

RENTAL HOUSING DEVELOPMENT ASSISTANCE (RHDA)
Application for Rental Development Financing

PLEASE NOTE: AHFC Reserves the right to fund projects at a lower amount than requested, and the right to deny applications that do not coincide with the City's FY 2013-14 Action Plan goals and policy direction from the Austin City Council.

Project Name: Capitol Village

Project Address: 6855 E. Highway 290, Austin, TX Zip Code: 78723

Total # units in project/property: 249 Census Tract Number: 48453002112

Total # units to be assisted with RHDA Funding: 249

Project type (check all that apply with an 'X'):

☒ Acquisition ☒ Rehabilitation ☐ New construction ☐ Refinance ☐ Rent Buy-Down
*Project will include rehabilitation; however, RHDA funds will be used only for acquisition costs of existing development
Amount of funds requested: \$3,500,000 Terms Requested: 1% payable from cash flow

Role of applicant in Project (check all that apply): ☐ Owner ☒ Developer ☐ Sponsor

1. Applicant Information (If applicant is not acting as the developer, please provide all of the information below for the developer as well as for the applicant. If the developer involves multiple entities, is a partnership or joint venture, please provide duplicative information for each, and identify the entity that will serve as the "lead" organization).

(The) Mulholland Group, LLC ☒ Developer ☐ Consultant/Other
Name Applicant is (please check appropriate box):

14107 20th Avenue, Suite 507
Street Address

Whitestone NY, 11357 212-661-5015
City State, Zip Telephone

Royce Mulholland 212-661-5015 rmulholland@tmg-housing.com
Contact Person Contact Telephone E-mail address

[REDACTED] [REDACTED]
Federal Tax ID Number D-U-N-S Number (REQUIRED - Visit www.dnb.com for free DUNS#)

The applicant/developer certifies that the data included in this application and the exhibits attached hereto are true and correct. Unsigned/undated submissions will not be considered.

The Mulholland Group, LLC
Legal Name of Developer/Entity


Signature of Authorized Officer

City of Austin

President/CEO
Title

5-2-14
Date

MAY 16 2014

NHCD / AHFC

CONSIDER SMOKE-FREE HOUSING

The City of Austin encourages the development of smoke-free rental housing. Smoke-free housing protects the health of residents by decreasing exposure to harmful secondhand smoke. Also, apartment owners and managers reap the benefits of more efficient and less expensive unit turnovers, potentially lower insurance premiums, and reduced risk of fires.

Smoke-free policies are legally permissible and can be a marketing advantage for attracting and retaining residents. More than 80 percent of people living in the Austin area do not use tobacco, and a 2011 survey conducted by the Austin/Travis County Health and Human Services Department found that 77 percent of renters in Travis County would prefer to live in tobacco-free housing.

Find out how you can protect the health of residents, make your property safer, and save money by downloading a copy of "A Manager's Guide to Smoke-Free Housing Policies" at: <http://www.livetobaccofreeaustin.org/owners.php>.

Please answer the following questions.

Is this development intended to have restrictions on smoking? ☒ Yes ☐ No

If "Yes," what level of restriction is intended?

☐ No smoking anywhere on the property, inside or outside

☐ No smoking Inside residents' units

☒ No smoking in outdoor exclusive use areas such as individual balconies or patios

☒ No smoking in outdoor common areas such as pool, parking lot, green spaces, etc.

☒ No smoking outdoors within a reasonable distance from building entrances (such as 15 – 25 feet) to prevent smoke from entering another resident's open windows or doors.

2. A. Non-profit applicants/developers, attached copies of the following:

1. A "certificate of status" issued by the Texas Secretary of State.
2. Federal IRS certification granting non-profit tax-exempt status.
3. Certified financial audit for most recent year which include the auditor's opinion and management letters.
4. Board resolution approving the proposed project and authorizing the request for funding

B. For-profit applicants/developers, attach copies of the following:

1. For Corporations, Limited Partnerships, and Limited Liability Companies, a copy of a "certificate of status" issued by the Texas Secretary of State.
2. A current financial statement
3. Proof of sufficient reserves or a line of credit available, if necessary, in order to complete the proposed project.

A copy of the requested documents for for-profit developers is provided as Attachment A.

3. Project Type (Please check any that apply.) This project is considered:

- ☒ **Traditional Rental Housing** (serving low-income households, and resident services may or may not be provided)
- ☐ **Transitional Housing** (case management services provided and residency limited to a certain length of time, usually no more than 24 months)
- ☒ **Permanent Supportive Housing** (Considered long-term rental housing for very low-income families and individuals who are among the hardest to serve and who are most vulnerable to homelessness. This type of housing provides case management services to residents as needed).

If you checked Permanent Supportive Housing, please complete the information below.

A. Numbers of proposed PSH Units:

249 Total Number of Units in project
25 Total Number of Permanent Supportive Housing (PSH) Units Proposed

B. Check the population or sub-population(s) proposed to be served and indicate the number of units dedicated to that population or sub-population.

1. ☒ Persons needing "**Housing First**," a Permanent Supportive Housing model typically designed for individuals or families who have complex service needs, who are often turned away from other affordable housing settings, and/or who are least likely to be able to proactively seek and obtain housing on their own. Housing First approaches also include rapid re-housing which provides quick access to permanent housing through interim rental assistance and supportive services on a time-limited basis.

NUMBER OF UNITS 25

Individuals or families headed by individuals that are:

2. ☐ **Chronically homeless** as established in the HEARTH Act (Homeless Emergency and Rapid Transition to Housing Act of 2009) found at 24 CFR Part 577.

NUMBER OF UNITS _____

3. ☐ Households that would otherwise meet the HUD definition of chronically homeless per the HEARTH Act, but **have been in an institution for over 90 days**, including a jail, prison, substance abuse facility, mental health treatment facility, hospital or other similar facility.

NUMBER OF UNITS _____

4. ☐ Unaccompanied youth or families with children **defined as homeless under other federal statutes** who:

- a. have experienced a long-term period without living independently in permanent housing;
- b. have experienced persistent instability as measured by frequent moves over such period; and
- c. can be expected to continue in such status for an extended period of time because of chronic disabilities, chronic physical health or mental health conditions, substance addiction, histories of domestic violence or childhood abuse, the presence of a child or youth with a disability, or multiple barriers to employment.

NUMBER OF UNITS _____

5. _____ A single adult or household led by an adult **'aging out' of state custody of the foster care or juvenile probation system**, where the head of household is homeless or at-risk of homelessness.

NUMBER OF UNITS _____

6. _____ Any other population **not defined above** but who would otherwise be eligible for or need permanent supportive housing services.

NUMBER OF UNITS _____

NOTE: APPLICANTS CHECKING B.1, B.2, B.3, or B.4 ABOVE MUST COLLECT AND REPORT INFORMATION INTO THE HOMELESS MANAGEMENT INFORMATION SERVICE (HMIS)

4. Project Description. Provide a brief project description that addresses items "A" through "L" below.

- a. Describe the tenant population, income levels, and services, if any, to be provided to or made available to residents.
- b. Include the type of structure (multi-family or single-family), number and size of units in square feet.
- c. Indicate whether the property is occupied at the time this application is being submitted.
- d. Indicate whether the project meets the requirements of the City's Vertical Mixed-Use (VMU) Ordinance, or is in a Planned-Unit Development (PUD) or Transit Oriented Development (TOD), or is located less than .25 miles from a transit stop (not just a transit route).
- e. Indicate whether the project will preserve existing affordable rental units.
- f. If there are existing structures, provide documentation from the taxing authority or another third-party source indicating the year the structure was built.
- g. Indicate the number of units reserved for Housing Choice Voucher holders (Section 8).
- h. Indicate the number of units that are or will be made accessible and adaptable for persons with mobility, sight or hearing disabilities.
- i. Demonstrate the Project's compatibility with current Neighborhood Plan (if applicable).
- j. Summarize the key financials of the project, clearly indicating the total project cost, the amount and intended use of AHFC funds being requested, and the amount(s) and provider(s) of other funding and the stage of those funding commitments.

Please attach the following to the description of the above items:

- k. A map (8 1/2" x 11") indicating the property location and the distance to the nearest Capital Metro Transit Stop to which residents will have access.

A Project Description addressing items "A" through "L" and a map of item "K" is provided as Attachment B.

5. Site Control and Demonstration of Value

Include evidence of site control such as a warranty deed or a current earnest money contract, and provide a real estate appraisal or current tax documentation that substantiates the value of the property.

A Purchase Sales Contract for the property is provided as Attachment C. An appraisal is currently being finalized and will be provided upon completion.

6. Zoning

Include a letter from the City of Austin's Planning and Development Review Department (PDRD) verifying that the current zoning of the site for the proposed project is compatible with the anticipated use, or include documentation verifying that a request to change current zoning has been submitted to PDRD. Should the project be approved for funding, the appropriate zoning must be in place prior to execution of loan documents.

A letter evidencing the property's existing use conforms to City zoning is provided as Attachment D.

7. S.M.A.R.T. Housing™. Include a copy of the letter that indicates the project has been reviewed and meets S.M.A.R.T. Housing™ requirements.

Per XVII. A. of the FY 13-14 RHDA Guidelines, S.M.A.R.T. Housing™ certification does not apply to rehabilitation projects.

8. Development Team and Capacity. Identify below the persons or entities anticipated to be involved in the project, such as lenders, attorneys, accountants, architects, engineers, general contractor, sub-contractors, property managers and consultants. Also, indicate if any person or entity involved is certified by the City of Austin as a minority or women-owned business enterprise (**MBE/WBE**), or if any of the entities are also **non-profit** organizations.

Please also provide narrative information about the skills you or your development team members have in the following areas:

- a. project management,
- b. market analysis,
- c. site selection and control,
- d. planning and construction,
- e. design, architecture and engineering,
- f. legal and accounting,
- g. federal funding rules and
- h. other funding source rules (e.g. Low Income Housing Tax Credits).

A Development Team narrative is provided as Attachment E.

	Name and Contact Information	MBE?	WBE?	Non-profit?
Owner	To Be Formed Entity, controlled by Developer			
Developer	The Mulholland Group, LLC			
Architect	Martin Barrera, AIA Garcia Design Inc. (Landscape Architect)	X X		
Engineer	TBD			
Construction Lender	Greystone & Company			
Other Lenders	CREA (Equity)			
Attorney	Weiss Eubanks			
Accountant	Cohn Reznick			
General Contractor	F&B Development & Construction Frank Fuentes	X		
Consultant (if Applicable)	Structure Development Sarah Andre		X	
Property Management	TMG Management, LLC			
Other:	Front Steps			X

9. **Development Schedule.** Complete the grid below. You may re-order the steps according to the appropriate sequence for your project and to add in any other significant steps integral to your project's development. If the multiple properties are involved, provide a development schedule for each property.

	DATE(S)
Environmental and/or historic review (AHFC)	TBD
Construction Specifications and Cost estimates	June 1, 2014
Securing and packaging project financing	June 9, 2014
Construction Bids	N/A – Contractor Selected
Acquisition and/or holding	Before July 5, 2014
Construction Start	October 1, 2014
Anticipated Draws (list all)	16 monthly draws
End Construction	January 1, 2016
Start of Rent-up	Continuous – in place rehab
Completion & Operation	January 1, 2016

10. **Accessible and Adaptable Units.** Indicate the number of units proposed to be **accessible and adaptable** for persons with mobility, sight and hearing disabilities as required by RHDA Program Guidelines.

_____ TBD _____ Units adaptable for persons with mobility disabilities
 _____ 52 _____ Units accessible for persons with mobility disabilities
 _____ TBD _____ Units adaptable for persons with sight and hearing disabilities
 _____ 11 _____ Units accessible for persons with sight and hearing disabilities

11. **Developer Capacity.** Provide narrative information on recent, similar, and successful experience in affordable housing development. Include experience using multiple fund sources, managing affordable rental developments, and previous working history with the Austin Housing Finance Corporation.

A Developer Capacity narrative is provided as Attachment F.

12. **Detailed Project Budget.** Use the following table, or comparable format, to provide a complete project budget. Add line-items as necessary. If this project has already received funding from AHFC, indicate by line item the amounts from the prior award. **PLEASE SEE ATTACHED**

DETAILED PROJECT BUDGET				
	Cost	Prior award of RHDA Funds (if any)	RHDA Funds Requested	Description or Comments
PREDEVELOPMENT				
Appraisal				
Environmental Review				
Engineering				
Survey				
Architectural				
TOTAL PREDEVELOPMENT				
ACQUISITION				
Site and/or Land				
Structures				
Other (specify)				
TOTAL ACQUISITION				
HARD COSTS				
Infrastructure				

Site work				
Demolition				
Concrete				
Masonry				
Rough carpentry				
Finish carpentry				
Waterproofing & Insulation				
Roofing & Sheet Metal				
Plumbing/Hot Water				
HVAC				
Electrical				
Doors/Windows/Glass				
Lath & Plaster/ Drywall & Acoustical				
Tile work				
Soft & Hard Floor				
Paint/Decorating/Blinds/Shades				
Specialties/Special Equipment				
Cabinetry/Appliances				
Carpet				
Other (Please specify)				
Construction Contingency				
TOTAL CONSTRUCTION				
SOFT & CARRYING COSTS				
Legal				
Audit/Accounting				
Title/Recording				
Architectural (Inspections)				
Construction Interest				
Construction Period Insurance				
Construction Period Taxes				
Relocation				
Marketing				
Davis-Bacon Monitoring				
Other: (Specify)				
TOTAL PROJECT BUDGET				

- 13. Funds Proposal.** Provide the following information to facilitate financial review of the proposed project:
- a. **Sources and Uses of Funds** – Complete **Tables A & B (below)**, identifying all sources and uses of funds to implement project and include evidence of funds anticipated (financial statements, commitment letters, etc.).

TABLE A: SOURCES OF FUNDS SUMMARY					Intended Use of Funds (Predevelopment, Acquisition, Construction, Soft Costs)
	Term	Interest Rate	Amount	Evidence (Deed, Sales Contract)	
Owner Equity (Deferred Fee)			\$3,667,821		Rehab
Private Financing (List Lenders)					
Greystone			\$15,639,611	LOI	Predevelopment, Acquisition & Rehab
Other Sources (List Below)					
CREA			\$9,105,349	LOI	Rehab
Proposed RHDA Funds			\$3,500,000		Acquisition
TOTAL			\$31,912,781		

TABLE B: USES OF FUNDS SUMMARY		
	Total Cost	Cost/Unit
Predevelopment		
Acquisition	\$15,800,000	\$63,454
Hard Costs	\$6,442,730	\$25,874
Soft & Carrying Costs	\$9,670,051	\$38,835
TOTAL	\$31,912,781	\$128,164

b. **Leveraging** – Complete **Table C** (below).

TABLE C: PERCENTAGE OF RHDA FUNDS	
RHDA Funds	\$ 3,500,000
Other Funds	\$28,412,781
Total Project Cost	\$31,912,781
RHDA Funds ÷ Total Project Cost=	10.97%

- c. **Operating Proforma** – In a format comparable to Table D below, prepare a minimum twenty (20) year financial Operating Proforma which realistically reflects the operation of the project relative to current and anticipated revenues, expenses and debt. The Proforma must indicate the anticipated debt coverage ratio (DCR) calculated as follows: net operating income (NOI)/debt service (DS) = DCR. For projects that will not carry debt, use the number "1" as the denominator in the equation.

An Operating Proforma from the Developer is provided as Attachment G.

TABLE D: OPERATING PROFORMA				
Unit Size (BR/BA)	Number of Units	Monthly Rental Income	Annual Rental Income	
FULL OCCUPANCY ANNUAL INCOME				
Less Vacancy Loss (Indicate % and Amount of Loss)				
GROSS ANNUAL INCOME				

Inflation Factor - Income		
Inflation Factor - Expense		

	Year 1	Year 2	Year 3	Year 4	Year 5
Gross Annual Income					
EXPENSES					
Utilities					
Insurance					
Maintenance/Repair					
Property Taxes					
Management					
Marketing					

Maintenance Reserve					
Other (specify)					
Other (specify)					
TOTAL EXPENSES					
NET OPERATING INCOME (NOI)					
Sources of Funds & Debt Service					
TOTAL ANNUAL Debt Service (DS)					
Cash-flow after Debt Serv (CF = NOI – DS)					
Debt Coverage Ratio (DCR = NOI/DS)					

- 14. Good Neighbor Policy.** Please refer to the City's Good Neighbor Guidelines and demonstrate compliance with the Good Neighbor Policy by completing the Good Neighbor Checklist and providing the documentation requested.

Capitol Village is located in the University Hills/Windsor Park Neighborhood Planning Area. The Good Neighbor Checklist and documentation evidencing compliance with the Guidelines are provided as Attachment H.

- 15. Description of Supportive Services.** If supportive services are NOT to be provided, **please stop here.** For all other projects, if supportive services are to be provided to residents, provide a description of the services that includes the following information:

- A description of the supportive services to be provided to residents and/or clients.
- The number and types of residents/clients expected to be served annually.
- Describe the developer's experience and qualifications in providing the services to be offered.
- If services are not provided by the developer of the project, include a description of the organization(s) providing the services and a memorandum of understanding or some other type of agreement that indicates the relationship between the developer and service provider.
- Provide resumes of key personnel who will be actively involved in the delivery of services. Resumes should include information about certifications, licenses, years of experience, and education.
- Demonstrate financial capacity to provide support services and/or operate a supportive services program by providing the following information:
 - Sources of Funds: Identify sources and amounts of funds that will be or are expected to be utilized to provide supportive services.
 - Budget: Include a supportive services budget which reflects current and anticipated funding and expenses associated with the provision of services for three (3) years.

A Description of Supportive Services addressing items "A" through "F" is provided as Attachment I.

ATTENTION:

Please submit with the Application a completed "self-evaluation" using the following Scoring Criteria.

RHDA PROGRAM

SCORING CRITERIA

REQUIRED INFORMATION:

1. Applicant Information	<u>X</u>	10. Accessible/Adaptable Units	<u>X</u>
2a. Non-profit Required Items	<u>N/A</u>	11. Experience/Qualifications	<u>X</u>
OR		12. Project Budget	<u>X</u>
2b. For-profit Required Items	<u>X</u>	13. Funds Proposal:	
3. Project Description	<u>X</u>	a. Sources	<u>X</u>
4. Site Control/Value	<u>X</u>	b. Uses	<u>X</u>
5. Zoning	<u>X</u>	c. Leveraging	<u>X</u>
6. S.M.A.R.T. Housing	<u>X</u>	d. Operating Proforma	<u>X</u>
7. Development Team	<u>X</u>	14. Good Neighbor Checklist	<u>X</u>
8. Development Schedule	<u>X</u>		
9. Developer Capacity	<u>X</u>		

EVALUATION CRITERIA:

Applications for proposed projects will be reviewed and scored on a competitive basis per the evaluation criteria below. Applications must receive a minimum score of **150** points out of a maximum score of **240** points. PLEASE NOTE: A score above the minimum score does not guarantee funding.

CORE VALUES POINTS

(Affordable Housing Core Values: Deeper levels of affordability, long-term affordability, and geographic dispersion of affordable units throughout the City.)

Score

1. AFFORDABLE UNITS (maximum 25 points)

20

If development has a mix of 30%, 40%, and/or 50% MFI units, add the results for the percentage of units in each income category up to the maximum of 25 points. If the percentage of units at a given MFI level is not a multiple of 10, round up to the next closest multiple of 10 to get the score for that particular MFI level

	% of Affordable Units in Project (only count units reserved for 50% MFI and below)					
% MFI	10% of units	20% of units	30% of units	40% of units	50% of units	60% of units
50%	3	5	10	15	20	25
40%	5	10	15	20	25	
30%	10	15	20	25		

Score

2. AFFORDABILITY PERIOD (25 points)

25

25 points: Affordability period is:

 99 years;

OR

 X 40 years, and project is applying for Low Income Housing Tax Credits. Note: AHFC funding is contingent upon the award of Low Income Housing Tax Credits.

Score

3. GEOGRAPHIC DISPERSION (maximum 25 points)

5

Project is located in an area identified according to the Kirwan Institute's Comprehensive Opportunity Map of Austin as having greater opportunity for low-income households.

25 points: Very High priority area

20 points: High priority area

15 points: Moderate priority area

10 points: Low priority area

5 points: Very Low priority area

**See Attachment J for Opportunity Map with site identified*

INITIATIVES AND PRIORITIES POINTS

(Permanent Supportive Housing, Sustainability, Priority Locations, Accessible and Integrated, and Preservation of Affordable Housing)

Score

4. PERMANENT SUPPORTIVE HOUSING (PSH) (maximum 25 points)

25

25 points: "Housing First" model.

15 points: Project will reserve units for PSH for the following populations:

- Chronically Homeless as established in the HEARTH Act (24 CFR Part 577)
- Have been in an institution for over 90 days
- Unaccompanied youth or families with children defined as homeless under other federal statutes
- Youth "aging out" of state custody or the foster care or the juvenile probation system

10 points: Project will reserve units for PSH for populations other than those listed above.

Score

5. SINGLE-FAMILY RENTAL HOUSING, INCLUDING SECONDARY UNITS ("GREEN ALLEY INITIATIVE") (20 points)

0

20 points: Project consists of either new construction or rehabilitation of one or more single-family rental units, secondary units, or units compatible with the City's "Green Alley Initiative."

