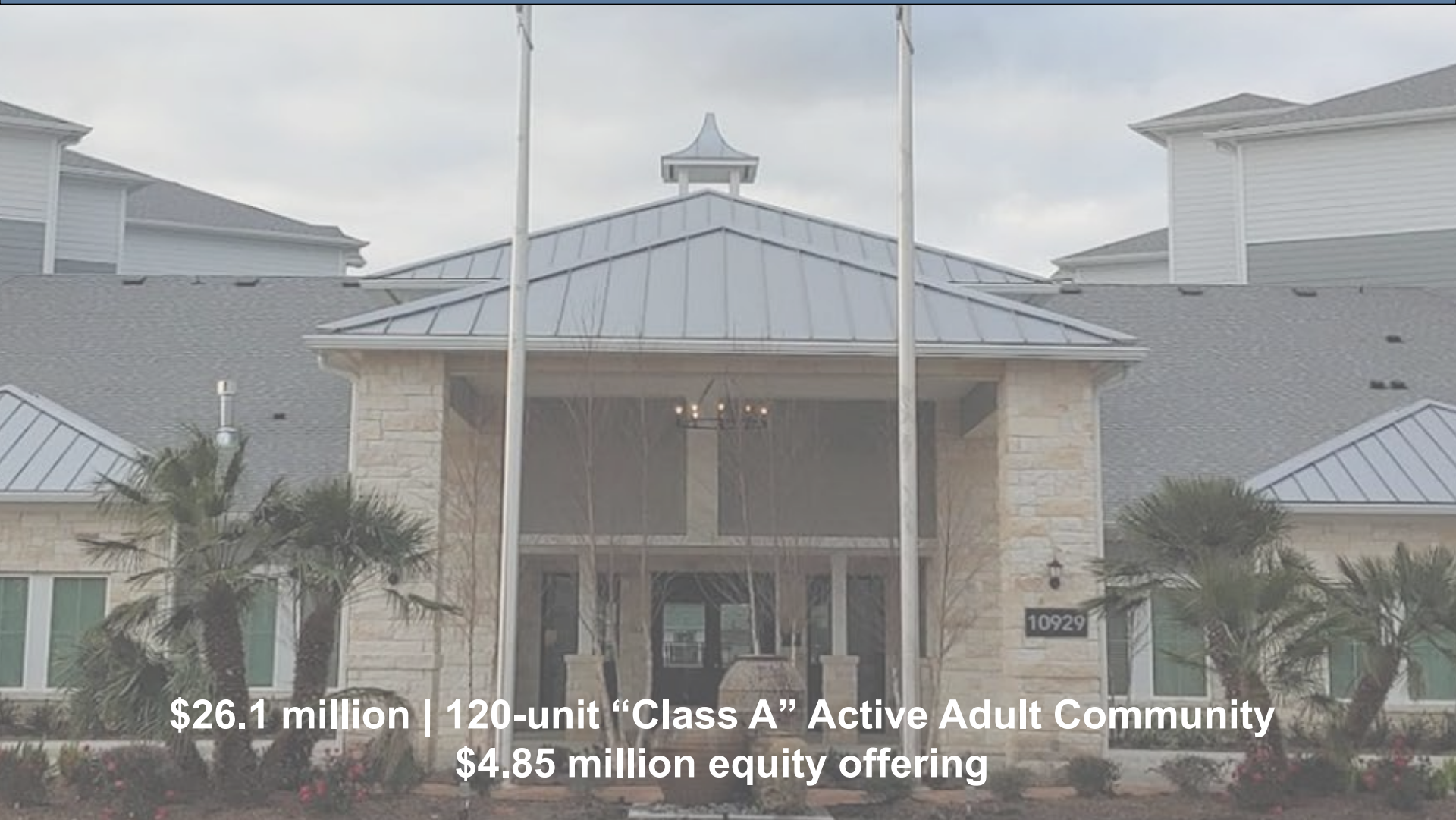




# Retreat at Barbers Hill (Mont Belvieu, TX)

10929 Eagle Drive | Mont Belvieu, TX 77523 | 120 Units



**\$26.1 million | 120-unit “Class A” Active Adult Community**  
**\$4.85 million equity offering**



# Strategy / Deal Overview

## Property Overview

Retreat at Barbers Hill is a 120-unit, garden style active adult community located at 10929 Eagle Drive, Mont Belvieu (Houston MSA), Texas 77523. The community is incredibly located in the heart of the rapidly growing city of Mont Belvieu and has convenient access to both the Grand Parkway and Interstate 10 which provides residents easy access to Houston's major employment centers and amenities. Mont Belvieu serves as the ultimate location for the active adult tenant population by providing a small town feel with all the amenities and conveniences of an urban area.

## Strategy and Deal Overview

**Artisan American are seeking an investment of ~\$5,000,000 to acquire Retreat at Barbers Hill.** The total purchase price of the property is \$25,000,000 (\$208,333/unit and \$201/SF).

Artisan will convert Retreat at Barbers Hill from a market rate asset to a mixed-income, 100% real estate tax exempt asset via the HFC structure (Local Government Code Chapter 394). Through this structure, Artisan will generate opportunistic returns on a core investment, without the risk associated with value-add renovations.

The assumption of the existing HUD loan will allow for superior terms than what's available in the current debt market. The terms of the deal are summarized below.

