



CITY OF KILLEEN

LOW INCOME HOUSING TAX CREDIT (LIHTC) PROGRAM

APPLICATION FOR SUPPORT AND/OR FUNDING ASSISTANCE

PLEASE NOTE: The City of Killeen 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 5-year Consolidated Strategic Plan, various strategic and master plans, or policy direction from the Killeen City Council.

1. PROJECT INFORMATION

Skyline Development, LLC

Developer Name

Villas at Robinett

Project Name

15 +/- acres near the southeast corner of Robinett Rd. and W. Elms Rd., Killeen, Bell Co., TX 76549

Project Address

48027023108

Willow Springs

Palo Alto

Shoemaker

Census Tract

Elementary School

Middle School

High School

Project Type:

☐ General

☒ Elderly

☐ Supportive Housing

Role of Applicant:

(select all that apply)

☒ Owner

☒ Developer

☐ Other: _____

Applicant is Requesting City Council Resolution:

(select all that apply)

☒ of support

☐ stating no objection

Applicant is Requesting Commitment to Funding:

☐ Loan

☐ Grant

☒ Reduced Fees

☐ Other: _____

\$500

Amount of Loan, Grant, or Reduced Fees Requested:

2. APPLICANT INFORMATION

If the applicant is not acting as the developer, please provide all of the information below for the developer, as well as 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.

Skyline Development LLC

Name

3600 W Loop S, Suite 670

Business/Street Address

Bellaire

Texas 77401

City

State, ZIP

(713)560-0068

Telephone #

Zachary Krochtengel

(215)806-2216

Zach@marqueconsultants.com

Contact Person

Contact Telephone #

Email Address

82-2865039

DUNS #

Federal Tax ID #

2. PROJECT DESCRIPTION

Provide a brief project description that addresses items "a" through "t" below. Attempt to limit responses to 150 words or less.

- a. Indicate the project location by providing an area map with the property highlighted;
- b. Provide a preliminary site plan for the proposed project;
- c. Describe the tenant population, income levels, and services, if any, to be provided to or made available to residents;
- d. List basic amenities and unit amenities proposed for the project;

- e. Describe the taxable status of the development. Indicate whether the development will be paying property taxes or if the development will be tax exempt;
- f. Describe current zoning of property. Include a letter from the City of Killeen's Planning Department 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;
- g. Include evidence of site control, such as a warranty deed or a current, receipted earnest money;
- h. List the proposed number, type, and size of units; number of market rate and SF of units.

	Total # of Units	# of Affordable Units	# of Market Rate Units	SF of Each Unit
1 BR				
2 BR				
3 BR				
4 BR				
Total Units				

- i. Provide the total number of units servicing each Area Median Gross Income (AMGI) group and the proposed rents (less utility allowances) for low income units and proposed rents for market rate units;
- j. Demonstrate the project's compatibility and alignment with the priorities stated in the City's 5-year Consolidated Plan; Comprehensive Plan, Future Land Use Map, and any other applicable master, strategic, and redevelopment or neighborhood plans adopted by the City of Killeen;
- k. Describe the involvement and support from local stakeholders and neighborhood organizations; include a list of stakeholders and neighborhood associations contacted and include any letters of support;
- l. Describe the impact the project is anticipated to have on surrounding neighborhood(s);
- m. Describe the impact the project is anticipated to have on existing affordable housing in the area;
- n. Describe the impact the project is anticipated to have on City infrastructure; including the impact of traffic associated with the proposed project;
- o. Describe the availability of and impact the project is anticipated to have on public transit service;

- p. Describe the impact the project is anticipated to have on area schools;
- q. Indicate if the project will assist in the elimination of blight, the preservation of environmental assets, and/or enhancement of landscaping;
- r. Summarize the key financials of the project, clearly indicating the total project cost, the amount and intended use of City of Killeen funds being requested, and preliminary project financials;
- s. Provide a list of other LIHTC projects you have completed or have pending; include information on location, type, number of units, project costs, and project references on former LIHTC projects. Include a list of other LIHTC applications you will be submitting to the Texas Department of Housing and Community Affairs in 2019.
- t. All applications for consideration must meet the Housing Tax Credit Program Qualified Allocation Plan 2019 issued by the Texas Department of Housing and Community Affairs, §11.1 General - §11.10 Third Party Request for Administrative Deficiency for Competitive HTC Applications.
- u. Provide information on the number and type of local contracting opportunities associated with the proposed development (construction or other type of contract).

4. DEVELOPMENT TEAM

Identify below the persons or entities anticipated to be involved in the project. Also, indicate if any person or entity involved is a disadvantaged, minority or women-owned business enterprise (DBE/MBE/WBE), or if any of the entities are non-profit organizations.

	Development Team Name(s) and Contact Information	Years of Experience	DBE	MBE	WBE	Non-Profit
Owner	Skyline Development, LLC	10				
Developer	Skyline Development, LLC	10				
Architect	Mucasey	35				
Engineer	Mitchell and Associates	44				
Construction Lender	TBD					
Other Lenders	TBD					
General Contractor	TBD					
Consultant (if applicable)						
Sub-Contractor						
Sub-Contractor						
Other						

Other						
-------	--	--	--	--	--	--

5. DEVELOPMENT SCHEDULE

Complete the schedule below with anticipated completion dates. Re-order the steps according to the appropriate sequence for your project, and add in any other significant steps integral to your project's development.

	Date(s)
Acquisition and/or holding	12/2019
Securing and packaging project financing	8/2019-12/2019
Construction specifications and cost estimates	8/2019-12/2019
Construction bids	8-2019-12/2019
Construction start	1/2020
Completion of construction	7/2021
Start of Rent-up	1/2021
Other: Start of Staffing	9/2020
Other: Clubhouse Completion	12/2020
Other:	

6. SUBMISSION INFORMATION

The Community Development Department, serves as the City's primary staff and point of contact for all LIHTC programs. Before a project will be evaluated, each applicant requesting support and/or funding assistance must submit a completed application with all attachments.

City of Killeen 2019 LIHTC Important Dates:

1/7/2019:	Application Deadline
2/5/2019:	Presentation from Developer(s) at City Council Workshop Session
2/12/2019	Consideration of Resolution(s) at City Council Meeting

Completed application should be submitted to:

City of Killeen

Community Development Department
Leslie Hinkle, Executive Director of Community Development

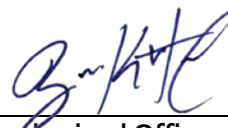
P.O. Box 1329 or 802 North Second Street- Bldg. E, 1st floor Killeen, Texas 76541

254-501-7847 or lhinkle@killeentexas.gov

The applicant/developer certifies that the data included in this application and the exhibits attached hereto are true and correct. Any information found to be misleading will mean automatic disqualification under this Program. (Unsigned/undated submissions will not be considered).

Villas at Robinet 19, LP

Legal Name of Developer/Entity



Signature of Authorized Officer

1/7/2019

Date

Co-Developer

Title

Robinett Road

Villas at Robinett, a proposed Senior Affordable Rental Housing Community

Sponsored By:

Skyline Development, LLC and its affiliates

Contacts:

Jamie Rickenbacker-713.560.0068 / jamie@marqueconsultants.com

Zach Krochtengel-215.806.2216 / zach@marqueconsultants.com

As Required by TDHCA, and in accordance with the Department's rules, aspects of the proposed development may be subject to change including, without limitation, to changes in the amenities ultimately selected and provided.

Robinet Road

A. Location Map



Robinett Road

B. Preliminary Site Plan

VILLAS AT ROBINETT

A Seniors Community

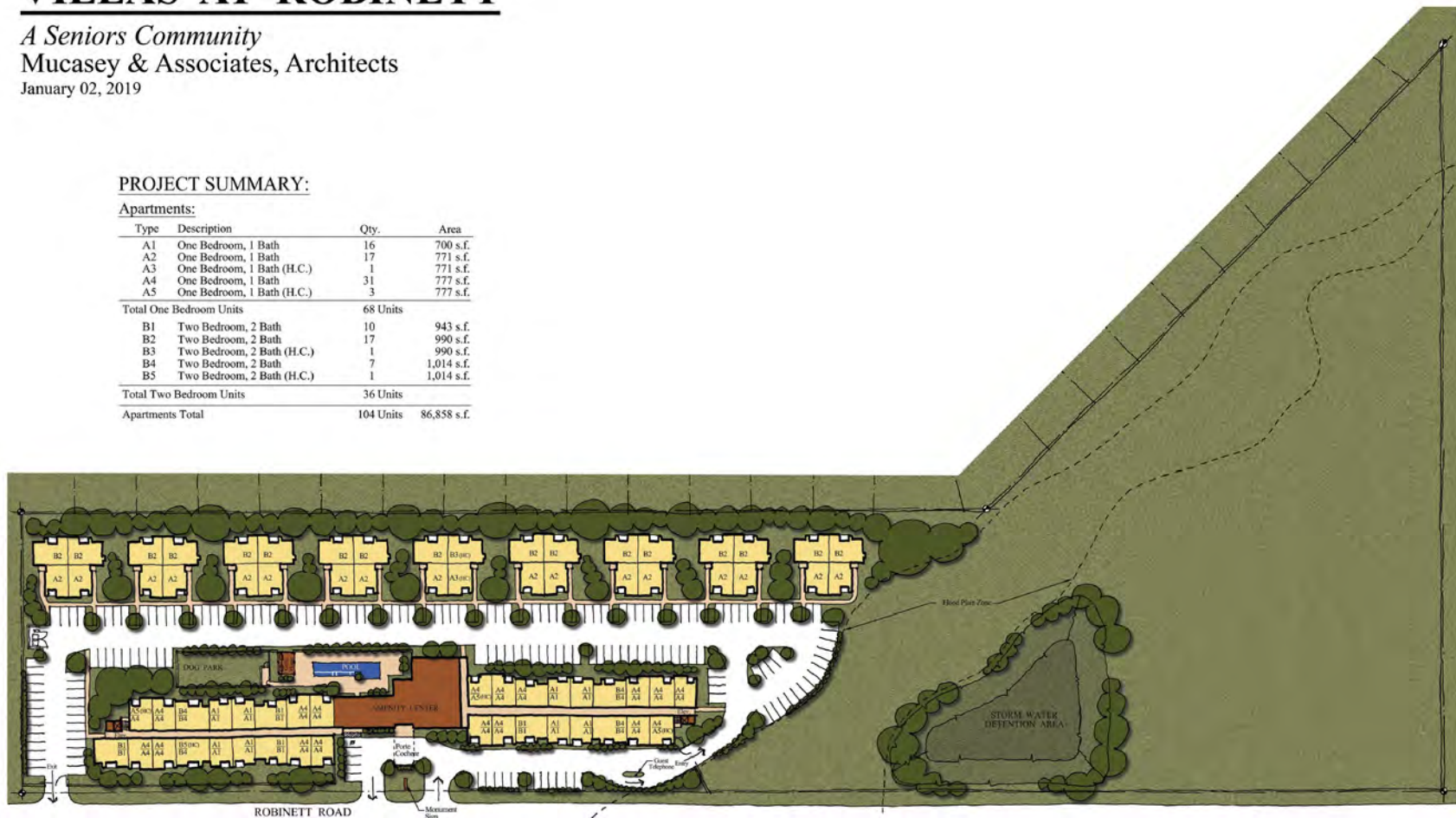
Mucasey & Associates, Architects

January 02, 2019

PROJECT SUMMARY:

Apartments:

Type	Description	Qty.	Area
A1	One Bedroom, 1 Bath	16	700 s.f.
A2	One Bedroom, 1 Bath	17	771 s.f.
A3	One Bedroom, 1 Bath (H.C.)	1	771 s.f.
A4	One Bedroom, 1 Bath	31	777 s.f.
A5	One Bedroom, 1 Bath (H.C.)	3	777 s.f.
Total One Bedroom Units		68 Units	
B1	Two Bedroom, 2 Bath	10	943 s.f.
B2	Two Bedroom, 2 Bath	17	990 s.f.
B3	Two Bedroom, 2 Bath (H.C.)	1	990 s.f.
B4	Two Bedroom, 2 Bath	7	1,014 s.f.
B5	Two Bedroom, 2 Bath (H.C.)	1	1,014 s.f.
Total Two Bedroom Units		36 Units	
Apartments Total		104 Units	86,858 s.f.



