

August 26, 2024

**VIA E-MAIL**

Sam McDaniel  
Dallas Public Facility Corporation  
1500 Marilla Street, Room 6CN  
Dallas, Texas 75201

Mr. McDaniel,

Hilltop Securities (HTS) has prepared an initial underwriting assessment from the developer provided proforma and sources & uses for the Oakhouse at Colorado Phase II development. I hereby certify that Hilltop Securities has experience underwriting affordable multifamily residential developments and do not have a financial interest in the proposed development, developer, or public facility user for this proposed development. Below is a summary of the analysis completed.

- **Rent Subsidy-** The developer has restricted) 10% of the units at 60% Area Median Income AMI, 40% of the units at 80% AMI and the remaining units will be at a fair market rate. Using the current rents provided the annual rental subsidy is calculated at \$562,104. Over a 15-year period the rents subsidy is estimated to by \$9,357,358 using a 3% escalator on future rents.
- **Estimated GP Revenues-** The proposed General Partner deal terms include the following fees to Dallas Public Facility Corporation (DPFC). A summary of fees received over 15 years is included in HTS analysis.
  - PFC Structuring Fee \$250,000 (Received at Closing)
  - Annual Rent Payment \$362,000 for years 1-3, then \$450,000 for years 4 and 5 then increasing 3% annually (15-year total \$5,537,551)
  - Sales Tax Savings Fee \$675,000 (25% of estimated sales tax saved)
  - Sale or Refinance Fee 15% of Net Sale Proceeds on first sale, then 2% of gross sale price on subsequent sale

**Estimated Property Taxes** – Construction has not begun on the property. Three estimated property tax projections were completed.

1. Based on the 2024 assessed value per Dallas County Appraisal District (\$8,368,200) then increasing 3% annually.
2. Based on 80% of the total project cost provided by the developer (\$79,216,000) then increasing 3% annually.
3. Based on the assumed taxes during construction and stabilization. This uses the current year taxes for year 1, a 33% valuation of the taxes at year 2, a 50% valuation of the taxes at year 3, the year 4 taxes from the above calculation, then increasing 3% annually. Hilltop believes this will give an accurate representation of how the

property will be valued during the rest of construction through completion if the property were to stay on the tax rolls.

Additionally, a 75-year tax and benefit estimate has been included at DPFC's request.

- **Rent Subsidy and PTA Comparison** – Comparing the rent saving generated by the property and the fees to be earned by DPFC over a 15-year period against the estimated property taxes over a 15-year period a Public Benefit Percentage of 63.15% is generated assuming a 5% cap rate and assuming DPFC remains in the partnership. Including proceeds from a first sale at year 15 assuming a 5% cap rate and assuming DPFC leaves the partnership a public benefit of 52.78% is generated.
- **15-year Proforma with Property Taxes** – Based on the provided proforma when including the estimated property taxes in the provided proforma the Debt Service Coverage (DCR) drops below the industry standard of 1.15 through years 4-6. Hilltop can conclude the DPFC participation and property tax exemption is required in order for the property to be feasible with the rents as proposed.



**Dallas Public Facility Corporation**  
Oakhouse at Colorado Phase II  
General Partner Revenue/Property Tax Abatement Analysis - Workforce Housing  
Draft as of 8/26/2024



|   |                    |
|---|--------------------|
|   | Total Project Cost |
|   | \$99,020,000       |
| PFC Structuring Fee   | \$ 250,000.00      |
| Annual Lease Payment  | 5,537,551.22       |
| General Partner - GP (15% of Net Sale Proceeds) First Sale    | 3,106,923.30       |
| General Partner - GP (2% of Gross Sale Price) Subsequent Sale |                    |
| General Contractor - (25% of sales tax savings)               | 675,000.00         |
| Total GP Partnership Related Revenues                         | \$ 9,569,474.52    |

|                                   |                         |
|-----------------------------------|-------------------------|
| <b>15 Year Rent Subsidy</b>       | <b>\$ 9,357,357.78</b>  |
| <b>GP Revenues + Rent Subsidy</b> | <b>\$ 18,926,832.30</b> |

|  |                        |
|--|------------------------|
| <b>Estimate of Taxes Abated</b>        | <b>\$31,258,587.09</b> |
| <b>Mil Rate</b>                        | <b>2.294781%</b>       |
| <b>Cap Rate</b>                        | <b>6.25%</b>           |
| <b>40% of Estimate of Taxes Abated</b> | <b>\$12,503,434.83</b> |

Footnote:

|    |   |               |
|----|---|---------------|
| a. | Total Cash Flow based off of "Add. F_4.4 Pro Forma_2024.08.26_v2" numbers = | 44,928,249.00 |
|    | Partnership Expenses =  | 5,537,551.22  |
|    | Cash Flow Est. =  | 39,390,697.78 |