Score

6. ACCESSIBILITY AND HOUSING FOR PERSONS WITH DISABILITIES (maximum 20 points)

10

10 points: In multi-family developments, (i.e. 5 or more units) or for single-family rental housing (i.e., 1 to 4 units), 50% or more of the total number of units will be made accessible per the Uniform Federal Accessibility Standards (UFAS).

X* 10 points: Units to be designated for persons with disabilities as defined in the Fair Housing Act: for Multi-family developments, (i.e. 5 or more units), at least 25% of all units; for single-family rental housing (i.e., 1 to 4 units) 1 or more units. **See Project Narrative for more information on accessible units*

Score

7. PRIORITY LOCATION (10 points) 10

10 points: Project is:

- ☐ located in a Vertical Mixed-Use (VMU) Corridor; or
☐ a Planned-Unit Development (PUD); or
☐ located within a Transit-Oriented Development (TOD) area, or
☒ is located 0.25 miles (1,320 feet) or less from a transit stop.
**See Attachment B for a map of public transportation stops*

Score

8. PRESERVATION OF AFFORDABLE UNITS (10 points) 0

10 points: Project is the rehabilitation and preservation of existing affordable housing units, or new units are being constructed to replace existing affordable units at the same location on a one-to-one replacement basis or a greater than one-to-one replacement basis.

Score

9. TRANSITIONAL HOUSING (10 points) 0

10 points: Project will be developed and operated exclusively as transitional housing.

UNDERWRITING POINTS

(EXPERIENCE, CAPACITY, DEVELOPMENT FEASIBILITY, OPERATIONAL FEASIBILITY, COMPATIBILITY WITH OTHER PROGRAM REQUIREMENTS)

Score

10. DEVELOPER EXPERIENCE AND QUALIFICATIONS (maximum 15 points) 15

- 15 points:** Developer has recent, similar, and successful completion of a development similar in size and scope with income-restricted units.
10 points: Developer has recent, similar, and successful completion of a development **smaller** in size and scope with income-restricted units.
8 points: Consultant directly involved who has successfully completed a development similar in size and scope with income-restricted units.
5 points: Developer has recent, similar, and successful completion of a development similar in size and scope **without** income-restricted units

Score

11. SOURCES & USES OF FUNDS (maximum 10 points) 10

10 points: All sources and uses of funds are clearly indicated and sufficient evidence of funding availability and/or commitments are included.

5 points: All sources and uses of fund are clearly indicated, but evidence of funding availability or commitments are incomplete.

Score

12. DEBT COVERAGE RATIO (maximum 10 points)

10

- 10 points:** DCR of 1.25 or greater or will be a debt-free development
6 points: DCR between 1.21 - 1.24
4 points: DCR between 1.15 - 1.20

Score

13. LEVERAGE (maximum 10 points)

10

RHDA Program funding (including prior awards and the current request) divided by
 Total Project Costs equals:

- 10 points:** 25% or less
8 points: 26% - 30%
6 points: 31% - 35%
4 points: 36% - 50%
2 points: 51% - 54%
0 points: 55% or greater

Score

14. RHDA COST PER UNIT in \$1,000s (maximum 10 points)

10

	<u>Multi-Unit Structures</u>	<u>Single-Unit Structures</u>
10 points	<\$40/unit	<\$50/unit
8 points	<\$45/unit	<\$60/unit
6 points	<\$50/unit	<\$70/unit
4 points	<\$55/unit	<\$80/unit
2 points	<\$60/unit	<\$90/unit

Score

15. PROJECT READINESS (maximum 10 points)

10

New construction

2 points each; maximum 10 points

- _____ The project meets the normal eligibility requirements under the existing program guidelines.
 _____ The property is already owned by the developer.
 _____ The project has completed all necessary design work and received site plan approval.
 _____ All environmental reviews have been completed.
 _____ The project has firm commitments from all financing sources.

Acquisition and Rehab

2 points each; maximum 10 points

- _____ The project meets the normal eligibility requirements under the existing program guidelines
 _____ All environmental reviews have been completed.
 _____ The project has firm commitments from all financing sources.
 _____ A General Contractor has been selected.
 _____ Closing on the acquisition of the property can be achieved in less than 30 days.

Acquisition of Completed Units

2.5 points each; maximum 10 points (A total score of 2.5 points will be rounded to 3; a total score of 7.5 points will be rounded to 8.)

- ___**X**___ The project meets the normal eligibility requirements under the existing program guidelines
 ___**X***___ All environmental reviews have been completed. **Reports will forwarded upon finalization*
 ___**X**___ The project has firm commitments from all financing sources.
 ___**X**___ Closing on the acquisition of the property can be achieved in less than 30 days.

Score

16. PROPERTY MANAGEMENT (maximum 10 points)

10

10 points: Designated Property Management Entity has documented track record of success managing income-restricted properties of similar size and/or similar unit counts, and has the capacity to take on management of the proposed project.

8 points: Designated Property Management Entity has a documented track record of success managing income-restricted properties of smaller size and/or fewer units, and has the capacity to take on management of the proposed project.

4 points: Designated Property Management Entity has a documented track record of successful property management experience and has the capacity to take on management of the proposed project, but has not managed an income-restricted property.

Score

17. SUPPORTIVE SERVICES (maximum 15 points)

15

15 points:

- a. The developer has secured written agreements with organizations that will provide resident services, or has experienced and qualified staff (7 or more years of experience) able to provide the same services.
- b. Funds have been identified for the operation of resident services programs.
- c. A 3-year estimated operating budget for the operation of the resident services programs is provided.

10 points:

- a. The developer has secured letters of intent from organizations that intend to provide resident services, or has experienced and qualified staff (3 to 6 years of experience) able to provide the same services.
- b. Funds have been identified for the operation of the resident services programs.
- c. A 3-year estimated operating budget for the operation of the resident services programs is provided.

5 points:

- a. The developer has experienced and qualified staff (1 to 2 years of experience) able to provide the same resident services.
- b. Funds have been identified for the operation of the resident services programs.
- c. A 3-year estimated operating budget for the operation of the resident services programs is provided.

Score

18. MBE/WBE PROJECT PARTICIPATION (5 points)

5

5 points: Development Team includes one or more registered City of Austin minority- or woman-owned business enterprises (M/WBE).

TOTAL SCORE 190

ATTACHMENT A



Office of the Secretary of State

Certificate of Fact

The undersigned, as Secretary of State of Texas, does hereby certify that the document, Application for Registration for The Mulholland Group, LLC (file number 801090950), a DELAWARE, USA, Foreign Limited Liability Company (LLC), was filed in this office on February 25, 2009.

It is further certified that the entity status in Texas is in existence.

In testimony whereof, I have hereunto signed my name officially and caused to be impressed hereon the Seal of State at my office in Austin, Texas on January 29, 2014.



NANDITA BERRY

Nandita Berry
Secretary of State

ATTACHMENT B

ITEM 4: PROJECT DESCRIPTION

A. Capitol Village, an existing 249-unit multifamily property located at 6855 E. Highway 290 in North Austin, is proposed to be acquired and rehabilitated by The Mulholland Group, LLC (TMG). The proposed development will serve General Population households with income at or below 60% of Austin's Area Median Income (AMI), scaled by family size. Of all 249 units, 35% of the Development, or 88 units, will utilize RHDA funds and will serve households at or below 50% of AMI, including 10% of the Development, or 25 units, that will be operated as Permanent Supportive Housing serving households with income at or below 30% of AMI. The PSH units will be managed in partnership with Front Steps, a local nonprofit that serves chronically homeless individuals and operates the ARCH – downtown Austin's homeless shelter. Front Steps served as TMG's partner at The Palms on Lamar and is also the proposed partner for Cross Creek, a proposed acquisition/rehabilitation development project in North Austin. A full array of supportive services will be provided to those tenants in the PSH program, as described in detail later in this application.

B. The property's 249 units are situated in one- or two-story multifamily walk-up apartment buildings. The unit mix consists of 42 efficiency units, 96 one-bedroom units, 103 two-bedroom units, and 8 three-bedroom units. Unit sizes range from 400 square feet to 1308 square feet, with an average size of 794 square feet.

C. Capitol Village is currently 97% occupied.

D. Capitol Village is not located in any VMU, PUD or TOD districts; however, it is centrally located with close proximity to public transit stops (Cap Metro Bus Route 300) and significant amenities, as well as many employment centers, the Mueller Redevelopment, and the Highland Mall area currently undergoing revitalization efforts.

E. Capitol Village is not currently a subsidized property; however, due to the age and condition of the property, the units are "de facto" affordable housing. The proposed development would not only improve the standard of the housing for residents, it would also ensure that the 249 units become a part of Austin's long-term affordable housing stock.

F. The property's structures were originally constructed in separate phases: the parcel of land west of Enterprise Drive (6855 E US Highway 290 per Travis County Appraisal District) was developed in 1969, while the parcel of land east of Enterprise Drive (6855 E US Highway 290 per Travis County Appraisal District) was developed in 1974. Documentation from Travis County Appraisal District is attached for reference.

G. After rehabilitation Capitol Village will accept Housing Choice Vouchers in any of its units.

H. TMG will adhere to City of Austin guidelines for accessible and adaptable units. 10% of all units rehabilitated (25 units) will be made accessible for persons with mobility disabilities. In addition, 2% (5 units) will be made adaptable for persons with hearing and/ or visual disabilities.

I. Capitol Village is in the Windsor Park neighborhood of Austin and falls within the boundaries of the University Hills / Windsor Park Neighborhood Planning Area. The area's neighborhood plan (UHWP Plan) was adopted in 2007, at which point Capitol Village was already in existence. The rehabilitation of Capitol Village is compliant with the UHWP Plan's future goals, as the site is labelled "multifamily" on the plan's Future Land Use Map. The rehabilitation of Capitol Village will improve the aesthetics and character of the neighborhood and will help fulfill the vision of the UHWP Plan. The development team values its neighborhood partners and will utilize past experiences with City of Austin Neighborhood Associations like the North Austin Civic Association (NACA), which contained the redevelopment site of The Palms. In following the City's Good Neighbor Guidelines, the development team has communicated Capitol Village's plans to UHWP and will continue to seek input and feedback from the neighborhood as the development proceeds.

J. Total project costs are estimated to be \$31,912,718. Acquisition is \$15.8 million, and rehabilitation costs are estimated at \$6.4 Million; the remaining \$9.5 million will go toward soft costs and financing fees. A full Sources and Uses is provided in the application. We are requesting \$3.5 million in the form of a low interest loan from the City of Austin to be paid out of cash flow. The AHFC loan will go towards the acquisition of the property, enabling the Developer to acquire the property in a timely manner while applying for Bond proceeds and 4% tax credits to complete the financing. Greystone will provide the bridge loan and CREA will provide equity to the project. Letters of commitment are provided within this application.

K. Attached please find a map indicating the property location and the distance to the nearest Capital Metro Transit Stop to which residents will have access.

Property Search Results > 225799 INTERGROUP ARLINGTON ARMS INC for Year 2014

Property

Account

Property ID: 225799 Legal Description: TRT 1 KIRBY ADDN
 Geographic ID: 0225200203 Agent Code: ID:2022
 Type: Real
 Property Use Code:
 Property Use Description:

Location

Address: 6855 E U S HY 290 Mapsco: 556G
 TX 78723
 Neighborhood: 08NE Map ID: 022611
 Neighborhood CD: 08NE

Owner

Name: INTERGROUP ARLINGTON ARMS INC Owner ID: 204756
 Mailing Address: 10940 WILSHIRE BLVD STE 2150 % Ownership: 100.000000000000%
 LOS ANGELES , CA 90024-3942

Exemptions:

Values

(+) Improvement Homesite Value: + \$0
 (+) Improvement Non-Homesite Value: + \$7,985,326
 (+) Land Homesite Value: + \$0
 (+) Land Non-Homesite Value: + \$673,583 Ag / Timber Use Value
 (+) Agricultural Market Valuation: + \$0 \$0
 (+) Timber Market Valuation: + \$0 \$0

 (=) Market Value: = \$8,658,909
 (-) Ag or Timber Use Value Reduction: - \$0

 (=) Appraised Value: = \$8,658,909
 (-) HS Cap: - \$0

 (=) Assessed Value: = \$8,658,909

Taxing Jurisdiction

Owner: INTERGROUP ARLINGTON ARMS INC
 % Ownership: 100.000000000000%
 Total Value: \$8,658,909

Entity	Description	Tax Rate	Appraised Value	Taxable Value	Estimated Tax
01	AUSTIN ISD	1.242000	\$8,658,909	\$8,658,909	\$107,543.65
02	CITY OF AUSTIN	0.502700	\$8,658,909	\$8,658,909	\$43,528.33
03	TRAVIS COUNTY	0.494600	\$8,658,909	\$8,658,909	\$42,826.97
0A	TRAVIS CENTRAL APP DIST	0.000000	\$8,658,909	\$8,658,909	\$0.00
2J	TRAVIS COUNTY HEALTHCARE DISTRICT	0.129000	\$8,658,909	\$8,658,909	\$11,170.00

68	AUSTIN COMM COLL DIST	0.094900	\$8,658,909	\$8,658,909	\$8,217.31
Total Tax Rate:		2.463200			
				Taxes w /Current Exemptions:	\$213,286.26
				Taxes w/o Exemptions:	\$213,286.25

Improvement / Building

Improvement #1: APARTMENT 100+ **State Code:** B1 **Living Area:** 166520.0 sqft **Value:** \$7,985,326

Type	Description	Class CD	Exterior Wall	Year Built	SQFT
1ST	1st Floor	WW - 4		1969	88738.0
2ND	2nd Floor	WW - 4		1969	77782.0
011	PORCH OPEN 1ST F	* - 4		1969	4262.0
012	PORCH OPEN 2ND F	* - 4		1969	3440.0
051	CARPORT DET 1ST	* - 4		1969	30240.0
132	PLBG 5-FIXT AVG	AVG - *		1969	1.0
142	BATHTUB AVG	AVG - *		1969	1.0
152	COMMODE AVG	AVG - *		1969	1.0
162	LAVATORY AVG	AVG - *		1969	1.0
182	SINK AVG	AVG - *		1969	1.0
413	STAIRWAY EXT	G - *		1969	1.0
521	FIREPLACE	MA2 - *		1969	1.0
521	FIREPLACE	MI1 - *		1969	1.0
541	FENCE COMM LF	W6 - *		1969	750.0
551	PAVED AREA	AA - *		1969	51153.0
581	STORAGE ATT	WW - 4+		1969	672.0
581	STORAGE ATT	WW - 4+		1969	672.0
601	POOL COMM L	CA - *		1969	784.0
011	PORCH OPEN 1ST F	* - 4		1969	432.0

Improvement #2: SPECIAL (NODEPR) **State Code:** B1 **Living Area:** sqft **Value:** \$0

Type	Description	Class CD	Exterior Wall	Year Built	SQFT
MISC	Miscellaneous	* - *		1992	1.0
SO	Sketch Only	SO - *			5695.0
SO	Sketch Only	SO - *			5695.0
SO	Sketch Only	SO - *			64.0
SO	Sketch Only	SO - *			64.0
SO	Sketch Only	SO - *			64.0
SO	Sketch Only	SO - *			64.0
SO	Sketch Only	SO - *			64.0
SO	Sketch Only	SO - *			64.0
SO	Sketch Only	SO - *			64.0
SO	Sketch Only	SO - *			64.0
SO	Sketch Only	SO - *			56.0
SO	Sketch Only	SO - *			56.0
SO	Sketch Only	SO - *			56.0
SO	Sketch Only	SO - *			56.0

Improvement #3: SPECIAL (NODEPR) **State Code:** B1 **Living Area:** sqft **Value:** \$0

Type	Description	Class CD	Exterior Wall	Year Built	SQFT
MISC	Miscellaneous	* - *		1992	1.0

SO	Sketch Only	SO - *	4758.0
SO	Sketch Only	SO - *	4758.0
SO	Sketch Only	SO - *	128.0
SO	Sketch Only	SO - *	128.0
SO	Sketch Only	SO - *	204.0
SO	Sketch Only	SO - *	48.0

Improvement #4:	SPECIAL (NODEPR)	State Code:	B1	Living Area:	sqft	Value:	\$0
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Type	Description	Class CD	Exterior Wall	Year Built	SQFT
MISC	Miscellaneous	* - *		1992	1.0
SO	Sketch Only	SO - *			5695.0
SO	Sketch Only	SO - *			5695.0
SO	Sketch Only	SO - *			112.0
SO	Sketch Only	SO - *			112.0
SO	Sketch Only	SO - *			128.0
SO	Sketch Only	SO - *			128.0
SO	Sketch Only	SO - *			128.0
SO	Sketch Only	SO - *			128.0

Improvement #5:	SPECIAL (NODEPR)	State Code:	B1	Living Area:	sqft	Value:	\$0
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Type	Description	Class CD	Exterior Wall	Year Built	SQFT
MISC	Miscellaneous	* - *		1992	1.0
SO	Sketch Only	SO - *			1750.0
SO	Sketch Only	SO - *			1190.0
SO	Sketch Only	SO - *			144.0
SO	Sketch Only	SO - *			90.0
SO	Sketch Only	SO - *			486.0
SO	Sketch Only	SO - *			648.0
SO	Sketch Only	SO - *			648.0
SO	Sketch Only	SO - *			324.0
SO	Sketch Only	SO - *			406.0

Improvement #6:	SPECIAL (NODEPR)	State Code:	B1	Living Area:	sqft	Value:	\$0
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Type	Description	Class CD	Exterior Wall	Year Built	SQFT
MISC	Miscellaneous	* - *		1992	1.0
SO	Sketch Only	SO - *			1850.0
SO	Sketch Only	SO - *			1850.0
SO	Sketch Only	SO - *			102.0
SO	Sketch Only	SO - *			24.0
SO	Sketch Only	SO - *			32.0
SO	Sketch Only	SO - *			32.0
SO	Sketch Only	SO - *			32.0
SO	Sketch Only	SO - *			32.0

Improvement #7:	SPECIAL (NODEPR)	State Code:	B1	Living Area:	sqft	Value:	\$0
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Type	Description	Class CD	Exterior Wall	Year Built	SQFT
MISC	Miscellaneous	* - *		1992	1.0
SO	Sketch Only	SO - *			3194.0
SO	Sketch Only	SO - *			3194.0
SO	Sketch Only	SO - *			32.0

SO	Sketch Only	SO - *	32.0
SO	Sketch Only	SO - *	32.0
SO	Sketch Only	SO - *	32.0
SO	Sketch Only	SO - *	24.0
SO	Sketch Only	SO - *	24.0

Improvement #8:	SPECIAL (NODEPR)	State Code:	B1	Living Area:	sqft	Value:	\$0
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Type	Description	Class CD	Exterior Wall	Year Built	SQFT
MISC	Miscellaneous	* - *		1992	1.0
SO	Sketch Only	SO - *			3204.0
SO	Sketch Only	SO - *			2558.0
SO	Sketch Only	SO - *			36.0
SO	Sketch Only	SO - *			36.0
SO	Sketch Only	SO - *			36.0
SO	Sketch Only	SO - *			36.0

Improvement #9:	SPECIAL (NODEPR)	State Code:	B1	Living Area:	sqft	Value:	\$0
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Type	Description	Class CD	Exterior Wall	Year Built	SQFT
MISC	Miscellaneous	* - *		1992	1.0
SO	Sketch Only	SO - *			3204.0
SO	Sketch Only	SO - *			2558.0
SO	Sketch Only	SO - *			36.0
SO	Sketch Only	SO - *			36.0
SO	Sketch Only	SO - *			36.0
SO	Sketch Only	SO - *			36.0

Improvement #10:	SPECIAL (NODEPR)	State Code:	B1	Living Area:	sqft	Value:	\$0
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Type	Description	Class CD	Exterior Wall	Year Built	SQFT
MISC	Miscellaneous	* - *		1992	1.0
SO	Sketch Only	SO - *			4758.0
SO	Sketch Only	SO - *			4758.0
SO	Sketch Only	SO - *			128.0
SO	Sketch Only	SO - *			128.0
SO	Sketch Only	SO - *			204.0
SO	Sketch Only	SO - *			48.0

Improvement #11:	SPECIAL (NODEPR)	State Code:	B1	Living Area:	sqft	Value:	\$0
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Type	Description	Class CD	Exterior Wall	Year Built	SQFT
MISC	Miscellaneous	* - *		1992	1.0
SO	Sketch Only	SO - *			6109.0
SO	Sketch Only	SO - *			6109.0
SO	Sketch Only	SO - *			128.0
SO	Sketch Only	SO - *			128.0
SO	Sketch Only	SO - *			128.0
SO	Sketch Only	SO - *			128.0
SO	Sketch Only	SO - *			56.0
SO	Sketch Only	SO - *			56.0
SO	Sketch Only	SO - *			56.0
SO	Sketch Only	SO - *			56.0
SO	Sketch Only	SO - *			96.0

