

Consulting Assignment

THE PORCH

14356 Hunter's Bend Rd
Austin, Texas 78725

Prepared for: Travis County Facilities Corporation
Date of Report: September 10, 2025
CBRE File No.: CB25US014344-1



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Date of Report: September 10, 2025

Mr. Patrick Howard
Executive Director and CEO
TRAVIS COUNTY FACILITIES CORPORATION
502 E Highland Mall Blvd
Austin, Texas 78752

RE: Consulting Report: The Porch
14356 Hunter's Bend Rd
Austin, Travis County, Texas 78725
CBRE, Inc. File No. CB25US014344-1

Dear Mr. Howard:

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 163-unit multifamily project located at 14356 Hunter's Bend Rd in Austin, Texas. The property will consist of 38 two-story townhome-style apartment buildings plus 1 clubhouse building. The improvements will be constructed in 2026-2027 and will be situated on a 11.64-acre site. The project will be owned by the Travis County Facilities Corporation (the "PFC") via a 75-year ground lease agreement. The PFC shall be responsible for obtaining a 100% property tax exemption for the subject, and in return, the subject will set aside or rent 30% of the units (49 units) to tenants whose income is not more than 80% of the area median income (AMI) and 20% of the units (33 units) to tenants whose income is not more than 60% of the AMI. The remaining units will be market rate.

Based on the analysis herein, CBRE has independently determined that 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 a 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 Travis County Facilities 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

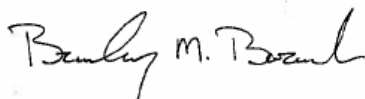
set forth in the Uniform Standards of Professional Appraisal Practice (USPAP), and the requirements of the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute.

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
Vice President
Texas Certification #1338837-G

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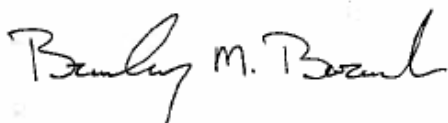
Grant Mueller, MAI
Managing Director
Texas Certification #1337145-G

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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 provided services as appraisers regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment (report date of September 18, 2024).
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.

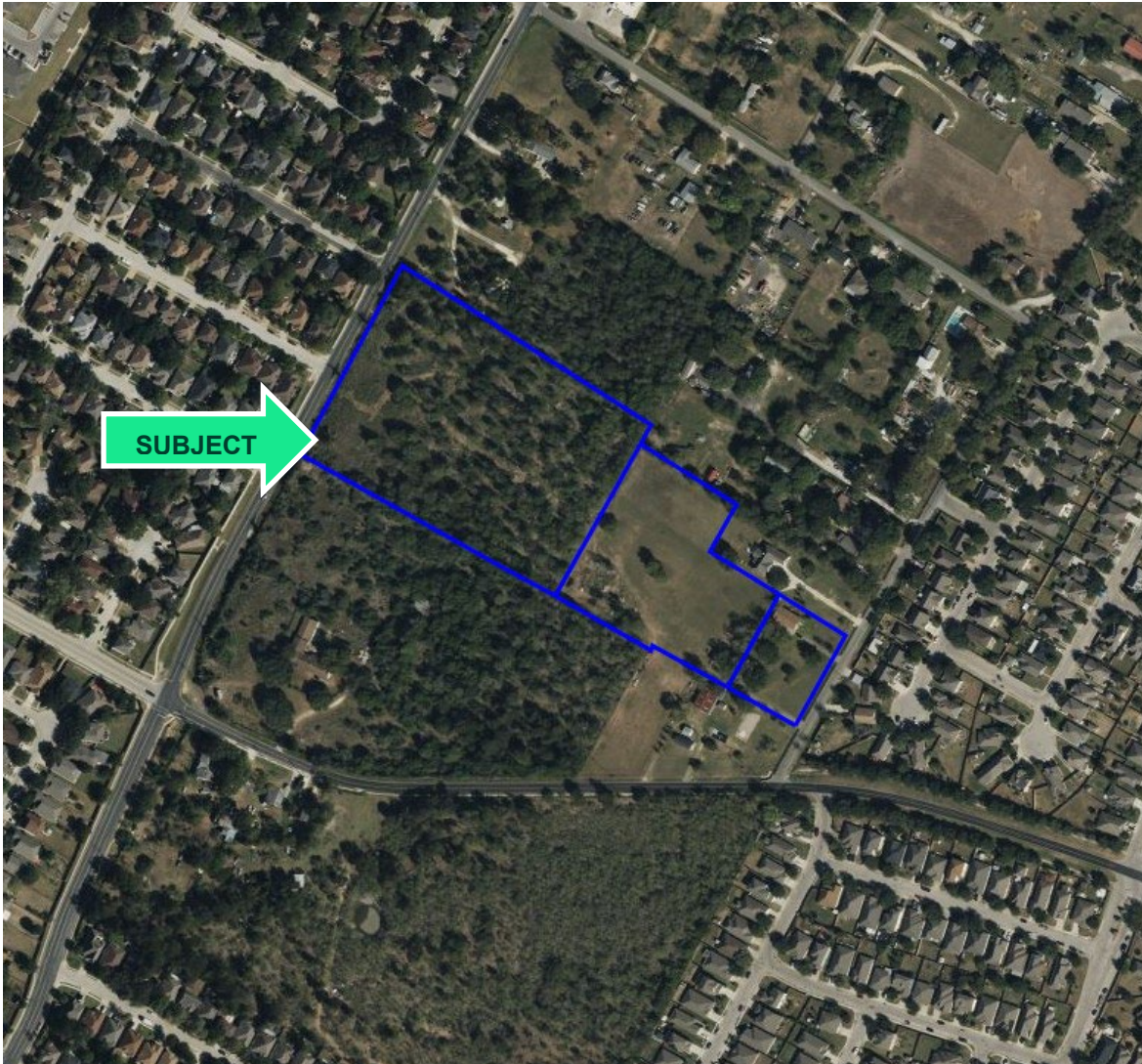


Bradley Baroch, MAI
Texas Certification #1338837-G



Grant Mueller, MAI
Texas Certification #1337145-G

Subject Photographs



Aerial View – (Source: LandVision)

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.



Hunters Bend Rd at Subject Facing North



Plain View Drive at Subject Facing North



Typical View of Subject



Typical View of Subject



Typical View of Subject



Typical View of Subject

Executive Summary

Property Name	The Porch	
Location	14356 Hunter's Bend Rd Austin, Travis County, TX 78725	
Parcel Number(s)	288687, 288696, 972416	
Client	Travis County Facilities Corporation	
Date of Inspection	September 4, 2025	
Primary Land Area	11.64 AC	507,038 SF
Zoning	City of Austin ETJ	
Proposed Improvements		Comments
Property Type	Multifamily	(Build-To-Rent)
Number of Buildings	39	38 Residential, 1 Clubhouse
Number of Stories	2	
Gross Building Area	230,636 SF	
Net Rentable Area	227,829 SF	
Number of Units	163	
Average Unit Size	1,398 SF	
Year Built	2026	
Condition upon Completion	Excellent	
Financial Indicators		
Stabilized Occupancy	94.0%	
Stabilized Credit Loss	0.5%	
Pro Forma As Proposed Restricted, with Abatement	Total	Per Unit
Effective Gross Income	\$4,724,113	\$28,982
Operating Expenses	\$1,250,769	\$7,673
Expense Ratio	26.48%	
Net Operating Income	\$3,473,344	\$21,309
Compiled by CBRE		

Market Volatility

President Trump's announcement of a broad-based global tariffs on April 2 sent shock waves through global financial markets. Potential impacts will depend on how long tariffs remain in place and the extent to which retaliatory tariffs by other countries will impact the U.S. economy. The full economic effect of the tariffs is evolving and could result in slower growth as well as potential inflationary pressures.

The reader is cautioned that recent events have created uncertainty for commercial real estate. The impacts on interest rates, the 10-year Treasury yield, leasing activity, real estate demand, construction costs, availability of financing, and values remain unclear. Overall, greater risk and market volatility is likely in the near term.

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

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

Extraordinary Assumptions

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

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

Hypothetical Conditions

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

- None noted.

Ownership and Property History

The subject property consists of the following three parcels:

PropID	Owner Name	Property Address	Legal Description
288696	14352 HUNTER'S BEND RD LLC	15029 PLAIN VIEW DR	LOT 2 BLK 1 FLANIKENS SUBD
288687	14352 HUNTER'S BEND RD LLC	HUNTERS BEND RD	LOT 11 PLAINVIEW ESTATES
972416	14352 HUNTER'S BEND RD LLC	15037 PLAIN VIEW DR	3.394AC OF LOT 3 BLK 1 FLANIKENS SUBD
Compiled by CBRE			

As shown above, the parcels are currently owned by 14352 Hunter’s Bend Rd LLC, which acquired the site on November 15, 2022, from Aristeo Elizondo Jr and David Hemmasi as recorded as Deed Numbers 2022180693 and 2022180694. No information regarding the 2022 acquisition was made available.

To the best of our knowledge, there have been no other ownership transfers of the subject property within the past three years. The subject property is not currently listed for sale or under contract for sale.

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

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

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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 Travis County Facilities Corporation.

Intended User Of Report

This appraisal is to be used by Travis County Facilities 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.

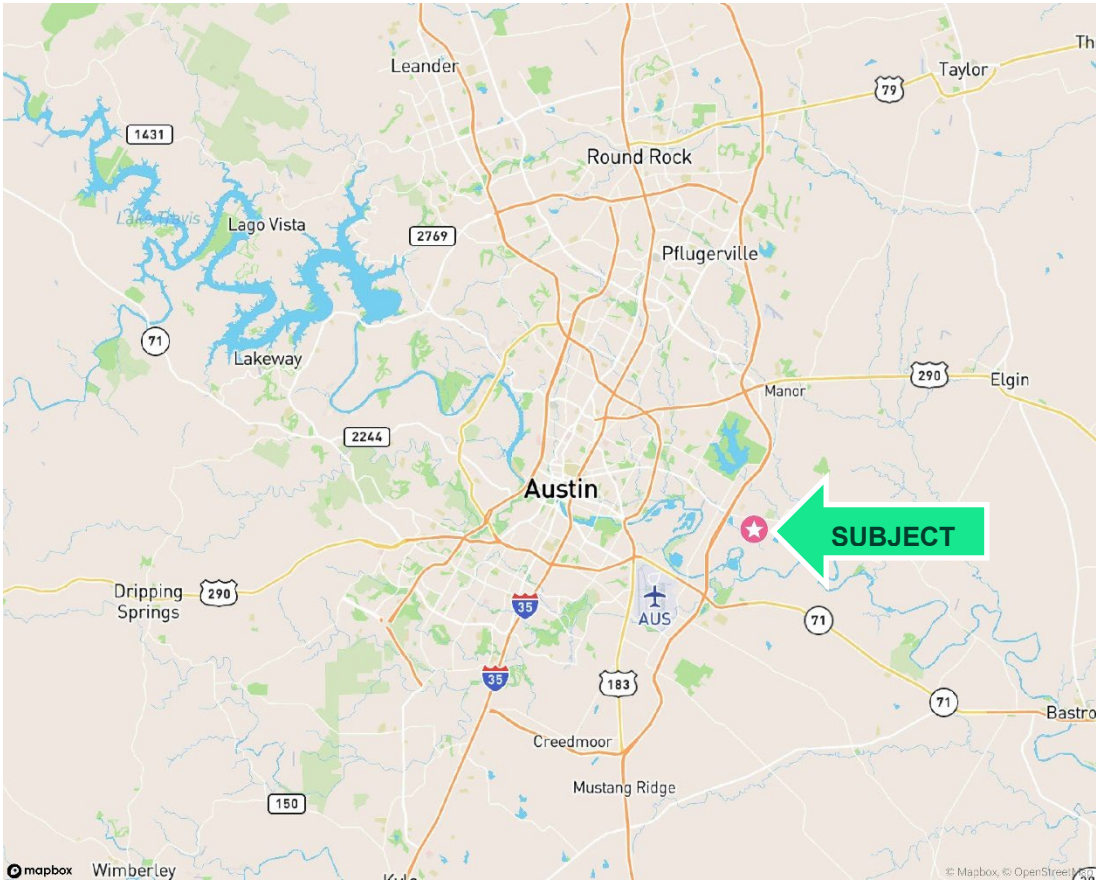
Statement of Competency

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	ALTA Survey by Carlson, Brigance, & Doering dated 05/27/2025
Improved Data	
Building Area	Developer Pro Forma / Architectural Drawings of Clubhouse - BSB Design dated 12/09/2022
Area Breakdown/Use	Developer Pro Forma / Architectural Drawings of Clubhouse - BSB Design dated 12/09/2022
No. Bldgs.	Site Plan - Bowman Consulting Group dated 06/09/2025
Parking Spaces	Correspondence with Developer
Year Built/Developed	Developer Pro Forma
Economic Data	
Deferred Maintenance:	Not Applicable
Building Costs:	Development Budget
Income Data:	Developer Pro Forma
Expense Data:	Developer Pro Forma
Compiled by CBRE	

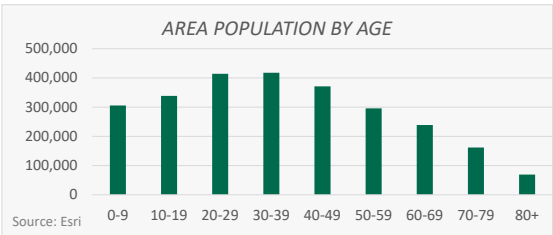
Area Analysis



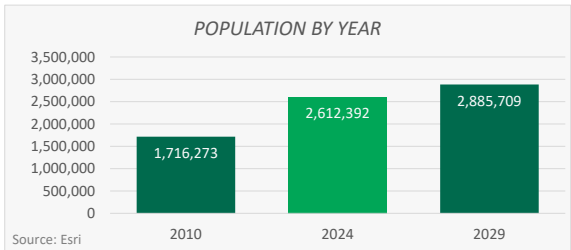
The subject is located in the Austin-Round Rock-San Marcos, TX Metropolitan Statistical Area. Key information about the area is provided in the following tables.

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.



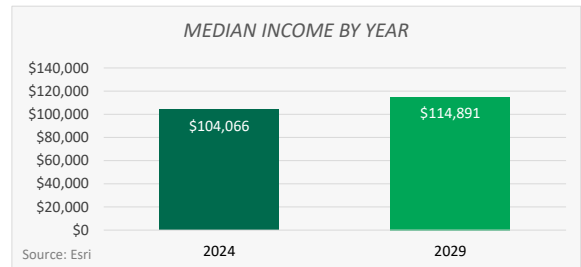
Population has increased by 896,119 since 2010, reflecting an annual increase of 3.0%. Population is projected to increase by 273,317 between 2024 and 2029, reflecting a 2.0% annual population growth.



Source: ESRI, downloaded on Sep, 10 2025

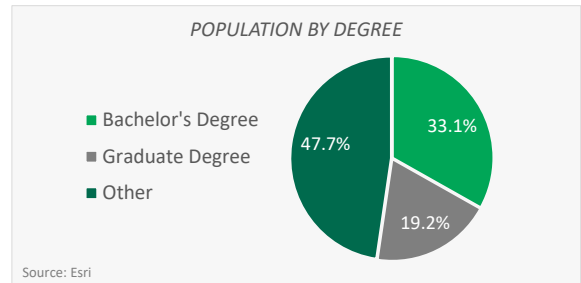
INCOME

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.

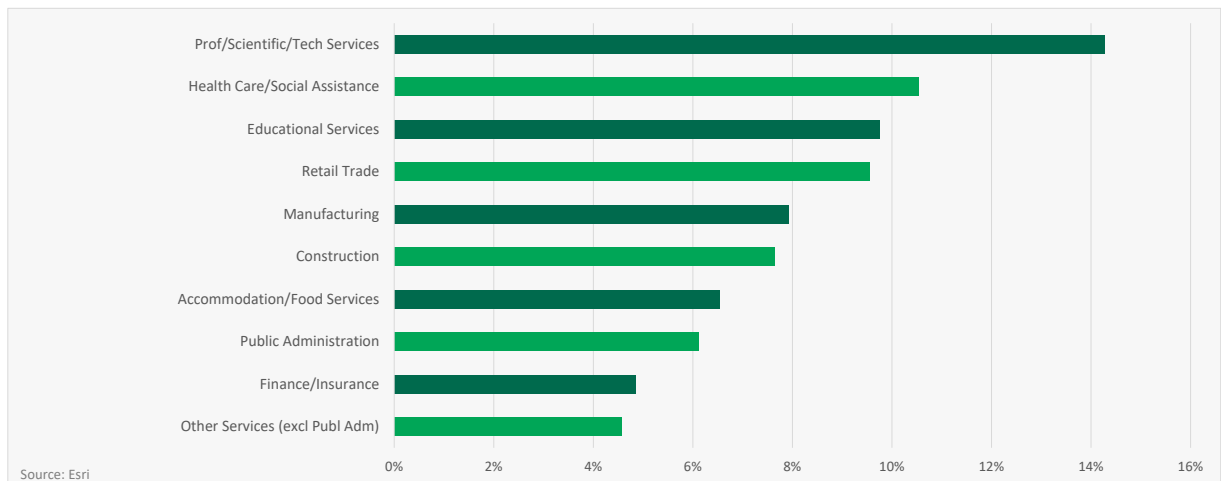


EDUCATION

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 3.5% 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 Sep 10, 2025; BLS.gov dated Jul 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 2024		
Rank	Company	# of Employees
1	H-E-B	24,161
2	Tesla	20,000
3	Ascension Texas	13,807
4	Dell	13,000
5	St David's Healthcare	12,191
6	Amazon	11,000
7	Apple Inc.	10,000
8	Walmart	7,600
9	Baylor Scott & White Health	6,000
10	IBM	6,000
11	Samsung Austin Semiconductor LLC	4,500
12	Applied Materials	4,450
13	NXP Semiconductors	4,000
14	AMD Inc	3,700
15	Accenture	3,500

Source: Austin Business Journal

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 campus; a 369,000 SF five story building, a 299,000 SF two story building, and a 1.2M SF parking garage.

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, 2023, and 2024.

List	Publisher	Rank	Year
Top Cities for Commercial Real Estate Investing	LandGate	#4	2024
Top 12 Best Cities for Real Estate Investments	DoorLoop	#3	2024
Best State Capital for Safety	WalletHub	#1	2024
Best Performing City	Milken Institute	#1	2024
Best Metro Areas for STEM Professionals	WalletHub	#1	2024
Best Place to Live in the USA	U.S. News & World Report	#9	2024
Best Places for Millennials to Live & Work in 2024	CommercialCafe	#1	2024
Top 50 Cities in the World	Resonance	#43	2024
Top 10 Cities in the United States	Resonance	#8	2024
Most Educated Cities in America	WalletHub	#8	2024
Best Housing Markets for Growth and Stability	SmartAsset	#1	2023
Best Real-Estate Market	WalletHub	#8	2023
U.S. Metros With The Most Start-up Businesses	Cain Realty Group	#3	2022

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 3.1% 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 exhibits an Austin, TX postal address, but is located in unincorporated Travis County. It is considered a suburban location. The neighborhood is located in the eastern section of the Austin area in an area known as Hornsby Bend. The location is approximately 10 miles east of the Austin CBD.

Boundaries

The neighborhood boundaries are detailed as follows:

North:	Braker Ln / Blake Manor Rd
South:	Highway 71
East:	Blake Manor Rd / Orchard Rd
West:	SH 130

Land Use

The neighborhood consists of the communities of Del Valle, Garfield, Cedar Creek, Wyldwood, Hornsby Bend, Webberville, Elroy, etc. These areas of eastern Travis County have historically been rural in nature, but that has begun to change as residential subdivision and multifamily development has started to occur in the area over the past 10 to 20 years. The immediate area surrounding the subject consists primarily of single-family residential subdivision development (built in the past 20 years) with scattered older large-acreage residences and small-scale supporting retail. The majority of the single-family residential development within a three-mile radius of the subject may be described as tract homes in the \$300,000-\$399,000 price range. According to information obtained from ESRI, over 78% of the homes built within a three-mile radius of the subject have been constructed since 2000. The median home value within a three-mile radius is about \$390,439.

Growth Patterns

Growth patterns have primarily been related to residential subdivision development and some multifamily (primarily affordable in nature) development. Established subdivisions in the neighborhood include Austin's Colony, Forest Bluff, Kennedy Ridge Estates, and Twin Creek Meadows. Eastridge Apartments were completed in 2020 along Ross Road south of Highway 71 and include 300 units situated in 13 garden-style buildings. The project leases units at 60% AMI, 80% AMI, and market rates.

Tesla recently finished the initial phases of its Model Y factory within the southwestern portion of the neighborhood. The facility is situated approximately 2.5 miles southwest of the subject property along SH 130. See the Area Analysis presented previously for more details.

Access

Primary access to the area is provided by SH 71, a major arterial that crosses the south Austin metro area in an east/west direction. The subject neighborhood is also provided access via Highway 21 (providing access to College Station to the northeast and San Marcos to the southwest) and SH 130, a generally north-south tollway that runs through the eastern suburban areas of Austin MSA.

