

HFC Item 1



Travis County Commissioners Court Agenda Request TRAVIS COUNTY HOUSING FINANCE CORPORATION

Meeting Date: April 9, 2013

Prepared By/Phone Number: Andrea Shields, Manager/854-9116

Elected/Appointed Official/Dept. Head: Leslie Browder, County Executive, Planning and Budget/854-9106

Commissioners Court Sponsor: Samuel T. Biscoe, President

AGENDA LANGUAGE:

Presentation regarding issuance of multifamily revenue bonds by TCHFC to finance the acquisition and rehabilitation of Champion's Crossing Apartments, 2015 Cedar Bend Drive, Austin, Texas by ML CASA V, LP.

BACKGROUND/SUMMARY OF REQUEST AND ATTACHMENTS: See attached backup.

STAFF RECOMMENDATIONS: Staff recommends approval.

ISSUES AND OPPORTUNITIES: None.

FISCAL IMPACT AND SOURCE OF FUNDING: None.

REQUIRED AUTHORIZATIONS: Andrea Shields, Manager/854-9116; Leslie Browder, County Executive, Planning and Budget/854-9106

AGENDA REQUEST DEADLINE: All agenda requests and supporting materials must be submitted as a pdf to the County Judge's office, agenda@co.travis.tx.us by **Tuesdays at 5:00 p.m.** for the next week's meeting.

Travis County Housing Finance Corporation
700 Lavaca, Suite 1560
Austin, Texas 78701
Telephone: (512) 854-9116
Fax: (512) 854-4210

Memo

April 3, 2013

To: Board of Directors
From: Andrea Shields, Manager
Re: Presentation for multifamily bond issue from Henderson Global Investors:
Champions Crossing

Introduction

Henderson Global Investors/CASA Partners V, LP has applied to the Housing Finance Corporation for a bond issue to finance the acquisition and rehabilitation of an apartment complex in Travis County, Champion's Crossing. As you might recall, Henderson Global Investors/CASA Partners V, LP is also the partnership that received multifamily housing bonds in 2012 to acquire and rehabilitate Argosy at Crestview on Justin Lane. The rehabilitation of this property is currently ongoing, and staff has the initial compliance file audit for this property in May 2013. Henderson also was the owner of Arboretum Oaks, another HFC bond property. The agenda item for April 9th, 2013, will allow Kristina Lynn the opportunity to address to Board to provide information on the project, while the initial inducement to issue bonds on this property will occur the following week based on availability of the HFC's counsel. This property will have 20% of its units set-aside at 50% of Area Median Income (AMI), and an additional 30% of the units set-aside at 80% of AMI. Please note, the property will not have a 4% tax credit layer.

As a reminder, the initial inducement is in no way a commitment to issue the bonds. You all have several weeks to review the application materials and receive answers to any additional questions you may have. This memo and the appended backup materials are intended to provide you with the most relevant information on these items for your consideration. Please note, the purchase contract on this project requires that Henderson Global Investors/CASA Partners V, LP close on the property in May or face penalties. Therefore, the proposed schedule for this bond issue is as follows:

April 9 th	Introduction of Project
April 16 th	Initial Inducement/Setting the TEFRA Hearing - May 7 th
May 7 th	TEFRA Hearing and Final Bond Resolution

While this schedule is faster than some bond issues, it does fall within the guidelines of the application materials if Henderson provides the appraisal to staff at the appropriate times. Both the HFC's counsel and FA agree they have adequate time to appropriately vet the application. Staff will physically inspect the property this week as well. Should you require any other information, please do not hesitate to request it, and we will be happy to provide it.

Information on Henderson Global Investors/CASA Partners V, LP

As was previously reported with the Argosy at Crestview project, CASA Partners V, LP is the 5th in a series of funds specifically for multifamily housing administered and sponsored by Henderson Global Investors. These funds began in 1993 and typically focus on multifamily projects that are stable but ready for repositioning or redevelopment to maintain the asset and extend its useful, which is very valuable in a strong rental market such as Austin as it improves the existing housing stock's condition and positions the property to continue to compete in the market. Moreover, the addition of the affordability layers position the property to provide safe, decent affordable housing to working individuals and families in an area where rents are increasing considerably.

Staff's prior experience with Henderson Global Investors/CASA Partners V, LP has been positive. Also notable is that Henderson contract property management through Pinnacle Property Manager, which currently manages three properties in the HFC's bond property portfolio. In general, staff's experience with Pinnacle, particularly the regional staff, has been very good.

Details on Champion's Crossing Apartments

Location: 2015 Cedar Bend Drive 78758 (maps are included in the back up for reference). The property is located in Precinct 2.

Bond Amt: \$19,000,000

Acq/Rehab

Costs: Total costs are estimated at \$23,959,205 with \$4,959,205 in equity from Henderson Global Investors/CASA Partners V, LP and the balance financed through the bond issue/proceeds. Henderson is proposing approximately \$2 million in renovations to the property. The exterior and common area renovations include but not limited to a \$200,000 renovation of the Community Building/Leasing Office including the fitness center, business center and common areas, the addition of a dog park, the improvement of a current on-site garden, exterior repairs, exterior painting, repaving the parking areas, replacing access gates, and upgrading landscaping. The unit improvements include but are not limited to replacement of cabinet doors and resurfacing of cabinets as appropriate, new fixtures, new faux wood flooring, new stainless steel Energy Star

appliances, adding GFCI outlets, replacing water heaters, and cleaning/repairing fireplaces and repair/improvement of patios.

Construction

Completion: Rehabilitation is expected to be completed within 24 months of closing.

Site: 10.90 acres, appropriately zoned for multifamily development.

Structures: The property was constructed in 1986 and offers 288 one- and two-bedroom family units in 3-story garden style apartment buildings.

Units: Champions Crossing offers several one- and two-bedroom floor plans. The mix of units and the respective square footages are listed in the following table.

Unit Mix		
Unit Type	Sq. Ft.	# of Units
1/1	491	72
1/1	563	108
1/1	676	36
2/2	844	48
2/2	996	24
Total		288

The units at the property will have income restrictions of 50% and 80% of the Area Median Income as well as at 120%, which is market rate. The following table shows the relative household sizes and incomes for the property.

Median Household Income by Household Size & Set-Aside				
# in Household	Set-Asides			
	50% AMI	80% AMI	100% AMI	120% AMI
1 Person	\$25,650	\$41,040	\$51,300	\$61,560
2 Person	\$29,300	\$46,880	\$58,600	\$70,320
3 Person	\$32,950	\$52,720	\$65,900	\$79,080
4 Person	\$36,600	\$58,560	\$73,200	\$87,840
5 Person	\$39,550	\$63,280	\$79,100	\$94,920

Rent restrictions are based on income: a qualified household will earn at least three times the rent each month based on income verification. This ensures the household is paying no more than 30% of the household income toward rent, which is in line with HUD standards.

Amenities: *Units:* Post-renovation, the unit amenities will include ranges, refrigerators, dishwashers, and microwaves. All appliances will be stainless steel and will be Energy Star rated. The units also include washers and dryers in many units, and those without the appliances have the hookups. Additional amenities include ceiling fans, built in bookshelves, patios/balconies, fireplaces and vaulted ceilings in some units.

Property: Post-renovation, the property will offer an updated clubhouse, fitness center, community room, business center, swimming pool with hot tub, gazebo, free Wi-Fi in the clubhouse and pool areas, benches and picnic areas, a dog park, a garden area and basketball court. The property currently has a racquetball court: the purchaser is exploring the option of expanding the fitness center to two floors using the racquetball court space. All of the amenities are free to the residents. The property is located adjacent to the closest bus stop.

Green

Features: The property currently has solar screens, air duct sealing, programmable thermostats, and energy efficient light bulbs. The renovations to Champion's Crossing will include Energy Star appliances and new high efficiency hot water heaters. This is considered reasonable since the transaction is an acquisition rather than new construction.

Resident

Programs: The resident programs are still in the planning stages.

Fees: The issuer fee on this project if the bonds are issued is anticipated to be approximately \$95,000.

Backup: These items are included in the backup for your review and consideration.

- *The HFC Application Questionnaire
- *Agreement to Issue Bonds
- *Application for Financial Participation
- *Resume for Henderson Global and Portfolio Information
- *Resume for Pinnacle Management
- *Sources and Uses
- *15 Year Cash Flow
- *Site Plan
- *Location Maps

cc: Leslie Browder, County Executive, Planning and Budget
Cliff Blount, Naman Howell
Ladd Pattillo, FA

THE TRAVIS COUNTY HOUSING FINANCE CORPORATION
RESIDENTIAL DEVELOPMENT FINANCING QUESTIONNAIRE

INSTRUCTIONS

Please provide the requested information in the following tabs related to the Applicant, Project and Financing. In general, the spreadsheet offers check boxes or text boxes for answers unless separate or additional information is requested. Please expand text boxes as necessary or provide additional information in separate word, excel and pdf files as necessary. For questions, please contact Corporations staff as listed below.

Corporations Manager
Andrea Shields
512-854-9116
andrea.shields@co.travis.tx.us

Assistant Corporations Manager
Karen Thigpen
512-854-4743
karen.thigpen@co.travis.tx.us

THE TRAVIS COUNTY HOUSING FINANCE CORPORATION
RESIDENTIAL DEVELOPMENT FINANCING QUESTIONNAIRE

APPLICANT INFORMATION

PLEASE PROVIDE THE FOLLOWING INFORMATION ON THE APPLICANT

i.e. the entity that will own the residential development for which financing is requested
(referred to hereinafter as the "Project")

1. Name: **ML CASA V, LP**
Address: **737 N. Michigan Ave, Suite 1700**
City, ST Zip: **Chicago, IL 60611**
Phone #: **312-915-9171**

2. Jurisdiction under whose law Applicant was organized.
Delaware

3. Form of organization of the Applicant.

For Profit Corporation	<input type="checkbox"/>
Limited Partnership	<input checked="" type="checkbox"/>
General Partnership	<input type="checkbox"/>
Sole Proprietorship	<input type="checkbox"/>
501 (c) (3) Corporation	<input type="checkbox"/>
Governmental Entity	<input type="checkbox"/>
Limited Liability Company	<input type="checkbox"/>

4. Does Applicant currently exist or is it to be formed?

Exists	<input checked="" type="checkbox"/>
To be formed	<input type="checkbox"/>

5. If the Applicant is a corporation, identify its directors, officers, and indicate their titles. If the Applicant is a Partnership, identify all of its general partners. If the Applicant is a limited liability company, identify all managers. Provide resumes of all persons identified to completed application.

Please see attached Schedule D: CASA V Organization Chart and Schedule E: CASA V Overview and Key Personnel.

6. Registered agent of Applicant for service of process.

Name: **The Corporation Trust Company**
Address: **1209 Orange Street**
City, ST Zip: **Wilmington, DE 19801**
Phone #:
Email:

7. Information for contact regarding questions and correspondence.

Name: **Kristina Lynn; Henderson Global**
Address: **737 N. Michigan Ave, Suite 1700**
City, ST Zip: **Chicago, IL 60611**
Phone #: **312-915-9171**
Email: **kristina.lynn@henderson.com**

8. Name, address, phone # and email address for legal counsel for the Applicant (note: NOT bond counsel)

Name: **Mike Petersilia; Locke Lord**
Address: **2200 Ross Ave, Suite 2200**
City, ST Zip: **Dallas, TX 75201**
Phone #: **214-740-8690**
Email: **mppete@lockelord.com**

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RESIDENTIAL DEVELOPMENT FINANCING QUESTIONNAIRE

9. Name, address phone # and email for any and all financial consultant(s), investment banker(s), or mortgage banker(s) advising the Applicant in connection with the Project.

Merrill Lynch Capital Services
Dan Nussbaum
One Bryant Park
NY1-100-101
New York, NY 10036
646-743-1377

10. List banking references (minimum of 2) with contacts.

Name: Tim Leonard; Oak Grove Capital
Address: 625 West College Street
City, ST Zip: Grapevine, TX 76051
Phone #: 817-310-5800
Email: tleonard@oakgrovecap.com

Name: Brett Hill; Wells Fargo
Address: 123 N. Wacker Drive, Suite 1900
City, ST Zip: Chicago, IL 60606
Phone #: 312-269-4812
Email: brett.a.hill@wellsfargo.com

11. If the Applicant or any proposed or existing member of partner of the Applicant has applied for an exemption as a Community Housing Development Organization (CHDO), please provide a copy of the certification.
NA
12. If the Applicant is a 501(c)(3) corporation, please provide a copy of its IRS exemption letter and its most recently filed IRS form 990.
NA
13. If the Applicant is a 501(c)(3) corporation, the Corporation will require the Applicant to furnish at the closing an opinion of nationally recognized tax counsel satisfactory to the Corporation confirming the Applicant's 501(c)(3) exemption status.
NA
14. Does the Applicant anticipate entering into a profits participation or joint venture agreement with a financial institution or other party with regard to the Project? If so, explain and provide any agreements between parties.

NA

15. Is the principal owner related to any other organization by more than 50% common ownership? If so, indicate name or related organization and relationship.

NA

16. Identify all persons/entities that own a 10% or greater interest in the Applicant.

Please see attached Schedule D: CASA V Organization Chart.

17. If any of the above persons own more than 50% of the principal owner, list all other organizations which are related to the principal owner as they have more than a 50% interest in the organizations.

NA

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RESIDENTIAL DEVELOPMENT FINANCING QUESTIONNAIRE

18. Describe all previous experience with multifamily housing projects.

We own Arboretum Oaks and Argosy at Crestview in Austin. Please see attached Schedule E: CASA V Overview and Key Personnel.

