

Section 14.08. Severability; Waiver.

If any provision of this Agreement is illegal, invalid, or unenforceable, under present or future laws, it is the intention of the parties that the remainder of this Agreement not be affected and, in lieu of each illegal, invalid, or unenforceable provision, a provision be added to this Agreement which is legal, valid, and enforceable and is as similar in terms to the illegal, invalid, or enforceable provision as is possible.

Any failure by a Party to insist upon strict performance by the other party of any material provision of this Agreement will not be deemed a waiver or of any other provision, and such Party may at any time thereafter insist upon strict performance of any and all of the provisions of this Agreement.

Section 14.09. No Third-Party Beneficiaries.

The City and the Developer intend that this Agreement shall not benefit or create any right or cause of action in or on behalf of any third party beneficiary, or any individual or entity other than the City, the Developer or assignees of such Parties.

Section 14.10. Notice of Assignment. Developer shall transfer the Property only in compliance with Section 3.05 herein. Subject to Section 14.03 herein, the requirements set forth below shall apply in the event that the Developer sells, assigns, transfers or otherwise conveys the Property or any part thereof and/or any of its rights, benefits or obligations under this Agreement. Developer must provide the following:

- (a) within 30 days after the effective date of any such sale, assignment, transfer, or other conveyance, the Developer must provide written notice of same to the City;
- (b) the notice must describe the extent to which any rights or benefits under this Agreement have been sold, assigned, transferred, or otherwise conveyed;
- (c) the notice must state the name, mailing address, and telephone contact information of the person(s) acquiring any rights or benefits as a result of any such sale, assignment, transfer, or other conveyance; and
- (d) the notice must be signed by a duly authorized person representing the Developer.

Section 14.11. No Joint Venture.

Nothing contained in this Agreement or any other agreement between the Developer and the City is intended by the Parties to create a partnership or joint venture between the Developer, on the one hand, and the City on the other hand and any implication to the contrary is hereby expressly disavowed. It is understood and agreed that this Agreement does not create a joint enterprise, nor does it appoint either Party as an agent of the other for any purpose whatsoever. Neither Party shall in any way assume any of the liability of the other for acts of the other or obligations of the other. Each Party shall be responsible for any and all suits, demands, costs or actions proximately resulting from its own individual acts or omissions.

Section 14.12. Estoppel Certificates. From time to time within fifteen (15) business days of a written request of the Developer or any future Developer, and upon the payment of a \$500.00 fee to the City, the City Administrator, or his/her designee is authorized, in his official capacity and to his reasonable knowledge and belief, to execute a written estoppel certificate in form approved by the City Attorney, identifying any obligations of a Developer under this Agreement that are in default.

Section 14.13. Independence of Action.

It is understood and agreed by and among the Parties that in the design, construction and development of the Public Improvements and any of the related improvements described herein, and in the Parties' satisfaction of the terms and conditions of this Agreement, that each Party is acting independently, and the City assumes no responsibility or liability to any third parties in connection to the Developer's obligations hereunder.

Section 14.14. Limited Recourse.

No officer, director, employee, agent, attorney or representative of the Developer shall be deemed to be a Party to this Agreement or shall be liable for any of the contractual obligations created hereunder. No owner of the Property on the Effective Date, other than the Developer, is a party to this Agreement, nor shall any such owner be liable for any of the contractual obligations created hereunder. No elected official of the City and no agent, attorney or representative of the City shall be deemed to be a Party to this Agreement or shall be liable for any of the contractual obligations created hereunder.

Section 14.15. Exhibits.

All exhibits to this Agreement are incorporated herein by reference for all purposes wherever reference is made to the same.

Section 14.16. Survival of Covenants.

Any of the representations, warranties, covenants, and obligations of the Parties, as well as any rights and benefits of the Parties, pertaining to a period of time following the termination of this Agreement shall survive termination.

Section 14.17. No Acceleration.

Any amounts due pursuant to this Agreement and any remedies under this Agreement are not subject to acceleration.

Section 14.18. No Reduction of Assessments.

Following the issuance of any series of PID Bonds, the City and Developer agree not to take any action or actions to reduce the total amount of the Assessments securing such PID Bonds (except a reduction in Assessments resulting from the issuance of refunding bonds, or through application of TIRZ Revenues as described in Section 3.06). The Developer agrees not to take any

action or actions to reduce the total amount of such Assessments securing such PID Bonds to be levied as of the effective date of this Agreement.

Section 14.19. Anti-Boycott Verification.

The Developer hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not boycott Israel and, to the extent this Agreement is construed to be a contract for goods or services, will not boycott Israel during the term of this Agreement. The foregoing verification is made solely to comply with Section 2271.002, Texas Government Code, but only to the extent such section is applicable, and to the extent such section does not contravene applicable Federal law. As used in the foregoing verification, ‘boycott Israel’ means refusing to deal with, terminating business activities with, or otherwise taking any action that is intended to penalize, inflict economic harm on, or limit commercial relations specifically with Israel, or with a person or entity doing business in Israel or in an Israeli-controlled territory, but does not include an action made for ordinary business purposes. The Developer understands ‘affiliate’ to mean an entity that controls, is controlled by, or is under common control with the Developer and exists to make a profit.

Section 14.20. Iran, Sudan and Foreign Terrorist Organizations

The Developer represents that neither it nor any of its parent company, wholly- or majority-owned subsidiaries, and other affiliates is a company identified on a list prepared and maintained by the Texas Comptroller of Public Accounts under Section 2252.153 or Section 2270.0201, Texas Government Code, and posted on any of the following pages of such officer’s internet website: <https://comptroller.texas.gov/purchasing/docs/sudan-list.pdf>, <https://comptroller.texas.gov/purchasing/docs/iran-list.pdf>, or <https://comptroller.texas.gov/purchasing/docs/fto-list.pdf>. The foregoing representation is made solely to comply with Section 2252.152, Texas Government Code, and to the extent such section does not contravene applicable Federal law and excludes the Developer and each of its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, that the United States government has affirmatively declared to be excluded from its federal sanctions regime relating to Sudan or Iran or any federal sanctions regime relating to a foreign terrorist organization. The Developer understands “affiliate” to mean any entity that controls, is controlled by, or is under common control with the Developer and exists to make a profit.

Section 14.21. Ethics Disclosure.

Developer represents that it has completed a TEC form 1295 (“Form 1295”) generated by the TEC’s electronic filing application in accordance with the provisions of Texas Government Code 2252.908 and the rules promulgated by the TEC. The Parties agree that, with the exception of the information identifying the City and the contract identification number, the City is not responsible for the information contained in the Form 1295. The information contained in the

Form 1295 has been provided solely by the Developer and the City has not verified such information.

Section 14.22. Governing Law.

The Agreement shall be governed by the laws of the State of Texas without regard to any choice of law rules; and venue for any action concerning this Agreement, the PID Reimbursement Agreement and the TIRZ Reimbursement Agreement shall be in the State District Court of Collin County, Texas. The Parties agree to submit to the personal and subject matter jurisdiction of said court.

Section 14.23. Reservation of Rights.

(a) THE DEVELOPER DOES NOT, BY ENTERING INTO THIS AGREEMENT, WAIVE (AND THE DEVELOPER EXPRESSLY RESERVES) ANY RIGHT THAT THE DEVELOPER MAY NOW OR HEREAFTER HAVE WITH RESPECT TO ANY CLAIM: (A) OF "VESTED" OR PROTECTED DEVELOPMENT OR OTHER PROPERTY RIGHTS ARISING FROM CHAPTERS 43 OR 245 OF THE TEXAS LOCAL GOVERNMENT CODE, AS AMENDED, OR OTHERWISE ARISING FROM COMMON LAW OR OTHER STATE OR FEDERAL LAWS; (B) THAT THE IMPACT FEES CHARGED BY THE CITY IN CONNECTION WITH THE DEVELOPMENT OF THE PROPERTY VIOLATE CHAPTER 395 OF THE TEXAS LOCAL GOVERNMENT CODE, AS AMENDED, OR ANY OTHER LOCAL, STATE, OR FEDERAL LAW; (C) THAT ANY ACTION BY THE CITY CONSTITUTES A "TAKING" OR INVERSE CONDEMNATION OF ALL OR ANY PORTION OF THE PROPERTY OR AN ILLEGAL EXACTION; OR (D) THAT ANY OTHER ACTION BY THE CITY, INCLUDING, BUT NOT LIMITED TO, THE ADOPTION OF ANY CITY REGULATIONS OR APPLICABLE LAWS, OR APPLICATION OF ANY CITY REGULATIONS OR APPLICABLE LAWS TO THE PROPERTY, VIOLATES ANY LOCAL, STATE OR FEDERAL LAW.

Section 14.24. Conflict.

In the event of any conflict between this Agreement and any City Regulation, this Agreement, including any exhibit or attachment, shall control. In the event of any conflict between this Agreement and any Indenture relating to any series of PID Bonds, the Indenture controls. In the event of any conflict between this Agreement and the PID Reimbursement Agreement, the PID Reimbursement Agreement shall control, and in the event of any conflict between this Agreement and the TIRZ Reimbursement Agreement, the TIRZ Reimbursement Agreement shall control, except that in all cases, Applicable Law shall control.

Section 14.25 Agricultural Exemption. The City acknowledges that some or all of the Property may now have and/or may in the future have an agricultural, open-space, timber, or wildlife management use tax classification ("Agricultural Exemption"). Prior to the issuance of a series of PID Bonds, the Parties will execute an Agreement Regarding Conveyance of Right of Redemption and Waiver of Agricultural Valuation ("Agricultural Exemption Waiver Agreement") in a form agreed to by the City and the Developer, for the area for which Assessments are to be levied for payment of debt service on the PID Bonds. The Agricultural Exemption Waiver

Agreement will determine the timing for the removal of the Agricultural Exemption; provided, however, the Parties agree that prior to the issuance of a series of PID Bonds the City may request removal of the Agricultural Exemption from the portion of the Property benefited by the PID Bonds and the Developer shall upon such request remove such Agricultural Exemption for such portion of the Property.

Section 14.26 Binding Obligations. This Agreement and all amendments hereto and assignments hereof shall be recorded in the real property records of Collin County. This Agreement binds and constitutes a covenant running with the Property. Upon the Effective Date, this Agreement shall be binding upon the Parties and their successors and assigns permitted by this Agreement and forms a part of any other requirements for development within the Property. This Agreement, when recorded, shall be binding upon the Parties and their successors and assigns as permitted by this Agreement and upon the Property; however, this Agreement shall not be binding upon, and shall not constitute any encumbrance to title as to, any End-Buyer of a Fully Developed and Improved Lot except for land use and development regulations, including the City Regulations, that apply to such lots.

Section 14.27 Verification Regarding Energy Company Boycotts. To the extent this Agreement constitutes a contract for goods or services for which a written verification statement is required under Section 2274.002 (as added by Senate Bill 13 in the 87th Texas Legislative Session), Texas Government Code, as amended, the Developer hereby verifies that it and its parent company, wholly- or majority- owned subsidiaries, and other affiliates, if any, do not boycott energy companies and, will not boycott energy companies during the term of this Agreement. The foregoing verification is made solely to comply with Section 2274.002, Texas Government Code, as amended, to the extent Section 2274.002, Texas Government Code does not contravene applicable Texas or federal law. As used in the foregoing verification, “boycott energy companies” shall have the meaning assigned to the term “boycott energy company” in Section 809.001, Texas Government Code. The Developer understands “affiliate” to mean an entity that controls, is controlled by, or is under common control with the Developer and exists to make a profit.

Section 14.28 Verification Regarding Discrimination Against Firearm Entity or Trade Association. To the extent this Agreement constitutes a contract for goods or services for which a written verification statement is required under Section 2274.002 (as added by Senate Bill 19 in the 87th Texas Legislative Session, “SB 19”), Texas Government Code, as amended, the Developer hereby verifies that it and its parent company, wholly- or majority- owned subsidiaries, and other affiliates, if any,

(1) do not have a practice, policy, guidance or directive that discriminates against a firearm entity or firearm trade association; and

(2) will not discriminate during the term of this Agreement against a firearm entity or firearm trade association.

The foregoing verification is made solely to comply with Section 2274.002, Texas Government Code, as amended, to the extent Section 2274.002, Texas Government Code does not contravene applicable Texas or federal law. As used in the foregoing verification, “discriminate against a firearm entity or firearm trade association” shall have the meaning assigned to such term

in Section 2274.001(3) (as added by SB 19), Texas Government Code. The Developer understands “affiliate” to mean an entity that controls, is controlled by, or is under common control with the Developer and exists to make a profit.

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CITY OF LAVON

By: Vicki Sanson
Name: VICKI SANSON
Title: Mayor

ATTEST:

Rae Norton
City Secretary



[SIGNATURES CONTINUE ON NEXT PAGE]

Developer:

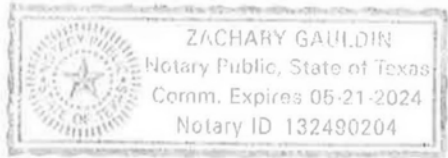
MA ELEVON 429, LLC,
a Texas limited liability company

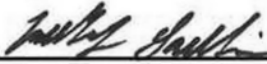
By: MA Partners, LLC,
a Texas limited liability company, its sole manager

By: 
John D. Marlin, Manager

STATE OF TEXAS §
 §
COUNTY OF Dallas §

This instrument was acknowledged before me on the 2 day of November, 2021 by John D. Marlin, Manager of MA Partners, LLC, a Texas limited liability company sole manager of MA Elevon 429, LLC, a Texas limited liability company, on behalf of said company.




Notary Public, State of Texas

PETRO-HUNT, L.L.C.,
a Texas limited liability company

By: Elizabeth Babb

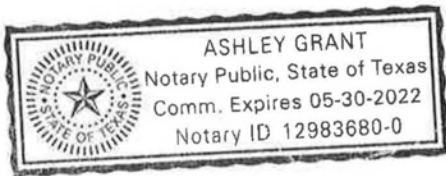
Name: Elizabeth Babb

Title: General Counsel

THE STATE OF TEXAS §

COUNTY OF Dallas §

This instrument was acknowledged before me on this the 19 day of October, 2021, by Elizabeth Babb, General Counsel of Petro-Hunt, LLC, a Texas limited liability company.