Demographics

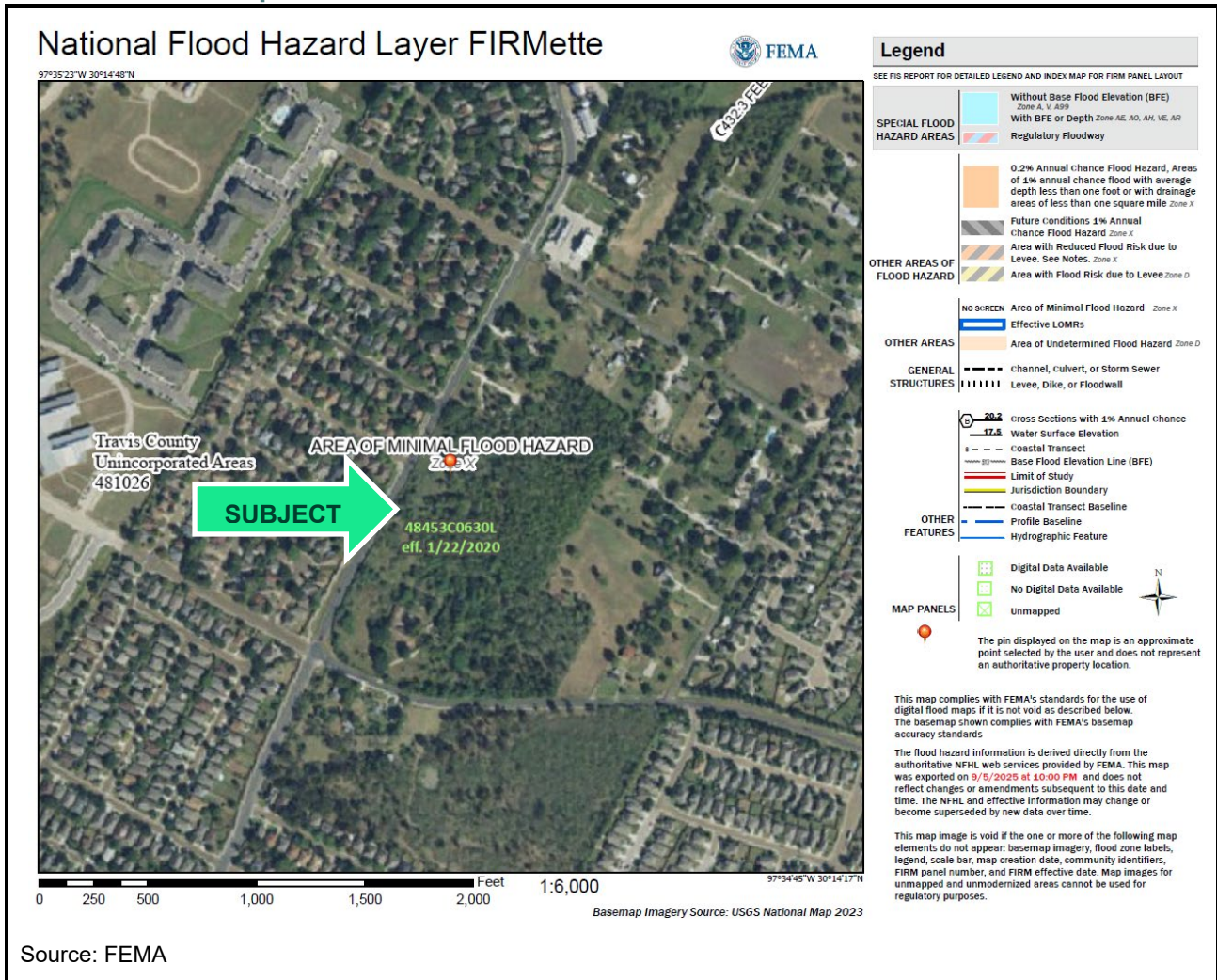
Selected neighborhood demographics in 1-, 3- and 5-mile radius from the subject are shown in the following table:

SELECTED NEIGHBORHOOD DEMOGRAPHICS				
14356 Hunter's Bend Rd Austin, TX 78725	1 Mile Radius	3 Mile Radius	5 Mile Radius	Austin-Round Rock-San Marcos, TX Metropolitan Statistical Area
Population				
2029 Total Population	11,942	16,057	46,519	2,885,709
2024 Total Population	11,483	15,088	39,806	2,612,392
2010 Total Population	5,693	7,794	22,629	1,716,273
2000 Total Population	2,244	3,038	15,735	1,249,758
<i>Annual Growth 2024 - 2029</i>	<i>0.79%</i>	<i>1.25%</i>	<i>3.17%</i>	<i>2.01%</i>
<i>Annual Growth 2010 - 2024</i>	<i>5.14%</i>	<i>4.83%</i>	<i>4.12%</i>	<i>3.05%</i>
<i>Annual Growth 2000 - 2010</i>	<i>9.76%</i>	<i>9.88%</i>	<i>3.70%</i>	<i>3.22%</i>
Households				
2029 Total Households	4,111	5,273	14,355	1,158,229
2024 Total Households	3,846	4,836	11,792	1,032,861
2010 Total Households	1,664	2,184	5,726	650,452
2000 Total Households	689	891	3,966	471,855
<i>Annual Growth 2024 - 2029</i>	<i>1.34%</i>	<i>1.75%</i>	<i>4.01%</i>	<i>2.32%</i>
<i>Annual Growth 2010 - 2024</i>	<i>6.17%</i>	<i>5.84%</i>	<i>5.30%</i>	<i>3.36%</i>
<i>Annual Growth 2000 - 2010</i>	<i>9.22%</i>	<i>9.38%</i>	<i>3.74%</i>	<i>3.26%</i>
Income				
2024 Median Household Income	\$89,557	\$88,670	\$85,509	\$104,066
2024 Average Household Income	\$122,745	\$121,407	\$116,868	\$142,285
2024 Per Capita Income	\$41,141	\$39,831	\$34,815	\$56,329
2024 Pop 25+ College Graduates	2,881	3,634	8,078	921,789
Age 25+ Percent College Graduates - 2024	39.2%	38.2%	31.6%	52.3%
Source: ESRI				

Conclusion

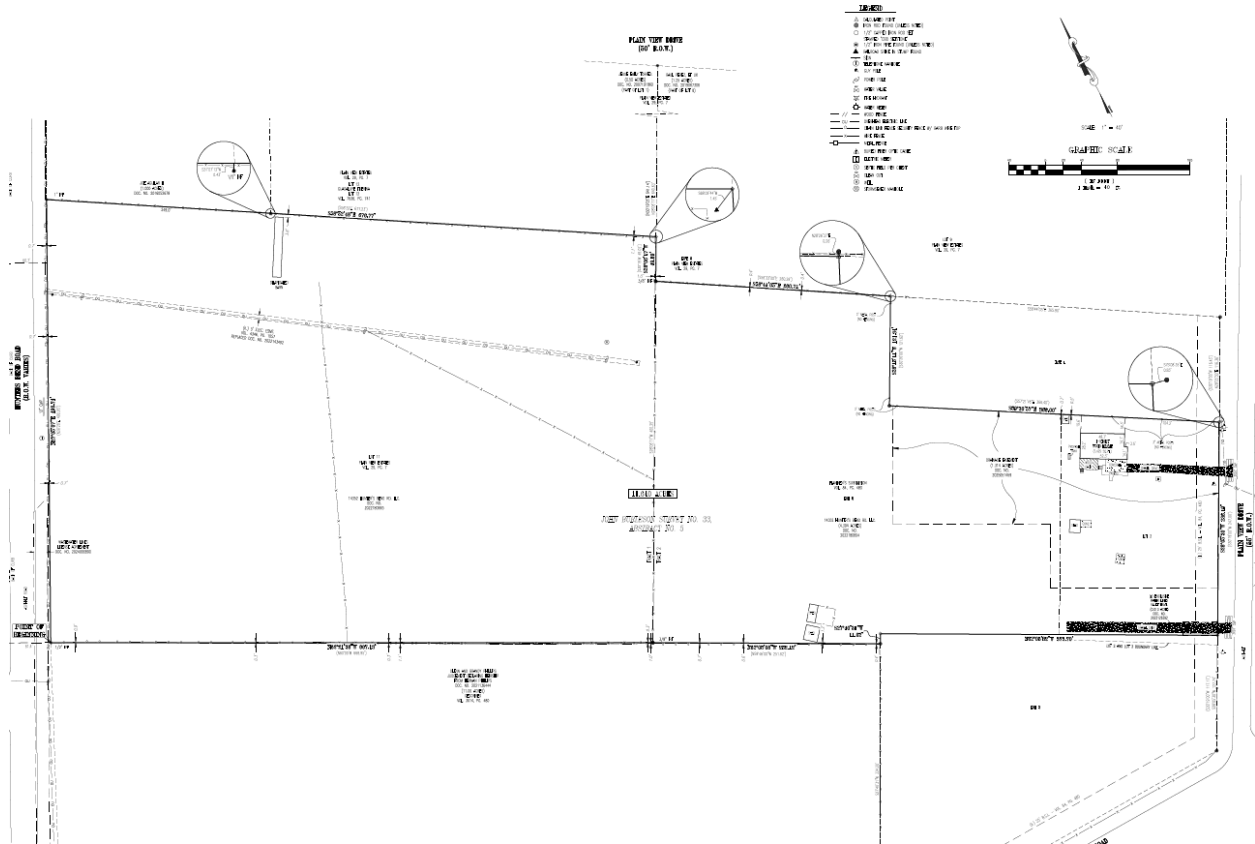
As shown above, the population within the subject neighborhood has shown relatively high levels of growth since 2000 and is projected to moderate over the next five years as the neighborhood becomes increasingly build-out. The neighborhood currently has an middle-income demographic profile, and the subject is situated in proximity to numerous infrastructures including schools, hospitals, commercial development and primary thoroughfares. The outlook for the neighborhood is for continued good performance over the next several years. As a result, the demand for proposed developments is expected to be good.

Flood Plain Map



Source: FEMA

ALTA Survey



Source: ALTA/NSPS Land Title Survey, Carlson, Brigance & Doering, Inc. dated 5/27/2025

Site Analysis

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

SITE SUMMARY AND ANALYSIS

Physical Description

Gross Site Area

11.64 Acres

507,038 Sq. Ft.

Net Site Area

11.64 Acres

507,038 Sq. Ft.

Primary Road Frontage

Hunters Bend Road

491 Feet

Secondary Road Frontage

Plain View Drive

236 Feet

Excess Land Area

None

n/a

Surplus Land Area

None

n/a

Shape

Irregular

Topography

Generally Level

Zoning District

City of Austin ETJ

Flood Map Panel No. & Date

48453C0630L

22-Jan-20

Flood Zone

Zone X (Unshaded)

Adjacent Land Uses

Single-family Residential, Vacant Land

Comparative Analysis

Rating

Typical for proposed use and location

Typical for proposed use and location

Typical for proposed use and location

Assumed Adequate

Typical for proposed use and location

Assumed Adequate

Utilities

Availability

Provider

Water

Yes

Hornsby Bend Utility Compancy

Sewer

Yes

Hornsby Bend Utility Compancy

Natural Gas

N/A

N/A

Electricity

Yes

Austin Energy

Telephone

Yes

Various

Other

Yes

No

Unknown

Detrimental Easements

X

Encroachments

X

Deed Restrictions

X

Reciprocal Parking Rights

X

Various sources compiled by CBRE

Ingress/Egress

Ingress and egress to the site are available via a driveway along the west side Plain View Drive. Upon completion, an entry drive will also be installed along the east side of Hunter's Bend Road.

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:

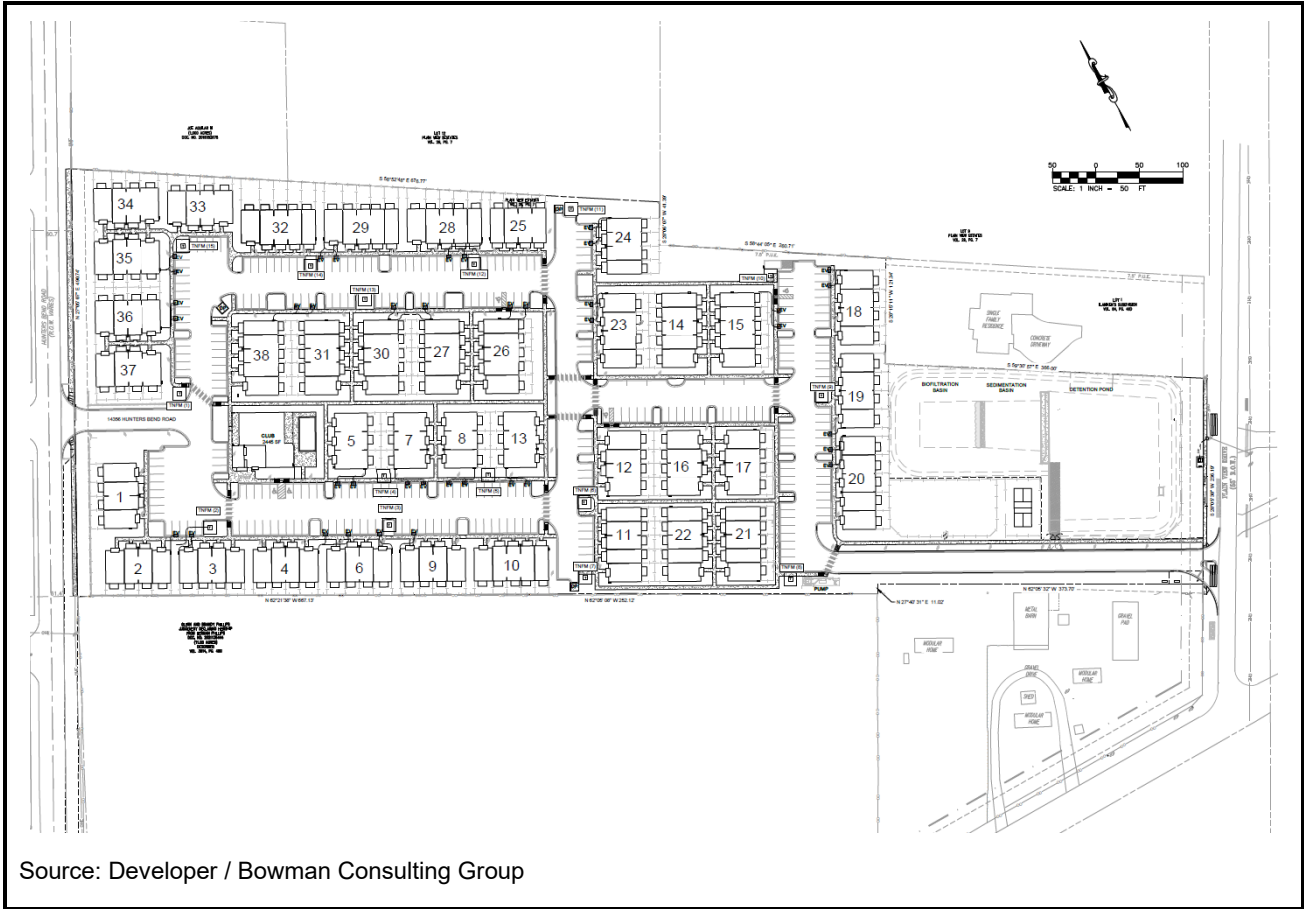
North:	Vacant Land / Single-family Residential
South:	Vacant Land / Single-family Residential
East:	Single-family Residential
West:	Single-family Residential

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 Plan



Source: Developer / Bowman Consulting Group

Community Renderings



Source: Developer

Building Renderings



Source: Developer

Improvements Analysis

The following chart shows a summary of the proposed improvements.

IMPROVEMENTS SUMMARY AND ANALYSIS		
Property Type	Multifamily	(Build-To-Rent)
Number of Buildings	39	38 Residential, 1 Clubhouse
Number of Stories	2	
Gross Building Area	230,636 SF	
Net Rentable Area	227,829 SF	
Number of Units	163	
Average Unit Size	1,398 SF	
Development Density	14 Units/Acre	
Subject Characteristics	Barbeque Area, Clubhouse, Conference Room, Fitness Center, Game Room, Pool, Carports, Gated / Controlled Access, On-Site Management, Granite Countertops, Plank Flooring and Stainless Steel Appliances	
Parking Improvements	Open and Covered	
Parking Spaces:	287	
Parking Ratio (spaces/unit)	1.76	
Year Built	2026	
Actual Age	0 Years	
Effective Age	0 Years	
Total Economic Life	55 Years	
Remaining Economic Life	55 Years	
Age/Life Depreciation	0.0%	
Functional Utility	Typical	
Source: Various sources compiled by CBRE		

UNIT MIX					
Unit Mix/Type	Comments	No. Units	Percent of Total	Unit Size (SF)	NRA (SF)
2BR/2BA	2 Bedroom	14	8.6%	1,222	17,108
2BR/2BA - 60%	2 Bedroom - 60%	6	3.7%	1,222	7,332
2BR/2BA - 80%	2 Bedroom - 80%	8	4.9%	1,222	9,776
3BR/3BA	3 Bedroom	14	8.6%	1,559	21,826
3BR/3BA - 60%	3 Bedroom - 60%	6	3.7%	1,559	9,354
3BR/3BA - 80%	3 Bedroom - 80%	8	4.9%	1,559	12,472
2BR/2BA	2 Bedroom	28	17.2%	1,279	35,812
2BR/2BA - 60%	2 Bedroom - 60%	11	6.7%	1,279	14,069
2BR/2BA - 80%	2 Bedroom - 80%	17	10.4%	1,279	21,743
3BR/3BA	3 Bedroom	7	4.3%	1,578	11,046
3BR/3BA - 60%	3 Bedroom - 60%	3	1.8%	1,578	4,734
3BR/3BA - 80%	3 Bedroom - 80%	4	2.5%	1,578	6,312
2BR/2BA	2 Bedroom	3	1.8%	1,232	3,696
2BR/2BA - 60%	2 Bedroom - 60%	2	1.2%	1,232	2,464
2BR/2BA - 80%	2 Bedroom - 80%	3	1.8%	1,232	3,696
3BR/3BA	3 Bedroom	8	4.9%	1,566	12,528
3BR/3BA - 60%	3 Bedroom - 60%	3	1.8%	1,566	4,698
3BR/3BA - 80%	3 Bedroom - 80%	5	3.1%	1,566	7,830
3BR/3BA	3 Bedroom	7	4.3%	1,641	11,487
3BR/3BA - 60%	3 Bedroom - 60%	2	1.2%	1,641	3,282
3BR/3BA - 80%	3 Bedroom - 80%	4	2.5%	1,641	6,564
Total/Average:		163	100.0%	1,398	227,829
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 2025 through December 2026.

Construction Class

The subject will feature 2-story, townhome-style construction and will be wood frame construction. Building construction class is as follows:

D - Wood frame, floor and structure; considered combustible

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

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

Foundation/Floor Structure

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

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

Exterior Walls

The exterior walls will exhibit Hardie-board façade. The buildings will have double-pane energy efficient windows.

Roof Cover

The buildings will exhibit pitched, asphalt-shingle roofs.

Elevator/Stair System

The subject buildings will exhibit a two-story structure 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, gated 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-sprinkled. CBRE, Inc. is not qualified to determine adequate levels of safety & fire protection, whereby it is recommended that the client/reader review available permits, etc. prior to making a business decision.

Project Amenities

The project will exhibit a community amenity building/clubhouse offering on-site property management office, a social living room with fireplace gathering area, conference room, party room, fitness room, an outdoor open patio with fireplace, and BBQ grills, postal and parcel delivery and storage center; and community pool.

Other amenities throughout the project will include gated access and a fenced property perimeter, EV charging stations, pickleball court, dog park, play field.

Unit Amenities

Kitchens

Each unit will feature a full stainless appliance package including a range/oven, frost-free refrigerator, garbage disposal, dishwasher, and built-in microwave oven. Countertops will feature granite or quartz surfaces with tile backsplashes and undermount kitchen sinks. Kitchens will further exhibit vinyl faux-wood plank floors and soft-close wood cabinets with nickel pulls.

Bathrooms

The bathrooms within each unit will feature combination showers and garden-tubs with tile surrounds (stand-up showers in primary baths). Additionally, each bathroom will feature a built-in sinks (dual sinks in primary bath) with 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 in primary bedrooms, two-inch custom blinds, and in-unit washers and dryers.

Interior Lighting

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

Patios, Balconies and Storage

Each unit will exhibit a patio/balcony area. Units will also feature private fenced yards with artificial grass.

Site Amenities

Parking and Drives

The project will feature adequate surface carport parking. All parking spaces and vehicle drives will be concrete or asphalt paved. A total of 287 parking spaces will be provided by the subject. Per the site plan provided, 110 spaces will be carports while the remaining 177 spaces will represent open surface spaces.

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

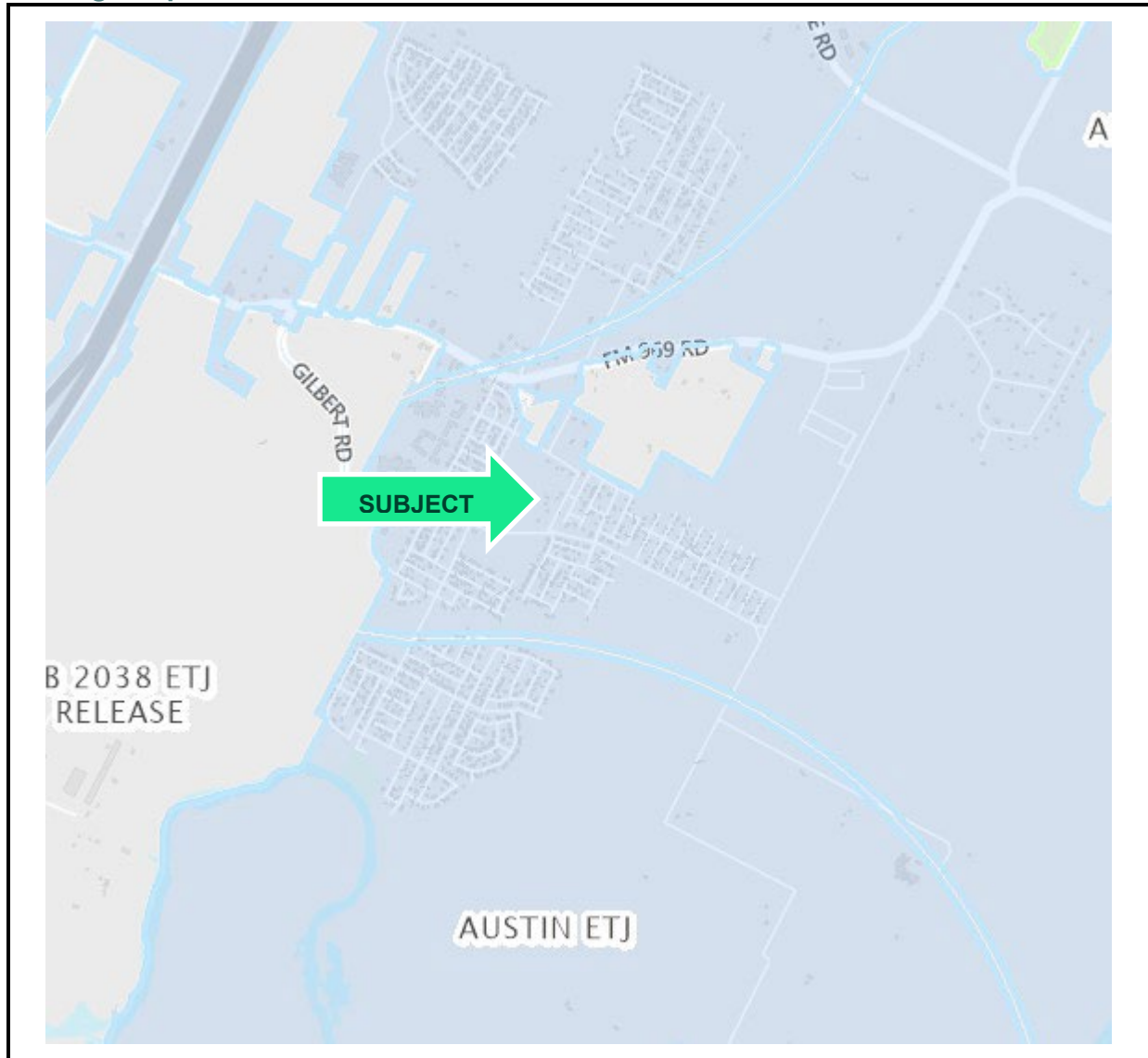
The following chart summarizes the subject's zoning requirements.

