

Lender Sale

ESTRADA



## OFFERING MEMORANDUM

2627 Oak Ave  
Lubbock, TX 79404

The **GO** Getters  
multifamily real estate team



# Presented

# By:

## INVESTMENT SALES

---

### **Greg Brownd® CCIM**

M: (806) 777-4459

E: gregbrownd@kwcommercial.com

### **Grant Roehm®**

M: (281) 520-5809

E: grant.roehm@kwcommercial.com

### **Jaxton Hoelting®**

M: (806) 316-9233

E: jaxtonhoelting@kw.com

### **Ryan Franckhauser®**

M: (214) 735-3750

E: ryan.franckhauser@kwcommercial.com

### Offering procedures

- Letter of intent
- Resume and/or business letter indicating assets owned
- Transaction references
- Banking references
- Source of equity for acquisition

### Property tours

Prospective investors are encouraged to visit the subject property prior to submitting an offer. Please do not contact the on-site management or staff without prior approval. All property showings are by appointment only. Please contact us for more details.

### Sales conditions

Interested prospective investors should be aware that the owner of the property is selling the property in as-is, where-is condition with all faults, if any, and without representations or warranties of any kind of nature, expressed or implied, written or oral.

### Communications

All communications, inquiries and requests, including property tours, should be addressed to the listing agent.



An aerial photograph of a city street corner. In the foreground, a wide street with tram tracks runs diagonally. A large, multi-story brick building with many windows is the central focus. To its left, a taller, modern glass skyscraper rises into the sky. The sky is a mix of blue and orange, suggesting a sunset or sunrise. The overall scene is a dense urban environment.

# TABLE OF CONTENTS

MAJOR EMPLOYERS	9
UNIT MIX	10
HISTORIC & PROFORMA FINANCIALS	12
FINANCIALS OVERVIEW	13

# EXECUTIVE SUMMARY

Estrada S II is a 120 unit affordable housing development in Lubbock, TX. Estrada is well positioned for transformative growth. Being offered at an attractive basis, Estrada S II provides investors with an immediate opportunity to add value. The apartments are comprised of one bedroom, two bedroom, and three bedroom floor plans. The property currently has a ground lease in place with the City of Lubbock with an initiative to offer affordable housing in the community. There is also a LURA in place with TDHCA.

<b>Property Name</b>	<b>Estrada South II</b>
Address	2627 Oak Dr Lubbock TX
Market	Lubbock
No. Of Units	120
Year Built	2008
Average Unit Size	960
Net Rentable Area	115,150

<b>TAX INFORMATION</b>	<b>Lubbock CAD</b>
Parcel ID	R309729
Current Assessed Value (2023)	\$5,657,000
Improvement Allocation	90%
Tax Rate	1.86%
Land Area	Ground Lease

<b>UTILITIES</b>	
Electricity	Tenant
Water and Sewer	RUBS
Trash	RUBS
Telephone	Tenant
Cable	Tenant
Internet	Tenant

<b>CONSTRUCTION</b>	
Style	Garden
Foundation	Concrete Slab
Framing	Wood
Exterior	Brick with Siding
Roof	Pitched Composition
HVAC	Individual HVAC
Electricity	Individually Metered
Type of Wiring	Copper
Hot Water	Individual electric

<b>LAUNDRY</b>	
Washer/Dryer Connections	Yes

<b>PERSONNEL</b>	
Management Company	HM Equity
Leasing Office	On Site
Maintenance	HM Equity



# HIGHLIGHTS

---

- Strategically positioned within 3 miles of the largest capital investment in Lubbock's history - Leprino Foods - opening 2025.
- No Property Taxes

# PERFORMANCE METRICS

Projected 5 Year Average Cash on Cash Return	14.6%
Projected 7 Year Levered IRR	20.1%

# Near Growing Lubbock Job Market

Estrada S II is well positioned to absorb the future growth of Lubbock. Since 2022 East Lubbock has become a hotspot for future job creation. Over the next ten years, companies located in east Lubbock are expected to create over 2000 jobs and invest over one billion dollars into their respective developments. These developments include major corporations such as Leprino Foods, Tropicale Foods, and Pland- AS. For more information on all the major growth in Lubbock head over to <https://lubbockeda.org/announcements>.



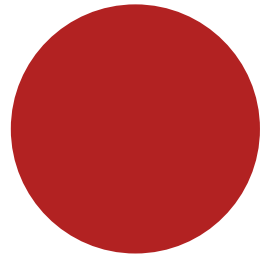
# Estrada South II

Update: 2024 HTC Limits (4.1.2024) and PHA Utility Allowance (3.1.2024 + 90)

Effective Date: 5/1/24

Housing Tax Credit Income Limits								
2024	Number of Household Members							
AMI	1	2	3	4	5	6	7	8
30%	\$18,000	\$20,580	\$23,160	\$25,710	\$27,780	\$29,850	\$31,890	\$33,960
40%	\$24,000	\$27,440	\$30,880	\$34,280	\$37,040	\$39,800	\$42,520	\$45,280
50%	\$30,000	\$34,300	\$38,600	\$42,850	\$46,300	\$49,750	\$53,150	\$56,600
>140% = OI	\$50,400	\$57,624	\$64,848	\$71,988	\$77,784	\$83,580	\$89,292	\$95,088

	30% Rent Limit (32 units)			40% Rent Limit (34 units)			50% Rent Limit (54 units)		
	1 Bd	2 Bd	3 Bd	1 Bd	2 Bd	3 Bd	1 Bd	2 Bd	3 Bd
Applicable Limit	\$482	\$579	\$668	\$643	\$772	\$891	\$803	\$965	\$1,114
Public Housing UA	(\$76)	(\$103)	(\$125)	(\$76)	(\$103)	(\$125)	(\$76)	(\$103)	(\$125)
Net Rent Limit	\$406	\$476	\$543	\$567	\$669	\$766	\$727	\$862	\$989