Ashley Grant
Notary Public and for
the State of Texas

WORLD LAND DEVELOPERS, LP,
a Texas limited partnership

By: World Land Developers GP, LLC,
a Texas limited liability company,
its general partner

By: 

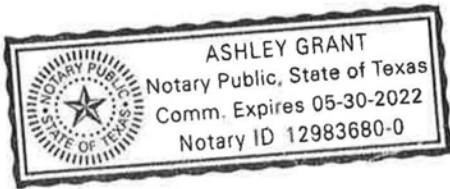
Name: Carter W. Hunt

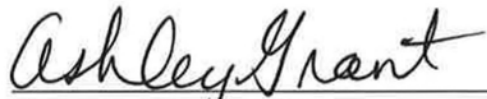
Title: Vice President

THE STATE OF TEXAS §

COUNTY OF Dallas §

This instrument was acknowledged before me on this the 19 day of October, 2021, by Carter W. Hunt, Vice President of World Land Developers GP, LLC, general partner of World Land Developers, LP, a Texas limited partnership.




Notary Public in and for
the State of Texas

EAST LAVON PARTNERS, LP,
a Texas limited partnership

By: Pitman Investments, LLC,
a Texas limited liability company,
its general partner

By: 

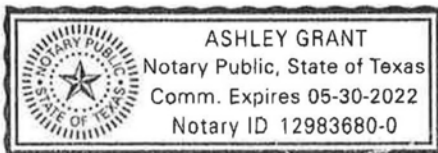
Name: Carter W. Hunt

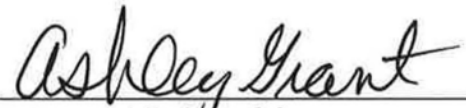
Title: Vice President

THE STATE OF TEXAS §

COUNTY OF Dallas §

This instrument was acknowledged before me on this the 19 day of October, 2021, by Carter W. Hunt, Vice President of Pitman Investments, LLC, general partner of East Lavon Partners, LP, a Texas limited partnership.




Notary Public in and for
the State of Texas

78 STRADDLE, LP,
a Texas limited partnership

By: Pitman Investments, LLC,
a Texas limited liability company,
its general partner

By: *[Signature]*

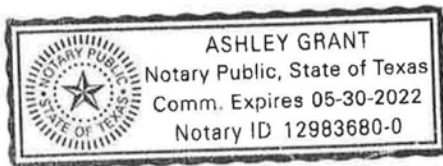
Name: Carter W. Hunt

Title: Vice President

THE STATE OF TEXAS §

COUNTY OF Dallas §

This instrument was acknowledged before me on this the 19 day of October, 2021, by Carter W. Hunt, Vice President of Pitman Investments, LLC, general partner of 78 Straddle, LP, a Texas limited partnership.



Ashley Grant
Notary Public in and for
the State of Texas

FAR EAST LAVON, LP,
a Texas limited partnership

By: Pitman Investments, LLC,
a Texas limited liability company,
its general partner

By: *Carter W. Hunt*

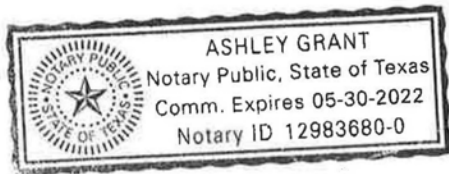
Name: Carter W. Hunt

Title: Vice President

THE STATE OF TEXAS §

COUNTY OF Dallas §

This instrument was acknowledged before me on this the 19 day of October, 2021, by Carter W. Hunt, Vice President of Pitman Investments, LLC, general partner of Far East Lavon, LP, a Texas limited partnership.



Ashley Grant
Notary Public and for
the State of Texas

EXHIBIT A-1
PROPERTY DESCRIPTION AND MAP

Exhibit A-1

Notice:

A complete copy of the Development Agreement, including all Exhibits thereto can be requested from the City by contacting the City through its contacts listed on page i of this Limited Offering Memorandum.

APPENDIX H

APPRAISAL OF ZONE 1 OF DISTRICT

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January 5, 2022

Ms. Kim Dobbs
City Administrator
City of Lavon
120 School Road
Lavon, TX 75166

Mr. R.R. "Tripp" Davenport, III
Director
FMSbonds, Inc
5 Cowboys Way, Ste. 300-25
Frisco, TX 75034

SUBJECT: Market Value "As Complete" Appraisal
Elevon Public Improvement District 2
East side of SH-78, south of FM-6, North of Watkins Rd
Lavon, Collin County, Texas 75166

Dear Ms. Dobbs and Mr. Davenport,

At your request, we inspected and appraised the above-referenced property. The purpose of the appraisal is to develop an opinion of market value of the fee simple interest for the following:

- Prospective Market Value at Completion (Improvement Section 2: Pod 2A, 2C, 2B-1 and 2D; 935 finished lots) as of April 1, 2023
- Prospective Market Value at Completion (Improvement Section 2: Pod 2B-2 and 2E; 452 finished lots) as of October 1, 2024

The clients for the assignment are the City of Lavon and FMSbonds, Inc., and the intended use is for the underwriting of a proposed public improvement district (PID) bond transaction. This appraisal is not for purposes of determining the amount of any assessments to be levied by the City, nor it is the basis upon which a determination of the benefit any constructed or installed public improvements will have on properties within the "PID".

The subject represents a total of approximately 429.291 acres located within the improvement district. All lots are located within the Community Independent School District. The development will comprise the following 2 phases and 6 sections:

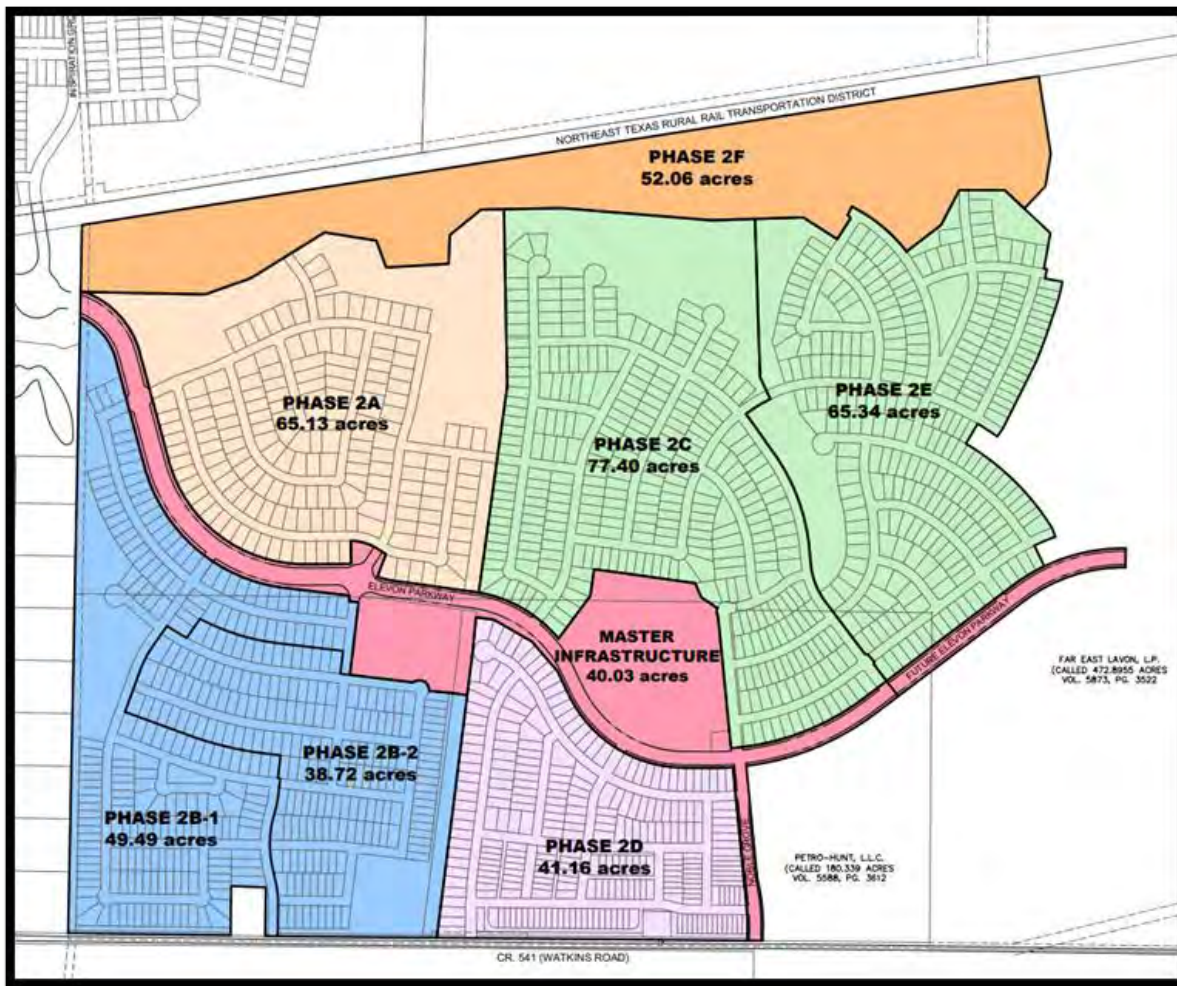
Phase I will consist of 935 total single family residential lots within **Sections 2A** (92-60'x120' lots and 76-70'x'120' lots); **Section 2B-1** (101-40'x120' lots and 97-50'x120' lots); **Section 2C** (39-40'x100' lots, 68-45'x120' lots, 152-50'x120' lots and 51-60'x120' lots); and **Section 2D** (44-26'x100' lots, 37-31'x105' lots, 12-33'x105' lots, 28-35'x105' lots, 37-40'x110' lots, 16-40'x120' lots, 22-40'x130' lots and 63-50'x120' lots).

Phase II consists of 452 finished within **Section 2B-2** (101-40'x120' lots and 88- 50'x120' lots) and **Section 2E** (42- 40'x120' lots, 61-45'x120' lots, 115-50'x120' lots and 45-60'x120' lots).

The townhome lots (31'x105', 33'x105' and 35'x105' lots in **Section 2D**) are rear entry with alleys, all other lots are front entry. The property is not currently zoned as it is within the Lavon Extraterritorial Jurisdiction (ETJ). Substantial completions are expected on April 1, 2023 (Phase I) and October 1, 2024 (Phase II).

A table of the proposed lots is shown below as well as a concept plan provided by JBI Partners:

Lot Width (Feet Frontage)	Pod 2A	Pod 2B	Pod 2C	Pod 2D	Pod 2E	Total Lots
26'				44		44
31'				37		37
33'				12		12
35'				28		28
40'		202	39	75	42	358
45'			68		61	129
50'		185	152	63	115	515
60'	92		51		45	188
70'	76					76
TOTAL LOTS	168	387	310	259	263	1387





This appraisal report is intended to conform with the Uniform Standards of Professional Appraisal Practice (USPAP), the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute, and applicable state appraisal regulations.

To report the assignment results, we use the Appraisal Report option of Standards Rule 2-2(a) of USPAP. Based upon the valuation analysis in the accompanying report, and subject to the definitions, assumptions, and limiting conditions expressed in the report, our opinion of value is as follows:

Elevon PID, Lavon, TX 75166			
<i>As Complete, Fee Simple Interest</i>			
	Cost	Income	Sales
Elevon Phase 1	\$67,000,000	\$60,000,000	N/A
935 Lots Completed April 1, 2023			
Final Market Value Opinion	\$62,000,000		
<i>As Complete, Fee Simple Interest</i>			
	Cost	Income	Sales
Elevon Phase 2	\$34,700,000	\$30,000,000	N/A
452 Lots Completed October 1, 2024			
Final Market Value Opinion	\$32,000,000		

Extraordinary Assumptions and Hypothetical Conditions

The value conclusions are subject to the following **extraordinary assumptions** that may affect the assignment results. An extraordinary assumption is uncertain information accepted as fact. If the assumption is found to be false as of the effective date of the appraisal, we reserve the right to modify our value conclusions. Extraordinary assumptions are used as the lots are to be delivered as finished developed lots by the dates utilized in this report.

- Our opinions of prospective market value at completion assumes that the proposed improvements are completed in accordance with plans and specifications submitted by the engineer of the project, JBI Partners, as of April 1, 2023, for the 935 improved finished lots in Phase I and October 1, 2024, for the 452 finished lots in Phase II.
- All information relative to the undeveloped property located within the Elevon Public Improvement District (Phase I and II) including land areas, lot totals, lot sizes, and other pertinent data that was provided by JBI Partners (engineering/planning/surveying), FMSbonds, MA Development, LLC (owner/developer), the City of Lavon, Economic Development Corporation City of Lavon, and the Collin Central Appraisal District is assumed to be correct.
- Developer construction costs provided by JBI Partners, Inc (TBPE No. F-438) being a licensed professional engineering firm with the state of Texas are accurate (having been reviewed by both the master developer and the builders who are under contract to purchase finished lots in a bulk sale) and reflect the necessary costs associated with providing finished lots to home builders
- The subject is proposed residential lot development construction with two different expected completion dates; therefore, this report contains two prospective opinions of value. Considering this, we have assumed that the market conditions as discussed and considered within this report will be similar on the



prospective valuation dates. Further, we cannot be held responsible for unforeseeable events (such as a COVID-19 resurgence or other type) that alter market conditions prior to the prospective effective dates.

The value conclusions are based on the following **hypothetical conditions** that may affect the assignment results. A hypothetical condition is a condition contrary to known fact on the effective date of the appraisal but is supposed for the purpose of analysis.

- No Hypothetical Conditions are used in this report.

The use of any extraordinary assumption or hypothetical condition has affected the assignment results.

We are not qualified to detect or identify hazardous substances, which may, or may not be present on, in, or near this property. The presence of hazardous materials may negatively affect value. We have valued the subject property as though free of hazardous materials. We urge the user of this report to obtain the services of a specialist for the purpose of conducting an environmental audit to ensure that the subject property is free of hazardous materials.

Based on our investigation of the available market data, including sales of similar properties and conversations with brokers and individuals active in the local area, the time that would be required to effectively expose each lot to the market is estimated to be 3-12 months from the completed construction date listed in this appraisal. As Developed, it is expected the lots will take up to 4 years to effectively be marketed and absorbed.

Attached is our Appraisal Report which summarizes the investigation and analyses undertaken in arriving at our value conclusions. Should you have any questions, please contact our office.

