

Consulting Assignment

MERYL STREET APARTMENTS

900 S Buddy Hayes Blvd
Anna, Texas 75409

Prepared for: Anna Public Facility Corporation
Date of Report: January 8, 2025
CBRE File No.: CB24US115954-1

Date of Report: January 8, 2025

Mr. Ryan Henderson
City Manager
ANNA PUBLIC FACILITY CORPORATION
120 W 7th St
Anna, Texas 75409

RE: Appraisal of: Meryl Street Apartments
900 S Buddy Hayes Blvd
Anna, Collin County, Texas
CBRE File No.: CB24US115954-1

Dear Mr. Henderson:

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 340-unit multi-family project situated south of W White Street along the future extension of S Buddy Hayes Blvd in Anna, Texas. Upon completion, the property will consist of 10 three- and four-story garden-style apartment buildings. The improvements will be constructed in 2025-2026 and will be situated on a 15.402-acre site. The project will be owned by an affiliate of the Anna Public Facility Corporation (the "PFC") and leased to Meryl Street LP, a subsidiary entity owned by an affiliated entity of the PFC and NRP Lone Star Development LLC (the "Developer"). The Developer will seek a 100% property tax exemption for the subject, and in return, the subject will set aside or rent at least 10% of the units (34 units) to tenants whose income is less than 60% of the area median income (AMI) and 40% of the units (136 units) to tenants whose income is less than 80% of the AMI. The rents charged will not exceed thirty percent (30%) of the applicable AMI of a qualifying lower- or moderate-income tenant. The remaining units will be market rate.

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

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

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

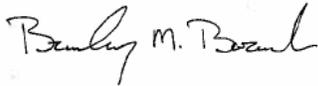
The following consulting report sets forth the most pertinent data gathered, the techniques employed, and the reasoning leading to the opinion of value. The analyses, opinions and conclusions were developed based on, and this report has been prepared in conformance with, the guidelines and recommendations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

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

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

Respectfully submitted,

CBRE - VALUATION & ADVISORY SERVICES



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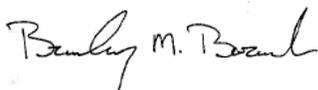


Grant Mueller, MAI
Title: Managing Director
Phone: (512) 499-4909
Email: grant.mueller@cbre.com
License No. & State: 1337145-G, Texas

Certification

We certify to the best of our knowledge and belief:

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



Bradley Baroch, MAI
1338837-G, Texas



Grant Mueller, MAI
1337145-G, Texas

Subject Photographs



Aerial View (Source: LandVision)

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



Typical View of Subject



Typical View of Subject



Typical View of Subject



Unnamed Internal Drive at Subject



Terminus of S Buddy Hays Blvd Terminus just north of Subject (Facing South)



W White St north of Subject (Facing East)

Executive Summary

Property Name	Meryl Street Apartments	
Location	900 S Buddy Hayes Blvd Anna, Collin County, TX 75409	
Parcel Number(s)	R938000A00801, R938000B00101	
Client	Anna Public Facility Corporation	
Date of Inspection	December 26, 2024	
Primary Land Area	15.402 AC	670,894 SF
Zoning	Multiple Family Residential - High Density	
Proposed Improvements		Comments
Property Type	Multifamily	(Multi-Family Garden)
Number of Residential Buildings	10	
Number of Stories	4	(3- to 4-stories)
Gross Building Area	307,693 SF	
Net Rentable Area	302,223 SF	
Number of Units	340	
Average Unit Size	889 SF	
Year Built	2026	(Proposed)
Condition upon Completion	Excellent	
Financial Indicators		
Stabilized Occupancy	93.0%	
Stabilized Credit Loss	1.0%	

Pro Forma As Proposed Restricted, with Abatement	Total	Per Unit
Effective Gross Income	\$7,187,007	\$21,138
Operating Expenses	\$2,030,564	\$5,972
Expense Ratio	28.25%	
Net Operating Income	\$5,156,442	\$15,166

Compiled by CBRE

Market Volatility

We draw your attention to a combination of inflationary pressures beginning in 2022, which led to higher interest rates during this period, slowing job growth, stress in banking systems, which have significantly increased the potential for constrained credit markets, negative capital value movements, and enhanced volatility in property markets. Beginning in September of 2024, the Fed lowered the federal funds rate by 100 basis points over the course of three FOMC meetings. Although the extent and timing of any future reductions are uncertain, two additional rate cuts are widely expected in 2025. While this may help bolster future commercial real estate investment activity, the risk of near-term market volatility remains.

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

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

Extraordinary Assumptions

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

- This analysis assumes that the proposed improvements will be constructed with good workmanship and high-quality build-out. Furthermore, this analysis assumes the proposed improvements will be 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

Title to the property is currently vested in the name of ANNA 31 RETAIL LP, which re-platted the subject in June 2022 (Document No. 202201000290 of the Collin County Deed Records). However, no deed transfers were noted over the past 3 years, and to the best of our knowledge there has been no ownership transfer of the property during the previous three years. The subject is currently under contract for \$6,708,240 to the Developer.

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

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

Table of Contents

Certification..... i

Subject Photographs..... ii

Executive Summary iv

Table of Contents vi

Scope of Work..... 1

Area Analysis 4

Neighborhood Analysis 6

Site Analysis 14

Zoning..... 29

Tax and Assessment Data31

Market Analysis.....33

Cost Analysis45

Income & Debt Coverage Analysis..... 48

Community Benefit Analysis.....70

Assumptions and Limiting Conditions 75

ADDENDA

A Rent Comparables

B Subject Property Data

C Legal Description

D Memorandum of Understanding

E Qualifications

Scope of Work

Intended Use Of Report

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

Client

The client is the Anna Public Facility Corporation.

Intended User Of Report

This appraisal is to be used by the Anna Public Facility Corporation and its Board of Directors. No other user(s) may rely on our report unless as specifically indicated in this report.

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

Reliance Language

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

Purpose of the Report

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

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

Extent to Which the Property is Identified

The property is identified through the following sources:

- assessor's records
- legal description

Extent to Which the Property is Inspected

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

Type and Extent of the Data Researched

CBRE reviewed the following:

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

Type and Extent of Analysis Applied

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

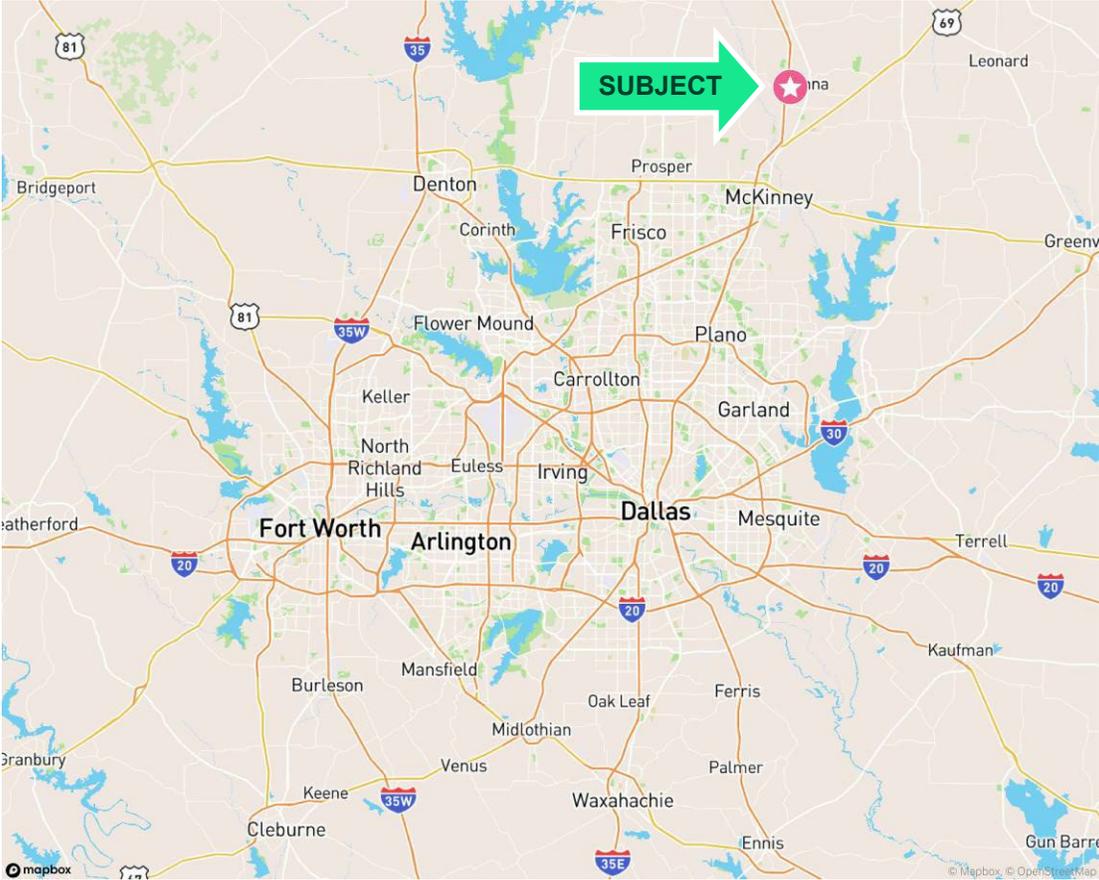
Statement of Competency

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

Data Resources Utilized in the Analysis

DATA SOURCES	
<i>Item:</i>	<i>Source(s):</i>
Site Data	
Size	ALTA/NSPS Land Title Surveys by Ringley & Associates, Inc. dated 12/18/2024
Improved Data	
Building Area	NRA - Developer Provided Unit Mix (Undated); GBA - Developer Project Data & Unit Mix Summary Matrix by ALTA Architechs dated 11/7/2024
Area Breakdown/Use	Developer Project Data & Unit Mix Summary Matrix by ALTA Architechs dated 11/7/2024
No. Bldgs.	Architectural Site Plan by Alta Architechts dated 7/3/2024
Parking Spaces	Developer Project Data & Unit Mix Summary Matrix by ALTA Architechs dated 11/7/2024
Year Built/Developed	Developer
Economic Data	
Deferred Maintenance:	Not Applicable
Building Costs:	Developer's Budget
Income Data:	Developer's Pro Forma
Expense Data:	Developer's Pro Forma
Compiled by CBRE	

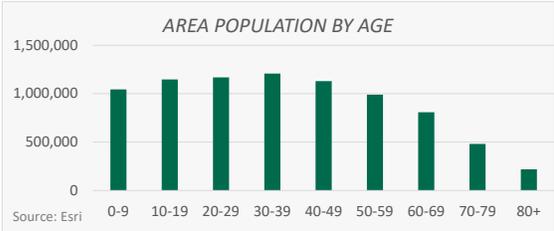
Area Analysis



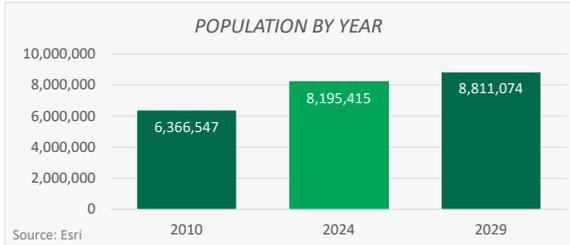
The subject is located in the Dallas-Fort Worth-Arlington, TX Metropolitan Statistical Area. Key information about the area is provided in the following tables.

POPULATION

The area has a population of 8,195,415 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.



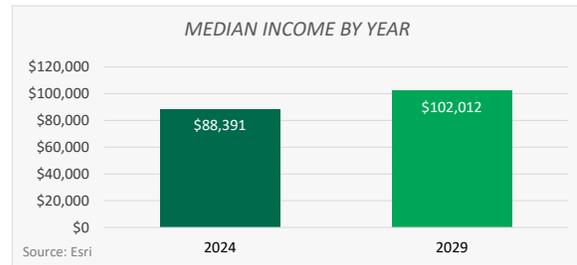
Population has increased by 1,828,868 since 2010, reflecting an annual increase of 1.8%. Population is projected to increase by 615,659 between 2024 and 2029, reflecting a 1.5% annual population growth.



Source: ESRI, downloaded on Jan, 2 2025

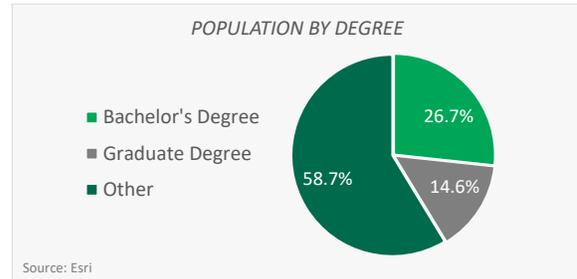
INCOME

The area features an average household income of \$123,641 and a median household income of \$88,391. Over the next five years, median household income is expected to increase by 15.4%, or \$2,724 per annum.

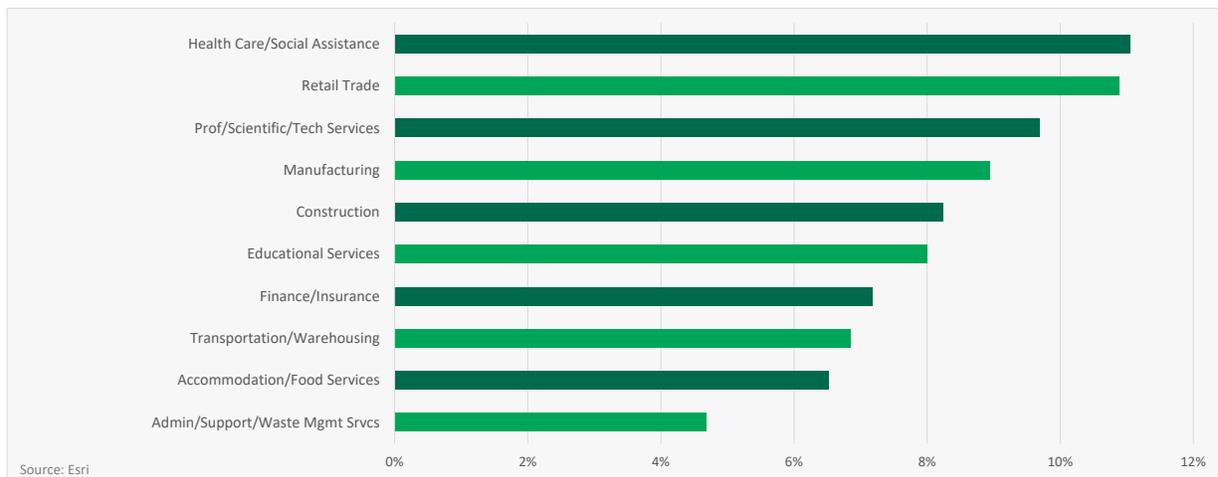


EDUCATION

A total of 41.3% of individuals over the age of 24 have a college degree, with 26.7% holding a bachelor's degree and 14.6% holding a graduate degree.



EMPLOYMENT



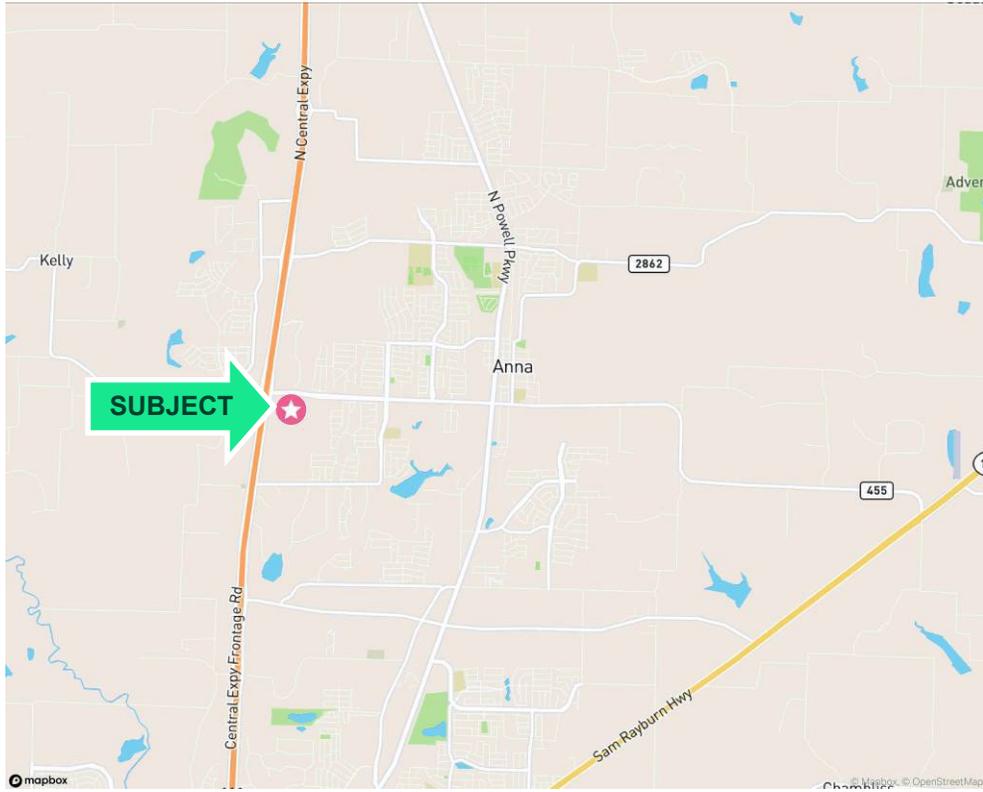
The area includes a total of 4,348,167 employees and has a 3.9% unemployment rate. The top three industries within the area are Health Care/Social Assistance, Retail Trade and Prof/Scientific/Tech Services, which represent a combined total of 32% of the workforce.

Source: ESRI, downloaded on Jan 2, 2025; BLS.gov dated Oct 1, 2024 (preliminary)

Conclusion

In summary, the MSA is forecasted to experience an increase in population and an increase in household income.

Neighborhood Analysis



Location

The subject is located in the City of Anna, TX, which is situated in northern Collin County. Anna is located approximately 40 miles north/northeast of the Dallas CBD and 60 miles northeast of the Fort Worth CBD. The subject is generally located at the intersection of Interstate Highway 75 and W White Street in the western portion of Anna.

Boundaries

The neighborhood boundaries are detailed as follows:

North:	City of Anna City Limits
South:	City of Anna City Limits
East:	City of Anna City Limits
West:	City of Anna City Limits

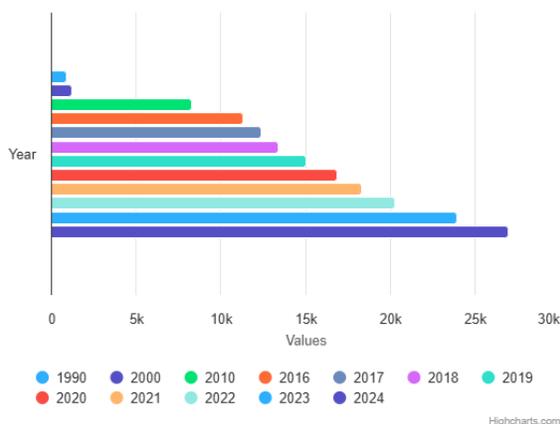
Land Use

Land uses within the subject neighborhood consist of a mixture of commercial and residential development. The immediate area surrounding the subject is an established area of development, consisting primarily of residential uses with much of the development being built since 2000. The majority of the single-family residential development within a one-mile radius of the subject may be described as homes in the \$200,000 to \$300,000 or between \$500,000 and \$750,000 price range. The median home value within a one-mile radius is about \$382,308.

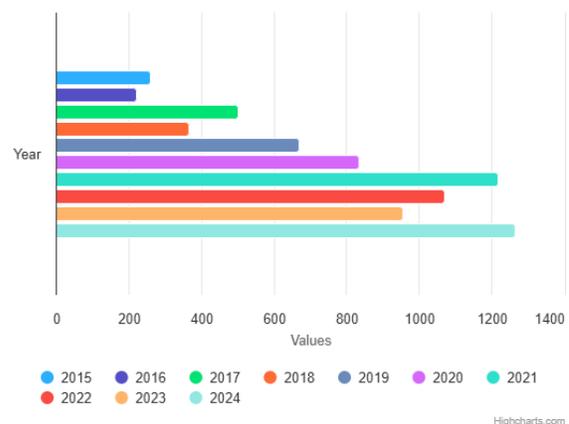
Growth Patterns

Anna is one of the fastest growing cities in Texas, as illustrated in the following tables from the Anna EDC.

Population Growth



Housing Starts



Over the past 10 years, much of the agricultural land throughout the city has been acquired for residential subdivision development. Some larger master-planned developments in the city are briefly described below.

Anna Town Center

Anna Town Center is a 115-acre master planned development located at the northeast corner of White Street and US Highway 75. It is anchored by a Walmart, and includes multiple retail strip centers, fast food restaurants, and a hotel. Phases II and III are largely vacant, however, preliminary plans included a theater, a hospital, and an apartment project.

Anna Town Square

Generally located at the northeastern quadrant of Foster Crossing Road and Powell Parkway, at the southeastern edge of the city, Anna Town Square is a 536-acre mixed used development that includes over 1,500 single family residential lots.

Crystal Park

Crystal Park is a 390-acre project located on the west side of US Highway 75, near FM 455. It will include 1,000 residential lots and roughly 30 acres of commercial land adjacent to the highway. An additional 52 acres are designated for mixed use development and 18 acres are designated for mixed-use development.

Villages at Hurricane Creek

Villages at Hurricane Creek master planned community located along White Street, west of US Highway 75. The MPC is in the early Phase I development stage with a relatively small number of completed homes by developers First Texas homes, Centurion American, and Mattamy Homes (advertised pricing in the \$500's to \$700's). The MPC developer plans to eventually construct nearly 1,000 single family homes, 400 apartment units, and 50,000 square feet of retail place.

Access

Primary access to the subject neighborhood is provided by US Highway 75 and State Highway 121. Additional access is provided by secondary roadways including east/west carriers Houston Street, West White Street, Collin County Outer Loop, and north/south carrier State Highway 5.

The commute to the Dallas Central Business District is about 45 minutes, compared with the commute to Fort Worth which is about a 60-minute drive. The DFW Airport is approximately a 40-minute drive.

Demographics

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

SELECTED NEIGHBORHOOD DEMOGRAPHICS

900 S Buddy Hayes Blvd Anna, TX 75409	1 Mile Radius	3 Mile Radius	5 Mile Radius	Dallas-Fort Worth-Arlington, TX Metropolitan Statistical Area
Population				
2029 Total Population	8,317	41,353	93,114	8,811,074
2024 Total Population	5,154	27,338	61,784	8,195,415
2010 Total Population	2,486	9,540	17,038	6,366,547
2000 Total Population	80	2,700	6,967	5,156,282
<i>Annual Growth 2024 - 2029</i>	<i>10.04%</i>	<i>8.63%</i>	<i>8.55%</i>	<i>1.46%</i>
<i>Annual Growth 2010 - 2024</i>	<i>5.35%</i>	<i>7.81%</i>	<i>9.64%</i>	<i>1.82%</i>
<i>Annual Growth 2000 - 2010</i>	<i>41.01%</i>	<i>13.45%</i>	<i>9.35%</i>	<i>2.13%</i>
Households				
2029 Total Households	2,627	13,458	30,818	3,228,215
2024 Total Households	1,612	8,691	19,851	2,978,430
2010 Total Households	770	3,058	5,640	2,296,412
2000 Total Households	29	908	2,446	1,878,990
<i>Annual Growth 2024 - 2029</i>	<i>10.26%</i>	<i>9.14%</i>	<i>9.20%</i>	<i>1.62%</i>
<i>Annual Growth 2010 - 2024</i>	<i>5.42%</i>	<i>7.75%</i>	<i>9.40%</i>	<i>1.87%</i>
<i>Annual Growth 2000 - 2010</i>	<i>38.81%</i>	<i>12.91%</i>	<i>8.71%</i>	<i>2.03%</i>
Income				
2024 Median Household Income	\$89,497	\$98,193	\$112,416	\$88,391
2024 Average Household Income	\$104,688	\$121,911	\$145,057	\$123,641
2024 Per Capita Income	\$33,221	\$39,066	\$46,454	\$44,980
2024 Pop 25+ College Graduates	1,491	7,980	18,699	2,239,250
Age 25+ Percent College Graduates - 2024	48.0%	47.2%	49.1%	41.3%

Source: ESRI

Conclusion

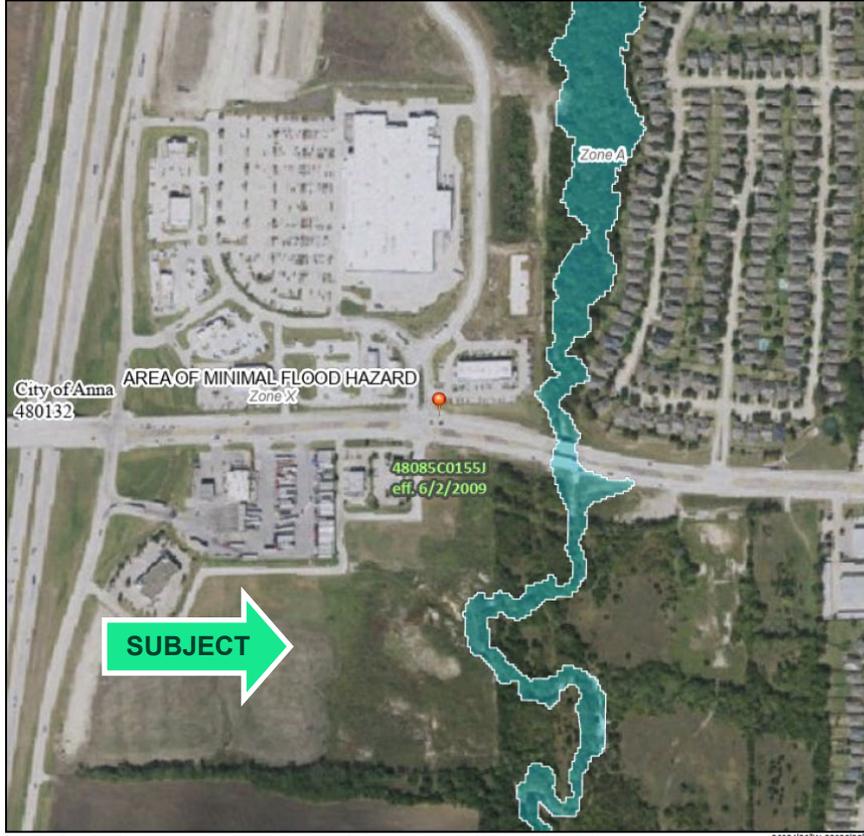
The 2024 median household income within a one-mile radius of the subject is estimated to be \$89,497, while the median household income for Dallas/Fort Worth MSA is estimated to be \$88,391. Therefore, the subject neighborhood currently has a middle income demographic profile. Additionally, the subject neighborhood has been exhibiting strong population growth with continued growth projected over the next five years. Therefore, the demand for existing multifamily developments is expected to remain good for the foreseeable future.

Flood Plain Map

National Flood Hazard Layer FIRMette



96°35'13"W 33°21'N



Basemap Imagery Source: USGS National Map 2023

Source: FEMA

Legend

SEE FIS REPORT FOR DETAILED LEGEND AND INDEX MAP FOR FIRM PANEL LAYOUT

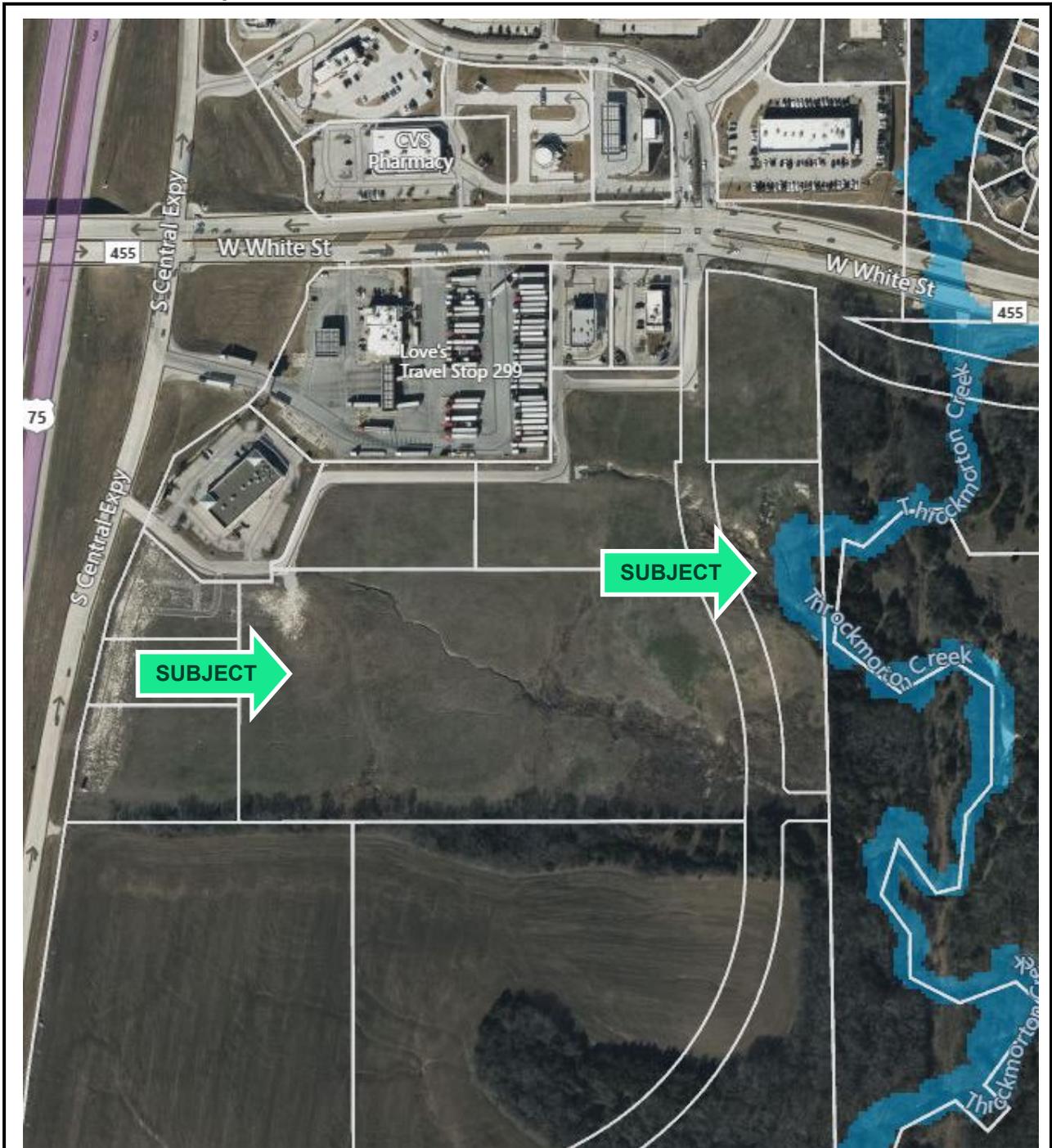
SPECIAL FLOOD HAZARD AREAS	<ul style="list-style-type: none"> Without Base Flood Elevation (BFE) Zone A, V, A99 With BFE or Depth Zone AE, AO, AH, VE, AR Regulatory Floodway
OTHER AREAS OF FLOOD HAZARD	<ul style="list-style-type: none"> 0.2% Annual chance Flood Hazard, Areas of 1% annual chance flood with average depth less than one foot or with drainage areas of less than one square mile. Zone X Future conditions 1% Annual chance Flood Hazard. Zone X Area with Reduced Flood Risk due to Levee. See Notes, Zone X Area with Flood Risk due to Levee. Zone D
OTHER AREAS	<ul style="list-style-type: none"> NO DRAINAGE Area of Minimal Flood Hazard. Zone X Effective LOMRS Area of Undetermined Flood Hazard. Zone D
GENERAL STRUCTURES	<ul style="list-style-type: none"> channel, culvert, or Storm Sewer Levee, Dike, or Floodwall
CROSS SECTIONS	<ul style="list-style-type: none"> Cross Sections with 1% Annual chance Water Surface Elevation Coastal Transsect Base Flood Elevation Line (BFE) Limit of Study Jurisdiction Boundary Coastal Transsect Baseline Profile Baseline Hydrographic Feature
OTHER FEATURES	<ul style="list-style-type: none"> Digital Data Available No Digital Data Available Unmapped
MAP PANELS	<ul style="list-style-type: none"> The pin displayed on the map is an approximate point selected by the user and does not represent an authoritative property location.