**268,395**

Population



**32.5**

Median Age



**3.7%**

2024  
Unemployment  
Rate



**0.61%**

2023-2028  
Population: Annual  
Growth Rate

HOUSING STATS



**\$219,973**

Median Home Value



**\$61,741**

Median Household  
Income



**2.43**

Household Size



**48.2%**

% Rentals



**10.3%**

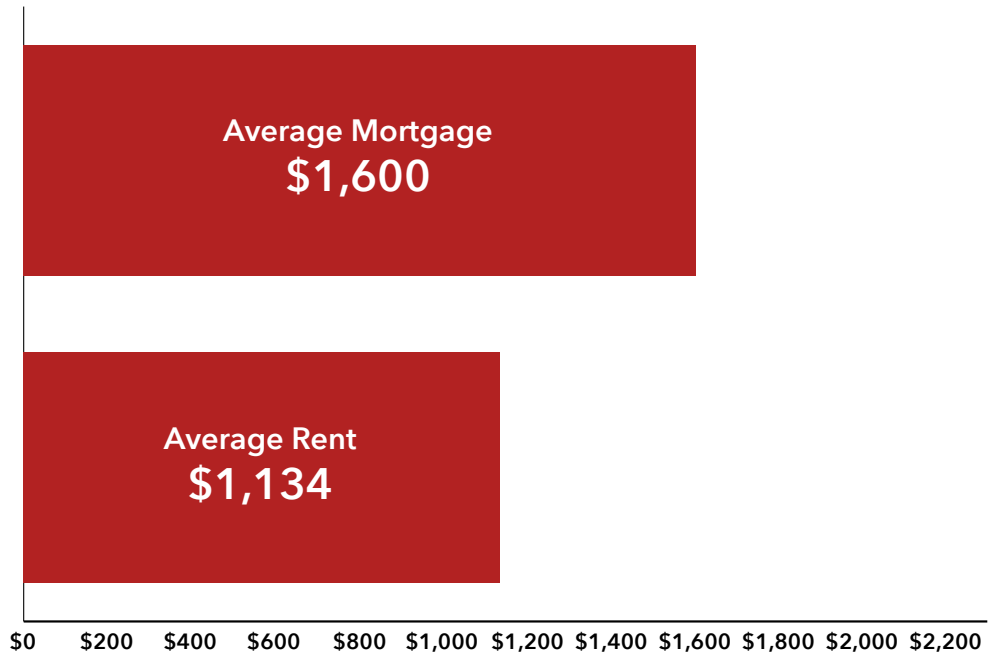
Vacant Housing Units



**51,146**

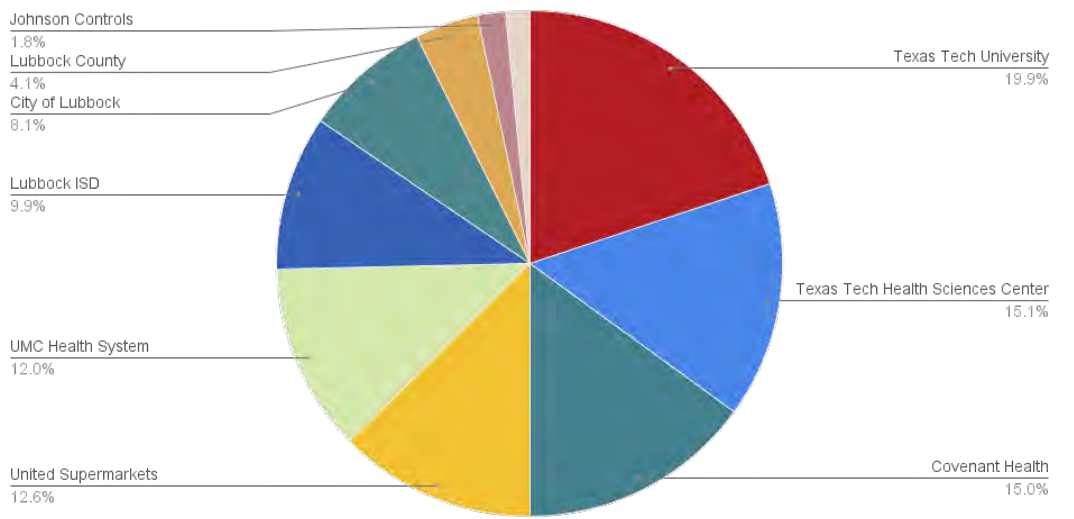
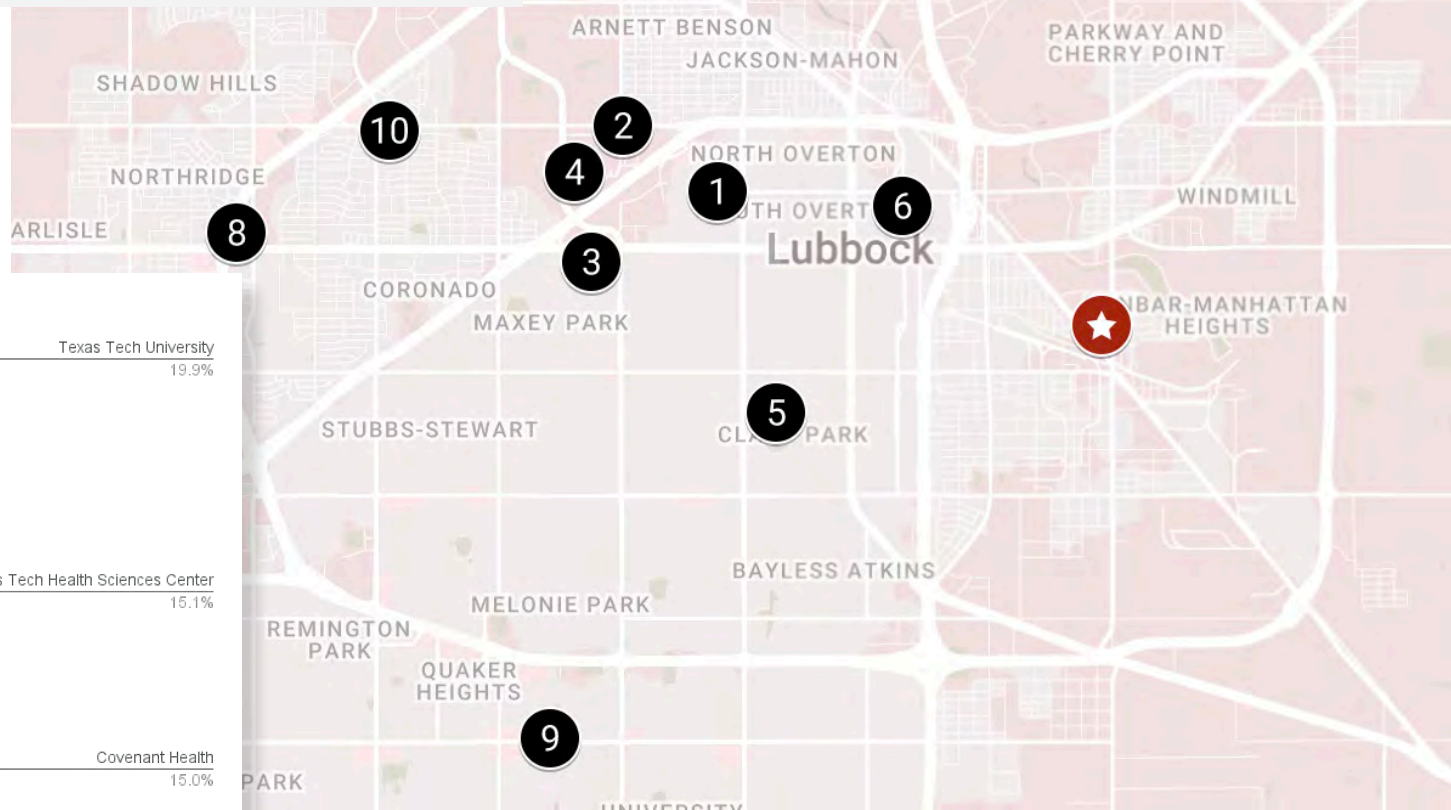
Rental Unit Demand

Housing Costs





Company	Industry	Employees
1 Texas Tech University	Education	6,635
2 Texas Tech Health Sciences Center	Education	5,017
3 Covenant Health	Hospitals	5,000
4 United Supermarkets	Supermarket	4,199
5 UMC Health System	Hospitals	4,000
6 Lubbock ISD	Education	3,300
7 City of Lubbock	Municipal	2,700
8 Lubbock County	Municipal	1,355
9 Johnson Controls	Manufacturing	600
10 UMC Physician Network Services	Medical	500



# Estrada South II

2627 Oak Dr Lubbock TX

Property Overview	
Units	120
Occupancy	37%
Year Built	2008
Utilities	Tenant Pays Electric Owner pays WST