Respectfully submitted,

Peyco Southwest Realty

James L. Maibach, *C.P.M.*
TX-1323658
State Certified General Real Estate Appraiser

Sheridan Engel
TX- 1342474
Appraiser Trainee



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EXECUTIVE SUMMARY

Subject Property	
Property Name	Elevon Public Improvement District
Property Type	Subdivision Development
Location	1 Mile East of Central Lavon, North of CR 541, East of CR 540
City, County, State, Zip	Lavon, TX 75166
Owner of Record	Far East Lavon LP, Petro-Hunt LLC (under contract to sell)
Future Owner	MA Partners, LLC
Tax ID	1290150
Census Tract	313.17
Collin Appraisal District Account No.	2810505 & 2810519
Land Area	
Pod 2A	65.135-Acres
Pod 2B	88.190-Acres
Pod 2C	77.398-Acres
Pod 2D	40.661-Acres
Pod 2E	65.340-Acres
Master Infrastructure	40.034-Acres
TOTAL	376.758-Acres
FEMA Flood Zones	100% Zone X in Developed Lot Areas
FEMA Panel	48085C0445J (Effective 06/2/2009)
Utilities	
Water	Bear Creek SUD (Pods 2A & 2B); Nevada SUD Pods (2C, 2D, & 2E)
Sewer	City of Lavon
Electric	Oncor
Natural Gas	Atmos
Zoning (Lavon ETJ)	None
Future land use	Residential Subdivision
Date of Inspection	October 11, 2021
Date of Valuation	Phase 1 - April 1, 2023; Phase 2 - October 1, 2024
Report Date	January 5, 2022
Absorption Period	Phase 1 - 24-36 months; Phase 2 - 18-30 months



CERTIFICATION

We certify that, to the best of our knowledge and belief...

- (1) The statements of fact contained in this report are true and correct.
- (2) The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are our personal, impartial, and unbiased professional analyses, opinions and conclusions.
- (3) We have no present or prospective interest in the property that is the subject of this analysis, and we have no personal interest with respect to the parties involved.
- (4) We have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- (5) Our compensation for completing this assignment is not contingent on an action or event resulting from the analyses, opinions, or conclusions in, or use of, this report, or upon developing or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal. Our engagement in this assignment is not contingent upon developing or reporting predetermined results.
- (6) The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of FIRREA guidelines and the Code of Professional Ethics & Standards of Professional Practice of the Appraisal Institute, which include the Uniform Standards of Professional Appraisal Practice.
- (7) James L. Maibach, C.P.M. has inspected the subject property. The values herein were developed and reported by James L. Maibach, C.P.M. and Sheridan Engel. Significant assistance has been provided by Brian Cotter, CLA, who is a certified land architect and has consulted on and developed numerous subdivision developments in the Dallas-Fort Worth area over the past 30 years.
- (8) This assignment was not based on a requested minimum value, a specific valuation, or the approval of a loan.
- (9) None of the signatories have previously performed services as an appraiser or in any other capacity, other than that specifically stated, regarding the property that is the subject of this report within the three-year period immediately preceding the acceptance of this assignment.

James L. Maibach, C.P.M.
TX-1323658
State Certified General Real Estate Appraiser

Sheridan Engel
TX-1342474
Appraiser Trainee



SCOPE OF WORK

Scope of Work is defined by the Uniform Standards of Professional Appraisal Practice as “the type and extent of research and analyses in an assignment.” Under the Scope of Work Rule, the appraiser must:

- Identify the problem to be solved;
- Determine and perform the scope of work necessary to develop credible assignment results; and
- Disclose the scope of work in the report.

The problems to be solved are:

- Determine the Prospective Market Value at completion on April 1, 2023 (Improvement Section 2: Pod 2A, 2C, 2B-1 and 2D; 935 finished lots).
- Determine the Prospective Market Value at completion on October 1, 2024 (Improvement Section 2: Pod 2B-2 and 2E; 452 finished lots).

The definition of market value¹ utilized herein is as follows:

Market Value is defined as the most probable price, as of a specified date, in cash, or in terms equivalent to cash, or in other precisely revealed terms, for which the specified property rights should sell after reasonable exposure in a competitive market under all conditions requisite for a fair sale, with the buyer and seller each acting prudently, knowledgeably, and for self-interest, and assuming that neither is under undue duress. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

1. buyer and seller are typically motivated;
2. both parties are well informed or well advised, and acting in what they consider their own best interests;
3. a reasonable time is allowed for exposure in the open market;
4. payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
5. the price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.²

The reported analyses, opinions and conclusions were developed, and this report has been prepared, in conformity with the requirements of FIRREA guidelines and the Code of Professional Ethics & Standards of Professional Practice of the Appraisal Institute, which include the Uniform Standards of Professional Appraisal Practice, in a manner necessary to produce a credible result.

This Appraisal Report has been prepared under Standards Rule 2-2(a) of an appraisal performed under Standards Rule 1 of USPAP. The value set forth herein was determined after consideration and appropriate application and

¹ The Appraisal Foundation, Uniform Standards of Professional Appraisal Practice, Washington, D.C.: Appraisal Standards Board (2020-2021), DEFINITIONS



analysis by three approaches to value i.e., the Cost Approach, the Income Approach, and the Sales Comparison Approach.

This Appraisal Report summarizes all pertinent data, descriptions, and discussions germane to the appraisal of the subject of this report. This appraisal included an inspection of the subject of this report and comparable sales and an analysis of the surrounding neighborhood with recognition of existing and future trends. Empirical information relative to the market was gathered from reliable sources, including, but not limited to governmental agencies, the North Texas Real Estate Information System (NTREIS), CoStar, the Texas A&M Real Estate Research Center, and Zonda (formerly Metrostudy). The appraisers also reviewed information on the development that was primarily created by JBI Partners, such as:

- The subject property address and salient facts
- Overall Concept Plan for 2 Phases and 5 Pods of Elevon – the Subject of this Appraisal. JBI Partners and MA Partners
- Overall Lot mix, Section II, Phase I and II (JBI Partners).
- Area Within Flood Plain (JBI Partners, FEMA)

Data was also gathered from on various sources, including review of county deed records, various industry specific databases, multiple listing services, as well as public domain databases, and conversations with real estate brokers and developers throughout Collin County. *Texas is a non-disclosure state. Therefore, sales data available is limited to sales confirmed by associated parties.* All sales information was verified with reliable sources.

Valuation Methodology

Three approaches to value are typically considered when developing a market value opinion for real property. These are the Cost approach, the Sales Comparison approach, and the Income (Capitalization) approach. Use of the approaches in this assignment is summarized as follows:

<i>Approach</i>	<i>Applicability to Subject</i>	<i>Use in Assignment</i>
Cost Approach	<i>Appropriate</i>	<i>Utilized</i>
Income Approach	<i>Appropriate</i>	<i>Utilized</i>
Sales Comparison Approach	<i>Partially – To Determine Retail Lot Value</i>	<i>Not Fully Utilized</i>

The Cost Approach involves research, verification, and comparison of sales of other vacant land with the subject land. The sales are then adjusted for value-related differences. Cost figures are obtained from the developer and engineer and compared to cost figures on competing developments. Developer’s profit is based on profit expectations reported by developers as well as actual profit on similar developments.

The Cost Approach provides information that contrasts with information from the Income Capitalization and Sales Comparison Approaches. It allows the appraiser to address the feasibility and highest and best use issues inherent in new construction. This approach is most beneficial when appraising a proposed or recently built project and is typically used when units make up a substantial portion of the entire project. Since the subject property is proposed and there is currently little infrastructure in place, the **Cost Approach was developed** since the development costs will reflect the necessary costs to bring the project to completion.



In the Income Capitalization Approach, the retail value of the lots is estimated. The individual lot values are based on lot sales in competing developments. The absorption rates, expenses, and discount rates are also based on competing developments. The indicated value by the Income Capitalization Approach is based on the sellout of the lots with deductions for holding costs and discounted to a net present value.

The Income Approach applied in subdivision analysis simulates what occurs in a bulk sale where one buyer purchases a group of lots at a discount. Income capitalization is the primary method used in subdivision valuation because value is determined by future sales over time. Along with discounted cash flow analysis, income capitalization directly measures differences in present value based on future cash flow projections. This approach provides a direct measure of the market value or wholesale value of a group of lots or units, which is different from the sum of the retail lot prices. Since the problem to be solved in this assignment is to determine the bulk sale value of 935 lots in Phase 1 and 452 lots in Phase 2, as of the construction completion data, the Income Approach is appropriate and was developed.

The Sales Comparison Approach involves research, verification, and comparison of similar lot sales. The sales are then adjusted for value-related differences. The foundation is a comparison of a group of lots, units, or an entire subdivision to similar recent market sales. Determining market values is the objective of the analysis, and that determination requires recent and relevant bulk sales for the comparison. Because Texas is non-disclosure state, sales prices must be obtained from grantors, grantees, brokers, lenders, other persons involved in the transaction, or other appraisers when the information is believed to be reliable. Thus, access to this information may be limited.

The Sales Comparison Approach involves comparing recent sales of lots, units, or entire subdivisions that involved a single purchaser. Finding similar and recent sales of improved subdivisions or large groups of lots in most markets can be difficult, perhaps impossible. Comparison requires comparable sales with about the same or similar remaining absorption period, a similar mix of lots or unit types, location, home price points, and other characteristics. As Texas is a non-disclosure state, sales data available is limited to sales confirmed by associated parties. Since data on bulk-sales to a single purchaser is difficult find and verify, **the Sales Comparison Approach was not developed by the appraisers.**

Competency of the Appraiser

James L. Maibach, C.P.M. is a Certified General Real Estate Appraiser according to the Texas Appraiser Licensing and Certification Board and has appraised numerous properties similar to the subject since 1993. The appraiser also manages, through his commercial real estate management company, approximately 2.0 million SF of which 70% is industrial warehouse, 20% is Class B and C office and 10% in retail product in Tarrant, Dallas, and Johnson counties. Mr. Maibach has been personally involved in over 25 residential development projects as a broker, developer, and zoning consultant in the past 10 years. Sheridan Engel is an Appraiser Trainee and has assisted in the analysis and appraisal of numerous properties similar to the subject. Attention is invited to the qualifications of each individual, which are presented in the Addenda of this report.

Peyco Southwest Realty is a full-service professional real estate appraisal and consulting firm, providing service to a variety of corporate, institutional, governmental, and private clientele. In the past 12 months, our firm has completed numerous valuation assignments involving similar properties. The subject is located in Collin County, Texas. The appraiser currently owns, represents, and manages multiple properties throughout the DFW Metroplex, mostly in Tarrant County, primarily in the Arlington/Mansfield city markets.



Intended Use and Users

The intended use of the appraisal is to estimate the underwriting of a proposed Public Improvement District bond transaction. The client and intended users are the City of Lavon and FMSbonds, Inc. The appraisal is not intended for any other use or user. No party or parties other than City of Lavon and FMSbonds, Inc. may use or rely on the information, opinions, and conclusions contained in this report. The Client may, without Appraiser's prior authorization or notice to Appraiser, provide the Appraisal to other parties for their use in analysis-related activities, however, it does not make the recipient an intended user of this engagement.

Date of the Appraisal Report

The preparation of this Appraisal Report was completed on January 5, 2022

Effective Dates of the Appraisal

The descriptions, analyses, and conclusions of this report for the designated Market Values of the subject property are applicable as of the following dates: **Phase 1: April 1, 2023. Phase 2 October 1, 2024.** James L. Maibach, C.P.M. inspected the subject property on October 11, 2021.

Assignment Conditions

Assignment conditions include assumptions that affect the scope of work, other than those previously discussed in the "Assumptions and Limiting Conditions". There are no other material and specific hypothetical conditions or extraordinary assumptions other than those referenced in this report.

Property Rights Appraised

The property rights appraised in this assignment are the Fee Simple Estate in the subject property. A commitment for Title Insurance was not submitted to the appraisers and reservations, if any, are unknown. If property rights differ from the above definitions, the value may be affected.

Assets Appraised

The assets appraised in this appraisal assignment include land, any primary and ancillary site improvements. No furniture, fixtures, equipment (FF&E), personal property, mineral rights or business value was included in the valuation process.

Environmental Conditions

No environmental report was available to us, and no recent environmental tests were performed. Because we have no evidence to the contrary, we have assumed that the property is free of any material defects, other than those noted, which would adversely affect the value, including, but not limited to, asbestos and toxic waste. Our value conclusions are subject to revision should these assumptions prove incorrect. We caution and advise the user of this report to obtain environmental studies which may be required to ascertain status of the property regarding asbestos and other hazardous materials.

History of Subject Property

Collin County deed records indicate the property within the development is owned by two separate owners: Far East Lavon LP and Petro-Hunt LLC. According to John Marlin the properties are under contract to the primary developer, MA Development, for approximately \$30,000/AC.



The following properties were transferred to Far East Lavon LP by the Estate of Roland Boyd via Instrument # 30633 and Volume/Page 5873/3522 on March 9, 2005:

- Tax ID 1290178
- Tax ID 1290132
- Tax ID 1290169
- Tax ID 1290203
- Tax ID 1290392
- Tax ID 1290506

The following properties were transferred to Petro-Hunt LLC by the WWW Farms Ltd. via Instrument # 9254 and Volume/Page 558/3612 on January 20, 2004:

- Tax ID 1290178
- Tax ID 2032794

Pending Transactions to Builders

The properties have not been transferred within the preceding 3 years. To the best of our knowledge, there are contracts for the single-family lots as follows which reflect an approximately 15% bulk sale discount:

Purchase and Sale Agreement of Pod "A" 65.135 acres in Phase 1 containing 168 lots consisting of 92 - 60'x120' lots and 76 -70'x120' lots to *K Hovnanian Homes* in the amount of \$1,200 per front foot of the lots, 60' (\$1,200/FF) = \$72,000 per lot, 70' (\$1,200/FF) = \$84,000 per lot for a total of \$13,008,000 for the 168 lots.

Purchase and Sale Agreement of Pod "B" 88.190 acres containing 387 lots consisting of 101 - 40'x120' lots in Phase 1, 101 - 40'x120' lots in Phase 2, 97 - 50'x120' lots in Phase 1 and 88-50'x120' lots in Phase 2 to *Jabez Development, LP (HMH/Stratford Elevon NC, LLC)* in the amount of \$1,200 per front foot of the lots, 40' (\$1,200/FF) = \$48,000 per lot, 50' (\$1,200/FF) = \$60,000 per lot for a total of \$20,796,000 for the 387 lots.