## Property Tax Abatement Analysis



|              |                           |
|--------------|---------------------------|
| 80% of costs | 79,216,000                |
| Total Cost   | 99,020,000                |
| NOI/TC       | 0.955101454 (assumed Cap) |
| Mil Rate     | 2.294781%                 |
| Cap Rate     | 6.25%                     |
| Loaded Cap   | 8.54478%                  |

Dallas Public Facility Corporation  
Oakhouse at Colorado Phase II  
Estimated Property Taxes  
Draft as of 8/26/2024



## Current Assessed Value

\$8,368,200

## Estimated Taxes on Undeveloped Land with no PFC Participation

| Mil Rate          | 1           | 2            | 3            | 4            | 5            | 6            | 7            | 8            | 9            | 10           | 11           | 12           | 13           | 14           | 15           | Total     |
|-------------------|-------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|-----------|
| City of Dallas    | \$61,564.85 | \$63,411.79  | \$65,314.15  | \$67,273.57  | \$69,291.78  | \$71,370.53  | \$73,511.65  | \$75,717.00  | \$77,988.51  | \$80,328.16  | \$82,738.01  | \$85,220.15  | \$87,776.75  | \$90,410.05  | \$93,122.36  | 1,051,917 |
| Dallas ISD        | \$84,839.74 | \$87,384.93  | \$90,006.48  | \$92,706.68  | \$95,487.88  | \$98,352.51  | \$101,303.09 | \$104,342.18 | \$107,472.44 | \$110,696.62 | \$114,017.52 | \$117,438.04 | \$120,961.18 | \$124,590.02 | \$128,327.72 | 1,449,599 |
| Dallas County     | \$18,051.71 | \$18,593.27  | \$19,151.06  | \$19,725.59  | \$20,317.36  | \$20,926.88  | \$21,554.69  | \$22,201.33  | \$22,867.37  | \$23,553.39  | \$24,259.99  | \$24,987.79  | \$25,737.43  | \$26,509.55  | \$27,304.84  | 308,437   |
| Dallas College    | \$9,207.36  | \$9,483.58   | \$9,768.09   | \$10,061.13  | \$10,362.97  | \$10,673.86  | \$10,994.07  | \$11,323.90  | \$11,663.61  | \$12,013.52  | \$12,373.93  | \$12,745.14  | \$13,127.50  | \$13,521.32  | \$13,926.96  | 157,320   |
| Parkland Hospital | \$18,368.20 | \$18,919.24  | \$19,486.82  | \$20,071.43  | \$20,673.57  | \$21,293.78  | \$21,932.59  | \$22,590.57  | \$23,268.28  | \$23,966.33  | \$24,685.32  | \$25,425.88  | \$26,188.66  | \$26,974.32  | \$27,783.55  | 313,845   |
| Total Mil Rate    | 2.294781%   | \$192,031.86 | \$197,792.82 | \$203,726.60 | \$209,838.40 | \$216,133.55 | \$222,617.56 | \$229,296.09 | \$236,174.97 | \$243,260.22 | \$250,558.03 | \$258,074.77 | \$265,817.01 | \$273,791.52 | \$282,005.27 | 3,281,119 |