Unit Type	No. of Units	Avg. SF	Asking Rent	Rent/SF	Proforma Rent	Rent/SF
A1-30% (PHU)	15	750	\$406	\$0.54	\$406	\$0.54
B1-30% (PHU)	16	900	\$476	\$0.53	\$476	\$0.53
B1-40%	34	900	\$669	\$0.74	\$669	\$0.74
B1-50%	8	900	\$862	\$0.96	\$862	\$0.96
C1-30% (PHU)	1	1,100	\$543	\$0.49	\$543	\$0.49
C1-40%	1	1,100	\$766	\$0.70	\$766	\$0.70
C1-50%	45	1,100	\$989	\$0.90	\$989	\$0.90
<b>Totals / Avg.</b>	<b>120</b>	<b>960</b>	<b>\$743</b>	<b>\$0.77</b>	<b>\$743</b>	<b>\$0.77</b>

<b>GPR</b>	<b>\$1,069,944</b>	<b>\$1,069,944</b>
<b>GPR / Month</b>	<b>\$89,162</b>	<b>\$89,162</b>









	July T12	July T6	July T3	Stabilized
<b>Rental Income</b>				
Gross Potential Rent	\$ 1,109,437	\$ 1,098,372	\$ 1,093,020	\$ 1,069,944
Vacancy	\$ (617,012)	\$ (665,902)	\$ (678,680)	\$ (106,994)
Loss to Lease	\$ (61,966)	\$ (49,366)	\$ (51,616)	\$ (21,399)
Concessions	\$ (1,519)	\$ (3,038)	\$ (5,208)	\$ (10,699)
Bad Debt / Delinquency	\$ (100)	\$ -	\$ -	\$ (10,699)
<b>Net Rental Income</b>	<b>\$ 428,840</b>	<b>\$ 380,066</b>	<b>\$ 357,516</b>	<b>\$ 920,152</b>
Utility Reimbursement	\$ 1,692	\$ (870)	\$ (740)	\$ 70,242
App Fees	\$ -	\$ -	\$ -	\$ 2,100
Admin Fees	\$ -	\$ -	\$ -	\$ 12,000
Pet Fees	\$ 6,022	\$ 5,500	\$ 9,325	\$ 6,022
Misc. Other Income	\$ 645	\$ (1,924)	\$ 4,212	\$ 645
<b>Total Other Income</b>	<b>\$ 8,364</b>	<b>\$ 2,716</b>	<b>\$ 12,797</b>	<b>\$ 91,014</b>
<b>Gross Operating Income</b>	<b>\$ 437,204</b>	<b>\$ 382,782</b>	<b>\$ 370,312</b>	<b>\$ 1,011,165</b>
<b>Operating Expenses</b>				
Admin	\$ 50,804	\$ 55,483	\$ 30,654	\$ 30,000
Advertising	\$ 7,347	\$ 7,118	\$ (1,750)	\$ 18,000
Contract Services	\$ 6,600	\$ 1,120	\$ 2,241	\$ 6,600
Payroll	\$ 156,345	\$ 143,742	\$ 138,585	\$ 144,000
Repairs & Maintenance	\$ 35,432	\$ 10,190	\$ 19,339	\$ 60,000
Management Fee	\$ 36,000	\$ 36,000	\$ 36,000	\$ 30,335
Insurance	\$ 118,243	\$ 118,243	\$ 118,243	\$ 102,000
Landscaping	\$ 17,537	\$ 19,485	\$ 15,588	\$ 18,063
Cable & Internet	\$ 994	\$ 777	\$ 1,012	\$ 1,023
Gas	\$ 554	\$ 1,107	\$ 172	\$ 570
Electric - Common	\$ 9,500	\$ 8,362	\$ 2,924	\$ 9,785
Electric - Vacant	\$ 32,364	\$ 10,395	\$ 9,198	\$ 33,335
Water & Sewer	\$ 63,317	\$ 42,807	\$ 26,053	\$ 65,216
Trash	\$ 27,611	\$ 22,907	\$ 25,667	\$ 28,439
Replacement Reserves	\$ -	\$ -	\$ -	\$ 36,000
<b>Total Operating Expenses</b>	<b>\$ 562,647</b>	<b>\$ 477,736</b>	<b>\$ 423,927</b>	<b>\$ 583,367</b>
<b>Net Operating Income (NOI)</b>	<b>\$ (125,444)</b>	<b>\$ (94,954)</b>	<b>\$ (53,614)</b>	<b>\$ 427,799</b>





	July T3 Rent / T12			Stabilized		
Income	Other	% of GPR	Per Unit	Stabilized	% of GPR	Per Unit
<b>Gross Potential Rent</b>	<b>\$1,093,020</b>	<b>100.0%</b>	<b>\$9,108</b>	<b>\$1,069,944</b>	<b>100.0%</b>	<b>\$8,916</b>
Vacancy	-\$678,680	-62.1%	-\$5,656	-\$106,994	-10.0%	-\$892
Loss to Lease	-\$51,616	-4.7%	-\$430	-\$21,399	-2.0%	-\$178
Concessions	-\$5,208	-0.5%	-\$43	-\$10,699	-1.0%	-\$89
Bad Debt / Delinquency	\$0	0.0%	\$0	-\$10,699	-1.0%	-\$89
<b>Net Rental Income</b>	<b>\$357,516</b>	<b>32.7%</b>	<b>\$2,979</b>	<b>\$920,152</b>	<b>86.0%</b>	<b>\$7,668</b>
Utility Reimbursement	\$1,692	0.2%	\$14	\$70,242	6.6%	\$585
Pet Fees	\$6,022	0.6%	\$50	\$6,022	0.6%	\$50
Misc. Other Income	\$645	0.1%	\$5	\$645	0.1%	\$5
<b>Total Other Income</b>	<b>\$8,364</b>	<b>0.8%</b>	<b>\$70</b>	<b>\$91,014</b>	<b>8.5%</b>	<b>\$758</b>
<b>Total Operating Income</b>	<b>\$365,880</b>	<b>33.5%</b>	<b>\$3,049</b>	<b>\$1,011,165</b>	<b>94.5%</b>	<b>\$8,426</b>
Expenses	July T12	% of GPR	Per Unit	Stabilized	% of GPR	Per Unit
Admin	\$50,804	4.6%	\$423	\$30,000	2.8%	\$250
Advertising	\$7,347	0.7%	\$61	\$18,000	1.7%	\$150
Contract Services	\$6,600	0.6%	\$55	\$6,600	0.6%	\$55
Payroll	\$156,345	14.3%	\$1,303	\$144,000	13.5%	\$1,200
Repairs & Maintenance	\$35,432	3.2%	\$295	\$60,000	5.6%	\$500
Management Fee	\$36,000	3.3%	\$300	\$30,335	2.8%	\$253
Property Taxes	\$0	0.0%	\$0	\$0	0.0%	\$0
Insurance	\$118,243	10.8%	\$985	\$102,000	9.5%	\$850
Landscaping	\$17,537	1.6%	\$146	\$18,063	1.7%	\$151
Cable & Internet	\$994	0.1%	\$8	\$1,023	0.1%	\$9
Gas	\$554	0.1%	\$5	\$570	0.1%	\$5
Electric - Common	\$9,500	0.9%	\$79	\$9,785	0.9%	\$82
Electric - Vacant	\$32,364	3.0%	\$270	\$33,335	3.1%	\$278
Water & Sewer	\$63,317	5.8%	\$528	\$65,216	6.1%	\$543
Trash	\$27,611	2.5%	\$230	\$28,439	2.7%	\$237
Replacement Reserves	\$0	0.0%	\$0	\$36,000	3.4%	\$300
<b>Total Expenses</b>	<b>\$562,647</b>	<b>51.5%</b>	<b>\$4,689</b>	<b>\$583,367</b>	<b>54.5%</b>	<b>\$4,861</b>
<b>Net Operating Income</b>	<b>-\$196,768</b>	<b>-18.0%</b>	<b>-\$1,640</b>	<b>\$427,799</b>	<b>40.0%</b>	<b>\$3,565</b>

