

Consulting Assignment

Anita Coy East

4812 Gonzales St
Austin, Texas 78702

Prepared for: AISD Public Facility Corporation
Date of Report: August 26, 2025
CBRE File No.: CB25US062154-1



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Date of Report: August 26, 2025

Ms. Candace Hunter
Board President
AISD PUBLIC FACILITY CORPORATION
4000 S. I-H 35 Frontage Road
Austin, Texas 78704

RE: Consulting Report: Anita Coy East
4812 Gonzales St
Austin, Travis County, Texas 78702
CBRE, Inc. File No. CB25US062154-1

Dear Ms. Hunter:

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 341-unit mid-rise property located at 4812 Gonzales St in Austin, Texas. The property consists of a single five-story apartment building. The improvements will be constructed in 2025-2028 and are to be situated on a 6.97-acre site. The project will be owned by the AISD Public Facility Corporation (the "PFC") via a 99-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 (36 units) to tenants whose income is not more than 60% of the area median income (AMI) and 40% of the units (137 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 AISD Public 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.

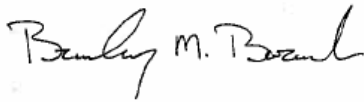
The following consulting report sets forth the most pertinent data gathered, the techniques employed, and the reasoning leading to the opinion of value. The analyses, opinions and conclusions were developed based on, and this report has been prepared in conformance with, the guidelines and recommendations 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
First Vice President
Texas Certification #1338837-G

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Email: brad.baroch@cbre.com



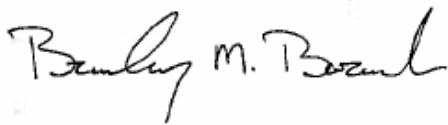
Grant Mueller, MAI
Managing Director
Texas Certification #1337145-G

Phone: (512) 499-4909
Email: grant.mueller@cbre.com

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.

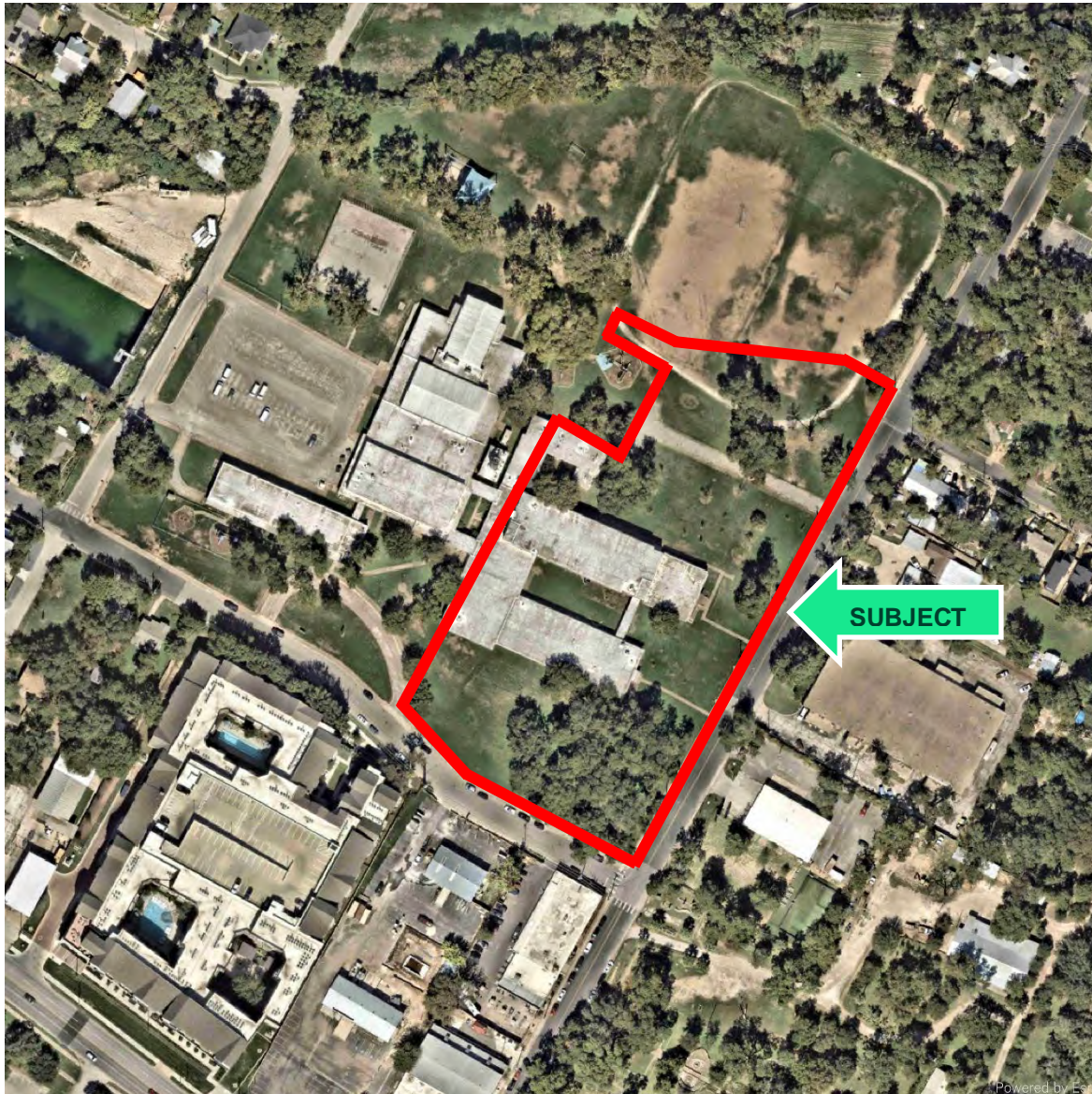


Bradley Baroch, MAI
Texas Certification #1338837-G



Grant Mueller, MAI
Texas Certification #1337145-G

Subject Photographs



Aerial View – Boundaries are Approximate (Source: ESRI)

It is noted that this 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.



Gonzales Street Frontage Facing West



Shady Lane Frontage Facing North



Typical View of Subject



Typical View of Subject



Typical View of Subject



Typical View of Subject

Executive Summary

Property Name	Anita Coy East	
Location	4812 Gonzales St Austin, Travis County, TX 78702	
Parcel Number(s)	Portion of 190007	
Client	AISD Public Facility Corporation	
Date of Inspection	June 23, 2025	
Primary Land Area	6.97 AC	303,613 SF
Zoning	CS-MU-V-VO-DB90-NP	
Proposed Improvements		Comments
Property Type	Multifamily	(Mid/High-Rise)
Number of Buildings	1	
Number of Stories	5	
Gross Building Area	413,570 SF	
Net Rentable Area	296,558 SF	
Number of Units	341	
Average Unit Size	870 SF	
Year Built	2028	
Condition upon Completion	Excellent	
Financial Indicators		
Stabilized Occupancy	95.0%	
Stabilized Credit Loss	0.5%	
Pro Forma As Proposed Restricted, with Abatement	Total	Per Unit
Effective Gross Income	\$8,559,155	\$25,100
Operating Expenses	\$2,565,773	\$7,524
Expense Ratio	29.98%	
Net Operating Income	\$5,993,382	\$17,576
Compiled by CBRE		

Market Volatility

President Trump's announcement of broad-based global tariffs on April 2, 2025, has introduced additional complexity to the economic landscape. These tariffs have triggered volatility across global financial markets, with potential impacts varying based on their duration and the scope of retaliatory measures from other countries. This could lead to slower economic growth, heightened inflationary pressures, and increased uncertainty for commercial real estate markets.

The reader is cautioned that these recent developments have amplified uncertainty in commercial real estate. The impacts on interest rates, the 10-year Treasury yield, leasing activity, real estate demand, construction costs, financing availability, and property values are still unfolding. Overall, greater risk and market volatility are expected in the near term.

Experience has shown that consumer and investor behavior can shift rapidly during periods of heightened volatility, lending or investment decisions should account for the elevated risk and potential rapid changes in 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 these 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.

Hypothetical Conditions

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

- None noted.

Ownership and Property History

OWNERSHIP SUMMARY	
Current Ownership	
Owner:	AISD PUBLIC FACILITY CORPORATION
Seller:	AUSTIN PUBLIC SCHOOLS
Purchase Price:	An unknown price
Transaction Date:	August 6, 2025
Sale in Last 3 Years?:	Yes
Legal Reference:	2025086773
County/Locality Name:	Travis
Pending Sale	
Under Contract:	No
Current Listing	
Currently Listed For Sale:	No
Compiled by CBRE	

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

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

The subject is currently owned by AISD PUBLIC FACILITY CORPORATION, which acquired the subject as part of a larger 18.97-acre site on August 6, 2025, for “nominal consideration”, as recorded by Document No. 2025086773 of the Travis County Deed Records. The transaction was between related parties and was non-arm’s length. AUSTIN ISD PFC at closing simultaneously entered into a ground lease with ANITA COY EAST APARTMENTS LP (“Tenant”), of which an NRP affiliate (the subject developer) is a limited partner.

CBRE is unaware of any arm’s length ownership transfers of the property within three years of the date of this report. Further, the property is not reportedly under contract or being offered for sale as of the current date outside of that described above.

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ADDENDA

- A Rent Comparables
- B Subject Property Data
- C Legal Description
- D Memorandum of Understanding
- E Qualifications

Scope of Work

Intended Use Of Report

This consulting assignment is to be used for underwriting analysis of the proposed subject PFC development in accordance with §303.0421 Local Government Code that was most recently revised by Texas H.B. 2071 of the 88th Legislature. No other use is permitted.

Client

The client is AISD Public Facility Corporation.

Intended User Of Report

This appraisal is to be used by AISD Public 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.

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

Purpose of the Report

The purpose of this consulting assignment is to provide independent underwriting analysis of the referenced real estate in accordance with §303.0421 Local Government Code that was most recently revised by Texas H.B. 2071 of the 88th Legislature.

Extent to Which the Property is Identified

The property is identified through the following sources:

- postal address
- 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.

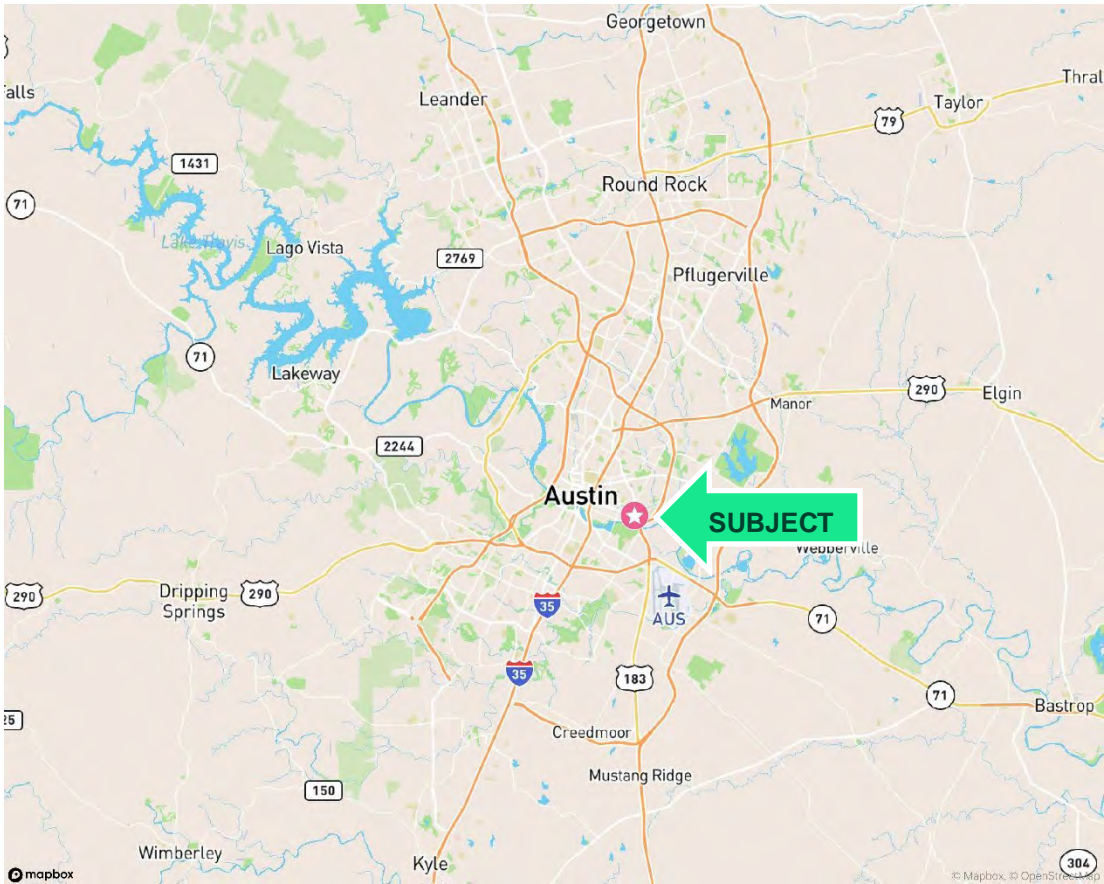
Statement of Competency

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	NRP Data Matrix (hatch + ulland architects dated May 28, 2025)
Improved Data	
Building Area	NRP Development Model 7.8.25 / NRP Data Matrix
Area Breakdown/Use	NRP Development Model 7.8.25 / NRP Data Matrix
No. Bldgs.	Site Plan (Kimley Horn dated July 21, 2025)
Parking Spaces	NRP Data Matrix
Year Built/Developed	Developer's Construction Schedule
Economic Data	
Deferred Maintenance:	Not Applicable
Building Costs:	NRP Development Model 7.8.25
Income Data:	NRP Development Model 7.8.25
Expense Data:	NRP Development Model 7.8.25
Compiled by CBRE	

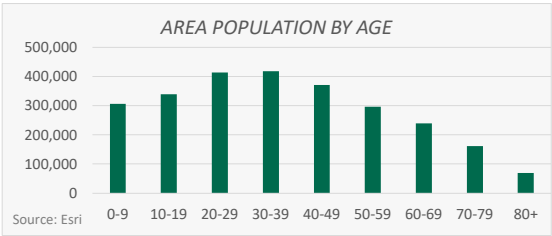
Area Analysis



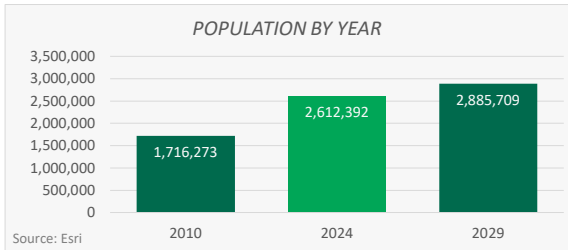
The subject is located in the Austin-Round Rock-San Marcos, TX Metropolitan Statistical Area. Key information about the area is provided in the following tables.

POPULATION

The area has a population of 2,612,392 and a median age of 36, with the largest population group in the 30-39 age range and the smallest population in 80+ age range.



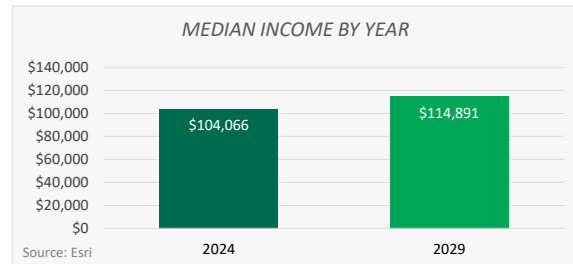
Population has increased by 896,119 since 2010, reflecting an annual increase of 3.0%. Population is projected to increase by 273,317 between 2024 and 2029, reflecting a 2.0% annual population growth.



Source: ESRI, downloaded on Aug, 11 2025

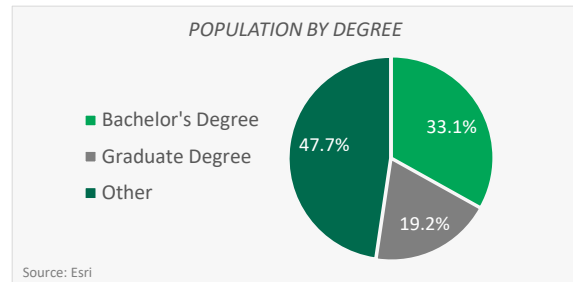
INCOME

The area features an average household income of \$142,285 and a median household income of \$104,066. Over the next five years, median household income is expected to increase by 10.4%, or \$2,165 per annum.

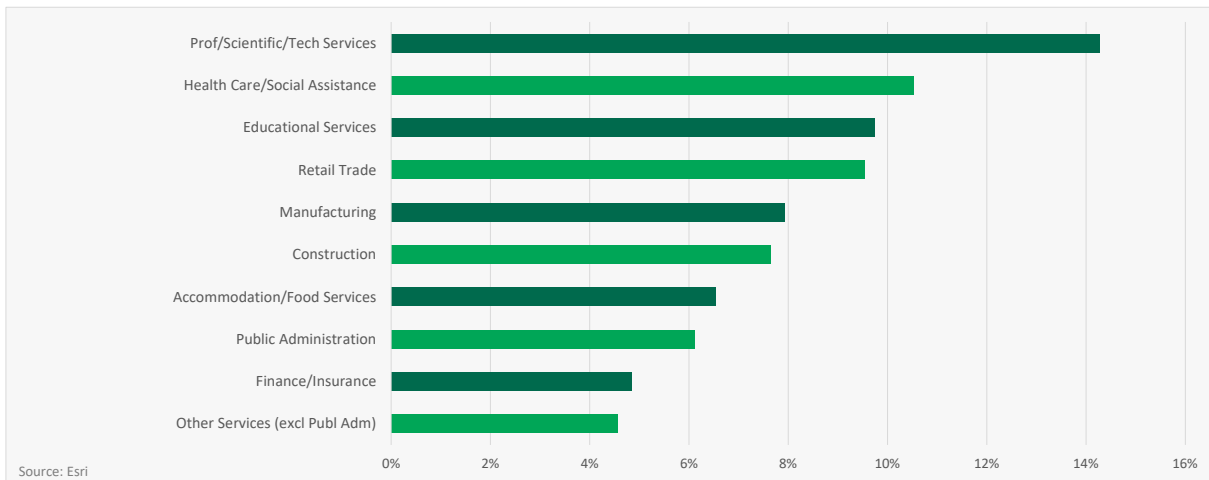


EDUCATION

A total of 52.3% of individuals over the age of 24 have a college degree, with 33.1% holding a bachelor's degree and 19.2% holding a graduate degree.



EMPLOYMENT



The area includes a total of 1,474,948 employees and has a 3.4% unemployment rate. The top three industries within the area are Prof/Scientific/Tech Services, Health Care/Social Assistance and Educational Services, which represent a combined total of 35% of the workforce.

Source: ESRI, downloaded on Aug 11, 2025; BLS.gov dated Jun 1, 2025 (preliminary)

Austin Top Employers

The following chart lists the top employers in the Austin area according to the Austin Business Journal.

Top Employers 2023		
Rank	Company	# of Employees
1	H-E-B	22,955
2	Ascension Seton	14,842
3	Dell Technologies Inc.	13,000
4	Tesla	12,277
5	St Davids	11,484
6	Amazon	11,000
7	Walmart Inc.	7,550
8	Apple Inc.	7,000
9	IBM Corp.	6,000
10	Accenture	5,900
11	Baylor Scott & White Health	4,500
12	Samsung Austin Semiconductor LLC	4,500
13	Applied Materials	4,380
14	NXP Semiconductors	4,000
15	AMD Inc	3,680

Source: Austin Chamber of Commerce

Apple Expansion

Apple, Inc. broke ground in 2019 on its new \$1 billion office campus in North Austin on a 133-acre tract of land near its existing corporate hub. In July 2022, Austin City council approved the annexation of 52.6 acres as an extension of Apple's campus. The new facility will employ approximately 15,000 people in the engineering, research and development, operations, finance, sales, and customer support fields. Apple currently employs 7,000 people in Central Texas, the most outside its headquarters in Cupertino, CA. This move is expected to make Apple the largest private employers in the region, surpassing Dell and H-E-B. In August 2022, plans were revealed to add 688,000 SF of office space to the camps; a 369,000 SF five story building, a 299,000 SF two story building, and a 1.2M SF parking garage. The new additions are expected to be completed by 2025.

Tesla

In July, 2020, Tesla acquired approximately 2,100 acres in southeast Austin to construct a factory and assembly line for its Model Y truck. The site is located on the east side of State Highway 130 just north of US 71. Estimated at \$1.1 billion, the facility is nearing and is expected to bring 5,000 jobs to the area at an average salary near \$50,000/year. The workforce would consist of about 65% unskilled labor, and according to the Austin Business Journal, Tesla is considering workforce relationships with Austin Community College, Workforce Solutions Capital Area and Travis County Justice Planning for workers living in the county or exiting the criminal justice system. Once complete, the factory will be one of the largest economic development projects in the region and the only major automotive assembly plant in Austin. Tesla joins Toyota and Navistar as the third automobile plant in Central Texas. Although construction is still ongoing to complete the entire plant, Elon Musk announced in January 2022 that the assembly line for the Model Y truck began rolling out vehicles in December 2021.

Samsung

While Samsung has maintained a presence in Austin for many years already, construction on a new semiconductor plant began in 2022 in Taylor, in the northeastern portion of the Austin MSA. The \$17B project is expected to deliver in November 2024 and consists of five buildings; a three story, 800,000 SF manufacturing plant, a three story, 1.2M SF fabrication plant, a two story, 443,000 SF “GCS building,” a six story, 350,000 SF office, and a six story, 300,000 SF parking garage. Samsung intends to invest \$192B in central Texas and is expected to receive \$1B in tax savings. Approximately 1,800 jobs will be created by the time the facility is complete.

National Rankings

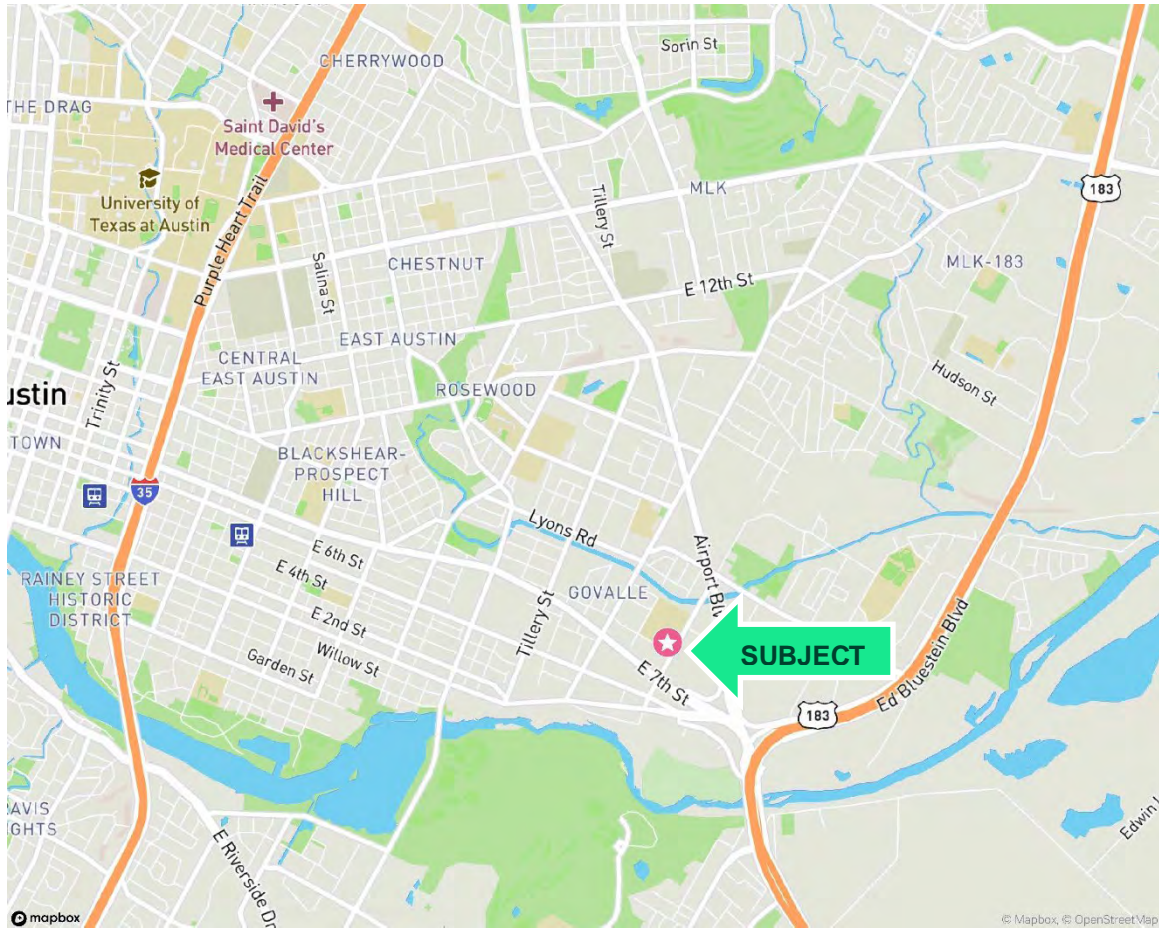
Austin has been ranked at or near the top of both local and national surveys ranging from the best place to live in the United States to the fastest growing local economy. As an increasingly popular alternative for tech companies to the more expensive San Jose and Seattle, Austin has a healthy and growing job market that has been able to meet the needs of the area’s growing population. The following chart outlines the top rankings Austin received in 2022 and 2021.