This map complies with FEMA's standards for the use of digital flood maps if it is not void as described below. The basemap shown complies with FEMA's basemap accuracy standards.

The flood hazard information is derived directly from the authoritative NFHL web services provided by FEMA. This map was exported on 12/31/2024 at 1:49 AM and does not reflect changes or amendments subsequent to this date and time. The NFHL and effective information may change or become superseded by new data over time.

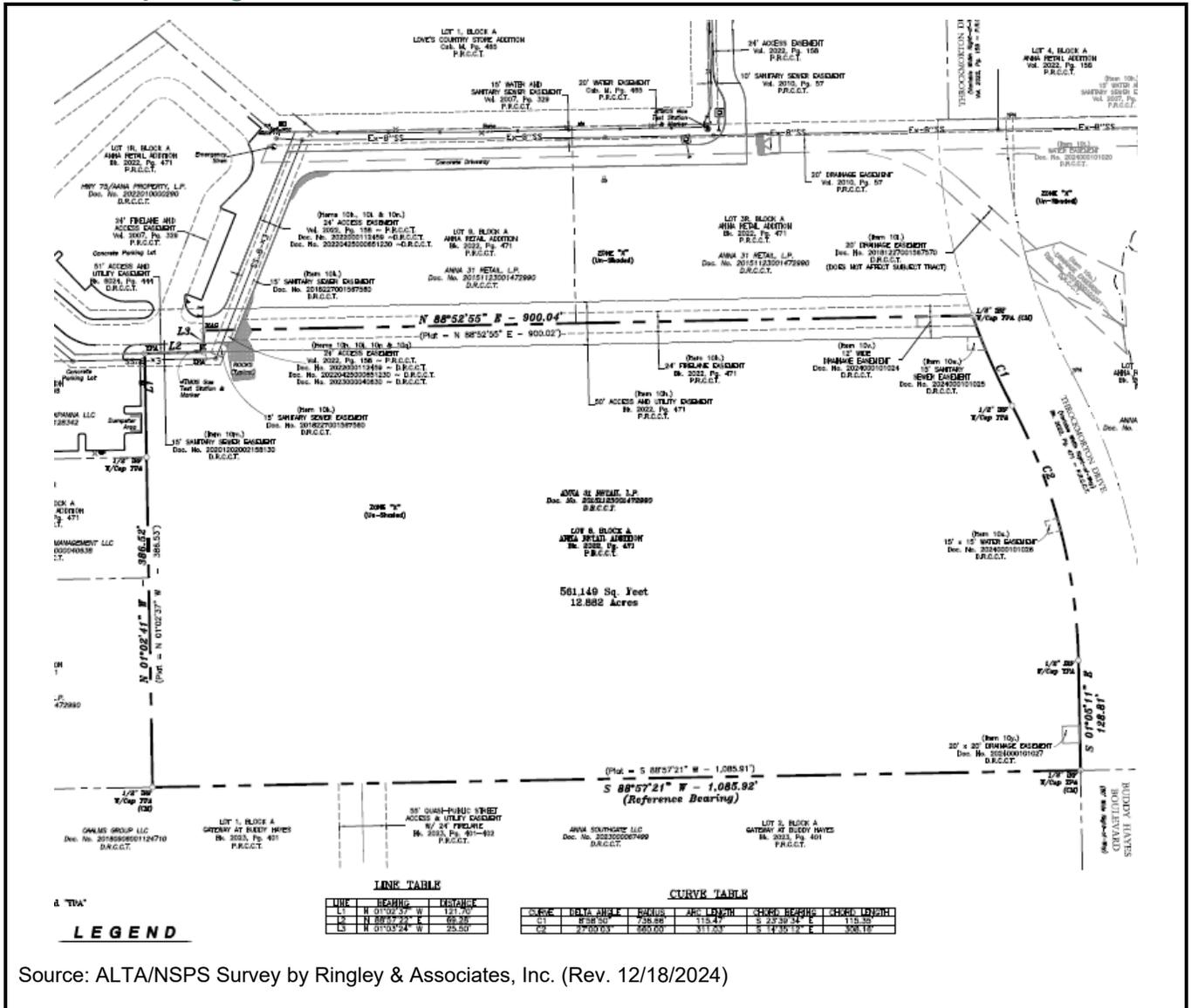
This map image is void if the one or more of the following map elements do not appear: basemap imagery, flood zone labels, legend, scale bar, map creation date, community identifiers, FIRM panel number, and FIRM effective date. Map images for unmapped and unmodernized areas cannot be used for regulatory purposes.

Flood Plain Map



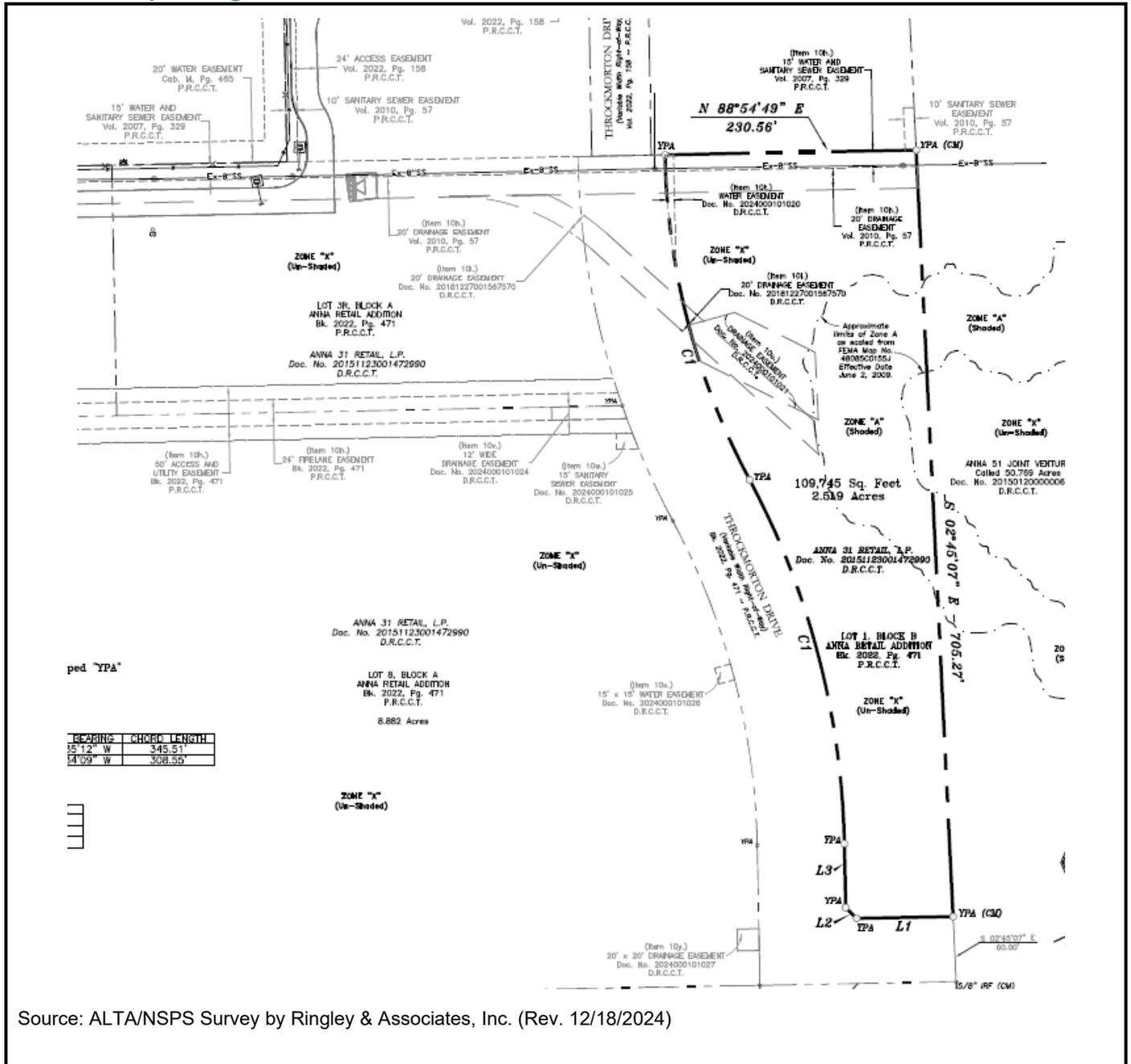
Source: LandVision

Survey - Page 1



Source: ALTA/NSPS Survey by Ringley & Associates, Inc. (Rev. 12/18/2024)

Survey - Page 2



Source: ALTA/NSPS Survey by Ringley & Associates, Inc. (Rev. 12/18/2024)

Site Analysis

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

SITE SUMMARY AND ANALYSIS

Physical Description

Gross Site Area	15.402 Acres	670,894 Sq. Ft.
Net Site Area	15.402 Acres	670,894 Sq. Ft.
Primary Road Frontage	Buddy Hayes Blvd (Future Ext.)	n/a
Secondary Road Frontage	Unnamed Access Drive	n/a
Excess Land Area	None	n/a
Surplus Land Area	None	n/a
Shape	Irregular	
Topography	Generally Level	
Parcel Number(s)	R938000A00801, R938000B00101	
Zoning District	Multiple Family Residential - High Density	
Flood Map Panel No. & Date	48085C0155J	2-Jun-09
Flood Zone	Zone X (Unshaded)	& Zone A
Adjacent Land Uses	Vacant land, Retail/Commercial	

Comparative Analysis

	<u>Rating</u>
Visibility	Typical for proposed use and location
Functional Utility	Typical for proposed use and location
Traffic Volume	Typical for proposed use and location
Adequacy of Utilities	Assumed Adequate
Landscaping	Typical for proposed use and location
Drainage	Assumed Adequate

Utilities

	<u>Availability</u>	<u>Provider</u>
Water	Yes	City of Anna
Sewer	Yes	City of Anna
Electricity	Yes	GCEC
Telephone	Yes	AT&T

Other

	<u>Yes</u>	<u>No</u>	<u>Unknown</u>
Detrimental Easements		X	
Encroachments		X	
Deed Restrictions			X
Reciprocal Parking Rights		X	

Various sources compiled by CBRE

The subject consists of two parcels of land that are divided by the future extension of S Buddy Hayes Blvd. The residential improvements will be situated on the parcel on the west side of the roadway. The parcel on the east side of the roadway will be used as an amenity tract and will be improved with pickleball courts, a dog park, pavilion, and connections to a larger city hike and bike trail system.

Ingress/Egress

Ingress and egress will be provided to the site via a curb cut along the west side of the future extension of S Buddy Hayes Blvd. S Buddy Hayes Blvd Drive will be extended by the subject developer as part of the overall development process. The site also exhibits frontage along an existing unnamed internal roadway within the adjacent retail development to the north. Secondary ingress/egress will be provided along this unnamed roadway.

S Buddy Hayes Blvd, at the subject, will be a generally north/south traversing secondary roadway improved with two lanes of traffic. Street improvements include concrete paving and open ditch drainage.

Easements and Encroachments

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

Covenants, Conditions and Restrictions

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

Environmental Issues

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

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

Adjacent Properties

The adjacent land uses are summarized as follows:

North:	Vacant Land / Retail Further
South:	Vacant Land
East:	Vacant Land / Under-construction Multifamily Further
West:	Vacant Land / Retail

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. A portion of the subject's east tract is impacted by flood plain; however, this is not deemed to impact the highest &

best use of the site. Overall, there are no other known factors that are considered to prevent the site from development to its highest and best use, as if vacant, or adverse to the proposed use of the site.

Illustrative Site Plan



Source: The NRP Group / Artis

Artist Renderings



Source: The NRP Group

Typical Elevations



1 BUILDING F - WEST COURTYARD ELEVATION
3/32" = 1'-0"



2 BUILDING F - NORTH COURTYARD ELEVATION
3/32" = 1'-0"



3 BUILDING F - NORTH END ELEVATION
3/32" = 1'-0"



8 BUILDING F - WEST END ELEVATION
3/32" = 1'-0"

Source: Developer / Architectural Plans

Typical Elevations



1 BUILDING A - FRONT ELEVATION
332' x 1'-0"



2 BUILDING A - LEFT ELEVATION
332' x 1'-0"



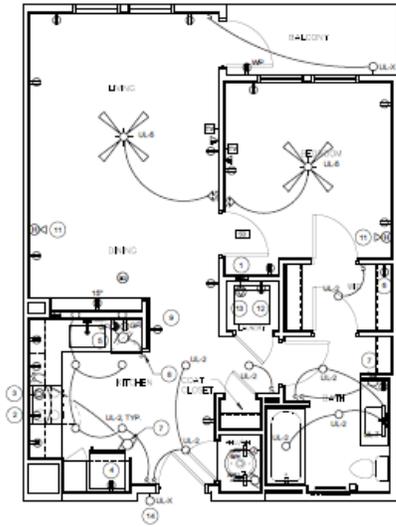
3 BUILDING A - RIGHT ELEVATION
332' x 1'-0"



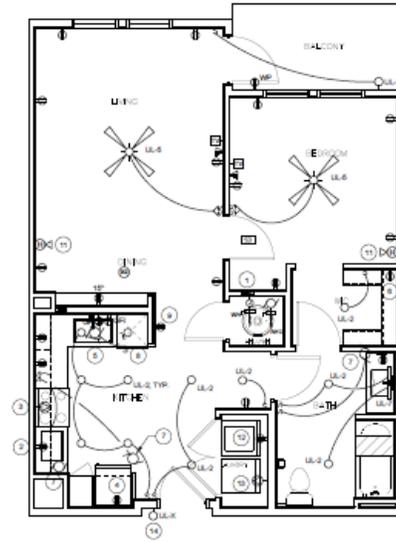
4 BUILDING A - FRONT ELEVATION
332' x 1'-0"

Source: Developer / Architectural Plans

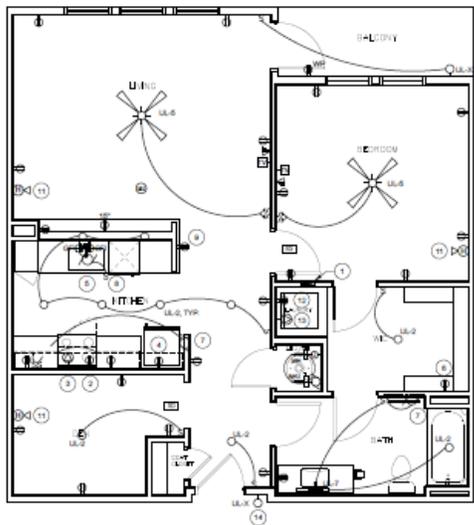
One Bedroom Floor Plans



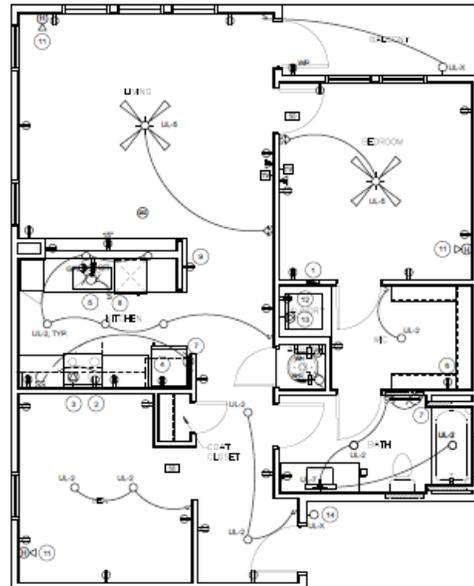
UNIT TYPE A1 - ELECTRICAL
SCALE: 1/4" = 1'-0"
SIMILAR TO A1-I



UNIT TYPE A1 ADA - ELECTRICAL
SCALE: 1/4" = 1'-0"



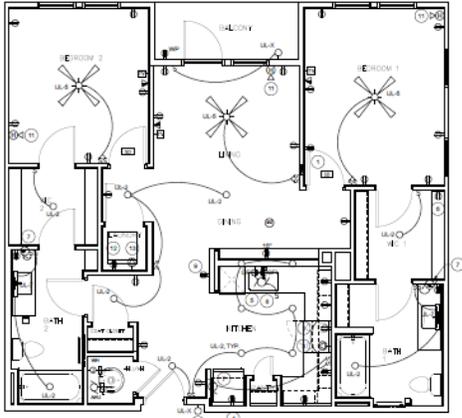
UNIT TYPE AD1 - ELECTRICAL
SCALE: 1/4" = 1'-0"



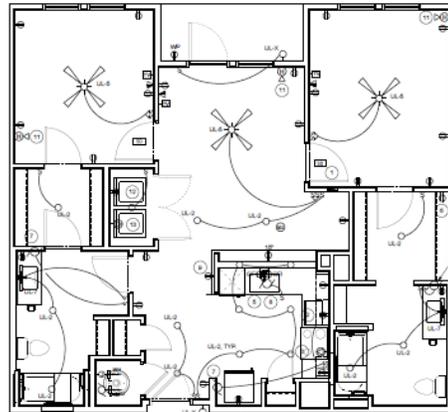
UNIT TYPE AD2 - ELECTRICAL
SCALE: 1/4" = 1'-0"

Source: Developer / Architectural Plans

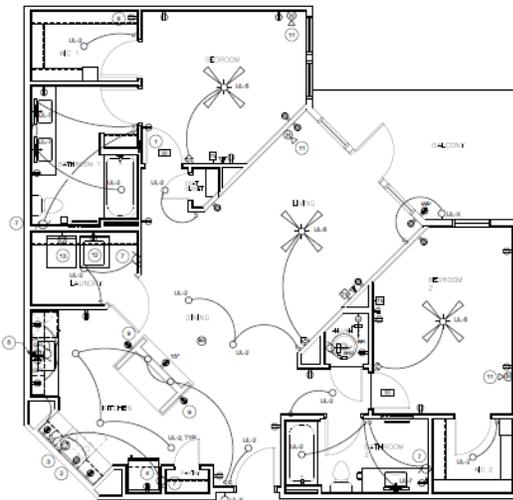
Two Bedroom Floor Plans



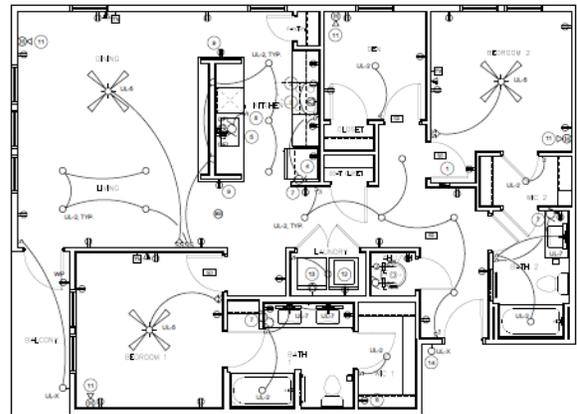
UNIT TYPE B1 - ELECTRICAL
SCALE: 1/8" = 1'-0"



UNIT TYPE B1 ADA - ELECTRICAL
SCALE: 1/8" = 1'-0"



UNIT TYPE B6 - ELECTRICAL
SCALE: 1/8" = 1'-0"



UNIT TYPE BD2 - ELECTRICAL
SCALE: 1/8" = 1'-0"

Source: Developer / Architectural Plans

Improvements Analysis

The following chart shows a summary of the proposed improvements.

IMPROVEMENTS SUMMARY AND ANALYSIS		
Property Type	Multifamily	(Multi-Family Garden)
Number of Residential Buildings	10	
Number of Stories	4	(3- and 4-stories)
Gross Building Area	307,693 SF	
Net Rentable Area	302,223 SF	
Number of Units	340	
Average Unit Size	889 SF	
Development Density	22.1 Units/Acre	
Parking Improvements	Open and Covered	
Parking Spaces:	645	
Parking Ratio (spaces/unit)	1.90	
Year Built	2026	
Actual Age	0 Years	
Effective Age	0 Years	
Total Economic Life	55 Years	
Remaining Economic Life	55 Years	
Age/Life Depreciation	0.0%	
Functional Utility	Typical	

Source: Various sources compiled by CBRE

UNIT MIX						
Unit Mix/Type	Comments	No. Units	Percent of Total	Unit Size (SF)	NRA (SF)	
1BR/1BA	A1	48	14.1%	724	34,752	
1BR/1BA - 80% AMI	A1 80%	98	28.8%	724	70,952	
1BR/1BA - 60% AMI	A1 60%	21	6.2%	724	15,204	
1BR/1BA	AD1	12	3.5%	909	10,908	
1BR/1BA	AD2	61	17.9%	1,008	61,488	
2BR/2BA	B1	34	10.0%	1,056	35,904	
2BR/2BA - 80% AMI	B1 80%	38	11.2%	1,056	40,128	
2BR/2BA - 60% AMI	B1 60%	13	3.8%	1,056	13,728	
2BR/2BA	B6	4	1.2%	1,245	4,980	
2BR/2BA	BD2	11	3.2%	1,289	14,179	
Total/Average:		340	100.0%	889	302,223	

Source: Various sources compiled by CBRE

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

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

Year Built

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

Construction Class

Building construction class is as follows:

D - Wood frame, floor and structure; considered combustible

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

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

Foundation/Floor Structure

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

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

Exterior Walls

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

Roof Cover

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

Elevator/Stair System

Each building will be served by covered, exterior stairwells. The subject's 4-story building will also exhibit an elevator.

HVAC

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

Utilities

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

Security

The subject will exhibit controlled, gated access.

Life Safety and Fire Protection

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

Project Amenities

The project amenities will include a clubhouse, pool, BBQ grilling area with pergola, fitness center, yoga/spin/pilates room, pickleball courts, dog park/run, and dog washing station.

Unit Amenities

Kitchens

Each unit will feature a full stainless appliance package including an electric range/oven, frost-free refrigerator, garbage disposal, dishwasher, and built-in microwave oven. Countertops will feature granite counters with tile backsplashes. Kitchens will further exhibit heavy vinyl wood plank floors and wood cabinets with pulls. Kitchen sinks will be extra-deep, single basin.



Source: Concept Finishes provided by the Developer

Bathrooms

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



Source: Concept Finishes provided by the Developer

Interior Features

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

Interior Lighting

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

Patios, Balconies and Storage

Each unit will exhibit a patio or balcony area.

Site Amenities

Parking and Drives

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

PARKING IMPROVEMENTS		
Parking Type	Total Spaces	Rental Rate
Open	340	n/a
Carport	280	\$45
Detached Garage	25	\$150
Total	645	

Compiled by CBRE

Landscaping

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

Functional Utility

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

ADA Compliance

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

Furniture, Fixtures and Equipment

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

Environmental Issues

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

Deferred Maintenance

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

Conclusion

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

Zoning

The following chart summarizes the subject's zoning requirements.

ZONING SUMMARY	
Current Zoning	Multiple Family Residential - High Density
Legally Conforming	Yes
Uses Permitted	The Multifamily Residential (MF) District provides for high-density residential development, targeting well-designed multifamily uses serving as a transition between medium-density residential development and commercial nodes. This district encourages multifamily uses with site development characteristics that accommodate open space and access to light and air. This district implements the character and intent of the comprehensive plan's urban living place type.
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

Multiple Family Residential - High Density

Zoom to

OBJECTID	127
SHAPE_Length	4845.376841
SHAPE_Area	646913.734375
True Zoning Abbreviation	Multiple Family Residential - High Density
Subtype	0
REC	
Density	
Density Notes	
Comments	
Industrialized Home (Modular Home)	
Live-Work Unit	P

Source: City of Anna Planning & Zoning Department

Tax and Assessment Data

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

AD VALOREM TAX INFORMATION					
Parcel	Assessor's Parcel No.	2024	Pro Forma As Proposed Restricted, without Abatement	Pro Forma As Proposed Restricted, with Abatement	Pro Forma
1	R938000A00801	\$1,402,850			
2	R938000B00101	274,319			
	Subtotal	\$1,894,969	\$50,878,268	\$50,878,268	\$50,878,268
	% of Assessed Value	100%	100%	0%	100%
	Final Assessed Value	1,894,969	\$50,878,268	\$0	\$50,878,268
	General Tax Rate (per \$100 A.V.)	1.992963	1.992963	1.992963	1.992963
	Total Taxes	\$37,766	\$1,013,985	\$0	\$1,013,985
	Taxes per Unit	\$111	\$2,982	\$0	\$2,982

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 Collin County for comparable properties in the market area. The following table summarizes the comparables employed for this analysis:

AD VALOREM TAX COMPARABLES					
Comparable Rental	7200 Welcome Blvd	1760 North Ridge Road	300 Willow Grove Way	200 Cole Street	Subject
Year Built	2023	2020	2024	2021	2026
No. Units	412	300	336	156	340
NRA (SF)	429,684	257,633	346,932	133,544	302,223
Tax Year	2024	2024	2024	2024	Pro Forma
Assessor's Market Value	\$91,744,980	\$62,449,340	\$44,657,319	\$29,451,300	\$50,878,268
AV Per Unit	\$222,682	\$208,164	\$132,909	\$188,790	\$149,642
AV Per SF (NRA)	\$213.52	\$242.40	\$128.72	\$220.54	\$168.35

Source: Assessor's Office

The CBRE pro forma assessment is based on 70% of the direct and indirect costs plus the developer's land basis. The concluded assessed value is within the range of the comparables on both \$/unit and \$/SF basis.

Conclusion

Based on the foregoing, the total taxes for the subject have been estimated as \$1,013,985 for the base year of our analysis, based upon an assessed value of \$50,878,268 or \$149,642 per unit. This is above the current assessment but is considered a realistic scenario due to the comparable properties shown, along with the proposed development costs.

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

Market Analysis

Metropolitan Dallas-Plano-Irving, TX Apartment Market Overview

Recent Performance

The following table summarizes historical and projected performance for the overall metropolitan Dallas-Plano-Irving, TX apartment market, as reported by Axiometrics.

DALLAS-PLANO-IRVING, TX APARTMENT MARKET							
Year Ending	Inventory (Units)	Completions (Units)	Occupied Stock (Units)	Occupancy	Effective Rent (\$/Unit / Mo.)	Effective Rent Change	Net Absorption (Units)
2014	523,777	14,155	495,545	94.6%	\$951	5.22%	14,978
2015	538,732	14,955	512,550	95.1%	\$1,020	6.02%	17,008
2016	555,682	17,130	526,342	94.7%	\$1,080	4.72%	13,782
2017	577,895	22,571	544,608	94.2%	\$1,117	1.89%	18,290
2018	597,537	19,980	564,792	94.5%	\$1,156	1.80%	20,161
2019	616,967	20,190	585,625	94.9%	\$1,210	3.19%	20,870
2020	636,375	19,711	599,465	94.2%	\$1,208	-1.33%	13,847
2021	656,449	20,642	637,806	97.2%	\$1,424	16.58%	38,283
2022	670,482	14,849	631,929	94.3%	\$1,577	8.75%	-5,872
Q1 2023	673,951	3,749	631,694	93.7%	\$1,574	-0.45%	-216
Q2 2023	678,419	4,468	634,390	93.5%	\$1,588	0.49%	2,685
Q3 2023	683,244	4,825	638,765	93.5%	\$1,595	0.33%	4,363
Q4 2023	689,101	5,857	641,002	93.0%	\$1,571	-1.82%	2,265
2023	689,101	18,899	641,002	93.0%	\$1,571	-1.44%	9,098
Q1 2024	696,495	7,394	646,138	92.8%	\$1,558	-1.07%	5,134
Q2 2024	706,656	10,161	655,070	92.7%	\$1,558	-0.19%	8,898
Q3 2024	715,194	8,538	665,059	93.0%	\$1,554	-0.32%	10,029
Q4 2024*	725,004	9,810	674,254	93.0%	\$1,534	-1.29%	9,123
2024*	725,004	35,903	674,254	93.0%	\$1,534	-2.40%	33,390
2025*	751,927	26,923	698,540	92.9%	\$1,595	4.00%	24,287
2026*	765,389	13,462	712,577	93.1%	\$1,660	4.10%	14,037
2027*	778,217	12,828	725,298	93.2%	\$1,734	4.50%	12,721
2028*	791,071	12,854	736,487	93.1%	\$1,814	4.60%	11,189

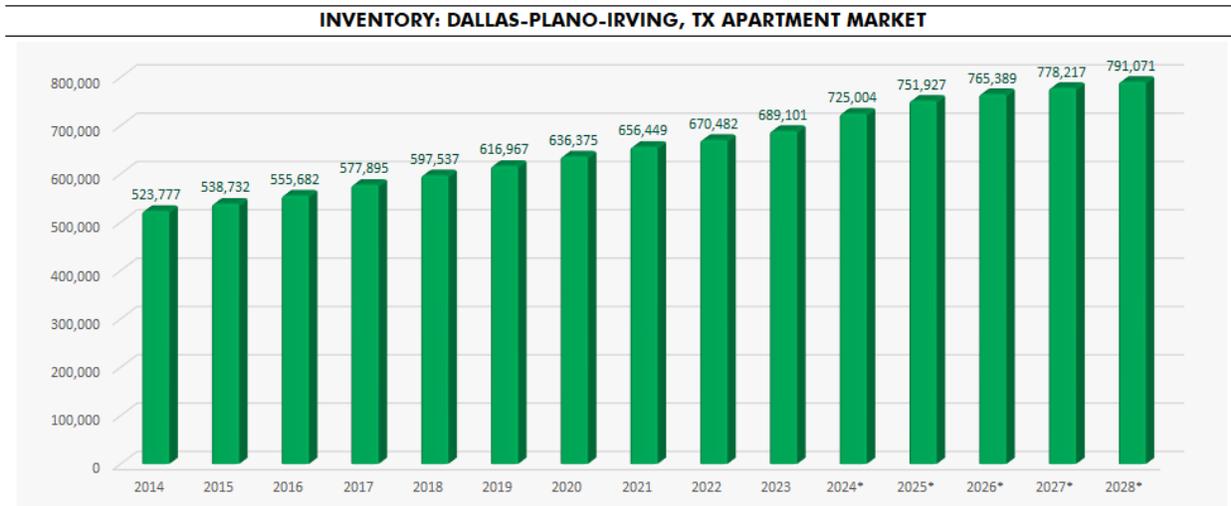
* Future Projected Data according to Axiometrics
Source: Axiometrics, 3rd Quarter 2024

The Dallas-Plano-Irving, TX apartment market consists of approximately 715,194 units of apartment space. The following observations are noted from the table above:

- As of 3rd Quarter 2024, there were approximately 665,059 units of occupied apartment space, resulting in an occupancy rate of 93.0% for the metro area. This reflects an increase from the previous quarter's occupancy of 92.7%, and no change from an occupancy rate of 93.0% from last year.
- The area experienced positive 10,029 units of net absorption for the current quarter. This indicates an improvement from the previous quarter's positive 8,898 units of net absorption, and an improvement from the positive 9,098 units of net absorption from last year.
- The area had completions of positive 8,538 units for the current quarter, which indicates a decrease from the previous quarter's completions of positive 10,161 units, and indicates a decline from completions of positive 18,899 units from last year.