Robinett Road

C. Tenant Population

Proposed Rent and Income Levels for the tenants are in the attached tables.

The tenant population will be limited to 55 and older. The Senior Restriction is enforced through a Land Use Restriction Agreement (LURA) which will dictate the age restriction as well as the income levels of the tenants. The only way for the LURA to be removed is through foreclosure, and Skyline Development has never had a foreclosure. On all of our properties we provide a suite of services to the tenants. Many times we partner with local non-profits to provide the services as well.

PROPOSED RENTS			
Unit \ Income Level	30% AMI	50% AMI	60% AMI
1-Bedroom	\$335	\$559	\$671
2-Bedroom	\$402	\$671	\$805

INCOMES SERVED			
Unit \ Income Level	30% AMI	50% AMI	60% AMI
1-Bedroom	\$13,433	\$22,388	\$26,865
2-Bedroom	\$16,119	\$26,865	\$32,238

EXAMPLE SOCIAL SERVICES:

- Food Pantry
- Financial Planning Assistance
- Annual Health Fair
- Health and Nutrition Courses
- Bi-Monthly Social Events
- Arts and Crafts
- Community Room For Impromptu Gatherings/Potlucks

Robinett Road

D. Community/Unit Amenities

EXAMPLE COMMUNITY AMENITIES

- Clubhouse with Management Office
- Furnished Community Room
- Business Center with Computers, Printer/Scanner
- Community Kitchen
- Equipped Fitness Center
- Conference Room
- Food Preparation Island
- Common Laundry Room
- Pavilion with Picnic Tables & Barbeque
- Swimming Pool
- Perimeter Fencing with Controlled Access
- On Site Property Management

UNIT AMENITIES:

- 9 Foot Ceilings
- Covered Entries & Porches
- Ceiling Fans
- Washer/Dryer Connections
- Refrigerator with Ice Maker
- Microwave & Kitchen Disposal
- Self Cleaning Ovens
- Energy Efficient Appliances

As Required by TDHCA, and in accordance with the Department's rules, aspects of the proposed development may be subject to change including, without limitation, to changes in the amenities ultimately selected and provided.

Robinett Road

E. Taxable Status

Villas at Robinett will pay full property taxes.

Robinett Road

F. Current Zoning

The proposed development site is currently Zoned B-3 and we have applied to change the Zoning to R-3A.



CITY OF KILLEEN
PLANNING & DEVELOPMENT SERVICES

January 7, 2019

RE: Zoning of 4000 Robinett Road, Killeen, TX 76549

Ms. Hinkle:

Planning staff is in receipt of a Comprehensive Plan Future Land Use Map (FLUM) amendment application and an accompanying zoning change application submitted by Sycamore Strategies L.L.C. for the property located at 4000 Robinette Road, Killeen, Texas 76549. The property is currently zoned "B-3" (Local Business District), which does not permit multifamily housing. The Planning staff will process the two (2) applications concurrently. If approved, the site would be appropriately zoned for the intended use.

Please contact my office at (254) 501-7630 if you have any questions about the information that I have provided to you.

Sincerely,

Tony D. McIlwain, AICP, CFM

Assistant Director

Planning and Development Services Department

200 E. Ave. D, Killeen, Texas 7640

Ph: 254-501-7633

Fax: 254-501-7628

Cell: 254-290-9277

E-mail: tmcilwain@killeentexas.gov

Robinett Road

H. Proposed Units

	Total # of Units	# of Affordable Units	# of Market Rate Units	SF of Each Unit
1 BR	69	61	8	700-777 SF
2 BR	35	32	3	943-1,014 SF
3 BR				
4 BR				
Total Units	104	93	11	86,858

Robinett Road

I. Rent Schedule

Rent Schedule													
Rent Designations (select from Drop down menu)													
HTC Units	MF Direct Loan Units (HOME Rent/Inc)	State HTF Units	MRB Units	Other/ Subsidy	# of Units	# of Bed- rooms	# of Baths	Unit Size (Net Rentable Sq. Ft.)	Total Net Rentable Sq. Ft.	Program Rent Limit	Tenant Paid Utility Allow.	Rent Collected /Unit	Total Monthly Rent
					(A)			(B)	(A) x (B)			(E)	(A) x (E)
TC 30%					7	1	1.0	765	5,355	344	48	296	2,072
TC 50%					12	1	1.0	765	9,180	613	48	565	6,780
TC 60%					42	1	1.0	765	32,130	747	48	699	29,358
MR					8	1	1.0	765	6,120			882	7,056
TC 30%					3	2	2.0	970	2,910	390	58	332	996
TC 50%					7	2	2.0	970	6,790	701	58	643	4,501
TC 60%					22	2	2.0	970	21,340	856	58	798	17,556
MR					3	2	2.0	970	2,910			942	2,825
									0				-
			TOTAL		104				86,735				71,144

Robinett Road

j. Compatibility and alignment with the priorities stated in the City's 5-year Consolidated Plan; Comprehensive Plan, Future Land Use Map, and any other applicable master, strategic, and redevelopment or neighborhood plans adopted by the City of Killeen;

The Killeen 5-year consolidated plan specifically addresses the production of new housing rental units that target the elderly as a priority to maintaining affordable housing options. According to the plan there are approximately 1,300 elderly cost burdened households at over 30%, and 650 households with a 50% cost burden especially in the 0-80% AMI. Further, the homeowners in that group have financial hardships from the maintenance of their properties while on a fixed income. Giving the elderly a good rental option that alleviates them from the burden of maintenance and repairs will be a boost to the housing stock in Killeen. The consolidate plan also states there are over 3,000 65+ households in Killeen between 0-100% HAMFI. The proposed project will target 55+ but will include that vulnerable population that needs cost of living stability.

"Although Killeen has a large number of market rate homes, affordable housing for both owners and renters in the 0-80% income category is needed to address cost burden, severe cost burden and overcrowded housing conditions. Cost burden and severe cost burden affects almost proportionately small related households, large related households, elderly and other households in the income category of 0-80% AMI."

The Proposed Development is consistent with aspects of the comprehensive plan because the property will give multiple housing types for the seniors on one site. This allows for variation of the dwelling types between a 2-story multifamily apartment and single-story villa units. This variety coupled with affordability was a key component of the Zoning Commission Action strategies in the comprehensive plan. With the low density of our site plan and the rustic setting in North Killeen we believe that we are fulfilling the goal of providing a "County Living" option to seniors who might not otherwise have the opportunity to maintain that lifestyle.

Provide for "Country Living" Options within the City:

1. Continue to incorporate and zone appropriately adequate land at the City's fringe to accommodate low-density residential development that will maintain an Estate or Rural character over time. Otherwise, those seeking larger-lot living arrangements with a more open feel will look to property and developments in unincorporated areas, which can contribute to a spread-out development pattern and reduce the City's long-term tax base potential.
2. This action item is also linked to the economic development items above, especially since higher-income university officials and faculty, medical professionals, retirees, and others could be a growing segment of the Killeen housing market over the next several decades, and "country living" options will likely be of interest to some portion of this market group.

Robinett Road

l. Describe the impact the project is anticipated to have on surrounding neighborhood(s);

As the Proposed Development is lower density than most apartment complexes (approximately 7 units/acre) and serving the elderly population we believe that it will have a similar impact to single family development.

m. Describe the impact the project is anticipated to have on existing affordable housing in the area;

As the Proposed Development is targeting the elderly population we believe the impact on other affordable housing will be minimal. Killeen has not been awarded tax credits on a senior development in 10 years, and the next newest development was awarded 16 years ago.

n. Describe the impact the project is anticipated to have on City infrastructure; including the impact of traffic associated with the proposed project;

The low density and elderly population of this site should add very similar impact to the city infrastructure as single-family development. Also, as many seniors are on a different schedule than working adults and families the impact on traffic from senior developments is usually minor. The average trip traffic per unit on a senior development is approximately 4.52 daily trips compared to 6.47 for apartments and 9.55 for single family homes. With less traffic and varying times of day the traffic is generated we do not anticipate traffic impact to be an issue for the Proposed Development.

o. Describe the availability of and impact the project is anticipated to have on public transit service;

There is a bus stop located nearby that we anticipate the Tenants will utilize however with the low density of the Proposed Development we do not expect it to strain the system.

p. Describe the impact the project is anticipated to have on area schools;

None- Senior development.

q. Indicate if the project will assist in the elimination of blight, the preservation of environmental assets, and/or enhancement of landscaping;

We believe the low-density nature of this development as well as 5 acres of the site separated by flood plain will allow for green space to be preserved.

u. Local contracting opportunities will be available for construction as well as services and maintenance such as landscaping.

Robinett Road

4% LIHTC Dashboard

UNIT MIX					
Unit	Income Level	30%	50%	60%	Market Rate
Efficiency		0		0	0
1 Bedroom		7	12	42	8
2 Bedroom		3	7	22	3
3 Bedroom		0		0	0
Total		10	19	64	11
%age of Total		10.75%	20.43%		
Required		10.00%	20%		
		GOOD	GOOD		

UNIT SIZES				
	Senior	Family		
1-BR	765	650	Total SF	86,735
2-BR	970	850	Avg SF	834
3-BR		1050		
Set Market Rents at		70% AMI		

ACQUISITION			
Land			
Land Cost	800,000	Land Cost	790000
		Closing Cost	10000

PLUGS			
	Hard Plug		
Property Taxes	\$40,000		
Payroll	\$100,000		
Expense Per Unit		\$4,582	
Expense Ration		62.66%	

DEBT FINANCING			
Amount		\$3,300,000	
Interest Rate		6.50%	
Amortization		35	
Payment		\$239,245	
Interest Only			
	Interest Rate	6.00%	
	Years	2.0	

NOI/DCR			
Net Operating Income		\$283,976	
Payment		\$239,245	
DCR		1.19x	
Required		1.15x	
		GOOD	

SOURCES AND USES			
DEBT			
Perm Debt	\$3,300,000		
Total Debt	\$3,300,000		
EQUITY			
Tax Credit Equity	\$12,032,800		
DDF	\$342,874	Good	
Killeen Reduced Fees	\$500		
Total Equity	\$12,376,174		
Total Sources and Uses	\$15,676,174		

EQUITY FINANCING			
Supported Tax Credits		\$1,438,561	
Requested Tax Credits		\$1,352,000	
Region Maximum		\$1,500,000	
Tax Credit Price		GOOD	
Leverage		\$0.89	
		8.62%	

DEVELOPER FEE			
Total Developer Fee		\$1,794,830.00	
DDF		\$343,374.27	
Percentage		19%	
Year of Payoff		7	

50% TEST			
Bond Amount		\$3,300,000	
Aggregate Basis		\$15,329,691	
Percentage		22%	
Amount Able to Increase/Decrease		\$8,696,691	

NEW CONSTRUCTION			
Cost Per SF		\$82.00	
Cost Per Unit		\$96,408	
Construction Time	Months	24	