19. Has the Applicant, any of its officers or directors, or any person who owns a 10% or greater interest in the Applicant ever been found in violation of any rules or regulations of HUD or any other federal or state agency or been subject to an investigation by HUD or any other federal or state agency? If yes, attach a full explanation.

Yes

No

<input type="checkbox"/>
<input checked="" type="checkbox"/>

20. Is the Applicant or the Project in violation (or ever have been) with any housing code, laws, rules or regulations? If yes, please provide an explanation and verification of cure.

No

21. Does the Applicant or the Project have any tax liens filed against it with the county or other taxing jurisdiction? If yes, please specify.

No

22. Please explain to what extent, if any, the Applicant plans to promote the Corporation's goals, particularly (a) providing for efficient and well-planned growth and development including the limitation and prevention of potential urban blight and the proper coordination with surrounding uses including mass transit (if applicable), (b) assisting persons of low and moderate income in obtaining decent, safe and sanitary housing which they can afford.

There will be three levels of affordability requirements at the Property. 20% of the units at 50% of median income, 30% of the units at 80% of median and no more than 90% of the units at greater than 120% of median income. We will also be investing over \$2 million into the property including amenity upgrades and interior unit upgrades.

**THE TRAVIS COUNTY HOUSING FINANCE CORPORATION
RESIDENTIAL DEVELOPMENT FINANCING QUESTIONNAIRE**

23. Please submit copies of the Applicant's current affirmative action program, if any, and a written undertaking executed by a duly authorized officer of the Applicant that the Applicant will not discriminate on the basis of race, sex or age in the employment, promotion and termination of employment of employees who work in Travis County, Texas; that the Applicant will abide by the Affirmative Action Plan as included in the Application for Financing; and the Applicant will otherwise comply with equal opportunity standards in its employment practices with respect to such employees.

We do not specifically have an affirmative action plan in place; however, our management company follows Fair Housing requirements, fair hiring and also has projects bid out to minority businesses. Attached is the signed Affirmative Action Plan.

24. Please provide an organizational chart demonstrating the structure and relationship between the Applicant and other participating entities.

Please see attached Schedule D: CASA V Organization Chart

25. Will the applicant apply for a property tax abatement? If so, how much?

No.

**THE TRAVIS COUNTY HOUSING FINANCE CORPORATION
RESIDENTIAL DEVELOPMENT FINANCING QUESTIONNAIRE**

PRIOR EXPERIENCE

Summarize prior development, ownership and management experience of the Applicant or its principals, including for each development the date of the project, size and location of project, method of financing, amounts outstanding, and a representation that financings with outstanding balances have been paid as agreed and are not considered in default. Please use the following table and add lines as needed.

Date	# of Units	Location	Method of Financing	Amounts Outstanding	Representation
Please see attached Schedule F: ML CASA V Bond Deals					

THE TRAVIS COUNTY HOUSING FINANCE CORPORATION
RESIDENTIAL DEVELOPMENT FINANCING QUESTIONNAIRE

PROJECT INFORMATION

PLEASE PROVIDE THE FOLLOWING INFORMATION ON THE PROJECT.

Note that questions in green relate to rehabilitation projects only.

1. Provide the following information on the project:

New Construction; or
Rehabilitation

Address: 2015 Cedar Bend Drive
City, Zip Austin, TX 78758

Description of location of the site, and provide a map with the location marked.

See attached Schedule C: Google Map and Site Plan

2. Number of acres comprised by the Project site.

10.90

3. Is the Project site currently zoned for multifamily housing?

Yes
No

Zoning: Multi-Family

4. Have all necessary approvals (including zoning, building and special use permits) been obtained from State, federal or local regulatory bodies? If no, please provide information on the status of permits/approvals.

NA, existing apartments

5. Describe any existing improvements or structures on the site. Please indicate whether structures will be demolished.

There are 12 two-story residential buildings with a freestanding clubhouse and freestanding fitness center for a total of 14 buildings. None of the structures will be demolished.

6. Provide a legal description and the prior year's ad valorem tax statement.

See attached Schedule G - 2012 Tax Bill and Schedule J - Legal Description

7. Describe anticipated traffic impact in terms of vehicles per day, peak traffic hours and anticipated total volume.

None, existing apartments.

8. Does the Applicant currently own the Project site?

Yes
No

9. If the Applicant presently owns the Project site, please provide evidence of ownership and complete the following information.

Purchase Date

Purchase Price

Balance of Existing Mortgage:

Holder of Existing Mortgage:

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RESIDENTIAL DEVELOPMENT FINANCING QUESTIONNAIRE

10. If the Applicant presently holds an option to purchase the Project or Project site, please provide a copy of the executed Option Agreement. If option has been assigned, provide a detailed written description of the assignment including copies of all contracts and agreements relating to the assignment. Also, please provide the following:

11. Present Owner

Purchase Price

Date of Option Agreement

Expiration Date of Option Agreement

12. If the Applicant has an executed contract to purchase the Project or Project site, please provide a copy of the executed purchase contract between the Applicant and the Present Owner. If date acquired by the Present Owner is within 1 year of the date of this application, also provide a copy of the purchase contract between the seller and the Present Owner. Also, please provide the following:

Present Owner

Date of Contract

Purchase Price

Settlement Date

Date Present Owner Acquired Project or Project Site

UBS

TBD, negotiating

\$21,650,000

TBD, expected 5/30/13

Unknown

13. If the Applicant does not presently own the Project or Project site, please describe any relationship that exists by virtue of of common control or ownership between the Applicant and the Present Owner of the Project or Project site. Please provide copies of any documents demonstrating such a relationship exists.

There is no relationship between the current owner and ML CASA V, LP; this is an arms length transaction.

14. Please indicate whether the cost of the Project site is to be included in the financing.

Yes

No

X

15. What is the present number and general description of residential units on the Project site?

288 units.

16. Does the Project consist of additions to and/or renovation and rehabilitation of existing units?

Yes

No

X

17. If a rehabilitation, what is the age of the units?

1986

18. If a rehabilitation, generally describe the proposed additions/improvements to be made. Include descriptions of the type of improvements, and amount to be spent per unit and for common areas. Please provide a list of total project improvements by cost and category.

Interior unit rehabs will be completed at a cost of \$6,500/unit and will include new cabinet doors, fixtures, vinyl plank flooring and new stainless appliances. \$200,000 will also be used to upgrade the clubhouse. See attached Schedule A: Acquisition and Capital Costs.

**THE TRAVIS COUNTY HOUSING FINANCE CORPORATION
RESIDENTIAL DEVELOPMENT FINANCING QUESTIONNAIRE**

19. If a rehabilitation/existing property, please provide financial statements (YE balance sheets and profit and loss statements preferred) for the last three years.

Attached.

20. Will any tenants require relocation due to the expected renovation and rehabilitation?

Yes

X

No

If yes, please provide a detailed relocation plan and budget.

21. Describe the overall style of the Project (e.g. garden apartments, midrise, high-rise, etc.), exterior construction materials, energy conservation considerations and landscaping design. Provide a site sketch showing proposed location of the units on the site and an architect's rendering if available.

Two-story garden apartments. Brick exterior with wood and cement siding.

22. Describe any additional facilities included or to be included in the Project, such as parking, WiFi, laundry, office, recreational facilities, computer lab/business center, etc. If any of the facilities are anticipated to generate income, indicate projected amount.

The units all have washer/dryer hookups and some have stackable washer/dryers provided. The clubhouse has a business center and there is another building with the fitness center. There is no revenue associated with these amenities.

23. Please see tab II.a. to provide information on current and proposed rents and vacancy for the Project.

24. Please see tab II.b. to provide information on amenities planned for the Project as well as utility structure.

25. Describe any restrictions the Applicant intends to impose on project tenants (i.e. family size, no children, no pets, etc.)

None.

26. Does the Applicant intend to set aside 5% of the units for occupancy by the elderly?

Yes

X

No

27. Does the Applicant intend to pay the required fee to the Texas Department of Aging and Disability Services at closing in lieu of offering 5% of units to the elderly?

Yes

X

No

28. Please see tab II.c. to provide estimated costs of developing, constructing and equipping, or acquiring and rehabilitating the Project. Provide additional information as necessary.

29. Has construction or rehabilitation work on the Project begun?

Yes

X

No

30. Please indicate construction start and completion date, and date units will be available for occupancy.

Start

NA

Completion

NA

Initial Occupancy

NA

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RESIDENTIAL DEVELOPMENT FINANCING QUESTIONNAIRE

31. Please provide the contact information for the contractor for the Project. Provide any information concerning projects previously completed by this contractor, including location, date of completion, # of units and approximate construction costs for each project.

Name: NA
Address:
City, ST Zip:
Phone #:
Email:

32. Please provide the following information on the architect for the Project.

Name: NA
Address:
City, ST Zip:
Phone #:
Email:

33. If work has begun, indicate the type and amount of costs expended or incurred to date with respect to the Project.

NA.

34. Describe briefly the anticipated arrangements for management of the Project. If a professional management company will be employed, provide a resume for the company and an estimate of the management fee either monthly or annually.

Pinnacle will be hired to do the Property Management. Please see attached Schedule H: Pinnacle Resume.

35. If a professional management company will be employed, please provide the name, address, phone # and email for the company.

Name: Jeanne Klobedans
Address: 227 N. Loop 1604 E, Suite 130
City, ST Zip: San Antonio, TX 78232
Phone #: 210-824-4221
Email: jklobedans@pinnaclefamily.com

36. Make a statement regarding the demand and market need for the Project and provide proof, if any (i.e. market survey, feasibility analysis, etc.)

There is demand in the market for affordable units.

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37. State the best estimates as to the minimum family income levels of the expected tenants required in order to pay anticipated monthly rental amounts.

To afford the rents annual household income must be \$22,500 or greater for the smallest one bedroom and \$28,500 or greater for the smallest two bedroom.

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RESIDENTIAL DEVELOPMENT FINANCING QUESTIONNAIRE**

CURRENT AND PROPOSED RENTS

If the Project is a rehab of an existing property, please provide the following information on the current rents and vacancy.

CURRENT RENTS

Unit Type	Sq. Ft.	# of Units	Set-aside*	# Vacant	Current Rent	Rent Per SF
1/1	491	72	0	3	\$662	1.34827
1/1	563	108	0	7	\$693	1.23091
1/1	676	36	0	1	\$770	1.13905
2/2	844	48	0	2	\$836	0.99052
2/2	996	24	0	2	\$961	0.96486
Total/Avg	642	288		15	\$784	\$ 1.19

*Or other affordability restriction if applicable

Indicate the unit mix, rents, and affordability restrictions for the Project.

PROPOSED RENTS

Unit Type	Sq. Ft.	# of Units	Set-aside*	Proposed Rent	Rent Per SF
1/1	491	72	0	\$752	\$1.53
1/1	563	108	0	\$783	1.39076
1/1	676	36	0	\$860	1.27219
2/2	844	48	0	\$951	1.12678
2/2	996	24	0	\$1,076	1.08032
Total/Avg	642	288		\$884	\$ 1.34

*Or other affordability restriction if applicable

**THE TRAVIS COUNTY HOUSING FINANCE CORPORATION
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AMENITIES AND UTILITIES

Please indicate which of the following equipment, if any, will be included in the Project's dwelling units:

<input checked="" type="checkbox"/> Range	<input checked="" type="checkbox"/> Garbage Disposal	<input checked="" type="checkbox"/> Dishwasher
<input checked="" type="checkbox"/> Refrigerator	<input checked="" type="checkbox"/> Carpet	<input checked="" type="checkbox"/> Fireplace * select units
<input checked="" type="checkbox"/> Central A/C	<input type="checkbox"/> Cermaic Tile	<input checked="" type="checkbox"/> Cable TV
<input checked="" type="checkbox"/> Ceiling Fans	<input checked="" type="checkbox"/> Drapes/Blinds	<input checked="" type="checkbox"/> High Speed Internet Access
<input type="checkbox"/> Washer/Dryer	<input checked="" type="checkbox"/> W/D Connections	<input type="checkbox"/> Other:

Please provide whether utilities are gas or electric and if they will be paid by the tenant:

Utility	Gas/Electric	Paid by Tenant or Owner
Heating	Electric	Tenant
A/C	Electric	Tenant
Cooking	Electric	Tenant
Other Electric		Tenant
Hot Water	Electric	Tenant
Water		Tenant
Sewer		Tenant
Trash		Tenant
Basic Cable	Electric	Tenant

**THE TRAVIS COUNTY HOUSING FINANCE CORPORATION
RESIDENTIAL DEVELOPMENT FINANCING QUESTIONNAIRE**

DEVELOPMENT COSTS

ITEM	COST
Land	\$4,748,100
Existing Improvements	\$16,901,900
Demolition	
Site Work	
Relocation	
New Construction Hard Costs	
Rehabilitation Hard Costs	\$1,826,335
Contractor Overhead	
Contractor Profit	
Construction Contingency	
Architect Fee - Design	
Architect Fee - Supervision	
Permits	
Construction Insurance	
Construction Interest	
Loan Origination - Construction	
Loan Origination - Permanent	
Credit Enhancement Fees	
Taxes	
Title and Recording	
Property Appraisal	
Market Study	
Environmental Study	
Start Up - Marketing	
Surveys & Soil Testing	
Organizational	
Bridge Loan Fees	
Tax Opinion	
Developer's Overhead	
Developer's Fee	
Rent-up Reserve	
Operating Reserve	
Cost of Issuance	\$415,870
Due Diligence	\$67,000
Other	
Other	
Other	
Other	
TOTAL DEVELOPMENT COSTS	\$23,959,205

**THE TRAVIS COUNTY HOUSING FINANCE CORPORATION
RESIDENTIAL DEVELOPMENT FINANCING QUESTIONNAIRE**

FINANCING INFORMATION

PLEASE PROVIDE THE FOLLOWING INFORMATION ON THE FINANCING FOR THE PROJECT

1. Please provide an appraisal of the Project no less than 30 days prior to anticipated final approval by the Corporation's Board of Directors. The Appraisal should be dated within 120 days of the anticipated final approval date. If the site is vacant, please provide a land appraisal. Please note, multifamily land sales should be utilized to determine value for multifamily land. If the Project is an existing multifamily property, please provide an appraisal that includes a land and "as is" value. If the property is currently market rate and the regulatory agreement will restrict rents/cash flow, please also provide "as proposed" stabilized and unstabilized values, and a value of the favorable financing.