- The area achieved average effective rent of \$1,554 per unit, which indicates a decrease from the previous quarter's effective rent of \$1,558 per unit, and a decrease from the effective rent of \$1,571 per unit from last year.

Historical Inventory – Market

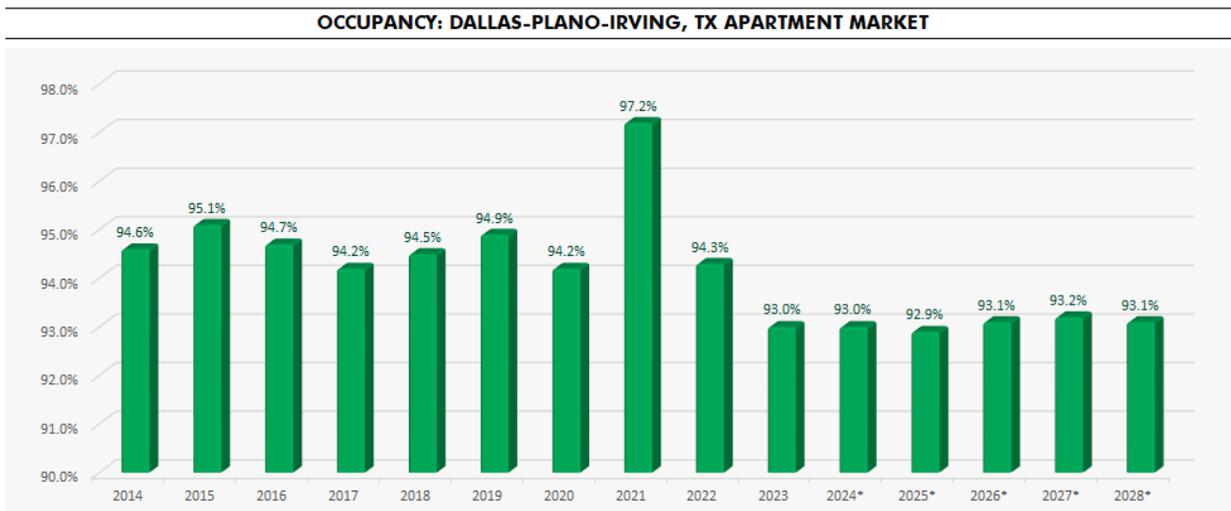


* Future Projected Data according to Axiometrics

Source: Axiometrics, 3rd Quarter 2024

Inventory is projected to be 725,004 units at the end of the current year, which represents an increase from the previous year's inventory of 689,101 units. Inventory for next year is projected to be 751,927 units, reflecting an increase from the current year.

Historical Occupancy - Market

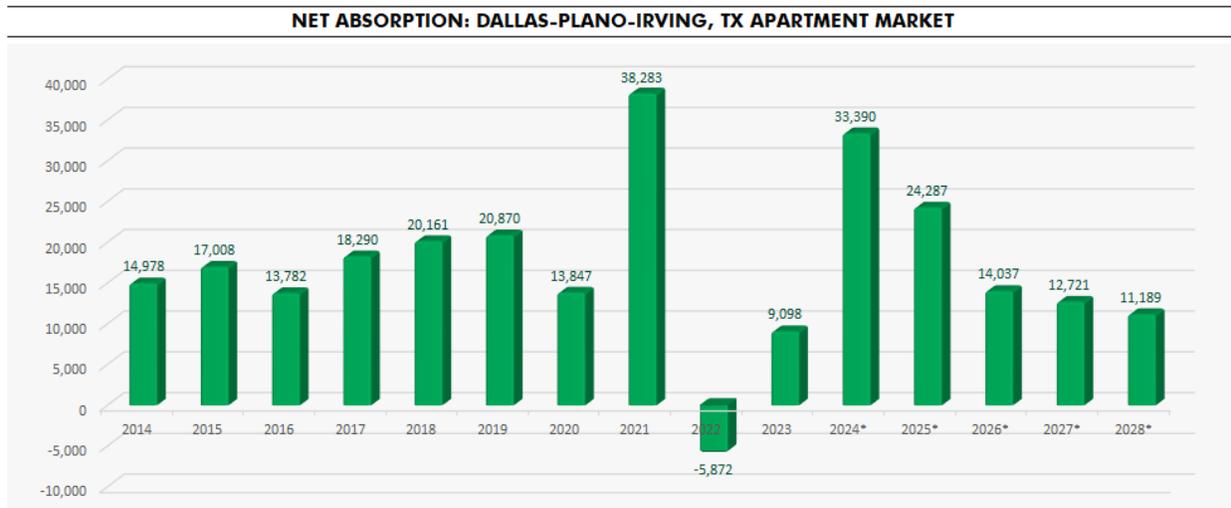


* Future Projected Data according to Axiometrics

Source: Axiometrics, 3rd Quarter 2024

At the end of the current year, the occupancy rate is projected to be 93.0%, which reflects no change from the 93.0% occupancy rate at the end of last year. Occupancy for next year is projected to be 92.9%, reflecting a small decrease from the current year.

Historical Net Absorption - Market

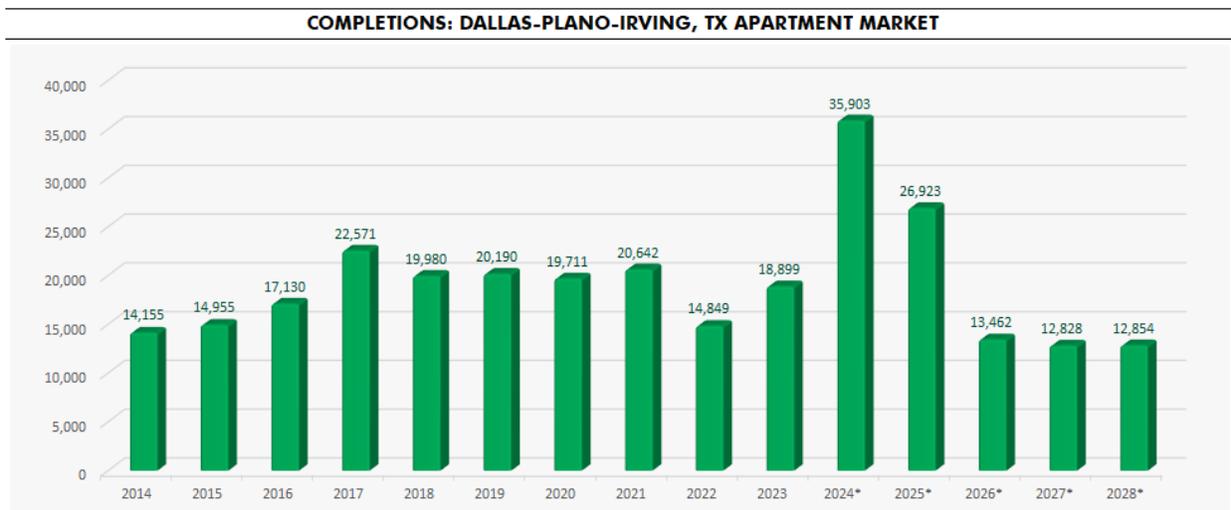


* Future Projected Data according to Axiometrics

Source: Axiometrics, 3rd Quarter 2024

At the end of the current year, the area is projected to experience positive 33,390 units of net absorption, which indicates an improvement from the positive 9,098 units of net absorption for the previous year. The area is projected to experience positive 24,287 units of net absorption as of the end of next year, which indicates a decline from the current year.

Historical Completions - Market



* Future Projected Data according to Axiometrics

Source: Axiometrics, 3rd Quarter 2024

The area is projected to achieve completions of positive 35,903 units for the current year, which indicates an improvement from the previous year's completions of positive 18,899 units. The area is projected to experience completions of positive 26,923 units as of the end of next year, which indicates a decline from the current year.

Historical Effective Rent - Market



* Future Projected Data according to Axiometrics

Source: Axiometrics, 3rd Quarter 2024

The area is projected to achieve average effective rent of \$1,534 per unit at the end of the current year, which indicates a decrease from the previous year’s effective rent of \$1,571 per unit. The area is projected to achieve effective rent of \$1,595 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 Dallas-Plano-Irving, TX market as of 3rd Quarter 2024.

SUBMARKET SNAPSHOT				
Submarket	Inventory (Units)	Completions* (Units)	Effective Rent (\$/Unit / Mo.)	Occupancy
Addison/Bent Tree	31,051	120	\$1,526	93.9%
Allen/McKinney	36,645	4,718	\$1,582	93.5%
Carrollton/Farmers Branch	21,467	396	\$1,585	93.8%
Central/East Plano	23,535	1,467	\$1,588	93.6%
Denton	28,298	2,314	\$1,421	93.1%
East Dallas	25,485	414	\$1,837	93.4%
Ellis County	8,481	1,656	\$1,459	93.1%
Far East Dallas	20,226	56	\$1,190	92.1%
Far North Dallas	30,455	897	\$1,274	92.2%
Frisco	36,812	4,629	\$1,713	93.5%
Garland	22,555	697	\$1,363	92.2%
Grand Prairie	25,931	2,015	\$1,449	92.5%
Hunt County	4,912	114	\$1,144	93.4%
Intown Dallas	43,762	1,583	\$2,151	93.2%
Kaufman County	6,037	917	\$1,416	93.1%
Las Colinas/Coppell	30,372	996	\$1,735	93.1%
Lewisville/Flower Mound	31,919	2,210	\$1,530	93.5%
Love Field/Medical District	10,745	839	\$1,530	92.4%
Mesquite	12,869	0	\$1,242	92.6%
North Dallas	16,673	0	\$1,416	91.1%
Northeast Dallas	37,901	423	\$1,183	90.6%
North Irving	11,518	0	\$1,386	91.7%
North Oak Cliff/West Dallas	16,857	1,327	\$1,506	93.5%
Northwest Dallas	11,267	0	\$1,296	93.6%
Oak Lawn/Park Cities	21,035	147	\$2,415	93.2%
Richardson	19,844	590	\$1,662	94.1%
Rockwall/Rowlett/Wylie	11,961	1,508	\$1,566	92.4%
Southeast Dallas	16,819	0	\$1,170	94.2%
Southern Dallas County	11,309	65	\$1,375	91.8%
South Irving	21,656	0	\$1,287	93.7%
Southwest Dallas	19,330	522	\$1,157	92.2%
The Colony/Far North Carrollton	19,557	835	\$1,714	93.5%
West Plano	18,854	165	\$1,734	93.9%
Zang Triangle/Cedars/Fair Park	9,056	330	\$1,488	94.2%

*Completions include trailing 4 quarters

Source: Axiometrics, 3rd Quarter 2024

Allen/McKinney Submarket

Important characteristics of the Allen/McKinney apartment market are summarized below:

ALLEN/MCKINNEY APARTMENT SUBMARKET							
Year Ending	Inventory (Units)	Completions (Units)	Occupied Stock (Units)	Occupancy	Effective Rent (\$/Unit / Mo.)	Effective Rent Change	Net Absorption (Units)
2014	16,810	1,046	15,964	95.0%	\$1,034	4.04%	1,030
2015	17,712	902	16,901	95.4%	\$1,114	7.71%	936
2016	18,604	892	17,625	94.7%	\$1,163	2.44%	725
2017	20,835	2,231	19,566	93.9%	\$1,165	0.18%	1,941
2018	22,965	2,130	21,486	93.6%	\$1,180	0.47%	1,919
2019	24,347	1,382	23,069	94.8%	\$1,243	3.79%	1,582
2020	25,604	1,257	24,298	94.9%	\$1,273	1.47%	1,230
2021	28,487	2,883	27,826	97.7%	\$1,566	22.47%	3,529
2022	30,435	1,948	28,652	94.1%	\$1,671	5.90%	825
Q1 2023	30,902	467	28,900	93.5%	\$1,656	-0.96%	248
Q2 2023	31,339	437	29,286	93.5%	\$1,665	0.14%	386
Q3 2023	31,927	588	29,906	93.7%	\$1,672	0.20%	620
Q4 2023	33,011	1,084	30,832	93.4%	\$1,624	-2.98%	926
2023	33,011	2,576	30,832	93.4%	\$1,624	-3.65%	2,182
Q1 2024	33,951	940	31,642	93.2%	\$1,593	-1.85%	810
Q2 2024	35,228	1,277	32,737	92.9%	\$1,587	-1.43%	1,095
Q3 2024	36,645	1,417	34,267	93.5%	\$1,582	-0.26%	1,529
Q4 2024*	39,224	2,579	36,518	93.1%	\$1,518	-4.05%	2,254
2024*	39,224	6,213	36,518	93.1%	\$1,518	-6.50%	5,719
2025*	46,068	6,844	42,475	92.2%	\$1,530	0.80%	6,036
2026*	48,005	1,937	44,645	93.0%	\$1,564	2.20%	2,127
2027*	49,277	1,272	45,926	93.2%	\$1,607	2.70%	1,276
2028*	50,639	1,362	47,145	93.1%	\$1,656	3.00%	1,218

*Future Projected Data according to Axiometrics

Source: Axiometrics, 3rd Quarter 2024

The Allen/McKinney apartment submarket consists of approximately 36,645 units of apartment space. The current submarket inventory represents approximately 5.1% of the overall market inventory. The following observations were noted from the table above:

- As of 3rd Quarter 2024, there were approximately 34,267 units of occupied apartment space, resulting in an occupancy rate of 93.5% for the submarket. This reflects an increase from the previous quarter's occupancy of 92.9%, and a small increase from an occupancy rate of 93.4% from last year. The submarket occupancy is above the 93.0% market occupancy.
- The submarket experienced positive 1,529 units of net absorption for the current quarter. This indicates an improvement from the previous quarter's positive 1,095 units of net absorption, and a decline from the positive 2,182 units of net absorption from a year ago. Overall, the submarket has experienced positive 3,434 units of net absorption for the current year-to-date period. The submarket's current net absorption of positive 1,529 units is below the overall market net absorption of positive 10,029 units.
- The submarket had completions of positive 1,417 units for the current quarter, which indicates an increase from the previous quarter's completions of positive 1,277 units, and an increase from the completions of positive 588 units from last year.
- The submarket achieved average effective rent of \$1,582 per unit, which indicates a decrease from the previous quarter's effective rent of \$1,587 per unit, and a decrease from the effective rent of \$1,624 per unit from last year. The submarket's current effective rent of \$1,582 per unit compares favorably with the overall market asking rent of \$1,554 per unit.

Historical Inventory - Submarket

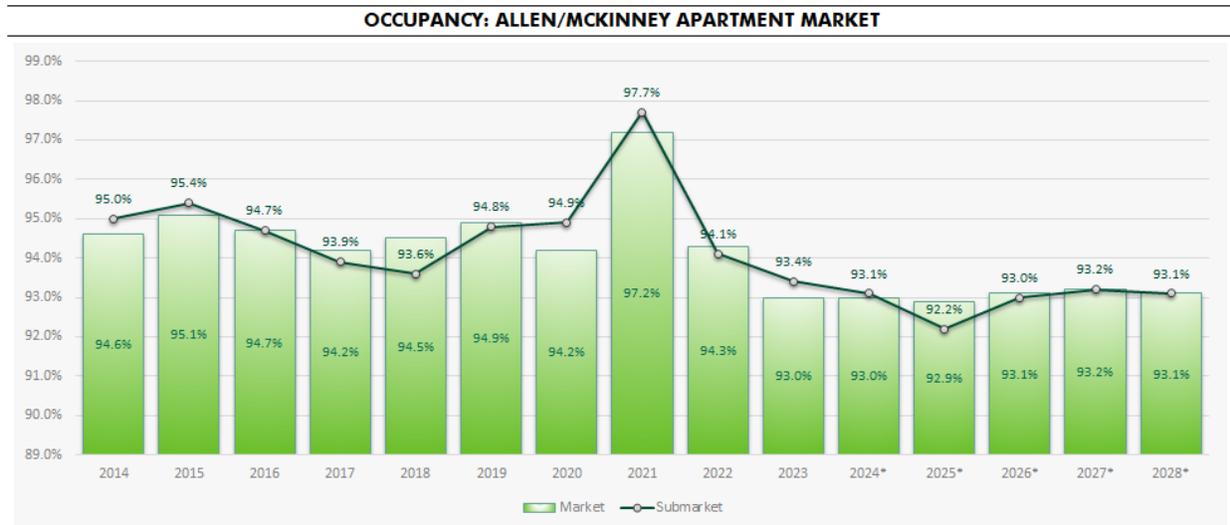


* Future Projected Data according to Axiometrics

Source: Axiometrics, 3rd Quarter 2024

Submarket Inventory is projected to be 39,224 units at the end of the current year, which represents a small increase from the previous year's submarket inventory of 33,011 units. Inventory for next year is projected to be 46,068 units, reflecting a small increase from the current year.

Historical Occupancy - Submarket

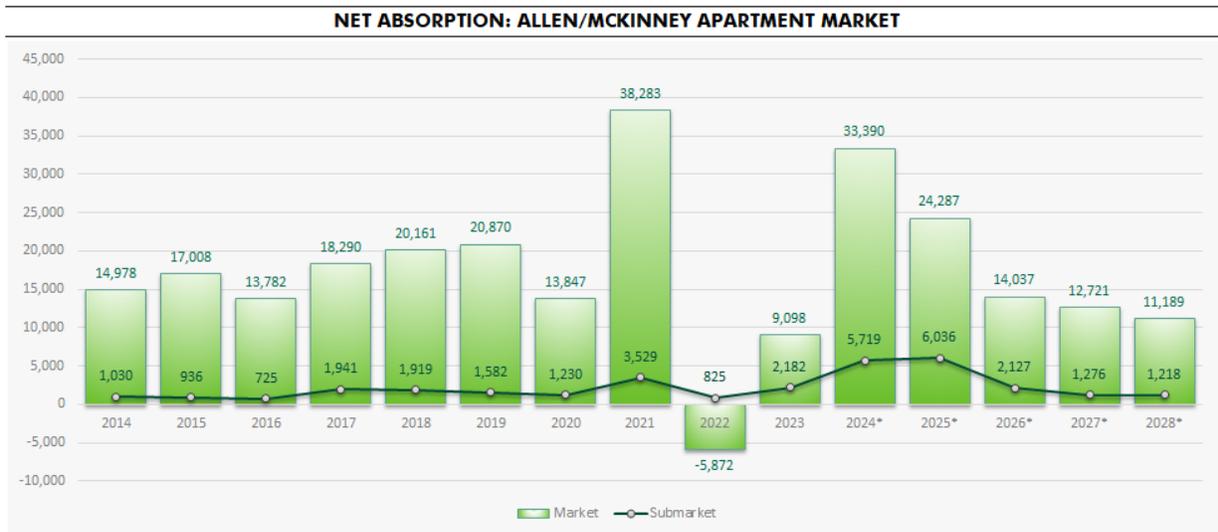


* Future Projected Data according to Axiometrics

Source: Axiometrics, 3rd Quarter 2024

Submarket occupancy is projected to be 93.1% at the end of the current year, which represents a decrease from the previous year's submarket occupancy of 93.4%. Submarket occupancy for next year is projected to be 92.2%, reflecting a decrease from the current year.

Historical Net Absorption - Submarket

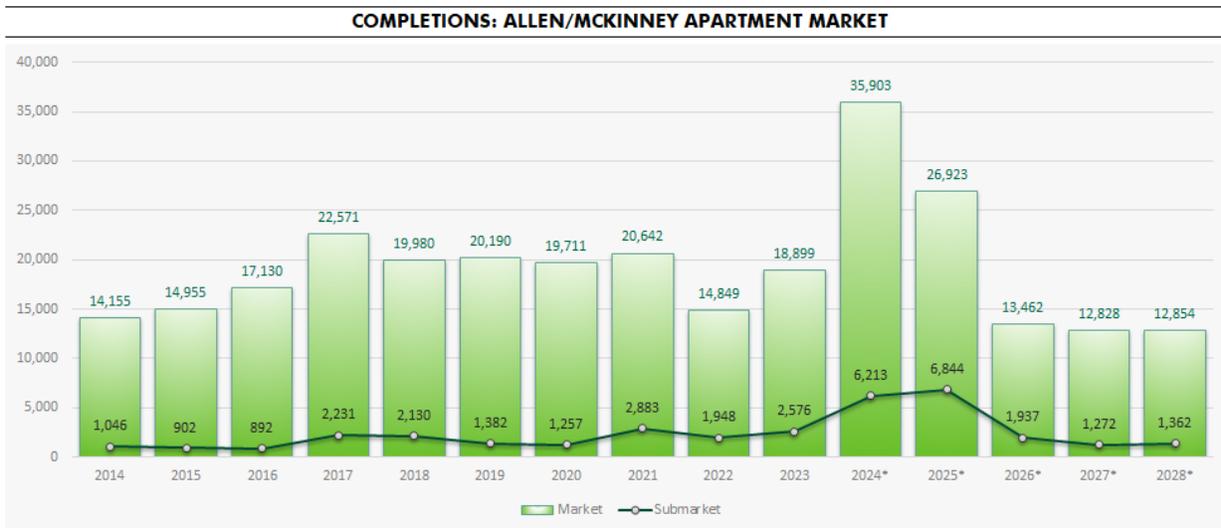


* Future Projected Data according to Axiometrics

Source: Axiometrics, 3rd Quarter 2024

Net absorption in the submarket is projected to be positive 5,719 units at the end of the current year, reflecting an improvement from the previous year’s net absorption of positive 2,182 units. Net absorption for next year is projected to be positive 6,036 units, indicating an improvement from the current year.

Historical Completions - Submarket

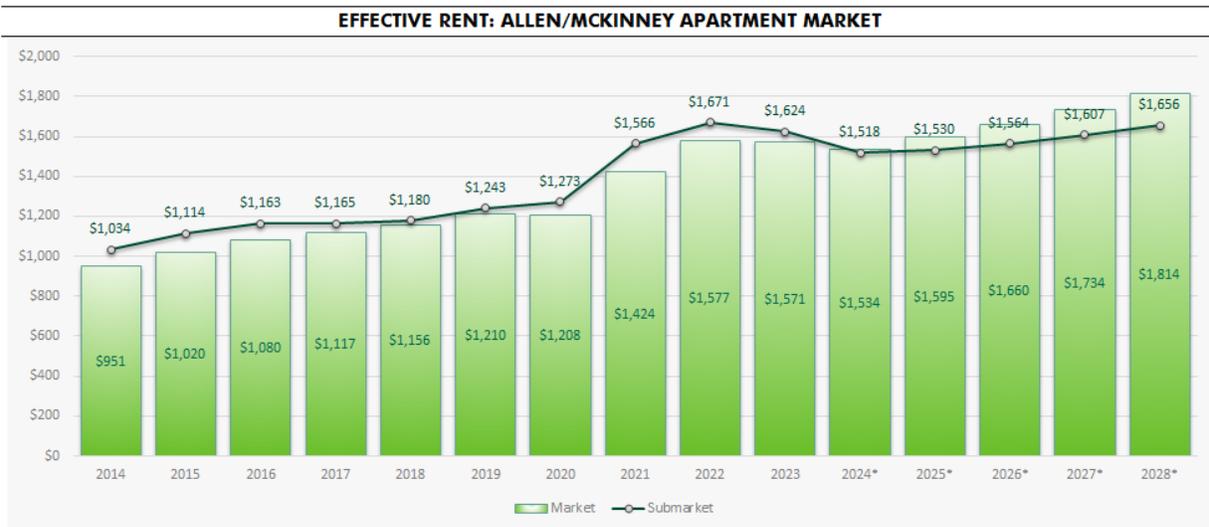


* Future Projected Data according to Axiometrics

Source: Axiometrics, 3rd Quarter 2024

The submarket is projected to achieve completions of positive 6,213 units at the end of the current year, which indicates an improvement from the previous year’s completions of positive 2,576 units. The submarket is projecting completions of positive 6,844 units for next year, which indicates an improvement from the current year.

Historical Effective Rent - Submarket



* Future Projected Data according to Axiometrics

Source: Axiometrics, 3rd Quarter 2024

The submarket is projected to achieve average effective of \$1,518 per unit at the end of the current year, which represents a decrease from the previous year’s effective rent of \$1,624 per unit. The submarket is projected to achieve average effective rent of \$1,530 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	Dallas-Fort Worth-Arlington, TX Metropolitan Statistical Area
Population				
2029 Total Population	8,317	41,353	93,114	8,811,074
2024 Total Population	5,154	27,338	61,784	8,195,415
2010 Total Population	2,486	9,540	17,038	6,366,547
2000 Total Population	80	2,700	6,967	5,156,282
<i>Annual Growth 2024 - 2029</i>	<i>10.04%</i>	<i>8.63%</i>	<i>8.55%</i>	<i>1.46%</i>
<i>Annual Growth 2010 - 2024</i>	<i>5.35%</i>	<i>7.81%</i>	<i>9.64%</i>	<i>1.82%</i>
<i>Annual Growth 2000 - 2010</i>	<i>41.01%</i>	<i>13.45%</i>	<i>9.35%</i>	<i>2.13%</i>
Households				
2029 Total Households	2,627	13,458	30,818	3,228,215
2024 Total Households	1,612	8,691	19,851	2,978,430
2010 Total Households	770	3,058	5,640	2,296,412
2000 Total Households	29	908	2,446	1,878,990
<i>Annual Growth 2024 - 2029</i>	<i>10.26%</i>	<i>9.14%</i>	<i>9.20%</i>	<i>1.62%</i>
<i>Annual Growth 2010 - 2024</i>	<i>5.42%</i>	<i>7.75%</i>	<i>9.40%</i>	<i>1.87%</i>
<i>Annual Growth 2000 - 2010</i>	<i>38.81%</i>	<i>12.91%</i>	<i>8.71%</i>	<i>2.03%</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	Dallas-Fort Worth-Arlington, TX Metropolitan Statistical Area
Households by Income Distribution (2024)				
<\$15,000	12.41%	4.63%	3.98%	6.45%
\$15,000 - \$24,999	0.81%	1.33%	1.14%	4.67%
\$25,000 - \$34,999	5.27%	5.74%	3.75%	6.31%
\$35,000 - \$49,999	7.01%	7.17%	6.27%	9.54%
\$50,000 - \$74,999	12.10%	16.91%	15.08%	15.43%
\$75,000 - \$99,999	18.86%	15.06%	12.89%	12.64%
\$100,000 - \$149,999	25.74%	25.27%	20.49%	18.42%
\$150,000 - \$199,999	9.31%	10.44%	15.64%	11.45%
\$200,000+	8.44%	13.46%	20.75%	15.09%

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	Dallas-Fort Worth-Arlington, TX Metropolitan Statistical Area
Income				
2024 Median Household Income	\$89,497	\$98,193	\$112,416	\$88,391
2024 Average Household Income	\$104,688	\$121,911	\$145,057	\$123,641
2024 Per Capita Income	\$33,221	\$39,066	\$46,454	\$44,980

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	Dallas-Fort Worth-Arlington, TX Metropolitan Statistical Area
Agric/Forestry/Fishing/Hunting	3.26%	0.62%	0.40%	0.29%
Construction	4.36%	6.84%	8.80%	8.52%
Manufacturing	4.89%	7.75%	7.57%	9.26%
Wholesale Trade	9.07%	6.84%	3.78%	2.57%
Retail Trade	9.82%	12.96%	12.43%	11.27%
Transportation/Warehousing	2.11%	4.76%	3.68%	7.09%
Information	2.07%	2.45%	2.72%	2.22%
Finance/Insurance	7.40%	9.74%	9.88%	7.44%
Prof/Scientific/Tech Services	7.97%	9.18%	11.26%	10.03%
Mgmt of Companies/Enterprises	0.35%	0.19%	0.37%	0.24%
Admin/Support/Waste Mgmt Svcs	3.35%	4.83%	4.26%	4.85%
Educational Services	16.34%	7.32%	7.55%	8.29%
Health Care/Social Assistance	11.05%	11.10%	10.66%	11.44%
Arts/Entertainment/Recreation	0.18%	0.94%	1.33%	1.81%
Accommodation/Food Services	12.20%	7.06%	7.56%	6.75%
Other Services (excl Publ Adm)	2.47%	3.80%	4.06%	4.78%
Public Administration	3.13%	3.61%	3.70%	3.16%

Source: ESRI

The previous table illustrates the employment character of the submarket, with the majority of the population holding manufacturing, professional, retail trade, and construction related jobs.

Outlook

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

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

Subject Analysis

Occupancy

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

OCCUPANCY CONCLUSIONS	
Dallas-Plano-Irving, TX Market	93.0%
Allen/McKinney Submarket	93.5%
Rent Comparables (Weighted Avg.)*	92.6%
Subject's Stabilized Occupancy	93.0%
Compiled by CBRE	

*Excludes properties in initial lease-up

Our estimate is prior to 1.0% credit loss.