DEVELOPMENT COST SCHEDULE				
		Per Unit	PSF	
Acquisition	\$790,000	\$7,596	\$9.11	
Off-Sites	\$0	\$0	\$0.00	
Site Work	\$1,200,800	\$11,546	\$13.84	
Site Amenities	\$407,051	\$3,914	\$4.69	
Building Cost	\$7,112,270	\$68,387	\$82.00	
Contingency	\$610,408	\$5,869	\$7.04	
Contractor Fees	\$1,306,274	\$12,560	\$15.06	
Soft Costs	\$868,581	\$8,352	\$10.01	
Financing	\$1,168,080	\$11,232	\$13.47	
Developer Fee	\$1,794,830	\$17,258	\$20.69	
Reserves	\$407,879	\$3,922	\$4.70	
Total	\$15,666,174	\$150,636	\$180.62	

9% LIHTC Dashboard

UNIT MIX					
Unit	Income Level	30%	50%	60%	Market Rate
Efficiency		0		0	0
1 Bedroom		7	12	42	8
2 Bedroom		3	7	22	3
3 Bedroom		0		0	0
Total		10	19	64	11
%age of Total		10.75%	20.43%		
Required		10.00%	20%		
		GOOD	GOOD		

UNIT SIZES				
	Senior	Family		
1-BR	765	650	Total SF	86,735
2-BR	970	850	Avg SF	834
3-BR		1050		
Set Market Rents at		70% AMI		

ACQUISITION			
Land			
Land Cost	800,000	Land Cost	790000
		Closing Cost	10000

PLUGS		
	Hard Plug	
Property Taxes	\$40,000	
Payroll	\$100,000	
Expense Per Unit		\$4,582
Expense Ration		62.66%

DEBT FINANCING		
Amount		\$3,300,000
Interest Rate		6.50%
Amortization		35
Payment		\$239,245
Interest Only		
Interest Rate		6.00%
Years		2.0

NOI/DCR		
Net Operating Income		\$283,976
Payment		\$239,245
DCR		1.19x
Required		1.15x
		GOOD

SOURCES AND USES			
DEBT			
Perm Debt	\$3,300,000		
Total Debt	\$3,300,000		
EQUITY			
Tax Credit Equity	\$12,032,800		
DDF	\$342,874	Good	
Killeen Reduced Fees	\$500		
Total Equity	\$12,376,174		
Total Sources and Uses	\$15,676,174		

EQUITY FINANCING		
Supported Tax Credits		\$1,438,561
Requested Tax Credits		\$1,352,000
Region Maximum		\$1,500,000
	GOOD	
Tax Credit Price		\$0.89
Leverage		8.62%

DEVELOPER FEE		
Total Developer Fee		\$1,794,830.00
DDF		\$343,374.27
Percentage		19%
Year of Payoff		7

50% TEST		
Bond Amount		\$3,300,000
Aggregate Basis		\$15,329,691
Percentage		22%
Amount Able to Increase/Decrease		\$8,696,691

NEW CONSTRUCTION		
Cost Per SF		\$82.00
Cost Per Unit		\$96,408
Construction Time	Months	24

DEVELOPMENT COST SCHEDULE			
	Per Unit	PSF	
Acquisition	\$790,000	\$7,596	\$9.11
Off-Sites	\$0	\$0	\$0.00
Site Work	\$1,200,800	\$11,546	\$13.84
Site Amenities	\$407,051	\$3,914	\$4.69
Building Cost	\$7,112,270	\$68,387	\$82.00
Contingency	\$610,408	\$5,869	\$7.04
Contractor Fees	\$1,306,274	\$12,560	\$15.06
Soft Costs	\$868,581	\$8,352	\$10.01
Financing	\$1,168,080	\$11,232	\$13.47
Developer Fee	\$1,794,830	\$17,258	\$20.69
Reserves	\$407,879	\$3,922	\$4.70
Total	\$15,666,174	\$150,636	\$180.62

Robinett Road

STABILIZED PRO FORMA						
	COMPARABLES		APPLICANT			
	Database	Bexar Comps	%EGI	Per SF	Per Unit	Amount
POTENTIAL GROSS RENT				\$8.99	\$7,498.21	\$779,814
Application Fees, Late Fees, Vending				\$0.24	\$199	\$20,700
Total Secondary Income				\$0.24	\$199	\$20,700
POTENTIAL GROSS INCOME				\$9.23	\$7,697	\$800,514
Vacancy and Collection Loss				-\$0.46	-\$385	(\$40,026)
EFFECTIVE GROSS INCOME				\$8.77	\$7,312	\$760,488
General & Administrative				\$0.87	\$723	\$ 75,200
Management				\$0.44	\$366	\$ 38,024
Payroll & Payroll Tax				\$1.15	\$962	\$ 100,000
Repairs & Maintenance				\$0.84	\$700	\$ 72,800
Utilities				\$0.99	\$827	\$ 86,008
Water, Sewer & Trash				\$0.00	\$0	
Insurance				\$0.34	\$280	\$ 29,120
Property Tax				\$0.46	\$385	\$ 40,000
Reserve for Replacement				\$0.36	\$300	\$ 31,200
TDHCA LIHTC/HOME Compliance Fees				\$0.05	\$40	\$ 4,160
Total Expenses			\$ 476,512	\$5.49	\$4,582	\$476,512
Net Operating Income ("NOI")			37%	\$3.27	\$2,731	\$283,976

Development Cost Schedule

Self Score Total:

This Development Cost Schedule must be consistent with the Summary Sources and Uses of Funds Statement. All Applications must complete the total development cost and the Tax Payer Identification column. Only HTC applications must complete the Eligible Basis columns and the Requested Credit calculation below:

TOTAL DEVELOPMENT SUMMARY				Scratch Paper/Notes
Total Cost	Eligible Basis (If Applicable)			
	Acquisition	New/Rehab.		
ACQUISITION				
Site acquisition cost	790,000			
Existing building acquisition cost				
Closing costs & acq. legal fees	10,000			
Other (specify) - see footnote 1				
Other (specify) - see footnote 1				
Subtotal Acquisition Cost	\$800,000	\$0	\$0	
OFF-SITES²				
Off-site concrete				
Storm drains & devices				
Water & fire hydrants				
Off-site utilities				
Sewer lateral(s)				
Off-site paving				
Off-site electrical				
Other (specify) - see footnote 1				
Other (specify) - see footnote 1				
Subtotal Off-Sites Cost	\$0	\$0	\$0	
SITE WORK³				
Demolition				
Asbestos Abatement (Demolition Only)				
Detention			0	
Rough grading	400,000		400,000	
Fine grading			0	
On-site concrete	69,888		69,888	
On-site electrical	47,632		47,632	
On-site paving	336,336		336,336	
On-site utilities	346,944		346,944	
Decorative masonry			0	
Bumper stops, striping & signs			0	
Other (specify) - see footnote 1			0	
Subtotal Site Work Cost	\$1,200,800	\$0	\$1,200,800	
SITE AMENITIES				
Landscaping	232,060		232,060	
Pool and decking	36,667		36,667	
Athletic court(s), playground(s)			0	
Fencing	138,325		138,325	
Other (specify) - see footnote 1			0	
Subtotal Site Amenities Cost	\$407,051	\$0	\$407,051	
				Per Unit
				\$9,300

Concrete		0
Masonry		0
Metals		0
Woods and Plastics		0
Thermal and Moisture Protection		0
Roof Covering		0
Doors and Windows		0
Finishes		0
Specialties		0
Equipment		0
Furnishings		0
Special Construction		0
Conveying Systems (Elevators)		0
Mechanical (HVAC; Plumbing)		0
Electrical		0

Detached Community Facilities/Building			0
Carports and/or Garages			0
Lead-Based Paint Abatement			0
Asbestos Abatement (Rehabilitation Only)			0
Structured Parking			
Commercial Space Costs			
PLEASE SPECIFY - see footnote 1	7,112,270		7,112,270
Subtotal Building Costs Before 11.9(e)(2)	\$7,112,270	\$0	\$7,112,270

\$81.90 psf	\$7,103,597
-------------	-------------

88 Target
*Enter score for Building OR Hard Costs at en

\$8,720,121	\$0	\$8,711,448
-------------	-----	-------------

TOTAL HARD COSTS	\$9,330,530	\$0	\$9,321,249
-------------------------	-------------	-----	-------------

General requirements (<6%)	6.00%	559,832		559,275
----------------------------	-------	---------	--	---------

Contractor profit (<6%)	6.00%	559,832		559,275
-------------------------	-------	---------	--	---------

TOTAL CONSTRUCTION CONTRACT	\$10,636,804	\$0	\$10,626,224
------------------------------------	--------------	-----	--------------

Per unit less contin = GC Contract	
\$96,407.65	\$115.60

\$0.00 psf	
------------	--

*Enter score for Building **OR** Hard Costs at end

SOFT COSTS³

Architectural - Design fees	156,000		156,000
Architectural - Supervision fees	24,000		24,000
Engineering fees	117,000		117,000
Real estate attorney/other legal fees	100,000		100,000
Accounting fees	12,000		12,000
Impact Fees	50,000		50,000
Building permits & related costs	10,000		10,000
Appraisal	7,500		7,500
Market analysis	6,000		6,000
Environmental assessment	3,600		3,600
Soils report	8,750		8,750
Survey	15,000		15,000
Marketing			
Hazard & liability insurance	183,731		183,731
Real property taxes	25,000		25,000
Personal property taxes			0
Tap Fees			0
Park Fees			0
FF&E	150,000		150,000
Subtotal Soft Cost	\$868,581	\$0	\$868,581

FINANCING:

CONSTRUCTION LOAN(S)³

Interest	603,934	110,251
Loan origination fees	89,200	89,200
Title & recording fees	50,000	50,000
Closing costs & legal fees	40,000	40,000
Inspection fees	21,600	21,600
Credit Report		0
Discount Points		0
Other (specify) - see footnote 1		0
Other (specify) - see footnote 1		0

PERMANENT LOAN(S)

Loan origination fees	50,000	
Title & recording fees	20,000	
Closing costs & legal	50,000	
Bond premium		
Credit report		
Discount points		
Credit enhancement fees		
Prepaid MIP		
Other (specify) - see footnote 1		
Other (specify) - see footnote 1		

BRIDGE LOAN(S)

Interest		0
Loan origination fees		0
Title & recording fees		0
Closing costs & legal fees		0
Other (specify) - see footnote 1		0
Other (specify) - see footnote 1		0

[illegible]

OTHER FINANCING COSTS³

Tax credit fees	57,950		
Tax and/or bond counsel			0
Payment bonds			
Performance bonds	150,396		150,396
Credit enhancement fees			0
Mortgage insurance premiums			0
Cost of underwriting & issuance			0
Syndication organizational cost	35,000		
Tax opinion			
Other (specify) - see footnote 1			0
Other (specify) - see footnote 1			0
Subtotal Financing Cost	\$1,168,080	\$0	\$461,447

calc

calc

MREC

DEVELOPER FEES³

Housing consultant fees ⁴			
General & administrative			
Profit or fee	1,794,830		1,793,438
Subtotal Developer Fees 15.00%	\$1,794,830	\$0	\$1,793,438

15.00%

RESERVES

Rent-up	50,000		
Operating	357,879		
Replacement			
Escrows			
Subtotal Reserves	\$407,879	\$0	\$0

TOTAL HOUSING DEVELOPMENT COSTS⁵

\$15,676,174	\$0	\$13,749,691
--------------	-----	--------------

The following calculations are for HTC Applications only.