ZONING SUMMARY	
Current Zoning	City of Austin ETJ
Legally Conforming	Yes
Uses Permitted	Various types of development and uses approved on a case-by-case basis
Zoning Change	Not likely
Source: Planning & Zoning Dept.	

Analysis and Conclusion

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

Zoning Map



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.	2015 - Preliminary	Pro Forma As Proposed Restricted, without Abatement	Pro Forma As Proposed Restricted, with Abatement	Pro Forma
1	288687	\$1,964,366			
2	288696	810,817			
3	972416	271,265			
Subtotal		\$3,046,448	\$48,300,000	\$48,300,000	\$48,300,000
% of Assessed Value		100%	100%	100%	100%
Final Assessed Value		3,046,448	\$48,300,000	\$48,300,000	\$48,300,000
General Tax Rate (per \$100 A.V.)		1.580614	1.580614	-	1.580614
Total Taxes		\$48,153	\$763,437	\$0	\$763,437
Taxes per Unit		\$295	\$4,684	\$0	\$4,684
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	10350 Blue Bluff Road	4810 Brisa Way	6508 Steep Cactus Trail	9005 Alderman Drive	1301 East Pfennig Lane	Subject
Year Built	2024	2022	2019	2019	2018	2026
No. Units	267	126	89	151	82	163
Tax Year	2025 Preliminary	2025 Preliminary	2025 Preliminary	2025 Preliminary	2025 Preliminary	Pro Forma
Assessor's Market Value	\$76,650,000	\$49,000,000	\$29,317,750	\$38,896,475	\$23,000,000	\$48,300,000
AV Per Unit	\$287,079	\$388,889	\$329,413	\$257,593	\$280,488	\$296,319
Source: Assessor's Office						

Our pro forma assessment is supported by the tax comparables shown above on a per unit basis. It is noted the CBRE conclusion is within lower portion of the range of the comparables; however, the indicated assessed values are 2025 preliminary values and subject to protest. It is likely that the 2025 certified assessed values will be lower than those indicated above.

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

Conclusion

Based on the foregoing, the total taxes for the subject have been estimated as \$763,437 for the base year of our analysis, based upon an assessed value of \$48,300,000 or \$296,319 per unit. This 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

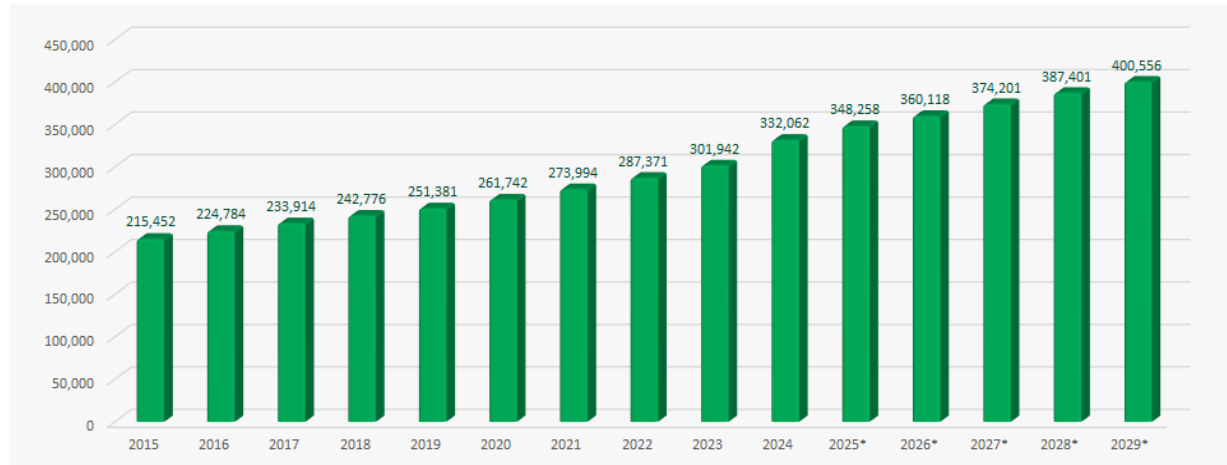
The Austin-Round Rock-San Marcos, TX apartment market consists of approximately 341,612 units of apartment space. The following observations are noted from the table above:

- 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: AUSTIN-ROUND ROCK-SAN MARCOS, TX APARTMENT MARKET



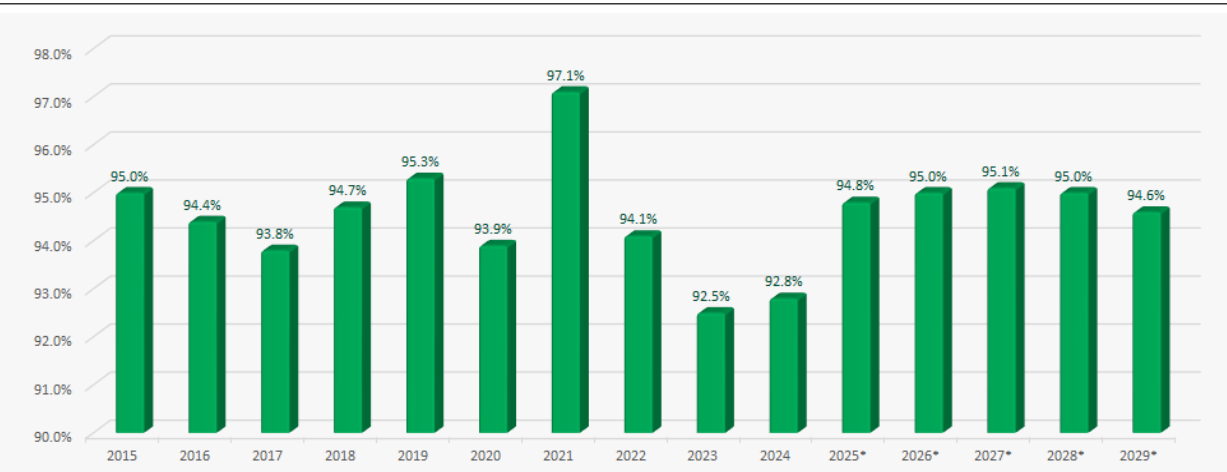
* Future Projected Data according to Axiometrics

Source: Axiometrics, 2nd Quarter 2025

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

OCCUPANCY: AUSTIN-ROUND ROCK-SAN MARCOS, TX APARTMENT MARKET

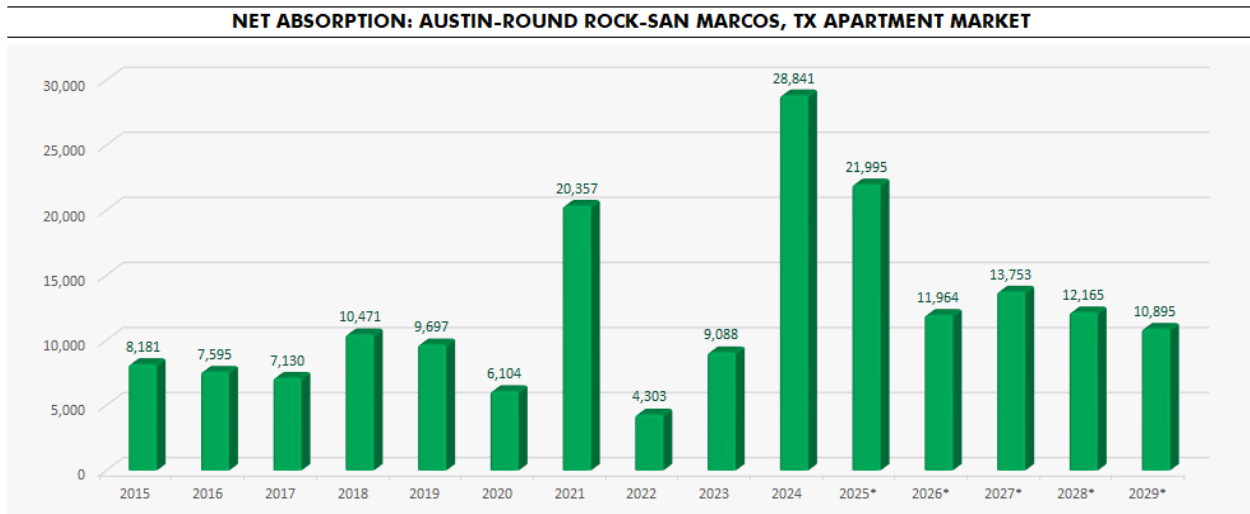


* Future Projected Data according to Axiometrics

Source: Axiometrics, 2nd Quarter 2025

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

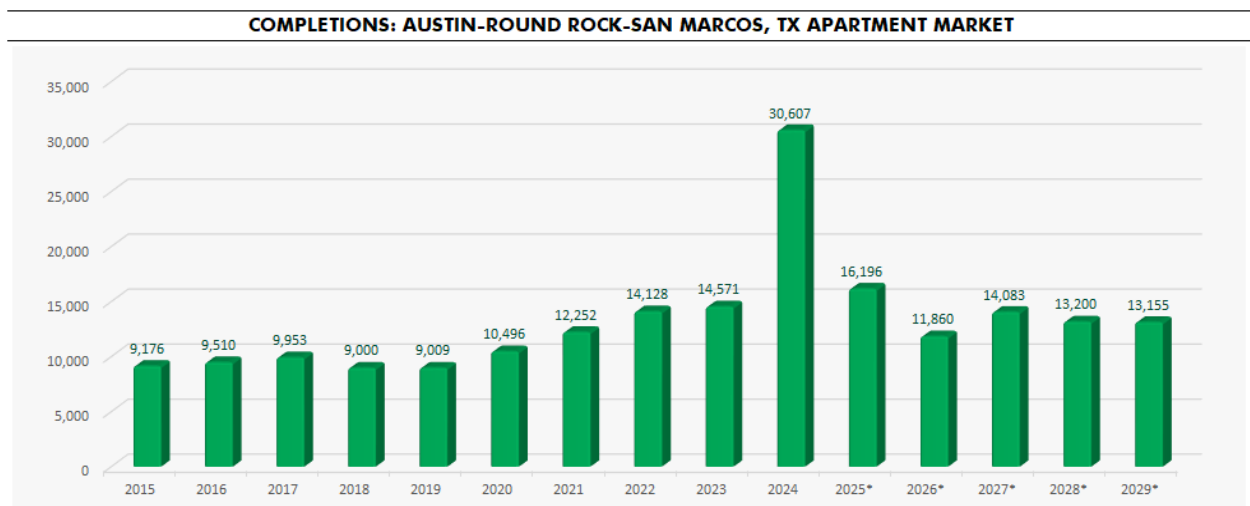


* Future Projected Data according to Axiometrics

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



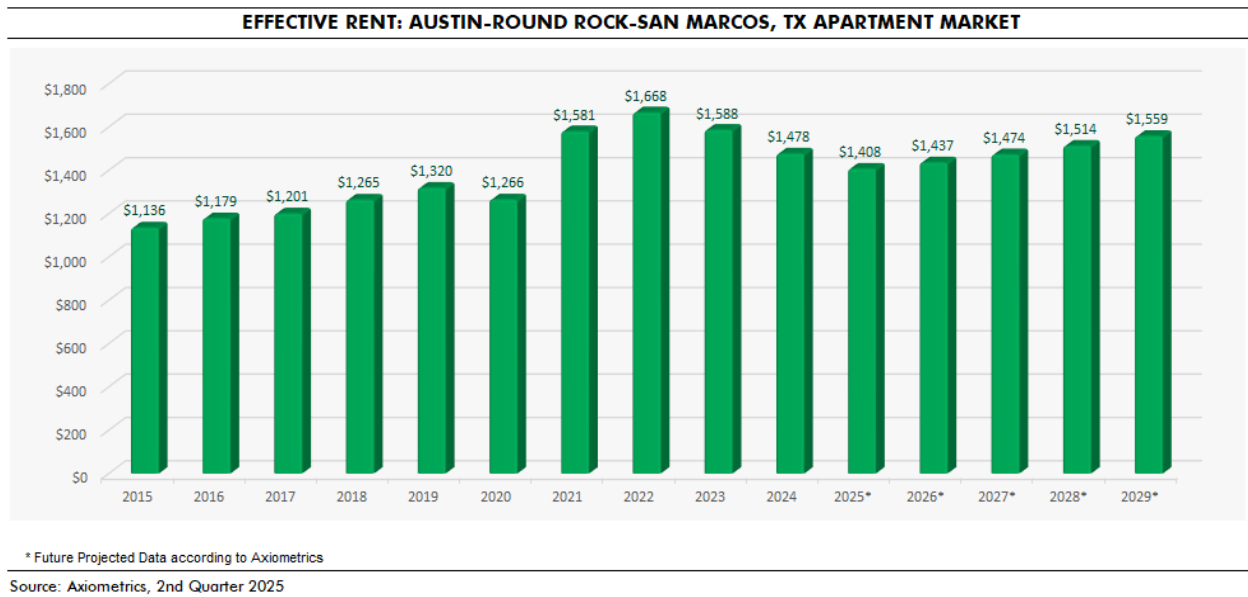
* Future Projected Data according to Axiometrics

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

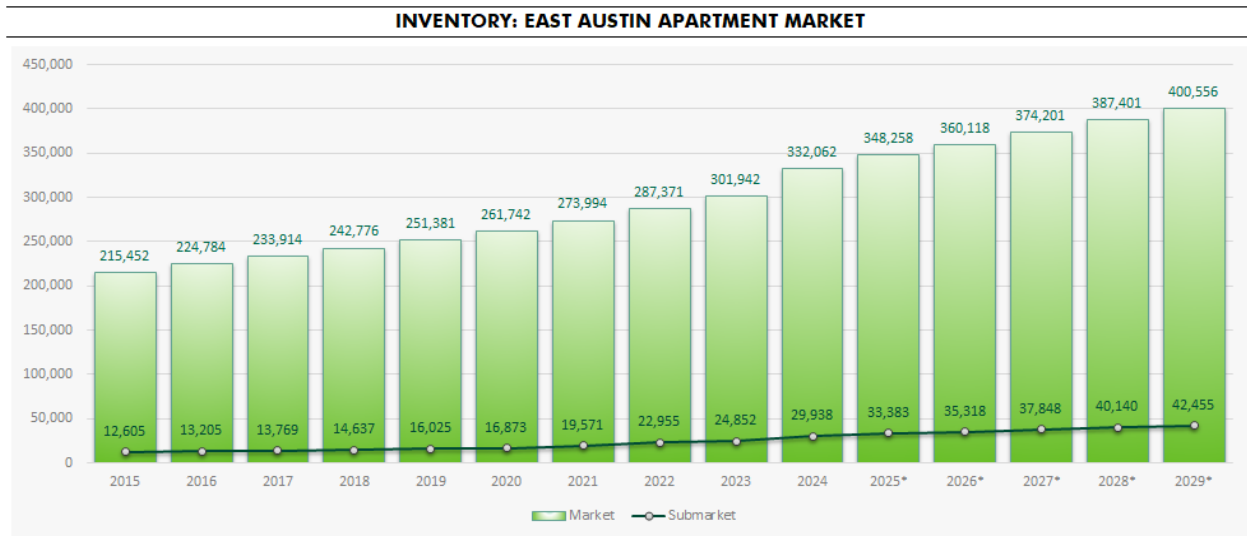
*Future Projected Data according to Axiometrics

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:

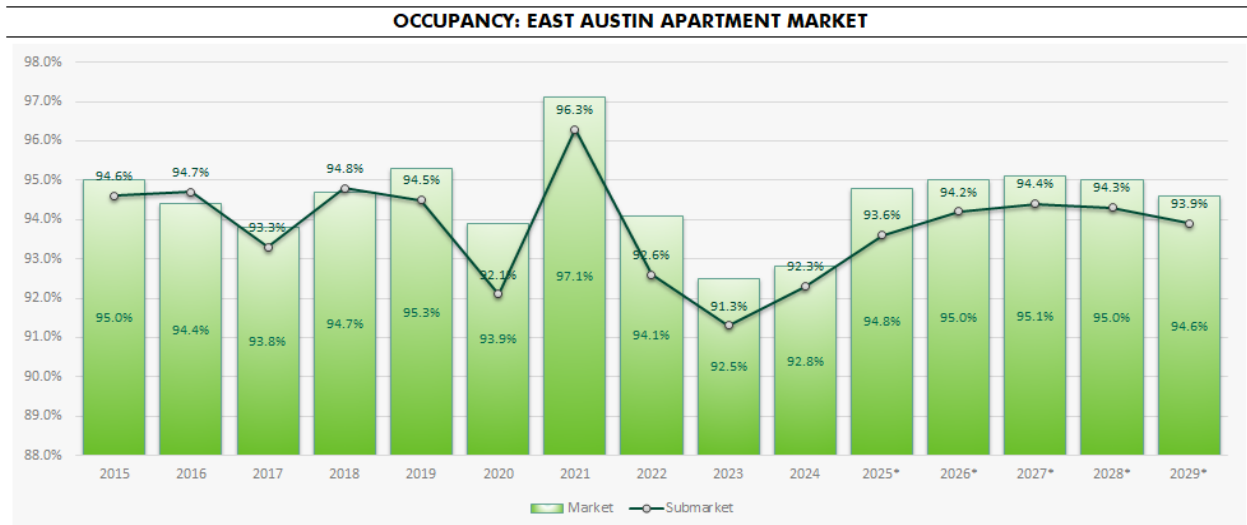
- As of 2nd Quarter 2025, there were approximately 29,348 units of occupied apartment space, resulting in an occupancy rate of 93.3% for the submarket. This reflects an increase from the previous quarter's occupancy of 92.5%, and an increase from an occupancy rate of 92.3% from last year. The submarket 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



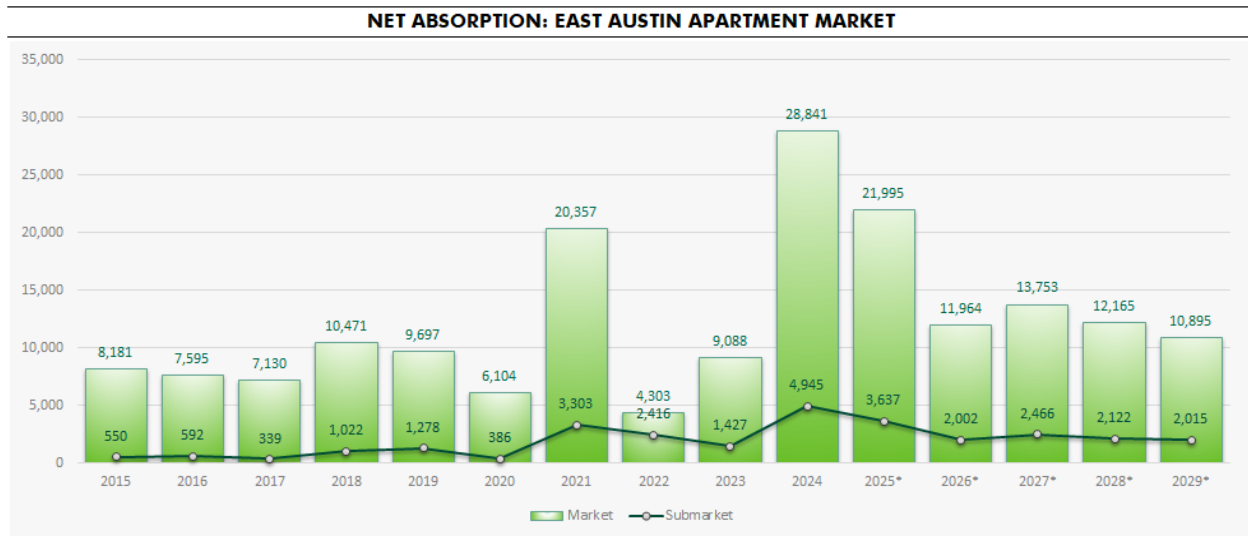
Submarket Inventory is projected to be 33,383 units at the end of the current year, which represents a small increase from the previous year's submarket inventory of 29,938 units. Inventory for next year is projected to be 35,318 units, reflecting a small increase from the current year.

Historical Occupancy - Submarket



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.

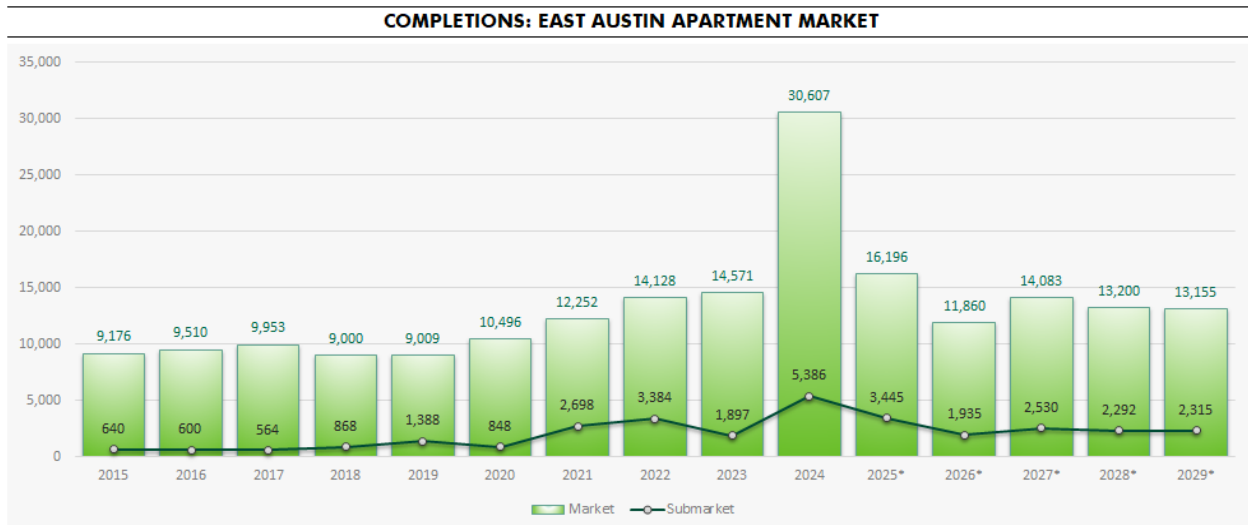
Historical Net Absorption - Submarket



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.

