

Consulting Assignment

LA VENTANA APARTMENTS

2802 Cinema Ridge
San Antonio, Texas 78238

Prepared for: San Antonio Housing Facility Corporation
Date of Report: November 20, 2024
CBRE File No.: CB24US078321-1

Date of Report: November 20, 2024

Mr. Lorraine Robles
Assistant Secretary/Treasurer
SAN ANTONIO HOUSING FACILITY CORPORATION
818 S Flores St
San Antonio, Texas 78204

RE: Appraisal of: La Ventana Apartments
2802 Cinema Ridge
San Antonio, Bexar County, Texas
CBRE File No.: CB24US078321-1

Dear Mr. Robles:

At your request and authorization, CBRE, Inc. has prepared an analysis of the referenced property. Our analysis is presented in the following Consulting Report.

The subject is a proposed 272-unit multi-family project situated at the current terminus of Cinema Ridge southeast of Southridge Drive in San Antonio, Texas. Upon completion, the property will consist of 12 three-story garden-style apartment buildings plus one clubhouse/amenity building. The improvements will be constructed in 2025-2026 and will be situated on a 16.99-acre site. The project will be owned by the San Antonio Housing Facility Corporation (the "PFC") via a 75-year ground lease agreement. The PFC shall be responsible for obtaining a 100% property tax exemption for the subject, and in return, the subject will set aside or rent 10% of the units (27 units) to tenants whose income is not more than 60% of the area median income (AMI) and 40% of the units (109 units) to tenants whose income is not more than 80% of the AMI. The remaining units will be market rate.

It is also noted there is a restrictive covenant in place that states that the subject property, along with an adjacent tract totaling 23.98 acres, is permitted to build a maximum of 541 total units, including senior living, of which 200 can be multi-family units. The subject property represents 272 units, with 200 conventional multi-family units and 72 age restricted units leased to tenants 55 years of age and older.

Based on the analysis herein, CBRE has independently determined the proposed development costs are reasonable. CBRE has estimated the real estate tax burden and has projected permanent mortgage terms and analyzed the subject under two income scenarios, one without income and rent restrictions, and one with the restrictions as proposed and detailed above. The proposed operating expenses are also analyzed herein.

CBRE has calculated the debt coverage for the subject under three scenarios: 1) without rent restrictions and no abatement, 2) with rent restrictions and with the property tax abatement, and 3) with rental restrictions and without an abatement. **The only scenario that appears cost feasible and achieves a market-based debt coverage ratio is with rental restrictions and with a property tax abatement. The development does not appear to be feasible at the required low income set asides without the**

participation of the San Antonio Housing Facility Corporation and the property tax exemption it brings to the development.

The report, in its entirety, including all assumptions and limiting conditions, is an integral part of, and inseparable from, this letter.

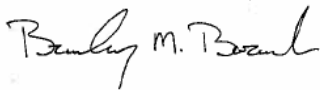
The following consulting report sets forth the most pertinent data gathered, the techniques employed, and the reasoning leading to the opinion of value. The analyses, opinions and conclusions were developed based on, and this report has been prepared in conformance with, the guidelines and recommendations set forth in the Uniform Standards of Professional Appraisal Practice (USPAP), and the requirements of the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute.

The intended use and user of our report are specifically identified in our report as agreed upon in our contract for services and/or reliance language found in the report. As a condition to being granted the status of an intended user, any intended user who has not entered into a written agreement with CBRE in connection with its use of our report agrees to be bound by the terms and conditions of the agreement between CBRE and the client who ordered the report. No other use or user of the report is permitted by any other party for any other purpose. Dissemination of this report by any party to any non-intended users does not extend reliance to any such party, and CBRE will not be responsible for any unauthorized use of or reliance upon the report, its conclusions or contents (or any portion thereof).

It has been a pleasure to assist you in this assignment. If you have any questions concerning the analysis, or if CBRE can be of further service, please contact us.

Respectfully submitted,

CBRE - VALUATION & ADVISORY SERVICES



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License No. & State: 1338837-G, Texas

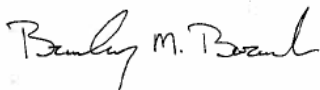


Grant Mueller, MAI
Title: Managing Director
Phone: (512) 499-4909
Email: grant.mueller@cbre.com
License No. & State: 1337145-G, Texas

Certification

We certify to the best of our knowledge and belief:

1. The statements of fact contained in this report are true and correct.
2. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are our personal, impartial, and unbiased professional analyses, opinions, and conclusions.
3. We have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved.
4. Bradley Baroch, MAI has provided services, as an appraiser, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment (report date of December 5, 2023). Grant Mueller, MAI has not provided any services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.
5. We have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
6. Our engagement in this assignment was not contingent upon developing or reporting predetermined results.
7. Our compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this consulting report.
8. The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Uniform Standards of Professional Appraisal Practice.
9. Bradley Baroch, MAI has made a personal inspection of the property that is the subject of this report. Grant Mueller, MAI has not made a personal inspection of the property that is the subject of this report.
10. No one provided significant real property appraisal assistance to the persons signing this certification.
11. The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute.
12. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
13. As of the date of this report, Bradley Baroch, MAI and Grant Mueller, MAI have completed the continuing education program for Designated Members of the Appraisal Institute.
14. The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the State of Texas.



Bradley Baroch, MAI
1338837-G, Texas



Grant Mueller, MAI
1337145-G, Texas

Subject Photographs



Aerial View (Source: LandVision)

Note: The image and outline above are presented to merely assist the reader in visualizing the subject. It is not a legal representation or considered to represent a survey of the subject.



Cinema Ridge Terminus at Subject



Cinema Ridge at Subject Facing Northwest



Typical View of Subject



Typical View of Subject



Typical View of Subject



Typical View of Subject

Executive Summary

Property Name	La Ventana Apartments	
Location	2802 Cinema Ridge San Antonio, Bexar County, TX 78238	
Parcel Number(s)	1395807	
Client	San Antonio Housing Facility Corporation	
Date of Inspection	November 17, 2024	
Primary Land Area	16.990 AC	740,084 SF
Zoning	MF-18	

Proposed Improvements		Comments
Property Type	Multifamily	(Multi-Family Garden)
Number of Residential Buildings	12	
Number of Stories	3	
Gross Building Area	253,212 SF	
Net Rentable Area	247,432 SF	
Number of Units	272	
Average Unit Size	910 SF	
Year Built	2026	
Condition upon Completion	Excellent	
Financial Indicators		
Stabilized Occupancy	92.0%	
Stabilized Credit Loss	1.0%	

Pro Forma As Proposed Restricted, with Abatement	Total	Per Unit
Effective Gross Income	\$5,099,877	\$18,750
Operating Expenses	\$1,819,888	\$6,691
Expense Ratio	35.68%	
Net Operating Income	\$3,279,989	\$12,059

Compiled by CBRE

Market Volatility

We draw your attention to a combination of inflationary pressures beginning in 2022, which led to higher interest rates during this period, slowing job growth, stress in banking systems, which have significantly increased the potential for constrained credit markets, negative capital value movements, and enhanced volatility in property markets. Beginning in September of 2024, the Fed began lowering the federal funds rate by 50 basis points, with two more cuts expected in 2024. While this may help bolster future commercial real estate investment activity the risk of near-term market volatility remains.

Experience has shown that consumer and investor behavior can quickly change during periods of such heightened volatility. Lending or investment decisions should reflect this heightened level of volatility and the potential for changing market conditions.

It is important to note that the conclusions set out in this report are valid as of the valuation date only. Where appropriate, we recommend that the valuation is closely monitored, as we continue to track how markets respond to evolving events.

Extraordinary Assumptions

An extraordinary assumption is defined as “an assignment-specific assumption as of the effective date regarding uncertain information used in an analysis which, if found to be false, could alter the appraiser’s opinions or conclusions.” ¹

- This analysis assumes that the proposed improvements are constructed with good workmanship and high-quality build-out. Furthermore, this analysis assumes the proposed improvements are operated under proper management and leasing.
- This analysis assumes that the developer obtains all necessary permits and approvals from municipal authorities in order for this development to occur.
- The use of these assumptions may have affected assignment results.

Hypothetical Conditions

A hypothetical condition is defined as “a condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results but is used for the purposes of analysis.” ²

- None noted.

Ownership and Property History

OWNERSHIP SUMMARY			
Item	Current	Previous	Previous
Current Ownership			
Owner:	SA Cinema Ridge Apts Holdings LLC	La Ventana Multifamily Partners LLC	SA Cinema Ridge Apts Holdings LLC
Seller:	La Ventana Multifamily Partners LLC	SA Cinema Ridge Apts Holdings LLC	ML&E Investment Company LLC
Purchase Price:	An unknown price	An unknown price	An unknown price
Transaction Date:	January 24, 2023	January 17, 2022	June 29, 2021
Sale in Last 3 Years?:	Yes	Yes	No
Legal Reference:	20230014457	20220151635	20210178230
County/Locality Name:	Bexar	Bexar	Bexar
Compiled by CBRE			

As shown above, the property previously sold in June 2021 for an unknown price. The property was then transferred to La Ventana Multifamily Partners LLC in June 2022 and transferred back to SA Cinema Ridge Apts Holdings LLC in January 2023. It is noted that the June 2022 and January 2023 transactions represent in-house transfers between related parties and are not considered market transactions. It is also noted that the property sold as part of a larger 41-acre tract. To the best of our knowledge, there have been no other ownership transfers within the previous three years and the property is not currently listed for sale or under contract as of the effective date of appraisal.

¹ The Appraisal Foundation, *USPAP, 2024 Edition (Effective January 1, 2024)*

² The Appraisal Foundation, *USPAP, 2024 Edition (Effective January 1, 2024)*

Table of Contents

Certification.....	i
Subject Photographs.....	ii
Executive Summary	iv
Table of Contents	vi
Scope of Work.....	1
Area Analysis	3
Neighborhood Analysis	9
Site Analysis	16
Improvements Analysis	23
Zoning.....	28
Tax and Assessment Data	30
Market Analysis.....	32
Cost Analysis	44
Income & Debt Coverage Analysis.....	47
Community Benefit Analysis.....	69
Assumptions and Limiting Conditions	74
ADDENDA	
A Rent Comparables	
B Subject Property Data	
C Legal Description	
D Memorandum of Understanding	
E Qualifications	

Scope of Work

Intended Use Of Report

This consulting assignment is to be used for internal underwriting analysis purposes as well as the analysis of the net community benefit of the proposed subject project in accordance with Texas H.B. 2071.

Client

The client is San Antonio Housing Facility Corporation.

Intended User Of Report

This appraisal is to be used by San Antonio Housing Facility Corporation. No other user(s) may rely on our report unless as specifically indicated in this report.

Intended users are those who an appraiser intends will use the appraisal or review report. In other words, appraisers acknowledge at the outset of the assignment that they are developing their expert opinions for the use of the intended users they identify. Although the client provides information about the parties who may be intended users, ultimately it is the appraiser who decides who they are. This is an important point to be clear about: The client does not tell the appraiser who the intended users will be. Rather, the client tells the appraiser who the client needs the report to be speaking to, and given that information, the appraiser identifies the intended user or users. It is important to identify intended users because an appraiser's primary responsibility regarding the use of the report's opinions and conclusions is to those users. Intended users are those parties to whom an appraiser is responsible for communicating the findings in a clear and understandable manner. They are the audience.³

Reliance Language

Reliance on any reports produced by CBRE under this Agreement is extended solely to parties and entities expressly acknowledged in a signed writing by CBRE as Intended Users of the respective reports, provided that any conditions to such acknowledgement required by CBRE or hereunder have been satisfied. Parties or entities other than Intended Users who obtain a copy of the report or any portion thereof (including Client if it is not named as an Intended User), whether as a result of its direct dissemination or by any other means, may not rely upon any opinions or conclusions contained in the report or such portions thereof, and CBRE will not be responsible for any unpermitted use of the report, its conclusions or contents or have any liability in connection therewith.

Purpose of the Report

The purpose of this consulting assignment is to provide an independent underwriting analysis and net community benefit analysis of the subject real estate.

³ Appraisal Institute, The Appraisal of Real Estate, 15th ed. (Chicago: Appraisal Institute, 2020), 40.

Extent to Which the Property is Identified

The property is identified through the following sources:

- assessor's records
- legal description

Extent to Which the Property is Inspected

Bradley Baroch, MAI inspected the subject site, as well as its surrounding environs. This inspection was considered adequate and is the basis for our findings. The subject site was not surveyed by our firm.

Type and Extent of the Data Researched

CBRE reviewed the following:

- applicable tax data
- zoning requirements
- flood zone status
- demographics
- income and expense data
- comparable data

Type and Extent of Analysis Applied

CBRE, Inc. analyzed the data gathered through the use of appropriate and accepted appraisal methodology.

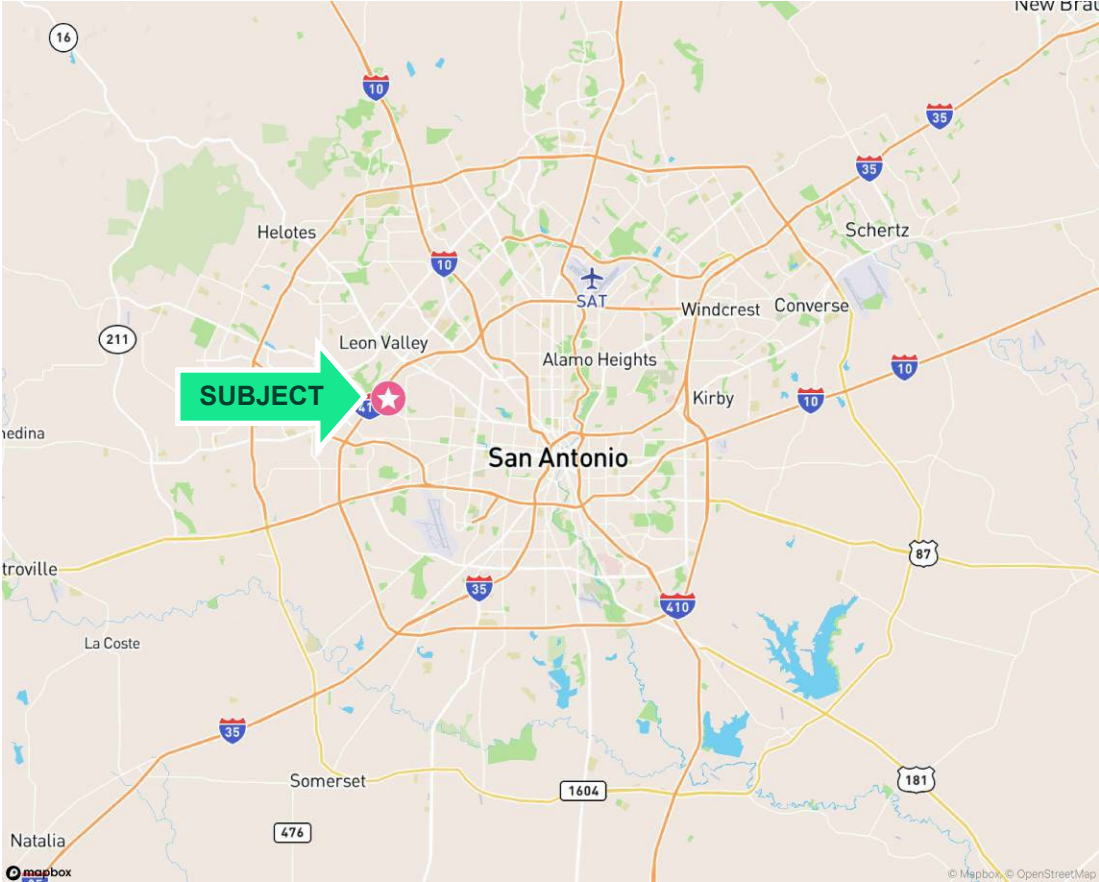
Statement of Competency

The appraisers have the appropriate knowledge, education and experience to complete this assignment competently. The appraisers have experience in underwriting affordable multifamily residential developments.

Data Resources Utilized in the Analysis

DATA SOURCES	
<i>Item:</i>	<i>Source(s):</i>
Site Data	
Size	MOU/Term Sheet
Improved Data	
Building Area	Unit Tabulations - Achitectural Plans / Developer Model
Area Breakdown/Use	Unit Tabulations - Achitectural Plans
No. Bldgs.	Site Plan by Kimley Horn dated 1/24/2022
Parking Spaces	Site Plan by Kimley Horn dated 1/24/2022
Year Built/Developed	Developer
Economic Data	
Deferred Maintenance:	Not Applicable
Building Costs:	Developer's Budget
Income Data:	Developer's Pro Forma
Expense Data:	Developer's Pro Forma
Compiled by CBRE	

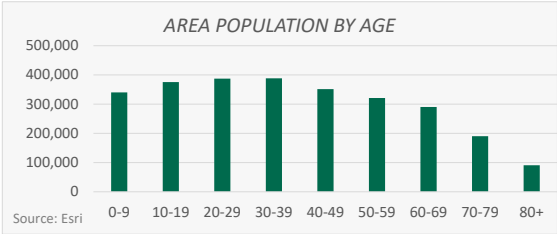
Area Analysis



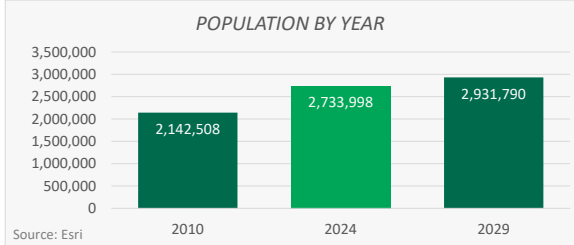
The subject is located in the San Antonio-New Braunfels, TX Metropolitan Statistical Area. Key information about the area is provided in the following tables.

POPULATION

The area has a population of 2,733,998 and a median age of 37, with the largest population group in the 30-39 age range and the smallest population in 80+ age range.



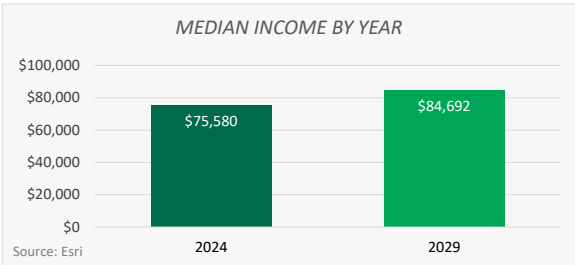
Population has increased by 591,490 since 2010, reflecting an annual increase of 1.8%. Population is projected to increase by 197,792 between 2024 and 2029, reflecting a 1.4% annual population growth.



Source: ESRI, downloaded on Nov, 18 2024

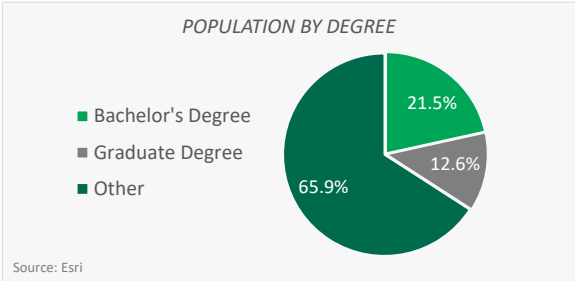
INCOME

The area features an average household income of \$102,854 and a median household income of \$75,580. Over the next five years, median household income is expected to increase by 12.1%, or \$1,822 per annum.

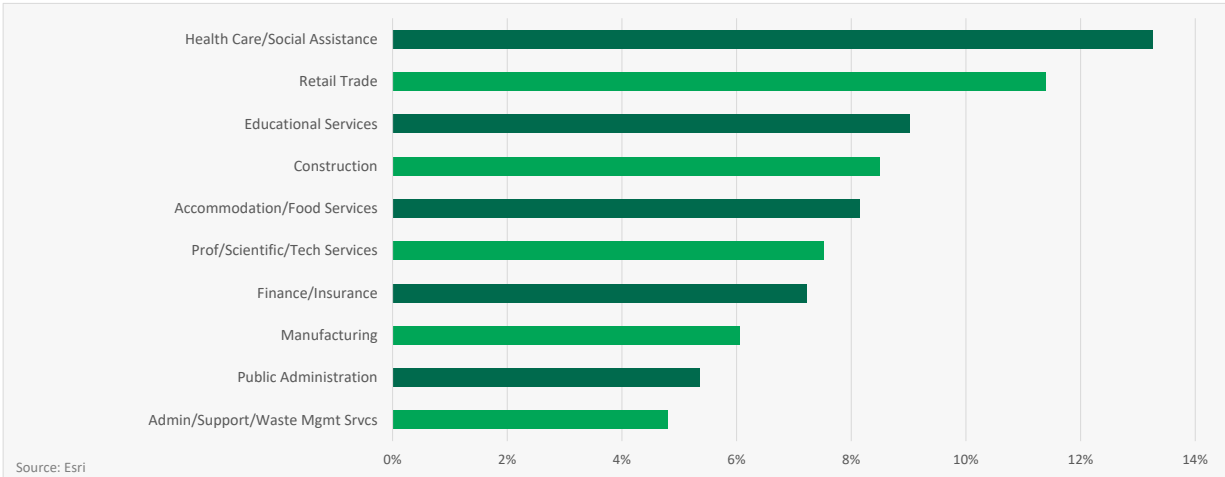


EDUCATION

A total of 34.1% of individuals over the age of 24 have a college degree, with 21.5% holding a bachelor's degree and 12.6% holding a graduate degree.



EMPLOYMENT



The area includes a total of 1,325,881 employees and has a 4.0% unemployment rate. The top three industries within the area are Health Care/Social Assistance, Retail Trade and Educational Services, which represent a combined total of 34% of the workforce.

Source: ESRI, downloaded on Nov 18, 2024; BLS.gov dated Jul 1, 2024 (preliminary)

San Antonio MSA Major Employers

MAJOR EMPLOYERS		
Rank	Company	# of Employees
1	HEB	20,000
2	USAA	19,000
3	Methodist Healthcare System	12,000
4	UT Health San Antonio	7,930
5	Baptist Health System	6,490
6	Rush Enterprises	6,000
7	Whataburger	5,623
8	TaskUs	4,600
9	JP Morgan Chase & Co.	4,400
10	Bill Miller Bar-B-Q	4,000
11	Toyota Motor Manufacturing	3,800
12	Southwest Research Institute	3,200
13	Boeing	3,000
14	IHeartMedia	3,000
15	Rackspace	3,000
16	SWBC	3,000
17	Wellmed Medical Management, Inc.	3,000
18	Accenture Deferal Services	2,800
19	Frost Bank	2,728
20	Randolph-Brooks Federal Credit Union	1925
21	Ernst & Young LLP	1508
22	Security Service Federal Credit Union	1498

Source: San Antonio Economic Development Commission

Joint Base San Antonio (JBSA)

In addition to the employers shown above, San Antonio has four major military installations, all part of Joint Base San Antonio (JBSA). According to greater SATX, JBSA directly employs more than 82,000 people in the region and has a combined direct and indirect employment of over 211,000. JBSA is considered the largest and most diverse joint base in the Department of Defense and is comprised of four primary locations:

- Fort Sam Houston (US Army)
- Camp Bullis (US Army)
- Randolph Air Force Base (US Air Force)
- Lackland Air Force Base (US Air Force)

Navistar

In March 2022, Navistar International Corp. opened a \$250 million manufacturing facility in south San Antonio near Interstate 35 and US Highway 281. The 900,000 square-foot manufacturing facility includes a body shop, paint shop, general assembly shop and logistics center equipped to produce Class 6-8 vehicles, including electric vehicle models. The facility employs approximately 600 jobs in the San Antonio area. The Navistar manufacturing facility is located close to a major Toyota manufacturing facility which has been operational since fall 2006.

Toyota

Toyota opened an approximate 200,000 square foot warehouse in south San Antonio that has been operational since 2006. In June 2024, Toyota Texas announced it will build an approximate 500,000 square foot facility dedicated to drivetrain parts production at a cost of approximately \$531 million. The new facility will create over 400 jobs.

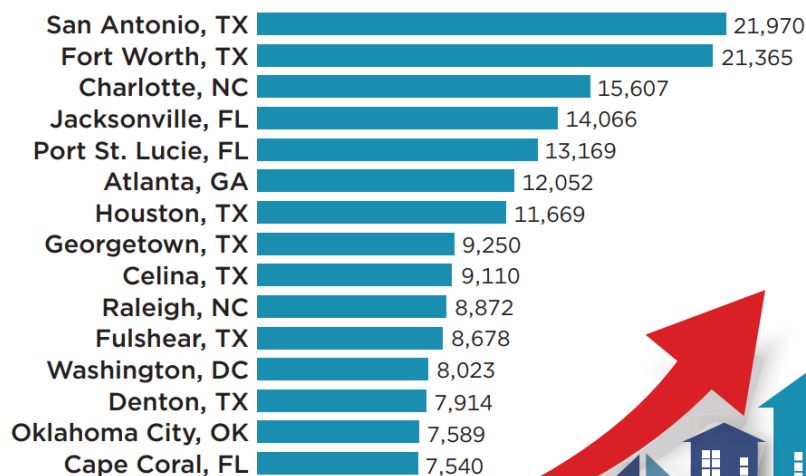
JCB

In October 2023, JCB announced plans to build a 720,000 square foot machinery plant in south San Antonio. The plant will manufacture machines for construction equipment and will create 1,500 jobs over the next 5 years. The plant will cost approximately \$265 million.

Population Growth

San Antonio is the nation's seventh largest city by population. San Antonio was ranked the fastest-growing U.S. city in terms of numeric population growth. The following chart, published by the U.S. Census Bureau, shows the U.S. cities with the biggest numeric population growth:

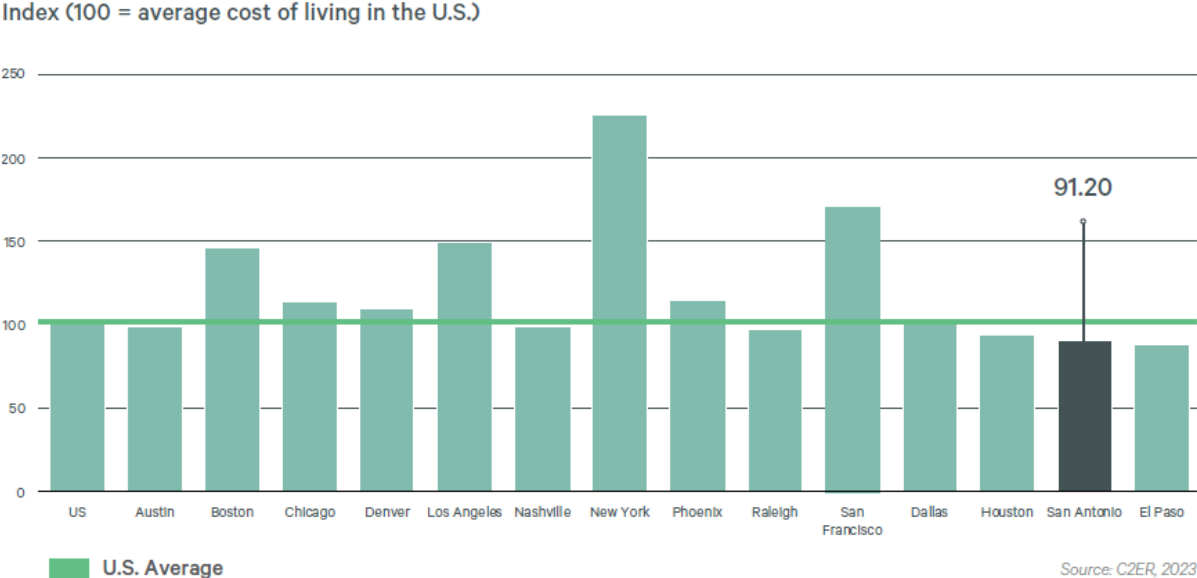
Top 15 Largest-Gaining Cities by Numeric Change Between July 1, 2022, and July 1, 2023



Cost of Living

San Antonio continues to maintain a comparatively affordable cost of living compared to other major US metropolitan cities, illustrated in the chart below.

Cost of living



Rankings & Accolades

San Antonio Rankings and Accolades

Rankings & Accolades

#8 Top 10 Real Estate Markets to Watch

(PwC and Urban Land Institute, 2023)

#1 in Post-Pandemic Downtown Recovery

(CityLab/Bloomberg, 2023)

#2 Mid-Sized Airport in the Nation

(Wall Street Journal, 2023)

#2 Best Cities for Conferences

(Smart Asset, 2022)

#3 Fastest-growing city in the nation

(US Census Bureau, 2023)

#8 Best Budget Travel Destinations in 2023

(Woman's Day, 2023)

Best Places to Retire

(Forbes, 2023)

#17 Best Places You Should Travel to in 2023

(Insider, 2022)

#2 Best US Southern Cities to Visit

(BigCityReview, 2023)

#5 Best Cities for Military Retirees

(BestPlaces.net, 2023)

Among 23 Best Places to Travel in the USA

(Condé Nast Traveller, 2023)

#8 The South's Best Family Getaways

(Southern Living, 2022)

#7 Most Populous City

(US Census Bureau, 2023)

#1 Cybersecurity program in the U.S.