Deduct From Basis:

Federal grants used to finance costs in Eligible Basis			
Non-qualified non-recourse financing			
Non-qualified portion of higher quality units §42(d)(5)			
Historic Credits (residential portion only)			
Total Eligible Basis		\$0	\$13,749,691
**High Cost Area Adjustment (100% or 130%)			130%
Total Adjusted Basis		\$0	\$17,874,598
Applicable Fraction			89.42%
Total Qualified Basis	\$15,984,016	\$0	\$15,984,016
Applicable Percentage ⁶			3.44%
Credits Supported by Eligible Basis	\$549,850	\$0	\$549,850

3.21% + 15bp

(May be greater than actual request)

Representative Affordable Housing Projects

S. List of Other LIHTC Projects

- Guadalupe Villas – Lubbock, TX – Senior
- Primrose Senior Manor – League City, TX – Senior
- Villages at Cypress – Houston, TX – Senior
- El Dorado Apartments – Houston, TX – Senior
- Weslaco Hills Apartments – Weslaco, Texas - Family
- Villas on Independence – Port Lavaca, Texas - Family
- Villas at Penitas – Penitas, Texas – Family
- Orchard Estates – Alton, Texas – Family

Anticipated 2019 TDHCA Applications Skyline Development LLC:
Edgewood Villas, Killeen, Texas

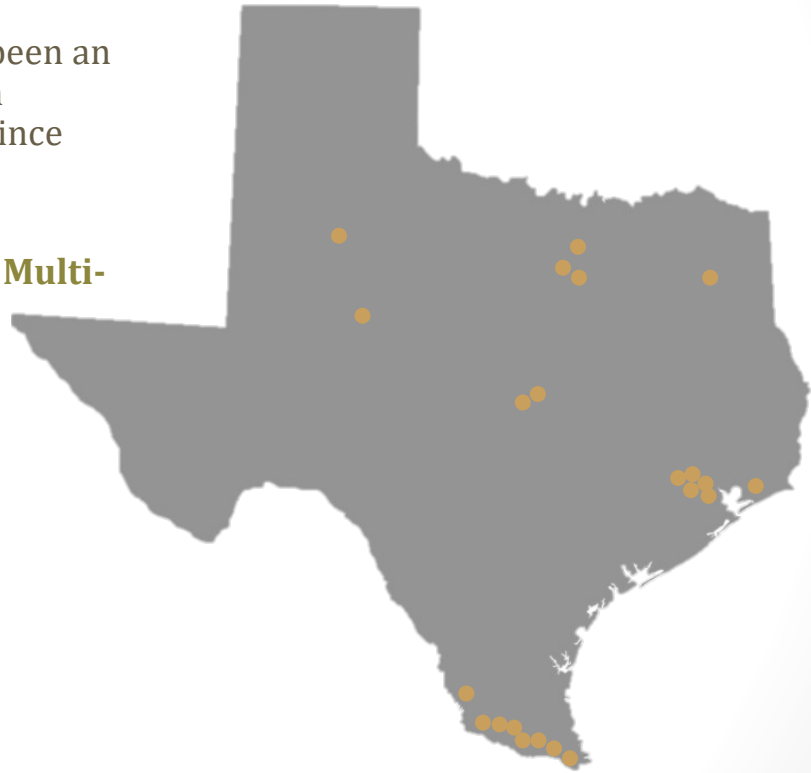
Robinett Road

DEVELOPER EXPERIENCE

Skyline Development/MREC Consultants have been an integral part of development teams that have been awarded over **\$320,000,000** in tax credit equity since 2006.

Those credits have supported over **3,600 units of Multi-family development.**

The developments have been a mix of family, retirement/senior and supportive housing.



Map of Tax Credits Awarded

See Attachment for a Complete List of Developments

Robinett Road

- On-Site Management and Maintenance Staff
- Professionally Managed by a Property Management Company that specializes in managing HTC properties in TX
- Compliance Oversight by TDHCA (Department that administers the HTC Program)
- Zero Tolerance Policy - No drugs, crime, and unauthorized guests
- Resident Screening
- Credit and Criminal Background Checks
- Annual Tenant Recertification
- Proof of Employment and Income Verification

Robinett Road

- **DEVELOPMENT** – The Development Team handles all aspects of development, including site selection, securing local and community support, entitlements and zoning, development financing, design approvals, and handling all due diligence and closing matters. The developers through affiliated entities have been involved in over 35 awarded LIHTC transactions throughout the State of Texas.
- **CONSTRUCTION** – TMarq Construction Company is a full service and licensed general contractor whose principals have built more than 5,000 units throughout the Southwest United States.

Robinett Road

- *Texas Based Development, Construction and Management Team Experienced in the Development and Ownership of Affordable Housing financed with HTC awarded by TDHCA*
- *No Other Affordable Senior Housing Development in the Area*
- *Commitment to Actively Involve the Neighborhood and City of Killeen Planning Staff in the Design of the Project*
- **Benefits to the City of Killeen**
 - *Creation of an Affordable Senior Housing Option for Older Residents*
 - *Job Creation – Construction and Permanent Jobs*
 - *Property will pay **FULL TAXES** – No abatement*
 - *No Funding Assistance Required from the City of Killeen*

Guadalupe Villas

3rd Street and Buddy Holly Ave, Lubbock, Texas 79401



Single Story View



Amenity Center in Two Story Building

GUADALUPE VILLAS

Mucasey & Associates, Architects

February 23, 2018

- 182 Units (90 1BR, 38 2BR)
- 20 Market Rate Units
- Senior
- Awarded 2018
- Closing 2019

Villages at Cypress

11821 Cypress Corner Lane, Houston, Texas 77065



Typical One Story Building



Typical Three Story Building

AT VILLAGES AT CYPRESS

A Multi-Family Community

Mucasey & Associates, Architects

- 162 Units (111 1BR, 51 2BR)
- 17 Market Rate Units
- Senior
- Closed 7/13
- Construction Complete
- 100% Leased

Villages at Cypress

11821 Cypress Corner Lane, Houston, Texas 77065



Villas at El Dorado

200 Blk. of W. El Dorado Blvd., Houston, Texas



- 159 Units (93 1BR, 66 2BR)
- Senior
- Closed 7/10
- Construction Complete
- 100% Leased

Villas at El Dorado

200 Blk. of W. El Dorado Blvd., Houston, Texas



Weslaco Hills Apartments

Weslaco, Texas



- 120 Units (36 1BR, 54 2BR, 30 3BR)
- Family
- Closed 7/13/10
- Construction Complete
- 100% Leased

Villas on Independence

Port Lavaca, Texas



- 80 Units (16 1BR, 40 2BR, 24 3BR)
- Family
- Closed 2/5/13
- Construction Complete
- 100% Leased



Villages at Penitas

Penitas, Texas



A Multi-Family Community
Mucasey & Associates, Architects

- 128 Units (32 1BR, 60 2BR, 36 3BR)
- 12 Market Rate Units
- Family
- Closed 2/15/14
- Construction Complete
- 100% Leased

Villages at Penitas

Penitas, Texas



Orchard Estates

Alton, Texas



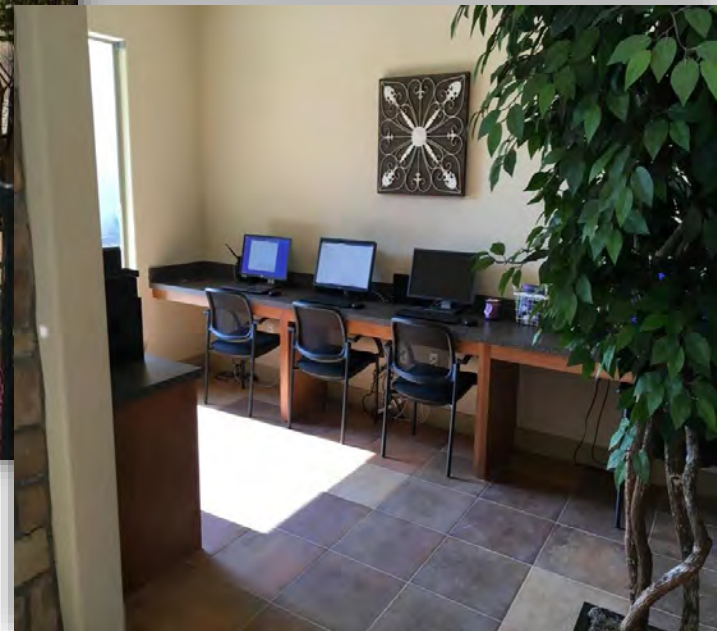
ORCHARD ESTATES

A Multi-Family Community
Mucasey & Associates, Architects

- 140 units (48 1br, 68 2br, 24 3br)
- 6 Market Rate
- Family
- Closed 2/17/15
- Construction Complete

Orchard Estates

Alton, Texas



Orchard Estates

Alton, Texas





TEXAS ASSOCIATION OF REALTORS®
COMMERCIAL CONTRACT - UNIMPROVED PROPERTY

USE OF THIS FORM BY PERSONS WHO ARE NOT MEMBERS OF THE TEXAS ASSOCIATION OF REALTORS® IS NOT AUTHORIZED.
 ©Texas Association of REALTORS®, Inc. 2018

1. **PARTIES:** Seller agrees to sell and convey to Buyer the Property described in Paragraph 2. Buyer agrees to buy the Property from Seller for the sales price stated in Paragraph 3. The parties to this contract are:

Seller: Reeces Creek Developers, Ltd., a Texas limited partnership
c/o Bluffview Real Estate

Address: PO Box 1183, Killeen, TX 76540

Phone: _____ E-mail: _____

Fax: _____ Other: David Barr-david.barr@davidbarrproperties.com

Buyer: DWR Development Group, LLC, or its assignee

Address: 6300 W. Loop S., Ste. 670, Bellaire, TX 77401

Phone: (713)560-0068 E-mail: donna@dwrdevelopment.com

Fax: _____ Other: Donna Rickenbacker-Donna@Marqueconsultants.com

2. **PROPERTY:**

- A. "Property" means that real property situated in Bell County, Texas at
15 +/- acres near the southeast corner of Robinette Rd. and W. Elms Rd., Killeen, TX
 (address) and that is legally described on the attached Exhibit A or as follows:

- B. Seller will sell and convey the Property together with:

- (1) all rights, privileges, and appurtenances pertaining to the Property, including Seller's right, title, and interest in any minerals, utilities, adjacent streets, alleys, strips, gores, and rights-of-way;
- (2) Seller's interest in all leases, rents, and security deposits for all or part of the Property; and
- (3) Seller's interest in all licenses and permits related to the Property.

(Describe any exceptions, reservations, or restrictions in Paragraph 12 or an addendum.)
 (If mineral rights are to be reserved an appropriate addendum should be attached.)

3. **SALES PRICE:**

- A. At or before closing, Buyer will pay the following sales price for the Property:

- (1) Cash portion payable by Buyer at closing \$ 1,000,000.00
- (2) Sum of all financing described in Paragraph 4 \$ -0-
- (3) Sales price (sum of 3A(1) and 3A(2)) \$ 1,000,000.00

B. Adjustment to Sales Price: (Check (1) or (2) only.)

- ☐ (1) The sales price will not be adjusted based on a survey.
☒ (2) The sales price will be adjusted based on the latest survey obtained under Paragraph 6B.

(a) The sales price is calculated on the basis of \$ 1.44 per:

- ☒ (i) square foot of ☐ total area ☒ net area.
☐ (ii) acre of ☐ total area ☐ net area.

(b) "Total area" means all land area within the perimeter boundaries of the Property. "Net area" means total area less any area of the Property within:

- ☒ (i) public roadways;
☒ (ii) rights-of-way and easements other than those that directly provide utility services to the Property; and
☒ (iii) special flood hazard area

(c) If the sales price is adjusted by more than _____ % of the stated sales price, either party may terminate this contract by providing written notice to the other party within _____ days after the terminating party receives the survey. If neither party terminates this contract or if the variance is less than the stated percentage, the adjustment to the sales price will be made to the cash portion of the sales price payable by Buyer.