Project Cost	Total	
	Total	Per Unit
Purchase Price	\$25,000,000	\$208,333
Capital Expenditure	\$0	\$0
Closing Costs	\$1,165,494	\$9,712
<b>Total Cost</b>	<b>\$26,165,494</b>	<b>\$218,046</b>

Project Capitalization	Total	
	Amount	% of Total
Debt	\$20,628,606	78.84%
Equity	\$5,536,888	21.16%
<b>Total Cost</b>	<b>\$26,165,494</b>	<b>100.00%</b>
LP Equity	\$4,983,199	90%
Sponsor Equity	\$553,689	10%
<b>Total Equity</b>	<b>\$5,536,888</b>	<b>100%</b>

Return Summary	
	Project IRR Gross (5yr)
IRR	20.42%
Equity Multiple	2.14x
Cash-on-Cash	5.64%



# Investment Highlights

TOPIC / DATA POINT	REFERENCE	RABH	NOTES
Compelling price per unit	>\$220,000 (Replacement Cost)	\$208,333	The investment represents a favorable transaction price. Artisan was able to secure a favorable purchase price by leveraging our relationship with our broker network to transact off-market. We believe our going-in basis is at or below current replacement cost.
Attractive Financing	5.75%+, 30yr Am 60-65% LTC	4.40%, 40yr Am 79% LTC	Assumable 221(d)(4) provides attractive loan terms considering the volatile CRE debt market.
Property Tax Exemption	\$417,908 (without exemption)	\$0	Artisan has worked through deal terms with Southeast Texas Housing Finance Corp. (HFC) and is moving forward with finalizing an MOU. Sponsor has worked through the PFC structure with the HFC previously.
Lease-up Risk Mitigation	75% Occupied	95% (Stabilized Occ)	Current ownership group has had difficulty with lease-up mainly due to conflicts experienced with the initial property management company. Ownership then decided to manage the property with a related party management company with no experience in the active adult space. Artisan believes it can mitigate the remaining lease up risk appropriately. The remaining vacant units will be reserved as affordable designated units and offered at a discount to market rent.
Multifamily Barriers to Entry	N/A	N/A	Obtaining zoning approval for multifamily development in Mont Belvieu is extremely difficult. Currently, there are only two multifamily deals in Mont Belvieu including Retreat at Barber's Hill. Both deals were done by the same developer.
Mont Belvieu Location	N/A	N/A	The location in Mont Belvieu provides the active adult tenant the small town community feel with all the amenities and conveniences they could need. The Riceland master plan community and the new town center that is planned for phase I of the project will provide even more amenities and sense of community for the tenants at Retreat at Barbers Hill.

# Market Overview – Baytown

## Economic Drivers:

### 1. ExxonMobil Baytown Complex:

The Baytown complex is located on approximately 3,400 acres and employs 3,785 people. \$2B expansion in progress creating an approximate 2,000 additional jobs.

### 2. Houston Methodist Baytown Hospital:

The hospital employs about 1,500 people, has an estimated 500 affiliated doctors, and admits more than 12,700 patients annually.

### 3. Covestro Industrial Park:

The Baytown plant is the largest in North and Central America with 1,100 employees. The company announced plans to invest \$1.7 billion with operations expected to begin 2024.

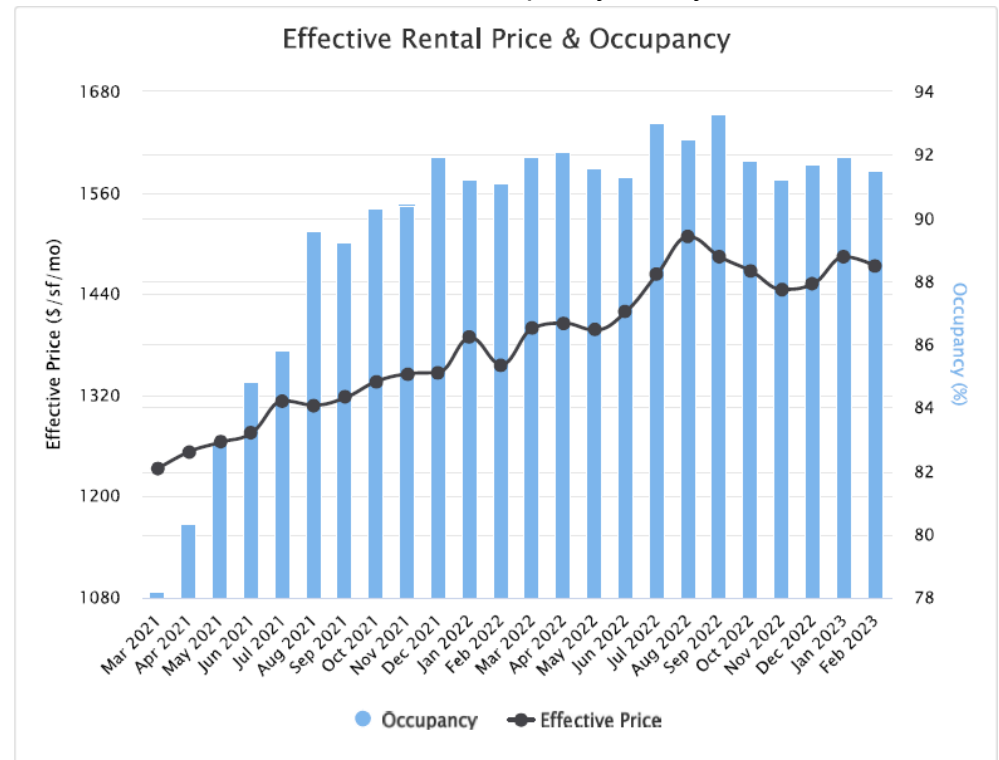
### 4. Chevron Philips Chemical:

The petrochemical manufacturing facility operates 7 process units on approximately 1,800 acres and employ 980 people.

### 5. Cedar Port Industrial Park:

This 15,000 acre industrial park includes Home Depot's 755,000 SqFt distribution hub, Walmart's 4.2 million SqFt import center, JSW USA's manufacturing facilities, and Borusan Mannesmann's manufacturing facility totaling over 1,200 employees. There are 10,000 acres ready to be developed.

Class A effective rent and occupancy in Baytown Submarket



# Market Overview – Mont Belvieu

Some of the most valuable drivers of demand for this tenant demographic is a sense of community as well as proximity to quality retail and grocery. Mont Belvieu and the location of Retreat at Barber's Hill delivers on just that. Mont Belvieu is a small town with a very strong sense of community that offers the active adult community a great suite of amenities outside of those provided at the property. Within 2-miles north and south of the property on Eagle Drive, there is The Hilltop at Eagle Pointe, Eagle Pointe Golf Course, City of Mont Belvieu Park, as well as an HEB and other quality retail and restaurants.