Improvement #12:	SPECIAL (NODEPR)	State Code:	B1	Living Area:	sqft	Value:	\$0
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Type	Description	Class CD	Exterior Wall	Year Built	SQFT
MISC	Miscellaneous	* - *		1992	1.0
SO	Sketch Only	SO - *			6109.0
SO	Sketch Only	SO - *			6109.0
SO	Sketch Only	SO - *			128.0
SO	Sketch Only	SO - *			128.0
SO	Sketch Only	SO - *			128.0
SO	Sketch Only	SO - *			128.0
SO	Sketch Only	SO - *			56.0
SO	Sketch Only	SO - *			56.0
SO	Sketch Only	SO - *			56.0
SO	Sketch Only	SO - *			56.0

Improvement #13:	SPECIAL (NODEPR)	State Code:	B1	Living Area:	sqft	Value:	\$0
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Type	Description	Class CD	Exterior Wall	Year Built	SQFT
MISC	Miscellaneous	* - *		1992	1.0
SO	Sketch Only	SO - *			324.0
SO	Sketch Only	SO - *			810.0
SO	Sketch Only	SO - *			1278.0
SO	Sketch Only	SO - *			1134.0
SO	Sketch Only	SO - *			810.0
SO	Sketch Only	SO - *			7128.0

Improvement #14:	SPECIAL (NODEPR)	State Code:	B1	Living Area:	sqft	Value:	\$0
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Type	Description	Class CD	Exterior Wall	Year Built	SQFT
MISC	Miscellaneous	* - *		1992	1.0
SO	Sketch Only	SO - *			4758.0
SO	Sketch Only	SO - *			4758.0
SO	Sketch Only	SO - *			128.0
SO	Sketch Only	SO - *			128.0
SO	Sketch Only	SO - *			48.0
SO	Sketch Only	SO - *			48.0

Improvement #15:	SPECIAL (NODEPR)	State Code:	B1	Living Area:	sqft	Value:	\$0
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Type	Description	Class CD	Exterior Wall	Year Built	SQFT
MISC	Miscellaneous	* - *		1992	1.0
SO	Sketch Only	SO - *			6109.0
SO	Sketch Only	SO - *			6109.0
SO	Sketch Only	SO - *			128.0
SO	Sketch Only	SO - *			128.0
SO	Sketch Only	SO - *			128.0
SO	Sketch Only	SO - *			128.0
SO	Sketch Only	SO - *			112.0
SO	Sketch Only	SO - *			112.0

Improvement #16:	SPECIAL (NODEPR)	State Code:	B1	Living Area:	sqft	Value:	\$0
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Type	Description	Class CD	Exterior Wall	Year Built	SQFT
MISC	Miscellaneous	* - *		1992	1.0
SO	Sketch Only	SO - *			3194.0

SO	Sketch Only	SO - *	3194.0
SO	Sketch Only	SO - *	96.0
SO	Sketch Only	SO - *	24.0
SO	Sketch Only	SO - *	32.0
SO	Sketch Only	SO - *	32.0
SO	Sketch Only	SO - *	32.0
SO	Sketch Only	SO - *	32.0

Improvement #17:	SPECIAL (NODEPR)	State Code:	B1	Living Area:	sqft	Value:	\$0
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Type	Description	Class CD	Exterior Wall	Year Built	SQFT
MISC	Miscellaneous	* - *		1992	1.0
SO	Sketch Only	SO - *			672.0
SO	Sketch Only	SO - *			672.0
SO	Sketch Only	SO - *			378.0
SO	Sketch Only	SO - *			1944.0

Improvement #18:	SPECIAL (NODEPR)	State Code:	B1	Living Area:	sqft	Value:	\$0
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Type	Description	Class CD	Exterior Wall	Year Built	SQFT
MISC	Miscellaneous	* - *		1992	1.0
SO	Sketch Only	SO - *			2412.0
SO	Sketch Only	SO - *			2124.0
SO	Sketch Only	SO - *			324.0
SO	Sketch Only	SO - *			972.0
SO	Sketch Only	SO - *			324.0
SO	Sketch Only	SO - *			1296.0
SO	Sketch Only	SO - *			1620.0
SO	Sketch Only	SO - *			594.0

Improvement #19:	SPECIAL (NODEPR)	State Code:	B1	Living Area:	sqft	Value:	\$0
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Type	Description	Class CD	Exterior Wall	Year Built	SQFT
MISC	Miscellaneous	* - *		1992	1.0
SO	Sketch Only	SO - *			6109.0
SO	Sketch Only	SO - *			6109.0
SO	Sketch Only	SO - *			128.0
SO	Sketch Only	SO - *			128.0
SO	Sketch Only	SO - *			128.0
SO	Sketch Only	SO - *			128.0
SO	Sketch Only	SO - *			112.0
SO	Sketch Only	SO - *			112.0

Improvement #20:	SPECIAL (NODEPR)	State Code:	B1	Living Area:	sqft	Value:	\$0
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Type	Description	Class CD	Exterior Wall	Year Built	SQFT
MISC	Miscellaneous	* - *		1992	1.0
SO	Sketch Only	SO - *			4314.0
SO	Sketch Only	SO - *			4314.0
SO	Sketch Only	SO - *			96.0
SO	Sketch Only	SO - *			24.0
SO	Sketch Only	SO - *			32.0
SO	Sketch Only	SO - *			32.0
SO	Sketch Only	SO - *			32.0

SO	Sketch Only	SO - *	32.0
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Improvement #21:	SPECIAL (NODEPR)	State Code:	B1	Living Area:	sqft	Value:	\$0
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Type	Description	Class CD	Exterior Wall	Year Built	SQFT
MISC	Miscellaneous	* - *		1992	1.0
SO	Sketch Only	SO - *			4314.0
SO	Sketch Only	SO - *			4314.0
SO	Sketch Only	SO - *			96.0
SO	Sketch Only	SO - *			24.0
SO	Sketch Only	SO - *			64.0
SO	Sketch Only	SO - *			64.0

Improvement #22:	SPECIAL (NODEPR)	State Code:	B1	Living Area:	sqft	Value:	\$0
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Type	Description	Class CD	Exterior Wall	Year Built	SQFT
MISC	Miscellaneous	* - *		1992	1.0
SO	Sketch Only	SO - *			4314.0
SO	Sketch Only	SO - *			4314.0
SO	Sketch Only	SO - *			96.0
SO	Sketch Only	SO - *			24.0
SO	Sketch Only	SO - *			32.0
SO	Sketch Only	SO - *			32.0
SO	Sketch Only	SO - *			32.0
SO	Sketch Only	SO - *			32.0

Improvement #23:	SPECIAL (NODEPR)	State Code:	B1	Living Area:	sqft	Value:	\$0
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Type	Description	Class CD	Exterior Wall	Year Built	SQFT
MISC	Miscellaneous	* - *		1992	1.0
SO	Sketch Only	SO - *			4314.0
SO	Sketch Only	SO - *			4314.0
SO	Sketch Only	SO - *			96.0
SO	Sketch Only	SO - *			24.0
SO	Sketch Only	SO - *			64.0
SO	Sketch Only	SO - *			64.0

Improvement #24:	SPECIAL (NODEPR)	State Code:	B1	Living Area:	sqft	Value:	\$0
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Type	Description	Class CD	Exterior Wall	Year Built	SQFT
MISC	Miscellaneous	* - *		1992	1.0
SO	Sketch Only	SO - *			4314.0
SO	Sketch Only	SO - *			4314.0
SO	Sketch Only	SO - *			96.0
SO	Sketch Only	SO - *			24.0
SO	Sketch Only	SO - *			32.0
SO	Sketch Only	SO - *			32.0
SO	Sketch Only	SO - *			32.0
SO	Sketch Only	SO - *			32.0

Improvement #25:	SPECIAL (NODEPR)	State Code:	B1	Living Area:	sqft	Value:	\$0
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Type	Description	Class CD	Exterior Wall	Year Built	SQFT
MISC	Miscellaneous	* - *		1992	1.0
SO	Sketch Only	SO - *			5695.0

SO	Sketch Only	SO - *	4758.0
SO	Sketch Only	SO - *	5695.0
SO	Sketch Only	SO - *	1750.0
SO	Sketch Only	SO - *	1850.0
SO	Sketch Only	SO - *	3194.0
SO	Sketch Only	SO - *	2558.0
SO	Sketch Only	SO - *	2558.0
SO	Sketch Only	SO - *	3194.0
SO	Sketch Only	SO - *	4758.0
SO	Sketch Only	SO - *	6109.0
SO	Sketch Only	SO - *	672.0
SO	Sketch Only	SO - *	6109.0
SO	Sketch Only	SO - *	4758.0
SO	Sketch Only	SO - *	6109.0
SO	Sketch Only	SO - *	6109.0
SO	Sketch Only	SO - *	4314.0
SO	Sketch Only	SO - *	4314.0
SO	Sketch Only	SO - *	4314.0
SO	Sketch Only	SO - *	4314.0

Land

#	Type	Description	Acres	Sqft	Eff Front	Eff Depth	Market Value	Prod. Value
1	LAND	Land	6.1853	269433.00	0.00	0.00	\$673,583	\$0

Roll Value History

Year	Improvements	Land Market	Ag Valuation	Appraised	HS Cap	Assessed
2014	\$7,985,326	\$673,583	0	8,658,909	\$0	\$8,658,909
2013	\$5,853,217	\$673,583	0	6,526,800	\$0	\$6,526,800
2012	\$4,811,586	\$673,583	0	5,485,169	\$0	\$5,485,169
2011	\$4,681,700	\$673,583	0	5,355,283	\$0	\$5,355,283
2010	\$4,754,001	\$673,583	0	5,427,584	\$0	\$5,427,584
2009	\$5,628,355	\$673,583	0	6,301,938	\$0	\$6,301,938

Deed History - (Last 3 Deed Transactions)

#	Deed Date	Type	Description	Grantor	Grantee	Volume	Page	Deed Number
1	11/18/1999	WD	WARRANTY DEED	TIDELAND LIMITED PARTNERSHIP	INTERGROUP ARLINGTON ARMS INC	00000	00000	1999143555TR
2	2/28/1990	QD	QUIT CLAIM DEED	KINGSTON VILLAGE LIMITED PARTN	TIDELAND LIMITED PARTNERSHIP	11138	00008	
3	12/28/1976	WD	WARRANTY DEED	AETNA LIFE INSURANCE CO	KINGSTON VILLAGE LIMITED PARTN	05681	01889	

Questions Please Call (512) 834-9317

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Property Search Results > 225802 INTERGROUP ARLINGTON ARMS INC for Year 2014

Property

Account

Property ID: 225802 Legal Description: LOT 4A NORTHEAST TERRACE SUBD
 Geographic ID: 0225200206 Agent Code: ID:2022
 Type: Real
 Property Use Code:
 Property Use Description:

Location

Address: 7033 E U S H Y 290 Mapsco: 556G
 TX 78723
 Neighborhood: 08NE Map ID: 022611
 Neighborhood CD: 08NE

Owner

Name: INTERGROUP ARLINGTON ARMS INC Owner ID: 204756
 Mailing Address: % Ownership: 100.000000000000%
 10940 WILSHIRE BLVD STE 2150
 LOS ANGELES , CA 90024-3942

Exemptions:

Values

(+) Improvement Homesite Value: + \$0
 (+) Improvement Non-Homesite Value: + \$1,876,719
 (+) Land Homesite Value: + \$0
 (+) Land Non-Homesite Value: + \$276,672 Ag / Timber Use Value
 (+) Agricultural Market Valuation: + \$0 \$0
 (+) Timber Market Valuation: + \$0 \$0

 (=) Market Value: = \$2,153,391
 (-) Ag or Timber Use Value Reduction: - \$0

 (=) Appraised Value: = \$2,153,391
 (-) HS Cap: - \$0

 (=) Assessed Value: = \$2,153,391

Taxing Jurisdiction

Owner: INTERGROUP ARLINGTON ARMS INC
 % Ownership: 100.000000000000%
 Total Value: \$2,153,391

Entity	Description	Tax Rate	Appraised Value	Taxable Value	Estimated Tax
01	AUSTIN ISD	1.242000	\$2,153,391	\$2,153,391	\$26,745.12
02	CITY OF AUSTIN	0.502700	\$2,153,391	\$2,153,391	\$10,825.10
03	TRAVIS COUNTY	0.494600	\$2,153,391	\$2,153,391	\$10,650.67
0A	TRAVIS CENTRAL APP DIST	0.000000	\$2,153,391	\$2,153,391	\$0.00
2J	TRAVIS COUNTY HEALTHCARE DISTRICT	0.129000	\$2,153,391	\$2,153,391	\$2,777.87

68	AUSTIN COMM COLL DIST	0.094900	\$2,153,391	\$2,153,391	\$2,043.57
Total Tax Rate:		2.463200			
				Taxes w /Current Exemptions:	\$53,042.33
				Taxes w/o Exemptions:	\$53,042.33

Improvement / Building

Improvement #1: APARTMENT 50-100 **State Code:** B1 **Living Area:** 41412.0 sqft **Value:** \$1,876,719

Type	Description	Class CD	Exterior Wall	Year Built	SQFT
1ST	1st Floor	WW - 4		1974	21883.0
2ND	2nd Floor	WW - 4		1974	19529.0
011	PORCH OPEN 1ST F	* - 4		1974	640.0
011	PORCH OPEN 1ST F	* - 4		1974	1324.0
011	PORCH OPEN 1ST F	* - 4		1974	450.0
012	PORCH OPEN 2ND F	* - 4		1974	616.0
012	PORCH OPEN 2ND F	* - 4		1974	1272.0
132	PLBG 5-FIXT AVG	AVG - *		1974	1.0
152	COMMODE AVG	AVG - *		1974	1.0
162	LAVATORY AVG	AVG - *		1974	1.0
182	SINK AVG	AVG - *		1974	1.0
269	OBS RANGE DRP-IN	* - *		1974	1.0
413	STAIRWAY EXT	G - *		1974	1.0
541	FENCE COMM LF	W6 - *		1974	500.0
551	PAVED AREA	AA - *		1974	28476.0
581	STORAGE ATT	WW - 4+		1974	849.0
581	STORAGE ATT	WW - 5-		1974	374.0
591	MASONRY TRIM SF	AVG - *		1974	5438.0
601	POOL COMM L	CA - *		1974	800.0
611	TERRACE	CA - *		1974	832.0
611	TERRACE	CAC - *		1974	588.0

Improvement #2: SPECIAL (NODEPR) **State Code:** B1 **Living Area:** sqft **Value:** \$0

Type	Description	Class CD	Exterior Wall	Year Built	SQFT
MISC	Miscellaneous	* - *		1991	1.0
SO	Sketch Only	SO - *			4448.0
SO	Sketch Only	SO - *			4946.0
SO	Sketch Only	SO - *			16.0
SO	Sketch Only	SO - *			20.0
SO	Sketch Only	SO - *			40.0
SO	Sketch Only	SO - *			20.0
SO	Sketch Only	SO - *			374.0
SO	Sketch Only	SO - *			180.0
SO	Sketch Only	SO - *			16.0
SO	Sketch Only	SO - *			284.0
SO	Sketch Only	SO - *			148.0
SO	Sketch Only	SO - *			56.0
SO	Sketch Only	SO - *			48.0
SO	Sketch Only	SO - *			52.0
SO	Sketch Only	SO - *			156.0
SO	Sketch Only	SO - *			156.0
SO	Sketch Only	SO - *			90.0

SO	Sketch Only	SO - *	90.0
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Improvement #3:	SPECIAL (NODEPR)	State Code:	B1	Living Area:	sqft	Value:	\$0
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Type	Description	Class CD	Exterior Wall	Year Built	SQFT
MISC	Miscellaneous	* - *		1991	1.0
SO	Sketch Only	SO - *			3368.0
SO	Sketch Only	SO - *			3436.0
SO	Sketch Only	SO - *			52.0
SO	Sketch Only	SO - *			52.0
SO	Sketch Only	SO - *			52.0
SO	Sketch Only	SO - *			16.0
SO	Sketch Only	SO - *			20.0
SO	Sketch Only	SO - *			20.0
SO	Sketch Only	SO - *			16.0
SO	Sketch Only	SO - *			40.0
SO	Sketch Only	SO - *			24.0
SO	Sketch Only	SO - *			24.0
SO	Sketch Only	SO - *			16.0
SO	Sketch Only	SO - *			40.0
SO	Sketch Only	SO - *			44.0
SO	Sketch Only	SO - *			90.0
SO	Sketch Only	SO - *			156.0
SO	Sketch Only	SO - *			40.0
SO	Sketch Only	SO - *			40.0
SO	Sketch Only	SO - *			44.0
SO	Sketch Only	SO - *			156.0

Improvement #4:	SPECIAL (NODEPR)	State Code:	B1	Living Area:	sqft	Value:	\$0
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Type	Description	Class CD	Exterior Wall	Year Built	SQFT
MISC	Miscellaneous	* - *		1991	1.0
SO	Sketch Only	SO - *			220.0
SO	Sketch Only	SO - *			800.0
SO	Sketch Only	SO - *			368.0
SO	Sketch Only	SO - *			60.0
SO	Sketch Only	SO - *			70.0
SO	Sketch Only	SO - *			210.0
SO	Sketch Only	SO - *			48.0
SO	Sketch Only	SO - *			435.0
SO	Sketch Only	SO - *			435.0
SO	Sketch Only	SO - *			36.0
SO	Sketch Only	SO - *			36.0

Improvement #5:	SPECIAL (NODEPR)	State Code:	B1	Living Area:	sqft	Value:	\$0
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Type	Description	Class CD	Exterior Wall	Year Built	SQFT
MISC	Miscellaneous	* - *		1991	1.0
SO	Sketch Only	SO - *			3696.0
SO	Sketch Only	SO - *			3868.0
SO	Sketch Only	SO - *			20.0
SO	Sketch Only	SO - *			40.0
SO	Sketch Only	SO - *			16.0

SO	Sketch Only	SO - *	16.0
SO	Sketch Only	SO - *	16.0
SO	Sketch Only	SO - *	24.0
SO	Sketch Only	SO - *	24.0
SO	Sketch Only	SO - *	24.0
SO	Sketch Only	SO - *	24.0
SO	Sketch Only	SO - *	44.0
SO	Sketch Only	SO - *	156.0
SO	Sketch Only	SO - *	44.0
SO	Sketch Only	SO - *	44.0
SO	Sketch Only	SO - *	156.0
SO	Sketch Only	SO - *	44.0
SO	Sketch Only	SO - *	52.0
SO	Sketch Only	SO - *	52.0
SO	Sketch Only	SO - *	90.0

Improvement #6:	SPECIAL (NODEPR)	State Code:	B1	Living Area:	sqft	Value:	\$0
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Type	Description	Class CD	Exterior Wall	Year Built	SQFT
MISC	Miscellaneous	* - *		1991	1.0
SO	Sketch Only	SO - *			6844.0
SO	Sketch Only	SO - *			6844.0
SO	Sketch Only	SO - *			128.0
SO	Sketch Only	SO - *			128.0
SO	Sketch Only	SO - *			44.0
SO	Sketch Only	SO - *			84.0
SO	Sketch Only	SO - *			44.0
SO	Sketch Only	SO - *			156.0
SO	Sketch Only	SO - *			156.0
SO	Sketch Only	SO - *			44.0
SO	Sketch Only	SO - *			84.0
SO	Sketch Only	SO - *			44.0
SO	Sketch Only	SO - *			156.0
SO	Sketch Only	SO - *			156.0
SO	Sketch Only	SO - *			44.0
SO	Sketch Only	SO - *			84.0
SO	Sketch Only	SO - *			44.0
SO	Sketch Only	SO - *			156.0
SO	Sketch Only	SO - *			156.0
SO	Sketch Only	SO - *			52.0
SO	Sketch Only	SO - *			52.0
SO	Sketch Only	SO - *			52.0
SO	Sketch Only	SO - *			52.0
SO	Sketch Only	SO - *			90.0
SO	Sketch Only	SO - *			90.0
SO	Sketch Only	SO - *			285.0
SO	Sketch Only	SO - *			52.0

SO	Sketch Only	SO - *	52.0
SO	Sketch Only	SO - *	52.0
SO	Sketch Only	SO - *	52.0
SO	Sketch Only	SO - *	90.0
SO	Sketch Only	SO - *	90.0

Improvement #7:	SPECIAL (NODEPR)	State Code:	B1	Living Area:	sqft	Value:	\$0
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Type	Description	Class CD	Exterior Wall	Year Built	SQFT
MISC	Miscellaneous	* - *		1991	1.0
SO	Sketch Only	SO - *			7816.0
SO	Sketch Only	SO - *			8402.0
SO	Sketch Only	SO - *			3696.0
SO	Sketch Only	SO - *			4303.0
SO	Sketch Only	SO - *			6844.0

Land

#	Type	Description	Acres	Sqft	Eff Front	Eff Depth	Market Value	Prod. Value
1	LAND	Land	1.5879	69168.00	0.00	0.00	\$276,672	\$0

Roll Value History

Year	Improvements	Land Market	Ag Valuation	Appraised	HS Cap	Assessed
2014	\$1,876,719	\$276,672	0	2,153,391	\$0	\$2,153,391
2013	\$1,346,528	\$276,672	0	1,623,200	\$0	\$1,623,200
2012	\$1,174,071	\$88,189	0	1,262,260	\$0	\$1,262,260
2011	\$1,144,182	\$88,189	0	1,232,371	\$0	\$1,232,371
2010	\$1,138,051	\$88,189	0	1,226,240	\$0	\$1,226,240
2009	\$1,274,008	\$88,189	0	1,362,197	\$0	\$1,362,197

Deed History - (Last 3 Deed Transactions)

#	Deed Date	Type	Description	Grantor	Grantee	Volume	Page	Deed Number
1	1/5/2001	SW	SPECIAL WARRANTY DEED	INTERGROUP ARLINGTON ARMS INC	INTERGROUP ARLINGTON ARMS INC	00000	00000	2001004641TR
2	2/28/1992	AD	ASSUMPTION DEED	CONROY BENJAMIN J JR	INTERGROUP ARLINGTON ARMS INC	11635	00364	
3	4/3/1978	WD	WARRANTY DEED		CONROY BENJAMIN J JR	06126	00342	

Questions Please Call (512) 834-9317

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ATTACHMENT C

STANDARD CONTRACT FOR SALE OF IMPROVED REAL ESTATE

This Contract (Contract") is made and entered into by and between INTERGROUP ARLINGTON ARMS, INC., a Texas corporation, ("Seller") and THE MULHOLLAND GROUP, LLC and/or assigns ("Purchaser").

