CBRE Valuation & Advisory Services

Consulting Assignment

CREEKSIDE AT LOOKOUT

W/S Lookout Rd, N of N Loop 1604 E
Schertz, Texas 78154

Prepared for: San Antonio Housing Facility Corporation
Date of Report: March 8, 2025
CBRE File No.: CB24US110536-1

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Date of Report: March 8, 2025

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

RE: Appraisal of: Creekside at Lookout
W/S Lookout Rd, N of N Loop 1604 E
Schertz, Bexar County, Texas
CBRE File No.: CB24US110536-1

Dear Ms. 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 232-unit multi-family project situated on the west side of Lookout Rd, north of N Loop 1604 E in Schertz, Texas. While the subject exhibits a Schertz, Texas postal address, it is located within the City of San Antonio city limits. Upon completion, the property will consist of 4 four-story garden-style apartment buildings. The improvements will be constructed in 2025-2027 and will be situated on an 11.107-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 (23 units) to tenants whose income is not more than 60% of the area median income (AMI) and 40% of the units (93 units) to tenants whose income is not more than 80% of the AMI. The remaining units will be market rate.

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

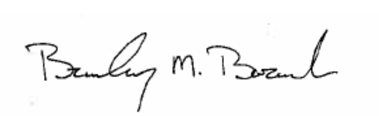
Bradley Baroch, MAI
Title: First Vice President
Phone: (512) 499-4935
Email: brad.baroch@cbre.com
License No. & State: 1338837-G, Texas

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:

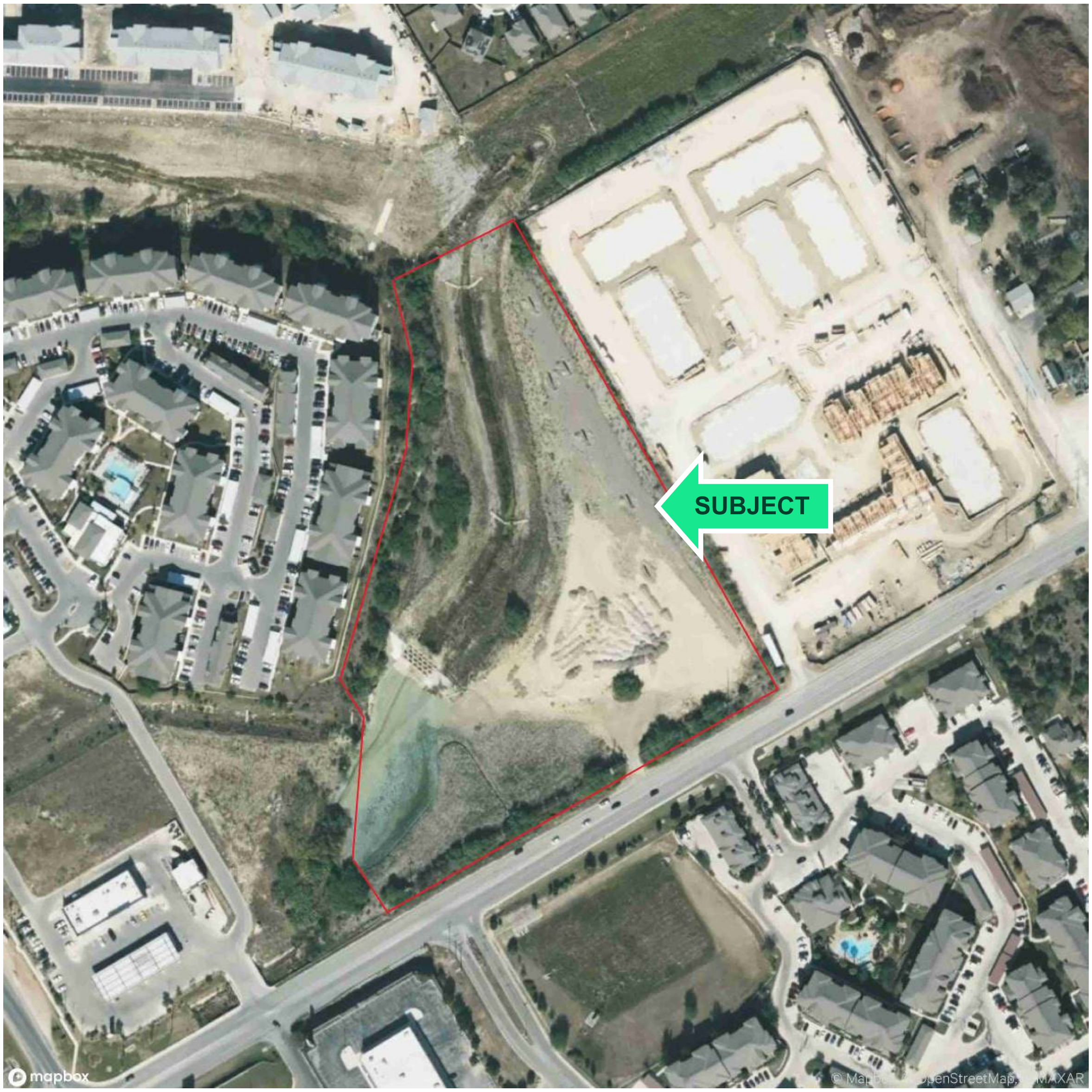
1. The statements of fact contained in this report are true and correct.
2. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are our personal, impartial, and unbiased professional analyses, opinions, and conclusions.
3. We have 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 and Grant Mueller, MAI have 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: Mapbox)

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. The boundaries are approximate.

Lookout Rd Facing South

Lookout Rd Facing North

Sun Lily Rd Frontage Facing East

Typical View of Subject

Typical View of Subject

Typical View of Subject

Executive Summary

Property Name	Creekside at Lookout		
Location	W/S Lookout Rd, N of N Loop 1604 E Schertz, Bexar County, TX 78154		
Parcel Number(s)	1427763		
Client	San Antonio Housing Facility Corporation		
Date of Inspection	January 22, 2025		
Primary Land Area	11.107 AC		483,821 SF
Zoning	C-2		
Proposed Improvements		**Comments**	
Property Type	Multifamily	(Multi-Family Garden)	
Number of Residential Buildings	4		
Number of Stories	4	(1 4-story, 3 3/4 split-story)	
Gross Building Area	210,734 SF		
Net Rentable Area	192,592 SF		
Number of Units	232		
Average Unit Size	830 SF		
Year Built	2027		
Condition upon Completion	Excellent		
Financial Indicators			
Stabilized Occupancy	93.0%		
Stabilized Credit Loss	0.5%		

Pro Forma As Proposed Restricted, with Abatement	***Total***	***Per Unit***
Effective Gross Income	$4,097,721	$17,663
Operating Expenses	$1,180,126	$5,087
Expense Ratio	28.80%	
Net Operating Income	$2,917,594	$12,576

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 lowered the federal funds rate by 100 basis points over the course of three FOMC meetings. Although the extent and timing of any future reductions are uncertain, two additional rate cuts are widely expected in 2025. 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.
- According to flood hazard maps published by the Federal Emergency Management Agency (FEMA), portions of the subject site are within the Zone AE flood zone, as indicated on Community Map Panel No. 48029C0280F. However, we are not experts in determining flood zone elevations and we were not provided with a flood zone certificate for the subject. It is an extraordinary assumption of this report that the proposed subject improvements will be situated out of the flood zone area. The reader is encouraged to consult with a professional engineer to determine the subject's actual flood zone status.
- 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

Title to the property is currently vested in the name of 1604 LOOKOUT LP, which acquired title to the property as part of a larger land acquisition from PAL ACQUISITIONS LP on November 24, 2014, for an undisclosed amount, as recorded in Document No. 20140202619 of the Bexar County Deed Records. To the best of our knowledge, there has been no ownership transfer of the property during the previous three years. The subject is not currently under contract of listed for sale.

[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

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.

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[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.

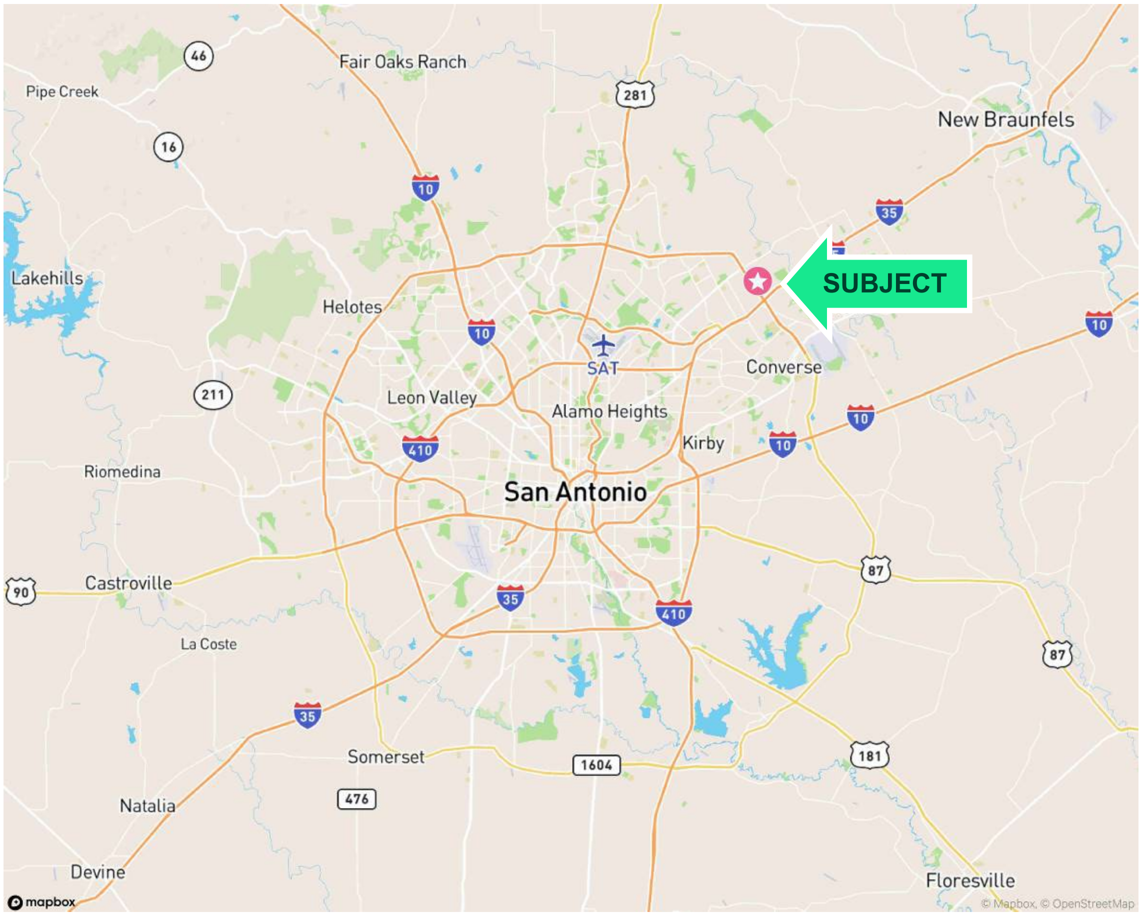
Data Resources Utilized in the Analysis

DATA SOURCES

Item:	*Source(s):*
Site Data	
Size	Plat Document No. 22-11800111
Improved Data	
Building Area	Unit Tabulations and Site Plan by Investwell Architechts LLC dated 1/16/25
Area Breakdown/Use	Unit Tabulations and Site Plan by Investwell Architechts LLC dated 1/16/25
No. Bldgs.	Site Plan by Investwell Architechts LLC dated 1/16/25
Parking Spaces	Site Plan by Investwell Architechts LLC dated 1/16/25
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

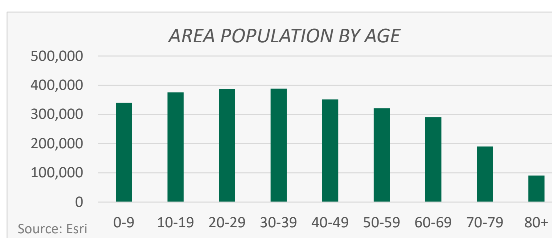
Area Analysis



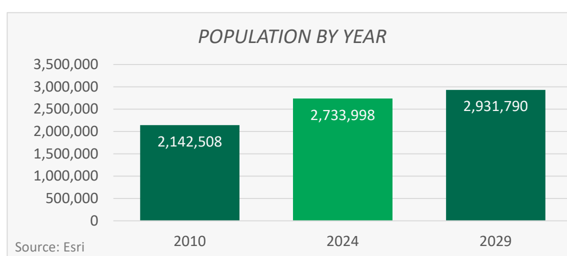
The subject is located in the San Antonio-New Braunfels, TX Metropolitan Statistical Area. Key information about the area is provided in the following tables.

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.



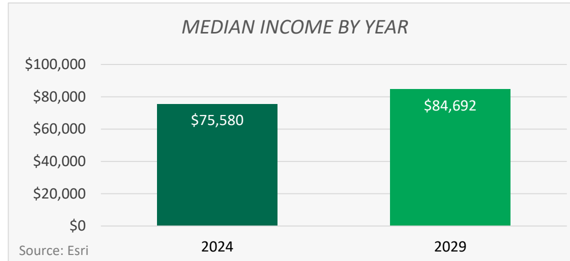
Population has increased by 591,490 since 2010, reflecting an annual increase of 1.8%. Population is projected to increase by 197,792 between 2024 and 2029, reflecting a 1.4% annual population growth.



Source: ESRI, downloaded on Mar, 3 2025

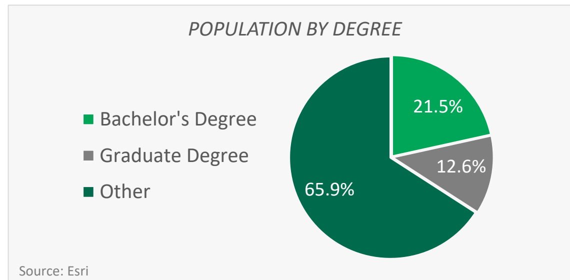
INCOME

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.

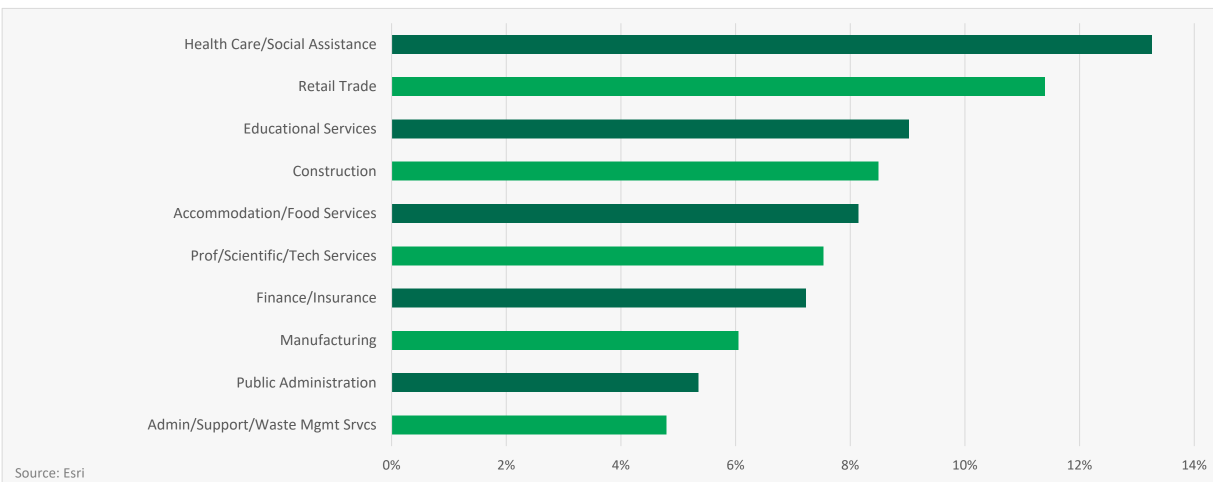


EDUCATION

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 3.4% 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 Mar 3, 2025; BLS.gov dated Dec 1, 2024 (preliminary)

San Antonio MSA Major Employers

MAJOR EMPLOYERS		
Rank	Company	# of Employees
1	HEB	20,000
2	USAA	19,000
3	Methodist Healthcre 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

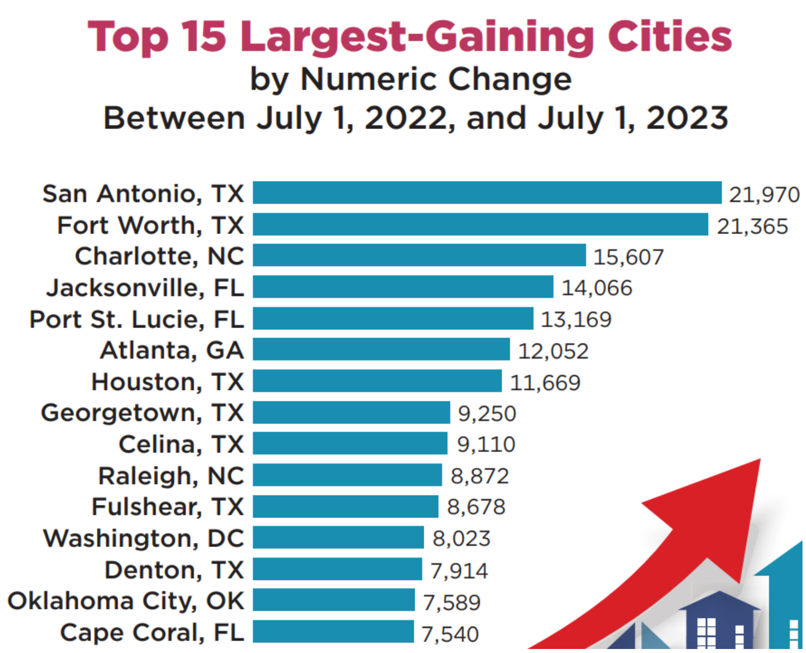
Toyota opened an approximate 200,000 square foot warehouse in south San Antonio that has been operational since 2006. In June 2024, Toyota Texas announced it will build an approximate 500,000 square foot facility dedicated to drivetrain parts production at a cost of approximately $531 million. The new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

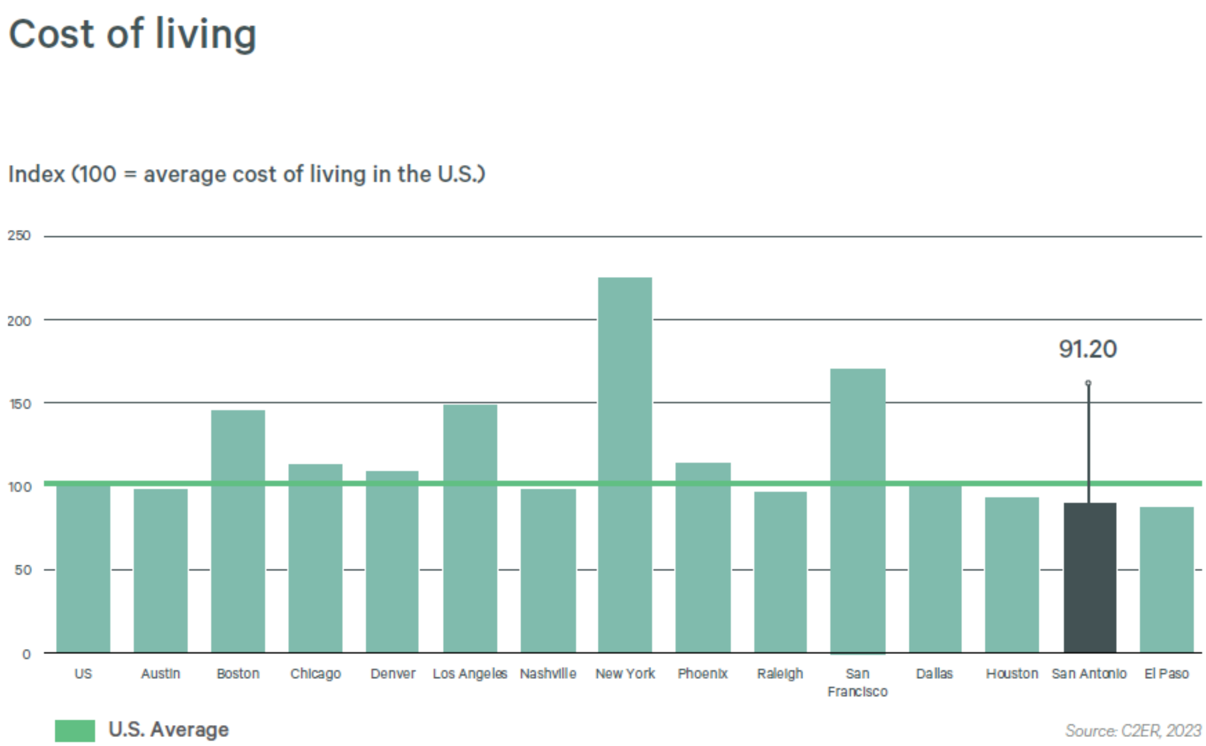
Population Growth

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 US. Census Bureau, shows the U.S cities with the biggest numeric population growth:



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.



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)

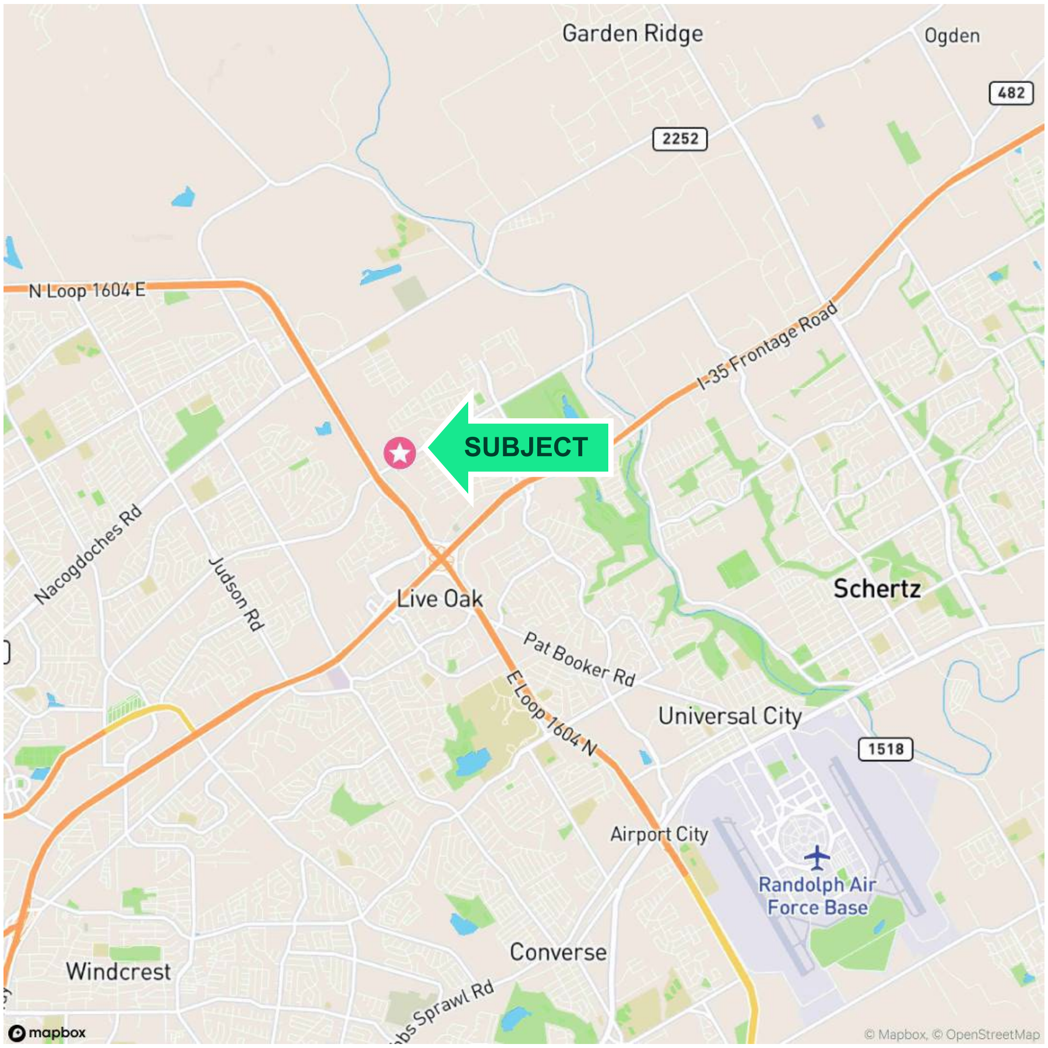
#5 Best Winter Holiday Destinations
(Wallethub, 2023)

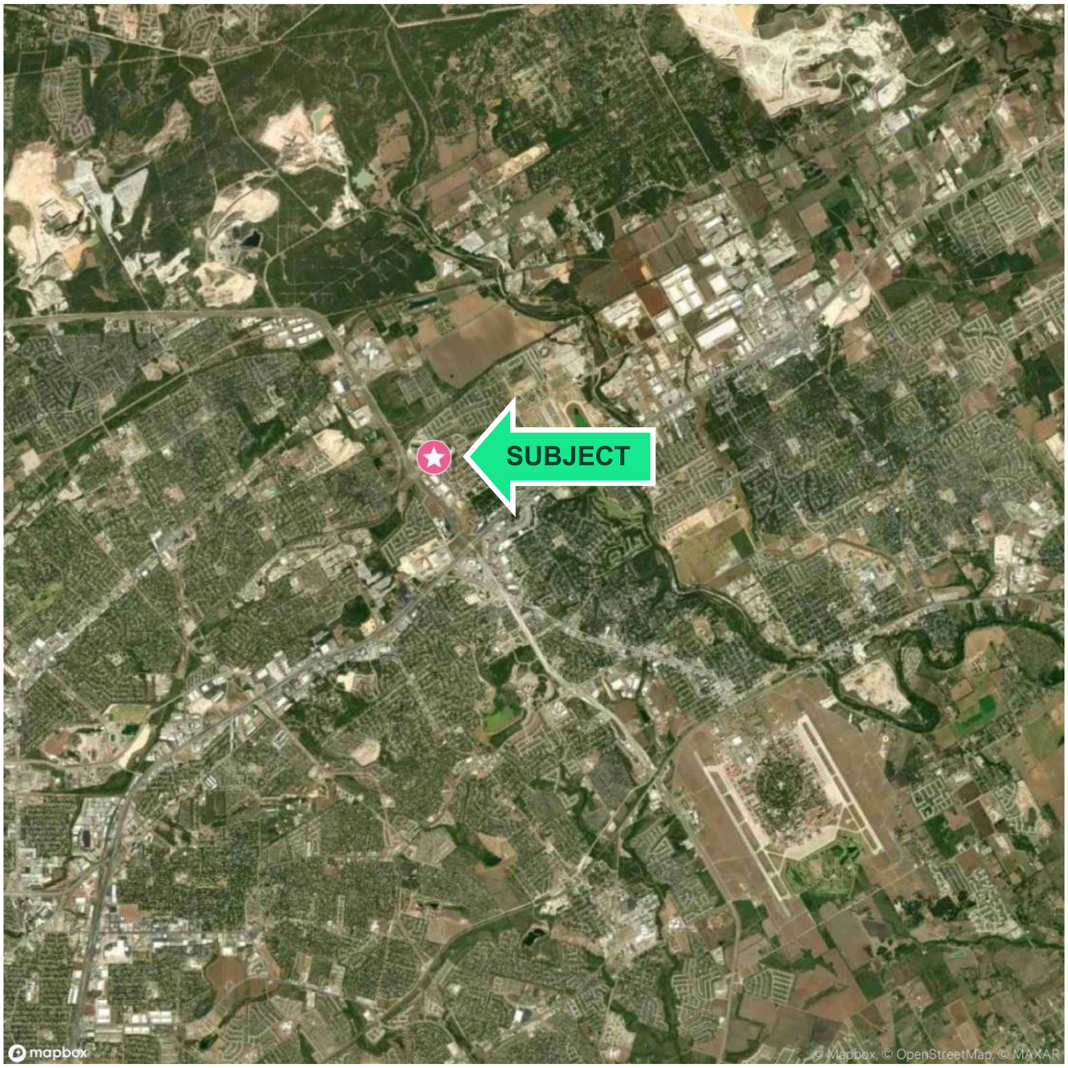
#2 Best Places to Live in Texas
(US News & World Report, 2023)

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 in the far northeast portion of the City of San Antonio, TX and exhibits a Schertz, TX postal address and is situated in Bexar County. The neighborhood is located approximately 10 miles northeast of the San Antonio CBD. The subject is located just north of the intersection of Loop 1604 and Interstate Highway 35.