- The Hilltop at Eagle Pointe – a center for active senior adults ages 55+ that offers a full schedule of activities: group exercise classes, arts & crafts classes, a full gym, a game room, a library and reading lounge, coffee bar, and a lot more. Monthly activities are organized and posted on the calendar. Membership is available to Mont Belvieu residents ages 55+ for \$25 per year.
- Eagle Pointe Golf Course – Like Hilltop at Eagle Pointe, Eagle Pointe Golf Course is located less than 2 miles north of Retreat at Barber's Hill on Eagle Drive. The golf course is a 18 hole championship course first opened in 1999. Monthly membership for Mont Belvieu residents is available for \$50 per month.
- Market at the Park – The City of Mont Belvieu's monthly Market at the Park takes place at the City Park, located across the street from Retreat at Barber's Hill, on the first Saturday of every month. The farmers market provides Mont Belvieu residents with vendors that bring quality, fresh, locally-produced agricultural products, and delicious homemade foods to the market.

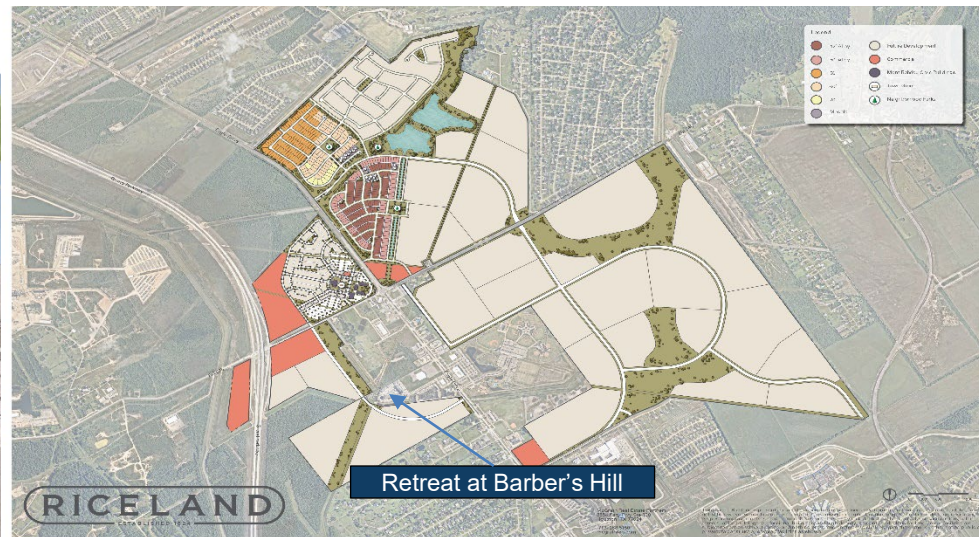
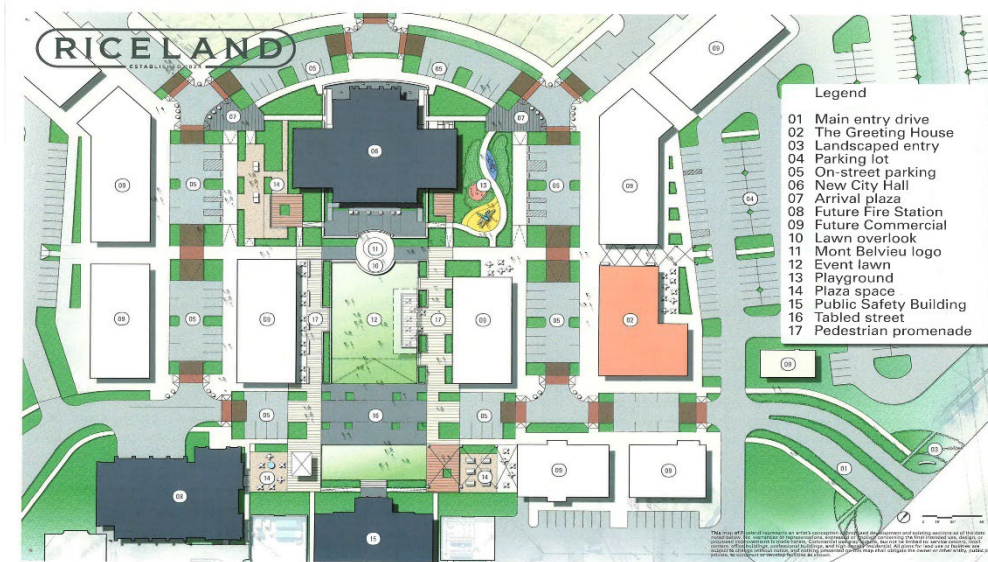
## THE HILLTOP AT EAGLE POINTE – ACTIVE SENIOR ADULT CENTER





# Market Overview – Riceland

City of Mont Belvieu has partnered with a developer to bring a new suburban mixed-use development and master planned community called “Riceland” to the city. The centerpiece of the master planned development is a town center (located less than 3,000 feet north on Eagle Rd from Retreat at Barber’s Hill) that will also act as a downtown for Mont Belvieu. The master plan community will be rich with amenities including resort-style pools, a 10-acre fully stocked lake, 30+ miles of trails, an amenity center, restaurants, retail, office space and a town center. The 4500 lots will take 10-15 years to build out, but neighborhood parks, commercial spaces and the new town center are slated for Phase I, which is already underway.





# Demographics – Mont Belvieu

## Demographic Overview

Population (1 mi)

**4,383**

Avg. HH Size (1 mi)

**3.0**

Avg. Age (1 mi)

**35**

Med. HH Inc. (1 mi)

**\$119,558**

### DEMOGRAPHIC SUMMARY

Population	1 Mile	3 Mile	5 Mile
2022 Population	4,383	19,002	35,849
2027 Population	5,153	22,068	41,284
Pop Growth 2022-2027	17.6%	16.1%	15.2%
2022 Average Age	35	35	35
Households			
2022 Households	1,480	6,250	11,802
2027 Households	1,740	7,263	13,589
Household Growth 2022-2027	17.6%	16.2%	15.1%
Median Household Income	\$119,558	\$124,639	\$113,973
Average Household Size	3.0	3.1	3.0
Average HH Vehicles	2	2	2
Housing			
Median Home Value	\$303,662	\$279,950	\$240,980
Median Year Built	2010	2010	2006

