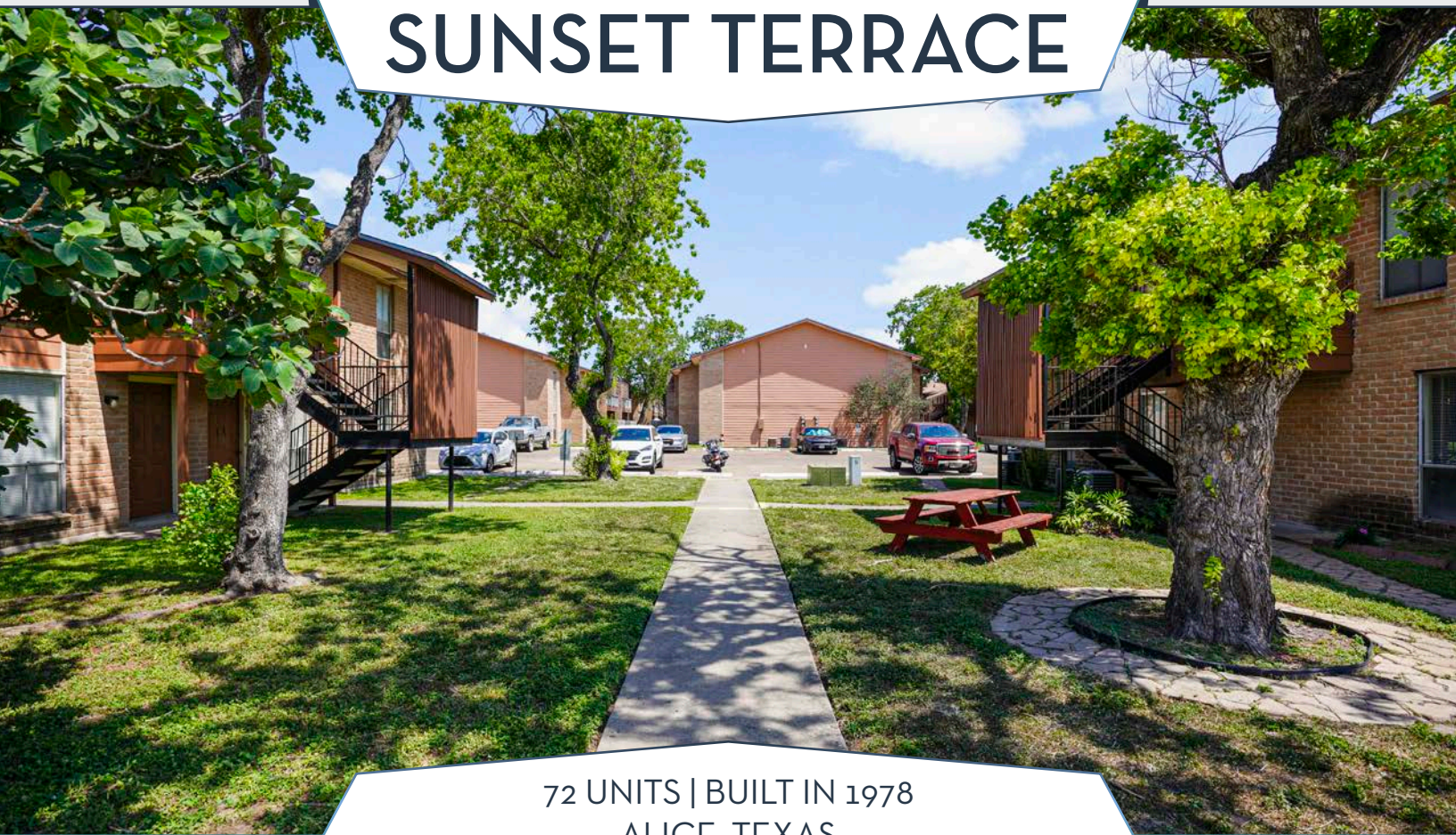


SUNSET TERRACE



72 UNITS | BUILT IN 1978
ALICE, TEXAS



Offering Memorandum

Marcus & Millichap
FLUELLEN-HOOVER
MULTIFAMILY GROUP

OFFERING PROCEDURES

Prospective investors wishing to make an offer are requested to submit:

- Letter of Intent
- Resume and/or Business Letter Indicating Recent or Current Assets Owned and Purchased
- Transaction References
- Banking References
- Source of Equity for Acquisition

INTEREST OFFERED

One hundred percent fee simple interest in Sunset Terrace, located at 901 Sunset Drive, Alice, Texas 78332.

TERMS

Sunset Terrace is being offered on an all-cash basis, with new financing available.

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 your Marcus & Millichap agent for more details.

SALE 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.

OFFER DUE DATE

The owner of Sunset Terrace has requested that all offers be submitted. The call for offers date has yet to be determined.

COMMUNICATIONS

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



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Marcus & Millichap
FLUELLEN-HOOVER
MULTIFAMILY GROUP

\$468 THOUSAND IN POTENTIAL VALUE CREATION

AT 6.0% CAP RATE

Opportunity to Add Value	Units	Cost/Unit	Total Cost	Premium/Unit	Total Monthly	Total Yearly
Terminate cable contract in April 2023	72	\$0	\$0	\$19	\$1,365	\$16,379
Implement reserved covered parking	30	\$0	\$0	\$25	\$750	\$9,000
Introduce reserved uncovered parking	15	\$0	\$0	\$15	\$225	\$2,700
Total			\$0		\$2,340	\$28,079



WELL-MAINTAINED, TURNKEY PROPERTY

TREMENDOUS PRIDE OF OWNERSHIP

For nearly three decades, current ownership has both owned and managed Sunset Terrace with tremendous pride of ownership. To maintain the property in optimal shape, the roofs were replaced in 2013 and the siding was upgraded to durable HardiePlank in 2016. Ownership recognized a need for additional parking and is currently taking action by filling in the swimming pool to add more spots. The new investor should benefit from acquiring a property that has been pristinely maintained and delivered with minimal-to-no deferred maintenance.

CONVENIENT, CENTRAL LOCATION

NEAR MAJOR RETAILERS, RESTAURANTS, AND EMPLOYERS

Sunset Terrace is optimally positioned one block from the city's main thoroughfare, Main Street. Residents benefit from the property's proximity to major employers like Christus Spohn Hospital, grocers like H-E-B Plus and Walmart Supercenter, and restaurants like Chili's Bar and Grill. Additionally, a new Starbucks Coffee is under construction less than one-quarter mile south of the property. Directly north of Sunset Terrace is a desirable, single-family residential neighborhood with attractive homes built in the mid-2000s.