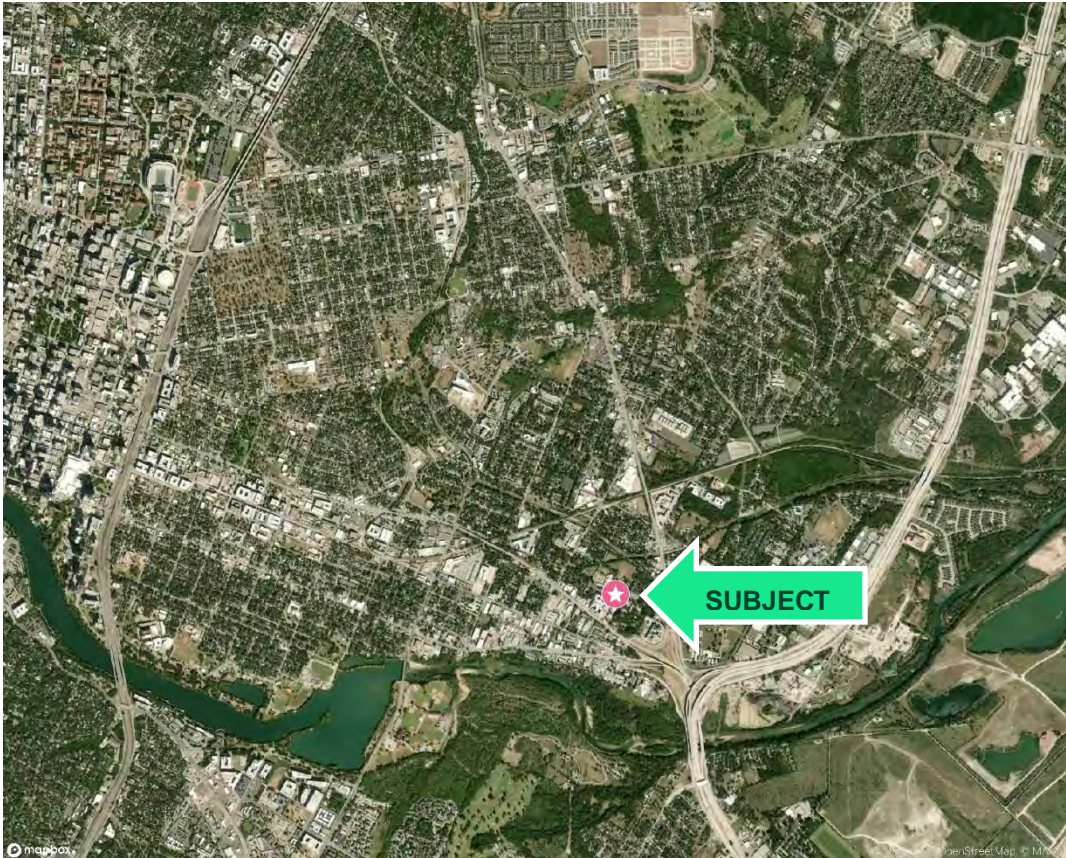
List	Publisher	Rank	Year
Best Market for Commercial Real Estate Investing	CrowdStreet	#1	2022
Best Housing Market for Growth and Stability	SmartAsset	#1	2022
Best State Capital for Safety	WalletHub	#1	2022
Best Housing Market for Millennials	Knock	#1	2022
Best Performing City	Milken Institute	#2	2022
Best Metro Areas for STEM Professionals	WalletHub	#2	2022
Tech Migration in the Past 12 Months	Bloomberg	#1	2021
Best Cities to Relocate to Around the World	Money	#1	2021
Most Attractive U.S. Market for Foreign Real Estate Investors	AFIRE	#1	2021
U.S. Metros With The Most Start-up Businesses	Cain Realty Group	#3	2021
Best Cities for Teleworking - Medium Metro Area	Best Places	#4	2021
Best Place to Live in the USA	U.S. News & World Report	#5	2021
Most Educated Cities in America	WalletHub	#9	2021
Best Real-Estate Market	WalletHub	#2	2021
Metro Areas Best Positioned to Lead the Economic Recovery	Economic Innovation Group	#3	2021

Conclusion

The Austin-Round Rock MSA has an above average growth rate compared to similar markets in the State of Texas with a population growth average of 2.9% since 2010. The Austin area has a particularly well-educated labor force, with a high concentration of technology-oriented businesses, and a relatively low cost of doing business. Additionally, Austin is ranked as one of the best places to live in the United States by numerous publications. Given these factors, the Austin-Round Rock MSA is expected to continue its positive performance and continued growth.

Neighborhood Analysis





Location

The subject is located in Austin's East Central Submarket. This neighborhood is considered an infill location, with the Austin CBD bordering the neighborhood to the west.

Boundaries

The neighborhood boundaries are detailed as follows:

North:	East 51st St.
South:	Colorado River / Town Lake (a.k.a. Lady Bird Lake)
East:	Springdale Rd.
West:	Interstate Highway 35

Land Use

Land uses within the subject neighborhood consist of a mix of commercial and residential uses. The immediate area surrounding the subject is development, with a combination of residential and supporting commercial uses. Most single-family residential properties within a one-mile radius of the subject were built in 2010 or later.

According to information obtained from ESRI, the majority of single-family residential development within a one-mile radius of the subject may be described as homes priced in the \$500,000 - \$749,999 and \$750,000 - \$999,999 ranges. The median household income within a one-mile radius of the subject is approximately

\$126,092 while the median owner-occupied home value within a one-mile radius is currently about \$737,478.

East Austin is characterized by a diverse array of land uses. The areas along its western boundary have been undergoing revitalization over the past five to ten years. Increased demand for downtown-style housing and strong price appreciation of existing residential areas has fueled demand for new development throughout central east Austin. Before revitalization occurred, much of the land near IH-35 was left in wide tracts and used for industrial purposes. Today, mid-rise and high-rise, mixed-use developments and apartments are rapidly replacing warehouses, factories and industrial lots.

East 11th and East 12th Streets were historically the main commercial areas of East Austin. Although business activity slowed for a time, there has been resurgence over the past several years, which recently culminated in the designation the East End IBIZ District. IBIZ, or Independent Business Investment Zone districts are part of an Austin Independent Business Alliance program to help locally owned neighborhood businesses work together and promote themselves through joint marketing and other projects.

To the south, the neighborhood is bounded by Lady Bird Lake, Festival Beach and the hike and bike trail. This area is an important cultural and creative hub and home to art studios, music venues, and trendy eateries. Each November, the East Austin Studio Tour, a self-guided walking and biking tour of creative spaces, showcases the work of hundreds of local artists and is concentrated in this neighborhood.

To the east, the neighborhood is characterized by older structures, lower-density, single-family residences, and affordable housing projects. The area is diverse and inconsistent, as intermittent industrial facilities, warehouses, vast parks and even an organic farm share the neighborhood. As revitalization occurs, the pressures of gentrification and increased competition for space have driven property values up. This has strained many low-income families that have traditionally inhabited the neighborhood. This scenario has put pressure on local leaders to generate more affordable housing options near the city center.

Growth Patterns

To the north, the neighborhood is bounded by East 51st St. and the Mueller Redevelopment, a multi-faceted mixed-use community.

THE ROBERT MUELLER REDEVELOPMENT

The Robert Mueller Municipal Airport Redevelopment is the most significant development in the area. Located three miles from downtown and two miles from The University of Texas, Mueller is an innovative master-planned community that embraces sustainable development and green urbanism. Conceived in 1999 after the City of Austin replaced and closed Mueller Airport, this 700-acre community includes single-family homes, class-A mid-rise offices, apartments, and a regional retail center. The retail center serves as the economic engine to fund community objectives such as green building and open space. Mueller also encompasses the Dell Children's Medical Center, Austin Film Studios, and an HEB grocery store.



PLAZA SALTILLO REDEVELOPMENT

The Plaza Saltillo Redevelopment is a major project situated across E. 5th Street from the subject. The project is poised to become one of East Austin's most significant revitalization efforts. The local public transportation authority, Capital Metro, emphasizes the site's role as a transportation hub for the commuter rail line, and sees opportunities for infill development and smart growth. The 11-acre Saltillo District site sits within walking distance of downtown. The Capitol Metro Board selected a plan created by the Endeavor Group to redevelop the site. The development is to include the following:

- 800 residential units, 200 of which will be set aside for affordable and senior housing
- 140,000 SF of office space
- 110,000 SF of retail space
- A 1.4 acre public park space.

Capitol Metro hopes that by drawing businesses and residents close to the plaza, ridership will increase and dependence on automobiles will decrease. In anticipation of the development of Plaza Saltillo, several new projects and redevelopments have already occurred or are underway in the immediate vicinity. Among them is Corazon, a vertical mixed-use development bringing residential and retail to a full block between East 5th St. and East 6th St. Street. Corazon was in 2016.

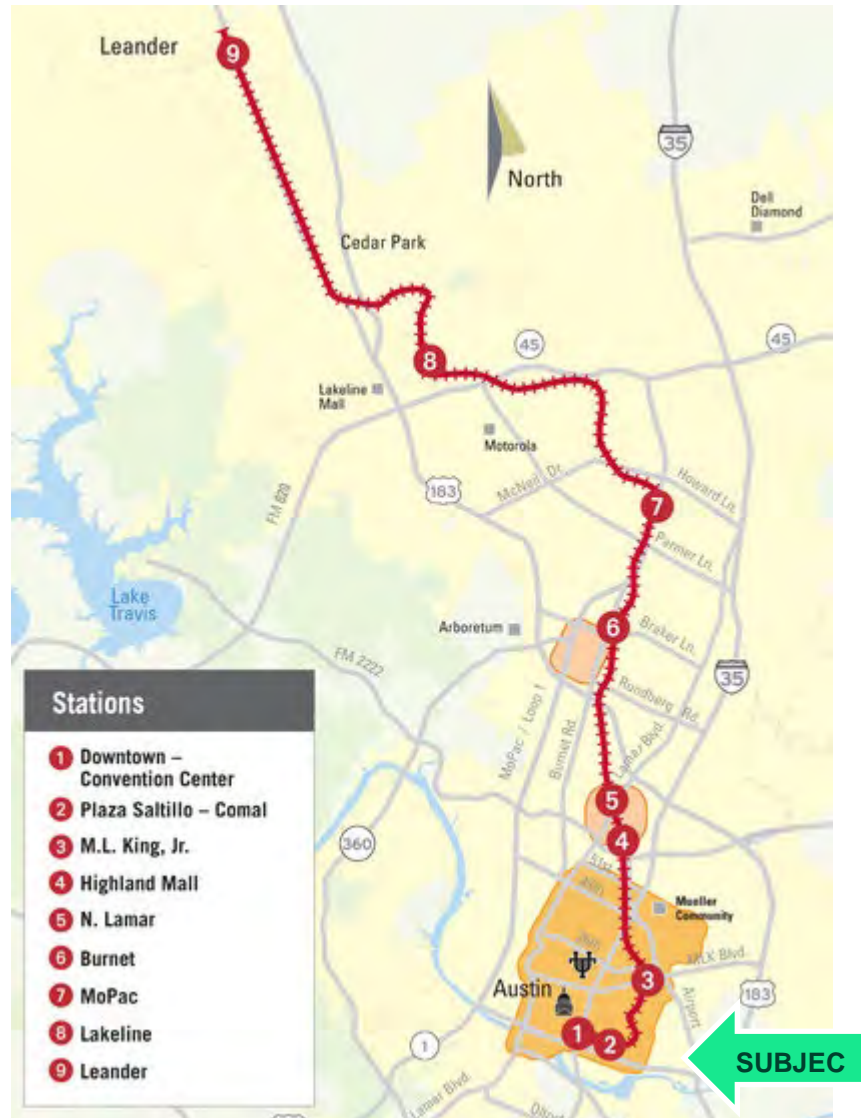


ACCESS

Primary access to the subject neighborhood is provided by Interstate Highway 35 (IH-35), Highway 290, SH-130, and Highway 183. IH-35 is a six-lane, divided highway and is the major north-south traffic carrier in Texas and the Austin MSA, while Highway 290 provides access east to Houston. Highway 183 provides a partial exterior loop for the Austin area. The roadway traverses in a northwest/southeast direction, providing access south to the Austin-Bergstrom International Airport and north to Cedar Park and Leander. Secondary access is provided by Martin Luther King Jr. Boulevard, Manor Road, Airport Boulevard, and East 1st Street.

AUSTIN METRORAIL

Austin's MetroRail runs from the City of Leander through the subject neighborhood and into the CBD. The rail gives fast, convenient access from east Austin to the CBD without the need for parking and presents a viable alternative to the automobile. The subject is situated adjacent the MLK Metrorail station. The Metrorail route is depicted in the following diagram:



The neighborhood is also accessible to cyclists and pedestrians at multiple crossings under the I-35 overpass. Additionally, the Lance Armstrong Bikeway and the hike and bike trail both offer recreational and commuter access to the neighborhood for cyclists and pedestrians.

Demographics

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

SELECTED NEIGHBORHOOD DEMOGRAPHICS

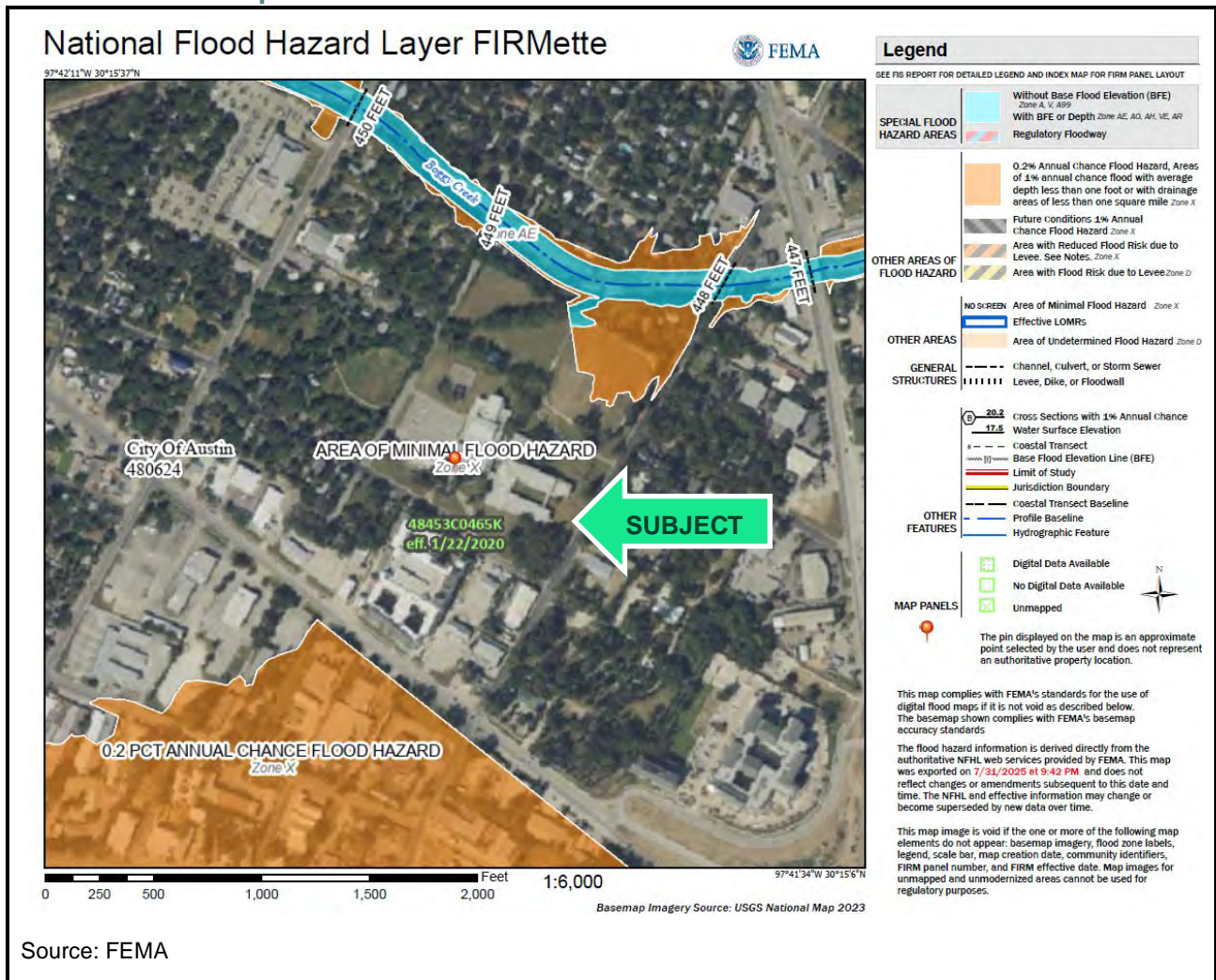
4812 Gonzales St Austin, TX 78702	1 Mile Radius	3 Mile Radius	5 Mile Radius	Austin-Round Rock-San Marcos, TX Metropolitan Statistical Area
Population				
2029 Total Population	12,359	147,845	346,652	2,885,709
2024 Total Population	9,857	134,865	325,759	2,612,392
2010 Total Population	6,713	98,230	255,031	1,716,273
2000 Total Population	6,949	90,663	237,434	1,249,758
<i>Annual Growth 2024 - 2029</i>	<i>4.63%</i>	<i>1.85%</i>	<i>1.25%</i>	<i>2.01%</i>
<i>Annual Growth 2010 - 2024</i>	<i>2.78%</i>	<i>2.29%</i>	<i>1.76%</i>	<i>3.05%</i>
<i>Annual Growth 2000 - 2010</i>	<i>-0.34%</i>	<i>0.80%</i>	<i>0.72%</i>	<i>3.22%</i>
Households				
2029 Total Households	5,582	72,266	163,519	1,158,229
2024 Total Households	4,344	63,481	149,249	1,032,861
2010 Total Households	2,228	37,234	101,013	650,452
2000 Total Households	2,044	33,510	92,932	471,855
<i>Annual Growth 2024 - 2029</i>	<i>5.14%</i>	<i>2.63%</i>	<i>1.84%</i>	<i>2.32%</i>
<i>Annual Growth 2010 - 2024</i>	<i>4.88%</i>	<i>3.88%</i>	<i>2.83%</i>	<i>3.36%</i>
<i>Annual Growth 2000 - 2010</i>	<i>0.87%</i>	<i>1.06%</i>	<i>0.84%</i>	<i>3.26%</i>
Income				
2024 Median Household Income	\$126,092	\$89,219	\$88,004	\$104,066
2024 Average Household Income	\$151,434	\$129,436	\$132,383	\$142,285
2024 Per Capita Income	\$68,148	\$60,794	\$60,878	\$56,329
2024 Pop 25+ College Graduates	3,929	55,554	132,845	921,789
Age 25+ Percent College Graduates - 2024	56.2%	59.7%	61.5%	52.3%

Source: ESRI

Conclusion

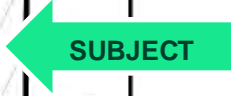
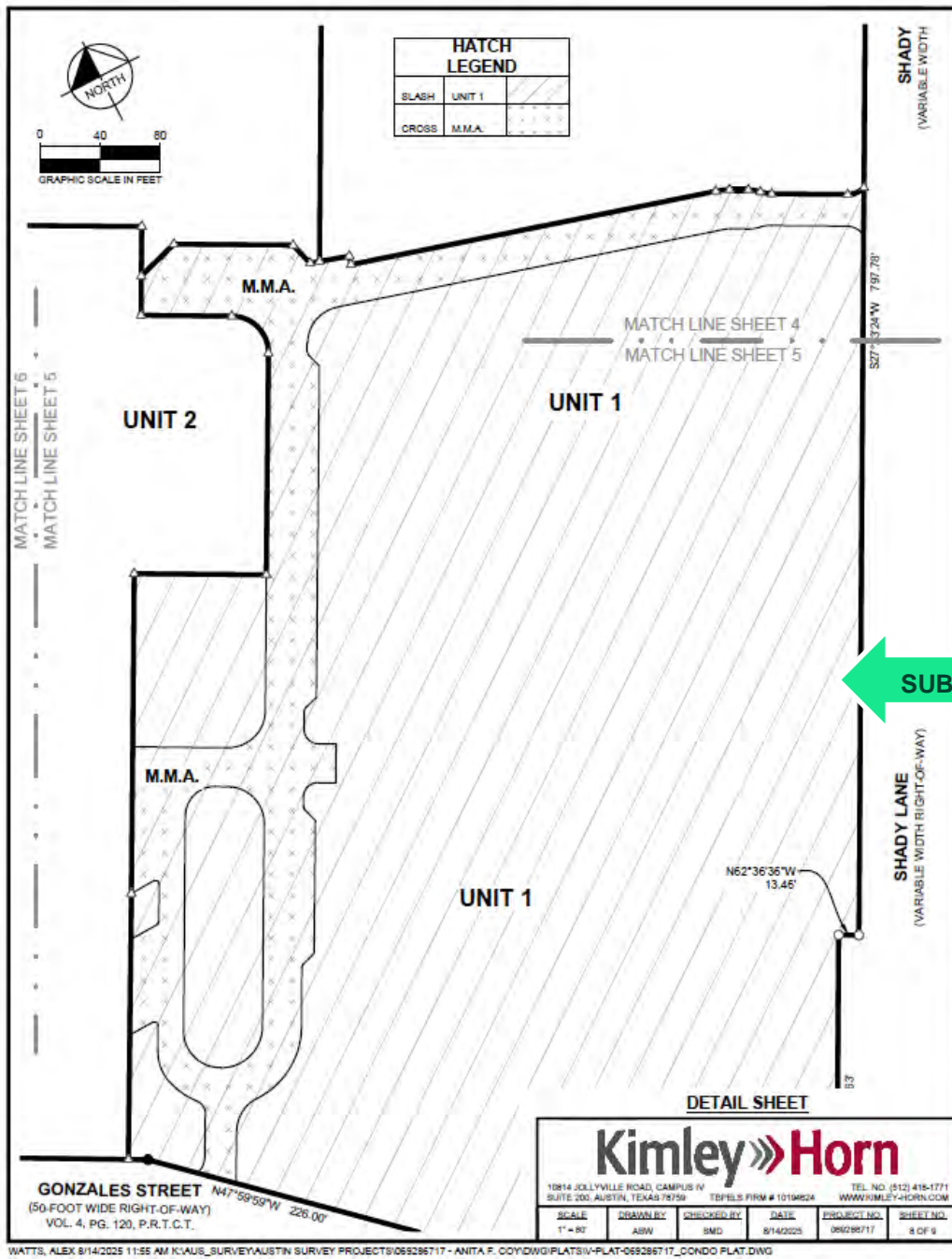
As shown above, the population within the subject neighborhood has shown relatively high levels of growth since 2000 and is projected to moderate over the next five years as the neighborhood becomes increasingly build-out. The neighborhood currently has a upper-income demographic profile, and the subject 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



Site Analysis

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

SITE SUMMARY AND ANALYSIS			
Physical Description			
Gross Site Area	6.97 Acres	303,613 Sq. Ft.	
Net Site Area	6.97 Acres	303,613 Sq. Ft.	
Primary Road Frontage	Gonzales St	n/a	
Secondary Road Frontage	Shady Ln	n/a	
Excess Land Area	None	n/a	
Surplus Land Area	None	n/a	
Shape	Rectangular		
Topography	Generally Level		
Parcel Number(s)	Portion of 190007		
Zoning District	CS-MU-V-VO-DB90-NP		
Flood Map Panel No. & Date	48453C0465K	22-Jan-20	
Flood Zone	Zone X (Unshaded)		
Adjacent Land Uses	Single-family Residential, Multifamily Residential, Light Industrial and Warehousing, Recreational uses		
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	<u>Availability</u>	<u>Provider</u>	
Water	Yes	City of Austin	
Sewer	Yes	City of Austin	
Natural Gas	N/A	Texas Gas	
Electricity	Yes	Austin Energy	
Telephone	Yes	AT&T	
Other	<u>Yes</u>	<u>No</u>	<u>Unknown</u>
Detrimental Easements			X
Encroachments			X
Deed Restrictions			X
Reciprocal Parking Rights			X
Various sources compiled by CBRE			

Ingress/Egress

Ingress and egress to the site are available from curb cuts along the north side of Gonzales St and the west side of Shady Ln.

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.

Utilities

The site includes all municipal services, including police, fire and refuse garbage collection. Public water, wastewater and electricity utilities are available to the site in adequate quality and quantity to service the highest and best use.

Environmental Issues

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

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

Adjacent Properties

The adjacent land uses are summarized as follows:

North:	Sports fields, Boggy Creek and Single-family Residential further
South:	Multifamily Residential, Single-family Residential, Light Industrial
East:	Industrial Warehousing, Single-family Residential
West:	Future Multifamily Redevelopment of Anita Coy facility, Single-family Residential further

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. There is no

floodplain on 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 Rendering



Source: Developer

Artist Renderings



Source: Developer

Amenity Concept Renderings



Source: Developer

Improvements Analysis

The following chart shows a summary of the proposed improvements.

IMPROVEMENTS SUMMARY AND ANALYSIS		
Property Type	Multifamily	(Mid/High-Rise)
Number of Buildings	1	
Number of Stories	5	
Gross Building Area	413,570 SF	
Net Rentable Area	296,558 SF	
Number of Units	341	
Average Unit Size	870 SF	
Development Density	48.9 Units/Acre	
Subject Characteristics	Barbeque Area, Business Center, Clubhouse, Courtyard, Cyber Café, Dog Grooming Station, Dog Park / Run, Fitness Center, Playground, Walking Trail, Elevators, On-Site Management, Structured Parking, Carpeted Flooring, Quartz Countertops, Stainless Steel Appliances and Vinyl Flooring	
Parking Improvements	Above Grade Structure	
Parking Spaces:	540	
Parking Ratio (spaces/unit)	1.58	
Year Built	2028	
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	Floor Plan	No. Units	Percent of Total	Unit Size (SF)	NRA (SF)
1BR/1BA - 60%	One Bedroom - 60% AMI	A0	20	5.9%	614	12,280
2BR/2BA - 60%	Two Bedroom - 60% AMI	B0	13	3.8%	974	12,662
3BR/2BA - 60%	Three Bedroom - 60% AMI	C1	3	0.9%	1,385	4,155
1BR/1BA - 80%	One Bedroom - 80% AMI	A0	18	5.3%	614	11,052
1BR/1BA - 80%	One Bedroom - 80% AMI	A1	60	17.6%	723	43,380
2BR/2BA - 80%	Two Bedroom - 80% AMI	B0	50	14.7%	977	48,850
3BR/2BA - 80%	Three Bedroom - 80% AMI	C1	9	2.6%	1,385	12,465
1BR/1BA	One Bedroom	A1	63	18.5%	723	45,549
1BR/1BA	One Bedroom	A2	18	5.3%	757	13,626
1BR/1BA	One Bedroom	A2.1	7	2.1%	760	5,320
1BR/1BA	One Bedroom	A3	5	1.5%	776	3,880
1BR/1BA	One Bedroom	A4	3	0.9%	697	2,091
2BR/2BA	Two Bedroom	B0	2	0.6%	977	1,954
2BR/2BA	Two Bedroom	B0.1	38	11.1%	989	37,582
2BR/2BA	Two Bedroom	B6	18	5.3%	1,243	22,374
2BR/2BA	Two Bedroom	B7	4	1.2%	1,372	5,488
3BR/2BA	Three Bedroom	C1	10	2.9%	1,385	13,850
Total/Average:			341	100.0%	870	296,558
Source: Various sources compiled by CBRE						

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

Year Built

The subject will be constructed/completed in 2028.

Construction Class

The building will feature mid-rise wrap construction around a central parking structure and will feature both concrete and wood construction components. The building construction class is as follows:

B - Reinforced concrete frames and concrete or masonry floors and roofs

D - Wood frame, floor and structure; considered combustible

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

The overall quality of the 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 foundation is 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 exhibit masonry façade and fiber cement siding with metal accents. The building will have double-pane energy efficient windows.

Roof Cover

The building will have a flat membrane roofing system as well as areas of sloped asphalt shingles.

Elevator/Stair System

The subject will exhibit 4- and 5-story structures with interior 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 entry.

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 feature a dog park, pool courtyard, playground, parking garage, dog wash area, bike parking, mail and package room, co-working spaces, club lounge, fitness center, children's playroom, and outdoor kitchen. There will also be an open-to-the-public park (with bike parking) on the northern portion of the site.

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 quartz surfaces with tile backsplashes and undermount kitchen sinks. Kitchens will further exhibit vinyl faux-wood plank floors and soft-close wood cabinets with pulls.

Bathrooms

The bathrooms within each unit will feature combination showers and tubs with tile surrounds (stand-up showers in primary baths and/or select units). Additionally, each bathroom will feature built-in sinks and wall-mounted, framed vanity mirrors.

Interior Features

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

Interior Lighting

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

Patios, Balconies and Storage

Each unit will exhibit a balcony or patio area. Select ground floor units will include fenced, private yard areas.

Site Amenities

Parking and Drives

The project will feature adequate open surface and structured garage parking. All parking spaces and vehicle drives will be concrete paved. Parking is included in the quoted rental rates. The proposed parking is summarized as follows:

PARKING IMPROVEMENTS		
Parking Type	Total Spaces	Rental Rate
Open Surface	24	\$0
Structured Garage	553	\$0
Total	577	
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 build-to-rent projects.