Boundaries

The neighborhood boundaries are detailed as follows:

North:	Nacogdoches Rd
South:	Lower Seguin Rd / Seguin Rd
East:	Roy Richard Dr
West:	O'Conner Rd

Land Use

Land uses within the subject neighborhood are predominantly commercial along primary roadways and residential along secondary roadways. The immediate area surrounding the subject consists primarily of residential uses, with commercial uses along primary roadways such as Loop 1604 and Interstate Highway 35. There is some vacant land available for development especially in the far north and far south portions of the neighborhood. There are some large industrial uses in the market as well, specifically to the northeast of the subject in the along Lookout Rd and Tri-County Pkwy. According to ESRI, single-family homes within a three-mile radius of the subject have been constructed mainly between 2000 and 2009 and are predominantly in the $300,000 to $399,999 range. The 2024 median home value within a three-mile radius of the subject is $318,129.

Growth Patterns

Growth trends for population and household growth in the neighborhood have been stable to increasing since 2000 and are projected to increase slightly over the next five years.

Within the past couple decades Schertz and other surrounding jurisdictions such as Selma, Universal City and Live Oak, have taken advantage of the proximity to San Antonio (+/- 10 miles of the San Antono CBD) with new commercial development occurring near the Loop 1604 and Interstate 35 interchange.

The Forum at Olympia Parkway is a 220,000 SF power center with numerous pad sites and outparcels that was constructed in 1999 on the southeast quadrant of Loop 1604 and Interstate 35. Anchor tenants include Kohl's, The Home Depot, Best Buy, Target, Ross, TJ Max, and Costco, Academy, and Hobby Lobby.

Residential subdivision growth is ongoing in the southeastern portions of the neighborhood near Randolph Brook Air Force Base. Builders such as David Weekley, Coventry, KB Home, and DR Horton are active in the area.

Access

Primary access to the subject neighborhood is provided by Interstate Highway 35. Interstate Highway 35 serves the heartland of America, connecting south Texas to northern Minnesota. Interstate Highway 35, together with IH-29, provides a direct freeway connection between Mexico and Canada. Interstate Highway 35 begins at the International Border with Mexico at Laredo and terminates at Duluth, Minnesota, some 200 miles southwest of the Canadian line. Between Mexico and Canada, Interstate Highway 35 travels through the heart of Texas along the old US Highway 81 corridor, serving cities such as San Antonio, Austin, Waco, and Dallas/Fort Worth. Loop 1604 also provides access to the subject neighborhood.

The commute to the downtown San Antonio central business district is about 20 minutes. The San Antonio International Airport is also about a 20-minute drive from the area.

Demographics

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

SELECTED NEIGHBORHOOD DEMOGRAPHICS

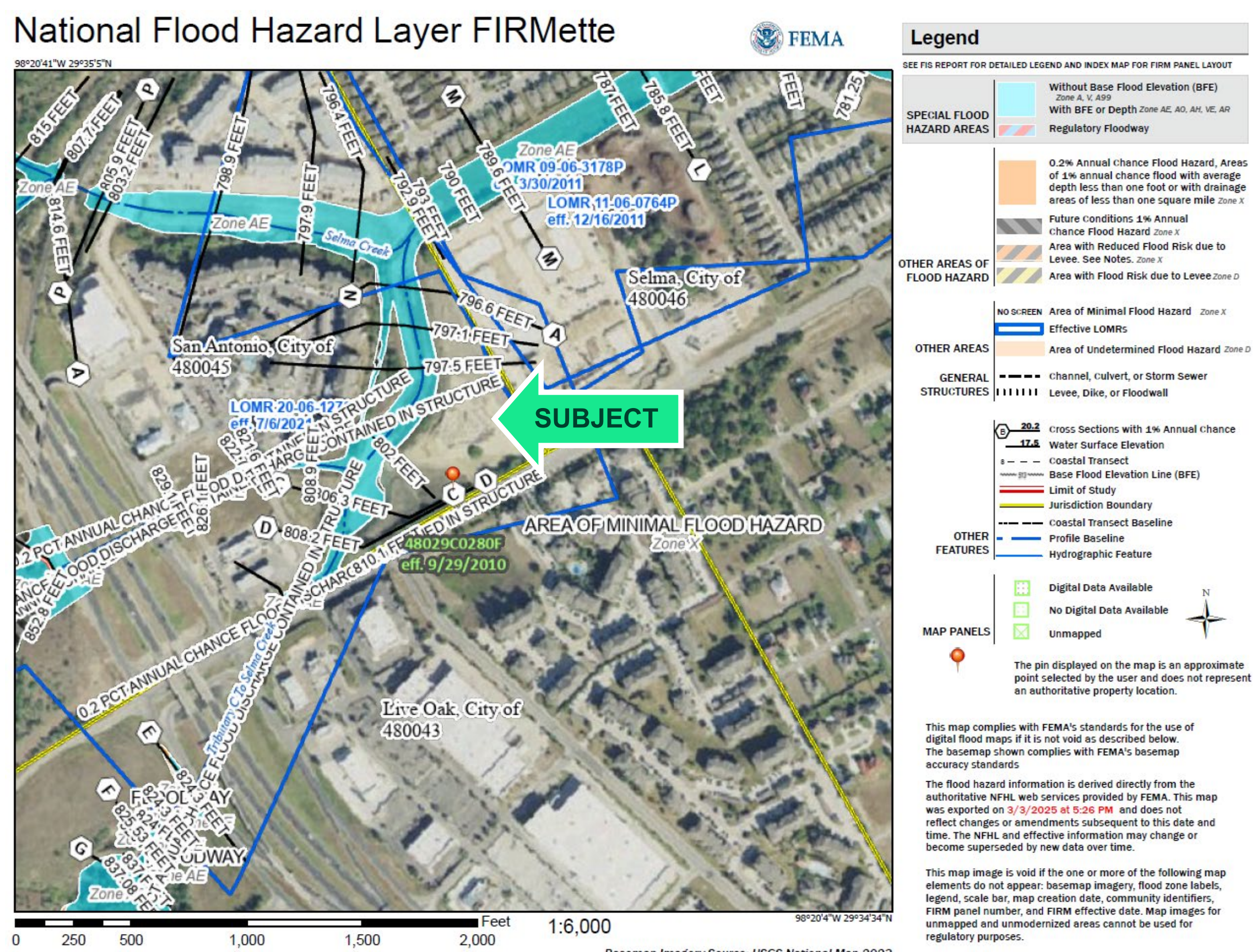
W/S Lookout Rd, N of N Loop 1604 E Schertz, TX 78154	1 Mile Radius	3 Mile Radius	5 Mile Radius	San Antonio-New Braunfels, TX Metropolitan Statistical Area
Population				
2029 Total Population	8,652	92,863	218,034	2,931,790
2024 Total Population	8,700	91,645	216,727	2,733,998
2010 Total Population	5,928	72,839	189,034	2,142,508
2000 Total Population	3,436	50,540	148,449	1,711,703
Annual Growth 2024 - 2029	*-0.11%*	*0.26%*	*0.12%*	*1.41%*
Annual Growth 2010 - 2024	*2.78%*	*1.65%*	*0.98%*	*1.76%*
Annual Growth 2000 - 2010	*5.61%*	*3.72%*	*2.45%*	*2.27%*
Households				
2029 Total Households	3,906	35,944	82,220	1,080,836
2024 Total Households	3,863	35,034	80,670	996,691
2010 Total Households	2,636	27,559	68,793	763,022
2000 Total Households	1,403	18,655	53,006	601,265
Annual Growth 2024 - 2029	*0.22%*	*0.51%*	*0.38%*	*1.63%*
Annual Growth 2010 - 2024	*2.77%*	*1.73%*	*1.14%*	*1.93%*
Annual Growth 2000 - 2010	*6.51%*	*3.98%*	*2.64%*	*2.41%*
Income				
2024 Median Household Income	$79,741	$76,136	$77,673	$75,580
2024 Average Household Income	$93,573	$93,025	$97,187	$102,854
2024 Per Capita Income	$39,169	$35,521	$36,233	$37,626
2024 Pop 25+ College Graduates	2,385	20,997	49,852	621,537
Age 25+ Percent College Graduates - 2024	40.1%	33.8%	33.9%	34.1%

Source: ESRI

Conclusion

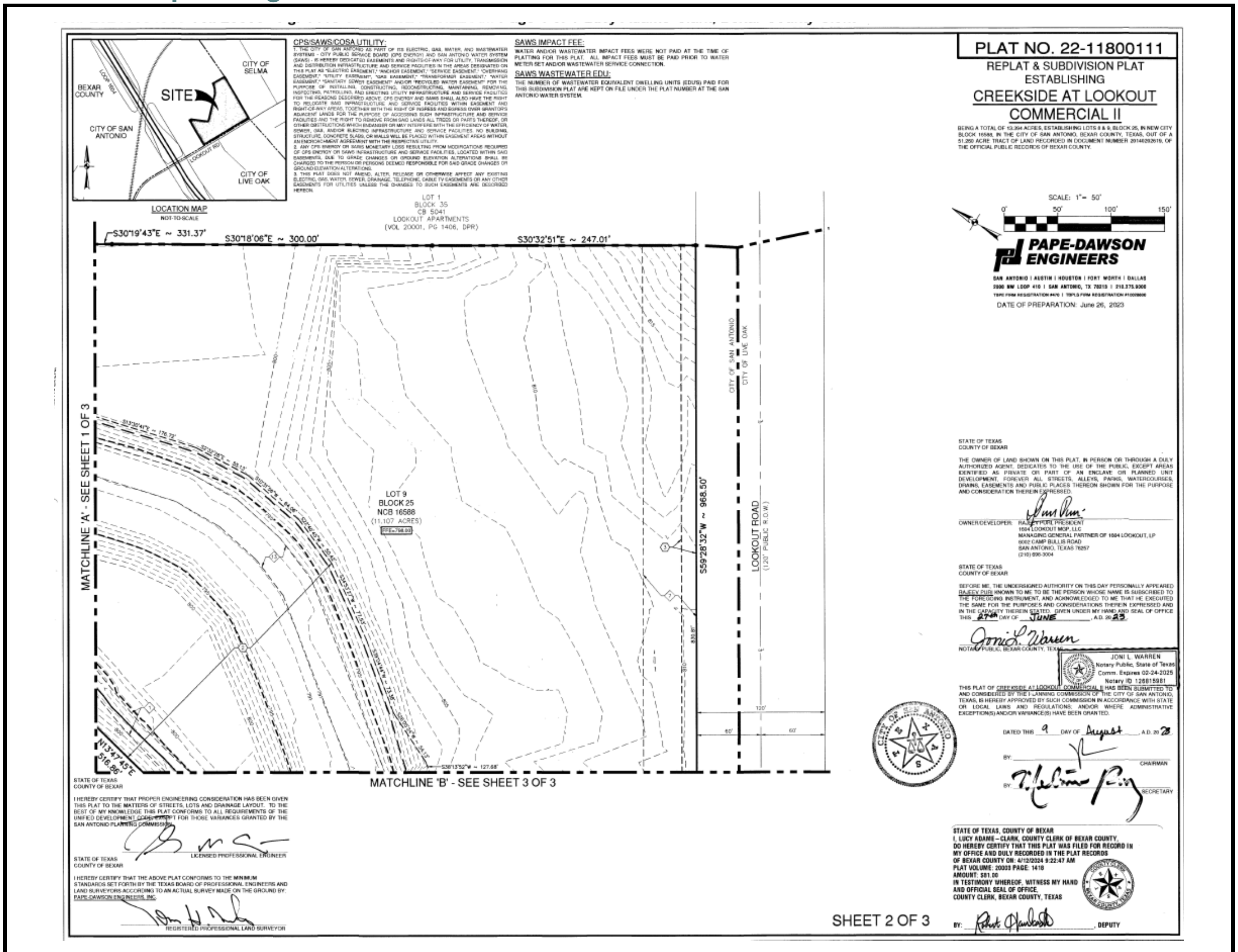
As shown above, the population within the subject neighborhood has shown relatively high levels of growth since 2010 and this is projected to continue over the next five years as the neighborhood becomes increasingly active in terms of development. The neighborhood currently has a middle-income demographic 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



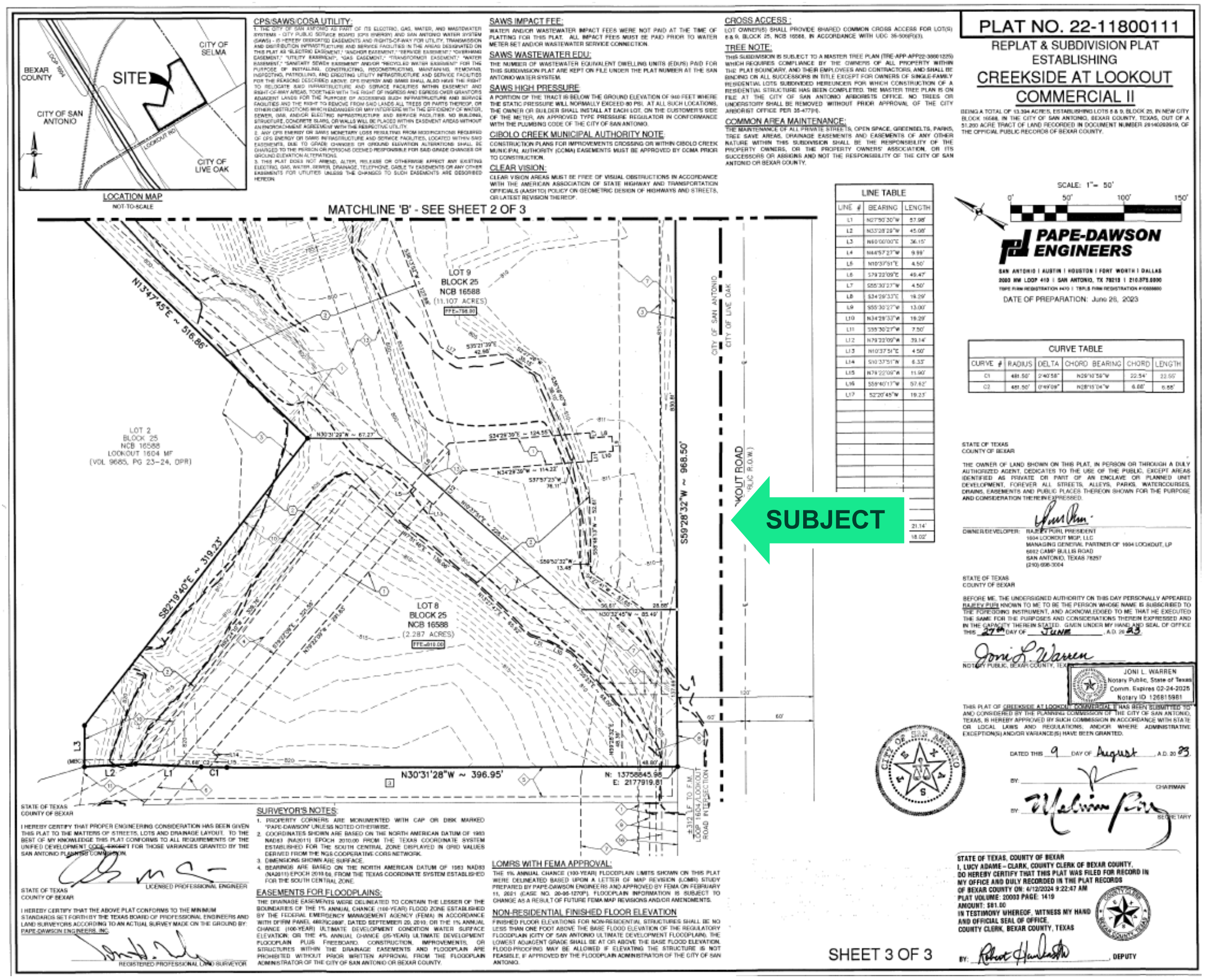
Source: FEMA

Plat Map – Page 1



Source: Pape-Dawson Engineers, June 26, 2023

Plat Map – Page 2



Source: Pape-Dawson Engineers, June 26, 2023

Site Analysis

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

SITE SUMMARY AND ANALYSIS			
Physical Description			
Gross Site Area		11.107 Acres	483,821 Sq. Ft.
Net Site Area		11.107 Acres	483,821 Sq. Ft.
Primary Road Frontage		Lookout Rd	969 Feet
Excess Land Area		None	n/a
Surplus Land Area		None	n/a
Shape		Irregular	
Topography		Moderate Slope	
Parcel Number(s)		1427763	
Zoning District		C-2	
Flood Map Panel No. & Date		48029C0280F	29-Sep-10
Flood Zone		Zone X (Unshaded)	& Zone AE
Adjacent Land Uses		Multifamily Residential, Commercial, 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	SAWS	
Sewer	Yes	SAWS	
Natural Gas	Yes	CPS Energy	
Electricity	Yes	CPS Energy	
Telephone	Yes	AT&T	
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 to the site via two curb cuts along the west side of Lookout Rd.

Lookout Rd, at the subject, is a generally northeast/southwest traversing roadway that is improved with two lanes of traffic in each plus a center turn lane. Street improvements include asphalt paving and open ditch drainage.

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 are no 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.

Flood Plain

According to flood hazard maps published by the Federal Emergency Management Agency (FEMA), portions of the subject site are within the Zone AE flood zone, as indicated on Community Map Panel No. 48029C0280F. However, we are not experts in determining flood zone elevations and we were not provided with a flood zone certificate for the subject. It is an extraordinary assumption of this report that the subject improvements will be situated out of the flood zone area. The reader is encouraged to consult with a professional engineer to determine the subject's actual flood zone status. FEMA defines the flood zone(s) as follows:

> Zones AE and A1-A30 are the flood insurance rate zones used for the 1-percent-annual-chance floodplains that are determined for the Flood Insurance Study (FIS) by detailed methods of analysis. In most instances, Base Flood Elevations (BFEs) derived from the detailed hydraulic analyses are shown at selected intervals in this zone. Mandatory flood insurance purchase requirements apply. AE zones are areas of inundation by the 1-percent-annual-chance flood, including areas with the 2-percent wave runup, elevation less than 3.0 feet above the ground, and areas with wave heights less than 3.0 feet. These areas are subdivided into elevation zones with Base Flood Elevations (BFEs) assigned. The AE zone will generally extend inland to the limit of the 1-percent-annual-chance Stillwater Flood Level (SWEL).

Zones C and X (unshaded) are flood insurance rate zones used for areas outside the 0.2-percent-annual-chance floodplain. No Base Flood Elevations (BFEs) or depths are shown in this zone, and insurance purchase is not required.

Adjacent Properties

The adjacent land uses are summarized as follows:

North:	Multifamily/Single-family subdivision
South:	Vacant Land / Freestanding Commercial / Multifamily
East:	Multifamily
West:	Multifamily / C-Store

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. It is noted that western portions of the site are situated in the Zone AE flood plain; however, this is not deemed to impact the highest and best use of the site. 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: Investwell Architects LLC, dated 11/11/2024

Concept Picture

Source: Developer

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	4	
Number of Stories	4	(1 4-story, 3 3/4 split-story)
Gross Building Area	210,734 SF	
Net Rentable Area	192,592 SF	
Number of Units	232	
Average Unit Size	830 SF	
Development Density	20.9 Units/Acre	
Subject Characteristics	Barbeque Area, Clubhouse, Conference Room, Cyber Café, Dog Park / Run, Fitness Center, Game Room, Pool, Carports, Gated / Controlled Access, On-Site Management, Surface Parking, Granite Countertops, Plank Flooring, Stainless Steel Appliances and Washer / Dryer	
Parking Improvements	Open and Covered	
Parking Spaces:	344	
Parking Ratio (spaces/unit)	1.48	
Year Built	2027	
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	A1	42	18.1%	650	27,300
1BR/1BA - 80% AMI	A1 80%	36	15.5%	650	23,400
1BR/1BA - 60% AMI	A1 60%	9	3.9%	650	5,850
1BR/1BA	A2	27	11.6%	757	20,439
1BR/1BA - 80% AMI	A2 80%	23	9.9%	757	17,411
1BR/1BA - 60% AMI	A2 60%	6	2.6%	757	4,542
2BR/2BA	B1	32	13.8%	1,012	32,384
2BR/2BA - 80% AMI	B1 80%	28	12.1%	1,012	28,336
2BR/2BA - 60% AMI	B1 60%	7	3.0%	1,012	7,084
2BR/2BA	B2	3	1.3%	1,073	3,219
2BR/2BA - 80% AMI	B2 80%	4	1.7%	1,073	4,292
2BR/2BA - 60% AMI	B2 60%	1	0.4%	1,073	1,073
2BR/2BA	B3	6	2.6%	1,233	7,398
2BR/2BA - 80% AMI	B3 80%	7	3.0%	1,233	8,631
2BR/2BA - 60% AMI	B3 60%	1	0.4%	1,233	1,233
Total/Average:		232	100.0%	830	192,592

Source: Various sources compiled by CBRE

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.
- The subject will include one 4-story building that will also house the clubhouse and subject amenities. The remaining 3 buildings will be 3/4 split-story buildings.

Year Built

The subject will be constructed/completed in 2025-26/2027.

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 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 will exhibit the following community amenities:

- Game Lounge with Pool Table
- Club House
- Private Conference Room
- 24 Hour Fitness Room
- Clubhouse
- Gourmet Coffee Bar
- Resort Style Pool
- Grilling Stations
- Green Space
- Dog Parks and Wash Station
- Covered Parking Available
- Package Lockers
- Valet Trash Service
- Limited Access Gates

Unit Amenities

Kitchens

Each unit will feature a full stainless appliance package including an electric range/oven, frost-free refrigerator, garbage disposal, dishwasher, and built-in microwave oven. Countertops will feature granite or quartz counters with undermount kitchen sinks and islands. Kitchens will further exhibit heavy vinyl wood plank floors and wood cabinets with pulls.

Bathrooms

The bathrooms within each unit will feature combination showers and tubs with tile surrounds. Additionally, each bathroom will feature a built-in undermount sink and a wall-mounted, framed vanity mirror.

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, smart thermostats, 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	294	n/a
Carport	50	$50
Total	344	

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

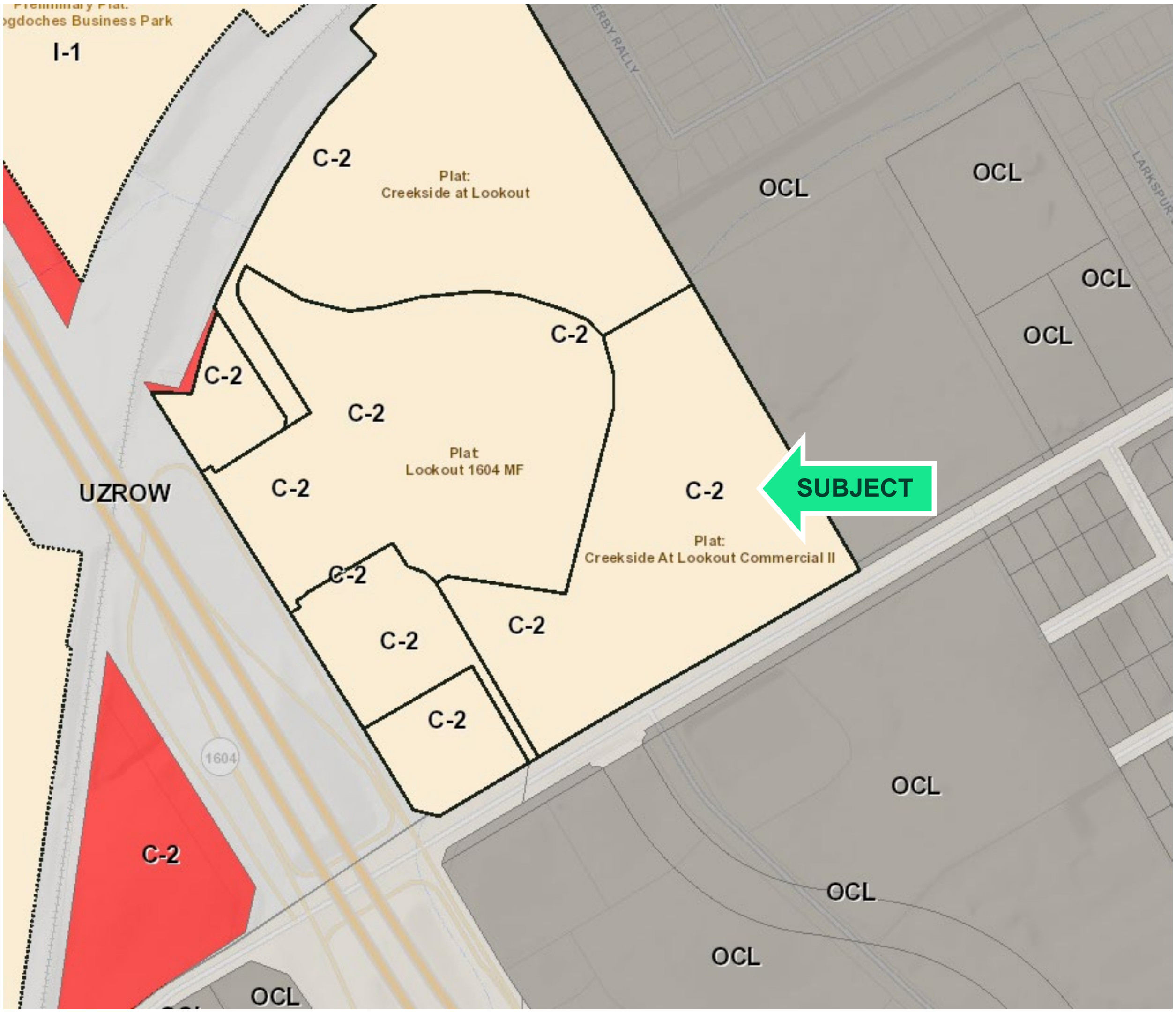
The following chart summarizes the subject's zoning requirements.

ZONING SUMMARY	
Current Zoning	C-2
	AHOD
Legally Conforming	Yes
Uses Permitted	C-2 districts accommodate community commercial uses, with unlimited building size, and building height limitation of 25 feet. Examples of permitted uses: liquor store, miniature golf and other indoor gaming facilities, small indoor movie theater, pet cemetery, auto & light truck oil, lube & tune-up, auto glass tinting, tire repair (sale and installation only), gas station, appliance sales & repair, charitable food & clothing banks and dry cleaning. No outdoor storage or display of goods shall be permitted except for outdoor dining. Multifamiliy development at 33 units or less per acre are also permitted.
	AHOD; Airport Hazard Overlay District
Zoning Change	Not likely
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



Source: City of San Antonio Planning & Zoning Department

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.

The subject has recently been re-platted and a tax assessment for 2024 was not available.