Purchase and Sale Agreement of Pod "C" and Pod "E" 142.738 acres containing 573 lots consisting of 39 - 40'x120' lots in Phase 1, 42 - 40'x120' lots in Phase 2, 68 - 45'x120' lots in Phase 1, 61 - 45'x120' lots in Phase 2, 152-50'x120' lots in Phase 1, 115-50'x120' lots in Phase 2, 51-60'x120' lots in Phase 1 and 45 - 60'x120' lots in Phase 2 to *Green Brick Partners* and *UnionMain Homes* in the amount of \$1,200 per front foot of the lots, 40' (\$1,200/FF) = \$48,000 per lot, 45' (\$1,200/FF) = \$54,000 per lot, 50' (\$1,200/FF) = \$60,000 per lot, 60' (\$1,200/FF) = \$72,000 per lot for a total of \$33,786,000 for the 573 lots.

Purchase and Sale Agreement of Pod "D" 41.165 acres in Phase 1 containing 259 lots consisting of 44 - 26'x100' lots and 37 - 31'x105' lots, 12-33'x105' lots, 28 - 35'x105' lots, 37 - 40'x110' lots, 16-40'x120' lots, 22 - 40'x130' lots, 63 - 50'x120' lots to *Qualico Developments (Pacesetter Homes)* in the amount of \$1,255 per front foot of the lots, 26' (\$1,255/FF) = \$32,630 per lot, 31' (\$1,255/FF) = \$38,905 per lot, 33' (\$1,255/FF) = \$41,415 per lot, 35' (\$1,255/FF) = \$43,925 per lot, 40' (\$1,255/FF) = \$50,200 per lot, 50' (\$1,255/FF) = \$62,750 per lot for a total of \$12,320,335 for the 259 lots.

Legal Description

The property appraisal herein is described as SAMUEL M. RAINIER SURVEY ABSTRACT 740:

POD 2A ~ 65.135 ACRES (Hovnanian/K Hovnanian DFW Elevon, LLC)

POD 2B ~ 88.190 ACRES (HMH/Stratford Elevon NV LLC)

POD 2C ~ 77.398 ACRES (63.017 AC – Green Brick; 14.381 AC - UnionMain Homes)

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POD 2D ~ 40.661 ACRES (Qualico/Pacesetter Homes)
 POD 2E ~ 65.340 ACRES (52.368 AC – Green Brick; 12.972 AC – UnionMain Homes)
 MASTER INFRASTRUCTURE ~ 40.034 ACRES
TOTAL ~ 376.758 ACRES

**A detailed legal description of the property is provided in the Addenda.*

Real Estate Taxes

Collin County Appraisal District

Real estate tax assessments are administered by the Collin Central Appraisal District and are estimated by jurisdiction on a county basis for the subject. Real estate taxes in this state and this jurisdiction represent ad valorem taxes, meaning a tax applied in proportion to value. The real estate taxes for an individual property may be determined by dividing the assessed value for a property by \$100, then multiplying the estimate by the composite rate. Real estate taxes and assessments for the current tax year are shown in the following table, the two shaded parcels including the City of Lavon taxes (the others being in the ETJ).

Note: The following tracts add up to 651.571-AC; however, the subject property valued in this appraisal totals 429.291-AC as some of the acreage is being held for future development. The property include within this appraisal are demised into areas known as Pods 2A, 2B-1, 2B-2, 2C, 2D, 2E, 2F (no lots), and the master infrastructure.

FAR EAST LAVON LP

Tax ID	Legal Description	Size (Acres)	Market \$/Acre	Estimated Taxes	Assessed			
					Exemption	Value	Tax Rate	Taxes
1290506	ABS A0740 SM Rainier Survey, Sheet 2, Tract 51, 54.0 Acres	54.000	\$ 702,000	\$ 15,363.97	Ag	\$ 6,102	2.188600%	\$133.55
1290392	ABS A0740 SM Rainier Survey, Sheet 2, Tract 51, 54.0 Acres	23.992	\$ 311,890	\$ 5,332.10	Ag	\$ 1,727	1.709609%	\$ 29.52
1290178	ABS A0740 SM Rainier Survey, Sheet 3, Tract 22, 86.87 Acres	86.870	\$ 1,129,310	\$ 19,306.79	Ag	\$ 9,034	1.709609%	\$154.45
1290132	ABS A0740 SM Rainier Survey, Sheet 3, Tract 18, 60.0 Acres	60.000	\$ 780,000	\$ 13,334.95	Ag	\$ 6,240	1.709609%	\$106.68
1290169	ABS A0740 SM Rainier Survey, Sheet 3, Tract 21, 191.21 Acres	191.210	\$ 2,485,730	\$ 42,496.26	Ag	\$ 13,767	1.709609%	\$235.36
1290203	ABS A0740 SM Rainier Survey, Sheet 3, Tract 25, 55.66 Acres	55.660	\$ 723,580	\$ 12,370.39	Ag	\$ 9,295	1.709609%	\$158.91
TOTAL		471.732	\$ 6,132,510	\$108,204.46	-	\$ 46,165	-	\$818.47

The properties owned by Far East Lavon LP are currently assessed as agricultural pastureland with a total assessment of \$6,122,510 or a total annual tax estimate of \$108,204.46 (assessed at \$46,165 with agricultural exemptions making the total adjusted taxes \$818.47 with the exemption). Each of the tracts within subject’s undeveloped land is presently taxed under an agricultural exemption which limits the taxes levied on the site. When development is complete, the owner may be liable for three years of back real estate taxes – known as roll-back taxes – plus interest annually. This is considered typical of properties located in growth corridors such as the subject. **The impact of roll-back taxes due to the termination of the agricultural exemption is not reflected in this assignment.**



PETRO-HUNT LLC

Tax ID	Legal Description	Size (Acres)	Market \$/Acre	Estimated Taxes	Assessed			
					Exemption	Value	Tax Rate	Taxes
1290150	ABS A0470 SM Rainier Survey, Sheet 3, Tract 19-9, 107.839 Acres	107.839	\$ 936,000	\$ 16,001.94	Ag	\$ 9,839	1.709609%	\$168.21
2032794	ABS A0470 SM Rainier Survey, Sheet 3, Tract 20, 72.0 Acres	72.000	\$ 1,401,907	\$ 23,967.13	Ag	\$ 18,009	1.709609%	\$307.88
TOTAL		179.839	\$ 2,337,907	\$ 39,969.07	-	\$ 27,848	-	\$476.09

The properties owned by Petro-Hunt LLC are currently assessed as agricultural pastureland with a total assessment of \$2,337,907 or a total annual tax estimate of \$39,969.07 (assessed at \$27,848 with agricultural exemptions making the total adjusted taxes \$476.09 with the exemption). Both tracts within subject's undeveloped land is presently taxed under an agricultural exemption which limits the taxes levied on the site. When development is complete, the owner may be liable for three years of back real estate taxes – known as roll-back taxes – plus interest annually. This is considered typical of properties located in growth corridors such as the subject. **The impact of roll-back taxes due to the termination of the agricultural exemption is not reflected in this assignment.**

The Collin County Appraisal District utilize an ad-valorem "mass appraisal" technique for tax assessment valuation. Mass appraisal is defined as the process of valuing a universe of properties as of a given date using standard methodology, employing common data, and allowing for statistical testing.³ This method of analysis is based on, but not necessarily equivalent to, its market value. Tax assessment is utilized for the equitable distribution of the tax burden throughout the district, and it is not for developing individual opinions of value for specific properties for use outside of ad valorem taxation.

³ Appraisal Institute, *The Dictionary of Real Estate Appraisal*, 5th ed. (Chicago: Appraisal Institute, 2010).

MARKET OVERVIEW

ECONOMIC INDICATORS: BEIGE BOOK – October 20, 2021

Due to the subject’s vicinity to Dallas and location in North Texas, coupled with integrated business economies, it is relevant to consider the national and regional economic indicators presented by the Federal Reserve Bank of Dallas in the Beige Book. Excerpts from the most recent Beige Book prior to the report date, published on October 20, 2021, are presented below:

National Summary

Economic activity grew at a modest to moderate rate, according to the majority of Federal Reserve Districts. Several Districts noted, however, that the pace of growth slowed this period, constrained by supply chain disruptions, labor shortages, and uncertainty around the Delta variant of COVID-19. A majority of Districts indicated positive growth in consumer spending; however, auto sales were widely reported as declining due to low inventory levels and rising prices.

Travel and tourism activity varied by District with some seeing continued or strengthening leisure travel while others saw declines that coincided with rises in COVID cases and the start of the school year. Manufacturing grew moderately to robustly in most parts of the country, as did trucking and freight. Growth in nonmanufacturing activity ranged from slight to moderate for most Districts. Loan demand was generally reported as flat to modest this period. Residential real estate activity was unchanged or slowed slightly but the market remained healthy, overall. Reports on nonresidential real estate varied across Districts and market segments. Agriculture conditions were mixed, and energy markets were little changed, on balance. Outlooks for near-term economic activity remained positive, overall, but some Districts noted increased uncertainty and more cautious optimism than in previous months.

Employment and Wages

Employment increased at a modest to moderate rate in recent weeks, as demand for workers was high, but labor growth was dampened by a low supply of workers. Transportation and technology firms saw particularly low labor supply, while many retail, hospitality, and manufacturing firms cut hours or production because they did not have enough workers. Firms reported high turnover, as workers left for other jobs or retired. Child-care issues and vaccine mandates were widely cited as contributing to the problem, along with COVID-related absences. Many firms offered increased training to expand the candidate pool. In some cases, firms increased automation to help offset labor shortages. The majority of Districts reported robust wage growth. Firms reported increasing starting wages to attract talent and increasing wages for existing workers to retain them. Many also offered signing and retention bonuses, flexible work schedules, or increased vacation time to incentivize workers to remain in their positions.

Prices

Most Districts reported significantly elevated prices, fueled by rising demand for goods and raw materials. Reports of input cost increases were widespread across industry sectors, driven by product scarcity resulting from supply chain bottlenecks. Price pressures also arose from increased transportation and labor constraints as well as commodity shortages. Prices of steel, electronic components, and freight costs rose markedly this period. Many





firms raised selling prices indicating a greater ability to pass along cost increases to customers amid strong demand. Expectations for future price growth varied with some expecting price to remain high or increase further while others expected prices to moderate over the next 12 months.

Eleventh District

Federal Reserve Bank of Dallas – October 20, 2021

Summary

Solid expansion continued in the Eleventh District economy, though COVID-19 and labor and supply-chain constraints remained headwinds. Growth in the manufacturing and nonfinancial services sectors was strong, and retail sales rose at an average pace. Home sales were steady at elevated levels. Overall loan volumes rose broadly, and the energy sector continued to experience robust growth. Agricultural conditions were quite strong. Employment growth was robust, and wage growth remained highly elevated amid widespread labor shortages. Notable price increases were seen across sectors, with contacts noting that ongoing supply-chain disruptions continued to drive up costs. Outlooks improved, with most contacts expecting stronger business six months from now, though uncertainty increased.

Employment and Wages

Employment expanded robustly overall, though job growth moderated slightly in the service sector. Hiring picked up in manufacturing, energy, and retail despite continued reports of difficulty finding workers. These labor shortages continued to pervade other industries as well, perhaps most acutely for entry-level workers. Numerous firms said restrained headcounts were hampering expansion plans or even the ability to meet current demand. Some contacts noted delays and difficulties in bringing workers back onsite, either due to the resurgence of COVID-19 or increased pushback from employees to remain remote. Some staffing services contacts expect recruiting to become easier in upcoming months now that federal unemployment benefit programs have ended.

Wage growth remained highly elevated, and numerous contacts said they were having difficulty filling vacancies even at much higher wages. Multiple contacts cited entry-level wage increases of 15 to 20 percent over the past six months.

Prices

Prices continued to rise strongly, with upward pressure on both input costs and selling prices holding near historically high levels. Input costs rose fastest in the manufacturing sector, followed by oil and gas support services and retail. Supply-chain bottlenecks were widely cited as a key factor driving up costs. Many contacts reported passing on at least a portion of the higher costs to customers, though some noted their profit margins continued to be pressured by selling price increases not matching cost increases. Contacts in the construction industry noted elevated but fairly stable input costs overall, with declining lumber costs offsetting rises in other materials. Looking ahead, most contacts expect elevated price increases to continue for at least the next six months.

Nonfinancial Services

Texas service sector activity continued to grow at a slightly above-average pace, with revenue growth strongest among professional, scientific and technical services firms. Solid revenue growth was also seen in the health care sector after some weakness in prior months. Leisure and hospitality firms saw a decline in revenues over the



reporting period, citing cancellations and slowed business due to the Delta variant. Staffing firms reported strong demand across industries, with particularly robust demand in healthcare, construction, and information technology. An airport said summer passenger volume in 2021 was more than double that of 2020, but down about 15 percent from summer 2019. The contact also noted that August domestic ecommerce air cargo volumes were higher than any August in the past 20 years, though international cargo volumes have yet to recover to pre-pandemic levels. Shipping cargo volumes at Texas ports also pushed to a record high in August, driven by increased consumer spending and retailers trying to build up inventory. Overall, outlooks remained strong with most firms expecting higher revenues six months from now, though uncertainty continued to creep higher.

Construction and Real Estate

Housing demand remained strong. Contacts noted that sales were levelling off at above-average levels, in part due to tight inventories, buyer hesitancy and declining affordability. Home price appreciation moderated, but land and lot prices continued to accelerate. Labor challenges and supply shortages remained widespread, resulting in delays in lot development and home closings. Builders' margins have widened, however, and outlooks were optimistic.

Apartment demand increased further, with leasing activity rising in both urban and suburban locations. Annual rent growth was at a record high in many Texas markets. For industrial properties, contacts noted robust growth in demand and construction. Net absorption of office space was mixed, but availability of sublease space and vacancies remained high, with little improvement expected in the near term. Activity in the retail space market was generally positive since the last report. Investment sales activity was elevated for industrial and multifamily properties.

Financial Services

Loan demand growth remained solid, pushing up overall loan volumes. Residential real estate loans led volume growth over the past six weeks, followed closely by commercial real estate, and commercial and industrial lending picked up notably from the prior period. Nonperforming loans continued to decrease, and credit standards and terms remained largely unchanged. According to financial industry contacts, general business activity continued to increase, though respondents cited concerns that supply-chain disruptions, labor shortages, and the Delta variant were disrupting businesses and increasing uncertainty. Outlooks for loan demand and broader business activity six months from now remained optimistic.