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	CS-MU-V-VO-DB90-NP
Legally Conforming	Yes
Uses Permitted	See below
Zoning Change	Not likely
Category	Zoning Requirement (CS Base District)
Minimum Lot Size	5,750 Sq. Ft.
Minimum Lot Width	50 Feet
Maximum Height	60 Feet
Minimum Setbacks	
Front Yard	10 Feet
Street Side Yard	10 Feet
Interior Side Yard	n/a
Rear Yard	n/a
Maximum Bldg. Coverage	95%
Maximum FAR/Density	2.00 : 1
Subject's Actual FAR	1.36 : 1
Subject's Actual Density	48.6 Units/Acre
Source: Planning & Zoning Dept.	

CS; General Commercial Services - General Commercial Services district is intended predominately for commercial and industrial activities of a service nature having operating characteristics or traffic service requirements generally incompatible with residential environments.

MU; Mixed Use Combining District - Mixed Use combining district is intended for combination with selected base districts, in order to permit any combination of office, retail, commercial, and residential uses within a single development. Allows development of all types of residential uses, including single-family residential, multifamily residential, and townhomes.

V/VO; Vertical Mixed Use Building Combining District - The Vertical Mixed Use Building combining district may be applied in combination with any commercial base zoning district and allows for the combination of office, retail, commercial and residential uses with a vertical mixed use building.

DB90; Density Bonus 90 – A combining district that encourages the development of affordable housing by providing incentives such as increased building height and modifications to site development regulations.

NP; Neighborhood Plan Combining District - The purpose of the Neighborhood Plan Combining District is to allow infill development by implementing a neighborhood plan that has been adopted by the council as an amendment to the comprehensive plan.

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: COA 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.

AD VALOREM TAX INFORMATION					
Parcel	Assessor's Parcel No.	2025	Pro Forma As Proposed Restricted, without Abatement	Pro Forma As Proposed Restricted, with Abatement	Pro Forma
1	Portion of 190007	\$2,341,773			
	Subtotal	\$2,341,773	\$76,800,000	\$76,800,000	\$76,800,000
	% of Assessed Value	100%	100%	100%	100%
	Final Assessed Value	2,341,773	\$76,800,000	\$76,800,000	\$76,800,000
	General Tax Rate (per \$100 A.V.)	1.981814	1.981814	-	1.981814
	Total Taxes	\$46,410	\$1,522,033	\$0	\$1,522,033
	Taxes per Unit	\$136	\$4,463	\$0	\$4,463
Source: Assessor's Office					

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

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

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

Delinquency

None noted.

Tax Comparables

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

AD VALOREM TAX COMPARABLES							
Comparable Rental	1909 Alexander Ave	2001 Ed Bluestein Boulevard	4910 E. 7th Street	2832 E Martin Luther King Jr Blvd	1120 Shady Lane	5100 Bolm Rd	Subject
Year Built	2024	2021	2021	2022	2020	2024	2028
No. Units	344	300	279	201	308	222	341
Tax Year	2025	2025	2023	2025	2023	2025	Pro Forma
Assessor's Market Value	\$98,690,000	\$66,290,000	\$76,060,000	\$43,960,000	\$70,240,000	\$58,310,000	\$76,800,000
AV Per Unit	\$286,890	\$220,967	\$272,616	\$218,706	\$228,052	\$262,658	\$225,220
Source: Assessor's Office							

Our pro forma assessment is supported by the tax comparables shown above on a per unit basis.

It is also noted that the concluded assessed value results in an assessed value (AV) ratio of approximately 75% when compared to the replacement cost estimate provided by the developer, inclusive of developer's profit.

Conclusion

Based on the foregoing, the total taxes for the subject have been estimated as \$1,522,033 for the base year of our analysis, based upon an assessed value of \$76,800,000 or \$226,549 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 Austin-Round Rock-San Marcos, TX Apartment Market Overview

Recent Performance

The following table summarizes historical and projected performance for the overall metropolitan Austin-Round Rock-San Marcos, TX apartment market, as reported by Axiometrics.

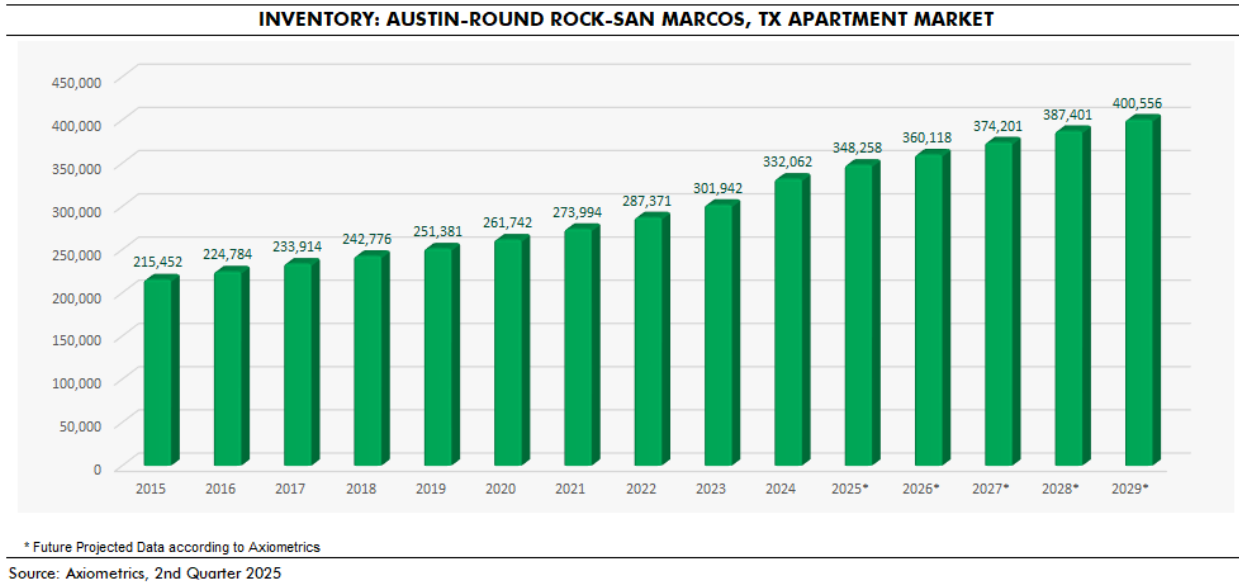
AUSTIN-ROUND ROCK-SAN MARCOS, TX APARTMENT MARKET							
Year Ending	Inventory (Units)	Completions (Units)	Occupied Stock (Units)	Occupancy	Effective Rent (\$/Unit / Mo.)	Effective Rent Change	Net Absorption (Units)
2015	215,452	9,176	204,658	95.0%	\$1,136	5.23%	8,181
2016	224,784	9,510	212,241	94.4%	\$1,179	2.06%	7,595
2017	233,914	9,953	219,388	93.8%	\$1,201	-0.67%	7,130
2018	242,776	9,000	229,860	94.7%	\$1,265	4.35%	10,471
2019	251,381	9,009	239,541	95.3%	\$1,320	4.02%	9,697
2020	261,742	10,496	245,645	93.9%	\$1,266	-4.93%	6,104
2021	273,994	12,252	265,993	97.1%	\$1,581	24.07%	20,357
2022	287,371	14,128	270,301	94.1%	\$1,668	4.37%	4,303
2023	301,942	14,571	279,387	92.5%	\$1,588	-5.99%	9,088
Q1 2024	306,890	5,280	283,290	92.3%	\$1,563	-1.46%	3,882
Q2 2024	314,978	8,088	290,441	92.2%	\$1,554	-0.73%	7,160
Q3 2024	324,338	9,515	299,494	92.3%	\$1,523	-2.09%	9,051
Q4 2024	332,062	7,724	308,253	92.8%	\$1,478	-3.05%	8,749
2024	332,062	30,607	308,253	92.8%	\$1,478	-7.34%	28,841
Q1 2025	337,699	5,637	314,600	93.2%	\$1,464	-1.13%	6,367
Q2 2025	341,612	3,913	320,705	93.9%	\$1,453	-1.11%	6,086
Q3 2025*	344,745	3,133	325,439	94.4%	\$1,425	-1.93%	4,666
Q4 2025*	348,258	3,513	330,149	94.8%	\$1,408	-1.19%	4,709
2025*	348,258	16,196	330,149	94.8%	\$1,408	-4.70%	21,995
2026*	360,118	11,860	342,112	95.0%	\$1,437	2.10%	11,964
2027*	374,201	14,083	355,865	95.1%	\$1,474	2.60%	13,753
2028*	387,401	13,200	368,031	95.0%	\$1,514	2.70%	12,165
2029*	400,556	13,155	378,926	94.6%	\$1,559	3.00%	10,895
* Future Projected Data according to Axiometrics							
Source: Axiometrics, 2nd Quarter 2025							

The Austin-Round Rock-San Marcos, TX apartment market consists of approximately 341,612 units of apartment space. The following observations are noted from the table above:

- As of 2nd Quarter 2025, there were approximately 320,705 units of occupied apartment space, resulting in an occupancy rate of 93.9% for the metro area. This reflects an increase from the previous quarter's occupancy of 93.2%, and an increase from an occupancy rate of 92.8% from last year.
- The area experienced positive 6,086 units of net absorption for the current quarter. This indicates a decline from the previous quarter's positive 6,367 units of net absorption, and a decline from the positive 28,841 units of net absorption from last year.
- The area had completions of positive 3,913 units for the current quarter, which indicates a decrease from the previous quarter's completions of positive 5,637 units, and indicates a decline from completions of positive 30,607 units from last year.

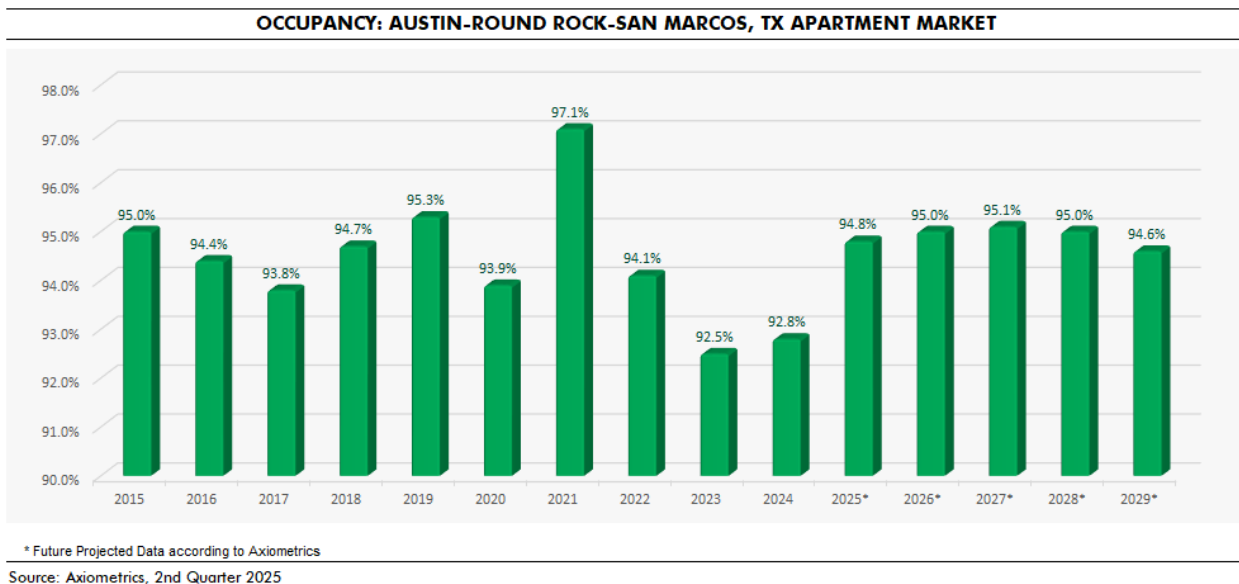
- The area achieved average effective rent of \$1,453 per unit, which indicates a decrease from the previous quarter's effective rent of \$1,464 per unit, and a decrease from the effective rent of \$1,478 per unit from last year.

Historical Inventory – Market



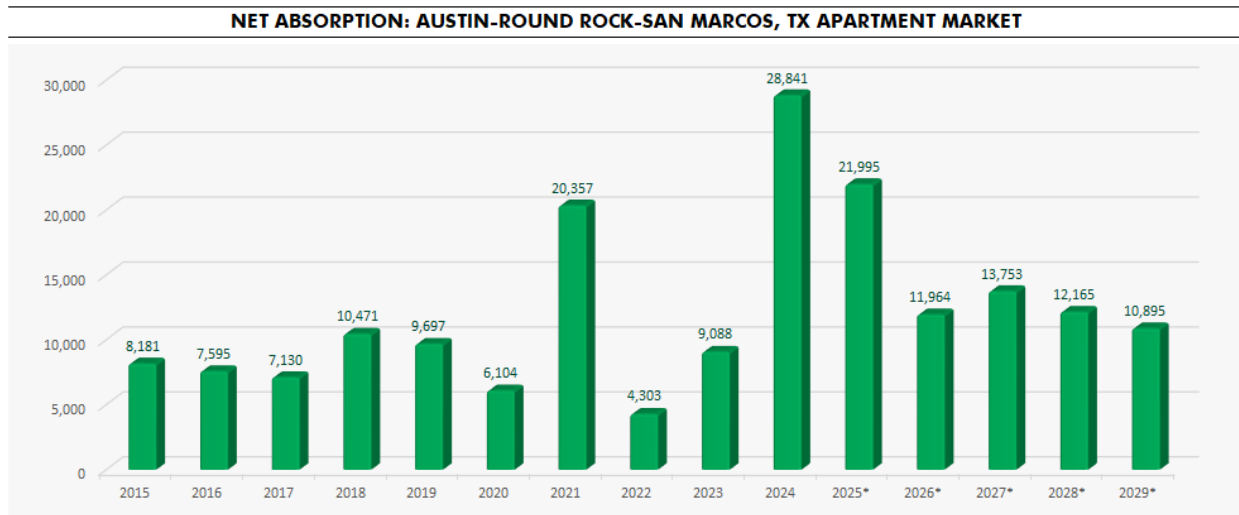
Inventory is projected to be 348,258 units at the end of the current year, which represents an increase from the previous year's inventory of 332,062 units. Inventory for next year is projected to be 360,118 units, reflecting an increase from the current year.

Historical Occupancy - Market



At the end of the current year, the occupancy rate is projected to be 94.8%, which reflects an increase from the 92.8% occupancy rate at the end of last year. Occupancy for next year is projected to be 95.0%, reflecting a small increase from the current year.

Historical Net Absorption - Market

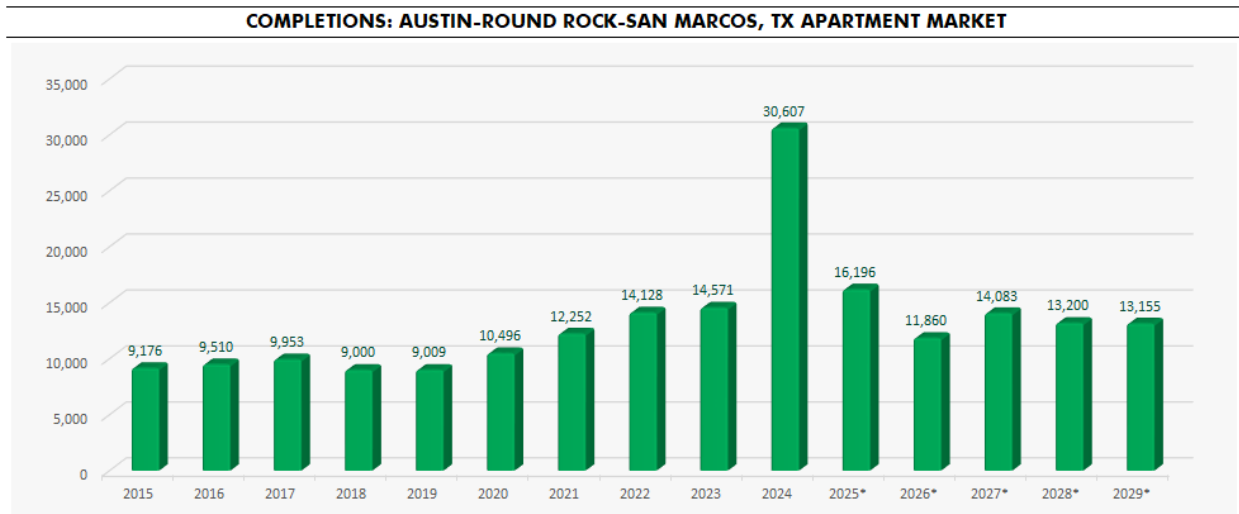


* Future Projected Data according to Axiometrics

Source: Axiometrics, 2nd Quarter 2025

At the end of the current year, the area is projected to experience positive 21,995 units of net absorption, which indicates a decline from the positive 28,841 units of net absorption for the previous year. The area is projected to experience positive 11,964 units of net absorption as of the end of next year, which indicates a decline from the current year.

Historical Completions - Market

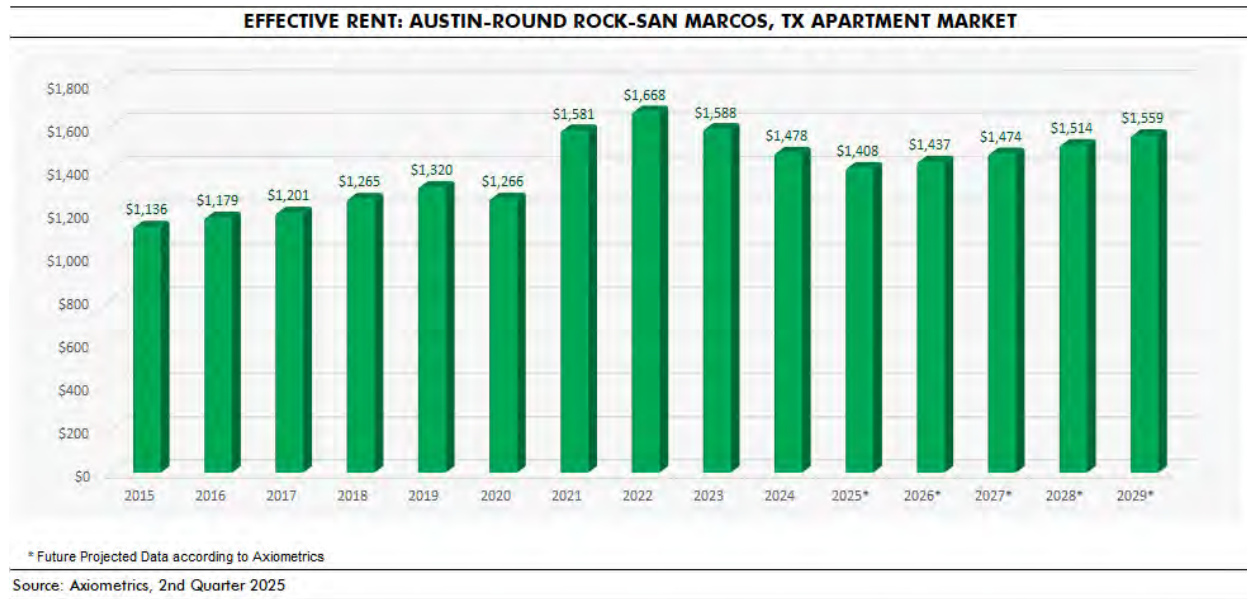


* Future Projected Data according to Axiometrics

Source: Axiometrics, 2nd Quarter 2025

The area is projected to achieve completions of positive 16,196 units for the current year, which indicates a decline from the previous year's completions of positive 30,607 units. The area is projected to experience completions of positive 11,860 units as of the end of next year, which indicates a decline from the current year.

Historical Effective Rent - Market



The area is projected to achieve average effective rent of \$1,408 per unit at the end of the current year, which indicates a decrease from the previous year's effective rent of \$1,478 per unit. The area is projected to achieve effective rent of \$1,437 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 Austin-Round Rock-San Marcos, TX market as of 2nd Quarter 2025.

SUBMARKET SNAPSHOT				
Submarket	Inventory (Units)	Completions* (Units)	Effective Rent (\$/Unit / Mo.)	Occupancy
Arboretum	10,835	454	\$1,311	95.2%
Cedar Park	24,453	2,888	\$1,360	94.0%
Downtown/University	24,450	969	\$2,701	95.8%
East Austin	31,466	5,107	\$1,590	93.3%
Far South Austin	20,793	1,504	\$1,356	93.4%
Far West Austin	11,305	895	\$1,349	93.4%
Near North Austin	16,262	699	\$1,464	94.0%
North Central Austin	36,831	2,873	\$1,372	93.9%
Northwest Austin	13,713	106	\$1,326	93.8%
Pflugerville/Wells Branch	20,615	1,397	\$1,275	93.3%
Riverside	24,425	439	\$1,352	92.6%
Round Rock/Georgetown	34,376	4,172	\$1,379	93.3%
San Marcos	22,660	2,462	\$1,309	94.1%
South Austin	15,654	574	\$1,822	94.9%
Southeast Austin	14,629	1,706	\$1,302	94.6%
Southwest Austin	19,145	544	\$1,592	94.9%

*Completions include trailing 4 quarters

Source: Axiometrics, 2nd Quarter 2025

East Austin Submarket

Important characteristics of the East Austin apartment market are summarized below:

EAST AUSTIN APARTMENT SUBMARKET							
Year Ending	Inventory (Units)	Completions (Units)	Occupied Stock (Units)	Occupancy	Effective Rent (\$/Unit / Mo.)	Effective Rent Change	Net Absorption (Units)
2015	12,605	640	11,918	94.6%	\$1,136	4.36%	550
2016	13,205	600	12,509	94.7%	\$1,218	2.80%	592
2017	13,769	564	12,848	93.3%	\$1,250	1.09%	339
2018	14,637	868	13,870	94.8%	\$1,367	5.35%	1,022
2019	16,025	1,388	15,148	94.5%	\$1,461	5.66%	1,278
2020	16,873	848	15,535	92.1%	\$1,355	-8.83%	386
2021	19,571	2,698	18,837	96.3%	\$1,661	19.37%	3,303
2022	22,955	3,384	21,254	92.6%	\$1,754	7.03%	2,416
2023	24,852	1,897	22,680	91.3%	\$1,699	-5.02%	1,427
Q1 2024	25,098	546	22,894	91.2%	\$1,668	-1.74%	213
Q2 2024	26,359	1,261	24,158	91.7%	\$1,661	-0.42%	1,264
Q3 2024	28,212	1,853	25,882	91.7%	\$1,640	-1.67%	1,724
Q4 2024	29,938	1,726	27,627	92.3%	\$1,618	-2.42%	1,743
2024	29,938	5,386	27,627	92.3%	\$1,618	-6.15%	4,945
Q1 2025	31,019	1,081	28,702	92.5%	\$1,571	-3.14%	1,076
Q2 2025	31,466	447	29,348	93.3%	\$1,590	-0.46%	647
Q3 2025*	32,449	983	30,210	93.1%	\$1,542	-3.02%	852
Q4 2025*	33,383	934	31,246	93.6%	\$1,521	-1.36%	1,036
2025*	33,383	3,445	31,246	93.6%	\$1,521	-6.00%	3,637
2026*	35,318	1,935	33,270	94.2%	\$1,550	1.90%	2,002
2027*	37,848	2,530	35,729	94.4%	\$1,588	2.50%	2,466
2028*	40,140	2,292	37,852	94.3%	\$1,630	2.60%	2,122
2029*	42,455	2,315	39,865	93.9%	\$1,679	3.00%	2,015

*Future Projected Data according to Axiometrics

Source: Axiometrics, 2nd Quarter 2025

The East Austin apartment submarket consists of approximately 31,466 units of apartment space. The current submarket inventory represents approximately 9.2% of the overall market inventory. The following observations were noted from the table above:

- As of 2nd Quarter 2025, there were approximately 29,348 units of occupied apartment space, resulting in an occupancy rate of 93.3% for the submarket. This reflects an increase from the previous quarter's occupancy of 92.5%, and an increase from an occupancy rate of 92.3% from last year. The submarket occupancy is below the 93.9% market occupancy.
- The submarket experienced positive 647 units of net absorption for the current quarter. This indicates a decline from the previous quarter's positive 1,076 units of net absorption, and a decline from the positive 4,945 units of net absorption from a year ago. Overall, the submarket has experienced positive 1,723 units of net absorption for the current year-to-date period. The submarket's current net absorption of positive 647 units is below the overall market net absorption of positive 6,086 units.
- The submarket had completions of positive 447 units for the current quarter, which indicates a decrease from the previous quarter's completions of positive 1,081 units, and a decrease from the completions of positive 1,261 units from last year.
- The submarket achieved average effective rent of \$1,590 per unit, which indicates an increase from the previous quarter's effective rent of \$1,571 per unit, and a decrease from the effective rent of \$1,618 per unit from last year. The submarket's current effective rent of \$1,590 per unit compares favorably with the overall market asking rent of \$1,453 per unit.

Historical Inventory - Submarket

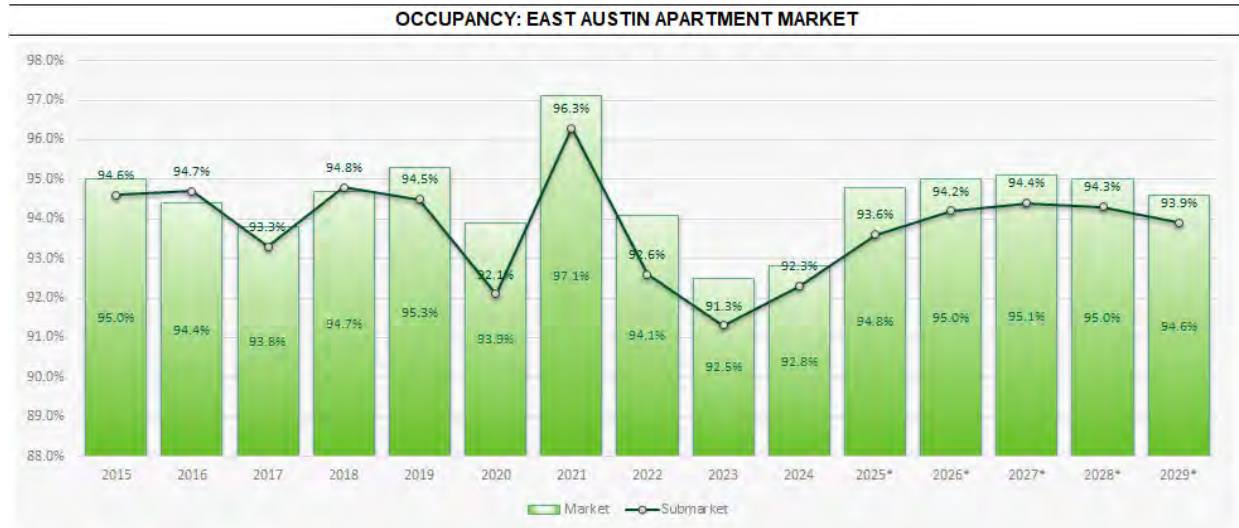


* Future Projected Data according to Axiometrics

Source: Axiometrics, 2nd Quarter 2025

Submarket Inventory is projected to be 33,383 units at the end of the current year, which represents a small increase from the previous year's submarket inventory of 29,938 units. Inventory for next year is projected to be 35,318 units, reflecting a small increase from the current year.