WITNESSETH:

It is hereby agreed as follows:

1. Property. Seller shall sell to Purchaser and Purchaser shall purchase from Seller for the Purchase Price to be paid as set out in the Addendum to Standard Contract for Sale of Improved Real Estate ("Addendum") attached hereto and incorporated herein by reference) and subject to the terms hereof, the property commonly known as Capitol Village Apartments, 6855 and 7033 East Hwy 290, Austin, being located in Travis County, Texas, together with certain real estate located adjacent thereto, all as described on Exhibit "A" attached hereto and made a part hereof for all purposes, including all and singular the rights, privileges, interests, easements, hereditaments and appurtenances pertaining to the Property (as defined below), including but not limited to any and all right, title and interest of Seller in and to adjacent public streets, alleys and rights-of-way, private streets, any adjacent strips or gores of real estate, all oil, gas and other minerals in, on or that may be produced from the property, all mineral leases, royalty interests and bonuses relating thereto and all agreements relating to the production, development, exploration or exploitation thereof (collectively, "Land"), all of Seller's right, title and interest in and to all fixtures, buildings, and improvements located thereon including but not limited to the Capitol Village Apartments and any other buildings, structures, fixtures, built-in appliances and other improvements of every kind or nature (including all HVAC systems) presently situated on, in or under or hereafter erected, installed or used on the Land (collectively, "Improvements"), all of Seller's right, title and interest in and to all leases, subleases, licenses, concessions, and other forms of agreement, granting to any party the right of use or occupancy of any portion of the Land and/or Improvements, and all renewals, modifications, amendments, guaranties, and other agreements affecting the same, together with any security deposits (collectively, "Leases"), all of Seller's right, title and interest in and to all equipment, appliances and personal property owned by Seller which is located on or in the Land or the Improvements as of the date of this Contract (collectively, "Personalty" or "personal property"), all contracts relating to the operation and maintenance of the Property, and all contracts relating to the furnishing of materials, fixtures, or articles in connection with the Property, together with any extensions or renewals thereof that Purchaser elects to assume (collectively, "Service Contracts"), and all of Seller's right, title and interest in and to the trade names "Capitol Village" and any other intangible property owned by Seller and used or designed for use in connection with the Land, Improvements and/or Personalty, and any contract or lease rights, licenses, permits, certificates of occupancy, franchises, agreements, utility contracts, unexpired claims, warranties, guaranties and sureties, or other rights relating to the ownership, development, construction, design, use and operation of the Land, Improvements and/or Personalty (collectively, "Intangible Property"). The Land, Improvements, Leases, Personalty, Service Contracts and Intangible Property are collectively, "Property".

2. Conveyance. Title to the Property will be conveyed to Purchaser at the Closing (as defined in Paragraph 3 below) free and clear of any and all liens, encumbrances, conditions, easements, assessments and restrictions, except those contained in the Commitment provided for

and defined in Paragraph 4 hereof that are Permitted Exceptions and not Curable Matters pursuant to Paragraph 5 and 5C hereof.

3. Closing. The Closing of the sale (the "Closing") shall be held on the Closing Date (as defined in the Addendum, as the same may be extended) at a mutually agreed upon location, in Austin, Texas. In the absence of such mutual agreement, the Closing shall be held at the office of Ewbank & Harris, PC, 1210 Nueces, Austin, Texas 78701. At the Closing, Seller shall deliver to Purchaser, at Seller's sole cost and expense (except as otherwise expressly provided herein), the following:

- (i) A duly executed and acknowledged Special Warranty Deed containing the "AS-IS, WHERE-IS" language referenced herein conveying good and indefeasible and insurable title in fee simple to all of the Property free and clear of all liens, encumbrances, conditions, easements, assessments, reservations, and restrictions except as expressly permitted herein; and
- (ii) A current rent roll certified by Seller as true and correct as of the Closing Date (as the same may be extended);
- (iii) Bill of Sale covering Seller's interest in all personal property attached to or used in connection with the Property (and located on the Property) and other Personalty, such property to be transferred free and clear of all liens, claims and encumbrances;
- (iv) Assignment of all Leases, prepaid rents, security deposits and tradename, and to the extent assignable, licenses and permits, maintenance management or other contracts that Purchaser elects to assume, warranties or guaranties, all other Intangible Property and Service Contracts duly executed by Seller (or its predecessor in interest). Seller shall deliver to Purchaser on the Closing Date all original Leases and Service Contracts in Seller's possession or control;
- (v) Affidavit that Seller is not a foreign person or corporation;
- (vi) An Owner's Policy of Title Insurance issued by the Title Company (as defined in 3(ix) below) covering the Property in the amount of the Purchase Price as of the Closing Date (as the same may be extended), insuring Purchaser against all loss under such title policy subject only to those title exceptions expressly permitted by this Contract or as may be approved by Purchaser in writing. The full cost of the Owner's Policy of Title Insurance shall be borne by Purchaser. The survey exception may be deleted at Purchaser's expense;
- (vii) Tax statements showing no delinquent taxes on the Property;
- (viii) Notices to tenants under the Leases, including without limitation notice of the change in ownership of the Property, that all future rent payments

should be sent to Purchaser, and that only the amount of the security deposit actually received by the Purchaser or credited to Purchaser on the closing statement, if any, is the responsibility of Purchaser. The Notices to tenants provided herein shall be signed by Seller and delivered to all applicable tenants by Purchaser; Notices to the counterparties under the Service Contracts informing such counterparties of the sale of the Property to Purchaser;

- (ix) A settlement statement prepared by National Land Tenure Company, LLC, Attn: Matthew R. Schmeelk, 1122 Franklin Avenue, Suite 400, Garden City, NY 11530 (the "Title Company") in its capacity as escrow agent, and reasonably acceptable to and approved by Purchaser and Seller showing the Purchase Price, all applicable adjustments and credits, and all cash receipts and all disbursements to be made by said escrow agent on the Closing Date (as the same may be extended);
- (x) Evidence that the person executing the closing documents is legally capable and authorized to bind Seller; and
- (xi) Any other notices, statements, certificates, affidavits, releases or documents required by this Contract, the Commitment, or applicable law that is necessary for the closing of the sale and or the issuance of the Owner's Policy of Title Insurance.

At the Closing, Purchaser shall deliver to the Seller the Purchase Price (less the amount of the Earnest Money, as defined in Paragraph 9 below, and subject to the (i) prorations and payment of expenses and other adjustments hereunder, and (ii) terms of the settlement statement agreed to between Purchaser and Seller), and such other documents as are necessary and appropriate to evidence Purchaser's authority to consummate this transaction.

4. Title Commitment and Survey. Seller shall deliver to Purchaser within five (5) days from the effective date (as defined in Paragraph 23 hereof), the following items: (i) a standard Commitment for Owner's Policy of Title Insurance issued by the Title Company, covering the current state of title to the Property, together with true and legible copies of all items referred to therein as exceptions ("Commitment") and tax statements; and (ii) any and all "as built" surveys and plats describing all or any part of the Property that are in Seller's possession (collectively the "Survey"). Purchaser shall have the right to update the Survey or obtain a new survey at its expense, and have it certified in accordance with ALTA or other standards. Seller shall reimburse Purchaser at Closing (and such reimbursement amount shall be a credit to Purchaser against the Purchase Price at Closing) for the cost of obtaining any updates or certifications of the Survey or any new survey desired by Purchaser; provided, however, that in no event shall the costs reimbursed by Seller hereunder exceed \$5,000.00.

4A. Due Diligence. At any and all times after the Effective Date and up to the Closing Date (as the same may be extended), Seller shall provide Purchaser with reasonable access to the Property upon reasonable prior notice to Seller, which prior notice shall in no event be less than twenty-four (24) hours. Seller shall cooperate with Purchaser in allowing Purchaser access to the Property for Purchaser's unit inspection after due notice to tenants. Purchaser may complete or cause to be completed inspections, studies, or assessments of the Property that

Purchaser deems necessary or advisable in its sole discretion. Purchaser shall not unreasonably interfere with the operation of the Property or the tenants, and shall not contact any tenant without prior written or telephonic notice to Seller. Seller shall provide Purchaser with all of the documents and information described on Exhibit "B" attached hereto, within not more than five (5) days following the Effective Date of this Contract. Purchaser agrees to treat these items as proprietary and confidential and agrees that its agents, employees, officers, directors and consultants shall comply with this requirement.

5. Review Period. Purchaser shall have ten (10) business days from receipt of the Commitment and Survey referenced above ("Review Period") within which to approve or disapprove said Commitment and Survey, including the information reflected therein, such approval or disapproval to be within Purchaser's sole discretion. In the event Purchaser obtains a new or updated survey within thirty (30) days from the Effective Date, Purchaser shall have an additional Review Period of five (5) days from receipt of such survey to approve or disapprove of any new matters disclosed in such survey or Commitment. If Purchaser shall fail to give any notice in writing to Seller prior to the expiration of the Review Period (or additional Review Period, as applicable), Purchaser shall be deemed to have approved the Commitment and Survey, and all items shown on the Commitment and/or the Survey approved by Purchaser shall be the "Permitted Exceptions." If Purchaser shall disapprove of the Commitment or Survey, or any part thereof, Purchaser shall notify Seller in writing of such fact (the "Objections" or "objections"), on or before the expiration of the Review Period (or additional Review Period, as applicable). Seller shall, within five (5) days after Purchaser's notice to Seller of any Objections, notify Purchaser in writing that: (a) Seller will cure all or certain of the Objections, or (b) Seller will not cure all or certain of the Objections. Seller shall have the opportunity (but not the obligation) to attempt to cure or remedy such objections and shall be under no obligation to incur any costs in attempting to cure or remedy such items; provided however that Seller shall have the obligation to cure all Objections, at Seller's sole cost and expense, that Seller notifies Purchaser it will cure under option (a) above. If Seller fails to deliver timely notice with respect to all or any of Purchaser's Objections, Seller shall be deemed to have elected option (b) above with respect to any such Objections. If Seller cannot or will not or does not cure or remedy any objections that Seller notifies Purchaser it will cure under option (a) above, at or prior to Closing, then Purchaser may terminate this Contract by written notice to Seller, in which event all Earnest Money (except for the \$100.00 option fee described in Paragraph 14) shall be immediately refunded to Purchaser and Seller shall pay to Purchaser, as liquidated damages, an amount equal to all of Purchaser's actual out-of-pocket expenses incurred in connection with this transaction (not to exceed the maximum amount of Seventy Five Thousand and 00/100 dollars (\$75,000.00)), and Seller and Purchaser shall have no further obligations hereunder (except for any obligations which expressly survive termination of this Contract), or, in the event Purchaser does not so terminate the Contract, Purchaser shall have the right to elect to (i) waive such objections, in which event such items shall be Permitted Exceptions to title or (ii) purchase the Property at a purchase price that is mutually agreeable to Seller and Purchaser considering the objections.

5A. New Exceptions. If at any time after the expiration of the Inspection Period (as defined in Paragraph 13 below), any update to the Commitment or the Survey discloses any additional item that affects title to the Property which was recorded or first arose after the date the Commitment and/or the Survey was delivered to Purchaser by Seller or was otherwise not disclosed in such Commitment or Survey (a "New Exception"), Purchaser shall have a period of five (5) days from the date of its receipt of such update to review and notify Seller in writing of Purchaser's disapproval of any New Exception. If Purchaser disapproves any such matter it shall

constitute further Objections and be subject to the same procedures set forth in Section 5 above except any New Exception that Seller has agreed in writing to cure shall be cured at least seven (7) business days prior to the Closing Date. If Seller does not timely cure any New Exception that Seller has agreed in writing to cure under the process set forth in Section 5 above, then Purchaser shall have the right to exercise the remedies set forth in Section 5 above.

5B. Curable Matters. Notwithstanding anything in this Contract to the contrary, Seller shall, prior to Closing, be obligated to cure and/or cause to be deleted from any title insurance policy issued pursuant to the Commitment any mortgage liens, judgment liens, building code violation liens, and tax and assessment liens against the Property (collectively, "Curable Matters"). If Seller fails to complete such cure and/or cause such deletion prior to Closing, then Purchaser shall have the right, but not the obligation, to complete such cure (and cause such deletion, as applicable) at Seller's sole cost and expense. In addition to any other rights available to Purchaser under this Contract on account of Seller's default, Purchaser shall have the right to credit the cost of such cure (and deletion, as applicable) against the Purchase Price. In the event there are any mechanic's liens filed against the Property prior to Closing that do not arise out of Purchaser's activities on the Property, Seller shall take such actions as may be required to remove such liens as exceptions to Purchaser's title insurance policy prior to Closing. If Seller fails to remove such liens as exceptions to Purchaser's title insurance policy prior to Closing, then Purchaser shall have the right, but not the obligation, to complete such cure (and cause such deletion, as applicable) at Seller's sole cost and expense, and in addition to any other rights available to Purchaser under this Contract on account of Seller's default, Purchaser shall have the right to credit the cost of such cure (and deletion, as applicable) against the Purchase Price.

6. Possession. Purchaser shall be entitled to full possession of the Property at Closing, subject only to the rights of tenants in possession pursuant to outstanding valid and effective written leases or agreements that are assigned to Purchaser under this Contract entitling such other person or entity to possession of any part of the Property.

7. Prorations. Collected rents, collected payments from any laundry contracts and any contracts for telecommunications services for the Property, real estate taxes that are non-delinquent and owed for the fiscal period for which assessed in which the Closing occurs, and any utility and operating charges on the Property, and any income from the Property for the current year shall be prorated at the Closing, effective as of the date of Closing (as the same may be extended). Notwithstanding the foregoing, Purchaser shall be responsible for charges due or accrued pursuant to the Service Contracts from and after the Closing Date (as the same may be extended), only to the extent that such Service Contracts are assumed by Purchaser. All accrued and unpaid charges allocable to the period prior to the Closing Date (as the same may be extended) in connection with Service Contracts that are assumed by Purchaser shall be credited to Purchaser at Closing. Tenant security deposits (and any interest thereon if such interest is not required to be remitted to the tenants), advance rentals, the amount of any future lease credits and free rent due to any tenant as shown on the final rent roll, and any revenues from the Property which have been received by Seller before Closing (but are attributable to the period after Closing) shall be credited to Purchaser. All rent collected after Closing shall belong to Purchaser. In the event current real estate tax assessments or other proratable items are not known as of the Closing, said taxes shall be prorated based upon the tax bill for the preceding year (and such other items shall be prorated based upon good faith estimates) with said proration to be final. Purchaser shall pay the cost of the Owner's Title Policy provided for above (and for the deletion, if any, of the standard survey exceptions and for any other endorsements required by Purchaser).

Seller shall pay the cost of one-half (1/2) of any escrow closing charges and recording fees (except that Seller shall be responsible for 100% of any costs to record any documents to cure any Curable Matters and any Objections that Seller cures or is required to cure), all transfer fees, and any conveyance tax on the deed transfer, and any other tax statements or certificates including but not limited to any gains, sales or other taxes which arise out of the Closing and are the obligation of Seller, releases of existing liens other than those liens assumed or created by Purchaser (including prepayment penalties), release of Seller's loan liability (if applicable), and preparation of the deed and any bill of sale. All other closing costs not expressly addressed in this Contract shall be paid by the respective parties as is normal and customary in the county in which the Property is located. Each party shall pay its own attorneys' fees. The provisions of this Section 7 shall survive closing.

8. Commissions. Seller shall be solely responsible for the payment of the real estate commission described in the Addendum. Purchaser agrees to be solely responsible for any commissions or fees due any real estate brokers used by Purchaser. Seller represents and warrants to Purchaser that Seller has not incurred, and shall not have incurred as of the Closing Date (as the same may be extended), any liability for the payment of any brokerage fee or commission in connection with the transaction contemplated in this Contract other than Hendricks-Berkadia Apartment Real Estate Advisors to whom Seller shall pay a commission at Closing pursuant to a separate agreement. Seller shall be solely responsible for the payment of all commissions and fees due or owing to such broker in connection with this Contract or the transactions contemplated hereby. Purchaser represents and warrants to Seller that Purchaser has not incurred, and shall not have incurred as of the Closing Date (as the same may be extended), any liability for the payment of any brokerage fee or commission in connection with the transaction contemplated in this Contract. Seller and Purchaser hereby agree to defend, indemnify and hold harmless the other from and against any and all claims of any person claiming a brokerage fee or commission through the indemnifying party. The provisions of this Paragraph 8 shall survive Closing or termination of this Contract.

9. Earnest Money. The Initial Earnest Money, any Additional Earnest Money (as such terms are described in the Addendum), and all interest accrued thereon shall be collectively referred to herein as "Earnest Money". All Earnest Money is to be credited to the Purchase Price due at the Closing. In the event that this Contract fails to close, the Earnest Money shall be distributed as provided herein. The Earnest Money shall be deposited by the Title Company in an interest bearing account.

10. Purchaser's Default. In the event Purchaser fails to close this transaction on the date of Closing (as the same may be extended), other than due to (i) Seller's default, or (ii) the termination hereof by Purchaser pursuant to Paragraphs 5, 5A, 5B, 14, 15 or 15A hereof, Seller shall be entitled to receive the Earnest Money deposit as liquidated damages as Seller's sole and exclusive remedy.

11. Seller's Default. Except as otherwise set forth in this Contract, in the event Seller defaults by failing to close this transaction in accordance with the Contract for any reason other than Purchaser's default or the termination hereof by Seller pursuant to the applicable provisions hereof, Purchaser may (i) terminate this Contract and receive a full and immediate refund of the Earnest Money previously deposited and Seller shall pay to Purchaser, as liquidated damages, an amount equal to all of Purchaser's actual out-of-pocket expenses incurred in connection with this transaction (not to exceed the maximum amount of Seventy Five Thousand and 00/100 dollars

(\$75,000.00)), or (ii) seek specific performance of this Contract, as Purchaser's sole remedies. In the event of any other Seller default hereunder (including, but not limited to, Seller's breach of any representation or warranty) that continues for more than thirty (30) days after the giving to Seller of written notice of such failure, Purchaser shall have the right to exercise any rights or remedies available at law or equity.

12. Operations. Seller shall operate the Property in the same manner as operated prior to this Contract. During the term hereof, Purchaser, or its authorized agents, shall be given reasonable access to the Property upon reasonable prior written notice to Seller, in order to prepare for an orderly transition of management thereof at Closing. Seller will not enter into any new oral or written service agreements with respect to the Property prior to Closing except to the extent reasonably required to maintain and operate the Property in a manner consistent with Seller's operation of the Property for the preceding twelve (12) months, or to the extent reasonably required to protect the Property from damage; provided, however that Seller shall immediately give Purchaser a copy of any such new service agreement and such new service agreement shall be terminable by Seller and its assigns upon thirty (30) days notice or less without penalty or liability. Notwithstanding the foregoing, or any provision of this Contract to the contrary, during the term of this Contract Seller shall not enter into any contract for laundry services, or for wifi, cable or other telecommunications services. Seller will not amend, or terminate any Service Contract or other agreement that materially affects the operations of the Property without Purchaser's prior written approval. Seller shall advise Purchaser promptly of any litigation, arbitration, or administrative proceedings concerning or affecting the Property which Seller becomes aware of after the Effective Date hereof. From the Effective Date to the Closing Date (as the same may be extended) or earlier termination of this Contract as provided herein: (i) Seller shall continue to lease available units in the ordinary course of business and in compliance with all applicable laws without the Purchaser's written approval, provided, however, that Seller shall not enter into any new leases or lease renewals with a term exceeding one (1) year without Purchaser's prior written approval; (ii) Seller will continue to operate the Property in its normal course of business, including routine maintenance, payment of insurance premiums and maintenance of all liability and casualty insurance currently in effect, and other day-to-day obligations; (iii) Seller shall keep and perform all obligations to be performed by landlord under the Leases, and by Seller under the Service Contracts, all other vendor agreements and third party contracts, and applicable laws; (iv) Seller shall not sell or otherwise dispose of any substantial item of Personalty unless replaced with an item of like value, quality and utility; and (v) Seller shall not further encumber the Property or any portion thereof (subject to Seller's lease rights expressly set forth herein), without the prior written consent of Purchaser. It is understood and agreed that except only for those vendor agreements and third party contracts that are provided to Purchaser pursuant to Section 4A of this Contract and are rejected in writing by Purchaser not less than 30 days prior to Closing, Purchaser shall assume all such presented contracts that are assumable. From the Effective Date to the Closing Date Seller shall maintain all residential units in market ready condition, and all apartment units located in the Property which have been vacant before Closing shall be placed in a market ready condition by Seller by the Closing Date (as the same may be extended), at Seller's sole expense, in accordance with Seller's past operating procedures, and shall be delivered to Purchaser in market ready condition on the Closing Date (as the same may be extended); failing which, Purchaser shall receive a credit against the Purchase Price at Closing in an amount equal to the cost to place in market ready condition all units that are not in such condition on the Closing Date.