# Investment Summary

## Project Information

Property Name	The Retreat at Barbers Hill
Location	10929 Eagle Drive, Mont Belvieu, TX
Submarket	Houston MSA - Mont Belvieu
Year Built	2020
Property Class	Class A
Units	120
Average SF	1035 SF
Occupancy	72%
Average Effective Rent	\$1,558.61
Average Effective Rent/SF	\$1.83
Land Area	7.38
Density	16 u/ac

## Investment Summary

Offering Size	\$4,983,199
Artisan Co-Investment	\$553,689
Distributions	Bi-Annually

## Fees

Acquisition Fee	1.5%
Asset Management Fee	1%
Property Management Fee (Asset)	3%

## Project Cost

	Total	Per Unit
Purchase Price	\$25,000,000	\$208,333
Capital Expenditure	\$0	\$0
Closing Costs	\$1,165,494	\$9,712
Total Cost	\$26,165,494	\$218,046

## Return Summary

	Project IRR Gross (5yr)
IRR	20.42%
Equity Multiple	2.14x
Cash-on-Cash	5.64%

## Project Capitalization

	Amount	% of Total
Debt	\$20,628,606	78.84%
Equity	\$5,536,888	21.16%
Total Cost	\$26,165,494	100.00%
LP Equity	\$4,983,199	90%
Sponsor Equity	\$553,689	10%
Total Equity	\$5,536,888	100%



# Debt Terms



## DAVIS-PENN MORTGAGE CO. Amortization Schedule

**Loan Number:** 834  
**Name On Loan:** The Retreat at Barbers Hill  
**Principal Balance:** \$21,140,400.00  
**Interest Rate:** 4.400000 %  
**Interest Calculation Method:** 30/360  
**Payment Frequency:** Monthly  
**Term In Months:** 480  
**P&I Amount:** \$93,684.74  
**1st Payment Due Date:** 03/01/2021

Green building MIP – 25bps

Leverage	
Purchase Price	\$ 25,000,000
Total Cost	\$ 26,120,589
Loan Amt	\$20,682,351
LTPP	83%
LTC	79%

Month	Beginning Balance	Payment	Interest	MIP	Principal	Ending Balance	Payment Date
1	\$21,140,400	\$98,089	\$77,515	\$4,404	\$16,170	\$21,124,230	3/1/2021
4	\$21,091,712	\$98,079	\$77,336	\$4,394	\$16,348	\$21,075,364	6/1/2021
8	\$21,025,958	\$98,065	\$77,095	\$4,380	\$16,590	\$21,009,368	10/1/2021
12	\$20,959,234	\$98,051	\$76,851	\$4,367	\$16,834	\$20,942,399	2/1/2022
16	\$20,891,525	\$98,037	\$76,602	\$4,352	\$17,082	\$20,874,443	6/1/2022
20	\$20,822,819	\$98,023	\$76,350	\$4,338	\$17,334	\$20,805,484	10/1/2022
24	\$20,753,099	\$98,008	\$76,095	\$4,324	\$17,590	\$20,735,509	2/1/2023
28	\$20,682,351	\$97,994	\$75,835	\$4,309	\$17,849	\$20,664,501	6/1/2023
32	\$20,610,559	\$97,979	\$75,572	\$4,294	\$18,113	\$20,592,447	10/1/2023
36	\$20,537,709	\$97,963	\$75,305	\$4,279	\$18,380	\$20,519,329	2/1/2024
40	\$20,463,784	\$97,948	\$75,034	\$4,263	\$18,651	\$20,445,134	6/1/2024
44	\$20,388,770	\$97,932	\$74,759	\$4,248	\$18,926	\$20,369,844	10/1/2024
48	\$20,312,649	\$97,917	\$74,480	\$4,232	\$19,205	\$20,293,444	2/1/2025
52	\$20,235,405	\$97,900	\$74,196	\$4,216	\$19,488	\$20,215,917	6/1/2025
56	\$20,157,022	\$97,884	\$73,909	\$4,199	\$19,776	\$20,137,246	10/1/2025
60	\$20,077,483	\$97,868	\$73,617	\$4,183	\$20,067	\$20,057,416	2/1/2026
64	\$19,996,772	\$97,851	\$73,321	\$4,166	\$20,363	\$19,976,408	6/1/2026
68	\$19,914,869	\$97,834	\$73,021	\$4,149	\$20,664	\$19,894,206	10/1/2026
72	\$19,831,760	\$97,816	\$72,716	\$4,132	\$20,968	\$19,810,791	2/1/2027
76	\$19,747,424	\$97,799	\$72,407	\$4,114	\$21,278	\$19,726,146	6/1/2027
80	\$19,661,845	\$97,781	\$72,093	\$4,096	\$21,591	\$19,640,253	10/1/2027
84	\$19,575,003	\$97,763	\$71,775	\$4,078	\$21,910	\$19,553,093	2/1/2028
88	\$19,486,881	\$97,745	\$71,452	\$4,060	\$22,233	\$19,464,648	6/1/2028
92	\$19,397,459	\$97,726	\$71,124	\$4,041	\$22,561	\$19,374,899	10/1/2028
96	\$19,306,719	\$97,707	\$70,791	\$4,022	\$22,893	\$19,283,825	2/1/2029
100	\$19,214,640	\$97,688	\$70,454	\$4,003	\$23,231	\$19,191,409	6/1/2029
104	\$19,121,204	\$97,668	\$70,111	\$3,984	\$23,574	\$19,097,630	10/1/2029
108	\$19,026,389	\$97,649	\$69,763	\$3,964	\$23,921	\$19,002,468	2/1/2030
112	\$18,930,176	\$97,629	\$69,411	\$3,944	\$24,274	\$18,905,902	6/1/2030
116	\$18,832,545	\$97,608	\$69,053	\$3,923	\$24,632	\$18,807,912	10/1/2030
120	\$18,733,473	\$97,588	\$68,689	\$3,903	\$24,995	\$18,708,478	2/1/2031



# Property Details

## General

Address	10929 Eagle Drive
City, State	Mont Belvieu, TX
Year Built	2020
Units	120
Net Rentable SF	124,232
Average Unit Size	1,035
Site Size	7.38
Density	16.26 u/ac
Occupancy	72%