Historical Occupancy - Submarket

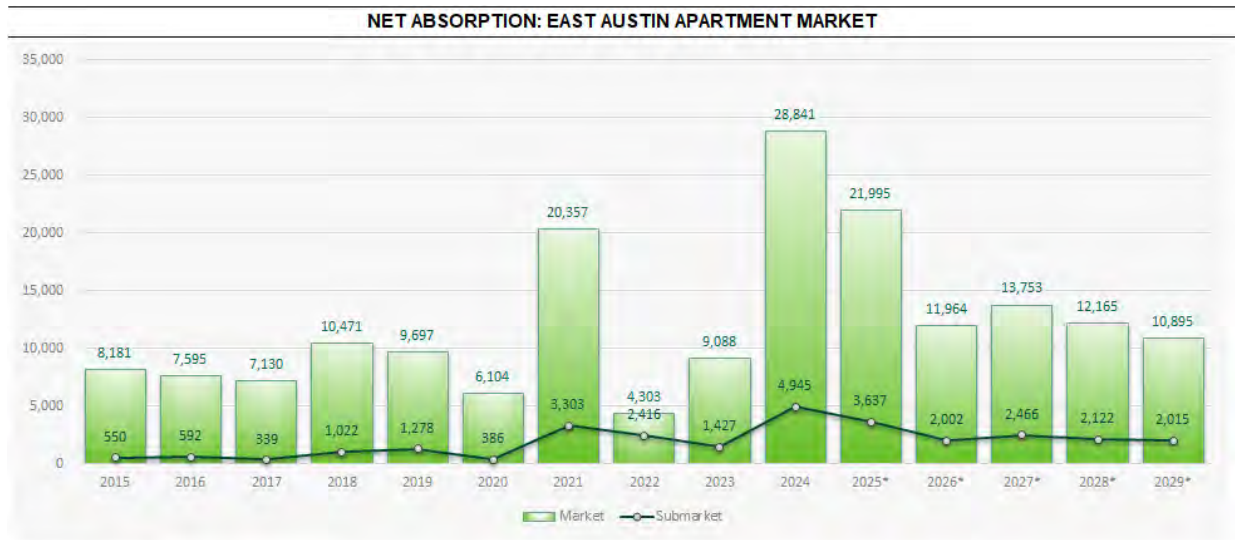


* Future Projected Data according to Axiometrics

Source: Axiometrics, 2nd Quarter 2025

Submarket occupancy is projected to be 93.6% at the end of the current year, which represents an increase from the previous year's submarket occupancy of 92.3%. Submarket occupancy for next year is projected to be 94.2%, reflecting an increase from the current year.

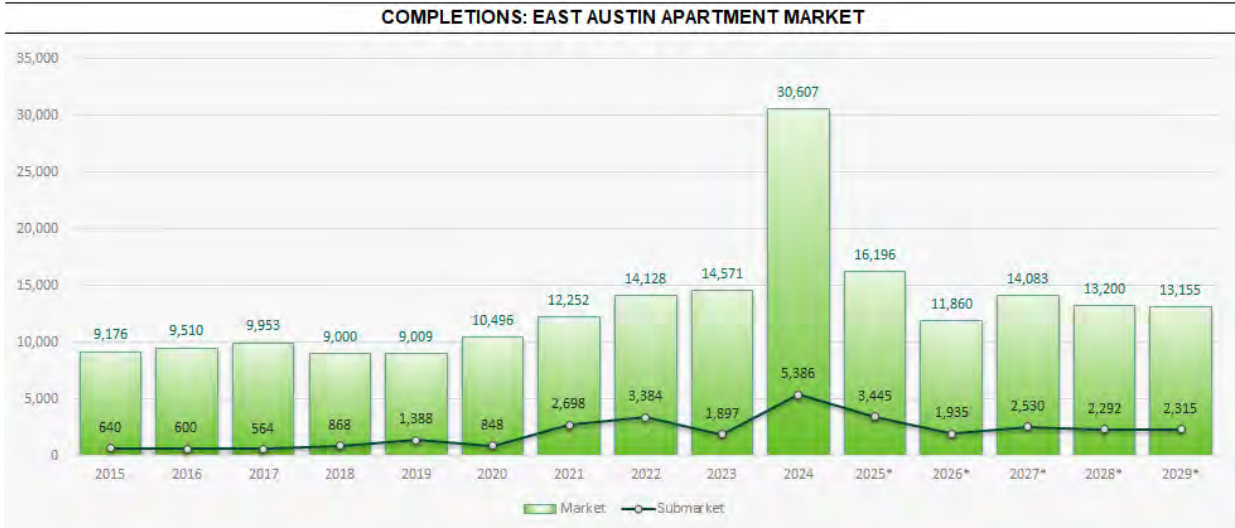
Historical Net Absorption - Submarket



Source: Axiometrics, 2nd Quarter 2025

Net absorption in the submarket is projected to be positive 3,637 units at the end of the current year, reflecting a decline from the previous year's net absorption of positive 4,945 units. Net absorption for next year is projected to be positive 2,002 units, indicating a decline from the current year.

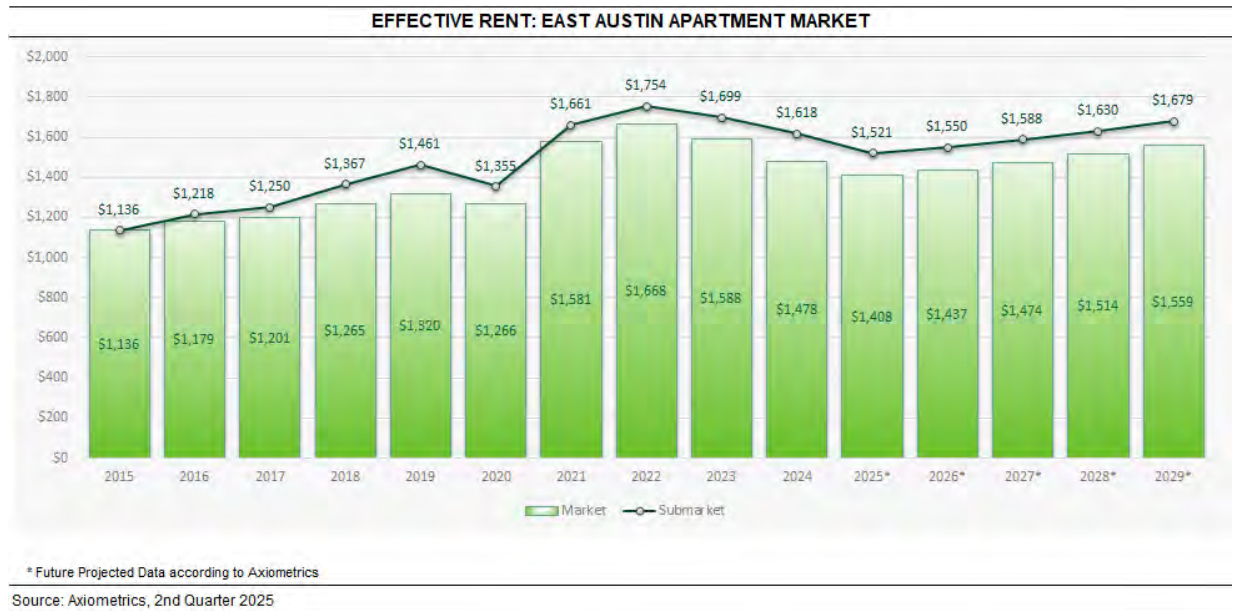
Historical Completions - Submarket



Source: Axiometrics, 2nd Quarter 2025

The submarket is projected to achieve completions of positive 3,445 units at the end of the current year, which indicates a decline from the previous year's completions of positive 5,386 units. The submarket is projecting completions of positive 1,935 units for next year, which indicates a decline from the current year.

Historical Effective Rent - Submarket



The submarket is projected to achieve average effective of \$1,521 per unit at the end of the current year, which represents a decrease from the previous year's effective rent of \$1,618 per unit. The submarket is projected to achieve average effective rent of \$1,550 per unit, reflecting an increase from the current year.

Demographic Analysis

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

Housing, Population and Household Formation

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

POPULATION AND HOUSEHOLD PROJECTIONS

	1 Mile Radius	3 Mile Radius	5 Mile Radius	Austin-Round Rock-San Marcos, TX Metropolitan Statistical Area
Population				
2029 Total Population	12,359	147,845	346,652	2,885,709
2024 Total Population	9,857	134,865	325,759	2,612,392
2010 Total Population	6,713	98,230	255,031	1,716,273
2000 Total Population	6,949	90,663	237,434	1,249,758
<i>Annual Growth 2024 - 2029</i>	<i>4.63%</i>	<i>1.85%</i>	<i>1.25%</i>	<i>2.01%</i>
<i>Annual Growth 2010 - 2024</i>	<i>2.78%</i>	<i>2.29%</i>	<i>1.76%</i>	<i>3.05%</i>
<i>Annual Growth 2000 - 2010</i>	<i>-0.34%</i>	<i>0.80%</i>	<i>0.72%</i>	<i>3.22%</i>
Households				
2029 Total Households	5,582	72,266	163,519	1,158,229
2024 Total Households	4,344	63,481	149,249	1,032,861
2010 Total Households	2,228	37,234	101,013	650,452
2000 Total Households	2,044	33,510	92,932	471,855
<i>Annual Growth 2024 - 2029</i>	<i>5.14%</i>	<i>2.63%</i>	<i>1.84%</i>	<i>2.32%</i>
<i>Annual Growth 2010 - 2024</i>	<i>4.88%</i>	<i>3.88%</i>	<i>2.83%</i>	<i>3.36%</i>
<i>Annual Growth 2000 - 2010</i>	<i>0.87%</i>	<i>1.06%</i>	<i>0.84%</i>	<i>3.26%</i>

Source: ESRI

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

Income Distributions

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

HOUSEHOLD INCOME DISTRIBUTION

	1 Mile Radius	3 Mile Radius	5 Mile Radius	Austin-Round Rock-San Marcos, TX Metropolitan Statistical Area
Households by Income Distribution (2024)				
<\$15,000	5.16%	9.32%	10.69%	5.81%
\$15,000 - \$24,999	4.56%	6.32%	5.75%	3.58%
\$25,000 - \$34,999	4.01%	4.61%	4.72%	3.91%
\$35,000 - \$49,999	6.98%	8.68%	8.89%	7.93%
\$50,000 - \$74,999	10.64%	14.01%	13.66%	14.59%
\$75,000 - \$99,999	10.80%	11.23%	10.81%	11.98%
\$100,000 - \$149,999	19.34%	16.71%	16.43%	19.39%
\$150,000 - \$199,999	16.57%	10.64%	10.13%	11.99%
\$200,000+	21.96%	18.48%	18.92%	20.83%

Source: ESRI

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

HOUSEHOLD INCOME LEVELS

	1 Mile Radius	3 Mile Radius	5 Mile Radius	Austin-Round Rock-San Marcos, TX Metropolitan Statistical Area
Income				
2024 Median Household Income	\$126,092	\$89,219	\$88,004	\$104,066
2024 Average Household Income	\$151,434	\$129,436	\$132,383	\$142,285
2024 Per Capita Income	\$68,148	\$60,794	\$60,878	\$56,329

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	Austin-Round Rock-San Marcos, TX Metropolitan Statistical Area
Agric/Forestry/Fishing/Hunting	0.00%	0.11%	0.23%	0.30%
Construction	14.20%	7.40%	6.93%	7.92%
Manufacturing	12.02%	6.02%	5.74%	8.22%
Wholesale Trade	1.89%	1.38%	1.44%	1.62%
Retail Trade	6.69%	8.74%	8.80%	9.90%
Transportation/Warehousing	1.46%	3.24%	2.85%	3.61%
Information	3.07%	4.02%	3.89%	2.86%
Finance/Insurance	3.26%	3.86%	3.82%	5.03%
Prof/Scientific/Tech Services	13.94%	19.02%	18.85%	14.80%
Mgmt of Companies/Enterprises	1.61%	0.21%	0.17%	0.14%
Admin/Support/Waste Mgmt Svcs	5.11%	4.78%	4.60%	4.67%
Educational Services	8.97%	10.73%	12.17%	10.11%
Health Care/Social Assistance	7.21%	8.43%	9.18%	10.92%
Arts/Entertainment/Recreation	3.03%	2.44%	2.83%	2.03%
Accommodation/Food Services	4.98%	9.52%	8.96%	6.79%
Other Services (excl Publ Adm)	4.20%	5.04%	4.61%	4.74%
Public Administration	8.35%	5.04%	4.91%	6.34%

Source: ESRI

The previous table illustrates the employment character of the submarket, with the majority of the population holding educational, health care and retail trade 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	
Austin-Round Rock-San Marcos, TX Market	94.8%
East Austin Submarket	94.8%
Rent Comparables (Weighted Avg.)*	95.0%
Subject's Stabilized Occupancy	95.0%
Compiled by CBRE	

*Excludes properties in initial lease-up

Our estimate is prior to 0.5% credit loss.

Conclusion

The overall area has experienced a generally softening in occupancy and rent performance in the face of significant construction in recent years. However, the submarket area has been somewhat insulated from new construction and has exhibited relatively stable performance metrics over the past several quarters. 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 quartz or 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:	1
Condition:	Excellent	Gross Building Area:	413,570 SF
Exterior Wall:	Masonry and fiber plank w/ metal accents	Net Rentable Area:	296,558 SF
Number of Units:	341	Average Unit Size:	870 SF
Number of Stories:	5	Average Floor Area:	23,633 SF
MVS Sec/Page/Class		14/34	11/15
Quality/Class		Good/B	Good/D
Building Component		Parking Structures	Luxury Apartments
Component Sq. Ft.		170,958 SF	413,570 SF
Base Square Foot Cost		\$96.50	\$172.00
Square Foot Refinements			
Heating and cooling		Included	Included
Sprinklers		\$3.00	\$3.00
Appliances (\$3,000 each)		\$0.00	\$2.47
Subtotal		\$101.97	\$177.47
Height and Size Refinements			
Number of Stories Multiplier		1.010	1.010
Height per Story Multiplier		1.000	1.000
Floor Area Multiplier		1.000	0.915
Subtotal		\$102.99	\$164.01
Cost Multipliers			
Current Cost Multiplier		0.99	0.97
Local Multiplier		0.88	0.86
Final Square Foot Cost		\$89.73	\$136.82
Base Component Cost		\$15,339,682	\$56,584,229
Base Building Cost	(via Marshall Valuation Service cost data)		\$71,923,910
Additions			
Signage, Landscaping & Misc. Site Improvements (not included above)			\$2,000,000
Surface Parking/Walks (not included above)			\$500,000
Direct Building Cost			\$74,423,910
Indirect Costs	20.0% of Direct Building Cost		\$14,884,782
Direct and Indirect Building Cost			\$89,308,693
Rounded			\$89,309,000
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, developer's fee, and any developer's profit have been excluded from the Indirect Costs reported in the table below for like-to-like analysis to the comparables.

CONSTRUCTION COSTS					
Comparable:	1	2	3	Average	Subject
Property Type	Mid/High-Rise	Mid/High-Rise	Mid/High-Rise		Mid/High-Rise
Year of Cost Data	2024	2025	2023		2025
Cost Data Based Upon...	Budget	Budget	Budget		Budget
Number of Units:	137	429	316	294	341
Size (SF):	140,596	481,728	340,512	320,945	413,570
Cost Component					
Direct Cost	\$28,495,486	\$106,699,035	\$62,008,622	\$65,734,381	\$71,741,480
Indirect Cost	\$7,125,102	\$23,497,646	\$10,687,956	\$13,770,235	\$17,302,230
Total Direct, Indirect & Lease-up	\$35,620,588	\$130,196,681	\$72,696,578	\$79,504,616	\$89,043,710
Cost Per Unit	\$260,004	\$303,489	\$230,052	\$264,515	\$261,125
Cost Per SF	\$253.35	\$270.27	\$213.49	\$245.71	\$215.31
Compiled by CBRE					

Direct and Indirect cost conclusion

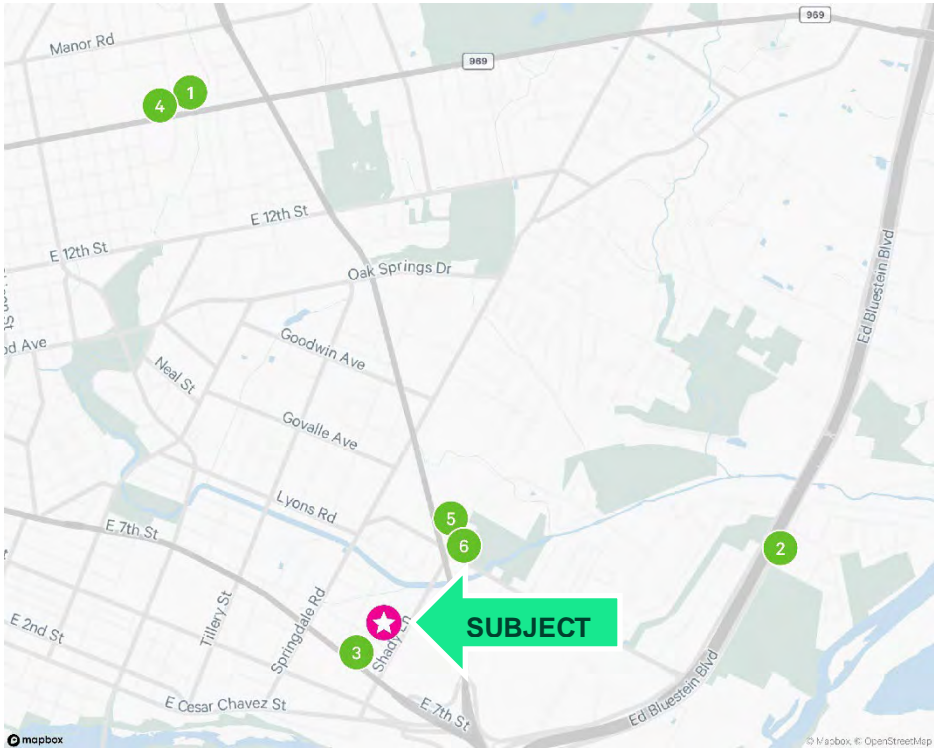
The indicated direct and indirect building costs for the subject are illustrated as follows:

DIRECT AND INDIRECT COST CONCLUSION			
Source	Subject Estimate	Per Unit	Per SF
MVS Cost Guide	\$89,309,000	\$261,903	\$215.95
Cost Comparables (Avg.)	n/a	\$264,515	\$245.71
Subject's Budget Cost Est.	\$89,044,000	\$261,125	\$215.31
CBRE Estimate	\$89,044,000	\$261,126	\$215.31
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 cost guide and 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	The Blockyard	1909 Alexander Ave Austin, TX 78722	2024	Multi-unit Mid / High Rise	94%	344	\$2,227
2	Laurel	2001 Ed Bluestein Boulevard Austin, TX 78721	2021	Multi-unit Garden	97%	300	\$1,666
3	Lenox 7th	4910 E. 7th Street Austin, TX 78702	2021	Multi-unit Mid / High Rise	92%	279	\$2,026
4	MLK Highline	2832 E Martin Luther King Jr Blvd Austin, TX 78702	2022	Multi-unit Mid / High Rise	98%	201	\$1,655
5	Trailhead	1120 Shady Lane Austin, TX 78721	2020	Multi-unit Garden	95%	308	\$1,914
6	Trailhead East	5100 Bolm Rd Austin, TX 78721	2024	Multi-unit Mid / High Rise	54%	222	\$1,989
Subj.	Anita Coy East	4812 Gonzales St Austin, TX 78702	2028	Multifamily	0%	341	---
Compiled by CBRE							

The rentals utilized represent the best data available for comparison with the subject. They were selected from our research of recently constructed Class A projects in an approximate 2-mile radius of the subject. 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	4900 Gonzales St	1909 Alexander Ave	2001 Ed Bluestein Boulevard	4910 E. 7th Street	2832 E Martin Luther King Jr Blvd	1120 Shady Lane	5100 Bolm Rd
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	63,481	82,857	31,722	63,378	82,946	58,653	58,345
2024 Average Household Income	\$129,436	\$140,038	\$123,144	\$130,806	\$140,757	\$130,618	\$130,573
AHI Relative to Subject	---	8.2%	-4.9%	1.1%	8.7%	0.9%	0.9%
2024 Median Value of Owner Occupied Housing Units	\$675,613	\$710,427	\$602,941	\$683,210	\$716,803	\$662,947	\$662,929
2024 % Renter Occupied Housing Units	62.0%	59.8%	47.7%	62.4%	59.9%	60.0%	60.1%
2024 % College/Graduate Degree Age 25+	59.7%	69.9%	51.7%	59.7%	70.2%	59.6%	59.3%
2024 Median Age	32.1	30.6	33.4	32.2	30.6	32.1	32.1
Compiled by CBRE							

Discussion/Analysis of Rent Comparables

Rent Comparable One

The Blockyard is situated on the northeast corner of Alexander Ave and E MLK Jr Blvd in east Austin, Texas. The comparable represents a 344-unit, 5-story, mid-rise project that was constructed in 2024. It is considered to be a Class A property in this market and was in good condition at the date of survey. Units include quartz countertops, stainless appliances, and faux wood flooring. The project includes typical Class A community amenities. Quoted rents are indicative of average effective rents including any concessions and premiums. No concessions were quoted as of the date of survey. Tenants pay all utilities. The property offers structured parking at no additional fee.

Rent Comparable Two

Laurel is located along Ed Bluestein Boulevard/Highway 183 in east Austin, Texas. The comparable represents a 300-unit, four-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 quartz countertops, stainless steel appliances, and faux wood/carpet flooring. The project includes typical Class A community amenities. Rents are set by rent optimizing software and are inclusive of all concessions and premiums. Concessions of six weeks free were offered as of the date of survey. Tenants pay all utilities. Detached garages are available for \$150 per month and carports are available for \$50 per month.

Rent Comparable Three

Lenox 7th is located along E. 7th Street approximately one-half mile west of its intersection with Highway 183 in east-central Austin, Texas. The comparable represents a 279-unit, five-story, mid-rise project that was constructed in 2021. 28 of the units are considered affordable units. It is considered to be a Class A property in this market and was in excellent condition at the date of survey. Units include quartz countertops with tile backsplashes, stainless appliances, and faux wood flooring. The project includes Class A community amenities including two pools, a clubhouse, private work rooms, fitness center, etc. Quoted

rents are indicative of average effective rents including any premiums. Current concessions include 4 weeks free rent. Tenants pay all utilities. The project features a structured parking garage with a parking fee of \$15 per space per month.

Rent Comparable Four

MLK Highline is located at the northwest corner of E. Martin Luther King Jr Boulevard and Alexander Avenue in east central Austin, Texas. The comparable represents a 201-unit, five-story, mid-rise apartment complex that was constructed in 2022. The property also includes 9,680 SF of ground floor retail space. It is considered to be a Class A property in this market and was in excellent condition at the date of survey. Units include quartz countertops, stainless appliances, and faux wood flooring. The project includes a below average amenity package with a club room and sky deck. Rents are set by rent optimizing software and are inclusive all concessions and premiums. No concessions were offered as of the date of survey. It is noted that 10% of the GBA must be reserved for or leased to tenants whose income is no more than 60% AMI. Tenants pay all utilities.

Rent Comparable Five

Trailhead Apartments are located along the east side of Decker Lane, just north of FM 969, in Austin, Texas. The comparable represents a 308-unit, garden-style complex that was constructed in 2020. Units include granite counters, stainless appliances and vinyl flooring. The project includes typical Class A community amenities. Quoted rents are indicative of average effective rents including any premiums. Concessions of four to eight weeks free are currently being offered. Tenants pay all utilities.

Rent Comparable Six

Trailhead east is situated on the northeast corner of Bolm Rd and Shady Ln in east Austin, Texas. The comparable represents a 222-unit, 5-story, mid-rise complex that was constructed in 2024. It is considered to be a Class A property in this market and was in good condition at the date of survey. Note if recently renovated. Units include quartz countertops, stainless appliances, and faux wood flooring. The project includes typical Class A community amenities. Quoted rents are indicative of average effective rents including any premiums but prior to lease-up concessions. Lease-up concessions of 3 weeks free were quoted as of the date of survey. Tenants pay all utilities. The property includes structured parking for no extra fee.

Subject Rental Information

The following table shows the subject’s unit mix and quoted rental rates. Only market rates were provided by the developer. CBRE has assumed either market rates or maximum allowable rates for the affordable units, whichever is lower.

SUBJECT RENTAL INFORMATION						
Type	No. of Units	Unit Size (SF)	Unit Occ.	Max Affordable \$/Unit	Avg. Quoted \$/Unit	Rent Per SF
1BR/1BA - 60%	20	614	0%	\$1,606	\$1,562	\$2.54
2BR/2BA - 60%	13	974	0%	\$1,807	\$1,758	\$1.80
3BR/2BA - 60%	3	1,385	0%	\$2,007	\$1,953	\$1.41
1BR/1BA - 80%	18	614	0%	\$2,142	\$1,750	\$2.85
1BR/1BA - 80%	60	723	0%	\$2,142	\$1,845	\$2.55
2BR/2BA - 80%	50	977	0%	\$2,410	\$2,195	\$2.25
3BR/2BA - 80%	9	1,385	0%	\$2,676	\$2,676	\$1.93
1BR/1BA	63	723	0%	n/a	\$1,875	\$2.59
1BR/1BA	18	757	0%	n/a	\$2,075	\$2.74
1BR/1BA	7	760	0%	n/a	\$2,025	\$2.66
1BR/1BA	5	776	0%	n/a	\$1,925	\$2.48
1BR/1BA	3	697	0%	n/a	\$1,850	\$2.65
2BR/2BA	2	977	0%	n/a	\$2,275	\$2.33
2BR/2BA	38	989	0%	n/a	\$2,275	\$2.30
2BR/2BA	18	1,243	0%	n/a	\$2,670	\$2.15
2BR/2BA	4	1,372	0%	n/a	\$2,775	\$2.02
3BR/2BA	10	1,385	0%	n/a	\$3,300	\$2.38
Total/Average:	341	870	0%	----	\$2,064	\$2.37
Compiled by CBRE						

The 60% AMI rents are quoted slightly the 2025 maximum allowable level as they appear to be based on 2024 maximum levels. The 80% AMI rents are set somewhat below the concluded market rents as 1) market rents are at or below the maximum allowable level, and 2) in order to drive traffic for / incentivize the 80% AMI affordable units vs. the market rate units.