Total Development Costs (will populate from tab II.c.)

\$23,959,205

2. Of total development costs, please indicate the percentage of the Project costs for the Applicant desires financing and the amount of equity investment in the Project which the Applicant proposes to make.

Percentage	79.30%
Equity Investment	\$ 4,959,205

3. Briefly describe the nature of the equity investment.

CASA Partners V, LP is a discretionary fund that has \$155 million in equity commitments from pension fund investors. The fund already owns 10 other assets and will be closing on the 11th at the beginning of May 2013.

4. State the maximum principal amount of bonds that the Applicant desires that the Corporation issue to provide financing or refinancing for the Project.

\$19,000,000 \$ 19,000,000.00

5. If a refinancing of bonds previously issued by the Corporation, please describe the current financial situation of the Project, the refinancing plans, and the future cash flow expectations in detail. Also describe whether the Project will be sold by the current owner before or after the bonds are issued.

NA.

6. Indicate any other rent supplement, loan guarantee, grant or mortgage insurance for which the Applicant has made, or intends to make, application for with respect to the Project.

NA.

7. Has the Applicant made application to HUD for housing assistance payments under Section 8 of the U.S. Housing Act of 1937? If so, on what percentage of the Project's units?

Yes, on 100% of the units	<input type="checkbox"/>
Yes, on 20% of the units	<input type="checkbox"/>
No	<input checked="" type="checkbox"/>

**THE TRAVIS COUNTY HOUSING FINANCE CORPORATION
RESIDENTIAL DEVELOPMENT FINANCING QUESTIONNAIRE**

8. Please describe all sources of financing.

The \$19,000,000 in bond financing will be all the financing on the Property.

10. Please provide a detailed statement of sources and uses for funds through completion of the acquisition/rehab and/or construction of the Project. If construction is in progress, please additionally provide a sources and uses for what has been spent to date.

Please see attached Schedule A: Acquisition and Capital Costs and Schedule B: Sources and Uses

11. Please describe the status of obtaining the sources of funds listed in the statements and describe plans for obtaining financing if it is not obtained from the original source of funds:

CASA Partners V, LP has all of the equity it needs to purchase the Property available.

12. Will any of the funds be used to repay or refinance an existing mortgage or outstanding loan?

Yes

No

<input type="checkbox"/>
<input checked="" type="checkbox"/>

13. What percentage of the requested financing is working capital?

None

14. Describe any other important aspects of the proposed financing, including the nature of the security and required reserve funds. Include a detailed description of any existing or proposed ground leases relating to the Project site, existing deed restrictions, subordinate debt, taxable financing, sale-leaseback arrangements and rights to repurchase the Project or Project site

The bonds will be purchased by Merrill Lynch at closing and held unenhanced.

15. Name and contact information of the financial institution (bank, investment banking firm, etc.), if determined, which may be interested in purchasing the bonds if and when such bonds may be approved for sale. It is the responsibility of the Applicant to arrange for the marketing of the bonds if the financing is approved, with the Corporation's concurrence.

Institution:	Merrill Lynch
Contact Name:	Dan Nussbaum
Address:	One Bryant Park, NY1-100-101
City, ST, ZIP	New York, NY 10036
Phone #	646-743-1377
Email	dan.nussbaum@baml.com

THE TRAVIS COUNTY HOUSING FINANCE CORPORATION
RESIDENTIAL DEVELOPMENT FINANCING QUESTIONNAIRE

16. If the Applicant has a credit rating, please state the rating and agency:

Agency:

NA

Rating:

17. If the Applicant is a limited partnership, indicate whether it is anticipated that there will be a syndicated offering of partnership interests.

No.

18. Explain how the Project will be financed if all or a portion of the amount of the financing applied for herein is denied:

We will not move forward with the deal if we do not receive at least 65% financing.

19. Has any member of the identified development team filed/declared bankruptcy or reorganization under bankruptcy law and regulations? If yes, please explain.

No.

20. Will the bonds be sold to the public or sold in a private placement to institutional investors? Additional documentation, including an offering memorandum or other disclosure document, may be required in the future, depending on the nature of the proposed offering.

This will be a private placement with Merrill Lynch.

21. If the applicant is not a 501 (c) (3), please provide a balance sheet, profit and loss statement, and statement of financial position OR an annual report to stockholders and an annual report and Form 10-K to the Securities and Exchange Commission for the Applicant.

See attached financial statements for ML CASA V, LP and CASA Partners V, LP

22. Please provide financial statement of the Applicant for the most recent fiscal quarter which ended at least 45 days prior to this Application.

See attached financial statements for ML CASA V, LP and CASA Partners V, LP

23. Please detail all changes or events known to management subsequent to the date of the most recent audited balance sheet (including, but not limited to, pending or threatened litigation, claims, assessments, commitments, subsequent information regarding uncollectability of receivables, valuation of assets, changes in corporate structure or statements or prior period financial statements) which may have a material effect on the Applicant's financial position (provide data separately if necessary to provide more detailed information):

None.

**THE TRAVIS COUNTY HOUSING FINANCE CORPORATION
RESIDENTIAL DEVELOPMENT FINANCING QUESTIONNAIRE**

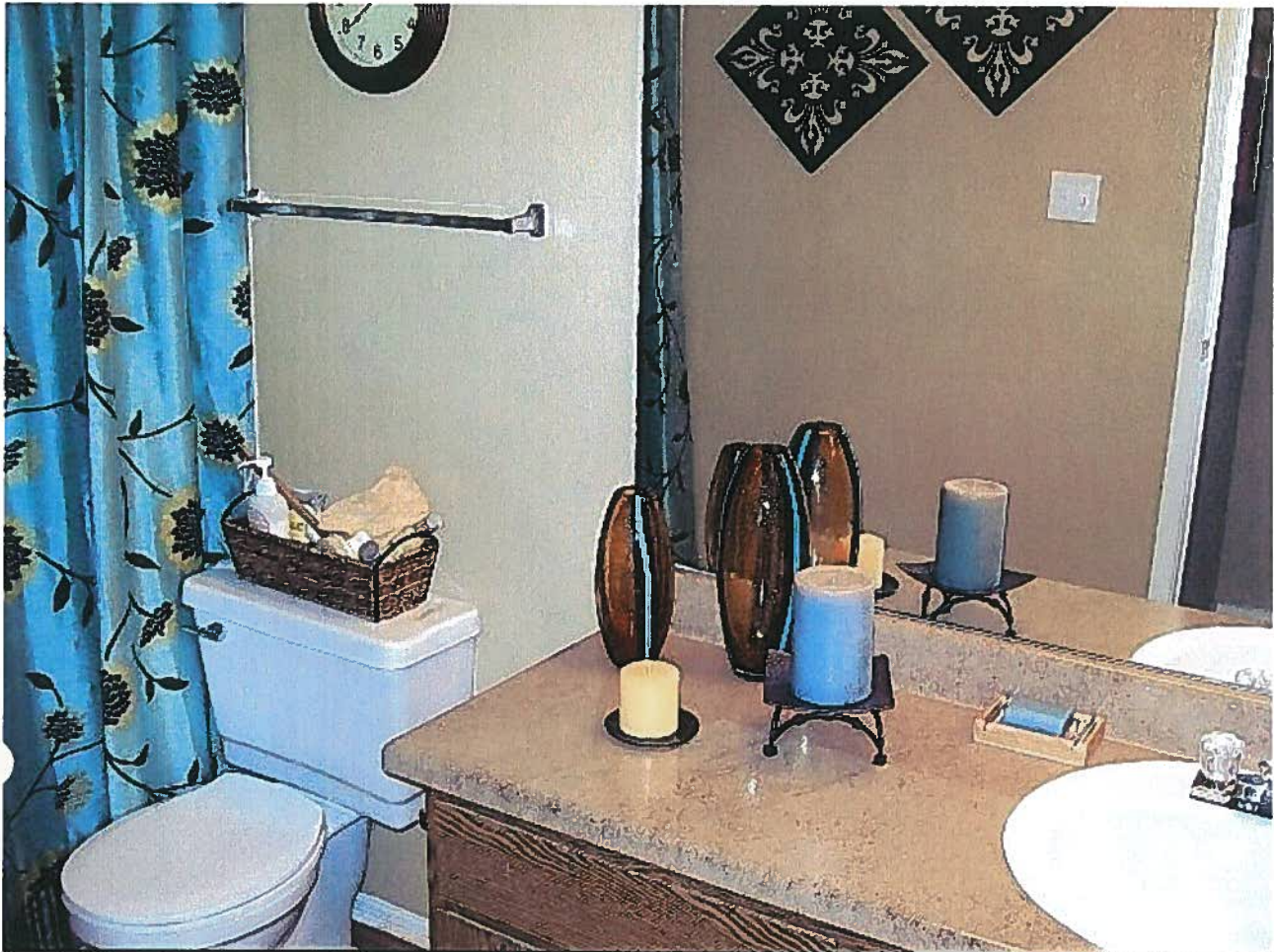
24. List the face amount of all tax-exempt financing previously arranged by or for the benefit of the principal owner in the County.

Date of Issue	Original Face Amount	Current Outstanding Amount
03/29/12 \$	17,500,000	\$ 17,500,000

25. Please provide a 15 year pro forma cash flow statement for the Project. Include line items for administrative, operating and maintenance costs, taxes, insurance, payroll and management at a minimum. See attached Schedule I: 15 Year Cash Flow







Application Number _____

TRAVIS COUNTY HOUSING FINANCE CORPORATION
700 Lavaca, Suite 1560
Austin, Texas 78701
Attention: Samuel T. Biscoe, President

**APPLICATION FOR FINANCIAL PARTICIPATION
AND INDEMNIFICATION AGREEMENT**

TO: The Board of Directors of the Travis County Housing Finance Corporation:

The undersigned, on behalf of the entity named as Applicant, hereby applies to the Travis County Housing Finance Corporation (the "Corporation") for Residential Development Financing, pursuant to the Texas Housing Finance Corporations Act, and pursuant to the Policy Guidelines for Receiving and Approving Applications for Financial Participation in Residential Developments of the Corporation.

We have reviewed the Corporation's Policy Guidelines presented to us and in effect on the date hereof, and we agree to and accept the terms hereof.

The Residential Development Financing Questionnaire has been completed to the best of our ability, and submitted to the Corporation's staff, and the information contained therein and on any attachments thereto, represent a reasonable comprehensive outline of the Residential Development and the financing requested in connection therewith.

We submit herewith the Processing Fees required by subparagraph III(A)(1) of your Policy Guidelines, together with two copies of the executed Agreement to Issue Bonds required by Subparagraph II(A)(2) of the Policy Guidelines.

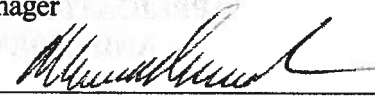
Preliminary Official Action, pursuant to paragraph II(B) of the Policy Guidelines is (is not) requested. (If such action is requested, attach separate statement of facts related to the request.)

The undersigned warrants that he is authorized to submit this application on behalf of the Applicant.

ML CASA V, L.P.
a Delaware limited partnership

By: ML CASA V Management, LLC
a Delaware limited liability company,
General Partner

By: Henderson Global Investors GP II, L.L.C.
a Delaware limited liability company,
Manager

By: 
Name: Michael Schwab
Its: Vice President

Presently Estimated Amount of
Project Financing Requested:

\$ 19,000,000

As an inducement to the Corporation and the Commissioners' Court of Travis County, Texas, to accept, review and favorably consider and approve said application and to issue the obligations therein contemplated, and whether or not all or any part thereof are ever actually approved or issued, Applicant agrees to (a) pay all facility costs which are not or cannot be paid or reimbursed from the proceeds of obligations issued by the Corporation, and (b) at all times indemnify and hold harmless the Corporation, the Commissioners' Court, their members, directors, officers, agents, contractors, and employees against all losses, costs, damages, expenses and liabilities of whatsoever nature or kind (including, but not limited to, attorney's fees, litigation and court costs, amounts paid in settlement, and amounts paid to discharge judgment) direct or indirectly resulting from, arising out of or related to the acceptance, consideration and approval or disapproval of such Application or the issuance, offering, sale, delivery or payment of any such obligations and interest thereon, or the design, construction, installation, operation, use, occupancy, maintenance or ownership of the Facility.


It is understood and agreed that this undertaking shall be continuing and shall survive and continue to be effective after any approval or disapproval of this Application and the issuance or failure to issue any such obligations and the construction and operation of the Facility. It is also understood that additional indemnity agreements may be required by the Corporation from the applicant or others, such as guarantors, prior to the final approval of such Application.

The undersigned officer of Applicant hereby certifies that he or she is duly authorized to submit the foregoing Application on behalf of the Applicant and that the foregoing information is true and correct to the best of his or her knowledge and belief submitted on the 25th day of March 2013.