	July T3 Rent / T12							
Income	Other	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7
Gross Potential Rent	\$ 1,093,020	\$ 1,069,944	\$ 1,107,392	\$ 1,146,151	\$ 1,186,266	\$ 1,227,785	\$ 1,270,758	\$ 1,315,234
Vacancy	\$ (678,680)	\$ (106,994)	\$ (110,739)	\$ (114,615)	\$ (118,627)	\$ (122,779)	\$ (127,076)	\$ (131,523)
Loss to Lease	\$ (51,616)	\$ (21,399)	\$ (22,148)	\$ (22,923)	\$ (23,725)	\$ (24,556)	\$ (25,415)	\$ (26,305)
Concessions	\$ (5,208)	\$ (10,699)	\$ (11,074)	\$ (11,462)	\$ (11,863)	\$ (12,278)	\$ (12,708)	\$ (13,152)
Bad Debt / Delinquency	\$ -	\$ (10,699)	\$ (11,074)	\$ (11,462)	\$ (11,863)	\$ (12,278)	\$ (12,708)	\$ (13,152)
<b>Net Rental Income</b>	<b>\$ 357,516</b>	<b>\$ 920,152</b>	<b>\$ 952,357</b>	<b>\$ 985,690</b>	<b>\$ 1,020,189</b>	<b>\$ 1,055,895</b>	<b>\$ 1,092,852</b>	<b>\$ 1,131,102</b>
Utility Reimbursement	\$ 1,692	\$ 70,242	\$ 72,349	\$ 74,519	\$ 76,755	\$ 79,058	\$ 81,429	\$ 83,872
App Fees	\$ -	\$ 2,100	\$ 2,174	\$ 2,250	\$ 2,328	\$ 2,410	\$ 2,494	\$ 2,581
Admin Fees	\$ -	\$ 12,000	\$ 12,420	\$ 12,855	\$ 13,305	\$ 13,770	\$ 14,252	\$ 14,751
Pet Fees	\$ 6,022	\$ 6,022	\$ 6,233	\$ 6,451	\$ 6,677	\$ 6,910	\$ 7,152	\$ 7,402
Misc. Other Income	\$ 645	\$ 645	\$ 668	\$ 691	\$ 715	\$ 740	\$ 766	\$ 793
<b>Total Other Income</b>	<b>\$ 8,364</b>	<b>\$ 91,014</b>	<b>\$ 93,848</b>	<b>\$ 96,771</b>	<b>\$ 99,785</b>	<b>\$ 102,894</b>	<b>\$ 106,100</b>	<b>\$ 109,406</b>
<b>Total Operating Income</b>	<b>\$ 365,880</b>	<b>\$ 1,011,165</b>	<b>\$ 1,046,205</b>	<b>\$ 1,082,460</b>	<b>\$ 1,119,974</b>	<b>\$ 1,158,789</b>	<b>\$ 1,198,952</b>	<b>\$ 1,240,508</b>
Expenses	July T12							
Admin	\$ 50,804	\$ 30,000	\$ 30,900	\$ 31,827	\$ 32,782	\$ 33,765	\$ 34,778	\$ 35,822
Advertising	\$ 7,347	\$ 18,000	\$ 18,540	\$ 19,096	\$ 19,669	\$ 20,259	\$ 20,867	\$ 21,493
Contract Services	\$ 6,600	\$ 6,600	\$ 6,798	\$ 7,002	\$ 7,212	\$ 7,428	\$ 7,651	\$ 7,880
Payroll	\$ 156,345	\$ 144,000	\$ 148,320	\$ 152,770	\$ 157,353	\$ 162,073	\$ 166,935	\$ 171,944
Repairs & Maintenance	\$ 35,432	\$ 60,000	\$ 61,800	\$ 63,654	\$ 65,564	\$ 67,531	\$ 69,556	\$ 71,643
Management Fee	\$ 36,000	\$ 30,335	\$ 31,386	\$ 32,474	\$ 33,599	\$ 34,764	\$ 35,969	\$ 37,215
Insurance	\$ 118,243	\$ 102,000	\$ 105,060	\$ 108,212	\$ 111,458	\$ 114,802	\$ 118,246	\$ 121,793
Landscaping	\$ 17,537	\$ 18,063	\$ 18,604	\$ 19,163	\$ 19,737	\$ 20,330	\$ 20,939	\$ 21,568
Cable & Internet	\$ 994	\$ 1,023	\$ 1,054	\$ 1,086	\$ 1,118	\$ 1,152	\$ 1,186	\$ 1,222
Gas	\$ 554	\$ 570	\$ 587	\$ 605	\$ 623	\$ 642	\$ 661	\$ 681
Electric - Common	\$ 9,500	\$ 9,785	\$ 10,079	\$ 10,381	\$ 10,693	\$ 11,013	\$ 11,344	\$ 11,684
Electric - Vacant	\$ 32,364	\$ 33,335	\$ 34,335	\$ 35,365	\$ 36,426	\$ 37,519	\$ 38,644	\$ 39,804
Water & Sewer	\$ 63,317	\$ 65,216	\$ 67,173	\$ 69,188	\$ 71,263	\$ 73,401	\$ 75,603	\$ 77,871
Trash	\$ 27,611	\$ 28,439	\$ 29,293	\$ 30,171	\$ 31,077	\$ 32,009	\$ 32,969	\$ 33,958
Replacement Reserves	\$ -	\$ 36,000	\$ 37,080	\$ 38,192	\$ 39,338	\$ 40,518	\$ 41,734	\$ 42,986
<b>Total Expenses</b>	<b>\$ 562,647</b>	<b>\$ 583,367</b>	<b>\$ 601,009</b>	<b>\$ 619,185</b>	<b>\$ 637,912</b>	<b>\$ 657,206</b>	<b>\$ 677,084</b>	<b>\$ 697,564</b>
<b>Net Operating Income</b>	<b>\$ (196,768)</b>	<b>\$ 427,799</b>	<b>\$ 445,196</b>	<b>\$ 463,275</b>	<b>\$ 482,062</b>	<b>\$ 501,583</b>	<b>\$ 521,868</b>	<b>\$ 542,944</b>



	Current	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7
<b>Net Operating Income</b>	<b>\$ (196,768)</b>	<b>\$ 427,799</b>	<b>\$ 445,196</b>	<b>\$ 463,275</b>	<b>\$ 482,062</b>	<b>\$ 501,583</b>	<b>\$ 521,868</b>	<b>\$ 542,944</b>

#### Cash Flows

Annual Debt Service	\$	440,450	\$	440,450	\$	440,450		
2nd Loan Debt Service					\$	297,180	\$	356,349
Net from refinancing				\$	1,073,470			\$
Cash Flow	\$	(12,651)	\$	4,746	\$	1,096,295	\$	184,882
					\$	145,235	\$	165,519
							\$	186,595