Program and Location Information	
Project Name	Anita Coy East
Affordable Housing Program	Other Federal, State, or Local Program
Year	2025 (On or after 04-01-2025)
State	TX
County	Travis County
MSA	Austin-Round Rock-San Marcos, TX MSA
Rent Calculation Based on	Vli
Persons/Bedroom	1 Person/Bedroom
4 Person AMI	\$133,800
HUD Published 50% National Non-Metropolitan Median Income	\$41,150
Placed in Service Date	2025 (On or after 04-01-2025)
Rent Floor Election	2025 (On or after 04-01-2025)

Income Limits for 2025		
(Based on 2025 Vli Income)		
Persons	60%	80%
1 Persons	\$56,220	\$74,960
2 Persons	\$64,260	\$85,680
3 Persons	\$72,300	\$96,400
4 Persons	\$80,280	\$107,040
5 Persons	\$86,760	\$115,680
6 Persons	\$93,180	\$124,240
7 Persons	\$99,600	\$132,800
8 Persons	\$106,020	\$141,360
9 Persons	\$112,380	\$149,840
10 Persons	\$118,800	\$158,400
11 Persons	\$125,220	\$166,960
12 Persons	\$131,640	\$175,520

Rent Limits for 2025			
(Based on 2025 Vli Income)			
Bedrooms (People)	60%	80%	FMR
1 Bedrooms (2)	\$1,606	\$2,142	\$1,650
2 Bedrooms (3)	\$1,807	\$2,410	\$1,949
3 Bedrooms (4)	\$2,007	\$2,676	\$2,484

Source: Novogradac.com

One-Bedroom Units

SUMMARY OF COMPARABLE RENTALS ONE BEDROOM UNITS				
Comparable	Plan Type	Size (SF)	Rental Rates	
			\$/Mo.	\$/SF
Lenox 7th	1BR/1BA - AFF	528 SF	\$1,234	\$2.34
Laurel	1BR/1BA	636-653 SF	\$1,357-\$1,471	\$2.19
Laurel	1BR/1BA	590 SF	\$1,415	\$2.40
Laurel	1BR/1BA	605 SF	\$1,450	\$2.40
Laurel	1BR/1BA	667-692 SF	\$1,443-\$1,591	\$2.23
Laurel	1BR/1BA	527 SF	\$1,534	\$2.91
Lenox 7th	1BR/1BA	528 SF	\$1,546	\$2.93
Laurel	1BR/1BA	726 SF	\$1,547	\$2.13
Subject (Avg. Quoted)	1BR/1BA - 60%	614 SF	\$1,562	\$2.54
Trailhead	1BR/1BA	643 SF	\$1,577	\$2.45
Laurel	1BR/1BA	745-772 SF	\$1,570-\$1,589	\$2.08
Subject (Concluded)	1BR/1BA - 60%	614 SF	\$1,606	\$2.62
Trailhead	1BR/1BA	750 SF	\$1,653	\$2.20
MLK Highline	1BR/1BA	713 SF	\$1,656	\$2.32
Laurel	1BR/1BA	740 SF	\$1,665	\$2.25
Trailhead	1BR/1BA	703 SF	\$1,670	\$2.38
MLK Highline	1BR/1BA	692 SF	\$1,675	\$2.42
Trailhead	1BR/1BA	761-777 SF	\$1,663-\$1,796	\$2.25
Laurel	1BR/1BA	828-866 SF	\$1,629-\$1,865	\$2.06
Subject (Concluded)	1BR/1BA - 80%	614 SF	\$1,750	\$2.85
Subject (Avg. Quoted)	1BR/1BA - 80%	614 SF	\$1,750	\$2.85
Trailhead	1BR/1BA	729-739 SF	\$1,652-\$1,883	\$2.41
MLK Highline	1BR/1BA	766 SF	\$1,775	\$2.32
Trailhead	1BR/1BA	632 SF	\$1,785	\$2.82
Trailhead	1BR/1BA	692 SF	\$1,801	\$2.60
Trailhead	1BR/1BA	815-824 SF	\$1,806-\$1,807	\$2.20
Trailhead	1BR/1BA	842-850 SF	\$1,796-\$1,820	\$2.14
Trailhead	1BR/1BA	879-884 SF	\$1,806-\$1,821	\$2.06
Trailhead	1BR/1BA	798 SF	\$1,833	\$2.30
MLK Highline	1BR/1BA	788 SF	\$1,834	\$2.33
Subject (Avg. Quoted)	1BR/1BA - 80%	723 SF	\$1,845	\$2.55
Subject (Concluded)	1BR/1BA - 80%	723 SF	\$1,845	\$2.55
MLK Highline	1BR/1BA	883 SF	\$1,850	\$2.10
Subject (Concluded)	1BR/1BA	697 SF	\$1,850	\$2.65
Subject (Avg. Quoted)	1BR/1BA	697 SF	\$1,850	\$2.65
Laurel	1BR/1BA	979 SF	\$1,853	\$1.89
Lenox 7th	1BR/1BA	644 SF	\$1,865	\$2.90
Subject (Avg. Quoted)	1BR/1BA	723 SF	\$1,875	\$2.59
Subject (Concluded)	1BR/1BA	723 SF	\$1,875	\$2.59
The Blockyard	1BR/1BA	666 SF	\$1,877	\$2.82
Trailhead	1BR/1BA	748 SF	\$1,893	\$2.53
Lenox 7th	1BR/1BA	672 SF	\$1,909	\$2.84
Subject (Avg. Quoted)	1BR/1BA	776 SF	\$1,925	\$2.48
Subject (Concluded)	1BR/1BA	776 SF	\$1,925	\$2.48
Trailhead	1BR/1BA	806 SF	\$1,929	\$2.39
Lenox 7th	1BR/1BA	728 SF	\$1,949	\$2.68
Trailhead	1BR/1BA	859 SF	\$1,972	\$2.30

Laurel	1BR/1BA	960 SF	\$2,005	\$2.09
The Blockyard	1BR/1BA	701 SF	\$2,022	\$2.88
Subject (Avg. Quoted)	1BR/1BA	760 SF	\$2,025	\$2.66
Subject (Concluded)	1BR/1BA	760 SF	\$2,025	\$2.66
The Blockyard	1BR/1BA	673 SF	\$2,030	\$3.02
Lenox 7th	1BR/1BA	766 SF	\$2,041	\$2.66
Trailhead East	1BR/1BA	746 SF	\$2,048	\$2.75
Trailhead East	1BR/1BA	748 SF	\$2,048	\$2.74
Lenox 7th	1BR/1BA	836 SF	\$2,060	\$2.46
Trailhead East	1BR/1BA	644 SF	\$2,060	\$3.20
Subject (Concluded)	1BR/1BA	757 SF	\$2,075	\$2.74
Subject (Avg. Quoted)	1BR/1BA	757 SF	\$2,075	\$2.74
The Blockyard	1BR/1BA	763 SF	\$2,126	\$2.79
The Blockyard	1BR/1BA	777 SF	\$2,204	\$2.84
Lenox 7th	1BR/1BA	819 SF	\$2,285	\$2.79
The Blockyard	1BR/1BA	813 SF	\$2,290	\$2.82
Trailhead East	1BR/1BA	931 SF	\$2,308	\$2.48
The Blockyard	1BR/1BA	827 SF	\$2,335	\$2.82
Lenox 7th	1BR/1BA	918 SF	\$2,365	\$2.58
Lenox 7th	1BR/1BA	921 SF	\$2,411	\$2.62
Lenox 7th	1BR/1BA	885 SF	\$2,511	\$2.84
Lenox 7th	1BR/1.5BA - TH LW	1,057 SF	\$2,598	\$2.46
The Blockyard	1BR/1BA	953 SF	\$2,618	\$2.75
Lenox 7th	1BR/1BA	903 SF	\$2,661	\$2.95
Lenox 7th	1BR/1BA - TH	818 SF	\$2,865	\$3.50
The Blockyard	1BR/2BA	1,166 SF	\$2,985	\$2.56
The Blockyard	1BR/1.5BA	1,155 SF	\$3,005	\$2.60
The Blockyard	1BR/1.5BA	1,378 SF	\$3,217	\$2.33
The Blockyard	1BR/1.5BA	1,608 SF	\$3,547	\$2.21
The Blockyard	1BR/1.5BA	1,652 SF	\$3,647	\$2.21

Compiled by CBRE

The subject's quoted market rental rates for the three-bedroom units are well supported by the comparable data.

The 60% AMI rents provide a significant advantage to the achievable market rents and are at the maximum allowable level. The 80% AMI rents do not provide an advantage to the achievable market rents; however, rent for the 80% AMI units has been concluded somewhat below the market rate units to drive traffic to / incentivize the affordable rate units.

Two-Bedroom Units

SUMMARY OF COMPARABLE RENTALS TWO BEDROOM UNITS				
Comparable	Plan Type	Size (SF)	Rental Rates	
			\$/Mo.	\$/SF
Subject (Avg. Quoted)	2BR/2BA - 60%	974 SF	\$1,758	\$1.80
Subject (Concluded)	2BR/2BA - 60%	974 SF	\$1,807	\$1.86
MLK Highline	2BR/2BA	947 SF	\$1,925	\$2.03
Laurel	2BR/2BA	1,101-1,103 SF	\$2,024-\$2,212	\$1.92
Laurel	2BR/2BA	1,084 SF	\$2,127	\$1.96
MLK Highline	2BR/2BA	1,104 SF	\$2,149	\$1.95
MLK Highline	2BR/2BA	1,076 SF	\$2,150	\$2.00
Laurel	2BR/2BA	1,236 SF	\$2,161	\$1.75
Laurel	2BR/2BA	1,218 SF	\$2,164	\$1.78
Subject (Avg. Quoted)	2BR/2BA - 80%	977 SF	\$2,195	\$2.25
Subject (Concluded)	2BR/2BA - 80%	977 SF	\$2,195	\$2.25
Laurel	2BR/2BA	1,176 SF	\$2,204	\$1.87
Subject (Concluded)	2BR/2BA	989 SF	\$2,275	\$2.30
Subject (Avg. Quoted)	2BR/2BA	989 SF	\$2,275	\$2.30
Subject (Avg. Quoted)	2BR/2BA	977 SF	\$2,275	\$2.33
Subject (Concluded)	2BR/2BA	977 SF	\$2,275	\$2.33
Laurel	2BR/2BA	1,187 SF	\$2,283	\$1.92
Laurel	2BR/2BA	1,239-1,294 SF	\$2,209-\$2,358	\$1.80
Laurel	2BR/2BA	1,337-1,388 SF	\$2,309-\$2,493	\$1.76
Trailhead East	2BR/2BA	1,029 SF	\$2,482	\$2.41
Laurel	2BR/2BA	1,504 SF	\$2,488	\$1.65
Lenox 7th	2BR/2BA - LW	1,064 SF	\$2,494	\$2.34
Trailhead	2BR/2BA	1,146-1,168 SF	\$2,452-\$2,575	\$2.17
Trailhead	2BR/2BA	1,223-1,232 SF	\$2,497-\$2,701	\$2.12
Trailhead	2BR/2BA	1,059-1,095 SF	\$2,550-\$2,712	\$2.44
Subject (Concluded)	2BR/2BA	1,243 SF	\$2,670	\$2.15
Subject (Avg. Quoted)	2BR/2BA	1,243 SF	\$2,670	\$2.15
Trailhead East	2BR/2BA	985 SF	\$2,688	\$2.73
Lenox 7th	2BR/2BA	1,157 SF	\$2,709	\$2.34
Trailhead East	2BR/2BA	1,158 SF	\$2,736	\$2.36
Subject (Avg. Quoted)	2BR/2BA	1,372 SF	\$2,775	\$2.02
Subject (Concluded)	2BR/2BA	1,372 SF	\$2,775	\$2.02
The Blockyard	2BR/2BA	1,081 SF	\$2,847	\$2.63
Trailhead	2BR/2BA	1,304-1,350 SF	\$2,712-\$2,988	\$2.15
The Blockyard	2BR/2BA	1,260 SF	\$2,985	\$2.37
The Blockyard	2BR/2BA	1,332 SF	\$3,115	\$2.34
The Blockyard	2BR/2BA	1,454 SF	\$3,696	\$2.54

Compiled by CBRE

The subject's quoted market rental rates for the four-bedroom units are well supported by the comparable data.

The 60% AMI rents provide a significant advantage to the achievable market rents and are at the maximum allowable level. The 80% AMI rents do not provide an advantage to the achievable market rents; however, rent for the 80% AMI units has been concluded somewhat below the market rate units to drive traffic to / incentivize the affordable rate units.

Three-Bedroom Units

SUMMARY OF COMPARABLE RENTALS THREE BEDROOM UNITS				
Comparable	Plan Type	Size (SF)	Rental Rates	
			\$/Mo.	\$/SF
<i>Subject (Avg. Quoted)</i>	<i>3BR/2BA - 60%</i>	<i>1,385 SF</i>	<i>\$1,953</i>	<i>\$1.41</i>
<i>Subject (Concluded)</i>	<i>3BR/2BA - 60%</i>	<i>1,385 SF</i>	<i>\$2,007</i>	<i>\$1.45</i>
<i>Subject (Avg. Quoted)</i>	<i>3BR/2BA - 80%</i>	<i>1,385 SF</i>	<i>\$2,604</i>	<i>\$1.88</i>
Laurel	3BR/2BA	1,412-1,446 SF	\$2,478-\$2,828	\$1.86
<i>Subject (Concluded)</i>	<i>3BR/2BA - 80%</i>	<i>1,385 SF</i>	<i>\$2,676</i>	<i>\$1.93</i>
<i>Subject (Concluded)</i>	<i>3BR/2BA</i>	<i>1,385 SF</i>	<i>\$2,900</i>	<i>\$2.09</i>
Trailhead	3BR/2.5BA	1,426 SF	\$2,932	\$2.06
<i>Subject (Avg. Quoted)</i>	<i>3BR/2BA</i>	<i>1,385 SF</i>	<i>\$3,300</i>	<i>\$2.38</i>
Compiled by CBRE				

The subject's quoted market rental rates for the three-bedroom units area above the comparable data. Therefore, CBRE has concluded to below the quoted rates and within the range of the comparable data.

The 60% AMI rents provide a significant advantage to the achievable market rents and are at the maximum allowable level. The 80% AMI rents also provide an advantage to the achievable market rents at the maximum allowable level.

Rent Conclusions

The following chart shows the rent conclusions for the subject:

RENT CONCLUSIONS - AS RESTRICTED									
No. Units	Unit Type	Unit Size (SF)	Total SF	Monthly Rent			Annual Rent		Annual Total
				\$/Unit	\$/SF	PRI	\$/Unit	\$/SF	
20	1BR/1BA - 60%	614	12,280	\$1,606	\$2.62	\$32,120	\$19,272	\$31.39	\$385,440
13	2BR/2BA - 60%	974	12,662	\$1,807	\$1.86	\$23,491	\$21,684	\$22.26	\$281,892
3	3BR/2BA - 60%	1,385	4,155	\$2,007	\$1.45	\$6,021	\$24,084	\$17.39	\$72,252
18	1BR/1BA - 80%	614	11,052	\$1,750	\$2.85	\$31,500	\$21,000	\$34.20	\$378,000
60	1BR/1BA - 80%	723	43,380	\$1,845	\$2.55	\$110,700	\$22,140	\$30.62	\$1,328,400
50	2BR/2BA - 80%	977	48,850	\$2,195	\$2.25	\$109,750	\$26,340	\$26.96	\$1,317,000
9	3BR/2BA - 80%	1,385	12,465	\$2,676	\$1.93	\$24,084	\$32,112	\$23.19	\$289,008
63	1BR/1BA	723	45,549	\$1,875	\$2.59	\$118,125	\$22,500	\$31.12	\$1,417,500
18	1BR/1BA	757	13,626	\$2,075	\$2.74	\$37,350	\$24,900	\$32.89	\$448,200
7	1BR/1BA	760	5,320	\$2,025	\$2.66	\$14,175	\$24,300	\$31.97	\$170,100
5	1BR/1BA	776	3,880	\$1,925	\$2.48	\$9,625	\$23,100	\$29.77	\$115,500
3	1BR/1BA	697	2,091	\$1,850	\$2.65	\$5,550	\$22,200	\$31.85	\$66,600
2	2BR/2BA	977	1,954	\$2,275	\$2.33	\$4,550	\$27,300	\$27.94	\$54,600
38	2BR/2BA	989	37,582	\$2,275	\$2.30	\$86,450	\$27,300	\$27.60	\$1,037,400
18	2BR/2BA	1,243	22,374	\$2,670	\$2.15	\$48,060	\$32,040	\$25.78	\$576,720
4	2BR/2BA	1,372	5,488	\$2,775	\$2.02	\$11,100	\$33,300	\$24.27	\$133,200
10	3BR/2BA	1,385	13,850	\$2,900	\$2.09	\$29,000	\$34,800	\$25.13	\$348,000
341		870	296,558	\$2,058	\$2.37	\$701,651	\$24,692	\$28.39	\$8,419,812
Compiled by CBRE									

RENT CONCLUSIONS - AT MARKET RATE									
No.	Unit Type	Unit Size	Total SF	Monthly Rent			Annual Rent		Annual Total
Units				\$/Unit	\$/SF	PRI	\$/Unit	\$/SF	
20	1BR/1BA - 60%	614	12,280	\$1,606	\$2.62	\$32,120	\$19,272	\$31.39	\$385,440
13	2BR/2BA - 60%	974	12,662	\$2,275	\$2.34	\$29,575	\$27,300	\$28.03	\$354,900
3	3BR/2BA - 60%	1,385	4,155	\$2,900	\$2.09	\$8,700	\$34,800	\$25.13	\$104,400
18	1BR/1BA - 80%	614	11,052	\$1,750	\$2.85	\$31,500	\$21,000	\$34.20	\$378,000
60	1BR/1BA - 80%	723	43,380	\$1,875	\$2.59	\$112,500	\$22,500	\$31.12	\$1,350,000
50	2BR/2BA - 80%	977	48,850	\$2,275	\$2.33	\$113,750	\$27,300	\$27.94	\$1,365,000
9	3BR/2BA - 80%	1,385	12,465	\$2,900	\$2.09	\$26,100	\$34,800	\$25.13	\$313,200
63	1BR/1BA	723	45,549	\$1,875	\$2.59	\$118,125	\$22,500	\$31.12	\$1,417,500
18	1BR/1BA	757	13,626	\$2,075	\$2.74	\$37,350	\$24,900	\$32.89	\$448,200
7	1BR/1BA	760	5,320	\$2,025	\$2.66	\$14,175	\$24,300	\$31.97	\$170,100
5	1BR/1BA	776	3,880	\$1,925	\$2.48	\$9,625	\$23,100	\$29.77	\$115,500
3	1BR/1BA	697	2,091	\$1,850	\$2.65	\$5,550	\$22,200	\$31.85	\$66,600
2	2BR/2BA	977	1,954	\$2,275	\$2.33	\$4,550	\$27,300	\$27.94	\$54,600
38	2BR/2BA	989	37,582	\$2,275	\$2.30	\$86,450	\$27,300	\$27.60	\$1,037,400
18	2BR/2BA	1,243	22,374	\$2,670	\$2.15	\$48,060	\$32,040	\$25.78	\$576,720
4	2BR/2BA	1,372	5,488	\$2,775	\$2.02	\$11,100	\$33,300	\$24.27	\$133,200
10	3BR/2BA	1,385	13,850	\$2,900	\$2.09	\$29,000	\$34,800	\$25.13	\$348,000
341		870	296,558	\$2,106	\$2.42	\$718,230	\$25,275	\$29.06	\$8,618,760

Compiled by CBRE

Potential Rental Income Conclusion

POTENTIAL RENTAL INCOME		
Year	Total	\$/Unit/Yr
Developer's Budget	\$8,467,812	\$24,832
Expense Comparable 1	---	\$22,243
Expense Comparable 2	---	\$26,754
Expense Comparable 3	---	\$26,560
Expense Comparable 4	---	\$23,534
CBRE Estimate - As Proposed Restricted, without Abatement	\$8,419,812	\$24,692
CBRE Estimate - As Proposed Restricted, with Abatement	\$8,419,812	\$24,692
CBRE Estimate - As Market Rate, Without Abatement	\$8,618,760	\$25,275

Compiled by CBRE

Operating History

The following table presents available budget data for the subject.

OPERATING HISTORY				
Year-Occupancy	Developer's		Pro Forma	
	Budget	93.8%		94.5%
	Total	\$/Unit	Total	\$/Unit
INCOME				
Potential Rental Income	\$8,467,812	\$24,832	\$8,419,812	\$24,692
Loss to Lease	-	-	-	-
Concessions	-	-	(84,198)	(247)
Adjusted Rental Income	\$8,467,812	\$24,832	\$8,335,614	\$24,445
Vacancy	(438,184)	(1,285)	(416,781)	(1,222)
Credit Loss	(87,637)	(257)	(41,678)	(122)
Net Rental Income	\$7,941,991	\$23,290	\$7,877,155	\$23,100
Other Income	295,860	868	341,000	1,000
Parking Income	-	-	-	-
RUBS/Utility Income	-	-	341,000	1,000
Effective Gross Income	\$8,237,851	\$24,158	\$8,559,155	\$25,100
EXPENSE				
Real Estate Taxes	-	\$0	\$1,522,033	\$4,463
Property Insurance	316,448	928	317,130	930
Utilities	144,925	425	485,925	1,425
Administrative & General	110,825	325	110,825	325
Repairs & Maintenance	339,636	996	341,000	1,000
Management Fee	205,946	604	213,979	628
Payroll	584,133	1,713	584,815	1,715
Non-Revenue Units	-	-	51,150	150
Advertising & Leasing	119,350	350	119,350	350
Gross Sales Receipts Tax	27,267	80	28,331	83
Other	25,000	73	25,000	73
Ground Rent	215,466	632	220,069	645
Replacement Reserves	68,200	200	68,200	200
Total Operating Expenses	\$2,157,196	\$6,326	\$4,087,806	\$11,988
Net Operating Income	\$6,080,655	\$17,832	\$4,471,349	\$13,112
Management Fee % of EGI)	2.5%		2.5%	

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 significant new project in the market area and rent concessions are currently quoted in the local market. While concessions are common for properties in lease-up, lesser seasonal and spot-concessions are regularly seen for stabilized properties. Therefore, a concession factor of 1.00% has been concluded for the subject as stabilized.

Vacancy

The subject's estimated stabilized occupancy rate was previously discussed in the market analysis. The subject's vacancy is detailed as follows:

VACANCY		
Year	Total	% of ARI
Developer's Budget	(\$438,184)	5.2%
Expense Comparable 1	---	8.9%
Expense Comparable 2	---	5.5%
Expense Comparable 3	---	4.5%
Expense Comparable 4	---	4.1%
CBRE Estimate - As Proposed Restricted, without Abatement	(\$416,781)	5.0%
CBRE Estimate - As Proposed Restricted, with Abatement	(\$416,781)	5.0%
CBRE Estimate - As Market Rate, Without Abatement	(\$426,629)	5.0%
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	(\$87,637)	1.0%
Expense Comparable 1	---	-0.1%
Expense Comparable 2	---	0.0%
Expense Comparable 3	---	0.0%
Expense Comparable 4	---	0.5%
CBRE Estimate - As Proposed Restricted, without Abatement	(\$41,678)	0.5%
CBRE Estimate - As Proposed Restricted, with Abatement	(\$41,678)	0.5%
CBRE Estimate - As Market Rate, Without Abatement	(\$42,663)	0.5%
Compiled by CBRE		

Parking Income

The subject will exhibit surface and above grade surface parking; however, no significant parking income is anticipated.

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	\$295,860	\$868
Expense Comparable 1	---	\$1,094
Expense Comparable 2	---	\$2,124
Expense Comparable 3	---	\$1,148
Expense Comparable 4	---	\$945
CBRE Estimate - As Proposed Restricted, without Abatement	\$341,000	\$1,000
CBRE Estimate - As Proposed Restricted, with Abatement	\$341,000	\$1,000
CBRE Estimate - As Market Rate, Without Abatement	\$341,000	\$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 generally in line with 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	\$0	\$0
Expense Comparable 1	---	\$858
Expense Comparable 2	---	\$795
Expense Comparable 3	---	\$2,065
Expense Comparable 4	---	\$945
CBRE Estimate - As Proposed Restricted, without Abatement	\$341,000	\$1,000
CBRE Estimate - As Proposed Restricted, with Abatement	\$341,000	\$1,000
CBRE Estimate - As Market Rate, Without Abatement	\$341,000	\$1,000
Compiled by CBRE		

We have concluded \$1,000 per unit for the subject's rubs/utility income, which is within the range of the expense comparables. The developer's budget includes a utilities expense net of RUBS.

Effective Gross Income

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

EFFECTIVE GROSS INCOME		
Year	Total	\$/Unit/Yr
Developer's Budget	\$8,237,851	\$24,158
Expense Comparable 1	---	\$20,769
Expense Comparable 2	---	\$24,550
Expense Comparable 3	---	\$28,644
Expense Comparable 4	---	\$23,350
CBRE Estimate - As Proposed Restricted, without Abatement	\$8,559,155	\$25,100
CBRE Estimate - As Proposed Restricted, with Abatement	\$8,559,155	\$25,100
CBRE Estimate - As Market Rate, Without Abatement	\$8,745,281	\$25,646
Compiled by CBRE		

The concluded EGI as restricted with an abatement is within 1% of the developer's budget.

Operating Expense Analysis

Expense Comparables

The following chart summarizes expenses obtained from comparable properties.

EXPENSE COMPARABLES					
Comparable Number	1	2	3	4	Subject
Location	Austin, TX	Austin, TX	Austin, TX	Austin, TX	Austin, TX
Units	349	364	279	210	341
Year Built	2021	2020	2014	2015	2028
Type	Mid-Rise	Mid-Rise	Mid-Rise	Mid-Rise	Mid/High-Rise
Period	T12 to 8/24	T12 to 3/24	T12 thru 12/24	T12 to 9/24	Pro Forma
Revenues	\$/Unit	\$/Unit	\$/Unit	\$/Unit	\$/Unit
Potential Rental Income	\$22,243	\$26,754	\$26,560	\$23,534	\$24,692
Loss to Lease	(1,147)	-	-	(891)	-
Concessions	(452)	(10)	(3)	(149)	(247)
Adjusted Rental Income	\$20,643	\$21,517	\$26,557	\$22,493	\$24,445
Vacancy	(1,847)	(1,174)	(1,184)	(914)	(1,222)
Credit Loss	20	-	-	(119)	(122)
Net Rental Income	\$18,816	\$20,270	\$25,373	\$21,460	\$23,100
Other Income	\$1,094	\$2,124	\$1,148	\$945	\$1,000
Parking Income	\$0	\$0	\$59	\$0	\$0
RUBS/Utility Income	\$858	\$795	\$2,065	\$945	\$1,000
Effective Gross Income	\$20,769	\$24,550	\$28,644	\$23,350	\$25,100
Expenses					
Real Estate Taxes	\$5,263	\$5,980	\$5,472	\$3,434	\$4,463
Property Insurance	1,046	1,012	551	836	930
Utilities	901	946	2,706	838	1,425
Administrative & General	331	237	520	851	325
Repairs & Maintenance	774	670	1,334	1,809	1,000
Management Fee	421	619	595	515	628
Payroll	1,550	2,093	2,142	2,320	1,715
Non-Revenue Units	189	178	247	233	150
Advertising & Leasing	405	280	561	401	350
Gross Sales Receipts Tax	-	-	405	120	83
Ground Rent	-	-	-	-	645
Replacement Reserves	200	200	200	200	200
Total Operating Expenses	\$11,081	\$12,216	\$14,734	\$11,556	\$11,914
Operating Expenses Excluding Taxes	5,819	6,236	9,263	8,122	7,524
Operating Expense Ratio	53.4%	49.8%	51.4%	49.5%	47.5%
Management Fee (% of EGI)	2.03%	2.52%	2.08%	2.20%	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.

Ground Rent

As restricted, the subject will be subject to ground rent payments. Upon stabilization, the lessee will pay a ground rent expense based on the total cost of development x 80% of the applicable tax rate x 15%. Thereafter, payments shall increase by 3.0% per year. This expense has been calculated as follows:

GROUND RENT ESTIMATE		
Total Cost of Development*		\$92,536,695
Multiplied x 80%		\$74,029,356
Multiplied x Tax rate of	1.9818 /\$100	\$1,467,124
Multiplied x 15%		\$220,069
\$/Unit		\$645
Compiled by CBRE		

*Inclusive of all costs including any PFC structuring fees and developer fees as well as the developer's underwritten land cost.