ML CASA V, L.P.
a Delaware limited partnership

By: ML CASA V Management, LLC
a Delaware limited liability company,
General Partner

By: Henderson Global Investors GP II, L.L.C.
a Delaware limited liability company,
Manager

By: 
Name: Michael Schmitt
Its: Vice President

Form of Affirmative Action Plan

TRAVIS COUNTY HOUSING FINANCE CORPORATION

In the construction and operation of a residential development to be financed in whole or in part with the proceeds of bonds to be issued by the Travis County Housing Finance Corporation, the applicant should conform to the following provisions:

- I. Housing Standards. The applicant should comply with all provisions of the City of Austin Fair Housing Ordinance.
- II. Minority Business Enterprise. Applicants should set obtainable goals and objectives as it relates to the utilization to Minority Business in construction as well as contracted services used by the Applicant once it is in operation. More specifically, it should include:
 - a. Use of minority subcontractors in construction of the facility.
 - b. Use of minority general contractors in the construction of the facility where usable.
 - c. Care should be taken to be sure that Minority Businesses have the opportunity to participate in all phases of construction.
 - d. Measures should also be taken that those Minority Businesses submitting competitive quotations be assured that they will be given reasonable opportunity, if qualified, for consideration.
 - e. Monitoring mechanisms should be included to assure minority participation in the overall construction process.
- III. Minority Vendor Program. Minority Vendors in the areas of goods and services should be afforded the opportunity to bid on maintenance service and commodity contracts with the

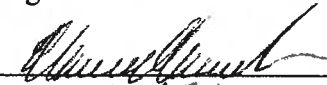
Applicant during its operational phase. This should include notification of Minority Business of the contract requirements of the Applicant and setting of annual goals for the participation of minority vendors in the Applicant's operational phase as it relates to the procurement of goods and services.

- IV. Planning Phase. The Applicant shall obtain a listing of Travis County Minority Businesses to assess the types of Minority Businesses in Travis County. Also, the Applicant should list the procurement requirements of the Applicant past and present, and indicate the areas in which it feels Minority Businesses may best be utilized in its procurement activities.

ML CASA V, L.P.
a Delaware limited partnership

By: ML CASA V Management, LLC
a Delaware limited liability company,
General Partner

By: Henderson Global Investors GP II, L.L.C.
a Delaware limited liability company,
Manager

By: 
Name: Michael Schenck
Its: Vice President

CASA V Overview:

CASA Partners V, L.P. (the "Fund") is the fifth in a series of successful multi-family housing commingled funds that integrate value-enhancing strategies including a tax-exempt bond financing strategy. The Fund is the newest apartment fund sponsored by Henderson Global Investors (Holdings) plc and Henderson Global Investors (North America) Inc. ("HGINA") (each individually and collectively "Henderson") and will focus on investment in apartment properties with value enhancement potential combining high current income with the opportunity for capital appreciation. Value enhancement will be pursued through investments in properties with repositioning or redevelopment potential, properties that have been under-capitalized, and select pre-sale opportunities. Particular emphasis will be placed on apartments subject to tax-exempt bond financing providing low-cost debt for the portfolio. The focus is on assets that generate attractive current yields and provide an opportunity for market appreciation during the holding period of the Fund. The strategy is an extension of the CASA Group/Partners I, L.P. ("CASA I"), CASA Partners II, L.P. ("CASA II"), CASA Partners III, L.P. ("CASA III") and CASA Partners IV, L.P. ("CASA IV") investment programs currently managed by Henderson.

The Fund may utilize repositioning, redevelopment and other value enhancing strategies, including select pre-sale development, in order to provide investors with capital appreciation. The use of strategic partnering will also be pursued by the Fund if the partner provides focused local expertise, access to a pipeline of potential investments and the potential for enhanced returns for the Fund.

Underlying the strategy of the Fund is our proven experience of managing more than \$1.5 billion in tax-exempt bond-financed apartments as of September 30, 2011.

Henderson's US team has successfully invested in apartment communities on behalf of institutional clients for nearly two decades. As of September 30, 2011 we manage over \$1.9 billion in apartment assets, which includes 61 properties in 25 markets totaling approximately 19,300 units. Since 1999, HGINA has reviewed over 10,000 apartment investment opportunities as part of our efforts to gauge the market and uncover opportunities that met our clients' objectives. During this period we ultimately acquired 78 apartment properties for approximately \$2.1 billion, and sold 46 apartment properties for approximately \$1 billion for a net realized IRR of 12.8%, as of September 30, 2011.

Henderson's first apartment fund, CASA I, was formed in 1993 to target apartment investments in major markets across the United States. This investment strategy continued with the launch of a second CASA fund ("CASA 94") in early 1995, again targeting a diversified portfolio of apartments across the U.S. CASA 94 had an additional focus on acquiring properties with existing tax-exempt bond financing. A follow-on separate account, SA-U ("SA-U"), was launched in 1996 to invest in a geographically diverse portfolio of apartments inclusive of the tax-exempt bond financing strategy. In 1999, CASA I was restructured with the acquisition of approximately \$200 million of tax-exempt bond-financed apartments. The acquisition provided low cost financing to the existing portfolio, which carried very low leverage prior to 1999. With the additional portfolio acquisition, the fund life for CASA I was extended and the return expectations increased. CASA II launched in 2002 and was fully invested by 2004; CASA III launched in 2004 and was fully invested by 2006; and CASA IV launched in late 2006 and was fully invested in 2011. All of these funds

pursued the same diversified apartment investment strategy, using tax-exempt bond financing as a primary component of their debt structures.

CASA V Key Personnel:

James G. Martha, CPM, CCIM, Managing Director Property, North America Mr. Martha joined Henderson in 1992 and is currently responsible for the overall management of the North American property business including the strategic planning and management of various client portfolios. He chairs the North American Property Investment Committee and Portfolio Performance Committee and is a member of the North American Management Committee. Mr. Martha is also a member of Henderson's Global Property Management Team. Prior positions within the firm include Director of Property Portfolio Management, Director of Multi-Family Asset Management and Portfolio Manager. Mr. Martha has 30 years of property investment experience managing both debt and equity for institutional and HNW investors. Prior to joining the firm, Mr. Martha was employed by a national real estate property management firm where he held various positions, including Vice President of Multi-Family Housing Management, Vice President of Commercial Management and Portfolio Manager. He holds the Institute of Real Estate Management's CPM designation, and is a two-time past President of the Connecticut Chapter. Mr. Martha also holds the CCIM designation from the Commercial Investment Real Estate Institute, and the FINRA Series 7 designation. He also serves on the Advisory Board for National Multi-Family Housing Council (NMHC). *Education: BS, Management, Central Connecticut State University.*

A.J. Richard, Esq., Director of Property Portfolio Management / Portfolio Manager Mr. Richard joined the firm in 1992, and is responsible for the strategic planning and portfolio management of various North American property funds, as well as direct supervision of the company's North American real estate asset managers who are responsible for property operations. He is a member of North American Property Investment Committee and Portfolio Performance Committee. Prior positions with the firm include Portfolio Manager and Asset Manager. He has 25 years experience in real estate, five of which were with Travelers Realty Investments, including asset management, market research, mortgage lending, secondary mortgage lending and management reporting systems. Mr. Richard serves on the Advisory Board for National Multi-Family Housing Council (NMHC) and is a member of the International Council of Shopping Centers (ICSC). *Education: JD and MBA, University of Connecticut; BA, English and History, Boston University.*

Michael O. Schwaab, Director of Property Investments & Capital Markets Mr. Schwaab is responsible for all North American property transaction activity including acquisitions, dispositions, financings and joint venture investments. He is responsible for sourcing direct transactions as well as identifying joint venture investment opportunities and prospective partners for Henderson's Manager of Partners Program and managing the various due diligence processes including the underwriting of prospective partners. Mr. Schwaab is also responsible for maintaining the various joint venture relationships throughout the investment period. He is a member of Henderson's North American Property Investment Committee and Portfolio Performance Committee. Prior to joining Henderson in May 2000, he was employed by Equity Residential Properties Trust for ten years, most recently as Vice President of the Transactions Group, where he worked in all areas of real estate acquisitions and dispositions. With more than \$2.5B in transactions closed during his career, he has extensive experience in both single asset and portfolio transactions of direct real estate, joint

venture, REIT and development deals. *Education: MS, Real Estate Appraisal and Investment Analysis, University of Wisconsin; BA, Economics, University of Notre Dame.*

James G. O'Brien, Managing Director, North America Mr. O'Brien is responsible for the overall management of Henderson Global Investors (North America) Inc. including institutional equity and property, as well as retail equity. He is a trustee of the Henderson Global Funds Board and President of the Henderson Global Funds. He participates on Henderson's North American Property Investment Committee and sits as a member of the Portfolio Performance Committee. Mr. O'Brien is also a director of The Olson Company's Board. Mr. O'Brien joined Henderson in March 2001, functioning as the Chief Operating Officer. Prior to joining the firm, he was a co-founder/owner of aKosys, Inc., an environmental technology and consulting firm. Prior to co-founding aKosys, Mr. O'Brien was Senior Managing Director of Finance and Administration at Kennedy Wilson Properties, a national property management firm. Prior to that, Mr. O'Brien held a variety of senior positions at JMB Properties and Heitman Properties Ltd., including Executive Vice President of Heitman's Retail Property Management group. *Education: JD, Chicago Kent Law School; BA, English and History, University of Illinois, Urbana.*

Susan M. Motowidlak, Director of Property Operations / Portfolio Manager Ms. Motowidlak is responsible for the strategic planning and portfolio management of two multi-family commingled funds, as well as the ongoing management of operations, value enhancement and dispositions of various other North American fund and separate account assets. She is a member of the North American Property Investment Committee and Portfolio Performance Committee. She has 34 years of real estate experience, beginning her career with Aetna Realty Advisors as a Real Estate Analyst. She joined Phoenix Realty Advisors in 1987 where her career path was broad-based including direct responsibility relating to acquisitions, dispositions, loan origination and asset management. In 1998, she joined Starwood Financial and returned to Henderson in 1999. *Education: BS, Economics and Finance, University of Hartford.*

Terry D. Senger, Director, Transactions / Portfolio Manager Mr. Senger is Co-Portfolio Manager of the Henderson North American Property Fund, responsible for investment strategy, transactions activity, partner relations and portfolio performance, as well as asset management of the Fund's commercial and residential properties. He also has transactions responsibilities within other portfolios. Mr. Senger has 24 years of institutional real estate experience. He joined the firm in 1999 after serving as Senior Vice President and Co-Director for Draper & Kramer Realty Advisors, responsible for acquisitions, product development and client relations. Prior to that he was Second Vice President, Commercial Real Estate at a national banking subsidiary of First Chicago Corporation, responsible for portfolio management, loan sourcing and underwriting. Mr. Senger is a member of the Urban Land Institute and PREA. *Education: MBA, Finance, University of Chicago; BS, Engineering, Purdue University.*

Brian P. Eby, Director, Transactions & Financing Mr. Eby is responsible for the acquisitions, dispositions and financing activities related to various North American portfolios. He is a member of Henderson's Portfolio Performance and Investment Committees. Prior to joining Henderson in April 2000, he was a real estate consultant at Arthur Andersen LLP, where he provided valuation reports, market analysis and due diligence services relating to multi-family, office, hospitality, industrial and retail property

types. Mr. Eby passed the Level I CFA examination and holds an Illinois Real Estate Broker's License. *Education: BA, Urban and Regional Planning, University of Illinois, Urbana-Champaign.*

Kristina Lynn, Associate Director, Transactions Ms. Lynn is responsible for acquisitions and dispositions related to various North American portfolios, and she participates in Henderson's North American Property Investment Committee meetings. Prior to joining Henderson, she was an intern with General Growth Properties and AIG in London. *Education: MBA, Real Estate, Finance, International Business, Entrepreneurship & Marketing and Strategy, Northwestern University; BBA, Real Estate, Marketing & Management and Human Resources, University of Wisconsin-Madison.*

Thomas P. Sayers, Vice President, Asset Manager Mr. Sayers is responsible for the ongoing management of operations, value enhancement and dispositions of various North American fund and separate account assets including multi-family and retail property types. He is a member of Henderson's Portfolio Performance Committee. He also has a great deal of expertise in the bond financing used by a number of the investment portfolios managed by the firm. He joined the firm's Investment Accounting Department in 1986 and transferred to the Real Estate Division three years later. Prior to his present position, Mr. Sayers was employed by the firm as the Portfolio Accounting Manager and was an active NCREIF participant. Mr. Sayers is also an affiliated member of the Connecticut Society of Certified Public Accountants. *Education: BS, Accounting, University of Connecticut.*

Sean A. Dwyer, Vice President, Asset Manager Mr. Dwyer is responsible for the ongoing management of operations, value enhancement and dispositions of a portfolio of North American fund and separate account assets including industrial, multi-family and retail property types. Prior to joining Henderson, Mr. Dwyer was associated with Household International, ORIX Real Estate Equities and Jupiter Realty Corporation in both transactional and asset management capacities. Mr. Dwyer has additional experience in the area of tax-advantaged finance (Section 42 and bond-related) and some of the redevelopment projects he has managed have been recognized with industry awards. *Education: BA, Vassar College.*

Kathleen Clark, Vice President, Asset Manager Ms. Clark is responsible for the ongoing management of operations, value enhancement and dispositions of a portfolio of North American fund and separate account assets including multi-family and retail property types. She is a member of Henderson's Portfolio Performance Committee. She joined the firm in 2000 as a Treasury Analyst, prior to which she had been Director of Cash Management and Corporate Reporting for Konover & Associates, a shopping center development company, where she had been employed for 10 years. In 2004, she transitioned to the property team as a Portfolio Management Analyst, and advanced to her current position in June 2007. She is a Certified Treasury Professional and a member of the Association of Financial Professionals. *Education: MBA, Management, Albertus Magnus College; BBA, Accounting, Western Connecticut State University.*

