

Frequently Asked Questions:

Medical and Dental Arts Condominium Offices at Keller Town Center

In order to help answer the more common questions asked by potential buyers when considering a purchase of a condominium office space at the Medical and Dental Arts Building at Keller Town Center, we have prepared this brief list of frequently asked questions. Please recognize that this is offered for general informational purposes only and that the actual purchase contract and recorded condominium documents represent the final terms and conditions for the ownership of an office space in this community.

Q: *What is Uptown at Keller Town Center?*

Uptown at Keller Town Center (or Uptown) is a \$42 million, master-planned development composed of two distinct parcels within Keller Town Center. The larger parcel is over seven acres in size and includes the Medical and Dental Arts Building (or MDA) located along Keller Boulevard. The southern portion of the seven acre site is planned for forty-eight live/work patio homes, paired-villas and town homes. This portion of the development will be accessed primarily from Country Brook Lane. The second Uptown site is located immediately across from the fountain plaza at the corner of Town Center Boulevard and Bear Creek Parkway. This parcel includes the three-story Cornerstone mixed-use building with additional live/work townhome residences along Bear Creek Parkway and Rufe Snow Road. The entire project will be built in phases or stages with initial delivery anticipated mid-year 2008.

Q: *What is the Medical and Dental Arts Building at Keller Town Center?*

Perhaps the most basic feature of an office space is its quality or class. The quality of a building is determined by several factors including age, location, building materials and systems, amenities, overall occupancy, management and tenant profile. Office space is generally classified by class A, B, or C. The Medical and Dental Arts Building at Keller Town Center will be classified as a Class "A" building due to the fact that it is a high-quality structure that offers an excellent location and first-rate design, building systems and management. The building has been designed by the nationally-recognized design team at Gideon Toal Architects. Unlike most of the more typical "residential style" suburban office structures, the MDA Building will be an investment-grade, steel and concrete building. Key design features will include the 100% masonry exterior, metal-clad, operable wood windows, the two-story, atrium building lobby and the distinctive tower on the front façade facing Keller Boulevard. The balconies and sun terraces along the southern façade will also add significant interest to this three-story structure. In addition, a recent traffic study conducted by the City of Keller shows this very visible location to have the highest average daily vehicle count in the city with over 42,000 cars per day.

Q: *What is a medical/dental office condominium?*

A medical/dental office condominium is an office space located within a planned development or building where the health care professional can purchase and own the space he or she needs to operate their practice. Simply put, a condominium is a form of real estate ownership that allows multiple entities to own a portion of a larger building. A medical or professional office condominium is created by filing a plat and condominium declaration which defines a space within the walls of a building as a unique parcel of property with its own tax identification number. Similar to residential condominium owners, office condominium owners have their individual unit but they also own an undivided interest in the common areas of the development such as the entries, building lobby, common hallways, walkways and parking lots.

Q: *How much space is typically in a medical/dental office condominium?*

The physician or dentist can determine, in conjunction with a qualified, professional space planner, the amount of space required for his or her office space. Insight (the developer) can help purchasers coordinate their efforts with a space planners or designers to plan and design space that best facilitates the practice's needs. The office condominium spaces offered at the MDA Building (a total of thirteen spaces) range in size from 1,470 square feet to over 4,000 square feet of net, interior area.

Q. *Are multiple side-by-side units available to purchase?*

Yes. The development is designed to accommodate users of all sizes through multi-unit purchases. The largest floor (the third level) offers as much as 9,643 square feet of contiguous area (not including the common areas such as elevator, hallways, restrooms, etc).

Q. *What are the benefits of owning vs. leasing an office space?*

Like any property purchase, owning an office condominium can prove to be a sound investment through the growth of equity and long-term property appreciation. Ownership can enhance an investor's personal portfolio. In addition, a location in a Town Center environment can assure an owner that the overall quality standards will be maintained and comprehensive maintenance will help an investment both retain and build value. Ownership also allows more control over decisions about the office environment and can help build brand and image awareness for a health care practice. The most compelling reason to own versus lease medical office space is that ownership can create the opportunity to build equity and value. Leasing space will almost never create any equity or value. After a physician pays their lease payment month-after-month, year-after-year, there will almost certainly be nothing to show for that significant monthly expense. Most medical professionals will pay anywhere from \$1,000,000 to \$2,000,000 in rent or lease payments over the lifetime of a given practice. However, through condominium ownership, a health care professional will not pay rent but instead will pay a monthly mortgage payment to a mortgage lender. Over time, this reduces the mortgage balance, and simultaneously, appreciation can result in an increase of the value of the property. Finally, there can also be significant tax advantages to ownership over leasing.