AD VALOREM TAX INFORMATION

Parcel	Assessor's Parcel No.	2024	Pro Forma As Proposed Restricted, without Abatement	Pro Forma As Proposed Restricted, with Abatement	Pro Forma
1	1427763	n/a			
	Subtotal	n/a	$29,483,884	$29,483,884	$29,483,884
	% of Assessed Value	100%	100%	0%	100%
	Final Assessed Value	n/a	$29,483,884	$0	$29,483,884
	General Tax Rate (per $100 A.V.)	2.139444	2.139444	2.139444	2.139444
	Total Taxes	**n/a**	**$630,791**	**$0**	**$630,791**
	Taxes per Unit	---	$2,719	$0	$2,719

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.

We have estimated the subject's pro forma taxes based on the sum of the subject direct costs and land costs, multiplied by 80%.

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	8130 Shin Oak	6730 N Loop 1604 E	7311 N Loop 1604 E	15453 Lookout Road	7319 North Loop 1604 East	Subject
Year Built	2019	2023	2021	2021	2017	2027
No. Units	240	424	293	303	320	232
Tax Year	2024	2024	2024	2024	2024	Pro Forma
Assessor's Market Value	$41,500,000	$66,500,000	$34,708,780	$52,500,000	$50,000,000	$29,483,884
AV Per Unit	$172,917	$156,840	$118,460	$173,267	$156,250	$127,086
AV Per SF (NRA)	$194.79	$175.37	$143.47	$203.42	$182.52	$153.09
Source: Assessor's Office						

Our pro forma assessment is well supported by the range of the comparables on both a $/unit and $/SF basis.

Conclusion

Based on the foregoing, the total taxes for the subject have been estimated as $630,791 for the base year of our analysis, based upon an assessed value of $29,483,884 or $127,086 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	178,547	4,990	166,691	93.4%	$834	2.38%	5,324
2015	184,593	6,046	172,558	93.5%	$871	3.63%	5,861
2016	190,178	5,761	177,113	93.1%	$911	2.64%	4,549
2017	196,287	6,500	181,291	92.4%	$930	0.75%	4,192
2018	201,643	5,356	187,911	93.2%	$972	2.38%	6,618
2019	207,059	5,928	194,056	93.7%	$1,013	2.55%	6,133
2020	213,064	6,035	199,257	93.5%	$1,011	-0.77%	5,205
2021	217,790	4,760	210,146	96.5%	$1,177	14.61%	10,892
2022	220,631	3,093	205,253	93.0%	$1,270	5.62%	-4,889
Q1 2023	*221,311*	*1,088*	*204,668*	*92.5%*	*$1,266*	*-0.66%*	*-583*
Q2 2023	*222,975*	*1,664*	*205,694*	*92.3%*	*$1,276*	*0.65%*	*1,008*
Q3 2023	*224,613*	*1,638*	*206,352*	*91.9%*	*$1,272*	*-0.62%*	*656*
Q4 2023	*226,323*	*1,710*	*206,656*	*91.3%*	*$1,246*	*-2.17%*	*306*
2023	226,323	6,100	206,656	91.3%	$1,246	-2.82%	1,388
Q1 2024	*228,297*	*2,142*	*208,161*	*91.2%*	*$1,228*	*-1.49%*	*1,509*
Q2 2024	***231,326***	***3,115***	***211,039***	***91.2%***	***$1,229***	***-0.10%***	***2,886***
Q3 2024	*234,935*	*3,609*	*214,660*	*91.4%*	*$1,221*	*-0.68%*	*3,619*
Q4 2024	*238,612*	*3,677*	*219,475*	*92.0%*	*$1,191*	*-2.91%*	*4,812*
2024	238,612	12,543	219,475	92.0%	$1,191	-5.04%	12,825
2025*	244,859	6,247	227,474	92.9%	$1,211	1.70%	7,951
2026*	248,792	3,933	232,123	93.3%	$1,244	2.70%	4,649
2027*	252,787	3,995	236,103	93.4%	$1,281	3.00%	3,981
2028*	256,686	3,899	239,488	93.3%	$1,322	3.20%	3,385
2029*	260,432	3,745	242,202	93.0%	$1,366	3.30%	2,713

* Future Projected Data according to Axiometrics

Source: Axiometrics, 4th Quarter 2024

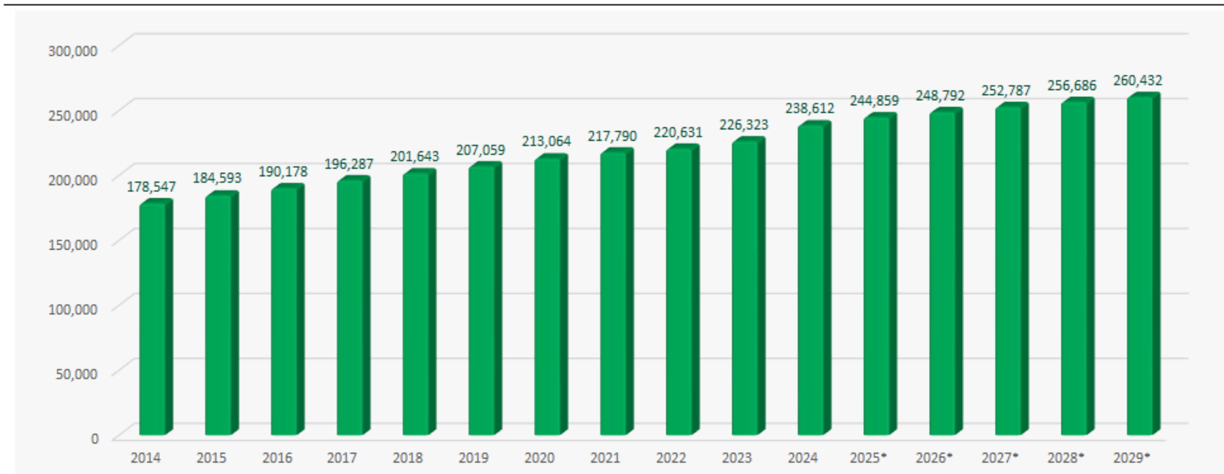
The San Antonio-New Braunfels, TX apartment market consists of approximately 238,612 units of apartment space. The following observations are noted from the table above:

- As of 4th Quarter 2024, there were approximately 219,475 units of occupied apartment space, resulting in an occupancy rate of 92.0% for the metro area. This reflects an increase from the previous quarter's occupancy of 91.4%, and an increase from an occupancy rate of 91.3% from last year.
- The area experienced positive 4,812 units of net absorption for the current quarter. This indicates an improvement from the previous quarter's positive 3,619 units of net absorption, and an improvement from the positive 1,388 units of net absorption from last year.

- The area had completions of positive 3,677 units for the current quarter, which indicates an increase from the previous quarter's completions of positive 3,609 units, and indicates a decline from completions of positive 6,100 units from last year.
- The area achieved average effective rent of $1,191 per unit, which indicates a decrease from the previous quarter's effective rent of $1,221 per unit, and a decrease from the effective rent of $1,246 per unit from last year.

Historical Inventory – Market

INVENTORY: SAN ANTONIO-NEW BRAUNFELS, TX APARTMENT MARKET



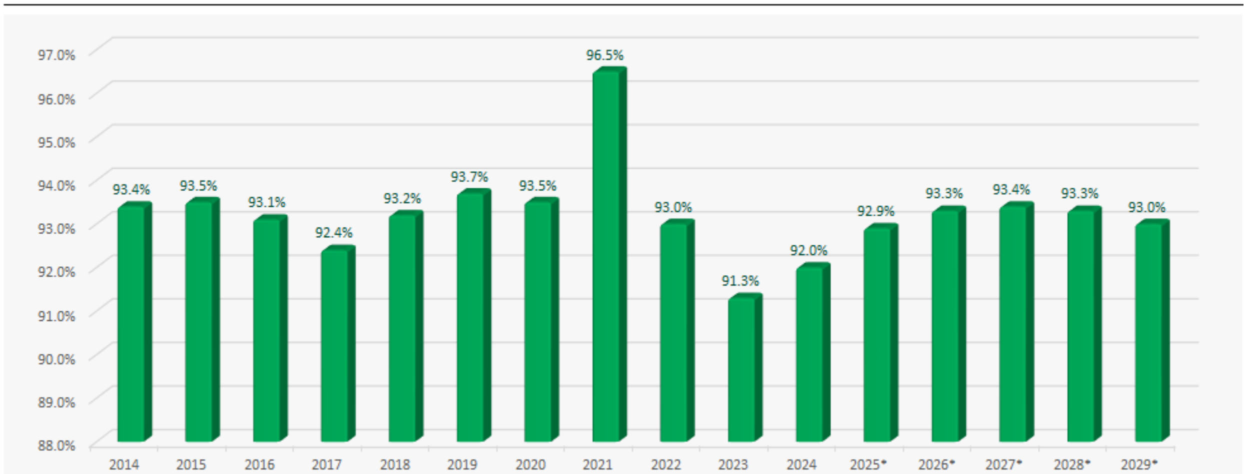
* Future Projected Data according to Axiometrics

Source: Axiometrics, 4th Quarter 2024

Inventory is projected to be 238,612 units at the end of the current year, which represents an increase from the previous year's inventory of 226,323 units. Inventory for next year is projected to be 244,859 units, reflecting an increase from the current year.

Historical Occupancy - Market

OCCUPANCY: SAN ANTONIO-NEW BRAUNFELS, TX APARTMENT MARKET

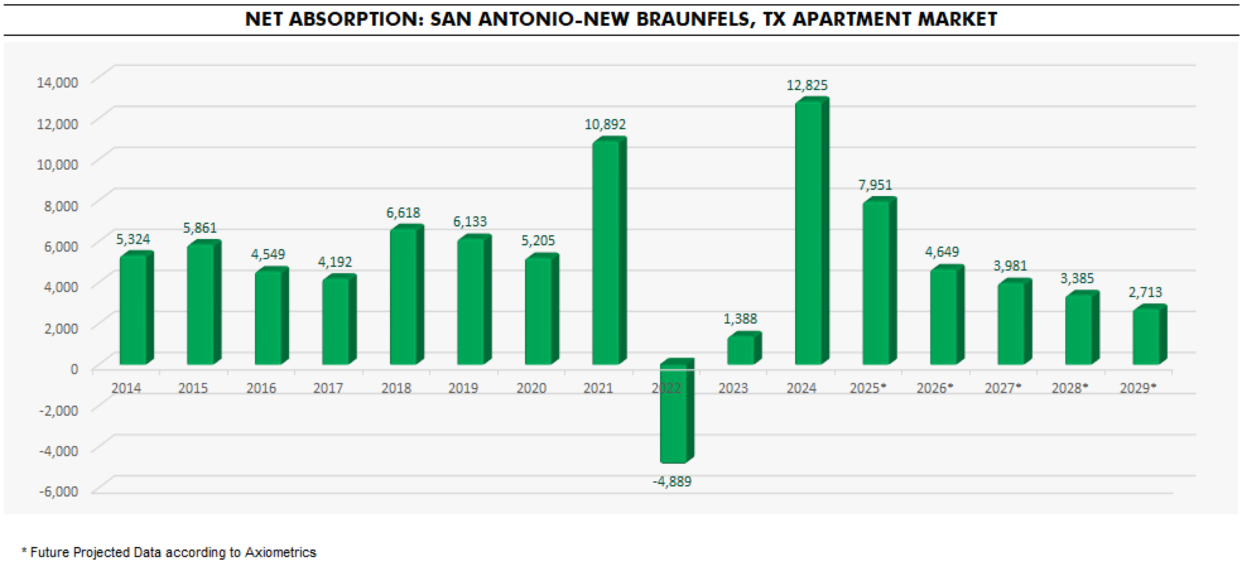


* Future Projected Data according to Axiometrics

Source: Axiometrics, 4th Quarter 2024

At the end of the current year, the occupancy rate is projected to be 92.0%, which reflects an increase from the 91.3% occupancy rate at the end of last year. Occupancy for next year is projected to be 92.9%, reflecting an increase from the current year.

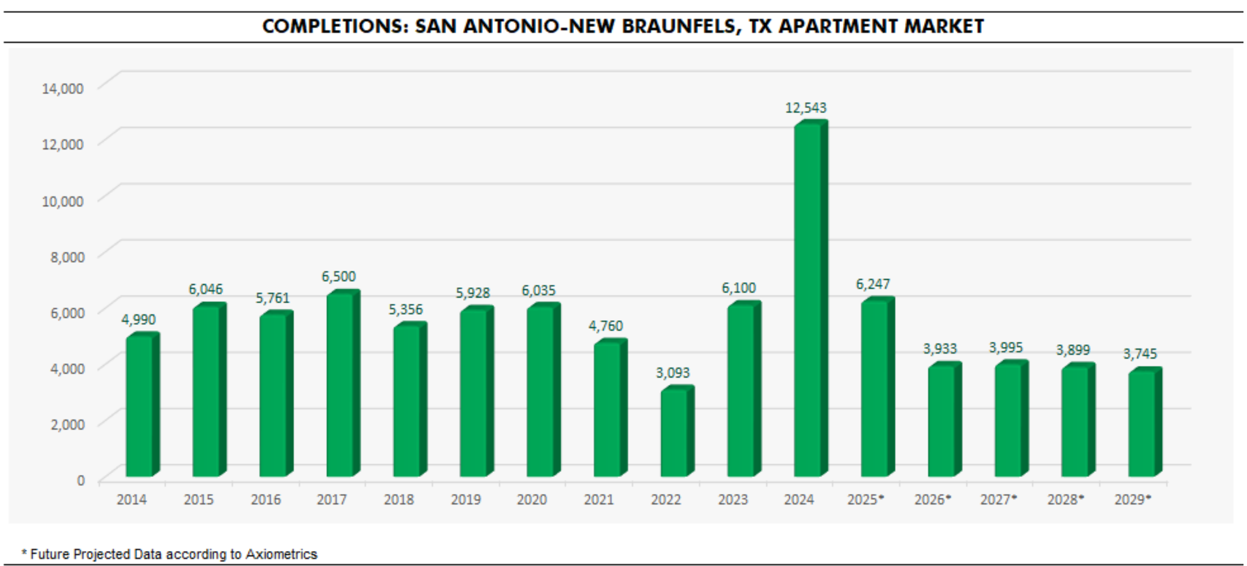
Historical Net Absorption - Market



Source: Axiometrics, 4th Quarter 2024

At the end of the current year, the area is projected to experience positive 12,825 units of net absorption, which indicates an improvement from the positive 1,388 units of net absorption for the previous year. The area is projected to experience positive 7,951 units of net absorption as of the end of next year, which indicates a decline from the current year.

Historical Completions - Market



Source: Axiometrics, 4th Quarter 2024

The area is projected to achieve completions of positive 12,543 units for the current year, which indicates an improvement from the previous year's completions of positive 6,100 units. The area is projected to experience completions of positive 6,247 units as of the end of next year, which indicates a decline from the current year.

Historical Effective Rent - Market

EFFECTIVE RENT: SAN ANTONIO-NEW BRAUNFELS, TX APARTMENT MARKET

* Future Projected Data according to Axiometrics

Source: Axiometrics, 4th Quarter 2024

The area is projected to achieve average effective rent of $1,191 per unit at the end of the current year, which indicates a decrease from the previous year's effective rent of $1,246 per unit. The area is projected to achieve effective rent of $1,211 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 4th Quarter 2024.

SUBMARKET SNAPSHOT				
Submarket	Inventory (Units)	Completions* (Units)	Effective Rent ($/Unit / Mo.)	Occupancy
Airport Area	12,334	351	$1,118	91.2%
Alamo Heights	6,575	64	$1,379	94.1%
Central San Antonio	18,250	1,153	$1,494	92.4%
Far North Central San Antonio	15,684	721	$1,413	92.9%
Far Northwest San Antonio	26,432	2,461	$1,346	91.9%
Far West San Antonio	19,413	1,244	$1,178	92.7%
Medical Center	29,223	197	$1,074	91.5%
New Braunfels/Schertz/Universal City	**22,624**	**3,439**	**$1,224**	**92.6%**
North Central San Antonio	10,364	760	$1,231	93.0%
Northeast San Antonio	17,757	367	$1,092	91.0%
Northwest San Antonio	17,674	85	$1,033	91.3%
South San Antonio	16,475	519	$1,095	92.7%
Southwest San Antonio	13,568	858	$1,047	90.0%
West San Antonio	12,239	324	$966	91.7%

*Completions include trailing 4 quarters

Source: Axiometrics, 4th Quarter 2024

New Braunfels/Schertz/Universal City Submarket

Important characteristics of the New Braunfels/Schertz/Universal City apartment market are summarized below:

NEW BRAUNFELS/SCHERTZ/UNIVERSAL CITY APARTMENT SUBMARKET							
Year Ending	Inventory (Units)	Completions (Units)	Occupied Stock (Units)	Occupancy	Effective Rent ($/Unit / Mo.)	Effective Rent Change	Net Absorption (Units)
2014	12,589	36	12,010	95.4%	$905	3.63%	144
2015	12,797	208	12,105	94.6%	$938	3.74%	95
2016	13,749	952	13,016	94.7%	$968	2.10%	912
2017	14,516	767	13,510	93.1%	$995	1.94%	493
2018	14,982	466	14,049	93.8%	$1,006	0.80%	540
2019	15,661	679	14,735	94.1%	$1,059	2.89%	687
2020	16,335	674	15,453	94.6%	$1,086	2.27%	717
2021	17,479	1,144	17,065	97.6%	$1,249	14.58%	1,611
2022	18,133	654	16,972	93.6%	$1,347	7.17%	-92
Q1 2023	18,304	171	17,001	92.9%	$1,333	-1.01%	28
Q2 2023	18,532	228	17,170	92.7%	$1,349	0.68%	169
Q3 2023	18,774	242	17,512	93.3%	$1,355	-0.13%	343
Q4 2023	19,185	411	17,746	92.5%	$1,322	-2.29%	235
2023	19,185	1,052	17,746	92.5%	$1,322	-2.83%	775
Q1 2024	19,645	460	18,158	92.4%	$1,289	-2.47%	411
Q2 2024	20,443	798	18,940	92.7%	$1,300	0.62%	782
Q3 2024	21,393	950	19,767	92.4%	$1,281	-1.36%	827
Q4 2024	**22,624**	**1,231**	**20,957**	**92.6%**	**$1,224**	**-4.38%**	**1,190**
2024	22,624	3,439	20,957	92.6%	$1,224	-7.19%	3,210
2025*	23,909	1,285	22,379	93.6%	$1,250	2.10%	1,436
2026*	24,539	630	23,116	94.2%	$1,295	3.60%	726
2027*	25,446	907	23,996	94.3%	$1,343	3.70%	865
2028*	26,331	885	24,804	94.2%	$1,388	3.40%	805
2029*	27,077	746	25,425	93.9%	$1,435	3.40%	619

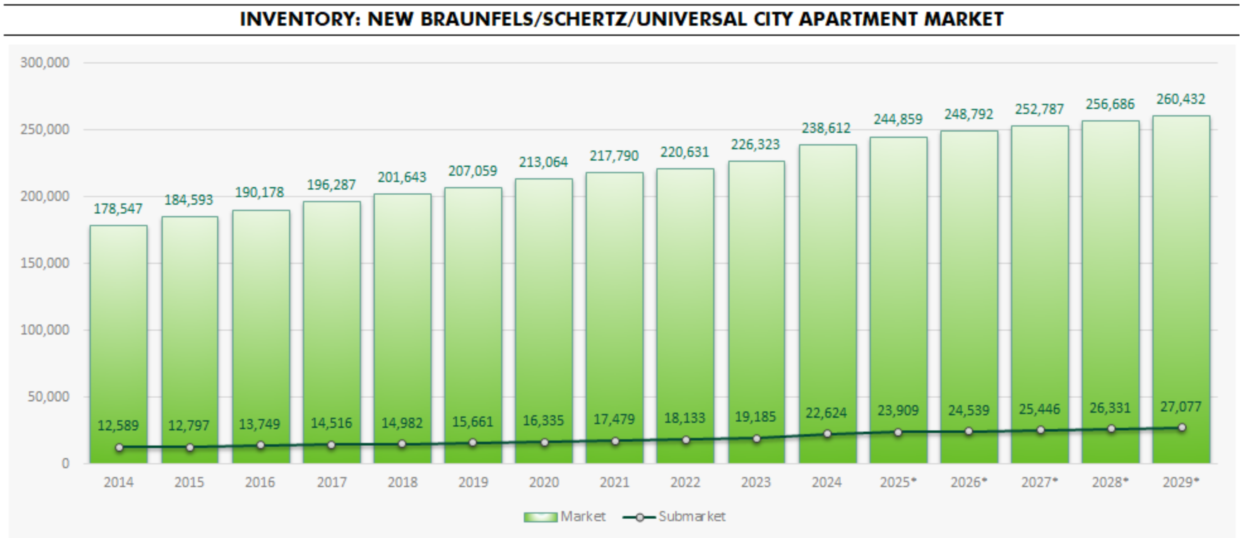
*Future Projected Data according to Axiometrics

Source: Axiometrics, 4th Quarter 2024

The New Braunfels/Schertz/Universal City apartment submarket consists of approximately 22,624 units of apartment space. The current submarket inventory represents approximately 9.5% of the overall market inventory. The following observations were noted from the table above:

- As of 4th Quarter 2024, there were approximately 20,957 units of occupied apartment space, resulting in an occupancy rate of 92.6% for the submarket. This reflects a small increase from the previous quarter’s occupancy of 92.4%, and a small increase from an occupancy rate of 92.5% from last year. The submarket occupancy is above the 92.0% market occupancy.
- The submarket experienced positive 1,190 units of net absorption for the current quarter. This indicates an improvement from the previous quarter’s positive 827 units of net absorption, and an improvement from the positive 775 units of net absorption from a year ago. Overall, the submarket has experienced positive 3,210 units of net absorption for the current year-to-date period. The submarket’s current net absorption of positive 1,190 units is below the overall market net absorption of positive 4,812 units.
- The submarket had completions of positive 1,231 units for the current quarter, which indicates an increase from the previous quarter’s completions of positive 950 units, and an increase from the completions of positive 411 units from last year.
- The submarket achieved average effective rent of $1,224 per unit, which indicates a decrease from the previous quarter’s effective rent of $1,281 per unit, and a decrease from the effective rent of $1,322 per unit from last year. The submarket’s current effective rent of $1,224 per unit compares favorably with the overall market asking rent of $1,191 per unit.

Historical Inventory - Submarket

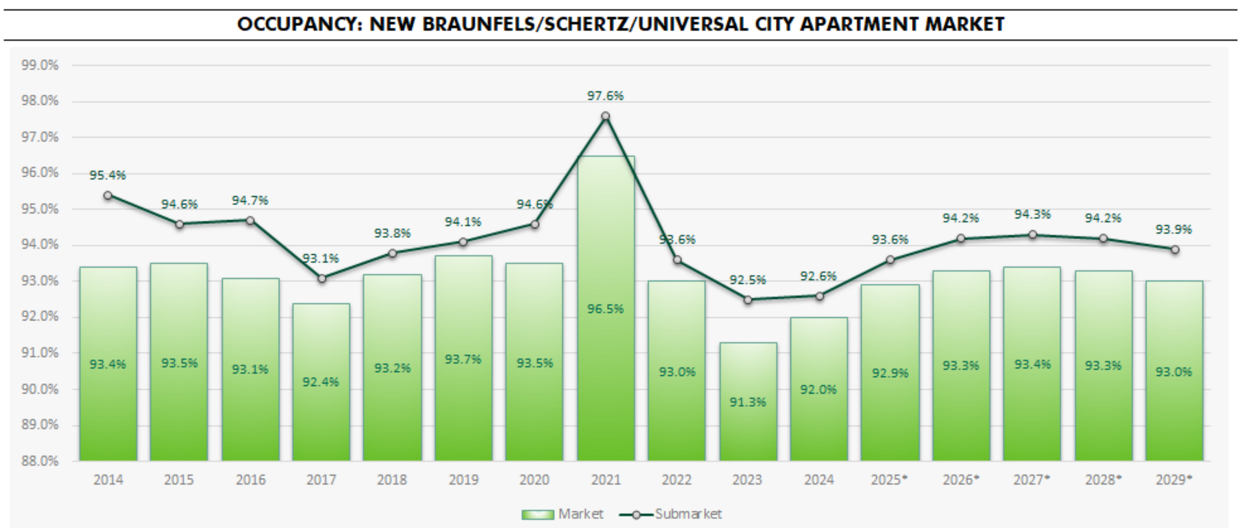


* Future Projected Data according to Axiometrics

Source: Axiometrics, 4th Quarter 2024

Submarket Inventory is projected to be 22,624 units at the end of the current year, which represents a small increase from the previous year's submarket inventory of 19,185 units. Inventory for next year is projected to be 23,909 units, reflecting a small increase from the current year.

Historical Occupancy - Submarket



* Future Projected Data according to Axiometrics

Source: Axiometrics, 4th Quarter 2024

Submarket occupancy is projected to be 92.6% at the end of the current year, which represents a small increase from the previous year's submarket occupancy of 92.5%. Submarket occupancy for next year is projected to be 93.6%, reflecting an increase from the current year.

Historical Net Absorption - Submarket

NET ABSORPTION: NEW BRAUNFELS/SCHERTZ/UNIVERSAL CITY APARTMENT MARKET

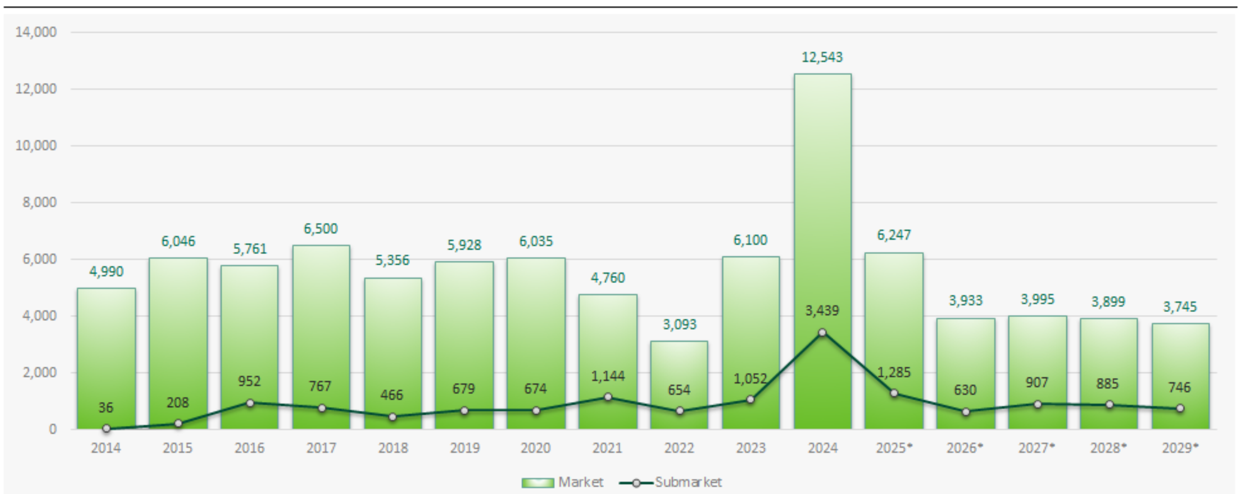
* Future Projected Data according to Axiometrics

Source: Axiometrics, 4th Quarter 2024

Net absorption in the submarket is projected to be positive 3,210 units at the end of the current year, reflecting an improvement from the previous year's net absorption of positive 775 units. Net absorption for next year is projected to be positive 1,436 units, indicating a decline from the current year.

Historical Completions - Submarket

COMPLETIONS: NEW BRAUNFELS/SCHERTZ/UNIVERSAL CITY APARTMENT MARKET



* Future Projected Data according to Axiometrics

Source: Axiometrics, 4th Quarter 2024

The submarket is projected to achieve completions of positive 3,439 units at the end of the current year, which indicates an improvement from the previous year's completions of positive 1,052 units. The submarket is projecting completions of positive 1,285 units for next year, which indicates a decline from the current year.