(University of Texas at San Antonio)

#18 Best Tech City in the Nation

(Cloudwards, 2024)

#4 Global Destinations to Eat at

(Eater, 2022)

#9 Top Cities in the United States

(Travel & Leisure, 2022)

18 Cities that Must Be Seen

(Expedia Viewfinder)

Top 10 Friendliest Cities in the US

(Condé Nast Traveler, 2022)

Best Financially Managed Big City in America

(Milken Institute)

#10 Favorite Cities in the United States of 2023

(Travel + Leisure, 2022)

#10 Best American City to Live In

(Travel & Leisure, 2023)

Top 7 Searched & Booked Destinations

(Trivago, 2021)

Top 25 U.S. Film-Friendly Cities

(Moviemaker.com)

#1 Safest Big City in Texas

(Wallethub, 2023)

#5 Best Winter Holiday Destinations

(Wallethub, 2023)

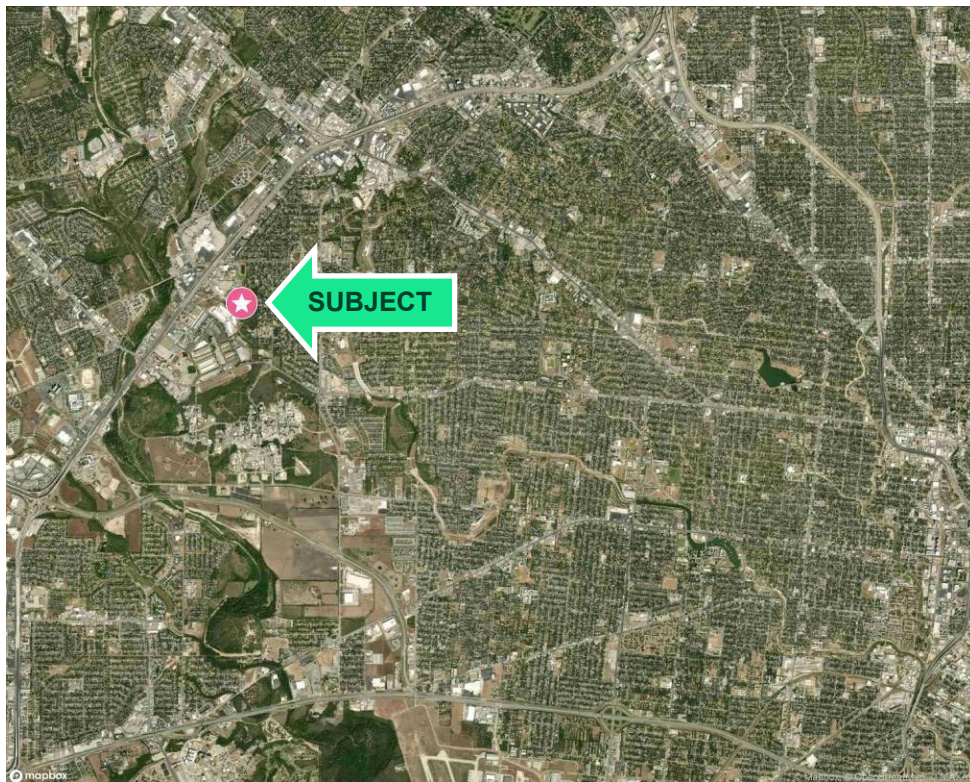
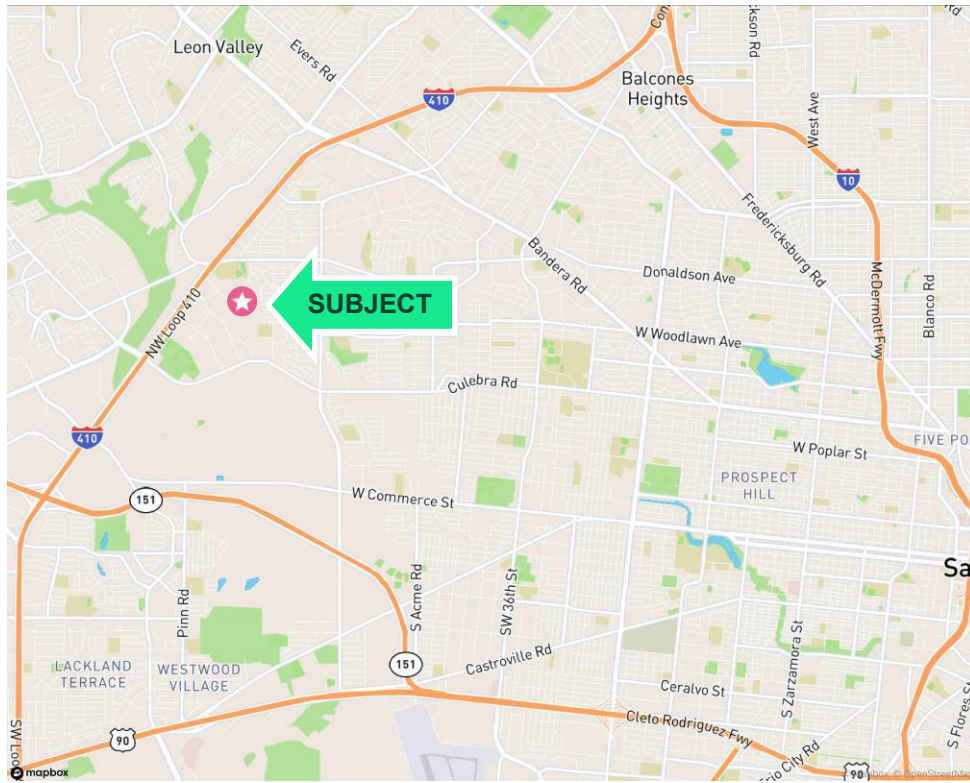
#2 Best Places to Live in Texas

(US News & World Report, 2023)

Conclusion

The San Antonio-New Braunfels MSA is projected to grow at an above-average pace over the coming year, led by construction, defense-related activity, education, and manufacturing. Longer term, the metro area's above-average population gains, low costs of doing business, and relatively high housing affordability should contribute to above-average overall performance.

Neighborhood Analysis



Location

The subject is located at the terminus of Cinema Ridge southeast of Southridge Drive in northwest San Antonio, TX, which is situated in Bexar County. In addition, the subject is approximately a quarter mile south of Loop 410 and 2 miles north of State Highway 151. The subject is located approximately 10 miles northwest of the San Antonio Central Business District and approximately 10 miles southwest of the San Antonio International Airport.

Boundaries

The neighborhood boundaries are detailed as follows:

North:	Interstate 10
South:	State Highway 151
East:	St Cloud/N General McMullan Drive
West:	Loop 1604

Land Use

The area currently consists of residential and retail uses with high concentrations of development situated at or near primary intersections. The immediate area surrounding the subject is an older area of development, with much of the development being built during the 1970s and 1980s. The subject is adjacent to Oliver Wendall Holmes High School. Oliver Wendall Holmes High School was established in 1964 and is part of the Northside Independent School District.

The subject neighborhood consists of several retail developments. Less than a mile northwest of the subject is the Ingram Park Mall. Older neighborhood and community centers are located in closer proximity to the central business district of San Antonio along Culebra Road. As population and housing continues to increase in San Antonio with outward sprawl, new commercial uses are developed on the outskirts of the city. A high concentration of new retail development is evident near primary interchanges with Loop 1604, including Culebra Road.

A Wal-Mart Supercenter anchored shopping center is located along Loop 1604, just north of Culebra Road. In addition, an HEB/Home Depot anchored shopping center (Culebra Market) is located at the southeast corner of Loop 1604/Culebra Road. Another large retail development is currently being built at the southwest corner of this intersection. Farther to the south, a recently completed Wal-Mart Supercenter anchors a to-be-built shopping center at the southwest corner of Loop 1604/Potranco Road. Additional new retail development (partially complete) is located at the northeast quadrant of this intersection. Just inside Loop 1604 along Potranco Road is a recently developed HEB Plus! anchored shopping center.

Hospital and medical office uses are a significant land use in the area. Hospitals in the South Texas Medical Center, located approximately 3-4 miles north of the subject, include Methodist Hospital, the University Health System and HIS Hospital. Supporting medical uses include Christus Transplant Institute, Christus Outpatient Rehabilitation Center, Northeast Methodist Hospital Sleep Disorders Center, Santa Rosa Cancer Therapy and Research Center, St. Luke's Women's Health Center, Methodist Ambulatory Surgery Center and a variety of smaller providers. In addition, medical and dental schools are located in the neighborhood, with the University of Texas San Antonio easily accessible.

Demand Generators

Employment centers located in the vicinity of the subject include South Texas Medical Center, USAA, Southwest Research Institute, Southwest Foundation for Biomedical Research, Texas Research Park, CitiCorp Data Systems, UTSA, and Westover Hills.

The heart of the Far West submarket is the large-scale, master-planned, mixed-use development of Westover Hills. What started out in the early 1980s as ranch land has been the major focus of San Antonio's corporate growth. Large employers such as Chase Financial Services, World Savings and Loan, The Capital Group, Takata Seat Belts, Hartford Insurance, First Health Group and QVC Network call Westover Hills home for corporate offices.

Currently, over four million square feet in Westover Hills account for nearly 30,000 employees with more on the way. The recently constructed Microsoft data center is located within Westover Hills as well. The National Security Agency (NSA) leased the 496,000-square foot former Sony Electronics plant and continues to redevelop the property to accommodate expanded operations in San Antonio. The NSA expects that the number of employees could reach as many as 3,000 and is spending a projected \$100 million to improve the facility for their use and occupancy.

Several resort hotels and theme parks, including Sea World of Texas, Hyatt Regency Hill Country Resort, Six Flags Fiesta Texas and Westin La Cantera, are in the area as well. In addition, Northwest Vista College is located along Loop 1604, near State Highway 151. Area growth has spurred new retail developments including Westover Marketplace at Loop 410 and State Highway 151, Alamo Ranch Marketplace at the southwest corner of Loop 1604 and Culebra Road and Culebra Marketplace at the southeast corner of Loop 1604 and Culebra Road.

The area is also becoming known for an increasing concentration of medical facilities. Methodist Healthcare, Baptist/Vanguard and Christus Santa Rosa have all developed land along State Highway 151 inside Loop 1604 with new clinical facilities and medical office buildings. Contributing to the healthcare and biomedical industry and offering high-paying jobs are three research centers, the Southwest Research Institute, the Southwest Foundation for Biomedical Research and the Texas Research Park.

Growth Patterns

Growth patterns have occurred primarily along commercial thoroughfares such as Loop 1604, Culebra Road, Potranco Road, Military Drive, and State Highway 151. Retail developments in the neighborhood or just outside of the neighborhood include Culebra Market, Bandera Pointe, Bandera Oaks, and The Shops at La Cantera. Culebra Market, located at the southeast corner of Loop 1604 and Culebra Road, is a HEB/Home Depot-anchored shopping center. Bandera Pointe, located at the southeast quadrant of Loop 1604 and Bandera Road, is a power center anchored by Super Target, Lowe's, and Kohl's. Several smaller retail developments have been developed within proximity to the subject, including an HEB-anchored shopping center and numerous free-standing retail uses. Alamo Ranch Marketplace, at the southwest corner of Loop 1604 and Culebra Road, opened in the summer of 2008. Southeast of the subject, at the north corner of State Highway 151 and Loop 410, the Westpointe Retail and Business Centre is a mixed-use development that has been under development for the past few years. The newest retail development in this center, known as Westover Marketplace, includes a Target, Lowe's, Ross Dress for Less, Sportsman's Warehouse, various multi-tenant retail buildings, and various pad sites. Ingram

Park Mall is located northeast of the subject along Loop 410, near Wurzbach Road. This mall includes department stores such as Dillard's, JCPenney, and Macy's, and includes more than 130 specialty stores.

Access

Primary access to the subject neighborhood is provided by Loop 1604, State Highway 151, and Loop 410. Loop 1604 provides San Antonio a northeast to southwest exterior loop. Loop 1604 provides access north/northeast to Interstate Highway 10, US Highway 281, and Interstate 35, and south to US Highway 90, State Highway 151, and Interstate Highway 35. State Highway 151 provides access to the western portion of San Antonio from US Highway 90 to Loop 1604. Loop 410 provides an interior loop around San Antonio. Secondary access to the neighborhood is provided by Marbach Road, Military Drive, Culebra Road, and Potranco Road.

The commute to the San Antonio Central Business District is about 20 minutes. The San Antonio Airport is about a 15-minute drive from the subject property.

Demographics

Selected neighborhood demographics in 1-, 3- and 5-mile radius from the subject are shown in the following table:

SELECTED NEIGHBORHOOD DEMOGRAPHICS

2802 Cinema Ridge San Antonio, TX 78238	1 Mile Radius	3 Mile Radius	5 Mile Radius	San Antonio- New Braunfels, TX Metropolitan Statistical Area
Population				
2029 Total Population	7,767	114,761	337,893	2,931,790
2024 Total Population	7,950	114,276	340,682	2,733,998
2010 Total Population	7,972	106,590	328,704	2,142,508
2000 Total Population	7,417	91,321	283,488	1,711,703
<i>Annual Growth 2024 - 2029</i>	<i>-0.46%</i>	<i>0.08%</i>	<i>-0.16%</i>	<i>1.41%</i>
<i>Annual Growth 2010 - 2024</i>	<i>-0.02%</i>	<i>0.50%</i>	<i>0.26%</i>	<i>1.76%</i>
<i>Annual Growth 2000 - 2010</i>	<i>0.72%</i>	<i>1.56%</i>	<i>1.49%</i>	<i>2.27%</i>
Households				
2029 Total Households	3,189	43,886	129,291	1,080,836
2024 Total Households	3,224	43,063	128,283	996,691
2010 Total Households	3,053	37,797	116,475	763,022
2000 Total Households	2,806	31,788	97,905	601,265
<i>Annual Growth 2024 - 2029</i>	<i>-0.22%</i>	<i>0.38%</i>	<i>0.16%</i>	<i>1.63%</i>
<i>Annual Growth 2010 - 2024</i>	<i>0.39%</i>	<i>0.94%</i>	<i>0.69%</i>	<i>1.93%</i>
<i>Annual Growth 2000 - 2010</i>	<i>0.85%</i>	<i>1.75%</i>	<i>1.75%</i>	<i>2.41%</i>
Income				
2024 Median Household Income	\$61,001	\$55,922	\$56,951	\$75,580
2024 Average Household Income	\$76,313	\$73,251	\$76,638	\$102,854
2024 Per Capita Income	\$30,417	\$27,565	\$29,110	\$37,626
2024 Pop 25+ College Graduates	945	16,392	58,894	621,537
Age 25+ Percent College Graduates - 2024	17.8%	21.7%	25.9%	34.1%

Source: ESRI

Conclusion

As shown above, the population within the subject neighborhood has shown relatively high levels of growth since 2010 and this is projected to continue over the next five years as the neighborhood becomes increasingly active in terms of development. The neighborhood currently has a middle-income demographic profile, and the subject is situated in proximity to numerous infrastructures including schools, hospitals, commercial development and primary thoroughfares. The outlook for the neighborhood is for continued good performance over the next several years. As a result, the demand for proposed developments is expected to be good.

Flood Plain Map



Source: Interflood/FEMA

Plat Map



Source: Bexar Central Appraisal District

**The subject is a 16.990 portion of the 19.186-acre tract depicted above

Site Analysis

The following chart summarizes the salient characteristics of the subject site.

SITE SUMMARY AND ANALYSIS			
Physical Description			
Gross Site Area	16.990 Acres	740,084 Sq. Ft.	
Net Site Area	16.990 Acres	740,084 Sq. Ft.	
Primary Road Frontage	Cinema Ridge	n/a	
Excess Land Area	None	n/a	
Surplus Land Area	None	n/a	
Shape	Irregular		
Topography	Varies		
Parcel Number(s)	1395807		
Zoning District	MF-18		
Flood Map Panel No. & Date	48029C0380G	29-Sep-10	
Flood Zone	Zone X (Unshaded)		
Adjacent Land Uses	Residential and commercial uses, civic uses, vacant land		
Comparative Analysis		Rating	
Visibility	Typical for proposed use and location		
Functional Utility	Typical for proposed use and location		
Traffic Volume	Typical for proposed use and location		
Adequacy of Utilities	Assumed Adequate		
Landscaping	Typical for proposed use and location		
Drainage	Assumed Adequate		
Utilities	Availability	Provider	
Water	Yes	San Antonio Water System (SAWS)	
Sewer	Yes	San Antonio Water System (SAWS)	
Electricity	Yes	CPS Energy	
Telephone	Yes	Various Providers	
Other	Yes	No	Unknown
Detrimental Easements		X	
Encroachments		X	
Deed Restrictions	X		
Reciprocal Parking Rights			X
Various sources compiled by CBRE			

Ingress/Egress

Ingress and egress will be provided by the site via a curb cuts along a future extension of Cinema Ridge. Cinema Ridge current terminates at the subject site.

Cinema Ridge, at the subject, is a generally northwest/southeast traversing secondary roadway. Street improvements include asphalt paving, street lighting, and concrete curbs and sidewalks.

Easements and Encroachments

There are no known easements or encroachments impacting the site that are considered to affect the marketability or highest and best use. It is recommended that the client/reader obtain a current title policy outlining all easements and encroachments on the property, if any, prior to making a business decision.

Covenants, Conditions and Restrictions

There is a restrictive covenant in place that states that the subject property, along with an adjacent tract totaling 30.1 acres, is permitted to build a maximum of 541 total units, including senior living, of which 200 can be multi-family units. The subject property represents 272 units, with 200 conventional multi-family units and 72 age restricted units leased to tenants 55 years of age and older.

There are no other known covenants, conditions or restrictions impacting the site that are considered to affect the marketability or highest and best use. It is recommended that the client/reader obtain a copy of the current covenants, conditions and restrictions, if any, prior to making a business decision.

Environmental Issues

Although CBRE was not provided an Environmental Site Assessment (ESA), a tour of the site did not reveal any obvious issues regarding environmental contamination or adverse conditions.

The appraiser is not qualified to detect the existence of potentially hazardous material or underground storage tanks which may be present on or near the site. The existence of hazardous materials or underground storage tanks may affect the value of the property. For this consulting report, CBRE, Inc. has specifically assumed that the property is not affected by any hazardous materials that may be present on or near the property.

Adjacent Properties

The adjacent land uses are summarized as follows:

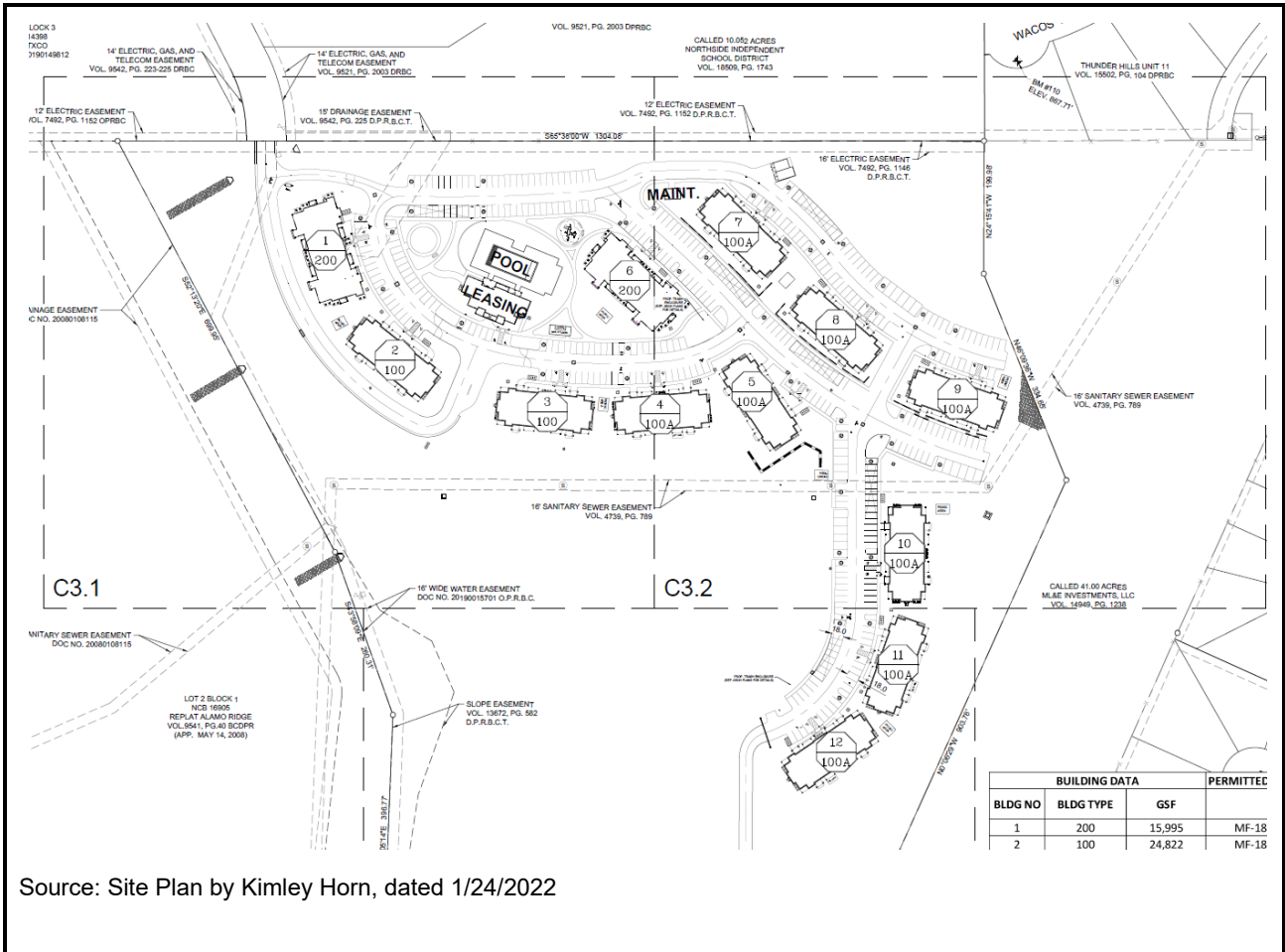
North:	Oliver Wendall Holmes High School, Retail/Commercial
South:	Vacant Land (Phase II land), Religious Facility, Retail/Commercial
East:	Vacant Land (part of subject subdivision), Single-Family Residential
West:	Retail/Commercial

We do not anticipate that the surrounding properties will impact the marketability of the subject.

Conclusion

The site will be afforded adequate access and visibility from roadway frontage. The size of the site is typical for the area and use, and there are no known detrimental uses in the immediate vicinity. Overall, there are no other known factors that are considered to prevent the site from development to its highest and best use, as if vacant, or adverse to the proposed use of the site.

Site Plan



Source: Site Plan by Kimley Horn, dated 1/24/2022

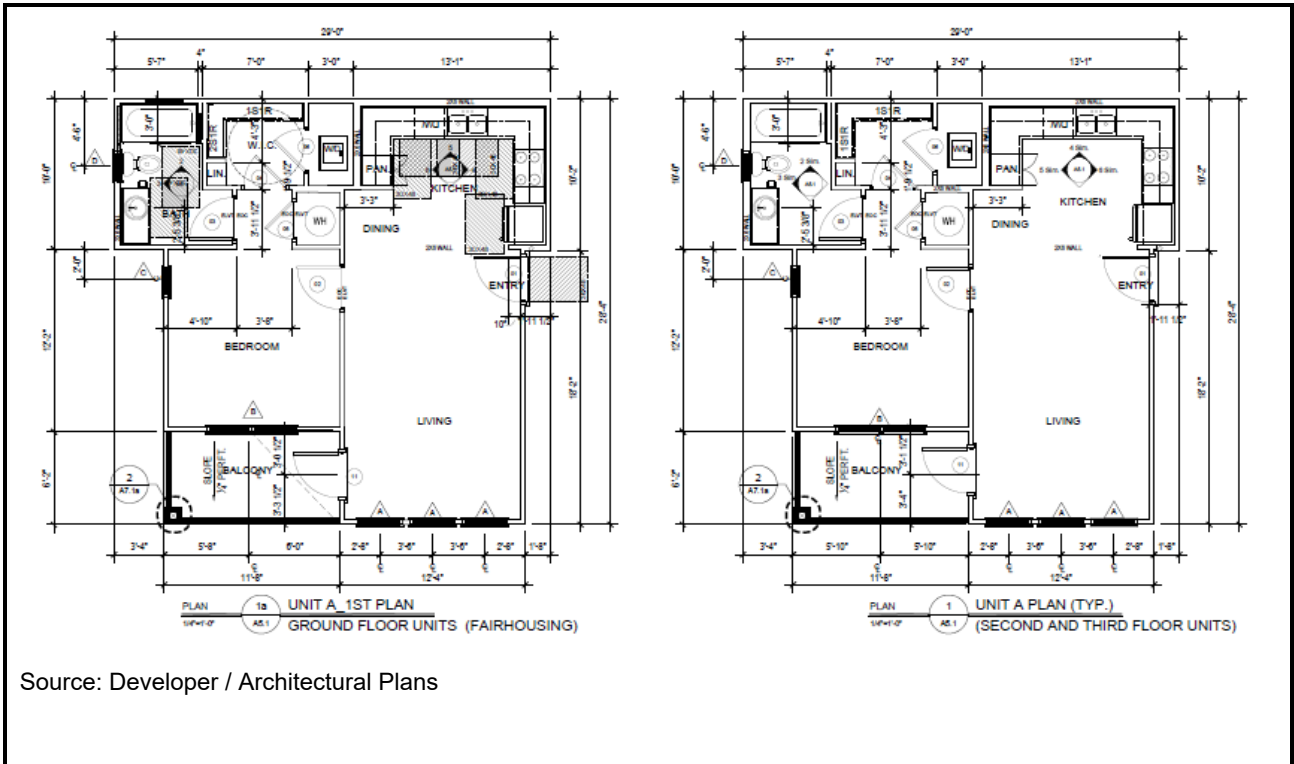
Typical Elevation



Renderings are for illustrative purposes only and should not be used as a guide to or an interpretation of the Construction Documents

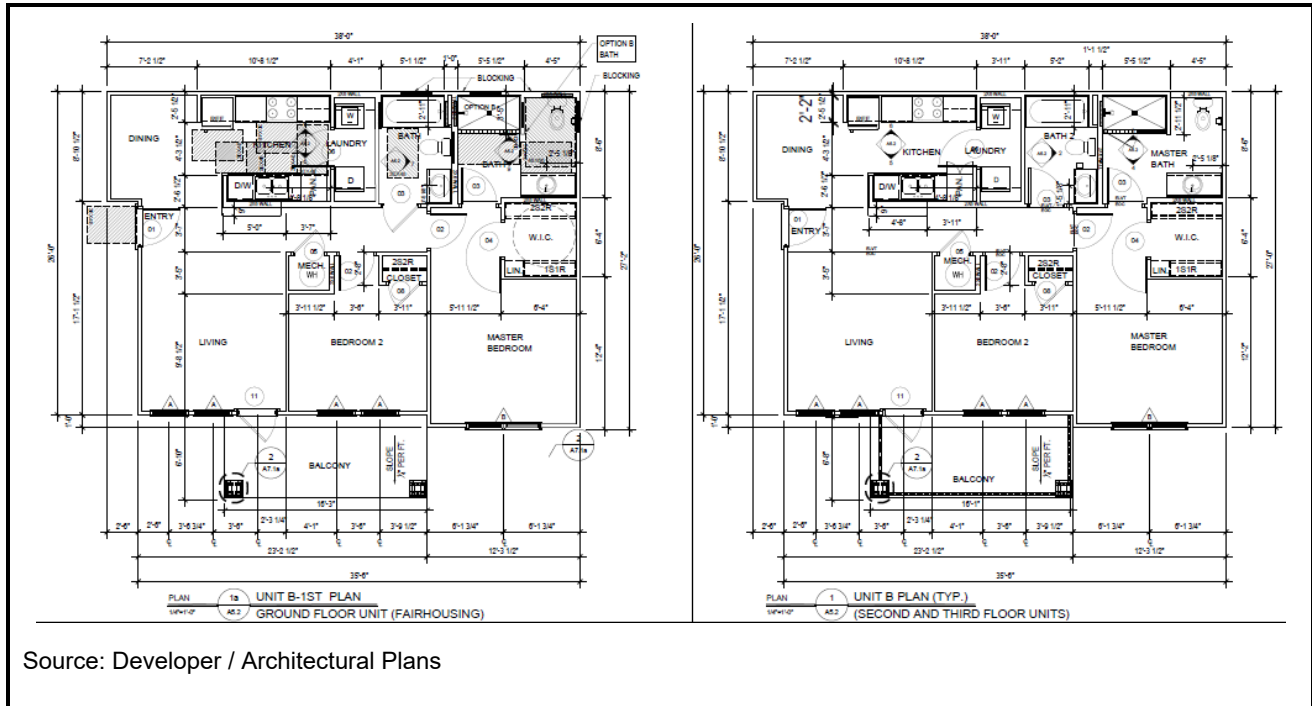
Source: Developer / Architectural Plans

One Bedroom Floor Plan



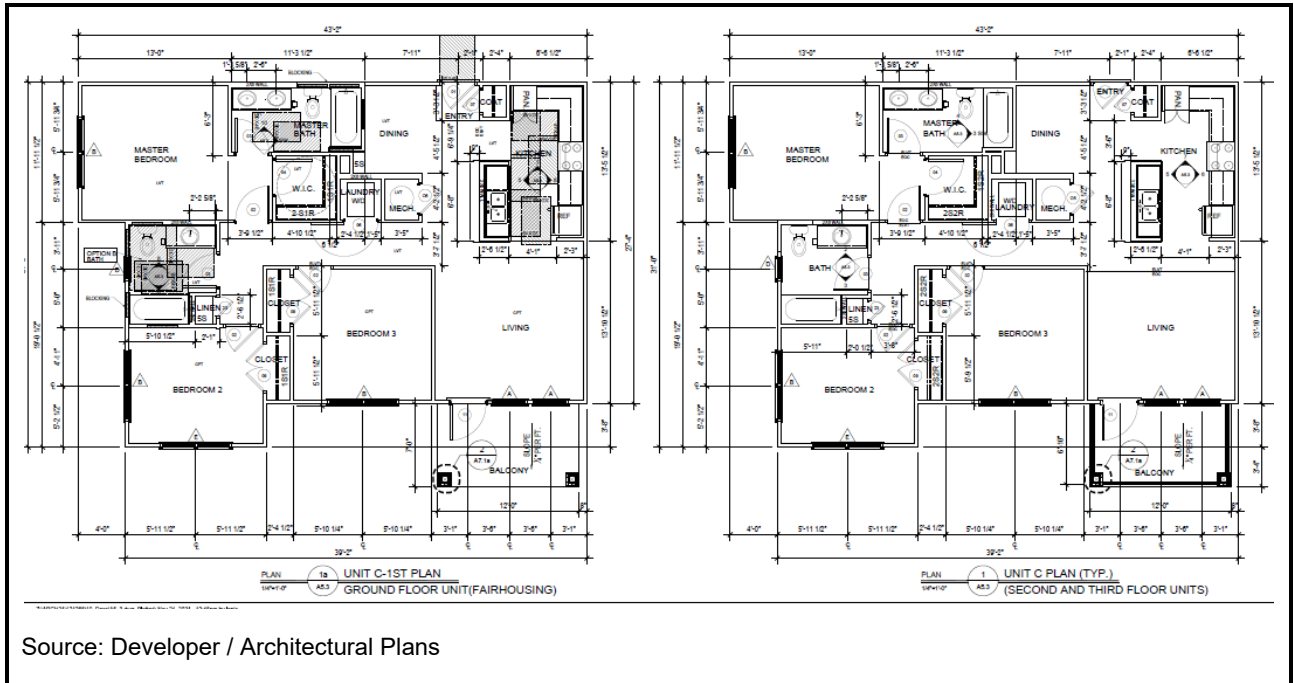
Source: Developer / Architectural Plans

Two Bedroom Floor Plan



Source: Developer / Architectural Plans

Three Bedroom Floor Plan



Source: Developer / Architectural Plans

Improvements Analysis

The following chart shows a summary of the proposed improvements.

IMPROVEMENTS SUMMARY AND ANALYSIS		
Property Type	Multifamily	(Multi-Family Garden)
Number of Residential Buildings	12	
Number of Stories	3	
Gross Building Area	253,212 SF	
Net Rentable Area	247,432 SF	
Number of Units	272	
Average Unit Size	910 SF	
Development Density	16 Units/Acre	
Parking Improvements	Open and Covered	
Parking Spaces:	441	
Parking Ratio (spaces/unit)	1.62	
Year Built	2026	
Actual Age	0 Years	
Effective Age	0 Years	
Total Economic Life	55 Years	
Remaining Economic Life	55 Years	
Age/Life Depreciation	0.0%	
Functional Utility	Typical	

Source: Various sources compiled by CBRE

UNIT MIX						
Unit Mix/Type	Comments	No. Units	Percent of Total	Unit Size (SF)	NRA (SF)	
1BR/1BA	A	60	22.1%	722	43,320	
1BR/1BA - 80% AMI	A 80%	48	17.6%	722	34,656	
1BR/1BA - 60% AMI	A 60%	12	4.4%	722	8,664	
2BR/2BA	B	72	26.5%	1,052	75,744	
2BR/2BA - 80% AMI	B 80%	58	21.3%	1,052	61,016	
2BR/2BA - 60% AMI	B 60%	14	5.1%	1,052	14,728	
3BR/2BA	C	4	1.5%	1,163	4,652	
3BR/2BA - 80% AMI	C 80%	3	1.1%	1,163	3,489	
3BR/2BA - 60% AMI	C 60%	1	0.4%	1,163	1,163	
Total/Average:		272	100.0%	910	247,432	

Source: Various sources compiled by CBRE

It is noted the developer did not include any 80% AMI or 60% AMI rents for the 3BR units within the provided pro forma, however, per the term sheet the affordable units are to be spread across all floor plans. The developer's provided unit mix also did not meet the minimum number of affordable unit requirements. CBRE's unit mix in the table above meet the requirements of the PFC MOU/term sheet.

The following illustrates the key features/components of the subject improvements.

- The subject units will include a high level of interior finish.
- The subject will include project amenities commensurate to the most proximate Class A apartment developments.

Year Built

The subject will be constructed/completed in 2025/2026.

Construction Class

Building construction class is as follows:

D - Wood frame, floor and structure; considered combustible

The construction components are assumed to be in working condition and adequate for the buildings.