## Construction

Foundation	Concrete slab
Exterior	Stucco/brick/siding
Roof	Pitched
Number of Buildings	6

## Mechanical

HVAC	Individual
Hot Water	Individual
Wiring	Copper

## Proposed Utilities

Electricity	Individual - Resident Pays
Other Utilities	RUBS

## Utilities (Current)

Electricity	Individual - Resident Pays
Water/Sewer	Owner Pays - Free to Residents
Gas	Owner Pays - Free to Residents
Cable/Internet	Owner Pays - Free to Residents
Valet Trash	Owner Pays - Free to Residents

## Laundry

Laundry	Washer & Dryers included in Rent
---------	----------------------------------

## Parking

Uncovered	112
Carports	34
Detached Garages	24
Attached	16
Clubhouse Parking	20
<b>Total</b>	<b>206</b>
Parking Ratio	1.72

## Personnel

Manager	1
Leasing	1
Maintenance	1

# Property – Exterior & Amenities

The community sits on ~7.34 beautifully manicured acres with the following luxury amenities:

Beautiful Landscaped Courtyard	Movie Theater
Beauty Salon	Pool Cabana with Grills
Billiards	Putting Green
Bocce Ball Court	Recreational Activity Room
Business Center	Resident Business Station
Coffee Bar and Pub	Resort-style Swimming Pool with Tanning Ledge
Community Garden with Tool Shed, Fountain & Covered Seating	Social Gatherings
Cottage-style Homes Available	Some Paid Utilities
Covered Parking Available	Spacious Clubhouse
Disability Access	State-of-the-art Fitness Center
Elevator Access	Storage Units Available
Fenced Dog Park with Covered Seating Area	Valet Trash Service
Fire Pit	Van Transportation to Local Merchants
Health and Wellness Room	Veranda with Pool View and Outdoor Heaters
Library with Fireplace	Water Fountains
Luxer Package Lockers	



# Property – Interior Features

The 120 units at Retreat at Barber's Hill have an average unit size of 1,035sf across 6 unique floor plans. Units range from a 751sf 1 BR/1 BA to a spacious 1,339sf 2 BR/2 BA.

Interior features include:

2-inch Faux Wood Blinds	Intrusion Alarm Compatible
9ft Ceilings	Pantry
14 SEER Heating and Air Conditioning	Satin Nickel Fixtures
Balcony or Patio	Select USB Electrical Outlets
Carpeted Floors	Shaker-style Cabinetry
Ceiling Fans	Soaking Tub
Ceramic Tile Backsplash	Stand Up Showers
Crown Molding in Living and Dining Areas	Superior Grade Vinyl Plank
Designer Granite Countertops	
Energy-efficient Double Pane Windows	
Energy Star Stainless Steel Appliances	
Extra Patio and Balcony Storage	
Faux Wood Flooring	
Views Available	
Walk-in Closets	
Full-size Washer and Dryer in Home	
HDMI Cable Ready	
High-speed Internet Available	





# Site Plan



# HFC Legislation Background Info

- The Housing Finance Corporation program utilizes a tax break under the Texas Local Government Code
- Typically, a local government entity (public housing authority, county or city) creates a Housing Finance Corporation to which land is transferred by an apartment developer. The HFC becomes the owner of the land and ground leases it back to a limited partnership controlled by the developer
- Ground leases tend to be at least 75 years in term
- The main trade in the HFC structure is to provide affordability in exchange for a full property tax abatement. Affordability requirements for HFC's are that at least 90% of the units must be occupied by persons of "low to moderate income" (as defined by the particular HFC), with a maximum of 10% of units at market rate without income restrictions. The definitions of "low to moderate income" vary across HFCs, but the upper bound is typically between 120% - 160% of AMI. Most HFC projects tend to include 50%+ of units to be rented to renters with at most 80% of AMI, and may want deeper affordability restrictions at 60% of AMI depending on the location of the property.
- In most HFCs, tenants must income-qualify, and some but not all HFCs have restrictions on the rent charged itself
- The HFC also typically charges annual fees and varied incentive payments at refinancing and / or sale. Structures vary from flat fees to percentages of profit above preferred returns
- In new developments and renovation projects, HFC-enabled development partnerships have the ability to be exempt from sales taxes on construction materials
- The fee to the property typically reverts back to the operator entity from the HFC if and when the rent and property tax arrangement is terminated, making it a fee simple property
- The HFC program is distinct but similar to the related Public Facilities Corporation (PFC) structures that have received public scrutiny, as constituents debate the tradeoffs of affordability vs. property tax revenue. Sponsor and its partners will need to keep abreast of potential changes to the PFC and/or HFC structures due to political pressure.

# HFC Structure

## Housing Authority Terms

- **Ground Lease Duration** – 99 years
- **Minimum Affordability Period** – 15 years
- **Annual Lease Payments** – on an annual basis, HFC will be entitled to a lease payment of \$10,000 (grown at 2% per year).
  - First payment due at closing
  - Annual payments thereafter
- **HFC Asset Management Fee** – on an annual basis, HFC will be entitled to a \$30,000 asset management fee (grown at 2% per year). AM fee is subordinate to debt payments.

## Disposition Rights

- Artisan has a perpetual right to market the leasehold interest for sale once the property is in compliance
- Unrestricted ability to refinance so long as the new loan is not above 85% LTV or has a DSCR below 1.15x at time of origination

## Affordability Structure

Units will be restricted according to the following unit mix:

- 80% AMI – 50% or 60 units. Rents will be set at the minimum of 80% AMI rent (1.5 residents / bedroom standard)
- 140% AMI – 40% or 48 units. Rents will be set at the minimum of 140% AMI rent (1.5 residents / bedroom standard) or market rents
- Market Rate – 10% or 12 units

Income Limits – Assuming 4 Person Households

- 80% AMI – 50% of households
- 140% AMI – 40% of households
- No Limit – 10% of households

Value Creation	
Estimated Proforma Taxes (85% of PP)	\$444,028
Rental Discounts (Year 1)	(98,304)
Year One Lease Payment to HFC	(10,000)
Year One Asset Management Fee to HFC	(30,000)
<b>Additional NOI Created at Acquisition</b>	<b>\$305,724</b>
<b>Value Created at 5.5% Capitalization Rate</b>	<b>\$5,558,616</b>