## After Development Assessed Value

\$79,216,000

## Estimated Taxes on Stabilized Property

| Mil Rate          | 1            | 2              | 3              | 4              | 5              | 6              | 7              | 8              | 9              | 10             | 11             | 12             | 13             | 14             | 15             | Total      |
|-------------------|--------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|------------|
| City of Dallas    | \$582,792.11 | \$600,275.88   | \$618,284.15   | \$636,832.68   | \$655,937.66   | \$675,615.79   | \$695,884.26   | \$716,760.79   | \$738,263.61   | \$760,411.52   | \$783,223.87   | \$806,720.58   | \$830,922.20   | \$855,849.86   | \$881,525.36   | 9,957,775  |
| Dallas ISD        | \$803,119.53 | \$827,213.12   | \$852,029.51   | \$877,590.40   | \$903,918.11   | \$931,035.65   | \$958,966.72   | \$987,735.73   | \$1,017,367.80 | \$1,047,888.83 | \$1,079,325.50 | \$1,111,705.26 | \$1,145,056.42 | \$1,179,408.11 | \$1,214,790.35 | 13,722,361 |
| Dallas County     | \$170,883.17 | \$176,009.67   | \$181,289.96   | \$186,728.65   | \$192,330.51   | \$198,100.43   | \$204,043.44   | \$210,164.75   | \$216,469.69   | \$222,963.78   | \$229,652.69   | \$236,542.27   | \$243,638.54   | \$250,947.70   | \$258,476.13   | 2,919,765  |
| Dallas College    | \$87,159.78  | \$89,774.57    | \$92,467.81    | \$95,241.85    | \$98,099.10    | \$101,042.07   | \$104,073.34   | \$107,195.54   | \$110,411.40   | \$113,723.74   | \$117,135.46   | \$120,649.52   | \$124,269.01   | \$127,997.08   | \$131,836.99   | 1,489,240  |
| Parkland Hospital | \$173,879.12 | \$179,095.49   | \$184,468.36   | \$190,002.41   | \$195,702.48   | \$201,573.56   | \$207,620.76   | \$213,849.39   | \$220,264.87   | \$226,872.81   | \$233,679.00   | \$240,689.37   | \$247,910.05   | \$255,347.35   | \$263,007.77   | 2,970,955  |
| Total Mil Rate    | 2.294781%    | \$1,817,833.72 | \$1,872,368.73 | \$1,928,539.79 | \$1,986,395.98 | \$2,045,987.86 | \$2,107,367.50 | \$2,170,588.52 | \$2,235,706.18 | \$2,302,777.37 | \$2,371,860.69 | \$2,443,016.51 | \$2,516,307.00 | \$2,591,796.21 | \$2,669,550.10 | 33,809,733 |

## Taxing Authority

1/3 Stabilized  
Current Taxes

1/2 Stabilized  
Taxes

## Estimated Taxes During Construction and Stabilization

| Mil Rate          | 1           | 2            | 3            | 4            | 5              | 6              | 7              | 8              | 9              | 10             | 11             | 12             | 13             | 14             | 15             | Total      |
|-------------------|-------------|--------------|--------------|--------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|------------|
| City of Dallas    | \$61,564.85 | \$200,091.96 | \$309,142.08 | \$636,832.68 | \$655,937.66   | \$675,615.79   | \$695,884.26   | \$716,760.79   | \$738,263.61   | \$760,411.52   | \$783,223.87   | \$806,720.58   | \$830,922.20   | \$855,849.86   | \$881,525.36   | 8,727,222  |
| Dallas ISD        | \$84,839.74 | \$275,737.71 | \$426,014.76 | \$877,590.40 | \$903,918.11   | \$931,035.65   | \$958,966.72   | \$987,735.73   | \$1,017,367.80 | \$1,047,888.83 | \$1,079,325.50 | \$1,111,705.26 | \$1,145,056.42 | \$1,179,408.11 | \$1,214,790.35 | 12,026,591 |
| Dallas County     | \$18,051.71 | \$58,669.89  | \$90,644.98  | \$186,728.65 | \$192,330.51   | \$198,100.43   | \$204,043.44   | \$210,164.75   | \$216,469.69   | \$222,963.78   | \$229,652.69   | \$236,542.27   | \$243,638.54   | \$250,947.70   | \$258,476.13   | 2,558,949  |
| Dallas College    | \$9,207.36  | \$29,924.86  | \$46,233.91  | \$95,241.85  | \$98,099.10    | \$101,042.07   | \$104,073.34   | \$107,195.54   | \$110,411.40   | \$113,723.74   | \$117,135.46   | \$120,649.52   | \$124,269.01   | \$127,997.08   | \$131,836.99   | 1,305,204  |
| Parkland Hospital | \$18,368.20 | \$59,698.50  | \$92,234.18  | \$190,002.41 | \$195,702.48   | \$201,573.56   | \$207,620.76   | \$213,849.39   | \$220,264.87   | \$226,872.81   | \$233,679.00   | \$240,689.37   | \$247,910.05   | \$255,347.35   | \$263,007.77   | 2,603,813  |
| Total Mil Rate    | 2.294781%   | \$192,031.86 | \$624,122.91 | \$964,269.90 | \$1,986,395.98 | \$2,045,987.86 | \$2,107,367.50 | \$2,170,588.52 | \$2,235,706.18 | \$2,302,777.37 | \$2,371,860.69 | \$2,443,016.51 | \$2,516,307.00 | \$2,591,796.21 | \$2,669,550.10 | 29,971,415 |