CONSISTENTLY STRONG OCCUPANCY

UNIQUE FEATURES PROVIDE A COMPETITIVE ADVANTAGE

Sunset Terrace has a competitive advantage in its townhome-style floor plans with elevated or vaulted ceilings which are difficult for neighboring properties to replicate. Select units include washer and dryer connections and many ground floor units include a privacy fence around the patio. A new owner could continue to update the units as current leases expire by installing space saver microwaves to attract and retain the city's best residents.

OPPORTUNITIES TO INCREASE REVENUE

MULTIPLE AVENUES OF VALUE CREATION

Several opportunities exist for a new owner to increase income and create value at Sunset Terrace. A new owner could add stackable washer and dryer connections in units with sufficient space and command a healthy rental premium for this desirable amenity. Furnished appliances could garner an even higher fee. First floor patios could be expanded into spacious backyards, ideal for families with children or pets, which could achieve a rent increase. First floor units at Sunset Terrace feature faux wood flooring throughout except for bedrooms. Due to this upgrade, ground level units could achieve a rent bump compared to second floor units.

SUBSTANTIALLY REDUCE EXPENSES

TERMINATE CABLE SERVICE

Unlike most properties nearby, Time Warner cable TV service is included in the rent for each resident. Currently, ownership pays more than \$16,000 annually for this service. The Time Warner cable agreement can be terminated in April 2023 which would allow a new owner to substantially decrease the expenses and boost Net Operating Income.

CREATE A NEW REVENUE STREAM

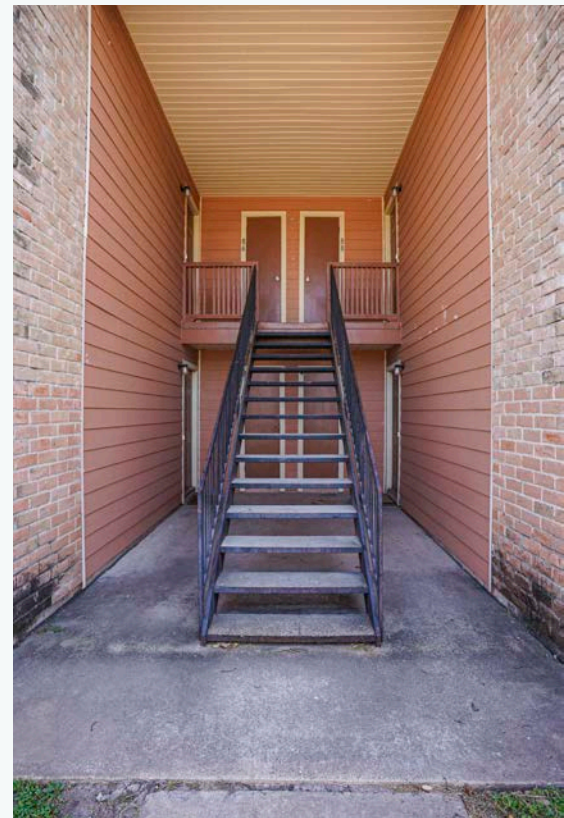
INTRODUCE A MONTHLY FEE FOR RESERVED PARKING

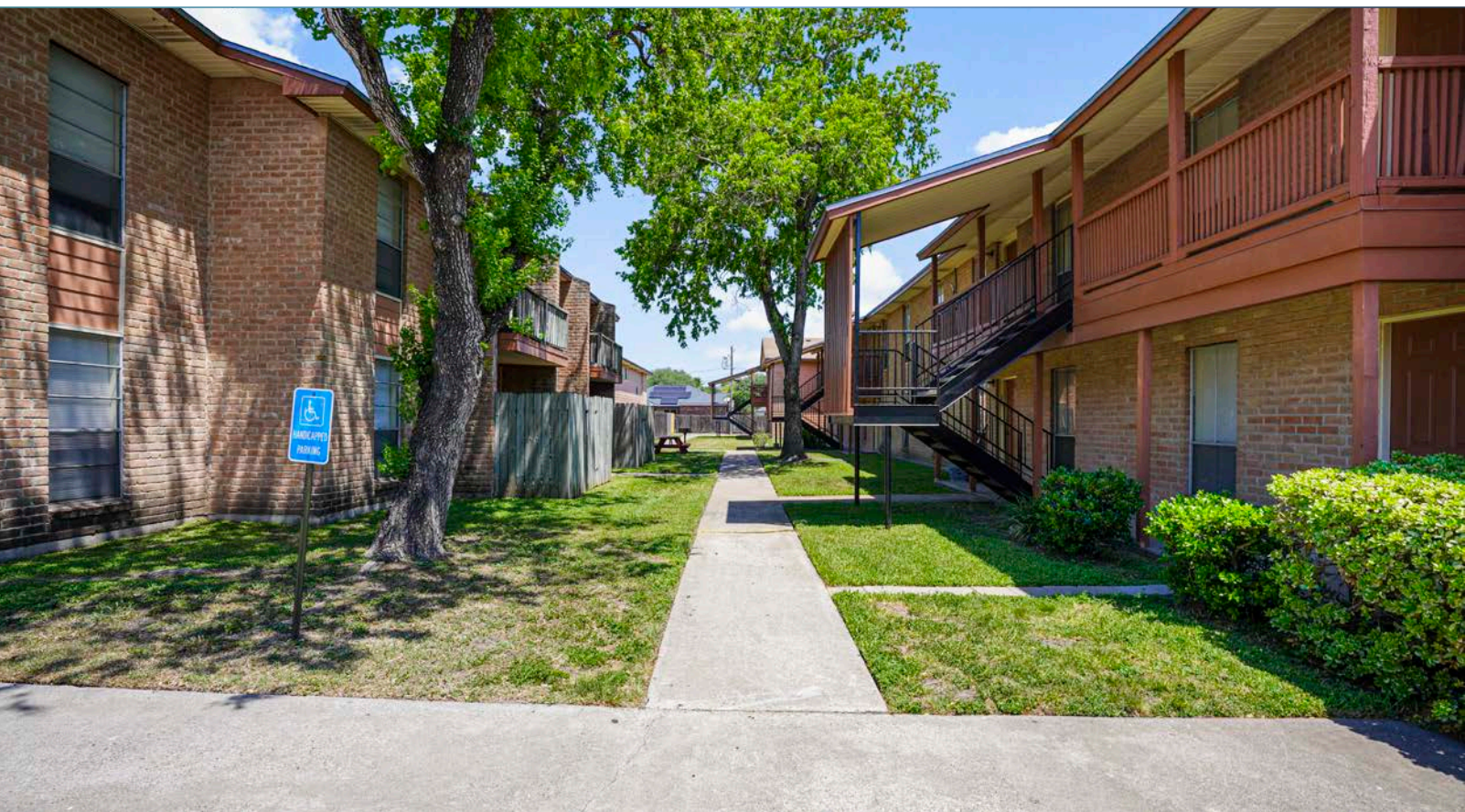
Presently, two covered reserved parking spaces are included with each townhome lease and one uncovered reserved parking space is included with each flat apartment lease. A new owner could discontinue offering free reserved parking and instead introduce a monthly fee for designated parking spots. Sunset Terrace is currently equipped with 30 covered parking spaces which are highly valued by residents. New ownership could charge \$25 monthly to reserve each of the desirable covered spaces and \$15 monthly for uncovered reserved spots. The investor would incur zero to minimal cost to generate a significant amount of revenue through this initiative.