Historical Effective Rent - Submarket

EFFECTIVE RENT: NEW BRAUNFELS/SCHERTZ/UNIVERSAL CITY APARTMENT MARKET

* Future Projected Data according to Axiometrics

Source: Axiometrics, 4th Quarter 2024

The submarket is projected to achieve average effective of $1,224 per unit at the end of the current year, which represents a decrease from the previous year's effective rent of $1,322 per unit. The submarket is projected to achieve average effective rent of $1,250 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				
Population	1 Mile Radius	3 Mile Radius	5 Mile Radius	San Antonio-New Braunfels, TX Metropolitan Statistical Area
2029 Total Population	8,652	92,863	218,034	2,931,790
2024 Total Population	8,700	91,645	216,727	2,733,998
2010 Total Population	5,928	72,839	189,034	2,142,508
2000 Total Population	3,436	50,540	148,449	1,711,703
Annual Growth 2024 - 2029	*-0.11%*	*0.26%*	*0.12%*	*1.41%*
Annual Growth 2010 - 2024	*2.78%*	*1.65%*	*0.98%*	*1.76%*
Annual Growth 2000 - 2010	*5.61%*	*3.72%*	*2.45%*	*2.27%*
Households				
2029 Total Households	3,906	35,944	82,220	1,080,836
2024 Total Households	3,863	35,034	80,670	996,691
2010 Total Households	2,636	27,559	68,793	763,022
2000 Total Households	1,403	18,655	53,006	601,265
Annual Growth 2024 - 2029	*0.22%*	*0.51%*	*0.38%*	*1.63%*
Annual Growth 2010 - 2024	*2.77%*	*1.73%*	*1.14%*	*1.93%*
Annual Growth 2000 - 2010	*6.51%*	*3.98%*	*2.64%*	*2.41%*
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				
Households by Income Distribution (2024)	1 Mile Radius	3 Mile Radius	5 Mile Radius	San Antonio-New Braunfels, TX Metropolitan Statistical Area
<$15,000	2.77%	4.90%	5.34%	8.47%
$15,000 - $24,999	6.14%	6.20%	6.20%	6.41%
$25,000 - $34,999	6.86%	5.71%	5.68%	6.70%
$35,000 - $49,999	7.40%	9.98%	9.95%	10.29%
$50,000 - $74,999	22.65%	22.11%	20.41%	17.67%
$75,000 - $99,999	17.06%	17.36%	16.90%	14.26%
$100,000 - $149,999	19.05%	19.78%	19.87%	16.82%
$150,000 - $199,999	15.82%	8.95%	9.18%	9.74%
$200,000+	2.28%	5.00%	6.48%	9.62%
Source: ESRI				

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

HOUSEHOLD INCOME LEVELS				
Income	1 Mile Radius	3 Mile Radius	5 Mile Radius	San Antonio-New Braunfels, TX Metropolitan Statistical Area
2024 Median Household Income	$79,741	$76,136	$77,673	$75,580
2024 Average Household Income	$93,573	$93,025	$97,187	$102,854
2024 Per Capita Income	$39,169	$35,521	$36,233	$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	0.19%	0.16%	0.23%	0.38%
Construction	6.12%	6.91%	7.08%	8.81%
Manufacturing	3.38%	3.83%	4.92%	6.27%
Wholesale Trade	1.58%	2.29%	2.27%	2.08%
Retail Trade	18.55%	16.03%	14.23%	11.82%
Transportation/Warehousing	9.16%	5.99%	6.48%	4.93%
Information	1.63%	1.63%	1.55%	1.55%
Finance/Insurance	3.81%	6.00%	6.19%	7.49%
Prof/Scientific/Tech Services	6.63%	6.68%	6.96%	7.81%
Mgmt of Companies/Enterprises	0.00%	0.08%	0.09%	0.16%
Admin/Support/Waste Mgmt Srvcs	4.24%	5.63%	5.60%	4.97%
Educational Services	7.72%	9.21%	9.10%	9.36%
Health Care/Social Assistance	16.97%	14.97%	13.78%	13.75%
Arts/Entertainment/Recreation	1.58%	1.53%	1.53%	1.92%
Accommodation/Food Services	6.01%	7.34%	7.59%	8.45%
Other Services (excl Publ Adm)	4.96%	4.68%	4.94%	4.70%
Public Administration	7.47%	7.03%	7.44%	5.55%
Source: ESRI				

The previous table illustrates the employment character of the submarket, with the majority of the population holding manufacturing, professional, retail trade, and construction 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	92.0%
New Braunfels/Schertz/Universal City Submarket	92.6%
Rent Comparables (Weighted Avg.)*	91.8%
Subject's Stabilized Occupancy	**93.0%**
Compiled by CBRE	

*Excludes properties in initial lease-up

Our estimate is prior to 0.5% 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:	4
Condition:	Excellent	Gross Building Area:	210,734 SF
Exterior Wall:	Cementitious Plank & Panels	Net Rentable Area:	192,592 SF
Number of Units:	232	Average Unit Size:	830 SF
Number of Stories:	4	Average Floor Area:	12,042 SF

MVS Sec/Page/Class		11/30	12/16
Quality/Class		Excellent/D	Excellent/D
Building Component		Clubhouse	Multiple Residences
Component Sq. Ft.		3,500 SF	207,234 SF
Base Square Foot Cost		$264.00	$193.00
Square Foot Refinements			
Heating and cooling		Included	Included
Sprinklers		$0.00	$2.75
Appliances ($2,500 each)		$0.71	$2.80
Garages/Carports		$0.00	$0.59
Subtotal		$270.14	$199.14
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	0.930
Subtotal		$270.14	$185.20
Cost Multipliers			
Current Cost Multiplier		0.97	0.99
Local Multiplier		0.84	0.84
Final Square Foot Cost		$220.11	$154.01
Base Component Cost		$770,391	$31,916,933
Base Building Cost	*(via Marshall Valuation Service cost data)*		$32,687,324
Additions			
Signage, Landscaping & Misc. Site Improvements (not included above)			$1,500,000
Surface Parking/Walks (not included above)			$500,000
Direct Building Cost			$34,687,324
Indirect Costs	20.0% of Direct Building Cost		$6,937,465
Direct and Indirect Building Cost			$41,624,789
Rounded			$41,625,000

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	2025		2025
Cost Data Based Upon…	Budget	Budget	Budget		Budget
Number of Units:	308	280	281	290	232
Size (SF):	292,095	274,596	322,304	296,332	210,734
Cost Component					
Direct Cost	$48,196,729	$45,672,478	$43,652,232	$45,840,480	$32,854,855
Indirect Cost	$13,838,552	$10,455,127	$7,056,590	$10,450,090	$8,458,155
Lease-up Cost	$350,000	$350,000	$0	$233,333	$1,267,944
Total Direct, Indirect & Lease-up	$62,385,281	$56,477,605	$50,708,822	$56,523,903	$42,580,954
Cost Per Unit	$202,550	$201,706	$180,458	$194,905	$183,539
Cost Per SF	$213.58	$205.68	$157.33	$192.20	$202.06

Compiled by CBRE

Direct and Indirect cost conclusion

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

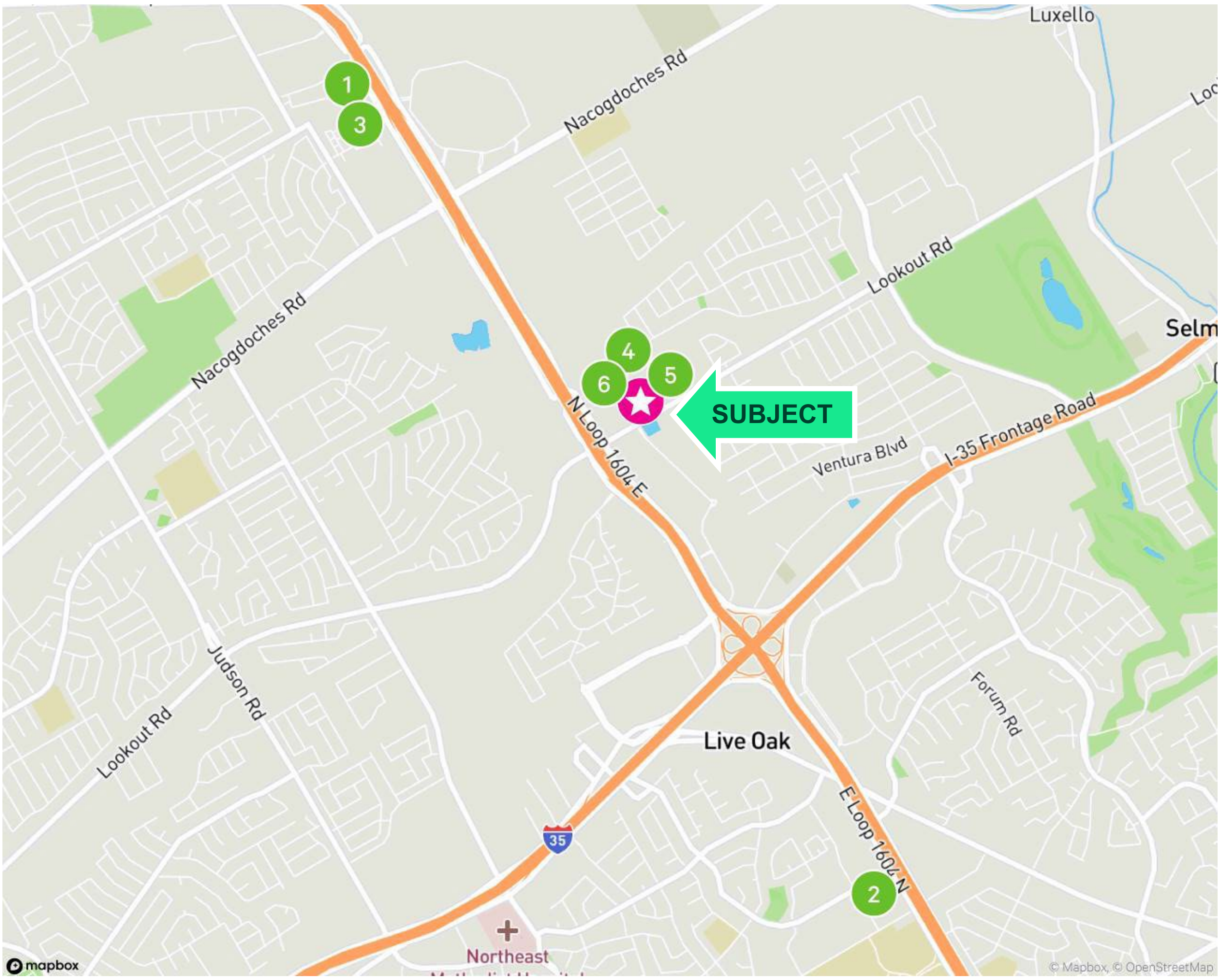
DIRECT AND INDIRECT COST CONCLUSION			
Source	Subject Estimate	Per Unit	Per SF
MVS Cost Guide	$41,625,000	$179,418	$197.52
Cost Comparables (Avg.)	n/a	$194,905	$192.20
Subject's Budget Cost Est.	$42,581,000	$183,539	$202.06
CBRE Estimate	**$42,581,000**	**$183,539**	**$202.06**

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	Alta Rolling Oaks	6710 N Loop 1604 East San Antonio, TX 78247	2024	Multi-unit Garden	54%	366	$1,500
2	Aspire at Live Oak	8130 Shin Oak Live Oak, TX 78233	2019	Multi-unit Garden	90%	240	$1,562
3	Avasa at 1604	6730 N Loop 1604 E San Antonio, TX 78247	2023	Multi-unit Garden	92%	424	$1,549
4	Brio at Lookout	7311 N Loop 1604 E San Antonio, TX 78233	2021	Multi-unit Garden	92%	293	$1,344
5	Citadel at Lookout	15453 Lookout Road Selma, TX 78154	2021	Multi-unit Garden	93%	303	$1,439
6	Loretto at Creekside	7319 North Loop 1604 East San Antonio, TX 78233	2017	Multi-unit Garden	91%	320	$1,385
Subj.	Creekside at Lookout	W/S Lookout Rd, N of N Loop 1604 E Schertz, TX 78154	2027	Multifamily	0%	232	---
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 Northeast San Antonio, Live Oak, Selma, and Schertz. These comparables were chosen based upon their similarities in condition, appeal, location, and unit size/type offering.

Location Characteristics

The following supplemental data was collected.

MULTIFAMILY RENT LOCATION ADJUSTMENT ANALYSIS							
Comparable Number	Subject	1	2	3	4	5	6
Address	W/S Lookout Rd, N of N Loop 1604 E	6710 N Loop 1604 East	8130 Shin Oak	6730 N Loop 1604 E	7311 N Loop 1604 E	15453 Lookout Road	7319 North Loop 1604 East
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
2024 Households	35,034	22,548	36,712	23,458	27,641	28,667	28,885
2024 Average Household Income	$93,025	$94,331	$92,978	$94,322	$94,399	$94,453	$94,887
AHI Relative to Subject	---	1.4%	-0.1%	1.4%	1.5%	1.5%	2.0%
2024 Median Value of Owner Occupied Housing Units	$263,151	$257,828	$256,450	$256,698	$263,832	$263,782	$262,608
2024 % Renter Occupied Housing Units	36.1%	34.3%	35.9%	34.0%	35.4%	35.9%	34.8%
2024 % College/Graduate Degree Age 25+	33.8%	34.3%	32.5%	34.1%	34.1%	34.2%	33.9%
2024 Median Age	36.8	36.2	36.7	36.2	37.0	37.0	37.1
Compiled by CBRE							

Discussion/Analysis of Rent Comparables

Rent Comparable One

Alta Rolling Oaks is located along Loop 1604 northwest of Nacogdoches Rd in San Antonio, Texas. The comparable represents a 366-unit, three-story, garden-style complex that was constructed in 2024. It is considered to be a Class A property in this market and was in excellent condition at the date of survey. Units include granite countertops, stainless appliances, and faux wood flooring. The project includes typical Class A community amenities. Quoted rents are indicative of average rents including premiums, but prior to lease-up concessions. Concessions of 3 weeks free were quoted as of the date of survey. Tenants pay all utilities. Carports are available for $50 per month.

Rent Comparable Two

Aspire at Live Oak is located along Shin Oak in Live Oak, Texas, within the northeast San Antonio MSA. The comparable represents a 240-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/carpet flooring. The project includes typical Class A community amenities. Rents are set by rent optimizing software and are inclusive of all premiums. Concessions of one month free 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 Three

Avasa at 1604 is located along Loop 1604 in northeast San Antonio, Texas. The comparable represents a 424-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. Rents are set by rent optimizing software and are inclusive of all premiums. Concessions of 8 weeks free were quoted on the date of survey. Tenants pay all utilities. Detached garages are available for $175 per month and breezeway garages are available for $200 per month.

Rent Comparable Four

Brio at Lookout is located along Loop 1604 in far northeast San Antonio, Texas. The comparable represents a 293-unit, three-story, garden-style complex that was constructed in 2021. 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, black 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 premiums. Concessions of one month free were quoted on the date of survey. Tenants pay all utilities. Detached garages are available for $150 per month and carports are available for $40 per month. It is noted that 30 units are leased at 60% AMI rent restrictions and 117 are leased at 80% AMI rent restrictions, with the remaining at market rates.

Rent Comparable Five

Citadel at Lookout is located along Lookout Road, north of Loop 1604 and west of Interstate 35 in Selma, Texas. The comparable represents a 303-unit, three-story, garden-style complex that was constructed in 2021. 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. Rents are set by rent optimizing software and are inclusive of all premiums. Concessions of $1,000 off first month's rent were quoted as of the date of survey. Tenants pay all utilities. Detached garages are available for $125 per month.

Rent Comparable Six

Loretto at Creekside is located along Loop 1604 in northeast San Antonio, Texas. The comparable represents a 320-unit, three-story, garden-style complex that was constructed in 2017. 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, black 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 premiums. Concessions of one month free were quoted as of the date of survey. Tenants pay all utilities. Carports are available for $60 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	42	650	0%	n/a	$1,248	$1.92
1BR/1BA - 80% AMI	36	650	0%	$1,416	$1,248	$1.92
1BR/1BA - 60% AMI	9	650	0%	$1,062	$1,062	$1.63
1BR/1BA	27	757	0%	n/a	$1,423	$1.88
1BR/1BA - 80% AMI	23	757	0%	$1,416	$1,416	$1.87
1BR/1BA - 60% AMI	6	757	0%	$1,062	$1,062	$1.40
2BR/2BA	32	1,012	0%	n/a	$1,771	$1.75
2BR/2BA - 80% AMI	28	1,012	0%	$1,594	$1,593	$1.57
2BR/2BA - 60% AMI	7	1,012	0%	$1,195	$1,195	$1.18
2BR/2BA	3	1,073	0%	n/a	$1,824	$1.70
2BR/2BA - 80% AMI	4	1,073	0%	$1,594	$1,593	$1.48
2BR/2BA - 60% AMI	1	1,073	0%	$1,195	$1,195	$1.11
2BR/2BA	6	1,233	0%	n/a	$2,034	$1.65
2BR/2BA - 80% AMI	7	1,233	0%	$1,594	$1,593	$1.29
2BR/2BA - 60% AMI	1	1,233	0%	$1,195	$1,195	$0.97
Total/Average:	232	830	0%	-----	$1,429	$1.72

Compiled by CBRE

The 60% AMI rents are quoted at the maximum allowable level for all units. The 80% AMI rents are quoted at the maximum allowable level for all but the smallest 1BR units.

Program and Location Information	
Affordable Housing Program	Other Federal, State, or Local Program (non-LIHTC)
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

HUD Published Income Limits for 2024 (with no adjustments)

Display Income Limits   Hide Income Limits

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				
			Rental Rates	
Comparable	**Plan Type**	**Size (SF)**	**$/Mo.**	**$/SF**
Subject (Avg. Quoted)	***1BR/1BA - 60% AMI***	***650 SF***	***$1,062***	***$1.63***
Subject (Avg. Quoted)	***1BR/1BA - 60% AMI***	***757 SF***	***$1,062***	***$1.40***
Subject (Concluded)	***1BR/1BA - 60% AMI***	***650 SF***	***$1,062***	***$1.63***
Subject (Concluded)	***1BR/1BA - 60% AMI***	***757 SF***	***$1,062***	***$1.40***
Avasa at 1604	1BR/1BA	710 SF	$1,080	$1.52
Brio at Lookout	1BR/1BA	634 SF	$1,153	$1.82
Avasa at 1604	1BR/1BA	618 SF	$1,184	$1.92
Loretto at Creekside	1BR/1BA	650 SF	$1,185	$1.82
Citadel at Lookout	1BR/1BA	578 SF	$1,194	$2.07
Subject (Concluded)	***1BR/1BA - 80% AMI***	***650 SF***	***$1,248***	***$1.92***
Subject (Avg. Quoted)	***1BR/1BA - 80% AMI***	***650 SF***	***$1,248***	***$1.92***
Subject (Avg. Quoted)	***1BR/1BA***	***650 SF***	***$1,248***	***$1.92***
Citadel at Lookout	1BR/1BA	677 SF	$1,248	$1.84
Subject (Concluded)	***1BR/1BA***	***650 SF***	***$1,248***	***$1.92***
Alta Rolling Oaks	1BR/1BA	783 SF	$1,279	$1.63
Loretto at Creekside	1BR/1BA	750 SF	$1,289	$1.72
Avasa at 1604	1BR/1BA	698 SF	$1,299	$1.86
Brio at Lookout	1BR/1BA	748 SF	$1,313	$1.76
Aspire at Live Oak	1BR/1BA	674 SF	$1,349	$2.00
Brio at Lookout	1BR/1BA	871 SF	$1,367	$1.57
Avasa at 1604	1BR/1BA	764 SF	$1,389	$1.82
Citadel at Lookout	1BR/1BA	770 SF	$1,394	$1.81
Avasa at 1604	1BR/1BA	812 SF	$1,401	$1.73
Alta Rolling Oaks	1BR/1BA	723 SF	$1,406	$1.94
Subject (Avg. Quoted)	***1BR/1BA - 80% AMI***	***757 SF***	***$1,416***	***$1.87***
Subject (Concluded)	***1BR/1BA - 80% AMI***	***757 SF***	***$1,416***	***$1.87***
Avasa at 1604	1BR/1BA	713 SF	$1,422	$1.99
Subject (Avg. Quoted)	***1BR/1BA***	***757 SF***	***$1,423***	***$1.88***
Subject (Concluded)	***1BR/1BA***	***757 SF***	***$1,423***	***$1.88***
Loretto at Creekside	1BR/1BA TH w/ att. garage	659 SF	$1,428	$2.17
Alta Rolling Oaks	1BR/1BA	860 SF	$1,432	$1.67
Avasa at 1604	1BR/1BA	848 SF	$1,449	$1.71
Citadel at Lookout	1BR/1BA	788 SF	$1,452	$1.84
Avasa at 1604	1BR/1BA	829 SF	$1,459	$1.76
Aspire at Live Oak	1BR/1BA	754 SF	$1,482	$1.97
Aspire at Live Oak	1BR/1BA	828 SF	$1,540	$1.86
Brio at Lookout	1BR/1BA	867 SF	$1,607	$1.85
Avasa at 1604	1BR/1BA + Yard	765 SF	$1,664	$2.18
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 rents provide a significant advantage to the achievable market rents. The 80% AMI rents also provide an advantage to market rents with the exception of the smallest one-bedroom unit.

Two-Bedroom Units

SUMMARY OF COMPARABLE RENTALS
TWO BEDROOM UNITS

			Rental Rates	
Comparable	**Plan Type**	**Size (SF)**	**$/Mo.**	**$/SF**
Subject (Avg. Quoted)	***2BR/2BA - 60% AMI***	***1,233 SF***	***$1,195***	***$0.97***
Subject (Avg. Quoted)	***2BR/2BA - 60% AMI***	***1,012 SF***	***$1,195***	***$1.18***
Subject (Avg. Quoted)	***2BR/2BA - 60% AMI***	***1,073 SF***	***$1,195***	***$1.11***
Subject (Concluded)	***2BR/2BA - 60% AMI***	***1,012 SF***	***$1,195***	***$1.18***
Subject (Concluded)	***2BR/2BA - 60% AMI***	***1,073 SF***	***$1,195***	***$1.11***
Subject (Concluded)	***2BR/2BA - 60% AMI***	***1,233 SF***	***$1,195***	***$0.97***
Brio at Lookout	2BR/2BA	960 SF	$1,351	$1.41
Avasa at 1604	2BR/2BA	995 SF	$1,398	$1.41
Citadel at Lookout	2BR/2BA	987 SF	$1,411	$1.43
Citadel at Lookout	2BR/2BA	949 SF	$1,442	$1.52
Loretto at Creekside	2BR/2BA	960 SF	$1,443	$1.50
Brio at Lookout	2BR/2BA	1,125 SF	$1,509	$1.34
Citadel at Lookout	2BR/2BA	977 SF	$1,515	$1.55
Loretto at Creekside	2BR/2BA	1,049 SF	$1,515	$1.44
Loretto at Creekside	2BR/2BA	1,075 SF	$1,528	$1.42
Avasa at 1604	2BR/2BA	983 SF	$1,584	$1.61
Subject (Avg. Quoted)	***2BR/2BA - 80% AMI***	***1,073 SF***	***$1,593***	***$1.48***
Subject (Concluded)	***2BR/2BA - 80% AMI***	***1,012 SF***	***$1,593***	***$1.57***
Subject (Avg. Quoted)	***2BR/2BA - 80% AMI***	***1,012 SF***	***$1,593***	***$1.57***
Subject (Concluded)	***2BR/2BA - 80% AMI***	***1,073 SF***	***$1,593***	***$1.48***
Subject (Avg. Quoted)	***2BR/2BA - 80% AMI***	***1,233 SF***	***$1,593***	***$1.29***
Subject (Concluded)	***2BR/2BA - 80% AMI***	***1,233 SF***	***$1,593***	***$1.29***
Brio at Lookout	2BR/2BA	1,064 SF	$1,625	$1.53
Citadel at Lookout	2BR/2BA	1,102 SF	$1,654	$1.50
Alta Rolling Oaks	2BR/2BA	1,172 SF	$1,657	$1.41
Citadel at Lookout	2BR/2BA	1,087 SF	$1,667	$1.53
Aspire at Live Oak	2BR/2BA	990 SF	$1,671	$1.69
Aspire at Live Oak	2BR/2BA	1,073 SF	$1,676	$1.56
Citadel at Lookout	2BR/2BA	1,124 SF	$1,689	$1.50
Avasa at 1604	2BR/2BA	1,053 SF	$1,695	$1.61
Citadel at Lookout	2BR/2BA	1,109 SF	$1,716	$1.55
Avasa at 1604	2BR/2BA	1,210 SF	$1,765	$1.46
Subject (Concluded)	***2BR/2BA***	***1,012 SF***	***$1,771***	***$1.75***
Subject (Avg. Quoted)	***2BR/2BA***	***1,012 SF***	***$1,771***	***$1.75***
Aspire at Live Oak	2BR/2BA	1,144 SF	$1,781	$1.56
Subject (Avg. Quoted)	***2BR/2BA***	***1,073 SF***	***$1,824***	***$1.70***
Subject (Concluded)	***2BR/2BA***	***1,073 SF***	***$1,824***	***$1.70***
Avasa at 1604	2BR/2BA	1,031 SF	$1,832	$1.78
Brio at Lookout	2BR/2BA	1,378 SF	$1,849	$1.34
Alta Rolling Oaks	2BR/2BA	1,112 SF	$1,866	$1.68
Avasa at 1604	2BR/2BA + Yard	1,157 SF	$1,965	$1.70
Subject (Concluded)	***2BR/2BA***	***1,233 SF***	***$2,034***	***$1.65***
Subject (Avg. Quoted)	***2BR/2BA***	***1,233 SF***	***$2,034***	***$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 $/Unit	Monthly Rent $/SF	Monthly Rent PRI	Annual Rent $/Unit	Annual Rent $/SF	Annual Total
42	1BR/1BA	650	27,300	$1,248	$1.92	$52,416	$14,976	$23.04	$628,992
36	1BR/1BA - 80% AMI	650	23,400	$1,248	$1.92	$44,928	$14,976	$23.04	$539,136
9	1BR/1BA - 60% AMI	650	5,850	$1,062	$1.63	$9,558	$12,744	$19.61	$114,696
27	1BR/1BA	757	20,439	$1,423	$1.88	$38,421	$17,076	$22.56	$461,052
23	1BR/1BA - 80% AMI	757	17,411	$1,416	$1.87	$32,568	$16,992	$22.45	$390,816
6	1BR/1BA - 60% AMI	757	4,542	$1,062	$1.40	$6,372	$12,744	$16.83	$76,464
32	2BR/2BA	1,012	32,384	$1,771	$1.75	$56,672	$21,252	$21.00	$680,064
28	2BR/2BA - 80% AMI	1,012	28,336	$1,593	$1.57	$44,613	$19,120	$18.89	$535,360
7	2BR/2BA - 60% AMI	1,012	7,084	$1,195	$1.18	$8,365	$14,340	$14.17	$100,380
3	2BR/2BA	1,073	3,219	$1,824	$1.70	$5,472	$21,888	$20.40	$65,664
4	2BR/2BA - 80% AMI	1,073	4,292	$1,593	$1.48	$6,373	$19,120	$17.82	$76,480
1	2BR/2BA - 60% AMI	1,073	1,073	$1,195	$1.11	$1,195	$14,340	$13.36	$14,340
6	2BR/2BA	1,233	7,398	$2,034	$1.65	$12,204	$24,408	$19.80	$146,448
7	2BR/2BA - 80% AMI	1,233	8,631	$1,593	$1.29	$11,153	$19,120	$15.51	$133,840
1	2BR/2BA - 60% AMI	1,233	1,233	$1,195	$0.97	$1,195	$14,340	$11.63	$14,340
232		830	192,592	$1,429	$1.72	$331,506	$17,147	$20.66	$3,978,072

Compiled by CBRE

RENT CONCLUSIONS - AT MARKET RATE

No. Units	Unit Type	Unit Size	Total SF	Monthly Rent $/Unit	Monthly Rent $/SF	Monthly Rent PRI	Annual Rent $/Unit	Annual Rent $/SF	Annual Total
42	1BR/1BA	650	27,300	$1,248	$1.92	$52,416	$14,976	$23.04	$628,992
36	1BR/1BA - 80% AMI	650	23,400	$1,248	$1.92	$44,928	$14,976	$23.04	$539,136
9	1BR/1BA - 60% AMI	650	5,850	$1,248	$1.92	$11,232	$14,976	$23.04	$134,784
27	1BR/1BA	757	20,439	$1,423	$1.88	$38,421	$17,076	$22.56	$461,052
23	1BR/1BA - 80% AMI	757	17,411	$1,423	$1.88	$32,729	$17,076	$22.56	$392,748
6	1BR/1BA - 60% AMI	757	4,542	$1,423	$1.88	$8,538	$17,076	$22.56	$102,456
32	2BR/2BA	1,012	32,384	$1,771	$1.75	$56,672	$21,252	$21.00	$680,064
28	2BR/2BA - 80% AMI	1,012	28,336	$1,771	$1.75	$49,588	$21,252	$21.00	$595,056
7	2BR/2BA - 60% AMI	1,012	7,084	$1,771	$1.75	$12,397	$21,252	$21.00	$148,764
3	2BR/2BA	1,073	3,219	$1,824	$1.70	$5,472	$21,888	$20.40	$65,664
4	2BR/2BA - 80% AMI	1,073	4,292	$1,824	$1.70	$7,296	$21,888	$20.40	$87,552
1	2BR/2BA - 60% AMI	1,073	1,073	$1,824	$1.70	$1,824	$21,888	$20.40	$21,888
6	2BR/2BA	1,233	7,398	$2,034	$1.65	$12,204	$24,408	$19.80	$146,448
7	2BR/2BA - 80% AMI	1,233	8,631	$2,034	$1.65	$14,238	$24,408	$19.80	$170,856
1	2BR/2BA - 60% AMI	1,233	1,233	$2,034	$1.65	$2,034	$24,408	$19.80	$24,408
232		830	192,592	$1,509	$1.82	$349,989	$18,103	$21.81	$4,199,868

Compiled by CBRE

Potential Rental Income Conclusion

POTENTIAL RENTAL INCOME

Year	Total	$/Unit/Yr
Developer's Budget (Untrended)	$3,978,072	$17,147
Expense Comparable 1	---	$19,776
Expense Comparable 2	---	$17,788
Expense Comparable 3	---	$22,428
Expense Comparable 4	---	$15,356
CBRE Estimate - As Proposed Restricted, without Abatement	**$3,978,072**	**$17,147**
CBRE Estimate - As Proposed Restricted, with Abatement	**$3,978,072**	**$17,147**
CBRE Estimate - As Market Rate, Without Abatement	**$4,199,868**	**$18,103**

Compiled by CBRE

Operating Budget

The following table presents available budget data for the subject.