# Rent Comps/Proforma Rents

Type	Active Adult Comp	Units	Vintage	Occupied %	Leased %	Miles to Subject	Avg SF	Avg Rent
AA 1	Chesapeake Bay	258	2020	97%	99%	29.2	937	\$1,731
AA 2	Ivy Point Friendswood	120	2022	0%	0%	40.5	969	\$1,846
AA 3	Ivy Point Kingwood	150	2019	96%	98%	36.4	1,042	\$1,834
AA 4	Fordham At Eagle Springs	136	2019	96%	98%	36.4	891	\$1,603
Avg		166	2020	72%	74%	35.6	960	\$1,754
Subject	Retreat at Barbers Hill	120	2020	64%	72%	-	1035	\$1,999

Property Name	Unit Type	# of Units	Avg Market Rent	Avg Sq Ft	Avg Mkt Rent / Sq Ft
Chesapeake Bay	1.0 Bedroom	117	\$1,491	778	\$1.92
	2.0 Bedroom	141	\$1,931	1069	\$1.81
Ivy Point Friendswood	1.0 Bedroom	72	\$1,636	819	\$2.00
	2.0 Bedroom	48	\$2,161	1194	\$1.81
Ivy Point Kingwood	1.0 Bedroom	84	\$1,557	888	\$1.75
	2.0 Bedroom	66	\$2,187	1238	\$1.77
Fordham At Eagle Springs	1.0 Bedroom	83	\$1,477	786	\$1.88
	2.0 Bedroom	53	\$1,801	1054	\$1.71
AA Comp Averages	1.0 Bedroom	356	\$1,533	814	\$1.88
	2.0 Bedroom	308	\$1,999	1122	\$1.78
Subject Unrestricted Proforma Rents	1.0 Bedroom	52	\$1,637	849	\$1.93
	2.0 Bedroom	68	\$2,013	1178	\$1.71



# Sensitivity Analysis

		Occupancy					
		5YR IRR - Occupancy and Exit Cap Sensitivity					
		20.42%	91%	92%	93%	94%	95%
Cap Rate	5.20%	18.71%	19.99%	21.23%	22.42%	23.58%	
	5.35%	16.98%	18.31%	19.58%	20.81%	21.99%	
	5.50%	15.25%	16.62%	17.94%	19.20%	20.42%	
	5.65%	13.51%	14.92%	16.28%	17.59%	18.84%	
	5.80%	11.75%	13.21%	14.62%	15.97%	17.26%	

- Analysis above is on a 5-year hold

		Hold Period			
		Exit Cap Rate Sensitivity (base Occupancy case)			
		20.42%	3 YR IRR	5 YR IRR	7 YR IRR
Cap Rate	5.20%	27.59%	23.58%	21.85%	
	5.35%	24.16%	21.99%	20.95%	
	5.50%	20.74%	20.42%	20.06%	
	5.65%	17.30%	18.84%	19.17%	
	5.80%	13.85%	17.26%	18.29%	

- Occupancy modeled at stabilized 95%

		Occupancy					
		7YR IRR - Occupancy and Exit Cap Sensitivity					
		20.06%	91%	92%	93%	94%	95%
Cap Rate	5.20%	18.69%	19.52%	20.32%	21.10%	21.85%	
	5.35%	17.72%	18.56%	19.39%	20.18%	20.95%	
	5.50%	16.75%	17.62%	18.46%	19.27%	20.06%	
	5.65%	15.78%	16.67%	17.53%	18.36%	19.17%	
	5.80%	14.82%	15.73%	16.61%	17.47%	18.29%	

- Analysis above is on a 7-year hold

		Hold Period			
		Insurance Sensitivity			
		20.42%	3 YR IRR	5 YR IRR	7 YR IRR
Insurance PU	\$2,600	23.70%	22.00%	21.10%	
	\$2,700	22.58%	21.40%	20.70%	
	\$2,800	21.44%	20.79%	20.30%	
	\$2,900	20.28%	20.18%	19.90%	
	\$3,000	19.11%	19.55%	19.49%	