**Texas A&M University – Texas Real Estate Research Center
Outlook for the Texas Economy (Excerpts)**
Luis Torres, Wesley Miller, Paige Silva, and Jacob Straus
(October 6, 2021)



SUMMARY

Prospects for the Texas economy continued to improve even as new COVID-19 cases accelerated in July. Payrolls expanded robustly, led by hiring in the leisure and hospitality industry, while retail employment flattened. Staffing shortages exacerbated ongoing wage pressures, but real earnings declined due to supply bottlenecks driving up inflation. Joblessness dropped despite hiring challenges; however, unemployment claims rose for the second straight month. Oil prices dipped for the second consecutive month but remained relatively elevated as the recent uptick in the oil industry sparked recovery throughout the state. Containment of the pandemic is vital as additional waves of infection, mainly from the Delta variant, can weigh on consumer behavior and slow the return to pre-pandemic conditions.

Joblessness dropped despite hiring challenges; however, unemployment claims rose for the second straight month. Oil prices dipped for the second consecutive month but remained relatively elevated as the recent uptick in the oil industry sparked recovery throughout the state. Containment of the pandemic is vital as additional waves of infection, mainly from the Delta variant, can weigh on consumer behavior and slow the return to pre-pandemic conditions.

A three-month improvement in the Texas Leading Economic Index (a measure of future directional changes in the business cycle) halted due to a rise in initial unemployment claims and depreciation of the Texas value of the dollar. The leading index, however, maintained a positive trend, suggesting growth in the coming months. The Texas Consumer Confidence Index posted its highest reading since February 2020 as overall business activity ramped up.

Amid low expectations of additional fiscal and monetary stimulus, economic growth forecasts for the rest of the year cooled as the initial and strongest stage of recovery likely reached its peak, and inflation pressures are believed to be temporary. The ten-year U.S. Treasury bond yield fell to 1.32 percent, and the Federal Home Loan Mortgage Corporation's 30-year fixed-rate decreased to 2.9 percent. Despite lower rates for borrowers, mortgage applications for home purchases continue to fall, declining 22.1 percent YTD. Mortgage rates remained low for the typical Texas homebuyer in June, sinking to 3.03 percent for non-GSE loans, while the median interest rate for GSE loans was 3.11 percent. Texas home-purchase applications, however, declined for the fourth consecutive month in July, falling 22.1 percent YTD. Refinance applications improved on a monthly basis yet were still down 18.5 percent over the same period.

Total Texas housing sales extended its negative trend, ticking down 0.3 percent amid reduced activity for homes priced less than \$300,000. The sales composition continued to shift toward homes above that price point, accounting for 51 percent of transactions in July and signaling supply constraints at the lower price cohorts. Sales for homes priced less than \$200,000 reached an all-time low as homes appreciated across the state. The Texas Residential Construction Cycle (Coincident) Index, which measures current construction activity, inched up amid increased construction values and wages while employment flattened in the industry. The Residential Construction Leading Index (RCLI) normalized as residential starts flattened and weighted building permits decreased; the ten-year real Treasury bill also decreased.

The West Texas Intermediate (WTI) crude oil spot price fell from its highest level since November 2014 as the global economy gained momentum, averaging \$69.30 per barrel. On July 18, members of OPEC+ agreed to increase monthly production by 400,000 barrels per day beginning in August 2021, and the price of crude oil fell 7 percent the day after the decision was made public. Texas' active rig count increased to 238 while crude oil



production flattened to 4.91 million barrels per day in June. Natural gas prices trended upward with the Henry Hub spot price reaching \$4.02 per million British thermal unit (BTU). In the Permian Basin, recent pipeline expansions allowed for additional takeaway capacity.

Texas nonfarm employment added 93,600 jobs in July, accelerating 5.2 percent SAAR. Payrolls, however, were still down by more than 249,000 positions from pre-pandemic levels. The Dallas Fed's annual employment forecast was lowered to 4.3 percent, down 1.3 percentage points from last month's estimates amid an increase in COVID-19 hospitalizations, dampening job-growth forecasts. Texas' unemployment rate declined for the fourth straight month to 6.2 percent but was still greater than the national rate of 5.4 percent. The state's labor force participation rate ticked up to 62.3 percent while the labor force grew by 36,800 workers. Joblessness in the major metros declined at a steeper rate than the state average. North Texas' unemployment rate decreased to 5.2 and 5.5 percent in Dallas and Fort Worth, respectively.

Construction payrolls fell by 2,300 jobs, marking four months of contraction and tempering goods-producing employment growth. Average hourly construction earnings ticked up to a nominal wage rate of \$28.25 per hour; however, the average declined 4.6 percent YOY after adjusting for inflation and seasonality. Total construction values declined for the fourth consecutive month, largely due to a decrease in residential investment. Single-family construction values contracted on a monthly basis in all four major metros, falling from a peak in residential values in either April and May. Apartment construction continued a three-month decline as significant investment reductions occurred in Houston and San Antonio and erased growth in Austin and North Texas' multifamily sector. Statewide nonresidential activity increased for the second consecutive month due to large-scale expansions of hospitals and other health treatment facilities; office/bank buildings and school construction, however, decreased.

The U.S. Consumer Price Index (CPI) accelerated 5.4 percent annually with a 23.6 percent YOY increase in energy costs as oil prices surpassed pre-pandemic levels. Core inflation, which excludes energy and food, rose 4.3 percent relative to last July. Despite above-average inflation rates, the deceleration of core figures eased concerns about the economy overheating. The Federal Reserve chose not to make any policy changes regarding their dual mandate of full employment and stable prices as the Federal Open Market Committee (FOMC) continued to believe inflation levels were transitory. Supply shortages and low base effects in travel services drove substantial growth during July, but upward pricing pressures should ease over the next year. Similar fluctuations in the components of Dallas' CPI resulted in annual growth of 5.6 percent overall and 4.6 percent less food and energy.



Texas Housing Insight - Excerpts

Luis B. Torres, Wesley Miller, Jacob Straus, and Brendan Harrison (Oct 26, 2021)

Texas housing sales slowed in August, trending downward as supply remained constrained. Despite lowered mortgage interest rates, double-digit home-price appreciation chipped away at housing affordability. Elevated levels of demand persisted as homes averaged less than a month on the market. On the supply side, single-family housing permits declined for the third consecutive month, and housing starts decelerated even as pandemic effects on the lumber supply improved, causing a precipitous fall in prices; other material costs remained elevated. The historically low level of inventory available for sale is the greatest challenge to Texas' housing market. The state's diverse and expanding economy, favorable business policies, and steady population growth, however, support a favorable outlook.

Supply

The Texas Residential Construction Cycle (Coincident) Index, which measures current construction activity, elevated nationally and within Texas due to improved industry wages and construction values, while employment flattened during August. The Texas Residential Construction Leading Index, however, decreased as weighted building permits flattened and residential starts decreased, while the ten-year real Treasury bill increased. The leading index trended downward, signaling a potential slowdown in future activity. Dallas-Fort Worth (DFW) and Austin's weighted building permits reflected the statewide fluctuations as residential starts decreased in both metros. DFW leading index decreased, while Austin's metric flattened.

Single-family construction permits declined for the third consecutive month, falling 7.9 percent in August. Despite strengthening economic conditions and ample housing demand, total Texas housing starts remained unchanged even as lumber prices declined 19.5 percent in August. Single-family private construction values, however, declined 6.6 percent in real terms as the metric trended downward in Texas' major metros. The majority of the statewide reduction was attributed to the steep plummet in DFW values during August.

Texas' months of inventory (MOI) ticked up slightly to 1.5 months as sales activity and new listings decreased. A total MOI around six months is considered a balanced housing market. Supply improved across all price cohorts for the third consecutive month. Inventory for homes priced between \$300,000 and \$399,000, the most expansive price, grew to 1.6 months, while the MOI for luxury homes (those priced more than \$500,000) increased to 2.5 months.

Inventory in the major metros increased, except in North Texas, where MOI declined slightly to 1.2 months in Dallas and Fort Worth.

Demand

Housing sales decreased at the metropolitan level except in North Texas. Sales accelerated in Dallas and Fort Worth, increasing 1.1 and 4.1 percent, respectively, amid strong gains for homes priced between \$400,000 and \$499,000.



Texas' average days on market (DOM) fell to a record-breaking 27 days, confirming robust demand and that the YTD decrease in sales was due to restricted inventory. Austin's DOM increased slightly to 18 days, while the average in North Texas decreased, selling after an average of just 20 days in Fort Worth and 21 days in Dallas.

Amid low expectations of additional fiscal and monetary stimulus, economic growth forecasts for the rest of the year cooled as the initial and strongest stage of recovery likely reached its peak, and inflation pressures are believed to be temporary. The ten-year U.S. Treasury bond yield ticked down for the fourth consecutive month to 1.3 percent, while the Federal Home Loan Mortgage Corporation's 30-year fixed-rate fell to 2.8 percent. The median mortgage rate for the typical Texas homebuyer decreased in July to 3.1 and 3 percent for GSE and non-GSE loans, respectively. As mortgage rates dropped, Texas home-purchase applications increased over the past two months but fell 17.5 percent YTD. Refinance applications improved on a monthly basis yet were still down 12.2 percent over the same period. The annual decreases were likely due to baseline effects after a surge of remodeling and refinancing in 2020. Lenders adding more requisites, and the shrinking pool of households able to refinance is likely impacting refinance activity as well.

In July, the median loan-to-value ratio (LTV) constituting the "typical" Texas conventional-loan mortgage dropped from 85.8 a year ago to 84.1. The debt-to-income ratio (DTI) was down from 36.0 to 35.8, while the median credit score increased only three points in the last year to 752. The LTV GSE borrowers also decreased from 86 last July to 85.4; however, DTI grew from 35.5 to 35.8. Overall improved credit profiles reflected the fact that only the most qualified housing applicants were able to outbid their competition for their desired homes amid exceptionally tight inventories and robust demand.

Prices

The ongoing shift in the composition of sales toward higher-priced homes due to constrained inventories at the lower end of the market supported home-price appreciation. The Texas median home price rose for the eighth consecutive month, accelerating 1.2 percent on a monthly basis and 16.8 percent YOY to a record-breaking \$305,400 in August. The Dallas metric (\$374,200) increased 18.4 percent while annual price growth in Fort Worth (\$312,600) shot up to 20.1 percent.

The Texas Repeat Sales Home Price Index accounts for compositional price effects and provides a better measure of changes in single-family home values. Texas' index corroborated substantial and unsustainable home-price appreciation, accelerating 18.3 percent YOY. At the metropolitan level, the repeat sales index slowed in the major metros, except Houston, as annual price growth reached a peak. The metric decelerated 38.5 percent in Austin, followed by North Texas with 23 and 20.3 percent home-price appreciation in Dallas and Fort Worth, respectively.

NATIONAL ASSOCIATION OF REALTORS

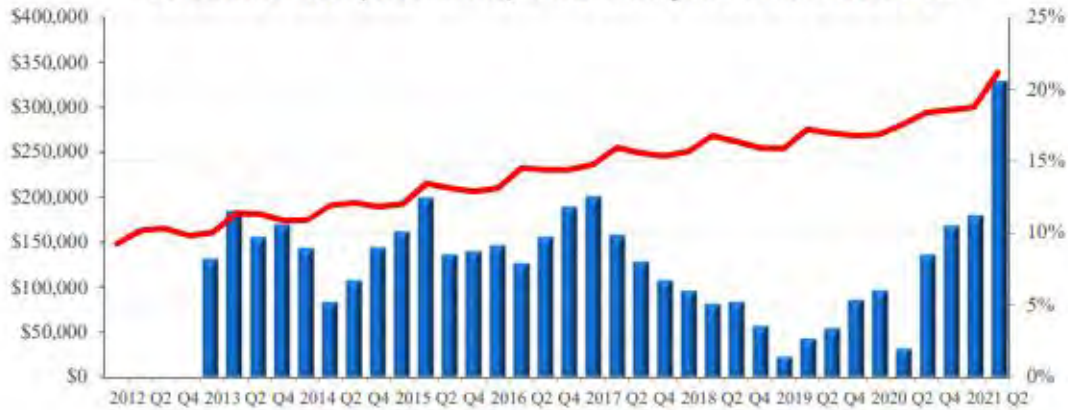


Dallas-Fort Worth-Arlington Area
Local Market Report, Second Quarter 2021

reflecting the impact of COVID-19 on the local economy

Today's Market...

Median Price (Red Line) and One-year Price Growth



Local Price Trends			
Price Activity	Dallas	U.S.	Local Trend
Current Median Home Price (2021 Q2)	\$338,700	\$351,267	
1-year (4-quarter) Appreciation (2021 Q2)	20.6%	21.9%	Prices continue to grow relative to last year
3-year (12-quarter) Appreciation (2021 Q2)	26.3%	32.3%	
3-year (12-quarter) Housing Equity Gain*	\$70,500	\$85,667	Gains in the last 3 years have extended the trend of positive price growth after the recession
7-year (28 quarters) Housing Equity Gain*	\$147,400	\$139,433	
9-year (36 quarters) Housing Equity Gain*	\$175,700	\$170,333	

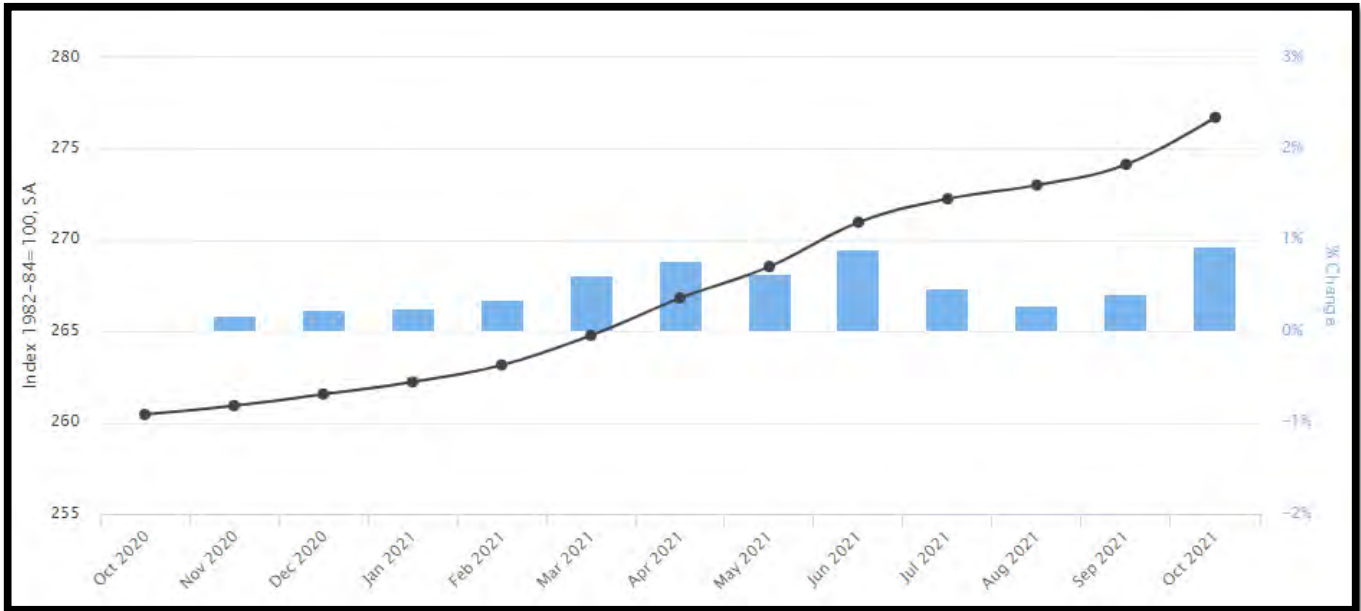
*Note: Equity gain reflects price appreciation only

The National Association of Realtors reports that as of 2021Q2 the current median home price in DFW is \$338,700. This reflects a 1-year price appreciation of 20.6% and a 3-year price appreciation of 26%.