Dallas Public Facility Corporation  
Oakhouse at Colorado Phase II  
15 Year Pro Forma with Property Taxes  
8/26/2024



| Proforma                                      |                |              |                |              |              |              |               |               |               |               |               |               |                |                |                |                |
|---|----------------|--------------|----------------|--------------|--------------|--------------|---------------|---------------|---------------|---------------|---------------|---------------|----------------|----------------|----------------|----------------|
| Year  | 1              | 2            | 3              | 4            | 5            | 6            | 7             | 8             | 9             | 10            | 11            | 12            | 13             | 14             | 15             | Total          |
| Effective Gross Income from Operations        | \$ -           | \$ 905,303   | \$ 6,527,934   | \$ 9,168,931 | \$ 9,443,999 | \$ 9,727,319 | \$ 10,019,139 | \$ 10,319,713 | \$ 10,629,304 | \$ 10,948,183 | \$ 11,276,629 | \$ 11,614,928 | \$ 11,963,375  | \$ 12,322,277  | \$ 12,691,945  | 137,558,979    |
| Operating Expenses                            | \$ 925,000     | \$ 1,006,681 | \$ 2,214,331   | \$ 2,573,376 | \$ 2,795,075 | \$ 2,868,067 | \$ 3,001,916  | \$ 3,108,687  | \$ 3,196,322  | \$ 3,292,212  | \$ 3,390,979  | \$ 3,492,708  | \$ 3,597,489   | \$ 3,705,414   | \$ 3,816,576   | 42,984,833     |
| Estimated Property Taxes (2.294781% MIL Rate) | 192,032        | 624,123      | 964,270        | 1,986,396    | 2,045,988    | 2,107,367    | 2,170,589     | 2,235,706     | 2,302,777     | 2,371,861     | 2,443,017     | 2,516,307     | 2,591,796      | 2,669,550      | 2,749,637      | 29,971,415     |
| Operating Expenses With Taxes                 | 1,117,032      | 1,630,804    | 3,178,601      | 4,559,772    | 4,841,063    | 4,975,434    | 5,172,505     | 5,344,393     | 5,499,099     | 5,664,073     | 5,833,996     | 6,009,015     | 6,189,285      | 6,374,964      | 6,566,213      | 72,956,248     |
| Total Developer's Estimated Debt Service      | \$ -           | \$ -         | \$ -           | \$ 4,544,345 | \$ 4,160,215 | \$ 4,152,047 | \$ 4,142,867  | \$ 4,132,554  | \$ 4,120,984  | \$ 4,108,012  | \$ 4,093,487  | \$ 4,077,238  | \$ 4,059,082   | \$ 4,038,822   | \$ 4,016,244   | 49,645,897     |
| Net Operating Income                          | \$ (1,117,032) | \$ (725,501) | \$ 3,349,333   | \$ 4,609,159 | \$ 4,602,936 | \$ 4,751,885 | \$ 4,846,634  | \$ 4,975,320  | \$ 5,130,205  | \$ 5,284,110  | \$ 5,442,633  | \$ 5,605,913  | \$ 5,774,090   | \$ 5,947,313   | \$ 6,125,732   | \$ 64,602,731  |
| Additional Income Needed to Achieve 1.15 DCR  | \$ 1,117,032   | \$ 725,501   | \$ (3,349,333) | \$ 616,838   | \$ 181,311   | \$ 22,970    | \$ (82,337)   | \$ (222,883)  | \$ (391,073)  | \$ (559,897)  | \$ (735,123)  | \$ (917,089)  | \$ (1,106,145) | \$ (1,302,668) | \$ (1,507,052) | \$ (7,509,949) |
| DCR   |                |              |                | 1.01         | 1.11         | 1.14         | 1.17          | 1.20          | 1.24          | 1.29          | 1.33          | 1.37          | 1.42           | 1.47           | 1.53           |                |
| CF Available for Waterfall after Hard Debt    | (1,117,032)    | (725,501)    | 3,349,333      | 64,814       | 442,721      | 599,838      | 703,767       | 842,766       | 1,009,221     | 1,176,098     | 1,349,146     | 1,528,675     | 1,715,008      | 1,908,491      | 2,109,488      | 14,956,834     |
| Other Fees (Asset Man Fee ect.)               | -              | -            | -              | -            | -            | -            | -             | -             | -             | -             | -             | -             | -              | -              | -              | -              |
| Other Fees (Asset Man Fee ect.)               | -              | -            | -              | -            | -            | -            | -             | -             | -             | -             | -             | -             | -              | -              | -              | -              |
| Other Fees (Asset Man Fee ect.)               | -              | -            | -              | -            | -            | -            | -             | -             | -             | -             | -             | -             | -              | -              | -              | -              |
| Expenses Total                                | -              | -            | -              | -            | -            | -            | -             | -             | -             | -             | -             | -             | -              | -              | -              | -              |
| Annual Cash Flow                              | (1,117,032)    | (725,501)    | 3,349,333      | 64,814       | 442,721      | 599,838      | 703,767       | 842,766       | 1,009,221     | 1,176,098     | 1,349,146     | 1,528,675     | 1,715,008      | 1,908,491      | 2,109,488      | 14,956,834     |
| Cumulative Net Cash Flow                      | (1,117,032)    | (1,842,533)  | 1,506,800      | 1,571,614    | 2,014,335    | 2,614,173    | 3,317,940     | 4,160,706     | 5,169,927     | 6,346,025     | 7,695,172     | 9,223,847     | 10,938,855     | 12,847,345     | 14,956,834     |                |