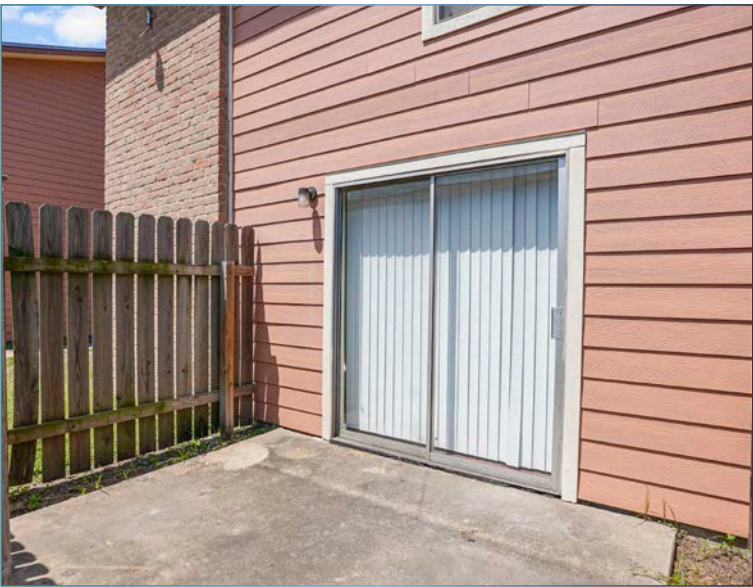
IMPROVE AMENITIES

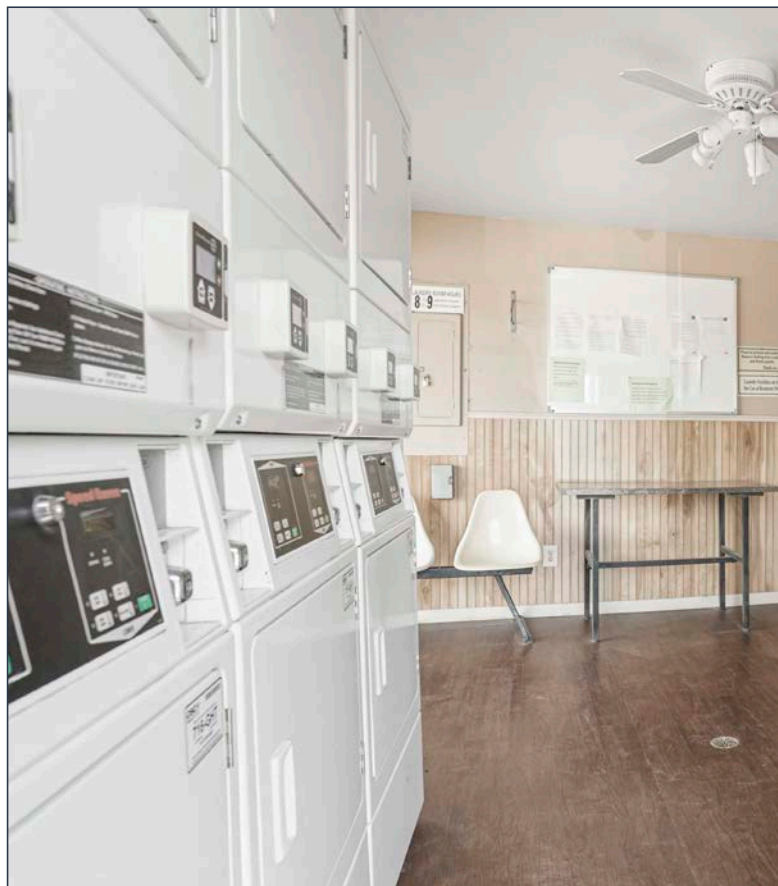
CONVERT COMMUNITY ROOM TO FITNESS CENTER OR AFTER-SCHOOL PROGRAM

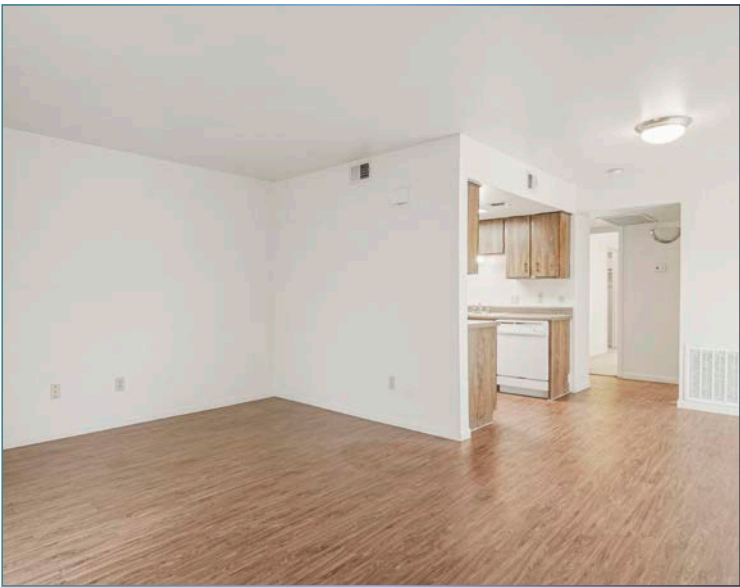
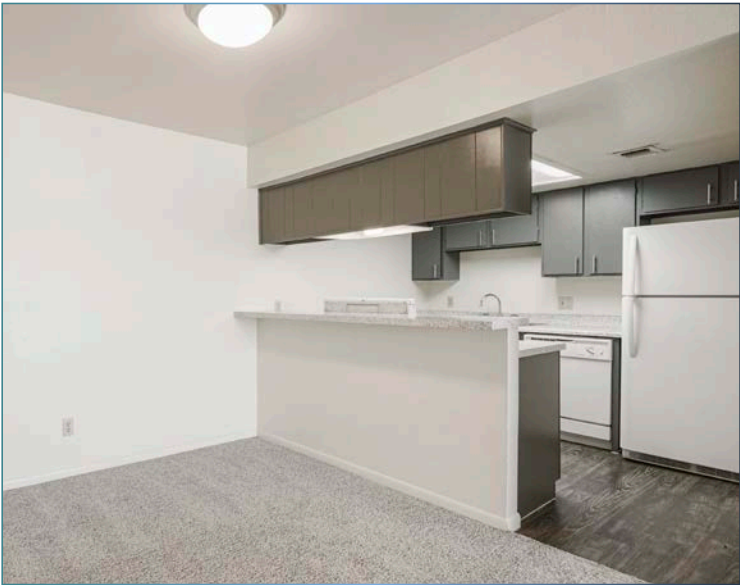
Opportunity exists to better compete with neighboring properties by enhancing the resident amenities offered at Sunset Terrace. In particular, the community clubhouse could be transformed into a fitness center or children's space for a non-profit to operate an after-school program which could aid in attracting and retaining quality residents. Another option could be to convert the clubhouse into a leasable apartment to create value and substantially increase the income potential of the property.











OVERVIEW

Address	901 Sunset Drive Alice, Texas 78332
Number of Units	72
Year Built	1978
Net Rentable Square Feet	63,210
Number of Buildings	10
Number of Floors	2

TAX INFORMATION - 2022 (PROPOSED)

Appraisal District	Jim Wells County
Assessor's Parcel Number	1258004800000
Current Assessed Value	\$1,660,715
Tax Rate	2.6637%
Parcel Size	2.77 Acres
Density	26.01 Units per Acre
Style	Garden
Foundation	Concrete Slab
Framing	Wood
Exterior	Brick Veneer, HardiePlank Siding installed in 2016
Roof	Pitched Dimensional Shingles
Year Replaced	2013

MECHANICAL

HVAC	Individual Units
Electricity	Individually Metered
Gas	Master-Metered
Water/Sewer	Master-Metered
Hot Water	Electric Hot Water Heaters
Wiring	Copper
Plumbing	PVC
Fire Protection	Smoke Detectors

PERSONNEL

Management Company	Maxhimer Management Services
Staff Breakdown	1 Full-Time Manager 1 Full-Time Lead Maintenance 1 Full-Time Maintenance Technician

LAUNDRY

Clothes Care Centers	One on-site facility
Washer/Dryer Connections	Full-size connections in select units
Contracted Company	Coinmach
Contract Expiration	April 2025

PROPERTY AMENITIES

- » Manicured landscaping
- » On-site maintenance
- » Community room
- » Complimentary cable service
- » Centralized mail center
- » Within walking distance of schools
- » Convenient to multiple highways
- » Covered parking available
- » Tranquil courtyard with picnic table
- » On-site laundry facility

UNIT AMENITIES

- » Fully equipped kitchen
- » Faux wood floors
- » Walk-in closet with built-in shelf
- » Brushed nickel hardware
- » Vaulted ceiling*
- » Digital thermostat
- » Full-size washer and dryer connections*
- » Spacious private patio or balcony
- » Townhome-style units*

* In Select Units



FEES AND DEPOSITS

Application Fee	\$35