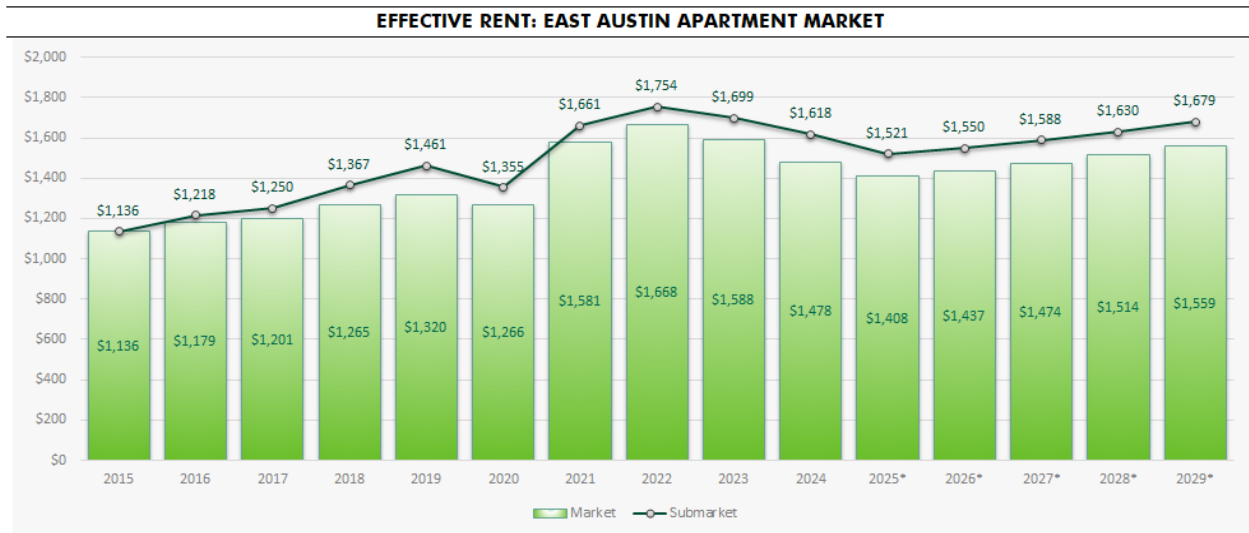
Historical Completions - Submarket



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



* Future Projected Data according to Axiometrics

Source: Axiometrics, 2nd Quarter 2025

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	11,942	16,057	46,519	2,885,709
2024 Total Population	11,483	15,088	39,806	2,612,392
2010 Total Population	5,693	7,794	22,629	1,716,273
2000 Total Population	2,244	3,038	15,735	1,249,758
<i>Annual Growth 2024 - 2029</i>	<i>0.79%</i>	<i>1.25%</i>	<i>3.17%</i>	<i>2.01%</i>
<i>Annual Growth 2010 - 2024</i>	<i>5.14%</i>	<i>4.83%</i>	<i>4.12%</i>	<i>3.05%</i>
<i>Annual Growth 2000 - 2010</i>	<i>9.76%</i>	<i>9.88%</i>	<i>3.70%</i>	<i>3.22%</i>
Households				
2029 Total Households	4,111	5,273	14,355	1,158,229
2024 Total Households	3,846	4,836	11,792	1,032,861
2010 Total Households	1,664	2,184	5,726	650,452
2000 Total Households	689	891	3,966	471,855
<i>Annual Growth 2024 - 2029</i>	<i>1.34%</i>	<i>1.75%</i>	<i>4.01%</i>	<i>2.32%</i>
<i>Annual Growth 2010 - 2024</i>	<i>6.17%</i>	<i>5.84%</i>	<i>5.30%</i>	<i>3.36%</i>
<i>Annual Growth 2000 - 2010</i>	<i>9.22%</i>	<i>9.38%</i>	<i>3.74%</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	6.14%	5.87%	5.68%	5.81%
\$15,000 - \$24,999	6.84%	6.49%	4.90%	3.58%
\$25,000 - \$34,999	1.92%	1.82%	4.05%	3.91%
\$35,000 - \$49,999	5.36%	5.83%	7.37%	7.93%
\$50,000 - \$74,999	19.37%	18.53%	19.68%	14.59%
\$75,000 - \$99,999	15.89%	18.34%	16.66%	11.98%
\$100,000 - \$149,999	18.36%	17.43%	17.45%	19.39%
\$150,000 - \$199,999	12.43%	12.12%	10.72%	11.99%
\$200,000+	13.70%	13.56%	13.45%	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	\$89,557	\$88,670	\$85,509	\$104,066
2024 Average Household Income	\$122,745	\$121,407	\$116,868	\$142,285
2024 Per Capita Income	\$41,141	\$39,831	\$34,815	\$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	0.14%	0.43%	0.39%	0.30%
Construction	12.56%	15.60%	18.61%	7.92%
Manufacturing	7.25%	6.75%	5.32%	8.22%
Wholesale Trade	1.38%	1.45%	2.31%	1.62%
Retail Trade	7.90%	7.43%	7.27%	9.90%
Transportation/Warehousing	4.55%	4.93%	4.16%	3.61%
Information	5.29%	4.84%	2.88%	2.86%
Finance/Insurance	3.52%	3.32%	3.96%	5.03%
Prof/Scientific/Tech Services	12.73%	11.72%	8.55%	14.80%
Mgmt of Companies/Enterprises	0.00%	0.00%	0.00%	0.14%
Admin/Support/Waste Mgmt Svcs	4.87%	4.63%	4.60%	4.67%
Educational Services	11.51%	11.10%	9.52%	10.11%
Health Care/Social Assistance	6.93%	7.39%	9.84%	10.92%
Arts/Entertainment/Recreation	1.06%	1.02%	1.81%	2.03%
Accommodation/Food Services	7.34%	7.11%	8.10%	6.79%
Other Services (excl Publ Adm)	5.02%	4.66%	6.57%	4.74%
Public Administration	7.93%	7.62%	6.10%	6.34%

Source: ESRI

The previous table illustrates the employment character of the submarket, with the majority of the population holding manufacturing, finance/insurance, and professional 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	93.2%
East Austin Submarket	93.3%
Rent Comparables (Weighted Avg.)*	93.2%
Subject's Stabilized Occupancy	94.0%
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:	39
Condition:	Excellent	Gross Building Area:	230,636 SF
Exterior Wall:	Hardi-Board	Net Rentable Area:	227,829 SF
Number of Units:	163	Average Unit Size:	1,398 SF
Number of Stories:	2	Average Floor Area:	13,179 SF
MVS Sec/Page/Class		11/30	12/31
Quality/Class		Good/D	Good/Excellent/D
Building Component		Clubhouses	Town Houses
Component Sq. Ft.		2,807 SF	227,829 SF
Base Square Foot Cost		\$191.00	\$189.50
Square Foot Refinements			
Heating and cooling		Included	Included
Sprinklers		\$2.50	\$2.50
Appliances (\$3,000 each)		\$1.07	\$2.15
Subtotal		\$195.65	\$194.15
Height and Size Refinements			
Number of Stories Multiplier		1.000	1.000
Height per Story Multiplier		1.000	1.000
Floor Area Multiplier		1.100	1.000
Subtotal		\$215.21	\$194.15
Cost Multipliers			
Current Cost Multiplier		1.00	1.01
Local Multiplier		0.87	0.87
Final Square Foot Cost		\$187.23	\$170.60
Base Component Cost		\$525,565	\$38,866,806
Base Building Cost	(via Marshall Valuation Service cost data)		\$39,392,371
Additions			
Signage, Landscaping & Misc. Site Improvements (not included above)			\$1,500,000
Surface Parking/Walks (not included above)			\$500,000
Direct Building Cost			\$41,392,371
Indirect Costs	20.0% of Direct Building Cost		\$8,278,474
Direct and Indirect Building Cost			\$49,670,845
Rounded			\$49,671,000
Compiled by CBRE			

Budget Comparable Construction Costs

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

CONSTRUCTION COSTS					
Comparable:	1	2	3	Average	Subject
Property Type	Build-to-Rent	Build-to-Rent	Build-to-Rent		Build-to-Rent
Year of Cost Data	2024	2024	2025		2025
Cost Data Based Upon...	Budget	Actual	Budget		Budget
Number of Units:	140	104	420	221	163
Size (SF):	229,792	174,160	479,404	294,452	230,636
Cost Component					
Direct Cost	\$42,814,584	\$25,219,055	\$80,044,292	\$49,359,310	\$36,487,357
Indirect Cost	\$11,262,477	\$4,743,618	\$16,615,109	\$10,873,735	\$12,173,125
Total Direct, Indirect & Lease-up	\$54,077,061	\$29,962,673	\$96,659,401	\$60,233,045	\$48,660,482
Cost Per Unit	\$386,265	\$288,103	\$230,141	\$301,503	\$298,531
Cost Per SF	\$235.33	\$172.04	\$201.62	\$203.00	\$210.98
Compiled by CBRE					

Direct and Indirect cost conclusion

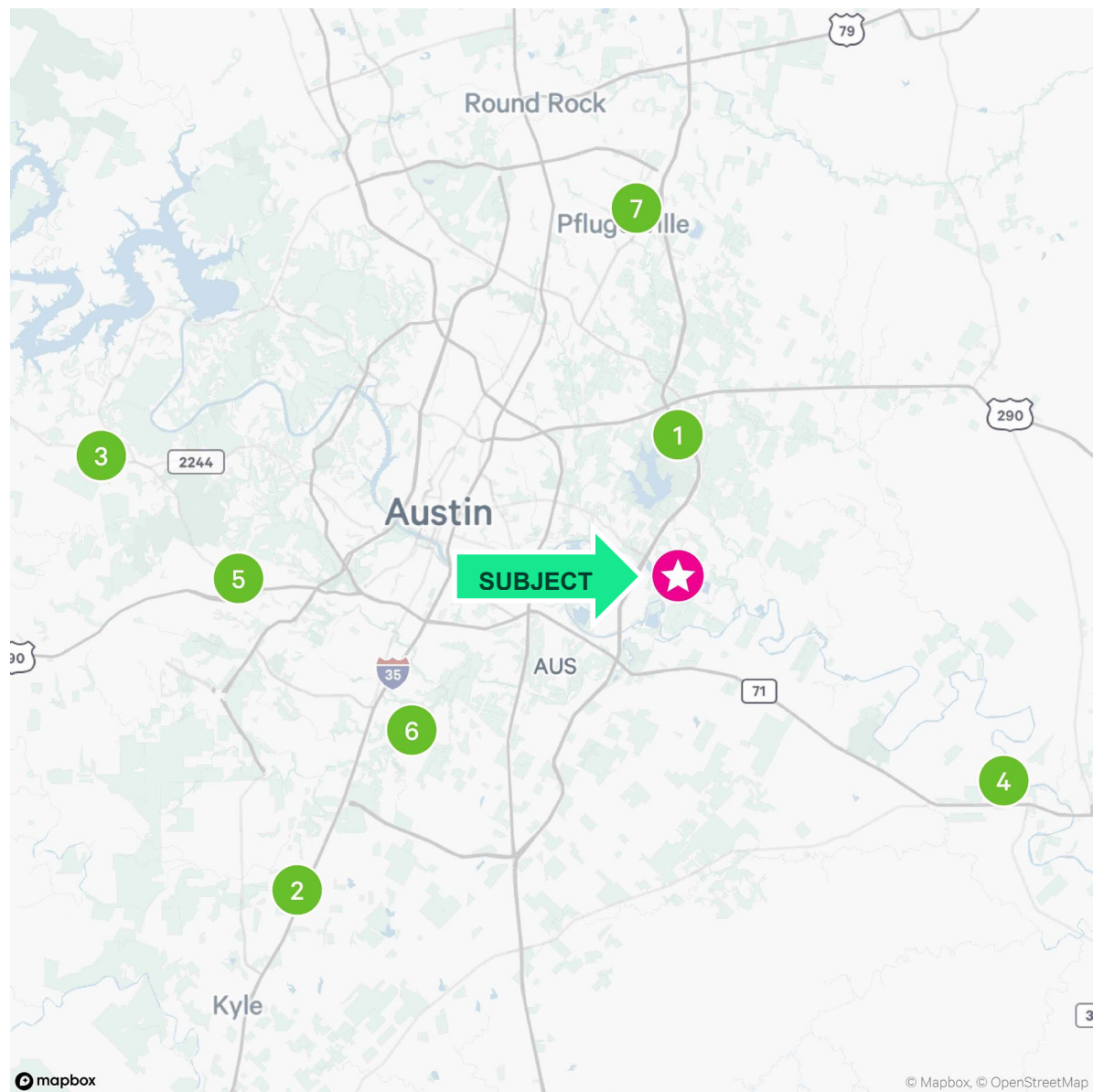
The indicated direct and indirect building costs for the subject are illustrated as follows:

DIRECT AND INDIRECT COST CONCLUSION			
Source	Subject Estimate	Per Unit	Per SF
MVS Cost Guide	\$49,671,000	\$304,730	\$215.37
Cost Comparables (Avg.)	n/a	\$301,503	\$203.00
Subject's Budget Cost Est.	\$48,660,000	\$298,531	\$210.98
CBRE Estimate	\$48,660,000	\$298,528	\$210.98
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	Alta Wildhorse Ranch	10350 Blue Bluff Road Austin, TX 78724	2024	Build-To-Rent	71%	267	\$2,120
2	Harvest Meadows	150 Harvest Meadows Road Buda, TX 78610	2022	Build-To-Rent	94%	118	\$2,153
3	Avalon Townhomes	4810 Brisa Way Austin, TX 78738	2022	Build-To-Rent	94%	126	\$2,552
4	Avendale at the Colony	798 Sam Houston Drive Bastrop, TX 78602	2023	Build-To-Rent	98%	216	\$1,834
5	Bee Caves Vistas	6508 Steep Cactus Trail Austin, TX 78735	2019	Build-To-Rent	92%	89	\$2,652
6	Bridge at Goodnight Ranch	9005 Alderman Drive Austin, TX 78747	2019	Build-To-Rent	83%	151	\$1,826
7	Walden Square	1301 East Pfennig Lane Pflugerville, TX 78660	2018	Build-To-Rent	98%	82	\$2,228
Subj.	The Porch	14356 Hunter's Bend Rd Austin, TX 78725	2026	Multifamily	0%	163	---
Compiled by CBRE							

The rentals utilized represent the best data available for comparison with the subject. They were selected from our research of townhome and single-family detached, build-to-rent style properties in suburban areas of the Austin MSA. 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	7
Address	14356 Hunter's Bend Rd	10350 Blue Bluff Road	150 Harvest Meadows Road	4810 Brisa Way	798 Sam Houston Drive	6508 Steep Cactus Trail	9005 Alderman Drive	1301 East Pfennig Lane
Radius for Demographic Analysis	3 Mile Radius	3 Mile Radius	3 Mile Radius	3 Mile Radius	3 Mile Radius	3 Mile Radius	3 Mile Radius	3 Mile Radius
2024 Households	4,836	6,075	18,341	9,159	5,832	23,503	36,385	34,539
2024 Average Household Income	\$121,407	\$125,434	\$121,149	\$223,477	\$105,651	\$174,628	\$113,124	\$132,630
AHI Relative to Subject	---	3.3%	-0.2%	84.1%	-13.0%	43.8%	-6.8%	9.2%
2024 Median Value of Owner Occupied Housing Units	\$271,586	\$435,614	\$400,179	\$807,821	\$368,023	\$664,569	\$457,923	\$412,246
2024 % Renter Occupied Housing Units	19.2%	25.9%	28.6%	29.5%	23.7%	43.3%	51.8%	36.7%
2024 % College/Graduate Degree Age 25+	38.2%	44.0%	43.5%	74.5%	37.8%	70.1%	46.6%	44.3%
2024 Median Age	32.5	34.0	34.5	43.7	42.4	38.2	33.7	36.4
Compiled by CBRE								

Discussion/Analysis of Rent Comparables

Rent Comparable One

Alta Wildhorse Ranch is located along Blue Bluff Road in northeast Austin, Texas. The comparable represents a 267-unit, three-story, townhome-style complex that was constructed in 2024 and is in lease-up. It is considered to be a Class A property in this market and was in good condition at the date of survey.

Units include granite countertops, stainless steel appliances, and faux wood flooring. The project includes typical Class A community amenities. Quoted rents are indicative of average effective rents including any premiums. Current lease-up concessions of 12 weeks free rent were quoted as of the date of survey. Tenants pay all utilities. The majority of units represent townhome units that include an attached garage.

Rent Comparable Two

Harvest Meadows is located along the south side of Robert S Light Boulevard, at Harvest Meadows Road in Buda, Texas. The comparable represents a 118-unit, two-story, for-rent townhome project that was constructed in 2022. It is considered to be a Class A property in this market and was in excellent (new) condition at the date of survey. Units include granite countertops, ceramic tile backsplash, stainless appliances, and faux wood flooring. The project includes access to a pool, playground and dog park. Rents are set by rent optimizing software and are inclusive all premiums but before any concessions. Tenants pay all utilities. Each unit has an attached garage and fully maintained private yard.

Rent Comparable Three

Avalon Townhomes are located along Brisa Way, north of State Highway 71 in west Austin, Texas. The comparable represents a 126-unit, two-story, build for rent complex that was constructed in 2022. 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 flooring. The project includes typical Class A community amenities. Rents are set by rent optimizing software and are inclusive of all premiums. Current concessions include one month free rent. Tenants pay all utilities. Each unit includes a 2-car garage and a private yard.

Rent Comparable Four

Avendale at the Colony is located along Sam Houston Drive in Bastrop, Texas. The comparable represents a 216-unit, single-family build for rent community that was completed in August 2023 . It is considered to be a Class A property in this market and was in excellent condition at the date of survey. Units include granite countertops, stainless steel appliances, and faux wood flooring. The project includes typical Class A community amenities. Rents are set by rent optimizing software and are inclusive of all concessions and premiums. Tenants pay all utilities. Detached garages are available for \$150 per month. There is a mandatory \$125 per month amenity fee for wifi/cable/trash and pest control. The property absorbed an average of 18 units per month. Current concessions include 6 weeks free on select units with move in by April 30th, the quoted rents are reflective of concessions.

Rent Comparable Five

Bee Caves Vistas represents a detached single-family condominium project that is situated along the north side of Old Bee Caves Road, north of US-290 in southwest Austin, TX. The property consists of 89 units and was built in 2019. The units are two-story, three-bedroom detached single-family homes and townhomes that feature two-car attached garages and private fenced yards. The project features a walking trail and no other community amenities. Rents are set by rent optimizing software and are inclusive all premiums. Concessions of one month free were offered on the date of survey. Residents pay all utilities.

Rent Comparable Six

Bridge at Goodnight Ranch is located along the north side of E. Slaughter Lane at Alderman Drive in southeast Austin, Texas. The comparable represents a 151-unit, one- and two-story detached for-rent

single-unit and duplex project that was constructed in 2019. It is considered to be a Class A property in this market and was in good condition at the date of survey. Units include quartz countertops, ceramic tile backsplash, stainless appliances, and faux wood and carpet flooring. The project includes typical Class A community amenities. Rents are set by rent optimizing software and are inclusive all concessions and premiums. Currently concessions in the form of one month to six weeks free are currently being offered. Tenants pay all utilities. Each unit includes a free carport space. Additional carport spaces are available for \$30 per month.

Rent Comparable Seven

Walden Square represents a detached single-family condominium project that is situated along the south side of E. Pfennig Lane, east of N. Railroad Avenue in Pflugerville, TX. The property consists of 82 units and was built in 2018. The units are one- and two-story detached single-family homes that feature two-car attached garages and private fenced yards. The project features BBQ grills, a picnic area, and dog park. The quoted rates are average quoted rates including any premiums, but prior to concessions. Concessions of 2 weeks free were offered as of the date of survey. Residents pay all utilities.

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
2BR/2BA	14	1,222	0%	n/a	\$2,250	\$1.84
2BR/2BA - 60%	6	1,222	0%	\$1,806	\$1,807	\$1.48
2BR/2BA - 80%	8	1,222	0%	\$2,408	\$2,250	\$1.84
3BR/3BA	14	1,559	0%	n/a	\$2,800	\$1.80
3BR/3BA - 60%	6	1,559	0%	\$2,007	\$2,088	\$1.34
3BR/3BA - 80%	8	1,559	0%	\$2,676	\$2,784	\$1.79
2BR/2BA	28	1,279	0%	n/a	\$2,350	\$1.84
2BR/2BA - 60%	11	1,279	0%	\$1,806	\$1,807	\$1.41
2BR/2BA - 80%	17	1,279	0%	\$2,408	\$2,350	\$1.84
3BR/3BA	7	1,578	0%	n/a	\$2,800	\$1.77
3BR/3BA - 60%	3	1,578	0%	\$2,007	\$2,088	\$1.32
3BR/3BA - 80%	4	1,578	0%	\$2,676	\$2,784	\$1.76
2BR/2BA	3	1,232	0%	n/a	\$2,265	\$1.84
2BR/2BA - 60%	2	1,232	0%	\$1,806	\$1,807	\$1.47
2BR/2BA - 80%	3	1,232	0%	\$2,408	\$2,265	\$1.84
3BR/3BA	8	1,566	0%	n/a	\$2,800	\$1.79
3BR/3BA - 60%	3	1,566	0%	\$2,007	\$2,088	\$1.33
3BR/3BA - 80%	5	1,566	0%	\$2,676	\$2,784	\$1.78
3BR/3BA	7	1,641	0%	n/a	\$2,850	\$1.74
3BR/3BA - 60%	2	1,641	0%	\$2,007	\$2,088	\$1.27
3BR/3BA - 80%	4	1,641	0%	\$2,676	\$2,784	\$1.70
Total/Average:	163	1,398	0%	-----	\$2,405	\$1.72
Compiled by CBRE						

The 80% AMI maximum allowable rents are above market rents on some floor plans. Thus on these floor plans, the developer has quoted market rates for the 80% AMI units. All 60% AMI rents are quoted at the 2025 maximum allowable levels; however, it is noted that the developer has relied Income Limits for 9% Housing Credit LIHTC projects rather than the “Other Federal, State, or Local Program” category as shown on following page.