Dallas Public Facility Corporation  
Oakhouse at Colorado Phase II  
Rent Subsidy (Workforce Housing)  
Draft as of 8/26/2024



| 100% AMI - Dallas County |           |         | 60% AMI   |       |                   |         |         | 80% AMI   |       |                   |         |         | Market    |       |       | Rent Savings |
|--------------------------|-----------|---------|-----------|-------|-------------------|---------|---------|-----------|-------|-------------------|---------|---------|-----------|-------|-------|--------------|
| Avg. Rent                | Room Type | Sq. Ft. | Avg. Rent | Units | Disc. % to Market | Monthly | Annual  | Avg. Rent | Units | Disc. % to Market | Monthly | Annual  | Avg. Rent | Units | AMI % | Total Annual |
| 1,932                    | Studio    | 650     | 1,158     | 8     | 20%               | 2,336   | 28,032  | 1,410     | 31    | 3%                | 1,240   | 14,880  | 1,450     | 39    | 75%   | 42,912       |
| 2,070                    | 1bd/1ba   | 850     | 1,240     | 22    | 33%               | 13,420  | 161,040 | 1,654     | 89    | 11%               | 17,444  | 209,328 | 1,850     | 109   | 89%   | 370,368      |
| 2,482                    | 2bd/2ba   | 1,163   | 1,489     | 6     | 35%               | 4,866   | 58,392  | 1,986     | 24    | 14%               | 7,536   | 90,432  | 2,300     | 30    | 93%   | 148,824      |
| Total/Avg                |           |         | 1,263     | 36    | 30.50%            | 20,622  | 247,464 | 1,657     | 144   | 9.42%             | 26,220  | 314,640 | 1,838     | 178   |       | 562,104      |

| Unit Mix |            | # of Units |
|----------|------------|------------|
| 10%      | at 60% AMI | 36         |
| 40%      | at 80% AMI | 144        |
| 50%      | at Market  | 178        |
| Total    |            | 358        |

|            | 60% AMI | 80% AMI | Market |
|------------|---------|---------|--------|
| Efficiency | 22%     | 22%     | 22%    |
| 2bd/2ba    | 61%     | 62%     | 61%    |
| 3bd/2ba    | 17%     | 17%     | 17%    |



Dallas Public Facility Corporation  
Oakhouse at Colorado Phase II  
Public Benefit Analysis  
Draft as of 8/26/2024



Assumes Sale at Year 15 with a 5% Cap Rate and the Property Tax Abatement Remains

| Year                             | Total      | 1       | 2       | 3       | 4         | 5         | 6         | 7         | 8         | 9         | 10        | 11        | 12        | 13        | 14        | 15        |
|----------------------------------|------------|---------|---------|---------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| Property Taxes                   | 29,971,415 | 192,032 | 624,123 | 964,270 | 1,986,396 | 2,045,988 | 2,107,367 | 2,170,589 | 2,235,706 | 2,302,777 | 2,371,861 | 2,443,017 | 2,516,307 | 2,591,796 | 2,669,550 | 2,749,637 |
| Rent Savings                     | 9,357,358  |         | 192,989 | 447,252 | 614,226   | 632,653   | 651,633   | 671,182   | 691,317   | 712,057   | 733,418   | 755,421   | 778,083   | 801,426   | 825,469   | 850,233   |
| (15% of Net Sale Proceeds) First | 3,106,923  |         |         |         |           |           |           |           |           |           |           |           |           |           |           | 3,106,923 |
| Acquisition Fee                  | 250,000    | 250,000 |         |         |           |           |           |           |           |           |           |           |           |           |           |           |
| Sales Tax Savings Fee            | 675,000    | 337,500 | 337,500 |         |           |           |           |           |           |           |           |           |           |           |           |           |
| Annual Lease Payment             | 5,537,551  |         |         |         | 362,000   | 362,000   | 362,000   | 450,000   | 450,000   | 463,500   | 477,405   | 491,727   | 506,479   | 521,673   | 537,324   | 553,443   |
| Total                            | 18,926,832 | 587,500 | 530,489 | 447,252 | 976,226   | 994,653   | 1,013,633 | 1,121,182 | 1,141,317 | 1,175,557 | 1,210,823 | 1,247,148 | 1,284,562 | 1,323,099 | 1,362,792 | 4,510,599 |

|                             |        |                                      |   |                             |
|-----------------------------|--------|--------------------------------------|---|-----------------------------|
| Public Benefit Percentage % | 63.15% | Total rent savings + HFC/PFC revenue | ÷ | Total Property Taxes Abated |
|                             |        | 18,926,832                           |   | 29,971,415                  |