#### Sales Analysis

Projected Sales Price	\$	5,401,506	\$	5,557,836	\$	5,718,931	\$	5,884,947
Cost of Sale	\$	324,090	\$	333,470	\$	343,136	\$	353,097
Loan Balance	\$	3,830,000	\$	3,830,000	\$	3,830,000		
2nd Loan Balance					\$	4,953,000	\$	4,953,000
Refunded Reserves and Prepays	\$	235,349	\$	235,349	\$	235,349	\$	235,349
Sales Proceeds	\$	1,482,764	\$	1,629,714	\$	707,674	\$	814,199
					\$	975,028	\$	1,201,611
							\$	1,437,034

#### Return Metrics

DSCR	-0.45	0.97	1.01	1.05	1.62	1.41	1.46	1.52
Debt Yield		11.2%	11.6%	12.1%	9.7%	10.1%	10.7%	11.2%
Cap Rate / Yield on Cost	-4.1%	8.9%	9.3%	9.7%	10.0%	10.4%	10.9%	11.3%
Total Return		-1.0%	0.4%	85.8%	14.5%	11.4%	17.7%	19.7%
Equity Multiple		1.2	1.3	0.6	1.6	1.9	2.2	2.5
Cash on Cash Return		-1.0%	0.4%	85.8%	14.5%	11.4%	13.0%	14.6%
Average Cash on Cash Return		-1.0%	-0.3%	28.4%	24.9%	22.2%	20.7%	19.8%
Levered IRR		15.1%	12.6%	12.0%	15.2%	17.2%	19.0%	20.1%

#### Assumptions:

Rental and Other Income Growth	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%
Utility Reimbursement %	75.0%	75.0%	75.0%	75.0%	75.0%	75.0%	75.0%	75.0%
Vacancy	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%
Loss to Lease	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
Concessions	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%
Bad Debt	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%
Expense Growth	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Exit Cap Rate	6.5%	6.6%	6.7%	6.8%	6.9%	7.0%	7.1%	7.1%
Cost of Sale	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%

\*Projected Sales Price based on following year's tax adjusted NOI

#### Proposed Financing

	Bridge - Non Recourse	Agency Refi
Loan to Value:	75%	119%
Loan Amount:	\$3,830,000	\$4,953,000
Interest Rate:	11.50%	6.00%
Amortization:		360
Term:	3	7
Years of Interest Only:	3	2
Loan Starting Year:	1	4
Amortized Monthly Payment:	\$36,704	\$29,696
Annual Debt Service:	\$440,450	\$356,349



## SCENARIO 1: LURA REMOVED, PROPERTY TAX RESPONSIBLE

Investors won't have income restrictions on 40% and 50% units.  
However, property taxes will come into place.

**Estrada South II**  
2627 Oak Dr Lubbock TX

Property Overview	
Units	120
Occupancy	37%
Year Built	2008
Utilities	Tenant Pays Electric Owner pays WST

Unit Type	No. of Units	Avg. SF	Asking Rent	Rent/SF	Proforma Rent	Rent/SF
A1-30% (PHU)	15	750	\$406	\$0.54	\$406	\$0.54
B1-30% (PHU)	16	900	\$476	\$0.53	\$476	\$0.53
<b>B1-40%</b>	<b>34</b>	<b>900</b>	<b>\$669</b>	<b>\$0.74</b>	<b>\$855</b>	<b>\$0.95</b>
<b>B1-50%</b>	<b>8</b>	<b>900</b>	<b>\$862</b>	<b>\$0.96</b>	<b>\$855</b>	<b>\$0.95</b>
C1-30% (PHU)	1	1,100	\$543	\$0.49	\$543	\$0.49
<b>C1-40%</b>	<b>1</b>	<b>1,100</b>	<b>\$766</b>	<b>\$0.70</b>	<b>\$1,045</b>	<b>\$0.95</b>
<b>C1-50%</b>	<b>45</b>	<b>1,100</b>	<b>\$989</b>	<b>\$0.90</b>	<b>\$1,045</b>	<b>\$0.95</b>
<b>Totals / Avg.</b>	<b>120</b>	<b>960</b>	<b>\$743</b>	<b>\$0.77</b>	<b>\$819</b>	<b>\$0.85</b>

<b>GPR</b>	<b>\$1,069,944</b>	<b>\$1,178,748</b>
<b>GPR / Month</b>	<b>\$89,162</b>	<b>\$98,229</b>





<b>Income</b>	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>	<b>Year 4</b>	<b>Year 5</b>	<b>Year 6</b>	<b>Year 7</b>
Gross Potential Rent	\$ 1,178,748	\$ 1,220,004	\$ 1,262,704	\$ 1,306,899	\$ 1,352,640	\$ 1,399,983	\$ 1,448,982
Vacancy	\$ (117,875)	\$ (122,000)	\$ (126,270)	\$ (130,690)	\$ (135,264)	\$ (139,998)	\$ (144,898)
Loss to Lease	\$ (23,575)	\$ (24,400)	\$ (25,254)	\$ (26,138)	\$ (27,053)	\$ (28,000)	\$ (28,980)
Concessions	\$ (11,787)	\$ (12,200)	\$ (12,627)	\$ (13,069)	\$ (13,526)	\$ (14,000)	\$ (14,490)
Bad Debt / Delinquency	\$ (11,787)	\$ (12,200)	\$ (12,627)	\$ (13,069)	\$ (13,526)	\$ (14,000)	\$ (14,490)
<b>Net Rental Income</b>	<b>\$ 1,013,723</b>	<b>\$ 1,049,204</b>	<b>\$ 1,085,926</b>	<b>\$ 1,123,933</b>	<b>\$ 1,163,271</b>	<b>\$ 1,203,985</b>	<b>\$ 1,246,125</b>
Utility Reimbursement	\$ 70,242	\$ 72,349	\$ 74,519	\$ 76,755	\$ 79,058	\$ 81,429	\$ 83,872
App Fees	\$ 2,100	\$ 2,174	\$ 2,250	\$ 2,328	\$ 2,410	\$ 2,494	\$ 2,581
Admin Fees	\$ 12,000	\$ 12,420	\$ 12,855	\$ 13,305	\$ 13,770	\$ 14,252	\$ 14,751
Pet Fees	\$ 6,022	\$ 6,233	\$ 6,451	\$ 6,677	\$ 6,910	\$ 7,152	\$ 7,402
Misc. Other Income	\$ 645	\$ 668	\$ 691	\$ 715	\$ 740	\$ 766	\$ 793
<b>Total Other Income</b>	<b>\$ 91,014</b>	<b>\$ 93,848</b>	<b>\$ 96,771</b>	<b>\$ 99,785</b>	<b>\$ 102,894</b>	<b>\$ 106,100</b>	<b>\$ 109,406</b>
<b>Total Operating Income</b>	<b>\$ 1,104,737</b>	<b>\$ 1,143,051</b>	<b>\$ 1,182,696</b>	<b>\$ 1,223,718</b>	<b>\$ 1,266,165</b>	<b>\$ 1,310,085</b>	<b>\$ 1,355,531</b>