4. **FINANCING:** Buyer will finance the portion of the sales price under Paragraph 3A(2) as follows:

- ☐ A. Third Party Financing: One or more third party loans in the total amount of \$ N/A.
This contract:
☐ (1) is not contingent upon Buyer obtaining third party financing.
☐ (2) is contingent upon Buyer obtaining third party financing in accordance with the attached Commercial Contract Financing Addendum (TAR-1931).
☐ B. Assumption: In accordance with the attached Commercial Contract Financing Addendum (TAR-1931), Buyer will assume the existing promissory note secured by the Property, which balance at closing will be \$ N/A.
☐ C. Seller Financing: The delivery of a promissory note and deed of trust to Seller under the terms of the attached Commercial Contract Financing Addendum (TAR-1931) in the amount of \$ N/A.

5. **EARNEST MONEY:**

- A. Not later than 3 days after the effective date, Buyer must deposit \$ \$10,000.00 as earnest money with Chicago Title Insurance Company (title company) at 3700 Buffalo Speedway, Ste. 400, Houston, TX 77098 (address) Janet Karr, VP (closer). If Buyer fails to timely deposit the earnest money, Seller may terminate this contract or exercise any of Seller's other remedies under Paragraph 15 by providing written notice to Buyer before Buyer deposits the earnest money.
B. Buyer will deposit an additional amount of \$ See Addendum A with the title company to be made part of the earnest money on or before:
☐ (i) _____ days after Buyer's right to terminate under Paragraph 7B expires; or
☒ (ii) See Addendum A.
Buyer will be in default if Buyer fails to deposit the additional amount required by this Paragraph 5B within 3 days after Seller notifies Buyer that Buyer has not timely deposited the additional amount.
C. Buyer may instruct the title company to deposit the earnest money in an interest-bearing account at a federally insured financial institution and to credit any interest to Buyer.

6. TITLE POLICY AND SURVEY:**A. Title Policy:**

- (1) Seller, at Seller's expense, will furnish Buyer an Owner's Policy of Title Insurance (the title policy) issued by any underwriter of the title company in the amount of the sales price, dated at or after closing, insuring Buyer against loss under the title policy, subject only to:
- (a) those title exceptions permitted by this contract or as may be approved by Buyer in writing; and
 - (b) the standard printed exceptions contained in the promulgated form of title policy unless this contract provides otherwise.
- (2) The standard printed exception as to discrepancies, conflicts, or shortages in area and boundary lines, or any encroachments or protrusions, or any overlapping improvements:
- ☐ (a) will not be amended or deleted from the title policy.
 - ☒ (b) will be amended to read "shortages in areas" at the expense of ☒ Buyer ☐ Seller.
- (3) Within 30 days after the effective date, Seller will furnish Buyer a commitment for title insurance (the commitment) including legible copies of recorded documents evidencing title exceptions. Seller authorizes the title company to deliver the commitment and related documents to Buyer at Buyer's address.

B. Survey: Within 45 days after the effective date:

- ☒ (1) Buyer will obtain a survey of the Property at Buyer's expense and deliver a copy of the survey to Seller. The survey must be made in accordance with the: (i) ALTA/NSPS Land Title Survey standards, or (ii) Texas Society of Professional Surveyors' standards for a Category 1A survey under the appropriate condition. Seller will reimburse Buyer N/A (insert amount) of the cost of the survey at closing, if closing occurs.
- ☐ (2) Seller, at Seller's expense, will furnish Buyer a survey of the Property dated after the effective date. The survey must be made in accordance with the: (i) ALTA/NSPS Land Title Survey standards, or (ii) Texas Society of Professional Surveyors' standards for a Category 1A survey under the appropriate condition.
- ☒ (3) Seller will deliver to Buyer and the title company a true and correct copy of Seller's most recent survey of the Property along with an affidavit required by the title company for approval of the existing survey. ~~If the existing survey is not acceptable to the title company, ☐ Seller ☐ Buyer (updating party), will, at the updating party's expense, obtain a new or updated survey acceptable to the title company and deliver the acceptable survey to the other party and the title company within 20 days after the title company notifies the parties that the existing survey is not acceptable to the title company. The closing date will be extended daily up to 20 days if necessary for the updating party to deliver an acceptable survey within the time required. The other party will reimburse the updating party _____ (insert amount or percentage) of the cost of the new or updated survey at closing, if closing occurs.~~

C. Buyer's Objections to the Commitment and Survey:

- (1) Within 30 days after Buyer receives the last of the commitment, copies of the documents evidencing the title exceptions, and any required survey, Buyer may object in writing to matters disclosed in the items if: (a) the matters disclosed are a restriction upon the Property or constitute a defect or encumbrance to title other than those permitted by this contract or liens that Seller will satisfy at closing or Buyer will assume at closing; or (b) the items show that any part of the Property lies in a special flood hazard area (an "A" or "V" zone as defined by FEMA). If the commitment or survey is revised or any new document evidencing a title exception is delivered, Buyer may object to any new matter revealed in such revision or new document. Buyer's objection must be made within the same number of days stated in this paragraph, beginning when the revision or new

- document is delivered to Buyer. If Paragraph 6B(1) applies, Buyer is deemed to receive the survey on the earlier of: (i) the date of Buyer's actual receipt of the survey; or (ii) of the deadline specified in Paragraph 6B.
- (2) Seller may, but is not obligated to, cure Buyer's timely objections within 15 days after Seller receives the objections. The closing date will be extended as necessary to provide such time to cure the objections. If Seller fails to cure the objections by the time required, Buyer may terminate this contract by providing written notice to Seller within 5 days after the time by which Seller must cure the objections. If Buyer terminates, the earnest money, less any independent consideration under Paragraph 7B(1), will be refunded to Buyer.
- (3) Buyer's failure to timely object or terminate under this Paragraph 6C is a waiver of Buyer's right to object except that Buyer will not waive the requirements in Schedule C of the commitment.

7. PROPERTY CONDITION:

- A. Present Condition: Buyer accepts the Property in its present condition except that Seller, at Seller's expense, will complete the following before closing: See Addendum A attached hereto and made a part hereof for all purposes.

- B. Feasibility Period: Buyer may terminate this contract for any reason within by 5/2/19 days after the effective date (feasibility period) by providing Seller written notice of termination.

(1) Independent Consideration. (Check only one box and insert amounts.)

- ☒ (a) If Buyer terminates under this Paragraph 7B, the earnest money will be refunded to Buyer less \$ See Addendum A that Seller will retain as independent consideration for Buyer's unrestricted right to terminate. Buyer has tendered the independent consideration to Seller upon payment of the amount specified in Paragraph 5A to the title company. The independent consideration is to be credited to the sales price only upon closing of the sale. If no dollar amount is stated in this Paragraph 7B(1) or if Buyer fails to deposit the earnest money, Buyer will not have the right to terminate under this Paragraph 7B.

- ☐ (b) Not later than 3 days after the effective date, Buyer must pay Seller \$ N/A as independent consideration for Buyer's right to terminate by tendering such amount to Seller or Seller's agent. If Buyer terminates under this Paragraph 7B, the earnest money will be refunded to Buyer and Seller will retain the independent consideration. The independent consideration will be credited to the sales price only upon closing of the sale. If no dollar amount is stated in this Paragraph 7B(2) or if Buyer fails to pay the independent consideration, Buyer will not have the right to terminate under this Paragraph 7B.

- (2) Feasibility Period Extension: Prior to the expiration of the initial feasibility period, Buyer may extend the feasibility period for a single period of an additional *** days by depositing additional earnest money in the amount of \$ See Addendum A with the title company. If no dollar amount is stated in this Paragraph or if Buyer fails to timely deposit the additional earnest money, the extension of the feasibility period will not be effective.

C. Inspections, Studies, or Assessments:

- (1) During the feasibility period, Buyer, at Buyer's expense, may complete or cause to be completed any and all inspections, studies, or assessments of the Property (including all improvements and fixtures) desired by Buyer.

(2) Buyer must:

- (a) employ only trained and qualified inspectors and assessors;
- (b) notify Seller, in advance, of when the inspectors or assessors will be on the Property;
- (c) abide by any reasonable entry rules or requirements of Seller;
- (d) not interfere with existing operations or occupants of the Property; and
- (e) restore the Property to its original condition if altered due to inspections, studies, or assessments that Buyer completes or causes to be completed.

- (3) Except for those matters that arise from the negligence of Seller or Seller's agents, Buyer is responsible for any claim, liability, encumbrance, cause of action, and expense resulting from Buyer's inspections, studies, or assessments, including any property damage or personal injury. Buyer will indemnify, hold harmless, and defend Seller and Seller's agents against any claim involving a matter for which Buyer is responsible under this paragraph. This paragraph survives termination of this contract.

D. Property Information:

- (1) Delivery of Property Information: Within 10 days after the effective date, Seller will deliver to Buyer: *(Check all that apply.)*
- ☐ (a) copies of all current leases, including any mineral leases, pertaining to the Property, including any modifications, supplements, or amendments to the leases;
 - ☐ (b) copies of all notes and deeds of trust against the Property that Buyer will assume or that Seller will not pay in full on or before closing;
 - ☒ (c) copies of all previous environmental assessments, geotechnical reports, studies, or analyses made on or relating to the Property;
 - ☐ (d) copies property tax statements for the Property for the previous 2 calendar years;
 - ☒ (e) plats of the Property;
 - ☐ (f) copies of current utility capacity letters from the Property's water and sewer service provider; and
 - ☒ (g) Copies of any information in Seller's possession or control regarding the condition or use of the Property

- (2) Return of Property Information: If this contract terminates for any reason, Buyer will, not later than 10 days after the termination date: *(Check all that apply.)*
- ☒ (a) return to Seller all those items described in Paragraph 7D(1) that Seller delivered to Buyer in other than an electronic format and all copies that Buyer made of those items;
 - ☐ (b) delete or destroy all electronic versions of those items described in Paragraph 7D(1) that Seller delivered to Buyer or Buyer copied in any format; and
 - ☐ (c) deliver to Seller copies of all inspection and assessment reports related to the Property that Buyer completed or caused to be completed.

This Paragraph 7D(2) survives termination of this contract.

- E. Contracts Affecting Operations: Until closing, Seller: (1) will operate the Property in the same manner as on the effective date under reasonably prudent business standards; and (2) will not transfer or dispose of any part of the Property, any interest or right in the Property, or any of the personal property or other items described in Paragraph 2B or sold under this contract. After the feasibility period ends, Seller may not enter into, amend, or terminate any other contract that affects the operations of the Property without Buyer's written approval.

8. LEASES:

- A. ~~Each written lease Seller is to assign to Buyer under this contract must be in full force and effect according to its terms. Seller may not enter into any new lease, fail to comply with any existing lease, or make any amendment or modification to any existing lease without Buyer's written consent. Seller~~

~~must disclose, in writing, if any of the following exist at the time Seller provides the leases to the Buyer or subsequently occur before closing:~~

- ~~(1) any failure by Seller to comply with Seller's obligations under the leases;~~
~~(2) any circumstances under any lease that entitle the tenant to terminate the lease or seek any offsets or damages;~~
~~(3) any advance sums paid by a tenant under any lease;~~
~~(4) any concessions, bonuses, free rents, rebates, brokerage commissions, or other matters that affect any lease; and~~
~~(5) any amounts payable under the leases that have been assigned or encumbered, except as security for loan(s) assumed or taken subject to under this contract.~~

- B. Estoppel Certificates: Within N/A days after the effective date, Seller will deliver to Buyer estoppel certificates signed not earlier than N/A by each tenant that leases space in the Property. The estoppel certificates must include the certifications contained in the current version of TAR Form 1938 - Commercial Tenant Estoppel Certificate and any additional information requested by a third party lender providing financing under Paragraph 4 if the third party lender requests such additional information at least 10 days prior to the earliest date that Seller may deliver the signed estoppel certificates.

9. **BROKERS:**

- A. The brokers to this sale are:

Principal Broker: DBP, Inc.