13. Inspection Period. Without limiting any of Purchaser's rights pursuant to Paragraph 4A of this Contract, Purchaser shall have forty-five (45) days from the Effective Date ("Inspection Period") to conduct or cause to be conducted such physical, engineering, environmental and feasibility studies and inspections, pest inspections, and other assessments of the Property as Purchaser deems appropriate in an effort to determine whether or not to proceed with the Closing of this transaction. During the Inspection Period, Purchaser and/or its agents, employees, consultants and contractors shall at all times, upon reasonable prior notice to Seller, have the right to come upon the Property for the purpose of conducting such tests and inspections. Seller shall have the right to be present at all tests (provided Seller complies with the testing dates and times that are set by Purchaser), and Purchaser shall provide at least 48 hours prior notice to Seller of each date that Purchaser will conduct such tests. Purchaser shall provide Seller with copies of all test results and/or reports. Purchaser agrees to indemnify and hold Seller harmless against all damages or costs incurred by Seller due to Purchaser conducting the tests above described (except any such damages or costs that are primarily attributable to the intentional or negligent acts or omissions of Seller, its agents, employees or independent contractors), and prior to such testing shall provide a certificate of insurance in form and substance reasonably satisfactory to Seller. Purchaser shall repair any damage resulting from testing (provided such damage is not primarily caused by Seller, its agents, employees, tenants, visitors or independent contractors) and return the Property to substantially the same condition as existed before the inspections. Purchaser's obligations hereunder shall survive the Closing of this transaction.

14. Notice of Termination. On or before the last day of the Inspection Period, Purchaser may terminate this Contract (for any or no reason) by giving written notice thereof to Seller, in which event this Contract shall terminate. Upon termination in accordance with this provision, the Earnest Money plus accrued interest previously deposited shall be immediately refunded to Purchaser (less the sum of \$100.00, "option fee", which shall be paid to Seller as consideration for the termination option described above and the other Purchaser termination options set forth in this Contract, including without limitation, termination options in Sections 11, 15 and 15A). Upon termination hereunder, Purchaser shall return to Seller all due diligence materials provided to Purchaser and the parties shall have no further obligations one to the other, except any obligations that expressly survive termination of this Contract. Unless otherwise agreed by the parties, failure to deliver a timely termination notice hereunder shall be conclusive evidence of approval of the status of the condition of the Property and that Purchaser's right to terminate this Contract under this provision is waived. Seller shall maintain the Property through the Closing Date (as the same may be extended) in substantially the same condition and repair as approved by Purchaser, reasonable wear and tear excepted.

15. Casualty Damage. Risk of loss to the Property shall be borne by Seller until title has been conveyed to Purchaser or Purchaser's designee. In the event that any damage and or destruction of any part of the Property that occurs after the Effective Date reasonably requires less than \$150,000.00 to repair, the parties shall proceed to Closing and Seller shall either repair the damage prior to Closing, or assign to Purchaser all applicable insurance proceeds, and pay to Purchaser all applicable deductible amounts (or credit the deductible amounts to Purchaser against the Purchase Price) at Closing. In the event that any material damage or destruction of the Property (\$150,000.00 or more), by fire or other casualty occurs after the Effective Date and prior to the Closing of the transaction contemplated hereby, the Purchaser shall within not more than twenty (20) days following Purchaser's receipt of notice of such damage or destruction, have the right to cancel the Contract by written notice to Seller and receive a refund of the

Earnest Money previously deposited with accrued interest. In the event Purchaser does not elect to cancel the Contract as set forth above, Purchaser shall proceed to Closing in which case all applicable insurance proceeds and applicable deductible amounts shall be assigned to Purchaser at Closing and Seller shall pay to Purchaser all applicable deductible amounts (or credit the deductible amounts to Purchaser against the Purchase Price) at Closing. Seller represents and warrants that the total number of units that are damaged by fire or otherwise materially damaged as of the Effective Date is three (3) (the **Down Units**"). Notwithstanding any provision of this Section 15 to the contrary, Seller shall, at its sole cost and expense, deliver all of the Down Units to Purchaser in market ready condition on the Closing Date.

15A. Condemnation. In the event the Property, or any material portion thereof, is condemned or taken by eminent domain proceedings after the Effective Date and prior to Closing, Purchaser shall have the right to terminate this Contract by written notice to Seller in which event Purchaser shall be entitled to a refund of all Earnest Money, or Purchaser shall proceed to Closing and may appear and defend the condemnation proceedings and any award will be paid to Purchaser.

16. This Contract together with all addendums, exhibits and schedules annexed hereto, embodies the entire agreement between the parties hereto and cannot be amended or modified without the express written agreement of the parties hereto. In the event that any litigation arises hereunder it is specifically stipulated that this Contract shall be interpreted according to the laws of the State of Texas, and the prevailing party in any litigation shall be entitled to recover, as a part of its judgment, reasonable attorneys' fees and costs of suit.

17. Subject to Seller's consent, which may not be unreasonably withheld, delayed or conditioned, Purchaser may assign this Contract, but such an assignment shall not release Purchaser from liability hereunder. Notwithstanding the foregoing, Purchaser may assign its interest in this Contract to one or more entities that controls, is controlled by or under common control with Purchaser (each an "Affiliate") upon notice to, and without the prior written consent of, Seller, and such assignment shall release Purchaser from liability under this Contract to the extent that Purchaser's obligations under this Contract are assumed by such Affiliate, provided however that such assignment shall not adversely affect any of Seller's rights to the Earnest Money under this Contract.

18. This Contract and the terms and provisions hereof shall inure to the benefit of and be binding upon the parties hereto and their respective heirs, legal representatives, successors and permitted assigns wherever the context so requires or admits.

19. Notice. Any notice, request, demand or other communication to be given to either party hereunder shall be in writing and shall be effective as of the date of personal, facsimile or email delivery, or if sent by mail, shall be deemed to be delivered and received (whether actually received or not) three (3) days after the date that same is deposited in a U.S. Mail receptacle, postage prepaid, as registered or certified mail, return receipt requested, to the addresses as set out in the Addendum.

20. Time is of the essence hereof.

21. The Texas Real Estate License Act requires written notice to Purchaser that Purchaser should have an attorney examine an abstract of title to the Property or else obtain a title insurance policy. Notice to that effect is, therefore, hereby given to Purchaser.

22. If the final date of any period falls upon a Saturday, Sunday or legal holiday under the laws of the state in which the Property is located, then in such event the time of such period shall be extended to the next day which is not a Saturday, Sunday or legal holiday under the laws of the state.

23. Effective Date. The effective date of this Contract (the "Effective Date" or "effective date") shall be the date this Contract and the Addendum are fully executed by both parties hereto and a copy of said fully executed Contract is sent to Purchaser by email or telecopier at the address (or phone number as applicable) set forth in this Contract. In the event one of the parties fails to date the Contract and the Addendum upon execution, the date of execution of the Contract shall be the date the other party has executed and dated the same.

24. This Contract shall also include any additional terms and conditions as may be set forth in the Addendum executed by the parties and attached hereto and incorporated herein for all purposes, and to the extent any terms set forth in said Addendum shall conflict with those set forth in this Contract, the terms and conditions of the Addendum shall govern.

25. Security Deposits. An amount equal to the tenant security deposits in Seller's possession relating to tenant leases of the Property shall be transferred or credited to Purchaser at Closing. Purchaser shall give notice to all tenants of receipt of security deposits (provided that Purchaser is required by Texas Property Code Section 92.105(b) to give such notice, and provided that Seller delivers such notices to Purchaser in accordance with Section 3(viii) of this Contract), and shall indemnify, protect and defend Seller from any damages or losses caused by the failure to deliver such notices (except to the extent such damage or loss is attributable to Seller, its agents, employees or independent contractors).

26. Intentionally omitted.

27. THE PROPERTY IS BEING SOLD "AS IS," "WHERE IS," AND "WITH ALL FAULTS" AS OF CLOSING, WITHOUT ANY REPRESENTATION OR WARRANTY WHATSOEVER AS TO ITS CONDITION, FITNESS FOR ANY PARTICULAR PURPOSE, MERCHANTABILITY OR ANY OTHER WARRANTY, EXPRESS OR IMPLIED, EXCEPT ANY REPRESENTATIONS AND WARRANTIES THAT ARE EXPRESSLY SET FORTH IN SECTION 29 OF THIS CONTRACT. EXCEPT AS SET FORTH HEREIN, PURCHASER ACKNOWLEDGES THAT PURCHASER IS PURCHASING THE PROPERTY BASED SOLELY ON PURCHASER'S OWN INDEPENDENT INVESTIGATION AND FINDINGS AND NOT IN RELIANCE ON ANY INFORMATION PROVIDED BY SELLER OR SELLER'S AGENTS, BROKERS, OR CONTRACTORS OTHER THAN THE DUE DILIGENCE MATERIALS (THAT WERE NOT GENERATED BY THIRD PARTIES) AND WHICH WERE FURNISHED BY SELLER UNDER THIS CONTRACT. NOTWITHSTANDING THE FOREGOING, THE PARTIES AGREE THAT SELLER IS RELYING UPON (1) THE LEASES AND VENDOR AGREEMENT/THIRD PARTY CONTRACTS RENT ROLLS, CAPITAL IMPROVEMENTS SCHEDULE, MAINTENANCE COST, OPERATING STATEMENTS, LIST OF LEASES IN DEFAULT, GOVERNMENT LEASES AND PERMITS THAT SELLER PROVIDES AS PART OF THE

DUE DILIGENCE MATERIALS, BEING COMPLETE AND ACCURATE, AND (2) ALL OTHER DOCUMENTS THAT SELLER PROVIDES AS PART OF THE DUE DILIGENCE MATERIALS BEING COMPLETE AND ACCURATE COPIES. SELLER HAS MADE NO AGREEMENT TO ALTER, REPAIR, OR IMPROVE THE PROPERTY. AS A CONDITION PRECEDENT TO SELLER'S UNDERTAKINGS AND AGREEMENTS HEREUNDER, SELLER EXPRESSLY DISCLAIMS AND PURCHASER ACKNOWLEDGES AND ACCEPTS THAT SELLER HAS DISCLAIMED MAKING ANY REPRESENTATIONS, WARRANTIES, OR ASSURANCES WITH RESPECT TO THE PROPERTY OTHER THAN AS SPECIFICALLY SET OUT HEREIN. IT IS ACKNOWLEDGED AND AGREED BY PURCHASER THAT SELLER HAS MADE NO REPRESENTATIONS OR WARRANTIES AS TO MATTERS OF TITLE OR WITH RESPECT TO ZONING, TAX CONSEQUENCES, PHYSICAL CONDITION, ENVIRONMENTAL CONDITIONS, GEOLOGICAL CONDITIONS, SOIL OR SUBSOIL CONDITION, OPERATING PROJECTIONS, VALUATIONS, GOVERNMENTAL APPROVALS OR GOVERNMENTAL REGULATIONS RELATING TO THE PROPERTY OTHER THAN ANY REPRESENTATIONS AND WARRANTIES THAT ARE EXPRESSLY SET FORTH IN SECTION 29 OF THIS CONTRACT. PURCHASER AGREES THAT WITH RESPECT TO THE PROPERTY CONDITION IT WILL RELY SOLELY UPON ITS INSPECTIONS THEREOF OR ITS DETERMINATION NOT TO INSPECT THE SAME TOGETHER WITH ANY REPRESENTATIONS AND WARRANTIES THAT ARE EXPRESSLY SET FORTH IN SECTION 29 OF THIS CONTRACT, AND UPON CLOSING SHALL ACCEPT THE PROPERTY IN ITS "AS IS" CONDITION, "WITH ALL FAULTS," AND WITHOUT REFERENCE TO HABITABILITY, MERCHANTABILITY OR FITNESS FOR ANY SPECIFIC PURPOSE. PURCHASER EXPRESSLY WAIVES ALL RIGHTS OF CONTRIBUTION AGAINST SELLER RESPECTING ANY REMEDIATION OF, OR DEFECT IN, THE PROPERTY EXCEPT TO THE EXTENT THAT SUCH REMEDIATION OR DEFECT IS ATTRIBUTABLE TO THE NEGLIGENT OR INTENTIONAL ACTS OR OMISSIONS OF SELLER, ITS EMPLOYEES, AGENTS OR INDEPENDENT CONTRACTORS, THE AVAILABILITY OR EXISTENCE OF ANY UTILITY OR OTHER GOVERNMENTAL OR PRIVATE SERVICES, OR AS TO THE AMOUNT OF TAXES ASSESSED TO THE PROPERTY. EXCEPT FOR SELLER'S REPRESENTATIONS AND WARRANTIES THAT ARE EXPRESSLY SET FORTH IN SECTION 29 OF THIS CONTRACT, SELLER SPECIFICALLY DISCLAIMS ANY WARRANTY, GUARANTY OR REPRESENTATION, ORAL OR WRITTEN, PAST, PRESENT OR FUTURE OF, AS TO OR CONCERNING ANY ENVIRONMENTAL CONDITIONS THAT MAY OR MAY NOT EXIST OR AFFECT THE PROPERTY, INCLUDING, WITHOUT LIMITATION, THE EXISTENCE OR NON-EXISTENCE OF PETROLEUM PRODUCTS, PETROLEUM RELATED PRODUCTS, HAZARDOUS SUBSTANCES," HAZARDOUS MATERIALS," TOXIC SUBSTANCES," OR SOLID WASTES" AS THOSE TERMS (WHICH ARE COLLECTIVELY REFERRED TO IN THIS CONTRACT AS HAZARDOUS MATERIALS") ARE DEFINED IN THE COMPREHENSIVE ENVIRONMENTAL RESPONSE COMPENSATION AND LIABILITY ACT OF 1980, AS AMENDED BY SUPERFUND AMENDMENTS AND REAUTHORIZATION ACT OF 1986, THE RESOURCE CONSERVATION AND RECOVERY ACT OF 1976 (RCRA"), AND THE HAZARDOUS MATERIALS TRANSPORTATION ACT, AND STATE ENVIRONMENTAL LAWS, AND IN REGULATIONS PROMULGATED PURSUANT TO THOSE LAWS, ALL AS AMENDED (COLLECTIVELY, THE HAZARDOUS WASTE LAWS"). PURCHASER ACKNOWLEDGES THAT PURCHASER IS PURCHASING THE PROPERTY BASED SOLELY ON ITS OWN INDEPENDENT INVESTIGATIONS AND FINDINGS AND NOT IN

RELIANCE ON ANY INFORMATION PROVIDED BY SELLER, EXCEPT AS SPECIFICALLY SET FORTH IN THIS CONTRACT.

28. Exclusivity. Upon execution of this Contract by the parties hereto, and for so long as this Contract is pending, Seller shall cease (and not engage in) any discussions with any other prospective purchaser of the Property concerning the sale of the Property, or any part thereof, nor shall Seller solicit or accept any offers to purchase the Property, or any part thereof.

29. Representations and Warranties of Seller. As a material inducement to cause Purchaser to enter into this Contract, Seller represents to Purchaser that:

(a) Entity and Authorization Matters. Seller is a Texas corporation duly organized and validly existing under the laws of the State of its organization as stated in this Contract and has full power and authority to execute and deliver this Contract and perform all of its obligations under this Contract. The person executing this Contract on behalf of Seller has been duly authorized and empowered to bind such entity to this Contract. This Contract constitutes the valid and binding agreement of Seller enforceable against Seller in accordance with its terms, except as such enforcement may be limited by applicable bankruptcy, insolvency, or other similar laws which affect the enforcement of creditors' rights generally.

(b) Title. Seller holds good indefeasible and insurable fee simple title to the Property. Title to the Property is and shall remain until the Closing, free and clear of all mechanic's, materialmen's, tax, attorneys and judgment liens, and if any such lien is filed Seller shall discharge the same on or before the Closing Date. At the Closing, the Property shall be free and clear of all encumbrances except Permitted Encumbrances.

(c) No Conflict with or Breach of Other Contracts. Neither the execution and delivery of this Contract, nor compliance with the terms of this Contract, conflict with or result in a breach of any of the provisions of, or constitute a default under, any agreement by which the Property may be affected in any way. Seller has obtained all necessary consents and approvals from third parties. Seller has received no written notice of any default or breach by Seller under any covenant, condition, restriction, right of way or easement affecting the Property or any portion thereof, and, to Seller's knowledge, no such default or breach now exists.

(d) No Bankruptcy or Reorganization Proceedings. Seller has not filed any petitions for bankruptcy or reorganization and no such petitions have been filed against Seller.

(e) Litigation. Except as disclosed by Seller to Purchaser in writing, no litigation, investigation, action or proceeding is pending or threatened against or related to Seller or the Property, in any court or before or by any federal, state, county or municipal department, commission, board, bureau or agency or other governmental instrumentality that would materially affect the Property or this transaction. Seller shall indemnify, defend and hold harmless Purchaser, its officers, directors, employees, agents and servants (collectively, the "Indemnitees") harmless from and against any and all claims, actions, judgments, damages,

liabilities, obligations, losses, demands, penalties, fines, settlements and expenses (including, without limitation, reasonable attorney's fees and expenses) of any kind and nature and however caused, whether known or unknown, contingent or otherwise, that may be imposed upon or incurred by or asserted against any of the Indemnitees by reason of any action, proceeding or other litigation against the Seller. The provisions of the immediately preceding sentence shall survive the Closing Date.

(f) Leases and Other Contracts. The rent rolls provided to Purchaser are accurate and complete in all material respects. There are no service contracts, leases, purchase agreements or rights of first refusal affecting all or any part of the Premises and there are no oral or written promises, understandings, agreements or commitments between Seller and any third party with respect to the Premises which have not been disclosed in writing by Seller to Purchaser.

(g) Compliance With Law. Except for notices which have been disclosed to Purchaser relating to building code violations, or the Down Units described in Section 15 of this Contract, Seller has received no current written notice from any governmental authority of a violation of any requirement of such governmental authority with respect to the use or occupation of the Property, including, but not limited to, environmental, zoning, subdivision and other land use requirements, and Seller has received no written notice and has no actual knowledge of any current violations or current investigations relating to any such requirement which have not been cured in accordance with applicable law. Seller has not received any written notice of and (to its knowledge) is not under investigation for, failure to comply with any environmental laws.

(h) There is no pending or, to seller's knowledge, threatened condemnation proceeding affecting the Property.

(i) Seller has not been charged with or received any notice for failure to comply with any Environmental Law. Seller has not produced or disposed of any Hazardous Materials on the Property. Seller has not handled or stored any Hazardous Materials on the Property (except in compliance with applicable Environmental Laws). To Seller's knowledge, the Property is not situated in any area classified by any governmental authority as being a "wetland", no prior owners or occupants of the Premises have stored, treated, generated, transported, processed, handled, produced or disposed of any Hazardous Materials (except in compliance with applicable Environmental Laws) at the Premises, and there are no underground storage tanks at the Premises.

(j) Seller represents and warrants that: (i) Seller acquired fee simple title to the Property by purchase; (ii) Seller has been the fee simple owner of the portions of the Property described as Tract I and Tract II on attached Exhibit "A" throughout the ten (10) year period immediately preceding the Closing Date; (iii) with respect to each of the buildings constituting

the Property, at least ten (10) years will have elapsed between the Closing Date and the date on which such building was last placed in service. Anything in this Contract to the contrary notwithstanding, the representations and warranties of Seller contained in this Subparagraph shall survive the Closing Date.

30. Interpretation. The captions in this Contract are inserted for convenience of reference only and in no way define, describe or limit the scope or intent of this contract or any of the provisions hereof. All references to paragraphs and sections refer to paragraphs and sections of this Contract, unless otherwise expressly provided herein. As used in this Contract, the masculine shall include the feminine and neuter, the singular shall include the plural and the plural shall include the singular, as the context may require. Unless stated otherwise, the term "herein" means in this Contract.

31. Binding Effect. This Contract is submitted to Seller on the understanding that it will not be considered an offer and will not bind Purchaser in any way until both Purchaser and Seller execute and deliver this Contract in accordance with its terms.

32. Survival. This Contract, and all of its agreements, warranties and representations, shall survive the Closing and the delivery of the deed by Seller to Purchaser for a period of one (1) year from the Closing Date (as the same may be extended).