Security Deposit	\$350
Non-Refundable Pet Fee	\$300
Refundable Pet Deposit	\$300

PARKING BREAKDOWN

Parking Surface	Asphalt
	85 uncovered spaces 30 covered spaces
Total Spaces	(Approximately 30 additional uncovered parking spaces are currently being constructed)
	1.60 spaces per unit
Parking Ratio	Townhome unit lease includes two reserved covered parking spaces Flat unit lease includes one uncovered parking space

SCHOOLS

ALICE ISD

Elementary (K-5)	Schallert
	0.7 Miles from Subject
Middle (6-8)	Dubose
	0.8 Miles from Subject
High School (9-12)	Alice
	0.4 Miles from Subject

UTILITIES

Electricity	Resident
Choice of Resident	
Water & Sewer	Resident - RUBS
City of Alice	
Trash	Resident
City of Alice	
Gas	Owner
CenterPoint	
Cable / Internet	Owner
Spectrum	

ALICE, TEXAS - THE “HUB CITY”

Positioned 45 minutes west of Corpus Christi along Highway 44, Alice is known as the “Hub City” due to its central location for the oil and gas industries, tourism, agriculture, and distribution centers of South Texas. Alice features multiple state highways which lead directly to larger surrounding cities including Corpus Christi to the east, McAllen to the south, and San Antonio to the north.

CHRISTUS SPOHN HOSPITAL ALICE

72-bed Christus Spohn Hospital Alice is a level three trauma center which employs 200 people and offers a full range of acute and specialty care service to the regional area, including Jim Wells, Duval, Brooks, Live Oak, and Jim Hogg counties.

ALICE INDEPENDENT SCHOOL DISTRICT

Sunset Terrace residents benefit from its convenient location less than one mile from an elementary, middle, and high school, which aids in attracting and retaining residents with young children and Alice ISD employees. Alice ISD has a combined enrollment of nearly 6,000 students and is one of the foremost employers in the city.

COASTAL BEND COLLEGE AND DEL MAR COLLEGE

For more than 30 years, a satellite campus of Coastal Bend College, which is based in Beeville with total enrollment of more than 2,100 students, has operated in Alice and served the higher education needs of local residents. Del Mar College, which is based in Corpus Christi with total enrollment of more than 11,000 students, opened its second largest location in Alice in 2017.

ALICE COUNTRY CLUB AND ALICE MUNICIPAL GOLF COURSE

Lined with mesquite trees, the 18-hole Alice Municipal Golf Course is positioned less than one mile north of Sunset Terrace. Additionally, the 9-hole Alice Country Club is located less than 1.5 miles east of the property.