Michael S. Samuel, Asset Manager Mr. Samuel is responsible for the ongoing management of operations, value enhancement and dispositions of a portfolio of North American fund, and separate account assets, including industrial, multi-family and retail property types. Prior to joining Henderson in 2011, Mr. Samuel was a Senior Associate and Loan Officer with Transwestern Investment Company (now Pearlmark Real Estate), where he was responsible

for the origination and asset management of commercial real estate mezzanine loans on behalf of a series of institutional investment funds. Mr. Samuel was also responsible for the workout and resolution of distressed loans and REO. Mr. Samuel has over 10 years of commercial and residential real estate experience and is a member of NAIOP and ULI. *Education: MBA Real Estate and Urban Land Economics, University of Wisconsin, Madison; BA University of Colorado at Boulder.*

Taeuk Namkoong, Associate Asset Manager / Portfolio Analyst Mr. Namkoong joined the firm in 2004 as a property fund accountant, was promoted to portfolio analyst in 2007, and assumed his current position in 2011. He is currently responsible for assisting with asset management and portfolio management activities for the firm's property portfolios. Prior to joining Henderson Global Investors (North America) Inc., Mr. Namkoong was employed by Investors Bank & Trust (State Street), where he was a hedge fund accountant. *Education: BS, Finance and Management Information Systems, Boston College.*

John Carlstedt, Transactions Analyst Mr. Carlstedt is responsible for assisting with acquisitions and dispositions related to various North American portfolios. In addition, he participates in Henderson's North American Property Investment Committee meetings. Prior to joining Henderson in 2011, he was an associate at Heitman in the portfolio management group for three years. *Education: BS, Economics, Northwestern University.*

Mona M. Bent, Director of Financial Reporting Ms. Bent joined the firm in February of 2002, and is responsible for the Property Fund Accounting and Client Reporting group, as well as overseeing the property and liability insurance programs for all assets managed by Henderson Global Investors (North America) Inc. She is a member of Henderson's Management and Portfolio Performance Committees. She has 17 years of real estate experience. Prior to joining the firm, Ms. Bent was employed by JP Morgan Fleming Asset Management for seven years, where she was a Vice President and Controller of the Open-ended Commingled Funds. Prior to that she was a Senior Auditor at Deloitte & Touche LLP. She is a participating member of the National Council of Real Estate Investment Fiduciaries (NCREIF). *Education: BS, Accounting, University of Hartford.*

Daniel M. McDonough, Jr., Director of Business Development Mr. McDonough is responsible for all property marketing, sales, product development and client relations for institutional investors and consultants in North America. He is also a member of the North America Management Team (NAMT). He joined Henderson in September 2003, to assist public pension funds with their real estate allocations, to foster consultant relationships and to assist in the development of new products. Mr. McDonough previously served as Principal-U.S. Client Relationship Group for Lend Lease Real Estate Investments, Inc., responsible for establishing and maintaining relationships with municipal and state public employee pension funds and served 10 years as Senior Vice President at CIGNA Investment Management, working with institutional investors on real estate, U.S. and global fixed-income and international equity mandates. In addition, Mr. McDonough served as a Director for the Frank Russell Company, where he was responsible for the Frank Russell Trust Company's Public Fund Group. *Education: BS, Finance, Boston College.*

Amy K. Lynch, Marketing & Client Services Ms. Lynch is responsible for institutional investor communications for Henderson's North American property business. Responsibilities include new business proposals/RFP responses, client and consultant requests and special

projects, questionnaires and databases, sales and marketing material, and other business development and investor relations support activities. She joined the firm in 1993. Prior positions include Marketing Analyst, Consultant Communications Manager, and Manager of Client Services. Ms. Lynch has been a member of the Professional Association of Investment Communications Resources (PAICR) and she holds the FINRA Series 6 designation.



EXTRAORDINARY PERFORMANCE

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OUR STORY

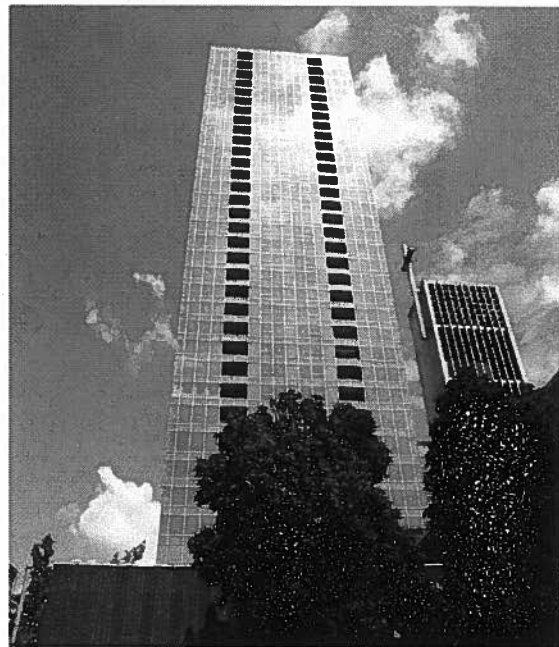
Pinnacle is a privately held organization that invests in and manages multifamily and office properties nationwide. Pinnacle is one of the largest multifamily management companies in the United States, managing a portfolio of nearly 150,000 units and valued at more than \$22 billion.

Established in 1980, Pinnacle now employs more than 4,000 people nationwide. Pinnacle's clients include pension funds, private partnerships, international investors, insurance companies, lenders, special servicers, syndicators, government agencies and high net worth individuals. Pinnacle's clients have come to expect a level of expertise that brings maximum value and integrity to every asset.

Our talent lies in listening carefully, identifying the needs of our diverse clients' and executing a successful plan. Pinnacle is committed to delivering maximum value and will never compromise our integrity or forget that our partners' and clients' needs always come first.

We are proud of the services that we provide, of the people that we employ and of the jobs that we do. Pinnacle stands ready to serve you.

- Privately Owned Company
- Over 30 Years in Business
- 4,000 Employees
- \$22 Billion Under Management
- Serving 297 Cities / 33 States
- Nearly 150,000 Units Under Management
- Asset Manages 60,000 Multifamily Units
- Management of Over 16 Million Square Feet of Office, Retail and Industrial
- Among Top Manager of Privatized Military Housing
- One of the Largest Owners and Managers of Residential Units in the United States



FULL RANGE OF SERVICES

PINNACLE'S COMPREHENSIVE ARRAY OF SERVICES INCLUDES EVERYTHING YOU NEED TO MAXIMIZE YOUR INVESTMENT.

OUR EXPERIENCE

PRODUCT TYPE

- Market Rate
- Lease-Up
- Senior
- Military
- Office
- Affordable
- Student / Employee
- Mixed Use
- Distressed Assets
- Value Add
- High Rise
- Workforce

SERVICES

- Property Management
- Asset Management
- Development Services
- Construction Management
- Facilities Management
- Partnership Opportunities
- Property Consulting
- Compliance/Tax Credit Expertise
- HOA Assignments
- Development
- Acquisition and Disposition
- Commercial
- Due Diligence
- Receiverships



PINNACLE LEADERSHIP

Rick Graf

PRESIDENT | PINNACLE



- 35 Years Real Estate Experience
- Oversees Management Company Operation
- Member of NAA, NAHB, IREM
- Certified Property Manager
- Executive Board Member - National Multi Housing Council

Eric Schwabe

REGIONAL PRESIDENT | WEST



- Over 25 Years Real Estate Experience
- Manages 60,000 Units
- University of Washington Graduate

Larry Goodman

PRESIDENT | PINNACLE EQUITIES



- Over 20 Years Real Estate Experience
- Oversees Asset Management and Investments
- University of Alabama Graduate
- CCIM, RPA, MCR, FMA
- Member of ULI, NMHC, NAIOF

Joel K. Oldham IV

REGIONAL PRESIDENT | CENTRAL



- 23 Years Real Estate Experience
- Manages 55,000 Units
- University of Oklahoma Graduate
- President - Apartment Association of Greater Dallas
- Board Member of TAA & NAA

John Carrosino

CFO | PINNACLE FAMILY OF COMPANIES



- Former Chief Financial Officer, Corliss Properties
- Holds Bachelor's in Business Administration, Seattle University
- Certified Public Accountant
- Member of American Institute of Certified Public Accountants

Glenn Rand

REGIONAL PRESIDENT | EAST



- Over 25 Years Real Estate Experience
- Manages 30,000 Units
- Real Estate Advisory Board at Virginia Tech

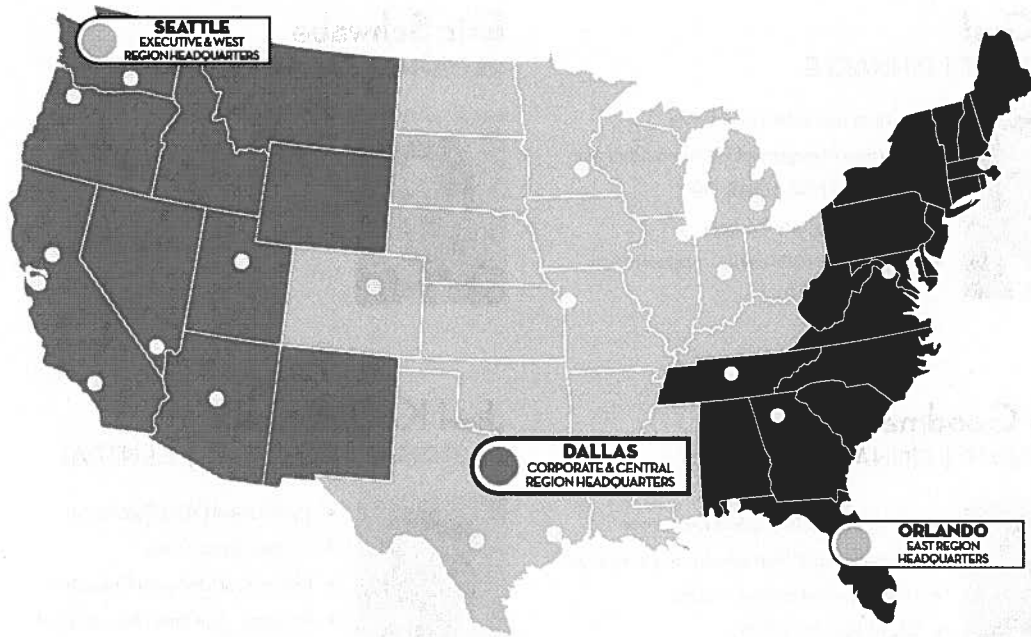
Ed Wolff

CHIEF ADMINISTRATIVE OFFICER | PINNACLE



- 15 Years Real Estate Experience
- Oversees People Support Services & Human Resources
- Hofstra University and Georgia Institute of Technology Graduate
- Member Human Capital Institute, HRPS

NATIONAL PRESENCE



RICK GRAF PRESIDENT			
	WEST	CENTRAL	EAST
REGIONAL PRESIDENTS	Eric Schwabe HEADQUARTERS - SEATTLE	Joel K. Oldham, IV HEADQUARTERS - DALLAS	Glenn Rand HEADQUARTERS - ORLANDO
REGIONAL VICE PRESIDENTS	Deb Kopolow NEVADA Russ Peterson OREGON / UTAH Kevin Wilfley WASHINGTON Eric Schwabe CALIFORNIA / ARIZONA	Tom Backstrom COLORADO / ILLINOIS / INDIANA IOWA / KANSAS / KENTUCKY MICHIGAN / MINNESOTA MISSOURI / NEBRASKA / OHIO SOUTH DAKOTA / WISCONSIN WYOMING Jeanne Klobedans SOUTH TEXAS Kathy Vardell ARKANSAS / LOUISIANA MISSISSIPPI / OKLAHOMA / TEXAS	Greg Signer FLORIDA / GEORGIA MID-ATLANTIC Pedro Vermales FLORIDA

33 STATES / 297 CITIES

ALABAMA

Mobile

ARKANSAS

Benton
Cabot
Camden
Clarksville
Conway
El Dorado
Fayetteville
Forrest City
Fort Smith
Hot Springs
Jacksonville
Little Rock
Marianna
Monticello
Texarkana

ARIZONA

Avondale
Peoria
Tolleson

CALIFORNIA

Anaheim
Bakersfield
Belmont
Burbank
Burlingame
Capitola
Carlsbad
Claremont
Costa Mesa
Cupertino
Daly City
Downey
Elk Grove
Escondido
Fremont
Fresno
Garden Grove
Grass Valley
Imperial Beach
La Mesa
Los Angeles

Los Gatos
Millbrae
Modesto
Mountain View
N. Hollywood
Oceanside
Pomona
Redwood City
Riverside
Roseville
Sacramento
San Bernardino
San Diego
San Dimas
San Francisco
San Jose
San Mateo
Santa Clara
Santa Maria
Sun City
Sunnyvale
Walnut Creek

COLORADO

Avon
Breckenridge
Colorado Springs
Keystone
Silverthorne
Vail

FLORIDA

Arcadia
Avon Park
Bowling Green
Clearwater
Clermont
Cocoa
Davie
Ellenton
Fellsmere
Florida City
Fort Myers
Ft Lauderdale
Immokalee
Jacksonville
Key West