Conclusion

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

Cost Analysis

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

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

Marshall Valuation Service

Direct Cost

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

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

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

Additions

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

Indirect Cost Items

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

MVS Conclusion

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

MARSHALL VALUATION SERVICE COST SCHEDULE			
Primary Building Type:	Multifamily	Height per Story:	9'
Effective Age:	0 YRS	Number of Buildings:	10
Condition:	Excellent	Gross Building Area:	307,693 SF
Exterior Wall:	Cementitious Panels	Net Rentable Area:	302,223 SF
Number of Units:	340	Average Unit Size:	889 SF
Number of Stories:	4	Average Floor Area:	17,582 SF
MVS Sec/Page/Class			11/30
Quality/Class		Excellent/D	Excellent/D
Building Component		Clubhouse	Multiple Residences
Component Sq. Ft.		5,470 SF	302,223 SF
Base Square Foot Cost		\$264.00	\$197.00
Square Foot Refinements			
Heating and cooling		Included	Included
Sprinklers		\$0.00	\$2.75
Appliances (\$2,500 each)		\$0.46	\$2.81
Garages/Carports		\$0.00	\$4.67
Balconies/Porches		\$0.00	\$1.95
Subtotal		\$274.23	\$207.23
Height and Size Refinements			
Number of Stories Multiplier		1.000	1.000
Height per Story Multiplier		1.000	1.000
Floor Area Multiplier		1.000	0.940
Subtotal		\$274.23	\$194.80
Cost Multipliers			
Current Cost Multiplier		0.97	0.99
Local Multiplier		0.93	0.93
Final Square Foot Cost		\$247.38	\$179.35
Base Component Cost		\$1,353,185	\$54,203,361
Base Building Cost	(via Marshall Valuation Service cost data)		\$55,556,546
Additions			
Signage, Landscaping & Misc. Site Improvements (not included above)			\$1,000,000
Surface Parking/Walks (not included above)			\$700,000
Direct Building Cost			\$57,256,546
Indirect Costs	15.0% of Direct Building Cost		\$8,588,482
Direct and Indirect Building Cost			\$65,845,028
Rounded			\$65,845,000
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. The developer's fee has been excluded from the Indirect Cost reported in the table below.

CONSTRUCTION COSTS					
Comparable:	1	2	3	Average	Subject
Property Type	Multi-family Garden	Multi-family Garden	Multi-family Garden		Multi-family Garden
Year of Cost Data	2024	2024	2024		2025
Cost Data Based Upon...	Budget	Budget	Actual		Budget
Number of Units:	408	280	282	323	340
Size (SF):	348,756	274,596	267,880	297,077	307,693
Cost Component					
Direct Cost	\$66,716,538	\$45,672,478	\$47,924,863	\$53,437,960	\$53,105,816
Indirect Cost	\$10,000,991	\$10,455,127	\$8,250,262	\$9,568,793	\$12,492,192
Lease-up Cost	\$588,136	\$350,000		\$312,712	\$376,500
Total Direct, Indirect & Lease-up	\$77,305,665	\$56,477,605	\$56,175,125	\$63,319,465	\$65,974,508
Cost Per Unit	\$189,475	\$201,706	\$199,203	\$196,794	\$194,043
Cost Per SF	\$221.66	\$205.68	\$209.70	\$212.35	\$214.42
Compiled by CBRE					

Direct and Indirect cost conclusion

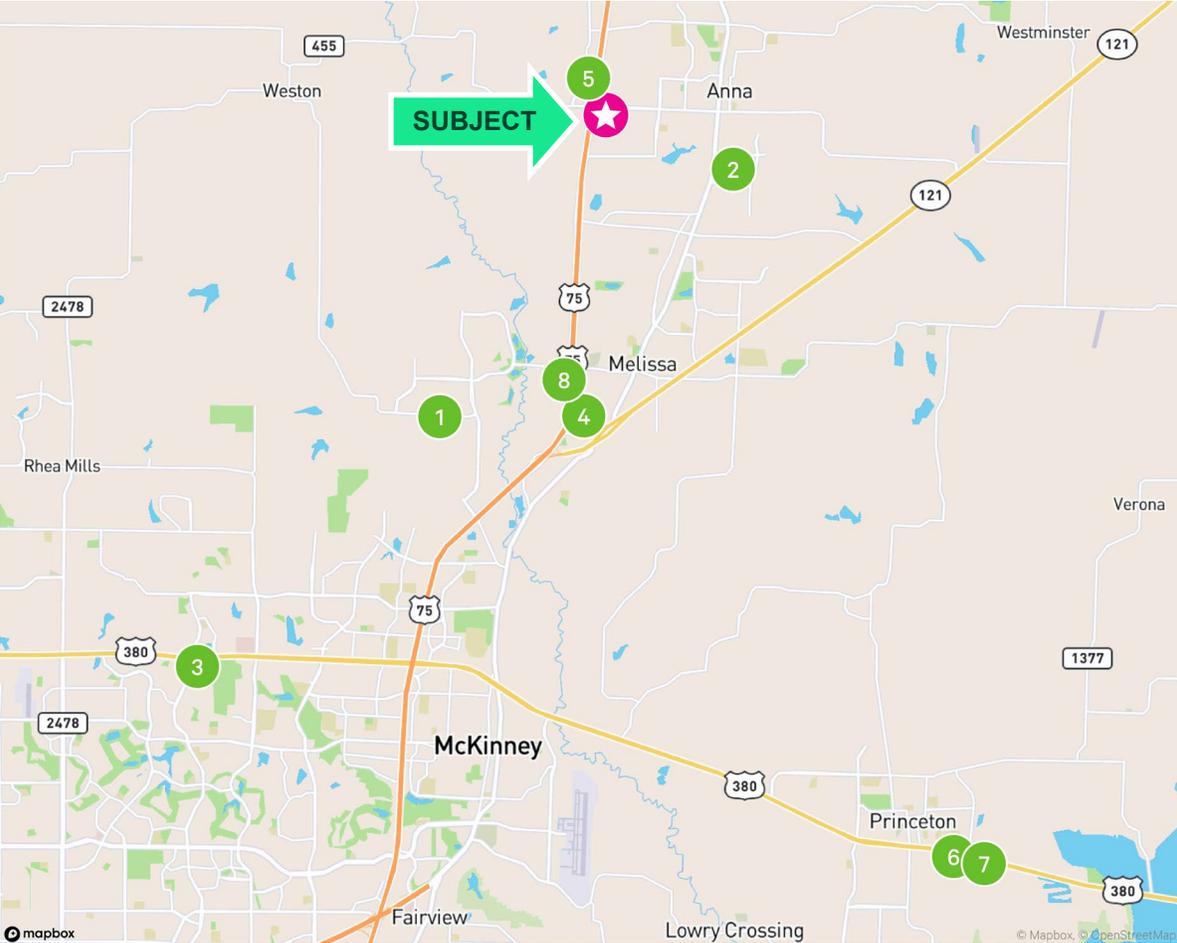
The indicated direct and indirect building costs for the subject are illustrated as follows:

DIRECT AND INDIRECT COST CONCLUSION			
Source	Subject Estimate	Per Unit	Per SF
MVS Cost Guide	\$65,845,000	\$193,662	\$214.00
Cost Comparables (Avg.)	n/a	\$196,794	\$212.35
Subject's Budget Cost Est.	\$65,975,000	\$194,043	\$214.42
CBRE Estimate	\$65,975,000	\$194,044	\$214.42
Compiled by CBRE			

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

Income & Debt Coverage Analysis

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



SUMMARY OF COMPARABLE MULTIFAMILY RENTALS							
No.	Property Name	Location	YOC / Reno'd	Property Subtype	Occ.	No. Units	Avg. Rent Per Unit
1	Estates of McKinney	7200 Welcome Blvd McKinney, TX 75071	2023	Build-To-Rent	92%	412	\$1,824
2	The Grand at Anna	511 E Finley Blvd Anna, TX 75409	2024	Multi-unit Garden	91%	281	\$1,540
3	Gray Branch	1760 North Ridge Road McKinney, TX 75071	2020	Multi-unit Garden	96%	300	\$1,499
4	Landing at Willow Grove	300 Willow Grove Way Melissa, TX 75454	2024	Multi-unit Garden	45%	336	\$1,763
5	The Quinn at Anna	125 S Standridge Blvd Anna, TX 75409	2023	Multi-unit Garden	7%	317	\$1,457
6	Southgate	200 Cole Street Princeton, TX 75407	2021	Multi-unit Garden	94%	156	\$1,419
7	The Starling	149 Princeton Crossroads Princeton, TX 75407	2022	Multi-unit Garden	91%	300	\$1,482
8	The Waldon	2425 Central Expressway Melissa, TX 75454	2024	Multi-unit Garden	35%	300	\$1,743
Subj.	Meryl Street Apartments	900 S Buddy Hayes Blvd Anna, TX 75409	2026	Multifamily	0%	340	---

Compiled by CBRE

The rentals utilized represent the best data available for comparison with the subject. They were selected from our research within the immediate area of Anna as well as nearby jurisdictions of Melissa, Mckinney, and Princeton. These comparables were chosen based upon their similarities in condition, appeal, location, and unit size/type offering.

Location Characteristics

The following supplemental data was collected.

MULTIFAMILY RENT LOCATION ADJUSTMENT ANALYSIS							
Comparable Number	Subject	1	2	3	4	5	6
Address	900 S Buddy Hayes Blvd	7200 Welcome Blvd	511 E Finley Blvd	1760 North Ridge Road	300 Willow Grove Way	125 S Standridge Blvd	200 Cole Street
Radius for Demographic Analysis	3 Mile Radius	3 Mile Radius	3 Mile Radius	3 Mile Radius	3 Mile Radius	3 Mile Radius	3 Mile Radius
2024 Households	8,691	8,602	11,656	25,530	11,780	8,488	10,370
2024 Average Household Income	\$121,911	\$186,908	\$135,101	\$187,271	\$178,514	\$117,678	\$107,372
AHI Relative to Subject	---	53.3%	10.8%	53.6%	46.4%	-3.5%	-11.9%
2024 Median Value of Owner Occupied Housing Units	\$389,747	\$558,592	\$411,237	\$524,521	\$538,072	\$376,636	\$369,602
2024 % Renter Occupied Housing Units	13.8%	10.7%	11.7%	22.2%	10.5%	14.1%	18.3%
2024 % College/Graduate Degree Age 25+	47.2%	53.3%	50.7%	60.1%	56.9%	45.2%	29.9%
2024 Median Age	34.1	36.1	33.9	39.2	35.5	34.0	34.0

Compiled by CBRE

Discussion/Analysis of Rent Comparables

Rent Comparable One

Estates of McKinney is located along Welcome Blvd south of Weston Rd in the northern portion of McKinney, Texas. The comparable represents a 412-unit, build-to-rent community that was constructed in 2023. It is considered to be a Class A property in this market and was in good condition at the date of survey. Units include granite countertops, stainless appliances, and faux wood flooring. The project includes an onsite leasing office and amenity center. Each unit features a fenced yard and attached garage parking. The quoted rents are indicative of average rents including any premiums. No concessions were quoted as of the date of survey. Tenants pay all utilities.

Rent Comparable Two

The Grand at Anna is located along E Finely Blvd east of S Powell Pkwy in Anna, Texas. The comparable represents a 281-unit, three-story, garden-style complex that was constructed in 2024. It is considered to be a Class A property in this market and was in excellent condition at the date of survey. Note if recently renovated. Units include granite countertops, stainless appliances, and faux wood flooring. The project includes typical Class A community amenities. Quoted rents are indicative of average effective rents including any premiums, but prior to lease-up concessions. Upon the date of survey, the project was not stabilized and a concession of 6 weeks free was quoted. Tenants pay all utilities.

Rent Comparable Three

Gray Branch is located along North Ridge Road south of W University Drive in McKinney, Texas. The comparable represents a 300-unit, three-story, garden-style complex that was constructed in 2020. 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 appliances, and faux wood flooring. The project includes typical Class A community amenities. The quoted rents are indicative of average rents including any premiums. No concessions were quoted as of the date of survey. Tenants pay all utilities. The property charges a \$40 amenity fee. Attached garages are available for \$150 per month while detached garages are \$85 per month.

Rent Comparable Four

Landing at Willow Grove is located along Willow Grove Way just east of the US 75 service road in Melissa, Texas. It was constructed in 2024 and was in the initial stages of lease up upon the date of survey. The comparable represents a 336-unit, three-story, garden-style complex. It is considered to be a Class A property in this market and was in excellent condition at the date of survey. Units include granite countertops, stainless appliances, and faux wood flooring. The project includes typical Class A community amenities. Quoted rents are indicative of average rents including any premiums but prior to lease-up concessions. A 3-week lease-up concession was quoted as of the date of survey. Tenants are responsible for all utilities.

Rent Comparable Five

The Quinn at Anna is located along Standridge Blvd just west of US 75 in Anna, Texas. It was constructed in 2024 and was in the initial stages of lease up upon the date of survey. The comparable represents a 282-unit, four-story, garden-style complex. It is considered to be a Class A property in this market and was in excellent condition at the date of survey. Units include granite countertops, stainless

appliances, and faux wood flooring. The project includes typical Class A community amenities. Quoted rents are indicative of average rents including any premiums but prior to lease-up concessions. An 8-week lease-up concession was quoted as of the date of survey. Tenants are responsible for all utilities.

Rent Comparable Six

Southgate is located along Cole Street, just south of Princeton Drive in Princeton, Texas. The comparable represents a 156-unit, three-story, garden-style complex that was constructed in 2021. It is considered to be a Class A property in this market and was in good condition at the date of survey. Note if recently renovated. Units include granite countertops, stainless appliances, and faux wood flooring. The project includes typical Class A community amenities. Quoted rents are indicative of average rents including any premiums. No concessions were quoted as of the date of survey. Tenants pay all utilities. Detached garages are available for \$150 per month and carports are available for \$45 per month

Rent Comparable Seven

The Starling is located along Princeton Crossroad just south of Princeton Drive in Princeton, Texas. The comparable represents a 300-unit, three-story, garden-style 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. Note if recently renovated. Units include granite countertops, stainless appliances, and faux wood flooring. The project includes typical Class A community amenities. Quoted rents are indicative of average rents including any premiums. No concessions were quoted as of the date of survey. Tenants pay all utilities. Detached garages are available for \$175 per month and carports are available for \$45 per month

Rent Comparable Eight

The Waldon is situated on the southwest corner of the Central Expressway (US 75) and W Melissa Rd in Melissa, Texas. The comparable represents a 300-unit, three-story, garden-style complex that was constructed in 2024. It is considered to be a Class A property in this market and was in excellent condition at the date of survey. Units include granite countertops, stainless appliances, and faux wood flooring. The project includes typical Class A community amenities. Quoted rents are indicative of average rents including any premiums. Lease-up concessions of 3 weeks free were quoted as of the date of survey. Tenants pay all utilities. Detached garages are available for \$150 per month.

Subject Rental Information

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

SUBJECT RENTAL INFORMATION						
Type	No. of Units	Unit Size (SF)	Unit Occ.	Max Affordable \$/Unit	Avg. Quoted \$/Unit	Rent Per SF
1BR/1BA	48	724	0%	n/a	\$1,500	\$2.07
1BR/1BA - 80% AMI	98	724	0%	\$1,764	\$1,475	\$2.04
1BR/1BA - 60% AMI	21	724	0%	\$1,323	\$1,241	\$1.71
1BR/1BA	12	909	0%	n/a	\$1,775	\$1.95
1BR/1BA	61	1,008	0%	n/a	\$1,895	\$1.88
2BR/2BA	34	1,056	0%	n/a	\$1,975	\$1.87
2BR/2BA - 80% AMI	38	1,056	0%	\$1,986	\$1,950	\$1.85
2BR/2BA - 60% AMI	13	1,056	0%	\$1,489	\$1,489	\$1.41
2BR/2BA	4	1,245	0%	n/a	\$2,125	\$1.71
2BR/2BA	11	1,289	0%	n/a	\$2,225	\$1.73
Total/Average:	340	889	0%	-----	\$1,686	\$1.90

Compiled by CBRE

The 60% AMI rents are quoted at the maximum allowable level for the 2BR units and slightly below for the 1BR units. The 80% AMI rents are quoted somewhat below the concluded market levels as 1) market rents are at or below the maximum allowable level, and 2) in order to drive traffic for / incentivize the affordable units vs. the market-rate units.

Program and Location Information		HUD Published Income Limits for 2024 (with no adjustments)	
Affordable Housing Program	Other Federal, State, or Local Program (non-LIHTC)	<input checked="" type="radio"/> Display Income Limits	<input type="radio"/> Hide Income Limits
Year	2024 (effective 04/01/24)		
State	TX		
County	Collin County		
MSA	Dallas, TX HUD Metro FMR Area		
Rent Calculation Based on	AMI		
Persons / Bedroom	1 Person / Bedroom + 1		
4-person AMI	\$110,300		
National Non-Metropolitan Median Income	\$77,400		
HUD Published 50% National Non-Metropolitan Median Income	\$38,700		

Income Limits for 2024 (Based on 2024 AMI Income Limits)			
	Charts	60.00%	80.00%
1 Person	🚩	46,320	61,760
2 Person	🚩	52,920	70,560
3 Person	🚩	59,580	79,440
4 Person	🚩	66,180	88,240
5 Person	🚩	71,460	95,280
6 Person	🚩	76,740	102,320
7 Person	🚩	82,080	109,440
8 Person	🚩	87,360	116,480
9 Person	🚩	92,640	123,520
10 Person	🚩	97,920	130,560
11 Person	🚩	103,260	137,680
12 Person	🚩	108,540	144,720

Rent Limits for 2024 (Based on 2024 AMI Income Limits)				
Bedrooms (People)	Charts	60.00%	80.00%	FMR
1 Bedroom (2.0)	🚩	1,323	1,764	1,500
2 Bedrooms (3.0)	🚩	1,489	1,986	1,758

Source: Novogradac.com

One-Bedroom Units

SUMMARY OF COMPARABLE RENTALS ONE BEDROOM UNITS				
Comparable	Plan Type	Size (SF)	Rental Rates	
			\$/Mo.	\$/SF
Gray Branch	1 BR, 1 BA	597 SF	\$1,114	\$1.87
Gray Branch	1 BR, 1 BA	656 SF	\$1,117	\$1.70
Gray Branch	1 BR, 1 BA	734 SF	\$1,236	\$1.68
Subject (Avg. Quoted)	1BR/1BA - 60% AMI	724 SF	\$1,241	\$1.71
Southgate	1 BR, 1 BA	646 SF	\$1,245	\$1.93
The Quinn at Anna	1BR/1BA	697 SF	\$1,258	\$1.80
The Quinn at Anna	1BR/1BA	698 SF	\$1,274	\$1.83
The Quinn at Anna	1BR/1BA	712 SF	\$1,282	\$1.80
The Quinn at Anna	1BR/1BA	699 SF	\$1,282	\$1.83
The Quinn at Anna	1BR/1BA	710 SF	\$1,285	\$1.81
Gray Branch	1 BR, 1 BA	946 SF	\$1,303	\$1.38
The Grand at Anna	1BR/1BA	648 SF	\$1,318	\$2.03
Subject (Concluded)	1BR/1BA - 60% AMI	724 SF	\$1,323	\$1.83
The Quinn at Anna	1BR/1BA	729 SF	\$1,342	\$1.84
The Starling	1 BR, 1 BA	655 SF	\$1,298-\$1,390	\$2.05
The Grand at Anna	1BR/1BA	729 SF	\$1,354	\$1.86
Gray Branch	1 BR, 1 BA	739 SF	\$1,372	\$1.86
The Waldon	1 BR, 1 BA	682 SF	\$1,407	\$2.06
Estates of McKinney	1BR/1BA	713 SF	\$1,409	\$1.98
Gray Branch	1 BR, 1 BA	840 SF	\$1,409	\$1.68
The Waldon	1 BR, 1 BA	620 SF	\$1,410	\$2.27
Gray Branch	1 BR, 1 BA	697 SF	\$1,437	\$2.06
The Quinn at Anna	1BR/1BA	824 SF	\$1,443	\$1.75
The Starling	1 BR, 1 BA	798 SF	\$1,331-\$1,556	\$1.81
The Waldon	1 BR, 1 BA	701 SF	\$1,455	\$2.08
Subject (Concluded)	1BR/1BA - 80% AMI	724 SF	\$1,475	\$2.04
Subject (Avg. Quoted)	1BR/1BA - 80% AMI	724 SF	\$1,475	\$2.04
Gray Branch	1 BR, 1 BA	855 SF	\$1,481	\$1.73
The Starling	1 BR, 1 BA	731 SF	\$1,355-\$1,619	\$2.03
Subject (Avg. Quoted)	1BR/1BA	724 SF	\$1,500	\$2.07
Subject (Concluded)	1BR/1BA	724 SF	\$1,500	\$2.07
Landing at Willow Grove	1 BR, 1 BA	826 SF	\$1,523	\$1.84
Gray Branch	1 BR, 1 BA	764 SF	\$1,530	\$2.00
The Waldon	1 BR, 1 BA	787 SF	\$1,605	\$2.04
The Waldon	1 BR, 1 BA	895 SF	\$1,641	\$1.83
The Waldon	1 BR, 1 BA	871 SF	\$1,642	\$1.89
Subject (Avg. Quoted)	1BR/1BA	909 SF	\$1,775	\$1.95
Subject (Concluded)	1BR/1BA	909 SF	\$1,775	\$1.95
Subject (Concluded)	1BR/1BA	1,008 SF	\$1,895	\$1.88
Subject (Avg. Quoted)	1BR/1BA	1,008 SF	\$1,895	\$1.88
The Waldon	1 BR, 1 BA - TH	922 SF	\$2,196	\$2.38

Compiled by CBRE

The subject's quoted market rental rates for the one-bedroom units are well supported by the market comparables. The 60% AMI rents provide a significant advantage to the achievable market rents. The 80% AMI rents do not provide an advantage to market rents as market rents are below the maximum allowable rents. However, market rent for the 80% AMI units has been concluded slightly below the market rate units to drive traffic to / incentivize the affordable rate units.

Two-Bedroom Units

SUMMARY OF COMPARABLE RENTALS TWO BEDROOM UNITS				
Comparable	Plan Type	Size (SF)	Rental Rates	
			\$/Mo.	\$/SF
Subject (Avg. Quoted)	2BR/2BA - 60% AMI	1,056 SF	\$1,489	\$1.41
Subject (Concluded)	2BR/2BA - 60% AMI	1,056 SF	\$1,489	\$1.41
Southgate	2 BR, 2 BA	981 SF	\$1,499	\$1.53
Southgate	2 BR, 2 BA	1,031 SF	\$1,599	\$1.55
The Starling	2 BR, 2 BA	956 SF	\$1,655	\$1.73
The Starling	2 BR, 2 BA	1,139 SF	\$1,656-\$1,707	\$1.48
The Starling	2 BR, 2 BA	1,058 SF	\$1,546-\$1,822	\$1.59
The Quinn at Anna	2BR/2BA	996 SF	\$1,686	\$1.69
Gray Branch	2 BR, 2 BA	993 SF	\$1,688	\$1.70
The Grand at Anna	2BR/2BA	987 SF	\$1,720	\$1.74
The Quinn at Anna	2BR/2BA	1,064 SF	\$1,736	\$1.63
Gray Branch	2 BR, 2 BA	1,074 SF	\$1,749	\$1.63
Gray Branch	2 BR, 2 BA	1,085 SF	\$1,782	\$1.64
The Grand at Anna	2BR/2BA	1,026 SF	\$1,789	\$1.74
The Starling	2 BR, 2 BA	1,129 SF	\$1,736-\$1,917	\$1.62
Gray Branch	2 BR, 2 BA	1,234 SF	\$1,841	\$1.49
Estates of McKinney	2BR/2BA	1,088 SF	\$1,894	\$1.74
Landing at Willow Grove	2 BR, 2 BA	1,172 SF	\$1,895	\$1.62
The Waldon	2 BR, 2 BA	1,044 SF	\$1,913	\$1.83
The Grand at Anna	2BR/2BA	1,155 SF	\$1,942	\$1.68
Subject (Concluded)	2BR/2BA - 80% AMI	1,056 SF	\$1,950	\$1.85
Subject (Avg. Quoted)	2BR/2BA - 80% AMI	1,056 SF	\$1,950	\$1.85
The Waldon	2 BR, 2 BA	1,139 SF	\$1,969	\$1.73
The Waldon	2 BR, 2 BA	1,056 SF	\$1,969	\$1.86
Subject (Avg. Quoted)	2BR/2BA	1,056 SF	\$1,975	\$1.87
The Waldon	2 BR, 2 BA	1,173 SF	\$1,991	\$1.70
Subject (Concluded)	2BR/2BA	1,056 SF	\$2,006	\$1.90
The Waldon	2 BR, 2 BA	1,215 SF	\$2,122	\$1.75
Subject (Avg. Quoted)	2BR/2BA	1,245 SF	\$2,125	\$1.71
The Quinn at Anna	2BR/2BA	1,102 SF	\$2,132	\$1.93
Gray Branch	2 BR, 2 BA	1,108 SF	\$2,152	\$1.94
Subject (Concluded)	2BR/2BA	1,245 SF	\$2,155	\$1.73
Subject (Avg. Quoted)	2BR/2BA	1,289 SF	\$2,225	\$1.73
Subject (Concluded)	2BR/2BA	1,289 SF	\$2,255	\$1.75
Estates of McKinney	2BR/2BA	1,094 SF	\$2,259	\$2.06
The Quinn at Anna	2BR/2BA	1,399 SF	\$2,401	\$1.72
The Quinn at Anna	2BR/2BA	1,460 SF	\$2,403	\$1.65
The Waldon	2 BR, 2 BA - TH	1,671 SF	\$2,995	\$1.79

Compiled by CBRE

The subject's quoted market rental rates for the two-bedroom units are well supported by the market comparables; however, CBRE has concluded to slightly higher market rents than those quoted based on a review of the market comparables. The 60% AMI rents provide a significant advantage to the achievable market rents. The 80% AMI rents do not provide an advantage to market rents as market rents are below the maximum allowable rents. However, market rent for the 80% AMI units has been concluded slightly below the market rate units to drive traffic to / incentivize the affordable rate units.

Rent Conclusions

The following chart shows the rent conclusions for the subject:

RENT CONCLUSIONS - AS RESTRICTED									
No. Units	Unit Type	Unit Size (SF)	Total SF	Monthly Rent			Annual Rent		Annual Total
				\$/Unit	\$/SF	PRI	\$/Unit	\$/SF	
48	1BR/1BA	724	34,752	\$1,500	\$2.07	\$72,000	\$18,000	\$24.86	\$864,000
98	1BR/1BA - 80% AMI	724	70,952	\$1,475	\$2.04	\$144,550	\$17,700	\$24.45	\$1,734,600
21	1BR/1BA - 60% AMI	724	15,204	\$1,323	\$1.83	\$27,783	\$15,876	\$21.93	\$333,396
12	1BR/1BA	909	10,908	\$1,775	\$1.95	\$21,300	\$21,300	\$23.43	\$255,600
61	1BR/1BA	1,008	61,488	\$1,895	\$1.88	\$115,595	\$22,740	\$22.56	\$1,387,140
34	2BR/2BA	1,056	35,904	\$2,006	\$1.90	\$68,204	\$24,072	\$22.80	\$818,448
38	2BR/2BA - 80% AMI	1,056	40,128	\$1,950	\$1.85	\$74,100	\$23,400	\$22.16	\$889,200
13	2BR/2BA - 60% AMI	1,056	13,728	\$1,489	\$1.41	\$19,357	\$17,868	\$16.92	\$232,284
4	2BR/2BA	1,245	4,980	\$2,155	\$1.73	\$8,620	\$25,860	\$20.77	\$103,440
11	2BR/2BA	1,289	14,179	\$2,255	\$1.75	\$24,805	\$27,060	\$20.99	\$297,660
340		889	302,223	\$1,695	\$1.91	\$576,314	\$20,340	\$22.88	\$6,915,768

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	
48	1BR/1BA	724	34,752	\$1,500	\$2.07	\$72,000	\$18,000	\$24.86	\$864,000
98	1BR/1BA - 80% AMI	724	70,952	\$1,500	\$2.07	\$147,000	\$18,000	\$24.86	\$1,764,000
21	1BR/1BA - 60% AMI	724	15,204	\$1,500	\$2.07	\$31,500	\$18,000	\$24.86	\$378,000
12	1BR/1BA	909	10,908	\$1,775	\$1.95	\$21,300	\$21,300	\$23.43	\$255,600
61	1BR/1BA	1,008	61,488	\$1,895	\$1.88	\$115,595	\$22,740	\$22.56	\$1,387,140
34	2BR/2BA	1,056	35,904	\$2,006	\$1.90	\$68,204	\$24,072	\$22.80	\$818,448
38	2BR/2BA - 80% AMI	1,056	40,128	\$2,006	\$1.90	\$76,228	\$24,072	\$22.80	\$914,736
13	2BR/2BA - 60% AMI	1,056	13,728	\$2,006	\$1.90	\$26,078	\$24,072	\$22.80	\$312,936
4	2BR/2BA	1,245	4,980	\$2,155	\$1.73	\$8,620	\$25,860	\$20.77	\$103,440
11	2BR/2BA	1,289	14,179	\$2,255	\$1.75	\$24,805	\$27,060	\$20.99	\$297,660
340		889	302,223	\$1,739	\$1.96	\$591,330	\$20,870	\$23.48	\$7,095,960

Compiled by CBRE

Potential Rental Income Conclusion

POTENTIAL RENTAL INCOME			
Year		Total	\$/Unit/Yr
Developer's Budget		\$6,877,056	\$20,227
Expense Comparable 1		---	\$18,328
Expense Comparable 2		---	\$20,618
Expense Comparable 3		---	\$20,376
Expense Comparable 4		---	\$22,475
CBRE Estimate - As Proposed Restricted, without Abatement		\$6,915,768	\$20,340
CBRE Estimate - As Proposed Restricted, with Abatement		\$6,915,768	\$20,340
CBRE Estimate - As Market Rate, Without Abatement		\$7,095,960	\$20,870

Compiled by CBRE

Operating Budget

The following table presents available budget data for the subject. It is noted that CBREs pro forma is inclusive of real estate taxes.

OPERATING BUDGET				
Year-Occupancy	Developer's		Pro Forma	
	Budget	93.6%	Total	92.0%
	Total	\$/Unit	Total	\$/Unit
INCOME				
Potential Rental Income	\$6,877,056	\$20,227	\$6,915,768	\$20,340
Loss to Lease	-	-	-	-
Concessions	-	-	-	-
Adjusted Rental Income	\$6,877,056	\$20,227	\$6,915,768	\$20,340
Vacancy	(366,923)	(1,079)	(484,104)	(1,424)
Credit Loss	(73,385)	(216)	(69,158)	(203)
Net Rental Income	\$6,436,748	\$18,932	\$6,362,507	\$18,713
Other Income	461,400	1,357	442,000	1,300
Parking Income	-	-	110,500	325
RUBS/Utility Income	-	-	272,000	800
Effective Gross Income	\$6,898,148	\$20,289	\$7,187,007	\$21,138
EXPENSE				
Real Estate Taxes	\$0	\$0	\$1,013,985	\$2,982
Property Insurance	285,600	840	285,600	840
Utilities	136,000	400	408,000	1,200
Administrative & General	102,000	300	102,000	300
Repairs & Maintenance	289,000	850	289,000	850
Management Fee	172,454	507	179,675	528
Payroll	516,120	1,518	510,000	1,500
Non-Revenue Units	-	-	25,500	75
Advertising & Leasing	102,000	300	102,000	300
Gross Sales Receipts Tax	-	-	23,789	70
PFC Administration Fee	32,833	97	10,000	29
PFC Ground Lease	27,000	79	27,000	79
Replacement Reserves	68,000	200	68,000	200
Total Operating Expenses	\$1,731,007	\$5,091	\$3,044,549	\$8,955
Net Operating Income	\$5,167,141	\$15,197	\$4,142,457	\$12,184
Management Fee % of EGI)	2.50%		2.50%	

Source: Operating statements

Loss to Lease

Within the local market, buyers and sellers typically recognize a reduction in potential rental income due to the difference between market and contract rental rates. In this market, lease rates are typically flat and are anticipated to roll to market every 12 months on average. As a result, actual collections typically

lag behind market rates by approximately six to nine months. As a new construction property, loss to lease is not estimated herein.