NEAR MULTIPLE MAJOR RETAILERS AND RESTAURANTS

Sunset Terrace is conveniently located one block north of the city’s main throughfare, Highway 44, which allows residents to quickly access retailers, restaurants, and employers. HEB Plus, CVS, Walgreens and Family Dollar are all located one mile southwest of the property and Walmart Supercenter, Dollar Tree, Chili’s Bar and Grill, IHOP, and Wingstop are less than one mile northeast of Sunset Terrace.



AVERAGE HOUSEHOLD INCOME

\$85,982

1-MILE RADIUS

\$60,861

3-MILE RADIUS

\$60,440

5-MILE RADIUS







SUNSET TERRACE

901 Sunset Drive

Alice, TX 78332

UNITS	72	AVG. SF	878
YEAR BUILT	1966	AVG. RENT	\$765
OCCUPANCY	90%	AVG. RENT/SF	\$0.87
UTILITIES	Residents pay water and electricity		

INTERIOR UPGRADE NOTES

Faux wood flooring



AVENUE ONE 10

110 South Stadium Road

Alice, TX 78332

UNITS	192	AVG. SF	752
YEAR BUILT	1982	AVG. RENT	\$790
OCCUPANCY	85%	AVG. RENT/SF	\$1.05
UTILITIES	Residents pay water and electricity		

INTERIOR UPGRADE NOTES

Faux wood flooring



SAN DIEGO CREEK

1499 Easterling Drive

Alice, TX 78332

UNITS	50	AVG. SF	919
YEAR BUILT	2006	AVG. RENT	\$796
OCCUPANCY	96%	AVG. RENT/SF	\$0.87
UTILITIES	Residents pay electricity		

INTERIOR UPGRADE NOTES

Tile flooring



VAQUEROS

305 West 2nd Street

San Diego, TX 78384

UNITS	28	AVG. SF	808
YEAR BUILT	1988	AVG. RENT	\$695
OCCUPANCY	86%	AVG. RENT/SF	\$0.86
UTILITIES	Residents pay electricity		

INTERIOR UPGRADE NOTES

No interior upgrades

**EASTERLING VILLAGE**

1455 Easterling Drive

Alice, TX 78332

UNITS	48	AVG. SF	944
YEAR BUILT	2008	AVG. RENT	\$757
OCCUPANCY	97%	AVG. RENT/SF	\$0.80
UTILITIES	Residents pay water and electricity		

INTERIOR UPGRADE NOTES

Over-the-range microwave, washer and dryer connections

1 ONE-BEDROOM UNITS | 690-895 SF

PRO FORMA PROJECTIONS

Property	Unit Type	# Units	SF	Rent	Rent/SF	New Rent	Rent/SF	Premium	% Increase
Avenue One 10	1 Bed / 1 Bath	80	653	\$725	\$1.11				
i. San Diego Creek	1 Bed / 1 Bath	6	650	\$669	\$1.03				
Sunset Terrace	1 Bed / 1 Bath	4	776	\$775	\$1.00	\$800	\$1.03	\$25	3.2%
Easterling Village	1 Bed / 1 Bath	1	650	\$647	\$1.00				
i. San Diego Creek	1 Bed / 1 Bath	7	690	\$669	\$0.97				
Sunset Terrace	1 Bed / 1 Bath	25	690	\$650	\$0.94	\$670	\$0.97	\$20	3.1%
Easterling Village	1 Bed / 1 Bath	12	690	\$634	\$0.92				
i. Vaqueros	1 Bed / 1 Bath	8	650	\$586	\$0.90				
Sunset Terrace	1 Bed / 1.5 Bath	5	895	\$800	\$0.89	\$825	\$0.92	\$25	3.1%
Total / Average		148	675	\$696	\$1.03				