OPERATING BUDGET				
Year-Occupancy	Developer's Budget (Untrended)	92.6%	Pro Forma	92.5%
	Total	$/Unit	Total	$/Unit
INCOME				
Potential Rental Income	$3,978,072	$17,147	$3,978,072	$17,147
Loss to Lease	-	-	-	-
Concessions	-	-	(59,671)	(257)
Adjusted Rental Income	**$3,978,072**	**$17,147**	**$3,918,401**	**$16,890**
Vacancy	(278,465)	(1,200)	(274,288)	(1,182)
Credit Loss	(16,716)	(72)	(19,592)	(84)
Net Rental Income	**$3,682,891**	**$15,875**	**$3,624,521**	**$15,623**
Other Income	238,800	1,029	232,000	1,000
Parking Income	-	-	32,400	140
RUBS/Utility Income	-	-	208,800	900
Effective Gross Income	**$3,921,691**	**$16,904**	**$4,097,721**	**$17,663**
EXPENSE				
Real Estate Taxes	$0	$0	$630,791	$2,719
Property Insurance	92,800	400	92,800	400
Utilities	30,160	130	232,000	1,000
Administrative & General	75,400	325	75,400	325
Repairs & Maintenance	121,800	525	121,800	525
Management Fee	117,651	507	102,443	442
Payroll	307,400	1,325	307,400	1,325
Non-Revenue Units	-	-	-	-
Advertising & Leasing	46,400	200	46,400	200
Gross Sales Receipts Tax	12,981	56	13,563	58
PFC Administration Fee	25,000	108	25,000	108
Annual PFC Payment	126,764	546	116,920	504
Replacement Reserves	28,000	121	46,400	200
Total Operating Expenses	**$984,356**	**$4,243**	**$1,810,918**	**$7,806**
Net Operating Income	**$2,937,335**	**$12,661**	**$2,286,803**	**$9,857**
Management Fee % of EGI)	*3.00%*		*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) as well as stabilized properties (3 to 4 weeks free – see rent comps previously). However, concessions generally not offered year-round are often only given if residents move in within a relatively quick timeframe. Therefore actual concessions are generally well below that of the advertised concession. Therefore, a concession factor of 1.50% 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 (Untrended)	($278,465)	7.0%
Expense Comparable 1	---	5.5%
Expense Comparable 2	---	8.1%
Expense Comparable 3	---	15.5%
Expense Comparable 4	---	9.9%
CBRE Estimate - As Proposed Restricted, without Abatement	**($274,288)**	**7.0%**
CBRE Estimate - As Proposed Restricted, with Abatement	**($274,288)**	**7.0%**
CBRE Estimate - As Market Rate, Without Abatement	**($289,581)**	**7.0%**

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)	($16,716)	0.4%
Expense Comparable 1	---	0.8%
Expense Comparable 2	---	0.5%
Expense Comparable 3	---	3.1%
Expense Comparable 4	---	1.6%
CBRE Estimate - As Proposed Restricted, without Abatement	**($19,592)**	**0.5%**
CBRE Estimate - As Proposed Restricted, with Abatement	**($19,592)**	**0.5%**
CBRE Estimate - As Market Rate, Without Abatement	**($20,684)**	**0.5%**
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)	$0	$0
Expense Comparable 1	---	$260
Expense Comparable 2	---	$350
Expense Comparable 3	---	$0
Expense Comparable 4	---	$197
CBRE Estimate - As Proposed Restricted, without Abatement	**$32,400**	**$140**
CBRE Estimate - As Proposed Restricted, with Abatement	**$32,400**	**$140**
CBRE Estimate - As Market Rate, Without Abatement	**$32,400**	**$140**
Compiled by CBRE		

We have concluded $140 per unit for the subject's parking income, which is below the range of the expense comparables. This is reasonable as the subject will exhibit only a modest number of carports (50 covered spaces). It is noted that the developer has not broken out parking income from other income.

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)	$238,800	$1,029
Expense Comparable 1	---	$570
Expense Comparable 2	---	$817
Expense Comparable 3	---	$1,475
Expense Comparable 4	---	$1,278
Supplemental Comparable 5	---	$1,705
CBRE Estimate - As Proposed Restricted, without Abatement	**$232,000**	**$1,000**
CBRE Estimate - As Proposed Restricted, with Abatement	**$232,000**	**$1,000**
CBRE Estimate - As Market Rate, Without Abatement	**$232,000**	**$1,000**
Compiled by CBRE		

We have concluded $1,000 per unit for the subject's other income, which is within the range of the expense comparables. The conclusion is also supported by the developer's 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	---	$91
Expense Comparable 2	---	$1,087
Expense Comparable 3	---	$662
Expense Comparable 4	---	$970
CBRE Estimate - As Proposed Restricted, without Abatement	**$208,800**	**$900**
CBRE Estimate - As Proposed Restricted, with Abatement	**$208,800**	**$900**
CBRE Estimate - As Market Rate, Without Abatement	**$208,800**	**$900**
Compiled by CBRE		

We have concluded $900 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 including 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)	$3,921,691	$16,904
Expense Comparable 1	---	$16,838
Expense Comparable 2	---	$18,511
Expense Comparable 3	---	$17,862
Expense Comparable 4	---	$15,748
CBRE Estimate - As Proposed Restricted, without Abatement	**$4,097,721**	**$17,663**
CBRE Estimate - As Proposed Restricted, with Abatement	**$4,097,721**	**$17,663**
CBRE Estimate - As Market Rate, Without Abatement	**$4,299,805**	**$18,534**
Compiled by CBRE		

The concluded EGI as restricted is approximately 4% above the developer's budget; however, this is reasonable due to CBRE's inclusion of RUBS income while the developer has underwritten a utility expense net of RUBS.

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	Austin MSA	San Antonio MSA	Schertz, TX
Units	400	304	260	280	232
Year Built	2009	2020	2021	2002	2027
Period	T12 to 8/2024	2023	T12 to 7/24	T12 to 11/24	Pro Forma
Revenues	$/Unit	$/Unit	$/Unit	$/Unit	$/Unit
Potential Rental Income	$19,776	$17,788	$22,428	$15,356	$17,147
Loss to Lease	-	-	(1,821)	(181)	-
Concessions	(2,776)	-	(1,281)	(154)	(257)
Adjusted Rental Income	**$17,000**	**$17,788**	**$19,326**	**$15,021**	**$16,890**
Vacancy	(943)	(1,445)	(2,999)	(1,483)	(1,182)
Credit Loss	(140)	(86)	(603)	(237)	(84)
Net Rental Income	**$15,916**	**$16,257**	**$15,725**	**$13,302**	**$15,623**
Other Income	$570	$817	$1,475	$1,278	$1,000
Parking Income	$260	$350	$0	$197	$140
RUBS/Utility Income	$91	$1,087	$662	$970	$900
Effective Gross Income	**$16,838**	**$18,511**	**$17,862**	**$15,748**	**$17,663**
Expenses					
Real Estate Taxes	$3,319	$3,546	$3,101	$3,199	$2,719
Property Insurance	457	650	264	904	400
Utilities	421	1,244	1,260	1,053	1,000
Administrative & General	198	304	406	358	325
Repairs & Maintenance	929	281	1,138	508	525
Management Fee	420	415	439	391	442
Payroll	1,509	1,581	1,533	1,246	1,325
Non-Revenue Units	46	-	149	20	-
Advertising & Leasing	243	348	925	194	200
Gross Sales Receipts Tax	-	-	-	-	58
PFC Administration Fee	-	-	-	-	108
Annual PFC Payment	-	-	-	-	504
Replacement Reserves	200	200	200	200	200
Total Operating Expenses	**$7,741**	**$8,569**	**$9,417**	**$8,072**	**$7,806**
Operating Expenses Excluding Taxes	4,422	5,023	6,316	4,874	5,087
Operating Expense Ratio	46.0%	46.3%	52.7%	51.3%	44.2%
Management Fee (% of EGI)	*2.49%*	*2.24%*	*2.46%*	*2.48%*	*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 Housing Authority of San Antonio, the subject developer is responsible for an annual administration fee of $25,000 per year.

The developer is also responsible for annual PFC payment equal to the total cost of the development x 80% x the applicable tax rate x 15%. This has been calculated by CBRE as follows:

NET CASH FLOW RENT		
Total Cost of Development*		$45,541,402
Multiplied x 80%		$36,433,122
Multiplied x Tax rate of	2.1394 /$100	$779,466
Multiplied x 15%		**$116,920**
$/Unit		**$504**

Compiled by CBRE

*Includes Direct and Indirect Building Cost, Developer's Land Cost and Proft. Excludes Working Capital Reserve and Initial Operating Deficit Escrow.

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 (Untrended)	$984,356	$4,243
Expense Comparable 1	---	$7,741
Expense Comparable 2	---	$8,569
Expense Comparable 3	---	$9,417
Expense Comparable 4	---	$8,072
CBRE Estimate - As Proposed Restricted, without Abatement	**$1,810,918**	**$7,806**
CBRE Estimate - As Proposed Restricted, with Abatement	**$1,180,126**	**$5,087**
CBRE Estimate - As Market Rate, Without Abatement	**$1,674,050**	**$7,216**

Compiled by CBRE

OPERATING EXPENSES EXCLUDING TAXES		
Year	Total	$/Unit/Yr
Developer's Budget (Untrended)	$984,356	$4,243
Expense Comparable 1	---	$4,422
Expense Comparable 2	---	$5,023
Expense Comparable 3	---	$6,316
Expense Comparable 4	---	$4,874
CBRE Estimate - As Proposed Restricted, without Abatement	**$1,180,126**	**$5,087**
CBRE Estimate - As Proposed Restricted, with Abatement	**$1,180,126**	**$5,087**
CBRE Estimate - As Market Rate, Without Abatement	**$1,043,259**	**$4,497**

Compiled by CBRE

At market and excluding taxes, the conclusions are well supported by the comparable data. As proposed and restricted, the operating expenses are somewhat above the developer budget due primarily to the inclusion of a gross vs. net utility expense.

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 (Untrended)	$2,937,335	$12,661
Expense Comparable 1	---	$9,097
Expense Comparable 2	---	$9,942
Expense Comparable 3	---	$8,445
Expense Comparable 4	---	$7,676
CBRE Estimate - As Proposed Restricted, without Abatement	**$2,286,803**	**$9,857**
CBRE Estimate - As Proposed Restricted, with Abatement	**$2,917,594**	**$12,576**
CBRE Estimate - As Market Rate, Without Abatement	**$2,625,755**	**$11,318**

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

	Subject Operating		Comparables					Subject
Period	Developer's Budget (Untrended)		Comp 1	Comp 2	Comp 3	Comp 4		Conclusion
		Location	San Antonio MSA	MSA	Austin MSA	MSA		
		Units	400	304	260	280		
		Year Built	2009	2020	2021	2002		
		Type	Garden	Garden	Garden	Garden		
		Period	T12 to 8/2024	2023	T12 to 7/24	T12 to 11/24		
Range Names	$/Unit/Yr		$/Unit/Yr	$/Unit/Yr	$/Unit/Yr	$/Unit/Yr		$/Unit/Yr
Potential Rental Income	$17,147		$19,776	$17,788	$22,428	$15,356		$17,147
Loss to Lease	-		-	-	(1,821)	(181)	0.00%	-
Concessions	-		(2,776)	-	(1,281)	(154)	1.50%	(257)
Adjusted Rental Income	**$17,147**		**$17,000**	**$17,788**	**$19,326**	**$15,021**		**$16,890**
Vacancy	(1,200)		(943)	(1,445)	(2,999)	(1,483)	7.00%	(1,182)
Credit Loss	(72)		(140)	(86)	(603)	(237)	0.50%	(84)
Net Rental Income	**$15,875**		**$15,916**	**$16,257**	**$15,725**	**$13,302**		**$15,623**
Other Income	1,029		570	817	1,475	1,278		1,000
Parking Income	-		260	350	-	197		140
RUBS/Utility Income	-		91	1,087	662	970		900
Effective Gross Income	**$16,904**		**$16,838**	**$18,511**	**$17,862**	**$15,748**		**$17,663**
Expenses								
Real Estate Taxes	$0		$3,319	$3,546	$3,101	$3,199		$2,719
Property Insurance	400		457	650	264	904		400
Utilities	130		421	1,244	1,260	1,053		1,000
Administrative & General	325		198	304	406	358		325
Repairs & Maintenance	525		929	281	1,138	508		525
Management Fee	507		420	415	439	391	2.50%	442
Payroll	1,325		1,509	1,581	1,533	1,246		1,325
Non-Revenue Units	-		46	-	149	20		-
Advertising & Leasing	200		243	348	925	194		200
Gross Sales Receipts Tax	56		-	-	-	-		58
PFC Administration Fee	108		-	-	-	-		108
Annual PFC Payment	546		-	-	-	-		504
Replacement Reserves	121		200	200	200	200		200
Total Operating Expenses	**$4,243**		**$7,741**	**$8,569**	**$9,417**	**$8,072**		**$7,806**
Operating Expenses Excluding Taxes	$4,243		$4,422	$5,023	$6,316	$4,874		$5,087
Operating Expense Ratio	25.1%		46.0%	46.3%	52.7%	51.3%		44.2%
Management Fee	*3.0%*		*2.5%*	*2.2%*	*2.5%*	*2.5%*		*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			
Income		$/Unit/Yr	Total
Potential Rental Income		$17,147	$3,978,072
Loss to Lease	0.00%	0	-
Concessions	1.50%	(257)	(59,671)
Adjusted Rental Income		**$16,890**	**$3,918,401**
Vacancy	7.00%	(1,182)	(274,288)
Credit Loss	0.50%	(84)	(19,592)
Net Rental Income		**$15,623**	**$3,624,521**
Other Income		1,000	232,000
Parking Income		140	32,400
RUBS/Utility Income		900	208,800
Effective Gross Income		**$17,663**	**$4,097,721**
Expenses			
Real Estate Taxes		$2,719	$630,791
Property Insurance		400	92,800
Utilities		1,000	232,000
Administrative & General		325	75,400
Repairs & Maintenance		525	121,800
Management Fee	2.50%	442	102,443
Payroll		1,325	307,400
Non-Revenue Units		0	-
Advertising & Leasing		200	46,400
Gross Sales Receipts Tax	0.331%	58	13,563
PFC Administration Fee		108	25,000
Annual PFC Payment		504	116,920
Replacement Reserves		200	46,400
Total Operating Expenses		**$7,806**	**$1,810,918**
Operating Expenses Excluding Taxes		$5,087	$1,180,126
Operating Expense Ratio			44.19%
Net Operating Income		**$9,857**	**$2,286,803**

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)	65%				
Mortgage Constant (monthly payments)	0.07003				
Equity Dividend Rate (EDR)	7.50%				
Mortgage Requirement	65%	x	0.07003	=	0.04552
Equity Requirement	35%	x	0.07500	=	0.02625
	100%				0.07177
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*	$51,097,200
Mortgage Ratio (Loan-to-Value)	65%
Estimated Mortgage Loan Amount	$33,213,180
Mortgage Interest Rate	5.75%
Mortgage Term (Amortization Period)	30 Years
Mortgage Constant (monthly payments)	0.07003
Annual Debt Service (monthly payments)	$2,325,877
Estimated NOI - As Restricted without Abatement	$2,286,803
Estimated Debt Coverage Ratio (DCR)	0.98
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 0.98 – 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		$/Unit/Yr	Total
Potential Rental Income		$17,147	$3,978,072
Loss to Lease	0.00%	0	-
Concessions	1.50%	(257)	(59,671)
Adjusted Rental Income		**$16,890**	**$3,918,401**
Vacancy	7.00%	(1,182)	(274,288)
Credit Loss	0.50%	(84)	(19,592)
Net Rental Income		**$15,623**	**$3,624,521**
Other Income		1,000	232,000
Parking Income		140	32,400
RUBS/Utility Income		900	208,800
Effective Gross Income		**$17,663**	**$4,097,721**
Expenses			
Real Estate Taxes		$0	$0
Property Insurance		400	92,800
Utilities		1,000	232,000
Administrative & General		325	75,400
Repairs & Maintenance		525	121,800
Management Fee	2.50%	442	102,443
Payroll		1,325	307,400
Non-Revenue Units		0	-
Advertising & Leasing		200	46,400
Gross Sales Receipts Tax		58	13,563
PFC Administration Fee		108	25,000
Annual PFC Payment		504	116,920
Replacement Reserves		200	46,400
Total Operating Expenses		**$5,087**	**$1,180,126**
Operating Expense Ratio			28.80%
Net Operating Income		**$12,576**	**$2,917,594**

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)	65%				
Mortgage Constant (monthly payments)	0.07003				
Equity Dividend Rate (EDR)	7.50%				
Mortgage Requirement	65%	x	0.07003	=	0.04552
Equity Requirement	35%	x	0.07500	=	0.02625
	100%				0.07177
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*	$51,097,200
Mortgage Ratio (Loan-to-Value)	65%
Estimated Mortgage Loan Amount	$33,213,180
Mortgage Interest Rate	5.75%
Mortgage Term (Amortization Period)	30 Years
Mortgage Constant (monthly payments)	0.07003
Annual Debt Service (monthly payments)	$2,325,877
Estimated NOI - As Restricted with Abatement	$2,917,594
Estimated Debt Coverage Ratio (DCR)	1.25
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 1.25 – 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			
Income		$/Unit/Yr	Total
Potential Rental Income		$18,103	$4,199,868
Loss to Lease	0.00%	0	-
Concessions	1.50%	(272)	(62,998)
Adjusted Rental Income		**$17,831**	**$4,136,870**
Vacancy	7.00%	(1,248)	(289,581)
Credit Loss	0.50%	(89)	(20,684)
Net Rental Income		**$16,494**	**$3,826,605**
Other Income		1,000	232,000
Parking Income		140	32,400
RUBS/Utility Income		900	208,800
Effective Gross Income		**$18,534**	**$4,299,805**
Expenses			
Real Estate Taxes		$2,719	$630,791
Property Insurance		400	92,800
Utilities		1,000	232,000
Administrative & General		325	75,400
Repairs & Maintenance		525	121,800
Management Fee	2.50%	463	107,495
Payroll		1,325	307,400
Non-Revenue Units		0	-
Advertising & Leasing		200	46,400
Gross Sales Receipts Tax		58	13,563
PFC Administration Fee		0	-
Annual PFC Payment		0	-
Replacement Reserves		200	46,400
Total Operating Expenses		**$7,216**	**$1,674,050**
Operating Expenses Excluding Taxes		$4,497	$1,043,259
Operating Expense Ratio			38.93%
Net Operating Income		**$11,318**	**$2,625,755**

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)	65%				
Mortgage Constant (monthly payments)	0.07003				
Equity Dividend Rate (EDR)	7.50%				
Mortgage Requirement	65%	x	0.07003	=	0.04552
Equity Requirement	35%	x	0.07500	=	0.02625
	100%				0.07177
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*	$51,097,200
Mortgage Ratio (Loan-to-Value)	65%
Estimated Mortgage Loan Amount	$33,213,180
Mortgage Interest Rate	5.75%
Mortgage Term (Amortization Period)	30 Years
Mortgage Constant (monthly payments)	0.07003
Annual Debt Service (monthly payments)	$2,325,877
Estimated NOI - As Market Rate without Abatement	$2,625,755
Estimated Debt Coverage Ratio (DCR)	1.13
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 1.13 – 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 applied to the subject as if stabilized.

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 Housing Authority of San Antonio 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	$630,791
2	$649,715
3	$669,206
4	$689,283
5	$709,961
6	$731,260
7	$753,198
8	$775,794
9	$799,067
10	$823,039
Total	**$7,231,314**
Compiled by CBRE	

Sale Tax Savings

The sales tax savings of $948,684 has been based on an estimated materials cost estimated based on 35% of the developer's budgeted hard costs ($32,854,855 x 0.35) times an 8.25% sales tax rate. This is generally in line with the developer's estimate of +/-$960,000 in sales tax savings.

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.

Closing Fee

The PFC is entitled to a closing fee of $250,000.

Annual PFC Payment and Administrative Fee

Per the Term Sheet, the Lessor shall pay an annual amount equal to 15% (increases to 20% after Year 4) of the Total Cost of Development multiplied by 80% multiplied by the applicable tax rate. The annual PFC payment is subject to 3% annual escalation.

ANNUAL PFC PAYMENT		
Total Cost of Development*		$45,541,402
Multiplied x 80%		$36,433,122
Multiplied x Tax rate of	2.1394 /$100	$779,466
Multiplied x 15%		**$116,920**
$/Unit		**$504**
Compiled by CBRE		

*Includes Direct and Indirect Building Cost, Developer's Land Cost and Proft. Excludes Working Capital Reserve and Initial Operating Deficit Escrow.

Per the Term Sheet, the Lessor is responsible for an annual fee of $25,000 per year with payments increasing by 3.0% per year.

ANNUAL ADMINISTRATIVE FEE

Year	Annual PFC Payment	Administrative Fee
1	$116,920	$25,000
2	$120,428	$25,750
3	$124,040	$26,523
4	$127,762	$27,318
5	$175,459	$28,138
6	$180,723	$28,982
7	$186,145	$29,851
8	$191,729	$30,747
9	$197,481	$31,669
10	$203,405	$32,619
Total	**$1,624,092**	**$286,597**

Compiled by CBRE

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 $2,668,889.

Sales 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).

Based on instruction from the client, we have assumed a Year-5 Initial Sale Event (or 5-year holding period). For the purposes of calculating the Community Benefit, CBRE has capitalized the developer’s Pro Forma Year-6 stabilized NOI in order to model the sale. The 5.25% 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 6 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.

The remaining debt is based on the developer's projection, and all equity is assumed outstanding as of the Year-5 sale date. Closing costs have been estimated at 1.50%. It is CBREs 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.

NET SALE PROCEEDS TO PFC (ASSUMED YEAR-5 SALE)		
2031 projected NOI		$3,285,154
Exit Cap Rate		5.25%
Calculated Gross Sale Price		$62,574,362
Cost of Sale	1.50%	($938,615)
Net Sale Value		$61,635,746
Less: Remaining Debt & Equity		($37,427,649)
Subtotal		$24,208,097
Less: 8% Return to Equity Partner		($6,415,504)
Net Sale Proceeds		$17,792,593
Net Sale Proceeds to PFC at	**15.0%**	**$2,668,889**
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.

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	-	-	$1,415	3.6%	$1,366	3.3%
2028	-	-	$1,366	3.3%	$1,322	3.2%
2027	-	-	$1,322	3.4%	$1,281	3.0%
2026	-	-	$1,279	2.1%	$1,244	2.7%
2025	$1,600	2.9%	$1,253	-1.6%	$1,211	1.7%
2024	$1,555	13.1%	$1,273	-2.7%	$1,191	-4.4%
2023	$1,375	9.3%	$1,308	1.6%	$1,246	-1.9%
2022	$1,258	4.4%	$1,287	11.9%	$1,270	7.9%
2021	$1,205	6.3%	$1,150	3.0%	$1,177	16.4%
2020	$1,133	0.3%	$1,116	-1.1%	$1,011	-0.2%
2019	$1,130	-	$1,128	-	$1,013	-
Average		**6.0%**		**2.4%**		**3.2%**
Compiled by CBRE						

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

10-YEAR REDUCED RENT SAVINGS			
Year	Market Rent	Restricted Rent	Rent Savings
1	$4,199,868	$3,978,072	$221,796
2	$4,325,864	$4,097,414	$228,450
3	$4,455,640	$4,220,337	$235,303
4	$4,589,309	$4,346,947	$242,362
5	$4,726,988	$4,477,355	$249,633
6	$4,868,798	$4,611,676	$257,122
7	$5,014,862	$4,750,026	$264,836
8	$5,165,308	$4,892,527	$272,781
9	$5,320,267	$5,039,303	$280,965
10	$5,479,875	$5,190,482	$289,393
Total			**$2,542,643**
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 $7,359,391 or 90.0%.