CONSUMER PRICE INDEX (CPI)

MOODY'S ANALYTICS CONSUMER PRICE INDEX (CPI) CHART



The US Bureau of Labor Statistics tracks the Consumer Price Index (CPI) and a chart prepared by Moody's Analytics is shown above. The CPI measures the change in prices paid by consumers for goods and services which is an indicator of how costs for goods and services are trending throughout the country. The CPI is based on prices of food, clothing, shelter, fuels, transportation, healthcare services, drugs, and other goods and services that people buy for day-to-day living.

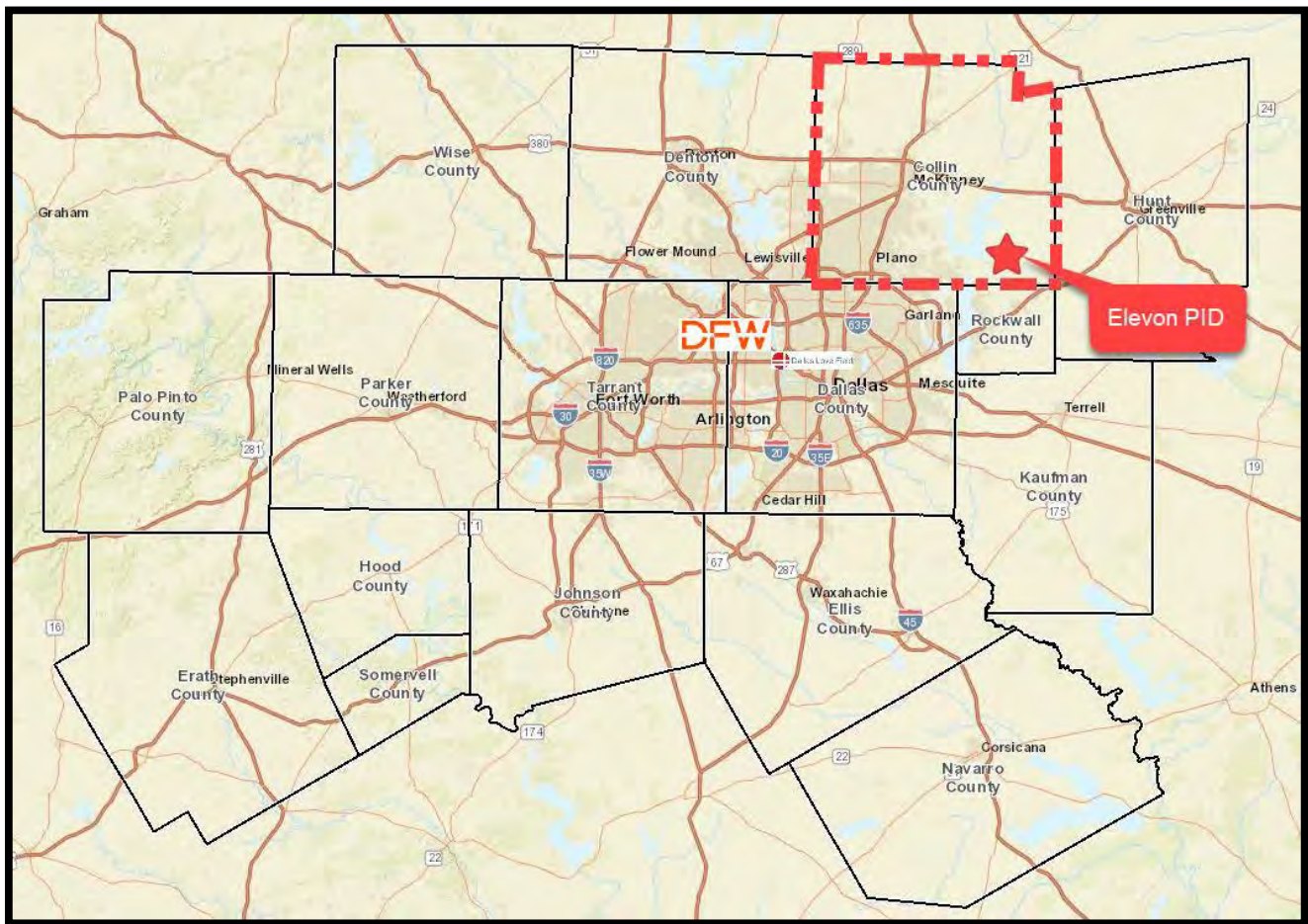
The BLS has generally reported increases in the CPI over the past year. Recently, increases for energy, shelter, food, healthcare, household furnishings, and transportation have been noted. Based on these trends, one can conclude that a period of moderate inflation is on the horizon. Whether this trend will last past the following few months and for several years is debatable; however, many indications point to higher periods of inflation even as supply chain issues caused by the COVID-19 Pandemic are expected to ease in 2022.

REGIONAL ANALYSIS

The subject is located in Collin County within the Dallas-Fort Worth-Arlington Consolidated Metropolitan Statistical Area (CMSA), more commonly referred to as the Metroplex, which encompasses parts of 13 counties and contains 23 cities with populations over 50,000 in North Central Texas. As reported by the North Central Texas Council of Governments (NCTCOG), the estimated population as of Jan. 1, 2020, was 7,714,230 which makes it the most populous region in Texas and the fourth largest in the United States. In the most recent count (2019), the population of the Metroplex grew by 159,480 led by Fort Worth which added more than 24,000 people. Since 2010, the region has added almost 1.2 million new residents - an almost 19% increase.

The region is serviced by two major passenger airports: Dallas-Fort Worth International Airport (DFW), which is the third busiest airport in the world in terms of aircraft movements and the largest hub for American Airlines and Dallas Love Field Airport (DAL), which is a city owned airport and the largest hub for Southwest Airlines – the largest carrier in the world in terms of passengers carried.

MAP OF DALLAS-FORT WORTH METROPLEX *Red Lines Showing Collin County Boundary*

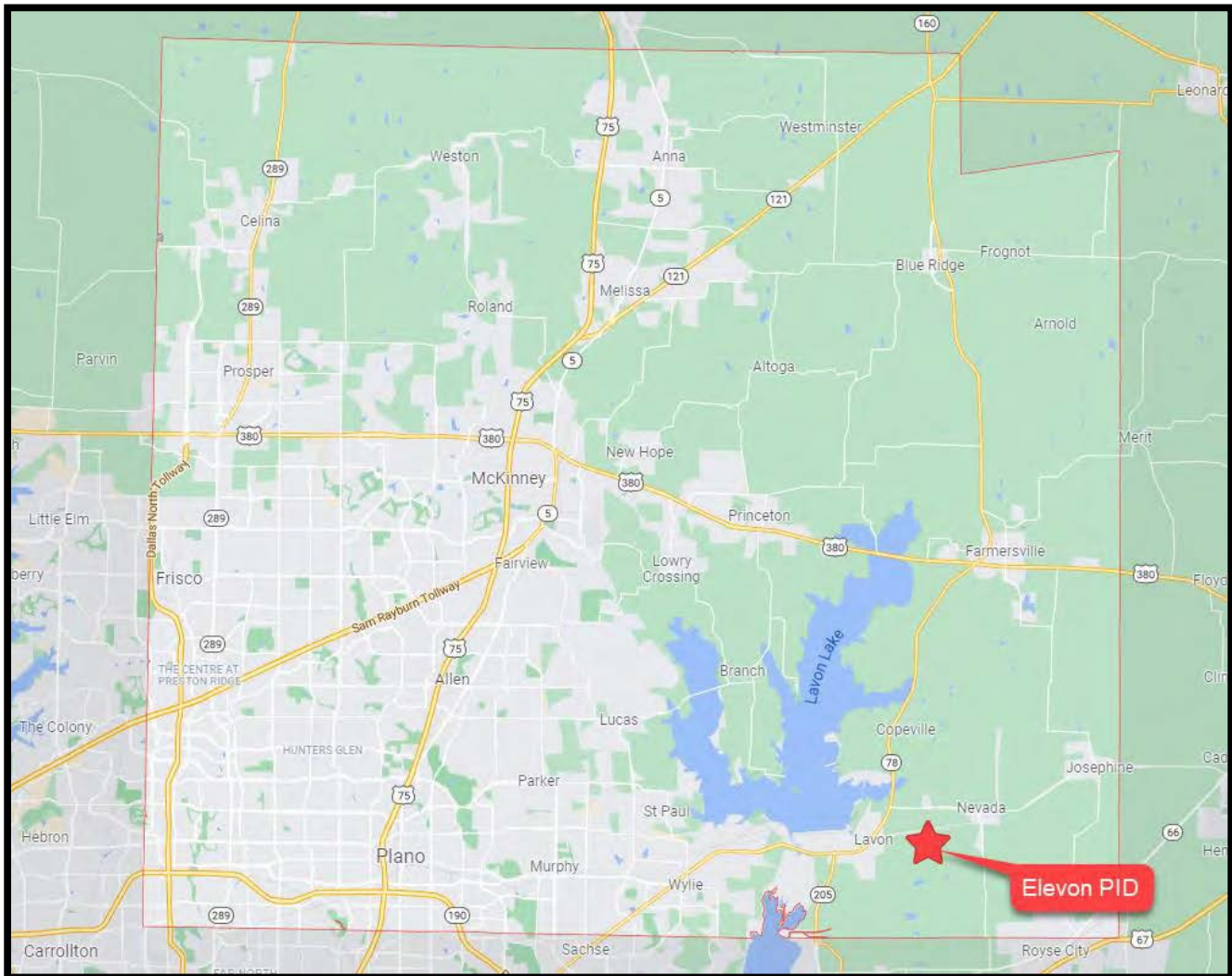


COLLIN COUNTY OVERVIEW

The subject site is located in Collin County, which is a fast-growing area of the DFW Metroplex which, according to US Census counts, has more than doubled in population since the year 2000 – from 491,675 to an estimated (2020) 1,064,465. This population growth follows an over three-fold increase in population from 1980 to 2000. Collin County is one of the wealthiest counties in the US with many residents living in affluent communities like Frisco, McKinney, Plano, Allen, Prosper, Celina, Wylie, and Murphy while working and commuting to nearby Dallas. Collin County’s population is projected to increase at a 1.7% annual rate from 2021-2026, equivalent to the addition of an average of 19,082 residents per year. Collin County’s growth rate is expected to exceed that of the Dallas MSA, which is projected to be 1.5%. The county seat for the county is McKinney which is a city that has grown immensely in recent decades with the outgrowth of the DFW Metroplex and completion of the Sam Rayburn Tollway (Texas 121) linking the community to DFW Airport and other counties in the Metroplex.