New Construction

Assumes Sale at Year 15 with a 5% Cap Rate and the Property Tax Abatement Remains

Assumes Sale at Year 15 with a 5% Cap Rate and the Property Tax Abatement is Removed

| Year                                   | Total      | 1       | 2       | 3       | 4         | 5         | 6         | 7         | 8         | 9         | 10        | 11        | 12        | 13        | 14        | 15        |
|--|------------|---------|---------|---------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| Property Taxes                         | 29,971,415 | 192,032 | 624,123 | 964,270 | 1,986,396 | 2,045,988 | 2,107,367 | 2,170,589 | 2,235,706 | 2,302,777 | 2,371,861 | 2,443,017 | 2,516,307 | 2,591,796 | 2,669,550 | 2,749,637 |
| Rent Savings                           | 9,357,358  |         | 192,989 | 447,252 | 614,226   | 632,653   | 651,633   | 671,182   | 691,317   | 712,057   | 733,418   | 755,421   | 778,083   | 801,426   | 825,469   | 850,233   |
| (15% of Net Sale Proceeds) First Sale* | 0          |         |         |         |           |           |           |           |           |           |           |           |           |           |           | N/A       |
| Acquisition Fee                        | 250,000    | 250,000 |         |         |           |           |           |           |           |           |           |           |           |           |           |           |
| Sales Tax Savings Fee                  | 675,000    | 337,500 | 337,500 |         |           |           |           |           |           |           |           |           |           |           |           |           |
| Annual Lease Payment                   | 5,537,551  |         |         |         | 362,000   | 362,000   | 362,000   | 450,000   | 450,000   | 463,500   | 477,405   | 491,727   | 506,479   | 521,673   | 537,324   | 553,443   |
| Total                                  | 15,819,909 | 587,500 | 530,489 | 447,252 | 976,226   | 994,653   | 1,013,633 | 1,121,182 | 1,141,317 | 1,175,557 | 1,210,823 | 1,247,148 | 1,284,562 | 1,323,099 | 1,362,792 | 1,403,676 |

|                             |        |                                      |   |                             |
|-----------------------------|--------|--------------------------------------|---|-----------------------------|
| Public Benefit Percentage % | 52.78% | Total rent savings + HFC/PFC revenue | ÷ | Total Property Taxes Abated |
|                             |        | 15,819,909                           |   | 29,971,415                  |

New Construction

Assumes Sale at Year 15 with a 5% Cap Rate and the Property Tax Abatement is Removed

Without the property tax exemption the expected valuation is not enough to repay debt and projected preferred equity payments.

Dallas Public Facility Corporation  
Oakhouse at Colorado Phase II  
75 Year Estimates



| Year                          | Y15 Total  | 1       | 2       | 3         | 4         | 5         | 6         | 7         | 8         | 9         | 10        | 11        | 12        | 13        | 14        | 15        |
|-------------------------------|------------|---------|---------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| Total Property Taxes          | 33,966,046 | 310,920 | 705,352 | 1,089,768 | 2,244,923 | 2,312,270 | 2,381,638 | 2,453,087 | 2,526,680 | 2,602,480 | 2,680,555 | 2,760,972 | 2,843,801 | 2,929,115 | 3,016,988 | 3,107,498 |
| City of Dallas Property Taxes | 9,608,747  | 61,565  | 200,092 | 309,142   | 636,833   | 655,938   | 675,616   | 695,884   | 716,761   | 738,264   | 760,412   | 783,224   | 806,721   | 830,922   | 855,850   | 881,525   |
| Rent Savings                  | 9,357,358  |         | 192,989 | 447,252   | 614,226   | 632,653   | 651,633   | 671,182   | 691,317   | 712,057   | 733,418   | 755,421   | 778,083   | 801,426   | 825,469   | 850,233   |
| Acquisition Fee               | 250,000    | 250,000 |         |           |           |           |           |           |           |           |           |           |           |           |           |           |
| Sales Tax Savings Fee         | 675,000    | 337,500 | 337,500 |           |           |           |           |           |           |           |           |           |           |           |           |           |
| Annual Lease Payment          | 5,537,551  |         |         |           | 362,000   | 362,000   | 362,000   | 450,000   | 450,000   | 463,500   | 477,405   | 491,727   | 506,479   | 521,673   | 537,324   | 553,443   |
| Y15 Total                     | 15,819,909 | 587,500 | 530,489 | 447,252   | 976,226   | 994,653   | 1,013,633 | 1,121,182 | 1,141,317 | 1,175,557 | 1,210,823 | 1,247,148 | 1,284,562 | 1,323,099 | 1,362,792 | 1,403,676 |