COMMUNITY BENEFIT SUMMARY	
COMMUNITY INVESTMENT	
Est. 10-Year Property Tax Offset	$7,231,314
Est. Sale Tax Savings	948,684
15-Year Total Community Investment	**$8,179,998**
COMMUNITY BENEFIT	
Financial Return to PFC	
Closing Fee	$250,000
Annual Asset Management Fee (10 years)	286,597
Sales Tax Savings Sharing at 25%	237,171
Annual PFC Payment (10 years)	1,624,092
15% of Sales Proceeds (Assume Yr. 5 Sale)	2,668,889
Subtotal	$4,816,749
Rental Benefit to Residents	
10-Year Reduced Rents	$2,542,643
15-Year Total Community Benefit	**$7,359,391**
% Return to Community (10 Years)	90.0%
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	Alta Rolling Oaks
Address	6710 N Loop 1604 East San Antonio, TX 78247 United States
Government Tax Agency	Bexar
Govt./Tax ID	1379114

Unit Mix Detail

Rate Timeframe Monthly

Unit Type	No.	%	Size (sf)	Rent	Rent / sf
1BR/1BA	76	21%	723	$1,406	$1.94
1BR/1BA	122	33%	783	$1,279	$1.63
1BR/1BA	30	8%	860	$1,432	$1.67
2BR/2BA	44	12%	1,112	$1,866	$1.68
2BR/2BA	88	24%	1,172	$1,657	$1.41
3BR/3BA	2	1%	1,520	$2,584	$1.70
3BR/3BA	4	1%	1,580	$2,475	$1.57
Totals/Avg	366			$1,500	$1.63

Improvements

Land Area	18.436 ac	Status	Existing
Net Rentable Area (NRA)	337,698 sf	Year Built	2024
Total # of Units	366 Unit	Year Renovated	N/A
Average Unit Size	923 sf	Condition	New
Floor Count	3	Exterior Finish	Masonry

Property Features: On-Site Management, Surface Parking

Project Amenities: Barbeque Area, Business Center, Clubhouse, Conference Room, Courtyard, Fitness Center, Pool

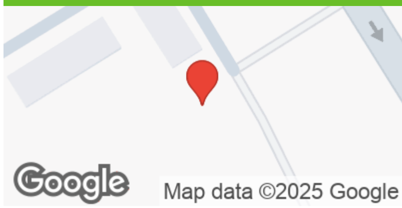
Unit Amenities: Ceiling Fans, Dishwasher, Garbage Disposal, Granite Countertops, Microwave Oven, Plank Flooring, Private Patios / Balconies, Range / Oven, Refrigerator with Icemaker, Stainless Steel Appliances, Tile Backsplash, Washer / Dryer

Rental Survey

Occupancy	54%	Utilities Included in Rent	None
Lease Term	12 Mo(s).	Rent Premiums	None
Tenant Profile	Typical	Concessions	3 weeks free lease-up concession
Survey Date	03/2025	Owner	Wood Partners
Survey Notes	None	Management	Wood Partners

Comparable — Residential - Multi-unit Garden — No. 1

Map & Comments



Alta Rolling Oaks is located along Loop 1604 northwest of Nacogdoches Rd in San Antonio, Texas. The comparable represents a 366-unit, three-story, garden-style complex that was constructed in 2024. It is considered to be a Class A property in this market and was in excellent condition at the date of survey. Units include granite countertops, stainless appliances, and faux wood flooring. The project includes typical Class A community amenities. Quoted rents are indicative of average rents including premiums, but prior to lease-up concessions. Concessions of 3 weeks free were quoted as of the date of survey. Tenants pay all utilities. Carports are available for $50per month.

Comparable — Residential - Multi-unit Garden — No. 2

Property Name	Aspire at Live Oak
Address	8130 Shin Oak Live Oak, TX 78233 United States
Government Tax Agency	Bexar
Govt./Tax ID	1277271

Unit Mix Detail

Rate Timeframe: Monthly

Unit Type	No.	%	Size (sf)	Rent	Rent / sf
1BR/1BA	60	25%	674	$1,349	$2.00
1BR/1BA	48	20%	754	$1,482	$1.97
1BR/1BA	24	10%	828	$1,540	$1.86
2BR/2BA	36	15%	990	$1,671	$1.69
2BR/2BA	36	15%	1,073	$1,676	$1.56
2BR/2BA	30	13%	1,144	$1,781	$1.56
3BR/2BA	6	3%	1,326	$1,972	$1.49
Totals/Avg	240			$1,562	$1.76

Improvements

Land Area	9.647 ac	Status	Existing
Net Rentable Area (NRA)	213,048 sf	Year Built	2019
Total # of Units	240 Unit	Year Renovated	N/A
Average Unit Size	888 sf	Condition	Good
Floor Count	3	Exterior Finish	Stone

Property Features: Carports, Detached Garages, Exterior Stairwells, Fire Sprinklered, Flat Roofs, Gated / Controlled Access, On-Site Management, Surface Parking

Project Amenities: Barbeque Area, Clubhouse, Conference Room, Dog Park / Run, Fitness Center, Game Room, Jacuzzi / Hot Tub, Pool, Storage Units

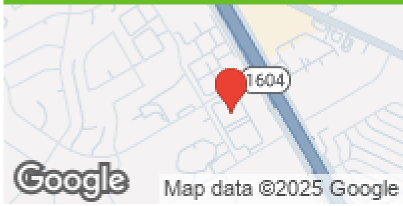
Unit Amenities: 9-Foot Ceilings, Ceiling Fans, Ceramic Tile Flooring, Dishwasher, Double-Pane Windows, Garbage Disposal, Granite Countertops, Hardwood Flooring, Microwave Oven, Range / Oven, Refrigerator with Icemaker, Stainless Steel Appliances, Tile Backsplash, Under-cabinet Lighting, Washer / Dryer

Rental Survey

Occupancy	90%	Utilities Included in Rent	None
Lease Term	12 Mo(s).	Rent Premiums	See Comments
Tenant Profile	Varies	Concessions	One month free
Survey Date	03/2025	Owner	RailField Partners
Survey Notes	None	Management	Avenue 5 Residential

Comparable | Residential - Multi-unit Garden | No. 2

Map & Comments



Aspire at Live Oak is located along Shin Oak in Live Oak, Texas, within the northeast San Antonio MSA. The comparable represents a 240-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/carpet flooring. The project includes typical Class A community amenities. Rents are set by rent optimizing software and are inclusive of all premiums. Concessions of one month free 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. 3

Property Name	Avasa at 1604
Address	6730 N Loop 1604 E San Antonio, TX 78247 United States
Government Tax Agency	Bexar
Govt./Tax ID	1333436

Unit Mix Detail

Rate Timeframe Monthly

Unit Type	No.	%	Size (sf)	Rent	Rent / sf
1BR/1BA	36	8%	618	$1,184	$1.92
1BR/1BA	78	18%	698	$1,299	$1.86
1BR/1BA	6	1%	710	$1,080	$1.52
1BR/1BA	17	4%	713	$1,422	$1.99
1BR/1BA	18	4%	764	$1,389	$1.82
1BR/1BA + Yard	46	11%	765	$1,664	$2.18
1BR/1BA	18	4%	812	$1,401	$1.73
1BR/1BA	20	5%	829	$1,459	$1.76
1BR/1BA	8	2%	848	$1,449	$1.71
2BR/2BA	40	9%	983	$1,584	$1.61
2BR/2BA	8	2%	995	$1,398	$1.41
2BR/2BA	9	2%	1,031	$1,832	$1.78
2BR/2BA	39	9%	1,053	$1,695	$1.61
2BR/2BA + Yard	32	8%	1,157	$1,965	$1.70
2BR/2BA	14	3%	1,210	$1,765	$1.46
3BR/2BA	28	7%	1,350	$1,874	$1.39
3BR/2BA	7	2%	1,401	$2,518	$1.80
Totals/Avg	424			$1,549	$1.73

Improvements

Land Area	22.570 ac	Status	Existing
Net Rentable Area (NRA)	379,192 sf	Year Built	2023
Total # of Units	424 Unit	Year Renovated	N/A
Average Unit Size	894 sf	Condition	Good
Floor Count	3	Exterior Finish	Stone Veneer

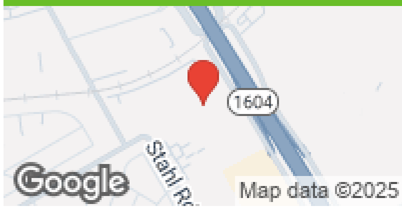
Property Features	Attached Garages, Detached Garages, Gated / Controlled Access, On-Site Management, Surface Parking
Project Amenities	Barbeque Area, Business Center, Clubhouse, Conference Room, Courtyard, Dog Park / Run, Fitness Center, Game Room, Playground, Pool
Unit Amenities	Carpeted Flooring, Ceiling Fans, Dishwasher, Garbage Disposal, Granite Countertops, Microwave Oven, Plank Flooring, Private Patios / Balconies, Range / Oven, Refrigerator with Icemaker, Stainless Steel Appliances, Tile Backsplash, Washer / Dryer

Rental Survey

Occupancy	92%	Utilities Included in Rent	None
Lease Term	12 Mo(s).	Rent Premiums	None
Tenant Profile	Typical	Concessions	8 weeks free
Survey Date	03/2025	Owner	Nicola Wealth
Survey Notes	None	Management	Venterra Realty Mgmt Co.

Comparable | Residential - Multi-unit Garden | No. 3

Map & Comments



Avasa at 1604 is located along Loop 1604 in northeast San Antonio, Texas. The comparable represents a 424-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. Rents are set by rent optimizing software and are inclusive of all premiums. Concessions of 8 weeks free were quoted on the date of survey. Tenants pay all utilities. Detached garages are available for $175 per month and breezeway garages are available for $200 per month..

Comparable — Residential - Multi-unit Garden — No. 4

Property Name	Brio at Lookout
Address	7311 N Loop 1604 E San Antonio, TX 78233 United States
Government Tax Agency	Bexar
Govt./Tax ID	1308063

Unit Mix Detail

Rate Timeframe Monthly

Unit Type	No.	%	Size (sf)	Rent	Rent / sf
Studio	8	3%	558	$1,136	$2.04
1BR/1BA	86	29%	634	$1,153	$1.82
1BR/1BA	60	20%	748	$1,313	$1.76
1BR/1BA	10	3%	867	$1,607	$1.85
1BR/1BA	28	10%	871	$1,367	$1.57
2BR/2BA	53	18%	960	$1,351	$1.41
2BR/2BA	30	10%	1,064	$1,625	$1.53
2BR/2BA	10	3%	1,125	$1,509	$1.34
3BR/2BA	4	1%	1,357	$2,411	$1.78
2BR/2BA	4	1%	1,378	$1,849	$1.34
Totals/Avg	293			$1,344	$1.63

Improvements

Land Area	17.115 ac	Status	Existing
Net Rentable Area (NRA)	241,916 sf	Year Built	2021
Total # of Units	293 Unit	Year Renovated	N/A
Average Unit Size	826 sf	Condition	Good
Floor Count	3	Exterior Finish	Stone Veneer

Property Features: Attached Garages, Carports, Detached Garages, Exterior Stairwells, Gated / Controlled Access, On-Site Management

Project Amenities: Barbeque Area, Business Center, Clubhouse, Conference Room, Dog Park / Run, Electric Car Charging Station, Fitness Center, Game Room, Laundry Facility, Playground, Pool, Storage Units

Unit Amenities: Black Appliances, Carpeted Flooring, Ceiling Fans, Dishwasher, Garbage Disposal, Granite Countertops, Microwave Oven, Plank Flooring, Range / Oven, Refrigerator with Icemaker, Tile Backsplash, Washer / Dryer Connections

Rental Survey

Occupancy	92%	Utilities Included in Rent	None
Lease Term	12 Mo(s).	Rent Premiums	See Comments
Tenant Profile	Varies	Concessions	One month free
Survey Date	03/2025	Owner	SA CREEKSIDE AT LOOKOUT MF LP
Survey Notes	N/A	Management	Lincoln Property Management

Comparable Residential - Multi-unit Garden No. 4

Map & Comments

Brio at Lookout is located along Loop 1604 in far northeast San Antonio, Texas. The comparable represents a 293-unit, three-story, garden-style complex that was constructed in 2021. 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, black 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 premiums. Concessions of one month free were quoted on the date of survey. Tenants pay all utilities. Detached garages are available for $150 per month and carports are available for $40 per month. It is noted that 30 units are leased at 60% AMI rent restrictions and 117 are leased at 80% AMI rent restrictions, with the remaining at market rates.

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

Property Name	Citadel at Lookout
Address	15453 Lookout Road Selma, TX 78154 United States
Government Tax Agency	Bexar
Govt./Tax ID	1311335

Unit Mix Detail

Rate Timeframe: Monthly

Unit Type	No.	%	Size (sf)	Rent	Rent / sf
1BR/1BA	21	7%	578	$1,194	$2.07
1BR/1BA	57	19%	677	$1,248	$1.84
1BR/1BA	63	21%	770	$1,394	$1.81
1BR/1BA	42	14%	788	$1,452	$1.84
2BR/2BA	24	8%	949	$1,442	$1.52
2BR/2BA	12	4%	977	$1,515	$1.55
2BR/2BA	12	4%	987	$1,411	$1.43
2BR/2BA	24	8%	1,087	$1,667	$1.53
2BR/2BA	12	4%	1,102	$1,654	$1.50
2BR/2BA	24	8%	1,109	$1,716	$1.55
2BR/2BA	12	4%	1,124	$1,689	$1.50
Totals/Avg	303			$1,439	$1.69

Improvements

Land Area	11.710 ac	Status	Existing
Net Rentable Area (NRA)	258,093 sf	Year Built	2021
Total # of Units	303 Unit	Year Renovated	N/A
Average Unit Size	852 sf	Condition	Good
Floor Count	3	Exterior Finish	Stone Veneer

Property Features: Detached Garages, Elevators, Exterior Stairwells, Fire Sprinklered, Gated / Controlled Access, On-Site Management, Pitched Roofs, Surface Parking

Project Amenities: Barbeque Area, Business Center, Clubhouse, Conference Room, Courtyard, Cyber Café, Dog Grooming Station, Dog Park / Run, Fitness Center, Game Room, Outdoor Fireplace, Outdoor Kitchen, Pool, Storage Units

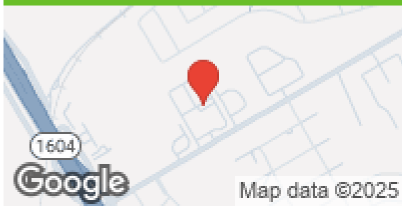
Unit Amenities: Carpeted Flooring, Ceiling Fans, Dishwasher, Garbage Disposal, Granite Countertops, Microwave Oven, Plank Flooring, Private Patios / Balconies, Range / Oven, Refrigerator with Icemaker, Stainless Steel Appliances, Tile Backsplash, Under-cabinet Lighting, Washer / Dryer

Rental Survey

Occupancy	93%	Utilities Included in Rent	None
Lease Term	12 Mo(s).	Rent Premiums	See Comments
Tenant Profile	Varies	Concessions	$1,000 off first months rent
Survey Date	03/2025	Owner	Inland Real Estate Group of Companies, Inc.
Survey Notes	None	Management	Greystar

Comparable	Residential - Multi-unit Garden	No. 5

Map & Comments



Citadel at Lookout is located along Lookout Road, north of Loop 1604 and west of Interstate 35 in Selma, Texas. The comparable represents a 303-unit, three-story, garden-style complex that was constructed in 2021. 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. Rents are set by rent optimizing software and are inclusive of all premiums. Concessions of $1,000 off first months rent were quoted as of the date of survey. Tenants pay all utilities. Detached garages are available for $125 per month.

Comparable — Residential - Multi-unit Garden — No. 6

Property Name	Loretto at Creekside
Address	7319 North Loop 1604 East San Antonio, TX 78233 United States
Government Tax Agency	Bexar
Govt./Tax ID	1228571

Unit Mix Detail

Rate Timeframe Monthly

Unit Type	No.	%	Size (sf)	Rent	Rent / sf
1BR/1BA	82	26%	650	$1,185	$1.82
1BR/1BA TH w/ att. garage	12	4%	659	$1,428	$2.17
1BR/1BA	72	23%	750	$1,289	$1.72
2BR/2BA	70	22%	960	$1,443	$1.50
2BR/2BA	60	19%	1,049	$1,515	$1.44
2BR/2BA	8	3%	1,075	$1,528	$1.42
3BR/2BA	16	5%	1,250	$1,992	$1.59
Totals/Avg	320			$1,385	$1.62

Improvements

Land Area	12.920 ac	Status	Existing
Net Rentable Area (NRA)	273,948 sf	Year Built	2017
Total # of Units	320 Unit	Year Renovated	N/A
Average Unit Size	856 sf	Condition	Good
Floor Count	3	Exterior Finish	Stone

Property Features: Attached Garages, Carports, Gated / Controlled Access, On-Site Management, Surface Parking

Project Amenities: Barbeque Area, Business Center, Clubhouse, Conference Room, Cyber Café, Dog Park / Run, Fitness Center, Game Room, Laundry Facility, Pool, Storage Units, Yoga / Spin Room

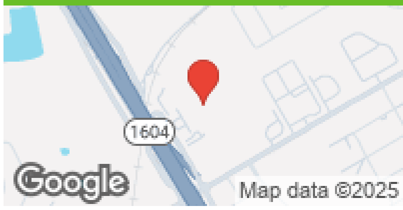
Unit Amenities: 9-Foot Ceilings, Black Appliances, Carpeted Flooring, Ceiling Fans, Granite Countertops, Plank Flooring, Stainless Steel Appliances, Tile Backsplash, Under-cabinet Lighting, Washer / Dryer Connections

Rental Survey

Occupancy	91%	Utilities Included in Rent	None
Lease Term	12 Mo(s).	Rent Premiums	See Comments
Tenant Profile	Varies	Concessions	1 Month Free
Survey Date	03/2025	Owner	Cohen-Esrey Real Estate Service LLC
Survey Notes	N/A	Management	Cohen Esrey

Comparable	Residential - Multi-unit Garden	No. 6

Map & Comments



Loretto at Creekside is located along Loop 1604 in northeast San Antonio, Texas. The comparable represents a 320-unit, three-story, garden-style complex that was constructed in 2017. 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, black 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 premiums. Concessions of one month free were quoted as of the date of survey. Tenants pay all utilities. Carports are available for $60 per month.

Addendum B

Subject Property Data

LOOKOUT MF - HUD SAHA
SAN ANTONIO, TX
3/7/2025

GENERAL	PROJECT
Acres	11.107
# of Units	232
Average Unit RSF	830
Gross RSF	192,592
FAR	0.40
Average Rent	$ 1,429

PROJECT COST	TOTAL
Land Costs	$ 4,000,000
Hard Costs	$ 32,854,855
Soft Costs	$ 11,500,305
Total Development Cost	$ 48,355,160

FINANCING	
Lender	HUD 221(d)4
Loan Amount	$ 38,645,338
Interest Rate	5.500%
MIP	0.250%
Amortization (Years)	40
Term (Years)	40

LOOKOUT MF - HUD SAHA
SAN ANTONIO, TX
3/7/2025

BUILDING PROFILE			
Lot Acreage			**11.107 AC**
Density			20.9 Units/AC
Rentable Apartment SF		0.40 FAR	192,592 RSF
Parking Spaces	1.07/BR	1.48/Unit	**344 Spaces**
Unit Type	**% of Units**	**Unit Count**	**Avg Unit SF**
Studio	0.0%	0	0 RSF
1 BR	61.6%	143	692 RSF
2 BR	38.4%	89	1,052 RSF
3 BR	0.0%	0	0 RSF
4 BR	0.0%	0	0 RSF
Total Units		**232**	**830 RSF**

PROJECT TIMING		
	Elapsed Month #	**Date/Duration**
General Project Timing Schedule		**(End of Month)**
Project/Analysis Start Date	1	**7/1/2025**
Months of Pre-Construction		1 month
Construction Start Date	2	8/31/2025
# of Months of Construction		**18 months**
Construction End	19	1/31/2027
Stabilization	27	9/30/2027
Apartment Unit Lease-up Schedule		
Pre-leasing Duration/First C of O	**6 months**	8/31/2026
Pre-Leasing Absorption Rate	6.5%	**15/month**
Monthly Absorption Rate	8.6%	**20/month**
Units to Lease / Post-Const. Duration	142 Units	8 months
Last Unit Leased	Month 27	9/30/2027

INCOME ASSUMPTIONS		
Stabilized Vacancy	**7.00%**	
Rent Concessions (Initial/Ongoing)	**1.00 months**	**0.00 months**
Miscellaneous Income PSF/Year	$ 1.24	
Miscellaneous Income Vacancy & Collection Loss	**7.00%**	
Income Growth	**2.50%**	
Expense Growth	**2.50%**	

ROLL TO PERMANENT FINANCING				
Stabilization	Month 27	NOI at Refinance	$ 3,127,383	
Refinance at End of Month	Month 23	Loan Amount	$ 38,645,338	
Date of Refinancing	5/31/2027	Loan Fees	$ -	**0.00%**
Loan Holding Term	37 months	Actual Funding Amount	$ 38,645,338	
Amortization Period	**40 Years**	MIP	**0.25%**	
Interest Rate	5.500%	Total Rate	5.75%	
Monthly Payment	$ 205,936	Year 1 DSCR	1.27x	
Debt Constant	6.39%	Year 1 Cash on Cash	0.16%	

DIPSOSITION	
Disposition of Apartments	**Month 60**
Sale Date	6/30/2030
YOC at Sale	6.79%
Exit Cap at Sale	5.25%
Annual NOI at Sale	$ 3,285,154
Sale Price	$ 62,590,633
Selling Costs	**1.50%**
Net Sales Proceeds	$ 61,651,773
Debt Balance at Sale	$ 37,427,649
Cash Flow From Sale	$ 24,224,124

UNIT MIX	QUANTITY	RSF	RENT/MONTH	TOTAL RSF	% OF UNITS	MONTHLY REVENUE	MARKET	80%	60%
A1	42	650	$ 1,248	27,300	18.1%	$ 52,416	42	0	0
A1 80%	36	650	$ 1,248	23,400	15.5%	$ 44,928	0	36	0
A1 60%	9	650	$ 1,062	5,850	3.9%	$ 9,558	0	0	9
A2	27	757	$ 1,423	20,439	11.6%	$ 38,421	27	0	0
A2 80%	23	757	$ 1,416	17,411	9.9%	$ 32,568	0	23	0
A2 60%	6	757	$ 1,062	4,542	2.6%	$ 6,372	0	0	6
B1	32	1,012	$ 1,771	32,384	13.8%	$ 56,672	32	0	0
B1 80%	28	1,012	$ 1,593	28,336	12.1%	$ 44,613	0	28	0
B1 60%	7	1,012	$ 1,195	7,084	3.0%	$ 8,365	0	0	7
B2	3	1,073	$ 1,824	3,219	1.3%	$ 5,472	3	0	0
B2 80%	4	1,073	$ 1,593	4,292	1.7%	$ 6,373	0	4	0
B2 60%	1	1,073	$ 1,195	1,073	0.4%	$ 1,195	0	0	1
B3	6	1,233	$ 2,034	7,398	2.6%	$ 12,204	6	0	0
B3 80%	7	1,233	$ 1,593	8,631	3.0%	$ 11,153	0	7	0
B3 60%	1	1,233	$ 1,195	1,233	0.4%	$ 1,195	0	0	1
	0	0	$ -	0	0.0%	$ -	0	0	0
	232	**830**	**$ 1,429**	**192,592**	**100.0%**	**$ 331,506**	**110**	**98**	**24**
							47.4%	**42.2%**	**10.3%**

ANNUAL OPERATING EXPENSES		$/UNIT	$/SF	TOTAL		
Management	**3.00%**	$ 507	$ 0.61	$ 117,651	Starts 3 months before leasing	**$ 7,000.00** /Mo Min PM Fee
Administration		**$ 325**	$ 0.39	$ 75,400	Starts with leasing	
Payroll		**$ 1,325**	$ 1.60	$ 307,400	Starts with leasing	
Utilities		**$ 130**	$ 0.16	$ 30,160	Starts with leasing	
Marketing & Leasing		**$ 200**	$ 0.24	$ 46,400	Starts with leasing	
Repair & Maint.		**$ 275**	$ 0.33	$ 63,800	Starts 12 months after leasing start	
Insurance		**$ 400**	$ 0.48	$ 92,800	Starts after delivery	
Annual Payment to SAHA (Property Tax)	**0.348%**	**$ 546**	$ 0.66	$ 126,764	Starts after 3 years	
Contract Services		**$ 125**	$ 0.15	$ 29,000	Starts after delivery	
Make Ready/Unit Turnover Cost		**$ 125**	$ 0.15	$ 29,000	Starts 12 months after leasing start	
PFC Administrative Fee		$ 108	$ 0.13	**$ 25,000**	Starts after 3 years	
CapEx Reserve		**$ 250**	$ 0.30	$ 58,000	Starts 12 months after delivery	
Total Operating Expenses		**$ 4,372**	**$ 5.27**	**$ 1,014,356**		

ANNUAL MISC INCOME	QUANTITY	CHARGE	$/SF	TOTAL
RUBS	**0**	**$ -**	$ -	$ -
Yard Premium	**0**	**$ 1,200**	$ -	$ -
Parking	**50**	**$ 600**	$ 0.16	$ 30,000
Miscellaneous (Other) Income	**232**	**$ 900**	$ 1.08	$ 208,800
			$ -	$ -
			$ -	$ -
			$ -	$ -
			$ -	$ -
			$ -	$ -
			$ -	$ -
			$ -	$ -
			$ -	$ -
			$ -	$ -
			$ -	$ -
			$ -	$ -
Total Miscellaneous Income			**$ 1.24**	**$ 238,800**

	# OF UNITS			% OF UNITS (BR)			RENT/MONTH		
UNIT TYPE	MARKET	80%	60%	MARKET	80%	60%	MARKET	80%	60%
ONE BEDROOM	69	59	15	48.3%	41.3%	10.5%	\$ 1,248 - \$ 1,423	\$ 1,248 - \$ 1,416	\$ 1,062 - \$ 1,062
TWO BEDROOM	41	39	9	46.1%	43.8%	10.1%	\$ 1,771 - \$ 2,034	\$ 1,593 - \$ 1,593	\$ 1,195 - \$ 1,195