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	\$2,157,196	\$6,326
Expense Comparable 1	---	\$11,081
Expense Comparable 2	---	\$12,216
Expense Comparable 3	---	\$14,734
Expense Comparable 4	---	\$11,556
CBRE Estimate - As Proposed Restricted, without Abatement	\$4,087,806	\$11,988
CBRE Estimate - As Proposed Restricted, with Abatement	\$2,565,773	\$7,524
CBRE Estimate - As Market Rate, Without Abatement	\$3,847,391	\$11,283
Compiled by CBRE		
OPERATING EXPENSES EXCLUDING TAXES		
Year	Total	\$/Unit/Yr
Developer's Budget	\$2,157,196	\$6,326
Expense Comparable 1	---	\$5,819
Expense Comparable 2	---	\$6,236
Expense Comparable 3	---	\$9,263
Expense Comparable 4	---	\$8,122
CBRE Estimate - As Proposed Restricted, without Abatement	\$2,565,773	\$7,524
CBRE Estimate - As Proposed Restricted, with Abatement	\$2,565,773	\$7,524
CBRE Estimate - As Market Rate, Without Abatement	\$2,325,358	\$6,819
Compiled by CBRE		

Excluding taxes, the conclusions are well supported by the comparable data. The As Proposed Restricted, with Abatement figure is higher than the developer's budget primarily due to CBRE's projection of a gross utilities expense (and inclusion of RUBS income) vs. the developer's projection of a net utilities 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	\$6,080,655	\$17,832
Expense Comparable 1	---	\$9,687
Expense Comparable 2	---	\$12,335
Expense Comparable 3	---	\$13,910
Expense Comparable 4	---	\$11,793
CBRE Estimate - As Proposed Restricted, without Abatement	\$4,471,349	\$13,112
CBRE Estimate - As Proposed Restricted, with Abatement	\$5,993,382	\$17,576
CBRE Estimate - As Market Rate, Without Abatement	\$4,897,890	\$14,363
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	Comp 1	Comp 2	Comp 3	Comp 4	Conclusion
		Austin, TX	Austin, TX	Austin, TX	Austin, TX	
		349	364	279	210	
		2021	2020	2014	2015	
		T12 to 8/24	T12 to 3/24	T12 thru 12/24	T12 to 9/24	
Range Names	\$/Unit/Yr	\$/Unit/Yr	\$/Unit/Yr	\$/Unit/Yr	\$/Unit/Yr	\$/Unit/Yr
Potential Rental Income	\$24,832	\$22,243	\$26,754	\$26,560	\$23,534	\$24,692
Loss to Lease	-	(1,147)	-	-	(891)	-
Concessions	-	(452)	(10)	(3)	(149)	(247)
Adjusted Rental Income	\$24,832	\$20,643	\$26,744	\$26,557	\$22,493	\$24,445
Vacancy	(1,285)	(1,847)	(1,174)	(1,184)	(914)	(1,222)
Credit Loss	(257)	20	-	-	(119)	(122)
Net Rental Income	\$23,290	\$18,816	\$25,570	\$25,373	\$21,460	\$23,100
Other Income	868	1,094	2,124	1,148	945	1,000
Parking Income	-	-	-	59	-	-
RUBS/Utility Income	-	858	795	2,065	945	1,000
Effective Gross Income	\$24,158	\$20,769	\$24,550	\$28,644	\$23,350	\$25,100
Expenses						
Real Estate Taxes	\$0	\$5,263	\$5,980	\$5,472	\$3,434	\$4,463
Property Insurance	928	1,046	1,012	551	836	930
Utilities	425	901	946	2,706	838	1,425
Administrative & General	325	331	237	520	851	325
Repairs & Maintenance	996	774	670	1,334	1,809	1,000
Management Fee	604	421	619	595	515	628
Payroll	1,713	1,550	2,093	2,142	2,320	1,715
Non-Revenue Units	-	189	178	247	233	150
Advertising & Leasing	350	405	280	561	401	350
Gross Sales Receipts Tax	80	-	-	405	120	83
Ground Rent	632	-	-	-	-	645
Replacement Reserves	200	200	200	200	200	200
Total Operating Expenses	\$6,253	\$11,081	\$12,216	\$14,734	\$11,556	\$11,914
Operating Expenses Excluding Taxes	\$6,253	\$5,819	\$6,236	\$9,263	\$8,122	\$7,451
Operating Expense Ratio	25.9%	53.4%	49.8%	51.4%	49.5%	47.5%
Management Fee	2.5%	2.0%	2.5%	2.1%	2.2%	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		\$24,692	\$8,419,812
Loss to Lease	0.00%	0	-
Concessions	1.00%	(247)	(84,198)
Adjusted Rental Income		\$24,445	\$8,335,614
Vacancy	5.00%	(1,222)	(416,781)
Credit Loss	0.50%	(122)	(41,678)
Net Rental Income		\$23,100	\$7,877,155
Other Income		1,000	341,000
Parking Income		0	-
RUBS/Utility Income		1,000	341,000
Effective Gross Income		\$25,100	\$8,559,155
Expenses			
Real Estate Taxes		\$4,463	\$1,522,033
Property Insurance		930	317,130
Utilities		1,425	485,925
Administrative & General		325	110,825
Repairs & Maintenance		1,000	341,000
Management Fee	2.50%	628	213,979
Payroll		1,715	584,815
Non-Revenue Units		150	51,150
Advertising & Leasing		350	119,350
Gross Sales Receipts Tax	0.331%	83	28,331
Other		73	25,000
Ground Rent		645	220,069
Replacement Reserves		200	68,200
Total Operating Expenses		\$11,988	\$4,087,806
Operating Expenses Excluding Taxes		\$7,524	\$2,565,773
Operating Expense Ratio			47.76%
Net Operating Income		\$13,112	\$4,471,349
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*	\$102,400,600
Mortgage Ratio (Loan-to-Value)	65%
Estimated Mortgage Loan Amount	\$66,560,390
Mortgage Interest Rate	5.75%
Mortgage Term (Amortization Period)	30 Years
Mortgage Constant (monthly payments)	0.07003
Annual Debt Service (monthly payments)	\$4,661,140
Estimated NOI - As Restricted without Abatement	\$4,471,349
Estimated Debt Coverage Ratio (DCR)	0.96
Market Debt DCR	1.25
Positive DCR? (Y or N)	No
Compiled by CBRE	
Concluded Direct & Indirect Cost + 15% Profit	

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

NOI Summary – As Proposed Restricted, with Abatement

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

DIRECT CAPITALIZATION SUMMARY - AS PROPOSED RESTRICTED, WITH ABATEMENT			
Income		\$/Unit/Yr	Total
Potential Rental Income		\$24,692	\$8,419,812
Loss to Lease	0.00%	0	-
Concessions	1.00%	(247)	(84,198)
Adjusted Rental Income		\$24,445	\$8,335,614
Vacancy	5.00%	(1,222)	(416,781)
Credit Loss	0.50%	(122)	(41,678)
Net Rental Income		\$23,100	\$7,877,155
Other Income		1,000	341,000
Parking Income		0	-
RUBS/Utility Income		1,000	341,000
Effective Gross Income		\$25,100	\$8,559,155
Expenses			
Real Estate Taxes		\$0	\$0
Property Insurance		930	317,130
Utilities		1,425	485,925
Administrative & General		325	110,825
Repairs & Maintenance		1,000	341,000
Management Fee	2.50%	628	213,979
Payroll		1,715	584,815
Non-Revenue Units		150	51,150
Advertising & Leasing		350	119,350
Gross Sales Receipts Tax	0.331%	83	28,331
Other		73	25,000
Ground Rent		645	220,069
Replacement Reserves		200	68,200
Total Operating Expenses		\$7,524	\$2,565,773
Operating Expense Ratio			29.98%
Net Operating Income		\$17,576	\$5,993,382
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*	\$102,400,600
Mortgage Ratio (Loan-to-Value)	65%
Estimated Mortgage Loan Amount	\$66,560,390
Mortgage Interest Rate	5.75%
Mortgage Term (Amortization Period)	30 Years
Mortgage Constant (monthly payments)	0.07003
Annual Debt Service (monthly payments)	\$4,661,140
Estimated NOI - As Restricted with Abatement	\$5,993,382
Estimated Debt Coverage Ratio (DCR)	1.29
Market Debt DCR	1.25
Positive DCR? (Y or N)	Yes
Compiled by CBRE	
Concluded Direct & Indirect Cost + 15% Profit	

As Proposed Restricted, With an Abatement, the indicated DCR is 1.29 – 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		\$25,275	\$8,618,760
Loss to Lease	0.00%	0	-
Concessions	1.00%	(253)	(86,188)
Adjusted Rental Income		\$25,022	\$8,532,572
Vacancy	5.00%	(1,251)	(426,629)
Credit Loss	0.50%	(125)	(42,663)
Net Rental Income		\$23,646	\$8,063,281
Other Income		1,000	341,000
Parking Income		0	-
RUBS/Utility Income		1,000	341,000
Effective Gross Income		\$25,646	\$8,745,281
Expenses			
Real Estate Taxes		\$4,463	\$1,522,033
Property Insurance		930	317,130
Utilities		1,425	485,925
Administrative & General		325	110,825
Repairs & Maintenance		1,000	341,000
Management Fee	2.50%	641	218,632
Payroll		1,715	584,815
Non-Revenue Units		150	51,150
Advertising & Leasing		350	119,350
Gross Sales Receipts Tax	0.331%	83	28,331
Other		0	-
Ground Rent		0	-
Replacement Reserves		200	68,200
Total Operating Expenses		\$11,283	\$3,847,391
Operating Expenses Excluding Taxes		\$6,819	\$2,325,358
Operating Expense Ratio			43.99%
Net Operating Income		\$14,363	\$4,897,890
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*	\$102,400,600
Mortgage Ratio (Loan-to-Value)	65%
Estimated Mortgage Loan Amount	\$66,560,390
Mortgage Interest Rate	5.75%
Mortgage Term (Amortization Period)	30 Years
Mortgage Constant (monthly payments)	0.07003
Annual Debt Service (monthly payments)	\$4,661,140
Estimated NOI - As Market Rate without Abatement	\$4,897,890
Estimated Debt Coverage Ratio (DCR)	1.05
Market Debt DCR	1.25
Positive DCR? (Y or N)	No
Compiled by CBRE	
Concluded Direct & Indirect Cost + 15% Profit	

As a market rate development, without an abatement and/or ground rent, the indicated DCR is 1.05 – 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.

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 Texas Local Government Code Chapter 303. 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	\$1,522,033
2	\$1,567,694
3	\$1,614,725
4	\$1,663,167
5	\$1,713,062
6	\$1,764,454
7	\$1,817,387
8	\$1,871,909
9	\$1,928,066
10	\$1,985,908
Total	\$17,448,404
Compiled by CBRE	

Sale Tax Savings

The sales tax savings of \$2,071,535 has been based on 35% of the developer's hard costs multiplied by the sales tax rate of 8.25%. CBRE's estimate is somewhat less than the developer's internal projection of \$2.4 million.

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.

Capital Event (Assumed Year 5 Sale)

As of an "Initial Sale Event", the subject PFC shall receive 1.0% of the gross sale price.

Based on instruction from the client, we have assumed a Year-5 Initial Sale Event. For the purposes of calculating the Community Benefit, CBRE has utilized the developer's projected reversionary Year-6 NOI.

The 5.00% exit capitalization is +/-25 bps above current market capitalization rates and is deemed to be reasonable. The reversionary NOI has been based on 3.0% annual growth applied to the 'As Proposed Restricted, With Abatement' NOI presented herein. The reversionary NOI has not otherwise 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 calculated net sale proceeds to the PFC are summarized in the table below.

NET SALE PROCEEDS TO PFC (ASSUMED YEAR-5 SALE)		
Yr. 6 projected NOI		\$6,947,972
Exit Cap Rate		5.00%
Calculated Gross Sale Price		\$138,959,443
1% of Gross Sale Price	1.0%	\$1,389,594
Compiled by CBRE		

Miscellaneous Fees

The term sheet outlines \$496,161 in miscellaneous fees due by the developer.

PFC Structuring Fee

The PFC origination fee is \$250,000.

PFC Sales Tax Saving Fee

The developer is to pay the PFC 10% of the sales tax savings calculated previously.

Ground Rent and Asset Management Fee

The Year 1 ground rent was previously concluded to be \$220,069 within the Feasibility Analysis section of this report. This figure has been grown at 3.0% per year. The asset management fee is \$25,000 and has also been grown at 3.0% per year.

10-YEAR GROUND RENT & ASSET MANAGEMENT FEE		
Year	Ground Lease Amount	AM Fee Amount
1	\$220,069	\$25,000
2	\$226,671	\$25,750
3	\$233,471	\$26,523
4	\$240,475	\$27,318
5	\$247,689	\$28,138
6	\$255,120	\$28,982
7	\$262,773	\$29,851
8	\$270,657	\$30,747
9	\$278,776	\$31,669
10	\$287,140	\$32,619
Total	\$2,522,840	\$286,597
Compiled by CBRE		

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.

RENT GROWTH PROJECTIONS - AUSTIN MULTIFAMILY			
Year	Axiometrics	Costar	Econometric Advisors
1	2.0%	2.1%	0.9%
2	2.4%	3.2%	2.0%
3	2.8%	3.8%	2.1%
4	2.9%	3.1%	2.2%
5	3.1%	2.6%	2.2%
Average	2.6%	3.0%	1.9%
Compiled by CBRE			

Based on the above survey data, market rents have been grown at 3.0% per annum over years 2 through 10. Restricted rents have also been grown at 3.0% per annum.

10-YEAR REDUCED RENT SAVINGS			
Year	Market Rent	Restricted Rent	Rents Savings
1	\$8,618,760	\$8,419,812	\$198,948
2	\$8,877,323	\$8,672,406	\$204,916
3	\$9,143,642	\$8,932,579	\$211,064
4	\$9,417,952	\$9,200,556	\$217,396
5	\$9,700,490	\$9,476,573	\$223,918
6	\$9,991,505	\$9,760,870	\$230,635
7	\$10,291,250	\$10,053,696	\$237,554
8	\$10,599,988	\$10,355,307	\$244,681
9	\$10,917,987	\$10,665,966	\$252,021
10	\$11,245,527	\$10,985,945	\$259,582
Total			\$2,280,716
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 \$7,427,753 or 38.1%.

COMMUNITY BENEFIT SUMMARY

COMMUNITY INVESTMENT

Est. 10-Year Property Tax Offset	\$17,448,404
Est. Sale Tax Savings	<u>2,071,535</u>
10-Year Total Community Investment	\$19,519,940

COMMUNITY BENEFIT**Financial Return to PFC**

Capital Event (Assumed Yr. 5 Sale)	\$1,389,594
Miscellaneous Fees	496,161
PFC Asset Management Fee	286,597
PFC Structuring Fee	250,000
PFC Sales Tax Saving Fee (10% of Total Savings)	207,154
Ground Rent (10 Years)	<u>2,522,840</u>
Subtotal	\$5,152,346

Rental Benefit to Residents

10-Year Reduced Rents	<u>\$2,280,716</u>
10-Year Total Community Benefit	\$7,433,062
% Return to Community (10 Years)	38.1%

 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 Mid / High Rise

No. 1

Property Name The Blockyard
Address 1909 Alexander Ave
Austin, TX 78722
United States

Government Tax Agency Travis
Govt./Tax ID 888296

Unit Mix Detail

Rate Timeframe	Monthly				
Unit Type	No.	%	Size (sf)	Rent	Rent / sf
Studio	10	3%	400	\$1,396	\$3.49
Studio	13	4%	438	\$1,171	\$2.67
Studio	16	5%	450	\$1,103	\$2.45
Studio	22	6%	489	\$1,633	\$3.34
1BR/1BA	30	9%	666	\$1,877	\$2.82
1BR/1BA	30	9%	673	\$2,030	\$3.02
1BR/1BA	20	6%	701	\$2,022	\$2.88
1BR/1BA	79	23%	763	\$2,126	\$2.79
1BR/1BA	9	3%	777	\$2,204	\$2.84
1BR/1BA	5	1%	813	\$2,290	\$2.82
1BR/1BA	5	1%	827	\$2,335	\$2.82
1BR/1BA	14	4%	953	\$2,618	\$2.75
2BR/2BA	31	9%	1,081	\$2,847	\$2.63
1BR/1.5BA	2	1%	1,155	\$3,005	\$2.60
1BR/2BA	10	3%	1,166	\$2,985	\$2.56
2BR/2BA	25	7%	1,260	\$2,985	\$2.37
2BR/2BA	5	1%	1,332	\$3,115	\$2.34
1BR/1.5BA	5	1%	1,378	\$3,217	\$2.33
2BR/2BA	11	3%	1,454	\$3,696	\$2.54
1BR/1.5BA	1	0%	1,608	\$3,547	\$2.21
1BR/1.5BA	1	0%	1,652	\$3,647	\$2.21
Totals/Avg	344			\$2,227	\$2.71



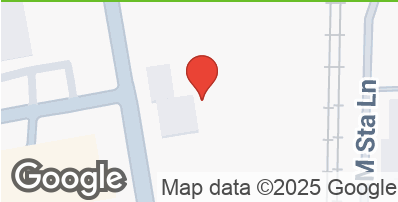
Improvements

Land Area	4.045 ac	Status	Existing
Net Rentable Area (NRA)	283,800 sf	Year Built	2024
Total # of Units	344 Unit	Year Renovated	N/A
Average Unit Size	825 sf	Condition	Excellent
Floor Count	5	Exterior Finish	Brick Veneer
Property Features	On-Site Management, Structured Parking, Elevators		
Project Amenities	Clubhouse, Pool, Business Center, Conference Room, Dog Grooming Station, Dog Park / Run, Fitness Center		
Unit Amenities	Quartz Countertops, Stainless Steel Appliances, Vinyl Flooring		

Rental Survey

Occupancy	94%	Utilities Included in Rent	None
Lease Term	12 - 15 Mo(s).	Rent Premiums	See comments
Tenant Profile	Young Professional	Concessions	None
Survey Date	08/2025	Owner	CBRE Investment Management
Survey Notes	None	Management	Willow Bridge

Map & Comments



The Blockyard is situated on the northeast corner of Alexander Ave and E MLK Jr Blvd in east Austin, Texas. The comparable represents a 344-unit, 5-story, mid-rise project that was constructed in 2024. It is considered to be a Class A property in this market and was in good condition at the date of survey. Units include quartz countertops, stainless appliances, and faux wood flooring. The project includes typical Class A community amenities. Quoted rents are indicative of average effective rents including any concessions and premiums. No concessions were quoted as of the date of survey. Tenants pay all utilities. The property offers structured parking at no additional fee.

Property Name Laurel
 Address 2001 Ed Bluestein Boulevard
 Austin, TX 78721
 United States

Government Tax Agency Travis
 Govt./Tax ID 476381

Unit Mix Detail

Rate Timeframe	Monthly				
Unit Type	No.	%	Size (sf)	Rent	Rent / sf
1BR/1BA	10	3%	527	\$1,534	\$2.91
1BR/1BA	17	6%	590	\$1,415	\$2.40
1BR/1BA	20	7%	605	\$1,450	\$2.40
1BR/1BA	60	20%	636-653	\$1,357-\$1,471	\$2.19
1BR/1BA	30	10%	667-692	\$1,443-\$1,591	\$2.23
1BR/1BA	30	10%	726	\$1,547	\$2.13
1BR/1BA	10	3%	740	\$1,665	\$2.25
1BR/1BA	26	9%	745-772	\$1,570-\$1,589	\$2.08
1BR/1BA	34	11%	828-866	\$1,629-\$1,865	\$2.06
1BR/1BA	5	2%	960	\$2,005	\$2.09
1BR/1BA	5	2%	979	\$1,853	\$1.89
2BR/2BA	5	2%	1,084	\$2,127	\$1.96
2BR/2BA	10	3%	1,101-1,103	\$2,024-\$2,212	\$1.92
2BR/2BA	7	2%	1,176	\$2,204	\$1.87
2BR/2BA	4	1%	1,187	\$2,283	\$1.92
2BR/2BA	11	4%	1,218	\$2,164	\$1.78
2BR/2BA	2	1%	1,236	\$2,161	\$1.75
2BR/2BA	7	2%	1,239-1,294	\$2,209-\$2,358	\$1.80
2BR/2BA	3	1%	1,337-1,388	\$2,309-\$2,493	\$1.76
3BR/2BA	3	1%	1,412-1,446	\$2,478-\$2,828	\$1.86
2BR/2BA	1	0%	1,504	\$2,488	\$1.65
Totals/Avg	300			\$1,666	\$2.10

**Improvements**

Land Area	9.220 ac	Status	Existing
Net Rentable Area (NRA)	237,813 sf	Year Built	2021
Total # of Units	300 Unit	Year Renovated	N/A
Average Unit Size	793 sf	Condition	Good
Floor Count	4	Exterior Finish	Fiber Cement Board
Property Features	Surface Parking, Carports, Detached Garages, Elevators		
Project Amenities	Clubhouse, Pool, Barbeque Area, Business Center, Conference Room, Dog Park / Run, Fitness Center, Storage Units		
Unit Amenities	Dishwasher, Carpeted Flooring, Garbage Disposal, Microwave Oven, Plank Flooring, Quartz Countertops, Range / Oven, Refrigerator with Icemaker, Stainless Steel Appliances		

Rental Survey

Occupancy	97%	Utilities Included in Rent	None
Lease Term	12 Mo(s).	Rent Premiums	See comments
Tenant Profile	Varies	Concessions	None
Survey Date	08/2025	Owner	N/A
Survey Notes	None	Management	Greystar

Map & Comments



Laurel is located along Ed Bluestein Boulevard/Highway 183 in east Austin, Texas. The comparable represents a 300-unit, four-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 quartz countertops, stainless steel appliances, and faux wood/carpet flooring. The project includes typical Class A community amenities. Rents are set by rent optimizing software and are inclusive of all concessions and premiums. Concessions of six weeks free were offered as of the date of survey. Tenants pay all utilities. Detached garages are available for \$150 per month and carports are available for \$50 per month.

Comparable

Residential - Multi-unit Mid / High Rise

No. 3

Property Name Lenox 7th
Address 4910 E. 7th Street
Austin, TX 78702
United States

Government Tax Agency Travis
Govt./Tax ID 190083

Unit Mix Detail

Rate Timeframe	Monthly				
Unit Type	No.	%	Size (sf)	Rent	Rent / sf
1BR/1BA	19	7%	528	\$1,546	\$2.93
1BR/1BA - AFF	28	10%	528	\$1,234	\$2.34
1BR/1BA	43	15%	644	\$1,865	\$2.90
1BR/1BA	40	14%	672	\$1,909	\$2.84
1BR/1BA	34	12%	728	\$1,949	\$2.68
1BR/1BA	25	9%	766	\$2,041	\$2.66
1BR/1BA - TH	1	0%	818	\$2,865	\$3.50
1BR/1BA	3	1%	819	\$2,285	\$2.79
1BR/1BA	14	5%	836	\$2,060	\$2.46
1BR/1BA	7	3%	885	\$2,511	\$2.84
1BR/1BA	6	2%	903	\$2,661	\$2.95
1BR/1BA	1	0%	918	\$2,365	\$2.58
1BR/1BA	6	2%	921	\$2,411	\$2.62
1BR/1.5BA - TH LW	3	1%	1,057	\$2,598	\$2.46
2BR/2BA - LW	13	5%	1,064	\$2,494	\$2.34
2BR/2BA	37	13%	1,157	\$2,709	\$2.34
Totals/Avg	280			\$2,026	\$2.62



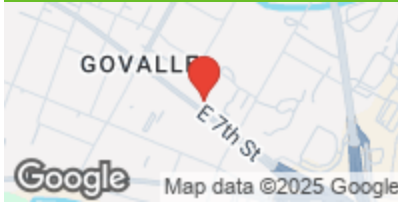
Improvements

Land Area	4.086 ac	Status	Existing
Net Rentable Area (NRA)	215,606 sf	Year Built	2021
Total # of Units	279 Unit	Year Renovated	N/A
Average Unit Size	773 sf	Condition	Excellent
Floor Count	5	Exterior Finish	Brick
Property Features	On-Site Management, Structured Parking, Gated / Controlled Access		
Project Amenities	Clubhouse, Pool, Game Room, Barbeque Area, Business Center, Conference Room, Courtyard, Dog Grooming Station, Dog Park / Run, Fitness Center, Roof Deck / Terrace, Storage Units		
Unit Amenities	Washer / Dryer, Keyless Entry, Plank Flooring, Quartz Countertops, Stainless Steel Appliances, Stand-up Shower, Tile Backsplash		

Rental Survey

Occupancy	92%	Utilities Included in Rent	None
Lease Term	12 Mo(s).	Rent Premiums	See Comments
Tenant Profile	Young Professional	Concessions	None
Survey Date	08/2025	Owner	N/A
Survey Notes	None	Management	ZRS Management

Map & Comments



Lenox 7th is located along E. 7th Street approximately one-half mile west of its intersection with Highway 183 in east-central Austin, Texas. The comparable represents a 279-unit, five-story, mid-rise project that was constructed in 2021. 28 of the units are considered affordable units. It is considered to be a Class A property in this market and was in excellent condition at the date of survey. Units include quartz countertops with tile backsplashes, stainless appliances, and faux wood flooring. The project includes Class A community amenities including two pools, a clubhouse, private work rooms, fitness center, etc.. Quoted rents are indicative of average effective rents including any premiums. Current concessions include 4 weeks free rent. Tenants pay all utilities. The project features a structured parking garage with a parking fee of \$15 per space per month.

Comparable

Residential - Multi-unit Mid / High Rise

No. 4

Property Name MLK Highline
Address 2832 E Martin Luther King Jr Blvd
Austin, TX 78702
United States

Government Tax Agency Travis
Govt./Tax ID 204249

Unit Mix Detail

Rate Timeframe	Monthly				
Unit Type	No.	%	Size (sf)	Rent	Rent / sf
EFF	1	1%	572	\$1,288	\$2.25
EFF - 60% AMI	31	15%	572	\$1,165	\$2.04
EFF	7	3%	633	\$1,591	\$2.51
EFF - 60% AMI	5	2%	633	\$1,165	\$1.84
1BR/1BA	20	10%	692	\$1,675	\$2.42
1BR/1BA	50	25%	713	\$1,656	\$2.32
EFF	16	8%	746	\$1,690	\$2.27
1BR/1BA	4	2%	766	\$1,775	\$2.32
1BR/1BA	24	12%	788	\$1,834	\$2.33
1BR/1BA	27	13%	883	\$1,850	\$2.10
2BR/2BA	2	1%	947	\$1,925	\$2.03
2BR/2BA	6	3%	1,076	\$2,150	\$2.00
2BR/2BA	8	4%	1,104	\$2,149	\$1.95
Totals/Avg	201			\$1,655	\$2.21



Improvements

Land Area	2.163 ac	Status	Existing
Net Rentable Area (NRA)	150,325 sf	Year Built	2022
Total # of Units	201 Unit	Year Renovated	N/A
Average Unit Size	748 sf	Condition	Excellent
Floor Count	5	Exterior Finish	Vinyl Siding
Property Features	Flat Roofs, On-Site Management, Surface Parking, Elevators, Under-building Parking		
Project Amenities	Clubhouse, Roof Deck / Terrace		
Unit Amenities	Quartz Countertops, Stainless Steel Appliances, Tile Backsplash, Vinyl Flooring		

Rental Survey

Occupancy	98%	Utilities Included in Rent	None
Lease Term	12 Mo(s).	Rent Premiums	See comments
Tenant Profile	Varies	Concessions	None
Survey Date	08/2025	Owner	UG MLK LLC
Survey Notes	None	Management	MPC

Map & Comments



MLK Highline is located at the northwest corner of E. Martin Luther King Jr Boulevard and Alexander Avenue in east central Austin, Texas. The comparable represents a 201-unit, five-story, mid-rise apartment complex that was constructed in 2022. The property also includes 9,680 SF of ground floor retail space. It is considered to be a Class A property in this market and was in excellent condition at the date of survey. Units include quartz countertops, stainless appliances, and faux wood flooring. The project includes a below average amenity package with a club room and sky deck. Rents are set by rent optimizing software and are inclusive all concessions and premiums. No concessions were offered as of the date of survey. It is noted that 10% of the GBA must be reserved for or leased to tenants whose income is no more than 60% AML. Tenants pay all utilities.