Q: *What are the potential benefits of locating my professional practice in the MDA Building?*

Custom designed office suites in the MDA Building can help health care professionals create environments that best suit their needs as well as the needs of their patients. Designers and space planners can create an efficient space design that optimizes patient and staff flow, reducing wasted steps and decreasing "cycle times". Well-designed spaces can also improve patient satisfaction and practice performance. Complementary tenancies with other health care professionals can provide physicians with dynamic cross-referral potential which adds to the overall value and convenience of the facility for patients. Through proper planning and execution, practice operations enhancements at the MDA Building can even include improved physician and staff recruitment ability, improvements to your professional environment and overall market image, an attractive, comfortable, well-designed patient care setting, and finally, a prime, convenient location with high visibility.

Q: *Once I've made my purchase, can I rent my office condominium space out?*

Yes. You should note that short-term rentals will be prohibited. Any rental agreement is required to contain a minimum rental term of one year and all building occupants are subject to the same rules and regulations as defined in the condominium documents.

Q: *As an investor, who will collect the rent for my office condominium space tenant?*

As an owner, you are free to self manage your professional office condominium or choose a management company to handle all issues such as collecting rent, paying bills, handling maintenance requests and other tenant services. Most often, investor/owners choose the same management company that represents the condominium association.

Q: *As an investor, who leases my office condominium unit if it should become vacant?*

Decisions on how and who leases your unit or units are controlled entirely by you, the owner. You have several options in this regard. If you hire a management company, a leasing agent from that company can usually provide leasing services. If you hire the management company that manages the association they may be able provide this service or you may lease the unit yourself.

Q: *What type of businesses will be allowed in the MDA Building?*

The uses in this building are not limited only to medical or dental related fields. Acceptable uses include general office, counseling, any type of medical or dental facilities, and general office/retail. The City of Keller has specific prohibitions against certain uses which can be found in the guidelines for the Town Center Zoning District.

Q: *Are there signage regulations or guidelines for these businesses?*

Yes. The MDA Building will have appropriate sign regulations. These guidelines are currently being reviewed by the City of Keller and have not been finalized. There will be a "Town Center" masonry, monument sign located in the Keller Boulevard right-of-way in front of the building. In addition, the building will be clearly identified as "The Medical and Dental Arts Building at Keller Town Center" with large, lighted sign located on the building face, near the top west corner, facing Keller Boulevard. In addition, it is anticipated that there will be three tenant signs located above entry doors at the individual space entries on the ground level. Second and third level spaces will be identified on the Keller Boulevard monument sign as well as in the interior building lobby directory. Please note that this comprehensive signage plan is pending formal approval by City of Keller.

Q: *Who operates the overall condominium office building?*

The interior of your condominium office unit is your responsibility. The Uptown at Keller MDA Association (Association) is owned, pro-rata, by the unit owners (and initially the Declarant) and will be primarily responsible for maintaining and enforcing all rules and restrictions set forth in the condominium documents and by the Association. In addition, the Association is responsible for the management of the common elements of the condominium building such as the exterior (shell), interior common areas (hallways and lobbies) and exterior common areas (parking lots). The Association hires a management company to be responsible for the maintenance and care of the common areas, paying all bills related to the common areas and collecting association dues. Membership in the Association is mandatory, and the Association will collect fees from all members. The association, through the declarations, by-laws and condominium documentation directs the property management company to property manage, protect, improve and maintain the land, building, lobby, etc. The Board of Directors, comprised of a vote of unit owners, will be responsible for budgets, choosing a management company, and election of officers for the Board. The Board presents a budget and the members discuss and vote on approvals or revisions, typically at an annual meeting. You may attend these meetings or send a designee. The Association budgets money for current

needs, as well as, long term capital improvements for items such as parking lot repairs or long-term capital improvements.

Q: *What are Association fees and how are these fees calculated?*

As an office condominium owner, these will be your prorated share of fees paid on a monthly basis. Fees will depend primarily on the size of your condominium office space. The Association fees cover, among other things, expenses related to the maintenance of the landscape, parking and interior common spaces, property and liability insurance, property taxes, common area electricity (unit electricity is individually metered), water/sewer, elevator maintenance, capital improvements and reserves. The comprehensive projected annual budget for fiscal year 2009 is included as exhibit "E" in the Condominium Information Statement. From this initial projected annual budget, expenses are divided to each condominium office space based on the square footage of a unit in relation to the total square footage of all units in the MDA. Future fees will be calculated from budgets prepared by the Association. The initial estimated monthly and annual fee calculations are also included as an exhibit to the Condominium Information Statement.