Program and Location Information	
Project Name	The Porch
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	Ami
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 Ami Income)		
Persons	60%	80%
1 Persons	\$56,220	\$74,960
2 Persons	\$64,200	\$85,600
3 Persons	\$72,240	\$96,320
4 Persons	\$80,280	\$107,040
5 Persons	\$86,700	\$115,600
6 Persons	\$93,120	\$124,160
7 Persons	\$99,540	\$132,720
8 Persons	\$105,960	\$141,280
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 Ami Income)			
Bedrooms (People)	60%	80%	FMR
2 Bedrooms (3)	\$1,806	\$2,408	\$1,949
3 Bedrooms (4)	\$2,007	\$2,676	\$2,484

Source: Novogradac.com

Two-Bedroom Units

SUMMARY OF COMPARABLE RENTALS TWO BEDROOM UNITS				
Comparable	Plan Type	Size (SF)	Rental Rates	
			\$/Mo.	\$/SF
<i>Subject (Concluded)</i>	<i>2BR/2BA - 60%</i>	<i>1,222 SF</i>	<i>\$1,806</i>	<i>\$1.48</i>
<i>Subject (Avg. Quoted)</i>	<i>2BR/2BA - 60%</i>	<i>1,279 SF</i>	<i>\$1,807</i>	<i>\$1.41</i>
<i>Subject (Avg. Quoted)</i>	<i>2BR/2BA - 60%</i>	<i>1,232 SF</i>	<i>\$1,807</i>	<i>\$1.47</i>
<i>Subject (Avg. Quoted)</i>	<i>2BR/2BA - 60%</i>	<i>1,222 SF</i>	<i>\$1,807</i>	<i>\$1.48</i>
<i>Subject (Concluded)</i>	<i>2BR/2BA - 60%</i>	<i>1,279 SF</i>	<i>\$1,807</i>	<i>\$1.41</i>
<i>Subject (Concluded)</i>	<i>2BR/2BA - 60%</i>	<i>1,232 SF</i>	<i>\$1,807</i>	<i>\$1.47</i>
Bridge at Goodnight Ranch	2BR/2BA	971 SF	\$1,822	\$1.88
Alta Wildhorse Ranch	2BR/2BA	1,126 SF	\$1,880	\$1.67
Avendale at the Colony	2BR/2BA	948 SF	\$1,925	\$2.03
Alta Wildhorse Ranch	2BR/2BA TH	1,289 SF	\$1,946	\$1.51
Bridge at Goodnight Ranch	2BR/2.5BA	1,223 SF	\$1,999	\$1.63
Harvest Meadows	2BR/2.5BA	1,575 SF	\$1,999	\$1.27
Bridge at Goodnight Ranch	2BR/2BA	1,223 SF	\$1,999	\$1.63
Alta Wildhorse Ranch	2BR/1.5BA TH	1,462 SF	\$2,149	\$1.47
Alta Wildhorse Ranch	2BR/2BA TH	1,551 SF	\$2,153	\$1.39
Avendale at the Colony	2BR/2.5BA TH	1,255 SF	\$2,174	\$1.73
Harvest Meadows	2BR/2BA	1,409 SF	\$2,234	\$1.59
<i>Subject (Concluded)</i>	<i>2BR/2BA - 80%</i>	<i>1,222 SF</i>	<i>\$2,250</i>	<i>\$1.84</i>
<i>Subject (Avg. Quoted)</i>	<i>2BR/2BA - 80%</i>	<i>1,222 SF</i>	<i>\$2,250</i>	<i>\$1.84</i>
<i>Subject (Concluded)</i>	<i>2BR/2BA</i>	<i>1,222 SF</i>	<i>\$2,250</i>	<i>\$1.84</i>
<i>Subject (Avg. Quoted)</i>	<i>2BR/2BA</i>	<i>1,222 SF</i>	<i>\$2,250</i>	<i>\$1.84</i>
<i>Subject (Concluded)</i>	<i>2BR/2BA - 80%</i>	<i>1,232 SF</i>	<i>\$2,265</i>	<i>\$1.84</i>
<i>Subject (Avg. Quoted)</i>	<i>2BR/2BA - 80%</i>	<i>1,232 SF</i>	<i>\$2,265</i>	<i>\$1.84</i>
<i>Subject (Concluded)</i>	<i>2BR/2BA</i>	<i>1,232 SF</i>	<i>\$2,265</i>	<i>\$1.84</i>
<i>Subject (Avg. Quoted)</i>	<i>2BR/2BA</i>	<i>1,232 SF</i>	<i>\$2,265</i>	<i>\$1.84</i>
<i>Subject (Avg. Quoted)</i>	<i>2BR/2BA</i>	<i>1,279 SF</i>	<i>\$2,350</i>	<i>\$1.84</i>
<i>Subject (Concluded)</i>	<i>2BR/2BA - 80%</i>	<i>1,279 SF</i>	<i>\$2,350</i>	<i>\$1.84</i>
<i>Subject (Avg. Quoted)</i>	<i>2BR/2BA - 80%</i>	<i>1,279 SF</i>	<i>\$2,350</i>	<i>\$1.84</i>
<i>Subject (Concluded)</i>	<i>2BR/2BA</i>	<i>1,279 SF</i>	<i>\$2,350</i>	<i>\$1.84</i>
Alta Wildhorse Ranch	2BR/2.5BA TH	1,515 SF	\$2,360	\$1.56
Alta Wildhorse Ranch	2BR/2BA	1,218 SF	\$2,804	\$2.30
Compiled by CBRE				

The subject's quoted market rental rates for the two-bedroom units are well supported by the comparable. The 80% AMI rents do not provide an advantage to the achievable market rents and are therefore concluded at market. The 60% AMI rents provide an advantage to the achievable market rents and are concluded at the maximum allowable level.

Three-Bedroom Units

SUMMARY OF COMPARABLE RENTALS THREE BEDROOM UNITS				
Comparable	Plan Type	Size (SF)	Rental Rates	
			\$/Mo.	\$/SF
<i>Subject (Concluded)</i>	<i>3BR/3BA - 60%</i>	<i>1,559 SF</i>	<i>\$2,007</i>	<i>\$1.29</i>
<i>Subject (Concluded)</i>	<i>3BR/3BA - 60%</i>	<i>1,566 SF</i>	<i>\$2,007</i>	<i>\$1.28</i>
<i>Subject (Concluded)</i>	<i>3BR/3BA - 60%</i>	<i>1,641 SF</i>	<i>\$2,007</i>	<i>\$1.22</i>
<i>Subject (Concluded)</i>	<i>3BR/3BA - 60%</i>	<i>1,578 SF</i>	<i>\$2,007</i>	<i>\$1.27</i>
<i>Subject (Avg. Quoted)</i>	<i>3BR/3BA - 60%</i>	<i>1,578 SF</i>	<i>\$2,088</i>	<i>\$1.32</i>
<i>Subject (Avg. Quoted)</i>	<i>3BR/3BA - 60%</i>	<i>1,559 SF</i>	<i>\$2,088</i>	<i>\$1.34</i>
<i>Subject (Avg. Quoted)</i>	<i>3BR/3BA - 60%</i>	<i>1,566 SF</i>	<i>\$2,088</i>	<i>\$1.33</i>
<i>Subject (Avg. Quoted)</i>	<i>3BR/3BA - 60%</i>	<i>1,641 SF</i>	<i>\$2,088</i>	<i>\$1.27</i>
Avendale at the Colony	3BR/2BA	1,319 SF	\$2,115	\$1.60
Walden Square	3BR/2BA	1,432 SF	\$2,190	\$1.53
Walden Square	3BR/2BA	1,449 SF	\$2,235	\$1.54
Walden Square	3BR/2BA	1,466 SF	\$2,265	\$1.55
Harvest Meadows	3BR/2.5BA	1,658 SF	\$2,286	\$1.38
Walden Square	3BR/2.5BA	1,621 SF	\$2,312	\$1.43
Harvest Meadows	3BR/2.5BA	1,561 SF	\$2,325	\$1.49
Bridge at Goodnight Ranch	3BR/2BA	1,383 SF	\$2,325	\$1.68
Avendale at the Colony	3BR/2.5BA TH	1,562 SF	\$2,350	\$1.50
Avalon Townhomes	3BR/2.5BA	1,421 SF	\$2,415	\$1.70
Avalon Townhomes	3BR/2BA	1,562 SF	\$2,486	\$1.59
Bee Caves Vistas	3BR/2.5BA	1,481 SF	\$2,529	\$1.71
Bridge at Goodnight Ranch	3BR/2.5BA	1,383 SF	\$2,543	\$1.84
Bee Caves Vistas	3BR/2.5BA	1,396 SF	\$2,590	\$1.86
Alta Wildhorse Ranch	3BR/2.5BA TH	1,892 SF	\$2,596	\$1.37
Avalon Townhomes	3BR/2.5BA	1,695 SF	\$2,651	\$1.56
<i>Subject (Concluded)</i>	<i>3BR/3BA - 80%</i>	<i>1,578 SF</i>	<i>\$2,676</i>	<i>\$1.70</i>
<i>Subject (Concluded)</i>	<i>3BR/3BA - 80%</i>	<i>1,566 SF</i>	<i>\$2,676</i>	<i>\$1.71</i>
<i>Subject (Concluded)</i>	<i>3BR/3BA - 80%</i>	<i>1,559 SF</i>	<i>\$2,676</i>	<i>\$1.72</i>
<i>Subject (Concluded)</i>	<i>3BR/3BA - 80%</i>	<i>1,641 SF</i>	<i>\$2,676</i>	<i>\$1.63</i>
Alta Wildhorse Ranch	3BR/2.5BA TH	1,957 SF	\$2,720	\$1.39
<i>Subject (Avg. Quoted)</i>	<i>3BR/3BA - 80%</i>	<i>1,559 SF</i>	<i>\$2,784</i>	<i>\$1.79</i>
<i>Subject (Avg. Quoted)</i>	<i>3BR/3BA - 80%</i>	<i>1,641 SF</i>	<i>\$2,784</i>	<i>\$1.70</i>
<i>Subject (Avg. Quoted)</i>	<i>3BR/3BA - 80%</i>	<i>1,578 SF</i>	<i>\$2,784</i>	<i>\$1.76</i>
<i>Subject (Avg. Quoted)</i>	<i>3BR/3BA - 80%</i>	<i>1,566 SF</i>	<i>\$2,784</i>	<i>\$1.78</i>
<i>Subject (Concluded)</i>	<i>3BR/3BA</i>	<i>1,566 SF</i>	<i>\$2,800</i>	<i>\$1.79</i>
<i>Subject (Avg. Quoted)</i>	<i>3BR/3BA</i>	<i>1,566 SF</i>	<i>\$2,800</i>	<i>\$1.79</i>
<i>Subject (Avg. Quoted)</i>	<i>3BR/3BA</i>	<i>1,578 SF</i>	<i>\$2,800</i>	<i>\$1.77</i>
<i>Subject (Concluded)</i>	<i>3BR/3BA</i>	<i>1,559 SF</i>	<i>\$2,800</i>	<i>\$1.80</i>
<i>Subject (Avg. Quoted)</i>	<i>3BR/3BA</i>	<i>1,559 SF</i>	<i>\$2,800</i>	<i>\$1.80</i>
<i>Subject (Concluded)</i>	<i>3BR/3BA</i>	<i>1,578 SF</i>	<i>\$2,800</i>	<i>\$1.77</i>
<i>Subject (Avg. Quoted)</i>	<i>3BR/3BA</i>	<i>1,641 SF</i>	<i>\$2,850</i>	<i>\$1.74</i>
<i>Subject (Concluded)</i>	<i>3BR/3BA</i>	<i>1,641 SF</i>	<i>\$2,850</i>	<i>\$1.74</i>
Bee Caves Vistas	3BR/2.5BA	1,628 SF	\$3,036	\$1.86
Compiled by CBRE				

The subject's quoted market rental rates for the three-bedroom units are well supported by the comparable. The 80% AMI rents provide an advantage to the achievable market rents and are concluded at the

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

Rent Conclusions

The following chart shows the rent conclusions for the subject. It is noted that CBRE has blended the subject's floor plan types (studio, 1BR, 2BR) in the unit mix below to facilitate our analysis. The total annual rent calculations are slightly impacted due to the rounding/hidden decimals of the blended average unit sizes.

RENT CONCLUSIONS - AS RESTRICTED									
No. Units	Unit Type	Unit Size (SF)	Total SF	Monthly Rent			Annual Rent		Annual Total
				\$/Unit	\$/SF	PRI	\$/Unit	\$/SF	
14	2BR/2BA	1,222	17,108	\$2,250	\$1.84	\$31,500	\$27,000	\$22.09	\$378,000
6	2BR/2BA - 60%	1,222	7,332	\$1,806	\$1.48	\$10,836	\$21,672	\$17.73	\$130,032
8	2BR/2BA - 80%	1,222	9,776	\$2,250	\$1.84	\$18,000	\$27,000	\$22.09	\$216,000
14	3BR/3BA	1,559	21,826	\$2,800	\$1.80	\$39,200	\$33,600	\$21.55	\$470,400
6	3BR/3BA - 60%	1,559	9,354	\$2,007	\$1.29	\$12,042	\$24,084	\$15.45	\$144,504
8	3BR/3BA - 80%	1,559	12,472	\$2,676	\$1.72	\$21,408	\$32,112	\$20.60	\$256,896
28	2BR/2BA	1,279	35,812	\$2,350	\$1.84	\$65,800	\$28,200	\$22.05	\$789,600
11	2BR/2BA - 60%	1,279	14,069	\$1,807	\$1.41	\$19,877	\$21,684	\$16.95	\$238,524
17	2BR/2BA - 80%	1,279	21,743	\$2,350	\$1.84	\$39,950	\$28,200	\$22.05	\$479,400
7	3BR/3BA	1,578	11,046	\$2,800	\$1.77	\$19,600	\$33,600	\$21.29	\$235,200
3	3BR/3BA - 60%	1,578	4,734	\$2,007	\$1.27	\$6,021	\$24,084	\$15.26	\$72,252
4	3BR/3BA - 80%	1,578	6,312	\$2,676	\$1.70	\$10,704	\$32,112	\$20.35	\$128,448
3	2BR/2BA	1,232	3,696	\$2,265	\$1.84	\$6,795	\$27,180	\$22.06	\$81,540
2	2BR/2BA - 60%	1,232	2,464	\$1,807	\$1.47	\$3,614	\$21,684	\$17.60	\$43,368
3	2BR/2BA - 80%	1,232	3,696	\$2,265	\$1.84	\$6,795	\$27,180	\$22.06	\$81,540
8	3BR/3BA	1,566	12,528	\$2,800	\$1.79	\$22,400	\$33,600	\$21.46	\$268,800
3	3BR/3BA - 60%	1,566	4,698	\$2,007	\$1.28	\$6,021	\$24,084	\$15.38	\$72,252
5	3BR/3BA - 80%	1,566	7,830	\$2,676	\$1.71	\$13,380	\$32,112	\$20.51	\$160,560
7	3BR/3BA	1,641	11,487	\$2,850	\$1.74	\$19,950	\$34,200	\$20.84	\$239,400
2	3BR/3BA - 60%	1,641	3,282	\$2,007	\$1.22	\$4,014	\$24,084	\$14.68	\$48,168
4	3BR/3BA - 80%	1,641	6,564	\$2,676	\$1.63	\$10,704	\$32,112	\$19.57	\$128,448
163		1,398	227,829	\$2,384	\$1.71	\$388,611	\$28,609	\$20.47	\$4,663,332

Compiled by CBRE

RENT CONCLUSIONS - AT MARKET RATE									
No. Units	Unit Type	Unit Size	Total SF	Monthly Rent			Annual Rent		Annual Total
				\$/Unit	\$/SF	PRI	\$/Unit	\$/SF	
14	2BR/2BA	1,222	17,108	\$2,250	\$1.84	\$31,500	\$27,000	\$22.09	\$378,000
6	2BR/2BA - 60%	1,222	7,332	\$2,250	\$1.84	\$13,500	\$27,000	\$22.09	\$162,000
8	2BR/2BA - 80%	1,222	9,776	\$2,250	\$1.84	\$18,000	\$27,000	\$22.09	\$216,000
14	3BR/3BA	1,559	21,826	\$2,800	\$1.80	\$39,200	\$33,600	\$21.55	\$470,400
6	3BR/3BA - 60%	1,559	9,354	\$2,800	\$1.80	\$16,800	\$33,600	\$21.55	\$201,600
8	3BR/3BA - 80%	1,559	12,472	\$2,800	\$1.80	\$22,400	\$33,600	\$21.55	\$268,800
28	2BR/2BA	1,279	35,812	\$2,350	\$1.84	\$65,800	\$28,200	\$22.05	\$789,600
11	2BR/2BA - 60%	1,279	14,069	\$2,350	\$1.84	\$25,850	\$28,200	\$22.05	\$310,200
17	2BR/2BA - 80%	1,279	21,743	\$2,350	\$1.84	\$39,950	\$28,200	\$22.05	\$479,400
7	3BR/3BA	1,578	11,046	\$2,800	\$1.77	\$19,600	\$33,600	\$21.29	\$235,200
3	3BR/3BA - 60%	1,578	4,734	\$2,800	\$1.77	\$8,400	\$33,600	\$21.29	\$100,800
4	3BR/3BA - 80%	1,578	6,312	\$2,800	\$1.77	\$11,200	\$33,600	\$21.29	\$134,400
3	2BR/2BA	1,232	3,696	\$2,265	\$1.84	\$6,795	\$27,180	\$22.06	\$81,540
2	2BR/2BA - 60%	1,232	2,464	\$2,265	\$1.84	\$4,530	\$27,180	\$22.06	\$54,360
3	2BR/2BA - 80%	1,232	3,696	\$2,265	\$1.84	\$6,795	\$27,180	\$22.06	\$81,540
8	3BR/3BA	1,566	12,528	\$2,800	\$1.79	\$22,400	\$33,600	\$21.46	\$268,800
3	3BR/3BA - 60%	1,566	4,698	\$2,800	\$1.79	\$8,400	\$33,600	\$21.46	\$100,800
5	3BR/3BA - 80%	1,566	7,830	\$2,800	\$1.79	\$14,000	\$33,600	\$21.46	\$168,000
7	3BR/3BA	1,641	11,487	\$2,850	\$1.74	\$19,950	\$34,200	\$20.84	\$239,400
2	3BR/3BA - 60%	1,641	3,282	\$2,850	\$1.74	\$5,700	\$34,200	\$20.84	\$68,400
4	3BR/3BA - 80%	1,641	6,564	\$2,850	\$1.74	\$11,400	\$34,200	\$20.84	\$136,800
163		1,398	227,829	\$2,529	\$1.81	\$412,170	\$30,344	\$21.71	\$4,946,040

Compiled by CBRE

Potential Rental Income Conclusion

POTENTIAL RENTAL INCOME		
Year	Total	\$/Unit/Yr
Developer's Budget	\$4,704,228	\$28,860
Expense Comparable 1	---	\$21,466
Expense Comparable 2	---	\$23,665
Expense Comparable 3	---	\$35,802
Expense Comparable 4	---	\$32,842
CBRE Estimate - As Proposed Restricted, without Abatement	\$4,663,332	\$28,609
CBRE Estimate - As Proposed Restricted, with Abatement	\$4,663,332	\$28,609
CBRE Estimate - As Market Rate, Without Abatement	\$4,946,040	\$30,344
Compiled by CBRE		

Operating History

The following table presents available budget data for the subject.

OPERATING HISTORY				
Year-Occupancy	Developer's		Pro Forma	
	Budget	96.0%	93.5%	
	Total	\$/Unit	Total	\$/Unit
INCOME				
Potential Rental Income	\$4,704,228	\$28,860	\$4,663,332	\$28,609
Loss to Lease	-	-	-	-
Concessions	(4,704)	(29)	(46,633)	(286)
Adjusted Rental Income	\$4,699,524	\$28,831	\$4,616,699	\$28,323
Vacancy	(188,169)	(1,154)	(277,002)	(1,699)
Credit Loss	-	-	(23,083)	(142)
Net Rental Income	\$4,511,355	\$27,677	\$4,316,613	\$26,482
Other Income	259,622	1,593	260,800	1,600
Parking Income	-	-	-	-
RUBS/Utility Income	146,309	898	146,700	900
Effective Gross Income	\$4,917,285	\$30,167	\$4,724,113	\$28,982
EXPENSE				
Real Estate Taxes	-	\$0	\$763,437	\$4,684
Property Insurance	114,100	700	114,100	700
Utilities	179,300	1,100	179,300	1,100
Administrative & General	57,050	350	57,050	350
Repairs & Maintenance	171,965	1,055	211,900	1,300
Management Fee	145,948	895	141,723	869
Payroll	260,800	1,600	260,800	1,600
Non-Revenue Units	-	-	28,525	175
Advertising & Leasing	59,495	365	59,495	365
Gross Sales Receipts Tax	-	-	15,637	96
Ground Rent	121,017	742	119,132	731
Replacement Reserves	32,600	200	32,600	200
Total Operating Expenses	\$1,142,275	\$7,008	\$1,983,699	\$12,170
Net Operating Income	\$3,775,010	\$23,160	\$2,740,414	\$16,812
Management Fee % of EGI)	3.0%		3.0%	

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 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 construction in the market area and rent concessions are typically 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	(\$188,169)	4.0%
Expense Comparable 1	---	4.1%
Expense Comparable 2	---	11.4%
Expense Comparable 3	---	6.7%
Expense Comparable 4	---	6.1%
CBRE Estimate - As Proposed Restricted, without Abatement	(\$277,002)	6.0%
CBRE Estimate - As Proposed Restricted, with Abatement	(\$277,002)	6.0%
CBRE Estimate - As Market Rate, Without Abatement	(\$293,795)	6.0%
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	\$0	0.0%
Expense Comparable 1	---	0.1%
Expense Comparable 2	---	0.5%
Expense Comparable 3	---	-0.1%
Expense Comparable 4	---	1.0%
CBRE Estimate - As Proposed Restricted, without Abatement	(\$23,083)	0.5%
CBRE Estimate - As Proposed Restricted, with Abatement	(\$23,083)	0.5%
CBRE Estimate - As Market Rate, Without Abatement	(\$24,483)	0.5%
Compiled by CBRE		

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, parking income, etc. The subject's income is detailed as follows:

OTHER INCOME		
Year	Total	\$/Unit/Yr
Developer's Budget	\$259,622	\$1,593
Expense Comparable 1	---	\$750
Expense Comparable 2	---	\$2,430
Expense Comparable 3	---	\$1,719
Expense Comparable 4	---	\$831
CBRE Estimate - As Proposed Restricted, without Abatement	\$260,800	\$1,600
CBRE Estimate - As Proposed Restricted, with Abatement	\$260,800	\$1,600
CBRE Estimate - As Market Rate, Without Abatement	\$260,800	\$1,600
Compiled by CBRE		

We have concluded \$1,600 per unit for the subject's other income, which is within the range of the expense comparables.

