delinquent;
3. Preserve the lien's priority as it is established in this Deed of Trust;
4. If the Property is improved, maintain, in a form reasonably acceptable to Lender, an insurance policy that:
 - a. covers all improvements for their full insurable value as determined when the policy is issued and renewed, unless Lender approves a smaller amount in writing;
 - b. contains an 80% coinsurance clause;
 - c. protects Beneficiary with a standard mortgage clause;
 - d. provides flood insurance at any time the Property is in a flood hazard area; and
 - e. contains such other coverage as Beneficiary may reasonably require.
5. Comply at all times with the requirements of the 80% coinsurance clause;
6. Deliver the insurance policy to Beneficiary and deliver renewals to Beneficiary at least ten (10) days before expiration;
7. Keep any buildings occupied as required by the insurance policy; and
8. If this is not a first lien, pay all prior lien notes that Grantor is personally liable to pay and abide by all prior lien instruments.

BENEFICIARY'S RIGHTS:

1. Beneficiary may appoint in writing a substitute or successor trustee, succeeding to all rights and responsibilities of Trustee. If Trustee or his successor or substitute shall have given notice of sale

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hereunder, any successor or substitute Trustee thereafter appointed may complete the sale and the conveyance of the Property pursuant thereto as if such notice had been given by the successor or substitute Trustee conducting the sale.

2. If the proceeds of the Note are used to pay any debt secured by prior liens, Beneficiary is subrogated to all of the rights and liens of the holders of any debt so paid.

3. Beneficiary may apply any proceeds received under the insurance policy either to reduce the Note or to repair or replace damaged or destroyed improvements covered by the policy.

4. If Grantor fails to perform any of Grantor's obligations, Beneficiary may perform those obligations and be reimbursed by Grantor on demand at the place where the Note is payable for any sums so paid, including reasonable attorney's fees, plus interest on those sums from the dates of payment at the rate stated in the Note for matured, unpaid amounts. The sum to be reimbursed shall be secured by this Deed of Trust.

5. If Grantor defaults on the Note or fails to perform any of Grantor's obligations or if default occurs on a prior lien Note or other instrument, and the default continues after Beneficiary gives Grantor notice of the default and the time within which it must be cured, as may be required by law or by written agreement (e.g. the Note), then Beneficiary may:

- a. declare the unpaid principal balance and earned interest on the Note immediately due;
- b. request Trustee to foreclose this lien, in which case Beneficiary or Beneficiary's agent shall give notice of the foreclosure sale as provided by the Texas Property Code as then amended; and
- c. purchase the Property at any foreclosure sale by offering the highest bid and then have the bid credited on the Note.

TRUSTEE'S DUTIES:

If requested by Beneficiary to foreclose this lien, Trustee shall:

1. Either personally or by agent give notice of the foreclosure sale as required by the Texas Property Code as then amended;
2. Sell and convey all or part of the Property to the highest bidder for cash with a special warranty binding Grantor, subject to prior liens and to other exceptions to conveyance and warranty; and
3. From the proceeds of the sale, pay, in this order:
 - a. expenses of foreclosure, including a commission to Trustee of 5% of the bid;
 - b. to Beneficiary, the full amount of principal, interest, reasonable attorney's fees, and other charges due and unpaid on the Note;
 - c. any amounts required by law to be paid before payment to Grantor; and
 - d. to Grantor, any balance.

GENERAL PROVISIONS:

1. If any of the Property is sold under this Deed of Trust, Grantor shall immediately surrender possession to the purchaser. If Grantor fails to do so, Grantor shall become a tenant at sufferance of the purchaser, subject to an action for forcible detainer.

2. Recitals in any Trustee's deed conveying the Property will be presumed to be true.

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3. Proceeding under this Deed of Trust, filing suit for foreclosure, or pursuing any other remedy will not constitute an election of remedies.

4. This lien shall remain superior to liens later created even if the time of payment of all or part of the Note is extended, or part of the Property is released.

5. In the event any portion of the sums intended to be secured by this Deed of Trust cannot be lawfully secured hereby, payments in reduction of such sums shall be applied first to those portions not secured hereby. In the event that any applicable law limiting the amount of interest or other charges permitted to be collected is interpreted so that any charge provided for in this Deed of Trust or in the Note, whether considered separately or together with other charges that are considered a part of this Deed of Trust and Note transaction, violates such law by reason of the acceleration of the indebtedness secured hereby, or for any other reason, such charge is hereby reduced to the extent necessary to eliminate such violation. The amounts of such interest or other charges previously paid to Beneficiary in excess of the amounts permitted by applicable law shall be applied by Beneficiary to reduce the principal of the indebtedness evidenced by the Note, or, at Beneficiary's option, be refunded.