Q: *Who will manage the Association?*

Initially, an Uptown business entity will manage the Association, but over time the Association will be managed by a board of directors consisting of members of the Association (i.e., the property owners). The management of the Association is carefully detailed in the Bylaws of the Association document.

Q: *Who maintains the Keller Town Center landscape, waterways, street lighting, etc.?*

There is an existing property owners association for the common areas of Keller Town Center (currently, this zoning district encompasses almost 340 acres). The fees for the property owners association are accounted for in your Association dues. The public streets (including Bear Creek Parkway, Country Brook Lane, and Town Center Lane), waterways and walkways are maintained by the City of Keller.

Q: *What insurance am I responsible for?*

You will be required to obtain and maintain content liability insurance for your condominium office space. The Association will address any insurance needs for the common spaces. Since the MDA is planned for condominium ownership, the Association will also be responsible for insuring the structure. The cost for insurance of the overall structure and common areas is included in the budget of the condominium association.

Q: *How will parking be handled?*

Each condominium office space will be provided one reserved parking space. In addition, there are parking spaces located around the MDA for visitors and employees. Since the neighborhood is part of Keller Town Center, there is shared parking with the other individual projects within the community.

Q: *Will there be security?*

Uptown is planned as an open community without the inconvenience of security gates. The MDA will have secured entries into the common areas of the building. These entries will not be manned, but will be monitored by the electronic system used to secure the individual doors.

Q: *What are common areas in an office condominium development?*

Within all condominium developments there are areas and amenities that will benefit all of the users (owners) and/or visitors. These areas include parking, landscaping, the building foyer, lighting, sidewalks, trash areas, ingress and egress access to the parking and the buildings, elevator, maintenance/utility closets, stairways, etc. These areas are identified in the condominium documents as the common areas.

Q: *Why do prices of the various office condominium spaces vary at MDA?*

Generally, prices vary from location in the building, size, Views and closeness to top floor, level of interior finishes and features desired, and amenities that may be specific to a particular space. Some spaces are located on the ground level, while others include features such as private balconies or higher ceilings.

Q: *Whom do I contact to make my space selection and purchase process at MDA?*

The process to purchase a space at MDA is easy! Please contact Troy George or Ashley Farhat at (817) 410-8769 or directly by email at ashley@troygeorge.com for information on how to make your space reservation and complete the formal purchase contract.

Q: *Where can I access more information regarding the MDA?*

The www.MDAKeller.com website features a full motion, 3D model of the Medical and Dental Arts Building at Keller Town Center. This model will allow you to see all sides of the structure as well as the interior spaces. In addition, the website includes important demographic data, a project brochure and the full condominium document package (information statement, declaration, HOA bylaws, regulations, etc).

Q: *When can I actually enter into a purchase agreement and select my space?*

The full project design and condominium documentation has been completed. With these documents in place, the process of completing purchase agreements and unit location/size selections can begin. At the time of contract, an initial deposit of \$10,000 will be required and placed in escrow with the title company. We have selected Hexter-Fair Title Company, 601 Southlake Boulevard, Suite 500, Southlake, Texas 76092, Attention: Lori McDaniel, as the escrow agent. Please make all escrow payments payable to Hexter-Fair Title Company. All escrow deposits will be placed into an interest-bearing account and held until closing. All interest accrued will be applied towards your closing costs at the time of closing. The next step is not until you go to closing upon completion of the shell of your office unit. There will be a final closing as well for the interior build-out if you choose to have your interior work done by our general contractor.

Q: *Once completed, can I assign my purchase contract to another entity or buyer?*

Yes, but only with the written consent of the Declarant.

Q: *Who is paying the typical closing costs for a purchase of condominium office in the MDA Building?*

The seller will pay for the tax certificate, preparation of warranty deed and release of lien. The buyer is responsible for the remaining closing costs, including any finance related costs and the title policy.

Q: *When will construction of the MDA Building start?*

The site construction permit was issued in April and clearing and erosion control started the following week. The final building permit for the full structure will be issued by the city of Keller within the next several weeks and full construction will follow immediately.