# Appendix



## Cash Flow Summary The Retreat at Barbers Hill

	Per Unit (Y1)	Operational Year Projections							
		T-12	Yr. 1	Yr. 2	Yr. 3	Yr. 4	Yr. 5	Yr. 6	Yr. 7
<b>Income</b>									
Gross Scheduled Rent	22,084	2,860,920	\$2,650,122	\$2,621,684	\$2,702,546	\$2,785,902	\$2,871,829	\$2,960,407	\$3,051,716
Less: Vacancy Loss	-3,129	(1,092,814)	(375,434)	(131,084)	(135,127)	(139,295)	(143,591)	(148,020)	(152,586)
Less: Employee / Model Units	-79	(19,801)	(9,494)	(9,392)	(9,682)	(9,980)	(10,288)	(10,606)	(10,933)
Less: Loss To Lease	0	(131,507)	-	-	-	-	-	-	-
Less: Concessions	-221	(87,551)	(26,501)	(6,554)	(6,756)	(6,965)	(7,180)	(7,401)	(7,629)
Less: Uncollectable Debt	-55	(2,407)	(6,625)	(6,554)	(6,756)	(6,965)	(7,180)	(7,401)	(7,629)
Net Rental Income	18,601	1,526,840	2,232,068	2,468,099	2,544,224	2,622,697	2,703,591	2,786,979	2,872,939
Other Income	1,554	72,949	186,501	263,991	271,911	280,068	288,470	297,125	306,038
<b>Total Effective Income</b>	<b>20,155</b>	<b>1,599,789</b>	<b>2,418,569</b>	<b>2,732,091</b>	<b>2,816,135</b>	<b>2,902,766</b>	<b>2,992,061</b>	<b>3,084,104</b>	<b>3,178,978</b>
Economic Occupancy		53.4%	84.2%	94.1%	94.1%	94.1%	94.1%	94.1%	94.1%
<b>Operating Expenses</b>									
Real Estate Taxes	67	216,498	8,005	9,043	9,321	9,608	9,904	10,208	10,522
Insurance	2,861	215,127	343,320	353,620	364,228	375,155	386,410	398,002	409,942
Management Fees	605	35,588	72,557	81,963	84,484	87,083	89,762	92,523	95,369
Ground Lease Payments	83	-	10,000	10,200	10,404	10,612	10,824	11,041	11,262
Supportive Services	0	-	-	-	-	-	-	-	-
Utilities	1,648	181,070	197,721	203,653	209,762	216,055	222,537	229,213	236,089
Payroll	1,715	198,841	205,851	212,027	218,387	224,939	231,687	238,638	245,797
Contract Services	761	109,480	91,296	94,035	96,856	99,762	102,754	105,837	109,012
Repairs & Maint.	360	102,750	43,200	44,496	45,831	47,206	48,622	50,081	51,583
Marketing	625	103,354	75,000	77,250	79,568	81,955	84,413	-	-
General & Administrative	350	85,601	42,000	43,260	44,558	45,895	47,271	105,837	109,012
<b>Controllable Expenses Per Unit</b>		<b>6,509</b>	<b>5,459</b>	<b>5,623</b>	<b>5,791</b>	<b>5,965</b>	<b>6,144</b>	<b>6,080</b>	<b>6,262</b>
Total Operating Expenses		1,248,309	1,088,951	1,129,546	1,163,399	1,198,269	1,234,184	1,241,380	1,278,589
<b>Total Operating Expenses Per Unit</b>		<b>10,403</b>	<b>9,075</b>	<b>9,413</b>	<b>9,695</b>	<b>9,986</b>	<b>10,285</b>	<b>10,345</b>	<b>10,655</b>
Capital Reserves (Replacement Exp for Historical	250	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000
Total Expenses Incl. Reserves	9,325	1,278,309	1,118,951	1,159,546	1,193,399	1,228,269	1,264,184	1,271,380	1,308,589
<b>Net Operating Income</b>	<b>10,830</b>	<b>321,480</b>	<b>1,299,618</b>	<b>1,572,545</b>	<b>1,622,736</b>	<b>1,674,497</b>	<b>1,727,877</b>	<b>1,812,724</b>	<b>1,870,389</b>
Asset Management Fee	202	-	24,186	27,321	28,161	29,028	29,921	30,841	31,790
<b>Net Cash Flow</b>	<b>10,629</b>	<b>321,480</b>	<b>1,275,433</b>	<b>1,545,224</b>	<b>1,594,575</b>	<b>1,645,469</b>	<b>1,697,956</b>	<b>1,781,883</b>	<b>1,838,599</b>
NOI / Purchase Price		1.29%	5.20%	6.29%	6.49%	6.70%	6.91%	7.1%	7.4%
NOI / Total Acquisition Cost			4.97%	6.01%	6.20%	6.40%	6.60%	6.8%	7.0%
Debt Service			(1,175,537)	(1,174,974)	(1,174,384)	(1,173,769)	(1,173,126)	-	-
HFC Partnership Management Fee			(30,000)	(30,600)	(31,212)	(31,836)	(32,473)	(33,122)	(33,785)
HFC Backend Fee			-	-	-	-	-	-	-
Loan Proceeds (Cash Out)			-	-	-	-	-	-	-
Sales Proceeds			-	-	-	-	11,673,199	-	-
<b>Net C/F After Debt Service</b>			<b>69,896</b>	<b>339,651</b>	<b>388,978</b>	<b>439,864</b>	<b>492,357</b>		



## Appendix – Sponsor Team Bios



[www.impexcapitalgroup.com](http://www.impexcapitalgroup.com)



### Ash Shah, MBA

*General Partner*

Ash Shah is the President & CEO of IMPEX Capital Group, a Houston-based commercial real estate investment firm. The firm owns and manages over \$1.8 Billion in various properties across the US, including ~\$800 Million in Houston and Texas, in general.

To date, IMPEX has acquired over 10,000 multifamily units, 750+ new Multifamily development & Built-to-Rent Communities, 600,000 sf of Industrial & Commercial office, and 400,000 square feet of Retail & Mixed Use. Mr. Shah's schedule of real estate ownership also includes Hotels, Assisted Living with Memory Care, Storage Facility and Land parcel for housing development.

Mr. Shah currently serves as a Co-Sponsor, Key Principal or Equity Owner in over 50 properties. Prior to entering the commercial real estate sector, Ash was the founder and CEO of Impex Global, a Plastic Films, Paper and Packaging products company. After expanding the business into locations all over North America and operations in several international markets, Mr. Shah successfully sold the business to a private equity firm in 2012.

Ash holds an MBA from Thunderbird Business School of International Management, and his company has been ranked in the "Top 100" and "Fastest Growing Company" by Houston Business Journal and Inc. 5000 magazine.

Mr. Shah is also a former "International Entrepreneur of the Year" award recipient from the Indo-American Chamber of Commerce and member of Forbes Financial Council.

### Ownership & Management Experience

*Multifamily, Office, Retail, Hospitality, Senior Living, Mixed-Use, Land, Storage*





# Appendix – Sponsor Team Bios



**Vernon Young**  
*CEO*

As Chairman & CEO of Artisan/American Corp., Vernon Young is one of the most experienced apartment developers in Houston. He has built well over 10,000 units, and is a former Houston Apartment Association president. His real estate experience includes land development, production homebuilding, office, and manufactured housing. With a longtime focus on affordable housing, Vernon has developed more than 1,500 LIHTC units.



**Elizabeth Young**  
*President*

H. Elizabeth Young has been President of Artisan/American Corp. for more than 30 years, overseeing all of the firm's development, construction, operations and management of LIHTC financed housing. She is a licensed Historically Underutilized Business ("HUD") owner, and holds a Texas Real Estate license. Prior to Artisan, Elizabeth was Director of Real Estate Marketing and Research for The McCann Company in Houston.