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	\$146,309	\$898
Expense Comparable 1	---	\$878
Expense Comparable 2	---	\$1,064
Expense Comparable 3	---	\$721
Expense Comparable 4	---	\$1,030
CBRE Estimate - As Proposed Restricted, without Abatement	\$146,700	\$900
CBRE Estimate - As Proposed Restricted, with Abatement	\$146,700	\$900
CBRE Estimate - As Market Rate, Without Abatement	\$146,700	\$900
Compiled by CBRE		

We have concluded \$900 per unit for the subject's rubs/utility income, which is within the range of the expense comparables.

Effective Gross Income

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

EFFECTIVE GROSS INCOME		
Year	Total	\$/Unit/Yr
Developer's Budget	\$4,917,285	\$30,167
Expense Comparable 1	---	\$22,071
Expense Comparable 2	---	\$23,768
Expense Comparable 3	---	\$32,916
Expense Comparable 4	---	\$28,734
CBRE Estimate - As Proposed Restricted, without Abatement	\$4,724,113	\$28,982
CBRE Estimate - As Proposed Restricted, with Abatement	\$4,724,113	\$28,982
CBRE Estimate - As Market Rate, Without Abatement	\$4,985,802	\$30,588
Compiled by CBRE		

The concluded EGI "As Proposed Restricted, With Abatement" is approximately 4% below the developer's budget due primarily to CBREs higher estimate of concessions, vacancy loss as well CBREs inclusion of credit loss.

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 MSA	San Antonio MSA	Austin MSA	Austin MSA	Austin, TX
Units	251	152	89	83	163
Year Built	2016	2022	2019	2019	2026
Type	Garden	Build-To-Rent	Build-To-Rent	Build-To-Rent	Build-To-Rent
Period	T12 to 7/25	T12 to 4/24	T12 to 9/23	T12 to 10/22	Pro Forma
Revenues	\$/Unit	\$/Unit	\$/Unit	\$/Unit	\$/Unit
Potential Rental Income	\$21,466	\$23,665	\$35,802	\$32,842	\$28,609
Loss to Lease	104	(283)	(2,657)	(3,670)	-
Concessions	(225)	(362)	(537)	(233)	(286)
Adjusted Rental Income	\$21,345	\$23,020	\$32,609	\$28,939	\$28,323
Vacancy	(876)	(2,634)	(2,178)	(1,773)	(1,699)
Credit Loss	(25)	(113)	44	(294)	(142)
Net Rental Income	\$20,443	\$20,274	\$30,475	\$26,872	\$26,482
Other Income	\$750	\$2,430	\$1,719	\$831	\$1,600
Parking Income	\$0	\$0	\$0	\$0	\$0
RUBS/Utility Income	\$878	\$1,064	\$721	\$1,030	\$900
Effective Gross Income	\$22,071	\$23,768	\$32,916	\$28,734	\$28,982
Expenses					
Real Estate Taxes	\$4,742	\$5,025	\$8,356	\$4,600	\$4,684
Property Insurance	583	1,241	651	546	700
Utilities	930	1,162	682	1,301	1,100
Administrative & General	506	790	426	338	350
Repairs & Maintenance	1,003	1,273	1,984	1,551	1,500
Management Fee	497	712	950	873	869
Payroll	2,006	1,325	1,817	2,005	1,600
Non-Revenue Units	115	95	401	374	175
Advertising & Leasing	288	557	941	538	365
Gross Sales Receipts Tax	132	134	104	-	96
Ground Rent	-	-	-	-	718
Replacement Reserves	200	200	200	200	200
Total Operating Expenses	\$11,003	\$12,516	\$16,513	\$12,326	\$12,357
Operating Expenses Excluding Taxes	6,261	7,491	8,157	7,726	7,673
Operating Expense Ratio	49.9%	52.7%	50.2%	42.9%	42.6%
Management Fee (% of EGI)	2.25%	3.00%	2.89%	3.04%	3.00%

* 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*		\$61,705,248
Multiplied x 80%		\$49,364,198
Multiplied x Tax rate of	1.5806 /\$100	\$780,257
Multiplied x 15%		\$117,039
\$/Unit		\$718
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	\$1,142,275	\$7,008
Expense Comparable 1	---	\$11,003
Expense Comparable 2	---	\$12,516
Expense Comparable 3	---	\$16,513
Expense Comparable 4	---	\$12,326
CBRE Estimate - As Proposed Restricted, without Abatement	\$2,014,205	\$12,357
CBRE Estimate - As Proposed Restricted, with Abatement	\$1,250,769	\$7,673
CBRE Estimate - As Market Rate, Without Abatement	\$1,905,017	\$11,687
Compiled by CBRE		

OPERATING EXPENSES EXCLUDING TAXES		
Year	Total	\$/Unit/Yr
Developer's Budget	\$1,142,275	\$7,008
Expense Comparable 1	---	\$6,261
Expense Comparable 2	---	\$7,491
Expense Comparable 3	---	\$8,157
Expense Comparable 4	---	\$7,726
CBRE Estimate - As Proposed Restricted, without Abatement	\$1,250,769	\$7,673
CBRE Estimate - As Proposed Restricted, with Abatement	\$1,250,769	\$7,673
CBRE Estimate - As Market Rate, Without Abatement	\$1,141,581	\$7,004
Compiled by CBRE		

Excluding taxes (second table above), the conclusions are well supported by the comparable data. The "As Proposed Restricted, with Abatement" figure is above the developer's budget primarily due to CBRE's higher estimate of Repairs & Maintenance expenses and due to the inclusion of a Non-Revenue Units 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	\$3,775,010	\$23,160
Expense Comparable 1	---	\$11,068
Expense Comparable 2	---	\$11,252
Expense Comparable 3	---	\$16,403
Expense Comparable 4	---	\$16,407
CBRE Estimate - As Proposed Restricted, without Abatement	\$2,709,908	\$16,625
CBRE Estimate - As Proposed Restricted, with Abatement	\$3,473,344	\$21,309
CBRE Estimate - As Market Rate, Without Abatement	\$3,080,784	\$18,901
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
		Location	Austin MSA	MSA	Austin MSA	Austin MSA
		Units	251	152	89	83
		Year Built	2016	2022	2019	2019
		Period	T12 to 7/25	T12 to 4/24	T12 to 9/23	T12 to 10/22
Range Names	\$/Unit/Yr	\$/Unit/Yr	\$/Unit/Yr	\$/Unit/Yr	\$/Unit/Yr	\$/Unit/Yr
Potential Rental Income	\$28,860	\$21,466	\$23,665	\$35,802	\$32,842	\$28,609
Loss to Lease	-	104	(283)	(2,657)	(3,670)	-
Concessions	(29)	(225)	(362)	(537)	(233)	(286)
Adjusted Rental Income	\$28,831	\$21,345	\$23,020	\$32,609	\$28,939	\$28,323
Vacancy	(1,154)	(876)	(2,634)	(2,178)	(1,773)	(1,699)
Credit Loss	-	(25)	(113)	44	(294)	(142)
Net Rental Income	\$27,677	\$20,443	\$20,274	\$30,475	\$26,872	\$26,482
Other Income	1,593	750	2,430	1,719	831	1,600
Parking Income	-	-	-	-	-	-
RUBS/Utility Income	898	878	1,064	721	1,030	900
Effective Gross Income	\$30,167	\$22,071	\$23,768	\$32,916	\$28,734	\$28,982
Expenses						
Real Estate Taxes	\$0	\$4,742	\$5,025	\$8,356	\$4,600	\$4,684
Property Insurance	700	583	1,241	651	546	700
Utilities	1,100	930	1,162	682	1,301	1,100
Administrative & General	350	506	790	426	338	350
Repairs & Maintenance	1,055	1,003	1,273	1,984	1,551	1,500
Management Fee	895	497	712	950	873	869
Payroll	1,600	2,006	1,325	1,817	2,005	1,600
Non-Revenue Units	-	115	95	401	374	175
Advertising & Leasing	365	288	557	941	538	365
Gross Sales Receipts Tax	-	132	134	104	-	96
Ground Rent	742	-	-	-	-	718
Replacement Reserves	200	200	200	200	200	200
Total Operating Expenses	\$7,008	\$11,003	\$12,516	\$16,513	\$12,326	\$12,357
Operating Expenses Excluding Taxes	\$7,008	\$6,261	\$7,491	\$8,157	\$7,726	\$7,673
Operating Expense Ratio	23.2%	49.9%	52.7%	50.2%	42.9%	42.6%
Management Fee	3.0%	2.3%	3.0%	2.9%	3.0%	3.0%
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		\$28,609	\$4,663,332
Loss to Lease	0.00%	0	-
Concessions	1.00%	(286)	(46,633)
Adjusted Rental Income		\$28,323	\$4,616,699
Vacancy	6.00%	(1,699)	(277,002)
Credit Loss	0.50%	(142)	(23,083)
Net Rental Income		\$26,482	\$4,316,613
Other Income		1,600	260,800
Parking Income		0	-
RUBS/Utility Income		900	146,700
Effective Gross Income		\$28,982	\$4,724,113
Expenses			
Real Estate Taxes		\$4,684	\$763,437
Property Insurance		700	114,100
Utilities		1,100	179,300
Administrative & General		350	57,050
Repairs & Maintenance		1,500	244,500
Management Fee	3.00%	869	141,723
Payroll		1,600	260,800
Non-Revenue Units		175	28,525
Advertising & Leasing		365	59,495
Gross Sales Receipts Tax	0.331%	96	15,637
Ground Rent		718	117,039
Replacement Reserves		200	32,600
Total Operating Expenses		\$12,357	\$2,014,205
Operating Expenses Excluding Taxes		\$7,673	\$1,250,769
Operating Expense Ratio			42.64%
Net Operating Income		\$16,625	\$2,709,908
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*	\$58,392,000
Mortgage Ratio (Loan-to-Value)	65%
Estimated Mortgage Loan Amount	\$37,954,800
Mortgage Interest Rate	5.75%
Mortgage Term (Amortization Period)	30 Years
Mortgage Constant (monthly payments)	0.07003
Annual Debt Service (monthly payments)	\$2,657,927
Estimated NOI - As Restricted without Abatement	\$2,709,908
Estimated Debt Coverage Ratio (DCR)	1.02
Market Debt DCR	1.25
Positive DCR? (Y or N)	No
Compiled by CBRE	
Concluded Direct & Indirect Cost + 20% Profit	

As Proposed Restricted, Without an Abatement, the indicated DCR is 1.02 – 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		\$28,609	\$4,663,332
Loss to Lease	0.00%	0	-
Concessions	1.00%	(286)	(46,633)
Adjusted Rental Income		\$28,323	\$4,616,699
Vacancy	6.00%	(1,699)	(277,002)
Credit Loss	0.50%	(142)	(23,083)
Net Rental Income		\$26,482	\$4,316,613
Other Income		1,600	260,800
Parking Income		0	-
RUBS/Utility Income		900	146,700
Effective Gross Income		\$28,982	\$4,724,113
Expenses			
Real Estate Taxes		\$0	\$0
Property Insurance		700	114,100
Utilities		1,100	179,300
Administrative & General		350	57,050
Repairs & Maintenance		1,500	244,500
Management Fee	3.00%	869	141,723
Payroll		1,600	260,800
Non-Revenue Units		175	28,525
Advertising & Leasing		365	59,495
Gross Sales Receipts Tax	0.331%	96	15,637
Ground Rent		718	117,039
Replacement Reserves		200	32,600
Total Operating Expenses		\$7,673	\$1,250,769
Operating Expenses Excluding Taxes		\$7,673	\$1,250,769
Operating Expense Ratio			26.48%
Net Operating Income		\$21,309	\$3,473,344
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*	\$58,392,000
Mortgage Ratio (Loan-to-Value)	65%
Estimated Mortgage Loan Amount	\$37,954,800
Mortgage Interest Rate	5.75%
Mortgage Term (Amortization Period)	30 Years
Mortgage Constant (monthly payments)	0.07003
Annual Debt Service (monthly payments)	\$2,657,927
Estimated NOI - As Restricted with Abatement	\$3,473,344
Estimated Debt Coverage Ratio (DCR)	1.31
Market Debt DCR	1.25
Positive DCR? (Y or N)	Yes
Compiled by CBRE	
Concluded Direct & Indirect Cost + 20% Profit	

As Proposed Restricted, With an Abatement, the indicated DCR is 1.31 – 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		\$30,344	\$4,946,040
Loss to Lease	0.00%	0	-
Concessions	1.00%	(303)	(49,460)
Adjusted Rental Income		\$30,040	\$4,896,580
Vacancy	6.00%	(1,802)	(293,795)
Credit Loss	0.50%	(150)	(24,483)
Net Rental Income		\$28,088	\$4,578,302
Other Income		1,600	260,800
Parking Income		0	-
RUBS/Utility Income		900	146,700
Effective Gross Income		\$30,588	\$4,985,802
Expenses			
Real Estate Taxes		\$4,684	\$763,437
Property Insurance		700	114,100
Utilities		1,100	179,300
Administrative & General		350	57,050
Repairs & Maintenance		1,500	244,500
Management Fee	3.00%	918	149,574
Payroll		1,600	260,800
Non-Revenue Units		175	28,525
Advertising & Leasing		365	59,495
Gross Sales Receipts Tax	0.331%	96	15,637
Ground Rent		0	-
Replacement Reserves		200	32,600
Total Operating Expenses		\$11,687	\$1,905,017
Operating Expenses Excluding Taxes		\$7,004	\$1,141,581
Operating Expense Ratio			38.21%
Net Operating Income		\$18,901	\$3,080,784
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*	\$58,392,000
Mortgage Ratio (Loan-to-Value)	65%
Estimated Mortgage Loan Amount	\$37,954,800
Mortgage Interest Rate	5.75%
Mortgage Term (Amortization Period)	30 Years
Mortgage Constant (monthly payments)	0.07003
Annual Debt Service (monthly payments)	\$2,657,927
Estimated NOI - As Market Rate without Abatement	\$3,080,784
Estimated Debt Coverage Ratio (DCR)	1.16
Market Debt DCR	1.25
Positive DCR? (Y or N)	No
Compiled by CBRE	
Concluded Direct & Indirect Cost + 20% Profit	

As a market rate development, without an abatement and/or ground rent, the indicated DCR is 1.16 – indicating the development to be marginally infeasible.

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 annually.

10-YEAR PROPERTY TAX OFFSET	
Year	Amount
1	\$763,437
2	\$786,340
3	\$809,930
4	\$834,228
5	\$859,255
6	\$885,032
7	\$911,583
8	\$938,931
9	\$967,099
10	\$996,112
Total	\$8,751,945
Compiled by CBRE	

Sales Tax Savings

The sales tax savings of \$993,368 has been based on 33% of the developer's budgeted direct costs of \$36,487,357 multiplied by the sales tax rate of 8.25%.

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 15% of the sale proceeds, after payment of all debt, closing costs, required reserved return of all equity capital, an 10% return (IRR) to the equity partner, and payment of any and all fees owed to the developer (including any deferred development fees).

Based on instruction from the client, we have assumed a Year-5 Initial Sale Event. For the purposes of calculating the Community Benefit, CBRE has grown the projected Year-1 NOI of \$3,473,344 by 3% annually to arrive at a projected reversionary Year-6 NOI of \$4,147,355. With the most recent sales data of Class A build-to-rent properties in the Ausitn market indicating cap rates in the upper 4% to 5% range, the exit capitalization (+/-25 to 50 bps above current market capitalization rates) is deemed to be reasonable. The reversionary NOI has not been further analyzed by CBRE and the calculated Gross Sale Price does not represent a prospective opinion of value. The Gross Sale Price has been presented only as an interim calculation within the Community Benefit Analysis.

It has been assumed that all debt and equity is outstanding as of the Year-5 sale date. Closing costs have been estimated at 1.00%. It is CBREs understanding that none of the developer's profit is to be deferred to the initial sale event.

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

NET SALE PROCEEDS TO PFC (ASSUMED YEAR-5 SALE)		
Yr. 6 projected NOI		\$4,147,355
Exit Cap Rate		5.25%
Calculated Gross Sale Price		\$78,997,236
Cost of Sale	1.00%	(\$789,972)
Net Sale Value		\$78,207,264
Less: Remaining Debt & Equity		(\$58,392,000)
Subtotal		\$19,815,264
Less: 10% IRR to Equity Partner		(\$12,477,115)
Net Sale Proceeds		\$7,338,149
Net Sale Proceeds to PFC at	15.0%	\$1,100,722
Compiled by CBRE		

It is also noted that the PFC will receive 2.0% of the sale proceeds of any subsequent sale event(s) after the initial sale event.

Developer Fee Sharing

The PFC terms call for a developer fee sharing equal to 15% of the developer fee. The developer's fee is indicated to \$1,600,000. Thus, the fee sharing has been calculated as follows:

$$\$1,600,000 \times 15\% = \$240,000$$

Miscellaneous Expense Reimbursements

The developer is to reimburse the PFC for any miscellaneous expense reimbursements. This has been figure has estimated to be \$100,000.

PFC Structuring Fee

The PFC structuring fee is \$250,000.

Net Cash Flow Rent (Ground Rent)

The Year 1 ground rent was previously concluded to be \$117,039 within the Feasibility Analysis section of this report. This figure has been grown at 3.0% per year (per the terms of the ground lease) through Year

5 at which point the “Initial Sale Event” is assumed to occur. Upon the Initial Sale Event, a resetting of the ground rent payment is based on the assumed gross sales price. The Year 6 ground rent is calculated in the below chart after which the ground rent is again grown at 3.0% per year (per the terms of the ground lease) in Years 7 through 10.

GROUND RENT ESTIMATE (YR. 5 SALE)		
Calculated Yr. 5 Sale		\$78,997,236
Multiplied x 80%		\$63,197,789
Multiplied x Tax rate of	1.5806 /\$100	\$998,913
Multiplied x 15%		\$149,837
\$/Unit		\$919
Compiled by CBRE		

10-YEAR GROUND RENT	
Year	Amount
1	\$117,039
2	\$120,550
3	\$124,166
4	\$127,891
5	\$131,728
6	\$149,837
7	\$154,332
8	\$158,962
9	\$163,731
10	\$168,643
Total	\$1,416,879
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	\$4,946,040	\$4,663,332	\$282,708
2	\$5,094,421	\$4,803,232	\$291,189
3	\$5,247,254	\$4,947,329	\$299,925
4	\$5,404,671	\$5,095,749	\$308,923
5	\$5,566,812	\$5,248,621	\$318,190
6	\$5,733,816	\$5,406,080	\$327,736
7	\$5,905,830	\$5,568,262	\$337,568
8	\$6,083,005	\$5,735,310	\$347,695
9	\$6,265,495	\$5,907,369	\$358,126
10	\$6,453,460	\$6,084,591	\$368,870
Total			\$3,240,930
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 65.1% or \$6,348,531.

COMMUNITY BENEFIT SUMMARY

COMMUNITY INVESTMENT

Est. 10-Year Property Tax Offset	\$8,751,945
Est. Sale Tax Savings	993,368
10-Year Total Community Investment	\$9,745,313

COMMUNITY BENEFIT**Financial Return to PFC**

Capital Event Rent	\$1,100,722
Developer Fee Share	240,000
Miscellaneous Expenses	100,000
PFC Structuring Fee	250,000
Net Cash Flow Rent (Ground Rent)	1,416,879
Subtotal	\$3,107,601

Rental Benefit to Residents

10-Year Reduced Rents	\$3,240,930
10-Year Total Community Benefit	\$6,348,531
% Return to Community (10 Years)	65.1%

PFC also receives 2% Gross Sales Price of future sales

Compiled by CBRE

Assumptions and Limiting Conditions

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

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

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

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

Addenda

Addendum A

Rent Comparables

Comparable

Residential - Build-To-Rent

No. 1

Property Name Alta Wildhorse Ranch
Address 10350 Blue Bluff Road
Austin, TX 78724
United States

Government Tax Agency Travis
Govt./Tax ID 947771

Unit Mix Detail

Rate Timeframe	Monthly				
Unit Type	No.	%	Size (sf)	Rent	Rent / sf
Studio	2	1%	468	\$1,064	\$2.27
1BR/1BA	2	1%	586	\$1,286	\$2.19
1BR/1BA	4	2%	647	\$1,357	\$2.10
1BR/1BA TH	42	16%	1,015	\$2,112	\$2.08
2BR/2BA	1	0%	1,126	\$1,880	\$1.67
2BR/2BA	1	0%	1,218	\$2,804	\$2.30
1BR/1.5BA TH	58	22%	1,289	\$1,865	\$1.45
2BR/2BA TH	38	14%	1,289	\$1,946	\$1.51
2BR/1.5BA TH	6	2%	1,462	\$2,149	\$1.47
2BR/2.5BA TH	41	15%	1,515	\$2,360	\$1.56
2BR/2BA TH	42	16%	1,551	\$2,153	\$1.39
3BR/2.5BA TH	10	4%	1,892	\$2,596	\$1.37
3BR/2.5BA TH	20	7%	1,957	\$2,720	\$1.39
Totals/Avg	267			\$2,120	\$1.54



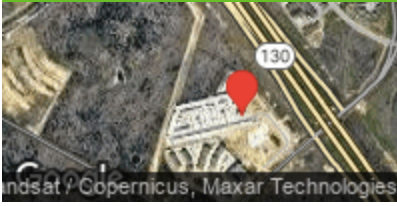
Improvements

Land Area	17.544 ac	Status	Existing
Net Rentable Area (NRA)	367,503 sf	Year Built	2024
Total # of Units	267 Unit	Year Renovated	N/A
Average Unit Size	1,376 sf	Condition	Good
Floor Count	3	Exterior Finish	Fiber Cement Board
Property Features	Attached Garages, Gated / Controlled Access, On-Site Management, Surface Parking		
Project Amenities	Barbeque Area, Business Center, Clubhouse, Conference Room, Dog Park / Run, Electric Car Charging Station, Fitness Center, Outdoor Kitchen, Pool		
Unit Amenities	Ceiling Fans, Granite Countertops, Plank Flooring, Stainless Steel Appliances, Tile Backsplash, Washer / Dryer Connections		

Rental Survey

Occupancy	71%	Utilities Included in Rent	None
Lease Term	12 Mo(s).	Rent Premiums	See Comments
Tenant Profile	Varies	Concessions	See Comments
Survey Date	09/2025	Owner	N/A
Survey Notes	None	Management	Greystar

Map & Comments



Alta Wildhorse Ranch is located along Blue Bluff Road in northeast Austin, Texas. The comparable represents a 267-unit, three-story, townhome-style complex that was constructed in 2024 and is in lease-up. It is considered to be a Class A property in this market and was in good condition at the date of survey. Units include granite countertops, stainless steel appliances, and faux wood flooring. The project includes typical Class A community amenities. Quoted rents are indicative of average effective rents including any premiums. Current lease-up concessions of 12 weeks free rent were quoted as of the date of survey. Tenants pay all utilities. The majority of units represent townhome units that include an attached garage.