33. Counterparts and Electronic Signature. This Contract may be executed in multiple counterparts, and transmitted by facsimile or email by and to the parties, and each such counterpart shall be deemed an original, and all of them together shall constitute a single instrument.

[Remainder of page intentionally left blank].

Date: 2/5, 2014

SELLER:

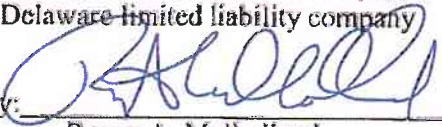
INTERGROUP ARLINGTON ARMS,
INC., a Texas corporation

By: 
David Gonzalez
Vice President

PURCHASER:

THE MULHOLLAND GROUP, LLC
a Delaware limited liability company

Date: 2-5, 2014

By: 
Royce A. Mulholland
President/CEO

ACCEPTANCE BY TITLE COMPANY

The Title Company hereby acknowledges receipt of the Standard Contract For Sale of Improved Real Estate between Intergroup Arlington Arms, Inc. as Seller, and The Mulholland Group, LLC, as Purchaser, and the Initial Earnest Money referred to therein in the amount of \$158,000.00 and agrees to accept, hold and distribute Earnest Money and disburse any funds received thereunder in accordance with the provisions of such Contract.

National Land Tenure Company, LLC
1122 Franklin Avenue, Suite 400
Garden City, NY 11530

By: _____

Print:

Its:

Date: _____

**ADDENDUM TO STANDARD CONTRACT FOR
SALE OF IMPROVED REAL ESTATE**

PURCHASER: THE MULHOLLAND GROUP, LLC, and/or assigns

SELLER: INTERGROUP ARLINGTON ARMS, INC.

PURCHASE PRICE: The Purchase Price shall be FIFTEEN MILLION EIGHT HUNDRED THOUSAND AND NO/100 DOLLARS (\$15,800,000.00) payable as follows:

EARNEST MONEY: \$158,000.00 in cash (Initial Earnest Money") which is due within not more than three (3) business days after the Effective Date. Purchaser shall deposit the Initial Earnest Money with the Title Company within such three business day period, by wire transfer using the following wire instructions: _____, to be held in trust for the benefit of the parties by the Title Company in its capacity as escrow agent Upon execution of the Contract by Seller, a copy of the Contract will be sent to Purchaser by telecopier or by email.

TITLE COMPANY: National Land Tenure Company, LLC
Attn: Matthew R. Schmeelk
1122 Franklin Avenue, Suite 400
Garden City, NY 11530
Phone: (516) 227-0800
Email: MSchmeelk@nltco.com

COMMISSION: Seller shall pay a commission to Hendricks-Berkadia Apartment Real Estate Advisors, pursuant to a separate listing agreement only if, as and when the Closing occurs.

CLOSING: Unless otherwise mutually agreed upon by the parties hereto in writing, the Closing shall occur on or before the forty-fifth (45th) day following the end of the Inspection Period ("Closing Date" or "date of Closing"); provided, however, Purchaser shall have the right to extend the Closing Date once for a period of thirty (30) days by depositing with the Title Company an additional \$50,000.00 in additional earnest money (Additional Earnest Money") not less than three (3) days prior to the initial Closing Date. Said Additional Earnest Money shall be non-refundable (except in the event the Contract is terminated due to Seller default), but shall be a credit against the Purchase Price due at Closing.

ADDRESSES FOR NOTICES:

To Seller: Intergroup Arlington Arms, Inc.
c/o The Intergroup Corporation
10940 Wilshire Blvd., Ste. 2150
Los Angeles, CA 90024
Attn: David Gonzalez
Fax: (310) 496-1605
Email: dgonzalez@intgla.com

With a copy to: Fishman Jackson PLLC
13155 Noel Road, Suite 700
Dallas, Texas 75240
Attn: Donald O. Walsh
Phone: (972) 419.5508
Fax: (972) 419-5501
Email: dwalsh@fishmanjackson.com

To Purchaser: The Mulholland Group, LLC
141-07 Twentieth Avenue
Suite 507
Whitestone, New York 11357
Attn: Royce Mulholland, President
Phone: (212) 661-5015
Fax: (212) 661-5771
Email: rmulholland@tmg-housing.com

With a copy to: Cannon Heyman & Weiss, LLP
726 Exchange Street, Suite 516
Buffalo, New York 14210
Attn: Steven J. Weiss, Esq.
Phone: (716) 856-1700
Fax: (716) 856-2311
Email: sweiss@chwattys.com

SPECIAL PROVISIONS: A. It is understood and agreed that either party may elect to structure the subject transaction as a tax deferred exchange transaction under Section 1031 of the Internal Revenue Code of 1986, as amended, and the applicable regulations thereunder, which may include the use of a qualified intermediary." The parties shall reasonably cooperate with each other in the consummation of such exchange transaction, so long as the cooperating party is not obligated to incur any liability, obligations or expense with regard to such exchange transaction, other than those duties and obligations contemplated herein, and so long as Purchaser is not obligated to accept title to any other property as part of such exchange transaction.

Date: 2/5, 2014

SELLER:

INTERGROUP ARLINGTON ARMS,
INC., a Texas corporation

By: 

David Gonzalez
Vice President

PURCHASER:

THE MULHOLLAND GROUP, LLC,
a Delaware limited liability company

By: 

Royce A. Mulholland
President/CEO

EXHIBIT A

Legal Description

TRACT I

Tract 1, of Kirby Addition, a subdivision in Travis County, Texas according to the map or plat, of record in Volume 46, Page 46, of the Plat Records of Travis County, Texas, SAVE AND EXCEPT, any portion of subject property conveyed to the State of Texas, by deed of record in Volume 8262, Page 235, of the Real Property Records of Travis County, Texas.

TRACT II

Lot 4A, Northeast Terrace Subdivision, a subdivision in Travis County, Texas, according to the map or plat recorded in Volume 58, Page 14 of the Plat Records of Travis County, Texas.

TRACT III

2.557 ACRE TRACT

ALL OF THAT CERTAIN TRACT OR PARCEL OF LAND BEING A PORTION OF TRACT 2, CLARK-RAY SUBDIVISION, AS RECORDED IN PLAT BOOK 9, PAGE 132, PLAT RECORDS, TRAVIS COUNTY, TEXAS, AND A PORTION OF THE JAMES WALLACE SURVEY NO. 57, IN TRAVIS COUNTY, TEXAS, BEING THOSE SAME TRACTS OF LAND AS CONVEYED TO BURKE JOINT VENTURE BY DEEDS RECORDED IN VOLUME 9933, PAGE 620, VOLUME 9933, PAGE 611, AND VOLUME 9933, PAGE 619, REAL PROPERTY RECORDS, TRAVIS COUNTY, TEXAS, SAID TRACT OF LAND BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS

BEGINNING AT AN IRON PIPE FOUND AT THE NORTHWEST CORNER OF THAT TRACT OF LAND CONVEYED TO BURKE JOINT VENTURE BY DEED RECORDED IN VOLUME 9933, PAGE 620, REAL PROPERTY RECORDS, TRAVIS COUNTY, TEXAS, BEING AT A POINT OF CURVE IN THE SOUTH ROW LINE OF ENTERPRISE COURT, AS DEDICATED BY KIRBY ADDITION, AS RECORDED IN PLAT BOOK 46, PAGE 46, PLAT RECORDS, TRAVIS COUNTY, TEXAS, BEING IN THE EAST LINE OF TRACT 1, OF THE SAID KIRBY ADDITION, FOR THE NORTHWEST CORNER HEREOF,

THENCE WITH THE NORTH LINE OF THE SAID BURKE JOINT VENTURE TRACT, S 59° 56' 37" E AT A DISTANCE OF 60.02 FEET PASS AN IRON ROD FOUND 0.19 FEET SOUTH OF THE SAID BURKE JOINT VENTURE LINE, SAID IRON ROD BEING THE SOUTHWEST CORNER OF THAT TRACT OF LAND CONVEYED TO LOUIS B MARKS BY DEED RECORDED IN VOLUME 10742, PAGE 605, REAL PROPERTY RECORDS, TRAVIS COUNTY, TEXAS, AND CONTINUE ON WITH THE SAID BURKE JOINT

VENTURE LINE, FOR A TOTAL DISTANCE OF 319.78 FEET TO AN IRON ROD FOUND AT THE NORTHEAST CORNER OF THE SAID BURKE JOINT VENTURE TRACT RECORDED IN VOLUME 9933, PAGE 620, REAL PROPERTY RECORDS, TRAVIS COUNTY, TEXAS, BEING THE SOUTHEAST CORNER OF THE SAID MARKS TRACT, FOR THE NORTHEAST CORNER HEREOF,

THENCE WITH THE EAST LINE OF THE SAID BURKE JOINT VENTURE TRACT RECORDED IN VOLUME 9933, PAGE 620, REAL PROPERTY RECORDS, TRAVIS COUNTY, TEXAS, S 29° 24' 00" W AT A DISTANCE OF 310.95 FEET PASS A CONCRETE MONUMENT FOUND IN THE NORTH LINE OF TRACT 2, CLARK-RAY SUBDIVISION, AS RECORDED IN PLAT BOOK 9, PAGE 132, PLAT RECORDS, TRAVIS COUNTY, TEXAS, BEING THE SOUTHEAST CORNER OF THE SAID BURKE JOINT VENTURE TRACT RECORDED IN VOLUME 9933, PAGE 620, REAL PROPERTY RECORDS, TRAVIS COUNTY, TEXAS, BEING THE NORTHEAST CORNER OF THAT TRACT OF LAND CONVEYED TO BURKE JOINT VENTURE BY DEED RECORDED IN VOLUME 9933, PAGE 611, REAL PROPERTY RECORDS, TRAVIS COUNTY, TEXAS, BEING THE SOUTHWEST CORNER OF TRACT 1, LOUIS LYCKMAN SUBDIVISION, AS RECORDED IN PLAT BOOK 10, PAGE 96, PLAT RECORDS, TRAVIS COUNTY, TEXAS, AND CONTINUE ON FOR A TOTAL DISTANCE OF 348.33 FEET TO AN IRON ROD FOUND AT THE SOUTHEAST CORNER OF THE SAID BURKE JOINT VENTURE TRACT RECORDED IN VOLUME 9933, PAGE 611, REAL PROPERTY RECORDS, TRAVIS COUNTY, TEXAS, FOR THE SOUTHEAST CORNER HEREOF,

THENCE N 59° 56' 18" W FOR A DISTANCE OF 319.78 FEET TO AN IRON ROD SET AT THE SOUTHWEST CORNER OF THAT TRACT OF LAND CONVEYED TO BURKE JOINT VENTURE BY DEED RECORDED IN VOLUME 9933, PAGE 619, REAL PROPERTY RECORDS, TRAVIS COUNTY, TEXAS, BEING IN THE EAST LINE OF TRACT 1, KIRBY ADDITION, FOR THE SOUTHWEST CORNER HEREOF, AND FROM WHICH IRON ROD SET, AN IRON ROD FOUND AT THE SOUTHEAST CORNER OF THE SAID TRACT 1, KIRBY ADDITION, BEING THE NORTHWEST CORNER OF CAPITAL PLAZA UNIT OF JEHOVAH'S WITNESSES SUBDIVISION, AS RECORDED IN PLAT BOOK 86, PAGE 84C, PLAT RECORDS, TRAVIS COUNTY, TEXAS, BEARS S 29° 24' 00" W FOR A DISTANCE OF 2.00 FEET,

THENCE WITH THE WEST LINE OF THE SAID BURKE JOINT VENTURE TRACT, BEING THE EAST LINE OF TRACT 1, KIRBY ADDITION, N 29° 24' 00" E FOR A DISTANCE OF 348.30 FEET TO THE PLACE OF BEGINNING,

TRACT IV

ENTERPRISE COURT
0.751 ACRE TRACT

ALL OF THAT CERTAIN TRACT OR PARCEL OF LAND BEING ALL OF ENTERPRISE COURT, A SIXTY FOOT (60') PUBLIC STREET DEDICATED TO THE PUBLIC BY KIRBY ADDITION, AS RECORDED N PLAT BOOK 46, PAGE 46, PLAT RECORDS, TRAVIS COUNTY, TEXAS. SAID TRACT OF LAND BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS

BEGINNING AT A BRASS DISC IN CONCRETE FOUND (STAMPED TSDHPT) AT THE SOUTHEAST CORNER OF THAT TRACT OF LAND CONVEYED TO THE STATE OF TEXAS FOR ROW PURPOSES BY DEED RECORDED IN VOLUME 8262, PAGE 235, REAL PROPERTY RECORDS, TRAVIS COUNTY, TEXAS, BEING AT THE INTERSECTION OF THE SOUTH ROW LINE OF US HIGHWAY NO 290, WITH THE WEST ROW LINE OF ENTERPRISE COURT, AS DEDICATED TO THE PUBLIC BY KIRBY ADDITION, AS RECORDED IN PLAT BOOK 46, PAGE 46, PLAT RECORDS, TRAVIS COUNTY, TEXAS, FOR THE NORTHWEST CORNER HEREOF;

THENCE WITH THE SOUTH ROW LINE OF US HIGHWAY NO 290, N 81° 12' 17" E FOR A DISTANCE OF 63.56 FEET TO A BRASS DISC IN CONCRETE FOUND (STAMPED TSDHPT), BEING AT THE INTERSECTION OF THE SOUTH ROW LINE OF US HIGHWAY NO. 290 AND THE EAST ROW LINE OF ENTERPRISE COURT, FOR THE NORTHEAST CORNER HEREOF,

THENCE WITH THE EAST ROW LINE OF ENTERPRISE COURT, THE FOLLOWING COURSES,

ALONG A CURVE TO THE LEFT, WHOSE RADIUS IS 1793 FEET, AND WHOSE CHORD BEARS S 00° 46' 27" W FOR A DISTANCE OF 1.48 FEET TO AN IRON ROD SET AT A POINT OF TANGENCY,

S 07° 10' 00" E FOR A DISTANCE OF 10.00 FEET TO AN IRON ROD FOUND AT A POINT OF CURVE,

ALONG A CURVE TO THE RIGHT, WHOSE RADIUS IS 164.54 FEET, AND WHOSE CHORD BEARS S 10° 22' 53" W FOR A DISTANCE OF 99.17 FEET TO AN IRON ROD SET AT A POINT OF TANGENCY,

S 27° 51' 06" W FOR A DISTANCE OF 262.18 FEET TO AN IRON ROD FOUND AT A POINT OF CURVE AT THE BEGINNING OF A CUL-DE-SAC,

ALONG A CURVE TO THE LEFT, WHOSE RADIUS IS 20.00 FEET, AND WHOSE CHORD BEARS S 02° 12' 56" W FOR A DISTANCE OF 17.47 FEET TO A POINT OF REVERSE CURVE,

ALONG A CURVE TO THE RIGHT, WHOSE RADIUS IS 60.00 FEET, AND WHOSE CHORD BEARS S 31° 51' 49" W FOR A DISTANCE OF 99.14 FEET TO AN IRON ROD FOUND AT THE END OF SAID CURVE,

S 39° 00' 08" W FOR A DISTANCE OF 2.56 FEET TO AN IRON ROD FOUND AT THE MOST SOUTHERLY CORNER OF THE SAID ENTERPRISE COURT, FOR THE MOST SOUTHERLY CORNER HEREOF,

THENCE WITH THE SOUTH LINE OF ENTERPRISE COURT, N 59° 34' 29" W FOR A DISTANCE OF 60.07 FEET TO AN IRON PIPE FOUND AT THE SOUTHWEST CORNER OF THE SAID ENTERPRISE COURT, BEING IN THE EAST LINE OF TRACT 1, KIRBY ADDITION, FOR THE SOUTHWEST CORNER HEREOF,

THENCE WITH THE WEST ROW LINE OF ENTERPRISE COURT, BEING THE EAST LINE OF TRACT 1, KIRBY ADDITION, THE FOLLOWING COURSES,

ALONG A CURVE TO THE RIGHT, WHOSE RADIUS IS 60.00 FEET, AND WHOSE CHORD BEARS N 23° 29' 53" E FOR A DISTANCE OF 98.99 FEET TO AN IRON ROD SET AT A POINT OF REVERSE CURVE,

ALONG A CURVE TO THE LEFT, WHOSE RADIUS IS 20.00 FEET, AND WHOSE CHORD BEARS N 53° 29' 00" E FOR A DISTANCE OF 17.32 FEET TO AN IRON ROD FOUND AT A POINT OF TANGENCY,

N 27° 50' 00" E FOR A DISTANCE OF 262.38 FEET TO AN IRON ROD SET AT A POINT OF CURVE,

ALONG A CURVE TO THE LEFT, WHOSE RADIUS IS 104.54 FEET, AND WHOSE CHORD BEARS N 10° 20' 00" E FOR A DISTANCE OF 62.87 FEET TO AN IRON ROD SET AT A POINT OF COMPOUND CURVE,

CONTINUING ALONG A CURVE TO THE LEFT, WHOSE RADIUS IS 16.99 FEET, AND WHOSE CHORD BEARS N 25° 29' 53" W FOR A DISTANCE OF 10.31 FEET TO THE PLACE OF BEGINNING,

TRACT V

BEING 0.298 ACRES, MORE OR LESS, OUT OF A 0.8863 ACRE TRACT OUT OF THE JAMES P. WALLACE SURVEY IN TRAVIS COUNTY, TEXAS, AS DESCRIBED IN VOLUME 3648, PAGE 1337, DEED RECORDS OF TRAVIS COUNTY, TEXAS, DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

BEGINNING AT AN IRON STAKE ON THE EAST LINE OF THE PERRY S. HOWERTON TRACT;

THENCE WITH THE EAST LINE OF SAID HOWERTON TRACT, SOUTH 29 DEGREES 39 MINUTES WEST, 58.93 FEET TO THE SOUTHEAST CORNER OF SAID HOWERTON TRACT FOR THE SOUTHEAST CORNER;

THENCE WITH THE SOUTH LINE OF SAID HOWERTON TRACT, NORTH 59 DEGREES 45 MINUTES WEST, 259.97 FEET TO AN IRON STAKE FOR THE SOUTHWEST CORNER;

THENCE ALONG THE EAST LINE OF ENTERPRISE COURT AS FOLLOWS: NORTH 27 DEGREES 50 MINUTES EAST, 2.55 FEET AROUND A CURVE TO THE LEFT, HAVING A RADIUS OF 60 FEET, NORTH 59 DEGREES 59 MINUTES 40 SECONDS EAST, A CHORD OF 56.02 FEET TO AN IRON PIN FOR THE NORTHEAST CORNER;

THENCE SOUTH 62 DEGREES 15 MINUTES EAST, 231.86 FEET TO THE PLACE OF BEGINNING.

TRACT VI

8,158 SQUARE FEET OF LAND LOCATED IN THE JAMES P. WALLACE SURVEY, A-57, TRAVIS COUNTY, TEXAS; SAID 0.158 SQUARE FEET FURTHER BEING A PORTION OF THAT CERTAIN TRACT OF LAND AS DESCRIBED IN VOLUME 8612, PAGE 29, DEED RECORDS, TRAVIS COUNTY, TEXAS SAID 8,158, SQUARE FEET BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

BEGINNING AT A FOUND ½ INCH IRON ROD MARKING THE SOUTHEASTERLY CORNER OF THE HEREIN DESCRIBED TRACT AND FURTHER BEING LOCATED IN THE WESTERLY LINE OF NORTHEAST TERRACE SUBDIVISION AS RECORDED IN BOOK 58, PAGE 14, PLAT RECORDS, TRAVIS COUNTY, TEXAS;

THENCE NORTH 57 DEGREE 53' 33" WEST, ALONG THE NORTHERLY LINE OF SAID NORTHEAST TERRACE SUBDIVISION, A DISTANCE OF 135.00 FEET TO A FOUND ½ INCH IRON ROD LOCATED IN THE EASTERLY RIGHT-OF-WAY LINE OF ENTERPRISE COURT;

THENCE NORTH 27 DEGREE 08' 22" EAST, ALONG THE EASTERLY RIGHT-OF-WAY LINE OF SAID ENTERPRISE COURT, A DISTANCE OF 60.09 FEET TO A FOUND ½ INCH IRON ROD FOR CORNER;

THENCE SOUTH 57 DEGREE 55' 11" EAST, LEAVING THE EASTERLY RIGHT-OF-WAY LINE OF SAID ENTERPRISE COURT, A DISTANCE OF 137.37 FEET TO A SET ½

INCH IRON ROD FOR CORNER, SAID ROD FURTHER BEING LOCATED IN THE WESTERLY LINE OF THE AFOREMENTIONED NORTHEAST TERRACE SUBDIVISION;

THENCE SOUTH 29 DEGREES 24' WEST, ALONG THE WESTERLY LINE OF SAID NORTHEAST TERRACE SUBDIVISION, A DISTANCE OF 68.00 FEET TO THE POINT OF BEGINNING.