MAP OF COLLIN COUNTY

Subject Located In Southeast Collin County

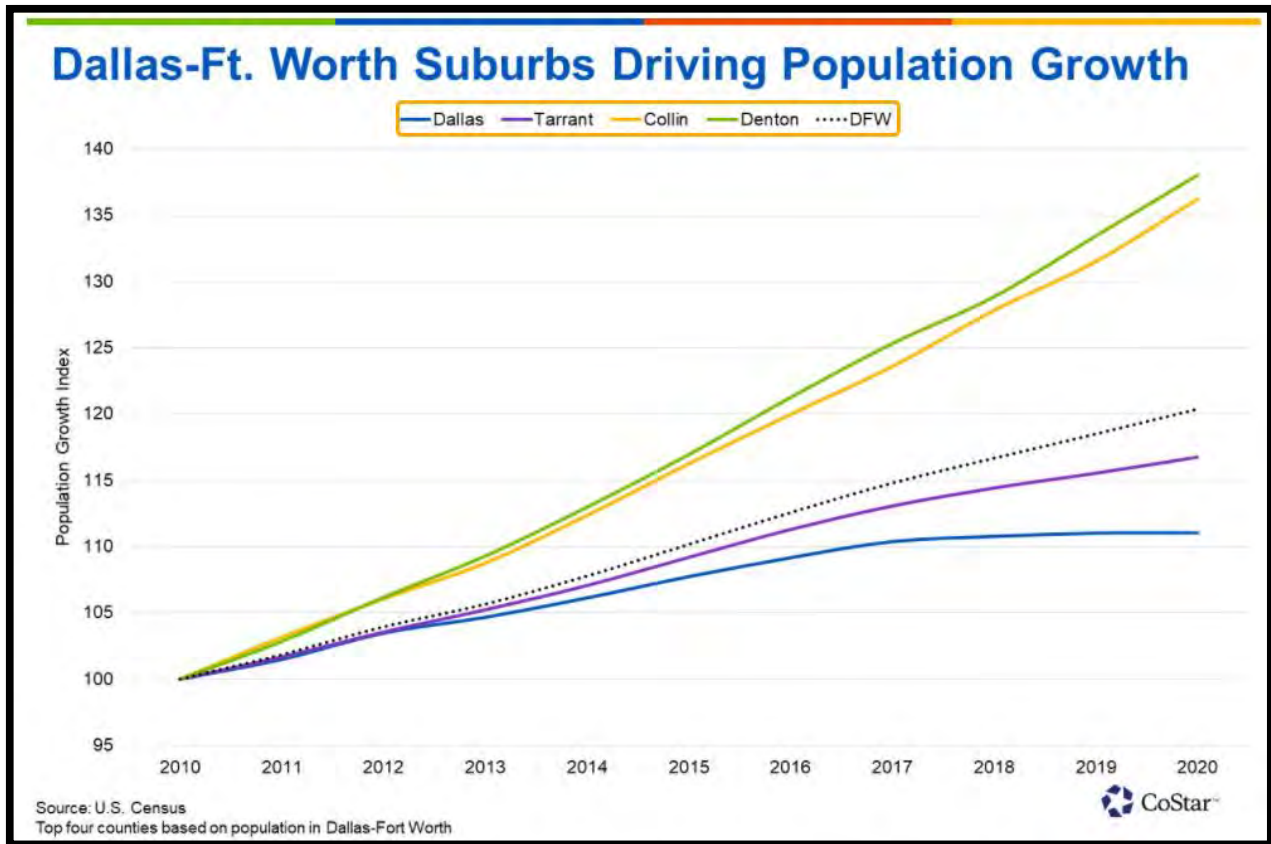




- County Seat: **McKinney**
- Area: **848** sq. miles of land; **38** sq. miles of water
- Towns and Cities: **27**
- Population 2010 Census: **782,341**
- Population 2020 Census: **1,064,465**
- Growth since 2010: **36.1%**
- Female-to-Male ratio: **51%-49%**
- Median age: **37.3** years
- Under 18 years old: **27%**
- Over 65 years of age: **11%**
- Number of housing units, 2019: **390,255**
- Number of households, 2019: **363,599**
- Average Family Size (2019): **3.32**
- Average Number per Household: **2.83**
- Median Household Income (2019): **\$96,134**
- New residents moving in each day (2019): **80**
- Density: **1,265** people/sq. mile (2020)
- Paved County Roads: **726** miles
- Average Taxable Home Value (2020): **\$374,202**
- County Tax Rate (2020): **\$0.172531** per \$100 assessed value
- Independent School Districts: **21**
- Special Districts: **2**
- Hospital Districts: **None**

The recent 2020 national census showed that the DFW Metroplex led the county in nominal population growth from 2019-2020. Denton County edged out Collin County in the past year as Denton Co. added 36,997 residents compared to Collin County's 30,559. Residents were pulled to communities in Collin County for quality of life, relatively affordable living, well-regarded school districts, and followed corporate relocations to the area. For reference, Dallas County only added 285 residents over the same period which indicates population growth is in the suburban communities. A graph from CoStar showing the Population Growth Index for the largest four counties in the DFW Metroplex is shown on the following page.

Collin County is more affluent than the Dallas-Fort Worth-Arlington CMSA. Median household income for Collin County is approximately \$96,134. While that of DFW is approximately 33.0% lower at \$72,265.



Employment

Employment summary is based on data provided by the U.S. Bureau of Labor Statistics, September 2020 published employment figures. The figures are not seasonally adjusted total employment in Collin County was estimated at 422,961 jobs as of September 2020. Between year-end 2010 and 2020, employment rose by 129,525 jobs, equivalent to a 44.1% increase over the entire period. These figures reflect a net gain of 150,282 jobs through 2019, followed by losses in 2020 with the onset of the COVID-19 pandemic. Collin County's rate of employment growth over the last decade surpassed that of the Dallas MSA, which experienced an increase in employment of 20.8% or 598,747 jobs over this period.

A comparison of unemployment rates is another way of gauging an area's economic health. Over the past decade, the Collin County unemployment rate has been consistently lower than that of the Dallas MSA, with an average unemployment rate of 4.9% in comparison to a 5.3% rate for the Dallas MSA. A lower unemployment rate is a positive indicator.

Recent data shows that the Collin County unemployment rate is 5.6% in comparison to a 6.5% rate for the Dallas-Fort Worth-Arlington CMSA, a positive sign that is consistent with the fact that Collin County has outperformed the Dallas-Fort Worth-Arlington CMSA in the rate of job growth over the past two years.



According to collincountytx.gov, the largest employers in Collin County are:

Business	Employees
Texas Instruments	9,100
Bank of America Home Loans	8,000
Plano Independent School District	6,500
Frisco Independent School District	5,000
Capital One Finance **	4,500
LifeCare	4,500
HP Enterprise Services **	4,500
AT&T	4,300
Nortel	4,300
Toyota Motor Corp. ***	4,000
Raytheon	3,600
Univ. of Texas @ Dallas	3,500
Stonebriar Centre	3,456
Shops at Willow Bend	3,240
J.C. Penney *	3,000
Blue Cross & Blue Shield of Texas **	3,100
Ericsson **	2,650
McKinney Independent School District	2,550
Frito-Lay **	2,500
Alcatel-Lucent	2,500
Dell Services **	2,250

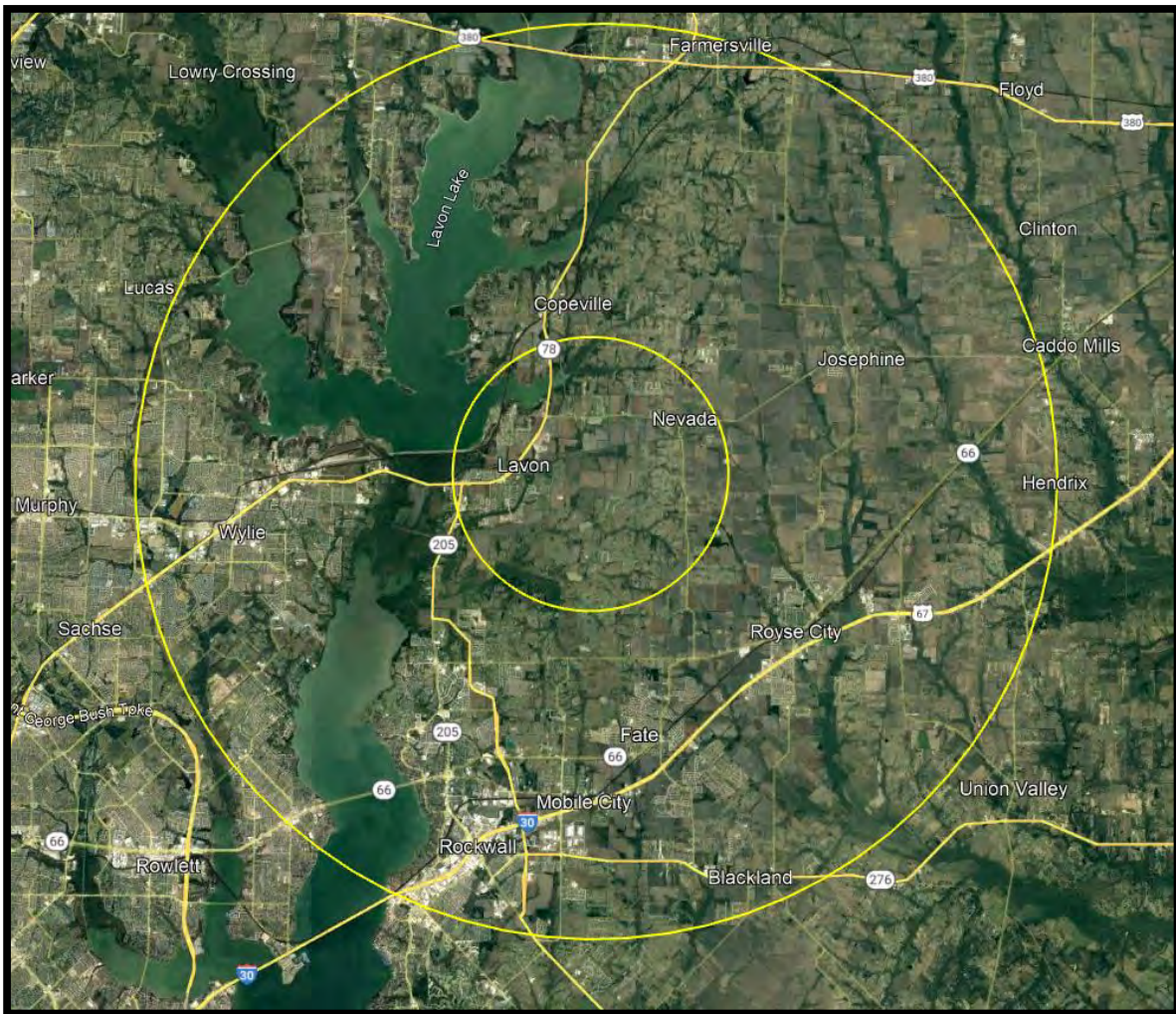
Note: Asterisks denote corporate or regional headquarters

NEIGHBORHOOD ANALYSIS

A neighborhood may be defined as a section of a community or an entire community. It refers to relatively unified area with definite boundaries which exhibit a fairly high degree of homogeneous uses – basically group of complimentary land uses that exhibit a greater degree of commonality than the larger area. The boundaries of a neighborhood define the geographical area which exerts influence on the value of the subject property. The Elevon Public Improvement District is located within the ETJ of the City of Lavon, Collin County, Texas and is within the Community Independent School District.

NEIGHBORHOOD MAP

Geographic radii of 1 and 3 miles indicating the approximate neighborhood boundaries around the Subject

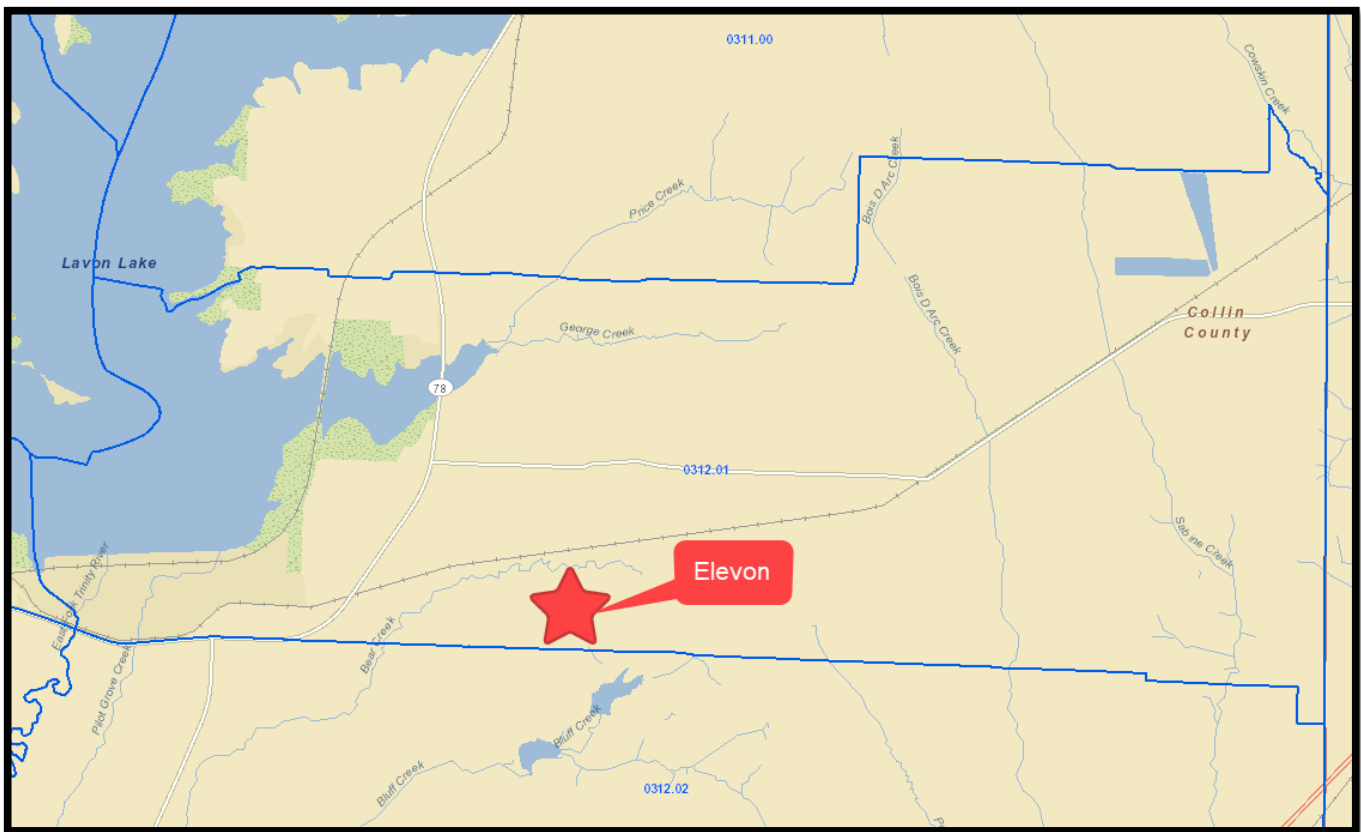


	3 Miles	10 Miles
North	CR 543/Copeville	Fairview
East	FM1138	Caddo Mills
South	FM552/Royce City	Rockwall
West	Lake Lavon	Murphy/Sachse

NEIGHBORHOOD DEMOGRAPHICS

The subject is located in census tract 0312.01 with the census report shown on the following page. The census tract report for 0312.01 indicates 5,312 people reside in the tract and income levels are in the middle tier with estimated median family incomes of \$94,821. Within census tract 0312.01, approximately 83% of housing units are owner-occupied with only 8% being renter occupied and 15% being vacant. The housing supply has an average age of 14 years which is relatively new to the recent Grand Heritage, Bear Creek, Lavon Farms, LakePointe, and Crestview Meadows subdivisions south around Lavon. These housing and demographic statistics highlight the middle-income suburban nature of the area and its desirability for families looking for new suburban housing in the North Texas region.