Concessions

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

Vacancy

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

VACANCY		
Year	Total	% of ARI
Developer's Budget	(\$366,923)	5.3%
Expense Comparable 1	---	5.1%
Expense Comparable 2	---	5.1%
Expense Comparable 3	---	5.8%
Expense Comparable 4	---	6.3%
CBRE Estimate - As Proposed Restricted, without Abatement	(\$484,104)	7.0%
CBRE Estimate - As Proposed Restricted, with Abatement	(\$484,104)	7.0%
CBRE Estimate - As Market Rate, Without Abatement	(\$496,717)	7.0%
Compiled by CBRE		

Credit Loss

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

CREDIT LOSS		
Year	Total	% of ARI
Developer's Budget	(\$73,385)	1.1%
Expense Comparable 1	---	0.4%
Expense Comparable 2	---	0.0%
Expense Comparable 3	---	0.2%
Expense Comparable 4	---	1.0%
CBRE Estimate - As Proposed Restricted, without Abatement	(\$69,158)	1.0%
CBRE Estimate - As Proposed Restricted, with Abatement	(\$69,158)	1.0%
CBRE Estimate - As Market Rate, Without Abatement	(\$70,960)	1.0%
Compiled by CBRE		

Parking Income

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

PARKING INCOME		
Year	Total	\$/Unit/Yr
Developer's Budget	\$0	\$0
Expense Comparable 1	---	\$584
Expense Comparable 2	---	\$104
Expense Comparable 3	---	\$354
Expense Comparable 4	---	\$0
CBRE Estimate - As Proposed Restricted, without Abatement	\$110,500	\$325
CBRE Estimate - As Proposed Restricted, with Abatement	\$110,500	\$325
CBRE Estimate - As Market Rate, Without Abatement	\$110,500	\$325
Compiled by CBRE		

We have concluded \$325 per unit for the subject's parking income, which is within the range of the expense comparables. It is noted that the developer's budget does not provide an estimate of parking income separate from other income.

Other Income

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

OTHER INCOME		
Year	Total	\$/Unit/Yr
Developer's Budget	\$461,400	\$1,357
Expense Comparable 1	---	\$1,349
Expense Comparable 2	---	\$1,299
Expense Comparable 3	---	\$1,957
Expense Comparable 4	---	\$1,399
Supplemental Comparable 5	---	\$1,705
CBRE Estimate - As Proposed Restricted, without Abatement	\$442,000	\$1,300
CBRE Estimate - As Proposed Restricted, with Abatement	\$442,000	\$1,300
CBRE Estimate - As Market Rate, Without Abatement	\$442,000	\$1,300
Compiled by CBRE		

We have concluded \$1,300 per unit for the subject's other income, which is within the range of the expense comparables. The conclusion is also supported by the developer's budget.

RUBS Income

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

RUBS/UTILITY INCOME		
Year	Total	\$/Unit/Yr
Developer's Budget	\$0	\$0
Expense Comparable 1	---	\$841
Expense Comparable 2	---	\$693
Expense Comparable 3	---	\$375
Expense Comparable 4	---	\$764
CBRE Estimate - As Proposed Restricted, without Abatement	\$272,000	\$800
CBRE Estimate - As Proposed Restricted, with Abatement	\$272,000	\$800
CBRE Estimate - As Market Rate, Without Abatement	\$272,000	\$800
Compiled by CBRE		

We have concluded \$800 per unit for the subject's rubs/utility income, which is within the range of the expense comparables. The developer does not project a RUBS income figure, but instead has included a utility expense figure net of utility reimbursements.

Effective Gross Income

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

EFFECTIVE GROSS INCOME		
Year	Total	\$/Unit/Yr
Developer's Budget	\$6,898,148	\$20,289
Expense Comparable 1	---	\$19,162
Expense Comparable 2	---	\$20,267
Expense Comparable 3	---	\$20,718
Expense Comparable 4	---	\$20,089
CBRE Estimate - As Proposed Restricted, without Abatement	\$7,187,007	\$21,138
CBRE Estimate - As Proposed Restricted, with Abatement	\$7,187,007	\$21,138
CBRE Estimate - As Market Rate, Without Abatement	\$7,352,783	\$21,626
Compiled by CBRE		

The concluded EGI as restricted is approximately 4.2% above that of the developer's budget; however, this is reasonable due to CBRE's inclusion of RUBS income and a gross utility expense vs. the developer's net utility expense.

Operating Expense Analysis

Expense Comparables

The following chart summarizes expenses obtained from comparable properties.

EXPENSE COMPARABLES					
Comparable Number	1	2	3	4	Subject
Location	Dallas/Fort Worth MSA	Dallas/Fort Worth MSA	Dallas/Fort Worth MSA	Dallas/Fort Worth MSA	Anna, TX
Units	420	500	300	480	340
Year Built	2008	2017	2020	1998	2026
Period	T12 to 10/24	2023	T12 to 10/23	T12 to 4/23	Pro Forma
Revenues	\$/Unit	\$/Unit	\$/Unit	\$/Unit	\$/Unit
Potential Rental Income	\$18,328	\$20,618	\$20,376	\$22,475	\$20,340
Loss to Lease	(901)	(1,472)	(995)	(2,268)	-
Concessions	(88)	-	(197)	(48)	-
Adjusted Rental Income	\$17,338	\$19,146	\$19,185	\$20,160	\$20,340
Vacancy	(883)	(975)	(1,120)	(1,277)	(1,424)
Credit Loss	(67)	-	(33)	(193)	(203)
Net Rental Income	\$16,387	\$18,171	\$18,031	\$18,690	\$18,713
Other Income	\$1,349	\$1,299	\$1,957	\$1,399	\$1,300
Parking Income	\$584	\$104	\$354	\$0	\$325
RUBS/Utility Income	\$841	\$693	\$375	\$764	\$800
Effective Gross Income	\$19,162	\$20,267	\$20,718	\$20,089	\$21,138
Expenses					
Real Estate Taxes	\$2,450	\$3,164	\$3,324	\$3,169	\$2,982
Property Insurance	600	795	776	411	840
Utilities	1,215	907	776	1,414	1,200
Administrative & General	391	180	331	442	300
Repairs & Maintenance	1,136	630	1,443	1,188	850
Management Fee	524	508	529	654	528
Payroll	1,710	1,348	1,665	1,420	1,500
Non-Revenue Units	-	-	83	65	75
Advertising & Leasing	191	166	374	233	300
Gross Sales Receipts Tax	66	-	-	69	70
PFC Administration Fee	-	-	-	-	29
PFC Ground Lease	-	-	-	-	79
Replacement Reserves	200	200	233	200	200
Total Operating Expenses	\$8,483	\$7,899	\$9,535	\$9,266	\$8,955
Operating Expenses Excluding Taxes	6,033	4,735	6,210	6,097	5,972
Operating Expense Ratio	44.3%	39.0%	46.0%	46.1%	42.4%
Management Fee (% of EGI)	2.73%	2.51%	2.55%	3.26%	2.50%

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

Compiled by CBRE

The concluded expenses for each category (other than Property Insurance) are well supported by the comparable data. Property insurance costs have been increasing in recent years and are property specific. We have placed primary weight on the developer's budget.

Administrative Fee & Ground Rent

Per the Term Sheet with the Anna PFC, the subject developer is responsible for an annual administrative fee of \$10,000 per year and ground rent of \$27,000 per year. Both of these amounts are to increase at 3% per year.

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	\$1,731,007	\$5,091
Expense Comparable 1	---	\$8,483
Expense Comparable 2	---	\$7,899
Expense Comparable 3	---	\$9,535
Expense Comparable 4	---	\$9,266
CBRE Estimate - As Proposed Restricted, without Abatement	\$3,044,549	\$8,955
CBRE Estimate - As Proposed Restricted, with Abatement	\$2,030,564	\$5,972
CBRE Estimate - As Market Rate, Without Abatement	\$3,011,694	\$8,858
Compiled by CBRE		

OPERATING EXPENSES EXCLUDING TAXES		
Year	Total	\$/Unit/Yr
Developer's Budget	\$1,731,007	\$5,091
Expense Comparable 1	---	\$6,033
Expense Comparable 2	---	\$4,735
Expense Comparable 3	---	\$6,210
Expense Comparable 4	---	\$6,097
CBRE Estimate - As Proposed Restricted, without Abatement	\$2,030,564	\$5,972
CBRE Estimate - As Proposed Restricted, with Abatement	\$2,030,564	\$5,972
CBRE Estimate - As Market Rate, Without Abatement	\$1,997,709	\$5,876
Compiled by CBRE		

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

Net Operating Income Conclusion

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

NET OPERATING INCOME		
Year	Total	\$/Unit/Yr
Developer's Budget	\$5,167,141	\$15,197
Expense Comparable 1	---	\$10,679
Expense Comparable 2	---	\$12,368
Expense Comparable 3	---	\$11,184
Expense Comparable 4	---	\$10,824
CBRE Estimate - As Proposed Restricted, without Abatement	\$4,142,457	\$12,184
CBRE Estimate - As Proposed Restricted, with Abatement	\$5,156,442	\$15,166
CBRE Estimate - As Market Rate, Without Abatement	\$4,341,090	\$12,768

Compiled by CBRE

Summary of Conclusions

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

COMPARABLE EXPENSE ANALYSIS						
Period	Subject Operating	Comparables				Subject
	Developer's Budget	Comp 1	Comp 2	Comp 3	Comp 4	Conclusion
		Location MSA	Worth MSA	Worth MSA	Worth MSA	
		Units 420	500	300	480	
		Year Built 2008	2017	2020	1998	
		Type Garden	Garden	Garden	Garden	
		Period T12 to 10/24	2023	T12 to 10/23	T12 to 4/23	
Range Names	\$/Unit/Yr	\$/Unit/Yr	\$/Unit/Yr	\$/Unit/Yr	\$/Unit/Yr	\$/Unit/Yr
Potential Rental Income	\$20,227	\$18,328	\$20,618	\$20,376	\$22,475	\$20,340
Loss to Lease	-	(901)	(1,472)	(995)	(2,268)	-
Concessions	-	(88)	-	(197)	(48)	-
Adjusted Rental Income	\$20,227	\$17,338	\$19,146	\$19,185	\$20,160	\$20,340
Vacancy	(1,079)	(883)	(975)	(1,120)	(1,277)	(1,424)
Credit Loss	(216)	(67)	-	(33)	(193)	(203)
Net Rental Income	\$18,932	\$16,387	\$18,171	\$18,031	\$18,690	\$18,713
Other Income	1,357	1,349	1,299	1,957	1,399	1,300
Parking Income	-	584	104	354	-	325
RUBS/Utility Income	-	841	693	375	764	800
Effective Gross Income	\$20,289	\$19,162	\$20,267	\$20,718	\$20,089	\$21,138
Expenses						
Real Estate Taxes	\$0	\$2,450	\$3,164	\$3,324	\$3,169	\$2,982
Property Insurance	840	600	795	776	411	840
Utilities	400	1,215	907	776	1,414	1,200
Administrative & General	300	391	180	331	442	300
Repairs & Maintenance	850	1,136	630	1,443	1,188	850
Management Fee	507	524	508	529	654	528
Payroll	1,518	1,710	1,348	1,665	1,420	1,500
Non-Revenue Units	-	-	-	83	65	75
Advertising & Leasing	300	191	166	374	233	300
Gross Sales Receipts Tax	-	66	-	-	69	70
PFC Administration Fee	97	-	-	-	-	29
PFC Ground Lease	79	-	-	-	-	79
Replacement Reserves	200	200	200	233	200	200
Total Operating Expenses	\$5,091	\$8,483	\$7,899	\$9,535	\$9,266	\$8,955
Operating Expenses Excluding Taxes	\$5,091	\$6,033	\$4,735	\$6,210	\$6,097	\$5,972
Operating Expense Ratio	25.1%	44.3%	39.0%	46.0%	46.1%	42.4%
Management Fee	2.5%	2.7%	2.5%	2.6%	3.3%	2.5%

Compiled by CBRE

NOI Summary – As Proposed Restricted, Without Abatement

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

DIRECT CAPITALIZATION SUMMARY - AS PROPOSED RESTRICTED, WITHOUT ABATEMENT			
		\$/Unit/Yr	Total
Income			
Potential Rental Income		\$20,340	\$6,915,768
Loss to Lease	0.00%	0	-
Concessions	0.00%	0	-
Adjusted Rental Income		\$20,340	\$6,915,768
Vacancy	7.00%	(1,424)	(484,104)
Credit Loss	1.00%	(203)	(69,158)
Net Rental Income		\$18,713	\$6,362,507
Other Income		1,300	442,000
Parking Income		325	110,500
RUBS/Utility Income		800	272,000
Effective Gross Income		\$21,138	\$7,187,007
Expenses			
Real Estate Taxes		\$2,982	\$1,013,985
Property Insurance		840	285,600
Utilities		1,200	408,000
Administrative & General		300	102,000
Repairs & Maintenance		850	289,000
Management Fee	2.50%	528	179,675
Payroll		1,500	510,000
Non-Revenue Units		75	25,500
Advertising & Leasing		300	102,000
Gross Sales Receipts Tax	0.331%	70	23,789
PFC Administration Fee		29	10,000
PFC Ground Lease		79	27,000
Replacement Reserves		200	68,000
Total Operating Expenses		\$8,955	\$3,044,549
Operating Expenses Excluding Taxes		\$5,972	\$2,030,564
Operating Expense Ratio			42.36%
Net Operating Income		\$12,184	\$4,142,457
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		6.25%	
Mortgage Term (Amortization Period)		30 Years	
Mortgage Ratio (Loan-to-Value)		60%	
Mortgage Constant (monthly payments)		0.07389	
Equity Dividend Rate (EDR)		7.50%	
Mortgage Requirement	60%	x	0.07389 = 0.04433
Equity Requirement	40%	x	0.07500 = 0.03000
	100%		0.07433
Indicated OAR:			7.40%
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*	\$79,170,000
Mortgage Ratio (Loan-to-Value)	60%
Estimated Mortgage Loan Amount	\$47,502,000
Mortgage Interest Rate	6.25%
Mortgage Term (Amortization Period)	30 Years
Mortgage Constant (monthly payments)	0.07389
Annual Debt Service (monthly payments)	\$3,509,736
Estimated NOI - As Restricted without Abatement	\$4,142,457
Estimated Debt Coverage Ratio (DCR)	1.18
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 1.18 – indicating the development is not feasible absent the abatement.

NOI Summary – As Proposed Restricted, with Abatement

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

DIRECT CAPITALIZATION SUMMARY - AS PROPOSED RESTRICTED, WITH ABATEMENT			
		\$/Unit/Yr	Total
Income			
Potential Rental Income		\$20,340	\$6,915,768
Loss to Lease	0.00%	0	-
Concessions	0.00%	0	-
Adjusted Rental Income		\$20,340	\$6,915,768
Vacancy	7.00%	(1,424)	(484,104)
Credit Loss	1.00%	(203)	(69,158)
Net Rental Income		\$18,713	\$6,362,507
Other Income		1,300	442,000
Parking Income		325	110,500
RUBS/Utility Income		800	272,000
Effective Gross Income		\$21,138	\$7,187,007
Expenses			
Real Estate Taxes		\$0	\$0
Property Insurance		840	285,600
Utilities		1,200	408,000
Administrative & General		300	102,000
Repairs & Maintenance		850	289,000
Management Fee	2.50%	528	179,675
Payroll		1,500	510,000
Non-Revenue Units		75	25,500
Advertising & Leasing		300	102,000
Gross Sales Receipts Tax		70	23,789
PFC Administration Fee		29	10,000
PFC Ground Lease		79	27,000
Replacement Reserves		200	68,000
Total Operating Expenses		\$5,972	\$2,030,564
Operating Expense Ratio			28.25%
Net Operating Income		\$15,166	\$5,156,442
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	6.25%		
Mortgage Term (Amortization Period)	30 Years		
Mortgage Ratio (Loan-to-Value)	60%		
Mortgage Constant (monthly payments)	0.07389		
Equity Dividend Rate (EDR)	7.50%		
Mortgage Requirement	60%	x	0.07389 = 0.04433
Equity Requirement	40%	x	0.07500 = 0.03000
	100%		0.07433
Indicated OAR:			7.40%
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*	\$79,170,000
Mortgage Ratio (Loan-to-Value)	60%
Estimated Mortgage Loan Amount	\$47,502,000
Mortgage Interest Rate	6.25%
Mortgage Term (Amortization Period)	30 Years
Mortgage Constant (monthly payments)	0.07389
Annual Debt Service (monthly payments)	\$3,509,736
Estimated NOI - As Restricted with Abatement	\$5,156,442
Estimated Debt Coverage Ratio (DCR)	1.47
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 1.47 – indicating the development is feasible as proposed.

NOI Summary – As Market Rate, Without Abatement

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

DIRECT CAPITALIZATION SUMMARY - AS MARKET RATE, WITHOUT ABATEMENT			
		\$/Unit/Yr	Total
Income			
Potential Rental Income		\$20,870	\$7,095,960
Loss to Lease	0.00%	0	-
Concessions	0.00%	0	-
Adjusted Rental Income		\$20,870	\$7,095,960
Vacancy	7.00%	(1,461)	(496,717)
Credit Loss	1.00%	(209)	(70,960)
Net Rental Income		\$19,201	\$6,528,283
Other Income		1,300	442,000
Parking Income		325	110,500
RUBS/Utility Income		800	272,000
Effective Gross Income		\$21,626	\$7,352,783
Expenses			
Real Estate Taxes		\$2,982	\$1,013,985
Property Insurance		840	285,600
Utilities		1,200	408,000
Administrative & General		300	102,000
Repairs & Maintenance		850	289,000
Management Fee	2.50%	541	183,820
Payroll		1,500	510,000
Non-Revenue Units		75	25,500
Advertising & Leasing		300	102,000
Gross Sales Receipts Tax		70	23,789
PFC Administration Fee		0	-
PFC Ground Lease		0	-
Replacement Reserves		200	68,000
Total Operating Expenses		\$8,858	\$3,011,694
Operating Expenses Excluding Taxes		\$5,876	\$1,997,709
Operating Expense Ratio			40.96%
Net Operating Income		\$12,768	\$4,341,090
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	6.25%		
Mortgage Term (Amortization Period)	30 Years		
Mortgage Ratio (Loan-to-Value)	60%		
Mortgage Constant (monthly payments)	0.07389		
Equity Dividend Rate (EDR)	7.50%		
Mortgage Requirement	60%	x	0.07389 = 0.04433
Equity Requirement	40%	x	0.07500 = 0.03000
	100%		0.07433
Indicated OAR:			7.40%
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*	\$79,170,000
Mortgage Ratio (Loan-to-Value)	60%
Estimated Mortgage Loan Amount	\$47,502,000
Mortgage Interest Rate	6.25%
Mortgage Term (Amortization Period)	30 Years
Mortgage Constant (monthly payments)	0.07389
Annual Debt Service (monthly payments)	\$3,509,736
Estimated NOI - As Market Rate without Abatement	\$4,341,090
Estimated Debt Coverage Ratio (DCR)	1.24
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 1.24 – indicating the development is not feasible.

Community Benefit Analysis

At the request of the client, we have provided an analysis of the net community benefit of the proposed project over a 10-year period after stabilization. The analysis of both the 10-year community investment and benefits are presented on the following pages.

Community Investment

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

Property Tax Offset

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

10-YEAR PROPERTY TAX OFFSET	
Year	Amount
1	\$1,013,985
2	\$1,044,405
3	\$1,075,737
4	\$1,108,009
5	\$1,141,249
6	\$1,175,487
7	\$1,210,751
8	\$1,247,074
9	\$1,284,486
10	\$1,323,021
Total	\$11,624,202

Compiled by CBRE

Sale Tax Savings

The sales tax savings of \$1,445,806 has been based on an estimated materials cost estimated based on 33% of the developer's budgeted hard costs (\$53,105,816 x 0.33) times an 8.25% sales tax rate.

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.

Acquisition Fee

Per the MOU, The Anna PFC is entitled to an acquisition fee in the amount of \$806,552.

Annual Administrative Fee & Ground Lease Payment

Per the MOU/Term Sheet, the subject developer is responsible for an annual administrative fee of \$10,000 per year and ground lease fee of \$27,000 per year. Payments shall increase by 3.0% per year.

ANNUAL ADMINISTRATIVE FEE & GROUND LEASE PAYMENT		
Year	Administrative Fee	Ground Lease Payment
1	\$10,000	\$27,000
2	\$10,300	\$27,810
3	\$10,609	\$28,644
4	\$10,927	\$29,504
5	\$11,255	\$30,389
6	\$11,593	\$31,300
7	\$11,941	\$32,239
8	\$12,299	\$33,207
9	\$12,668	\$34,203
10	\$13,048	\$35,229
Total	\$114,639	\$309,525

Compiled by CBRE

Sales Proceeds

The subject PFC is entitled to receive an amount equal to 1% of the gross sales price for the sale of the Project to a third party, after repayment of the Loan but prior to any Equity payment.

Based on instruction from the client, we have assumed a Year-5 Initial Sale Event (or 5-year holding period). For the purposes of calculating the Community Benefit, CBRE has applied 3% annual growth to the developer's Pro Forma NOI until Year-6 (reversionary year) in order to model the sale. The exit capitalization is in line with current market capitalization rates and is deemed to be reasonable as market participants are modeling anticipated/impending rate drops over the next 5 years. The Year 6 NOI has not been analyzed by CBRE and the calculated Gross Sale Price does not represent a prospective opinion of value. The Gross Sale Price has been presented only as an interim calculation within the Community Benefit Analysis.

It has been assumed that all debt is outstanding as of the Year-5 sale date. The debt has been estimated previously in the Debt Coverage Ratio Methodology Sections. Closing costs have been estimated at 1.00%.

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

SALE PROCEEDS TO PFC (ASSUMED YEAR-5 SALE)		
Year 6 (Reversion) NOI		\$5,990,134
Exit Cap Rate		5.25%
Calculated Gross Sale Price		\$114,097,790
Cost of Sale	1.00%	(\$1,140,978)
Net Sale Value		\$112,956,813
Less: Remaining Debt		(\$47,502,000)
Subtotal		\$65,454,813
Sale Proceeds		\$65,454,813
Sale Proceeds to PFC at	1.0%	\$654,548
Compiled by CBRE		

PFC General Contractor Fee

Per the MOU/Term Sheet, an affiliate of the Anna PFC (the "Contractor"), shall be entitled to a fee equal to 1% of construction hard costs. The budgeted hard costs were provided earlier in the report and equate to \$53,105,816. Thus, the contractor fee has been calculated as $\$53,105,816 \times 1.0\% = \$531,058$.

Reduced Rents

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

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

MARKET RENT GROWTH	
Source:	Costar
Year	Annual Growth
2029	2.7%
2028	3.0%
2027	3.4%
2026	4.0%
2025	4.6%
2024	3.5%
2023	5.5%
2022	5.8%
2021	3.9%
2020	2.4%
2019	-
Average	3.9%
Compiled by CBRE	

Affordable rents and affordable rent growth are linked to median household income and median household income growth. The following table summarizes average household income growth trend for Collin County. The historical figures are based on U.S. Census data, while the 2024 and future 2029 projections are based on ESRI data.

MEDIAN HOUSEHOLD INCOME GROWTH		
Year	Median Household Income	Annual Growth
2029*	\$132,484	2.7%
2024*	\$116,671	-0.8%
2023	\$117,588	3.8%
2022	\$113,255	10.9%
2021	\$102,119	0.6%
2020	\$101,560	4.9%
2019	\$96,847	-0.1%
2018	\$96,936	
	Average	3.0%

U.S. Census Data & *ESRI

Based on the data above, we have concluded to annual market rent growth of 4.0% and annual affordable rent growth of 3.0%.

10-YEAR REDUCED RENT SAVINGS			
Year	Market Rent	Restricted Rent	Rent Savings
1	\$7,095,960	\$6,915,768	\$180,192
2	\$7,379,798	\$7,123,241	\$256,557
3	\$7,674,990	\$7,336,938	\$338,052
4	\$7,981,990	\$7,557,046	\$424,944
5	\$8,301,270	\$7,783,758	\$517,512
6	\$8,633,320	\$8,017,271	\$616,050
7	\$8,978,653	\$8,257,789	\$720,864
8	\$9,337,799	\$8,505,522	\$832,277
9	\$9,711,311	\$8,760,688	\$950,623
10	\$10,099,764	\$9,023,509	\$1,076,255
Total			\$5,913,326

Compiled by CBRE

Community Benefit Summary

The 10-year total community investment and benefit are summarized in the following table. The indicated % return to the community over 10 years is \$7,948,590 or 60.8%.

COMMUNITY BENEFIT SUMMARY

COMMUNITY INVESTMENT

Est. 10-Year Property Tax Offset	\$11,624,202
Est. Sale Tax Savings	1,445,806
10-Year Total Community Investment	\$13,070,008

COMMUNITY BENEFIT**Financial Return to PFC**

Acquisition Fee	\$806,552
Annual Ground Lease Payment	309,525
Annual Administrative Fee	114,639
1% of Gross Sale (Assume Yr. 5 Sale)	654,548
PFC GC Fee (1% of Hard Costs)	531,058
Subtotal	\$2,416,322

Rental Benefit to Residents

10-Year Reduced Rents	\$5,913,326
10-Year Total Community Benefit	\$8,329,648
% Return to Community	63.7%

*The PFC also receives 1% of Gross Sales Price of future sales.

Compiled by CBRE

Assumptions and Limiting Conditions

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

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

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

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

Addenda

Addendum A

Rent Comparables

Comparable**Residential - Build-To-Rent****No. 1**

Property Name Estates of McKinney
 Address 7200 Welcome Blvd
 McKinney, TX 75071
 United States

Government Tax Agency Collin
 Govt./Tax ID R-12486-00A-002R-1

Unit Mix Detail

Rate Timeframe	Monthly				
Unit Type	No.	%	Size (sf)	Rent	Rent / sf
1BR/1BA	236	57%	713	\$1,409	\$1.98
2BR/2BA	54	13%	1,088	\$1,894	\$1.74
2BR/2BA	54	13%	1,094	\$2,259	\$2.06
3BR/3BA	16	4%	1,403	\$2,519	\$1.80
3BR/3BA	16	4%	1,440	\$2,539	\$1.76
4BR/4.5BA	36	9%	2,725	\$3,160	\$1.16
Totals/Avg	412			\$1,824	\$1.75

**Improvements**

Land Area	67.730 ac	Status	Existing
Net Rentable Area (NRA)	429,684 sf	Year Built	2023
Total # of Units	412 Unit	Year Renovated	N/A
Average Unit Size	1,043 sf	Condition	Good
Floor Count	1	Exterior Finish	Stucco
Property Features	N/A		

Project Amenities Business Center, Clubhouse, Fitness Center, Pool

Unit Amenities Plank Flooring, Quartz Countertops, Stainless Steel Appliances

Rental Survey

Occupancy	92%	Utilities Included in Rent	None
Lease Term	12 Mo(s).	Rent Premiums	See comments
Tenant Profile	Varies	Concessions	None
Survey Date	01/2025	Owner	Western Rim
Survey Notes	None	Management	Western Rim

Map & Comments

Estates of McKinney is located along Welcome Blvd south of Weston Rd in the northern portion of McKinney, Texas. The comparable represents a 412-unit, build-to-rent community that was constructed in 2023. It is considered to be a Class A property in this market and was in good condition at the date of survey. Units include granite countertops, stainless appliances, and faux wood flooring. The project includes an onsite leasing office and amenity center. Each unit features a fenced yard and attached garage parking. The quoted rents are indicative of average rents including any premiums. No concessions were quoted as of the date of survey. Tenants pay all utilities.

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

Property Name The Grand at Anna
 Address 511 E Finley Blvd
 Anna, TX 75409
 United States

Government Tax Agency Collin
 Govt./Tax ID R-6798-002-1550-1

Unit Mix Detail

Rate Timeframe	Monthly				
Unit Type	No.	%	Size (sf)	Rent	Rent / sf
Studio	13	5%	575	\$1,258	\$2.19
1BR/1BA	51	18%	648	\$1,318	\$2.03
1BR/1BA	91	32%	729	\$1,354	\$1.86
2BR/2BA	46	16%	987	\$1,720	\$1.74
2BR/2BA	69	25%	1,026	\$1,789	\$1.74
2BR/2BA	4	1%	1,155	\$1,942	\$1.68
3BR/2BA	7	2%	1,320	\$2,230	\$1.69
Totals/Avg	281			\$1,540	\$1.83

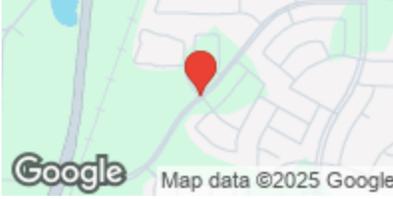
**Improvements**

Land Area	13.372 ac	Status	Existing
Net Rentable Area (NRA)	236,918 sf	Year Built	2024
Total # of Units	281 Unit	Year Renovated	N/A
Average Unit Size	843 sf	Condition	Excellent
Floor Count	3	Exterior Finish	Stucco
Property Features	Gated / Controlled Access, On-Site Management		
Project Amenities	Business Center, Clubhouse, Conference Room, Dog Grooming Station, Dog Park / Run, Fitness Center, Pool		
Unit Amenities	Granite Countertops, Stainless Steel Appliances, Tile Backsplash, Vinyl Flooring		

Rental Survey

Occupancy	91%	Utilities Included in Rent	None
Lease Term	12 Mo(s).	Rent Premiums	See comments
Tenant Profile	Varies	Concessions	6 weeks free lease-up concession
Survey Date	01/2025	Owner	CLX Ventures
Survey Notes	None	Management	Pinnacle

Map & Comments



The Grand at Anna is located along E Finely Blvd east of S Powell Pkwy in Anna, Texas. The comparable represents a 281-unit, three-story, garden-style complex that was constructed in 2024. It is considered to be a Class A property in this market and was in excellent condition at the date of survey. Note if recently renovated. Units include granite countertops, stainless appliances, and faux wood flooring. The project includes typical Class A community amenities. Quoted rents are indicative of average effective rents including any premiums, but prior to lease-up concessions. Upon the date of survey, the project was not stabilized and a concession of 6 weeks free was quoted. Tenants pay all utilities.