<b>Expenses</b>							
Admin	\$ 30,000	\$ 30,900	\$ 31,827	\$ 32,782	\$ 33,765	\$ 34,778	\$ 35,822
Advertising	\$ 18,000	\$ 18,540	\$ 19,096	\$ 19,669	\$ 20,259	\$ 20,867	\$ 21,493
Contract Services	\$ 6,600	\$ 6,798	\$ 7,002	\$ 7,212	\$ 7,428	\$ 7,651	\$ 7,880
Payroll	\$ 144,000	\$ 148,320	\$ 152,770	\$ 157,353	\$ 162,073	\$ 166,935	\$ 171,944
Repairs & Maintenance	\$ 60,000	\$ 61,800	\$ 63,654	\$ 65,564	\$ 67,531	\$ 69,556	\$ 71,643
Management Fee	\$ 33,142	\$ 34,292	\$ 35,481	\$ 36,712	\$ 37,985	\$ 39,303	\$ 40,666
<b>Property Taxes</b>	<b>\$ 57,893</b>	<b>\$ 59,629</b>	<b>\$ 61,418</b>	<b>\$ 63,261</b>	<b>\$ 65,159</b>	<b>\$ 67,113</b>	<b>\$ 69,127</b>
Insurance	\$ 102,000	\$ 105,060	\$ 108,212	\$ 111,458	\$ 114,802	\$ 118,246	\$ 121,793
Landscaping	\$ 18,063	\$ 18,604	\$ 19,163	\$ 19,737	\$ 20,330	\$ 20,939	\$ 21,568
Cable & Internet	\$ 1,023	\$ 1,054	\$ 1,086	\$ 1,118	\$ 1,152	\$ 1,186	\$ 1,222
Gas	\$ 570	\$ 587	\$ 605	\$ 623	\$ 642	\$ 661	\$ 681
Electric - Common	\$ 9,785	\$ 10,079	\$ 10,381	\$ 10,693	\$ 11,013	\$ 11,344	\$ 11,684
Electric - Vacant	\$ 33,335	\$ 34,335	\$ 35,365	\$ 36,426	\$ 37,519	\$ 38,644	\$ 39,804
Water & Sewer	\$ 65,216	\$ 67,173	\$ 69,188	\$ 71,263	\$ 73,401	\$ 75,603	\$ 77,871
Trash	\$ 28,439	\$ 29,293	\$ 30,171	\$ 31,077	\$ 32,009	\$ 32,969	\$ 33,958
Replacement Reserves	\$ 36,000	\$ 37,080	\$ 38,192	\$ 39,338	\$ 40,518	\$ 41,734	\$ 42,986
<b>Total Expenses</b>	<b>\$ 644,066</b>	<b>\$ 663,543</b>	<b>\$ 683,610</b>	<b>\$ 704,285</b>	<b>\$ 725,586</b>	<b>\$ 747,531</b>	<b>\$ 770,141</b>
<b>Net Operating Income</b>	<b>\$ 460,670</b>	<b>\$ 479,508</b>	<b>\$ 499,086</b>	<b>\$ 519,433</b>	<b>\$ 540,579</b>	<b>\$ 562,554</b>	<b>\$ 585,389</b>

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7
<b>Net Operating Income</b>	<b>\$ 460,670</b>	<b>\$ 479,508</b>	<b>\$ 499,086</b>	<b>\$ 519,433</b>	<b>\$ 540,579</b>	<b>\$ 562,554</b>	<b>\$ 585,389</b>
<b>Cash Flows</b>							
Annual Debt Service	\$ 446,890	\$ 446,890	\$ 446,890				
2nd Loan Debt Service				\$ 320,160	\$ 383,904	\$ 383,904	\$ 383,904
Net from refinance			\$ 1,396,640				\$ -
Cash Flow	\$ 13,780	\$ 32,618	\$ 1,448,836	\$ 199,273	\$ 156,675	\$ 178,650	\$ 201,485
<b>Sales Analysis</b>							
Projected Sales Price	\$ 6,735,179	\$ 6,918,031	\$ 7,106,474	\$ 7,300,685	\$ 7,500,844	\$ 7,707,136	\$ 7,919,753
Cost of Sale	\$ 404,111	\$ 415,082	\$ 426,388	\$ 438,041	\$ 450,051	\$ 462,428	\$ 475,185
Loan Balance	\$ 3,886,000	\$ 3,886,000	\$ 3,886,000				
2nd Loan Balance				\$ 5,336,000	\$ 5,336,000	\$ 5,270,473	\$ 5,200,905
Refunded Reserves and Prepays	\$ 321,893	\$ 321,893	\$ 321,893	\$ 321,893	\$ 321,893	\$ 321,893	\$ 321,893
Sales Proceeds	\$ 2,766,961	\$ 2,938,841	\$ 1,719,338	\$ 1,848,537	\$ 2,036,686	\$ 2,296,127	\$ 2,565,555
<b>Return Metrics</b>							
DSCR	1.03	1.07	1.12	1.62	1.41	1.47	1.52
Debt Yield	11.9%	12.3%	12.8%	9.7%	10.1%	10.7%	11.3%
Cap Rate / Yield on Cost	9.6%	10.0%	10.4%	10.8%	11.3%	11.7%	12.2%
Total Return	1.1%	2.5%	111.8%	15.4%	12.1%	18.8%	20.9%
Equity Multiple	2.1	2.3	1.4	2.7	3.0	3.3	3.7
Cash on Cash Return	1.1%	2.5%	111.8%	15.4%	12.1%	13.8%	15.6%
Average Cash on Cash Return	1.1%	1.8%	38.5%	32.7%	28.6%	26.1%	24.6%
Levered IRR	114.6%	52.0%	35.7%	33.1%	31.4%	30.4%	29.6%
<b>Assumptions:</b>							
Rental and Other Income Growth	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%
Utility Reimbursement %	75.0%	75.0%	75.0%	75.0%	75.0%	75.0%	75.0%
Vacancy	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%
Loss to Lease	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
Concessions	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%
Bad Debt	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%
Expense Growth	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Property Tax Assessment %	75.0%	75.0%	75.0%	75.0%	75.0%	75.0%	75.0%
Exit Cap Rate	6.5%	6.6%	6.7%	6.8%	6.9%	7.0%	7.1%
Cost of Sale	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%

\*Projected Sales Price based on following year's tax adjusted NOI

SCENARIO 2: LURA REMOVED, NO PROPERTY TAX RESPONSIBILITY.

Investors won't have income restrictions on 40% and 50% units AND, there will be no property taxes assessed.

\*These are subject to change at anytime

**Estrada South II**  
2627 Oak Dr Lubbock TX

Property Overview	
Units	120
Occupancy	37%
Year Built	2008
Utilities	Tenant Pays Electric Owner pays WST

Unit Type	No. of Units	Avg. SF	Asking Rent	Rent/SF	Proforma Rent	Rent/SF
A1-30% (PHU)	15	750	\$406	\$0.54	\$406	\$0.54
B1-30% (PHU)	16	900	\$476	\$0.53	\$476	\$0.53
<b>B1-40%</b>	<b>34</b>	<b>900</b>	<b>\$669</b>	<b>\$0.74</b>	<b>\$855</b>	<b>\$0.95</b>
<b>B1-50%</b>	<b>8</b>	<b>900</b>	<b>\$862</b>	<b>\$0.96</b>	<b>\$855</b>	<b>\$0.95</b>
C1-30% (PHU)	1	1,100	\$543	\$0.49	\$543	\$0.49
<b>C1-40%</b>	<b>1</b>	<b>1,100</b>	<b>\$766</b>	<b>\$0.70</b>	<b>\$1,045</b>	<b>\$0.95</b>
<b>C1-50%</b>	<b>45</b>	<b>1,100</b>	<b>\$989</b>	<b>\$0.90</b>	<b>\$1,045</b>	<b>\$0.95</b>
<b>Totals / Avg.</b>	<b>120</b>	<b>960</b>	<b>\$743</b>	<b>\$0.77</b>	<b>\$819</b>	<b>\$0.85</b>