Rent Adjustments to Match Sunset Terrace Utility Structure

i. \$45 for water

2 TWO-BEDROOM UNITS | 959-1,227 SF

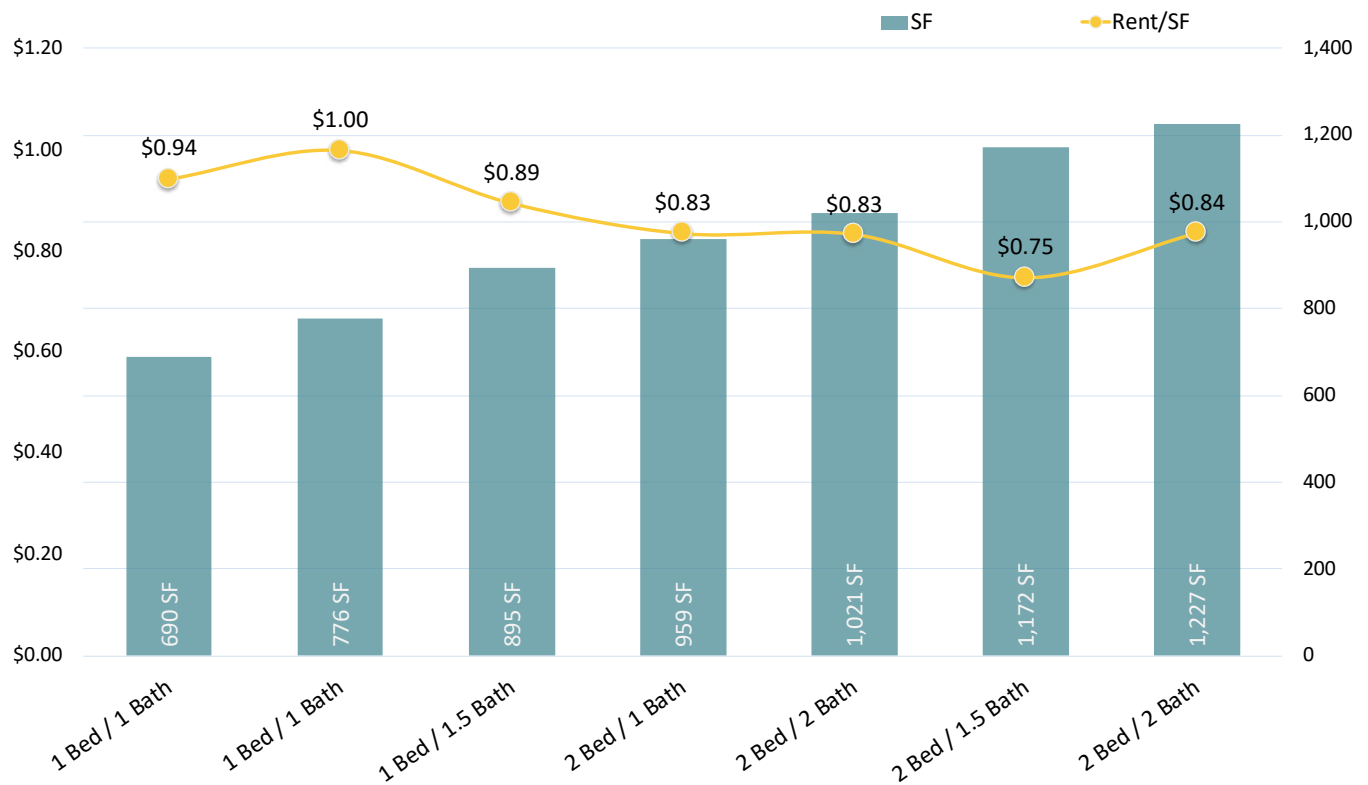
PRO FORMA PROJECTIONS

Property	Unit Type	# Units	SF	Rent	Rent/SF	New Rent	Rent/SF	Premium	% Increase
Avenue One 10	2 Bed / 2 Bath	24	853	\$875	\$1.03				
i. San Diego Creek	2 Bed / 1 Bath	13	916	\$803	\$0.88				
Sunset Terrace	2 Bed / 2 Bath	3	1,227	\$1,025	\$0.84	\$1,050	\$0.86	\$25	2.4%
Sunset Terrace	2 Bed / 1 Bath	24	959	\$800	\$0.83	\$850	\$0.89	\$50	6.3%
Sunset Terrace	2 Bed / 1.5 Bath	8	1,021	\$850	\$0.83	\$875	\$0.86	\$25	2.9%
Easterling Village	2 Bed / 1 Bath	1	916	\$737	\$0.80				
i. San Diego Creek	2 Bed / 2 Bath	12	1,015	\$803	\$0.79				
Easterling Village	2 Bed / 2 Bath	22	1,015	\$763	\$0.75				
Sunset Terrace	2 Bed / 2 Bath	3	1,172	\$875	\$0.75	\$900	\$0.77	\$25	2.9%
Total / Average		110	965	\$821	\$0.85				

Rent Adjustments to Match Sunset Terrace Utility Structure

i. \$55 for water

UNIT MIX				Current Market Rent		Pro Forma Projections	
Floorplan	Units	SF	%	Rent	Rent/SF	Rent	Rent/SF
1 Bed / 1 Bath	25	690	35%	\$650	\$0.94	\$670	\$0.97
1 Bed / 1 Bath	4	776	6%	\$775	\$1.00	\$800	\$1.03
1 Bed / 1.5 Bath	5	895	7%	\$800	\$0.89	\$825	\$0.92
2 Bed / 1 Bath	24	959	33%	\$800	\$0.83	\$850	\$0.89
2 Bed / 2 Bath	8	1,021	11%	\$850	\$0.83	\$875	\$0.86
2 Bed / 1.5 Bath	3	1,172	4%	\$875	\$0.75	\$900	\$0.77
2 Bed / 2 Bath	3	1,227	4%	\$1,025	\$0.84	\$1,050	\$0.86
Total	72	878 SF	100%	\$765	\$0.87	\$796	\$0.91



CURRENT / PRO FORMA

Income	Current/Actual T3 Apr 2022	Per Unit	Per SF	% Change	Pro Forma Year One	Per Unit	Per SF
Market Rent	\$660,600	\$9,175	\$10.45	4.11%	\$687,750	\$9,552	\$10.88
Loss to Lease	(\$41,040) 6.21%	(\$570)	(\$0.65)	(16.21%)	(\$34,388) 5.00%	(\$478)	(\$0.54)
Gross Potential Rent	\$619,560	\$8,605	\$9.80	5.46%	\$653,363	\$9,074	\$10.34
Vacancy/Credit Loss	(\$85,647) 13.82%	(\$1,190)	(\$1.35)	(54.23%)	(\$39,202) 6.00%	(\$544)	(\$0.62)
Total Rental Income	\$533,913	\$7,415	\$8.45	15.03%	\$614,161	\$8,530	\$9.72
Other Income	\$55,445	\$770	\$0.88	23.10%	\$68,254	\$948	\$1.08
Effective Gross Income	\$589,358	\$8,186	\$9.32	15.79%	\$682,414	\$9,478	\$10.80
Expenses	Current/Actual T12 Apr 2022	Per Unit	Per SF	% Change	Pro Forma Year One	Per Unit	Per SF
Administrative	\$2,513	\$35	\$0.04	2.00%	\$2,563	\$36	\$0.04
Advertising	\$1,567	\$22	\$0.02	2.00%	\$1,598	\$22	\$0.03
Repairs & Maintenance	\$26,613	\$370	\$0.42	2.00%	\$27,145	\$377	\$0.43
Contract Services	\$26,347	\$366	\$0.42	2.00%	\$26,874	\$373	\$0.43
Payroll	\$134,798	\$1,872	\$2.13	(30.56%)	\$93,600	\$1,300	\$1.48
Electricity	\$11,267	\$156	\$0.18	2.00%	\$11,492	\$160	\$0.18
Gas	\$1,115	\$15	\$0.02	2.00%	\$1,137	\$16	\$0.02
Water & Sewer	\$34,646	\$481	\$0.55	2.00%	\$35,339	\$491	\$0.56
Total Variable Expenses	\$238,866	\$3,318	\$3.78	(16.38%)	\$199,749	\$2,774	\$3.16
Real Estate Taxes	\$44,236	\$614	\$0.70	30.00%	\$57,507	\$799	\$0.91
Management Fee (5%)	\$29,468	\$409	\$0.47	15.79%	\$34,121 5.00%	\$474	\$0.54
Insurance	\$57,068	\$793	\$0.90	2.00%	\$58,210	\$808	\$0.92
Replacement Reserves	\$21,600	\$300	\$0.34	0.00%	\$21,600	\$300	\$0.34
Total Fixed Expenses	\$152,373	\$2,116	\$2.41	12.51%	\$171,438	\$2,381	\$2.71
Total Expenses	\$391,238	\$5,434	\$6.19	(5.13%)	\$371,187	\$5,155	\$5.87
NET OPERATING INCOME	\$198,120	\$2,752	\$3.13	57.09%	\$311,227	\$4,323	\$4.92