Comparable**Residential - Build-To-Rent****No. 2**

Property Name Harvest Meadows
Address 150 Harvest Meadows Road
Buda, TX 78610
United States

Government Tax Agency Hays
Govt./Tax ID Various

Unit Mix Detail

Rate Timeframe	Monthly				
Unit Type	No.	%	Size (sf)	Rent	Rent / sf
2BR/2BA	26	22%	1,409	\$2,234	\$1.59
3BR/2.5BA	14	12%	1,561	\$2,325	\$1.49
2BR/2.5BA	52	44%	1,575	\$1,999	\$1.27
3BR/2.5BA	26	22%	1,658	\$2,286	\$1.38
Totals/Avg	118			\$2,153	\$1.38

**Improvements**

Land Area	9.670 ac	Status	Existing
Net Rentable Area (NRA)	183,496 sf	Year Built	2022
Total # of Units	118 Unit	Year Renovated	N/A
Average Unit Size	1,555 sf	Condition	Excellent
Floor Count	2	Exterior Finish	Fiber Cement Plank
Property Features	Attached Garages		
Project Amenities	Dog Park / Run, Playground, Pool		
Unit Amenities	Granite Countertops, Stainless Steel Appliances, Vinyl Flooring		

Rental Survey

Occupancy	94%	Utilities Included in Rent	None
Lease Term	12 Mo(s).	Rent Premiums	See comments
Tenant Profile	Varies	Concessions	None
Survey Date	09/2025	Owner	HARVEST MEADOWS SPE LLC
Survey Notes	None	Management	Rangewater Real Estate

Map & Comments



Harvest Meadows is located along the south side of Robert S Light Boulevard, at Harvest Meadows Road in Buda, Texas. The comparable represents a 118-unit, two-story, for-rent townhome project that was constructed in 2022. It is considered to be a Class A property in this market and was in excellent (new) condition at the date of survey. Units include granite countertops, ceramic tile backsplash, stainless appliances, and faux wood flooring. The project includes access to a pool, playground and dog park. Rents are set by rent optimizing software and are inclusive all premiums but before any concessions. Tenants pay all utilities. Each unit has an attached garage and fully maintained private yard.

Comparable**Residential - Build-To-Rent****No. 3**

Property Name Avalon Townhomes
Address 4810 Brisa Way
Austin, TX 78738
United States

Government Tax Agency Travis
Govt./Tax ID 934836

Unit Mix Detail

Rate Timeframe	Monthly				
Unit Type	No.	%	Size (sf)	Rent	Rent / sf
3BR/2.5BA	34	27%	1,421	\$2,415	\$1.70
3BR/2BA	46	37%	1,562	\$2,486	\$1.59
3BR/2.5BA	40	32%	1,695	\$2,651	\$1.56
4BR/2.5BA	6	5%	1,866	\$3,166	\$1.70
Totals/Avg	126			\$2,552	\$1.61

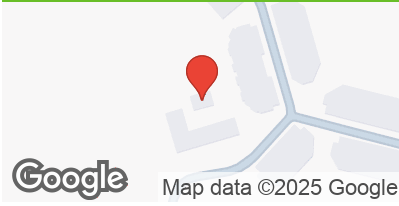
**Improvements**

Land Area	16.938 ac	Status	Existing
Net Rentable Area (NRA)	199,162 sf	Year Built	2022
Total # of Units	126 Unit	Year Renovated	N/A
Average Unit Size	1,581 sf	Condition	Good
Floor Count	2	Exterior Finish	Stucco
Property Features	Attached Garages, On-Site Management, Surface Parking		
Project Amenities	Barbeque Area, Clubhouse, Conference Room, Fitness Center, Pool		
Unit Amenities	Ceiling Fans, Plank Flooring, Quartz Countertops, Stainless Steel Appliances, Tile Backsplash, Washer / Dryer		

Rental Survey

Occupancy	94%	Utilities Included in Rent	None
Lease Term	12 Mo(s).	Rent Premiums	See Comments
Tenant Profile	Varies	Concessions	See Comments
Survey Date	09/2025	Owner	N/A
Survey Notes	None	Management	Avalon Bay

Map & Comments



Avalon Townhomes are located along Brisa Way, north of State Highway 71 in west Austin, Texas. The comparable represents a 126-unit, two-story, build for rent complex that was constructed in 2022. 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 flooring. The project includes typical Class A community amenities. Rents are set by rent optimizing software and are inclusive of all premiums. Current concessions include one month free rent. Tenants pay all utilities. Each unit includes a 2-car garage and a private yard.

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

Property Name Avendale at the Colony
Address 798 Sam Houston Drive
 Bastrop, TX 78602
 United States

Government Tax Agency Bastrop
Govt./Tax ID 8712381

Unit Mix Detail

Rate Timeframe	Monthly				
Unit Type	No.	%	Size (sf)	Rent	Rent / sf
1BR/1BA	86	40%	679	\$1,492	\$2.20
2BR/2BA	65	30%	948	\$1,925	\$2.03
2BR/2.5BA TH	18	8%	1,255	\$2,174	\$1.73
3BR/2BA	33	15%	1,319	\$2,115	\$1.60
3BR/2.5BA TH	8	4%	1,562	\$2,350	\$1.50
4BR/2.5BA TH	6	3%	1,814	\$2,480	\$1.37
Totals/Avg	216			\$1,834	\$1.89

**Improvements**

Land Area	22.664 ac	Status	Under Construction
Net Rentable Area (NRA)	209,498 sf	Year Built	2023
Total # of Units	216 Unit	Year Renovated	N/A
Average Unit Size	970 sf	Condition	Good
Floor Count	2	Exterior Finish	Fiber Cement Board
Property Features	Attached Garages, Detached Garages, On-Site Management, Surface Parking		
Project Amenities	Barbeque Area, Clubhouse, Dog Park / Run, Electric Car Charging Station, Fitness Center, Playground, Pool		
Unit Amenities	Ceiling Fans, Dishwasher, Garbage Disposal, Granite Countertops, Microwave Oven, Plank Flooring, Range / Oven, Refrigerator with Icemaker, Stainless Steel Appliances, Tile Backsplash, Washer / Dryer		

Rental Survey

Occupancy	98%	Utilities Included in Rent	None
Lease Term	12 Mo(s).	Rent Premiums	None
Tenant Profile	Varies	Concessions	See Comments
Survey Date	09/2025	Owner	N/A
Survey Notes	None	Management	RPM Living

Map & Comments



Avendale at the Colony is located along Sam Houston Drive in Bastrop, Texas. The comparable represents a 216-unit, single-family build for rent community that was completed in August 2023 . It is considered to be a Class A property in this market and was in excellent condition at the date of survey. Units include granite countertops, stainless steel appliances, and faux wood flooring. The project includes typical Class A community amenities. Rents are set by rent optimizing software and are inclusive of all concessions and premiums. Tenants pay all utilities. Detached garages are available for \$150 per month. There is a mandatory \$125 per month amenity fee for wifi/cable/trash and pest control. The property absorbed an average of 18 units per month. Current concessions include 6 weeks free on select units with move in by April 30th, the quoted rents are reflective of concessions.

Comparable**Residential - Build-To-Rent****No. 5**

Property Name Bee Caves Vistas
Address 6508 Steep Cactus Trail
Austin, TX 78735
United States

Government Tax Agency Travis
Govt./Tax ID 870458, 870463

Unit Mix Detail

Rate Timeframe	Monthly				
Unit Type	No.	%	Size (sf)	Rent	Rent / sf
3BR/2.5BA	30	34%	1,396	\$2,590	\$1.86
3BR/2.5BA	41	46%	1,481	\$2,529	\$1.71
3BR/2.5BA	18	20%	1,628	\$3,036	\$1.86
Totals/Avg	89			\$2,652	\$1.79

**Improvements**

Land Area	20.275 ac	Status	Existing
Net Rentable Area (NRA)	131,905 sf	Year Built	2019
Total # of Units	89 Unit	Year Renovated	N/A
Average Unit Size	1,482 sf	Condition	Good
Floor Count	2	Exterior Finish	Fiber Cement Plank
Property Features	Attached Garages, Interior Stairwells		
Project Amenities	Walking Trail		
Unit Amenities	Carpeted Flooring, Granite Countertops, Stainless Steel Appliances, Tile Backsplash, Vinyl Flooring		

Rental Survey

Occupancy	92%	Utilities Included in Rent	None
Lease Term	12 Mo(s).	Rent Premiums	See comments
Tenant Profile	Professional	Concessions	None
Survey Date	09/2025	Owner	BEE CAVES VISTAS OWNER LP
Survey Notes	None	Management	Lincoln

Map & Comments



Bee Caves Vistas represents a detached single-family condominium project that is situated along the north side of Old Bee Caves Road, north of US-290 in southwest Austin, TX. The property consists of 89 units and was built in 2019. The units are two-story, three-bedroom detached single-family homes and townhomes that feature two-car attached garages and private fenced yards. The project features a walking trail and no other community amenities. Rents are set by rent optimizing software and are inclusive all premiums. Concessions of one month free were offered on the date of survey. Residents pay all utilities.

Comparable**Residential - Build-To-Rent****No. 6**

Property Name Bridge at Goodnight Ranch
 Address 9005 Alderman Drive
 Austin, TX 78747
 United States

Government Tax Agency Travis
 Govt./Tax ID 894681

Unit Mix Detail

Rate Timeframe	Monthly				
Unit Type	No.	%	Size (sf)	Rent	Rent / sf
1BR/1BA	48	32%	633	\$1,520	\$2.40
2BR/2BA	52	34%	971	\$1,822	\$1.88
2BR/2.5BA	32	21%	1,223	\$1,999	\$1.63
2BR/2BA	7	5%	1,223	\$1,999	\$1.63
3BR/2.5BA	10	7%	1,383	\$2,543	\$1.84
3BR/2BA	2	1%	1,383	\$2,325	\$1.68
Totals/Avg	151			\$1,826	\$1.90

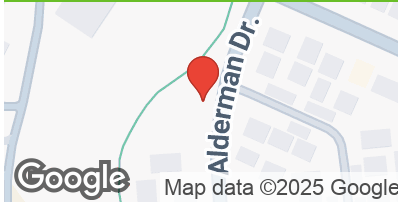
**Improvements**

Land Area	7.927 ac	Status	Existing
Net Rentable Area (NRA)	145,169 sf	Year Built	2019
Total # of Units	151 Unit	Year Renovated	N/A
Average Unit Size	961 sf	Condition	Good
Floor Count	2	Exterior Finish	Vinyl Siding
Property Features	Carports, On-Site Management, Pitched Roofs, Surface Parking		
Project Amenities	Courtyard, Dog Grooming Station, Dog Park / Run, Fitness Center, Pool, Walking Trail		
Unit Amenities	Carpeted Flooring, Ceiling Fans, Dishwasher, Garbage Disposal, Plank Flooring, Private Patios / Balconies, Quartz Countertops, Stainless Steel Appliances, Tile Backsplash, Washer / Dryer		

Rental Survey

Occupancy	83%	Utilities Included in Rent	None
Lease Term	12 Mo(s).	Rent Premiums	None
Tenant Profile	Mixed Tenancy	Concessions	None
Survey Date	09/2025	Owner	Housing Authority of The City of Austin
Survey Notes	None	Management	Apartment Management Professionals

Map & Comments



Bridge at Goodnight Ranch is located along the north side of E. Slaughter Lane at Alderman Drive in southeast Austin, Texas. The comparable represents a 151-unit, one- and two-story detached for-rent single-unit and duplex project that was constructed in 2019. It is considered to be a Class A property in this market and was in good condition at the date of survey. Units include quartz countertops, ceramic tile backsplash, stainless appliances, and faux wood and carpet flooring. The project includes typical Class A community amenities. Rents are set by rent optimizing software and are inclusive all concessions and premiums. Currently concessions in the form of one month to six weeks free are currently being offered. Tenants pay all utilities. Each unit includes a free carport space. Additional carport spaces are available for \$30 per month.

Property Name Walden Square
 Address 1301 East Pfenning Lane
 Pflugerville, TX 78660
 United States

Government Tax Agency Travis
 Govt./Tax ID 868939

Unit Mix Detail

Rate Timeframe	Monthly				
Unit Type	No.	%	Size (sf)	Rent	Rent / sf
3BR/2BA	34	41%	1,432	\$2,190	\$1.53
3BR/2BA	25	30%	1,449	\$2,235	\$1.54
3BR/2BA	17	21%	1,466	\$2,265	\$1.55
3BR/2.5BA	6	7%	1,621	\$2,312	\$1.43
Totals/Avg	82			\$2,228	\$1.53

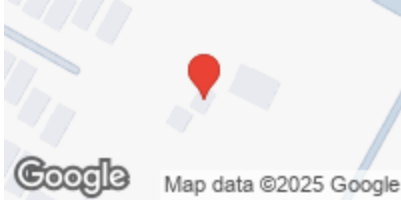
**Improvements**

Land Area	13.847 ac	Status	Existing
Net Rentable Area (NRA)	119,720 sf	Year Built	2018
Total # of Units	82 Unit	Year Renovated	N/A
Average Unit Size	1,460 sf	Condition	New
Floor Count	2	Exterior Finish	Brick
Property Features	Attached Garages		
Project Amenities	Barbeque Area, Dog Park / Run		
Unit Amenities	Granite Countertops, Plank Flooring, Stainless Steel Appliances, Tile Backsplash		

Rental Survey

Occupancy	98%	Utilities Included in Rent	None
Lease Term	9 - 14 Mo(s).	Rent Premiums	See comments
Tenant Profile	Varies	Concessions	See comments
Survey Date	09/2025	Owner	HERE AND NOW HOLDINGS LLC ET AL
Survey Notes	None	Management	Avenue5 Residential

Map & Comments



Walden Square represents a detached single-family condominium project that is situated along the south side of E. Pfennig Lane, east of N. Railroad Avenue in Pflugerville, TX. The property consists of 82 units and was built in 2018. The units are one- and two-story detached single-family homes that feature two-car attached garages and private fenced yards. The project features BBQ grills, a picnic area, and dog park. The quoted rates are average quoted rates including any premiums, but prior to concessions. Concessions of 2 weeks free were offered as of the date of survey. Residents pay all utilities.

Addendum B

Subject Property Data

The Porch
Unit Mix & Other Income

Unit Mix - Residential

Bedroom(s)	Building Type	Bath(s)	Units	Unit Type	Sq. Ft	Monthly Net Rent	Utility Allowance	Rent / Sq. Ft	Monthly Gross Rent	Annual Income
2 Bedroom	BTR	2	14	MKT	1,222	2,250	-	1.84	2,250	378,000
2 Bedroom	BTR	2	6	60% AMI	1,222	1,807	-	1.48	1,807	130,104
2 Bedroom	BTR	2	8	80% AMI	1,222	2,250	-	1.84	2,250	216,000
3 Bedroom	BTR	2	14	MKT	1,559	2,800	-	1.80	2,800	470,400
3 Bedroom	BTR	2	6	60% AMI	1,559	2,088	-	1.34	2,088	150,336
3 Bedroom	BTR	2	8	80% AMI	1,559	2,784	-	1.79	2,784	267,264
2 Bedroom	BTR	2	28	MKT	1,279	2,350	-	1.84	2,350	789,600
2 Bedroom	BTR	2	11	60% AMI	1,279	1,807	-	1.41	1,807	238,524
2 Bedroom	BTR	2	17	80% AMI	1,279	2,350	-	1.84	2,350	479,400
3 Bedroom	BTR	2	7	MKT	1,578	2,800	-	1.77	2,800	235,200
3 Bedroom	BTR	2	3	60% AMI	1,578	2,088	-	1.32	2,088	75,168
3 Bedroom	BTR	2	4	80% AMI	1,578	2,784	-	1.76	2,784	133,632
2 Bedroom	BTR	2	3	MKT	1,232	2,265	-	1.84	2,265	81,540
2 Bedroom	BTR	2	2	60% AMI	1,232	1,807	-	1.47	1,807	43,368
2 Bedroom	BTR	2	3	80% AMI	1,232	2,265	-	1.84	2,265	81,540
3 Bedroom	BTR	2	8	MKT	1,566	2,800	-	1.79	2,800	268,800
3 Bedroom	BTR	2	3	60% AMI	1,566	2,088	-	1.33	2,088	75,168
3 Bedroom	BTR	2	5	80% AMI	1,566	2,784	-	1.78	2,784	167,040
3 Bedroom	BTR	2	7	MKT	1,641	2,850	-	1.74	2,850	239,400
3 Bedroom	BTR	2	2	60% AMI	1,641	2,088	-	1.27	2,088	50,112
3 Bedroom	BTR	2	4	80% AMI	1,641	2,784	-	1.70	2,784	133,632
			163		227,829	392,019		1.72		4,704,228

Rental Income		Avg. Rent/Unit
Annual Income	4,704,228	2,405
Commercial Income	-	
Total Annual Income	4,704,228	

Other Income		Monthly Income	PUPM/stalls
Parking Income	96,600	8,050	49.39
Surface Parking	-	-	0.00
Application/Admin Fee	18,745	1,562	9.58
Insurance/Credit Assist	5,721	477	2.93
RUBs	152,405	12,700	77.92
Internet Charge Back	62,592	5,216	32.00
Pet Fees	51,345	4,279	26.25
Misc Income	29,340	2,445	15.00
Bad Debt	-	-	0.00%
Misc Income	416,748	34,729	213

Vacancy/Concessions	
Vacancy Factor - Residential	4.00%
Concessions (L/U)	0.10%
Concessions (Stabilized)	0.10%
Vacancy Factor - Commercial	0.00%

Residential Trending Assumptions	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6~
Rental Income	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%
Other Income	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%
Commercial Income	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Expenses	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%

The Porch
Operating Expenses

Operating Expenses				
	Annual	\$ / Unit	% of Gross Rents	Trend
Administrative				
Marketing and Leasing	59,495	365	1.22%	2.50%
General Admin	57,050	350	1.17%	2.50%
Salaries & Benefits	260,800	1,600	5.36%	2.50%
Total Admin. Expenses	377,345	2,315	7.76%	2.50%
Maintenance				
Repairs and Maintenance	138,550	850	2.85%	2.50%
Unit Turnover	22,820	140	0.47%	2.50%
Misc Maintenance	10,595	65	0.22%	2.50%
Total Maintenance Expense	171,965	1,055	3.53%	2.50%
Operating				
Utilities	179,300	1,100	3.69%	2.50%
Insurance	114,100	700	2.35%	2.50%
Total Operating Expenses	293,400	1,800	6.03%	2.50%
Total Property Expenses	842,710	5,170	17.32%	2.50%
Management Fee - (3.00%)	145,948	895	3.00%	3.00%
Real Estate Tax	121,017	742	2.49%	2.50%
Total Expenses	1,109,675	6,808	22.81%	2.50%
Replacement Reserve	32,600	200	0.67%	2.50%
Total Expenses	1,142,275	7,008	23.48%	2.50%

584 PUPM

The Porch
Source & Uses

Source	Construction	Post Construction	Permanent	
Agency	-	51,000,000	51,000,000	82.65%
Equity Placement	10,705,248	-	10,705,248	17.35%
Deferred Developer Fee	-	-	-	0.00%
Construction Loan	51,000,000	(51,000,000)	-	
Total	61,705,248	-	61,705,248	

Uses	Construction	Post Construction	Permanent	
Acquisition Costs & Improvements				
Land	10,634,766	-	10,634,766	
Construction Costs / Site Improvements				
Const. Contract	34,749,864	-	34,749,864	
Site Development	-	-	-	
GC Fees & Contingency				
Owner Contingency*	1,737,493	-	1,737,493	5.00%
Construction Interest & Fees				
Interest - Construction Loan	6,047,757	-	6,047,757	
Broker Fee	510,000	-	510,000	1.00%
Origination Fee	510,000	-	510,000	1.00%
HSF Consultant	50,000	-	50,000	
Title and Recordings	75,000	-	75,000	
3rd Party Reporting	25,000	-	25,000	
Legal & Closing Contingency	600,000	-	600,000	
Consulting Fee (Broadway RE Partners)	75,000	-	75,000	
Soft Costs				
Predevelopment	4,149,368	-	4,149,368	
Insurance	375,000	-	375,000	
FF&E	150,000	-	150,000	
RE Taxes during Construction	125,000	-	125,000	
Developer Fee				
Developer Fee (Hall)	1,094,621	-	1,094,621	3.00%
Developer Fee (Equity)	505,379	-	505,379	1.39%
Reserves				
Marketing	125,000	-	125,000	
Operating Deficit/WC Account	166,000	-	166,000	
	61,705,248	-	61,705,248	
		<i>TDC/Unit</i>	378,560	

Addendum C

Legal Description

METES AND BOUNDS

BEING A 11.640 ACRE TRACT OF LAND SITUATED IN JOHN BURLISON SURVEY NUMBER 33, ABSTRACT NUMBER 5, TRAVIS COUNTY, TEXAS, BEING COMPRISED OF A PORTION OF LOT 2, AND A PORTION OF LOT 3, FLANIKEN'S SUBDIVISION, RECORDED IN VOLUME 84, PAGE 480, PLAT RECORDS OF TRAVIS COUNTY, TEXAS, AND ALL OF LOT 11, PLAIN VIEW ESTATES, A SUBDIVISION RECORDED IN VOLUME 29, PAGE 7, PLAT RECORDS OF TRAVIS COUNTY, TEXAS, SAID 12.640 ACRE TRACT OF LAND BEING MORE FULLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