<b>GPR</b>	<b>\$1,069,944</b>	<b>\$1,178,748</b>
<b>GPR / Month</b>	<b>\$89,162</b>	<b>\$98,229</b>





Income	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7
Gross Potential Rent	\$ 1,178,748	\$ 1,220,004	\$ 1,262,704	\$ 1,306,899	\$ 1,352,640	\$ 1,399,983	\$ 1,448,982
Vacancy	\$ (117,875)	\$ (122,000)	\$ (126,270)	\$ (130,690)	\$ (135,264)	\$ (139,998)	\$ (144,898)
Loss to Lease	\$ (23,575)	\$ (24,400)	\$ (25,254)	\$ (26,138)	\$ (27,053)	\$ (28,000)	\$ (28,980)
Concessions	\$ (11,787)	\$ (12,200)	\$ (12,627)	\$ (13,069)	\$ (13,526)	\$ (14,000)	\$ (14,490)
Bad Debt / Delinquency	\$ (11,787)	\$ (12,200)	\$ (12,627)	\$ (13,069)	\$ (13,526)	\$ (14,000)	\$ (14,490)
<b>Net Rental Income</b>	<b>\$ 1,013,723</b>	<b>\$ 1,049,204</b>	<b>\$ 1,085,926</b>	<b>\$ 1,123,933</b>	<b>\$ 1,163,271</b>	<b>\$ 1,203,985</b>	<b>\$ 1,246,125</b>
Utility Reimbursement	\$ 70,242	\$ 72,349	\$ 74,519	\$ 76,755	\$ 79,058	\$ 81,429	\$ 83,872
App Fees	\$ 2,100	\$ 2,174	\$ 2,250	\$ 2,328	\$ 2,410	\$ 2,494	\$ 2,581
Admin Fees	\$ 12,000	\$ 12,420	\$ 12,855	\$ 13,305	\$ 13,770	\$ 14,252	\$ 14,751
Pet Fees	\$ 6,022	\$ 6,233	\$ 6,451	\$ 6,677	\$ 6,910	\$ 7,152	\$ 7,402
Misc. Other Income	\$ 645	\$ 668	\$ 691	\$ 715	\$ 740	\$ 766	\$ 793
<b>Total Other Income</b>	<b>\$ 91,014</b>	<b>\$ 93,848</b>	<b>\$ 96,771</b>	<b>\$ 99,785</b>	<b>\$ 102,894</b>	<b>\$ 106,100</b>	<b>\$ 109,406</b>
<b>Total Operating Income</b>	<b>\$ 1,104,737</b>	<b>\$ 1,143,051</b>	<b>\$ 1,182,696</b>	<b>\$ 1,223,718</b>	<b>\$ 1,266,165</b>	<b>\$ 1,310,085</b>	<b>\$ 1,355,531</b>

Expenses							
Admin	\$ 30,000	\$ 30,900	\$ 31,827	\$ 32,782	\$ 33,765	\$ 34,778	\$ 35,822
Advertising	\$ 18,000	\$ 18,540	\$ 19,096	\$ 19,669	\$ 20,259	\$ 20,867	\$ 21,493
Contract Services	\$ 6,600	\$ 6,798	\$ 7,002	\$ 7,212	\$ 7,428	\$ 7,651	\$ 7,880
Payroll	\$ 144,000	\$ 148,320	\$ 152,770	\$ 157,353	\$ 162,073	\$ 166,935	\$ 171,944
Repairs & Maintenance	\$ 60,000	\$ 61,800	\$ 63,654	\$ 65,564	\$ 67,531	\$ 69,556	\$ 71,643
Management Fee	\$ 33,142	\$ 34,292	\$ 35,481	\$ 36,712	\$ 37,985	\$ 39,303	\$ 40,666
Insurance	\$ 102,000	\$ 105,060	\$ 108,212	\$ 111,458	\$ 114,802	\$ 118,246	\$ 121,793
Landscaping	\$ 18,063	\$ 18,604	\$ 19,163	\$ 19,737	\$ 20,330	\$ 20,939	\$ 21,568
Cable & Internet	\$ 1,023	\$ 1,054	\$ 1,086	\$ 1,118	\$ 1,152	\$ 1,186	\$ 1,222
Gas	\$ 570	\$ 587	\$ 605	\$ 623	\$ 642	\$ 661	\$ 681
Electric - Common	\$ 9,785	\$ 10,079	\$ 10,381	\$ 10,693	\$ 11,013	\$ 11,344	\$ 11,684
Electric - Vacant	\$ 33,335	\$ 34,335	\$ 35,365	\$ 36,426	\$ 37,519	\$ 38,644	\$ 39,804
Water & Sewer	\$ 65,216	\$ 67,173	\$ 69,188	\$ 71,263	\$ 73,401	\$ 75,603	\$ 77,871
Trash	\$ 28,439	\$ 29,293	\$ 30,171	\$ 31,077	\$ 32,009	\$ 32,969	\$ 33,958
Replacement Reserves	\$ 36,000	\$ 37,080	\$ 38,192	\$ 39,338	\$ 40,518	\$ 41,734	\$ 42,986
<b>Total Expenses</b>	<b>\$ 586,174</b>	<b>\$ 603,914</b>	<b>\$ 622,192</b>	<b>\$ 641,024</b>	<b>\$ 660,427</b>	<b>\$ 680,418</b>	<b>\$ 701,015</b>
<b>Net Operating Income</b>	<b>\$ 518,563</b>	<b>\$ 539,137</b>	<b>\$ 560,504</b>	<b>\$ 582,694</b>	<b>\$ 605,738</b>	<b>\$ 629,667</b>	<b>\$ 654,516</b>



	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7
<b>Net Operating Income</b>	<b>\$ 518,563</b>	<b>\$ 539,137</b>	<b>\$ 560,504</b>	<b>\$ 582,694</b>	<b>\$ 605,738</b>	<b>\$ 629,667</b>	<b>\$ 654,516</b>
<b>Cash Flows</b>							
Annual Debt Service	\$ 440,565	\$ 440,565	\$ 440,565				
2nd Loan Debt Service				\$ 359,520	\$ 431,101	\$ 431,101	\$ 431,101
Net from refinance			\$ 2,101,080				\$ -
Cash Flow	\$ 77,998	\$ 98,572	\$ 2,221,019	\$ 223,174	\$ 174,637	\$ 198,566	\$ 223,415
<b>Sales Analysis</b>							
Projected Sales Price	\$ 6,541,280	\$ 6,724,276	\$ 6,912,777	\$ 7,106,959	\$ 7,307,007	\$ 7,513,108	\$ 7,725,456
Cost of Sale	\$ 392,477	\$ 403,457	\$ 414,767	\$ 426,418	\$ 438,420	\$ 450,786	\$ 463,527
Loan Balance	\$ 3,831,000	\$ 3,831,000	\$ 3,831,000				
2nd Loan Balance				\$ 5,992,000	\$ 5,992,000	\$ 5,918,418	\$ 5,840,297
Refunded Reserves and Prepaids	\$ 249,000	\$ 249,000	\$ 249,000	\$ 249,000	\$ 249,000	\$ 249,000	\$ 249,000
Sales Proceeds	\$ 2,566,803	\$ 2,738,819	\$ 814,930	\$ 937,542	\$ 1,125,587	\$ 1,392,904	\$ 1,670,632
<b>Return Metrics</b>							
DSCR	1.18	1.22	1.27	1.62	1.41	1.46	1.52
Debt Yield	13.5%	14.1%	14.6%	9.7%	10.1%	10.6%	11.2%
Cap Rate / Yield on Cost	10.8%	11.2%	11.7%	12.1%	12.6%	13.1%	13.6%
Total Return	6.1%	7.7%	173.9%	17.5%	13.7%	21.3%	23.6%
Equity Multiple	2.1	2.3	0.9	2.8	3.1	3.4	3.8
Cash on Cash Return	6.1%	7.7%	173.9%	17.5%	13.7%	15.5%	17.5%
Average Cash on Cash Return	6.1%	6.9%	62.6%	51.3%	43.8%	39.1%	36.0%
Levered IRR	107.1%	52.1%	37.5%	37.9%	37.9%	38.1%	38.0%
<b>Assumptions:</b>							
Rental and Other Income Growth	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%
Utility Reimbursement %	75.0%	75.0%	75.0%	75.0%	75.0%	75.0%	75.0%
Vacancy	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%
Loss to Lease	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
Concessions	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%
Bad Debt	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%
Expense Growth	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Exit Cap Rate	6.5%	6.6%	6.7%	6.8%	6.9%	7.0%	7.1%
Cost of Sale	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%