UNDERWRITING NOTES

CURRENT / ACTUAL INCOME

All Income Items Underwritten T3 Apr 2022 Except the Following:

Loss to Lease - Based on 5/13/2022 rent roll

Other Income - T12

EXPENSES

All Expenses Underwritten T12 Apr 2022 Except the Following:

Administrative - Excludes Ad Valorem Tax Consultant

Repairs & Maintenance - Excludes down payment to fill in swimming pool and add parking

Real Estate Taxes - Current Tax Assessed Value of \$1,660,715

Management Fee - 5.0% of EGI

Insurance - 2021

Replacement Reserves - \$300 per Unit

PRO FORMA / YEAR ONE INCOME

Market Rent - Manual Pro Forma Rent Growth at 4.11% (See Rental Analysis)

Loss to Lease - 5.0% of Market Rent

Concessions - 0.0% of Gross Potential Income

Vacancy/Credit Loss - 6.0% of Gross Potential Income

Other Income - Increased by 2.0% and assumed 15 uncovered parking spaces are leased for \$15 monthly and 30 covered parking spaces are leased for \$25 monthly

EXPENSES

All Expenses Grown by 2.0% Except the Following:

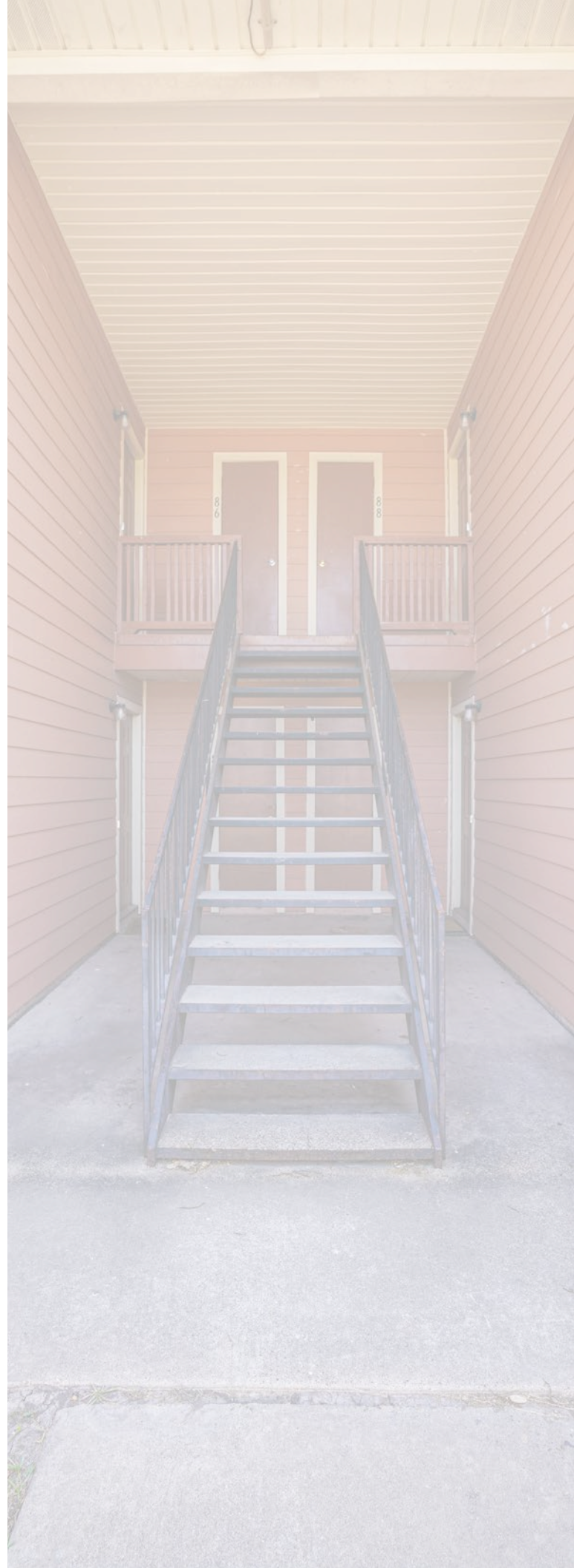
Contract Services - Assumes Time Warner cable contract is terminated in April 2023 and cable expense is removed from pro forma year 2 expenses onward

Payroll - Adjusted to Industry Standard

Real Estate Taxes - Based on Estimated Tax Assessed Value of \$2,158,930

Management Fee - 5.0% of EGI

Replacement Reserves - \$300 per Unit



FIVE-YEAR CASH FLOW MODEL

Income	Current/Actual T3 Apr 2022	Pro Forma Year One	Year 2	Year 3	Year 4	Year 5
Market Rent	\$660,600	\$687,750	\$708,383	\$729,634	\$751,523	\$774,069
Loss to Lease	(\$41,040)	(\$34,388)	(\$28,335)	(\$21,889)	(\$15,030)	(\$15,481)
Gross Potential Rent	\$619,560	\$653,363	\$680,047	\$707,745	\$736,493	\$758,587
Vacancy/Credit Loss	(\$85,647)	(\$39,202)	(\$40,803)	(\$42,465)	(\$44,190)	(\$45,515)
Total Rental Income	\$533,913	\$614,161	\$639,244	\$665,280	\$692,303	\$713,072
Other Income	\$55,445	\$68,254	\$69,619	\$71,011	\$72,431	\$73,880
Effective Gross Income	\$589,358	\$682,414	\$708,863	\$736,291	\$764,734	\$786,952
Expenses	Current/Actual T12 Apr 2022	Pro Forma Year One	Year 2	Year 3	Year 4	Year 5
Administrative	\$2,513	\$2,563	\$2,614	\$2,667	\$2,720	\$2,774
Advertising	\$1,567	\$1,598	\$1,630	\$1,663	\$1,696	\$1,730
Repairs & Maintenance	\$26,613	\$27,145	\$27,688	\$28,242	\$28,807	\$29,383
Contract Services	\$26,347	\$26,874	\$10,370	\$10,577	\$10,789	\$11,005
Payroll	\$134,798	\$93,600	\$95,472	\$97,381	\$99,329	\$101,316
Electricity	\$11,267	\$11,492	\$11,722	\$11,957	\$12,196	\$12,440
Gas	\$1,115	\$1,137	\$1,160	\$1,183	\$1,207	\$1,231
Water & Sewer	\$34,646	\$35,339	\$36,046	\$36,767	\$37,502	\$38,252
Total Variable Expenses	\$238,866	\$199,749	\$186,703	\$190,437	\$194,246	\$198,131
Real Estate Taxes	\$44,236	\$57,507	\$66,134	\$67,456	\$68,805	\$70,181
Management Fee (5%)	\$29,468	\$34,121	\$35,443	\$36,815	\$38,237	\$39,348
Insurance	\$57,068	\$58,210	\$59,374	\$60,561	\$61,773	\$63,008
Replacement Reserves	\$21,600	\$21,600	\$21,600	\$21,600	\$21,600	\$21,600
Total Fixed Expenses	\$152,373	\$171,438	\$182,551	\$186,432	\$190,415	\$194,137
Total Expenses	\$391,238	\$371,187	\$369,254	\$376,869	\$384,661	\$392,268
NET OPERATING INCOME	\$198,120	\$311,227	\$339,609	\$359,422	\$380,074	\$394,684