Property Name Gray Branch
 Address 1760 North Ridge Road
 McKinney, TX 75071
 United States

Government Tax Agency Collin
 Govt./Tax ID R-10728-00A-02R1-1

Unit Mix Detail

Rate Timeframe	Monthly				
Unit Type	No.	%	Size (sf)	Rent	Rent / sf
1 BR, 1 BA	20	7%	597	\$1,114	\$1.87
1 BR, 1 BA	34	11%	656	\$1,117	\$1.70
1 BR, 1 BA	23	8%	697	\$1,437	\$2.06
1 BR, 1 BA	38	13%	734	\$1,236	\$1.68
1 BR, 1 BA	2	1%	739	\$1,372	\$1.86
1 BR, 1 BA	24	8%	764	\$1,530	\$2.00
1 BR, 1 BA	30	10%	840	\$1,409	\$1.68
1 BR, 1 BA	20	7%	855	\$1,481	\$1.73
1 BR, 1 BA	8	3%	946	\$1,303	\$1.38
2 BR, 2 BA	22	7%	993	\$1,688	\$1.70
2 BR, 2 BA	17	6%	1,074	\$1,749	\$1.63
2 BR, 2 BA	32	11%	1,085	\$1,782	\$1.64
2 BR, 2 BA	18	6%	1,108	\$2,152	\$1.94
2 BR, 2 BA	4	1%	1,234	\$1,841	\$1.49
3 BR, 2 BA	8	3%	1,260	\$2,216	\$1.76
Totals/Avg	300			\$1,499	\$1.75



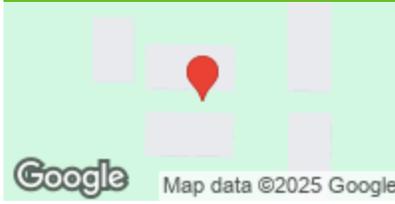
Improvements

Land Area	18.454 ac	Status	Existing
Net Rentable Area (NRA)	257,633 sf	Year Built	2020
Total # of Units	300 Unit	Year Renovated	N/A
Average Unit Size	859 sf	Condition	Excellent
Floor Count	2	Exterior Finish	Brick Veneer
Property Features	Attached Garages, Detached Garages, Fire Sprinklered, Individual Split Systems, On-Site Management, Pitched Roofs		
Project Amenities	Barbeque Area, Clubhouse, Dog Park / Run, Fitness Center, Pool, Volleyball Court		
Unit Amenities	Black Appliances, Carpeted Flooring, Ceiling Fans, Dishwasher, Garbage Disposal, Granite Countertops, Microwave Oven, Plank Flooring, Range / Oven, Refrigerator with Icemaker, Vaulted / Cathedral Ceilings, Washer / Dryer		

Rental Survey

Occupancy	96%	Utilities Included in Rent	None
Lease Term	3 - 13 Mo(s).	Rent Premiums	See comments
Tenant Profile	Varies	Concessions	None
Survey Date	01/2025	Owner	Magellan Development Group, Ltd.
Survey Notes	None	Management	BH Companies

Map & Comments



Gray Branch is located along North Ridge Road south of W University Drive in McKinney, Texas. The comparable represents a 300-unit, three-story, garden-style complex that was constructed in 2020. 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 appliances, and faux wood flooring. The project includes typical Class A community amenities. The quoted rents are indicative of average rents including any premiums. No concessions were quoted as of the date of survey. Tenants pay all utilities. The property charges a \$40 amenity fee. Attached garages are available for \$150 per month while detached garages are \$85 per month.

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

Property Name Landing at Willow Grove
 Address 300 Willow Grove Way
 Melissa, TX 75454
 United States

Government Tax Agency Collin
 Govt./Tax ID 2854574

Unit Mix Detail

Rate Timeframe	Monthly				
Unit Type	No.	%	Size (sf)	Rent	Rent / sf
1 BR, 1 BA	150	45%	826	\$1,523	\$1.84
2 BR, 2 BA	150	45%	1,172	\$1,895	\$1.62
3 BR, 2 BA	36	11%	1,312	\$2,213	\$1.69
Totals/Avg	336			\$1,763	\$1.71

**Improvements**

Land Area	15.867 ac	Status	Existing
Net Rentable Area (NRA)	346,932 sf	Year Built	2024
Total # of Units	336 Unit	Year Renovated	N/A
Average Unit Size	1,033 sf	Condition	Good
Floor Count	3	Exterior Finish	Fiber Cement Plank
Property Features	Carpports		
Project Amenities	Clubhouse, Dog Park / Run, Fitness Center, Pool		
Unit Amenities	Dishwasher, Garbage Disposal, Granite Countertops, Microwave Oven, Range / Oven, Refrigerator, Stainless Steel Appliances, Washer / Dryer Connections		

Rental Survey

Occupancy	45%	Utilities Included in Rent	None
Lease Term	12 - 18 Mo(s).	Rent Premiums	None
Tenant Profile	Varies	Concessions	3 weeks free lease-up concession
Survey Date	01/2025	Owner	Flamingo Daze Lp
Survey Notes	None	Management	Landmark

Map & Comments



Landing at Willow Grove is located along Willow Grove Way just east of the US 75 service road in Melissa, Texas. It was constructed in 2024 and was in the initial stages of lease up upon the date of survey. The comparable represents a 336-unit, three-story, garden-style complex. It is considered to be a Class A property in this market and was in excellent condition at the date of survey. Units include granite countertops, stainless appliances, and faux wood flooring. The project includes typical Class A community amenities. Quoted rents are indicative of average rents including any premiums but prior to lease-up concessions. A 3-week lease-up concession was quoted as of the date of survey. Tenants are responsible for all utilities.

Property Name The Quinn at Anna
 Address 125 S Standridge Blvd
 Anna, TX 75409
 United States

Government Tax Agency Collin
 Govt./Tax ID 2927240

Unit Mix Detail

Rate Timeframe	Monthly				
Unit Type	No.	%	Size (sf)	Rent	Rent / sf
Studio	17	6%	598	\$1,262	\$2.11
1BR/1BA	51	18%	697	\$1,258	\$1.80
1BR/1BA	25	9%	698	\$1,274	\$1.83
1BR/1BA	66	23%	699	\$1,282	\$1.83
1BR/1BA	12	4%	710	\$1,285	\$1.81
1BR/1BA	4	1%	712	\$1,282	\$1.80
1BR/1BA	6	2%	729	\$1,342	\$1.84
1BR/1BA	2	1%	824	\$1,443	\$1.75
2BR/2BA	71	25%	996	\$1,686	\$1.69
2BR/2BA	9	3%	1,064	\$1,736	\$1.63
2BR/2BA	14	5%	1,102	\$2,132	\$1.93
2BR/2BA	4	1%	1,399	\$2,401	\$1.72
2BR/2BA	1	0%	1,460	\$2,403	\$1.65
Totals/Avg	282			\$1,457	\$1.79



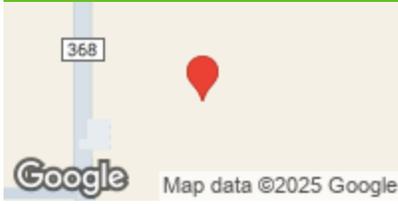
Improvements

Land Area	8.985 ac	Status	Existing
Net Rentable Area (NRA)	229,463 sf	Year Built	2023
Total # of Units	317 Unit	Year Renovated	N/A
Average Unit Size	724 sf	Condition	Excellent
Floor Count	4	Exterior Finish	Brick Veneer
Property Features	Gated / Controlled Access, On-Site Management		
Project Amenities	Barbeque Area, Bocce Ball Court, Business Center, Clubhouse, Dog Park / Run, Game Room, Pool		
Unit Amenities	Granite Countertops, Stainless Steel Appliances, Tile Backsplash, Vinyl Flooring		

Rental Survey

Occupancy	7%	Utilities Included in Rent	None
Lease Term	12 - 15 Mo(s).	Rent Premiums	See comments
Tenant Profile	Young Professional	Concessions	8 weeks free lease-up concession
Survey Date	01/2025	Owner	Beall Investments
Survey Notes	None	Management	Asset Living

Map & Comments



The Quinn at Anna is located along Standridge Blvd just west of US 75 in Anna, Texas. It was constructed in 2024 and was in the initial stages of lease up upon the date of survey. The comparable represents a 282-unit, four-story, garden-style complex. It is considered to be a Class A property in this market and was in excellent condition at the date of survey. Units include granite countertops, stainless appliances, and faux wood flooring. The project includes typical Class A community amenities. Quoted rents are indicative of average rents including any premiums but prior to lease-up concessions. An 8-week lease-up concession was quoted as of the date of survey. Tenants are responsible for all utilities.

Property Name Southgate
 Address 200 Cole Street
 Princeton, TX 75407
 United States

Government Tax Agency Collin
 Govt./Tax ID 2814895

Unit Mix Detail

Rate Timeframe	Monthly				
Unit Type	No.	%	Size (sf)	Rent	Rent / sf
1 BR, 1 BA	72	46%	646	\$1,245	\$1.93
2 BR, 2 BA	50	32%	981	\$1,499	\$1.53
2 BR, 2 BA	22	14%	1,031	\$1,599	\$1.55
3 BR, 2 BA	12	8%	1,275	\$1,799	\$1.41
Totals/Avg	156			\$1,419	\$1.66



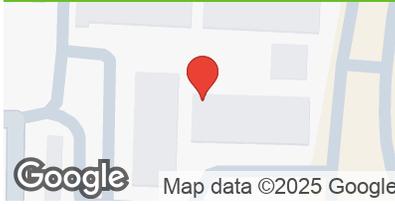
Improvements

Land Area	N/A	Status	Existing
Net Rentable Area (NRA)	133,544 sf	Year Built	2021
Total # of Units	156 Unit	Year Renovated	N/A
Average Unit Size	856 sf	Condition	Good
Floor Count	3	Exterior Finish	Fiber Cement Plank
Property Features	Detached Garages		
Project Amenities	Clubhouse, Dog Park / Run, Fitness Center, Pool		
Unit Amenities	Dishwasher, Garbage Disposal, Granite Countertops, Microwave Oven, Range / Oven, Refrigerator, Stainless Steel Appliances, Washer / Dryer, Washer / Dryer Connections		

Rental Survey

Occupancy	94%	Utilities Included in Rent	None
Lease Term	12 - 12 Mo(s).	Rent Premiums	See comments
Tenant Profile	Varies	Concessions	None
Survey Date	01/2025	Owner	HLC Equity
Survey Notes	None	Management	Layers

Map & Comments



Southgate is located along Cole Street, just south of Princeton Drive in Princeton, Texas. The comparable represents a 156-unit, three-story, garden-style complex that was constructed in 2021. It is considered to be a Class A property in this market and was in good condition at the date of survey. Note if recently renovated. Units include granite countertops, stainless appliances, and faux wood flooring. The project includes typical Class A community amenities. Quoted rents are indicative of average rents including any premiums. No concessions were quoted as of the date of survey. Tenants pay all utilities. Detached garages are available for \$150 per month and carports are available for \$45 per month

Property Name The Starling
 Address 149 Princeton Crossroads
 Princeton, TX 75407
 United States

Government Tax Agency Collin
 Govt./Tax ID 2873258

Unit Mix Detail

Rate Timeframe	Monthly				
Unit Type	No.	%	Size (sf)	Rent	Rent / sf
Efficiency	104	35%	622	\$1,136-\$1,424	\$2.06
1 BR, 1 BA	42	14%	655	\$1,298-\$1,390	\$2.05
1 BR, 1 BA	46	15%	731	\$1,355-\$1,619	\$2.03
1 BR, 1 BA	25	8%	798	\$1,331-\$1,556	\$1.81
2 BR, 2 BA	14	5%	956	\$1,655	\$1.73
2 BR, 2 BA	31	10%	1,058	\$1,546-\$1,822	\$1.59
2 BR, 2 BA	12	4%	1,129	\$1,736-\$1,917	\$1.62
2 BR, 2 BA	13	4%	1,139	\$1,656-\$1,707	\$1.48
3 BR, 2 BA	13	4%	1,339	\$2,180-\$2,663	\$1.81
Totals/Avg	300			\$1,482	\$1.87



Improvements

Land Area	N/A	Status	Existing
Net Rentable Area (NRA)	237,718 sf	Year Built	2022
Total # of Units	300 Unit	Year Renovated	N/A
Average Unit Size	792 sf	Condition	Good
Floor Count	3	Exterior Finish	Fiber Cement Plank
Property Features	Carports, Detached Garages, Surface Parking		
Project Amenities	Barbeque Area, Clubhouse, Dog Park / Run, Fitness Center, Pool, Walking Trail		
Unit Amenities	Dishwasher, Garbage Disposal, Granite Countertops, Microwave Oven, Range / Oven, Refrigerator, Stainless Steel Appliances, Washer / Dryer, Washer / Dryer Connections		

Rental Survey

Occupancy	91%	Utilities Included in Rent	None
Lease Term	12 - 18 Mo(s).	Rent Premiums	See comments
Tenant Profile	Varies	Concessions	None
Survey Date	01/2025	Owner	Origin Investments
Survey Notes	None	Management	RPM

Map & Comments



The Starling is located along Princeton Crossroad just south of Princeton Drive in Princeton, Texas. The comparable represents a 300-unit, three-story, garden-style 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. Note if recently renovated. Units include granite countertops, stainless appliances, and faux wood flooring. The project includes typical Class A community amenities. Quoted rents are indicative of average rents including any premiums. No concessions were quoted as of the date of survey. Tenants pay all utilities. Detached garages are available for \$175 per month and carports are available for \$45 per month.

Property Name The Waldon
 Address 2425 Central Expressway
 Melissa, TX 75454
 United States

Government Tax Agency Collin
 Govt./Tax ID 2908141

Unit Mix Detail

Rate Timeframe	Monthly				
Unit Type	No.	%	Size (sf)	Rent	Rent / sf
1 BR, 1 BA	57	19%	620	\$1,410	\$2.27
1 BR, 1 BA	60	20%	682	\$1,407	\$2.06
1 BR, 1 BA	3	1%	701	\$1,455	\$2.08
1 BR, 1 BA	9	3%	787	\$1,605	\$2.04
1 BR, 1 BA	24	8%	871	\$1,642	\$1.89
1 BR, 1 BA	3	1%	895	\$1,641	\$1.83
1 BR, 1 BA - TH	6	2%	922	\$2,196	\$2.38
2 BR, 2 BA	30	10%	1,044	\$1,913	\$1.83
2 BR, 2 BA	3	1%	1,056	\$1,969	\$1.86
2 BR, 2 BA	68	23%	1,139	\$1,969	\$1.73
2 BR, 2 BA	9	3%	1,173	\$1,991	\$1.70
2 BR, 2 BA	12	4%	1,215	\$2,122	\$1.75
3 BR, 3 BA	12	4%	1,359	\$2,428	\$1.79
2 BR, 2 BA - TH	4	1%	1,671	\$2,995	\$1.79
Totals/Avg	300			\$1,743	\$1.90



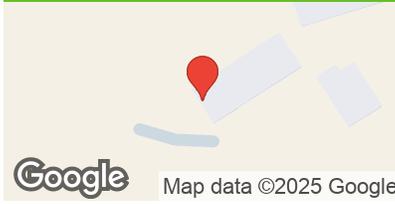
Improvements

Land Area	16.087 ac	Status	Existing
Net Rentable Area (NRA)	274,636 sf	Year Built	2024
Total # of Units	300 Unit	Year Renovated	N/A
Average Unit Size	915 sf	Condition	New
Floor Count	3	Exterior Finish	Stucco
Property Features	Gated / Controlled Access, On-Site Management		
Project Amenities	Barbeque Area, Billiards, Clubhouse, Conference Room, Cyber Café, Fitness Center, Pool, Yoga / Spin Room		
Unit Amenities	Granite Countertops, Plank Flooring, Stainless Steel Appliances, Tile Backsplash		

Rental Survey

Occupancy	35%	Utilities Included in Rent	None
Lease Term	12 Mo(s).	Rent Premiums	See comments
Tenant Profile	Varies	Concessions	3-week lease-up concession
Survey Date	01/2025	Owner	Carbon Thompson Residential Management
Survey Notes	None	Management	Carbon Thompson Residential Management

Map & Comments



The Waldon is situated on the southwest corner of the Central Expressway (US 75) and W Melissa Rd in Melissa, Texas. The comparable represents a 300-unit, three-story, garden-style complex that was constructed in 2024. It is considered to be a Class A property in this market and was in excellent condition at the date of survey. Units include granite countertops, stainless appliances, and faux wood flooring. The project includes typical Class A community amenities. Quoted rents are indicative of average rents including any premiums. Lease-up concessions of 3 weeks free were quoted as of the date of survey. Tenants pay all utilities. Detached garages are available for \$150 per month.

Addendum B

Subject Property Data

Development Budget	
	Total
Acquisition/Offsite Costs	
Land	6,708,240
Seller Purchase Price Reduction (Buddy Hayes)	(300,000)
Seller Fire Lane Contribution (Escrowed)	-
Water Impact Fee Reimbursement	(70,000)
Road Impact Fee Reimbursement	(627,000)
Park Development Fee Reimbursement	(211,192)
Other	-
Other	-
Other	-
Total Acquisition/Offsite Costs	5,500,048
Construction	
Contingency (3.00%)	1,446,950
Site Work	9,640,900
New Construction	36,076,307
General Conditions	2,514,446
Parking Stalls	-
Fence	-
Trash	-
Added Masonry	-
General Insurance & Overhead	943,283
Contractor Fee (5.00%)	2,483,930
Per Unit	156,194
Total Construction	53,105,816
Pre-Development Costs	
Environmental Site Assessment: Phase I & Phase	-
Environmental Site Assessment: Phase II	6,607
Demolition Study - Asbestos, Haz Waste, Cost, Sc	-
Wetlands And Waters Of The Us Assessment	20,800
Wetlands Delineation And Permitting	-
Threatened And Endangered Species Assessment	-
Archaeological / Historical Survey	9,900
Noise Study	-
Traffic Impact Analysis	-
Floodplain/ Wetland Study	-
Architectural And Engineering Inspection (Phased	-
Geotechnical Engineering Services	8,600
Property Survey	64,979
Civil Engineering-Platting	-
Fiscal Impact / Tax Analysis	-
Market Study	24,516
Comprehensive / Master Plan Amendment	-
Rezoning, Use Variance, Waiver	-
Development Consultant	-
Engineering Due Diligence / Feasibility Study	16,350
Architect Conceptual Design	44,250
Landscape Architect Conceptual Design	29,393
Civil Engineering / Site Planning Conceptual Desi	28,430
Concrete & Soil & Other Testing Outside Constru	200,000
Radon Testing	-
Pitch Book	390
Other	-
Total Pre-Development Costs	454,215
Architect/Engineering	
Architectural Design	503,122
Architect - Construction Administration	117,400
Reimbursable Expenses - Architect	20,000
Civil Engineering Services	151,750
Retaining Wall Design	2,000
Reimbursable Expenses - Engineer	4,000
Civil Engineer - Construction Administration	12,000
Landscape Architectural Design	93,100
Landscape Architectural-Reimbursements	4,000
Landscape Additional Services	16,430
Landscape Architectural - Construction Administr	20,000
Pool Design	21,090
Structural Engineering Services	-
Mep Engineering Services	12,995
Interior Design Fee	64,000
Low-Voltage	26,500
Environmental Graphic Design Consultant	-
Energy/ Green Design Consultant	-
Acoustic Consultant	-
Water Proofing Consultant	99,000
Fire Sprinkler/ Alarm Consultant	42,260
Demolition Design Drawings	-
Accessibility Consultant	25,100

Other	-
Total Architect/Engineering	1,234,747

Permits & Impact Fees	
Application Fees	5,093
Bonds	-
Impact/Parkland Fees	1,687,125
Inspection Fees	45,000
License Fees	-
Permits Fees	514,985
Review Fees	104,640
Tap Fees	147,000
Utility Fees	230,000
Other Permits And Fees	17,337
Total Permits & Impact Fees	2,751,180
Furniture, Fixtures & Equipment	
Clubhouse Furnishings / Installation / Shipping/ D	263,850
Model Furnishings	45,000
Clubhouse Specialties	32,000
Fitness Equipment	-
Office Equipment & Furnishings	176,040
Pool Furnishings	170,000
Vehicles (Golf Carts)	26,000
Maintenance Equipment	25,000
Signage Production	-
Temp Leasing Office	40,000
Key Track	-
Total Furniture, Fixtures & Equipment	777,890
Marketing Budget	
Paid Media	15,000
Other	5,000
Other	5,000
Signage	25,000
Events & Promotion	25,000
Marketing Asset Production & Collateral	18,500
Marketing Technology	50,000
Management Set Up Fee	25,000
Other Marketing	108,000
Management Lease-up Fee	100,000
Total Marketing Budget	376,500
Legal & Professional Services	
Appraisal	-
Accounting	30,000
Senior Lenders Counsel	125,000
Owners Counsel	452,604
Investors Counsel	125,000
Title/Recording/Closing Fees	150,000
Inspecting Architect (Vertex)	100,000
PFC AM Fee	30,000
Lender Due Diligence	21,500
Organizational / Pre-Development Interest	135,000
PFC Legal	201,038
PFC Origination Fee	806,552
Total Legal & Professional Services	2,176,694
Other Development Costs	
Builders Risk	599,492
Project Security/Dalfen Agreement	-
PFC GC Management Fee	531,058
Total Other Development Costs	1,130,550
Development Fee	2,144,237
Owner's Contingency	675,000
Interest & Operating Reserves	
Construction Interest	948,588
Interest Contingency	-
Property Taxes	-
Construction Loan Origination	478,522
Other Reserve	-
Hard Cost Contingency	-
Operating Deficit	1,864,806
Blank	-
Total Reserves & Other	3,291,916
Total Development Costs	73,618,791.79

Untrended EGI

Unit Mix									
Type	Count	Beds	Baths	Sq Ft	Total SF	Rent	Rent PSF	Total Rent	
A1	48	1	1	724	34,752	\$1,500	\$2.07	\$72,000	
AD1	12	1	1	909	10,908	\$1,775	\$1.95	\$21,300	
AD2	61	1	1	1,008	61,488	\$1,895	\$1.88	\$115,595	
B1	34	2	2	1,056	35,904	\$1,975	\$1.87	\$67,150	
B6	4	2	2	1,245	4,980	\$2,125	\$1.71	\$8,500	
BD2	11	2	2	1,289	14,179	\$2,225	\$1.73	\$24,475	
A1 - 60% AMI	21	1	1	724	15,204	\$1,241	\$1.71	\$26,061	
B1 - 60% AMI	13	2	2	1,056	13,728	\$1,489	\$1.41	\$19,357	
A1 - 80% AMI	98	1	1	724	70,952	\$1,475	\$2.04	\$144,550	
B1 - 80% AMI	38	2	2	1,056	40,128	\$1,950	\$1.85	\$74,100	
Total	340			889	302,223	\$1,686	\$1.90	\$573,088	

Other Income

Premium	Units	Charge	Monthly
Standard Other	340	\$50	\$17,000
Covered Parking	150	\$45	\$6,750
Storage	88	\$50	\$4,400
Private Yard - 1 Bed	20	\$125	\$2,500
Private Yard - 2 Bed	10	\$150	\$1,500
Garages	36	\$175	\$6,300
Total			\$38,450

Income Statement

Revenue		Monthly
Gross Potential Rent		\$ 7,338,456
Vacancy Loss		(366,923)
Bad Debt		(73,385)
	EGI	6,898,149
Operating Expenses		
Management Fee (2.50%)		172,454
Payroll		516,120
Administrative		102,000
Marketing		102,000
Cleaning & Decorating		51,000
Utilities		136,000
Contract Services		51,000
Repairs & Maintenance		187,000
Franchise Tax & PFC AM Fee		32,833
PFC Ground Lease		27,000
Insurance		285,600
Real Estate Taxes		-
	Total Operating Expense	1,663,007
Replacement Reserve		68,000.00
	NOI	5,167,142

Addendum C

Legal Description

EXHIBIT A

Property

LAND

Lot 8, Block A and Lot 1, Block B of the Final Replat of Lots 1R, 3R, 6, 7, 8, 9 of Block A and Lot 1 of Block B, Anna Retail Addition, an addition to the City of Anna, Collin County, Texas, according to the plat thereof, recorded in Plat Book 2022, Page 471, Plat Records of Collin County, Texas.

Addendum D

Memorandum of Understanding



Item No. 7.h.

City Council Agenda
Staff Report

Meeting Date: 9/26/2023
Staff Contact: Joey Grisham

AGENDA ITEM:

Acting as the Anna Public Facility Corporation Board of Directors, Consider/Discuss/Act on approving Resolutions authorizing the formation of limited liability agreements and partnerships and a Memorandum of Understanding with NRP Lone Star Development LLC for a multifamily development. (Director of Economic Development Joey Grisham)

SUMMARY:

Meryl Street is a proposed 337-unit multifamily development at the SEC of US Highway 75 and FM 455. This development will boost density in the area and help attract additional retail and restaurants along US Highway 75. The site is currently zoned for multifamily.

FINANCIAL IMPACT:

The PFC will receive over \$1 million in fees and payments in Year 1 and around \$2 million over 15 years.

BACKGROUND:

Staff was approached by NRP earlier this year about developing the Meryl Street project at the SEC of US Highway 75 and FM 455. NRP is one of the top multifamily developers in the U.S. and has developed numerous projects across the country. 10% of the units are restricted for individuals and families earning less than 60% of the area median income and 40% of the units are restricted for individuals and families earning less than 80% of the area median income. The remaining 50% of the units will be at market rate.

STRATEGIC CONNECTIONS:

This item supports the City of Anna Strategic Plan, specifically advancing the strategic outcome area: Vibrant.

ATTACHMENTS:

1. MOU and Resolutions
2. sig pages_9.26.23

MEMORANDUM OF UNDERSTANDING

BETWEEN

ANNA PUBLIC FACILITY CORPORATION

AND

NRP LONE STAR DEVELOPMENT LLC

“ANNA APARTMENTS”

THIS MEMORANDUM OF UNDERSTANDING (this “*MOU*”) is between the ANNA PUBLIC FACILITY CORPORATION (the “*Anna PFC*”), a nonprofit public facility corporation organized under Chapter 303 of the Texas Local Government Code (the “*Act*”), and NRP LONE STAR DEVELOPMENT LLC (the “*Developer*” or “*NRP*”), a Ohio limited liability company and is dated and effective as of [September 26], 2023.

The Developer is a developer of affordable and market rate housing in the State of Texas. The Anna PFC is a nonprofit public facility corporation whose mission is to assist in the financing of public facilities. The Developer and the Anna PFC hereby agree to work cooperatively to acquire, finance and develop a 337-unit multifamily housing development to be located in the City of Anna, Collin County, Texas (the “*Project*”), in accordance with the terms of this MOU and the term sheet attached hereto as *Exhibit C*.

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

AGREEMENTS

A. OWNERSHIP STRUCTURE

1. The Developer will form a limited partnership named Meryl Street LP (the “*Partnership*”) for the purpose of leasing and developing the Project. A single-purpose entity that is controlled by the Developer will be admitted into the Partnership as the sole General Partner (the “*General Partner*”).

2. The Anna PFC may designate an affiliate to serve as a special limited partner of the Partnership (the “*Special LP*”), with certain limited oversight and approval rights.

3. The duties of the General Partner, the Special LP and the Investor LP shall be set forth in a partnership agreement (the “*Partnership Agreement*”) to be entered into among the General Partner, the Special LP and the Investor LP. The parties will cooperate in good faith to cause the Partnership Agreement to contain terms consistent with those set forth in *Exhibit B* hereto, it being recognized that approval of the Anna PFC’s Board of Directors is contingent upon the Partnership Agreement containing terms consistent with *Exhibit B*.

The Special LP's execution of the Partnership Agreement shall be subject to the following terms:

(i) The Special LP's representations shall be limited to those within the Special LP's actual knowledge and in no case shall due inquiry be required, it being understood and agreed that the Special LP's will not be looked upon by the General Partner or the Investor LP to conduct Project-related diligence, and any such diligence conducted by the Anna PFC is solely for its own benefit;

(ii) The Special LP shall be indemnified by the Developer and the Partnership for any liabilities incurred under the Partnership Agreement, except for liabilities incurred as a result of the Special LP's gross negligence or willful misconduct and in no event shall such indemnification be contingent upon a ruling of a court of law;

(iii) The Special LP shall not be required to covenant to undertake actions or obligations that the General Partner will be required to take under the Partnership Agreement; and

(iv) The Partnership Agreement shall contain a provision wherein the General Partner and Investor LP acknowledge that the obligations of the Special LP under the Partnership Agreement are obligations solely of the Special LP and not the owner of the Special LP.

4. Title to the land (the "*Land*") and all improvements constructed thereon (including without limitation the Project) shall be taken in the name of a subsidiary of the Anna PFC (the "*Lessor*"), and the Lessor shall then enter into a 99-year lease (the "*Lease*") with the Partnership (sometimes referred to as "*Tenant*"), as tenant, holding a leasehold interest in the Land and all improvements constructed thereon. Funding for the acquisition of the Land will come from the financing of the Project, and may be paid to the Lessor in the form of an up-front Lease payment. Upon termination of the Lease, ownership of the improvements constituting the Project shall revert to the Anna PFC. The Lessor shall be indemnified by the Developer and the Partnership for any liabilities incurred under the Lease; *provided*, that following substantial completion of the construction of the Project, such indemnification shall be limited to any liabilities incurred in relation to operation of the Project. Such indemnification shall not apply to liabilities incurred as a result of the Lessor's gross negligence or willful misconduct and in no event shall such indemnification be contingent upon a ruling of a court of law. So long as the Tenant is not in default under the Lease, the Tenant will be permitted under the Lease to assign its interest in the Lease in accordance with Section I.1 below; *provided, however*, that the Lessor's consent shall not be required for Tenant to assign its interest in the Lease to an affiliate of Tenant. Lessor will not be permitted to assign its interests under the Lease in any manner which jeopardizes the availability of the ad valorem tax exemption of the Project or as may be prohibited under the Partnership Agreement or any loan documents.

5. The General Partner shall only be permitted to assign its interests in the Partnership upon the prior written consent of the Special LP which such consent shall not be unreasonably

withheld, conditioned, or delayed; *provided, however*, that the Special LP's consent shall not be required for General Partner to assign its interest in the Partnership to an affiliate of Tenant.