Lakeland
Largo
Lehigh Acres
Marathon
Marianna
Miami
Miami Gardens
Naples
Newport Richey
North Port
Okeechobee
Orlando
Ormond Beach
Pace
Palm Bay
Palm Harbor
Panama City
Pensacola
Pinnellas Park
Port Richey
Port St. Lucie
Punta Gorda
Quincy
Riveria Beach
Rockledge
Ruskin
Sanford
St. Petersburg
Sunrise
Tampa
Tavernier
Titusville
Wauchula
West Palm Beach
Winter Haven
Miami

GEORGIA

Atlanta
Doraville
Fort Ogelthorpe
Lithonia
Lyons
Peachtree City
Sandersville
Sugar Hill
Tucker

IDAHO

Lewiston

ILLINOIS

Mattoon
Peoria

INDIANA

Anderson
Bloomington
Indianapolis
Kokomo
Lafayette
West Lafayette

KANSAS

Overland Park

KENTUCKY

Elizabeth
Lexington

LOUISIANA

West Monroe

MARYLAND

Baltimore
Glen Burnie
Rockville

MICHIGAN

Battle Creek
Flint
Kalamazoo
Pontiac
Southfield

MINNESOTA

Blaine
Bloomington
Burnsville
Coon Rapids
Eagan
Eden Prairie
Faribault
Forest Lake
Inver Grove Heights

33 STATES / 297 CITIES

Lakeville
Minneapolis
Minnetonka
North Mankato
Plymouth
St. Paul
Woodbury

MISSOURI

Belton
Blue Springs
Kansas City
St. Joseph
Union

MISSISSIPPI

Biloxi

NORTH CAROLINA

Charlotte

NEBRASKA

Omaha

NEVADA

Henderson
Las Vegas
Las Vegas
North Las Vegas
Reno
Sparks

NEW MEXICO

Albuquerque

OHIO

Cincinnati
Columbus
Delaware
Grove City
Marysville
Reynoldsberg
Trotwood

OKLAHOMA

Tulsa

OREGON

Bend
Hermiston
Portland
Portland
Salem
Tualatin
Eugene
Milwaukie
Portland

PENNSYLVANIA

Lebanon

SOUTH CAROLINA

Boiling Springs
Columbia
Greenville
Greenwood
Greer
Rock Hill
Walhalla
Williamston

SOUTH DAKOTA

Rapid City

TENNESSEE

Cleveland
Johnson City
Kingsport
Knoxville
Memphis
Nashville

TEXAS

Addison
Arlington
Austin
Austin
Baytown
Bedford
Brownsville
Cedar Hill
Dallas
Denton
DeSoto
Dickinson

Elsa
Euless
Fort Worth
Garland
Greenville
Harlingen
Hillsboro
Houston
Irving
Lancaster
Laredo
Lewisville
McAllen
Mesquite
Mission
Pasadena
Pearland
Pflugerville
Plano
Round Rock
San Antonio
San Marcos
The Colony
Victoria

U.S. VIRGIN ISLANDS

Prince Quarter, St. Croix

UTAH

Layton
Murray
Salt Lake City

WASHINGTON

Bellevue
Bothell
Bremerton
Clarkston
Des Moines
Edmonds
Everett
Federal Way
Fife
Issaquah
Kenmore
Kennewick
Kent

Kirkland
Lacey
Lakewood
Longview
Lynnwood
Marysville
Milton
Puyallup
Renton
Richland
Sammamish
Seatac
Seattle
Silverdale
Spokane
Spokane Valley
Steilacoom
Tacoma
University Place
Vancouver
Woodinville

WISCONSIN

Appleton
Fond du Lac
Hudson
Milwaukee
New London
Racine
Shawano
Stoughton

WYOMING

Cheyenne

JOIN THE PINNACLE FAMILY

OUR MISSION

The growth and maturation of the company has been enabled by our understanding of one basic premise: We are a service business. We have an obligation to provide superior services to the owners of the properties we manage, the residents of those properties, the providers who supply goods and services to the properties, and last, but not least, to the Associates of the company.

As such, our vision is very clear... *"To exceed our customer's expectations."*

CORE VALUES

Establishing a strong foundation of experience, resources and partnerships allows us to leverage and provide our clients a wholly integrated package of property management, asset management, maintenance, accounting, marketing, risk management and insurance services tailored to fit each property's specific needs. Our Core Values combined with our national support services enables Pinnacle to immediately improve operations and increase the value of your investment.

We consistently bring real estate value to our clients by following our **Core Values**.

SERVICE

We put the interests of others ahead of our own.

TRANSPARENCY

Demonstrate honesty and integrity in everything that we do.

PERFORMANCE

We are measured on our ability to create value for our clients and shareholders.

CREATIVITY

We relentlessly pursue the delivery of innovative quality services.

COMMUNITY

Serving our community is at the heart of our Associates' priorities.

OPERATIONS

For over 30 years, Pinnacle has managed real estate property across the U.S. We pride ourselves in providing extraordinary performance and Pinnacle is committed to exceeding the owners' objectives and maximizing asset values. Pinnacle delivers on this promise through our innovative and strategic processes and systems. Our operational teams collaborate with Regional and National Support to develop and execute high level business plans. This is done through strategic planning and execution that give our clients superior results.

EXCEPTIONAL PEOPLE

The key to success is our Associates. We understand the investment in on-going training and providing the necessary support tools will produce exceptional performance and highly motivated associates. This investment allows us to attract the most talented and exceptional people. The strength of our leadership and diverse expertise of our associates adds value at all levels of operations.

EXTRAORDINARY PERFORMANCE

The Pinnacle teams are focused on operational strategies that result in increased revenue, reduced expenses and enhanced asset value. This is achieved through our innovative approach. Pinnacle utilizes a variety of operational checks and balances along with key performance indicators to focus daily on revenue growth and expense control.

OPERATIONAL STRATEGIES

- Weekly Tracking Reports - Leasing and Move In Rent Tracker, Strategy Report
- Performance Tracking Comparison (KPI's)
- Trend Reports
- Declining Budget (Expense Control)
- Comparisons for: Direct Competitors, Benchmarks, Past Performance and Submarket Analysis
- Lease Renewal Tracking
- Weekly Construction Meeting Notes Distribution and Follow Up
- Market Surveys & Rent Analysis
- Yieldstar (Revenue Management)
- Property Auditor Reviewing Policy Compliance and File Audits (HUD Experience)

KEY PERFORMANCE INDICATORS

- NOI Growth Ranking
- Controllable Expense Ranking
- Revenue Growth Ranking
- Investment Manager Ranking
- Investment Manager Report Card
- Perfect Shop Scores
- Associate Retention

ASSET MANAGEMENT

In today's ever changing market it is critical to align with an organization that understands the economic environment and has proven in-depth knowledge of multifamily investments and operations. Pinnacle is that company. Acting in an advisory asset management capacity to many institutional investors, Pinnacle provides a variety of services as owner representative, including:

Asset and Portfolio Management

- Property Operations Review
- Best Management Practices Guidance
- Revenue Maximization and Expense Control
- Market Supply and Demand Analysis
- Review of Property and Portfolio Business Plans
- Coordination and Communications with Capital Partners
- Review of Third Party Reports
- Capital and Operations Budgeting
- Financial Modeling and Forecasting
- Sensitivity and Scenario Analysis
- Negotiation of Leases and Vendor Contracts
- Review of Tax Credit and Conventional Partnerships
- Insurance Loss Claims and Risk Management

Transactions Services

- Acquisition
- Disposition
- Financing
- Valuation
- Capital Markets Analysis
- Negotiation of Term Sheets, Purchase Contracts and Partnership Agreements

Capital Investments

- Assessment of Capital Needs
- Strategic Repositioning
- Renovation Oversight
- Development and Redevelopment Analysis
- Negotiation of Construction Contracts

PEOPLE SUPPORT SERVICES

People Support Services is a team of multi-faceted experts with the common goal of maximizing our clients' return on investment. From Human Resources to Marketing to Compliance, PSS is behind the scenes of Pinnacle's operations and based in the Dallas corporate headquarters.

Michelle Betchner VICE PRESIDENT OF PERFORMANCE



- Over 25 Years in Industry
- Oversees Marketing and Training
- Arizona State University Graduate

Scott McCurdy VP INFORMATION TECHNOLOGY



- Over 20 Years in Industry
- Oversees Project Management and Technology
- Grove City College Graduate

Deanne Davis VP COMPLIANCE & INTERNAL AUDIT



- Over 25 Years in Industry
- Low Income Housing Tax Credit Program, SAIL, Bond, SHIP, Housing Trust, Rural Development, NSPFSS, Hope VI, RTC, AHL, HOME, HUD and Affordable Product Expert
- Florida Atlantic University Graduate

Sally Milton VP CLIENT REPORTING



- 26 Years in Industry
- Oversees All Accounting Operations
- University of Florida Graduate

Anna Weigant DIRECTOR OF RISK MANAGEMENT



- Over 20 Years in Industry
- Alameda University Graduate

Woody Stone VP CLIENT SERVICES



- Over 10 Years in Industry
- Oversees Ancillary Services and Client Relations
- Oklahoma Panhandle State University Graduate

ACCOUNTING/CLIENT REPORTING

Pinnacle's property accounting group, known as Client Reporting, manages financial reporting for the communities managed by the firm through a centralized accounting center located in Orlando, Florida. Pinnacle's accounting personnel are professionals and CPAs that are able to effectively interface with clients and their accountants.

Pinnacle provides financial information in the format that is requested by the client from cash basis to Generally Accepted Accounting Principles (GAAP) basis. The accounting group is fully knowledgeable of property management software and the preferred provider is YARDI. Pinnacle's technology capabilities enable the electronic exchange of information between managed properties, the company's accounting center and its clients. Pinnacle also interfaces electronically with banking institutions.

Pinnacle's accounting operations also are supported by on-going software training and a software help desk to aid on-site property management staff with accounting activities.

ACCOUNTS RECEIVABLE

At the site level, the accounts receivable function is performed. Pinnacle utilizes property management software to initiate the billing and to record the collection of all monthly rental income. In an effort to maximize return on the property's funds and investments, Pinnacle collects all rents on-site and makes daily bank deposits.

ACCOUNTS PAYABLE

The Business Manager initiates the purchase of goods and services, while the Investment Manager provides the second approval on all purchases. Pinnacle managers adhere to the requirements of the client in regards to authorized purchases. The site staff utilizes the payables module of their property management software to facilitate the processing of all approved invoices. This module provides verification of the month to date expenses against the month to date budget.

BANKING SOFTWARE

The predominant relationship is with Bank of America. We utilize Encore for ACH and Microcash for wire transfers. We can accommodate most electronic systems used by banks or mandated by clients.

PEOPLE	PROCESS	RESULTS
<ul style="list-style-type: none">• 150+ Accountants and Support Staff• Transition Team<ul style="list-style-type: none">- Acquisition- Disposition• Treasury Services Team	<ul style="list-style-type: none">• Service Level Agreements• Weekly / Monthly Client Focus Group Calls• Electronic Distribution of Financials• Effective Checks and Balances	<ul style="list-style-type: none">• Financial Statement Packages Produced Monthly• Customized Financial Statement Packages• Timely & Accurate Distribution• Measured Results

PERFORMANCE

The Performance Department – which encompasses training and marketing – provides regional and site-specific support to optimize property performance and reduce administrative tasks so that on-site Associates can focus on delivering high-level customer service to prospective and existing residents.

LEARNING AND DEVELOPMENT

High-level property performance is impossible without well-trained Associates, which is why Pinnacle has invested in creating a state-of-the-art, comprehensive education program: PACE - Professional Achievement in Continuing Education. We partnered with E-Training Solutions utilizing their e-University product as the delivery vehicle for our virtual learning platform. PACE consists of educational coursework that is specific to job roles but allows for career development and enhancement.

Pinnacle's innovative learning management systems allow Associates to access self-paced on-demand classes and instructor-led virtual classes according to their schedules, and there is no commute time! Our company offers a wide range of courses including: New Hire Orientation, Customer Service, Business Compliance, Operations, Safety and OSHA Compliance, Management Skills and Sales and Marketing, etc.

PACE OVERVIEW

- Required Programs for All Associates based on Job Role
- Blended Learning Environment (Virtual, Classroom and One-on-One)
- Customized Critical Programs Respond Quickly to Legislative and Regulatory Issues
- Proprietary Programs and Videos Focus on Business Impact and Results Enhancement
- Assessments for All Classes with Immediate Feedback
- Ability to Update Content in Real Time
- Reporting and Tracking of Individual Performance with Assigned Learning Tracks
- Regional Education Directors Support the Investment Managers and On-Site Associates

Mystery Shopping evaluations are also utilized as a training tool to develop consistent, high-level performance – and Associates with perfect scores are recognized weekly, adding to their personal confidence and pride.

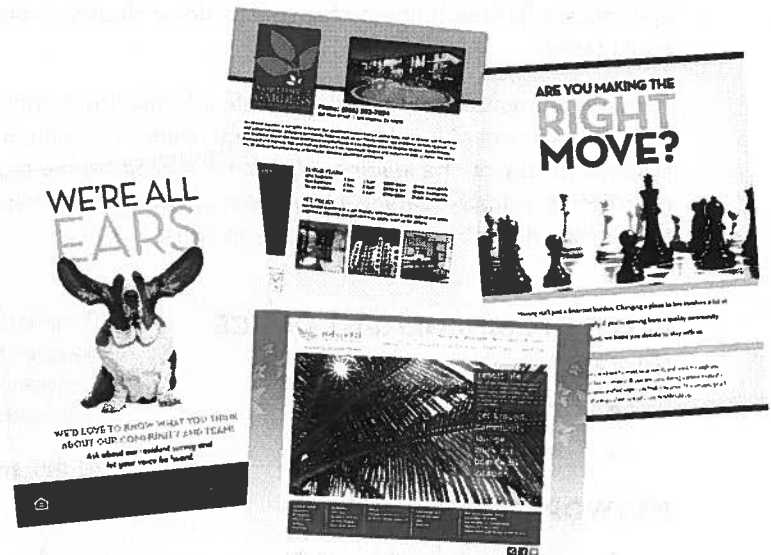
MARKETING AND COMMUNICATION

Pinnacle has ad-agency-level marketing capabilities within the Performance Department. The National Director of Marketing and the Internet Specialist(s) collaborate with the regional teams to execute strategic marketing plans and effective digital campaigns through a variety of traditional, non-traditional and online mediums. In addition, our marketing services include comprehensive graphic design capabilities – all collateral development can be facilitated through our preferred service provider, and we can coordinate printing, production banners and signage.