11-2-2015

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:
 - that the owner will accept a price less than the written asking price;
 - that the buyer/tenant will pay a price greater than the price submitted in a written offer; and
 - 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.

Marcus & Millichap	9002994	tim.speck@marcusmillichap.com	972-755-5200
Licensed Broker /Broker Firm Name or Primary Assumed Business Name	License No.	Email	Phone
Tim A. Speck	432723	tim.speck@marcusmillichap.com	972-755-5200
Designated Broker of Firm	License No.	Email	Phone
Tim A. Speck	432723	tim.speck@marcusmillichap.com	972-755-5200
Licensed Supervisor of Sales Agent/ Associate	License No.	Email	Phone
David Fersing	415687	David.Fersing@MarcusMillichap.com	972-755-5200
Sales Agent/Associate's Name	License No.	Email	Phone

Buyer/Tenant/Seller/Landlord Initials

Date

CONFIDENTIALITY AGREEMENT

The information contained in the following offering memorandum is proprietary and strictly confidential. It is intended to be reviewed only by the party receiving it from Marcus & Millichap and it should not be made available to any other person or entity without the written consent of Marcus & Millichap. By taking possession of and reviewing the information contained herein the recipient agrees to hold and treat all such information in the strictest confidence. The recipient further agrees that recipient will not photocopy or duplicate any part of the offering memorandum. If you have no interest in the subject property at this time, please return this offering memorandum to Marcus & Millichap.

Interested prospective buyers 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 or nature, expressed or implied, written or oral, other than the special warranty of title contained in the deed. This offering memorandum has been prepared to provide summary, unverified financial and physical information to prospective buyers, and to establish only a preliminary level of interest in the subject property. The information contained herein is not a substitute for a thorough due diligence investigation. Marcus & Millichap has not made any investigation, and makes no warranty or representation with respect to the income or expenses for the subject property, the future projected financial performance of the property, the size and square footage of the property and improvements, the presence or absence of contaminating substances, PCBS or asbestos, the compliance with local, state and federal regulations, the physical condition of the improvements thereon, or the financial condition or business prospects of any tenant, or any tenant's plans or intentions to continue its occupancy of the subject property. The information contained in this offering memorandum has been obtained from sources we believe to be reliable; however, Marcus & Millichap has not verified, and will not verify, any of the information contained herein, nor has Marcus & Millichap conducted any investigation regarding these matters and makes no warranty or representation whatsoever regarding the accuracy or completeness of the information provided. All potential buyers must take appropriate measures to verify all of the information set forth herein. Prospective buyers shall be responsible for their costs and expenses of investigating the subject property.

The owner expressly reserves the right, at its sole discretion, to reject any or all expressions of interest or offers regarding the property and/or to terminate discussions with any entity at any time with or without notice. The owner shall have no legal commitment or obligations to any entity reviewing the offering memorandum or making an offer to purchase the property unless a written agreement for the purchase of the property has been fully executed, delivered, and approved by the owner and its legal counsel, and any conditions to the owner's obligation thereunder have been satisfied or waived.

Any rent or income information in this offering memorandum, with the exception of actual, historical rent collections, represent good faith projections of potential future rent only, and Marcus & Millichap makes no representations as to whether such rent may actually be attainable. Local, state, and federal laws regarding restrictions on rent increases may make these projections impossible, and Buyer and its advisors should conduct their own investigation to determine whether such rent increases are legally permitted and reasonably attainable.

NON-ENDORSEMENT NOTICE: Marcus & Millichap Real Estate Investment Services, Inc. (M&M) is not affiliated with, sponsored by, or endorsed by any commercial tenant or lessee identified in this marketing package. The presence of any corporation's logo or name is not intended to indicate or imply affiliation with, or sponsorship or endorsement by, said corporation of M&M, its affiliates or subsidiaries, or any agent, product, service, or commercial listing of M&M, and is solely included for the purpose of providing tenant lessee information about this listing to prospective customers.

SPECIAL COVID-19 NOTICE: All potential buyers are strongly advised to take advantage of their opportunities and obligations to conduct thorough due diligence and seek expert opinions as they may deem necessary, especially given the unpredictable changes resulting from the continuing COVID-19 pandemic. Marcus & Millichap has not been retained to perform, and cannot conduct, due diligence on behalf of any prospective purchaser. Marcus & Millichap's principal expertise is in marketing investment properties and acting as intermediaries between buyers and sellers. Marcus & Millichap and its investment professionals cannot and will not act as lawyers, accountants, contractors, or engineers. All potential buyers are admonished and advised to engage other professionals on legal issues, tax, regulatory, financial, and accounting matters, and for questions involving the property's physical condition or financial outlook. Projections and pro forma financial statements are not guarantees and, given the potential volatility created by COVID-19, all potential buyers should be comfortable with and rely solely on their own projections, analyses, and decision-making.

ALL PROPERTY SHOWINGS ARE BY APPOINTMENT ONLY.

PLEASE CONTACT YOUR MARCUS & MILLICHAP AGENT FOR MORE DETAILS.

ACTIVITY ID: ZAD0060666 FH

This information has been secured from sources we believe to be reliable, but we make no representations or warranties, expressed or implied, as to the accuracy of the information. References to square footage or age are approximate. Buyer must verify the information and bears all risk for any inaccuracies.

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