The overall quality of the proposed facility is considered to be average for the neighborhood and age. However, CBRE, Inc. is not qualified to determine structural integrity and it is recommended that the client/reader retain the services of a qualified, independent engineer or contractor to determine the structural integrity of the improvements prior to making a business decision.

Foundation/Floor Structure

The proposed foundations are assumed to be of adequate load-bearing capacity to support the improvements. The floor structure is summarized as follows:

Ground Floor:	Concrete slab on compacted fill
Other Floors:	Plywood deck with light-weight concrete cover

Exterior Walls

The exterior walls will be cementitious plank and panels with wood and stone trim. The buildings will have double-pane energy efficient windows.

Roof Cover

The buildings will have a pitched, asphalt shingle roofing system.

Elevator/Stair System

Each building will be served by covered, exterior stairwells.

HVAC

Upon completion, the HVAC is assumed to be in good working order and adequate for the buildings.

Utilities

Each unit will be individually metered for electrical usage and will reimburse for water/sewer and trash through RUBS.

Security

The subject will exhibit controlled, gated access.

Life Safety and Fire Protection

It is assumed that the proposed improvements will have adequate fire alarm systems, fire exits, fire extinguishers, fire escapes and/or other fire protection measures to meet local fire marshal requirements. The improvements will be fire sprinklered. CBRE, Inc. is not qualified to determine adequate levels of safety & fire protection, whereby it is recommended that the client/reader review available permits, etc. prior to making a business decision.

Project Amenities

The project amenities will include a leasing office/clubhouse, a fitness center, a business and conference center, resort pool, barbeque areas/grilling stations, dog park and pet wash station, and access gates.

Unit Amenities

Kitchens

Each unit will feature a stainless-steel appliance package that includes an electric range/oven, vent-hood, frost-free refrigerator with icemaker, garbage disposal, dishwasher, and built-in microwave oven. Additionally, each unit will feature wood cabinets with granite countertops and faux wood flooring in the kitchen area.

Bathrooms

The bathrooms within each unit will feature a combination tub/shower with ceramic tile wainscot. A dual vanity will be in the primary bathroom for all 2- and 3-bedroom units. Additionally, each bathroom will feature a commode, wood cabinet with granite counter and built-in porcelain sink, framed vanity mirror and faux wood flooring.

Interior Features

Each unit will include ceiling fans in the living room and bedrooms. Other interior features include nine-foot ceilings, walk-in closets, two-inch custom blinds, and in-unit washers and dryers.

Interior Lighting

Each unit will feature incandescent and LED lighting in appropriate interior and exterior locations with custom fixtures.

Patios, Balconies and Storage

Each unit will exhibit a patio or balcony area.

Site Amenities

Parking and Drives

The project will feature adequate surface parking including reserved handicap spaces. Access to the property will be controlled via electronic security gates located at the primary entry points. All parking spaces and vehicle drives will be asphalt paved. The proposed parking is summarized as follows:

PARKING IMPROVEMENTS		
Parking Type	Total Spaces	Rental Rate
Open	391	n/a
Carport	50	\$40
Total	441	
Compiled by CBRE		

Landscaping

The proposed landscaping is assumed to be in excellent condition and well maintained upon completion.

Functional Utility

All of the floor plans will feature functional layouts and the layout of the overall project is considered functional in utility. Therefore, the proposed unit mix is also functional and no conversion is warranted to the proposed improvements.

ADA Compliance

The client/reader's attention is directed to the specific limiting conditions regarding ADA compliance.

Furniture, Fixtures and Equipment

The apartment units will be rented on an unfurnished basis. However, miscellaneous maintenance tools, pool furniture, leasing office furniture, recreational room and clubhouse furniture, and various exercise machines are examples of personal property associated with and typically included in the sale of multifamily apartment complexes.

Environmental Issues

The appraiser is not qualified to detect the existence of any potentially hazardous materials such as lead paint, asbestos, urea formaldehyde foam insulation, or other potentially hazardous construction materials on or in the improvements. The existence of such substances may affect the value of the property. For the purpose of this assignment, we have specifically assumed there are no hazardous materials that would cause a loss in value to the subject.

Deferred Maintenance

As a new construction property, the subject will not suffer from deferred maintenance.

Conclusion

The improvements will be in excellent overall condition upon completion. Overall, there are no known factors that adversely impact the marketability of the proposed improvements.

Zoning

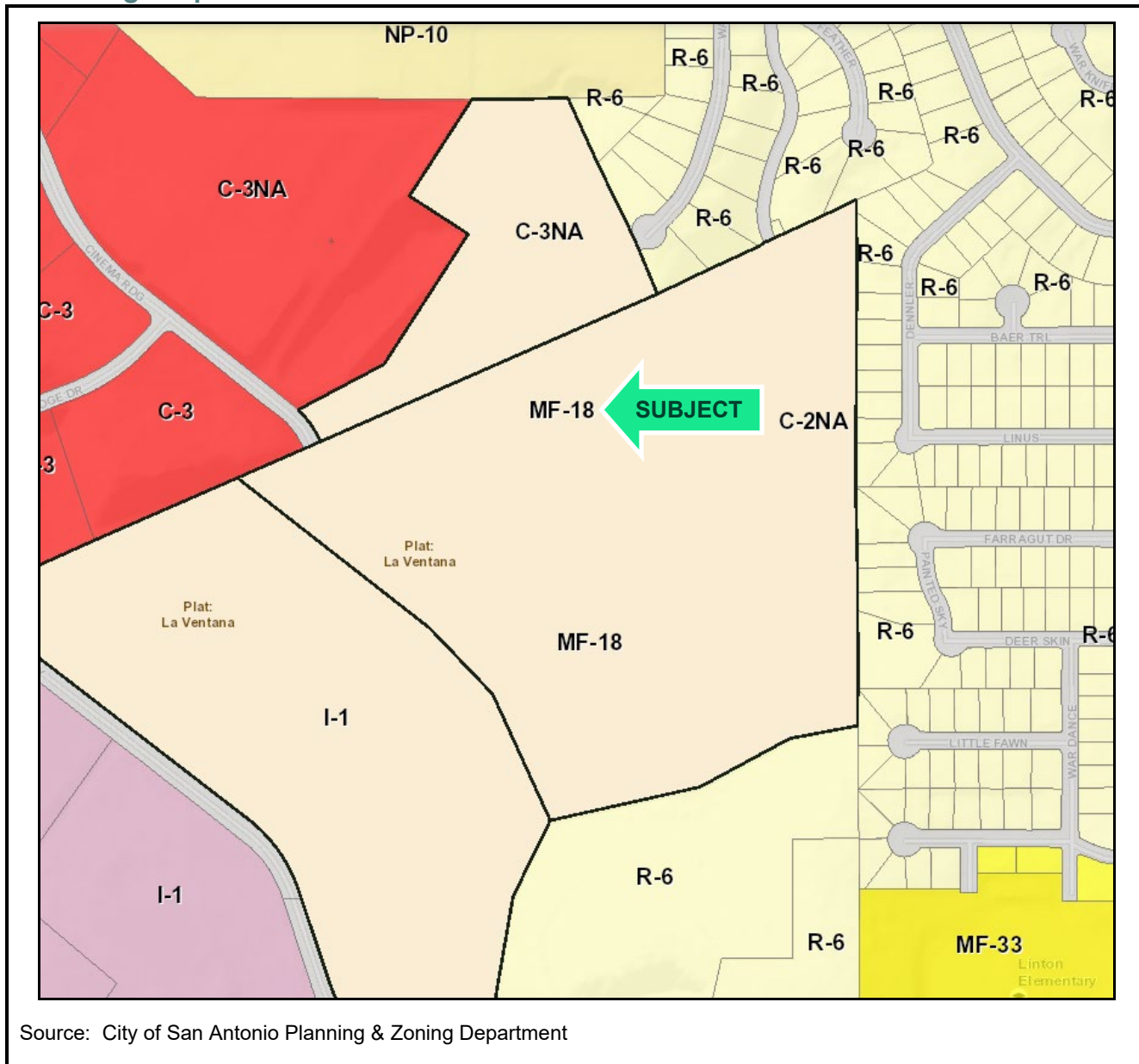
The following chart summarizes the subject's zoning requirements.

ZONING SUMMARY	
Current Zoning	MF-18
Legally Conforming	Yes
Uses Permitted	MF-18 Limited Density Multi-Family District (Sec. 35-310.07): Multi-family dwelling, single-family dwelling (detached, attached, or townhouse), two-family dwelling, three-family dwelling, four-family dwelling, row-house or zero lot line dwelling, assisted living home, skilled nursing facility, foster family home, public and private schools
Zoning Change	Not likely
Category	Zoning Requirement
Minimum Lot Size	n/a
Minimum Lot Width	50 Feet
Maximum Height	35 Feet
Minimum Setbacks	
Front Yard	0 Feet
Street Side Yard	5 Feet
Rear Yard	10 Feet
Maximum Density	18.0 Units/Acre
Subject's Actual Density	14.2 Units/Acre
Parking Requirements	432
Subject's Actual Parking	441
Source: Planning & Zoning Dept.	

Analysis and Conclusion

The proposed improvements represent a legally conforming use assuming site plan approval and, if damaged, may be restored without special permit application. Additional information may be obtained from the appropriate governmental authority. For purposes of this consulting report, CBRE has assumed the information obtained is correct.

Zoning Map



Tax and Assessment Data

The following summarizes the local assessor's estimate of the subject's market value, assessed value, and taxes, and does not include any furniture, fixtures or equipment. The CBRE estimated tax obligation is also shown.

AD VALOREM TAX INFORMATION						
Parcel	Assessor's Parcel No.	2023	2024	Pro Forma As Proposed Restricted, without Abatement	Pro Forma As Proposed Restricted, with Abatement	Pro Forma
1	1395807	\$844,100	\$1,665,241 ###			
	Subtotal	\$1,551,210	\$2,457,147	\$43,400,000	\$43,400,000	\$43,400,000
	% of Assessed Value	100%	100%	100%	0%	100%
	Final Assessed Value	1,551,210	2,457,147	\$43,400,000	\$0	\$43,400,000
	General Tax Rate (per \$100 A.V.)	2.289744	2.289744	2.289744	2.289744	2.289744
	Total Taxes	\$35,519	\$56,262	\$993,749	\$0	\$993,749
	Taxes per Unit	\$131	\$207	\$3,653	\$0	\$3,653

Source: Assessor's Office

Under the Texas Property Tax Code, assessed value is supposed to represent 100% of market value via the use of all three approaches to value. However, this rarely happens. First, Texas is a non-disclosure state, and the sales price is not on any public document and does not have to be divulged. In addition, the owners of the subject property can protest the subject's valuation in any given tax year regardless of whether or not there is an increase.

The local Assessor's methodology for valuation is fee simple market value. Re-assessments are completed on an annual basis. Notifications of assessed value as of January 1st are mailed in March and April and the Appraisal District has to be notified of a value protest by May 15th. Tax rates, set by the individual taxing authorities, are not determined until November of that year.

Texas is a "non-trigger" state, and purchase of a property does not automatically trigger a reassessment. Further, Texas is a "non-disclosure" state, and buyers are not required to report purchase prices to the assessor's office. In Texas, properties are theoretically assessed at 100% of market value; however, property owners may appeal an assessment on the grounds that the property's assessment is inequitable in comparison with the assessment of similar properties.

Delinquency

None noted.

Tax Comparables

As a crosscheck to the subject's applicable real estate taxes, CBRE, Inc. has reviewed the real estate tax information according to Bexar County for comparable properties in the market area. The following table summarizes the comparables employed for this analysis:

AD VALOREM TAX COMPARABLES								
Comparable Rental	438 Richland Hills Drive	1626 N Ellison Drive	7210 Potranco Road	4707 Wurzbach Road	9219 Vista West Drive	9003 Vista West Drive	11133 Westwood Loop	Subject
Year Built	2019	2018	2018	2018	2023	2017	2019	2026
No. Units	282	278	338	264	336	154	184	272
Tax Year	2024	2024	2024	2024	2024	2024	2024	Pro Forma
Assessor's Market Value	\$60,107,660	\$45,500,000	\$65,000,000	\$43,000,000	\$63,000,000	\$20,000,000	\$38,323,810	\$43,400,000
AV Per Unit	\$213,148	\$163,669	\$192,308	\$162,879	\$187,500	\$129,870	\$208,282	\$159,559
AV Per SF (NRA)	\$222.72	\$175.74	\$232.26	\$174.06	\$187.13	\$152.42	\$222.36	\$175.64

Source: Assessor's Office

Our pro forma assessment is supported by the range of the comparables on a \$/unit basis as well as on a per sq. ft. basis.

It is also noted that the concluded assessed value results in an assessed value (AV) ratio of approximately 70% when compared to the replacement cost estimate provided by the developer, inclusive of estimated land value and developer's profit.

Conclusion

Based on the foregoing, the total taxes for the subject have been estimated as \$993,749 for the base year of our analysis, based upon an assessed value of \$43,400,000 or \$159,559 per unit. This is above the current assessment but is considered a realistic scenario due to the comparable properties shown, along with the proposed development costs.

For purposes of this analysis, CBRE, Inc. assumes that all real estate taxes are current.

Market Analysis

Metropolitan San Antonio-New Braunfels, TX Apartment Market Overview

Recent Performance

The following table summarizes historical and projected performance for the overall metropolitan San Antonio-New Braunfels, TX apartment market, as reported by Axiometrics.

SAN ANTONIO-NEW BRAUNFELS, TX APARTMENT MARKET							
Year Ending	Inventory (Units)	Completions (Units)	Occupied Stock (Units)	Occupancy	Effective Rent (\$/Unit / Mo.)	Effective Rent Change	Net Absorption (Units)
2014	178,798	4,989	166,979	93.4%	\$834	2.39%	5,323
2015	184,844	6,046	172,829	93.5%	\$871	3.63%	5,861
2016	190,429	5,761	177,385	93.2%	\$911	2.63%	4,550
2017	196,538	6,500	181,581	92.4%	\$930	0.74%	4,192
2018	201,893	5,355	188,205	93.2%	\$972	2.37%	6,640
2019	207,309	5,928	194,331	93.7%	\$1,013	2.58%	6,125
2020	213,314	6,035	199,534	93.5%	\$1,011	-0.77%	5,205
2021	218,040	4,760	210,430	96.5%	\$1,177	14.64%	10,876
2022	220,881	3,093	205,552	93.1%	\$1,270	5.60%	-4,872
Q1 2023	221,561	1,088	204,966	92.5%	\$1,266	-0.67%	-579
Q2 2023	223,225	1,664	205,947	92.3%	\$1,276	0.64%	980
Q3 2023	224,863	1,638	206,604	91.9%	\$1,271	-0.64%	646
Q4 2023	226,575	1,712	206,954	91.3%	\$1,245	-2.19%	355
2023	226,575	6,102	206,954	91.3%	\$1,245	-2.87%	1,402
Q1 2024	228,620	2,213	208,524	91.2%	\$1,228	-1.49%	1,574
Q2 2024	231,791	3,257	211,532	91.3%	\$1,228	-0.10%	3,016
Q3 2024	235,765	3,974	215,466	91.4%	\$1,221	-0.66%	3,934
Q4 2024*	239,541	3,776	219,420	91.6%	\$1,210	-0.90%	3,930
2024*	239,541	13,220	219,420	91.6%	\$1,210	-2.80%	12,557
2025*	247,653	8,112	230,813	93.2%	\$1,241	2.60%	11,393
2026*	251,238	3,586	234,405	93.3%	\$1,277	2.90%	3,593
2027*	254,916	3,677	237,837	93.3%	\$1,316	3.10%	3,431
2028*	258,503	3,587	241,183	93.3%	\$1,358	3.20%	3,346

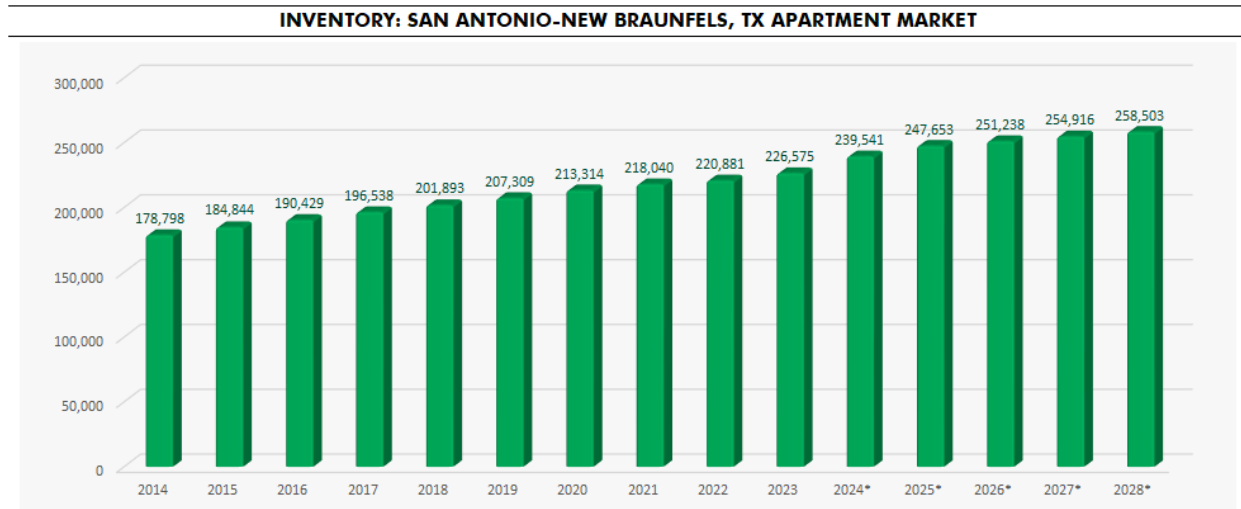
* Future Projected Data according to Axiometrics
Source: Axiometrics, 3rd Quarter 2024

The San Antonio-New Braunfels, TX apartment market consists of approximately 235,765 units of apartment space. The following observations are noted from the table above:

- As of 3rd Quarter 2024, there were approximately 215,466 units of occupied apartment space, resulting in an occupancy rate of 91.4% for the metro area. This reflects a small increase from the previous quarter's occupancy of 91.3%, and a small increase from an occupancy rate of 91.3% from last year.
- The area experienced positive 3,934 units of net absorption for the current quarter. This indicates an improvement from the previous quarter's positive 3,016 units of net absorption, and an improvement from the positive 1,402 units of net absorption from last year.
- The area had completions of positive 3,974 units for the current quarter, which indicates an increase from the previous quarter's completions of positive 3,257 units, and indicates a decline from completions of positive 6,102 units from last year.

- The area achieved average effective rent of \$1,221 per unit, which indicates a decrease from the previous quarter's effective rent of \$1,228 per unit, and a decrease from the effective rent of \$1,245 per unit from last year.

Historical Inventory – Market

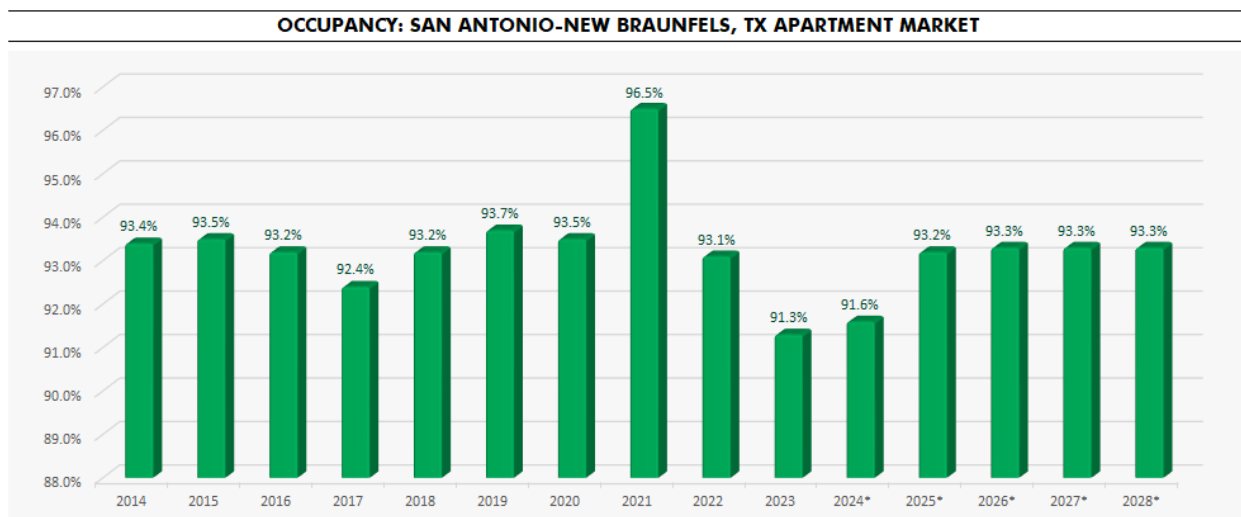


* Future Projected Data according to Axiometrics

Source: Axiometrics, 3rd Quarter 2024

Inventory is projected to be 239,541 units at the end of the current year, which represents an increase from the previous year's inventory of 226,575 units. Inventory for next year is projected to be 247,653 units, reflecting an increase from the current year.

Historical Occupancy - Market

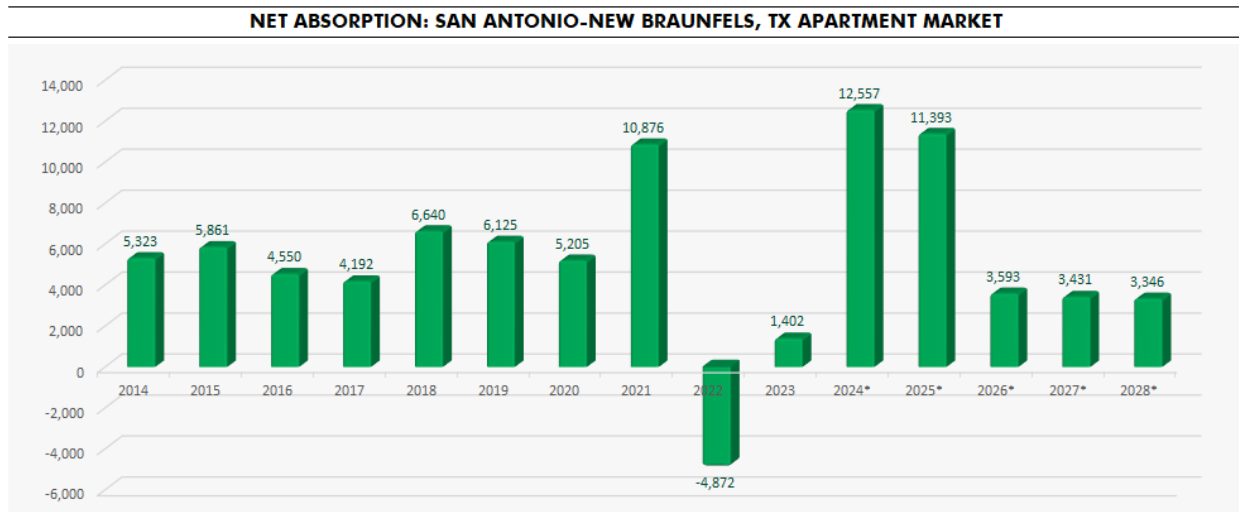


* Future Projected Data according to Axiometrics

Source: Axiometrics, 3rd Quarter 2024

At the end of the current year, the occupancy rate is projected to be 91.6%, which reflects an increase from the 91.3% occupancy rate at the end of last year. Occupancy for next year is projected to be 93.2%, reflecting an increase from the current year.

Historical Net Absorption - Market

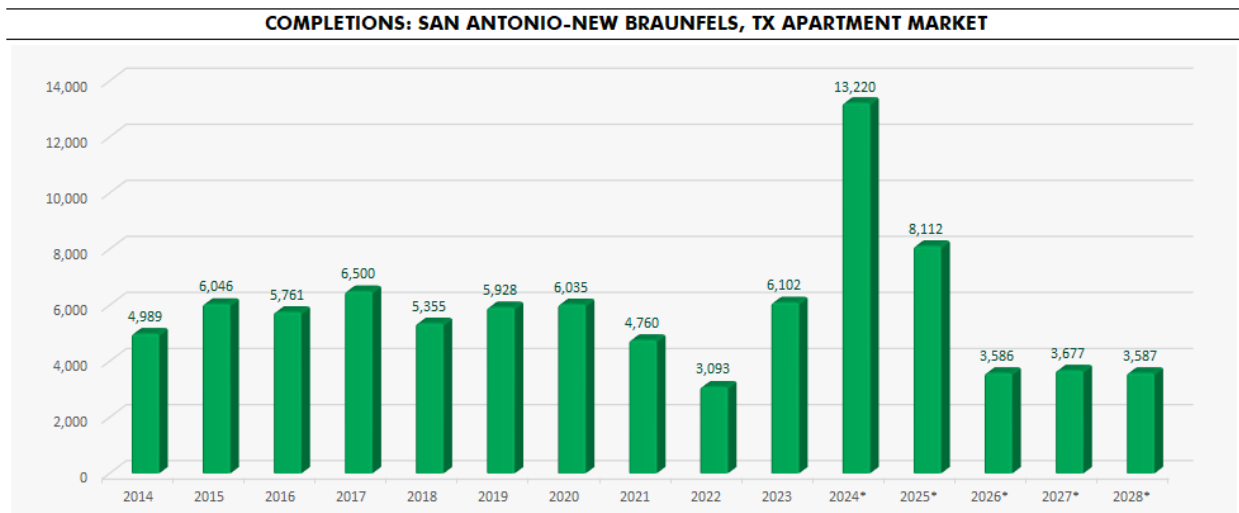


* Future Projected Data according to Axiometrics

Source: Axiometrics, 3rd Quarter 2024

At the end of the current year, the area is projected to experience positive 12,557 units of net absorption, which indicates an improvement from the positive 1,402 units of net absorption for the previous year. The area is projected to experience positive 11,393 units of net absorption as of the end of next year, which indicates a decline from the current year.

Historical Completions - Market

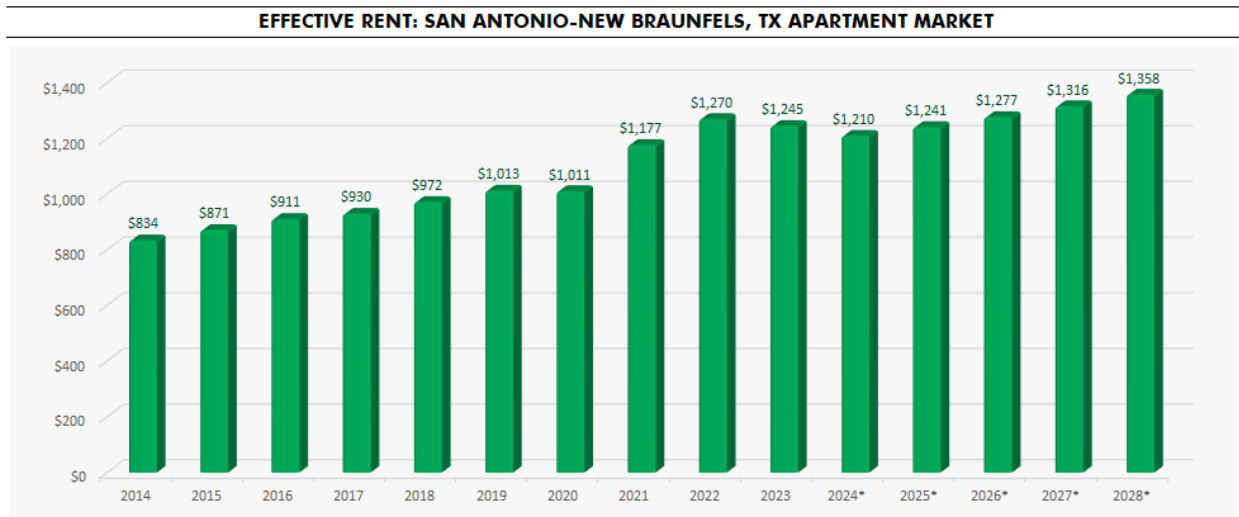


* Future Projected Data according to Axiometrics

Source: Axiometrics, 3rd Quarter 2024

The area is projected to achieve completions of positive 13,220 units for the current year, which indicates an improvement from the previous year's completions of positive 6,102 units. The area is projected to experience completions of positive 8,112 units as of the end of next year, which indicates a decline from the current year.

Historical Effective Rent - Market



* Future Projected Data according to Axiometrics

Source: Axiometrics, 3rd Quarter 2024

The area is projected to achieve average effective rent of \$1,210 per unit at the end of the current year, which indicates a decrease from the previous year's effective rent of \$1,245 per unit. The area is projected to achieve effective rent of \$1,241 per unit by the end of next year, indicating an increase from the current year.

Submarket Snapshot

The following table summarizes the supply of apartment units for each submarket within the San Antonio-New Braunfels, TX market as of 3rd Quarter 2024.