David Barr Properties

Agent: David Barr

Address: 3800 Trimmer

Killeen, TX 76547

Phone & Fax: (254)526-2277

E-mail: david.barr@davidbarrproperties.com

License No.: 474540

Cooperating Broker: N/A

BLUFFVIEW REAL ESTATE, LLC

Agent: WILLIAM E. HICKMAN

Address: 4300 CHAUTZ DR.

KILLEEN, TX.

Phone & Fax: 254-699-5907, 254-699-5613

E-mail: BLUFFVIEWREALESTATE@GMAIL.COM

License No.: 232865

Principal Broker: (Check only one box)

- ☒ represents Seller only.
☐ represents Buyer only.
☐ is an intermediary between Seller and Buyer.

Cooperating Broker represents Buyer.

SEWER

- B. Fees: (Check only (1) or (2) below.)

(Complete the Agreement Between Brokers on page 14 only if (1) is selected.)

WLS ☒ (1) Seller will pay Principal Broker the fee specified by separate written commission agreement between Principal Broker and Seller. Principal Broker will pay Cooperating Broker the fee specified in the Agreement Between Brokers found below the parties' signatures to this contract.

- ☒ (2) At the closing of this sale, Seller will pay:

Principal Broker a total cash fee of:
☒ FOUR (4) % of the sales price.

Cooperating Broker a total cash fee of:
☒ TWO (2) % of the sales price.

The cash fees will be paid in BELL County, Texas. Seller authorizes the title company to pay the brokers from the Seller's proceeds at closing.

NOTICE: Chapter 62, Texas Property Code, authorizes a broker to secure an earned commission with a lien against the Property.

- C. The parties may not amend this Paragraph 9 without the written consent of the brokers affected by the amendment.

10. CLOSING:

- A. The date of the closing of the sale (closing date) will be on or before the later of:
- (1) ☒ 30 days after the expiration of the feasibility period.
☐ _____ (specific date).
☐ See Addendum A attached hereto for Closing Extension Options.
 - (2) 7 days after objections made under Paragraph 6C have been cured or waived.
- B. If either party fails to close by the closing date, the non-defaulting party may exercise the remedies in Paragraph 15.
- C. At closing, Seller will execute and deliver, at Seller's expense, a ☐ general ☒ special warranty deed. The deed must include a vendor's lien if any part of the sales price is financed. The deed must convey good and indefeasible title to the Property and show no exceptions other than those permitted under Paragraph 6 or other provisions of this contract. Seller must convey the Property:
- (1) with no liens, assessments, or other security interests against the Property which will not be satisfied out of the sales price, unless securing loans Buyer assumes;
 - (2) without any assumed loans in default; and
 - (3) with no persons in possession of any part of the Property as lessees, tenants at sufferance, or trespassers except tenants under the written leases assigned to Buyer under this contract.
- D. At closing, Seller, at Seller's expense, will also deliver to Buyer:
- (1) tax statements showing no delinquent taxes on the Property;
 - (2) an assignment of all leases to or on the Property;
 - (3) to the extent assignable, an assignment to Buyer of any licenses and permits related to the Property;
 - (4) evidence that the person executing this contract is legally capable and authorized to bind Seller;
 - (5) an affidavit acceptable to the title company stating that Seller is not a foreign person or, if Seller is a foreign person, a written authorization for the title company to: (i) withhold from Seller's proceeds an amount sufficient to comply with applicable tax law; and (ii) deliver the amount to the Internal Revenue Service (IRS) together with appropriate tax forms; and
 - (6) any notices, statements, certificates, affidavits, releases, and other documents required by this contract, the commitment, or law necessary for the closing of the sale and issuance of the title policy, all of which must be completed by Seller as necessary.
- E. At closing, Buyer will:
- (1) pay the sales price in good funds acceptable to the title company;
 - (2) deliver evidence that the person executing this contract is legally capable and authorized to bind Buyer;
 - (3) sign and send to each tenant in a lease for any part of the Property a written statement that:
 - (a) acknowledges Buyer has received and is responsible for the tenant's security deposit; and
 - (b) specifies the exact dollar amount of the security deposit;
 - (4) sign an assumption of all leases then in effect; and
 - (5) execute and deliver any notices, statements, certificates, or other documents required by this contract or law necessary to close the sale.
- F. Unless the parties agree otherwise, the closing documents will be as found in the basic forms in the current edition of the State Bar of Texas Real Estate Forms Manual without any additional clauses.

11. POSSESSION: Seller will deliver possession of the Property to Buyer upon closing and funding of this sale in its present condition with any repairs Seller is obligated to complete under this contract, ordinary wear and tear excepted. Any possession by Buyer before closing or by Seller after closing that is not authorized by a separate written lease agreement is a landlord-tenant at sufferance relationship between the parties.

12. SPECIAL PROVISIONS: The following special provisions apply and will control in the event of a conflict with other provisions of this contract. *(If special provisions are contained in an Addendum, identify the Addendum here and reference the Addendum in Paragraph 22D.)*
See Addendum A attached hereto and made a part hereof for all purposes.

13. SALES EXPENSES:

A. Seller's Expenses: Seller will pay for the following at or before closing:

- (1) releases of existing liens, other than those liens assumed by Buyer, including prepayment penalties and recording fees;
- (2) release of Seller's loan liability, if applicable;
- (3) tax statements or certificates;
- (4) preparation of the deed;
- (5) one-half of any escrow fee;
- (6) costs to record any documents to cure title objections that Seller must cure; and
- (7) other expenses that Seller will pay under other provisions of this contract.

B. Buyer's Expenses: Buyer will pay for the following at or before closing:

- (1) all loan expenses and fees;
- (2) preparation of any deed of trust;
- (3) recording fees for the deed and any deed of trust;
- (4) premiums for flood insurance as may be required by Buyer's lender;
- (5) one-half of any escrow fee;
- (6) other expenses that Buyer will pay under other provisions of this contract.

14. PRORATIONS:

A. Prorations:

- (1) Interest on any assumed loan, taxes, rents, and any expense reimbursements from tenants will be prorated through the closing date.
- (2) If the amount of ad valorem taxes for the year in which the sale closes is not available on the closing date, taxes will be prorated on the basis of taxes assessed in the previous year. If the taxes for the year in which the sale closes vary from the amount prorated at closing, the parties will adjust the prorations when the tax statements for the year in which the sale closes become available. This Paragraph 14A(2) survives closing.
- (3) If Buyer assumes a loan or is taking the Property subject to an existing lien, Seller will transfer all reserve deposits held by the lender for the payment of taxes, insurance premiums, and other charges to Buyer at closing and Buyer will reimburse such amounts to Seller by an appropriate adjustment at closing.

B. Rollback Taxes: If Seller's use or change in use of the Property before closing results in the assessment of additional taxes, penalties, or interest (assessments) for periods before closing, the assessments will be the obligation of the Seller. If this sale or Buyer's use of the Property after closing results in additional assessments for periods before closing, the assessments will be the obligation of Buyer. This Paragraph 14B survives closing.

- C. ~~Rent and Security Deposits: At closing, Seller will tender to Buyer all security deposits and the following advance payments received by Seller for periods after closing: prepaid expenses, advance rental payments, and other advance payments paid by tenants. Rents prorated to one party but received by the other party will be remitted by the recipient to the party to whom it was prorated within 5 days after the rent is received. This Paragraph 14C survives closing.~~

15. DEFAULT:

- A. If Buyer fails to comply with this contract, Buyer is in default and Seller, as Seller's sole remedy(ies), may terminate this contract and receive the earnest money, as liquidated damages for Buyer's failure except for any damages resulting from Buyer's inspections, studies or assessments in accordance with Paragraph 7C(3) which Seller may pursue; or
(Check if applicable)
☐ enforce specific performance, or seek such other relief as may be provided by law.
- B. If, without fault, Seller is unable within the time allowed to deliver the estoppel certificates, survey or the commitment, Buyer may:
(1) terminate this contract and receive the earnest money, less any independent consideration under Paragraph 7B(1), as liquidated damages and as Buyer's sole remedy; or
(2) extend the time for performance up to 15 days and the closing will be extended as necessary.
- C. ~~Except as provided in Paragraph 16B, if Seller fails to comply with this contract, Seller is in default and Buyer may:~~
(1) terminate this contract and receive the earnest money, less any independent consideration under Paragraph 7B(1), as liquidated damages and as Buyer's sole remedy; or
(2) enforce specific performance, or seek such other relief as may be provided by law, or both.

16. CONDEMNATION: If before closing, condemnation proceedings are commenced against any part of the Property, Buyer may:

- A. terminate this contract by providing written notice to Seller within 15 days after Buyer is advised of the condemnation proceedings and the earnest money, less any independent consideration paid under Paragraph 7B(1), will be refunded to Buyer; or
- B. appear and defend in the condemnation proceedings and any award will, at Buyer's election, belong to:
(1) Seller and the sales price will be reduced by the same amount; or
(2) Buyer and the sales price will not be reduced.

17. ATTORNEY'S FEES: If Buyer, Seller, any broker, or the title company is a prevailing party in any legal proceeding brought under or with relation to this contract or this transaction, such party is entitled to recover from the non-prevailing parties all costs of such proceeding and reasonable attorney's fees. This Paragraph 17 survives termination of this contract.

18. ESCROW:

- A. At closing, the earnest money will be applied first to any cash down payment, then to Buyer's closing costs, and any excess will be refunded to Buyer. If no closing occurs, the title company may require payment of unpaid expenses incurred on behalf of the parties and a written release of liability of the title company from all parties.
- B. If one party makes written demand for the earnest money, the title company will give notice of the demand by providing to the other party a copy of the demand. If the title company does not receive written objection to the demand from the other party within 15 days after the date the title company sent the demand to the other party, the title company may disburse the earnest money to the party making demand, reduced by the amount of unpaid expenses incurred on behalf of the party receiving the earnest money and the title company may pay the same to the creditors.

- C. The title company will deduct any independent consideration under Paragraph 7B(1) before disbursing any earnest money to Buyer and will pay the independent consideration to Seller.
- D. If the title company complies with this Paragraph 18, each party hereby releases the title company from all claims related to the disbursement of the earnest money.
- E. Notices under this Paragraph 18 must be sent by certified mail, return receipt requested. Notices to the title company are effective upon receipt by the title company.
- F. Any party who wrongfully fails or refuses to sign a release acceptable to the title company within 7 days after receipt of the request will be liable to the other party for: (i) damages; (ii) the earnest money; (iii) reasonable attorney's fees; and (iv) all costs of suit.
- G. ☐ Seller ☐ Buyer intend(s) to complete this transaction as a part of an exchange of like-kind properties in accordance with Section 1031 of the Internal Revenue Code, as amended. All expenses in connection with the contemplated exchange will be paid by the exchanging party. The other party will not incur any expense or liability with respect to the exchange. The parties agree to cooperate fully and in good faith to arrange and consummate the exchange so as to comply to the maximum extent feasible with the provisions of Section 1031 of the Internal Revenue Code. The other provisions of this contract will not be affected in the event the contemplated exchange fails to occur.

19. MATERIAL FACTS: To the best of Seller's knowledge and belief: *(Check only one box.)*

- ☐ A. Seller is not aware of any material defects to the Property except as stated in the attached Commercial Property Condition Statement (TAR-1408).
- ☒ B. Except as otherwise provided in this contract, Seller is not aware of:
- (1) any subsurface: structures, pits, waste, springs, or improvements;
 - (2) any pending or threatened litigation, condemnation, or assessment affecting the Property;
 - (3) any environmental hazards or conditions that materially affect the Property;
 - (4) whether the Property is or has been used for the storage or disposal of hazardous materials or toxic waste, a dump site or landfill, or any underground tanks or containers;
 - (5) whether radon, asbestos containing materials, urea-formaldehyde foam insulation, lead-based paint, toxic mold (to the extent that it adversely affects the health of ordinary occupants), or other pollutants or contaminants of any nature now exist or ever existed on the Property;
 - (6) any wetlands, as defined by federal or state law or regulation, on the Property;
 - (7) any threatened or endangered species or their habitat on the Property;
 - (8) any present or past infestation of wood-destroying insects in the Property's improvements;
 - (9) any contemplated material changes to the Property or surrounding area that would materially and detrimentally affect the ordinary use of the Property;
 - (10) any condition on the Property that violates any law or ordinance.