B. DUE DILIGENCE

As a condition to the Anna PFC's participation in the financing and ownership of the Project, the Anna PFC requires the Developer to provide due diligence information on the Project and its proposed financing and operations pursuant to the due diligence checklist (the "*Checklist*") attached hereto as *Exhibit A*. The Developer shall deliver the due diligence items on the Checklist at the times stated on the Checklist. Failure of the Developer to deliver to the Anna PFC due diligence items reasonably acceptable to the Anna PFC shall be grounds for the Anna PFC to terminate this MOU in its discretion.

C. FINANCING

1. The Developer will apply for construction and permanent financing (the "*Loan*") on behalf of the Partnership, which shall include a leasehold mortgage on the Project. The Developer shall be responsible for selecting the lender and negotiating the loan terms on behalf of the Partnership; *provided*, that the Anna PFC shall have the right to review and approve the initial financing arrangements and the terms and conditions of any Loan documents, which approval shall not be unreasonably withheld, conditioned or delayed. To the extent required by the Loan, Anna PFC, and/or its affiliates, as applicable, agree to subordinate their interests in the Project, and the Lessor will execute a joinder of its fee interest in the Project to a mortgage or deed of trust.

2. On behalf of the Partnership, the Developer will cause the investor limited partner, that is controlled by an affiliate of the Developer (the "*Investor LP*"), to make an equity contribution to the Partnership (the "*Equity*"), which will be documented in the Partnership Agreement. The Investor LP may receive a hurdle return for all or a portion of its equity contribution. The Investor LP and Special LP are collectively referenced herein as "*Limited Partners*."

3. The Developer shall pay all costs and fees associated with applying for the Loan and facilitating the Equity investment, which costs, along with all other pre-development costs incurred by the Developer (to the extent included within the approved budget), may be reimbursed at Closing (as defined herein) from the proceeds of the Loan and Equity. In the event this MOU is terminated or the transaction fails to close as contemplated herein, the Developer shall be solely responsible for all costs described above, and the Anna PFC and its affiliates shall have no responsibility for payment or reimbursement of such costs.

4. The Developer and its affiliates shall provide any guarantees of construction completion, operating expenses, return on Equity investment, and the like that may be required in conjunction with the Loan or the Equity financing. Neither the Anna PFC, the Special LP nor any

of their affiliates will provide any guarantees or indemnities in connection with the financing of the Project.

D. DESIGN AND CONSTRUCTION

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

2. The Developer shall prepare and promptly provide the Anna PFC a detailed development budget for the Project.

3. The Developer shall be responsible for obtaining the services of design professionals for the design of the site plan and design of the Project. The Anna PFC will be provided copies of the final plans and specifications for the Project, including all construction contracts. The Anna PFC will have the right to review, comment and approve such plans, specifications and contracts at least five (5) business days prior to the execution of the contracts, which approval shall not be unreasonably withheld, conditioned or delayed.

4. In order to secure an exemption from state sales tax for the acquisition of building materials, an affiliate of the Anna PFC (the "*Contractor*"), shall serve as the general contractor in connection with the construction of the Project. In connection with the participation of the Contractor as described in the previous sentence, the Contractor shall be entitled to a fee equal to 1% of construction hard costs, which is estimated to be \$554,421, payable half at Closing (as defined herein) and the remaining half upon issuance of the final certificate of occupancy for the the Project. The Contractor will enter into a master subcontract with NRP Contractors II LLC, an affiliate of the Developer, which master subcontractor shall be entitled to fees as set forth in Exhibit C. The Developer, the Partnership and the master subcontractor shall provide indemnification to the Contractor for all liabilities incurred by the Contractor in connection with the Project except those caused by the Contractor's gross negligence or willful misconduct.

5. The Developer shall be responsible for obtaining all governmental approvals and permits needed in order to construct and operate the Project.

6. The Project shall be constructed so as to comply with Americans with Disabilities Act and Section 504 of the Rehabilitation Act of 1973 requirements, as applicable under federal and state law.

E. MANAGEMENT AND OPERATION

1. NRP Management LLC, or such other Developer designated affiliate shall serve as the property manager (the "*Property Manager*") for the Project, which will be memorialized in a management agreement (the "*Management Agreement*") if form and substance reasonably

acceptable to the Anna PFC. The Management Agreement will include fees payable to the Property Manager, as set forth in *Exhibit C*.

2. Annually, by no later than December 1 of the preceding calendar year, the Property Manager shall provide the Partnership with a proposed annual operating and capital budget.

F. COMMUNITY SUPPORT

The Developer shall be responsible for interfacing with the local governmental officials in connection with support for the Project, and the Anna PFC shall provide reasonable cooperation in connection with such matters, if requested by the Developer. The parties will consult with each other and coordinate the response to any media inquiries and/or public opposition to the Project that may arise.

G. AD VALOREM PROPERTY TAX EXEMPTION/COMPLIANCE AND REPORTING REQUIREMENTS

1. The ownership structure contemplated herein is expected to generate ad valorem tax exemption for the Project, for an initial duration of up to 60 years (the "*Initial Exemption Period*") and renewals as set forth herein. The Anna PFC, on behalf of the Partnership, shall work with the Developer and the applicable appraisal district to request confirmation of the availability of such exemption in the form of a pre-determination letter delivered to the Partnership prior to Closing. Upon Closing, the Anna PFC will request that the appraisal district apply the tax exemption to the Project. The Anna PFC makes no representations or guaranties that the exemption will be obtained and will take no responsibility for maintaining the exemption after Closing (as defined herein) other than to provide cooperation to and at the direction of the General Partner. At Closing, the Developer shall cause an opinion of counsel to be delivered, in form and substance acceptable to the Anna PFC, with respect to the ad valorem tax exemption. Upon direction of the General Partner and no later than three years prior to the expiration of the Initial Exemption Period, the Anna PFC shall reasonably cooperate to seek approval for extension of the exemption for an additional 60 years following the end of the Initial Exemption Period. If the appraisal district does not approve an extension or if the Project's ad valorem tax exemption is otherwise lost for any reason (the "*Loss of Tax Status*"), the Anna PFC and the Tenant shall use reasonable efforts to modify the structure to allow the ad valorem tax exemption to continue. If such efforts are unable to cure the Loss of Tax Status, then the Lessor shall convey fee title of the Project to the Partnership for a nominal fee, and the Lease will terminate, and the Special LP's interest in the Partnership shall likewise be redeemed or conveyed for a nominal fee plus any fees that have accrued and are payable under the Partnership Agreement to the Special LP prior to the date of the Loss of Tax Status, such that the Special LP will no longer have an interest in the Partnership.

2. The General Partner shall cause the Project to be operated pursuant to the requirements of the Act, to the extent applicable to the Project, including but not limited to the standards for tenant participation in the housing choice voucher program. The General Partner

shall provide information not less than quarterly, and upon reasonable request, sufficient for the Anna PFC to post on its website the Project's compliance with Section 303.0425 of the Act and policies regarding tenant participation in the housing choice voucher program.

3. To the extent applicable to the Project, the General Partner shall cause, at the Partnership's expense, an annual audit report to be prepared and submitted to the Texas Department of Housing and Community Affairs (the "TDHCA") and the Chief Appraiser of the applicable appraisal district pursuant to Section 303.0426 of the Act and any procedures and rules established by TDHCA regarding such annual audit. The General Partner shall be responsible for resolving any notice of noncompliance from TDHCA in connection with such annual audit.

H. FEES AND EXPENSES

1. The Developer shall be entitled to receive a development fee (the "*Development Fee*") from the Partnership as set forth in *Exhibit C*.

2. The Anna PFC or its designated affiliate shall be entitled to receive an acquisition fee (the "*Acquisition Fee*") from the Partnership in the amount of \$806,552, which fee shall be payable at Closing (as defined herein).

3. The Lessor (or its designated affiliate) shall be entitled to receive an annual lease payment under the Lease on each January 1, commencing the first January 1 of the Lease term after stabilization of the Project, in the initial annual amount of \$27,000 and increasing by 3% annually (the "*Annual Lease Payment*"). The Annual Lease Payment shall be payable as the first item in the cash flow waterfall under the Partnership Agreement and shall accrue without interest in the event net cash flow is insufficient to pay such lease payment in any year. The parties agree that the Annual Lease Payment will be structured as subordinate to debt service for a Loan as reasonably requested by Lender.

4. The Special LP shall be entitled to receive a partnership management fee (the "*SLP Management Fee*") in the initial amount of \$10,000 and increasing by 3% annually for its services in connection with management of the Partnership. To the extent that cash flow is insufficient to pay such fee in any year, the SLP Management Fee will accrue without interest until paid.

5. The Special LP shall be entitled to receive an amount equal to 1% of the gross sales price for a sale of the Project to a third party, with such amount to be payable to the Special Member after repayment of the Loan but prior to any Equity payment. In the event of the initial refinance of the Loan to the Project with a new lender, the Special LP shall be entitled to receive an amount equal to 10% of the net cash flow generated from the refinancing, subordinate to the Investor LP's return of all capital and any preferred return, as well as any costs of the refinance. The amounts payable to the Special LP under this Paragraph H.5, together with any other fees or distributions to which the Special LP may be entitled under the Partnership Agreement, shall be retained by the

Special LP, and the Special LP shall not be required, under any circumstance, to share any such amounts with the Developer.

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

7. All expenses incurred by the Anna PFC in connection with this MOU, including but not limited to costs for staff time to review the proposed Project, third-party reports, the Anna PFC's legal counsel, special real estate counsel and other expenses incurred by the Anna PFC in connection with the proposed Project (the "*Costs*"), shall be included in the Project's development budget and reimbursed by the Partnership to the Anna PFC concurrently with the closing on the Loan (the "*Closing*"). Anna PFC expects to incur costs for Special LP Counsel and Hilltop Securities (each defined below) in the amount of \$100,000 each, which fees shall be payable at Closing and are in addition to the fees set forth in the immediately succeeding paragraph.

In addition to the fees set forth above and as a precondition for the Anna PFC proceeding with the Project as set forth in this MOU, upon execution and delivery of this MOU and approval of the same by the Anna PFC Board of Directors, the Developer shall pay the amount of \$25,000 to each of Hilltop Securities and Special LP Counsel. Such fees are nonrefundable.

I. LONG TERM OWNERSHIP

1. Tenant shall be permitted to sell its interest in the Lease (the "*Leasehold Estate*") at any time following the thirtieth (30th) day after completion of construction of the Project, as evidenced by issuance of the final certificate of occupancy for the Project (the "*Construction Completion*").

(i) Any such sale will be a transfer of the Leasehold Estate to a third-party purchaser with this Lease remaining in full force and effect, which transfer shall be expressly subject to the ROFR (defined below) and Tenant's receipt of Lessor's written approval (such approval not to be unreasonably withheld, conditioned or delayed) of the intended third-party purchaser (a "*Leasehold Sale*").

(ii) If Tenant identifies a third party to acquire the Leasehold Estate pursuant to a Leasehold Sale, it shall first provide written notice of the identity of the third party to Lessor. Lessor shall have thirty (30) days following its receipt of such notice in which to perform a due diligence review on the proposed replacement tenant. Lessor shall not unreasonably withhold, condition or delay its consent if the proposed replacement tenant would satisfy a national bank's customary "know your customer" requirements. Lessor's failure to provide a consent to or a disapproval of a proposed replacement tenant within such thirty (30) day period shall be deemed to constitute its approval of such Leasehold Sale. Following Lessor's approval (or deemed approval) of a Leasehold Sale, Tenant may transfer the Leasehold Estate and all of its rights and

obligations under this Lease to the proposed replacement tenant and this Lease shall continue in full force and effect on all of the same terms and conditions.

2. Following Construction Completion, in the event of a proposed Leasehold Sale, the Special LP, the Anna PFC, or the Anna PFC's designated affiliate shall have a right of first refusal to acquire the Leasehold Estate on the same terms offered by such third party buyer (the "ROFR"). The Special LP shall have 30 days in which to notify the Partnership of its intent to purchase the Leasehold Estate pursuant to the ROFR at terms of the bona fide offer, and closing of such sale much occur within the sooner of (i) 60 days or (ii) the closing timing proposed in the bona fide offer. The ROFR shall expire after the Leasehold Sale.

3. To the extent required by a Leasehold Sale or refinance, the Lessor, Anna PFC, and/or their affiliates, as applicable, shall subordinate their interests (including the leasehold interests) in the Project to the interest of a lender in connection with such sale or refinance, and the Lessor will execute a joinder of its fee interest in the Project to a mortgage or deed of trust.

J. REGULATORY RESTRICTIONS

The Developer and the Anna PFC agree that (i) at least 10% of the units in the Project will be restricted for rent to individuals and families earning less than 60% of the area median income (as published from time to time by the Department of Housing and Urban Development pursuant to Section 8 of the United States Housing Act of 1937, as amended) (the "AMI"); (ii) at least 40% of the units in the Project will be restricted for rent to individuals and families earning less than 80% of the AMI; (iii) rents charged shall not exceed 30% of the applicable AMI per each category of units, adjusted for family size; and (iv) the Project will be subject to any such other restrictions as shall be reasonably required by the Anna PFC, consistent with the Act. Income shall be verified by the Developer pursuant to a review of the tenants' federal income tax returns or other commercially reasonable method acceptable to the Anna PFC. The Developer and the Anna PFC will enter into a Regulatory Agreement at Closing to be recorded in the applicable county land records that will set forth the income restrictions and describe the methodology for income verification and reporting, and require that the income restrictions shall last at least for the longer period of 20 years from the effective date of the Regulatory Agreement or the date on which the Special LP is no longer a partner of the Partnership.

K. MISCELLANEOUS

1. This MOU reflects the entire understanding between the parties and may only be amended in writing, signed by both parties. This MOU is a contract and not merely an "agreement to agree."

2. Each party hereto is prohibited from assigning any of its interests, benefits or responsibilities hereunder to any third party or related third party, without the prior written consent of the other party, such consent not to be unreasonably withheld, conditioned, or delayed.

3. The parties agree to execute such documents and do other such reasonable things as may be necessary or appropriate to facilitate the development of the Project and the consummation of the agreements set forth herein.

4. This MOU may be executed in several counterparts, each of which shall be deemed to be an original and all of which together shall constitute one contract binding on all parties hereto, notwithstanding that all the parties shall not have signed the same counterpart

5. THIS MOU SHALL BE GOVERNED AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF TEXAS, EXCLUSIVE OF CONFLICT OF LAWS PRINCIPLES.

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

7. The parties hereto submit exclusively to the jurisdiction of the state and federal courts of Collin County, Texas, and venue for any cause of action arising hereunder shall lie exclusively in the state and federal courts of Collin County, Texas.

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

9. The subject headings contained in this MOU are for reference purposes only and do not affect in any way the meaning or interpretation hereof.

10. This MOU shall continue until terminated upon the occurrence of any one of the following conditions:

(a) The Anna PFC and the Developer sign a mutual consent to terminate this MOU;

(b) Loan and Equity financing for the Project are not closed within 2 years of the execution hereof, subject to one 2-year extension at the written request of the Developer;

(c) The Anna PFC's Board of Directors takes action to disapprove of the participation of the Anna PFC in the financing of the Project as described in this MOU at any time prior to the Closing;

(d) If Developer determines that the transactions contemplated by this MOU are not feasible, Developer may terminate this MOU by delivery written notice thereof to the Anna PFC;

(e) Either party breaches its obligations under this MOU, the non-breaching party provides the breaching party notice of such fact and a 15-day opportunity to cure, and the breaching party fails to do so; or

(f) Either party files for bankruptcy protection, makes an assignment for the benefit of creditors, has a receiver appointed as to its assets, or generally becomes insolvent.

Upon termination of this MOU for any of the reasons cited above, neither party shall have any ongoing obligation to the other with respect to this MOU nor the Project. In addition, the provisions of this MOU with respect to the Project will be terminated when the General Partner is admitted to the Partnership and the Anna PFC and the Developer and their affiliates, as applicable, enter into definitive agreements with respect to the governance of the Partnership and the development, construction, financing, and operation of the Project as contemplated herein.

11. The parties acknowledge that the Special LP, the Anna PFC and its affiliates will be represented in this transaction in a legal capacity by Chapman and Cutler LLP ("*Special LP Counsel*") and Hilltop Securities Inc. in a financial advisory capacity ("*Hilltop Securities*"). The Developer, the Partnership, the General Partner and their affiliates will be represented by separate counsel and will not be entitled to rely on Special LP Counsel for representation in this matter.

[Remainder of Page Intentionally Left Blank]

EXECUTED to be effective as of the date above shown.

ANNA PUBLIC FACILITY CORPORATION

By 

Stan Carver II
President

NRP LONE STAR DEVELOPMENT LLC

By _____
Name: _____
Title: _____

EXHIBIT A

**ANNA PUBLIC FACILITY CORPORATION
CHECKLIST OF DUE DILIGENCE**

PROPERTY ITEMS			
RECEIVED	ITEM	DEADLINE	NOTES
	Project Description, including number of units, unit sizes, and amenities		
	Site Location information, with map		
	Proposed Rent Schedule, with tenant income restrictions		
	Site Plan		
	Appraisal		
	Phase I Environmental		
	Soils Report		
	Evidence of site control		
	Evidence of zoning		
	Title commitment with all exceptions		
	Survey		
DEVELOPMENT ITEMS			
RECEIVED	ITEM	DEADLINE	NOTES
	Detailed Development Budget		
	Sources and Uses		
	Statement of Developer's experience, including evidence of net worth		
	Resume of Master Subcontractor, with evidence of experience		
	Plans and Specifications		
	Resume of Architect, with evidence of experience		

FINANCING ITEMS			
RECEIVED	ITEM	DEADLINE	NOTES
	15-year Pro Forma		
	Debt financing commitment		
	Equity financing commitment		
	Description of all other sources of financing		
	Application for debt financing		
OPERATIONAL ITEMS			
RECEIVED	ITEM	DEADLINE	NOTES
	Resume of property management company, with evidence of experience		
	Proposed Rent Schedule, with tenant income restrictions		
ORGANIZATIONAL ITEMS			
RECEIVED	ITEM	DEADLINE	NOTES
	Organizational documents for limited partnership		

EXHIBIT B
PARTNERSHIP AGREEMENT TERMS

The following is a summary of terms that the Anna PFC will require in the Partnership Agreement. The following list is not intended to be exhaustive and is intended to supplement and not limit the terms of the MOU.

REPRESENTATIONS

- The Special LP will make representations only as to its tax status, existence and due authorization and execution of Partnership documents.
- The Special LP will become a limited partner in the Partnership at Closing, therefore pre-closing items must be addressed by the General Partner or other Developer affiliate. Under no circumstances will the Special LP execute documents on behalf of the Partnership.
- The Special LP is not performing due diligence on the Project. Therefore, any representations regarding the Project must be provided by the General Partner.
- The Special LP's representations are generally as to its own knowledge. The knowledge of the Special LP may not be qualified by phrases such as "after due inquiry." The Special LP will make no inquiry.

COVENANTS

- The Special LP may covenant not to take affirmative actions, but the Special LP cannot covenant not to permit or allow others to do things.
- The Special LP cannot covenant to maintain the property tax exemption, but the Special LP shall agree to cooperate with the General Partner in making any required filings if and when directed by the General Partner.
- Any covenants relating to the operation of the Partnership or the construction or operation of the Project should be made by the General Partner.
- The Special LP will not covenant to maintain adequate capital.

INDEMNITIES AND GUARANTEES

- The Special LP should be indemnified for all losses other than those caused by its gross negligence or willful misconduct.
- The Special LP's indemnification should not be conditioned on a court determination.
- The Special LP will indemnify only for its own gross negligence or willful misconduct. The Special LP will not indemnify for actions or inactions of the General Partner.
- The Special LP will not provide completion guarantees, environmental guarantees, credit guarantees, or covenant to make up for cash flow short falls.
- The Special LP will not be required to make loans to the Partnership.
- If the Partnership is required to provide a guarantee, the guarantee should either be limited to the assets of the Partnership or should explicitly state that the guarantee is not intended to be recourse to the Special LP or its affiliates.

DUTIES AND OBLIGATIONS FOR ADMINISTRATION OF PARTNERSHIP

- The General Partner will be the partner responsible for the administration of the Partnership and the operation of the Project.
- The General Partner will be responsible for obtaining any insurance required by the Partnership Agreement or other Partnership documents and will name the Special LP as an additional insured where applicable.
- The General Partner will be responsible for ensuring any requirements for maintaining the ad valorem tax exemption are met, including any ongoing correspondence with the applicable appraisal district. The General Partner shall cause its counsel, at the expense of the Partnership, to deliver an opinion at Closing regarding the ad valorem exemption, which opinion must be addressed to and in form and substance acceptable to the Anna PFC and the Lessor. The Special LP will agree to provide reasonable cooperation at the direction of the General Partner with respect to the ad valorem tax exemption.
- All reports that are required by the Investor LP shall be made by the General Partner, and any penalties imposed for late reports shall be imposed only on the General Partner.
- Notices required by the Investor LP shall be made by the General Partner.

OPTION/RIGHT OF FIRST REFUSAL

- The Anna PFC will be granted the right of first refusal described in the MOU.

TAXES AND ALLOCATIONS

- The General Partner will be responsible for the preparation of the tax return and tax filings. The General Partner will cooperate with the Special LP to the extent its signature is required.
- Losses in excess of capital accounts are allocated to the General Partner.
- The Special LP will not have a deficit restoration obligation either annually or on liquidation.
- The General Partner will be the “partnership representative” for the purposes of tax audits.
- If the Partnership has an adjustment on audit, the Special LP will pay its allocated share but will not put additional funds into the Partnership.

REMOVAL

- Unless a removal is caused by its own gross negligence or willful misconduct, the Special LP will not be liable for the costs related to removal or replacement.
- The Special LP will not be liable for events after removal, except those related to the Special LP's sole gross negligence or willful misconduct.

MISCELLANEOUS

- The governing law, jurisdiction and venue will be Texas.

EXHIBIT C
TERM SHEET

TERM SHEET FOR THE DEVELOPMENT OF

ANNA APARTMENTS

IN THE CITY OF ANNA, TEXAS

_____, 2023

This Term Sheet, in addition to the Memorandum of Understanding (“MOU”) above, 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 and the MOU, together, replace all previous understandings and agreements, written or oral, with respect to the Project.

The Project will be owned by a wholly-owned subsidiary of the Anna Public Facility Corporation (“APFC”). Such subsidiary (“Lessor”) shall hold fee title to the Land and Improvements upon payment, on the Closing Date, to the NRP affiliate that owns the Land of the amount of the contract price for NRP or its affiliate’s purchase of the Land (“Land Price”). On the Closing Date, the Lessor will simultaneously enter into a lease with the Tenant, which will make an upfront lease payment to the Lessor in the amount of the Land Price. Tenant will be responsible for the costs of the Improvements. The Land and Improvements will be leased to Tenant on a long term lease.

Capital Event: A sale of the entire Project (including any proposed assignment of the entire Lease) to a third party for consideration or of all of the interests in the Tenant Partnership to a third party for consideration.

City: City of Anna, Texas.

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

Construction: Tenant will contract with APFC, or its wholly-owned subsidiary, as general contractor, to construct the Improvements (“General Contractor”); and General Contractor will enter into a Master Sub-Contract with NRP Contractors II LLC, an affiliate of NRP (“NRP Contractors”), to construct the Improvements. NRP Contractors will receive a Contractor Fee of 5%, plus general conditions and 1.5% IGA fee, and any construction contract with NRP Contractors will also include a contractor’s contingency of 3% solely for the use of NRP Contractors. NRP Contractors will provide construction completion guarantees necessary to satisfy any lenders and Equity Contribution Partners for the Project on terms acceptable to NRP Contractors in its sole discretion. General Contractor shall be indemnified to the fullest extent permitted by applicable law by each of the Tenant and NRP

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

- Developer:** NRP Lone Star Development, LLC, or another affiliate of NRP.
- Development Agreement:** Developer, APFC (or its designated affiliate) 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 and in the MOU.
- Developer Fee:** Developer is to receive a Developer Fee in connection with the development of the Project in an amount equal to three and one-half percent (3.5%) of the total development costs of the Project. It is anticipated thirty percent (30%) of the Developer Fee will be earned and paid at the construction loan closing. Fifty percent (50%) of the Developer Fee will be earned and paid monthly out of the loan proceeds as part of the monthly construction loan process and the final twenty percent (20%) will be earned and paid upon issuance of the final certificate of occupancy for the Project. The timing and amount of the payment shall be subject to the lender and Equity Partner’s consent.
- Equity Contribution Partners:** The entity or entities which are selected by NRP to contribute common equity (cash or property) to the Equity Partner and to be admitted as a limited partner to the Equity Partner, one of which will be NRP Partner. Such interest may receive a hurdle return for all or a portion of its equity contribution.
- Equity Partner:** A Texas limited partnership, the sole general partner of which will be NRP Manager, and whose limited partners will be NRP Partner (which will contribute the Land Contribution and some cash in accordance with the Project Budget) and the Equity Contribution Partners (which will contribute cash in accordance with the Project Budget). The structure is expected to look similar to the attached Schedule 1.
- Governing Law:** State of Texas.
- Guarantees:** Certain financial obligations will be guaranteed by NRP Contractors or an affiliate on terms to be negotiated by NRP and lenders and the Equity Contribution Partners. APFC and its affiliates will not be required to provide any financial guarantees with respect to financing or construction of the Project.
- Improvements:** Approximately 337 units of multifamily residential housing, together with all onsite infrastructure improvements for the Project, pursuant to Plans and Specifications developed by Developer, and will include a pool, fitness center, clubhouse space, and other Class-A multifamily amenities appropriate for the Project as determined by Tenant Partnership.

Land: Approximately 15.4 +/- acres for the Project to be built and operated as proposed by this Term Sheet, in Collin County, Texas, and as shown on the parcel map attached as Exhibit A hereto. The Land will be conveyed to Lessor in return for an upfront lease payment in the amount of the Land Price.

Lease: Lease between the Lessor and Tenant, pursuant to which Lessor leases the Project to the Tenant for a term of 99 years (the "Lease"). So long as Tenant is not in default under the Lease, Tenant will be permitted under the Lease to assign its interest in the Lease as set forth in the MOU. 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 or to the extent as may prohibited in any loan documents with the lenders or any agreement between the Tenant and the Equity Contribution Partner. The rent will be (1) prepaid rent at the Closing Date in the amount of the Land Price and (2) \$27,000 starting on the first January 1 of the Lease term after stabilization of the Project and continuing each January 1 thereafter, increasing annually by 3%.

A memorandum of the Lease and/or a Regulatory Agreement to be recorded concurrent with the Closing Date will provide that for any year the Tenant wishes to obtain a property tax exemption, it will set aside or rent at least 10% of the units to tenants whose income is less than 60% of the area median income (AMI) and it will set aside or rent at least 40% of the units (collectively, the "Affordable Units") to tenants whose income is less than 80% of AMI. Such AMI shall have a floor no lower than the AMI at the Closing Date.

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

Commencing with the end of the first complete calendar month after the first employee of NRP or any affiliate commences work on site at the Project (provided such date is typical for when a management company would commence work on promotional and/or leasing activities at similar project), the greater of (i) \$35 per unit per month or (ii) \$9,000 per month; and

Commencing with substantial completion of the first residential building, the greater of (i) \$35 per unit per month or (ii) 3% multiplied by the effective gross income of the Project as outlined in the Management Agreement; but in no event less than \$9,000 per month.

NRP Manager shall receive a setup fee, payable no later than the first (1st) annual anniversary of the Closing Date. NRP Manager shall

further receive a property lease up fee, payable upon stabilization of the project. The amounts of such fees shall be determined by the Equity Partner and NRP based on market conditions.

Miscellaneous Expenses: Tenant will be responsible for and will include in the Project Budget all legal fees of APFC and its affiliates actually incurred in connection with the preparation, negotiation and execution of the Project and financing 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. In addition to the fees set forth above and as a precondition for the APFC proceeding with the financing of the Project, upon execution and delivery of this MOU and board approval of the same by APFC, the Developer shall pay the amount of \$25,000 to each of Hilltop Securities Inc. and Chapman and Cutler LLP. Such fees are nonrefundable but shall be reimbursed by the Project to Developer at the Closing Date.

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

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

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

PFC Structuring Fee: APFC, or one of its affiliates, will receive a structuring fee equal to \$806,552, payable at the Closing Date, in return for providing the organizational structure described in this Term Sheet, which is anticipated to allow the Project to be sales tax exempt during the construction of the Project, and to be and remain 100% property tax exempt (including the Property and the Project Improvements) as set forth in the MOU.

Plans and Specifications: APFC, Tenant, Lenders, and Equity Contribution Partner will have the right to review and approve the Plans and Specifications for Project once they are materially completed, the approval of which will not be unreasonable withheld or delayed. Once they have approved the conceptual and/or schematic design for the Project, it may not object to such design Plans and Specifications, unless the subsequent Plans and Specifications materially and adversely affects the design character or value of the Project.

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

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

Project Financing: Lessor will provide the leasehold estate for the Project to the Tenant pursuant to the Lease. The Lease will be prepared once the Lenders are identified and will include commercially reasonable provisions required by the Lenders, which may include a requirement for Lessor to subordinate its interests in the Project, including the leasehold and to execute a joinder of its fee interests in the Project to a mortgage or deed of trust.

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 Lessor'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 Lessor's fee interest in the Project or partnership interest in the Tenant or Equity Contribution Partner.

All financings and guarantees must be acceptable to Developer in their sole and absolute discretion. APFC or its designated affiliate, Equity Partners, and Developer will be provided with a right of notice and the right to cure Tenant Partnership's defaults for all financings.

Equity

Developer will obtain one or more Equity Contribution Partners who will invest approximately the amount shown in the Project Budget. One of the Equity Contribution Partners will be NRP Partner (which will make a contribution of the Land at the Agreed Value and a contribution of cash as provided for in the Project Budget). Contributions from the Equity Contribution 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 cash flow and will at all times be subordinate to the Loans. The Equity Contribution Partners and NRP will receive a return hurdle which is expected to be approximately 10% 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 Term: The "**Project Term**" is from commencement of Project for a period of 99 years after closing.

Representations and Warranties: Those customarily found in credit agreements for asset-based lending transaction of this type and others appropriate to this transaction in the reasonable credit judgment of APFC and NRP, subject to limitations and exceptions as set forth in the MOU and to be agreed upon.

Sale: Upon a sale of the entire Project (including any proposed assignment of the entire Lease) to a third party for consideration or of all of the interests in the Tenant to a third party for consideration, Special Limited Partner shall receive a fee equal to 1.00% of the Sale Price. To the extent required by a Sale or refinance, Lessor shall subordinate its interests in the Project to the interest of a lender, including the leasehold, as well as a joinder of its fee interests in the Project to a mortgage or deed of trust.

Sale Price: The sales price received by the Tenant for the sale of the Project.

Sales Tax: The General Contractor will be responsible for the purchase of materials for the construction of the Project so that the purchases will be exempt from all sales and use taxes pursuant to applicable law. In connection with its services, the General Contractor will receive a fee as set forth in the MOU.