SUBMARKET SNAPSHOT				
Submarket	Inventory (Units)	Completions* (Units)	Effective Rent (\$/Unit / Mo.)	Occupancy
Airport Area	12,290	307	\$1,103	90.7%
Alamo Heights	6,575	112	\$1,408	92.8%
Central San Antonio	18,378	1,218	\$1,490	91.8%
Far North Central San Antonio	15,473	651	\$1,455	92.7%
Far Northwest San Antonio	26,029	2,614	\$1,402	91.4%
Far West San Antonio	18,631	768	\$1,210	92.0%
Medical Center	29,223	230	\$1,108	91.0%
New Braunfels/Schertz/Universal City	21,641	2,867	\$1,280	92.4%
North Central San Antonio	10,106	502	\$1,261	92.5%
Northeast San Antonio	17,756	450	\$1,109	90.4%
Northwest San Antonio	17,589	0	\$1,093	90.6%
South San Antonio	16,297	356	\$1,096	91.6%
Southwest San Antonio	13,668	887	\$1,064	88.8%
West San Antonio	12,109	194	\$976	90.9%

*Completions include trailing 4 quarters

Source: Axiometrics, 3rd Quarter 2024

West San Antonio Submarket

Important characteristics of the West San Antonio apartment market are summarized below:

WEST SAN ANTONIO APARTMENT SUBMARKET							
Year Ending	Inventory (Units)	Completions (Units)	Occupied Stock (Units)	Occupancy	Effective Rent (\$/Unit / Mo.)	Effective Rent Change	Net Absorption (Units)
2014	11,119	0	10,215	91.9%	\$645	2.09%	90
2015	11,119	0	10,294	92.6%	\$679	5.10%	79
2016	11,119	0	10,484	94.3%	\$703	4.09%	190
2017	11,119	0	10,431	93.8%	\$715	1.13%	-53
2018	11,476	357	10,720	93.4%	\$747	3.22%	289
2019	11,575	99	10,863	93.9%	\$794	3.51%	143
2020	11,915	340	11,287	94.7%	\$823	1.29%	425
2021	11,915	0	11,487	96.4%	\$928	10.02%	199
2022	11,915	0	10,920	91.7%	\$1,001	4.89%	-567
Q1 2023	11,915	0	10,875	91.3%	\$1,013	-0.20%	-45
Q2 2023	11,915	0	10,961	92.0%	\$1,034	2.04%	86
Q3 2023	11,915	0	10,892	91.4%	\$1,027	-1.16%	-71
Q4 2023	11,915	0	10,938	91.8%	\$1,004	-0.32%	47
2023	11,915	0	10,938	91.8%	\$1,004	0.60%	18
Q1 2024	11,915	0	10,864	91.2%	\$986	-0.25%	-73
Q2 2024	11,915	0	10,840	91.0%	\$992	0.26%	-24
Q3 2024	12,109	194	11,010	90.9%	\$976	-1.66%	170
Q4 2024*	12,239	130	11,199	91.5%	\$992	1.64%	192
2024*	12,239	324	11,199	91.5%	\$992	-1.20%	264
2025*	12,264	25	11,430	93.2%	\$1,021	2.90%	232
2026*	12,300	36	11,451	93.1%	\$1,057	3.50%	21
2027*	12,394	94	11,539	93.1%	\$1,095	3.60%	87
2028*	12,477	83	11,616	93.1%	\$1,136	3.70%	77

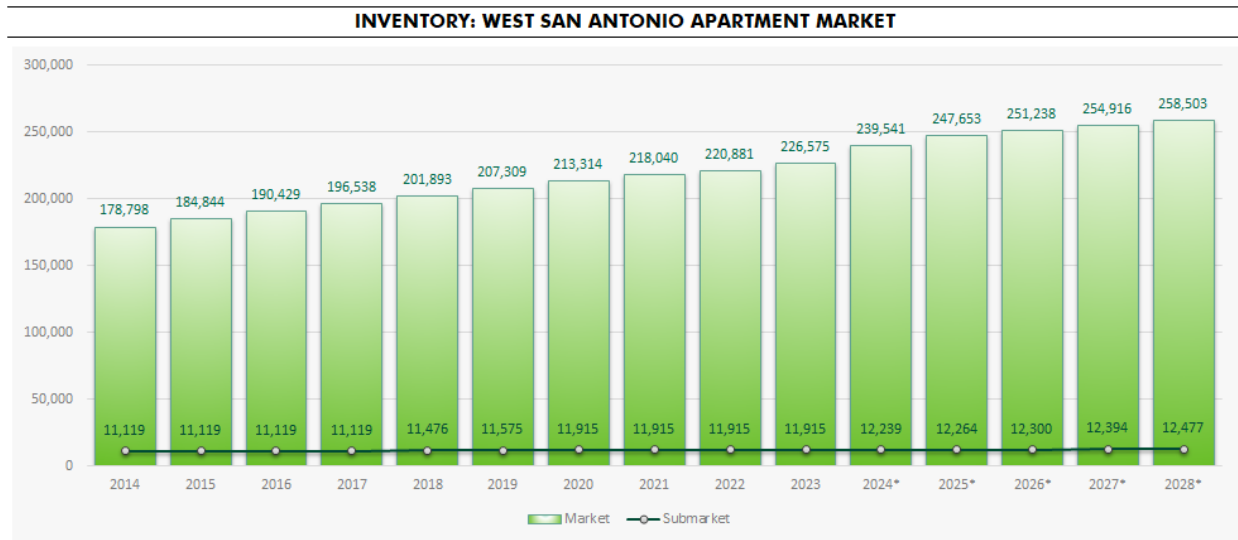
*Future Projected Data according to Axiometrics

Source: Axiometrics, 3rd Quarter 2024

The West San Antonio apartment submarket consists of approximately 12,109 units of apartment space. The current submarket inventory represents approximately 5.1% of the overall market inventory. The following observations were noted from the table above:

- As of 3rd Quarter 2024, there were approximately 11,010 units of occupied apartment space, resulting in an occupancy rate of 90.9% for the submarket. This reflects a small decrease from the previous quarter's occupancy of 91.0%, and a decrease from an occupancy rate of 91.8% from last year. The submarket occupancy is below the 91.4% market occupancy.
- The submarket experienced positive 170 units of net absorption for the current quarter. This indicates an improvement from the previous quarter's negative 24 units of net absorption, and an improvement from the positive 18 units of net absorption from a year ago. Overall, the submarket has experienced positive 73 units of net absorption for the current year-to-date period. The submarket's current net absorption of positive 170 units is below the overall market net absorption of positive 3,934 units.
- The submarket had completions of positive 194 units for the current quarter, which indicates an increase from the previous quarter's zero completions, and an increase from the zero completions from last year.
- The submarket achieved average effective rent of \$976 per unit, which indicates a decrease from the previous quarter's effective rent of \$992 per unit, and a decrease from the effective rent of \$1,004 per unit from last year. The submarket's current effective rent of \$976 per unit is below the overall market asking rent of \$1,221 per unit.

Historical Inventory - Submarket

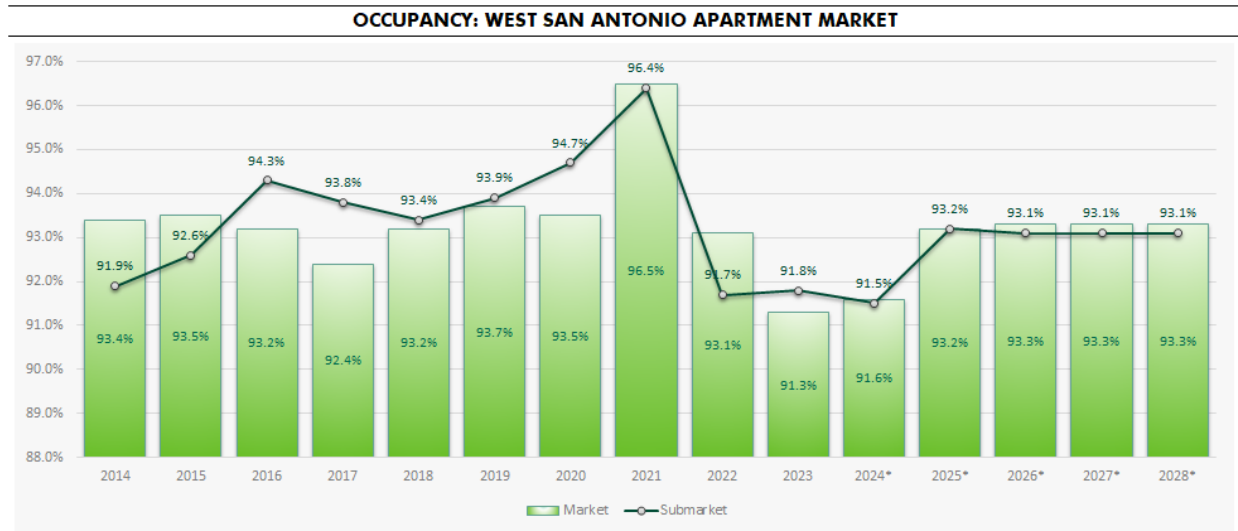


* Future Projected Data according to Axiometrics

Source: Axiometrics, 3rd Quarter 2024

Submarket Inventory is projected to be 12,239 units at the end of the current year, which represents a small increase from the previous year’s submarket inventory of 11,915 units. Inventory for next year is projected to be 12,264 units, reflecting a small increase from the current year.

Historical Occupancy - Submarket

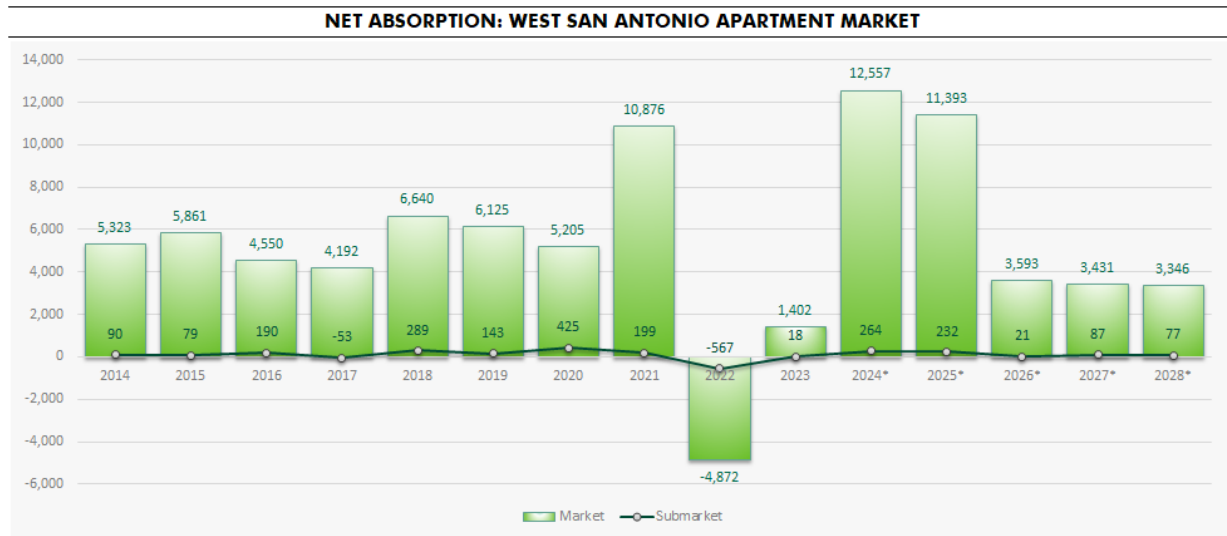


* Future Projected Data according to Axiometrics

Source: Axiometrics, 3rd Quarter 2024

Submarket occupancy is projected to be 91.5% at the end of the current year, which represents a decrease from the previous year’s submarket occupancy of 91.8%. Submarket occupancy for next year is projected to be 93.2%, reflecting an increase from the current year.

Historical Net Absorption - Submarket

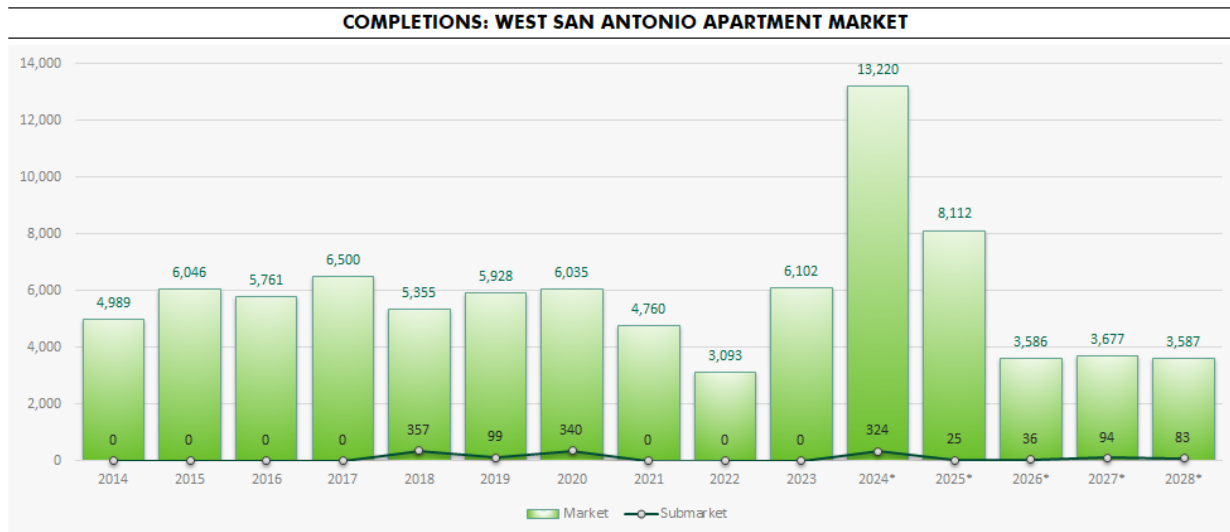


* Future Projected Data according to Axiometrics

Source: Axiometrics, 3rd Quarter 2024

Net absorption in the submarket is projected to be positive 264 units at the end of the current year, reflecting an improvement from the previous year’s net absorption of positive 18 units. Net absorption for next year is projected to be positive 232 units, indicating a decline from the current year.

Historical Completions - Submarket

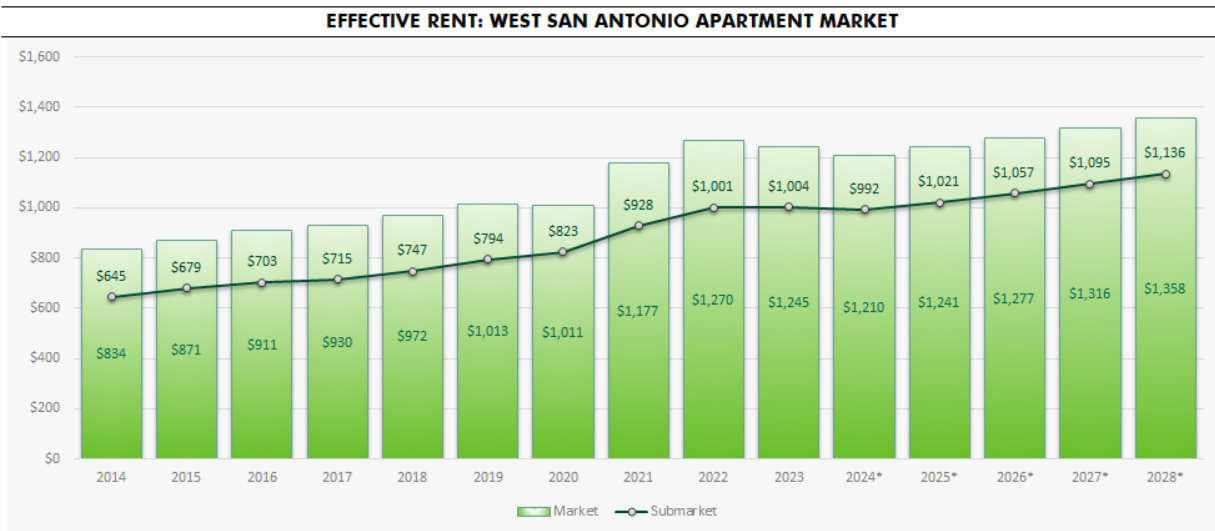


* Future Projected Data according to Axiometrics

Source: Axiometrics, 3rd Quarter 2024

The submarket is projected to achieve completions of positive 324 units at the end of the current year, which indicates an improvement from the previous year’s zero completions. The submarket is projecting completions of positive 25 units for next year, which indicates a decline from the current year.

Historical Effective Rent - Submarket



* Future Projected Data according to Axiometrics

Source: Axiometrics, 3rd Quarter 2024

The submarket is projected to achieve average effective of \$992 per unit at the end of the current year, which represents a decrease from the previous year’s effective rent of \$1,004 per unit. The submarket is projected to achieve average effective rent of \$1,021 per unit, reflecting an increase from the current year.

Demographic Analysis

Demand for residential properties is a direct function of demographic characteristics analyzed on the following pages.

Housing, Population and Household Formation

The following table illustrates the population and household changes for the subject neighborhood.

POPULATION AND HOUSEHOLD PROJECTIONS

	1 Mile Radius	3 Mile Radius	5 Mile Radius	San Antonio- New Braunfels, TX Metropolitan Statistical Area
Population				
2029 Total Population	7,767	114,761	337,893	2,931,790
2024 Total Population	7,950	114,276	340,682	2,733,998
2010 Total Population	7,972	106,590	328,704	2,142,508
2000 Total Population	7,417	91,321	283,488	1,711,703
<i>Annual Growth 2024 - 2029</i>	<i>-0.46%</i>	<i>0.08%</i>	<i>-0.16%</i>	<i>1.41%</i>
<i>Annual Growth 2010 - 2024</i>	<i>-0.02%</i>	<i>0.50%</i>	<i>0.26%</i>	<i>1.76%</i>
<i>Annual Growth 2000 - 2010</i>	<i>0.72%</i>	<i>1.56%</i>	<i>1.49%</i>	<i>2.27%</i>
Households				
2029 Total Households	3,189	43,886	129,291	1,080,836
2024 Total Households	3,224	43,063	128,283	996,691
2010 Total Households	3,053	37,797	116,475	763,022
2000 Total Households	2,806	31,788	97,905	601,265
<i>Annual Growth 2024 - 2029</i>	<i>-0.22%</i>	<i>0.38%</i>	<i>0.16%</i>	<i>1.63%</i>
<i>Annual Growth 2010 - 2024</i>	<i>0.39%</i>	<i>0.94%</i>	<i>0.69%</i>	<i>1.93%</i>
<i>Annual Growth 2000 - 2010</i>	<i>0.85%</i>	<i>1.75%</i>	<i>1.75%</i>	<i>2.41%</i>

Source: ESRI

As shown, the subject's neighborhood is experiencing moderate increases in both population and households.

Income Distributions

Household income available for expenditure on housing and other consumer items is a primary factor in determining the price/rent level of housing demand in a market area. In the case of this study, projections of household income, particularly for renters, identifies in gross terms the market from which the subject submarket draws. The following table illustrates estimated household income distribution for the subject neighborhood.

HOUSEHOLD INCOME DISTRIBUTION

	1 Mile Radius	3 Mile Radius	5 Mile Radius	San Antonio- New Braunfels, TX Metropolitan Statistical Area
Households by Income Distribution (2024)				
<\$15,000	8.22%	10.26%	11.10%	8.47%
\$15,000 - \$24,999	6.92%	8.45%	8.59%	6.41%
\$25,000 - \$34,999	11.85%	10.06%	8.82%	6.70%
\$35,000 - \$49,999	12.72%	14.71%	14.19%	10.29%
\$50,000 - \$74,999	19.14%	20.29%	19.82%	17.67%
\$75,000 - \$99,999	14.08%	13.96%	13.62%	14.26%
\$100,000 - \$149,999	21.09%	14.08%	13.36%	16.82%
\$150,000 - \$199,999	3.07%	5.22%	6.70%	9.74%
\$200,000+	2.92%	2.98%	3.79%	9.62%

Source: ESRI

The following table illustrates the median and average household income levels for the subject neighborhood.

HOUSEHOLD INCOME LEVELS				
	1 Mile Radius	3 Mile Radius	5 Mile Radius	San Antonio- New Braunfels, TX Metropolitan Statistical Area
Income				
2024 Median Household Income	\$61,001	\$55,922	\$56,951	\$75,580
2024 Average Household Income	\$76,313	\$73,251	\$76,638	\$102,854
2024 Per Capita Income	\$30,417	\$27,565	\$29,110	\$37,626

Source: ESRI

Employment

An employment breakdown typically indicates the working-class characteristics for a given market area. The specific employment population within the indicated radii of the subject is as follows:

EMPLOYMENT BY INDUSTRY				
Occupation (2024)	1 Mile Radius	3 Mile Radius	5 Mile Radius	San Antonio- New Braunfels, TX Metropolitan Statistical Area
Agric/Forestry/Fishing/Hunting	0.00%	0.13%	0.17%	0.38%
Construction	5.62%	8.66%	8.58%	8.81%
Manufacturing	5.52%	6.34%	5.21%	6.27%
Wholesale Trade	1.72%	1.37%	1.48%	2.08%
Retail Trade	13.99%	11.72%	11.03%	11.82%
Transportation/Warehousing	7.34%	5.78%	5.12%	4.93%
Information	1.51%	1.75%	1.72%	1.55%
Finance/Insurance	6.31%	8.53%	8.82%	7.49%
Prof/Scientific/Tech Services	7.31%	6.34%	6.25%	7.81%
Mgmt of Companies/Enterprises	0.00%	0.10%	0.11%	0.16%
Admin/Support/Waste Mgmt Svcs	3.18%	6.74%	6.24%	4.97%
Educational Services	6.83%	7.65%	8.84%	9.36%
Health Care/Social Assistance	14.55%	13.68%	14.67%	13.75%
Arts/Entertainment/Recreation	4.70%	1.86%	1.98%	1.92%
Accommodation/Food Services	11.98%	10.66%	9.91%	8.45%
Other Services (excl Publ Adm)	3.10%	4.15%	4.62%	4.70%
Public Administration	6.34%	4.54%	5.25%	5.55%

Source: ESRI

The previous table illustrates the employment character of the submarket, with the majority of the population holding retail, health care, and accommodation/food services related jobs.

Outlook

Based on this analysis, the immediate area surrounding the subject is projected to experience moderate growth relative to households and population into the near future. Given the area demographics, it

appears that demand for both comparable surrounding area apartment units and the subject will continue to be favorable.

Subject Analysis

Occupancy

Based on the foregoing analysis, CBRE, Inc.'s conclusion of stabilized occupancy for the subject is illustrated in the following table. This estimate considers both the physical and economic factors of the market.

OCCUPANCY CONCLUSIONS	
San Antonio-New Braunfels, TX Market	91.6%
West San Antonio Submarket	90.9%
Rent Comparables (Weighted Avg.)*	91.9%
Subject's Stabilized Occupancy	92.0%
Compiled by CBRE	

*Excludes properties in initial lease-up

Our estimate is prior to a 1.0% credit loss.

Conclusion

The overall area has experienced some volatility in performance metrics over the past two years. However, the middle to long-term expectations for the local apartment market are for continued growth and redevelopment. With respect to the proposed subject, we believe the subject will be well located. The subject will include an appropriate interior amenity package to compete in the local market, including Class A amenities such as granite counters and stainless-steel appliances. Further, it will be in proximity to employment centers and major roadways, and the surrounding apartment developments are experiencing above average levels of demand. Based upon our analysis, the subject is expected to experience adequate market acceptance assuming rents are appropriately positioned.

Cost Analysis

In estimating the replacement cost new for the subject, the following methods/data sources have been utilized (where available):

- the comparative unit method, utilizing the Marshall Valuation Service (MVS) cost guide, published by Marshall and Swift, LLC;
- the subject's actual construction costs (where available); and
- actual/budget construction cost figures available for comparable properties.

Marshall Valuation Service

Direct Cost

Salient details regarding the direct costs are summarized in the Cost Approach Conclusion at the end of this section. The MVS cost estimates include the following:

1. average architect's and engineer's fees for plans, plan check, building permits and survey(s) to establish building line;
2. normal interest in building funds during the period of construction plus a processing fee or service charge;
3. materials, sales taxes on materials, and labor costs;
4. normal site preparation including finish grading and excavation for foundation and backfill;
5. utilities from structure to lot line figured for typical setback;
6. contractor's overhead and profit, including job supervision, workmen's compensation, fire and liability insurance, unemployment insurance, equipment, temporary facilities, security, etc.;
7. site improvements (included as lump sum additions); and
8. initial tenant improvement costs are included in MVS cost estimate. However, additional lease-up costs such as advertising, marketing and leasing commissions are not included.

Base building costs (direct costs) are adjusted to reflect the physical characteristics of the subject. Making these adjustments, including the appropriate local and current cost multipliers, the direct building cost is indicated.

Additions

Items not included in the direct building cost estimate include parking and walks, signage, landscaping, and miscellaneous site improvements. The cost for these items is estimated separately using the segregated cost sections of the MVS cost guide.

Indirect Cost Items

Several indirect cost items are not included in the direct building cost figures derived through the MVS cost guide. These items include developer overhead (general and administrative costs), property taxes, legal and insurance costs, local development fees and contingencies, lease-up and marketing costs and miscellaneous costs.

MVS Conclusion

The concluded direct and indirect building cost estimates obtained via the MVS cost guide are illustrated as follows:

MARSHALL VALUATION SERVICE COST SCHEDULE			
Primary Building Type:	Multifamily	Height per Story:	9'
Effective Age:	0 YRS	Number of Buildings:	12
Condition:	Excellent	Gross Building Area:	253,212 SF
Exterior Wall:	Cementitious plank w/ masonry accents	Net Rentable Area:	247,432 SF
Number of Units:	272	Average Unit Size:	910 SF
Number of Stories:	3	Average Floor Area:	14,469 SF
MVS Sec/Page/Class		11/30	12/16
Quality/Class		Excellent/D	Excellent/D
Building Component		Clubhouse	Multiple Residences
Component Sq. Ft.		3,166 SF	250,046 SF
Base Square Foot Cost		\$268.00	\$193.00
Square Foot Refinements			
Heating and cooling		Included	Included
Sprinklers		\$0.00	\$2.75
Appliances (\$2,500 each)		\$0.79	\$2.72
Garages/Carports		\$0.00	\$0.49
Subtotal		\$273.96	\$198.96
Height and Size Refinements			
Number of Stories Multiplier		1.000	1.000
Height per Story Multiplier		1.000	1.000
Floor Area Multiplier		1.000	0.950
Subtotal		\$273.96	\$189.01
Cost Multipliers			
Current Cost Multiplier		0.94	0.98
Local Multiplier		0.84	0.84
Final Square Foot Cost		\$216.32	\$155.60
Base Component Cost		\$684,873	\$38,906,444
Base Building Cost	(via Marshall Valuation Service cost data)		\$39,591,318
Additions			
Signage, Landscaping & Misc. Site Improvements (not included above)			\$1,000,000
Surface Parking/Walks (not included above)			\$800,000
Direct Building Cost			\$41,391,318
Indirect Costs	15.0% of Direct Building Cost		\$6,208,698
Direct and Indirect Building Cost			\$47,600,015
Rounded			\$47,600,000
Compiled by CBRE			

Budget Comparable Construction Costs

The subject's budget construction costs are illustrated in the following table, along with comparable cost information on a number of comparable properties. A detailed breakdown of the subject's cost estimate has been included in the Addenda. PFC structuring costs and developer's fee have been excluded from the Indirect Cost reported in the table below.

CONSTRUCTION COSTS					
Comparable:	1	2	3	Average	Subject
Property Type	Multi-family Garden	Multi-family Garden	Multi-family Garden		Multi-family Garden
Year of Cost Data	2024	2024	2023		2024
Cost Data Based Upon...	Budget	Budget	Budget		Budget
Number of Units:	312	312	288	304	272
Size (SF):	273,579	296,681	257,550	275,937	253,212
Cost Component					
Direct Cost	\$44,870,760	\$44,298,384	\$40,800,000	\$43,323,048	\$38,769,699
Indirect Cost	\$6,319,133	\$13,860,348	\$7,662,207	\$9,280,563	\$8,451,265
Lease-up Cost	\$225,845	\$0	\$0	\$75,282	\$0
Total Direct, Indirect & Lease-up	\$51,415,738	\$58,158,732	\$48,462,207	\$52,678,892	\$47,220,964
Cost Per Unit	\$164,794	\$186,406	\$168,272	\$173,157	\$173,606
Cost Per SF	\$187.94	\$196.03	\$188.17	\$190.71	\$186.49
Compiled by CBRE					

Direct and Indirect cost conclusion

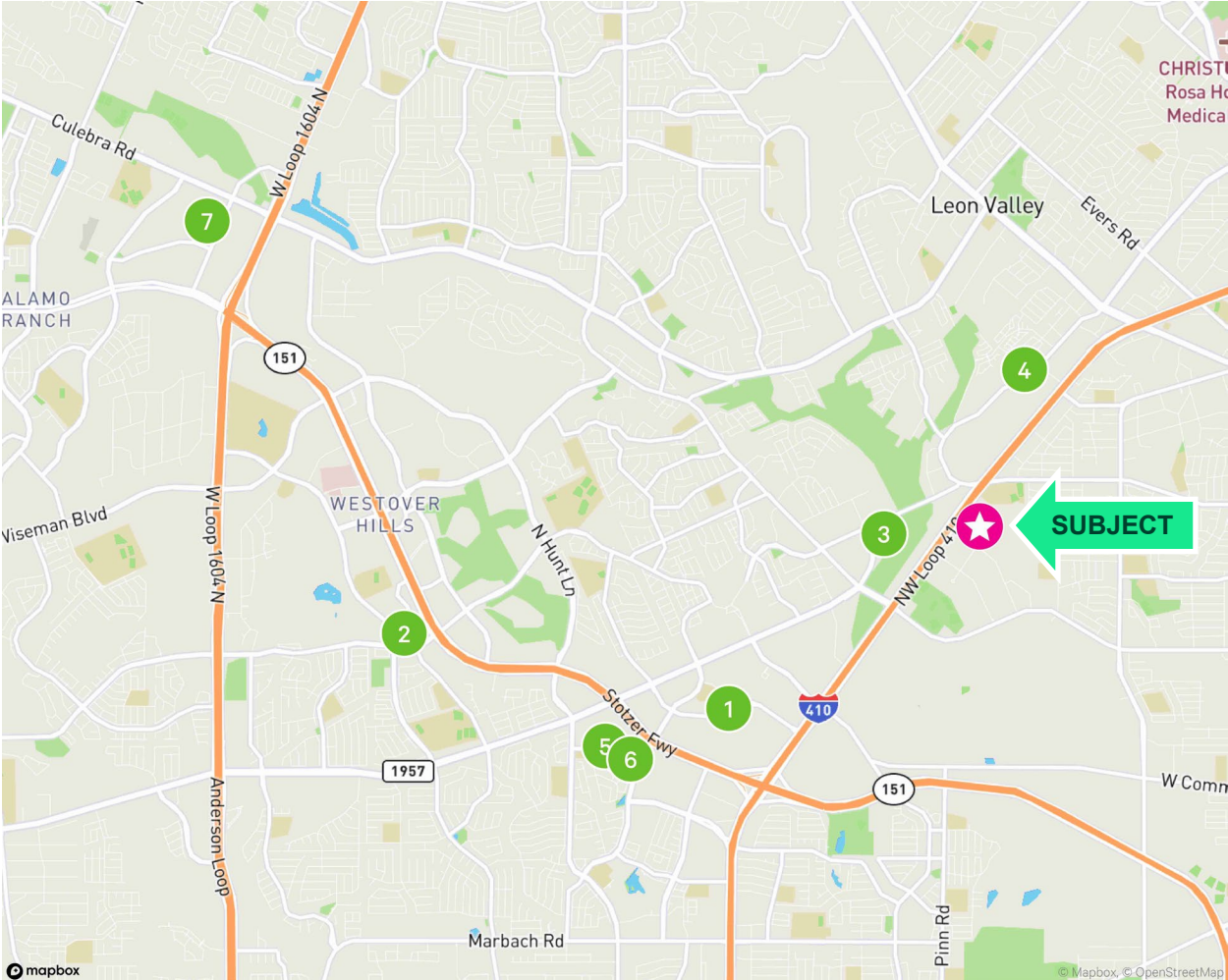
The indicated direct and indirect building costs for the subject are illustrated as follows:

DIRECT AND INDIRECT COST CONCLUSION			
Source	Subject Estimate	Per Unit	Per SF
MVS Cost Guide	\$47,600,000	\$175,000	\$187.98
Cost Comparables (Avg.)	n/a	\$173,157	\$190.71
Subject's Budget Cost Est.	\$47,221,000	\$173,606	\$186.49
CBRE Estimate	\$47,221,000	\$173,607	\$186.49
Compiled by CBRE			

The estimates derived via MVS represent replacement cost while the subject's budgeted figures represent reproduction costs. The subject's budgeted cost was given most consideration towards a cost conclusion for the subject. It is well supported by the range of cost comparable data.

Income & Debt Coverage Analysis

The following map and table summarize the primary comparable data used in the valuation of the subject. A detailed description of each transaction is included in the addenda.



SUMMARY OF COMPARABLE MULTIFAMILY RENTALS							
No.	Property Name	Location	YOC / Reno'd	Property Subtype	Occ.	No. Units	Avg. Rent Per Unit
1	Citadel at Westpointe	438 Richland Hills Drive San Antonio, TX 78245	2019	Multi-unit Garden	97%	282	\$1,227
2	Estraya Westover Hills	1626 N Ellison Drive San Antonio, TX 78251	2018	Multi-unit Garden	96%	278	\$1,376
3	Legacy Creekside	7210 Potranco Road San Antonio, TX 78251	2018	Multi-unit Garden	91%	338	\$1,268
4	Park on Wurzbach	4707 Wurzbach Road San Antonio, TX 78238	2018	Multi-unit Garden	93%	264	\$1,458
5	Prose Westover Hills	9219 Vista West Drive San Antonio, TX 78245	2023	Multi-unit Garden	90%	336	\$1,501
6	Affinity at Monterrey Village	9003 Vista West Drive San Antonio, TX 78245	2017	Multi-unit Senior	76%	154	\$1,929
7	Solea Alamo Ranch	11133 Westwood Loop San Antonio, TX 78253	2019	Multi-unit Senior	95%	184	\$1,871
Subj.	La Ventana Apartments	2802 Cinema Ridge San Antonio, TX 78238	2026	Multifamily	0%	272	---

Compiled by CBRE

The rentals utilized represent the best data available for comparison with the subject. They were selected from our research within the immediate area of west San Antonio. These comparables were chosen based upon their similarities in condition, appeal, location, and unit size/type offering. It is noted that 72 of the subject units will be age restricted (55+). Therefore, we have included two senior housing apartment projects within our survey (Comparables 6 and 7).