  

| Year                          | Y30 Total  | 16        | 17        | 18        | 19        | 20        | 21        | 22        | 23        | 24        | 25        | 26        | 27        | 28        | 29        | 30        |
|-------------------------------|------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| Total Property Taxes          | 93,496,012 | 3,200,723 | 3,296,744 | 3,395,647 | 3,497,516 | 3,602,442 | 3,710,515 | 3,821,830 | 3,936,485 | 4,054,580 | 4,176,217 | 4,301,504 | 4,430,549 | 4,563,465 | 4,700,369 | 4,841,380 |
| City of Dallas Property Taxes | 26,496,024 | 907,971   | 935,210   | 963,267   | 992,165   | 1,021,929 | 1,052,587 | 1,084,165 | 1,116,690 | 1,150,191 | 1,184,696 | 1,220,237 | 1,256,844 | 1,294,550 | 1,333,386 | 1,373,388 |
| Rent Savings                  | 25,645,165 | 875,740   | 902,012   | 929,072   | 956,944   | 985,653   | 1,015,222 | 1,045,679 | 1,077,049 | 1,109,361 | 1,142,642 | 1,176,921 | 1,212,229 | 1,248,595 | 1,286,053 | 1,324,635 |
| Acquisition Fee               | 250,000    |           |           |           |           |           |           |           |           |           |           |           |           |           |           |           |
| Sales Tax Savings Fee         | 675,000    |           |           |           |           |           |           |           |           |           |           |           |           |           |           |           |
| Annual Lease Payment          | 16,139,798 | 570,047   | 587,148   | 604,762   | 622,905   | 641,592   | 660,840   | 680,665   | 701,085   | 722,118   | 743,781   | 766,095   | 789,078   | 812,750   | 837,133   | 862,247   |
| Y30 Total Revenue             | 42,709,963 | 1,445,786 | 1,489,160 | 1,533,835 | 1,579,850 | 1,627,245 | 1,676,063 | 1,726,344 | 1,778,135 | 1,831,479 | 1,886,423 | 1,943,016 | 2,001,306 | 2,061,345 | 2,123,186 | 2,186,881 |

  

| Year                          | Y45 Total   | 31        | 32        | 33        | 34        | 35        | 36        | 37        | 38        | 39        | 40        | 41        | 42        | 43        | 44        | 45        |
|-------------------------------|-------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| Total Property Taxes          | 186,241,760 | 4,986,622 | 5,136,220 | 5,290,307 | 5,449,016 | 5,612,487 | 5,780,861 | 5,954,287 | 6,132,916 | 6,316,903 | 6,506,410 | 6,701,603 | 6,902,651 | 7,109,730 | 7,323,022 | 7,542,713 |
| City of Dallas Property Taxes | 52,805,851  | 1,414,589 | 1,457,027 | 1,500,738 | 1,545,760 | 1,592,133 | 1,639,897 | 1,689,094 | 1,739,767 | 1,791,960 | 1,845,718 | 1,901,090 | 1,958,123 | 2,016,866 | 2,077,372 | 2,139,693 |
| Rent Savings                  | 51,021,039  | 1,364,374 | 1,405,305 | 1,447,464 | 1,490,888 | 1,535,615 | 1,581,683 | 1,629,134 | 1,678,008 | 1,728,348 | 1,780,199 | 1,833,604 | 1,888,613 | 1,945,271 | 2,003,629 | 2,063,738 |
| Acquisition Fee               | 250,000     |           |           |           |           |           |           |           |           |           |           |           |           |           |           |           |
| Sales Tax Savings Fee         | 675,000     |           |           |           |           |           |           |           |           |           |           |           |           |           |           |           |
| Annual Lease Payment          | 16,517,955  | 888,114   | 914,757   | 942,200   | 970,466   | 999,580   | 1,029,567 | 1,060,454 | 1,092,268 | 1,125,036 | 1,158,787 | 1,193,551 | 1,229,357 | 1,266,238 | 1,304,225 | 1,343,352 |
| Y45 Total Revenue             | 68,463,993  | 2,252,488 | 2,320,063 | 2,389,664 | 2,461,354 | 2,535,195 | 2,611,251 | 2,689,588 | 2,770,276 | 2,853,384 | 2,938,986 | 3,027,155 | 3,117,970 | 3,211,509 | 3,307,854 | 3,407,090 |