PERFORMANCE

The Marketing and Creative team can provide the following services:

- Collateral and Graphic Design
- Branding/Rebranding Materials
- Copywriting
- Logo Design
- Complete Property Business Systems
- Outreach/Advertising Collateral
- Resident Retention Materials
- Online Banner Ads
- Promotional Items
- Search Engine Optimization
- Search Engine Marketing
- Social Media
- Web Design



ONLINE MARKETING AND WEBSITE DEVELOPMENT

Pinnacle understands the positive impact the Internet has on the success of a community therefore, has given significant attention to developing functional and engaging websites that enhance the user experience and drive traffic to generate positive results for our clients. Our website development and consulting capabilities include:

- Web Design, Architecture and Development
 - Creative and Copy Writing
 - HTML
 - Map Function
 - Search Engine Optimization
- Domain Reservation
- Work with Hosting Company to Coordinate Site Launch and Maintenance
- Content Management System
 - Turn-Key Functionality for our Sites to Maintain and Update
- Prospective Resident Components:
 - Make an Appointment to Visit the Community
 - Floor Plans
 - Interactive Floor Plans
 - Site Plan
 - Video
 - Authentic Photography
 - Map and Driving directions
 - Local Conveniences
- Web Security
- Website Hosting
- Analytics and Tracking Mechanisms
- Email and Database Marketing

Pinnacle also knows the importance of reputation management and spreading good news, our marketing team is focused on generating and distributing news about our communities and teams to the media, as well as promoting the news online at PinnacleFamily.com.

INFORMATION TECHNOLOGY

Pinnacle's national data communication delivery system provides Associates and clients with timely access to property information, as well as links to the company's offices nationwide. Pinnacle's technology systems are flexible to meet changing business needs and are tested regularly to insure system reliability and integrity.

Pinnacle recognizes that timely, credible information is critical to success, so it is committed to the continued expansion of its electronic technologies. The company continually researches and designs new systems to stay on the leading edge of technology in the real estate industry. In addition to designing and maintaining industry leading information systems, and providing broad technology vision, the information technology department supports or provides:

PROJECT MANAGEMENT OFFICE (PMO)

- Innovative Operations
- Rigorous Execution

NETWORK OPERATIONS

- Reliable Solutions
- Integrity of Environment

PROFESSIONAL SERVICES

- Supporting our Team
- Managing Systems

TECHNOLOGY CAPABILITIES

- Online Payments
- Check Scanning
- Lead Management
- Revenue Management Systems
- Utility Billing
- Vendor Management
- Custom Reports
- Leasing Week Function - Integrity of Reports
- Associate & Resident Screening

Pinnacle currently utilizes Yardi internet-based Voyager application, designed specifically for property managers, owners, investment managers and fund advisors in global residential and commercial real estate markets.

Multifamily Housing

- Comprehensive Residential Analytic Reporting
- Tracking of Resident Status and Services
- Role-Based Dashboards to Increase Efficiency and Productivity

Affordable Housing

- Resident Qualification, Income Certification and Tax Credit Eligibility
- Track Verification Letters and Wait List Monitoring
- Subsidy Payment Reconciliation for Multiple Residents and Rental Assistance Fund Application

Office and Industrial

- Controlled Administration of Leases and Amendments
- Tools for Tracking Square Footage at Property, Building, Floor and Space Levels
- Simplified Setup of Robust Expense Recoveries

Accounting and General Ledger

- Integrated Accounting and General Ledger
- Bank Reconciliation and Cash Management
- Comprehensive and Flexible Financial Analytic Reporting in the Client Chart of Accounts

Other Key Technology Partners Include:

Dell, Microsoft, Hitachi Consulting, Real Page, MRI

HUMAN RESOURCES

Pinnacle's Human Resource department (HR) is a cornerstone that supports the firm's principles of quality people, strong customer service, solid market knowledge, quality systems, and support capabilities.

The HR department offers professional consulting services, as well as programs designed to recruit and retain quality property management personnel. Pinnacle also utilizes human resources information systems that meet the unique needs of the property management business.

Through the expertise of seasoned human resources professionals, Pinnacle also provides clients with a recruiting edge in a competitive employment market. Pinnacle's human resources staff is experienced in competing nationally for the best in the market, and client's benefit from its network of employment candidates and years of hiring experience in the real estate field.

Pinnacle offers market competitive employee compensation and benefits packages, as well as orientation programs, training, performance management and other policies that support employee success and retention. By taking these steps it has allowed Pinnacle to build a strong talent base that has led to a tenured pool of Associates, in turn, adding significant value to our clients.

- Recruitment of Top Industry Talent
- People Answers (Pre-Hire Assessment)
- HR Staff Helps Properties with Staffing, On-Boarding, Training and Retention Needs
- Experienced Regional HR Partners to Support On-Site Teams
- Innovative Technologies Save Time and Money
- Competitive Health Care Coverage
- Performance Management
- Payroll Services
- Administration of Benefits
- Employment Law, Unemployment & Workers Comp



CLIENT SERVICES

The Client Services Group looks to drive asset value through strategic ancillary services and national vendor relationships. The goal is to increase ancillary income and reduce property expenses while relieving the on-site team of avoidable burdens so they can focus their time on property performance.

ANCILLARY SERVICES

REVENUE MANAGEMENT

Pinnacle is very active in the Revenue Management area. In 2009, Pinnacle selected YieldStar as our partner in revenue management. Using YieldStar as tool to establish daily unit level pricing based on site level supply and demand dynamics on over 20,000 units, our clients have seen very impressive results. On average, these sites are outpacing market revenue growth, while every property is unique, we are confident in the positive results. In addition, clients who participate in revenue management can take advantage of utilizing Pinnacle's in-house pricing advisor.

RENTER'S INSURANCE

Pinnacle has exclusive partnered with LeasingDesk Insurance Services to provide your properties an innovative renter's insurance program that saves you money, protects your asset, and provides your residents with a valuable and needed amenity.

- Save on the Cost of Resident-Caused Damage - The first \$100,000 of damage from a covered peril is covered by your resident's policy. Too often this expense comes directly out of the properties NOI. Studies estimate this will save your property over \$22/unit annually in below deductible claims.
- Save the Cost of Your Deductible Resident - Caused damages are covered by renter's insurance so you make few claims on your property and casualty policy. We anticipate fewer claims will result in a reduction of your premium.
- Save Money on Your Property Insurance - By transferring the risk to the appropriate party (resident who cause damage), you now may consider raising your commercial deductible and realizing an immediate benefit on NOI.
- Ancillary Income - Our exclusive relationship with LeasingDesk provide our clients with an at or above market exclusive marketing fee per door.

UTILITY METERING AND BILLING

Pinnacle's preferred national partner for utility billing is Conservice. As one of the largest utility management and billing companies in the U.S., Conservice offers a suite of solutions designed for the multifamily industry to maximize reimbursement of water, sewer and refuse bills. Solutions include: installing utility sub-meters; individually billing each resident for their utility usage and other monthly charges; and monitoring the utility invoice process from payment to rate analysis and procurement. Conservice ensures that residents are appropriately billed and those who neglect to pay their RUBS bills are contacted promptly in accordance with collection procedures.

CLIENT SERVICES

NATIONAL PURCHASING

Due to our negotiation power of over 150,000 units, Pinnacle possesses a comprehensive purchasing program to assist in reducing costs for our clients. Through our strategic national relationships, we work to provide the highest quality products at the lowest possible prices.

Our strategy consists of:

- Leveraging Company Size for Volume Pricing, Discounts, and Rebates
- Providing National Influence to Control Cost Across All Business Tiers
- Flexibility to Renegotiate Individual “Field” Level Contracts or Global Pursuits
- Rapidly Identifying New Trends and Services to Maintain Competitive Stance
- Absolute Transparency so that 100% of Every Discount Is Realized by our Properties

In addition to these areas, our team also has expertise in areas of cable and internet contracts, energy procurement, and waste management – resulting in significant savings for our clients.

Specific savings areas include:

HD SUPPLY

SHERWIN WILLIAMS

WHIRLPOOL

AZUMA

APPLIANCE WAREHOUSE

LESLIE'S POOLS

ELLIS PROPERTY MANAGEMENT SERVICES

BENSON MEDIA

RENT.COM

APARTMENTS.COM

APARTMENT GUIDE

APARTMENT FINDER

RISK MANAGEMENT

At a time when liability issues seem out of control and often decide the difference between financial success and failure, adequately protecting your physical and financial assets is critical.

Pinnacle's risk management department defines areas of possible risk for Pinnacle and its managed entities, and develops and administers programs to eliminate or minimize the adverse financial impact those risks may represent.

Pinnacle's experienced risk management professionals also assist with the broad range of physical property loss and third party liability situations that can develop on a residential or commercial real estate site.

INSURANCE MANAGEMENT

- Vast National Scope Offers Economies of Scale That Provide Substantial Purchasing Power for Enhanced Coverage at Lower Rates
- Recommend, Negotiate and Select Insurance Programs
- Monitor Third-Party Insurance Coverage

PROTECTING YOUR ASSET

- Conduct Site Reviews
- Manage Claim and Loss Recovery, Including Litigation

RISK PROGRAMS

- Design Loss Control Programs for Property and Liability
- Develop Risk Retention Programs
- Maintain a Comprehensive Risk Management Manual for Site Staff

COMPLIANCE TRAINING

- Provide Safety, Liability, Emergency Preparedness, Risk Mitigation and Loss Containment Programs

INSURANCE SERVICES & SAFETY LOSS CONTROL

- Referrals for Substantial Purchasing Power and Enhanced Coverage
- Risk Retention Programs
- Conducts Site Reviews
- Safety and Health Education Programs
- Emergency Preparedness Instruction

COMPLIANCE / INTERNAL AUDIT

Pinnacle Compliance Services (Compliance) plays a vital role in supporting both the on-site and regional property management operations for the affordable housing communities managed by Pinnacle. Compliance Services is both proactive and thorough in its approach and is able to serve as a valuable resource to our clients, one that many of our competitors are not able to offer. We have established policies, procedures and precautions to minimize owners' risk while still maximizing the value of the asset.

Our professionally trained team specializes in integrating many various affordable program policies including but not limited to: Low Income Housing Tax Credit Program; SAIL; Bond; SHIP; Housing Trust; Rural Development; NSP, RTC; AHL; HOME Programs; as well as many other HUD, local and state programs to ensure that all requirements are being met properly.

In addition, Compliance understands the importance of knowing the requirements of each of the agencies that Pinnacle manages affordable communities in and, therefore, hold certifications in many states including Alabama, Arizona, Arkansas, California, Colorado, Florida, Georgia, Hawaii, Idaho, Illinois, Indiana, Kansas, Louisiana, Maryland, Michigan, Missouri, Montana, Nevada, New Mexico, North Carolina, Ohio, Oklahoma, Oregon, Pennsylvania, South Carolina, Tennessee, Texas, Virginia, Washington, West Virginia and Wisconsin.

- **Reporting:** Annual State Compliance Reports - Monthly and/or Quarterly State, City and County Compliance Reports - CCPC, Annual Owner Certifications.
- **Specialties:** Uniform Relocation Assistance Policy Act of 1970 (URA) - Challenging Compliance Lease-ups.
- **Establishing Income and Set-Aside Requirements:** Annual updates of the income guidelines and maximum allowable rents - Prompt distribution of the updated guidelines to every community - Establish special targeting set-asides, amenities, priority waiting lists and resident services.
- **Monitoring:** Compliance pre-approvals of every occupant file prior to move-in - Reviews of all annual re-certifications to ensure all compliance requirements are met - Monthly reviews to ensure all compliance requirements are met - Monitor special targeting set-asides, amenities and resident services.
- **Audits:** Prep and train for state, county and city monitoring visits - Assist on-site associates in preparing for state audits - Establish and maintain relationship with regulatory and monitoring agencies.
- **Training:** Comprehensive web training and on-going support is provided to on-site associates
- **Record-Keeping:** First occupant files scanned and maintained at each regional office.

** Additional costs apply based on services.*

COMPLIANCE & INTERNAL AUDIT

As a third-party service provider, Pinnacle knows the critical importance of maintaining efficient and effective operations. Sustaining optimum performance in an industry with so many variables requires documented operational processes and tight financial controls.

MAINTAINING OPERATIONAL EFFICIENCY

The internal audit team conducts random financial desk audits at the property level as well as within the corporate organization. If irregularities are identified, the team develops a specific action plan to correct the deficiencies and improve operational efficiency.

A major part of Pinnacle's quality assurance program, the risk and loss audit is an unannounced, on-site review of the property's compliance with operational procedures. After completing the review, the internal auditor communicates with the Business Manager and Investment Manager on areas needing improvement, along with specific corrective actions they are required to complete.