Location Characteristics

The following supplemental data was collected.

MULTIFAMILY RENT LOCATION ADJUSTMENT ANALYSIS									
Comparable Number	Subject	1	2	3	4	5	6	7	
Address	2802 Cinema Ridge	438 Richland Hills Drive	1626 N Ellison Drive	7210 Potranco Road	4707 Wurzbach Road	9219 Vista West Drive	9003 Vista West Drive	11133 Westwood Loop	
Radius for Demographic Analysis	3 Mile Radius	3 Mile Radius	3 Mile Radius	3 Mile Radius	3 Mile Radius	3 Mile Radius	3 Mile Radius	3 Mile Radius	3 Mile Radius
2024 Households	43,063	44,898	43,041	41,161	51,174	46,335	46,210	39,858	
2024 Average Household Income	\$73,251	\$82,845	\$101,945	\$77,593	\$75,771	\$86,226	\$85,399	\$119,715	
<i>AHI Relative to Subject</i>	---	13.1%	39.2%	5.9%	3.4%	17.7%	16.6%	63.4%	
2024 Median Value of Owner Occupied Housing Units	\$220,667	\$222,999	\$258,544	\$230,326	\$237,967	\$227,431	\$225,614	\$298,409	
2024 % Renter Occupied Housing Units	45.6%	43.9%	37.5%	46.3%	49.9%	41.9%	41.9%	28.7%	
2024 % College/Graduate Degree Age 25+	21.7%	24.2%	33.4%	24.5%	28.6%	25.7%	25.1%	41.9%	
2024 Median Age	34.8	33.5	33.3	34.6	35.4	33.1	33.1	34.2	

Compiled by CBRE

Discussion/Analysis of Rent Comparables

Rent Comparable One

Citdel at Westpointe is located along Richland Hills Drive, west of Loop 410 and north of State Highway 151 in far west San Antonio, Texas. The comparable represents a 282-unit, three-story, garden-style complex that was constructed in 2019. It is considered to be a Class A property in this market and was in good condition at the date of survey. Units include granite countertops, stainless steel appliances, and faux wood flooring. The project includes typical Class A community amenities. Quoted rents are indicative of average effective rents including any concessions and premiums. No concessions were quoted as of the date of survey. Tenants pay all utilities. Detached garages are available for \$140 per month. Select units come with an attached garage.

Rent Comparable Two

Estraya Westover Hills is located along North Ellison Drive, just west of State Highway 151, in far west San Antonio, Texas. The comparable represents a 278-unit, three-story, garden-style complex that was constructed in 2018. It is considered to be a Class A property in this market and was in good condition at the date of survey. Units include granite countertops, stainless steel appliances, and faux wood/carpet flooring. The project includes typical Class A community amenities. Rents are set by rent optimizing software and are inclusive of all concessions and premiums. Concessions of two months free were quoted on the date of survey. Tenants pay all utilities. Detached garages are available for \$155 per month.

Rent Comparable Three

Legacy Creekside is located along Potranco Road, west of Loop 410 in far west San Antonio, Texas. The comparable represents a 338-unit, three-story, garden-style complex that was constructed in 2018. It is considered to be a Class A property in this market and was in good condition at the date of survey. Units include granite countertops, stainless steel appliances, and faux wood flooring. The project includes typical Class A community amenities. Quoted rents are indicative of average effective rents including any concessions and premiums. No significant concessions were quoted. Tenants pay all utilities. Detached garages are available for \$150 per month. It is noted that Phase II of Legacy Creekside is currently under construction. Our rental survey reflects Phase I only.

Rent Comparable Four

Park on Wurzbach is located along Wurzbach Road, west of Loop 410, in northwest San Antonio, Texas. The comparable represents a 264-unit, three-story, garden-style complex that was constructed in 2018. It is considered to be a Class A property in this market and was in good condition at the date of survey. Units include granite countertops, stainless steel appliances, and faux wood/carpet flooring. The project includes typical Class A community amenities. Rents are set by rent optimizing software and are inclusive of all concessions and premiums. No concessions were quoted as of the date of survey. Tenants pay all utilities. Detached garages are available for \$150 per month and carports are available for \$45 per month.

Rent Comparable Five

Prose Westover Hills is located along Vista West Drive, south of State Highway 151, in west San Antonio, Texas. The comparable represents a 336-unit, three-story, garden-style complex that was constructed in

2023. It is considered to be a Class A property in this market and was in good condition at the date of survey. Units include granite countertops, stainless steel appliances, and faux wood/carpet flooring. The project includes typical Class A community amenities. Quoted rents are indicative of average effective rents including any concessions and premiums. No concessions were quoted on the date of survey. Tenants pay all utilities. Carports are available for \$60 per month.

Rent Comparable Six

Affinity at Monterrey Village is located along Vista West Drive, south of State Highway 151 in west San Antonio, Texas. The comparable represents a 154-unit, four-story, mid-rise-style complex that was constructed in 2017. The property is a 55+ community. It is considered to be a Class A property in this market and was in good condition at the date of survey. Units include granite countertops, white appliances, and faux wood/carpet flooring. The project includes typical Class A community amenities. Rents are set by rent optimizing software and are inclusive of all concessions and premiums. No significant concessions were quoted as of the date of survey. All utilities are included in the rental rate. Detached garages are available for \$150 per month and carports are available for \$65 per month.

Rent Comparable Seven

Solea Alamo Ranch is located along Westwood Loop, west of Loop 1604 in far west San Antonio, Texas. The comparable represents a 184-unit, four-story, garden-style complex that was constructed in 2019. The property is age restricted to tenants 55 and up. It is considered to be a Class A property in this market and was in good condition at the date of survey. Units include quartz countertops, stainless steel appliances, and faux wood/carpet flooring. The project includes typical Class A community amenities. Quoted rents are indicative of average effective rents including any concessions and premiums. Current concessions include 2 weeks free. Tenants pay all utilities. Detached garages are available for \$125 per month and carports are available for \$70 per month.

Subject Rental Information

The following table shows the subject's unit mix and quoted rental rates.

SUBJECT RENTAL INFORMATION						
Type	No. of Units	Unit Size (SF)	Unit Occ.	Max Affordable \$/Unit	Avg. Quoted \$/Unit	Rent Per SF
1BR/1BA	60	722	0%	n/a	\$1,495	\$2.07
1BR/1BA - 80% AMI	48	722	0%	\$1,416	\$1,404	\$1.94
1BR/1BA - 60% AMI	12	722	0%	\$1,062	\$1,054	\$1.46
2BR/2BA	72	1,052	0%	n/a	\$1,795	\$1.71
2BR/2BA - 80% AMI	58	1,052	0%	\$1,594	\$1,579	\$1.50
2BR/2BA - 60% AMI	14	1,052	0%	\$1,195	\$1,186	\$1.13
3BR/2BA	4	1,163	0%	n/a	\$2,395	\$2.06
3BR/2BA - 80% AMI	3	1,080	0%	\$1,770	\$1,770	\$1.64
3BR/2BA - 60% AMI	1	1,080	0%	\$1,327	\$1,327	\$1.23
Total/Average:	272	908	0%	----	\$1,557	\$1.71

Compiled by CBRE

The 80% AMI and 60% AMI rents are quoted by the developer near the maximum allowable level for the 1BR and 2BR units and are likely based on slightly outdated information. It is noted the developer did not include any 80% AMI or 60% AMI rents for the subject 3BR units within their pro forma, however, per the

MOU/Term Sheet the affordable units are to be spread across all floor plans. The developer’s unit mix also did not meet the minimum number of affordable unit requirements. CBREs unit mix and subject rental information table above meet the requirements of the PFC MOU/term sheet. The maximum affordable rents are based on the following information.

Program and Location Information		HUD Published Income Limits for 2024 (with no adjustments)	
Affordable Housing Program	Other Federal, State, or Local Program (non-LIHTC)	<input checked="" type="radio"/> Display Income Limits	<input type="radio"/> Hide Income Limits
Year	2024 (effective 04/01/24)		
State	TX		
County	Bexar County		
MSA	San Antonio-New Braunfels, TX HUD Metro FMR Area		
Rent Calculation Based on	AMI		
Persons / Bedroom	1 Person / Bedroom + 1		
4-person AMI	\$88,500		
National Non-Metropolitan Median Income	\$77,400		
HUD Published 50% National Non-Metropolitan Median Income	\$38,700		

Income Limits for 2024 (Based on 2024 AMI Income Limits)			
	Charts	60.00%	80.00%
1 Person	🚩	37,140	49,520
2 Person	🚩	42,480	56,640
3 Person	🚩	47,820	63,760
4 Person	🚩	53,100	70,800
5 Person	🚩	57,360	76,480
6 Person	🚩	61,620	82,160
7 Person	🚩	65,820	87,760
8 Person	🚩	70,080	93,440
9 Person	🚩	74,340	99,120
10 Person	🚩	78,600	104,800
11 Person	🚩	82,860	110,480
12 Person	🚩	87,060	116,080

Rent Limits for 2024 (Based on 2024 AMI Income Limits)				
Bedrooms (People)	Charts	60.00%	80.00%	FMR
Efficiency (1.0)	🚩	928	1,238	1,067
1 Bedroom (2.0)	🚩	1,062	1,416	1,197
2 Bedrooms (3.0)	🚩	1,195	1,594	1,458
3 Bedrooms (4.0)	🚩	1,327	1,770	1,846
4 Bedrooms (5.0)	🚩	1,434	1,912	2,206
5 Bedrooms (6.0)	🚩	1,540	2,054	

Source: Novogradac.com

One-Bedroom Units

SUMMARY OF COMPARABLE RENTALS ONE BEDROOM UNITS				
Comparable	Plan Type	Size (SF)	Rental Rates	
			\$/Mo.	\$/SF
Citadel at Westpointe	1BR/1BA	780 SF	\$900	\$1.15
Citadel at Westpointe	1BR/1BA	656 SF	\$963	\$1.47
Citadel at Westpointe	1BR/1BA	578 SF	\$976	\$1.69
Subject (Avg. Quoted)	1BR/1BA - 60% AMI	722 SF	\$1,054	\$1.46
Subject (Concluded)	1BR/1BA - 60% AMI	722 SF	\$1,062	\$1.47
Estraya Westover Hills	1BR/1BA	528 SF	\$1,144	\$2.17
Estraya Westover Hills	1BR/1BA	644 SF	\$1,153	\$1.79
Legacy Creekside	1BR/1BA	722 SF	\$1,179	\$1.63
Park on Wurzbach	1BR/1BA	713 SF	\$1,179	\$1.65
Estraya Westover Hills	1BR/1BA	806 SF	\$1,186	\$1.47
Citadel at Westpointe	1BR/1BA	878 SF	\$1,200	\$1.37
Park on Wurzbach	1BR/1BA	751 SF	\$1,232	\$1.64
Park on Wurzbach	1BR/1BA	776 SF	\$1,265	\$1.63
Citadel at Westpointe	1BR/1BA	847 SF	\$1,274	\$1.50
Prose Westover Hills	1BR/1BA	830 SF	\$1,286	\$1.55
Estraya Westover Hills	1BR/1BA	831 SF	\$1,300	\$1.56
Citadel at Westpointe	1BR/1BA	764 SF	\$1,304	\$1.71
Estraya Westover Hills	1BR/1BA	747 SF	\$1,310	\$1.75
Estraya Westover Hills	1BR/1BA	872 SF	\$1,315	\$1.51
Estraya Westover Hills	1BR/1BA	913 SF	\$1,360	\$1.49
Subject (Avg. Quoted)	1BR/1BA - 80% AMI	722 SF	\$1,404	\$1.94
Subject (Concluded)	1BR/1BA - 80% AMI	722 SF	\$1,416	\$1.96
Park on Wurzbach	1BR/1BA	870 SF	\$1,419	\$1.63
Subject (Avg. Quoted)	1BR/1BA	722 SF	\$1,495	\$2.07
Subject (Concluded)	1BR/1BA	722 SF	\$1,495	\$2.07
Solea Alamo Ranch	1BR/1BA	661 SF	\$1,499	\$2.27
Solea Alamo Ranch	1BR/1BA	737 SF	\$1,535	\$2.08
Solea Alamo Ranch	1BR/1BA	812 SF	\$1,693	\$2.09
Affinity at Monterrey Village	1BR/1BA	604 SF	\$1,721	\$2.85
Solea Alamo Ranch	1BR/1BA	978 SF	\$1,892	\$1.93

Compiled by CBRE

The subject's quoted market rental rates for the one-bedroom units are well supported by the market comparables. The 60% AMI and 80% AMI rents provide a significant advantage to the achievable market rents.

Two-Bedroom Units

SUMMARY OF COMPARABLE RENTALS TWO BEDROOM UNITS				
Comparable	Plan Type	Size (SF)	Rental Rates	
			\$/Mo.	\$/SF
Subject (Avg. Quoted)	2BR/2BA - 60% AMI	1,052 SF	\$1,186	\$1.13
Subject (Concluded)	2BR/2BA - 60% AMI	1,052 SF	\$1,195	\$1.14
Citadel at Westpointe	2BR/2BA	952 SF	\$1,196	\$1.26
Citadel at Westpointe	2BR/2BA	1,187 SF	\$1,233	\$1.04
Citadel at Westpointe	2BR/2BA	1,140 SF	\$1,289	\$1.13
Citadel at Westpointe	2BR/2BA	1,060 SF	\$1,325	\$1.25
Legacy Creekside	2BR/2BA	1,032 SF	\$1,334	\$1.29
Estraya Westover Hills	2BR/2BA	1,120 SF	\$1,435	\$1.28
Estraya Westover Hills	2BR/2BA	1,139 SF	\$1,464	\$1.29
Citadel at Westpointe	2BR/2BA	1,072 SF	\$1,488	\$1.39
Estraya Westover Hills	2BR/2BA	1,089 SF	\$1,502	\$1.38
Park on Wurzbach	2BR/2BA	1,052 SF	\$1,560	\$1.48
Park on Wurzbach	2BR/2BA	1,093 SF	\$1,569	\$1.44
Subject (Avg. Quoted)	2BR/2BA - 80% AMI	1,052 SF	\$1,579	\$1.50
Estraya Westover Hills	2BR/2BA	1,205 SF	\$1,582	\$1.31
Subject (Concluded)	2BR/2BA - 80% AMI	1,052 SF	\$1,594	\$1.52
Citadel at Westpointe	2BR/2BA	1,281 SF	\$1,680	\$1.31
Park on Wurzbach	2BR/2BA	1,111 SF	\$1,706	\$1.54
Prose Westover Hills	2BR/2BA	1,174 SF	\$1,715	\$1.46
Park on Wurzbach	2BR/2BA	1,198 SF	\$1,719	\$1.43
Subject (Concluded)	2BR/2BA	1,052 SF	\$1,795	\$1.71
Subject (Avg. Quoted)	2BR/2BA	1,052 SF	\$1,795	\$1.71
Affinity at Monterrey Village	2BR/1BA	808 SF	\$1,885	\$2.33
Affinity at Monterrey Village	2BR/1.5BA	925 SF	\$2,013	\$2.18
Affinity at Monterrey Village	2BR/1.5BA	825 SF	\$2,018	\$2.45
Solea Alamo Ranch	2BR/2BA	1,104 SF	\$2,173	\$1.97
Solea Alamo Ranch	2BR/2BA	1,303 SF	\$2,382	\$1.83
Affinity at Monterrey Village	2BR/2BA	974 SF	\$2,400	\$2.46
Affinity at Monterrey Village	2BR/2BA	1,205 SF	\$2,400	\$1.99
Affinity at Monterrey Village	2BR/2BA	964 SF	\$2,400	\$2.49
Affinity at Monterrey Village	2BR/2BA	1,108 SF	\$2,450	\$2.21

Compiled by CBRE

The subject's quoted market rental rates for the two-bedroom units are well supported by the market comparables. The 60% AMI and 80% AMI rents provide a significant advantage to the achievable market rents.

Three-Bedroom Units

SUMMARY OF COMPARABLE RENTALS THREE BEDROOM UNITS				
Comparable	Plan Type	Size (SF)	Rental Rates	
			\$/Mo.	\$/SF
Subject (Avg. Quoted)	3BR/2BA - 60% AMI	1,163 SF	\$1,327	\$1.14
Subject (Concluded)	3BR/2BA - 60% AMI	1,163 SF	\$1,327	\$1.14
Subject (Avg. Quoted)	3BR/2BA - 80% AMI	1,163 SF	\$1,770	\$1.52
Subject (Concluded)	3BR/2BA - 80% AMI	1,163 SF	\$1,770	\$1.52
Citadel at Westpointe	3BR/2BA	1,397 SF	\$1,800	\$1.29
Estraya Westover Hills	3BR/2BA	1,362 SF	\$1,852	\$1.36
Legacy Creekside	3BR/2BA	1,350 SF	\$1,864	\$1.38
Park on Wurzbach	3BR/2BA	1,359 SF	\$2,369	\$1.74
Subject (Concluded)	3BR/2BA	1,163 SF	\$2,395	\$2.06
Subject (Avg. Quoted)	3BR/2BA	1,163 SF	\$2,395	\$2.06
Park on Wurzbach	3BR/2BA	1,450 SF	\$2,399	\$1.65

Compiled by CBRE

The subject's quoted market rental rates for the two-bedroom units are well supported by the market comparables. The 60% AMI and 80% AMI rents provide a significant advantage to the achievable market rents.

Rent Conclusions

The following chart shows the rent conclusions for the subject:

RENT CONCLUSIONS - AS RESTRICTED									
No. Units	Unit Type	Unit Size (SF)	Total SF	Monthly Rent			Annual Rent		Annual Total
				\$/Unit	\$/SF	PRI	\$/Unit	\$/SF	
60	1BR/1BA	722	43,320	\$1,495	\$2.07	\$89,700	\$17,940	\$24.85	\$1,076,400
48	1BR/1BA - 80% AMI	722	34,656	\$1,416	\$1.96	\$67,968	\$16,992	\$23.53	\$815,616
12	1BR/1BA - 60% AMI	722	8,664	\$1,062	\$1.47	\$12,744	\$12,744	\$17.65	\$152,928
72	2BR/2BA	1,052	75,744	\$1,795	\$1.71	\$129,240	\$21,540	\$20.48	\$1,550,880
58	2BR/2BA - 80% AMI	1,052	61,016	\$1,594	\$1.52	\$92,452	\$19,128	\$18.18	\$1,109,424
14	2BR/2BA - 60% AMI	1,052	14,728	\$1,195	\$1.14	\$16,730	\$14,340	\$13.63	\$200,760
4	3BR/2BA	1,163	4,652	\$2,395	\$2.06	\$9,580	\$28,740	\$24.71	\$114,960
3	3BR/2BA - 80% AMI	1,163	3,489	\$1,770	\$1.52	\$5,310	\$21,240	\$18.26	\$63,720
1	3BR/2BA - 60% AMI	1,163	1,163	\$1,327	\$1.14	\$1,327	\$15,924	\$13.69	\$15,924
272		910	247,432	\$1,563	\$1.72	\$425,051	\$18,752	\$20.61	\$5,100,612

Compiled by CBRE

RENT CONCLUSIONS - AT MARKET RATE									
No. Units	Unit Type	Unit Size	Total SF	Monthly Rent			Annual Rent		Annual Total
				\$/Unit	\$/SF	PRI	\$/Unit	\$/SF	
60	1BR/1BA	722	43,320	\$1,495	\$2.07	\$89,700	\$17,940	\$24.85	\$1,076,400
48	1BR/1BA - 80% AMI	722	34,656	\$1,495	\$2.07	\$71,760	\$17,940	\$24.85	\$861,120
12	1BR/1BA - 60% AMI	722	8,664	\$1,495	\$2.07	\$17,940	\$17,940	\$24.85	\$215,280
72	2BR/2BA	1,052	75,744	\$1,795	\$1.71	\$129,240	\$21,540	\$20.48	\$1,550,880
58	2BR/2BA - 80% AMI	1,052	61,016	\$1,795	\$1.71	\$104,110	\$21,540	\$20.48	\$1,249,320
14	2BR/2BA - 60% AMI	1,052	14,728	\$1,795	\$1.71	\$25,130	\$21,540	\$20.48	\$301,560
4	3BR/2BA	1,163	4,652	\$2,395	\$2.06	\$9,580	\$28,740	\$24.71	\$114,960
3	3BR/2BA - 80% AMI	1,163	3,489	\$2,395	\$2.06	\$7,185	\$28,740	\$24.71	\$86,220
1	3BR/2BA - 60% AMI	1,163	1,163	\$2,395	\$2.06	\$2,395	\$28,740	\$24.71	\$28,740
272		910	247,432	\$1,680	\$1.85	\$457,040	\$20,164	\$22.17	\$5,484,480

Compiled by CBRE

Potential Rental Income Conclusion

POTENTIAL RENTAL INCOME		
Year	Total	\$/Unit/Yr
Developer's Budget (Trended)	\$5,542,135	\$20,375
Expense Comparable 1	---	\$21,916
Expense Comparable 2	---	\$17,788
Expense Comparable 3	---	\$15,793
Expense Comparable 4	---	\$22,428
CBRE Estimate - As Proposed Restricted, without Abatement	\$5,100,612	\$18,752
CBRE Estimate - As Proposed Restricted, with Abatement	\$5,100,612	\$18,752
CBRE Estimate - As Market Rate, Without Abatement	\$5,484,480	\$20,164
Compiled by CBRE		

Operating Budget

The following table presents available budget data for the subject. It is noted that the developer's budgeted is trended to stabilization in Year 3.

OPERATING BUDGET				
Year-Occupancy	Developer's Budget (Trended)		93.5%	
	Total	\$/Unit	Pro Forma Total	91.0% \$/Unit
INCOME				
Potential Rental Income	\$5,542,135	\$20,375	\$5,100,612	\$18,752
Loss to Lease	-	-	-	-
Concessions	(14,458)	(53)	-	-
Adjusted Rental Income	\$5,527,677	\$20,322	\$5,100,612	\$18,752
Vacancy	(346,981)	(1,276)	(408,049)	(1,500)
Credit Loss	(14,458)	(53)	(51,006)	(188)
Net Rental Income	\$5,166,238	\$18,994	\$4,641,557	\$17,065
Other Income	215,913	794	204,000	750
Parking Income	24,970	92	23,120	85
RUBS/Utility Income	-	-	231,200	850
Effective Gross Income	\$5,407,121	\$19,879	\$5,099,877	\$18,750
EXPENSE				
Real Estate Taxes	\$0	\$0	\$993,749	\$3,653
Property Insurance	208,055	765	195,840	720
Utilities	224,316	825	353,600	1,300
Administrative & General	101,210	372	88,400	325
Repairs & Maintenance	255,406	939	217,600	800
Management Fee	163,366	601	127,497	469
Payroll	406,112	1,493	380,800	1,400
Non-Revenue Units	-	-	40,800	150
Advertising & Leasing	57,289	211	54,400	200
Gross Sales Receipts Tax	-	-	16,881	62
PFC Administration Fee	-	-	25,000	92
PFC Rent	244,110	897	251,070	923
Replacement Reserves	-	-	68,000	250
Total Operating Expenses	\$1,659,864	\$6,102	\$2,813,637	\$10,344
Net Operating Income	\$3,747,257	\$13,777	\$2,286,240	\$8,405
Management Fee % of EGI)	3.02%		2.50%	

Source: Operating statements

Loss to Lease

Within the local market, buyers and sellers typically recognize a reduction in potential rental income due to the difference between market and contract rental rates. In this market, lease rates are typically flat

and are anticipated to roll to market every 12 months on average. As a result, actual collections typically lag behind market rates by approximately six to nine months. As a new construction property, loss to lease is not estimated herein.

Concessions

There is new construction in the market area and rent concessions are currently quoted in the local market for properties in lease-up (generally 4 to 6 weeks free). However, few concessions are currently realized by stabilized properties. Therefore, a concession factor of 0.00% has been concluded for the subject as stabilized.

Vacancy

The subject's estimated stabilized occupancy rate was previously discussed in the market analysis. The subject's vacancy is detailed in the following table. It is noted that the developer's budget is inclusive of credit loss.

VACANCY		
Year	Total	% of ARI
Developer's Budget (Trended)	(\$346,981)	6.3%
Expense Comparable 1	---	8.5%
Expense Comparable 2	---	8.1%
Expense Comparable 3	---	5.2%
Expense Comparable 4	---	15.5%
CBRE Estimate - As Proposed Restricted, without Abatement	(\$408,049)	8.0%
CBRE Estimate - As Proposed Restricted, with Abatement	(\$408,049)	8.0%
CBRE Estimate - As Market Rate, Without Abatement	(\$438,758)	8.0%
Compiled by CBRE		

Credit Loss

The credit loss estimate is an allowance for nonpayment of rent or other income. The subject's credit loss is detailed as follows:

CREDIT LOSS		
Year	Total	% of ARI
Developer's Budget (Trended)	(\$14,458)	0.3%
Expense Comparable 1	---	0.8%
Expense Comparable 2	---	0.5%
Expense Comparable 3	---	1.2%
Expense Comparable 4	---	3.1%
CBRE Estimate - As Proposed Restricted, without Abatement	(\$51,006)	1.0%
CBRE Estimate - As Proposed Restricted, with Abatement	(\$51,006)	1.0%
CBRE Estimate - As Market Rate, Without Abatement	(\$54,845)	1.0%
Compiled by CBRE		

Parking Income

Parking income is supplemental to that derived from apartment units. This includes collections from sources such as reserved covered parking and/or individual garages. The subject's potential / effective parking income is detailed as follows:

PARKING INCOME		
Year	Total	\$/Unit/Yr
Developer's Budget (Trended)	\$24,970	\$92
Expense Comparable 1	---	\$414
Expense Comparable 2	---	\$350
Expense Comparable 3	---	\$268
Expense Comparable 4	---	\$0
CBRE Estimate - As Proposed Restricted, without Abatement	\$23,120	\$85
CBRE Estimate - As Proposed Restricted, with Abatement	\$23,120	\$85
CBRE Estimate - As Market Rate, Without Abatement	\$23,120	\$85
Compiled by CBRE		

We have concluded \$85 per unit for the subject's parking income, which is below the range of the expense comparables. The conclusion is reasonable due to the modest number of covered parking proposed for the subject (50 carports) and lack of garage parking.

Other Income

Other income is supplemental to that derived from leasing of the improvements. This includes categories such as forfeited deposits, vending machines, late charges, etc. The subject's income is detailed as follows:

OTHER INCOME		
Year	Total	\$/Unit/Yr
Developer's Budget (Trended)	\$215,913	\$794
Expense Comparable 1	---	\$765
Expense Comparable 2	---	\$817
Expense Comparable 3	---	\$717
Expense Comparable 4	---	\$1,475
Supplemental Comparable 5	---	\$1,705
CBRE Estimate - As Proposed Restricted, without Abatement	\$204,000	\$750
CBRE Estimate - As Proposed Restricted, with Abatement	\$204,000	\$750
CBRE Estimate - As Market Rate, Without Abatement	\$204,000	\$750
Compiled by CBRE		

We have concluded \$750 per unit for the subject's other income, which is within the range of the expense comparables. The conclusion is slightly below the developer's trended budget.

RUBS Income

The subject includes a RUBS program (Ratio Utility Billing System), whereby a portion of the utility expense is shared by tenants and reimbursed to the landlord on a pro rata basis. The subject's RUBS income is detailed as follows:

RUBS/UTILITY INCOME		
Year	Total	\$/Unit/Yr
Developer's Budget (Trended)	\$0	\$0
Expense Comparable 1	---	\$682
Expense Comparable 2	---	\$1,087
Expense Comparable 3	---	\$1,311
Expense Comparable 4	---	\$662
CBRE Estimate - As Proposed Restricted, without Abatement	\$231,200	\$850
CBRE Estimate - As Proposed Restricted, with Abatement	\$231,200	\$850
CBRE Estimate - As Market Rate, Without Abatement	\$231,200	\$850
Compiled by CBRE		

We have concluded \$850 per unit for the subject's rubs/utility income, which is within the range of the expense comparables. The developer does not project a RUBS income figure, instead included a utility expense figure net of utility reimbursements.

Effective Gross Income

The subject's effective gross income is detailed as follows:

EFFECTIVE GROSS INCOME		
Year	Total	\$/Unit/Yr
Developer's Budget (Trended)	\$5,407,121	\$19,879
Expense Comparable 1	---	\$20,284
Expense Comparable 2	---	\$18,511
Expense Comparable 3	---	\$16,732
Expense Comparable 4	---	\$19,113
CBRE Estimate - As Proposed Restricted, without Abatement	\$5,099,877	\$18,750
CBRE Estimate - As Proposed Restricted, with Abatement	\$5,099,877	\$18,750
CBRE Estimate - As Market Rate, Without Abatement	\$5,449,197	\$20,034
Compiled by CBRE		

The concluded EGI as restricted is approximately 5.7% below that of the developer's budget; however, this is reasonable due to the developer's trending forward to stabilization over a 3-year period.

Operating Expense Analysis

Expense Comparables

The following chart summarizes expenses obtained from comparable properties.

EXPENSE COMPARABLES					
Comparable Number	1	2	3	4	Subject
Location	San Antonio MSA	San Antonio MSA	San Antonio MSA	San Antonio MSA	San Antonio, TX
Units	296	304	297	260	272
Year Built	2022	2020	2015	2021	2026
Period	T12 to 1/2024	2023	T12 to 8/24	T12 to 7/24	Pro Forma
Revenues	\$/Unit	\$/Unit	\$/Unit	\$/Unit	\$/Unit
Potential Rental Income	\$21,916	\$17,788	\$15,793	\$22,428	\$18,752
Loss to Lease	(782)	-	38	(1,821)	-
Concessions	(806)	-	(406)	(1,281)	-
Adjusted Rental Income	\$20,327	\$17,788	\$15,424	\$19,326	\$18,752
Vacancy	(1,733)	(1,445)	(805)	(2,999)	(1,500)
Credit Loss	(171)	(86)	(182)	(603)	(188)
Net Rental Income	\$18,423	\$16,257	\$14,436	\$15,725	\$17,065
Other Income	\$765	\$817	\$717	\$1,475	\$750
Parking Income	\$414	\$350	\$268	\$0	\$85
RUBS/Utility Income	\$682	\$1,087	\$1,311	\$662	\$850
Effective Gross Income	\$20,284	\$18,511	\$16,732	\$19,113	\$18,750
Expenses					
Real Estate Taxes	\$3,596	\$3,546	\$2,761	\$3,101	\$3,653
Property Insurance	676	650	580	264	720
Utilities	944	1,244	1,357	1,260	1,300
Administrative & General	538	304	357	406	325
Repairs & Maintenance	697	281	704	1,138	800
Management Fee	402	415	346	439	469
Payroll	1,508	1,581	1,467	1,533	1,400
Non-Revenue Units	240	-	136	149	150
Advertising & Leasing	691	348	135	925	200
Gross Sales Receipts Tax	70	-	-	-	62
PFC Administration Fee	-	-	-	-	92
PFC Rent	-	-	-	-	923
Replacement Reserves	250	250	250	250	250
Total Operating Expenses	\$9,612	\$8,619	\$8,093	\$9,467	\$10,344
Operating Expenses Excluding Taxes	6,016	5,073	5,332	6,366	6,691
Operating Expense Ratio	47.4%	46.6%	48.4%	49.5%	55.2%
Management Fee (% of EGI)	1.98%	2.24%	2.07%	2.30%	2.50%

² The median total differs from the sum of the individual amounts.

Compiled by CBRE

The concluded expenses for each category are well supported by the comparable data.

Administrative Fee & Net Cashflow Rent

Per the Term Sheet with the San Antonio PFC, the subject developer is responsible for an annual fee of \$25,000 per year.