  

| Year                          | Y60 Total   | 46        | 47        | 48        | 49        | 50        | 51        | 52        | 53        | 54        | 55         | 56         | 57         | 58         | 59         | 60         |
|-------------------------------|-------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|------------|------------|------------|------------|------------|------------|
| Total Property Taxes          | 330,736,613 | 7,768,994 | 8,002,064 | 8,242,126 | 8,489,390 | 8,744,071 | 9,006,393 | 9,276,585 | 9,554,883 | 9,841,529 | 10,136,775 | 10,440,878 | 10,754,105 | 11,076,728 | 11,409,030 | 11,751,301 |
| City of Dallas Property Taxes | 93,795,704  | 2,203,884 | 2,270,001 | 2,338,101 | 2,408,244 | 2,480,491 | 2,554,906 | 2,631,553 | 2,710,500 | 2,791,815 | 2,875,569  | 2,961,836  | 3,050,691  | 3,142,212  | 3,236,478  | 3,333,573  |
| Rent Savings                  | 90,555,823  | 2,125,650 | 2,189,420 | 2,255,102 | 2,322,755 | 2,392,438 | 2,464,211 | 2,538,137 | 2,614,282 | 2,692,710 | 2,773,491  | 2,856,696  | 2,942,397  | 3,030,669  | 3,121,589  | 3,215,237  |
| Acquisition Fee               | 250,000     |           |           |           |           |           |           |           |           |           |            |            |            |            |            |            |
| Sales Tax Savings Fee         | 675,000     |           |           |           |           |           |           |           |           |           |            |            |            |            |            |            |
| Annual Lease Payment          | 25,734,435  | 1,383,653 | 1,425,162 | 1,467,917 | 1,511,955 | 1,557,313 | 1,604,033 | 1,652,154 | 1,701,718 | 1,752,770 | 1,805,353  | 1,859,513  | 1,915,299  | 1,972,758  | 2,031,940  | 2,092,899  |
| Y60 Total Revenue             | 117,215,258 | 3,509,303 | 3,614,582 | 3,723,019 | 3,834,710 | 3,949,751 | 4,068,244 | 4,190,291 | 4,316,000 | 4,445,480 | 4,578,844  | 4,716,209  | 4,857,696  | 5,003,427  | 5,153,529  | 5,308,135  |

  

| Year                          | Y75 Total   | 61         | 62         | 63         | 64         | 65         | 66         | 67         | 68         | 69         | 70         | 71         | 72         | 73         | 74         | 75         |
|-------------------------------|-------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
| Total Property Taxes          | 555,854,885 | 12,103,840 | 12,466,955 | 12,840,964 | 13,226,192 | 13,622,978 | 14,031,668 | 14,452,618 | 14,886,196 | 15,332,782 | 15,792,765 | 16,266,548 | 16,754,545 | 17,257,181 | 17,774,897 | 18,308,144 |
| City of Dallas Property Taxes | 157,656,559 | 3,433,580  | 3,536,587  | 3,642,685  | 3,751,965  | 3,864,524  | 3,980,460  | 4,099,874  | 4,222,870  | 4,349,556  | 4,480,043  | 4,614,444  | 4,752,877  | 4,895,464  | 5,042,328  | 5,193,598  |
| Rent Savings                  | 152,149,728 | 3,311,694  | 3,411,044  | 3,513,376  | 3,618,777  | 3,727,340  | 3,839,161  | 3,954,335  | 4,072,965  | 4,195,154  | 4,321,009  | 4,450,639  | 4,584,159  | 4,721,683  | 4,863,334  | 5,009,234  |
| Acquisition Fee               | 250,000     |            |            |            |            |            |            |            |            |            |            |            |            |            |            |            |
| Sales Tax Savings Fee         | 675,000     |            |            |            |            |            |            |            |            |            |            |            |            |            |            |            |
| Annual Lease Payment          | 40,093,411  | 2,155,686  | 2,220,356  | 2,286,967  | 2,355,576  | 2,426,243  | 2,499,030  | 2,574,001  | 2,651,221  | 2,730,758  | 2,812,681  | 2,897,061  | 2,983,973  | 3,073,492  | 3,165,697  | 3,260,668  |
| Y75 Total Revenue             | 193,168,139 | 5,467,379  | 5,631,401  | 5,800,343  | 5,974,353  | 6,153,584  | 6,338,191  | 6,528,337  | 6,724,187  | 6,925,913  | 7,133,690  | 7,347,701  | 7,568,132  | 7,795,176  | 8,029,031  | 8,269,902  |