**W. Alex Young**  
*COO*

Alex joined the firm in 2020. Formerly of A.G. Hill Partners in Dallas, Alex brings a depth of experience across:

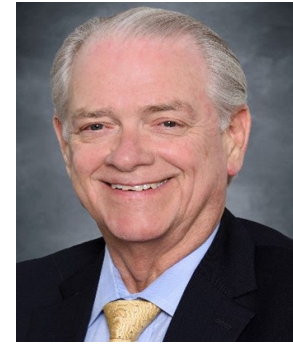
- Investments
- Transactions
- Operations
- Finance
- Legal

A licensed attorney, Alex serves as Artisan's Chief Operating Officer, and oversees all projects and legal matters. Alex received a JD/MBA degree from SMU, and a BS in Mechanical Engineering from UVA.



**William Young**  
*SVP Multifamily*

Since joining the firm in 2021, William's primary responsibilities include assessing project feasibility, acquisitions, overseeing new project development, and project management. Previously of Deloitte LLP, William served as a senior tax consultant in their tax consulting group focused on Securitization issues. William is a licensed CPA in Texas and has received his MBA degree from Rice University prior to joining the Artisan team.



**Gary Davis**  
*Director Develop.*

Gary Davis is a Certified Public Accountant, and for more than 10 years has been Development Director and Financial Controller for Artisan. Prior to joining Artisan, Gary spent 20 years with the company developing the 2,500-acre master planned community South Shore Harbor in League City, TX, where he ultimately held the role of Director of Land Development. In addition to development projects, Gary oversees Artisan's taxation and accounting functions.



**Julian Voller**  
*Inland General*

Julian is Head of Construction for Inland General Construction Co., Artisan's affiliated general contractor entity. Joining Artisan in 2022, Julian brings a wealth of construction experience, primarily focused on garden-style multifamily and single family housing. Previously of Hettig-Kahn, Julian led the construction of more than 2,000 LIHTC financed multifamily units.

\*For more information on Artisan and its Principals please visit website: [www.artisanamerican.com](http://www.artisanamerican.com)

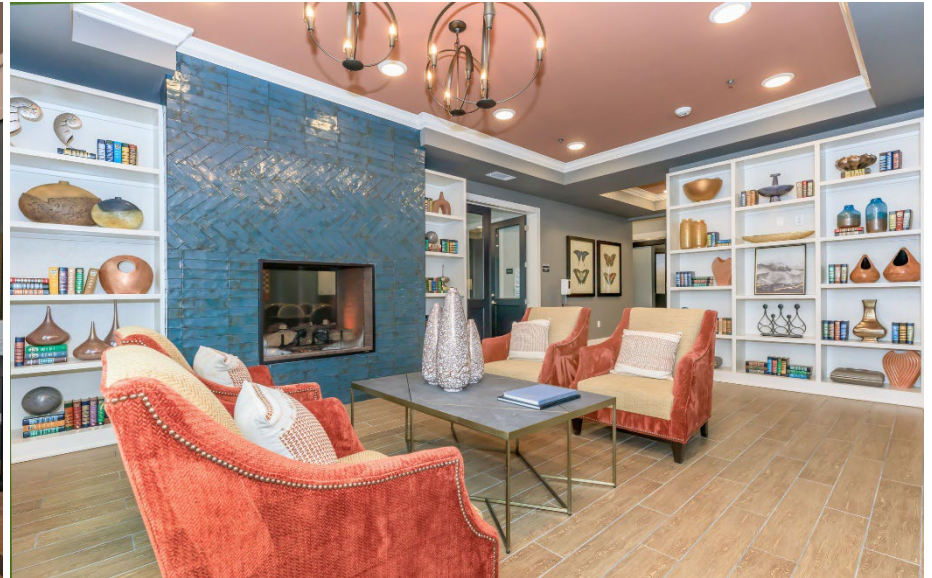


# Property Photos





# Property Photos



# Disclaimer

This presentation has been prepared by Artisan American Corp. (“Artisan”). The information contained herein is in summary form only and does not purport to be complete. This presentation does not contain all the information that is or may be material to potential investors. It should not be considered as advice or a recommendation in respect of the holding, purchasing, or selling of securities. This presentation does not take into account your particular objectives, financial situation, or needs.

By reading this presentation, you agree to be bound as follows:

- This presentation has been made to you solely for information purposes.
- This presentation may be amended and supplemented as Artisan sees fit, may not be relied upon for the purpose of entering into any transaction and should not be construed as, nor be relied on in connection with, any offer or invitation to purchase or subscribe for, underwrite or otherwise acquire, hold, or sale of any securities of Artisan American Corp. or its affiliate.
- The contents of this presentation should not be considered to be legal, tax, investment, or other advice. You should consult with your own counsel and advisers as to all legal, tax, regulatory, financial, and related matters concerning an investment in or a purchase of securities involving Artisan American Corp. and as to the suitability of any such securities for purchase by you.
- This presentation and its contents are confidential and proprietary to Artisan American Corp. No part of it or its subject matter may be reproduced, redistributed, disclosed, passed on, or the contents otherwise divulged, directly or indirectly, to any other person (excluding the relevant person’s professional advisers) or published in whole or in part for any purpose without the prior written consent of Artisan. If this presentation has been received in error, it must be returned immediately to Artisan.
- This presentation does not constitute or form a part of any offer or solicitation to purchase or subscribe for securities.
- This presentation contains forward-looking statements. These statements may include the words “believe”, “expect”, “anticipate”, “intend”, “plan”, “estimate”, “project”, “will”, “may”, “targeting”, and similar expressions as well as statements other than statements of historical facts including, without limitation, those regarding the financial position, business strategy, plans, targets, and objectives of the management of Artisan for future operations. Such forward-looking statements involve known and unknown risks, uncertainties, and other important factors which may affect Artisan’s ability to implement and achieve its plans and other development benchmarks set out in such forward-looking statements. Actual results, performance, or achievements may be materially different from future results, performance, or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding Artisan’s present and future policies and plans and the environment in which Artisan American Corp. will operate in the future. The forward-looking statements in this presentation speak only as of the date of this presentation, and do not reflect any change in expectations with regard thereto or any change in events, conditions, or circumstances on which any such statements are based.
- The information in this presentation has not been independently verified. No representation or warranty, express or implied, is made as to the fairness, accuracy, or completeness of the presentation and the information contained herein, and no reliance should be placed on it. Information in this presentation (including market data and statistical information) has been obtained from various sources (including third party sources), and Artisan American Corp. does not guarantee the accuracy or completeness of such information.