The developer is also responsible for annual rent equal to the total cost of the development x 80% x the applicable tax rate in 2024 if the Project were taxable x 25%. This has been calculated by CBRE as follows:

PFC RENT		
Total Cost of Development*		\$54,825,000
Multiplied x 80%		\$43,860,000
Multiplied x Tax rate of	2.2897 /\$100	\$1,004,282
Multiplied x 25%		\$251,070
\$/Unit		\$923
Compiled by CBRE		
*Direct and Indirect Building Cost plus Land Cost and Profit.		

**It is noted that the annual base rent figure included in the MOU/Term Sheet provided by to CBRE for review is \$257,139. This figure is well supported by the \$251,070 calculated in the table above. Therefore, CBRE has concluded to the \$257,139 or \$945 per unit as outlined in the MOU/Term Sheet.

Operating Expense Conclusion

The comparable data and projections for the subject are summarized as follows:

TOTAL OPERATING EXPENSES		
Year	Total	\$/Unit/Yr
Developer's Budget (Trended)	\$1,659,864	\$6,102
Expense Comparable 1	---	\$9,612
Expense Comparable 2	---	\$8,619
Expense Comparable 3	---	\$8,093
Expense Comparable 4	---	\$9,467
CBRE Estimate - As Proposed Restricted, without Abatement	\$2,813,637	\$10,344
CBRE Estimate - As Proposed Restricted, with Abatement	\$1,819,888	\$6,691
CBRE Estimate - As Market Rate, Without Abatement	\$2,546,299	\$9,361
Compiled by CBRE		
OPERATING EXPENSES EXCLUDING TAXES		
Year	Total	\$/Unit/Yr
Developer's Budget (Trended)	\$1,659,864	\$6,102
Expense Comparable 1	---	\$6,016
Expense Comparable 2	---	\$5,073
Expense Comparable 3	---	\$5,332
Expense Comparable 4	---	\$6,366
CBRE Estimate - As Proposed Restricted, without Abatement	\$1,819,888	\$6,691
CBRE Estimate - As Proposed Restricted, with Abatement	\$1,819,888	\$6,691
CBRE Estimate - As Market Rate, Without Abatement	\$1,552,551	\$5,708
Compiled by CBRE		

At market and excluding taxes, the conclusions are well supported by the comparable data. As proposed and restricted (with abatement), the operating expenses are somewhat above the developer's budget due primarily to CBRE's inclusion of items such as non-revenue units expense, gross sales receipts tax, and replacement reserves.

Net Operating Income Conclusion

The comparable data and projections for the subject are summarized as follows:

NET OPERATING INCOME		
Year	Total	\$/Unit/Yr
Developer's Budget (Trended)	\$3,747,257	\$13,777
Expense Comparable 1	---	\$10,672
Expense Comparable 2	---	\$9,892
Expense Comparable 3	---	\$8,639
Expense Comparable 4	---	\$9,646
CBRE Estimate - As Proposed Restricted, without Abatement	\$2,286,240	\$8,405
CBRE Estimate - As Proposed Restricted, with Abatement	\$3,279,989	\$12,059
CBRE Estimate - As Market Rate, Without Abatement	\$2,902,897	\$10,672

Compiled by CBRE

Summary of Conclusions

The following chart summarizes the subject's budget, along with expenses obtained from comparable properties. CBRE's conclusions are also included:

COMPARABLE EXPENSE ANALYSIS							
Period	Subject Operating	Comparables				Subject	Conclusion
	Developer's Budget (Trended)	Comp 1	Comp 2	Comp 3	Comp 4		
		San Antonio MSA	San Antonio MSA	San Antonio MSA	San Antonio MSA		
		Units 296	Units 304	Units 297	Units 260		
		Year Built 2022	Year Built 2020	Year Built 2015	Year Built 2021		
		Type Garden	Type Garden	Type Garden	Type Garden		
		Period T12 to 1/2024	Period 2023	Period T12 to 8/24	Period T12 to 7/24		
Range Names	\$/Unit/Yr	\$/Unit/Yr	\$/Unit/Yr	\$/Unit/Yr	\$/Unit/Yr	\$/Unit/Yr	
Potential Rental Income	\$20,375	\$21,916	\$17,788	\$15,793	\$22,428	\$18,752	
Loss to Lease	-	(782)	-	38	(1,821)	-	0.00%
Concessions	(53)	(806)	-	(406)	(1,281)	-	0.00%
Adjusted Rental Income	\$20,322	\$20,327	\$17,788	\$15,424	\$19,326	\$18,752	
Vacancy	(1,276)	(1,733)	(1,445)	(805)	(2,999)	(1,500)	8.00%
Credit Loss	(53)	(171)	(86)	(182)	(603)	(188)	1.00%
Net Rental Income	\$18,994	\$18,423	\$16,257	\$14,436	\$15,725	\$17,065	
Other Income	794	765	817	717	1,475	750	
Parking Income	92	414	350	268	-	85	
RUBS/Utility Income	-	682	1,087	1,311	662	850	
Effective Gross Income	\$19,879	\$20,284	\$18,511	\$16,732	\$19,113	\$18,750	
Expenses							
Real Estate Taxes	\$0	\$3,596	\$3,546	\$2,761	\$3,101	\$3,653	
Property Insurance	765	676	650	580	264	720	
Utilities	825	944	1,244	1,357	1,260	1,300	
Administrative & General	372	538	304	357	406	325	
Repairs & Maintenance	939	697	281	704	1,138	800	
Management Fee	601	402	415	346	439	469	2.50%
Payroll	1,493	1,508	1,581	1,467	1,533	1,400	
Non-Revenue Units	-	240	-	136	149	150	
Advertising & Leasing	211	691	348	135	925	200	
Gross Sales Receipts Tax	-	70	-	-	-	62	
PFC Administration Fee	-	-	-	-	-	92	
PFC Rent	897	-	-	-	-	945	
Replacement Reserves	-	250	250	250	250	250	
Total Operating Expenses	\$6,102	\$9,612	\$8,619	\$8,093	\$9,467	\$10,367	
Operating Expenses Excluding Taxes	\$6,102	\$6,016	\$5,073	\$5,332	\$6,366	\$6,713	
Operating Expense Ratio	30.7%	47.4%	46.6%	48.4%	49.5%	55.3%	
Management Fee	3.0%	2.0%	2.2%	2.1%	2.3%	2.5%	

Compiled by CBRE

NOI Summary – As Proposed Restricted, Without Abatement

A summary of the estimated net operating income is illustrated in the following chart.

DIRECT CAPITALIZATION SUMMARY - AS PROPOSED RESTRICTED, WITHOUT ABATEMENT			
		\$/Unit/Yr	Total
Income			
Potential Rental Income		\$18,752	\$5,100,612
Loss to Lease	0.00%	0	-
Concessions	0.00%	0	-
Adjusted Rental Income		\$18,752	\$5,100,612
Vacancy	8.00%	(1,500)	(408,049)
Credit Loss	1.00%	(188)	(51,006)
Net Rental Income		\$17,065	\$4,641,557
Other Income		750	204,000
Parking Income		85	23,120
RUBS/Utility Income		850	231,200
Effective Gross Income		\$18,750	\$5,099,877
Expenses			
Real Estate Taxes		\$3,653	\$993,749
Property Insurance		720	195,840
Utilities		1,300	353,600
Administrative & General		325	88,400
Repairs & Maintenance		800	217,600
Management Fee	2.50%	469	127,497
Payroll		1,400	380,800
Non-Revenue Units		150	40,800
Advertising & Leasing		200	54,400
Gross Sales Receipts Tax	0.331%	62	16,881
PFC Administration Fee		92	25,000
PFC Rent		945	251,070
Replacement Reserves		250	68,000
Total Operating Expenses		\$10,344	\$2,813,637
Operating Expenses Excluding Taxes		\$6,691	\$1,819,888
Operating Expense Ratio			55.17%
Net Operating Income		\$8,405	\$2,286,240
Compiled by CBRE			

Band of Investment

The Mortgage Interest Rate and the Equity Dividend Rate (EDR) are based upon current market yields for similar investments. The analysis is shown in the following table. The cited mortgage rate and terms are derived from the weekly quoted CBRE Multifamily Finance Update and current rates as reported by Northmarq. The EDR represents the preferred returns currently being offered to potential investors. This information is obtained from investment memos issued by institutional advisors or private syndicators soliciting equity for similar assets. The typical range in the local market is currently 7.0% to 8.0%.

BAND OF INVESTMENT			
Mortgage Interest Rate		5.75%	
Mortgage Term (Amortization Period)		30 Years	
Mortgage Ratio (Loan-to-Value)		60%	
Mortgage Constant (monthly payments)		0.07003	
Equity Dividend Rate (EDR)		7.50%	
Mortgage Requirement	60%	x	0.07003 = 0.04202
Equity Requirement	40%	x	0.07500 = 0.03000
	100%		0.07202
Indicated OAR:			7.20%
Compiled by CBRE			

Debt Coverage Ratio Method

The debt coverage ratio (DCR) is the ratio of net operating income to annual debt service and measures the ability of a given property to meet its debt service out of net operating income. Utilizing data obtained from knowledgeable mortgage finance professionals, the subject's projected NOI can be tested for reasonableness against the market's typical loan parameters to determine if the DCR is positive. This analysis is shown in the following table:

DEBT COVERAGE RATIO ANALYSIS	
Estimated Replacement Cost*	\$56,665,200
Mortgage Ratio (Loan-to-Value)	60%
Estimated Mortgage Loan Amount	\$33,999,120
Mortgage Interest Rate	5.75%
Mortgage Term (Amortization Period)	30 Years
Mortgage Constant (monthly payments)	0.07003
Annual Debt Service (monthly payments)	\$2,380,916
Estimated NOI - As Restricted without Abatement	\$2,286,240
Estimated Debt Coverage Ratio (DCR)	0.96
Market Debt DCR	1.25
Positive DCR? (Y or N)	No
Compiled by CBRE	

*Concluded Direct & Indirect Cost + 20% Profit

As Proposed Restricted, Without an Abatement, the indicated DCR is 0.96 – indicating the development is not feasible absent the abatement.

NOI Summary – As Proposed Restricted, with Abatement

A summary of the estimated net operating income is illustrated in the following chart.

DIRECT CAPITALIZATION SUMMARY - AS PROPOSED RESTRICTED, WITH ABATEMENT			
		\$/Unit/Yr	Total
Income			
Potential Rental Income		\$18,752	\$5,100,612
Loss to Lease	0.00%	0	-
Concessions	0.00%	0	-
Adjusted Rental Income		\$18,752	\$5,100,612
Vacancy	8.00%	(1,500)	(408,049)
Credit Loss	1.00%	(188)	(51,006)
Net Rental Income		\$17,065	\$4,641,557
Other Income		750	204,000
Parking Income		85	23,120
RUBS/Utility Income		850	231,200
Effective Gross Income		\$18,750	\$5,099,877
Expenses			
Real Estate Taxes		\$0	\$0
Property Insurance		720	195,840
Utilities		1,300	353,600
Administrative & General		325	88,400
Repairs & Maintenance		800	217,600
Management Fee	2.50%	469	127,497
Payroll		1,400	380,800
Non-Revenue Units		150	40,800
Advertising & Leasing		200	54,400
Gross Sales Receipts Tax		62	16,881
PFC Administration Fee		92	25,000
PFC Rent		923	251,070
Replacement Reserves		250	68,000
Total Operating Expenses		\$6,691	\$1,819,888
Operating Expense Ratio			35.68%
Net Operating Income		\$12,059	\$3,279,989
Compiled by CBRE			

Band of Investment

The Mortgage Interest Rate and the Equity Dividend Rate (EDR) are based upon current market yields for similar investments. The analysis is shown in the following table. The cited mortgage rate and terms are derived from the weekly quoted CBRE Multifamily Finance Update and current rates as reported by Northmarq. The EDR represents the preferred returns currently being offered to potential investors. This information is obtained from investment memos issued by institutional advisors or private syndicators soliciting equity for similar assets. The typical range in the local market is currently 7.0% to 8.0%.

BAND OF INVESTMENT			
Mortgage Interest Rate	5.75%		
Mortgage Term (Amortization Period)	30 Years		
Mortgage Ratio (Loan-to-Value)	60%		
Mortgage Constant (monthly payments)	0.07003		
Equity Dividend Rate (EDR)	7.50%		
Mortgage Requirement	60%	x	0.07003 = 0.04202
Equity Requirement	40%	x	0.07500 = 0.03000
	100%		0.07202
Indicated OAR:			7.20%
Compiled by CBRE			

Debt Coverage Ratio Method

The debt coverage ratio (DCR) is the ratio of net operating income to annual debt service and measures the ability of a given property to meet its debt service out of net operating income. Utilizing data obtained from knowledgeable mortgage finance professionals, the subject's projected NOI can be tested for reasonableness against the market's typical loan parameters to determine if the DCR is positive. This analysis is shown in the following table:

DEBT COVERAGE RATIO ANALYSIS	
Estimated Replacement Cost*	\$56,665,200
Mortgage Ratio (Loan-to-Value)	60%
Estimated Mortgage Loan Amount	\$33,999,120
Mortgage Interest Rate	5.75%
Mortgage Term (Amortization Period)	30 Years
Mortgage Constant (monthly payments)	0.07003
Annual Debt Service (monthly payments)	\$2,380,916
Estimated NOI - As Restricted with Abatement	\$3,279,989
Estimated Debt Coverage Ratio (DCR)	1.38
Market Debt DCR	1.25
Positive DCR? (Y or N)	Yes
Compiled by CBRE	

*Concluded Direct & Indirect Cost + 20% Profit

As Proposed Restricted, With an Abatement, the indicated DCR is 1.38 – indicating the development is feasible as proposed.

NOI Summary – As Market Rate, Without Abatement

A summary of the estimated net operating income is illustrated in the following chart.

DIRECT CAPITALIZATION SUMMARY - AS MARKET RATE, WITHOUT ABATEMENT			
		\$/Unit/Yr	Total
Income			
Potential Rental Income		\$20,164	\$5,484,480
Loss to Lease	0.00%	0	-
Concessions	0.00%	0	-
Adjusted Rental Income		\$20,164	\$5,484,480
Vacancy	8.00%	(1,613)	(438,758)
Credit Loss	1.00%	(202)	(54,845)
Net Rental Income		\$18,349	\$4,990,877
Other Income		750	204,000
Parking Income		85	23,120
RUBS/Utility Income		850	231,200
Effective Gross Income		\$20,034	\$5,449,197
Expenses			
Real Estate Taxes		\$3,653	\$993,749
Property Insurance		720	195,840
Utilities		1,300	353,600
Administrative & General		325	88,400
Repairs & Maintenance		800	217,600
Management Fee	2.50%	501	136,230
Payroll		1,400	380,800
Non-Revenue Units		150	40,800
Advertising & Leasing		200	54,400
Gross Sales Receipts Tax		62	16,881
PFC Administration Fee		0	-
PFC Rent		0	-
Replacement Reserves		250	68,000
Total Operating Expenses		\$9,361	\$2,546,299
Operating Expenses Excluding Taxes		\$5,708	\$1,552,551
Operating Expense Ratio			46.73%
Net Operating Income		\$10,672	\$2,902,897
Compiled by CBRE			

Band of Investment

The Mortgage Interest Rate and the Equity Dividend Rate (EDR) are based upon current market yields for similar investments. The analysis is shown in the following table. The cited mortgage rate and terms are derived from the weekly quoted CBRE Multifamily Finance Update and current rates as reported by Northmarq. The EDR represents the preferred returns currently being offered to potential investors. This information is obtained from investment memos issued by institutional advisors or private syndicators soliciting equity for similar assets. The typical range in the local market is currently 7.0% to 8.0%.

BAND OF INVESTMENT			
Mortgage Interest Rate		5.75%	
Mortgage Term (Amortization Period)		30 Years	
Mortgage Ratio (Loan-to-Value)		60%	
Mortgage Constant (monthly payments)		0.07003	
Equity Dividend Rate (EDR)		7.50%	
Mortgage Requirement	60%	x	0.07003 = 0.04202
Equity Requirement	40%	x	0.07500 = 0.03000
	100%		0.07202
Indicated OAR:			7.20%
Compiled by CBRE			

Debt Coverage Ratio Method

The debt coverage ratio (DCR) is the ratio of net operating income to annual debt service and measures the ability of a given property to meet its debt service out of net operating income. Utilizing data obtained from knowledgeable mortgage finance professionals, the subject's projected NOI can be tested for reasonableness against the market's typical loan parameters to determine if the DCR is positive. This analysis is shown in the following table:

DEBT COVERAGE RATIO ANALYSIS	
Estimated Replacement Cost*	\$56,665,200
Mortgage Ratio (Loan-to-Value)	60%
Estimated Mortgage Loan Amount	\$33,999,120
Mortgage Interest Rate	5.75%
Mortgage Term (Amortization Period)	30 Years
Mortgage Constant (monthly payments)	0.07003
Annual Debt Service (monthly payments)	\$2,380,916
Estimated NOI - As Market Rate without Abatement	\$2,902,897
Estimated Debt Coverage Ratio (DCR)	1.22
Market Debt DCR	1.25
Positive DCR? (Y or N)	No
Compiled by CBRE	

*Concluded Direct & Indirect Cost + 20% Profit

As a market rate development, without an abatement and/or ground rent, the indicated DCR is 1.22 – indicating the development is not feasible.

Community Benefit Analysis

At the request of the client, we have provided an analysis of the net community benefit of the proposed project over a 10-year period after stabilization. The analysis of both the 10-year community investment and benefits are presented on the following pages. The analysis is based on conclusions and assumptions from the prior underwriting analysis. It is noted the underwriting analysis utilizes non-trended figures.

Community Investment

The 10-year community investments in the form of property tax offsets and sales tax savings are analyzed in the following sections.

Property Tax Offset

The subject project will receive a 100% property tax exemption by meeting the requirements of the San Antonio Housing Facility Corporation Term Sheet / MOU. The projected 10-year tax savings/offset are based on the Year 1 taxes as if not exempt, increased by 3.0% annually.

10-YEAR PROPERTY TAX OFFSET	
Year	Amount
1	\$993,749
2	\$1,023,561
3	\$1,054,268
4	\$1,085,896
5	\$1,118,473
6	\$1,152,027
7	\$1,186,588
8	\$1,222,186
9	\$1,258,851
10	\$1,296,617
Total	\$11,392,217

Compiled by CBRE

Sale Tax Savings

The sales tax savings of \$1,055,505 has been based on an estimated materials cost estimated based on 33% of the developer's budgeted hard costs (\$38,769,699 x 0.33) times an 8.25% sales tax rate.

This estimate is generally in line with the developer's anticipated cost savings of +/- \$1 million and is deemed to be reasonable.

Community Benefit

The 10-year community benefits in the form of the financial returns to the PFC and rental benefits to the subject's residents are analyzed in the following sections.

Developer Fee Share

The PFC shall receive fifteen percent (15%) of the Developer Fee. CBRE has applied this to the developer's \$2,300,000 budgeted developer fee.

Annual Administrative Fee and PFC Rent

Per the Term Sheet, the subject developer is responsible for an annual fee of \$25,000 per year beginning 6 months after stabilization. Our underwriting analysis is based on the subject as stabilized. Therefore, payments are assumed in Year 1 with increases of 3.0% per year (per the Term Sheet).

Per the Term Sheet, the PFC rent equal to the total cost of the development x 80% x the applicable tax rate in 2024 if the Project were taxable x 25%. The Term Sheet indicates this figure to be \$257,139 which was previously deemed to be reasonable. The rent has also been increased by 3.0% per year.

ANNUAL ADMINISTRATIVE FEE & PFC RENT		
Year	Administrative Fee	PFC Rent
1	\$25,000	\$257,139
2	\$25,750	\$264,853
3	\$26,523	\$272,799
4	\$27,318	\$280,983
5	\$28,138	\$289,412
6	\$28,982	\$298,095
7	\$29,851	\$307,037
8	\$30,747	\$316,249
9	\$31,669	\$325,736
10	\$32,619	\$335,508
Total	\$286,597	\$2,947,810

Compiled by CBRE

Sale Proceeds

As of an "Initial Sale Event", the subject PFC shall receive 15% of the sale proceeds, after payment of all debt, closing costs, required reserved return of all equity capital, an 8% return to the equity partner, and payment of any and all fees owed to the developer (including any deferred development fees). On the earlier of (a) the Initial Sale Event or (b) five years after Stabilization, the PFC shall receive 15% of the sale proceeds or appraised value, as applicable

For the purposes of calculating the Community Benefit, CBRE has capitalized the developer's Pro Forma Year-2023 stabilized NOI in order to model the sale. The 5.75% exit capitalization is in line with current market capitalization rates and is deemed to be reasonable as market participants are modeling anticipated/impending rate drops over the next 5 years. The Year 2032 NOI has not been analyzed by CBRE and the calculated Gross Sale Price does not represent a prospective opinion of value. The Gross Sale Price has been presented only as an interim calculation within the Community Benefit Analysis.

It has been assumed that all debt and equity is outstanding as of the Year-2032 sale date. Closing costs have been estimated at 1.00%. It is CBRE's understanding that none of the developer's profit is to be deferred to the initial sale event.

The calculated net sale proceeds to the PFC are summarized in the table below.

The developer has indicated the project will likely be financed with a HUD loan. Therefore, the 8% internal rate of return to the equity assumes a HUD loan with minimal (10%) down payment.

NET SALE PROCEEDS TO PFC (ASSUMED YEAR-5 SALE)		
2032 projected NOI		\$4,045,661
Exit Cap Rate		5.75%
Calculated Gross Sale Price		\$70,359,322
Cost of Sale	1.00%	(\$703,593)
Net Sale Value		\$69,655,729
Less: Remaining Debt & Equity		(\$56,665,200)
Subtotal		\$12,990,529
Less: 8% Return to Equity Partner		(\$2,659,457)
Net Sale Proceeds		\$10,331,072
Net Sale Proceeds to PFC at	15.0%	\$1,549,661
Compiled by CBRE		

It is also noted that the PFC will receive 2% of the sale proceeds of any subsequent sale event(s) after the initial sale event.

It is also noted that the PFC will receive 15% of any refinancing event that occurs before the Initial Sale Event, after all debt, closing costs, establishment of reserves, return of all equity capital and the 8% Return to the Equity Partner, and payment of any and all fees owed to Developer or its affiliates, including but not limited to the deferred developer fee, repayment of all Partner loans, and reimbursement for any amounts paid as a result of guaranteed obligations.

PFC Structuring Fee

Per the Term Sheet, the subject developer is responsible for a \$250,000 structuring fee.

Sales Tax Savings Fee

A Sales Tax Savings Fee equal to 25% of the total sales tax saving will be due from the developer equating to \$263,876.

Reduced Rents

The 10-year reduced rents are based on the Year 1 Gross Potential Rent at 100% market rates less the Year 1 Gross Potential Rent inclusive of the affordability restrictions associated with the subject's ground lease.

We have taken the following third-party rent growth projections into account in projecting the subject's market rent growth.

MARKET RENT GROWTH						
Source:	HUD		Costar		Axiometrics	
2029	-	-	\$1,048	2.5%	\$1,179	3.8%
2028	-	-	\$1,022	2.8%	\$1,136	3.7%
2027	-	-	\$994	2.9%	\$1,095	3.6%
2026	-	-	\$966	1.8%	\$1,057	3.5%
2025	\$1,600	2.9%	\$949	-0.5%	\$1,021	2.9%
2024	\$1,555	13.1%	\$954	0.8%	\$992	-0.2%
2023	\$1,375	9.3%	\$946	4.6%	\$994	-0.6%
2022	\$1,258	4.4%	\$904	7.4%	\$1,000	9.5%
2021	\$1,205	6.3%	\$842	3.6%	\$913	11.2%
2020	\$1,133	0.3%	\$813	2.9%	\$821	6.2%
2019	\$1,130	-	\$790	-	\$773	-
Average		6.0%		2.9%		4.4%

Compiled by CBRE

Affordable rents and affordable rent growth are linked to median household income and median household income growth. Market rent growth has historically outpaced income growth, and the gap between the two has been especially wide in large cities. Nationally, between 2019 and 2023, rents increased 30.4%, while wages increased 20.2% according to a May 2024 report by national brokerage firms Zillow and StreetEasy.

The following table summarizes average household income growth trend for Bexar County. The historical figures are based on U.S. Census data, while the 2024 and future 2029 projections are based on ESRI data.

MEDIAN HOUSEHOLD INCOME GROWTH		
Year	Median Household Income	Annual Growth
2029*	\$79,863	2.7%
2024*	\$70,364	4.6%
2023	\$67,275	2.2%
2022	\$65,839	4.5%
2021	\$63,014	4.2%
2020	\$60,477	2.6%
2019	\$58,956	8.8%
2018	\$54,210	
	Average	3.7%

U.S. Census Data & *ESRI

Based on the data above, we have concluded to annual market rent growth of **3.5%** and annual affordable rent growth of **3.0%**.

10-YEAR REDUCED RENT SAVINGS			
Year	Market Rent	Restricted Rent	Rent Savings
1	\$5,484,480	\$5,100,612	\$383,868
2	\$5,676,437	\$5,253,630	\$422,806
3	\$5,875,112	\$5,411,239	\$463,873
4	\$6,080,741	\$5,573,576	\$507,165
5	\$6,293,567	\$5,740,784	\$552,783
6	\$6,513,842	\$5,913,007	\$600,835
7	\$6,741,826	\$6,090,397	\$651,429
8	\$6,977,790	\$6,273,109	\$704,681
9	\$7,222,013	\$6,461,303	\$760,710
10	\$7,474,783	\$6,655,142	\$819,642
Total			\$5,867,791

Compiled by CBRE

Community Benefit Summary

The 10-year total community investment and benefit are summarized in the following table. The indicated % return to the community over 10 years is \$11,165,735 or 89.7%.

COMMUNITY BENEFIT SUMMARY	
COMMUNITY INVESTMENT	
Est. 10-Year Property Tax Offset	\$11,392,217
Est. Sale Tax Savings	1,055,505
15-Year Total Community Investment	\$12,447,722
COMMUNITY BENEFIT	
Financial Return to PFC	
Developer Fee Share (15% of Developer Fee)	\$345,000
Annual Administrative Fee	286,597
PFC Rent	2,947,810
15% of Sale Proceeds (Assume Yr. 5 Sale)	1,549,661
PFC Structuring Fee	250,000
Sales Tax Savings Sharing at 25%	263,876
Subtotal	\$5,297,944
Rental Benefit to Residents	
10-Year Reduced Rents	\$5,867,791
15-Year Total Community Benefit	\$11,165,735
% Return to Community (10 Years)	89.7%
PFC also receives 2% of gross sales price of future sales	
Compiled by CBRE	

Assumptions and Limiting Conditions

1. CBRE, Inc. through its appraiser (collectively, "CBRE") has inspected through reasonable observation the subject property. However, it is not possible or reasonably practicable to personally inspect conditions beneath the soil and the entire interior and exterior of the improvements on the subject property. Therefore, no representation is made as to such matters.
2. The report, including its conclusions and any portion of such report (the "Report"), is as of the date set forth in the letter of transmittal and based upon the information, market, economic, and property conditions and projected levels of operation existing as of such date. The dollar amount of any conclusion as to value in the Report is based upon the purchasing power of the U.S. Dollar on such date. The Report is subject to change as a result of fluctuations in any of the foregoing. CBRE has no obligation to revise the Report to reflect any such fluctuations or other events or conditions which occur subsequent to such date.
3. Unless otherwise expressly noted in the Report, CBRE has assumed that:
 - (i) Title to the subject property is clear and marketable and that there are no recorded or unrecorded matters or exceptions to title that would adversely affect marketability or value. CBRE has not examined title records (including without limitation liens, encumbrances, easements, deed restrictions, and other conditions that may affect the title or use of the subject property) and makes no representations regarding title or its limitations on the use of the subject property. Insurance against financial loss that may arise out of defects in title should be sought from a qualified title insurance company.
 - (ii) Existing improvements on the subject property conform to applicable local, state, and federal building codes and ordinances, are structurally sound and seismically safe, and have been built and repaired in a workmanlike manner according to standard practices; all building systems (mechanical/electrical, HVAC, elevator, plumbing, etc.) are in good working order with no major deferred maintenance or repair required; and the roof and exterior are in good condition and free from intrusion by the elements. CBRE has not retained independent structural, mechanical, electrical, or civil engineers in connection with this appraisal and, therefore, makes no representations relative to the condition of improvements. CBRE appraisers are not engineers and are not qualified to judge matters of an engineering nature, and furthermore structural problems or building system problems may not be visible. It is expressly assumed that any purchaser would, as a precondition to closing a sale, obtain a satisfactory engineering report relative to the structural integrity of the property and the integrity of building systems.
 - (iii) Any proposed improvements, on or off-site, as well as any alterations or repairs considered will be completed in a workmanlike manner according to standard practices.
 - (iv) Hazardous materials are not present on the subject property. CBRE is not qualified to detect such substances. The presence of substances such as asbestos, urea formaldehyde foam insulation, contaminated groundwater, mold, or other potentially hazardous materials may affect the value of the property.
 - (v) No mineral deposit or subsurface rights of value exist with respect to the subject property, whether gas, liquid, or solid, and no air or development rights of value may be transferred. CBRE has not considered any rights associated with extraction or exploration of any resources, unless otherwise expressly noted in the Report.
 - (vi) There are no contemplated public initiatives, governmental development controls, rent controls, or changes in the present zoning ordinances or regulations governing use, density, or shape that would significantly affect the value of the subject property.
 - (vii) All required licenses, certificates of occupancy, consents, or other legislative or administrative authority from any local, state, or national government or private entity or organization have been or can be readily obtained or renewed for any use on which the Report is based.
 - (viii) The subject property is managed and operated in a prudent and competent manner, neither inefficiently, nor super-efficiently.
 - (ix) The subject property and its use, management, and operation are in full compliance with all applicable federal, state, and local regulations, laws, and restrictions, including without limitation environmental laws, seismic hazards, flight patterns, decibel levels/noise envelopes, fire hazards, hillside ordinances, density, allowable uses, building codes, permits, and licenses.
 - (x) The subject property is in full compliance with the Americans with Disabilities Act (ADA). CBRE is not qualified to assess the subject property's compliance with the ADA, notwithstanding any discussion of possible readily achievable barrier removal construction items in the Report.
 - (xi) All information regarding the areas and dimensions of the subject property furnished to CBRE are correct, and no encroachments exist. CBRE has neither undertaken any survey of the boundaries of the subject property, nor reviewed or confirmed the accuracy of any legal description of the subject property.

Unless otherwise expressly noted in the Report, no issues regarding the foregoing were brought to CBRE's attention, and CBRE has no knowledge of any such facts affecting the subject property. If any information inconsistent with any of the foregoing assumptions is discovered, such information could have a substantial negative impact on the Report and any conclusions stated therein. Accordingly, if any such information is subsequently made known to CBRE, CBRE reserves the right to amend the Report, which may include the conclusions of the Report. CBRE assumes no responsibility for any conditions regarding the foregoing, or for any expertise or knowledge required to discover them. Any user of the Report is urged to retain an expert in the applicable field(s) for information regarding such conditions.

