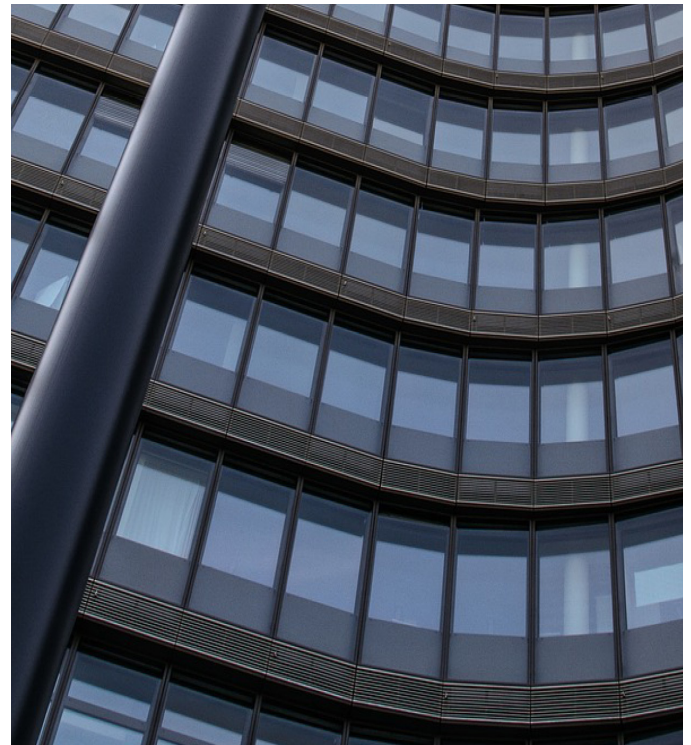


Whitley Penn offers a powerful breadth and depth of audit, accounting and tax services to real estate developers and investors with properties around the country and in select international markets. Our clients get local pricing and decision-makers who thoroughly know the industry, and its time-sensitive deadlines and tax-driven market dynamics.

Given the maxim in this industry that time is money, clients appreciate that our turnaround on projects is quick, yet we have the focused skills to advise on the most complex tax and accounting issues. Our involvement in leading industry groups like The Real Estate Council (TREC) ensures that we keep current on the latest market developments.

Audit Services

We add value in auditing by making sure the Whitley Penn team who handles your account is fully engrained in your business activity, so we can advise on financial impacts as they arise throughout the year. Our clients include developers of lots, multi-family, residential, retail and commercial properties; real estate service providers; and investors. We also perform construction and lease audits for our clients when needed, as well as agreed-upon procedures and comfort letters. We audit and advise real estate entities when completing an IPO, as well as their ongoing compliance once they become a public company. We audit public and private companies across all segments of the real estate industry, including REIT's. Many of our professionals have also worked in industry and are licensed real estate brokers so we understand the realities of our client's side of the desk.



Tax Consulting

Whitley Penn offers sophisticated solutions for complex tax challenges in structuring like-kind exchanges, tax-efficient real estate transactions and tax-free reorganizations, giving the most tax-favorable capital gains treatment while maximizing advantages from amortization, depreciation and borrowing costs. Often, after our initial review of previous tax returns, we can identify what should have been done in earlier years to maximize tax benefits and ensure that it's done going forward.

We put special emphasis on preparing Schedule K-1 for reporting partnership income deductions and credits, and know that timely distribution is crucial for real estate interests. One of our clients requires 10,000+ K-1s each year and we handle them all – right, and on time.

In broader contexts we can undertake cost segregation studies and review lease rates to anticipate any possible future problems involving income tax consequences, property tax assessments or financing.

Whitley Penn has consistently been named among the top 25 firms in the country by *INSIDE Public Accounting*. We believe our success has been accomplished by focusing on the quality of our services and developing a quality team of professionals. Our culture of growth has allowed us to minimize professional staff turnover, which allows us to fulfill our commitment to staff continuity to our clients.

Virtual Back Office Accounting Services

Whitley Penn's unique VBO/Accounting Services group can be an outsourced bookkeeping and financial resource. Our group can handle accounting system change and implementation, and bridge the gap with accounting services work when there is employee turnover. Our Accounting Services team ensures that there are appropriate controls and accounting systems in-house. For general transaction matters, we will perform the documentation of the consolidation process.



Real Estate Partnerships

We structure partnership arrangements as pass-through tax entities, developing all necessary documentation in accordance with complex and changing tax law. That includes extensive advice to general and limited partnerships, limited liability companies and joint ventures. We advise partnerships in many forms, each with their own tax advantages and special organizational requirements. No partnership is too large or complex, and we also advise on small private partnerships between individuals for real estate investment purposes.

Because many of our partnership clients are flow-through entities, where taxation happens at the partner level, we act as an effective line of defense against tax errors that might not otherwise be caught at the corporate level.

Tax Planning

We are adept at saving our clients substantial sums of money through innovative advice on structuring the sale of real property into trusts, partnerships and LLCs to secure the tax advantages. Similarly, for large, multi-investor transactions involving real estate investment trusts, we undertake the tax planning of real estate asset acquisitions and divestitures. That includes structuring partnership units to acquire real estate or other entities, with special emphasis on 1031 like-kind property exchanges involving shopping centers, debt restructuring and other purposes.