INCOME FROM OPERATIONS	UNTRENDED	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 6	YEAR 7	YEAR 8	YEAR 9	YEAR 10
Year Ending	**7/1/2025**	**6/30/2026**	**6/30/2027**	**6/30/2028**	**6/30/2029**	**6/30/2030**	**6/30/2031**	**6/30/2032**	**6/30/2033**	**6/30/2034**	**6/30/2035**
Average Occupancy	**93.00%**	**0%**	**18%**	**92%**	**93%**	**93%**	**93%**	**93%**	**93%**	**93%**	**93%**
Scheduled Rental Payments	**$ 3,978,072**	**$ -**	**$ 1,559,829**	**$ 4,143,432**	**$ 4,283,948**	**$ 4,391,047**	**$ 4,500,823**	**$ 4,613,344**	**$ 4,728,678**	**$ 4,846,894**	**$ 4,968,067**
Miscellaneous Income	$ 238,800	$ -	$ 93,635	$ 248,726	$ 257,161	$ 263,591	$ 270,180	$ 276,935	$ 283,858	$ 290,955	$ 298,228
Rent Abatement	$ -	$ -	$ (278,279)	$ (63,052)	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Rent Vacancy Loss	$ (278,465)	$ -	$ -	$ (264,995)	$ (299,876)	$ (307,373)	$ (315,058)	$ (322,934)	$ (331,007)	$ (339,283)	$ (347,765)
Miscellaneous Vacancy Loss	$ (16,716)	$ -	$ -	$ (15,907)	$ (18,001)	$ (18,451)	$ (18,913)	$ (19,385)	$ (19,870)	$ (20,367)	$ (20,876)
Effective Gross Income	**$ 3,921,691**	**$ -**	**$ 1,375,184**	**$ 4,048,203**	**$ 4,223,232**	**$ 4,328,813**	**$ 4,437,033**	**$ 4,547,959**	**$ 4,661,658**	**$ 4,778,200**	**$ 4,897,655**
Management	$ (117,651)	$ (14,000)	$ (85,010)	$ (121,446)	$ (126,697)	$ (129,864)	$ (133,111)	$ (136,439)	$ (139,850)	$ (143,346)	$ (146,930)
Administration	$ (75,400)	$ -	$ (70,845)	$ (79,217)	$ (81,198)	$ (83,227)	$ (85,308)	$ (87,441)	$ (89,627)	$ (91,868)	$ (94,164)
Payroll	$ (307,400)	$ -	$ (288,828)	$ (322,962)	$ (331,036)	$ (339,312)	$ (347,795)	$ (356,490)	$ (365,402)	$ (374,537)	$ (383,900)
Utilities	$ (30,160)	$ -	$ (28,338)	$ (31,687)	$ (32,479)	$ (33,291)	$ (34,123)	$ (34,976)	$ (35,851)	$ (36,747)	$ (37,666)
Marketing & Leasing	$ (46,400)	$ -	$ (43,597)	$ (48,749)	$ (49,968)	$ (51,217)	$ (52,497)	$ (53,810)	$ (55,155)	$ (56,534)	$ (57,947)
Repair & Maint.	$ (63,800)	$ -	$ -	$ (61,444)	$ (68,706)	$ (70,423)	$ (72,184)	$ (73,988)	$ (75,838)	$ (77,734)	$ (79,677)
Insurance	$ (92,800)	$ -	$ (39,633)	$ (97,498)	$ (99,935)	$ (102,434)	$ (104,995)	$ (107,620)	$ (110,310)	$ (113,068)	$ (115,894)
Annual Payment to SAHA (Property Tax)	$ (126,764)	$ -	$ -	$ -	$ (138,518)	$ (142,674)	$ (146,954)	$ (189,204)	$ (207,872)	$ (214,108)	$ (220,531)
Franchise Taxes	$ (12,981)	$ -	$ (4,552)	$ (13,400)	$ (13,979)	$ (14,328)	$ (14,687)	$ (15,054)	$ (15,430)	$ (15,816)	$ (16,211)
Contract Services	$ (29,000)	$ -	$ (12,385)	$ (30,468)	$ (31,230)	$ (32,011)	$ (32,811)	$ (33,631)	$ (34,472)	$ (35,334)	$ (36,217)
Make Ready/Unit Turnover Cost	$ (29,000)	$ -	$ -	$ (27,929)	$ (31,230)	$ (32,011)	$ (32,811)	$ (33,631)	$ (34,472)	$ (35,334)	$ (36,217)
PFC Administrative Fee	$ (25,000)	$ -	$ -	$ -	$ (27,318)	$ (28,138)	$ (28,982)	$ (29,851)	$ (30,747)	$ (31,669)	$ (32,619)
CapEx Reserve	$ (58,000)	$ -	$ -	$ (25,390)	$ (62,460)	$ (64,021)	$ (65,622)	$ (67,262)	$ (68,944)	$ (70,667)	$ (72,434)
Unlevered Cash Flow (NOI)	**$ 2,907,335**	**$ (14,000)**	**$ 801,997**	**$ 3,188,013**	**$ 3,128,479**	**$ 3,205,862**	**$ 3,285,154**	**$ 3,328,563**	**$ 3,397,689**	**$ 3,481,439**	**$ 3,567,246**
Debt Service	$ (2,471,232)	$ -	$ (205,936)	$ (2,471,232)	$ (2,471,232)	$ (2,471,232)	$ (2,471,232)	$ (2,471,232)	$ (2,471,232)	$ (2,471,232)	$ (2,471,232)
Cash Flow From Operations to Equity		**$ -**	**$ 596,061**	**$ 716,781**	**$ 657,247**	**$ 734,630**	**$ 813,922**	**$ 857,331**	**$ 926,457**	**$ 1,010,207**	**$ 1,096,014**
Sales Price (5.25% Cap Rate)	**$ 55,377,810**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 62,590,633**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 69,646,225**
Sales Costs (1.50%)	$ (830,667)	$ -	$ -	$ -	$ -	$ (938,859)	$ -	$ -	$ -	$ -	$ -
SAHA Sales Fee		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ (1,392,925)
Net Sale Proceeds	**$ 54,547,143**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 61,651,773**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 68,253,300**
Debt Payoff	$ (38,645,338)	$ -	$ -	$ -	$ -	$ (37,427,649)	$ -	$ -	$ -	$ -	$ -
Levered Cash Flow	**$ 15,901,805**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 24,224,124**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
Return of Equity (Balance)		$ -	$ -	$ -	$ -	$ (5,430,505)	$ -	$ -	$ -	$ -	$ -
Equity Cash Flow to 8% IRR		$ -	$ -	$ -	$ -	$ (4,100,000)	$ -	$ -	$ -	$ -	$ -
SAHA Payment (15.0%)		$ -	$ -	$ -	$ -	$ (2,204,043)	$ -	$ -	$ -	$ -	$ -
Cash Flow From Sale to Equity		**$ -**	**$ -**	**$ -**	**$ -**	**$ 12,489,577**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
		YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 6	YEAR 7	YEAR 8	YEAR 9	YEAR 10
Total SAHA Cash Flow		$ 231,110	$ -	$ -	$ 165,837	$ 2,374,855	$ 175,936	$ 219,055	$ 238,618	$ 245,777	$ 1,646,075
Cumulative SAHA Cash Flow		$ 231,110	$ 231,110	$ 231,110	$ 396,947	$ 2,771,801	$ 2,947,737	$ 3,166,792	$ 3,405,411	$ 3,651,188	$ 5,297,263
Total Equity Cash Flow (Excluding Return of Equity)		$ -	$ 596,061	$ 716,781	$ 657,247	$ 17,324,206	$ 813,922	$ 857,331	$ 926,457	$ 1,010,207	$ 1,096,014
Yield on Cost	6.0%	0.0%	1.7%	6.6%	6.5%	6.6%	6.8%	6.9%	7.0%	7.2%	7.4%
Debt Coverage Ratio	1.176x	0.000x	3.894x	1.290x	1.266x	1.297x	1.329x	1.347x	1.375x	1.409x	1.44x

*PFC Administrative Fee and Annual Payment to SAHA (Property Tax) payments are made from Surplus Cash.

USES OF FUNDS		$/UNIT	$/SF	% OF TDC	TOTAL
Land Value		**$ 17,241**	**$ 20.77**	**8.3%**	**$ 4,000,000.00**
Hard Costs		**$ 141,616**	**$ 170.59**	**67.9%**	**$ 32,854,855.00**
Total Construction Cost		$ 137,631	$ 165.79	66.0%	$ 31,930,413.00
Builder's Fee (Remaining)	**3.0%**	$ 3,985	$ 4.80	1.9%	$ 924,442.00
Offsite Costs		$ -	$ -	0.0%	$ -
Soft Costs	**35.0% of HC**	**$ 49,570**	**$ 59.71**	**23.8%**	**$ 11,500,305.00**
AIA & PE Design Fee		$ 1,991	$ 2.40	1.0%	$ 462,000.00
AIA & PE Supervision Fee		$ 269	$ 0.32	0.1%	$ 62,330.00
Legal & Accounting		$ 517	$ 0.62	0.2%	**$ 120,000.00**
Organizational (Including 3rd Party Reports)		$ 352	$ 0.42	0.2%	$ 81,735.00
Insurance		$ 388	$ 0.47	0.2%	**$ 90,000.00**
FF&E		$ 1,530	$ 1.84	0.7%	**$ 355,000.00**
Title & Recording		$ 426	$ 0.51	0.2%	**$ 98,783.00**
Property Taxes During Construction		$ -	$ -	0.0%	**$ -**
Owner's Other Fees		$ 10,712	$ 12.90	5.1%	$ 2,485,274.00
Development Fee	**4.00%**	$ 7,647	$ 9.21	3.7%	$ 1,774,206.00
Financing Fee	**1.500%**	$ 2,499	$ 3.01	1.2%	$ 579,680.00
Funded Interest	**5.500%**	$ 8,780	$ 10.58	4.2%	$ 2,036,931.00
Working Capital Reserve Escrow		$ 3,331	$ 4.01	1.6%	**$ 772,907.00**
Working Captital Reserve Contingency		$ 3,331	$ 4.01	1.6%	**$ 772,907.00**
Initial Operating Deficit Escrow		$ 5,465	$ 6.58	2.6%	**$ 1,267,944.00**
Mortgage Insurance Premium		$ 833	$ 1.00	0.4%	**$ 193,227.00**
HUD Exam Fee		$ 428	$ 0.52	0.2%	**$ 99,254.00**
HUD Inspection Fee		$ 833	$ 1.00	0.4%	**$ 193,227.00**
Placement Fee		$ 189	$ 0.23	0.1%	**$ 43,900.00**
Cost Certification Fee		$ 47	$ 0.06	0.0%	**$ 11,000.00**
Additional Contingency	**0.0%**	$ -	$ -	0.0%	$ -
Total Development Cost		**$ 208,427**	**$ 251.08**	**100.0%**	**$ 48,355,160.00**

SOURCES OF FUNDS	% OF EQUITY	$/UNIT	$/SF	% OF TDC	TOTAL
Equity		$ 41,853	$ 50.42	20.1%	$ 9,709,822.00
Construction Loan		$ 166,575	$ 200.66	79.9%	$ 38,645,338.00
Total Funds		**$ 208,427**	**$ 251.08**	**100.0%**	**$ 48,355,160.00**

Addendum C

Legal Description

LOT 9, BLOCK 25, NCB 16588, 11.107 ACRES REPLAT OF CREEKSIDE AT LOOKOUT COMMERCIAL II

Addendum D

Memorandum of Understanding

MEMORANDUM OF UNDERSTANDING
BETWEEN
HOUSING AUTHORITY OF THE CITY OF SAN ANTONIO, TEXAS
AND
ATHENA DOMAIN, INC.

CREEKSIDE AT LOOKOUT

This Memorandum of Understanding (this "**MOU**") is between OPPORTUNITY HOME SAN ANTONIO (a/k/a the HOUSING AUTHORITY OF THE CITY OF SAN ANTONIO, TEXAS), a municipal public housing authority organized under Chapter 392 of the Texas Local Government Code (the "**Agency**"), and ATHENA DOMAIN, INC., a Texas corporation (the "**Developer**"), and is dated effective as of January ___, 2025 (the "**Effective Date**").

The Developer is a developer of multifamily housing. The Agency is a local tax-exempt governmental entity whose mission is to provide safe, decent and sanitary housing for low-income persons and to manage resources efficiently and effectively. The Agency has a current need for affordable housing for low- and moderate-income individuals and families. The Developer and the Agency hereby agree to work cooperatively to develop and operate a mixed-income housing project at the following location, which is in the City of San Antonio, Bexar County, Texas, in accordance with the terms of this MOU:

> A to-be-constructed multifamily residential development to be known as Creekside at Lookout, intended for general occupancy and expected to contain approximately 228 residential units (the "**Project**") upon land located at or about 15407 Lookout Road, San Antonio, Texas 78233 (the "**Land**", and together with the Project, collectively, the "**Property**") and operated at the following income and rent schedule:

- At least forty percent (40%) of the units in the Project (the "**80% AMI Affordable Units**") will be reserved for occupancy by individuals and families earning not more than eighty percent (80%) of the area median family income ("**80% AMI**"), adjusted for family size and taking into account, for this purpose, the combined incomes of each unit occupant residing in the 80% AMI Affordable Unit. 80% AMI shall be established annually by the U.S. Department of Housing and Urban Development ("**HUD**") and calculated using the Novogradac Rent and Income Limit Calculator or a similar tool that uses the HUD data (the "**Calculator**") for the applicable year with rent calculations based on the "Other Federal, state and Local Program [non-LIHTC] setting" and Imputed Persons Per Bedroom for Rent Limit Calculations set to "1 Person/1 Bedroom + 1" and the applicable unit type (e.g., 1 bedroom) selected for the particular unit, as determined in accordance with the applicable regulations from the Texas Department of Housing and Community Affairs (the "**80% Applicable Median Income**"). The 80% AMI Affordable Units shall be leased at a monthly rate that shall not exceed thirty percent (30%) multiplied by the 80% Applicable Median Income, without regard to utility allowances (the "**80% Rent Restriction**").

- At least ten percent (10%) of the units in the Project (the "**60% AMI Affordable Units**" and collectively with the 80% AMI Affordable Units, the "**Affordable Units**") will be reserved for occupancy by individuals and families earning not more than sixty percent (60%) of the area median family income ("**60% AMI**"), adjusted for family size and taking into account, for this purpose, the combined incomes of each unit occupant residing in the 60% AMI Affordable Unit. 60% AMI shall be established annually by HUD and calculated using the Calculator for the applicable year with rent calculations based on the "Other Federal, state and Local Program [non-LIHTC] setting" and Imputed Persons Per Bedroom for Rent Limit Calculations set to "1 Person/1 Bedroom + 1" and the applicable unit type (e.g., 1 bedroom) selected for the particular unit, as determined in accordance with the applicable regulations from the Texas Department of Housing and Community Affairs (the "**60% Applicable Median Income**"). The 60% AMI Affordable Units shall be leased at a monthly rate that shall not exceed thirty percent (30%) multiplied by the 60% Applicable Median Income, without regard to utility allowances (the "**60% Rent Restriction**" and collectively with the 80% Rent Restriction, the "**Affordability Restrictions**").

- No greater than fifty percent (50%) of the units in the Project will be leased at market rates without the Affordability Restrictions in place (the "**Market Units**").

- The unit mix at the Project is currently projected to be as set forth below and subject to the Agency's approval (such approval not to be unreasonably withheld, delayed, conditioned or denied), the unit mix may be modified during the course of the Project's construction; provided that any changes to the percentage of Affordable Units shall be consistent with the Affordability Restrictions and with the dispersion described below:

UNIT MIX	QUANTITY	RSF
A1	34	674
A1 80%	30	674
A1 60%	8	674
A2	33	754
A2 80%	29	754
A2 60%	7	754
B1	17	995
B1 80%	15	995
B1 60%	4	995
B2	24	1,073
B2 80%	17	1,073
B2 60%	3	1,073
B3	5	1,144
B3 80%	1	1,144
B3 60%	1	1,144
B3 50%	0	1,144
B3	0	0
	228	**840**

- The Project shall be constructed and maintained as a Class A residential project as determined by reference to residential projects of similar age and vintage in the market area, with such maintenance obligations to be funded from available net cash flow from operation.

- In order to accomplish this purpose, the parties agree as follows:

AGREEMENTS:

A. **Ownership Structure**.

1. San Antonio Housing Facility Corporation, a Texas public facility corporation, created by the Agency (the "**Lessor**"), will hold title to the Land and the Project (once constructed). The Developer will form Creekside MF P3, LP, a Texas limited partnership (the "**Partnership**"), for the purpose of leasing the Property from the Lessor.

2. Creekside MF P3 GP, LLC, a Texas limited liability company, will serve as the general partner of the Partnership (the "**General Partner**"). The General Partner will own a zero percent (0%) interest in the Partnership and have sole responsibility for the management of the Partnership. An investor limited partner (the "**Investor Limited Partner**") will own a ninety-nine and eighty-nine hundredths percent (99.99%) interest in the Partnership. The General Partner will be owned directly or indirectly by the Developer or its affiliates.

3. An affiliate of the Agency will serve as the special limited partner of the Partnership, owning a one hundredth percent (0.01%) partnership interest therein (the "**Special Limited Partner**"). The Special Limited Partner shall have limited oversight and approval rights (such approval not to be unreasonably withheld, conditioned, or delayed, unless otherwise expressly provided herein) over the following matters, as needed to protect its public purpose and participation in the Project (and if the Special Limited Partner fails to respond within ten (10) business days after it's receipt (pursuant to an email response confirming receipt or an automatic read receipt) of a written request for approval, provided that if such matter requires Board approval, the Special Limited Partner shall have until the later of (x) the next Board meeting for which such request may be timely noticed, given the Agency's internal protocols, or (y) 45 days following the request to approve such matter):

a. Consent for any change in the identity of the Property Manager (as hereinafter defined), provided that no consent shall be required for engagement of a Qualified Property Manager. A "Qualified Property Manager" shall mean a property management company that (i) has at least five (5) years of experience managing multifamily properties of similar size and quality in the metropolitan area, (ii) manages at least 2,000 multifamily units, (iii) has not been subject to any material regulatory sanctions in the past three (3) years, and (iv) has not had any negative experiences with the Agency in the past five (5) years in the Agency's sole discretion;

b. Consent for any material change in the Governing Agreement (as hereinafter defined);

c. Consent for any material amendment to the Mortgage Loan Documents (as hereinafter defined);

d. Consent for any refinancing of the Partnership or the Property (in the Special Limited Partner's reasonable discretion), provided that (i) no consent shall be required for the conversion of the Construction Loan (as hereinafter defined) to the Permanent Loan (as hereinafter defined), and (ii) no consent shall be required with respect to any refinancing if the existing Mortgage Loan is in default or scheduled to mature within one hundred eighty (180) days, unless requested by the lender;

e. Comment (but not consent) upon the construction budget and the annual budgets for operating and capital expenses;

f. Comment (but not consent) upon withdrawals from and uses of reserves, unless required by the law, previously approved by the Lender (as hereinafter defined), and/or previously contemplated in an approved budget;

g. Comment (but not consent) on the Mortgage Loan Documents, other than any document required to be executed by the Lessor or Special Limited Partner;

h. Consent for a Leasehold Sale (as hereinafter defined), a Fee Sale (as hereinafter defined), and/or a Transfer (as hereinafter defined) of the Entity Interests (as hereinafter defined), in accordance with the provisions set forth in Section J. of this MOU;

i. Consent for the admission of new partners to the Partnership, in accordance with the provisions set forth in Section J. of this MOU; and

j. Comment (but not consent) upon capital improvement plans equal to or exceeding fifty thousand and 00/100 dollars ($50,000.00) after the construction of the Project, but excluding repairs and replacements made in the ordinary course.

4. The duties of the General Partner, the Investor Limited Partner, and the Special Limited Partner (the "**Partners**") will be set forth in an amended and restated limited partnership agreement of the Partnership (the "**Governing Agreement**"), to be entered into at Closing (as hereinafter defined) by and between the Partners.

B. **Acquisition; Lease Agreement; Exemption**.

1. Acquisition; Lease Agreement. The Developer owns the Land, and at Closing, the Developer will transfer the Land to the Partnership and then the Partnership will transfer the Land and any subsequent improvements constructed thereon to the Lessor. The Lessor will simultaneously enter into a seventy-five (75) year Lease Agreement (the "**Lease Agreement**"), as landlord, with the Partnership, as tenant, subject to the reasonable approval of the parties. The

Lessor shall not have any right to terminate the Lease Agreement without the approval of the General Partner and any third-party lender, but the Lessor shall be entitled to bring an action for specific performance to enforce the Regulatory Agreement (as hereinafter defined) and the Lease Agreement. Beginning in the fifty-fifth (55^{th}) year of the lease term, the Lease Agreement can be renewed for a period of an additional sixty (60) years if the Lessor requests an extension of the Lease Agreement from the applicable governing body and such extension is approved in the manner as required by Chapter 303 of the Texas Local Government Code (as amended by the 88^{th} Regular Session (2023) of the Texas Legislature approved HB 2071, the "**PFC Statute**"). In such five (5) year period the Partnership shall have the right to request that the Lessor pursue such extension at the Partnership's sole cost and expense. The Lease Agreement shall also provide that upon the expiration or early termination of the Lease Agreement, the Partnership shall surrender the Property to the Lessor, at the Partnership's sole cost and expense and the Lessor will retain ownership thereof.

2. Exemption Due Diligence. The contemplated ownership structure, the Lease Agreement, the Regulatory Agreement, and the Affordability Restrictions are expected to generate a one hundred percent (100%) ad valorem tax exemption for the Project (the "**Exemption**"). Pursuant to the PFC Statute, the Lessor shall (i) draft notices to be delivered to the presiding officer of each applicable taxing jurisdiction for the Project (the "**Exemption Notices**") and (ii) find the names and addresses of each applicable taxing jurisdiction for the Project and then, the Lessor shall deliver the Exemption Notices to the applicable presiding officers no less than thirty (30) days before the first to occur of (a) the meeting of the Agency's Board of Commissioners (the "**Agency's Board**") at which the public hearing regarding the Project will be held, and (b) the meeting of the Lessor's Board of Commissioners (the "**Lessor's Board**") at which the approval of the Project is expected to be considered. At the reasonable request of the Agency or the Lessor, the Developer shall provide the information necessary for the Agency or the Lessor to draft the approval and resolutions required by the Agency's Board and the Lessor's Board to consider the Project for final approval. Additionally, the Developer, at its sole cost and expense, shall commission an underwriting assessment, from a professional entity with affordable housing experience and that has no financial interest in the transaction contemplated herein (the "**Underwriter**"), to assess whether the development of the Project would be feasible with the contemplated Affordability Restrictions without the participation of the Lessor (the "**Underwriting Report**") and shall provide a copy of the final Underwriting Report to the Lessor. The Lessor shall publish the Underwriting Report on the Agency's website no less than thirty (30) days before the meeting of the Agency's Board at which the Project will be considered for final approval. The Lessor shall be entitled to rely on the Underwriting Report pursuant to an engagement letter by and between the Developer and the Underwriter.

3. Exemption. Prior to Closing, the Agency shall submit a substantially final Governing Agreement, Lease Agreement and the Regulatory Agreement to the Bexar Appraisal District ("**BCAD**") to obtain confirmation of the availability of the Exemption in the form of a predetermination letter. As a condition precedent to Closing, Lessor shall cause its counsel to deliver a legal opinion (the "**Tax Opinion**") to Developer and Construction Lender, in form and substance reasonably acceptable to Developer's counsel and Construction Lender's counsel, confirming that the Property qualifies for the Exemption based on its ownership by Lessor as a public facility corporation and its use for the public purpose of providing affordable housing in

accordance with the Closing documents. After Closing, if the Exemption is never granted by BCAD or lost for any reason other than (i) an Audit Occurrence (as hereinafter defined), (ii) a Temporary Occurrence (as defined herein and in the Regulatory Agreement), (iii) the gross negligence or willful misconduct of the Partnership, the General Partner, any affiliate of the General Partner, the Investor Limited Partner, the Developer, or any affiliate thereof, or (iv) the failure of the Partnership or the Property Manager to operate the Property in accordance with the Affordability Restrictions if not cured within applicable notice and opportunity to cure provisions, the Special Limited Partner will forfeit its interest in the Partnership and the Property will be deeded from the Lessor to the Partnership free and clear of the Lease Agreement and the Regulatory Agreement, with the Partnership paying for the transfer costs and any amounts then due and unpaid to the Lessor and the Special Limited Partner. Notwithstanding anything herein to the contrary, the undersigned acknowledge and agree that the General Partner is responsible for responding to any audit requests from BCAD and that in no event shall the Special Limited Partner be required to forfeit its interest in the Partnership if the Exemption is lost due to (x) the General Partner's failure to timely submit on the Partnership's behalf a certification to BCAD in response to an audit request from BCAD (unless such audit request is delivered directly to the Special Limited Partner or an affiliate thereof, and the audit request was not promptly forwarded to the General Partner) or (y) the Partnership's submission of a certification to BCAD that contains false information or demonstrates the General Partner or the Property Manager failed to cause the Partnership to comply with the Affordability Restrictions, and such failure to comply is not directly attributable to the Special Limited Partner (each of the forgoing (x) and (y), an "**Audit Occurrence**").

4. Regulatory Agreement. At Closing, the parties shall execute a "**Regulatory Agreement**" to memorialize the Affordability Restrictions and ensure the Affordability Restrictions and Exemption requirements are applied to the Project's use and operation for the duration of the term of the Regulatory Agreement and cause such Regulatory Agreement to be recorded in the official land records of Bexar County, Texas. The Regulatory Agreement will provide that the Partnership shall not discriminate against tenants and prospective tenants based upon source of income and the Project shall accept tenant-based vouchers under the HCVP. The Partnership may accept the full payment standard or voucher value even if it exceeds the rent charged to other Affordable Income Tenants; however, the Partnership shall not be required to accept voucher payments that are less than the rent then being charged to similarly sized units rented to Affordable Income Tenants, and may charge voucher holders for any difference between the voucher payment and the rent charged to other Affordable Income Tenants. For the purposes of this Section, "source of income" means lawful, verifiable income paid directly to a tenant or paid to a representative of a tenant or paid to a housing owner or landlord on behalf of a tenant, including federal, state, or local public assistance and federal, state, or local housing subsidies, including but not limited to, federal housing assistance vouchers under Section 8 of the United States Housing Act of 1937 (42 U.S.C. Sec. 1437f). The Regulatory Agreement shall be for a term of no less than fifteen (15) years (the "**Initial Affordability Period**"), which term shall commence upon the issuance of the last certificate of occupancy for a building in the Project; provided, however, that the Regulatory Agreement may be terminated at any time upon foreclosure or due to the loss of the Exemption pursuant to Section B.3.

The Regulatory Agreement will provide that if at any time the Project ceases to satisfy the

Affordability Restrictions due to (i) temporary relocation of tenants for repairs or renovations; (ii) unit turnover and the time reasonably required to re-lease units to qualified tenants; (iii) casualty damage being repaired; or (iv) previously qualified tenants exceeding income limits due to increased earnings, subject to the next available unit rule under IRC Section 42(g)(2)(D) (each of the forgoing, a "**Temporary Occurrence**"), the Partnership will have sixty (60) days to re-achieve the Affordability Restrictions. In such case, the Partnership will not be required to evict or otherwise displace any tenant for the purpose of re-achieving the Affordability Restrictions, if at the onset of such Temporary Occurrence, either (x) the Project is less than one hundred percent (100%) occupied and at least fifty percent (50%) of the units in the Project are reserved for households satisfying the Affordability Restrictions and such previously reserved units are actually leased to households satisfying the Affordability Restrictions as soon as possible, or (y) the Project is one hundred percent (100%) occupied, the next available unit(s) at the Project are actually leased to households that would cause the Project to satisfy the Affordability Restrictions until such time as the Affordability Restrictions are re-achieved. Further, the Regulatory Agreement will provide that if, upon annual recertification it becomes evident that a household occupying an 80% AMI Affordable Unit no longer qualifies to occupy such unit, such unit shall immediately cease to be characterized as an 80% AMI Affordable Unit, and a Temporary Occurrence shall exist. If, upon annual recertification it becomes evident that a household occupying a 60% AMI Affordable Unit no longer qualifies to occupy such unit, such unit shall immediately cease to be characterized as a 60% AMI Affordable Unit but may be re-characterized as an 80% AMI Affordable Unit if the household so qualifies Notwithstanding the foregoing, the Regulatory Agreement will provide that if at any time of any renewal, the income of a household in an Affordable Unit exceeds the maximum allowable for the Affordable Unit being occupied, the provisions of Section 42(g)(2)(D) of the Internal Revenue Code will apply in determining whether the unit may still qualify as an Affordable Unit.

The Regulatory Agreement shall further provide that the Partnership shall use reasonable efforts, considering the varying times at which units in the Project are rented, to ensure the Market Units and Affordable Units shall not be segregated within the Project; and the renovations, furnishings, fixtures, and equipment available to or completed in the Affordable Units shall be of comparable and equivalent standard to those available to or completed in the Market Units.

C. **Financing**.

1. At or prior to Closing, the Partnership will apply for debt financing in the form of a construction loan in an amount not to exceed ___________ and __/100 dollars ($____________) (collectively, the "**Construction Loan**") from a lender of the Developer's choice (the "**Construction Lender**") which will be secured by a deed of trust on the Property. The Agency and its affiliates will not be required to provide any guaranties. If required by the Construction Lender or any subsequent Mortgage Lender, the Lessor will execute a joinder to the leasehold deed of trust encumbering its fee interest in the Property with terms reasonably acceptable to Lessor. The promissory note, deed of trust, guaranty, any and all assignments, pledges, restrictive covenants or other documents required by the Construction Lender with respect to the Construction Loan are collectively referred to as the "**Construction Loan Documents**".