4. CBRE has assumed that all documents, data and information furnished by or on behalf of the client, property owner or owner's representative are accurate and correct, unless otherwise expressly noted in the Report. Such data and information include, without limitation, numerical street addresses, lot and block numbers, Assessor's Parcel Numbers, land dimensions, square footage area of the land, dimensions of the improvements, gross building areas, net rentable areas, usable areas, unit count, room count, rent schedules, income data, historical operating expenses, budgets, and related data. Any error in any of the above could have a substantial impact on the Report and any conclusions stated therein. Accordingly, if any such errors are subsequently made known to CBRE, CBRE reserves the right to amend the Report, which may include the conclusions of the Report. The client and intended user should carefully review all assumptions, data, relevant calculations, and conclusions of the Report and should immediately notify CBRE of any questions or errors within 30 days after the date of delivery of the Report.
5. CBRE assumes no responsibility (including any obligation to procure the same) for any documents, data or information not provided to CBRE, including, without limitation, any termite inspection, survey or occupancy permit.
6. All furnishings, equipment and business operations have been disregarded with only real property being considered in the Report, except as otherwise expressly stated and typically considered part of real property.
7. Any cash flows included in the analysis are forecasts of estimated future operating characteristics based upon the information and assumptions contained within the Report. Any projections of income, expenses and economic conditions utilized in the Report, including such cash flows, should be considered as only estimates of the expectations of future income and expenses as of the date of the Report and not predictions of the future. This Report has been prepared in good faith, based on CBRE's current anecdotal and evidence-based views of the commercial real estate market. Although CBRE believes its views reflect market conditions on the date of this Report, they are subject to significant uncertainties and contingencies, many of which are beyond CBRE's control. In addition, many of CBRE's views are opinion and/or projections based on CBRE's subjective analyses of current market circumstances. Actual results are affected by a number of factors outside the control of CBRE, including without limitation fluctuating economic, market, and property conditions. Actual results may ultimately differ from these projections, and CBRE does not warrant any such projections. Further, other firms may have different opinions, projections and analyses, and actual market conditions in the future may cause CBRE's current views to later change or be incorrect. CBRE has no obligation to update its views herein if its opinions, projections, analyses or market circumstances later change.
8. The Report contains professional opinions and is expressly not intended to serve as any warranty, assurance or guarantee of any particular value of the subject property. Other appraisers may reach different conclusions as to the value of the subject property. Furthermore, market value is highly related to exposure time, promotion effort, terms, motivation, and conclusions surrounding the offering of the subject property. The Report is for the sole purpose of providing the intended user with CBRE's independent professional opinion of the value of the subject property as of the date of the Report. Accordingly, CBRE shall not be liable for any losses that arise from any investment or lending decisions based upon the Report that the client, intended user, or any buyer, seller, investor, or lending institution may undertake related to the subject property, and CBRE has not been compensated to assume any of these risks. Nothing contained in the Report shall be construed as any direct or indirect recommendation of CBRE to buy, sell, hold, or finance the subject property.
9. No opinion is expressed on matters which may require legal expertise or specialized investigation or knowledge including, but not limited to, environmental, social, and governance principles ("ESG"), beyond that customarily employed by real estate appraisers. Any user of the Report is advised to retain experts in areas that fall outside the scope of the real estate appraisal profession for such matters.
10. CBRE assumes no responsibility for any costs or consequences arising due to the need, or the lack of need, for flood hazard insurance. An agent for the Federal Flood Insurance Program should be contacted to determine the actual need for Flood Hazard Insurance.
11. Acceptance or use of the Report constitutes full acceptance of these Assumptions and Limiting Conditions and any special assumptions set forth in the Report. It is the responsibility of the user of the Report to read in full, comprehend and thus become aware of all such assumptions and limiting conditions. CBRE assumes no responsibility for any situation arising out of the user's failure to become familiar with and understand the same.

12. The Report applies to the property as a whole only, and any pro ration or division of the title into fractional interests will invalidate such conclusions, unless the Report expressly assumes such pro ration or division of interests.
13. The allocations of the total value estimate in the Report between land and improvements apply only to the existing use of the subject property. The allocations of values for each of the land and improvements are not intended to be used with any other property or appraisal and are not valid for any such use.
14. The maps, plats, sketches, graphs, photographs, and exhibits included in this Report are for illustration purposes only and shall be utilized only to assist in visualizing matters discussed in the Report. No such items shall be removed, reproduced, or used apart from the Report.
15. The Report shall not be duplicated or provided to any unintended users in whole or in part without the written consent of CBRE, which consent CBRE may withhold in its sole discretion. Exempt from this restriction is duplication for the internal use of the intended user and its attorneys, accountants, or advisors for the sole benefit of the intended user. Also exempt from this restriction is transmission of the Report pursuant to any requirement of any court, governmental authority, or regulatory agency having jurisdiction over the intended user, provided that the Report and its contents shall not be published, in whole or in part, in any public document without the written consent of CBRE, which consent CBRE may withhold in its sole discretion. Finally, the Report shall not be made available to the public or otherwise used in any offering of the property or any security, as defined by applicable law. Any unintended user who may possess the Report is advised that it shall not rely upon the Report or its conclusions and that it should rely on its own appraisers, advisors and other consultants for any decision in connection with the subject property. CBRE shall have no liability or responsibility to any such unintended user.

Addenda

Addendum A

Rent Comparables

Comparable

Residential - Multi-unit Garden

No. 1

Property Name Citadel at Westpointe
 Address 438 Richland Hills Drive
 San Antonio, TX 78245
 United States

Government Tax Agency Bexar
 Govt./Tax ID 1217227

Unit Mix Detail

Rate Timeframe	Monthly				
Unit Type	No.	%	Size (sf)	Rent	Rent / sf
1BR/1BA	24	9%	578	\$976	\$1.69
1BR/1BA	16	6%	656	\$963	\$1.47
1BR/1BA	9	3%	764	\$1,304	\$1.71
1BR/1BA	48	17%	780	\$900	\$1.15
1BR/1BA	9	3%	847	\$1,274	\$1.50
1BR/1BA	18	6%	878	\$1,200	\$1.37
2BR/2BA	20	7%	952	\$1,196	\$1.26
2BR/2BA	48	17%	1,060	\$1,325	\$1.25
2BR/2BA	18	6%	1,072	\$1,488	\$1.39
2BR/2BA	24	9%	1,140	\$1,289	\$1.13
2BR/2BA	18	6%	1,187	\$1,233	\$1.04
2BR/2BA	18	6%	1,281	\$1,680	\$1.31
3BR/2BA	12	4%	1,397	\$1,800	\$1.29
Totals/Avg	282			\$1,227	\$1.28



Improvements

Land Area	11.970 ac	Status	Existing
Net Rentable Area (NRA)	269,875 sf	Year Built	2019
Total # of Units	282 Unit	Year Renovated	N/A
Average Unit Size	957 sf	Condition	Good
Floor Count	3	Exterior Finish	Stone Veneer
Property Features	On-Site Management, Surface Parking, Attached Garages, Detached Garages, Fire Sprinklered, Gated / Controlled Access		
Project Amenities	Clubhouse, Jacuzzi / Hot Tub, Pool, Game Room, Barbeque Area, Business Center, Conference Room, Courtyard, Dog Park / Run, Electric Car Charging Station, Fitness Center, Storage Units		
Unit Amenities	Dishwasher, Carpeted Flooring, Ceiling Fans, Garbage Disposal, Granite Countertops, Plank Flooring, Private Patios / Balconies, Stainless Steel Appliances		

Rental Survey

Occupancy	97%	Utilities Included in Rent	None
Lease Term	12 Mo(s).	Rent Premiums	See comments
Tenant Profile	Varies	Concessions	None
Survey Date	11/2024	Owner	PEM Real Estate Group
Survey Notes	See comments	Management	PEM Management

Map & Comments



Citidel at Westpointe is located along Richland Hills Drive, west of Loop 410 and north of State Highway 151 in far west San Antonio, Texas. The comparable represents a 282-unit, three-story, garden-style complex that was constructed in 2019. It is considered to be a Class A property in this market and was in good condition at the date of survey. Units include granite countertops, stainless steel appliances, and faux wood flooring. The project includes typical Class A community amenities. Quoted rents are indicative of average effective rents including any concessions and premiums. No concessions were quoted as of the date of survey. Tenants pay all utilities. Detached garages are available for \$140 per month. Select units come with an attached garage.

Property Name Estraya Westover Hills
 Address 1626 N Ellison Drive
 San Antonio, TX 78251
 United States

Government Tax Agency Bexar
 Govt./Tax ID 1229128

Unit Mix Detail

Rate Timeframe	Monthly				
Unit Type	No.	%	Size (sf)	Rent	Rent / sf
1BR/1BA	24	9%	528	\$1,144	\$2.17
1BR/1BA	40	14%	644	\$1,153	\$1.79
1BR/1BA	24	9%	747	\$1,310	\$1.75
1BR/1BA	8	3%	806	\$1,186	\$1.47
1BR/1BA	24	9%	831	\$1,300	\$1.56
1BR/1BA	16	6%	872	\$1,315	\$1.51
1BR/1BA	12	4%	913	\$1,360	\$1.49
2BR/2BA	27	10%	1,089	\$1,502	\$1.38
2BR/2BA	33	12%	1,120	\$1,435	\$1.28
2BR/2BA	30	11%	1,139	\$1,464	\$1.29
2BR/2BA	24	9%	1,205	\$1,582	\$1.31
3BR/2BA	16	6%	1,362	\$1,852	\$1.36
Totals/Avg	278			\$1,376	\$1.48



Improvements

Land Area	17.421 ac	Status	Existing
Net Rentable Area (NRA)	258,905 sf	Year Built	2018
Total # of Units	278 Unit	Year Renovated	N/A
Average Unit Size	931 sf	Condition	Good
Floor Count	3	Exterior Finish	Stone
Property Features	On-Site Management, Surface Parking, Detached Garages, Exterior Stairwells, Gated / Controlled Access		
Project Amenities	Clubhouse, Concierge, Pool, Game Room, Barbeque Area, Business Center, Conference Room, Cyber Café, Dog Park / Run, Fitness Center, Outdoor Fireplace		
Unit Amenities	Dishwasher, Washer / Dryer Connections , Ceiling Fans, Garbage Disposal, Granite Countertops, Microwave Oven, Plank Flooring, Private Patios / Balconies, Range / Oven, Refrigerator with Icemaker, Stainless Steel Appliances		

Rental Survey

Occupancy	96%	Utilities Included in Rent	None
Lease Term	6 - 18 Mo(s).	Rent Premiums	See comments
Tenant Profile	Varies	Concessions	None
Survey Date	11/2024	Owner	KE ESTRAYA OWNER TIC LLC
Survey Notes	See comments	Management	Westminster

Map & Comments

Estraya Westover Hills is located along North Ellison Drive, just west of State Highway 151, in far west San Antonio, Texas. The comparable represents a 278-unit, three-story, garden-style complex that was constructed in 2018. It is considered to be a Class A property in this market and was in good condition at the date of survey. Units include granite countertops, stainless steel appliances, and faux wood/carpet flooring. The project includes typical Class A community amenities. Rents are set by rent optimizing software and are inclusive of all concessions and premiums. Concessions of two months free were quoted on the date of survey. Tenants pay all utilities. Detached garages are available for \$155 per month.

Property Name Legacy Creekside
 Address 7210 Potranco Road
 San Antonio, TX 78251
 United States

Government Tax Agency Bexar
 Govt./Tax ID 1252056

Unit Mix Detail

Rate Timeframe	Monthly				
Unit Type	No.	%	Size (sf)	Rent	Rent / sf
Studio	36	8%	565	\$1,005	\$1.78
1BR/1BA	194	44%	722	\$1,179	\$1.63
2BR/2BA	191	43%	1,032	\$1,334	\$1.29
3BR/2BA	24	5%	1,350	\$1,864	\$1.38
Totals/Avg	445			\$1,268	\$1.45



Improvements

Land Area	22.720 ac	Status	Existing
Net Rentable Area (NRA)	279,864 sf	Year Built	2018
Total # of Units	338 Unit	Year Renovated	N/A
Average Unit Size	828 sf	Condition	Good
Floor Count	3	Exterior Finish	Stone
Property Features	On-Site Management, Surface Parking, Attached Garages, Detached Garages, Fire Sprinklered, Gated / Controlled Access, Interior Corridors, Interior Stairwells		
Project Amenities	Clubhouse, Pool, Game Room, Barbeque Area, Cyber Café, Dog Park / Run, Fitness Center, Outdoor Kitchen, Volleyball Court		
Unit Amenities	Dishwasher, Washer / Dryer Connections , 10-Foot Ceilings, Ceiling Fans, Double-Pane Windows, Garbage Disposal, Granite Countertops, Microwave Oven, Private Patios / Balconies, Range / Oven, Refrigerator with Icemaker, Stainless Steel Appliances, Stand-up Shower, Tile Backsplash, Vinyl Flooring		

Rental Survey

Occupancy	91%	Utilities Included in Rent	None
Lease Term	6 - 15 Mo(s).	Rent Premiums	See Comments
Tenant Profile	Varies	Concessions	See Comments
Survey Date	11/2024	Owner	N/A
Survey Notes	The 2024 assessed value is \$65,000,000	Management	MEB Management Services

Map & Comments

Legacy Creekside is located along Potranco Road, west of Loop 410 in far west San Antonio, Texas. The comparable represents a 338-unit, three-story, garden-style complex that was constructed in 2018. It is considered to be a Class A property in this market and was in good condition at the date of survey. Units include granite countertops, stainless steel appliances, and faux wood flooring. The project includes typical Class A community amenities. Quoted rents are indicative of average effective rents including any concessions and premiums. No significant concessions were quoted. Tenants pay all utilities. Detached garages are available for \$150 per month. It is noted that Phase II of Legacy Creekside is currently under construction. Our rental survey reflects Phase I only.

Property Name Park on Wurzbach
 Address 4707 Wurzbach Road
 San Antonio, TX 78238
 United States

Government Tax Agency Bexar
 Govt./Tax ID 1271504

Unit Mix Detail

Rate Timeframe	Monthly				
Unit Type	No.	%	Size (sf)	Rent	Rent / sf
1BR/1BA	16	6%	713	\$1,179	\$1.65
1BR/1BA	54	20%	751	\$1,232	\$1.64
1BR/1BA	54	20%	776	\$1,265	\$1.63
1BR/1BA	16	6%	870	\$1,419	\$1.63
2BR/2BA	54	20%	1,052	\$1,560	\$1.48
2BR/2BA	6	2%	1,093	\$1,569	\$1.44
2BR/2BA	28	11%	1,111	\$1,706	\$1.54
2BR/2BA	28	11%	1,198	\$1,719	\$1.43
3BR/2BA	4	2%	1,359	\$2,369	\$1.74
3BR/2BA	4	2%	1,450	\$2,399	\$1.65
Totals/Avg	264			\$1,458	\$1.56



Improvements

Land Area	14.529 ac	Status	Existing
Net Rentable Area (NRA)	247,040 sf	Year Built	2018
Total # of Units	264 Unit	Year Renovated	N/A
Average Unit Size	936 sf	Condition	Good
Floor Count	3	Exterior Finish	Masonry
Property Features	On-Site Management, Pitched Roofs, Surface Parking, Attached Garages, Carports, Detached Garages, Gated / Controlled Access		
Project Amenities	Clubhouse, Pool, Game Room, Barbeque Area, Billiards, Business Center, Conference Room, Dog Grooming Station, Dog Park / Run, Fitness Center, Outdoor Fireplace		
Unit Amenities	Dishwasher, Washer / Dryer, 9-Foot Ceilings, Carpeted Flooring, Ceiling Fans, Double-Pane Windows, Garbage Disposal, Granite Countertops, Microwave Oven, Plank Flooring, Range / Oven, Refrigerator with Icemaker, Stainless Steel Appliances, Tile Backsplash, Under-cabinet Lighting		

Rental Survey

Occupancy	93%	Utilities Included in Rent	None
Lease Term	N/A	Rent Premiums	See comments
Tenant Profile	Varies	Concessions	None
Survey Date	11/2024	Owner	N/A
Survey Notes	None	Management	Venterra Realty Management

Map & Comments



Park on Wurzbach is located along Wurzbach Road, west of Loop 410, in northwest San Antonio, Texas. The comparable represents a 264-unit, three-story, garden-style complex that was constructed in 2018. It is considered to be a Class A property in this market and was in good condition at the date of survey. Units include granite countertops, stainless steel appliances, and faux wood/carpet flooring. The project includes typical Class A community amenities. Rents are set by rent optimizing software and are inclusive of all concessions and premiums. No concessions were quoted as of the date of survey. Tenants pay all utilities. Detached garages are available for \$150 per month and carports are available for \$45 per month.

Comparable**Residential - Multi-unit Garden****No. 5**

Property Name Prose Westover Hills
 Address 9219 Vista West Drive
 San Antonio, TX 78245
 United States

Government Tax Agency Bexar
 Govt./Tax ID 1353751

Unit Mix Detail

Rate Timeframe	Monthly				
Unit Type	No.	%	Size (sf)	Rent	Rent / sf
1BR/1BA	168	50%	830	\$1,286	\$1.55
2BR/2BA	168	50%	1,174	\$1,715	\$1.46
Totals/Avg	336			\$1,501	\$1.50

**Improvements**

Land Area	15.000 ac	Status	Existing
Net Rentable Area (NRA)	336,672 sf	Year Built	2023
Total # of Units	336 Unit	Year Renovated	N/A
Average Unit Size	1,002 sf	Condition	Good
Floor Count	3	Exterior Finish	Fiber Cement Board
Property Features	On-Site Management, Surface Parking, Carports, Gated / Controlled Access		
Project Amenities	Clubhouse, Pool, Barbeque Area, Business Center, Dog Park / Run, Fitness Center, Volleyball Court		
Unit Amenities	Washer / Dryer Connections , Ceiling Fans, Granite Countertops, Plank Flooring, Stainless Steel Appliances, Tile Backsplash		

Rental Survey

Occupancy	90%	Utilities Included in Rent	None
Lease Term	12 Mo(s).	Rent Premiums	See Comments
Tenant Profile	Varies	Concessions	None
Survey Date	11/2024	Owner	Alliance Residential
Survey Notes	None	Management	Greystar

Map & Comments

Prose Westover Hills is located along Vista West Drive, south of State Highway 151, in west San Antonio, Texas. The comparable represents a 336-unit, three-story, garden-style complex that was constructed in 2023. It is considered to be a Class A property in this market and was in good condition at the date of survey. Units include granite countertops, stainless steel appliances, and faux wood/carpet flooring. The project includes typical Class A community amenities. Quoted rents are indicative of average effective rents including any concessions and premiums. No concessions were quoted on the date of survey. Tenants pay all utilities. Carports are available for \$60 per month.

Property Name Affinity at Monterrey Village
 Address 9003 Vista West Drive
 San Antonio, TX 78245
 United States



Government Tax Agency Bexar
 Govt./Tax ID 1229978

Unit Mix Detail

Rate Timeframe	Monthly				
Unit Type	No.	%	Size (sf)	Rent	Rent / sf
Efficiency	8	5%	495	\$1,584	\$3.20
1BR/1BA	66	43%	604	\$1,721	\$2.85
2BR/1BA	12	8%	808	\$1,885	\$2.33
2BR/1.5BA	16	10%	825	\$2,018	\$2.45
2BR/1.5BA	24	16%	925	\$2,013	\$2.18
2BR/2BA	2	1%	964	\$2,400	\$2.49
2BR/2BA	12	8%	974	\$2,400	\$2.46
2BR/2BA	8	5%	1,108	\$2,450	\$2.21
2BR/2BA	6	4%	1,205	\$2,400	\$1.99
Totals/Avg	154			\$1,929	\$2.50

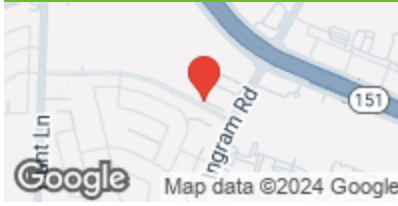
Improvements

Land Area	6.160 ac	Status	Existing
Net Rentable Area (NRA)	131,216 sf	Year Built	2017
Total # of Units	154 Unit	Year Renovated	N/A
Average Unit Size	852 sf	Condition	Good
Floor Count	4	Exterior Finish	Stucco
Property Features	Age Restricted, On-Site Management, Carports, Detached Garages, Gated / Controlled Access		
Project Amenities	Clubhouse, Pool, Game Room, Barbeque Area, Business Center, Dog Park / Run, Fitness Center, Theater		
Unit Amenities	Dishwasher, Carpeted Flooring, Ceiling Fans, Garbage Disposal, Granite Countertops, Microwave Oven, Plank Flooring, Private Patios / Balconies, Range / Oven, Refrigerator with Icemaker, White / Beige Appliances		

Rental Survey

Occupancy	76%	Utilities Included in Rent	All
Lease Term	3 - 24 Mo(s).	Rent Premiums	See Comments
Tenant Profile	Senior	Concessions	See Comments
Survey Date	11/2024	Owner	N/A
Survey Notes	N/A	Management	Axis Residential

Map & Comments



Affinity at Monterrey Village is located along Vista West Drive, south of State Highway 151 in west San Antonio, Texas. The comparable represents a 154-unit, four-story, mid-rise-style complex that was constructed in 2017. The property is a 55+ community. It is considered to be a Class A property in this market and was in good condition at the date of survey. Units include granite countertops, white appliances, and faux wood/carpet flooring. The project includes typical Class A community amenities. Rents are set by rent optimizing software and are inclusive of all concessions and premiums. No significant concessions were quoted as of the date of survey. All utilities are included in the rental rate. Detached garages are available for \$150 per month and carports are available for \$65 per month.

Comparable

Residential - Multi-unit Senior

No. 7

Property Name Solea Alamo Ranch
 Address 11133 Westwood Loop
 San Antonio, TX 78253
 United States

Government Tax Agency Bexar
 Govt./Tax ID 1281509

Unit Mix Detail

Rate Timeframe	Monthly				
Unit Type	No.	%	Size (sf)	Rent	Rent / sf
1BR/1BA	24	13%	661	\$1,499	\$2.27
1BR/1BA	16	9%	737	\$1,535	\$2.08
1BR/1BA	48	26%	812	\$1,693	\$2.08
1BR/1BA	40	22%	978	\$1,892	\$1.93
2BR/2BA	32	17%	1,104	\$2,173	\$1.97
2BR/2BA	24	13%	1,303	\$2,382	\$1.83
Totals/Avg	184			\$1,871	\$2.00



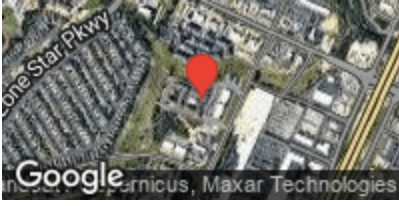
Improvements

Land Area	9.344 ac	Status	Existing
Net Rentable Area (NRA)	172,352 sf	Year Built	2019
Total # of Units	184 Unit	Year Renovated	N/A
Average Unit Size	937 sf	Condition	Good
Floor Count	4	Exterior Finish	Fiber Cement Board
Property Features	Surface Parking, Carports, Detached Garages, Elevators, Gated / Controlled Access		
Project Amenities	Clubhouse, Pool, Barbeque Area, Business Center, Dog Park / Run, Fitness Center, Storage Units		
Unit Amenities	Washer / Dryer, Carpeted Flooring, Ceiling Fans, Plank Flooring, Quartz Countertops, Stainless Steel Appliances, Tile Backsplash		

Rental Survey

Occupancy	95%	Utilities Included in Rent	None
Lease Term	12 Mo(s).	Rent Premiums	See Comments
Tenant Profile	55+	Concessions	See Comments
Survey Date	11/2024	Owner	N/A
Survey Notes	N/A	Management	Sparrow Living

Map & Comments



Solea Alamo Ranch is located along Westwood Loop, west of Loop 1604 in far west San Antonio, Texas. The comparable represents a 184-unit, four-story, garden-style complex that was constructed in 2019. The property is age restricted to tenants 55 and up. It is considered to be a Class A property in this market and was in good condition at the date of survey. Units include quartz countertops, stainless steel appliances, and faux wood/carpet flooring. The project includes typical Class A community amenities. Quoted rents are indicative of average effective rents including any concessions and premiums. Current concessions include 2 weeks free. Tenants pay all utilities. Detached garages are available for \$125 per month and carports are available for \$70 per month.

Addendum B

Subject Property Data

PROFORMA	5/15/2024	LTH							Build	Lease Up	Stabilized	Full STBL
La Ventana		INV	Internet						2024	2025	2026	2027
One Bed	722 SF	\$ 1,495	\$ 76	\$ 1,571			12	60		1,131,120	1,153,742	1,176,817
One BD60	722 SF	\$ 1,054	\$ 76	\$ 1,130			12	12		162,720	162,720	165,974
One BD 80	722 SF	\$ 1,404	\$ 76	\$ 1,480			12	48		852,480	852,480	869,530
Two Bed	1052 SF	\$ 1,795	\$ 76	\$ 1,871			12	56		1,257,312	1,282,458	1,308,107
Two BD60	1052 SF	\$ 1,186	\$ 76	\$ 1,262			12	14		212,016	212,016	216,256
Two BD80	1052 SF	\$ 1,579	\$ 76	\$ 1,655			12	58		1,151,880	1,151,880	1,174,918
Two Bed	1052 SF	\$ 1,845	\$ 76	\$ 1,921			12	16		368,832	376,209	383,733
Three Bed	1163 SF	\$ 2,395	\$ 76	\$ 2,471			12	8		237,216	241,960	246,800
Carports			\$ 40				12	50		24,000	24,480	24,970
Short Term				\$ 50			12	15		9,000	9,180	9,364
Tech/ Package Fee				\$ -			12	272		-	-	-
Trash Fee				\$ 24			12	272		78,336	79,903	81,501
Pest Control				\$ 3			12	272		9,792	9,988	10,188
Water				\$ 37 pp			12	-		-	-	-
Pool View				\$ 30 pp			12	15		5,400	5,508	5,618
Pet Yard				\$ 125 pp			30	12		45,000	45,900	46,818
Pet Fee				\$ 40 pp			12	40		19,200	19,584	19,976
Late Fees										8,400	8,568	8,739
Application Fee				\$ 100			12	20		24,000	24,480	24,970
Admi Fee				\$ 35			12	20		8,400	8,568	8,739
Rent								272		5,605,104	5,669,624	5,783,017
Vacancy	6.00%	2.00%	inc							(1,311,106)	(340,177)	(346,981)
Concession	0.25%	0.25%	inc							(14,013)	(14,174)	(14,458)
Rent Loss	0.25%	0.50%	inc				2021			(14,013)	(28,348)	(14,458)
Gross Income								315,000		4,265,972	5,286,925	5,407,121
OPEX		3.00%	inc									
Payroll - Manager								8,100		97,200	100,116	103,119
Payroll - Assistant Manager/Leasing PT								6,800		81,600	84,048	86,569
Bank Fees								750		9,000	9,270	9,548
Utilities- Common Area(Electric/water)								7,500		90,000	92,700	95,481

Utilities- office(Phone)				600				7,200	7,416	7,638
Utilities- Internet/Tech Cost				9,520				114,240	117,667	121,197
Advertising				4,500				54,000	55,620	57,289
Office Expense(supplies)				800				9,600	9,888	10,185
Office Expense(Postage/Printing)				300				3,600	3,708	3,819
Cleaning CAM				2,400				28,800	29,664	30,554
Computer Exp/Tech				3,200				38,400	39,552	40,739
Landscaping/CAM (incl RM)				9,520				114,240	117,667	121,197
Repairs and Maintenance - Lead Maint. Engineer/Assist				17,000				204,000	210,120	216,424
Pest Control				800				9,600	9,888	10,185
Pool/Exterior(Supplies)				750				9,000	9,270	9,548
Security Monitoring				300				3,600	3,708	3,819
Garbage Removal/Valet				2,992				35,904	36,981	38,091
Professional Services		1,387,000		1,400				16,800	17,304	17,823
Insurance		2021	4,442,481	2,021	16,343			196,112	201,995	208,055
Real Estate Taxes Payment in Lieu	578,350	1,502,056	280,000	19,750				-	237,000	244,110
Contingency				1,500				18,000	18,540	19,096
Turnover (Supplies)				3,300				39,600	40,788	42,012
Management				3.00%				127,979	158,608	163,366
Total Operating Expenses				118,125				1,308,475	1,611,519	1,659,864
NOI	Year 1				APTS	NOI		2,957,497	3,675,406	3,747,256
Asset Management Fee						0.50%		21,330	26,435	27,036
Reserve		\$200			272.00			27,200	54,400	54,400
NOI Res/Mngmt	13,477				488,331	65,461,085	240,666	2,908,967	3,594,571	3,665,821

Stabilized	Stabilized	Stabilized	Stabilized	Stabilized	Stabilized	Stabilized	Stabilized	Stabilized	Stabilized	Stabilized	Stabilized	Stabilized
2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	
1,200,354	1,224,361	1,248,848	1,273,825	1,299,301	1,325,287	1,351,793	1,378,829	1,406,406	1,434,534	1,463,224	1,492,489	
169,294	172,680	176,133	179,656	183,249	186,914	190,652	194,465	198,355	202,322	206,368	210,496	
886,920	904,659	922,752	941,207	960,031	979,232	998,816	1,018,793	1,039,168	1,059,952	1,081,151	1,102,774	
1,334,270	1,360,955	1,388,174	1,415,938	1,444,256	1,473,141	1,502,604	1,532,656	1,563,309	1,594,576	1,626,467	1,658,996	
220,581	224,993	229,493	234,083	238,764	243,540	248,411	253,379	258,446	263,615	268,888	274,265	
1,198,416	1,222,384	1,246,832	1,271,769	1,297,204	1,323,148	1,349,611	1,376,603	1,404,135	1,432,218	1,460,862	1,490,080	
391,407	399,236	407,220	415,365	423,672	432,145	440,788	449,604	458,596	467,768	477,124	486,666	
251,736	256,770	261,906	267,144	272,487	277,936	283,495	289,165	294,948	300,847	306,864	313,001	
25,469	25,978	26,498	27,028	27,568	28,120	28,682	29,256	29,841	30,438	31,047	31,667	
9,551	9,742	9,937	10,135	10,338	10,545	10,756	10,971	11,190	11,414	11,642	11,875	
-	-	-	-	-	-	-	-	-	-	-	-	
83,131	84,793	86,489	88,219	89,983	91,783	93,619	95,491	97,401	99,349	101,336	103,363	
10,391	10,599	10,811	11,027	11,248	11,473	11,702	11,936	12,175	12,419	12,667	12,920	
-	-	-	-	-	-	-	-	-	-	-	-	
5,731	5,845	5,962	6,081	6,203	6,327	6,453	6,583	6,714	6,849	6,985	7,125	
47,754	48,709	49,684	50,677	51,691	52,725	53,779	54,855	55,952	57,071	58,212	59,377	
20,375	20,783	21,198	21,622	22,055	22,496	22,946	23,405	23,873	24,350	24,837	25,334	
8,914	9,092	9,274	9,460	9,649	9,842	10,039	10,240	10,444	10,653	10,866	11,084	
25,469	25,978	26,498	27,028	27,568	28,120	28,682	29,256	29,841	30,438	31,047	31,667	
8,914	9,092	9,274	9,460	9,649	9,842	10,039	10,240	10,444	10,653	10,866	11,084	
5,898,677	6,016,651	6,136,984	6,259,723	6,384,918	6,512,616	6,642,868	6,775,726	6,911,240	7,049,465	7,190,454	7,334,263	
(353,921)	(360,999)	(368,219)	(375,583)	(383,095)	(390,757)	(398,572)	(406,544)	(414,674)	(422,968)	(431,427)	(440,056)	
(14,747)	(15,042)	(15,342)	(15,649)	(15,962)	(16,282)	(16,607)	(16,939)	(17,278)	(17,624)	(17,976)	(18,336)	
(14,747)	(15,042)	(15,342)	(15,649)	(15,962)	(16,282)	(16,607)	(16,939)	(17,278)	(17,624)	(17,976)	(18,336)	
5,515,263	5,625,568	5,738,080	5,852,841	5,969,898	6,089,296	6,211,082	6,335,304	6,462,010	6,591,250	6,723,075	6,857,536	
106,213	109,399	112,681	116,062	119,544	123,130	126,824	130,629	134,548	138,584	142,741	147,024	
89,167	91,842	94,597	97,435	100,358	103,368	106,469	109,664	112,953	116,342	119,832	123,427	
9,835	10,130	10,433	10,746	11,069	11,401	11,743	12,095	12,458	12,832	13,217	13,613	
98,345	101,296	104,335	107,465	110,689	114,009	117,430	120,952	124,581	128,318	132,168	136,133	