6. Grantor assigns to Beneficiary all sums payable to or received by Grantor from condemnation of all or part of the Property, from private sale in lieu of condemnation, and from damages caused by public works or construction on or near the Property. After deducting any expenses incurred, including reasonable attorney's fees, Beneficiary may release any remaining sums to Grantor or apply such sums to reduce the Note. Beneficiary shall not be liable for failure to collect or to exercise diligence in collecting any such sums unless such liability arises from Beneficiary's gross negligence or willful misconduct.

7. Grantor assigns to Beneficiary absolutely, not only as collateral, all present and future rent and other income and receipts from the Property. Leases are not assigned. Grantor warrants the validity and enforceability of the assignment. Grantor may collect rent and other income and receipts as long as Grantor is not in default under the Note or this Deed of Trust. Grantor will apply all rent and other income and receipts to payment of the Note and performance of this Deed of Trust, but if the rent and other income and receipts exceed the amount due under the Note and Deed of Trust, Grantor may retain the excess. If Grantor defaults in payment of the Note or performance of this Deed of Trust, Beneficiary may terminate Grantor's license to collect rent and then as Grantor's agent may rent the Property if it is vacant and collect all rent and other income and receipts. Beneficiary neither has nor assumes any obligations as lessor or landlord with respect to any occupant of the Property. Beneficiary may exercise Beneficiary's rights and remedies under this paragraph without taking possession of the Property. Beneficiary shall apply all rent and other income and receipts collected under this paragraph first to expenses incurred in exercising Beneficiary's rights and remedies and then to Grantor's obligations under the Note and this Deed of Trust in the order reasonably determined by Beneficiary. Beneficiary is not required to act under this paragraph, and acting under this paragraph does not waive any of Beneficiary's other rights or remedies. If Grantor becomes voluntarily or involuntarily bankrupt, Beneficiary's filing a proof of claim in bankruptcy will be tantamount to the appointment of a receiver under Texas law.

8. When the context requires, singular nouns and pronouns include the plural.

9. The term "Note" includes all sums secured by this Deed of Trust.

10. This Deed of Trust shall bind, inure to the benefit of, and be exercised by successors in interest of all parties.

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11. If Grantor and Maker are not the same person, the term "Grantor" shall include Maker.

12. Grantor represents that this Deed of Trust and the Note are given for the following purposes: the indebtedness, the payment of which is hereby secured, is in part payment of the sales price of the real property herein described, and is also secured by a vendor's lien thereon retained in that certain Special Warranty Deed of even date herewith to the undersigned, and this Deed of Trust is given as additional security for the payment of said indebtedness.

13. The Note hereby secured is not assumable. If all or any part of the real property herein described is sold, transferred or otherwise conveyed, including by contract of sale, without Beneficiary's prior written consent, which consent is in Beneficiary's sole and absolute discretion, then Beneficiary may at its option declare the outstanding principal balance of the Note hereby secured, plus accrued interest, to be immediately due and payable. The creation of a subordinate lien without the consent of Beneficiary will be construed as a sale or conveyance of the Property, but any subsequent sale under a subordinate lien to which Beneficiary has consented will not be considered as a sale or conveyance of the Property. Notwithstanding anything to the contrary contained herein, any deed under threat or order of condemnation, or passage of title by reason of death of a maker or by operation of law will not be construed as a sale or conveyance of the Property.

14. Grantor agrees that in the event of any sale, voluntary, judicial, or made under the terms of this Deed of Trust, of the real property herein described, the purchaser at such sale shall acquire title to all insurance policies thereon held by the Grantor, including all paid but unearned premiums on such policies and any monies representing payment of claims under the policy, and Grantor appoints Beneficiary as its attorney-in-fact for the purpose of endorsing a draft or check received in payment of such a claim and for the purpose of applying such claim proceeds first to repairs of the insured premise and the excess, if any, to the unpaid balance of the Note.

15. Nothing in the Note hereby secured shall authorize the collection of interest in excess of the highest rate allowed by law. All agreements between Grantor and Beneficiary are expressly limited so that in no contingency or event whatsoever shall the amount paid, or agreed to be paid, to Beneficiary for the use, forbearance, or detention of the money lent exceed the maximum amount permissible under applicable law. If, from any circumstances whatsoever, fulfillment of any provision of the Note hereby secured at the time such performance is due would involve transcending the limit of validity prescribed by law, then ipso facto the obligation to be fulfilled shall be reduced to the limit of such validity, and if from any circumstances Beneficiary shall receive as interest an amount that would exceed the highest lawful rate, such amount that would be excessive interest shall be applied to the reduction of the principal amount owing under said Note hereby secured, or shall be refunded, but shall not be applied to payment of interest. The provisions of this paragraph will control all agreements between Grantor and Beneficiary.