Property Name Trailhead
Address 1120 Shady Lane
Austin, TX 78721
United States

Government Tax Agency Travis
Govt./Tax ID 192460

Unit Mix Detail

Rate Timeframe	Monthly				
Unit Type	No.	%	Size (sf)	Rent	Rent / sf
Studio	21	7%	579	\$1,449	\$2.50
Studio	4	1%	585	\$1,509	\$2.58
Studio	2	1%	588	\$1,556	\$2.65
1BR/1BA	18	6%	632	\$1,785	\$2.82
1BR/1BA	6	2%	643	\$1,577	\$2.45
1BR/1BA	2	1%	692	\$1,801	\$2.60
1BR/1BA	43	14%	703	\$1,670	\$2.38
1BR/1BA	14	5%	729-739	\$1,652-\$1,883	\$2.41
1BR/1BA	22	7%	748	\$1,893	\$2.53
1BR/1BA	24	8%	750	\$1,653	\$2.20
1BR/1BA	8	3%	761-777	\$1,663-\$1,796	\$2.25
1BR/1BA	14	5%	798	\$1,833	\$2.30
1BR/1BA	12	4%	806	\$1,929	\$2.39
1BR/1BA	18	6%	815-824	\$1,806-\$1,807	\$2.20
1BR/1BA	20	6%	842-850	\$1,796-\$1,820	\$2.14
1BR/1BA	4	1%	859	\$1,972	\$2.30
1BR/1BA	20	6%	879-884	\$1,806-\$1,821	\$2.06
2BR/2BA	15	5%	1,059-1,095	\$2,550-\$2,712	\$2.44
2BR/2BA	12	4%	1,146-1,168	\$2,452-\$2,575	\$2.17
2BR/2BA	5	2%	1,223-1,232	\$2,497-\$2,701	\$2.12
2BR/2BA	18	6%	1,304-1,350	\$2,712-\$2,988	\$2.15
3BR/2.5BA	6	2%	1,426	\$2,932	\$2.06
Totals/Avg	308			\$1,914	\$2.31

Improvements

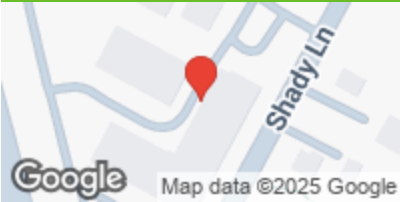
Land Area	9.788 ac	Status	Existing
Net Rentable Area (NRA)	256,008 sf	Year Built	2020
Total # of Units	308 Unit	Year Renovated	N/A
Average Unit Size	831 sf	Condition	Excellent
Floor Count	3	Exterior Finish	Masonry
Property Features	On-Site Management, Surface Parking, Carports, Gated / Controlled Access		
Project Amenities	Clubhouse, Pool, Game Room, Business Center, Courtyard, Dog Grooming Station, Dog Park / Run, Fitness Center, Walking Trail, Yoga / Spin Room		
Unit Amenities	Washer / Dryer, Ceiling Fans, Plank Flooring, Private Patios / Balconies, Quartz Countertops, Stainless Steel Appliances		

Rental Survey

Occupancy	95%	Utilities Included in Rent	None
Lease Term	12 Mo(s).	Rent Premiums	See Comments
Tenant Profile	Mixed Tenancy	Concessions	None
Survey Date	08/2025	Owner	N/A
Survey Notes	None	Management	Greystar



Map & Comments



Trailhead Apartments are located along the east side of Decker Lane, just north of FM 969, in Austin, Texas. The comparable represents a 308-unit, garden-style complex that was constructed in 2020. Units include granite counters, stainless appliances and vinyl flooring. The project includes typical Class A community amenities. Quoted rents are indicative of average effective rents including any premiums. Concessions of four to eight weeks free are currently being offered. Tenants pay all utilities.

Comparable

Residential - Multi-unit Mid / High Rise

No. 6

Property Name Trailhead East
Address 5100 Bolm Rd
Austin, TX 78721
United States

Government Tax Agency Travis
Govt./Tax ID 944105

Unit Mix Detail

Rate Timeframe	Monthly				
Unit Type	No.	%	Size (sf)	Rent	Rent / sf
Studio	42	19%	524	\$1,451	\$2.77
Studio	23	10%	558	\$1,736	\$3.11
1BR/1BA	51	23%	644	\$2,060	\$3.20
1BR/1BA	71	32%	746	\$2,048	\$2.75
1BR/1BA	3	1%	748	\$2,048	\$2.74
1BR/1BA	5	2%	931	\$2,308	\$2.48
2BR/2BA	5	2%	985	\$2,688	\$2.73
2BR/2BA	4	2%	1,029	\$2,482	\$2.41
2BR/2BA	18	8%	1,158	\$2,736	\$2.36
Totals/Avg	222			\$1,989	\$2.81



Improvements

Land Area	2.542 ac	Status	Existing
Net Rentable Area (NRA)	362,492 sf	Year Built	2024
Total # of Units	222 Unit	Year Renovated	N/A
Average Unit Size	1,633 sf	Condition	Excellent
Floor Count	5	Exterior Finish	Fiber Cement Plank
Property Features	On-Site Management, Structured Parking, Elevators		
Project Amenities	Clubhouse, Pool, Business Center, Conference Room, Dog Grooming Station, Dog Park / Run, Fitness Center, Walking Trail		
Unit Amenities	Plank Flooring, Quartz Countertops, Stainless Steel Appliances		

Rental Survey

Occupancy	54%	Utilities Included in Rent	None
Lease Term	12 - 15 Mo(s).	Rent Premiums	See comments
Tenant Profile	Young Professional	Concessions	3 weeks free lease-up concession
Survey Date	08/2025	Owner	SL4 Airport
Survey Notes	None	Management	N/A

Map & Comments



Trailhead east is situated on the northeast corner of Bolm Rd and Shady Ln in east Austin, Texas. The comparable represents a 222-unit, 5-story, mid-rise complex that was constructed in 2024. It is considered to be a Class A property in this market and was in good condition at the date of survey. Note if recently renovated. Units include quartz countertops, stainless appliances, and faux wood flooring. The project includes typical Class A community amenities. Quoted rents are indicative of average effective rents including any premiums but prior to lease-up concessions. Lease-up concessions of 3 weeks free were quoted as of the date of survey. Tenants pay all utilities. The property includes structured parking for no extra fee.

Addendum B

Subject Property Data

Development Budget

		Total	Closing	Start Month	Duration
Acquisition/Offsite Costs					
	Land	—	—	1	1
	Non-Negotiated Extension	—	—	1	1
	Stearns Land Closing Costs (If Taken Down Early)	—	—	1	1
	Closing Extension	—	—	1	1
	Off-Site Improvements	—	—	1	1
	Environmental Remediation	—	—	1	1
	Other	—	—	1	1
	Other	—	—	1	1
	Other	—	—	1	1
	Total Acquisition/Offsite Costs	—	—		
Construction					
	Contingency (3.00%)	1,990,638	—	2	27
	Site Work	9,850,100	—	1	7
	New Construction	53,045,265	—	6	23
	General Conditions	3,459,245	—	1	28
	Shared Site Work	(1,318,750)	—	1	7
	Fence	—	—	2	27
	Trash	—	—	2	27
	Added Masonry	—	—	2	27
	General Insurance & Overhead	1,297,720	—	2	27
	Contractor Fee (5.00%)	3,417,262	—	2	27
<u>Per Unit</u>					
210,386	Total Construction	71,741,480	—		
Pre-Development Costs					
	Environmental Site Assessment: Phase I & Phase	3,000	3,000	1	1
	Environmental Site Assessment: Phase II	14,720	14,720	1	1
	Demolition Study - Asbestos, Haz Waste, Cost, Se	250,875	250,875	1	1
	Wetlands And Waters Of The Us Assessment	4,500	4,500	1	1
	Wetlands Delineation And Permitting	—	—	1	1
	Threatened And Endangered Species Assessment	—	—	1	1
	Archaeological / Historical Survey	—	—	1	1
	Noise Study	—	—	1	1
	Traffic Impact Analysis	5,340	5,340	1	1
	Floodplain/ Wetland Study	—	—	1	1
	Architectural And Engineering Inspection (Phased	—	—	1	1
	Geotechnical Engineering Services	35,000	35,000	1	1
	Property Survey	59,750	59,750	1	1
	Civil Engineering-Platting	20,000	20,000	1	1
	Fiscal Impact / Tax Analysis	14,000	14,000	1	1
	Market Study	11,000	11,000	1	1
	Comprehensive / Master Plan Amendment	—	—	1	1
	Rezoning, Use Variance, Waiver	—	—	1	1
	Development Consultant	—	—	1	1
	Engineering Due Diligence / Feasibility Study	309,250	309,250	1	1
	Architect Conceptual Design	22,950	22,950	1	1
	Landscape Architect Conceptual Design	28,500	28,500	1	1
	Civil Engineering / Site Planning Conceptual Desig	11,250	11,250	1	1
	Concrete & Soil & Other Testing Outside Construc	175,000	175,000	1	1
	Radon Testing	15,000	15,000	1	1
	Pitch Book	600	600	1	1
	Other	—	—	1	6
	Total Pre-Development Costs	980,735	980,735		
Architect/Engineering					
	Architectural Design	802,900	802,900	1	1
	Architect - Construction Administration	225,800	—	1	28
	Reimbursable Expenses - Architect	7,000	7,000	1	1
	Civil Engineering Services	421,776	421,776	1	1
	Retaining Wall Design	10,000	10,000	1	1
	Reimbursable Expenses - Engineer	4,000	4,000	1	1
	Civil Engineer - Construction Administration	23,000	23,000	1	28
	Landscape Architectural Design	126,000	126,000	1	1
	Landscape Architectural-Reimbursements	2,000	2,000	1	1
	Landscape Architectural Additional Services	2,500	2,500	1	28
	Landscape Architectural - Construction Administraz	18,000	18,000	1	1
	Pool Design	48,608	48,608	1	1
	Structural Engineering Services	150,000	150,000	1	1
	Mep Engineering Services	5,995	5,995	1	1
	Interior Design Fee	142,500	142,500	1	1
	Low-Voltage	25,500	25,500	1	1
	Environmental Graphic Design Consultant	—	—	1	1
	Energy/ Green Design Consultant	—	—	1	1
	Acoustic Consultant	—	—	1	1
	Water Proofing Consultant	95,000	95,000	1	1
	Fire Sprinkler/ Alarm Consultant	43,300	43,300	1	1
	Demolition Design Drawings	—	—	1	1
	Accessibility Consultant	37,900	37,900	1	1
	Other	—	—	1	1
	Total Architect/Engineering	2,191,779	1,965,979		

Permits & Impact Fees					
	Application Fees	—	—	1	1
	Bonds	627	627	1	1
	Impact Fees	680,076	680,076	1	1
	Inspection Fees	—	—	1	1
	License Fees	—	—	1	1
	Permits Fees	298,000	298,000	1	1
	Review Fees	21,926	21,926	1	1
	Tap Fees	24,357	24,357	1	1
	Utility Fees	394,163	394,163	1	1
	Other Permits And Fees	23,000	23,000	1	1
	Total Permits & Impact Fees	1,442,148	1,442,148		
Furniture, Fixtures & Equipment					
	Clubhouse Furnishings / Installation / Shipping/ De	350,000	—	8	3
	Model Furnishings	85,000	—	8	3
	Clubhouse Specialties	85,000	—	8	3
	Fitness Equipment	—	—	8	1
	Office Equipment & Furnishings	225,000	—	8	1
	Pool Furnishings	200,000	—	8	3
	Vehicles (Golf Carts)	—	—	8	1
	Maintenance Equipment	25,000	—	8	3
	Signage Production	—	—	8	1
	Temp Leasing Office	25,500	—	8	1
	Unit Furnishings	—	—	8	1
	Total Furniture, Fixtures & Equipment	995,500	—		
Marketing					
	Logo Design	110,000	—	12	1
	Paid Media	60,409	—	21	1
	Events & Promotional Items	—	—	18	1
	Signage	40,000	—	18	1
	Lease Up & Marketing	108,000	—	18	6
	Other Marketing/Leasing	16	—	18	6
	Leasing Displays	100,000	—	18	1
	Management Set Up Fee	25,000	—	18	1
	Other Marketing	—	—	18	18
	Management Lease-up Fee	100,000	—	36	1
	Total Marketing	543,425	—		
Legal & Professional Services					
	Appraisal	6,500	6,500	1	1
	Accounting	30,000	30,000	1	1
	Senior Lenders Counsel	125,000	125,000	1	1
	Owners Counsel	700,000	700,000	1	1
	Investors Counsel	125,000	125,000	1	1
	Title/Recording/Closing Fees	272,535	272,535	1	1
	Inspecting Architect	100,000	100,000	1	1
	PFC Structuring Fee	250,000	250,000	1	1
	Lender Due Diligence	15,000	15,000	1	1
	Organizational / Pre-Development Interest	34,561	34,561	1	1
	PFC Legal	200,000	200,000	1	1
	Project Security	8,500	—	1	1
	Total Legal & Professional Services	1,867,096	1,858,596		
Other Development Costs					
	Builders Risk	890,338	890,338	1	1
	NRP Debt Placement Fee	150,372	150,372	1	1
	PFC GC Management Fee	243,191	121,595	28	1
	Total Other Development Costs	1,283,901	1,162,306		
Development Fee		3,042,985	608,597		
Soft Cost Contingency		1,814,445	—	1	28
Interest & Operating Reserves					
	Construction Interest	1,532,565	—		
	Land Broker - Cushman & Wakefield	296,161	—	1	1
	Property Taxes	—	—		
	Construction Loan Origination	451,116	451,116	1	1
	Other Reserve	—	—	1	1
	Owner Change Order Contingency	2,357,182	—	1	28
	Operating Deficit	1,761,176	—		
	Clarion Monitoring Costs	235,000	235,000	14	7
	Total Reserves & Other	6,633,201	686,116		
Total Development Costs		92,536,695			

THE NRP GROUP LLC
Anita Coy East
Austin, TX
Units: 341

Operating Pro Forma (Untrended)				
Revenue:	Per Sq. Ft.	Monthly Ave.	Annual	Per Unit
Gross Potential Rent	\$2.38	\$2,069	\$8,467,812	\$24,832
Other Income			295,860	868
Total Rental Income			8,763,672	25,700
Vacancy Loss			(438,184)	(5.0%)
Delinquency Loss			(87,637)	(1.0%)
Total Revenue			8,237,852	24,158
Operating Expenses:				
Controllable Expenses			1,298,869	3,809
Franchise Tax			27,267	80
PFC Ground Lease & AM Fee			240,466	705
Insurance			248,930	730
Management Fees			205,946	2,50%
Total Operating Expenses			2,021,479	5,928
Replacement Reserves		Expense Ratio	68,200	200
Total Opex and Reserves		25.37%	2,089,679	6,128
Net Operating Income			6,148,173	18,030

Operating Statement											
Unit Mix											
Type	Count	Beds	Baths	Sq Ft	Total SF	Rent	Rent PSF	Total Rent			
A0 - 60%	20	1	1	614	12,280	\$1,606	\$2.62	\$32,120			
B0 - 60%	13	2	2	974	12,662	\$1,807	\$1.86	\$23,491			
C1 - 60%	3	3	2	1,385	4,155	\$2,007	\$1.45	\$6,021			
A0 - 80%	18	1	1	614	11,052	\$1,750	\$2.85	\$31,500			
A1 - 80%	60	1	1	723	43,380	\$1,845	\$2.55	\$110,700			
B0 - 80%	50	2	2	977	48,850	\$2,195	\$2.25	\$109,750			
C1 - 80%	9	3	2	1,385	12,465	\$2,676	\$1.93	\$24,084			
A1	63	1	1	723	45,549	\$1,875	\$2.59	\$118,125			
A2	18	1	1	757	13,626	\$2,075	\$2.74	\$37,350			
A2.1	7	1	1	760	5,320	\$2,025	\$2.66	\$14,175			
A3	5	1	1	776	3,880	\$1,925	\$2.48	\$9,625			
A4	3	1	1	697	2,091	\$1,850	\$2.65	\$5,550			
B0	2	2	2	977	1,954	\$2,275	\$2.33	\$4,550			
B0.1	38	2	2	989	37,582	\$2,275	\$2.30	\$86,450			
B6	18	2	2	1,243	22,374	\$2,670	\$2.15	\$48,060			
B7	4	2	2	1,372	5,488	\$2,775	\$2.02	\$11,100			
C1	10	3	2	1,385	13,850	\$3,300	\$2.38	\$33,000			
	341			870	296,558	\$2,069	\$2.38	\$705,651			
Market Rate Unit Mix						Affordability Unit Mix					
Type	Units	Distribution	Sq. Ft.	Avg. Rent	Rent / Sq. Ft	Type	Units	Distribution	Sq. Ft.	Avg. Rent	Rent / Sq. Ft
Studios	-	0%	-	-	-	Studios	-	0%	-	-	-
1 BR	96	57%	734	\$1,925	\$2.62	1 BR	98	57%	681	\$681	\$1.00
2 BR	62	37%	1,087	\$2,422	\$2.23	2 BR	63	36%	976	\$2,383	\$2.44
3 BR	10	6%	1,385	\$3,300	\$2.38	3 BR	12	7%	1,385	\$2,750	\$1.99
4 BR	-	0%	-	-	-	4 BR	-	0%	-	-	-
49.27%	168		903	\$2,190	2.43	50.73%	173		837	\$1,444	1.73
Other Income:						Other Operating Assumptions:			Affordability Breakdown:		
Premium	Units	Charge	Monthly			Static Vacancy	5.0%		Type	Units	%
Standard Other	341	\$55	\$18,755			Bad Debt Loss	1.0%		Market Rate	155	49.68%
Reserved Parking	75	\$50	\$3,750						60% AMI	33	10.58%
Storage	10	\$25	\$250						80% AMI	124	39.74%
Other	-	-	-			GPR	8,763,672			312	100.00%
Private Yard - 1 Bed	6	\$150	\$900			Vacancy	(438,184)				
Private Yard - 2 Bed	5	\$200	\$1,000			Bad Debt	(87,637)				
Other	-	-	-			EGI	8,237,852				
Other	-	-	-								
Other	-	-	-								
Other	-	-	-								
Other	-	-	-								
			\$24,655								
Operating Expenses:						Yes Sale Assumption			Variance for sale		
Expense	Stabilized	Per Unit	Total			2.50%	Per Unit	Total			
Management Fee	2.50%	604	205,946			2.50%	604	205,946	-		
Payroll		1,713	\$584,133				1,713	\$584,133	-		
Administrative		325	110,825	During Lease-Up			325	110,825	-		
Marketing		350	119,350	14,000			350	119,350	-		
Cleaning & Decorating		150	51,150				150	51,150	-		
Utilities		425	144,925				425	144,925	-		
Contract Services		200	68,200	Variable			200	68,200	-		
Repairs & Maintenance		646	220,286	3,809			646	220,286	-		
Franchise Tax		80	27,267				80	27,267	-		
PFC Ground Lease & AM Fee		705	240,466				705	240,466	-		
Insurance		928	316,448				730	248,930	67,518		
Real Estate Taxes		-	-				-	-	-		
Replacement Reserves		200	68,200				200	68,200	-		
Total Expenses - Untrended		6,326	2,157,197				6,128	2,089,679	67,518		
Net Operating Income											
EGI			8,237,852								
Total Expenses - Untrended			(2,089,679)								
NOI			6,148,173								

Addendum C

Legal Description

EXHIBIT "A"

LEGAL DESCRIPTION

**LOT 1 OF ANITA F. COY SUBDIVISION, AN ADDITION TO THE CITY OF AUSTIN, TRAVIS COUNTY, TEXAS,
ACCORDING TO THE MAP OR PLAT THEREOF RECORDED IN/UNDER COUNTY CLERK'S FILE NO.
202500108 OF THE OFFICIAL PUBLIC RECORDS OF TRAVIS COUNTY, TEXAS.**

Addendum D

Memorandum of Understanding

**TERM SHEET FOR THE DEVELOPMENT OF
ANITA COY APARTMENTS (EAST)**

IN TRAVIS COUNTY, TEXAS

November 23, 2024

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

The Project will be owned by Austin Independent School District Public Facility Corporation, a public facility corporation formed by Austin Independent School District (said public facility corporation referred to herein as "**AUSTIN ISD PFC**"). The Land is owned by Austin Independent School District ("**ASID**") and will be conveyed to AUSTIN ISD PFC for nominal consideration. AUSTIN ISD PFC will at Closing simultaneously enter into a lease with the Tenant. Tenant will be responsible for the development and construction of the Improvements and the costs associated therewith. The Land and Improvements will be leased to Tenant pursuant to a long-term lease. An NRP affiliate will be a limited partner of Tenant.

The Board of Directors of AUSTIN ISD PFC authorized ASID as the Administrator of AUSTIN ISD PFC to negotiate and execute this Term Sheet for the Project pursuant to Agenda Item 4.2 on October 10, 2024 (the "**Inducement Date**"), indicating the Board's preliminary approval of the Project subject to the negotiation of a Lease Agreement, a Development Agreement and a Regulatory Agreement and any other documents required for the development of the Project.

Ad Valorem

Tax Exemption: AUSTIN ISD PFC shall be responsible for obtaining a 100% property tax exemption for the Project for an initial 60-year period (the "**Initial Exemption Period**"), excluding any taxes imposed by a conservation and reclamation district created under Section 52, Article III or Section 59, Article XVI of the Texas Constitution. Within a reasonable time after Closing, AUSTIN ISD PFC will submit closing documents to the appraisal district, subject to NRP's delivery to AUSTIN ISD PFC of any information or documents. Pursuant to the Lease, if the ad valorem tax exemption with respect to the Project is lost ("**Loss of Tax Status Event**") for any reason, including the expiration of the tax exemption at sixty (60) years pursuant to Texas Local Government Code Chapter 303, excluding the failure of the Tenant to meet the requirements of Texas Local Government Code Chapter 303, then AUSTIN ISD PFC, as Landlord, will convey any right, title or interest of the AUSTIN ISD PFC in the Project to Tenant, but expressly excluding the Land which will be retained by the AUSTIN ISD PFC and the Lease will convert to a traditional ground lease

and the affordability requirements and tax exemption will terminate, and from and after such conveyance, Tenant shall pay to AUSTIN ISD PFC the Ground Rent in lieu of Capital Event Rent and Annual Rent as such terms are hereinafter defined (collectively, the “**PFC Rents**”). Notwithstanding the foregoing Ground Rent shall not be payable in the event that the Loss of Tax Status Event arises out of the fraud, willful misconduct or a breach of the Lease by Landlord as determined by a court of competent jurisdiction. In the event of a Loss of Tax Status Event, prior to the transfers described in the preceding sentence, AUSTIN ISD PFC and Tenant shall use reasonable efforts to modify the structure to allow the ad valorem tax exemption to continue, but in no event shall AUSTIN ISD PFC be required to relinquish its fee simple ownership of the Land.

No later than three (3) years prior to the expiration of the Initial Exemption Period AUSTIN ISD PFC shall reasonably cooperate to seek approval for the extension of the exemption following the end of the Initial Exemption Period as allowed pursuant to Texas Local Government Code Chapter 303.

As used herein “**Ground Rent**” means the annual rent payable by Tenant to AUSTIN ISD PFC, as Landlord, for the use and occupancy of the Land, expressly excluding the value of any improvements on the Land constructed by Tenant. Ground Rent shall be based solely on the fair market rental value of the unimproved Land as if vacant and available for development for the uses permitted under the Lease without any tax exemption or affordability requirements, all of which would be terminated Upon a Loss of Tax Status Event.

The Ground Rent shall be determined as follows:

a. Negotiation Period: For a period thirty (30) days following the date that the Lease converts to a ground lease as herein provided, Landlord and Tenant shall negotiate in good faith to agree upon the Ground Rent for the upcoming renewal term.

b. Baseball Arbitration: If Landlord and Tenant fail to reach an agreement on the Ground Rent during the negotiation period, the Ground Rent shall be determined through a baseball arbitration process as follows:

- i. Appointment of Appraisers: Within ten (10) days after the expiration of the negotiation period, each party shall appoint a qualified, independent real estate appraiser with at least fifteen (15) years of experience in appraising similar properties in the Austin, Texas area.
- ii. Submission of Appraisals: Within 30 days of their appointment, each appraiser shall conduct an independent appraisal of the fair market rental value of the unimproved Land, considering its permitted use under the Lease, but expressly excluding the value of any improvements

constructed by Tenant. Each appraiser shall submit their appraisal to both Landlord and Tenant.

iii. Determination of Ground Rent:

- A. If the two appraisals are within 10% of each other, the Ground Rent shall be the average of the two appraisals.
- B. If the two appraisals differ by more than 10%, Landlord and Tenant shall, within ten (10) business days, jointly appoint a third similarly qualified appraiser.
- C. The third appraiser shall, within 30 days of appointment, review the two existing appraisals and select one of them as the Ground Rent. The third appraiser may not average the two appraisals or select any figure other than one of the two original appraisals.

Capital Event: The proposed sale of the entire Project (including any proposed assignment of the entire Lease) to a third party for consideration or a sale or assignment of greater than a 50% interest in Tenant or an entity that controls greater than a 50% interest in Tenant (excluding assignment to affiliates or transfers pursuant to or for estate planning purposes) to a third party for consideration. The first Capital Event shall be subject to the ROFO set forth herein.

Capital Event Rent: For any Refinancing Event that occurs before the initial sale, the PFC shall receive 15% of the refinancing proceeds, if any, after payment of all debt, closing costs, establishment of reserves, return of all equity capital and the 10% return to the Equity Partner and payment of any and all fees owed to Developer or its affiliates, including but not limited to the deferred developer fee, repayment of all Partner loans, and reimbursement for any amounts paid as a result of guaranteed obligations. On any sale, the PFC shall receive 1% of the gross sale price. Notwithstanding the foregoing, nothing herein shall limit the amount of preferred return actually paid to the Equity Partner, provided that the Capital Event Rent paid to the PFC is calculated upon a 10% return to the Equity Partner.

Closing Date: The date of closing for all financing for the Project.

Community Engagement: NRP shall collaborate and consult with AUSTIN ISD PFC in any community engagement efforts and shall coordinate any response to media inquiries and/or public opposition to the Project

Compliance: NRP will provide annual compliance audits as required under Section 303.0426, Texas Local Government Code (the “**Code**”).