SLP Management Fee: Special Limited Partner shall be entitled to receive a partnership management fee as set forth in the MOU.

Special Limited Partner: A to-be-formed wholly-owned subsidiary of APFC.

Tenant: Meryl Street LP, will be a single purpose Texas limited partnership, the sole General Partner of which will be ultimately managed by NRP Manager, LLC, a Florida limited liability company (or an affiliate), the Special Limited Partner of which will be a wholly-owned subsidiary of APFC, and the Limited Partner of which will be the Equity Partner.

This instrument may be executed in several counterparts, each of which will be deemed an original and all of which will constitute one and the same instrument, and will become effective when

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

Signature Pages Follow

NRP:

NRP Properties LLC, an Ohio limited liability company

By: _____
Name: _____
Title: _____

APFC:

Anna Public Facility Corporation, a Texas nonprofit public facility corporation

By:  _____
Stan Carver II
President

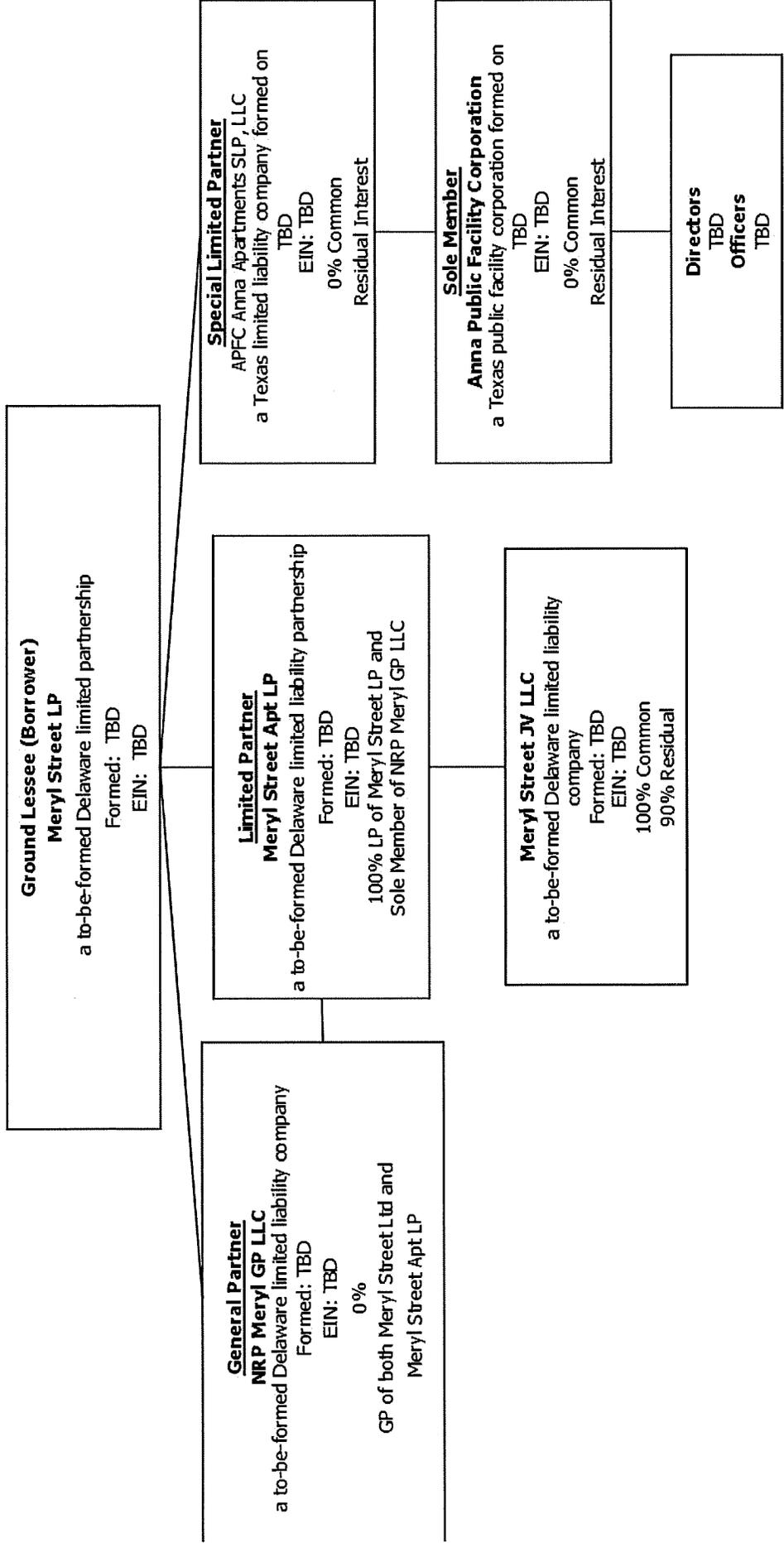
EXHIBIT A
Property

LAND

Lot 8, Block A and Lot 1, Block B of the Final Replat of Lots 1R, 3R, 6, 7, 8, 9 of Block A and Lot 1 of Block B, Anna Retail Addition, an addition to the City of Anna, Collin County, Texas, according to the plat thereof, recorded in Plat Book 2022, Page 471, Plat Records of Collin County, Texas.

Schedule 1
Structure

Meryl Street (PFC)



Meryl Street (PFC)



NRP Meryl Street Sponsor LLC
 A to-be-formed Delaware limited liability company
 formed TBD
 EIN: TBD
 100% Common Member

JDH Meryl Street Investment LLC
 An Ohio limited liability company
 Formed: TBD
 EIN: TBD
 9.938%

J. David Heller Trustee,
 UAD 12/16/1998.
 100%
 *Interests will be transferred to Heller Family Trusts post-closing

2023 NRP DCP LLC
 An Ohio limited liability company
 Formed: 9/26/2022
 EIN: 92-0634073
 1.027%

NRP Market Rate Subsidiary LLC
 66.67%

Ken Outcalt
 33.33%

Managing Member
NRP TCP GP Fund IV LLC
 a Delaware limited liability company
 EIN: 92-1625071
 85.049%

AGT NRP Investor IV, L.L.C.
 a Delaware limited liability company
 Formed: _____
 EIN: _____
 75%

NRP 2023 Employee Co-Investment Fund LLC
 Formed: 12/7/2023
 EIN: 92-1624788
 3.987%

NRP Market Rate Subsidiary LLC
 25%
 (see ownership on Page 5)

NRP Meryl Street Promote LLC
A to-be-formed Delaware limited liability company
formed TBD
EIN: TBD
100% Promoted Member

Meryl Street E-Group LLC
an Ohio limited liability company formed TBD
EIN: TBD
Residual Interest

NRP Market Rate
Subsidiary LLC
62.408%

AGT NRP Investor IV, L.L.C.
a Delaware limited liability company
Formed: _____
EIN: _____
33.605%

NRP 2023
Employee
Co-Investment
Fund LLC
Formed: 12/7/2023
EIN: 92-1624788
3.987%

NRP Enterprises LLC
a Delaware
limited liability company
formed: June 15, 2015
EIN: 35-2538440
100%

NRP Direct Subsidiary LLC
an Ohio limited liability company
Formed : June 15, 2015
EIN: 37-1788623
60% Common Member

NRP Master L.P.
a Delaware
limited partnership
Formed: June 15, 2015
EIN: 47-4652432
100%

LIMITED PARTNER
Restatement of Declaration of Trust dated
as of July 9, 2012
.5%
(non-economic interest and no control)

Trustee
T. Richard Bailey

AGT NRP Investor, LLC
a Delaware limited liability company
40%

LIMITED PARTNER
Declaration of Trust dated as of December 16, 1998,
as amended by
the amended and Restated
Declaration of Trust dated as of June 20, 2017
99%

Trustee
J. David Heller

GENERAL PARTNER
JDH Realty Investments Corp.
An Ohio corporation
Formed on 6/15/2015
5%

Declaration of Trust dated as of December 16, 1998,
as amended by the
Amended and Restated Declaration of Trust dated
As of June 20, 2007.
(see Trustee information on this page)

ANNA PUBLIC FACILITY CORPORATION

RESOLUTION AUTHORIZING THE FORMATION OF APFC ANNA APARTMENTS SLP, LLC (THE "*SPECIAL MEMBER*") AS SPECIAL MEMBER OF THE LIMITED PARTNERSHIP THAT WILL SERVE AS BORROWER (THE "*BORROWER*") IN CONNECTION WITH THE FINANCING, ACQUISITION, CONSTRUCTION AND EQUIPPING OF A PUBLIC FACILITY; AUTHORIZING THE DESIGNATION OF THE ANNA PUBLIC FACILITY CORPORATION (THE "*CORPORATION*") AS THE SOLE MEMBER OF THE SPECIAL MEMBER; APPROVING THE FORM AND SUBSTANCE OF A LIMITED LIABILITY COMPANY AGREEMENT AND THE EXECUTION THEREOF; RATIFYING CERTAIN ACTIONS HERETOFORE TAKEN IN CONNECTION WITH THE SPECIAL MEMBER; AUTHORIZING THE EXECUTION OF DOCUMENTS AND INSTRUMENTS NECESSARY OR CONVENIENT TO CARRY OUT THE PURPOSES OF THIS RESOLUTION; AND CONTAINING OTHER PROVISIONS RELATING THERETO

WHEREAS, the Anna Public Facility Corporation (the "*Corporation*") has been duly created and organized pursuant to and in accordance with the provisions of the Texas Public Facility Corporation Act, Chapter 303, Local Government Code, as amended (the "*Act*"), for the purpose of providing a means of financing the costs of the acquisition, construction, rehabilitation, renovation, repair, equipping furnishing and placement in service of public facilities; and

WHEREAS, the Board of Directors of the Corporation has determined that it is in the best interest of the Corporation to act as the special member of APFC Anna Apartments SLP, LLC (the "*Special Member*"), which will be the special member of the limited partnership that will serve at the Borrower (the "*Borrower*") in order to participate in the financing, acquisition, construction and equipping of a public facility consisting of a multifamily residential rental development for low and moderate income tenants to be known as Anna Apartments, and located in the City of Anna, Collin County, Texas; and

WHEREAS, the Special Member, in its capacity as landlord will enter into a lease agreement (the "*Lease Agreement*") with the Borrower; and

WHEREAS, as the sole member of the Special Member, the Corporation desires to authorize all action necessary and appropriate to enter into and carry out all actions under the Lease Agreement, to appoint officers of the Special Member; to approve of the Special Member's formation and the form and substance of its Limited Liability Company Agreement (the "*Company Agreement*"); and to ratify all actions previously taken on behalf of the Special Member;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE ANNA PUBLIC FACILITY CORPORATION THAT:

Section 1. Formation of Special Member. The formation of APFC Anna Apartments SLP, LLC is hereby approved and ratified.

Section 2. Designation of Sole Member. The designation of the Corporation as the sole member of the Special Member is hereby approved and ratified.

Section 3. Approval and Execution of the Company Agreement. The form and substance of the Company Agreement are hereby approved, and the officers of the Corporation, as sole member of the Special Member, are each hereby authorized to execute the Company Agreement.

Section 4. Appointment of Officers of the Special Member. Stan Carver II is appointed President, Danny Ussery is appointed Vice President and Pete Cain is appointed Secretary of the Special Member.

Section 5. Execution and Delivery of Financing Documents. The officers of the Special Member are each hereby authorized to negotiate the terms of, execute and attest to the Lease Agreement and any other such agreements, assignments, notes, certificates, contracts, documents, instruments, releases, financing statements, letters of instruction, written requests and other papers, whether or not mentioned herein, as may be necessary or convenient to carry out or assist in carrying out the purposes of this Resolution.

Section 6. Ratification of Previous Actions. The Corporation hereby ratifies, confirms and adopts all actions previously taken on behalf of the Special Member to carry into effect the transactions contemplated by this Resolution.

Section 7. Effective Date. This Resolution shall be in full force and effect from and upon its adoption.

Section 8. Severability. If any section, paragraph, clause or provision of this Resolution shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this Resolution.

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PASSED AND APPROVED the 26th day of September, 2023.

ANNA PUBLIC FACILITY CORPORATION

By  _____
Stan Carver II
President

threatened, pending or completed action, suit or proceeding, whether civil, criminal, administration or investigative (including, without limitation, an action by or in the right of the Company) by reason of any action or omission in their respective capacities against any liabilities, expenses (including, without limitation, attorneys' fees and expenses and any other costs and expenses incurred in connection with defending such action, suit or proceeding), judgments, fines and amounts paid in settlement actually and reasonably incurred by the Person in connection with such action, suit or proceeding, if the Person acted in good faith and in a manner reasonably believed to be in or not opposed to the best interests of the Company, and, with respect to any criminal action or proceeding, had no reasonable cause to believe its, his or her conduct was unlawful. The termination of any action, suit or proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not, of itself, create a presumption (i) that the Person did not act in good faith and in a manner which it, he or she reasonably believed to be in or not opposed to the best interests of the Company, and (ii) with respect to any criminal action or proceeding, that the Person had reasonable cause to believe its, his or her conduct was unlawful. Expenses (including, without limitation, attorneys' fees and expenses) incurred by a Person seeking indemnification hereunder shall be paid in advance of the final disposition of such action, suit or proceeding upon receipt of an undertaking from the Person to repay such amount if it shall ultimately be determined that the Person is not entitled to indemnification.

For purposes of the preceding paragraph, the word "Person" shall include each Member and any officer, employee or agent of the Company.

16. Officers

The officers of the Company shall be a President, a Vice President and a Secretary. The President shall be the chief executive officer of the Company and shall be in general charge of the properties and affairs of the Company; shall preside at all meetings; in furtherance of the purposes of the Company, may sign and execute all contracts, conveyances, franchises, bonds, deeds, assignments, mortgages, notes and other instruments in the name of the Company. The Vice President shall carry out the powers and responsibilities of the President when the President is absent or unable to act. The Secretary shall attend to the giving and serving of all notices; in furtherance of the purposes of the Company, may

sign with the President or Vice President in the name of the Company, and/or attest the signature thereto, all contracts, conveyances, franchises, bonds, deeds, assignments, mortgages, notes and other instruments of the Company; shall have charge of the corporate books, records, documents and instruments, and such other books and papers as may be necessary, all of which shall at all reasonable times be open to inspection upon application at the office of the Company during business hours. Such offices shall be assumed by the persons serving in the respective office on the Board of Directors of the Member.

17. Governing Law

This Agreement shall be governed by, and construed under, the laws of the State of Texas, all rights and remedies being governed by said laws.

18. Amendment

This Agreement may be amended in writing by the Members.

[Signature Page Follows]

IN WITNESS WHEREOF, the undersigned, intending to be legally bound hereby, have duly executed this Limited Liability Company Agreement as of the Effective Date.

ANNA PUBLIC FACILITY CORPORATION, as sole member

By  _____
Stan Carver II
President

ANNA PUBLIC FACILITY CORPORATION

RESOLUTION AUTHORIZING THE FORMATION OF APFC ANNA APARTMENTS CONTRACTOR, LLC (THE "*GENERAL CONTRACTOR*") IN CONNECTION WITH THE FINANCING, ACQUISITION, CONSTRUCTION AND EQUIPPING OF A PUBLIC FACILITY; AUTHORIZING THE DESIGNATION OF THE ANNA PUBLIC FACILITY CORPORATION (THE "*CORPORATION*") AS THE SOLE MEMBER OF THE GENERAL CONTRACTOR; APPROVING THE FORM AND SUBSTANCE OF A LIMITED LIABILITY COMPANY AGREEMENT AND THE EXECUTION THEREOF; RATIFYING CERTAIN ACTIONS HERETOFORE TAKEN IN CONNECTION WITH THE GENERAL CONTRACTOR; AUTHORIZING THE EXECUTION OF DOCUMENTS AND INSTRUMENTS NECESSARY OR CONVENIENT TO CARRY OUT THE PURPOSES OF THIS RESOLUTION; AND CONTAINING OTHER PROVISIONS RELATING THERETO

WHEREAS, the Anna Public Facility Corporation (the "*Corporation*") has been duly created and organized pursuant to and in accordance with the provisions of the Texas Public Facility Corporation Act, Chapter 303, Local Government Code, as amended (the "*Act*"), for the purpose of providing a means of financing the costs of the acquisition, construction, rehabilitation, renovation, repair, equipping furnishing and placement in service of public facilities; and

WHEREAS, pursuant to the Act, the Corporation intends to participate in the financing, acquisition, construction and equipping of a public facility consisting of a multifamily residential rental development for low and moderate income tenants to be known as Anna Apartments, and located in the City of Anna, Collin County, Texas (the "*Development*"); and

WHEREAS, APFC Anna Apartments Contractor, LLC (the "*General Contractor*"), a Texas limited liability company whose sole member is the Corporation, will serve as general contractor in connection with the construction of the Development pursuant to a Construction Contract (the "*Construction Contract*") between the General Contractor and the limited partnership that will lease, construct and finance the Development (the "*Borrower*"), or an affiliate or designee thereof; and

WHEREAS, as the sole member of the General Contractor, the Corporation desires to authorize all action necessary and appropriate to enter into and carry out all actions for the benefit of the Borrower in connection with the Development, to appoint officers of the General Contractor; to approve of the General Contractor's formation and the form and substance of its Limited Liability Company Agreement (the "*Company Agreement*"); and to ratify all actions previously taken on behalf of the General Contractor;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE ANNA PUBLIC FACILITY CORPORATION THAT:

Section 1. Formation of General Contractor. The formation of APFC Anna Apartments Contractor, LLC is hereby approved and ratified.

Section 2. Designation of Sole Member. The designation of the Corporation as the sole member of the General Contractor is hereby approved and ratified.

Section 3. Approval and Execution of the Company Agreement. The form and substance of the Company Agreement are hereby approved, and the officers of the Corporation, as sole member of the General Contractor, are each hereby authorized to execute the Company Agreement.

Section 4. Appointment of Officers of the General Contractor. Stan Carver II is appointed President, Danny Ussery is appointed Vice President and Pete Cain is appointed Secretary of the General Contractor.

Section 5. Execution and Delivery of Financing Documents. The officers of the General Contractor are each hereby authorized to negotiate the terms of, execute and attest to the Construction Contract and any other such agreements, assignments, notes, certificates, contracts, documents, instruments, releases, financing statements, letters of instruction, written requests and other papers, whether or not mentioned herein, as may be necessary or convenient to carry out or assist in carrying out the purposes of this Resolution.

Section 6. Ratification of Previous Actions. The Corporation hereby ratifies, confirms and adopts all actions previously taken on behalf of the General Contractor to carry into effect the transactions contemplated by this Resolution.

Section 7. Effective Date. This Resolution shall be in full force and effect from and upon its adoption.

Section 8. Severability. If any section, paragraph, clause or provision of this Resolution shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this Resolution.

[Remainder of Page Intentionally Left Blank]

PASSED AND APPROVED the 26th day of September, 2023.

ANNA PUBLIC FACILITY CORPORATION

By  _____
Stan Carver II
President

(including, without limitation, attorneys' fees and expenses and any other costs and expenses incurred in connection with defending such action, suit or proceeding), judgments, fines and amounts paid in settlement actually and reasonably incurred by the Person in connection with such action, suit or proceeding, if the Person acted in good faith and in a manner reasonably believed to be in or not opposed to the best interests of the Company, and, with respect to any criminal action or proceeding, had no reasonable cause to believe its, his or her conduct was unlawful. The termination of any action, suit or proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not, of itself, create a presumption (i) that the Person did not act in good faith and in a manner which it, he or she reasonably believed to be in or not opposed to the best interests of the Company, and (ii) with respect to any criminal action or proceeding, that the Person had reasonable cause to believe its, his or her conduct was unlawful. Expenses (including, without limitation, attorneys' fees and expenses) incurred by a Person seeking indemnification hereunder shall be paid in advance of the final disposition of such action, suit or proceeding upon receipt of an undertaking from the Person to repay such amount if it shall ultimately be determined that the Person is not entitled to indemnification.

For purposes of the preceding paragraph, the word "Person" shall include each Member and any officer, employee or agent of the Company.

16. Officers

The officers of the Company shall be a President, a Vice President and a Secretary. The President shall be the chief executive officer of the Company and shall be in general charge of the properties and affairs of the Company; shall preside at all meetings; in furtherance of the purposes of the Company, may sign and execute all contracts, conveyances, franchises, bonds, deeds, assignments, mortgages, notes and other instruments in the name of the Company. The Vice President shall carry out the powers and responsibilities of the President when the President is absent or unable to act. The Secretary shall attend to the giving and serving of all notices; in furtherance of the purposes of the Company, may sign with the President or Vice President in the name of the Company, and/or attest the signature thereto, all contracts, conveyances, franchises, bonds, deeds, assignments, mortgages, notes and other instruments of the Company; shall have charge of the corporate books, records, documents

and instruments, and such other books and papers as may be necessary, all of which shall at all reasonable times be open to inspection upon application at the office of the Company during business hours. Such offices shall be assumed by the persons serving in the respective office on the Board of Directors of the Member.

17. Governing Law

This Agreement shall be governed by, and construed under, the laws of the State of Texas, all rights and remedies being governed by said laws.

18. Amendment

This Agreement may be amended in writing by the Members.

[Signature Page Follows]

IN WITNESS WHEREOF, the undersigned, intending to be legally bound hereby, have duly executed this Limited Liability Company Agreement as of the Effective Date.

ANNA PUBLIC FACILITY CORPORATION, as sole member

By  _____
Stan Carver II
President

ANNA PUBLIC FACILITY CORPORATION

RESOLUTION AUTHORIZING THE FORMATION OF APFC ANNA APARTMENTS DEVELOPMENT, LLC (THE "*CO-DEVELOPER*") IN CONNECTION WITH THE FINANCING, ACQUISITION, CONSTRUCTION AND EQUIPPING OF A PUBLIC FACILITY; AUTHORIZING THE DESIGNATION OF THE ANNA PUBLIC FACILITY CORPORATION AS THE SOLE MEMBER OF THE CO-DEVELOPER; APPROVING THE FORM AND SUBSTANCE OF A LIMITED LIABILITY COMPANY AGREEMENT AND THE EXECUTION THEREOF; RATIFYING CERTAIN ACTIONS HERETOFORE TAKEN IN CONNECTION WITH THE CO-DEVELOPER; AUTHORIZING THE EXECUTION OF DOCUMENTS AND INSTRUMENTS NECESSARY OR CONVENIENT TO CARRY OUT THE PURPOSES OF THIS RESOLUTION; AND CONTAINING OTHER PROVISIONS RELATING THERETO

WHEREAS, the Anna Public Facility Corporation (the "*Corporation*") has been duly created and organized pursuant to and in accordance with the provisions of the Texas Public Facility Corporation Act, Chapter 303, Local Government Code, as amended (the "*Act*"), for the purpose of providing a means of financing the costs of the acquisition, construction, rehabilitation, renovation, repair, equipping furnishing and placement in service of public facilities; and

WHEREAS, pursuant to the Act, the Corporation intends to participate in the financing, acquisition, construction and equipping of a public facility consisting of a multifamily residential rental development for low and moderate income tenants to be known as Anna Apartments, and located in the City of Anna, Collin County, Texas (the "*Development*"); and

WHEREAS, APFC Anna Apartments Development, LLC (the "*Co-Developer*"), a Texas limited liability company whose sole member is the Corporation, will serve as co-developer in connection with the acquisition, owning, leasing and managing of the Development pursuant to a Development Agreement (the "*Development Agreement*") between the Co-Developer and an affiliate or designee the limited partnership that will lease, develop and finance the Development (the "*Borrower*"); and

WHEREAS, as the sole member of the Co-Developer, the Corporation desires to authorize all action necessary and appropriate to enter into and carry out all actions for the benefit of the Borrower in connection with the Development, to appoint officers of the Co-Developer; to approve of the Co-Developer's formation and the form and substance of its Limited Liability Company Agreement (the "*Company Agreement*"); and to ratify all actions previously taken on behalf of the Co-Developer;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE ANNA PUBLIC FACILITY CORPORATION THAT:

Section 1. Formation of Co-Developer. The formation of APFC Anna Apartments Development, LLC is hereby approved and ratified.

Section 2. Designation of Sole Member. The designation of the Corporation as the sole member of the Co-Developer is hereby approved and ratified.

Section 3. Approval and Execution of the Company Agreement. The form and substance of the Company Agreement are hereby approved, and the officers of the Corporation, as sole member of the Co-Developer, are each hereby authorized to execute the Company Agreement.

Section 4. Appointment of Officers of the Co-Developer. Stan Carver II is appointed President, Danny Ussery is appointed Vice President and Pete Cain is appointed Secretary of the Co-Developer.

Section 5. Execution and Delivery of Financing Documents. The officers of the Co-Developer are each hereby authorized to negotiate the terms of, execute and attest to the Development Agreement and any other such agreements, assignments, notes, certificates, contracts, documents, instruments, releases, financing statements, letters of instruction, written requests and other papers, whether or not mentioned herein, as may be necessary or convenient to carry out or assist in carrying out the purposes of this Resolution.

Section 6. Ratification of Previous Actions. The Corporation hereby ratifies, confirms and adopts all actions previously taken on behalf of the Co-Developer to carry into effect the transactions contemplated by this Resolution.

Section 7. Effective Date. This Resolution shall be in full force and effect from and upon its adoption.

Section 8. Severability. If any section, paragraph, clause or provision of this Resolution shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this Resolution.

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PASSED AND APPROVED the 26th day of September, 2023.

ANNA PUBLIC FACILITY CORPORATION

By  _____
Stan Carver II
President

(including, without limitation, attorneys' fees and expenses and any other costs and expenses incurred in connection with defending such action, suit or proceeding), judgments, fines and amounts paid in settlement actually and reasonably incurred by the Person in connection with such action, suit or proceeding, if the Person acted in good faith and in a manner reasonably believed to be in or not opposed to the best interests of the Company, and, with respect to any criminal action or proceeding, had no reasonable cause to believe its, his or her conduct was unlawful. The termination of any action, suit or proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not, of itself, create a presumption (i) that the Person did not act in good faith and in a manner which it, he or she reasonably believed to be in or not opposed to the best interests of the Company, and (ii) with respect to any criminal action or proceeding, that the Person had reasonable cause to believe its, his or her conduct was unlawful. Expenses (including, without limitation, attorneys' fees and expenses) incurred by a Person seeking indemnification hereunder shall be paid in advance of the final disposition of such action, suit or proceeding upon receipt of an undertaking from the Person to repay such amount if it shall ultimately be determined that the Person is not entitled to indemnification.

For purposes of the preceding paragraph, the word "Person" shall include each Member and any officer, employee or agent of the Company.

16. Officers

The officers of the Company shall be a President, a Vice President and a Secretary. The President shall be the chief executive officer of the Company and shall be in general charge of the properties and affairs of the Company; shall preside at all meetings; in furtherance of the purposes of the Company, he may sign and execute all contracts, conveyances, franchises, bonds, deeds, assignments, mortgages, notes and other instruments in the name of the Company. The Vice President shall carry out the powers and responsibilities of the President when the President is absent or unable to act. The Secretary shall attend to the giving and serving of all notices; in furtherance of the purposes of the Company, may sign with the President or Vice President in the name of the Company, and/or attest the signature thereto, all contracts, conveyances, franchises, bonds, deeds, assignments, mortgages, notes and other instruments of the Company; shall have charge of the corporate books, records,

documents and instruments, and such other books and papers as may be necessary, all of which shall at all reasonable times be open to inspection upon application at the office of the Company during business hours. Such offices shall be assumed by the persons serving in the respective office on the Board of Directors of the Member.

17. Governing Law

This Agreement shall be governed by, and construed under, the laws of the State of Texas, all rights and remedies being governed by said laws.

18. Amendment

This Agreement may be amended in writing by the Members.

[Signature Page Follows]

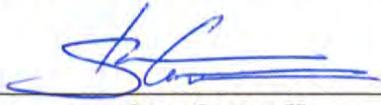
IN WITNESS WHEREOF, the undersigned, intending to be legally bound hereby, have duly executed this Limited Liability Company Agreement as of the Effective Date.

ANNA PUBLIC FACILITY CORPORATION, as sole member

By 
Stan Carver II
President

EXECUTED to be effective as of the date above shown.

ANNA PUBLIC FACILITY CORPORATION

By  _____
Stan Carver II
President

NRP LONE STAR DEVELOPMENT LLC

By _____
Name: _____
Title: _____

NRP:

NRP Properties LLC, an Ohio limited liability company

By: _____
Name: _____
Title: _____

APFC:

Anna Public Facility Corporation, a Texas nonprofit public facility corporation

By:  _____
Stan Carver II
President

PASSED AND APPROVED the 26th day of September, 2023.

ANNA PUBLIC FACILITY CORPORATION

By  _____
Stan Carver II
President

IN WITNESS WHEREOF, the undersigned, intending to be legally bound hereby, have duly executed this Limited Liability Company Agreement as of the Effective Date.

ANNA PUBLIC FACILITY CORPORATION, as sole member

By  _____
Stan Carver II
President

PASSED AND APPROVED the 26th day of September, 2023.

ANNA PUBLIC FACILITY CORPORATION

By  _____
Stan Carver II
President

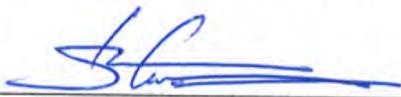
IN WITNESS WHEREOF, the undersigned, intending to be legally bound hereby, have duly executed this Limited Liability Company Agreement as of the Effective Date.

ANNA PUBLIC FACILITY CORPORATION, as sole member

By  _____
Stan Carver II
President

PASSED AND APPROVED the 26th day of September, 2023.

ANNA PUBLIC FACILITY CORPORATION

By  _____
Stan Carver II
President

IN WITNESS WHEREOF, the undersigned, intending to be legally bound hereby, have duly executed this Limited Liability Company Agreement as of the Effective Date.

ANNA PUBLIC FACILITY CORPORATION, as sole member

By  _____
Stan Carver II
President

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 CBREs Central Texas subdivision specialist.

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

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 handwritten signature in blue ink, appearing to read 'Chelsea B.', is located in the bottom right corner of the document.

Chelsea Buchholtz
Executive Director



VALUATION & ADVISORY SERVICES / CENTRAL DIVISION

Grant Mueller, MAI

Managing Director, Texas

T +1 512 499 4909

M +1 512 501 9444

E grant.mueller@cbre.com

Clients Represented

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

Pro Affiliations / Accreditations

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

Education

- University of Texas, Austin

Professional Experience

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

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

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

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

Pro Affiliations

APPRAISAL INSTITUTE

- Designated Member (MAI)
- RECA Member

Accreditations

CERTIFIED GENERAL REAL ESTATE APPRAISER

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

PROFILES

Education

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



Certified General Real Estate Appraiser

Appraiser: Grant Branden Mueller

License #: TX 1337145 G

License Expires: 07/31/2025

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

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

A handwritten signature in blue ink, appearing to read 'Chelsea B.', is located in the bottom right corner of the document.

**Chelsea Buchholtz
Commissioner**