16. **BENEFICIARY'S RIGHT TO PAY AD VALOREM TAXES AND INSURANCE PREMIUMS:** If Grantor fails to pay before the same become delinquent, all taxes, assessments and other charges imposed, levied or assessed against said Property or to maintain the insurance coverage, all as herein provided, Beneficiary may, at its option and without waiver of any other rights granted by the Note hereby secured or this Deed of Trust for breach of the covenants contained herein, procure and pay for any such insurance coverage and pay any such taxes, assessments and other charges, including any sums that may be necessary to redeem the Property from tax sale, without obligation to inquire into the validity of any such taxes, assessments, charges and tax sales, the receipts of the proper officers being conclusive evidence of the validity and amount thereof. All amounts so paid by Beneficiary shall immediately become due to Beneficiary, together with interest thereon from the date on which said payments were made at the rate provided in the Note hereby

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secured, and all such amounts shall be added to and become a part of the indebtedness secured by this Deed of Trust.

17. It is specifically agreed and understood that the creation of a lien against the real property described herein for the purpose of paying ad valorem taxes on the Property shall be a default hereunder and Beneficiary may immediately commence proceedings to protect its lien position and Beneficiary may at its option declare the outstanding principal balance of the Note hereby secured, plus accrued interest, to be immediately due and payable.

18. Notice Provision: Grantor expressly covenants and agrees that its address for all notices shall be its address as set forth on Page 1 of this document and shall remain the address for notices unless Grantor requests IN WRITING that the notice be sent to a different address.

19. Grantor represents and warrants to Beneficiary that it will not knowingly place, hold, locate or dispose of any toxic materials or hazardous waste in, on or under the Property or any part thereof in violation of applicable law. Grantor covenants and agrees to comply strictly with all environmental laws, rules or regulations. Grantor agrees to (a) promptly give notice to Beneficiary upon Grantor's acquiring knowledge of the presence of any toxic materials or hazardous waste on the Property or of any contamination in connection therewith; and (b) promptly comply with any governmental requirements requiring the removal, treatment or disposal of such toxic materials or hazardous waste and provide Lender with satisfactory evidence of such compliance. Beneficiary shall have the right, but not the obligation, to enter onto the Property or to take such other actions as it deems necessary or advisable to clean up, remove, resolve or minimize the impact of, or otherwise deal with any toxic materials or hazardous waste on the Property.

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

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21. If Grantor (i) shall execute an assignment for the benefit of creditors or an admission in writing by Grantor of Grantor's inability to pay, or Grantor's failure to pay, debts generally as the debts become due; or (ii) shall allow the levy against the Property or any part thereof, of any execution, attachment, sequestration or other writ which is not vacated within sixty days after the levy; or (iii) shall allow the appointment of a receiver, trustee or custodian of Grantor or of the Property or any part thereof, which receiver, trustee or custodian is not discharged within sixty (60) days after the appointment; or (iv) files as a debtor a petition, case, proceeding or other action pursuant to, or voluntarily seeks of the benefit or benefits of the U.S. Bankruptcy Code or any other debtor relief law, or takes any action in furtherance thereof; or (v) files either a petition, complaint, answer or other instrument which seeks to effect a suspension of, or which has the effect of suspending any of the rightful remedies or powers of the Beneficiary or the trustee under the Note, this Deed of Trust or in any other loan document; or (vi) allows the filing of a petition, case, proceeding or other action against Grantor as a debtor under the U.S. Bankruptcy Code or any other any debtor relief law or seeks appointment of a receiver, trustee, custodian or liquidator of Grantor or of the Property, or any part thereof, or of any significant portion of Grantor's other property and (a) Grantor admits, acquiesces in or fails to contest diligently the material allegations thereof, or (b) the petition, case, proceeding or other action results in the entry of an order for relief or order granting the relief sought against Grantor, or (c) the petition, case, proceeding or other action is not permanently dismissed or discharged on or before the earlier of trial thereon or sixty (60) days next following the date of filing, then Beneficiary may at its option declare the outstanding principal balance of the Note hereby secured, plus accrued interest, to be immediately due and payable.

THIS WRITTEN LOAN AGREEMENT REPRESENTS THE FINAL AGREEMENT BETWEEN THE PARTIES AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS, OR SUBSEQUENT ORAL AGREEMENTS OF THE PARTIES. THERE ARE NO UNWRITTEN ORAL AGREEMENTS BETWEEN THE PARTIES.

(remainder of page intentionally left blank; signature page follows)

Addendum

GRANTOR:

_____,
_____ *Pro Forma – Do Not Sign*

a

By: _____

Name: _____

Title: _____

STATE OF _____ §
COUNTY OF _____ §

This instrument is acknowledged before me on this ____ day of _____, 20__, by _____, _____ of _____, a _____, on behalf of said entity.

Notary Public for the State of _____

My Commission Expires: _____

ESA Report and Findings

An ESA report has not been completed at this time. We have contracted ProGEA to complete an Environmental Assessment of the Site, and will forward findings upon request.