TRACT VII

0.641 ACRES OF LAND OUT OF THE JAMES P. WALLACE SURVEY NO. 57 IN TRAVIS COUNTY, TEXAS, AND BEING PART OF THAT CERTAIN 0.78 ACRE TRACT DESCRIBED IN VOL. 2020, PAGE 35, TRAVIS COUNTY DEED RECORDS; DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

BEGINNING AT A SPINDLE FOUND AT THE SOUTHERLY CORNER OF SAID 0.78 ACRE TRACT;

THENCE WITH THE EAST LINE OF SAID 0.78 ACRE TRACT, ALONG A FENCE, N 29° 50' 57" E 252.48 FT TO ½" PIN FOUND IN THE SOUTH ROW LINE OF U.S. HWY. 290 FOR CORNER;

THENCE WITH THE PRESENT SOUTH ROW LINE OF U.S. HWY. 290, S 81° 20' 24" W 186.27 FT TO 3/8' PIN SET IN THE WEST LINE OF SAID 0.78 ACRE TRACT FOR CORNER;

THENCE WITH THE WEST LINE OF SAID 0.78 ACRE TRACT, S 29° 37' 53" W 82.33 FT TO 3/8" PIN SET IN THE EAST ROW LINE OF ENTERPRISE COURT FOR ANGLE;

THENCE WITH THE EAST ROW LINE OF ENTERPRISE COURT THE FOLLOWING 2 COURSES:

1) AROUND A CURVE TO THE RIGHT (RADIUS 164.54') A CHORD WHICH BEARS S 19° 51' W 45.70 FT, TO END OF CURVE; 2) S 27° 50' W 7.80 FT TO ½" PIN FOUND IN THE SOUTH LINE OF SAID 0.78 ACRE TRACT FOR CORNER;

THENCE WITH THE SOUTH LINE OF SAID 0.78 ACRE TRACT, ALONG A FENCE, S 59° 34' 44" E 137.24 FT TO THE PLACE OF BEGINNING.

TRACT VIII

ALL OF THAT CERTAIN TRACT OF LAND OUT OF THE JAMES, P. WALLACE SURVEY NO. 57, TRAVIS COUNTY, TEXAS, AS DESCRIBED IN DOCUMENT RECORDED UNDER DOCUMENT NO. 200017781 IN THE OFFICIAL PROPERTY

RECORDS OF TRAVIS COUNTY, TEXAS, AND IN DEED RECORDED IN VOLUME 3622, PAGE 257 OF THE TRAVIS COUNTY DEED RECORDS.

TRACT IX

25,623 SQUARE FEET OF LAND OUT OF THE JAMES P. WALLACE SURVEY, TRAVIS COUNTY, TEXAS, AND BEING PART OF THAT CERTAIN 1.0 ACRE TRACT CONVEYED TO PERRY S. HOWERTON BY DEED RECORDED IN VOLUME 842, PAGE 557, TRAVIS COUNTY DEED RECORDS; DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

BEGINNING AT THE NORTHEAST CORNER OF SAID PERRY S. HOWERTON TRACT;

THENCE WITH THE NORTH LINE OF SAID HOWERTON TRACT, NORTH 59 DEGREES 45' W 264.92 FEET TO THE EAST LINE OF A PROPOSED STREET FOR CORNER;

THENCE WITH THE EAST LINE OF SAID PROPOSED STREET AS FOLLOWS: SOUTH 27 DEGREES 50' W 38.77 FEET TO THE BEGINNING OF A CURVE TO THE LEFT; AROUND SAID CURVE HAVING A RADIUS OF 20 FEET, SOUTH 2 DEGREES 11' W A CHORD OF 17.32 FEET TO A POINT OF REVERSE CURVE; AROUND A CURVE TO THE RIGHT, HAVING A RADIUS OF 60 FEET, SOUTH 5 DEGREES 35' W A CHORD OF 58 FEET FOR CORNER;

THENCE SOUTH 62 DEGREES 15' E 231.86 FEET TO THE EAST LINE OF SAID HOWERTON TRACT FOR SOUTHEAST CORNER;

THENCE WITH THE EAST LINE OF SAID HOWERTON TRACT, NORTH 29 DEGREES 39' EAST 96.67 FEET TO THE PLACE OF BEGINNING, CONTAINING 25,623 SQUARE FEET.

EXHIBIT B

Due Diligence Materials

Phase 1 Environmental Studies (if available)

Copies of latest MAI Appraisals (if available)

Seller shall make available to Purchaser copies of all existing leases and copies of all vendor agreements/third party contracts

Copies of current rent rolls, current and historical capital improvements schedule detailing cost and date of improvements; detailed maintenance cost including staff employed and monthly operating cost. Seller shall provide this information to Purchaser on excel spreadsheets, if available.

As-built construction drawings (if available)

A current and three (3) year historical operating statements, setting forth all scheduled and collected rentals at the properties, all rental concessions, all advance rental payments received from tenants at the Property and list of all leases in default with a description of the defaults indicated.

An inventory of all personal property to be transferred to Purchaser

Copies of all construction and equipment warranties, government leases and permits.

Copies of any termite or pest inspection reports for inspections that took place during the six (6) month period immediately preceding the Effective Date.

ATTACHMENT D



CITY OF AUSTIN - ZONING VERIFICATION LETTER

For questions concerning zoning compliance or any development criteria contact the Development Assistance Center of the City of Austin at (512) 974-6370.

This letter is to verify that the parcel listed is covered by the listed zoning classification on the date the letter was created.

Party Requesting Verification

Name: The Mulholland Group, LLC
Mailing Address:
141-07 20th Ave. Suite 507
Whitestone, NY 11357

Tax Parcel Identification Number

Agency: TCAD
Parcel ID: 225799

Zoning Classification(s)

Find definitions at <http://www.austintexas.gov/page/zoning-districts>

MF-3-NP

Zoning Case Number(s)

Look up case info at https://www.austintexas.gov/devreview/a_queryfolder_permits.jsp

C14-02-0024, C14-2007-0007

Zoning Ordinance Number(s)

Look up ordinances at <http://austintexas.gov/edims/search.cfm>

020418-Z-6, 20070809-057

For Address Verification visit:

<http://austintexas.gov/addressverification>

To access zoning ordinance documentation visit:

<http://austintexas.gov/edims/search.cfm>

To access zoning overlay documentation (Land Development Code Chapter 25-2 Division 6) visit:

<http://austintexas.gov/department/austin-city-code-land-development-code>

<http://austintexas.gov/department/zoning>

This letter was produced by the City of Austin Communication Technology Management Department on behalf of the Planning and Development Review Department.

I, Ben Vanderford, of the Communications and Technology Management Department for the City of Austin, do hereby certify that the above information reflects the data and records on file in this office.

A handwritten signature in black ink, appearing to read "Ben Vanderford".

ATTACHMENT E

ITEM 8: DEVELOPMENT TEAM AND CAPACITY/SKILLS

The Mulholland Group, LLC (TMG) / DEVELOPER

See the Developer Capacity narrative under Item 11 for more on TMG.

TMG Management, LLC / PROPERTY MANAGEMENT

See the Developer Capacity narrative under Item 11 for more on TMG Management.

F&B Development & Construction / GENERAL CONTRACTOR

Frank Fuentes is one of the four-member management team that has positioned F & B as a leader in commercial, multifamily and residential construction in Central Texas. His vision and leadership have helped the company grow exponentially since it was founded in 2003. The company, subsidiaries and the partners have a combined bonding capacity of \$150,000,000. Mr. Fuentes has been listed among the Top 100 Latino Businessmen since 1999 and in 2000, and he received the Hispanic Achievement Award for Business Entrepreneurship from Hispanic Business Magazine. Mr. Fuentes is one of the founders of the U.S. Hispanic Contractors Association, and has continued to lead the organization as its chairman. Until recently, he was a member of the Board of Adjustment for the City of Austin for almost 12 years, six of which he served as chair. He was appointed to the Advisory Board of Small Business for the U.S. Department of Energy in 2005. Fuentes resides in Austin.

Martin Barrera, AIA / ARCHITECT

Martin Barrera, Architect, was founded in 2006. Mr. Barrera offers a broad spectrum of architectural services, with a focus on sustainable Design and Urban Development. Over the years, many of Mr. Barrera's projects have been focused on children and education. From his work on an environmental learning center for disadvantaged urban youth, to Escuelita del Alma's successful relocation, to his role as Co-Vice President of the Maplewood Elementary PTA, Martin's commitment to children and education is evident.

Mr. Barrera is the past Planning and Zoning Committee Chair of the Cherrywood Neighborhood Association, and frequently participates in design charrettes and competitions that have community impact, such as the Gus Garcia Park Ideas Competition and the Texas Grow Home Competition that generated ideas for dozens of emergency housing designs for future hurricane victims.

Garcia Design Inc. / LANDSCAPE ARCHITECT

Garcia Design Inc. was established in 1996 as a Texas corporation and has been in continuous operation in Austin, Texas since that time. The firm has extensive experience in the following areas of design: (1) Parks, Recreations and Open Space; (2) Commercial and Residential Land Development; (3) Landscape Architectural Design for Schools, Institutions and Cultural Facilities; and (4) Site & Landscape Design for Transportation & Transit Facilities. Mr. Garcia has several years of professional experience having been licensed to practice since 1985. Garcia Design, Inc. has the technical ability to handle small and large projects from feasibility analysis, conceptual design, construction plans and specifications, permits/code compliance through construction administration.

Structure Development / CONSULTANT

Structure Development, has 20 years of experience with affordable multifamily development programs including LIHTC, CDBG, HOME, and Section 202 and 811. As a result, Structure is knowledgeable of the requirements of affordable housing financing programs throughout the development cycle.

CohnReznick / ACCOUNTANT

The J.H. Cohn accounting firm was founded in 1919 and continued to grow and expand services through the twentieth century. In 1977 another firm, Reznick Fedder & Silverman, was established in Washington DC with a focus on real estate; after the creation of the federal low-income housing tax credit program in 1986, the firm proved itself as an established national leader in the affordable housing arena. In 2012 the two firms merged to become CohnReznick, the 11th largest accounting firm in the U.S. Today CohnReznick has offices from Boston to Los Angeles and provides a complete range of services to both public and private companies across numerous industries.

Greystone & Company, Inc. / LENDER

Greystone has been a real estate lending organization for over two decades. From their roots as a workout specialist for distressed FHA loans, they have continuously expanded their capabilities to become a full-service multifamily housing and healthcare facility lender. Their national team of professionals has built a strong, collaborative relationship with Fannie Mae, Freddie Mac and HUD, enabling them to move quickly and achieve the financing needs for the developer without costly delays. Greystone's capital markets expertise enables them to deliver competitive pricing and superior execution, getting the most cost-effective results.

CREA / EQUITY PROVIDER

A subsidiary of City Financial Corp., Inc., CREA is a full-service tax credit syndicator that provides equity for affordable housing throughout the United States. Since its inception in 2001, it has raised more than \$1.5 billion in investor equity, originated 211 transactions, developed 15,000 affordable homes, and has 183 properties under management.

Front Steps / SUPPORTIVE SERVICES PROVIDER

See the information provided under Item 15 for more about Front Steps.

ATTACHMENT F

ITEM 11: DEVELOPER CAPACITY

The Mulholland Group, LLC

The Mulholland Group, LLC (TMG) commenced business in late 1991 raising equity for low and moderate-income projects, primarily in Texas, Virginia and New York State, through the sale of the Low Income Housing Tax Credit Program. TMG raised over \$50 million dollars in equity to finance 820 units of housing in its first six years of operation. Soon after, TMG entered into a joint venture, which closed its first acquisition of nearly 6,000 units in 31 transactions within five states and eleven different submarkets. Properties TMG acquires generally range in quality from B and C type and are leased to low, moderate and middle-income persons. TMG acted as the general partner or managing member of the ownership entity for seventeen properties acquired using private activity bonds and tax credit equity. The remaining properties were acquired using tax-exempt 501(c)(3) Bonds, with TMG representing a non-profit owner under a long-term contract. Today TMG owns and operates 2,279 units of affordable and market rate housing.

Royce Mulholland currently owns 100% of The Mulholland Group, LLC and serves as the President and CEO of the Mulholland Group, LLC, a national real estate company. In Mr. Mulholland's 25 years of experience, he has been involved in the financing of over 6,200 units of housing with a total development cost in excess of \$430 million. Currently TMG is actively acquiring properties in four regions of the Country and anticipates closing 1,500 units a year over the next few years.

TMG Management, LLC

TMG launched its property management subsidiary, TMG Management, LLC, in January of 2013. Adding to twenty plus years as a developer and owner of multifamily affordable housing, TMG Management was founded with one mission, "to provide a superior community to our low income tenants." TMG Management achieves this mission by putting the needs of its residents first. By demonstrating "we care," we cultivate a "TMG Family Community." TMG Management strongly believes that investing in improving the quality of life for tenants through diligent attention to customer service and maintenance of the property maximizes the economic value of properties to lenders and investors.

TMG Management believes that the people on the ground are those that can make a difference. While TMG Management is a young company, it is already on the national forefront for implementing state-of-the-art management technology through its agreement with Greystone Management Solutions, which provides certain property management support services, including financial record keeping and payroll services, for properties in TMG's management portfolio. This has enabled the company to improve customer service and property repair response times significantly by operating online and in real time. To complement this technology, TMG Management has committed significant capital to staff's continuing education so that they may attain the highest level of certification and expertise in their fields. TMG Management has 32 employees, each of which hold a designation or certification in their field of expertise. Royce Mulholland is the sole owner and president of the company and Michael O'Donnell serves as the Chief Operating Officer.

TMG Management currently operate four properties consisting of approximately 1,200 residential and LIHTC units. TMG Management's commitment to mission and strategy are already paying dividends. In the first year of property management, TMG's culture has started to take hold in its staff and communities. In addition to a better work force and a better community atmosphere, the TMG portfolio of properties increased revenue by approximately 10% while increasing occupancy by over 4%.

Experience with Austin Housing Finance Corporation

TMG currently owns another Austin property, The Palms on Lamar, a 476-unit community located at 8600 North Lamar Boulevard that was recently renovated with LIHTC and AHFC financing. The Palms was successfully rehabilitated and placed in service by TMG and its economic performance has since exceeded the underwritten projections. The property is currently 98% leased with a waiting list for certain units.

TMG also applied for AHFC funding in January 2014 for Cross Creek, a 200-unit rehabilitation development located at 1124 Rutland Drive. Like The Palms and Capitol Village, Cross Creek's acquisition and renovations will be financed through AHFC funding and the 4% LIHTC program. The project is currently in the stages of review.

ATTACHMENT G

Rental Plan

						Max Gross 60%	Max Gross 50%		
Unit Type	Square Feet	Units	Average Rent	Utility Allow	Rent Increase	Rents	Rents	New Rents	Monthly Income
Eff	400	0	\$519	\$52	\$70	\$793	\$591	\$537	\$0
Eff 50% AMSI	400	42	\$519	\$52	\$70	\$793	\$591	\$537	\$22,554
1 BR/ 1 BA	650	0	\$679	\$63	\$80	\$849	\$633	\$696	\$0
1 BR/ 1 BA 50% AMSI	650	32	\$679	\$63	\$80	\$849	\$633	\$633	\$20,256
1 BR/ 1 BA	680	18	\$689	\$63	\$80	\$849	\$633	\$706	\$12,708
1 BR/ 1 BA	680	14	\$689	\$63	\$80	\$849	\$633	\$633	\$8,862
1 BR/ 1 BA	750	32	\$709	\$63	\$80	\$849	\$633	\$726	\$23,232
2 BR/1 BA	880	32	\$825	\$90	\$110	\$1,019	\$628	\$845	\$27,040
2 BR/ 1.5 BA	990	23	\$850	\$90	\$110	\$1,019	\$628	\$870	\$20,010
2 BR/ 2 BA	1084	38	\$850	\$90	\$110	\$1,019	\$628	\$870	\$33,060
2 BR/2.5 BA	1130	10	\$910	\$90	\$109	\$1,019	\$628	\$929	\$9,290
3 BA/2 BA	1380	8	\$1,199	\$115	-\$68	\$1,131	\$0	\$1,016	\$8,128
Total		249							
						Total Monthly Income		\$185,140	
Total Monthly Gross Potential Income				\$185,140					
Annual Gross Potential Rental Income				\$2,221,680					
Economic Losses									
Loss to Lease	\$22,217	1.00%							
Vacancy	\$111,084	5.00%							
Concessions (move-in & renewal)	\$0	0.00%							
Non-Revenue, Bad Debt	\$22,217	1.00%							
Total Losses	\$155,518	7.00%			\$155,518				
Net Residential Income				\$2,066,162					
Ancillary Income									
Bad Debt	\$0								
Damages	\$0								
Laundry Income	\$24,209								
Late Fees	\$0								
Utilities	\$170,571								
Lease Termination	\$0								
Application Fees	\$0								
Misc	\$96,516								
Total Ancillary Income	\$291,296			\$291,296					
Total Effective Income				\$2,357,458					

Development Budget

	Total	Unit Cost	Basis
ACQUISITION			
Land	\$790,000	\$3,173	\$0
Structure	\$15,010,000	\$60,281	\$15,010,000
Total Acquisition	\$15,800,000	\$63,454	\$15,010,000
SOFT COSTS			
Appraisal & Other Reports	\$14,000	\$56	\$14,000
Survey	\$20,000	\$80	\$20,000
Environmental Survey	\$14,000	\$56	\$14,000
Property Condition Report	\$14,000	\$56	\$14,000
Accounting/Cost Cert	\$10,000	\$40	\$0
Architect	\$175,000	\$0	\$175,000
Title and Recording Fees	\$65,000	\$261	\$65,000
Relocation Expense	\$75,000	\$301	\$75,000
Total Soft Costs	\$387,000	\$851	\$377,000
CONSTRUCTION COSTS			
Residential	\$5,478,000	\$22,000	\$5,478,000
Bridge Loan Renovation	\$747,000	\$3,000	\$747,000
Construction Management Fee - TMG	\$217,730	\$874	\$217,730
Total Hard Costs	\$6,442,730	\$25,874	\$6,442,730
Total Development Cost	\$6,829,730	\$27,429	\$22,047,460
PROJECT RESERVES & DEVELOPER FEE			
Developer Fee (15%)	\$4,473,280	\$17,965	\$4,473,280
Initial Operating Reserve Fund	\$690,417	\$2,773	\$172,604
Working Capital	\$311,250	\$1,250	\$0
Reserve for Replacement	\$124,500	\$500	\$0
Total Project Reserves	\$5,599,447	\$22,488	\$4,645,884
Total Project Costs	\$28,229,177	\$113,370	\$26,475,614
COST OF ISSUANCE			
Permanent Loan			
HUD Mortgage Insurance Premium	\$140,757	0.9%	\$0
HUD Inspection Fee	\$78,198	0.5%	\$78,198
HUD Exam Fee	\$46,919	0.3%	\$0
Greystone Financing Fee	\$234,594	1.5%	\$0
Bond Financing Fees	\$625,584	4.0%	\$0
Tax Credit Reservation/Application	\$25,000	0.9%	\$0
HUD OGC Origination Fee	\$156,396	1.0%	\$0
Capitalized Interest During Construction	\$798,694		
	\$2,106,142		
Bridge Loan			
Bridge Lender Legal	\$20,000	0.00%	\$0
Bridge Survey	\$25,000	\$565	\$25,000
Bridge Title & Recording	\$10,000	\$40	\$0
Bridge Finance Consultant	\$398,212	\$1,599	
Bridge TMG Legal	\$75,000		\$75,000
Bridge Local Counsel	\$25,000		\$25,000
Bridge Lender Due Diligence & Soft Costs	\$272,250		
Bridge Lender Loan Fee	\$316,000		
Bridge Rate Lock Fee	\$141,000		
Total	\$1,282,462	\$5,150	\$203,198
LEGAL			
TMG Real Estate Counsel - CHW	\$75,000	\$301	\$65,000
TMG Tax Credit Counsel - CHW	\$65,000	\$261	\$0
Bond Counsel	\$55,000	\$221	
Underwriter's Counsel	\$35,000	\$141	
Issuer's Counsel	\$20,000	\$80	
LP Counsel	\$45,000	\$181	\$45,000
Total	\$295,000	\$1,185	\$45,000
Total Uses of Funds	\$31,912,781	\$128,164	\$26,723,812