(Describe any exceptions to (1)-(10) in Paragraph 12 or an addendum.)

20. NOTICES: All notices between the parties under this contract must be in writing and are effective when hand-delivered, mailed by certified mail return receipt requested, or sent by facsimile transmission to the parties addresses or facsimile numbers stated in Paragraph 1. The parties will send copies of any notices to the broker representing the party to whom the notices are sent.

- ☒ A. Seller also consents to receive any notices by e-mail at Seller's e-mail address stated in Paragraph 1.
- ☒ B. Buyer also consents to receive any notices by e-mail at Buyer's e-mail address stated in Paragraph 1.

21. DISPUTE RESOLUTION: The parties agree to negotiate in good faith in an effort to resolve any dispute related to this contract that may arise. If the dispute cannot be resolved by negotiation, the parties will submit the dispute to mediation before resorting to arbitration or litigation and will equally share the costs of a mutually acceptable mediator. This paragraph survives termination of this contract. This paragraph does not preclude a party from seeking equitable relief from a court of competent jurisdiction.

22. AGREEMENT OF THE PARTIES:

- A. This contract is binding on the parties, their heirs, executors, representatives, successors, and permitted assigns. This contract is to be construed in accordance with the laws of the State of Texas. If any term or condition of this contract shall be held to be invalid or unenforceable, the remainder of this contract shall not be affected thereby.
- B. This contract contains the entire agreement of the parties and may not be changed except in writing.
- C. If this contract is executed in a number of identical counterparts, each counterpart is an original and all counterparts, collectively, constitute one agreement.
- D. Addenda which are part of this contract are: *(Check all that apply.)*
- ☒ (1) Property Description Exhibit identified in Paragraph 2;
 - ☐ (2) Commercial Contract Financing Addendum (TAR-1931);
 - ☐ (3) Commercial Property Condition Statement (TAR-1408);
 - ☐ (4) Commercial Contract Addendum for Special Provisions (TAR-1940);
 - ☐ (5) Notice to Purchaser of Real Property in a Water District (MUD);
 - ☐ (6) Addendum for Coastal Area Property (TAR-1915);
 - ☐ (7) Addendum for Property Located Seaward of the Gulf Intracoastal Waterway (TAR-1916);
 - ☒ (8) Information About Brokerage Services (TAR-2501);
 - ☐ (9) Information About Mineral Clauses in Contract Forms (TAR-2509); and
 - ☒ (10) **Addendum A attached hereto and made a part hereof.**

(Note: Counsel for the Texas Association of REALTORS® (TAR) has determined that any of the foregoing addenda which are promulgated by the Texas Real Estate Commission (TREC) or published by TAR are appropriate for use with this form.)

- E. Buyer ☒ may ☐ may not assign this contract. If Buyer assigns this contract, Buyer will be relieved of any future liability under this contract only if the assignee assumes, in writing, all obligations and liability of Buyer under this contract.

23. TIME: Time is of the essence in this contract. The parties require strict compliance with the times for performance. If the last day to perform under a provision of this contract falls on a Saturday, Sunday, or legal holiday, the time for performance is extended until the end of the next day which is not a Saturday, Sunday, or legal holiday.

24. EFFECTIVE DATE: The effective date of this contract for the purpose of performance of all obligations is the date the title company receives this contract after all parties execute this contract.

25. ADDITIONAL NOTICES:

- A. Buyer should have an abstract covering the Property examined by an attorney of Buyer's selection, or Buyer should be furnished with or obtain a title policy.
- B. If the Property is situated in a utility or other statutorily created district providing water, sewer, drainage, or flood control facilities and services, Chapter 49, Texas Water Code, requires Seller to deliver and Buyer to sign the statutory notice relating to the tax rate, bonded indebtedness, or standby fees of the district before final execution of this contract.
- C. Notice Required by §13.257, Water Code: "The real property, described below, that you are about to purchase may be located in a certificated water or sewer service area, which is authorized by law to provide water or sewer service to the properties in the certificated area. If your property is located in a certificated area there may be special costs or charges that you will be required to pay before you can receive water or sewer service. There may be a period required to construct lines or other facilities necessary to provide water or sewer service to your property. You are advised to determine if the property is in a certificated area and contact the utility service provider to determine the cost that you

will be required to pay and the period, if any, that is required to provide water or sewer service to your property. The undersigned purchaser hereby acknowledges receipt of the foregoing notice at or before the execution of a binding contract for the purchase of the real property described in the notice or at closing of purchase of the real property." The real property is described in Paragraph 2 of this contract.

- D. If the Property adjoins or shares a common boundary with the tidally influenced submerged lands of the state, §33.135 of the Texas Natural Resources Code requires a notice regarding coastal area property to be included as part of this contract (*the Addendum for Coastal Area Property (TAR-1915) may be used*).
- E. If the Property is located seaward of the Gulf Intracoastal Waterway, §61.025, Texas Natural Resources Code, requires a notice regarding the seaward location of the Property to be included as part of this contract (*the Addendum for Property Located Seaward of the Gulf Intracoastal Waterway (TAR-1916) may be used*).
- F. If the Property is located outside the limits of a municipality, the Property may now or later be included in the extra-territorial jurisdiction (ETJ) of a municipality and may now or later be subject to annexation by the municipality. Each municipality maintains a map that depicts its boundaries and ETJ. To determine if the Property is located within a municipality's ETJ, Buyer should contact all municipalities located in the general proximity of the Property for further information.
- G. Brokers are not qualified to perform property inspections, surveys, engineering studies, environmental assessments, or inspections to determine compliance with zoning, governmental regulations, or laws. Buyer should seek experts to perform such services. Buyer should review local building codes, ordinances and other applicable laws to determine their effect on the Property. Selection of experts, inspectors, and repairmen is the responsibility of Buyer and not the brokers. Brokers are not qualified to determine the credit worthiness of the parties.
- H. NOTICE OF WATER LEVEL FLUCTUATIONS: If the Property adjoins an impoundment of water, including a reservoir or lake, constructed and maintained under Chapter 11, Water Code, that has a storage capacity of at least 5,000 acre-feet at the impoundment's normal operating level, Seller hereby notifies Buyer: "The water level of the impoundment of water adjoining the Property fluctuates for various reasons, including as a result of: (1) an entity lawfully exercising its right to use the water stored in the impoundment; or (2) drought or flood conditions."
- I. LICENSE HOLDER DISCLOSURE: Texas law requires a real estate license holder who is a party to a transaction or acting on behalf of a spouse, parent, child, business entity in which the license holder owns more than 10%, or a trust for which the license holder acts as a trustee or of which the license holder or the license holder's spouse, parent or child is a beneficiary, to notify the other party in writing before entering into a contract of sale. Disclose if applicable: _____.
26. **CONTRACT AS OFFER:** The execution of this contract by the first party constitutes an offer to buy or sell the Property. Unless the other party accepts the offer by 5:00 p.m., in the time zone in which the Property is located, on September 10, 2018, the offer will lapse and become null and void.





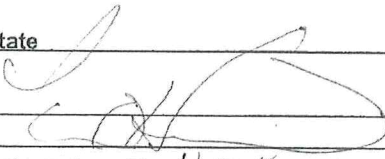
Commercial Contract - Unimproved Property concerning 15 +/- acres near the southeast corner of Robinette Rd. and W. Elms Rd., Killeen, TX


READ THIS CONTRACT CAREFULLY. The brokers and agents make no representation or recommendation as to the legal sufficiency, legal effect, or tax consequences of this document or transaction. **CONSULT your attorney BEFORE signing.**

Reeces Creek Developers, Ltd., a Texas limited
Seller: partnership

Buyer: DWR Development Group, LLC, or its assignee

c/o Bluffview Real Estate

By: 
By (signature): _____
Printed Name: WILLIAM B. HUTCHINSON
Title: ATTORNEY-IN-FACT

By: 
By (signature): _____
Printed Name: Donna Rickenbacker
Title: Manager

By: _____
By (signature): _____
Printed Name: _____
Title: _____

By: _____
By (signature): _____
Printed Name: _____
Title: _____

AGREEMENT BETWEEN BROKERS

(use only if Paragraph 9B(1) is effective)

Principal Broker agrees to pay N/A (Cooperating Broker) a fee when the Principal Broker's fee is received. The fee to be paid to Cooperating Broker will be:

☐ \$ _____, or
☐ _____ % of the sales price, or
☐ _____ % of the Principal Broker's fee.

The title company is authorized and directed to pay Cooperating Broker from Principal Broker's fee at closing. This Agreement Between Brokers supersedes any prior offers and agreements for compensation between brokers.

Principal Broker: N/A

Cooperating Broker: N/A

By: _____

By: _____

ATTORNEYS

Seller's attorney: _____

Buyer's attorney: _____

Address: _____

Address: _____

Phone & Fax: _____

Phone & Fax: _____

E-mail: _____

E-mail: _____

Seller's attorney requests copies of documents, notices, and other information:

- ☐ the title company sends to Seller.
☐ Buyer sends to Seller.

Buyer's attorney requests copies of documents, notices, and other information:

- ☐ the title company sends to Buyer.
☐ Seller sends to Buyer.

ESCROW RECEIPT

The title company acknowledges receipt of:

- ☒ A. the contract on this day Sept 26, 2018 (effective date);
☒ B. earnest money in the amount of \$ 10,000.00 in the form of wire on Oct 1, 2018.

Title company: Chicago Title Insurance Company

Address: 3700 Buffalo Speedway, Ste. 400
Houston, TX 77098

By: _____

Phone & Fax: (713)653-6105

Janet Karr, VP

Assigned file number (GF#) CTT18699740

E-mail: jkarr@ctt.com

SPECIAL PROVISIONS ADDENDUM A TO CONTRACT

The Addendum (this "**Addendum**") is attached to and made a part of that certain Commercial Contract-Unimproved Property (the "**Contract**") by and between Reeces Creek Developers, Ltd., a Texas limited partnership (the "**Seller**") and DWR Development Group or assignee (the "**Buyer**") and shall be effective for all purposes as of the Effective Date of the Contract.

1. Notwithstanding anything in Paragraph 2 of the Contract to the contrary, the term "**Property**" shall mean and include:

(a) All rights, benefits, privileges, easements, and appurtenances belonging or appertaining to the real property including, without limitation, Seller's rights, title and interest in and to all minerals, utilities and any easement, rights-of-way, rights of ingress and egress or other interest in, on or to any land, highway, street, road or avenue, open or proposed, in, on, across from, in front of, abutting, adjoining or otherwise appurtenant to the real property (the "**Access Rights**"). Buyer's obligation under the Contract is expressly contingent upon satisfaction that the Property being conveyed includes Access Rights in the location and dimensions acceptable to the Buyer and all governmental jurisdictions in connection with the development of the Intended Use (as hereinafter defined); and

(b) All interests of Seller in and to any alleys, strips, or gores of land, if any, adjoining the real property.

2. The parties acknowledge and agree that the legal description set forth in the final approved survey (the "**Survey**") obtained in accordance with Paragraph 6(B)(1) of the Contract shall be accepted by the parties as the correct and final description of the Property. If the Seller is in possession or control of a plats and/or surveys of the Property, Seller shall deliver the plats and surveys to the Buyer within 10-days following the Effective Date of the Contract.