7,868	8,104	8,347	8,597	8,855	9,121	9,394	9,676	9,966	10,265	10,573	10,891
124,833	128,578	132,435	136,409	140,501	144,716	149,057	153,529	158,135	162,879	167,765	172,798
59,007	60,777	62,601	64,479	66,413	68,406	70,458	72,571	74,749	76,991	79,301	81,680
10,490	10,805	11,129	11,463	11,807	12,161	12,526	12,902	13,289	13,687	14,098	14,521
3,934	4,052	4,173	4,299	4,428	4,560	4,697	4,838	4,983	5,133	5,287	5,445
31,471	32,415	33,387	34,389	35,420	36,483	37,577	38,705	39,866	41,062	42,294	43,563
41,961	43,220	44,516	45,852	47,227	48,644	50,103	51,606	53,155	54,749	56,392	58,083
124,833	128,578	132,435	136,409	140,501	144,716	149,057	153,529	158,135	162,879	167,765	172,798
222,916	229,604	236,492	243,587	250,894	258,421	266,174	274,159	282,384	290,855	299,581	308,568
10,490	10,805	11,129	11,463	11,807	12,161	12,526	12,902	13,289	13,687	14,098	14,521
9,835	10,130	10,433	10,746	11,069	11,401	11,743	12,095	12,458	12,832	13,217	13,613
3,934	4,052	4,173	4,299	4,428	4,560	4,697	4,838	4,983	5,133	5,287	5,445
39,233	40,410	41,623	42,871	44,157	45,482	46,847	48,252	49,700	51,191	52,726	54,308
18,358	18,909	19,476	20,060	20,662	21,282	21,920	22,578	23,255	23,953	24,671	25,412
214,297	220,726	227,348	234,168	241,193	248,429	255,882	263,558	271,465	279,609	287,997	296,637
251,433	258,976	266,746	274,748	282,990	291,480	300,225	309,231	318,508	328,063	337,905	348,042
19,669	20,259	20,867	21,493	22,138	22,802	23,486	24,190	24,916	25,664	26,434	27,227
43,272	44,570	45,907	47,284	48,703	50,164	51,669	53,219	54,816	56,460	58,154	59,899
168,267	173,315	178,514	183,870	189,386	195,068	200,920	206,947	213,156	219,550	226,137	232,921
1,709,660	1,760,950	1,813,778	1,868,192	1,924,238	1,981,965	2,041,424	2,102,666	2,165,746	2,230,719	2,297,640	2,366,569
3,805,603	3,864,618	3,924,301	3,984,649	4,045,661	4,107,331	4,169,658	4,232,637	4,296,263	4,360,531	4,425,435	4,490,967
27,576	28,128	28,690	29,264	29,849	30,446	31,055	31,677	32,310	32,956	33,615	34,288
54,400	54,400	54,400	54,400	54,400	54,400	54,400	54,400	54,400	54,400	54,400	54,400
3,723,627	3,782,090	3,841,211	3,900,985	3,961,411	4,022,485	4,084,203	4,146,561	4,209,553	4,273,175	4,337,419	4,402,279

DATE	3/24/24					
CONSTRUCTION COST		COST	BUYOUT	CO	COMMENTS	
Surveying		73,000	-	-	73,000	
Debris Dumpsters		90,000	-	-	90,000	
Final Clean		115,000	-	-	115,000	
Material Testing		73,000	-	-	73,000	
Earthwork, Grading, Pavement		2,821,000	-	-	2,821,000	VE Hydro seed
Termite Control		15,000	-	-	15,000	
SWPP/Site (Install)		20,400	-	-	20,400	
Pavement Marking		-	-	-	-	
Site Utility Work		1,408,000	-	-	1,408,000	
Site Utility Work (Install)		-	-	-	-	
Offsite		82,000	-	-	82,000	
Landscape & Irrigation		801,000	-	-	801,000	
Site Furnishings/Play		175,000	-	-	175,000	
Dog wash/USPS/Parcel		82,500	-	-	82,500	
Concrete-Foundation		1,101,700	-	-	1,101,700	
Concrete-Site		508,000	-	-	508,000	
Masonry		63,000	-	-	63,000	VE 500k
Cement Based Underlay		795,000	-	-	795,000	
Retaining walls		-	-	-	-	VE 50k
Metal Fabrication		724,000	-	-	724,000	
Fencing/Camers/Card Access		175,000	-	-	175,000	
Rough Carpentry		6,585,000	-	-	6,585,000	4,552,000
Labor		-			-	2,015,000
Siding, Trim, Cornice Material		-			-	650,000
Fastners, Wraps, Tape, Flash		-			-	320,000
Rental Equip		-			-	230,000
Sheathing,Decking, OSB Shear		-			-	540,000
Cabinets		908,000	-	-	908,000	F3
Granite Countertops		326,000	-	-	326,000	
Building Insulation		380,000	-	-	380,000	
Roofing (alt 35k)		393,000	-	-	393,000	
Gutters		72,000	-	-	72,000	
Overhead doors		6,500	-	-	6,500	

Windows		376,000	-	-	376,000	
Hardware / Bath Acc/ Glass		450,000	-	-	450,000	
Doors (Exterior)		264,900	-	-	264,900	
Doors (Interior))		344,200	-	-	344,200	
Trim		172,400	-	-	172,400	
Install		398,000	-	-	398,000	
Gypsum Board		2,850,000	-	-	2,850,000	
Mirrors - Vanities/Fitness		60,000	-	-	60,000	
Shower Enclosures		218,000	-	-	218,000	
Ceramic Tile - Material		184,000	-	-	184,000	
Ceramic Tile - Installation		79,000	-	-	79,000	
Carpet/Vynl		475,000	-	-	475,000	
Painting		897,000	-	-	897,000	
Signage		65,000	-	-	65,000	
Appliances (Includes Disposals)		1,079,000	-	-	1,079,000	
Blinds		86,000	-	-	86,000	
Pool/Amenities		320,000	-	-	320,000	
Carpports/Garages		85,000	-	-	85,000	
Fire Protection		661,000	-	-	661,000	
Fire Extinguishers		41,000	-	-		
Plumbing		2,657,000	-	-	2,657,000	VE Fixtures
HVAC		1,688,000	-	-	1,688,000	
Electrical		2,639,000	-	-	2,639,000	
Telecom		100,000	-	-	100,000	
Site Lighting/Conduits		213,000	-	-	213,000	
Light Fixtures		279,000	-	-	279,000	
Fire Alarm		273,000	-	-	273,000	
Power (Service)		200,000	-	-	200,000	
Total Construction Costs	-	34,947,600	-	-	34,947,600	
General Conditions		1,910,550			1,910,550	
GC OH Costs		345,000				
Pre Con Fee	-	646,962			646,962	
GC Fee/OH	-	2,083,418			2,083,418	
Total Hard Costs	-	39,933,530	-	-	39,588,530	38,769,699
Differential		1,163,831				

Project Cost - La Ventana - WF	(A) Costs	(B)	(B1) Predev	(C) Total	(D) Paid Predev/	(E) Current	(F) Total Cost	(G) Retainage	(H) Total Cost	(I) Total
San Antonio, TX (Cinema Ridge)	Apartments	Costs Rev.	Costs	Project Cost	by Borrower	Period Pre-Draw	to date		Net Retainage	Disbrstmnt
Soft Costs										-
Arch (Cst/Site Plan)	207,900	-	-	207,900	197,900	-	-	-	-	10,000
Engineers				incl		-	-	-	-	-
KH	220,200	-	-	220,200	220,200	-	-	-	-	-
ALPHA testing Geotech	35,000			35,000	15,400	-	-	-	-	19,600
Surveyor/As Built	20,000	-	-	20,000	-		-	-	-	20,000
Parcel ALTA	8,500	-		8,500	8,500	-	-	-	-	-
Landscaping	72,000			72,000	72,000	-	-	-	-	-
Consultants	35,000	-	-	35,000	35,000	-	-	-	-	-
Financing Costs	1,097,000	-	-	1,097,000	-	100,000	-	-	-	997,000
Legal Fees	75,000	-	-	75,000	-	-	-	-	-	75,000
Insurance (BR/GL)	650,000	-	-	650,000	70,000	-	-	-	-	580,000
Permits/Impact Fees	1,209,000	-	-	1,209,000	145,318	-	-	-	-	1,063,682
Carry Costs (cst.)VCC PE	2,300,000	-	-	2,300,000		-	-	-	-	2,300,000
PreDev Exp	86,000	-		86,000	86,000	-	-	-	-	-
Dev OH	225,000	-	-	225,000	-	225,000	-	-	-	-
PM OH	275,000	-	-	275,000	-	-	-	-	-	275,000
Dev Exp	125,000	-	-	125,000	125,000	-	-	-	-	-
Dev Fee	2,300,000	-		2,300,000	2,300,000	-	-	-	-	-
Taxes (thru c)	110,000	-	-	110,000	-	-	-	-	-	110,000
Start up exp.	100,000	-	-	100,000		-	-	-	-	100,000
Contingency (Soft Cost)	335,665	-	-	335,665	-	-	-	-	-	335,665
Asset Management Fee	-	-	-	-	-	-	-	-	-	-
Pref Eq Int	910,000	-	-	910,000	-	-	-	-	-	910,000
Pref / Eq Cost	40,000	-	-	40,000	-	-	-	-	-	40,000
Eq cost	315,000	-	-	315,000	80,000	-	-	-	-	235,000
Subtotal Soft	10,751,265	-	-	10,751,265	3,355,318	325,000	-	-	-	7,070,947

Addendum C

Legal Description

16.99 ACRES OUT OF NCB 14398 (LA VENTANA) BLK 3 LOT 3, Bexar
County, Texas

Addendum D

Memorandum of Understanding

TERM SHEET FOR THE DEVELOPMENT OF

LA VENTANA APARTMENTS

IN THE CITY OF SAN ANTONIO, TEXAS

AUGUST __, 2024

This Term Sheet addresses the terms for the development and financing of the Project (hereafter defined). This Term Sheet is not meant to be an exhaustive document and will be replaced and superseded by definitive documentation. No legally binding obligations on either party will be created, implied or inferred until documents in final form are executed and delivered by all parties in a form acceptable to each party, in each party's sole and absolute discretion. This Term Sheet replaces all previous understandings and agreements, written or oral, with respect to the Project.

The Project will be owned by San Antonio Housing Facility Corporation, a public facility corporation formed by the Housing Authority of the City of San Antonio, doing business as Opportunity Home (the "PFC"). The land located at 2802 Cinema Ridge will be owned by an affiliate of Marcus Equity ("Developer") and will be conveyed to the PFC. The PFC will at Closing pay that Developer affiliate for the land and simultaneously enter into a lease with the Tenant for the land (the "Land"), who will make a Prepaid Rent Prepayment to the PFC of an amount equal to the cost of the Land. Tenant will be responsible for the development and construction of the Improvements and the costs associated therewith. The Land and Improvements will be leased to Tenant on a long-term lease.

Ad Valorem

Tax Exemption:

The PFC shall be responsible for obtaining a 100% property tax exemption for the Project and Lease excluding any taxes imposed by a conservation and reclamation district created under Section 52, Article III or Section 59, Article XVI of the Texas Constitution for an initial 60 year period. The PFC shall apply for, and use good faith efforts to obtain prior to the Closing Date, a predetermination letter from the appraisal district indicating that the Project will be exempt. Within 30 days of the Closing Date, the PFC will apply for the formal tax exemption. Pursuant to the Lease, if the ad valorem tax exemption with respect to the Project is lost ("Loss of Tax Status Event") (i) for any reason other than the failure to meet the requirements of Texas Local Government Code Chapter 303 governing the availability of a property tax exemption for the Project at any time within the first forty (40) years of the Term of the Lease or (ii) at any time during the Term of the Lease due to the fraud or willful misconduct of the PFC or its affiliates, then as liquidated damages the PFC, as Landlord, will convey the Project to Tenant (fee ownership of the Project, free and clear) and the Lease and any accompanying regulatory agreement will terminate and no further distributions (other than pursuant to an indemnification obligation) and

no additional rent shall be paid to the PFC. Upon a Loss of Tax Status Event occurring after the 40th anniversary of the commencement of the lease, then at the option of Tenant, Landlord will convey the Project to Tenant in fee and the Lease and accompanying regulatory agreement will terminate, upon payment by Tenant to Landlord of the Early Termination Fee, defined below. In the event of a Loss of Tax Status Event, prior to the transfers discussed in the prior sentence, the PFC and the Tenant shall use reasonable efforts to modify the structure to allow the ad valorem tax exemption to continue.

Capital Event Rent:

For any Refinancing Event that occurs before the initial Sale Event, the PFC shall receive 15% of the refinancing proceeds, if any, after payment of all debt, closing costs, establishment of reserves, return of all equity capital and the 8% Return to the Equity Partner, and payment of any and all fees owed to Developer or its affiliates, including but not limited to the deferred developer fee, repayment of all Partner loans, and reimbursement for any amounts paid as a result of guaranteed obligations. On the earlier of (a) the initial Sale Event or (b) five years after Stabilization, as defined below, the PFC shall receive 15% of the sale proceeds or appraised value, as applicable, after payment of all debt, closing costs, establishment of required reserves, return of all equity capital, and the 8% Return to the Equity Partner, and payment of any and all fees owed to Developer or its affiliates, including but not limited to the deferred developer fee, repayment of all Partner loans, and reimbursement for any amounts paid as a result of guaranteed obligations. At subsequent Sale Events, the PFC shall receive a payment equal to 2% of the gross sales price.

City:

City of San Antonio, Texas.

Closing Date:

The date of closing for all financing for the Project.

Construction:

Tenant will contract with the PFC, as General Contractor, to construct the Improvements; and the PFC will enter into a Master Sub-Contract with a contractor selected by the Developer (the "Master Subcontractor"), which may be an affiliate of the Developer, to construct the Improvements. Master Subcontractor will receive a Contractor Fee of 5%, and any construction contract will also include a contractor's contingency of 3% solely for the use of the contractor. The Developer will provide construction completion guarantees necessary to satisfy any lenders and Equity Partners for the Project on terms acceptable to the Developer in its sole discretion. The PFC, as General Contractor, shall be indemnified to the fullest extent permitted by applicable law by each of the Tenant and Master Subcontractor, and the indemnification shall be reflected in the construction contract documentation.

Developer:

Marcus Equity, or another affiliate of Developer.

Developer Fee: Developer is to receive a Developer Fee in connection with the development of the Project in an amount equal to three and one-half percent (3.50%) of the total development costs of the Project. It is anticipated thirty percent (30%) of the Developer Fee will be earned and paid at the construction loan closing. Sixty percent (60%) of the Developer Fee will be earned and paid monthly out of the loan proceeds as part of the monthly construction loan process and the final ten percent (10%) will be earned and paid upon issuance of the final certificate of occupancy for the Project. The timing and amount of the payment shall be subject to the lender and Equity Partner's consent. The PFC shall receive fifteen percent (15%) of the Developer Fee if and when received by the Developer.

Developer Limited Partner: An affiliate of Developer, which will be a limited partner of the Equity Partner, which in turn will be a limited partner of the Tenant Partnership.

Development Agreement: Developer, the PFC and Tenant will enter into a development agreement ("Development Agreement") in a form acceptable to the parties of the contract, in accordance with the terms set forth herein.

Early Termination: Tenant Shall have an option to terminate the Lease and the regulatory agreement at any time following the end of the calendar year that is forty (40) years after the Lease Date up to the date that is sixty (60) years after the Lease Date upon the payment of a termination fee, which shall be an amount equal to the fair market value of the Project as a taxable project times a percentage equal to the net present value of \$1.00 paid at the end of the 75 year lease term discounted to the date of the notice of termination with a discount rate of 8% (e.g. a notice of termination in year 40 of the 75 year lease would result in 7% fee); provided that in the event of a sale of the Project to an unrelated third party is contemplated at the time of the proposed termination, the fair market value shall equal the sales price (the "Early Termination Fee"). The Lease shall contain detailed terms relating to the determination of the fair market value of the Project. Upon such termination, Landlord (and/or any successors and transferees of Landlord) shall have the obligation to convey to Tenant, the fee estate and any personal property owned by Landlord and located within the Project pursuant to this Lease for One Dollar (\$1.00) (in addition to the Early Termination Fee), free and clear of all liens and encumbrances except for the permitted encumbrances and any further indemnity obligations to Landlord but subject to the rights, liens, assignments and security interests of any Permitted Leasehold Mortgagee.

Equity Partner: A partnership, the sole general partner of which will be Developer or an affiliate, and whose limited partners will be Developer Limited Partner (which will contribute the Land Contribution and some cash in accordance with the Project Budget) and the Equity Partners (which will contribute cash in accordance with the Project Budget). Such

interest may receive a return hurdle different from the preferred return used for calculation of Rent.

General Partner: A Texas limited liability company owned by Developer, or its affiliates.

Governing Law: State of Texas.

Guarantees: Certain financial obligations will be guaranteed by Developer or an affiliate on terms to be negotiated by Developer and lenders and the Equity Partners. The PFC will not be required to provide any financial guarantees with respect to financing or construction of the Project.

Improvements: Approximately 272 units of multifamily residential housing in the Project, together with all onsite and offsite infrastructure improvements for the Project, pursuant to Plans and Specifications developed by Developer, and will include a [Amenities] and other Class-A multifamily amenities appropriate for the Project as determined by Tenant Partnership.

Land: Approximately 16.99 +/- acres for the Project to be built and operated as proposed by this Term Sheet, located in San Antonio, Texas, as more fully described on Exhibit A hereto.

Lease: Lease between the PFC, as landlord, and Tenant, pursuant to which the PFC leases the Project to the Tenant for a term of 75 years (the "Lease"). So long as Tenant is not in default under the Lease, Tenant will be permitted under the Lease to assign its interest in the Lease without the requirement of any consent from Landlord. Landlord will not be permitted to assign its interests under the Lease in any manner which jeopardizes the availability of exemption of the Project from ad valorem taxation.

The Lease will require compliance with Section 303 of the Texas Local Government Code (the "Code") and will provide that Tenant will set aside or rent 40% of the units to tenants whose income is not more than 80% of the AMI and 10% of the units to tenants whose income is not more than 60% of the AMI (the "Affordable Units"). The income and rent limits will be adjusted for family size and bedroom size and rent shall be calculated (the "Affordability Requirement") as required by the Code. The Affordable Units at each AMI level will be spread pro-rata with the overall unit mix between one, two, and three-bedroom units. The provisions of Sections 303.0425 and 303.0426 will be incorporated into the Lease and Regulatory Agreement.

The Lease will require the Tenant to maintain the Project as a Class A residential project and will require renovations to the extent financially feasible, to the extent necessary to maintain the Project as a Class A residential project. Tenant will cause the Project to be insured and will

set aside an amount per door per year as determined by lenders as a reserve for replacements. Tenant will provide full indemnities to DPFC. Provisions will be negotiated to help the PFC assure that the Project remains a Class A residential project throughout the Term of the Lease, including conducting periodic needs assessments by an engineer experienced in such assessments at seven (7) year intervals, prior to a capital event, and at any point in time when there is a change in occupancy below the 85% level. For avoidance of doubt, the parties agree that maintaining the Project as a Class A apartment project means keeping the Project as originally designed and constructed in appropriate condition to compete with other Class A residential projects of the same age as the Project, but does not mean adding amenities, making structural or other changes to the exterior or interior of the Project to make it consistent with newly constructed Class A apartment projects at a future date.

Management:

The property management company that will be designated the property manager for the Project and will manage the leasing and operations of the Project is still to be determined. Management will receive a base Management Fee as follows: between 3 and 4% or as determined by competitive interview process for standard rates in the market for similar service. Management company shall be acceptable to the Secretary of the PFC.

Marketing:

Developer agrees to comply with the disclosure and marketing provisions of Section 303.0425 of the Code, including in all public marketing materials and websites for the Project a reference to the affordability provisions and Section 8 and other rental assistance voucher acceptance.

Miscellaneous Expenses:

Tenant Partnership will be responsible for and will include in the Project Budget all legal fees and financial advisor fees of the PFC actually incurred in connection with the preparation, negotiation and execution of the documents, all reasonable out-of-pocket expenses, including, without limitation, all business, financial, collateral due diligence expenses, and, to the extent provided herein, all appraisal fees and all examination fees.

PFC:

San Antonio Housing Facilities Corporation.

PFC Structuring Fee:

The PFC, or one of its affiliates, will receive a structuring fee equal to \$250,000 on the Closing Date of the Project in return for providing the organizational structure described in this Term Sheet.

Plans and Specifications:

The PFC, Tenant Partnership, Lenders, and Equity Partner will have the right to review and approve the Plans and Specifications for Project once they are materially completed, the approval of which will not be unreasonably withheld or delayed. Once they have approved the conceptual and/or schematic design for the Project, the PFC may not

object to such design Plans and Specifications, unless the subsequent Plans and Specifications materially and adversely affects the design character or value of the Project.

Project: The Project will be the Land and Improvements, to be developed by Developer.

Project Budget: The Project Budget will be finalized and approved by all parties to the transaction prior to the Closing Date, and will include the proposed sources of funds that will be needed to develop, construct and operate the Project, and the uses on which the funds will be spent. Sources of revenue include, without limitation, rental income, capital contributions and other revenues. Project uses include all reasonable and necessary direct and hard costs incurred in connection with the Project.

Project Financing: The PFC will provide the leasehold estate for the Project to the Tenant Partnership pursuant to a Lease Agreement. The Lease Agreement will be prepared once the Lenders are identified and will include commercially reasonable provisions required by the Lenders, which may include a requirement the PFC subordinate its interests in the Project (except for its rights to reimbursement and indemnification), including the leasehold and fee interests in the Project.

Loans

For the Project, Developer will obtain a senior loan from a senior lender to the Tenant for approximately the amount shown in the Project Budget for development of the Project to be secured by a first-lien deed of trust on the Tenant's leasehold interest in the Project, and if required, a lien on the PFC's fee interest in the Project.

All financings and guarantees must be acceptable to Developer and the Tenant Partnership in their sole and absolute discretion.

Equity

Developer will obtain one or more Equity Partners who will invest approximately the amount shown in the Project Budget. One of the Equity Partners will be Developer Limited Partner (which will make a contribution of the Land at the Agreed Value and a contribution of cash as provided for in the Project Budget).

Project Term: The "Project Term" is from commencement of Project for a period of 75 years after closing. Two years prior to the end of the Project Term, Tenant shall assist the PFC with evaluating its options upon the end of the Project Term and the reversion of the Project to the PFC. Should the PFC choose to sell the Project at the end of the Project Term, the Tenant shall assist the PFC in the sale of the Project.

Refinancing Event:	Any refinancing of any loan, or receipt of any insurance or condemnation proceeds (other than business interruption or similar type of insurance or condemnation proceeds which cover a temporary taking of all or any portion of the Project and after such proceeds are applied to the rebuilding, repair or replacement of the Project) which occurs before the initial Sales Event
Regulatory Agreement:	A Regulatory Agreement will be recorded against the Project ensuring compliance with Section 303 of the Code.
Rent:	Tenant will pay PFC rent of \$[257,139] (such number calculated by taking the total cost of the development x 80% x the applicable tax rate if the Project was taxable x 25%) commencing six months after the Project stabilizes, which is defined as reaching 90% physical occupancy, which shall be the start of Year 1. Thereafter payments shall increase by 3.0% per year. Upon the Initial Sale Event, Rent will be adjusted to an annual payment equal to the sales price x 80% x the applicable tax rate if the Project was taxable x 25%, with a 3% annual increase thereafter. Rent will be paid annually, in full, on the first of the month following six months after stabilization and every 12 months thereafter. In addition, the PFC shall receive an administrative rent of \$25,000 per year beginning one year after the Lease Date increasing by 3% per year thereafter and payable on the anniversary of the Lease Date every year thereafter.
Sale Event:	A sale of the Project (including any proposed assignment of the entire Lease) to a third party for consideration or a sale or assignment of greater than 50% of the interests in the Tenant or an entity that controls or has a greater than 50% ownership interest in the Tenant (excluding assignments to affiliates or transfers pursuant to or for estate planning purposes) to a third party for consideration.
Sale Price:	The sales price received by the Tenant for a Capital Event.
Sales Tax:	The PFC will serve as General Contractor (which it will subcontract to Master Subcontractor who will be responsible to for the purchase of materials for the construction of the Project using an exemption certificate issued by the PFC) so that the purchases will be exempt from all sales and use taxes pursuant to Applicable Law. Tenant will pay PFC 25% of the Sales Tax Savings on all construction materials, half of which shall be paid at Closing (based upon the Project Budget) and the remaining half paid at final certificate of occupancy (as a true-up based upon the final total Sales Tax Savings).
Sales Tax Savings:	Means the purchase price of the construction materials purchased by the contractor, multiplied by the effective sales tax rate at the time of purchase.

Tenant: Tenant will be a single purpose Texas or Delaware limited partnership, the sole General Partner of which will be Developer (or an affiliate), and the Limited Partners of which will be the Equity Partner.

This instrument may be executed in several counterparts, each of which will be deemed an original and all of which will constitute one and the same instrument, and will become effective when counterparts have been signed by each of the parties and delivered to the other party; it being understood that all parties need not sign the same counterpart. The exchange of copies hereof and of signature pages by facsimile transmission (whether directly from one facsimile device to another by means of a dial-up connection or whether mediated by the worldwide web), by electronic mail in “portable document format” (“.pdf”) form, or by any other electronic means intended to preserve the original graphic and pictorial appearance of a document, or by combination of such means, will constitute effective execution and delivery hereof as to the parties and may be used in lieu of the original document for all purposes. Signatures of the parties transmitted by any of the foregoing methods will be deemed to be their original signatures for all purposes.

Signature Pages Follow

DEVELOPER:

MARCUS EQUITY

By: _____
Name: _____
Title: _____

PFC:

SAN ANTONIO HOUSING FACILITY CORPORATION

By: _____
Name: _____
Title: _____

EXHIBIT A

LAND

Addendum E

Qualifications



VALUATION & ADVISORY SERVICES / CENTRAL DIVISION

Brad Baroch, MAI

First Vice President, Central Texas

T +1 512 499 4935

E brad.baroch@cbre.com

Professional Experience

Brad Baroch, MAI is a First Vice President with the Valuation & Advisory Services group and is an MAI designated member of the Appraisal Institute. Mr. Baroch has been involved in real estate appraisal since joining CBRE, Inc. in 2006, before which he attended Baylor University.

Mr. Baroch currently leads CBRE’s Central and South Texas Multifamily Team primarily covering the Austin, San Antonio, and Rio Grande Valley market areas. The team specializes in the valuation of multifamily residential properties, including conventional and affordable multifamily projects, as well as built-to-rent and for-sale residential condominium and townhome developments. Mr. Baroch also has extensive valuation experience of residential subdivisions having previously served as CBRE’s Central Texas subdivision specialist.

Mr. Baroch’s greater professional experience encompasses a wide variety of property types including office, retail, industrial, and special-use properties. Beyond real estate appraisals, Mr. Baroch is experienced in conducting market studies, rent analyses, cash flow projections and a variety of other valuation consulting roles.

Clients Represented (Representative/Partial List)

- All Major US Banks
- Arbor Realty
- Berkadia
- IBC Bank
- Lument
- PGIM
- Walker & Dunlop

Pro Affiliations / Accreditations

- Appraisal Institute
- Certified General Real Estate Appraiser, State of Texas

Education

- Baylor University, Waco, Texas

Significant Recent Assignments

NAME	DESCRIPTION
Gables Republic Square	Luxury High-rise Condominiums, Austin, TX
The Bowen	Luxury High-rise Condominiums, Austin, TX
1155 Barton Springs	Luxury High-rise Apartments, Austin, TX
Bryson	Multi-phased, Mixed-Use Subdivision, Leander, TX
Tin Top Flats at the Creamery	Luxury Mid-rise Apartments, San Antonio, TX

Education

Baylor University, Waco, TX
-B.B.A. Economics

Appraisal Institute, Various Appraisal Courses



Certified General Real Estate Appraiser

Appraiser: **BRADLEY MICHAEL BAROCH**

License #: **TX 1338837 G**

License Expires: **08/31/2026**

Having provided satisfactory evidence of the qualifications required by the Texas Appraiser Licensing and Certification Act, Occupations Code, Chapter 1103, authorization is granted to use this title:
Certified General Real Estate Appraiser

For additional information or to file a complaint please contact TALCB at www.talcb.texas.gov.

Chelsea Buchholtz
Executive Director



VALUATION & ADVISORY SERVICES / CENTRAL DIVISION

Grant Mueller, MAI

Managing Director, Texas

T +1 512 499 4909

M +1 512 501 9444

E grant.mueller@cbre.com

Clients Represented

- Amegy Bank
- Bank OZK
- BancorpSouth
- Capital One
- First United Bank
- Frost Bank
- Moody National Bank
- Prosperity Bank
- PlainsCapital Bank
- US Bank
- Washington Federal
- ABC Bank

Pro Affiliations / Accreditations

- Appraisal Institute
- Certified General Real Estate Appraiser, State of Texas

Education

- University of Texas, Austin

Professional Experience

Grant Mueller, MAI is a Managing Director with over eighteen years of real estate appraisal and consulting experience. Mr. Mueller is in the Valuation & Advisory Services Group's Austin office in the South Region. Mr. Mueller's primary geographical overview includes Central Texas (Austin and San Antonio), West Texas (El Paso), Arkansas, and Oklahoma.

Mr. Mueller is a designated member of the Appraisal Institute. For over a decade, Mr. Mueller specialized in the valuation of office, industrial, and self-storage property types and is a member of the Office Valuation Group, Medical Office Valuation Group, and Industrial Valuation Group.

Mr. Mueller's experience encompasses a wide variety of commercial property types including single and multi-tenant office, medical office, industrial facilities, multi-family properties, mixed-use projects, self-storage facilities, single and multi-tenant retail, land use developments, and specialty use buildings. Mr. Mueller has experience providing valuation and appraisal services, market studies, rent analyzes, income and expense analysis and cash flow projections.

Prior to joining CBRE, Mr. Mueller was an appraiser at National Appraisal Partners in Houston, Texas.

Pro Affiliations

APPRAISAL INSTITUTE

- Designated Member (MAI)
- RECA Member

Accreditations

CERTIFIED GENERAL REAL ESTATE APPRAISER

- State of Texas, No. TX-1337145-G
- State of Oklahoma, No. 13679CGA
- State of Arkansas, No. CG-4990

PROFILES

Education

- University of Texas, Austin, Bachelor of Arts in Liberal Arts
- Appraisal Institute, Various Appraisal Courses
 - USPAP
 - Business Practices and Ethics
 - Eminent Domain and Condemnation
 - Green Buildings: Principals & Concepts
 - Subdivision Valuation
 - Analyzing Operating Expenses
 - Small Hotel / Motel Valuation
 - Forecasting Revenue
 - Advanced Applications
 - Report Writing and Valuation Analysis
 - Market Analysis and Highest & Best Use
 - Advanced Sales Comparison & Cost Approaches
 - Advanced Income Capitalization
 - Appraisal Procedures
 - General Applications



Certified General Real Estate Appraiser

Appraiser: Grant Branden Mueller

License #: TX 1337145 G

License Expires: 07/31/2025

Having provided satisfactory evidence of the qualifications required by the Texas Appraiser Licensing and Certification Act, Occupations Code, Chapter 1103, authorization is granted to use this title:
Certified General Real Estate Appraiser

For additional information or to file a complaint please contact TALCB at www.talcb.texas.gov.

A handwritten signature in blue ink, reading 'Chelsea Buchholtz', is located in the bottom right corner of the document.

**Chelsea Buchholtz
Commissioner**