Operating Budget

	Bridge Period															
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
Income Growth as %	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
Rental & Other Income	\$2,357,458	\$2,427,269	\$2,475,814	\$2,525,330	\$2,575,837	\$2,627,354	\$2,679,901	\$2,733,499	\$2,788,169	\$2,843,932	\$2,900,811	\$2,958,827	\$3,018,004	\$3,078,364	\$3,139,931	\$3,202,730
Total Effective Income	\$2,357,458	\$2,427,269	\$2,475,814	\$2,525,330	\$2,575,837	\$2,627,354	\$2,679,901	\$2,733,499	\$2,788,169	\$2,843,932	\$2,900,811	\$2,958,827	\$3,018,004	\$3,078,364	\$3,139,931	\$3,202,730
Management Fee	\$117,873	\$109,227	\$111,412	\$113,640	\$115,913	\$118,231	\$120,596	\$123,007	\$125,468	\$127,977	\$130,536	\$133,147	\$135,810	\$138,526	\$141,297	\$144,123
Payroll and Related	\$292,575	\$301,352	\$310,393	\$319,705	\$329,296	\$339,175	\$349,350	\$359,830	\$370,625	\$381,744	\$393,196	\$404,992	\$417,142	\$429,656	\$442,546	\$455,822
Administration	\$30,000	\$30,900	\$31,827	\$32,782	\$33,765	\$34,778	\$35,822	\$36,896	\$38,003	\$39,143	\$40,317	\$41,527	\$42,773	\$44,056	\$45,378	\$46,739
Marketing	\$30,000	\$30,900	\$31,827	\$32,782	\$33,765	\$34,778	\$35,822	\$36,896	\$38,003	\$39,143	\$40,317	\$41,527	\$42,773	\$44,056	\$45,378	\$46,739
Total Administration	\$470,448	\$472,379	\$485,458	\$498,908	\$512,739	\$526,962	\$541,589	\$556,630	\$572,099	\$588,007	\$604,368	\$621,193	\$638,498	\$656,295	\$674,598	\$693,423
Security	\$13,276	\$13,674	\$14,085	\$14,507	\$14,942	\$15,391	\$15,852	\$16,328	\$16,818	\$17,322	\$17,842	\$18,377	\$18,928	\$19,496	\$20,081	\$20,684
Maintenance Contracts	\$49,800	\$51,294	\$52,833	\$54,418	\$56,050	\$57,732	\$59,464	\$61,248	\$63,085	\$64,978	\$66,927	\$68,935	\$71,003	\$73,133	\$75,327	\$77,587
Repair and Maintenance	\$105,825	\$109,000	\$112,270	\$115,638	\$119,107	\$122,680	\$126,361	\$130,151	\$134,056	\$138,078	\$142,220	\$146,487	\$150,881	\$155,408	\$160,070	\$164,872
Total Maintenance & Operations	\$168,901	\$173,968	\$179,187	\$184,563	\$190,100	\$195,803	\$201,677	\$207,727	\$213,959	\$220,377	\$226,989	\$233,798	\$240,812	\$248,037	\$255,478	\$263,142
Utilities	\$216,601	\$223,099	\$229,792	\$236,686	\$243,787	\$251,100	\$258,633	\$266,392	\$274,384	\$282,615	\$291,094	\$299,827	\$308,822	\$318,086	\$327,629	\$337,458
Total Utilities	\$216,601	\$223,099	\$229,792	\$236,686	\$243,787	\$251,100	\$258,633	\$266,392	\$274,384	\$282,615	\$291,094	\$299,827	\$308,822	\$318,086	\$327,629	\$337,458
Insurance	\$52,000	\$53,560	\$55,167	\$56,822	\$58,526	\$60,282	\$62,091	\$63,953	\$65,872	\$67,848	\$69,884	\$71,980	\$74,140	\$76,364	\$78,655	\$81,014
Taxes	\$272,430	\$280,603	\$289,021	\$297,692	\$306,622	\$315,821	\$325,296	\$335,054	\$345,106	\$355,459	\$366,123	\$377,107	\$388,420	\$400,073	\$412,075	\$424,437
Total Taxes and Insurance	\$324,430	\$334,163	\$344,188	\$354,513	\$365,149	\$376,103	\$387,386	\$399,008	\$410,978	\$423,307	\$436,007	\$449,087	\$462,559	\$476,436	\$490,729	\$505,451
Replacement Reserve	\$74,700	\$74,700	\$74,700	\$74,700	\$74,700	\$74,700	\$74,700	\$74,700	\$74,700	\$74,700	\$74,700	\$74,700	\$74,700	\$74,700	\$74,700	\$74,700
Total Expenses	\$1,255,080	\$1,278,309	\$1,313,325	\$1,349,370	\$1,386,474	\$1,424,668	\$1,463,985	\$1,504,457	\$1,546,120	\$1,589,008	\$1,633,157	\$1,678,606	\$1,725,391	\$1,773,554	\$1,823,134	\$1,874,174
Net Operating Income	\$1,102,378	\$1,148,959	\$1,162,489	\$1,175,960	\$1,189,363	\$1,202,686	\$1,215,916	\$1,229,042	\$1,242,049	\$1,254,924	\$1,267,654	\$1,280,221	\$1,292,612	\$1,304,810	\$1,316,797	\$1,328,555
Debt Service																
Source:																
Interest																
Principal	(\$951,750)	(\$798,694)	(\$798,694)	(\$798,694)	(\$796,599)	(790,095)	(783,249)	(776,045)	(\$768,462)	(760,481)	(752,082)	(743,242)	(733,938)	(724,146)	(713,840)	(702,993)
Total Debt Service	(\$951,750)	(\$920,556)	(\$920,556)	(\$920,556)	(\$920,556)	(\$920,556)	(\$920,556)	(\$920,556)	(\$920,556)	(\$920,556)	(\$920,556)	(\$920,556)	(\$920,556)	(\$920,556)	(\$920,556)	(\$920,556)
Cash Flow	\$150,628	\$228,403	\$241,932	\$255,404	\$268,807	\$282,130	\$295,360	\$308,485	\$321,493	\$334,368	\$347,097	\$359,665	\$372,056	\$384,253	\$396,240	\$407,999
LSA Cash Flow Loan	(\$62,500)															
Debt Service Coverage Ratio	1.16	1.25	1.26	1.28	1.29	1.31	1.32	1.34	1.35	1.36	1.38	1.39	1.40	1.42	1.43	1.44
Annual per unit expenses	\$5,040															
Cap Rate	6.98%															
Term	40															
Interest Rate	5.13%															
Economic Loss Schedule																
Gross Income from Rental Plan	\$2,221,680	\$2,266,114	\$2,311,436	\$2,357,665	\$2,404,818	\$2,452,914	\$2,501,973	\$2,552,012	\$2,603,052	\$2,655,113	\$2,708,216	\$2,762,380	\$2,817,627	\$2,873,980	\$2,931,460	\$2,990,089
Economic Loss Percentage	7.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%
Economic Loss	\$155,518	\$135,967	\$138,686	\$141,460	\$144,289	\$147,175	\$150,118	\$153,121	\$156,183	\$159,307	\$162,493	\$165,743	\$169,058	\$172,439	\$175,888	\$179,405
Other Income	\$291,296	\$297,122	\$303,064	\$309,126	\$315,308	\$321,614	\$328,047	\$334,608	\$341,300	\$348,126	\$355,088	\$362,190	\$369,434	\$376,822	\$384,359	\$392,046
Net Effective Income	\$2,357,458	\$2,427,269	\$2,475,814	\$2,525,330	\$2,575,837	\$2,627,354	\$2,679,901	\$2,733,499	\$2,788,169	\$2,843,932	\$2,900,811	\$2,958,827	\$3,018,004	\$3,078,364	\$3,139,931	\$3,202,730

Capital Village, 6855 E. Highway 290, Austin, TX

Sources & Uses	
Sources	
Mortgage	\$15,639,611
Limited Partner Equity	\$9,105,349
City of Austin	\$3,500,000
Deferred Development Fee	\$3,667,821
Total Sources	\$31,912,781
Uses	
Acquisition	\$15,800,000
Renovation Costs	\$6,442,730
Soft Costs, Development Fee & Project Reserves	\$8,092,589
Financing & Legal Costs	\$1,577,462
Total Uses	\$31,912,781

ATTACHMENT H

City of Austin Good Neighbor Policy Plan

Capitol Village

Neighborhood Plan

Capitol Village is located within the boundaries of the University Hills/Windsor Park Neighborhood Plan area. We do not anticipate opposition to the proposed redevelopment of the property, as it will improve the condition and safety of the property. The Development Team has reviewed the Neighborhood Plan and believes the proposed rehabilitation of Capitol Village is not only consistent with the future land use map but also meets many of the plan objectives and addresses several housing concerns raised in the plan, particularly:

- ...A significant portion of housing in the planning area is multi-family...Most multi-family structures in the planning area are rented; and much of the lower-income population in the planning area lives in these structures. The potential loss of affordable housing due to redevelopment and property value increases is discussed in the Housing Chapter...(p. 24)
- Stakeholders also supported maintaining multi-family zoning of sites in multi-family use (i.e., sites with existing apartment buildings) as a means to preserve affordable housing in the neighborhood. (p. 38)
- Homeowners and renters in the UHWP planning area feel strongly that property managers and multi-family property owners should comply with health and housing codes. Currently there are many rental structures in the area that need attention. In addition, crime is common in many apartment complexes in the area. (p. 65-66)
- Objective: Preserve existing affordable housing and provide affordable rental housing opportunities through the redevelopment of existing multifamily structures within the UHWP planning area. (p. 69)
- Objective: Support increased opportunities for affordable housing in the planning area. (p. 70)
- Apartment complexes and other older rental housing in the planning area offer affordable housing options for middle and low income residents. The recommendations below aim to ensure existing affordable units are safe, well-maintained, and that all residents are treated with respect. (p. 71)
- Objective: Address problems with property management and code enforcement at apartment complexes, rental properties, and select commercial properties and shopping centers in the planning area. (p. 71)

Notification

The Development Team prepared a letter that was sent to all neighbors within 500 feet of the property. This letter, which meets both City of Austin and Texas Department of Housing and Community Affairs notification requirements, was mailed on May 14, 2014 and is attached for reference. This letter included contact information for the appointed Single-Point-of-Contact (SPOC) who will serve as the Development Team Liaison.

Pre-Application Engagement

As explained in the Good Neighbor Policy Checklist, the purpose of a community engagement plan is to promote, “open, ongoing two-way communication between developers and neighbors,” in order to “prevent misunderstandings, facilitate prompt resolution of any inadvertent misunderstandings and provide a fair, thoughtful, dependable means of resolving differences.” The Capitol Village Development Team intends to abide by these guidelines and create a “positive, open dialogue between housing developers and neighbors” that will benefit all parties.

Capitol Village Residents:

Capitol Village is approximately 97% occupied. Although the property currently operates as de facto “affordable housing,” it does not receive any local, state, or federal funding. Consequently, the Developer is not required to cover relocation costs of the residents. Despite this, the Developer hopes to discuss the residents’ concerns and encourage existing residents who meet the income and background qualifications to return to the property once rehabilitated.

Many residents have publicly expressed concerns regarding the safety and decency of the housing under the current owner and management company. TMG intends to improve not only the physical quality of the units through the rehabilitation of the property, but also the community and safety conditions with a hands-on management presence.

The Development Team will notified the existing residents of Capitol Village as required by TDHCA. Following the submission of a competitive HTC application to TDHCA, the management company will schedule resident meetings to discuss the proposed rehabilitation of the property and answer any questions or concerns the residents may have.

Neighborhood Organizations:

The Development Team contacted NACD staff and consulted the online City of Austin Community Registry to identify any Neighborhood Associations with boundaries including the development site. The identified organizations include:

- Windsor Park Neighborhood
- Responsible Growth for Windsor Park
- Windsor Park Neighborhood Plan Contact Team

The Developer notified the above organizations and provided preliminary information about the project with a letter addressed to the organization’s community registry contact on May 14, 2014. Following the submission of financing applications, the Developer will coordinate with these organizations to attend a scheduled meeting and present information to the organization’s members. At that time the team will identify a Single-Point-of-Contact (SPOC) from the neighborhood organization to serve as the counterpart liaison for exchanging information.

Application Requirements

Communications Plan

A Communications Plan has been prepared to guide interactions with the neighbors of the site and Neighborhood Associations with boundaries containing the site. The Plan is outlined below:

- Review University Hills/Windsor Park Neighborhood Plan for compliance
- Contact the NHCD staff to identify Neighborhood Associations and contacts
- Send required notices under TDHCA and City of Austin programs
- Following application submissions, hold a meeting with Capitol Village residents to gather input, discuss concerns, and answer questions regarding rehabilitation process
- Following application submissions, engage and coordinate with the identified Neighborhood Associations to attend community meetings
- Invite NHCD staff to attend meetings with Neighborhood Associations
- Identify a Single Point of Contact (SPOC) for both the Development Team and the community organization
- Provide monthly updates on development of project throughout rehabilitation
- Invite neighbors and neighborhood associations to celebrate the opening of the property

Content of the Notice and Proof of Delivery

A copy of the notice mailed on May 14, 2014 and proof of delivery will be provided on request.

Signed Copy of Good Neighbor Policy Checklist

A signed copy of the Good Neighbor Policy Checklist has been provided.

Ongoing Communication - Construction and Operation Periods

As discussed above, the Developer will provide the engaged Neighborhood Associations with monthly updates throughout the rehabilitation of the property and will keep a line of communication open via the SPOC to answer questions or concerns. Once Capitol Village has been placed in service, the on-site property management staff will be available to receive any neighbor concerns and communicate them to the TMG executive staff.



May 14, 2014

Dear Neighbor:

This letter serves to notify you that The Mulholland Group, LLC (TMG) will be applying for Housing Tax Credits through the Texas Department of Housing and Community Affairs (TDHCA) and Rental Housing Development Assistance through the City of Austin to finance the acquisition and rehabilitation of Capitol Village, located at 6855 E. Highway 290, Austin, TX 78723.

Capitol Village is an existing multifamily apartment community comprised of 249 units. Rehabilitation will improve the property's interior and exterior physical condition. Upon completion of the rehabilitation work, all 249 units, or 100% of the development, will serve qualifying residents at or below 60% of Area Median Income (AMI) for the Austin-Round Rock MSA. Twenty-five of the units, or 10% of the development, will be Permanent Supportive Housing (PSH) units serving individuals at or below 30% of AMI.

TMG currently owns and operates 2,279 units of affordable and market rate housing and has more than 20 years of experience in real estate development. TMG's affiliated property management company, TMG Management, strongly believes in improving the quality of life for residents through diligent attention to customer service and maintenance of the property. TMG will also work in partnership with Front Steps, a local non-profit, to provide decent and safe affordable housing at Capitol Village. Other examples of the partners' Development include The Palms on Lamar, a 476-unit community located at 8600 North Lamar Boulevard.

The Development Team intends to keep Capitol Village's neighbors updated during the rehabilitation process. Following the submission of the financing applications we will coordinate to attend neighborhood association meetings in order to discuss the project and receive neighborhood input. We appreciate your cooperation and ask that you direct any questions to the designated single point of contact, Royce Mulholland, at: rmulholland@tmg-housing.com.

Sincerely,

A handwritten signature in black ink, appearing to read "Sarah Andre", with a stylized flourish at the end.

Sarah Andre, Consultant to Capitol Village
Structure Development

ATTACHMENT 6b

City of Austin Good Neighbor Checklist

The Neighborhood Housing and Community Development Office (NHCD) offers a Good Neighbor Policy to standardize process and identify expectations for all projects funded through the City of Austin's Rental Housing Development Assistance (RHDA) and Acquisition and Development (A&D) programs. Applicants of these programs are required to prepare and begin implementing a community engagement plan, including neighborhood notification activities. The community engagement plan is required whether the application is for funding for new construction or renovation of an existing building, regardless of whether there is a change in ownership.

A successful community engagement plan leads to open, ongoing two-way communication between developers and neighbors. This requires good-faith efforts and cooperation by developers, City officials and residents. A positive, open dialogue between housing developers and neighbors can prevent misunderstandings, facilitate prompt resolution of any inadvertent misunderstandings, and provide a fair, thoughtful, dependable means of resolving differences.

The following checklist of items is required of all applicants for funding:

(1) Preliminary Research

- ☒ Review the Neighborhood Plan (if applicable) (University Hills/Windsor Park Neighborhood Plan)

(2) Neighborhood Notification

- ☒ Notify property owners within at least 500 feet of the site and registered neighborhood organizations with boundaries included in the proposed development site, using a written notice, letter or flyer.

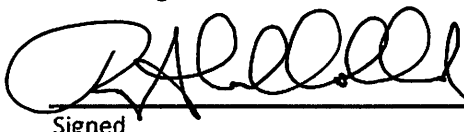
(3) Pre-Application Engagement

- ☒ Contact neighborhood organizations to provide current information about the project, including any neighborhood association whose boundaries are included in the proposed development site and Neighborhood Planning Contact Team (if applicable). *(see full City of Austin Good Neighbor Guidelines for more detailed information on what kind of information may be appropriate to share)*
- ☒ Appoint a Single-Point-of-Contact (SPOC) to serve as the liaison for exchanging information.

(4) Application requirements

- ☒ Provide communications plan
- ☒ Provide documentation showing the content of the notice, and proof of delivery
- ☒ Provide signed copy of this checklist.

I have reviewed and completed all of the above checklist items required by the City of Austin's Good Neighbor Guidelines. See Attached for more information on Good Neighbor Policy Plan



Signed

ROYCE MULHOLLAND

printed name

5-2-14

date

ATTACHMENT I

ITEM 15: DESCRIPTION OF SUPPORTIVE SERVICES

Tax Credit required services include notary services on site, computer literacy classes, health screening services, monthly social activities and referral sources for all residents of Cross Creek. Our management team is experienced in providing these services and will develop a package of services that meets the TDHCA criteria *and* responds to the specific desires of residents at Cross Creek. In addition to services provided to all residents, per our commitment under the TDHCA 4% Tax Credit Program, Front Steps will operate 25 units of Permanent Supportive Housing on site.

Front Steps will provide on-site services to twenty-five residents who are in need of Permanent Supportive Housing. These are *100% chronically homeless, low-barrier beds based on HUD guidelines*. Our MOU with Front Steps is under negotiation and will be forthcoming.

Front Steps will provide intensive, individualized case management services. A case manager will provide in-home and community services: advocacy, crisis intervention, goal planning, counseling, skills training, financial management, treatment, weekly group facilitation and mental health support. Clients are assigned wrap-around team support in an "ACT" style team model, ensuring a seamless transition from homelessness. Staff meet twice weekly as a team, program manager meets weekly with each individual case manager. The on-call pager on rotates between staff on a weekly basis.

Case Managers focus on assisting clients in increasing and accessing mainstream benefits, including but not limited to SSI/SSDI income, SNAP benefits and Medicaid. Initial engagement with residents begins with assessing needs and eligibility for mainstream benefits. Case Managers are SOAR trained and certified counselors for the Benefit Bank of Texas which will allow case managers and clients to apply for up to 9 main stream benefits with only one online application.

Front Steps also partners with Austin Travis County Integral Care and Goodwill Employment Specialists exist to assist those clients who are interested in employment. Case Managers are also well versed in the Social Security Administration "Ticket to Work" program and the options for services through Department of Aging and Rehabilitative Services. Once clients have maintained housing for a reasonable period and are able to work these services are all offered and encouraged but not required.

A Three Year Budget for Supportive Services for Twenty-five People is provided below. This does not include the leased units, valued at approximately \$192,500 per year. Service dollars are not yet in place, but we are working with ECHO to identify the right sources and ECHO has committed to helping us make the services possible for this population. A support letter from ECHO, identifying service dollars for which they are applying, is attached.

Three Year Budget for Twenty-five Units of PSH

Front Steps Housing Activities	Total
Supportive Services	\$ 60,000
Operating (Staff – 3.0 FTEs)	\$360,000
HMIS (2) Licenses	\$ 3,600
Travel	\$ 21,000
Equipment/Supplies	\$16,800
Administrative Costs	\$ 9,000
Total Budget	\$470,400

ABOUT FRONT STEPS:

Front Steps is a nonprofit organization whose mission is to provide a pathway to hope through shelter, affordable housing and community education. Front Steps manages the Austin Resource Center for the Homeless (ARCH), the Central Texas Recuperative Care Center, and the Keep Austin Housed AmeriCorps Program, as well as three HUD permanent supportive housing programs and Rapid Rehousing services.

<http://www.frontsteps.org>

Front Steps understands that individuals experiencing homelessness come from a wide range of backgrounds. As seasoned providers we recognize that each person's diverse experiences, values, and beliefs will impact how he or she accesses homeless services. We also acknowledge the importance of recognizing that the cultural values of providers and service delivery systems have an effect on how services are delivered and accessed. We ensure that all consumers have equal access to services, regardless of ethnic, cultural, or linguistic backgrounds. Staff has access to a language line for translation, to case managers who are bilingual in Spanish and ASL and program documents are available in Spanish. Staff facilitates physical reasonable accommodations requirements such as ramps are provided by properties, program will assist with costs if necessary.

Our Case Managers receive ongoing training the following areas:

- SOAR Training
- Self-Care (three part series)
- Natural Lifemanship (Spirit Reigns)
- Motivational Interviewing
- Trauma Informed Care
- Benefit Bank
- Working with Resistant Clients
- Mental Health First Aid
- Gender and Sexual Diversity
- Working with Diverse Populations

Supportive services accessible to clients from Front Steps or through formal project agreements with partner agencies include:

- Counseling
- Education
- Furniture
- Health Care
- Job Training/Employment Assistance
- Mental Health Services/Therapeutic Counseling
- Move-in Deposits
- Substance Abuse treatment
- Transportation

Front Steps conducts ongoing internal file reviews and works closely with the ECHO HMIS Coordinator to improve our data collection quality. Our Service Point Coordinator at Front Steps has been an integral part of an increase in data quality. The key factor in increasing data quality is developing and implementing a Data Quality Plan for the agency.

ATTACHMENT J

Capitol Village

Map 1: Austin Metro Opportunity Index



Kirwan Institute
Many Differences One Destiny

Description: This map represents opportunity environments in the region. The opportunity index is based on Education data, Economics and Mobility data, and Housing and Environment data. Together the data illustrate areas in the region that afford more or less opportunity for residents to lead successful lives.