2. After Closing, the Partnership may apply for a permanent loan (the "**Permanent Loan**") to refinance the Construction Loan upon completion and stabilization of the Project. The Permanent Loan will be provided by a lender of the Developer's choosing (the "**Permanent Lender**"). The Permanent Loan will be secured by a deed of trust covering the Property. The Agency and its affiliates will not be required to provide any guaranties. If required by the Permanent Lender, the Lessor will execute a joinder to the deed of trust encumbering its fee interest in the Property with terms reasonably acceptable to Lessor. The promissory note, deed of trust, and any assignments, pledges, restrictive covenants or other documents required by the Permanent Lender with respect to the Permanent Loan are collectively referred to as the "**Permanent Loan Documents**." As used in this MOU, the "**Mortgage Loan**" will refer collectively to the Construction Loan and the Permanent Loan and any subsequent refinance or replacement loan with respect to the Property; "**Mortgage Loan Documents**" will refer collectively to the Construction Loan Documents and the Permanent Loan Documents and any documents for any subsequent refinance or replacement loan with respect to the Property; and "**Lender**" will refer collectively to the Construction Lender and the Permanent Lender and any lender for any subsequent refinance or replacement loan with respect to the Property.

3. The Property will serve as collateral for the Mortgage Loan, and the Lessor will cooperate in providing a first lien and security interest in the Property as reasonably requested by the Lender, pursuant to documents reasonably acceptable to Lessor. The Developer will manage and take responsibility for responding to due diligence and underwriting requirements for the Mortgage Loan, provided, however, to the extent such due diligence and underwriting requirements require information that is within the particular knowledge of the Agency, the Agency agrees to assist in responding to due diligence and underwriting requirements for the Mortgage Loan.

4. The Investor Limited Partner will contribute equity to the Partnership, which shall be reflected in the Governing Agreement. The Special Limited Partner shall not be required to contribute any equity capital to the Partnership.

5. The Developer shall prepare the annual operating and capital expenditure budgets for the Property, subject to the review and comment of the Agency as set forth in Section A.4(e) of this MOU and deliver such budgets to the designated officers of the Agency for review and comment. If the Agency does not respond to or comment on an operating or capital expenditure budget within thirty (30) days of delivery of such budget to the designated officers the Agency, the budget delivered to the designated officers of the Agency for review shall be approved and utilized by the Developer.

6. The parties anticipate that the Partnership will enter into the Mortgage Loan Documents concurrently with the execution of the Governing Agreement, the Lease Agreement, and the Regulatory Agreement, and the execution of all such documents and the funding contemplated thereby are collectively referred to as the "Closing".

D. <u>Design and Construction</u>

1. The Developer or an affiliate of thereof shall provide comprehensive development services to the Partnership pursuant to a Development Agreement to be entered into by the Partnership and the Developer or an affiliate thereof.

2. The Developer has obtained the services of design professionals for the design of the site plan and is expected to receive permits for the development of the Project. The Agency shall additionally have the right to review and provide reasonable comment upon the final plans and specifications for the Project.

3. In addition to design professionals, the Developer will be responsible for the selection and engagement of other consultants and service providers, including environmental consultants, zoning analysts, geotechnical consultants, engineers, contractors, subcontractors, architects, market analysts, appraisers, and legal counsel, including the Developer's counsel. Notwithstanding the foregoing, the Agency shall obtain legal counsel of its choosing to represent the Agency in this transaction (the "**Agency Counsel**").

4. The Developer, with the Agency's reasonable cooperation and assistance when required, shall be responsible for the development of the Project, including obtaining all governmental approvals and permits needed in order to construct and operate the Project.

5. Developer shall be responsible for negotiating one or more construction contracts for the construction of the site improvements for the Project. It is contemplated that the Partnership may, in the sole discretion of the Developer, seek to secure an exemption from state sales tax for the acquisition of building materials (the "**Sales Tax Exemption**"). If the Developer decides, on behalf of the Partnership, to pursue the Sales Tax Exemption, an affiliate of the Agency (the "**Agency Affiliate**") will serve as a joint venturer with a contractor selected by Developer in a joint venture (the "**Contractor**") and the Contractor will enter into a construction contract with the Partnership (the "**Construction Contract**"). The Agency and Agency Affiliate shall have the right to review and approve in writing both the joint venture agreement and the Construction Contract and any contract relating to the construction of the Project to which it is a party, prior to the execution thereof. The Agency and Agency Affiliate shall be fully indemnified by the Contractor and the joint venturer general contractor with respect to the construction of the Project.

The Developer agrees that the Agency Affiliate, serving in its capacity as a joint venturer in the Contractor, shall be indemnified to the fullest extent permitted by applicable law by each of the Partnership, any construction manager, the Developer, and the joint venture partner and that this indemnification shall be reflected in all documentation executed in connection with the development of the Project; provided, however, the foregoing indemnification shall not extend to any matters resulting solely and directly from the gross negligence or willful misconduct of the Agency Affiliate or any of its officers, directors, employees or agents.

6. If the Developer decides, on behalf of the Partnership, to pursue the Sales Tax Exemption, the Agency or its affiliate will promptly execute any Sales Tax Exemption certificates needed to comply with the state law for the Sales Tax Exemption when submitted by the Developer.

E. **Management and Operation**.

GreyStar shall be the initial property manager for the Property (the "**Property Manager**"), subject to entering into a property management agreement with the Partnership on terms and conditions customary in the industry and reasonably acceptable to the Agency, the Lender, and the Special Limited Partner (the "**Management Agreement**"). The General Partner will negotiate the Management Agreement with the Property Manager on terms and conditions customary in the industry. The Agency, acting through the Special Limited Partner, will have the right to require replacement of the Property Manager in the event of its default under the Management Agreement that is not cured within any applicable cure period therein; provided the replacement property manager that is not a Qualified Property Manager will require approval of the Special Limited Partner and the Investor Limited Partner, each acting reasonably. Following Closing, any change of the Property Manager to a person that is not a Qualified Property Manager will require the approval of the Partners; provided that the General Partner (acting at the direction of the Investor Limited Partner) shall have the right to remove the Property Manager on behalf of the Partnership without the Special Limited Partner's approval; provided the replacement property manager will require the approval of the Special Limited Partner and Investor Limited Partner, each acting reasonably.

F. **Affirmative Marketing**.

The Regulatory Agreement will require the Partnership to market the Property in accordance with a marketing plan (the "**Marketing Plan**") prepared by the Developer and the Property Manager subject to the review and approval of the Agency. The Marketing Plan shall be delivered to the Agency at or before first occupancy of the Project. The Agency's review and approval of the Marketing Plan shall be provided or withheld in the reasonable discretion of the Agency. The Marketing Plan shall be on the Affirmative Fair Housing Marketing Plan (AFHMP) – Multifamily Housing Form HUD-935.2A promulgated by HUD or such other form agreed to by the Developer and the Agency. The Marketing Plan shall require the Partnership to include in both the public marketing materials and the website for the Property a reference to the affordability provisions and voucher acceptance set forth above in both English and Spanish. The Marketing Plan may be amended from time to time by the Partnership with the reasonable approval of the Agency.

G. **Community Support**.

If necessary, the Agency and the Developer shall be jointly responsible for interfacing with the community and obtaining community support for the Property and shall consult with each other and coordinate the response to community input.

H. **Fees and Expenses**.

1. The total cost for the development of the Project, including without limitation closing costs, hard and soft construction costs, fees, and any other costs included on the Project's

development budget (the “**Total Development Cost**”) is expected to be approximately _________ and __/100 Dollars ($_________).

2. The Agency shall be entitled to receive a Closing Fee (the “**Closing Fee**”) for its participation in the Project. The amount of the Closing Fee for the Project shall be equal to Two Hundred Fifty Thousand and 100/100 Dollars ($250,000.00), and such Closing Fee shall be paid at Closing. The Closing Fee shall be reflected in the Ground Lease as an up-front capitalized lease payment for the Project.

3. The Governing Agreement shall include a payment to the Special Limited Partner of an annual administrative fee starting thirty-six (36) months after Closing in an amount equal to Twenty five Thousand and 00/100 Dollars ($25,000.00) per annum (the “**Asset Management Fee**”) payable out of surplus cash as defined by HUD. In the event there is insufficient surplus cash to pay the Asset Management Fee in any given year, it shall accrue until paid. Any unpaid or outstanding Asset Management Fee shall be paid in full at any sale or refinance of the Project (a “**Capital Event**”). The Asset Management Fee (whether paid or accrued) shall be subject to three percent (3%) annual escalation.

4. The Management Agreement will include payment to the Property Manager of a monthly property management fee that shall not exceed three percent (3%) of monthly gross revenues.

5. As described in Section D.5., in order to implement the Sales Tax Exemption, the Agency Affiliate is entitled to twenty-five percent (25%) of the total expected Sales Tax Exemption savings, as calculated pursuant to the hard costs construction budget and excluding any materials acquired prior to the execution of the Construction Contract by the Agency Affiliate (the “**Sales Tax Savings Fee**”). The Sales Tax Savings Fee will include payments to the Agency Affiliate equal to twenty-five percent (25%) of the Project’s actual sales tax savings, paid as follows: (x) at Closing, fifty percent (50%) of the estimated Sales Tax Savings Fee based upon the development budget as of Closing, and (y) at substantial completion, fifty percent (50%). The balance of the Sales Tax Savings Fee shall be paid upon construction completion.

6. The Development Agreement and the Construction Contract will include customary fees payable to the Developer or its affiliates, as approved by the Investor Limited Partner.

7. Lessor shall be paid an annual amount starting thirty-six (36) months after Closing equal to the product of fifteen percent (15%) for the first four (4) year and twenty (20%) thereafter multiplied by the Total Development Costs for the Project multiplied by eighty percent (80%) multiplied by the applicable tax rate for the Project (the “**Annual PFC Payment**”) payable out of surplus cash. In the event there is insufficient cash flow to pay the Annual PFC Payment to Lessor in any given year, it shall accrue until paid. Any outstanding Annual PFC Payment shall be paid in full at any Capital Event or upon the expiration of the term of the Lease Agreement. The Annual PFC Payment (whether paid or accrued) shall be subject to three percent (3%) annual escalation. Any payment to Lessor may be documented in the Governing Agreement.

I. **<u>Distributions, Allocations and Expenses</u>**.

1. <u>Distribution of Net Cash from Operations</u>. The Partnership's net cash from operations, after payment of must-pay debt service, operating expenses, and establishment of reserves in the discretion of the General Partner shall be distributed no more frequently than quarterly, commencing after Substantial Completion, and as permitted by the Lender, if applicable, in the following order and priority:

a. First, to pay the Asset Management Fee and the Annual PFC Payment; and

b. Second, one hundred percent (100%) to the Investor Limited Partner.

2. <u>Distributions of Net Cash from a Sale or Refinancing</u>. Proceeds from a sale or refinancing available for distribution by the Partnership shall be paid out in the following order and priority:

a. First, to repay any debt obligations of the Partnership, as required;

b. Second, only in the case of a refinance, to fund and/or replenish reserves as necessary in the General Partner's discretion;

c. Third, to pay for actual out-of-pocket transaction and related costs of such sale or refinancing;

d. Fourth, to pay any outstanding or unpaid Asset Management Fee and Annual PFC Payment;

e. Fifth, to the Investor Limited Partner until it has received an IRR (as hereinafter defined) equal to eight percent (8%), including the return of its capital contributions; and

f. Sixth, (i) in the event of the first sale or any refinance, (a) to the Special Limited Partner, fifteen percent (15%) of the net proceeds, return of any capital contributed, payment in full of any partner loans, and an IRR equal to eight percent (8%), and (b) to the Investor Limited Partner, the balance, or (ii) in the event of the second sale and any subsequent sale, (a) to the Special Limited Partner, two percent (2%) of the gross sales price, and (b) to the Investor Limited Partner, the balance; with the distributions to the Special Limited Partner and the Investor Limited Partner under this sixth level being made on a pari passu basis.

For the purposes of this Section I.2., the "**IRR**" shall mean the annual interest rate which when used as a discount rate, causes (a) the net present value of the cumulative distributions made to the Investor Limited Partner in this Section I., from the respective dates of such distributions through the computation date to equal (b) the net present value of the General Partner's total contributed capital on the respective dates such capital was contributed or deemed contributed to the Partnership through the computation date. For the purposes of this definition, the net present value shall be determined using monthly compounding periods. IRR will be calculated using the XIRR Function in Microsoft Excel.

3. It is anticipated that Partnership allocations of tax items will be made such that the Investor Limited Partner generally will receive 99.99% of all income, gain, loss, deduction, and credit.

4. Neither party shall enter into any contractual relationship or agreement relating to the Property that would cause either financial or legal liability to the other, without the other party's prior written consent.

5. The Developer shall advance any pre-development costs and expenses for the Property, all of which shall be reimbursed at Closing from proceeds of the Mortgage Loan.

6. The expenses of the Agency Counsel will be One Hundred Fifty Thousand and 00/100 Dollars ($150,000.00) and will be included in the development budget, with such expenses to be paid at Closing. The reasonable cost of any subsequent legal work related to a re-financing of subordinate debt, construction debt, restructuring, or other Partnership or Partnership affiliated requests ("**Post Closing Matters**") shall be reimbursed to the Agency by the Partnership at the financing closing or other completion of such Post Closing Matters.

7. During the operational phase of the Property, each of the General Partner and the Special Limited Partner shall be entitled to reimbursement from the Partnership of any reasonable expenses incurred in connection with service in such position, including related travel, accounting/audit, and investment maintenance expenses, subject to the approval of the General Partner and the Special Limited Partner and as set forth in the approved budget. In furtherance of the foregoing, the Partnership shall pay the Agency's third-party asset management and compliance consultant's annual fees, if any.

J. **Disposition**.

1. Upon the submission of the first Continuing Program Compliance Certificate evidencing that the Property is leased in compliance with the Affordability Restrictions and beginning after the fifth anniversary of Substantial Completion, the General Partner shall have a perpetual right to (a) market the Property for sale in accordance with the Governing Agreement and the Lease Agreement, by terminating the Lease Agreement and terminating the Regulatory Agreement and transferring of the Lessor's fee interest in the Property (a "**Fee Sale**") to an unrelated third party (a "**Bona Fide Purchaser**"), (b) transfer the Partnership's leasehold interest to a Bona Fide Purchaser for sale, with the Lease Agreement remaining in full force and effect (a "**Leasehold Sale**"), subject to the written consent of the Agency and such consent shall be provided or withheld in the reasonable discretion of the Agency, or (c) elect to collapse (a "**Collapse Transaction**") the structure by terminating the Lease Agreement and terminating the Regulatory Agreement and transferring the Lessor's fee interest in the Property. In considering such approval, the Agency may consider the prior experience, financial capacity, and professional reputation of such Bona Fide Purchaser, and other factors as reasonably agreed to by the Agency and the

Developer. If the General Partner intends to market the Property for a Fee Sale or a Leasehold Sale to a Bona Fide Purchaser, it shall first provide written notice of such intent to Lessor, which notice shall include all of the terms and conditions on which the General Partner intends in good faith to market the Property for a Fee Sale or Leasehold Sale (the "**Offer Notice**") including, without limitation, purchase price and timing of closing which in no event shall be less than a sixty (60) day period. The Lessor shall have a right of first offer ("**ROFO**") to acquire the Property on the same terms, timing, and conditions contained in the Offer Notice, which ROFO shall be exercised by delivering written notice of the Lessor's intent to acquire the Property on the same terms, timing, and conditions set forth in the Offer Notice by the next Board meeting on which such matter may be timely noticed, given the Agency's internal protocols, or sixty (60) days following receipt of the Offer Notice, whichever occurs later (hereinafter "**Response Period**"). If either (x) within such Response Period, the Lessor fails to exercise its ROFO by providing written notice to the General Partner of the Lessor's intent to acquire the Property as set forth in the Offer Notice or (y) the Lessor exercises its ROFO and fails to close on an acquisition of the fee interest or leasehold interest in the Property within the closing timeline set forth in the Offer Notice, the General Partner shall have a period of nine (9) months (the "**Closing Window**"), commencing on either (x) the day after the Response Period if the Lessor fails to exercise its ROFO or (y) if the Lessor exercises its ROFO but fails to close on an acquisition of the fee interest or leasehold interest within the closing timeline set forth in the Offer Notice, the day after the expiration of the closing timeline set forth in the Offer Notice, within which to market the Property, and consummate a Fee Sale to a Bona Fide Purchaser, or subject to the additional requirements below, a Leasehold Sale to a Bona Fide Purchaser on substantially the same terms and conditions and at a purchase price at least ninety-seven percent (97%) of the purchase price as contained in the Offer Notice delivered to the Lessor. If the General Partner elects to accomplish a Fee Sale or a Collapse Transaction, the Project shall be returned to the tax rolls at the time of the closing of such Fee Sale or Collapse Transaction. Under no circumstance will there be a Fee Sale to another entity that is exempt from paying ad valorem taxes in the State of Texas.

2. Notwithstanding the foregoing, the General Partner shall only have the right to terminate the Regulatory Agreement upon a Fee Sale or a Collapse Transaction if such Fee Sale or Collapse Transaction occurs after the Initial Affordability Period. Subject to such qualification, upon the consummation of the Fee Sale prior to the expiration of the Closing Window or a Collapse Transaction, the Lease Agreement shall terminate, and the fee estate shall be immediately relinquished and conveyed by the Lessor to the Partnership for transfer to the Bona Fide Purchaser or to Developer, as applicable, with the proceeds of the Fee Sale or the fair market value of the Property at the time of a Collapse Transaction to be distributed by the Partnership in accordance with Section I.2. of this MOU. At such time, the Lessor's ROFO shall terminate, and the Lessor shall execute a document in recordable form necessary to terminate its ROFO in connection with the closing of the Fee Sale provided that the restrictions contained in the Regulatory Agreement will remain in place.

3. If, during the Closing Window of a Leasehold Sale, the General Partner identifies a Bona Fide Purchaser to acquire the Property pursuant to a Leasehold Sale on substantially the same terms and conditions and at a purchase price that is at least ninety-seven percent (97%) of the purchase price included in the Offer Notice offered to the Lessor, the General Partner shall first provide written notice of the identity of the Bona Fide Purchaser to the Lessor via electronic mail

and the notice method set forth in the Lease Agreement to the designated officers of the Agency. The Lessor shall have Response Period following its receipt of such notice in which to perform a due diligence review of the proposed replacement tenant (the "**Replacement Tenant**") and obtain approval from the Lessor's Board as to whether it consents to the Leasehold Sale, which consent shall be granted or withheld in the reasonable discretion of the Lessor. In considering its approval of the Replacement Tenant, the Lessor may consider the prior experience, financial capacity, and professional reputation of the Replacement Tenant, and other factors as reasonably agreed to by the Lessor and the Lessee. If the Lessor has not approved or disapproved of such Replacement Tenant within such Response Period, the Lessor will be in default and the Tenant can pursue the rights and remedies set forth in the Lease Agreement. Following the Lessor's approval of a Leasehold Sale, the Partnership may transfer the leasehold estate and all of its rights and obligations under the Lease Agreement to the Replacement Tenant, and the Lease Agreement will continue in full force and effect on all of the same terms and conditions.

4. Upon a Fee Sale, Leasehold Sale or Transfer of an Entity Interest, the Special Limited Partner shall be entitled to a minimum payment of one percent (1%) of the gross purchase price for such sale (the "**Transfer Fee**"), which Transfer Fee shall be paid pursuant to (a) distributions made under Section I.2. above, (b) a separate fee to be paid by the Partnership to the Special Limited Partner, or (c) a combination of the foregoing clauses (a) and (b) in the event distributions of sales proceeds made under Section I.2. above are less than the Transfer Fee.

5. Subject to Section B above, certain events of default, including the termination of or inability to obtain the Exemption outlined in Section B.3 above, will be a cause for removal of the Special Limited Partner. In the event that the Special Limited Partner is removed from the Partnership, (i) the Lessor shall convey the Property to the Partnership or its designee at no or nominal cost, (ii) the Lease Agreement and the Regulatory Agreement will terminate, and (iii) the rights of first offer and any other rights of the Agency, the Lessor and the Special Limited Partner with respect to long-term ownership of the Property shall terminate, provided, all amounts due but unpaid to Lessor and/or the Special Limited Partner for any period in which the Exemption was in place shall be paid in exchange for such transfers.

K. **Audit and Compliance**.

1. Each year the books and records shall be GAAP audited by an independent CPA firm (the "**Annual Audit**"), audited financials shall be provided to all Partners within one hundred twenty (120) days of the end of the fiscal year, including, without limitation, a balance sheet, operating statement, a statement of cash flows and rent rolls for the Project, and statement of Partners' capital of the Partnership for such fiscal year, prepared, as relevant, in accordance with the modified accrual basis method of accounting GAAP (excluding footnotes) consistently applied and sufficient for tax returns. The Annual Audit shall be paid for by the Partnership and include an opinion as to whether the Partnership has complied with the requirements for the Exemption and Sections 392.005, 303.042 and 303.0425 of the Texas Local Government Code, and the audit shall be delivered to BCAD by the Partnership within one hundred eighty (180) days of the end of the Partnership's fiscal year.

2. In addition to the above, the Partnership shall certify annually to compliance of the Project with the Lease Agreement, the Regulatory Agreement, and the Affordability Restrictions contained therein.

L. **Miscellaneous**.

1. This MOU will continue until terminated upon the occurrence of one of the following conditions:

(i) If the Agency and Developer sign a mutual consent to terminate this MOU, this MOU shall terminate on the date set forth in such consent;

(ii) If Closing has not occurred within one hundred eighty (180) days of the Effective Date, either party may immediately terminate this MOU by providing written notice thereof to the other party;

(iii) If either party breaches its obligations under this MOU, the non-breaching party provides the breaching party written notice of such fact and a 30-day opportunity to cure, and the breaching party fails to do so, then the non-breaching party may terminate this MOU by providing written notice thereof to the breaching party;

(iv) If Developer determines that the transactions contemplated by this MOU are not economically feasible, it may terminate this MOU by delivering written notice thereof detailing such infeasibility to the Agency;

(v) If either party files for bankruptcy protection, makes an assignment for the benefit of creditors, has a receiver appointed as to its assets, or generally becomes insolvent, then the non-bankrupt party may terminate this MOU by providing written notice thereof to the bankrupt party; or

(vi) If any legal, administrative, or government action prohibits a party from consummating the transactions contemplated herein.

Upon termination of this MOU for any of the reasons cited above, except as otherwise provided herein, neither party will have any ongoing obligation to the other with respect to this MOU or the Project, except if termination of this MOU under Section L.1(ii)-(vi) are due to Developer or an affiliate thereof, in which case the Agency shall be reimbursed for all expenses incurred in connection with its actions required under this MOU, including Section B.2.

2. The agreement by the Agency to enter into this MOU on the terms contained herein shall automatically expire if this MOU is not executed on or before the expiration of sixty (60) days after the date that this MOU is delivered by counsel for the Agency to the Developer or Developer's legal counsel. Upon the expiration of such time period, the parties may mutually agree to extend the expiration date pursuant to a written agreement, executed by both parties; and, in such case, the Agency reserves the right to re-underwrite and reevaluate the terms of this MOU

and the Project. In order for this MOU to be executed no later than sixty (60) days of its delivery, the Developer and its counsel must provide all written comments on this MOU no later than thirty (30) days from the date of delivery.

3. The venue of any disputes between the parties shall be in San Antonio, Bexar County, Texas. This MOU is a contract and not merely an “agreement to agree.” In addition, the provisions of this MOU with respect to the Project will be terminated and suspended when the Agency and the Developer and their affiliates, as applicable, enter into definitive agreements with respect to the governance of the Partnership and the acquisition, financing, and operation of the Property as contemplated herein, including but not limited to the Mortgage Loan Documents, the Lease Agreement and the Regulatory Agreement.

4. This MOU reflects the entire understanding between the parties and may only be amended in writing, signed by both parties. The parties agree to execute such documents and do such things as may be necessary or appropriate to facilitate the consummation of their agreement herein.

5. The parties hereto are each prohibited from assigning any of its interests, benefits or responsibilities hereunder to any third party or related third party, without the prior written consent of the other party, such consent not to be unreasonably withheld.

6. To facilitate execution, this MOU may be executed in any number of counterparts as may be convenient or necessary, and it shall not be necessary that the signatures of all parties hereto be contained on anyone counterpart hereof. Additionally, the parties hereto hereby covenant and agree that, for the purposes of facilitating the execution of this MOU, (a) the signature pages taken from separate individually executed counterparts of this MOU may be combined to form multiple fully executed counterparts, and (b) a facsimile transmission of a signature shall be deemed to be an original signature. All executed counterparts of this MOU shall be deemed to be originals, but all such counterparts taken together or collectively, as the case may be, shall constitute one and the same agreement.

7. In case anyone or more of the provisions contained in this MOU for any reason are held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability will not affect any other provision hereof, and this MOU will be construed as if such invalid, illegal or unenforceable provision had never been contained herein.

8. Should any party employ an attorney or attorneys to enforce any of the provisions hereof, to protect its interest in any manner arising under this MOU, or to recover damages for the breach of this MOU, the non-prevailing party in any action pursued in courts of competent jurisdiction (the finality of which is not legally contested) agrees to pay to the prevailing party all reasonable costs, damages and expenses, including specifically, but without implied limitation, attorneys' fees, expended or incurred by the prevailing party in connection therewith.

9. All notices of communication required or permitted hereunder shall be in writing and may be given by (a) overnight, express courier or depositing the same in the United States mail, addressed to the party to be notified, postage prepaid and registered or certified with return

receipt requested, (b) delivering the same in person to an officer or agent of such party, or (c) sent by electronic mail (such delivery by electronic mail only to be sufficient as notice with written acknowledgement of receipt received from the other party), each addressed to the parties at their respective addresses as set forth below. A party may change its address for receipt of notices by service of a notice of such change in accordance herewith.

Agency:	Opportunity Home San Antonio 818 S. Flores St. San Antonio, Texas 78204 Attention: Timothy Alcott Email: timothy_alcott@homesa.org
With a copy to:	Coats Rose, P.C. 9 Greenway Plaza, Suite 1000 Houston, TX 77046 Attention: Barry J. Palmer Email: bpalmer@coatsrose.com
Developer:	Athena Domain, Inc. 6002 Camp Bullis Road, Suite 201 San Antonio, Texas 78257 Attention: Rajeev Puri Email: rpuri@athenadomain.com
With a copy to:	Cohen Rabinowitz PLLC 100 N.E. Loop 410, Suite 610 San Antonio, Texas 78216 Attention: Andy Cohen Email: andy@crlawpllc.com

10. If any deadline under this MOU falls on a Saturday, Sunday or legal holiday, the deadline shall be extended to the next business day.

11. The "Attention" person for each party shall be its designated representative for purposes of this MOU. Each party shall be able to rely upon direction of the designated representative of the other, for that direction to have been duly authorized by such party. Either party may change its designated representative by written notice to the other party.

12. The parties agree to execute such documents and do such things as are necessary or appropriate to facilitate the acquisition of the Property and the consummation of their agreement herein.

[*Signature page follows*]

EXECUTED to be effective as of the date first shown above.

AGENCY:

HOUSING AUTHORITY OF THE CITY OF SAN ANTONIO, TEXAS A/K/A OPPORTUNITY HOME SAN ANTONIO,
a Texas municipal housing authority

By: ______________________________
Name: Michael Reyes
Title: Acting President and CEO

DEVELOPER:

ATHENA DOMAIN, INC.,
a Texas corporation

By: ______________________________
Name: ______________________________
Title: ______________________________

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

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

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 CBREs 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.

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

TALCB
TEXAS APPRAISER LICENSING & CERTIFICATION BOARD

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

PROFILES

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

TEXAS APPRAISER LICENSING & CERTIFICATION BOARD

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.

Chelsea Buchholtz
Commissioner