- Construction:** Tenant will contract with AUSTIN ISD PFC (or a non-profit affiliate thereof), as General Contractor, to construct the Improvements; and AUSTIN ISD PFC will enter into a Master Sub-Contract with NRP Contractors II LLC, an affiliate of NRP (“**NRP Contractors**”), to construct the Improvements, which shall be in a form reasonably approved by AUSTIN ISD PFC. NRP Contractors will receive a Contractor Fee of 5%, and any construction contract with NRP Contractors will also include a contractor’s contingency of 3% solely for the use of NRP Contractors. NRP Contractors will provide construction completion guarantees necessary to satisfy any lenders and Equity Contribution Partners for the Project on terms acceptable to NRP Contractors in its sole discretion. AUSTIN ISD PFC, as General Contractor, shall be indemnified to the fullest extent permitted by applicable law by NRP Contractors, and the indemnification shall be reflected in the construction contract documentation.
- Developer:** NRP Lone Star Development LLC, or another affiliate of NRP.
- Development Agreement:** Developer and Tenant will enter into a development agreement (“**Development Agreement**”) in a form acceptable to the parties of the contract, in accordance with the terms set forth herein.
- Developer Fee:** Developer is to receive a Developer Fee in connection with the development of the Project in an amount equal to three and one half percent (3.50%) of the total development costs of the Project. It is anticipated thirty percent (30%) of the Developer Fee will be earned and paid at the construction loan closing. Fifty percent (50%) of the Developer Fee will be earned and paid monthly out of the loan proceeds as part of the monthly construction loan process and the final twenty percent (20%) will be earned and paid upon issuance of the final certificate of occupancy for the Project. The timing and amount of the payment shall be subject to the lender and Equity Partner’s consent.
- Equity Contribution Partners:** The entity or entities which are selected by NRP to contribute common equity (cash or property) to the Equity Partner and to be admitted as a limited partner to the Equity Partner, one of which will be NRP Partner. Such interest may receive a preferred return for all or a portion of its equity contribution.
- Equity Partner:** A Texas limited partnership, the sole general partner of which will be NRP Manager, and whose limited partners will be NRP Partner (which will contribute some cash in accordance with the Project Budget) and the Equity Contribution Partners (which will contribute cash in accordance with the Project Budget).
- Governing Law:** State of Texas.
- Guarantees:** Certain financial obligations will be guaranteed by NRP Contractors or an affiliate on terms to be negotiated by NRP and lenders and the Equity Contribution Partners. AUSTIN ISD PFC will not be required to provide all guaranties with respect to the Project.

Improvements: Approximately 339 units of multifamily residential housing, together with all onsite infrastructure improvements for the Project, pursuant to Plans and Specifications developed by Developer, and will include a pool, fitness center, clubhouse, internet café, and other Class-A multifamily amenities.

Lease: Lease between AUSTIN ISD PFC, as landlord, and Tenant, pursuant to which AUSTIN ISD PFC leases the Property and the Project to the Tenant for a term of 99 years (the “**Lease**”). So long as Tenant is not in default under the Lease, Tenant will be permitted under the Lease to collaterally assign its interest in the Lease without the requirement of any consent from Landlord. Landlord will not be permitted to assign its interests under the Lease in any manner which jeopardizes the availability of exemption of the Project from ad valorem taxation.

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

The Lease will require the Tenant to maintain the Project as a Class A residential project and will require renovations to the extent financially feasible, to the extent necessary to maintain the Project as a Class A residential project. Tenant will cause the Project to be insured and will set aside an amount per door per year as determined by lenders as a reserve for replacements. Tenant will provide indemnities to Landlord to the fullest extent of the law, excluding any indemnities for Landlord’s gross negligence and/or willful misconduct. Provisions will be negotiated to help the PFC assure that the Project remains a Class A residential project throughout the Term of the Lease, including conducting periodic needs assessments by an engineer experienced in such assessments at seven-year intervals, prior to a capital event, and at any point in time when there is a decrease in occupancy below the 85% level that is not due to larger market conditions as demonstrated by occupancy at comparable projects within the geographic area of the Project. For avoidance of doubt, the parties agree that maintaining the Project as a Class A apartment project means keeping the Project as originally designed and constructed in appropriate condition to compete with other Class A residential projects of the same age as the Project, but does not mean adding amenities, making structural or other changes to the exterior or interior of the Project to make it consistent with newly constructed Class A apartment projects at a future date; provided that Tenant shall not be required to expend funds in excess of those generated by the Project and shall not be required to make a capital call or take on additional debt to fund such expenditures.

The Project shall be managed by a Qualified Property Manager. “Qualified Property Manager” means a person which (i) is a multi-family project management organization with experience in the management of multi-family projects with an aggregate of at least one thousand units, at least two (2) of which contain at least two hundred units or more; (ii) at the time of such manager’s engagement, has, or will following such engagement, have an office or employees in the State of Texas; (iii) is duly licensed in the State of Texas to act as the property manager of the Project, if required by applicable law; (iv) is not be the subject of a bankruptcy or similar insolvency proceeding; and (v) is approved or does not require approval by the Lender pursuant to the terms of any Loan Documents then in effect or to be in effect concurrent with the engagement of such manager. The Qualified Property Manager shall be required to meet with AUSTIN ISD PFC staff and/or board of directors no less than annually to discuss the performance of the Project. Notwithstanding anything to the contrary herein, if the payments due to AUSTIN ISD PFC hereunder are not actually paid, AUSTIN ISD PFC shall have the ability to remove the then-acting Qualified Property Manager and Tenant shall work with AUSTIN ISD PFC to identify and engage a replacement Qualified Property Manager, subject to the approval by the Equity Partner.

Tenant shall have the option to convert the Lease to a ground lease (and Ground Rent shall be established and paid from such time) at any time after the first forty (40) years and before sixty (60) years of the Term (the “**Termination Option**”) upon payment to AUSTIN ISD PFC, as Landlord, a fee in the amount of to the Fair Market Value of the Project (excluding the Land) as a taxable project times a percentage equal to the net present value of \$1.00 paid at the end of the lease term discounted to the date of the notice of termination with a discount rate of 8% (e.g. a notice of termination in year 40 of the lease term would result in 7%); provided that in the event of a sale of the Project to an unrelated third party is contemplated at the time of the proposed termination, the fair market value shall equal the sales price. As an example, at year 40, if the fair market value of the property is \$100,000,000, the termination fee will equal \$7,000,000 (net present value of \$1 in 35 years at 8% discount is \$0.07 or 7% of the fair market value). Likewise, if, at year 50, the fair market value of the property is \$120,000,000, the termination fee will equal \$18,000,000 (net present value of \$1 in 25 years at 8% discount is \$0.32 or 32% of the fair market value). If elected, the Lease will be converted to a ground Lease, and the affordability requirements and tax exemption will terminate, and from and after such conversion to a ground lease, Tenant shall pay to AUSTIN ISD PFC the Ground Rent in lieu of the PFC Rents.

Management: NRP Management LLC, an affiliate of NRP Group (“**NRP Manager**”), will be designated the property manager for the Project and will manage the leasing and operations of the Project. NRP Management will receive a base Management Fee as follows:

Commencing with the end of the first complete calendar month after the first employee of NRP or any affiliate commences work on site at the Project (provided such date is typical for when a management company would

commence work on promotional and/or leasing activities at similar project), the greater of (i) \$35 per unit per month or (ii) \$11,000 per month; and Commencing with substantial completion of the first residential building, the greater of (i) \$35 per unit per month or (ii) 3.5% multiplied by the effective gross income of the Project as outlined in the Management Agreement; but in no event less than \$11,000 per month.

NRP Manager shall further receive a Twenty-Five Thousand and no/100 Dollars (\$25,000) property set up fee, payable no later than the first (1st) annual anniversary of the Closing Date.

NRP Manager shall further receive a One Hundred Thousand and no/100 Dollars (\$100,000) property lease up fee, payable upon stabilization of the project.

Marketing:

Developer agrees to comply with the disclosure and marketing provisions of Section 303.0425 of the Code, including in all public marketing materials and websites for the Project a reference to the affordability provisions and voucher acceptance. Additionally, Developer agrees to include a “Preferred Employer” program for employees of AISD in connection with the Project’s marketing plan, which shall include at a minimum the exclusive pre-marketing units in the Project to AISD employees (i) upon the completion of the Project, for a period of no less than thirty (30) days prior to general initial marketing and (ii) to the extent not in violation of fair housing laws (as may be amended from time to time), upon Tenant’s or Property Manager’s knowledge of any imminent vacancy of a unit, Tenant shall use commercially reasonable efforts to notify AISD employees of such vacancy, which shall be accomplished via an AISD employee contact/wait list maintained by AISD. Any AISD employee applying to live in the Project shall pay no application or background check fees (such fees being waived by any Qualified Property Manager). To the extent not in violation of fair housing laws (as may be amended from time to time), Qualified Property Manager shall use commercially reasonable efforts to identify a process that AISD employees may undertake to become prequalified for units while on the AISD waiting list.

**Miscellaneous
Expenses:**

Tenant will be responsible for and will include in the Project Budget all legal fees for Bracewell LLP which will be in the amount of \$200,000 and the fees payable to Cushman and Wakefield in the amount of \$296,160.83, plus all reasonable out-of-pocket expenses.

M/WBE:

Developer shall make a good faith effort to achieve the AISD’s Minority and Women Business Enterprises construction goals in accordance with AISD’s business inclusion policy for the Project to reach a minimum of 20% participation by M/WBE for the entire Project.

NRP:

NRP Properties LLC, an Ohio limited liability company, or its affiliates.

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

Other Terms: Tenant's organization documents will contain such usual and customary terms for limited partnership formed for the acquisition, financing, ownership, development, management, leasing and sale of the Project, including, without limitation, provisions for limitation on transfer of partnership interests, delivery of periodic financial and other reports necessary for securities laws disclaimers, accredited investor representations and compliance under the Development Agreement.

PFC Asset

Management Fee: AUSTIN ISD PFC, or one of its affiliates, will receive an asset management fee equal to Twenty-Five Thousand Dollars (\$25,000) on an annual basis commencing six months after the Project stabilizes, which is defined as reaching 90% physical occupancy, which shall be the start of Year 1.

PFC Structuring

Fee: AUSTIN ISD PFC will receive a structuring fee equal to Two Hundred Fifty Thousand Dollars (\$250,000) on the Closing Date.

Plans and

Specifications: AUSTIN ISD PFC, Tenant, Lenders, and Equity Contribution Partner will have the right to review and approve the Plans and Specifications for Project once they are materially completed, the approval of which will not be unreasonably withheld or delayed. PFC's failure to either approve or reject the Plans and Specification within fifteen (15) business days from receipt shall be deemed the approval of PFC. Once they have approved the conceptual and/or schematic design for the Project, it may not object to such design Plans and Specifications, unless the subsequent Plans and Specifications materially and adversely affects the design character or value of the Project.

Preferred Equity Contribution

Partner: The entity selected by NRP to provide the limited partner capital for the Project in the form of preferred equity and to be admitted as a limited partner to the Equity Partner or another entity in the chain of ownership.

Preferred Return: The preferred return to be used for purposes of calculating Capital Event Rent, which, which shall be no more than 10% on the then unreturned balance of capital contributions of the Equity Contribution Partners (including NRP Partner). Notwithstanding the foregoing, any preferred return actually paid to the Equity Contribution Partners may exceed 10%, provided that the amount used for purposes of calculating the Capital Event Rent is no more than 10%.

Project: The Project will be leasehold interests in the land located at approximately 4900 Gonzales Street, Austin, Texas 78702 (the "**Land**") and Improvements, to be developed by Developer.

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

Project Financing: AUSTIN ISD PFC will provide the leasehold estate for the Project to the Tenant pursuant to a Lease Agreement. The Lease Agreement will be prepared once the Lenders are identified and will include commercially reasonable provisions required by the Lenders. Any security interests of Lessee's lenders shall be subordinated to AUSTIN ISD PFC's interest in the Lease; provided, however, the Lease shall provide any lender with certain rights upon foreclosure as further set forth in the Lease, which shall include, without limitation, the ability at lender's option, to either assume the Lease with its affordability requirements and tax exemption benefits, or to convert to a traditional ground Lease at the Ground Rent and to terminate the affordability requirements and tax exemption. If the lender elects to convert to a ground lease the Ground Rent payment shall be paid in lieu of the PFC Rents. Notwithstanding the foregoing Ground Rent shall not be payable in the event that the foreclosure event arises out of the fraud, willful misconduct or a breach of the Lease by Landlord as determined by a court of competent jurisdiction.

Loans

For the Project, Developer will obtain a senior loan from a senior lender to the Tenant for approximately the amount shown in the Project Budget for development of the Project to be secured by a first-lien deed of trust on the Tenant's interest in the Project, provided that in no event shall a lien on AUSTIN ISD PFC's fee interest in the Project be required by any lender. Developer may also obtain subordinated loans (which may be structured as mezzanine financing) from a subordinate lender for approximately the amount shown in the Project Budget which may be secured by a second-lien deed of trust on the Tenant Leasehold interest, a lien on the interest of Equity Contribution Partner in the Project, provided that in no event shall a lien on AUSTIN ISD PFC's fee interest in the Project be required by any lender.

All initial financings and guarantees must be acceptable to AUSTIN ISD PFC, Developer and the Tenant in their sole and absolute discretion, provided, however, that AUSTIN ISD PFC shall not have approval rights with respect to subsequent financings of the Project, whether in connection with a Capital Event or otherwise.

The parties acknowledge and agree that, subject to the requirement of AUSTIN ISD PFC that its fee interest in the Project shall not be pledged, the Lease is intended to comply with the underwriting requirements of the Federal National Mortgage Association ("Fannie Mae") and the Federal Home Loan Mortgage Corporation ("Freddie Mac") (collectively, the "GSEs") for the financing of

leasehold interests in leases, as such requirements exist as of the effective date of the Lease.

b. Without limiting the generality of the foregoing, the parties specifically agree that:

i. The term of the Lease shall not be less than the term of any Leasehold Mortgage plus ten (10) years.

ii. The Tenant's leasehold interest is mortgageable and assignable as set forth in this Lease.

iii. The Lease contains provisions for notice and cure rights for the benefit of Leasehold Mortgagees.

iv. The Lease includes provisions for a new lease to the Leasehold Mortgagee or its designee in the event of termination of the Lease.

v. Insurance proceeds and condemnation awards with respect to the improvements are applied as required by the Leasehold Mortgagee, subject to the terms of the Lease.

Future Cooperation:

a. The parties acknowledge that the GSE's underwriting requirements may change from time to time. In the event that, during the term of this Lease, either:

i. The GSEs modify their underwriting requirements for leases, or

ii. A Leasehold Mortgagee or potential Leasehold Mortgagee identifies any provision of this Lease that does not comply with then-current GSE underwriting requirements,

the parties agree to cooperate in good faith to amend this Lease as necessary to comply with such requirements, subject to the requirement that no AUSTIN ISD PFC shall not be required to pledge its fee interest in the Project, and subject further to the limitations set forth below.

b. Process for Amendment:

i. Either party may initiate the amendment process by providing written notice to the other party, specifying the GSE requirement(s) necessitating the amendment and proposing specific changes to the Lease.

ii. The parties shall meet (in person or virtually) within thirty (30) days of such notice to discuss the proposed amendments.

iii. The parties shall work diligently and in good faith to agree upon and execute an amendment to this Lease within sixty (60) days of the initial notice.

Equity

Developer will obtain one or more Equity Contribution Partners who will invest approximately the amount shown in the Project Budget. One of the Equity Contribution Partners will be NRP Partner (which will make a contribution of cash as provided for in the Project Budget). Contributions from the Equity Contribution Partners will be contributed to the Equity Partner, (which will be contributed by the Equity Partner to the Tenant for approximately the amounts shown in the Project Budget). The Equity Partner will be paid from Cash Flow and such payment will at all times be subordinate to the Loans. For purposes of establishing Capital Event Rent only (and not as a limit on the amount actually paid with respect thereto), the Equity Contribution Partners and NRP will receive a Preferred Return of no more than 10% on their contributions; provided that NRP and the Equity Contribution Partner will be repaid their investment and Preferred Return (which may be higher than 10%) from a Capital Event before any payment of the Capital Event Rent. Cash Flow splits will adjust after the payment of Preferred Returns, but payment of any fees to AUSTIN ISD PFC shall not be affected by any such adjustment.

Project Term: The “**Project Term**” is from commencement of Project for a period of 99 years after closing and all interest in the Project shall revert to AUSTIN ISD PFC at the end of the Project Term, subject to any encumbrances that have been consent to by AUSTIN ISD PFC.

Property: Approximately 6.08 +/- acres for the Project located at 4900 Gonzales Street, Austin, Texas 78702 to be built and operated as proposed by this Term Sheet, Travis County, Texas, and shown on the parcel map attached as Exhibit A hereto. The Property will be conveyed to AUSTIN ISD PFC and AUSTIN ISD PFC in turn will lease the Property to Tenant.

Regulatory Agreement: In addition to and in conjunction with the Lease, AUSTIN ISD PFC and Tenant will enter into a Regulatory Agreement and Declaration of Restrictive Covenants that will provide and address the income restrictions as set forth herein, as well as other requirements of AUSTIN ISD PFC and as set forth in the Code.

Reporting: Tenant shall, upon request of AUSTIN ISD PFC, provide customary information regarding the Project, including without limitation, the following information: number of units occupied by AISD employees, the rental rates and term of occupancy of such units, resident satisfaction surveys (if conducted), vacancy, rental rate growth, revenue, operating expenses, net operating income and any bad debt write-offs.

Right of First Offer: Upon the initial sale of Tenant’s leasehold interest (including any proposed assignment of the Lease) or upon Tenant’s Exercise of the Termination Option, (a “**Proposed Transfer**”), then Tenant shall notify AUSTIN ISD PFC before so offering the leasehold estate to the market or before entering into negotiations

with any third party offeree (an “**Offeree**”) desiring to acquire the leasehold estate, AUSTIN ISD PFC shall have a right of first offer (“**Right of First Offer**”) to acquire the Tenant's leasehold estate and Tenant shall not market its leasehold estate or negotiate the terms of any sale of the leasehold estate with any Offeree unless Tenant shall have first delivered to AUSTIN ISD PFC a notice (the “**Offer Notice**”) setting forth the sale price that Tenant would be willing to accept (subject to applicable prorations, the “**Purchase Terms**”). AUSTIN ISD PFC shall, for the thirty (30) day period commencing upon its receipt of such First Offer Notice (the “**ROFO Response Period**”), have the exclusive right to purchase the leasehold estate on the Purchase Terms as set forth in such First Offer Notice, exercisable by so notifying Tenant before 5pm CST on the last day of the ROFO Response Period, whereupon AUSTIN ISD PFC shall be bound to purchase from Tenant, and Tenant shall be bound to sell to Landlord, the leasehold estate on the Purchase Terms within ninety (90) days following the expiration of the ROFO Response Period. AUSTIN ISD PFC and Tenant shall promptly thereafter execute a purchase and sale agreement to sell the Tenant's leasehold estate to AUSTIN ISD PFC in accordance with the Purchase Terms and upon such terms typical to commercial real estate transactions in Travis County, Texas. If AUSTIN ISD PFC fails to deliver written notice of its exercise of its Right of First Offer prior to the expiration of the ROFO Response Period or if AUSTIN ISD PFC rejects the Purchase Terms set forth in the First Offer Notice during the ROFO Response Period, then Tenant shall be free, for a period of one hundred eighty (180) days from the end of the ROFO Response Period, to market the leasehold estate and to complete the Proposed Transfer substantially upon the Purchase Terms; provided, however, Tenant may not complete a Proposed Transfer for a price that is less than ninety-five percent (95%) of the Purchase Terms and, in any event, Tenant may not consummate a Proposed Transfer if it occurs more than 180 days after the expiration of the ROFO Response Period. If, however, either: (i) Tenant does not complete the Proposed Transfer within 180 days from the end of the ROFO Response Period; or (ii) Tenant agrees to complete the Proposed Transfer on the Purchase Terms that include a purchase price of less than ninety-five percent (95%) of the purchase price stated in the Offer Notice, then AUSTIN ISD PFC's shall have a right of first refusal and Tenant shall not complete such Proposed Transfer without first giving an Offer Notice to AUSTIN ISD PFC in compliance with the terms of this Section except that AUSTIN ISD PFC's ROFO Response Period shall be ten (10) days.

Annual Rent: Tenant will pay PFC annual rent equal to the total cost of the development (“**TDC**”) x 80% x the applicable tax rate if the Project was taxable x 15%) commencing six months after the Project stabilizes, which is defined as reaching 90% physical occupancy, which shall be the start of Year 1. Thereafter payments shall increase by 3.0% per year. Annual Rent will be paid annually, in full, on the first of the month following six months after stabilization and every 12 months thereafter. A sample calculation based on TDC is attached hereto as Exhibit C and incorporated herein.

Sales Tax: The AUSTIN ISD PFC (or its affiliate) will, as General Contractor (which it will subcontract to NRP Contractors), be responsible for the purchase of

materials for the construction of the Improvements so that the purchases will be exempt from all sales and use taxes pursuant to Applicable Law. Tenant will pay AUSTIN ISD PFC 10% of the Sales Tax Savings on all construction materials, half of which shall be paid at Closing (based upon the Project Budget) and the remaining half paid at final certificate of occupancy (as a true-up based upon the final total Sales Tax Savings).

AUSTIN ISD

PFC:

AUSTIN INDEPENDENT SCHOOL DISTRICT PUBLIC FACILITY CORPORATION, a Texas public facility corporation.

Tenant:

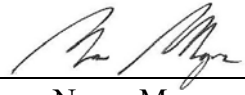
Anita Coy East Apartments LP, will be a single purpose Delaware or Texas limited partnership, the sole General Partner of which will be NRP Manager, LLC, a Florida limited liability company (or an affiliate), and the Limited Partners of which will be the Equity Partner.

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

Signature Pages Follow

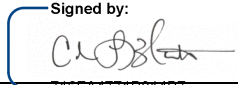
NRP:

NRP Properties LLC, an Ohio limited liability company

By: 
Name: Noam Magence
Title: Secretary

AUSTIN ISD PFC:

AUSTIN INDEPENDENT SCHOOL DISTRICT PUBLIC
FACILITY CORPORATION, a Texas public facility corporation

Signed by:
By: 
Name: Candace Hunter
Title: Board President

DS


EXHIBIT A PROPERTY

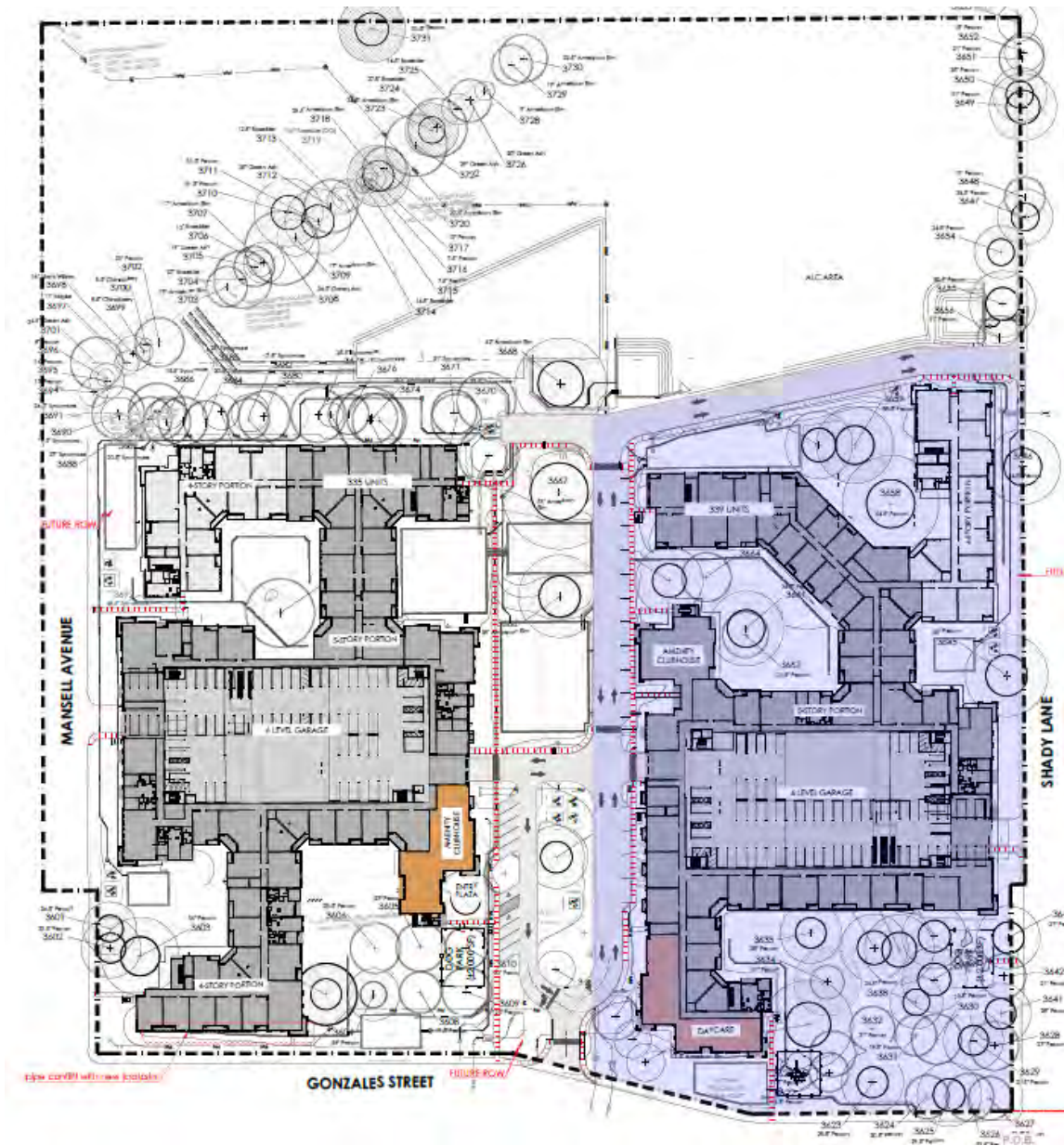


EXHIBIT B
INITIAL PROJECT BUDGET

Addendum E

Qualifications



VALUATION & ADVISORY SERVICES / CENTRAL DIVISION

Brad Baroch, MAI

First Vice President, Central Texas

T +1 512 499 4935
E brad.baroch@cbre.com

Professional Experience

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

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

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

Clients Represented (Representative/Partial List)

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

Pro Affiliations / Accreditations

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

Education

- Baylor University, Waco, Texas

Significant Recent Assignments

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

Education

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

Appraisal Institute, Various Appraisal Courses



Certified General Real Estate Appraiser

Appraiser: BRADLEY MICHAEL BAROCH

License #: TX 1338837 G

License Expires: 08/31/2026

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

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

A blue ink signature of Chelsea Buchholtz, the Executive Director of TALCB, is located on the right side of the certificate.

**Chelsea Buchholtz
Executive Director**



VALUATION & ADVISORY SERVICES / CENTRAL DIVISION

Grant Mueller, MAI

Managing Director, Texas

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M +1 512 501 9444

E grant.mueller@cbre.com

Clients Represented

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

Pro Affiliations / Accreditations

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

Education

- University of Texas, Austin

Professional Experience

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

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

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

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

Pro Affiliations

APPRAISAL INSTITUTE

- Designated Member (MAI)
- RECA Member

Accreditations

CERTIFIED GENERAL REAL ESTATE APPRAISER

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

PROFILES

Education

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



Certified General Real Estate Appraiser

Appraiser: Grant Branden Mueller

License #: TX 1337145 G

License Expires: 07/31/2027

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Certified General Real Estate Appraiser

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Executive Director