*\*Projected Sales Price based on following year's tax adjusted NOI*



# Information About Brokerage Services

Texas law requires all real estate license holders to give the following information about brokerage services to prospective buyers, tenants, sellers and landlords.

### TYPES OF REAL ESTATE LICENSE HOLDERS:

- **A BROKER** is responsible for all brokerage activities, including acts performed by sales agents sponsored by the broker.
- **A SALES AGENT** must be sponsored by a broker and works with clients on behalf of the broker.

### A BROKER'S MINIMUM DUTIES REQUIRED BY LAW (A client is the person or party that the broker represents):

- Put the interests of the client above all others, including the broker's own interests;
- Inform the client of any material information about the property or transaction received by the broker;
- Answer the client's questions and present any offer to or counter-offer from the client; and
- Treat all parties to a real estate transaction honestly and fairly.

### A LICENSE HOLDER CAN REPRESENT A PARTY IN A REAL ESTATE TRANSACTION:

**AS AGENT FOR OWNER (SELLER/LANDLORD):** The broker becomes the property owner's agent through an agreement with the owner, usually in a written listing to sell or property management agreement. An owner's agent must perform the broker's minimum duties above and must inform the owner of any material information about the property or transaction known by the agent, including information disclosed to the agent or subagent by the buyer or buyer's agent.

**AS AGENT FOR BUYER/TENANT:** The broker becomes the buyer/tenant's agent by agreeing to represent the buyer, usually through a written representation agreement. A buyer's agent must perform the broker's minimum duties above and must inform the buyer of any material information about the property or transaction known by the agent, including information disclosed to the agent by the seller or seller's agent.

**AS AGENT FOR BOTH - INTERMEDIARY:** To act as an intermediary between the parties the broker must first obtain the written agreement of *each party* to the transaction. The written agreement must state who will pay the broker and, in conspicuous bold or underlined print, set forth the broker's obligations as an intermediary. A broker who acts as an intermediary:

- Must treat all parties to the transaction impartially and fairly;
- May, with the parties' written consent, appoint a different license holder associated with the broker to each party (owner and buyer) to communicate with, provide opinions and advice to, and carry out the instructions of each party to the transaction.
- Must not, unless specifically authorized in writing to do so by the party, disclose:
  - o that the owner will accept a price less than the written asking price;
  - o that the buyer/tenant will pay a price greater than the price submitted in a written offer; and
  - o any confidential information or any other information that a party specifically instructs the broker in writing not to disclose, unless required to do so by law.

**AS SUBAGENT:** A license holder acts as a subagent when aiding a buyer in a transaction without an agreement to represent the buyer. A subagent can assist the buyer but does not represent the buyer and must place the interests of the owner first.

### TO AVOID DISPUTES, ALL AGREEMENTS BETWEEN YOU AND A BROKER SHOULD BE IN WRITING AND CLEARLY ESTABLISH:

- The broker's duties and responsibilities to you, and your obligations under the representation agreement.
- Who will pay the broker for services provided to you, when payment will be made and how the payment will be calculated.

**LICENSE HOLDER CONTACT INFORMATION:** This notice is being provided for information purposes. It does not create an obligation for you to use the broker's services. Please acknowledge receipt of this notice below and retain a copy for your records.

<u>Keller Williams Realty</u> Licensed Broker /Broker Firm Name or Primary Assumed Business Name	<u>0494693</u> License No.	<u>pamtitzell@kw.com</u> Email	<u>(806) 773-0088</u> Phone
<u>Pam Titzell</u> Designated Broker of Firm	<u>0465722</u> License No.	<u>pamtitzell@kw.com</u> Email	<u>(806) 773-0088</u> Phone
<u>Pam Titzell</u> Licensed Supervisor of Sales Agent/ Associate	<u>0465722</u> License No.	<u>pamtitzell@kw.com</u> Email	<u>(806) 773-0088</u> Phone
_____ Sales Agent/Associate's Name	_____ License No.	_____ Email	_____ Phone

\_\_\_\_\_  
Buyer/Tenant/Seller/Landlord Initials

\_\_\_\_\_  
Date

All materials and information received or derived from KW Commercial its directors, officers, agents, advisors, affiliates and/or any third party sources are provided without representation or warranty as to completeness, veracity, or accuracy, condition of the property, compliance or lack of compliance with applicable governmental requirements, developability or suitability, financial performance of the property, projected financial performance of the property for any party's intended use or any and all other matters.

Neither KW Commercial its directors, officers, agents, advisors, or affiliates makes any representation or warranty, express or implied, as to accuracy or completeness of the materials or information provided, derived, or received. Materials and information from any source, whether written or verbal, that may be furnished for review are not a substitute for a party's active conduct of its own due diligence to determine these and other matters of significance to such party. KW Commercial will not investigate or verify any such matters or conduct due diligence for a party unless otherwise agreed in writing.

**EACH PARTY SHALL CONDUCT ITS OWN INDEPENDENT INVESTIGATION AND DUE DILIGENCE.**

Any party contemplating or under contract or in escrow for a transaction is urged to verify all information and to conduct their own inspections and investigations including through appropriate third party independent professionals selected by such party. All financial data should be verified by the party including by obtaining and reading applicable documents and reports and consulting appropriate independent professionals. KW Commercial makes no warranties and/or representations regarding the veracity, completeness, or relevance of any financial data or assumptions. KW Commercial does not serve as a financial advisor to any party regarding any proposed transaction.

All data and assumptions regarding financial performance, including that used for financial modeling purposes, may differ from actual data or performance. Any estimates of market rents and/or projected rents that may be provided to a party do not necessarily mean that rents can be established at or increased to that level. Parties must evaluate any applicable contractual and governmental limitations as well as market conditions, vacancy factors and other issues in order to determine rents from or for the property. Legal questions should be discussed by the party with an attorney. Tax questions should be discussed by the party with a certified public accountant or tax attorney. Title questions should be discussed by the party with a title officer or attorney. Questions regarding the condition of the property and whether the property complies with applicable governmental requirements should be discussed by the party with appropriate engineers, architects, contractors, other consultants and governmental agencies. All properties and services are marketed by Keller Williams Lubbock in compliance with all applicable fair housing and equal opportunity laws.