FRAUD IDENTIFICATION AND PREVENTION

Our company promotes a culture of integrity and trust, and advocates prevention through education; however, fraud and theft are real issues that must be addressed. On-site reviews may uncover irregularities, but investigations are also conducted at the request of an Associate, accounting department, client, or tips from our 24 hour hotline. We investigate claims to establish validity, involvement and to determine discrepancies in processes. Based on our findings, a course of action will be determined. If prosecution is necessary, the investigator will also prepare the required documentation.

Pinnacle's internal audit team drives bottom-line value by eliminating operational waste, reducing cost and preventing loss. Our core quality assurance processes help improve our National Operating Standards and strengthen our company-wide commitment to continuous improvement.

RISK AND LOSS AUDIT

Properties are scored on the following categories:

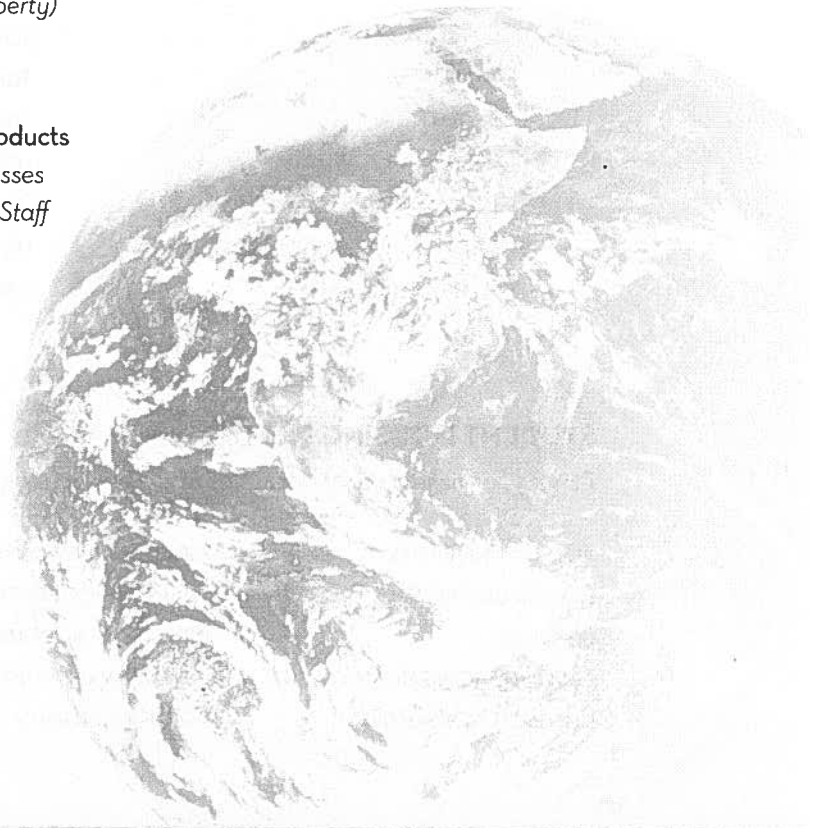
- Cash Handling, Petty Cash
- Accounts Receivable
- Handling of NSF Checks
- Security Deposits
- Accounts Payable
- Revenues
- Employee Discount Transactions
- Resident's Insurance Compliance
- Safety and Risk

SUSTAINABILITY

Pinnacle is committed to sustainability and green planning for the properties we manage. Our dedication to conservation and the environment takes many forms, from extensive recycling programs and electronic communications to EnergyStar appliances in our homes. Our goal is to maximize return on investments through property efficiencies and performance, while lowering our carbon footprint.

Green Initiatives Include:

- **LEED Certified**
 - *Experience Managing LEED Certified Buildings*
- **Energy Efficient Product Rebate Program**
 - *Energy Efficient Appliances*
 - *Low Flow Plumbing Fixtures*
 - *Environmentally-Friendly Cleaning Products*
 - *Low- or No-VOC Interior Paint*
 - *Energy-Efficient Lighting*
 - *Energy-Efficient Programmable Thermostats*
 - *LowE and Argon Gas Windows for Maximum Insulation*
- **Recycled Material**
 - *Recycling Programs (Corporate and Property)*
 - *Solar Electrical System*
 - *Recycled Paper Products*
- **Reduce Consumption of Materials and Products**
 - *Audit Purchasing and Operational Processes*
 - *Identify Potential Areas of Reduction for Staff and Residents*
 - *Electronic Rent Payments*
 - *Check Scanning/Digital Deposits*
 - *Use of Renewable Energy Products*
 - *Digital Newsletters and Service Requests*
 - *Motion Sensor Light Switches*
 - *Drought Resistant Landscaping*
 - *Water-Conserving Irrigation Systems*
 - *Use of Eco-Friendly Cleaning Products*
- **Education**
 - *Partner with Cities to Offer Recycling Education Courses*
 - *Participate in Local Green Events*



PINNACLE RELATIONSHIPS

Our financial, institutional and government relationships only strengthen our ability to provide our clients with the most comprehensive, integrated property management services.

AETNA	ISTAR FINANCIAL
AEW CAPITAL	JP MORGAN
BANK OF AMERICA	KEY BANK
BOSTON CAPITAL	LASALLE INVESTMENT MANAGEMENT
CARLISLE	LEHMAN BROTHERS
CBRE GLOBAL INVESTORS	LNR PROPERTY CORPORATION
THE CARLYLE GROUP	LONG WHARF REAL ESTATE PARTNERS (FORMERLY FIDELITY)
CAPMARK	MACQUARIE BANK
CAPRI CAPITAL PARTNERS	OCWEN BANK
CENTERLINE CAPITAL GROUP	PACIFIC URBAN RESIDENTIAL
CITIBANK	PNC BANK
CITIGROUP INC.	PRUDENTIAL
CORNERSTONE	PUBLIC EMPLOYEE RETIREMENT SYSTEM OF IDAHO
CW CAPITAL	TORCHLIGHT
DEUTSCHE BANK	TRIGILD
FANNIE MAE	TRIMONT
GE CAPITAL	UBS
GEM REALTY CAPITAL	USAA
GROSVENOR	US BANK
HENDERSON GLOBAL INVESTORS	VAIL RESORTS
INVESCO REAL ESTATE	

STUDENT HOUSING PARTNERS

Pinnacle manages over 14,000 beds of student housing in 11 states.

AUBURN UNIVERSITY	UNIVERSITY OF KANSAS	UNIVERSITY OF SOUTH FLORIDA
BAYLOR UNIVERSITY	UNIVERSITY OF KENTUCKY	TEXAS STATE UNIVERSITY
UC DAVIS	UNIVERSITY OF INDIANA	UNIVERSITY OF WASHINGTON
EASTERN MICHIGAN UNIVERSITY	UNIVERSITY OF MINNESOTA	WESTERN MICHIGAN UNIVERSITY
UNIVERSITY OF FLORIDA	PURDUE UNIVERSITY	

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grand@pinnaclefamily.com

Schedule B: Sources and Uses

Sources		Uses	
Bond Financing	\$ 19,000,000	Purchase Price	\$ 21,650,000
Equity	\$ 4,959,205	Capital Expenditures	\$ 1,826,335
		Financing Costs	\$ 415,870
		Due Diligence Costs	\$ 67,000
Total:	\$ 23,959,205	Total:	\$ 23,959,205

Schedule A: Acquisition & Capital Expenditure Costs**Due Diligence Costs:**

Title	\$	25,000
Survey	\$	5,000
Physical Inspection	\$	5,000
Environmental	\$	5,000
Appraisal	\$	5,000
Other Third Party	\$	2,000
Legal	\$	20,000

Financing Costs:

Borrower Counsel	\$	30,000
Financial Advisor	\$	38,000
Elderly Fee	\$	19,000
Kutak Rock	\$	35,000
HFA Bond Counsel	\$	60,000
HFA Issuance Fee	\$	95,000
Merrill Issuance Fee	\$	95,000
Trustee	\$	8,500
Trustee Counsel	\$	6,500
Issuance Costs	\$	12,000
Miscellaneous	\$	16,870

Qualified Capital Expenditures:

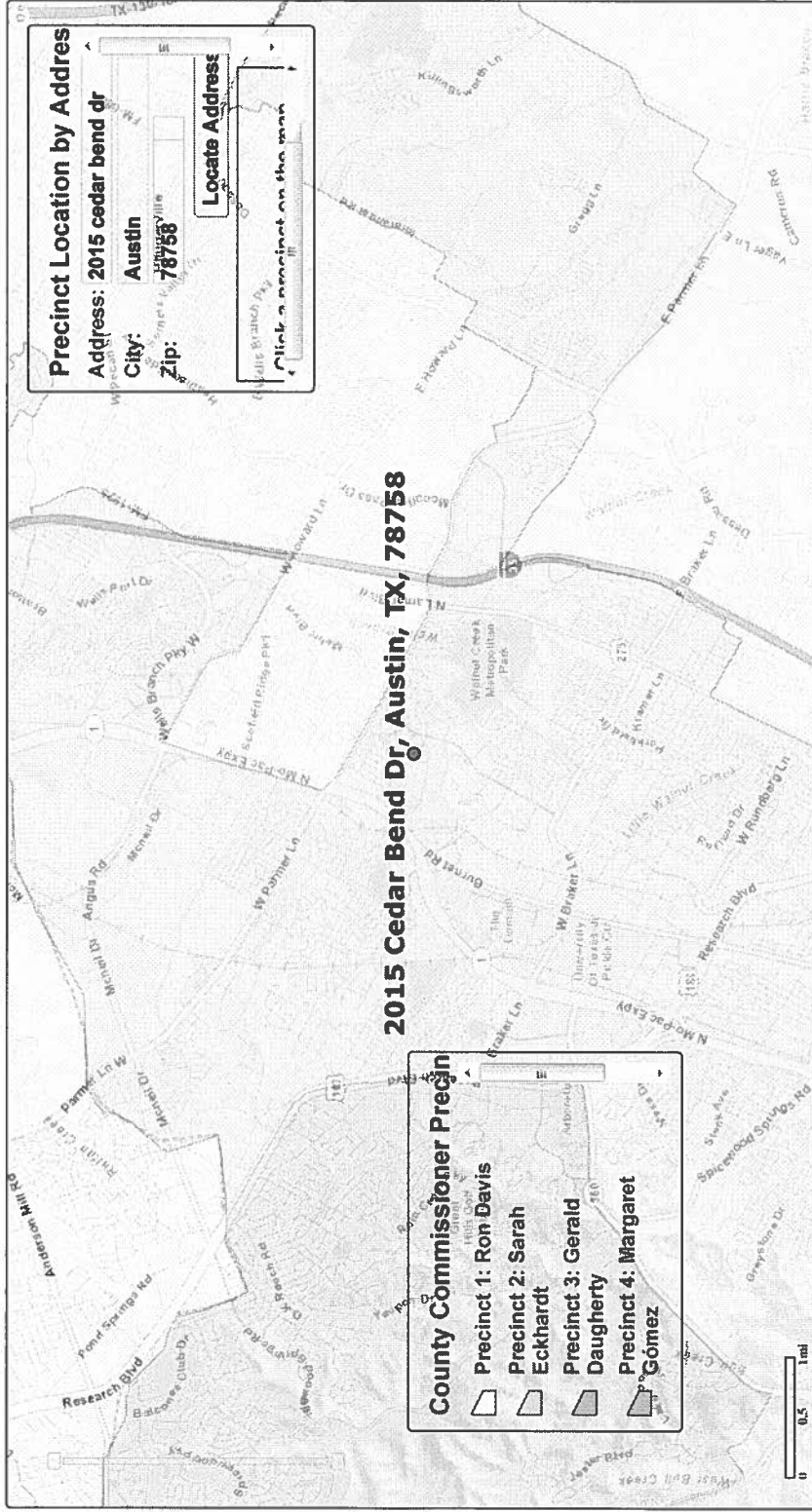
Unit Upgrades	\$	1,944,000
Construction Manager	\$	120,000
Paint/Wood Repairs	\$	175,000
Model Upgrades	\$	15,000
Clubhouse	\$	250,000
Stairs	\$	5,000
Roofs	\$	20,000
Wood Pario Decks	\$	20,000
Exterior Lighting	\$	5,000
Fireplaces	\$	5,000
HVAC/Water Heater Replacement	\$	100,000
GFI Outlets	\$	30,000
Dryer Vents	\$	2,000
Miscellaneous	\$	50,000

Unqualified Capital Expenditures:

Paving/Driveways	\$	75,000
Pool	\$	20,000
Termites	\$	20,000
Drainage/Retaining Walls	\$	25,000
Foundation	\$	25,000
Access Gartes	\$	5,000
Exterior Amenities	\$	10,000
Dog Park	\$	10,000
Landscape	\$	20,000
Signage	\$	10,000
Miscellaneous	\$	15,000

Total: \$ 3,458,870

Travis County Commissioner Precincts



Contact

- P.O. Box 1748
- Austin, TX 78767
- (512) 854.9020

Directory

- Departments A-Z
- Phone Directory
- Maps

Government

- Commissioners Court
- County Clerk
- District Clerk
- Fire Marshal
- Health & Human Services
- Human Resources

Justice

- Constables
- Courts
- District Attorney
- Jury Duty
- Justices of the Peace
- Law Library
- Legal Help
- Sheriff's Office

Business

- Appraisal District
- DBA (Assumed Name)
- Expo Center
- Foreclosures
- HUB
- Permits
- Purchasing Office
- Recording Fees
- Vendors

Resident

- Animal Control
- Child Support
- Common Law
- Fire Marshal
- Jobs
- Jury Duty
- Legal Help
- Marriage Licenses
- Parks & Recreation
- Passports
- Property Taxes
- Vehicle Registration
- Voter Registration



Schedule C: Google Map and Site Plan