3. Intended Use of the Property – Rental Housing Community.

4. Buyer shall have the right during the Feasibility Period described in Paragraph 7(B) of the Contract and any extension of such Feasibility Period described in Paragraph 5 of this Addendum to inspect the Property, to perform all due diligence and to compile all documents and third party reports deemed necessary by Buyer, in its sole discretion, in order to determine if the Property is suitable for Buyer's Intended Use, including, without limitation, satisfaction of acceptable utilities and Access Rights benefitting the Property and Buyer's Intended Use. Seller shall permit Buyer and its representatives, upon reasonable advanced notice, to enter onto the Property for purposes of conducting its investigation and inspection of the Property, at Buyer's sole cost and expense, that shall include, without limitation, completion of any surveying, engineering, geo-technical and environmental assessments. Buyer may terminate the Contract during the Feasibility Period for any reason and receive a refund of the Earnest Money subject to any portion thereof released to the Seller in accordance with the provisions of this Addendum.

5. If, for any reason, Buyer, in its sole discretion, considers the Property to be unsuitable for Buyer's Intended Use or purposes, or Buyer otherwise disapproves of the Property based on the studies conducted pursuant to the foregoing paragraph or for any other reason, at Buyer's sole and absolute discretion, Buyer may terminate the Contract by delivering written notice of termination to Seller at any time prior to the expiration of the Feasibility Period, in which event the Contract shall terminate and the

parties shall be relieved of any further obligations hereunder. In the event of a termination pursuant to this paragraph, the Earnest Money shall be refunded to Buyer, subject to the following:

- (a) If the Contract is terminated on or before 90-days following the Effective Date of the Contract, the Earnest Money set forth in Paragraph 5(A) of the Contract (the "Initial Deposit") shall be returned to Buyer less \$500.00 which shall be released by the Title Company directly to Seller as independent consideration for entering into the Contract;
- (b) If the Contract is terminated after 90-days following the Effective Date but on or before January 14, 2019, the Initial Deposit shall be returned to Buyer less \$2,500.00; and
- (c) If the Contract is terminated after January 14, 2019 but on or before May 2, 2019 (the "Initial Feasibility Period"), the Initial Deposit shall be returned to Buyer less \$5,000, which shall be released by the Escrow Agent to Seller as independent consideration for entering into the Contract.

In the event that Buyer elects not to terminate the Contract during the Initial Feasibility Period, the Initial Deposit shall be released by the Title Company directly to the Seller in the amounts and upon the expiration of the dates described in (a)-(c) above and become non-refundable to the Buyer but applicable to the Sales Price at Closing.

6. Buyer shall have the right to extend the Initial Feasibility Period to August 1, 2019 (the "Extended Feasibility Period", collectively with the Initial Feasibility Period the "Feasibility Period"), by delivering written notice to Seller of its intention to extend prior to the expiration of the Initial Feasibility Period, and depositing the additional amount of \$10,000 into escrow with the Title Company within three (3) business days thereafter (the "Additional Deposit", collectively with the Initial Deposit, the "Earnest Money"). A portion of the Additional Deposit in the amount of \$5,000 shall be released by the Title Company to Seller within three (3) days following its deposit by the Buyer as independent consideration for entering into the Contract.

In the event Buyer elects not to terminate the Contract and proceeds to Closing, the Earnest Money (including any portion thereof released to Seller) shall be applicable to the Sales Price at Closing.

7. The date of Closing described in Paragraph 10(A) of the Contract will occur on or before thirty (30) days following the expiration of the Feasibility Period. The date of the Closing may be extended by Buyer for three (3) consecutive 30-day periods as necessary and for the sole purpose of obtaining site plan and other approvals from the all governmental authorities and finalizing the closing with the debt and equity providers. Buyer's right to extend the date of Closing pursuant to this paragraph is conditioned upon Buyer delivering written notice to Seller of its intention to extend at least 3 business days prior to the expiration of the then date of Closing and depositing with the Title Company the amount of \$10,000 for each extension elected by Buyer (the "Closing Extension Fee") which shall be released by the Title Company directly to the Seller. The Closing Extension Fee shall be non-refundable to Buyer, except in the event of a default by Seller pursuant to the Contract, but applicable to the Sales Price at Closing.

8. All Earnest Money deposits and Closing Extension Fees (including any portion thereof released to the Seller) shall be applicable to the Sales Price at Closing.

9. Buyer's obligation to close the sale and purchase of the Property shall be conditioned upon the following items:

(a) Buyer obtaining any zoning (if any), site plan and other approvals from the governmental authorities as necessary for the Intended Use of the Property. Seller hereby agrees to fully cooperate with Buyer in granting and signing any application or other documentation deemed necessary in order for Buyer to obtain final development plan, zoning (if any) and any other governmental authority approvals required to develop Buyer's Intended Use of the Property. Buyer shall pay all costs associated with any zoning and site plan approvals in connection with its Intended Use of the Property; and

(b) Buyer receiving all financing in the amount sufficient to develop and construct the Intended Use of the Property.

In the event of a termination as a result of the failure to satisfy any condition set forth in this Paragraph 9 any portion of the Earnest Money and Closing Extension Fee released to Seller as of the date of such termination shall be retained by Seller as independent consideration for entering into the Contract and neither Seller nor Buyer shall have any further liability to the other unless otherwise specified in the Contract.

10. Notwithstanding any provision in the Contract to the contrary, in the event the Contract is terminated pursuant to any right to do so under any provisions of the Contract, the parties shall work to provide the title company any requested documentation or execute any release of funds ("Release") from the title company necessary to release the Earnest Money to the appropriate parties pursuant to the provisions of the Contract. The parties acknowledge and agree that the Title Company shall have the right to disburse funds and close the contract within 10-days following receipt by the parties of the form of Release from the Title Company. The parties agree to indemnify and hold the Title Company harmless for any claims whatsoever in connection with the Contract and disbursement pursuant to the Release in the event any party fails to execute the Release from the Title Company within such 10-day period.

11. The Property is being sold "AS IS", "WHERE IS", AND "WITH ALL FAULTS". As of the date of acceptance of all inspections performed by the Buyer, Seller shall, at Seller's sole cost and expense, keep the Property until Closing in its current condition (subject to normal wear and tear) and shall not permit or commit any liens, waste, impairment, casualty or deterioration thereof or commit, suffer or permit any act upon or use of the Property in violation of any applicable law, order, permit or license of any governmental authority. The failure of the Seller to keep the Property in its current condition shall constitute an event of default under the Contract and Buyer shall have the remedies described in Paragraph 15(C).

12. Notwithstanding any provision in the Contract to the contrary, Seller represents and warrants to Buyer that as of the date of Seller's execution of the Contract and as of the date of Closing:

(a) There are no actions, suits or proceedings pending or, to the actual knowledge of Seller, threatened (i) against the Property that would materially adversely affect the Property, or (ii) against Seller that would preclude the Seller from performing Seller's obligation under the Contract;

(b) Seller has not received any notice regarding condemnation, litigation, administrative or other legal proceedings affecting the Property or any portion thereof, and to the actual knowledge of Seller, no such action or proceedings have been commenced or threatened;

(c) Seller covenants that there are no written or unwritten leases, occupancy agreements or tenants in possession affecting the Property or any portion thereof (collectively, the "Lease"). Seller agrees to indemnify and hold Buyer harmless from any claims or causes of actions arising out of any

Lease or use of the Property prior to the sale and transfer of the Property to Buyer at Closing in accordance with the Contract; and

(d) Seller is the sole owner of fee simple title to the Property and has full power and authority to execute, deliver and perform the Contract without obtaining any consents or approvals from or the taking of any other actions with respect to, any other individuals or third parties (or if such consent, approvals or other action is required, it will be accomplished prior to Closing).

13. Notwithstanding anything in Paragraph 9 of the Contract to the contrary, Buyer and Seller hereby represent to the other that they have not disclosed the Contract or the subject matter hereof to any real estate broker, agent, or salesman, so as to create any legal right or claim by any such broker, agent, or salesman for a real estate commission or compensation with respect to the negotiation and/or consummation of the Contract or the conveyance of the Property by Seller to Buyer except as set forth in Paragraph 9 of the Contract and this Paragraph 13. Except as set forth in Paragraph 9 of the Contract, Seller and Buyer hereby indemnify each other against, and agree to hold and save each other harmless from, any claims (or expenses related thereto, including expenses for reasonable attorneys' fees incurred in defending any such claims or enforcing this indemnity) for any real estate commissions or similar fees arising out of or in any way connected with any claimed agency relationship with the indemnitor and relating to the subject matter of the Contract. This provision of this Paragraph 13 shall survive the Closing or any termination of the Contract.

14. All capitalized terms used herein and not otherwise defined shall have the mean ascribed to such term in the Contract.

15. In the event of a conflict between the provisions of the Contract and this Addendum, the provisions of this Addendum shall control and prevail.

SELLER:

Reeces Creek Developers, Ltd., a Texas limited partnership

By: _____

By: _____

Name: WILLIAM E. HECKMAN

Title: ATTORNEY-IN-FACT

BUYER:

DWR Development Group, LLC, or its assignee

By: Donna Rickenbacker
Donna W. Rickenbacker, Manager

EXHIBIT "A"

44689

CITY OF KILLEDEE

92118

23745

393489

393490

393491

393492

393493

393494

393495

393496

393497

393498

393499

393500

393501

393502

393503

393504

393505

393506

393507

393508

393509

393510

393511

393512

393513

393514

393515

393516

393517

393518

393519

393520

393521

393522

393523

393524

393525

393526

393527

393528

393529

393530

393531

393532

393533

393534

393535

393536

393537

393538

393539

393540

393541

393542

393543

393544

393545

393546

393547

393548

393549

393550

393551

393552

393553

393554

393555

393556

393557

393558

393559

393560

393561

393562

393563

393564

393565

393566

393567

393568

393569

393570

393571

393572

393573

393574

393575

393576

393577

393578

393579

393580

393581

393582

393583

393584

393585

393586

393587

393588

393589

393590

393591

393592

393593

393594

393595

393596

393597

393598

393599

393600

393601

393602

393603

393604

393605

393606

393607

393608

393609

393610

393611

393612

393613

393614

393615

393616

393617

393618

393619

393620

393621

393622

393623

393624

393625

393626

393627

393628

393629

393630

393631

393632

393633

393634

393635

393636

393637

393638

393639

393640

393641

393642

393643

393644

393645

393646

393647

393648

393649

393650

393651

393652

393653

393654

393655

393656

393657

393658

393659

393660

393661

393662

393663

393664

393665

393666

393667

393668

393669

393670

393671

393672

393673

393674

393675

393676

393677

393678

393679

393680

393681

393682

393683

393684

393685

393686

393687

393688

393689

393690

393691

393692

393693

393694

393695

393696

393697

393698

393699

393700

393701

393702

393703

393704

393705

393706

393707

393708

393709

393710

393711

393712

393713

393714

393715

393716

393717

393718

393719

393720

393721

393722

393723

393724

393725

393726

393727

393728

393729

393730

393731

393732

393733

393734

393735

393736

393737

393738

393739

393740

393741

393742

393743

393744

393745

393746

393747

393748

393749

393750

393751

393752

393753

393754

393755

393756

393757

393758

393759

393760

393761

393762

393763

393764

393765

393766

393767

393768

393769

393770

393771

393772

393773

393774

393775

393776

393777

393778

393779

393780

393781

393782

393783

393784

393785

393786

393787

393788

393789

393790

393791

393792

393793

393794

393795

393796

393797

393798

393799

393800

393801

393802

393803

393804

393805

393806

393807

393808

393809

393810

393811

393812

393813

393814

393815

39