BEGINNING, AT A 1/2 INCH IRON PIPE FOUND AT THE SOUTHWEST CORNER OF SAID LOT 11, BEING AT THE NORTHWEST CORNER OF A CALLED 11.00 ACRE TRACT OF LAND CONVEYED TO GLEN AND BRANDY PHILLIPS BY JUDGEMENT DECLARING HEIRSHIP FROM HERMAN PHILLIPS RECORDED IN DOCUMENT NUMBER 2021136444, OFFICIAL PUBLIC RECORDS OF TRAVIS COUNTY, TEXAS, AND DESCRIBED IN VOLUME 3614, PAGE 480, DEED RECORDS OF TRAVIS COUNTY, TEXAS, SAME BEING IN THE EAST RIGHT-OF-WAY LINE OF HUNTERS BEND ROAD (R.O.W. VARIES), FOR THE SOUTHWEST CORNER AND THE POINT OF BEGINNING OF THE HEREIN DESCRIBED TRACT OF LAND,

THENCE, N27°05'07"E, WITH THE COMMON LINE OF SAID LOT 11 AND SAID HUNTERS BEND ROAD, A DISTANCE OF 490.74 FEET TO A 1 INCH IRON PIPE FOUND AT THE NORTHWEST CORNER OF SAID LOT 11, BEING AT THE SOUTHWEST CORNER OF LOT 12, SAID PLAIN VIEW ESTATES, SAME BEING A THE SOUTHWEST CORNER OF A CALLED 1.00 ACRE PORTION OF SAID LOT 12 CONVEYED TO JOE AGUILAR III IN DOCUMENT NUMBER 2016052678, OFFICIAL PUBLIC RECORDS OF TRAVIS COUNTY, TEXAS, ALSO BEING IN THE EAST LINE OF SAID HUNTERS BEND ROAD, FOR THE NORTHWEST CORNER OF THE HEREIN DESCRIBED TRACT OF LAND,

THENCE, S58°52'48"E, WITH THE COMMON LINE OF SAID LOT 11 AND SAID 1.000 ACRE TRACT OF LAND, PASSING AT A DISTANCE OF 249.04 FEET, THE SOUTHEAST CORNER OF SAID 1.000 ACRE TRACT OF LAND, FROM WHICH A 1/2 INCH IRON ROD FOUND BEARS S31°07'12"W, A DISTANCE OF 0.43 FEET, AND CONTINUING WITH THE COMMON LINE OF SAID LOT 11 AND SAID LOT 12 A TOTAL DISTANCE OF 676.77 FEET TO A CAPPED 1/2 INCH IRON ROD SET STAMPED "CBD SETSTONE" AT THE NORTHEAST CORNER OF SAID LOT 11, BEING AT THE SOUTHEAST CORNER OF SAID LOT 12, SAME BEING IN THE WEST LINE OF LOT 9, SAID PLAIN VIEW ESTATES, FROM WHICH A RAILROAD SPIKE FOUND IN STUMP BEARS S68°09'44"W, A DISTANCE OF 1.45 FEET, ALSO FROM WHICH A 1/2 INCH IRON PIPE FOUND AT THE NORTHEAST CORNER OF A CALLED 0.50 ACRE PORTION OF LOT 1, SAID PLAIN VIEW ESTATES, CONVEYED TO JESSE EMILY TORRES IN DOCUMENT NUMBER 2007191860, OFFICIAL PUBLIC RECORDS OF TRAVIS COUNTY, TEXAS, SAME BEING AT THE NORTHWEST CORNER OF A CALLED 1.25 ACRE PORTION OF LOT 8, SAID PLAIN VIEW ESTATES, CONVEYED TO RAUL PEREZ, ET UX IN DOCUMENT NUMBER 2019067306, OFFICIAL PUBLIC RECORDS OF TRAVIS COUNTY, TEXAS, ALSO BEING IN THE SOUTH RIGHT-OF-WAY LINE OF PLAIN VIEW DRIVE (50' R.O.W.), BEARS N28°06'17"E, A DISTANCE OF 640.63 FEET,

THENCE, S28°06'17"W, WITH THE EAST LINE OF SAID LOT 11 AND THE WEST LINE OF SAID LOT 9, A DISTANCE OF 49.39 FEET A 1/2 INCH IRON ROD FOUND AT THE SOUTHWEST CORNER OF SAID LOT 9, BEING AT THE NORTHWEST CORNER OF SAID LOT 3,

THENCE, S58°44'05"E, WITH THE COMMON LINE OF SAID LOT 9 AND SAID LOT 3, A DISTANCE OF 260.71 FEET TO A CALCULATED POINT AT A NORTHERN CORNER OF SAID LOT 3, BEING IN THE SOUTH LINE OF SAID LOT 9, SAME BEING AT THE NORTHWEST CORNER OF LOT 1, SAID FLANIKEN'S SUBDIVISION, FOR A NORTHERN CORNER OF THE HEREIN DESCRIBED TRACT OF LAND, FROM WHICH A 1/2 INCH IRON ROD FOUND BEARS N28°26'37"E, A DISTANCE OF 0.26 FEET, AND ALSO FROM WHICH A 1/2 INCH IRON ROD FOUND AT THE NORTHEAST CORNER OF SAID LOT 1, BEING AT THE SOUTHEAST CORNER OF SAID LOT 9, SAME BEING IN THE WEST RIGHT-OF-WAY LINE OF PLAIN VIEW DRIVE (55' R.O.W.), BEARS S58°44'05"E, A DISTANCE OF 365.90 FEET,

THENCE, WITH THE COMMON LINE OF SAID LOT 3 AND SAID LOT 1, THE FOLLOWING TWO (2) COURSES AND DISTANCES, NUMBERED 1 AND 2,

- 1) S28°15'11"W, A DISTANCE OF 121.34 FEET TO A 1/2 INCH IRON ROD FOUND AT THE SOUTHWEST CORNER OF SAID LOT 1, BEING AT AN INTERIOR CORNER OF SAID LOT 3, FOR AN INTERIOR CORNER OF THE HEREIN DESCRIBED TRACT OF LAND, AND
- 2) S59°30'57"E, PASSING THE NORTHWEST CORNER OF LOT 2 SAID FLANIKEN'S SUBDIVISION, AND CONTINUING FOR A TOTAL DISTANCE OF 366.00 FEET TO A CAPPED 1/2 INCH IRON ROD SET STAMPED "CBD SETSTONE" AT THE SOUTHEAST CORNER OF SAID LOT 1, BEING AT THE NORTHEAST CORNER OF SAID LOT 2, SAME BEING IN THE WEST LINE OF SAID PLAIN VIEW DRIVE, FOR THE NORTHEAST CORNER OF THE HEREIN DESCRIBED TRACT OF LAND, FROM WHICH A 1/2 INCH IRON ROD FOUND AT THE NORTHEAST CORNER OF SAID LOT 1, BEING AT THE SOUTHEAST CORNER OF SAID LOT 9, ALSO BEING IN THE WEST LINE OF SAID PLAIN VIEW DRIVE BEARS N28°05'30"E, A DISTANCE OF 116.36 FEET, ALSO FROM WHICH A 1/2 INCH IRON ROD FOUND BEARS S75°08'35"E, A DISTANCE OF 0.83 FEET,

THENCE, S28°05'30"W, WITH THE COMMON LINE OF SAID LOT 2 AND SAID PLAIN VIEW DRIVE, A DISTANCE OF 236.19 FEET TO A CAPPED 1/2 INCH IRON ROD SET STAMPED "CBD SETSTONE" IN THE SOUTHEAST LINE OF SAID LOT 2, SAME BEING IN THE WEST LINE OF SAID PLAIN VIEW DRIVE, FOR THE SOUTHEAST CORNER OF THE HEREIN DESCRIBED TRACT OF LAND, FROM WHICH A 1/2 INCH IRON ROD FOUND AT THE SOUTHEAST CORNER OF SAID LOT 3, BEING AT THE INTERSECTION OF THE WEST LINE OF SAID PLAIN VIEW DRIVE AND THE NORTH LINE OF HUNTERS BEND ROAD BEARS S28°05'30"W, A DISTANCE OF 127.74 FEET,

THENCE, OVER AND ACROSS SAID LOT 2 AND SAID LOT 3, THE FOLLOWING TWO (2) COURSES AND DISTANCES NUMBERED 1 AND 2,

- 1) N62°05'32"W, A DISTANCE OF 373.70 FEET TO CAPPED 1/2 INCH IRON ROD SET STAMPED "CBD SETSTONE" FOR CORNER, AND
- 2) S27°40'31"W, A DISTANCE OF 11.02 FEET TO A 1/2 INCH IRON ROD FOUND AT AN INTERIOR CORNER OF SAID LOT 3, BEING AT THE NORTHEAST CORNER OF THE AFOREMENTIONED 11.00 ACRE TRACT OF LAND, FOR A SOUTHERN CORNER OF THE HEREIN DESCRIBED TRACT OF LAND,

THENCE, N62°05'08"W, WITH THE COMMON LINE OF SAID LOT 3 AND SAID 11.00 ACRE TRACT OF LAND, A DISTANCE OF 252.12 FEET TO A 3/8 INCH IRON ROD FOUND AT THE SOUTHWEST CORNER OF SAID LOT 3, BEING AT THE SOUTHEAST CORNER OF SAID LOT 11,

THENCE, N62°21'38"W, WITH THE COMMON LINE OF SAID LOT 11 AND SAID 11.00 ACRE TRACT OF LAND, A DISTANCE OF 667.13 FEET TO THE POINT OF BEGINNING AND CONTAINING 11.640 ACRES OF LAND.

Addendum D

Memorandum of Understanding

TERM SHEET FOR THE DEVELOPMENT OF

The Porch Townhomes

IN TRAVIS COUNTY, TEXAS

2/__/2025

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

The Project will be owned by Travis County Facilities Corporation (the "**PFC**"). Approximately 11.7 acres of land located at 14356 Hunter's Bend Road is currently owned by an affiliate of Ledgestone Development Group, LLC ("**Developer**") and will be conveyed to the PFC. The PFC will at Closing pay that Developer affiliate for the land (including predevelopment cost to date plus carrying cost and preferred return, such amount being the "**Agreed Value**") and simultaneously enter into a lease with the Tenant for the land (the "**Land**"), who will make a Prepaid Rent Prepayment to the PFC of an amount equal to the cost of the Land. Tenant will be responsible for the development and construction of the Improvements and the costs associated therewith. The Land and Improvements will be leased to Tenant on a long-term lease.

Ad Valorem

Tax Exemption:

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

commencement of the Lease, then at the option of Tenant, Landlord will convey to the Tenant the Project in fee and the Lease and accompanying regulatory agreement will terminate, upon payment by Tenant to Landlord the Termination Fee. In the event of a Loss of Tax Status Event, prior to the transfers discussed in the prior sentence, the PFC and the Tenant shall use reasonable efforts to modify the structure to allow the ad valorem tax exemption to continue. Notwithstanding the foregoing, Landlord shall effectuate the aforementioned transfers within one hundred twenty (120) days following a Loss of Tax Status Event if the efforts of Landlord and Tenant have not resulted in the reinstatement of a one hundred percent (100%) ad valorem tax exemption.

Capital Event Rent:

For any Refinancing Event that occurs before the initial Sale Event, the PFC shall receive 15% of the refinancing proceeds, if any, after payment of all debt, closing costs, establishment of reserves, return of all equity capital and the 8% Return to the Equity Partner, and payment of any and all fees owed to Developer or its affiliates, including but not limited to the deferred developer fee, repayment of all Partner loans, and reimbursement for any amounts paid as a result of guaranteed obligations. On the initial Sale Event, the PFC shall receive 15% of the sale proceeds, after payment of all debt, closing costs, establishment of required reserves, return of all equity capital, and the 8% Return to the Equity Partner, and payment of any and all fees owed to Developer or its affiliates, including but not limited to the deferred developer fee, repayment of all Partner loans, and reimbursement for any amounts paid as a result of guaranteed obligations. At subsequent Sale Events, the PFC shall receive a payment equal to 2% of the gross sales price. “8% Return” means an amount sufficient to cause Equity Partner to receive an internal rate of return on the equity capital of Equity Partner.

Closing Date:

The date of closing for all financing for the Project.

Construction:

Tenant will contract with the PFC, as General Contractor, to construct the Improvements; and the PFC will enter into a Master Sub-Contract with Legacy MCS, LLC (the “Subcontractor”) to construct the Improvements. Subject to the lender’s and Equity Partner’s consent, Contractor will receive a Contractor Fee of 4%, and any construction contract will also include a contractor’s contingency of not less than 1% solely for the use of the contractor with additional contingency to be held by Developer. Developer or its affiliates will provide construction completion guarantees necessary to satisfy any lenders and Equity Partners for the Project on terms acceptable to Developer in its sole discretion. The PFC shall receive a construction administration fee equal to \$1,500 per unit payable on a percentage of completion basis. The PFC, as General Contractor, shall be indemnified to the fullest extent permitted by applicable law by each of the Tenant and

Subcontractor, and the indemnification shall be reflected in the construction contract documentation.

County: Travis County, Texas

Developer: Ledgestone Development Group, LLC, or another affiliate of Developer.

Developer Fee: Developer is to receive a Developer Fee in connection with the development of the Project in an amount equal to two and three quarter percent (2.75%) of the total development costs of the Project. It is anticipated that (15%) of the Developer Fee will be earned and paid at the construction loan closing. Seventy-five percent (75%) of the Developer Fee will be earned and paid monthly out of the loan proceeds as part of the monthly construction loan process, and the final ten percent (10%) will be earned and paid upon issuance of the final certificate of occupancy for the Project. The timing and amount of the payment shall be subject to the lender and Equity Partner's consent. Developer will pay PFC 15% of all Developer Fees it receives when received.

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

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

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

encumbrances and any further indemnity obligations to Landlord but subject to the rights, liens, assignments and security interests of any Permitted Leasehold Mortgagee.

Equity Partner:	A partnership, the sole general partner of which will be Developer or an affiliate, and whose limited partners will be a Developer affiliate (which will contribute the Land Contribution and some cash in accordance with the Project Budget) or the Equity Partners (which will contribute cash in accordance with the Project Budget).
General Partner:	A Texas limited liability company affiliated with Developer.
Governing Law:	State of Texas.
Guarantees:	Certain financial obligations will be guaranteed by Developer or an affiliate on terms to be negotiated by Developer and lenders and the Equity Partners. The PFC will not be required to provide any financial guarantees with respect to financing or construction of the Project.
Improvements:	Approximately 163 units of multifamily residential housing in the Project, together with all onsite and offsite infrastructure improvements for the Project, pursuant to Plans and Specifications developed by Developer, and will include a swimming pool, dog park, lobby and leasing office, outdoor grills and other Class-A multifamily amenities appropriate for the Project as determined by Tenant Partnership.
Land:	Approximately 11.7 +/- acres for the Project to be built and operated as proposed by this Term Sheet, located in Travis County, Texas, as more fully described on Exhibit A hereto.
Lease:	<p>Lease between the PFC, as landlord, and Tenant, pursuant to which the PFC leases each phase of the Project to the Tenant for a term of 75 years (the “Lease”). So long as Tenant is not in default under the Lease, Tenant will be permitted under the Lease to assign its interest in the Lease without the requirement of any consent from Landlord. Landlord will not be permitted to assign its interests under the Lease in any manner which jeopardizes the availability of exemption of the Project from ad valorem taxation.</p> <p>The Lease will provide that Tenant will set aside or rent 30% of the units to tenants whose income is not more than 80% of the AMI, and 20% of the units to tenants whose income is not more than 60% of the AMI (the “Affordable Units”). The income and rent limits will be adjusted for family size and bedroom size and rent shall be calculated as required by the Code (the “Affordability Requirement”). The Affordable Units at each AMI level will be spread prorata with the overall unit mix between two and three bedroom units, as applicable.</p>

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 insure the Project and will set aside an amount per door per year as determined by lenders as a reserve for replacements. As used herein, “**Class A Projects**” shall mean Class A, suburban build to rent multi-family projects in the near vicinity of the Project similarly situated in all respects, which were built between 2023 and 2024, with wood frame construction. Tenant will provide full indemnities to the PFC. 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 architect or engineer experienced in such assessments at seven year intervals, prior to a capital event, and at any point in time when occupancy falls below 85% following reaching initial operating stabilization of 93% occupancy. 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.

The lease will require the Tenant to operate the project in compliance with the provisions of Chapter 303 of the Texas Local Government Code. This will include the provisions of Section 303.0425 (relating to tenant protections) and 303.0426 (relating to audits).

Management:

The property management company that will be designated the property manager for the Project and will manage the leasing and operations of the Project is still to be determined. Management will receive a base Management Fee as follows: between 3 and 4% or as determined by competitive interview process for standard rates in the market for similar service. Management company shall be acceptable to the [Executive Director] of the PFC, provided that in the event the PFC fails to approve or disapprove any property management company submitted to the Executive Director within ten (10) business days from such submission, then such property management company shall be deemed approved.

The PFC shall have a right to approve any new property management company, which approval shall not be unreasonably withheld, conditioned or delayed. The property management company may be removed or replaced by the PFC (after notice and a cure period) (i) upon any failing inspection by a governmental agency, (ii) in the event of any violation of any legal requirements (including any governmental code, statute or regulation) that is outstanding for the greater of ninety (90) days or the allotted correction period provided by such legal

requirement, (iii) if occupancy of the Project is less than 87% for any consecutive three-month period after stabilization and the Project fails to meet the debt service coverage ratio requirements of any loans or (iv) if the property management company has materially breached its obligations under the property management agreement.

Marketing: Developer agrees to comply with the disclosure and marketing provisions of Section 303.0425 of the Texas Local Government Code and include in all public marketing materials and websites for the Project a reference to the affordability provisions and Section 8 and other rental assistance voucher acceptance.

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

PFC: Travis County Facilities Corporation.

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

Plans and Specifications: The PFC, Tenant Partnership, Lenders, and Equity Partner will have the right to review and approve the Plans and Specifications for Project once they are materially completed, the approval of which will not be unreasonably withheld or delayed. PFC's failure to either approve or reject the Plans and Specification within ten (10) business days from receipt shall be deemed the approval of PFC. Once they have approved the conceptual and/or schematic design for the Project, the PFC may not object to such design Plans and Specifications, unless the subsequent Plans and Specifications materially and adversely affects the design character or value of the Project.

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

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

Project Financing:

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

Loans

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

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

Equity

Developer will obtain one or more Equity Partners who will invest approximately the amount shown in the Project Budget. One of the Equity Partners will be Developer Limited Partner (which will make a contribution of the Land at the Agreed Value and a contribution of cash as provided for in the Project Budget). Contributions from the Equity Partners will be contributed to the Equity Partnership, (which will be contributed by the Equity Partnership to the Tenant for approximately the amounts shown in the Project Budget). The Equity Partner will be paid from the available cash flow (the "**Cash Flow**") of the Equity Partnership (as determined in the applicable limited partnership agreement) and will at all times be subordinate to the Loans. The Equity Partners (including Developer Limited Partner) will receive a return hurdle which is expected to be approximately TBD% on their initial contributions and will be repaid their investment from a Capital Event before any "Promote". Accordingly, Cash Flow splits will adjust after the payment of the hurdle returns.

Project:

Approximately 163 units of multifamily housing to be built on the Land and operated as proposed by this Term Sheet, located in Travis County, Texas, and shown on the parcel map attached as Exhibit A hereto.

Project Term:	The “ Project Term ” is initially from the commencement of Project for a period of 75 years after closing. Two years prior to the end of the Project Term, Tenant shall assist the PFC with evaluating its options upon the end of the Project Term and the reversion of the Project to the PFC. Should the PFC choose to sell the Project at the end of the Project Term, the Tenant shall assist the PFC in the sale of the Project.
Refinancing Event:	Any refinancing of any loan, or receipt of any insurance or condemnation proceeds (other than business interruption or similar type of insurance or condemnation proceeds which cover a temporary taking of all or any portion of the Project and after such proceeds are applied to the rebuilding, repair or replacement of the Project) which occurs before the initial Sales Event.
Rent:	Tenant will pay PFC rent equal to the total cost of the development x 80% x the applicable tax rate if the Project were taxable x 15% (such amount currently estimated to be \$120,646 , commencing six months after the Project stabilizes, which is defined as reaching 90% occupancy, which shall be the start of Year 1. Thereafter payments shall increase by 3.0% per year. Rent will be paid annually, in full, on the first of the month following six months after stabilization and every 12 months thereafter. The annual Rent will be subordinated to debt service but shall be paid before any distribution to Equity Partners. Upon the initial Sale Event rent shall be adjusted to equal the Sale Price x 80% x .15% times the tax rate.
Sale Event:	A sale of the Project (including any proposed assignment of the entire Lease) to a third party for consideration or a sale or assignment of greater than 50% of the interests in the Tenant or an entity that controls or has a greater than 50% ownership interest in the Tenant (excluding assignments to affiliates or transfers pursuant to or for estate planning purposes that do not result in the receipt of cash or property by an investor) to a third party for consideration. Tenant and/or Tenant’s partners shall be prohibited from transferring the Project or any direct or indirect interests in Tenant to an entity (or any affiliate of such entity) (a) that has been debarred by the Texas Department of Housing and Community Affairs or (b) with whom the PFC or any of its affiliates has actively engaged in litigation.
Sale Price:	The sales price received by the Tenant for a Capital Event.
Sales Tax:	The PFC will serve as General Contractor (which it will subcontract to Subcontractor) and will provide an exemption certificate for the purchase of materials for the construction of the Project so that the purchases should be exempt from all sales and use taxes pursuant to Applicable Law.

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

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

Signature Pages Follow

DEVELOPER:

LEDGESTONE DEVELOPMENT GROUP, LLC

By:

Name:

Title:

PFC:

TRAVIS COUNTY FACILITIES CORPORATION

By:

Name:

Title:

EXHIBIT A

Property

Attach relevant documents here.

DOCID: DOCPROPERTY DOCXDOCID DMS=IMange Format=<<LIB>>-
#<<NUM>>.<<VER>>

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

T +1 512 499 4909

M +1 512 501 9444

E grant.mueller@cbre.com

Clients Represented

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

Pro Affiliations / Accreditations

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

Education

- University of Texas, Austin

Professional Experience

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

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

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

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

Pro Affiliations

APPRAISAL INSTITUTE

- Designated Member (MAI)
- RECA Member

Accreditations

CERTIFIED GENERAL REAL ESTATE APPRAISER

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

PROFILES

Education

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



Certified General Real Estate Appraiser


Appraiser: Grant Branden Mueller

License #: TX 1337145 G

License Expires: 07/31/2027

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

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


Chelsea Buchholtz
Executive Director