Census Tract 0312.01 Map





Tract 0312.01 Census Report

FFIEC	
2021 FFIEC Geocode Census Report	
Address: Selected Tract	
MSA: 19124 - DALLAS-PLANO-IRVING, TX	
State: 48 -	
County: 085 - COLLIN COUNTY	
Tract Code: 0312.01	
Summary Census Demographic Information	
Tract Income Level	Middle
Underserved or Distressed Tract	No
2021 FFIEC Estimated MSA/MD/non-MSA/MD Median Family Income	\$89,000
2021 Estimated Tract Median Family Income	\$94,821
2010 Tract Median Family Income	\$75,806
Tract Median Family Income %	106.54
Tract Population	5312
Tract Minority %	24.51
Tract Minority Population	1302
Owner-Occupied Units	1551
1- to 4- Family Units	1870
Census Income Information	
Tract Income Level	Middle
2010 MSA/MD/statewide non-MSA/MD Median Family Income	\$71,149
2021 FFIEC Estimated MSA/MD/non-MSA/MD Median Family Income	\$89,000
% below Poverty Line	12.17
Tract Median Family Income %	106.54
2010 Tract Median Family Income	\$75,806
2021 Estimated Tract Median Family Income	\$94,821
2010 Tract Median Household Income	\$67,731
Census Population Information	
Tract Population	5312
Tract Minority %	24.51
Number of Families	1375
Number of Households	1695
Non-Hispanic White Population	4010
Tract Minority Population	1302
American Indian Population	26
Asian/Hawaiian/Pacific Islander Population	96
Black Population	150
Hispanic Population	955
Other/Two or More Races Population	75
Census Housing Information	
Total Housing Units	1870
1- to 4- Family Units	1870
Median House Age (Years)	14
Owner-Occupied Units	1551
Renter Occupied Units	144
Owner Occupied 1- to 4- Family Units	1551
Inside Principal City?	NO
Vacant Units	175



DEMOGRAPHIC SUMMARY

Analytics from CoStar of the area is provided below. Within a 10-mile radius of the subject’s proposed development there are almost 200,000 people which represents a 37.2% (2.92% annual) increase in population since 2010 and highlights the growth that has occurred in this portion of the DFW Metroplex. The population growth is expected to accelerate in coming years and grow another 26.1% (4.75% annual) in the next five years. The median age of the same area is 36.7, compared to the median age nationally of 38.2 which indicates a relatively young labor supply pool. Median household incomes in the 10-mile radius are over \$100,000.

Population			
	2 mile	5 mile	10 mile
2010 Population	2,053	12,726	141,011
2021 Population	2,042	15,589	193,491
2026 Population Projection	2,503	20,489	244,046
Annual Growth 2010-2021	0%	2.0%	3.4%
Annual Growth 2021-2026	4.5%	6.3%	5.2%
Median Age	38.6	38.1	36.7
Bachelor's Degree or Higher	27%	35%	35%
U.S. Armed Forces	0	8	99

Income			
	2 mile	5 mile	10 mile
Avg Household Income	\$104,560	\$119,496	\$120,859
Median Household Income	\$92,499	\$99,146	\$102,012
< \$25,000	48	332	4,042
\$25,000 - 50,000	115	491	6,688
\$50,000 - 75,000	91	1,076	11,812
\$75,000 - 100,000	135	777	9,377
\$100,000 - 125,000	119	818	11,216
\$125,000 - 150,000	79	410	5,409
\$150,000 - 200,000	59	788	9,324
\$200,000+	51	607	7,775



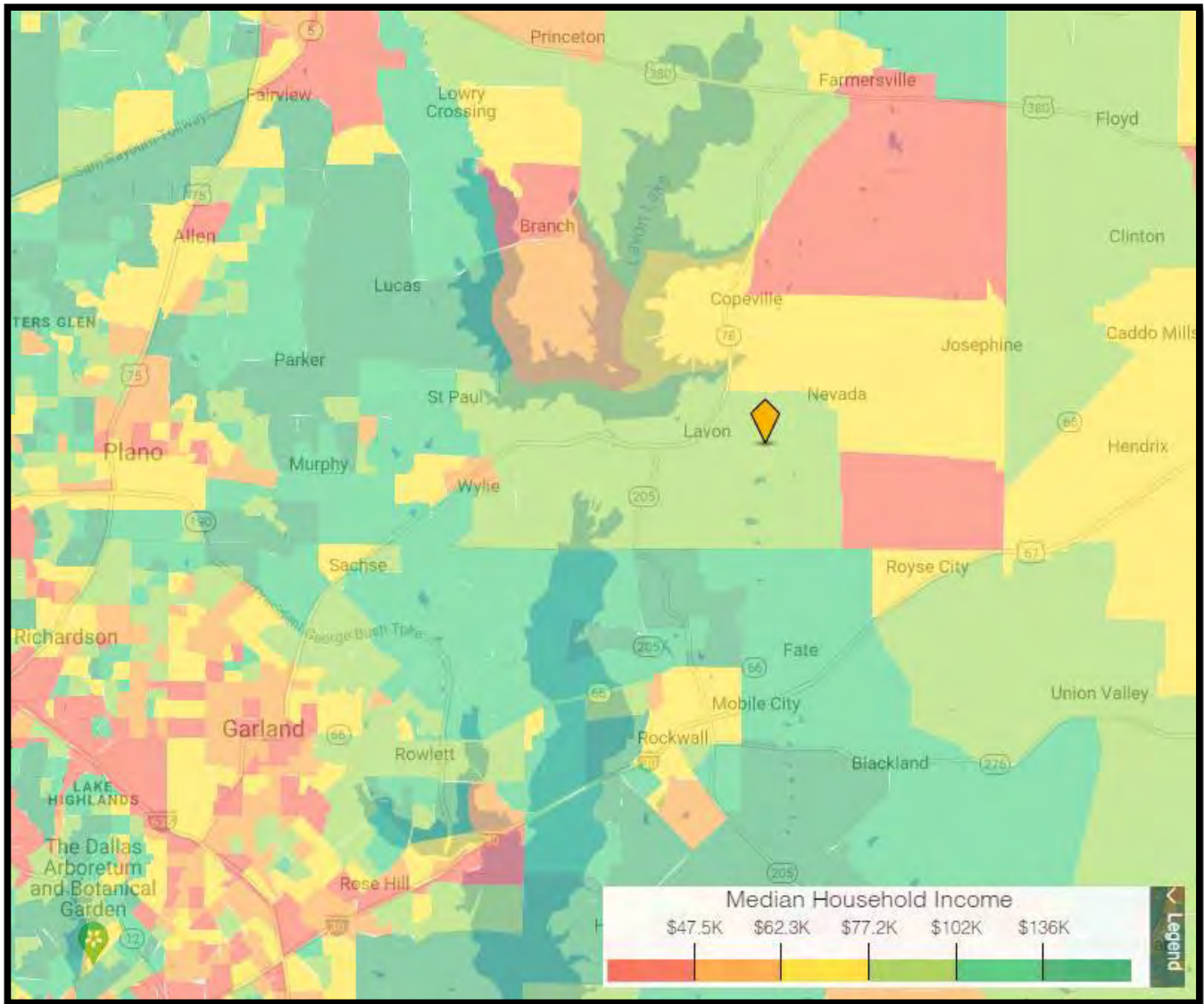
EMPLOYMENT DATA

A table of the 2- and 5-mile radius employment figures are shown below. The numbers highlight the area's diverse economy with thousands of employees working in each of the represented employment sectors.

Daytime Employment						
Radius	2 mile			5 mile		
	Employees	Businesses	Employees Per Business	Employees	Businesses	Employees Per Business
Service-Producing Industries	264	59	4	1,783	255	7
Trade Transportation & Utilities	91	21	4	327	67	5
Information	1	1	1	1	1	1
Financial Activities	23	6	4	112	35	3
Professional & Business Services	25	9	3	123	40	3
Education & Health Services	40	1	40	735	34	22
Leisure & Hospitality	22	5	4	143	22	7
Other Services	39	12	3	294	49	6
Public Administration	23	4	6	48	7	7
Goods-Producing Industries	26	6	4	489	87	6
Natural Resources & Mining	0	0	-	13	6	2
Construction	10	5	2	346	69	5
Manufacturing	16	1	16	130	12	11
Total	290	65	4	2,272	342	7

Daytime Employment			
Radius	10 mile		
	Employees	Businesses	Employees Per Business
Service-Producing Industries	39,630	4,888	8
Trade Transportation & Utilities	9,171	907	10
Information	680	75	9
Financial Activities	2,954	606	5
Professional & Business Services	3,204	672	5
Education & Health Services	12,049	1,377	9
Leisure & Hospitality	6,615	512	13
Other Services	3,561	646	6
Public Administration	1,396	93	15
Goods-Producing Industries	6,564	747	9
Natural Resources & Mining	152	31	5
Construction	2,827	556	5
Manufacturing	3,585	160	22
Total	46,194	5,635	8

CoStar Analytics – Map of Median Household Income



Map of Nearby Residential Subdivisions



The area surrounding the subject property – especially to the west and south in Lavon, Wylie, Murphy, Sachse, Rowlett, and Rockwall – have experienced high levels of development in recent years. These areas generally ring the largest metropolitan areas of Dallas and Plano and are built as the population has swelled and new suburban residences have been in demand.

While Lavon is considered a small city by North Texas standards, the city is on the verge of explosive growth as large residential developers have completed, are in the construction phase, or in the permitting phase of many planned subdivisions. The city now totals 4,469 residents (US Census, 2020) but population counts do not account for current planned residential planning in Lavon. The city expects to have over 8,000 residents within the next decade. New residents will generally be young families with kids who are drawn to the area for the new housing stock, smalltown feel, open space, and scenery between two large lakes.

Lavon Lake Parks

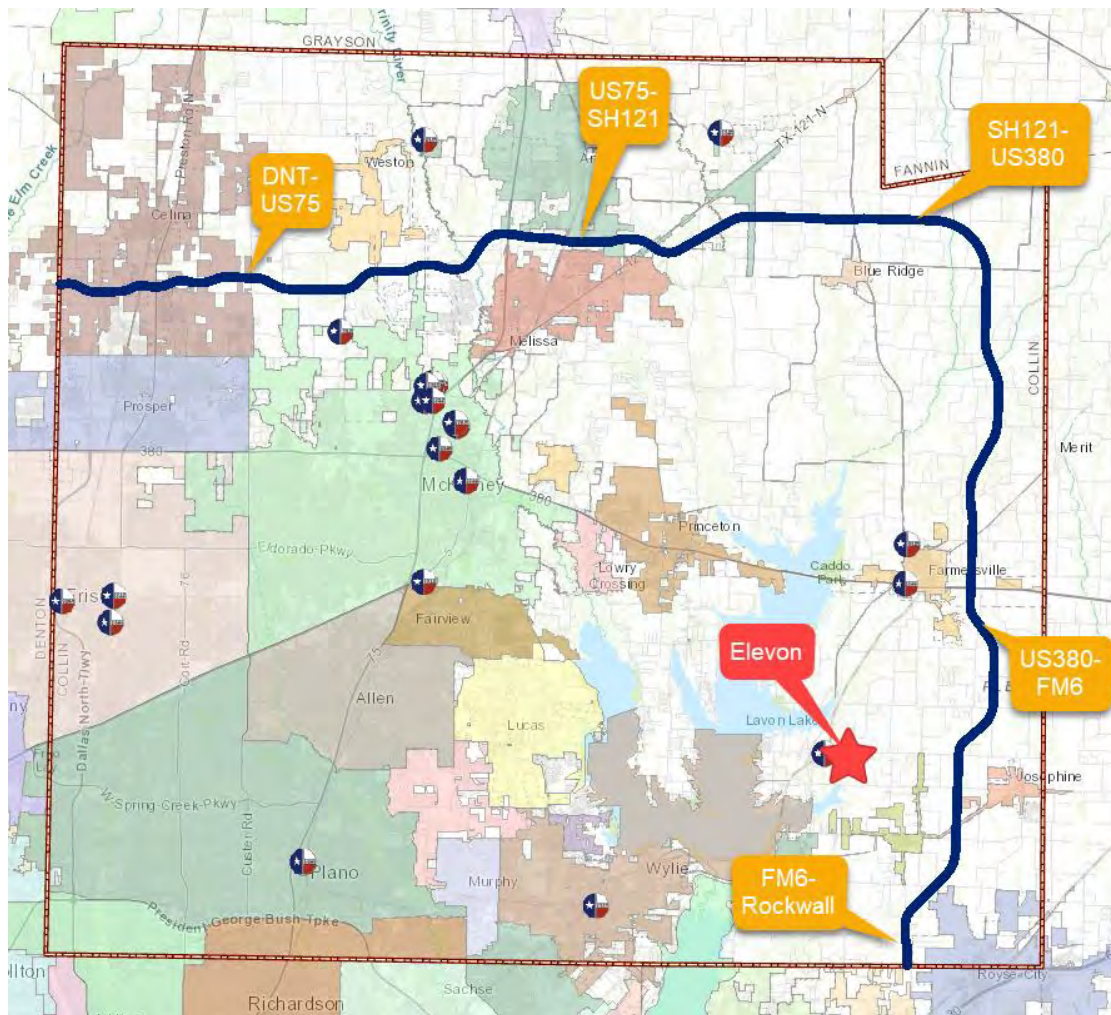
There are several parks surrounding nearby Lake Lavon located around the lake which offer access to lake activities. The closest park on Lake Lavon to the subject property is Mallard Park which is just off State Hwy. 78. Mallard Park is an Army Corps of Engineers Park that features a 3-lane boat ramp, restrooms, beach swim area, covered picnic tables. Mallard Park is currently seasonally open from April through September. Little Ridge, Pebble Beach, and Lavonia Park are also located on the southeast part of the lake close to Lavon. Similar to Mallard Park, Lavonia Park offers a boat launch, covered picnic tables, restrooms, and a beach swim area but also offers a playground and tent/RV camping with hot showers and a dump station.

Number	Name
A1	Twin Groves
A2	Caddo Park
A3	Elm Creek
B1	Lakeland Park
B2	Tickey Creek
B3	Pebble Beach
B4	Little Ridge
B5	Mallard Park
B6	Lavonia Park
B7	Clear Lake
C1	Bratonia Park
C2	Highland Park
C3	Brockdale Park
C4	Collin Park
C5	East Fork
C6	Avalon Park



Outer Loop

The North Texas Council of Governments conducted a Mobility 2030 Metropolitan Transportation Plan, and through this process, the “Outer Loop” was created. The “Outer Loop” is a 45-mile tollway from Rockwall County to eventually extent to I-35. The proposed corridor will include 6 general purpose toll lanes including a wide median area for dedicated truck lanes. A four-mile segment in the first phase connecting SH-121 to US-75 has been completed in 2012 at the cost of approximately \$21 million funded through county and regional toll road revenues. The following map illustrates the potential routes and the location of the Outer Loop which is represented by the purple line below.

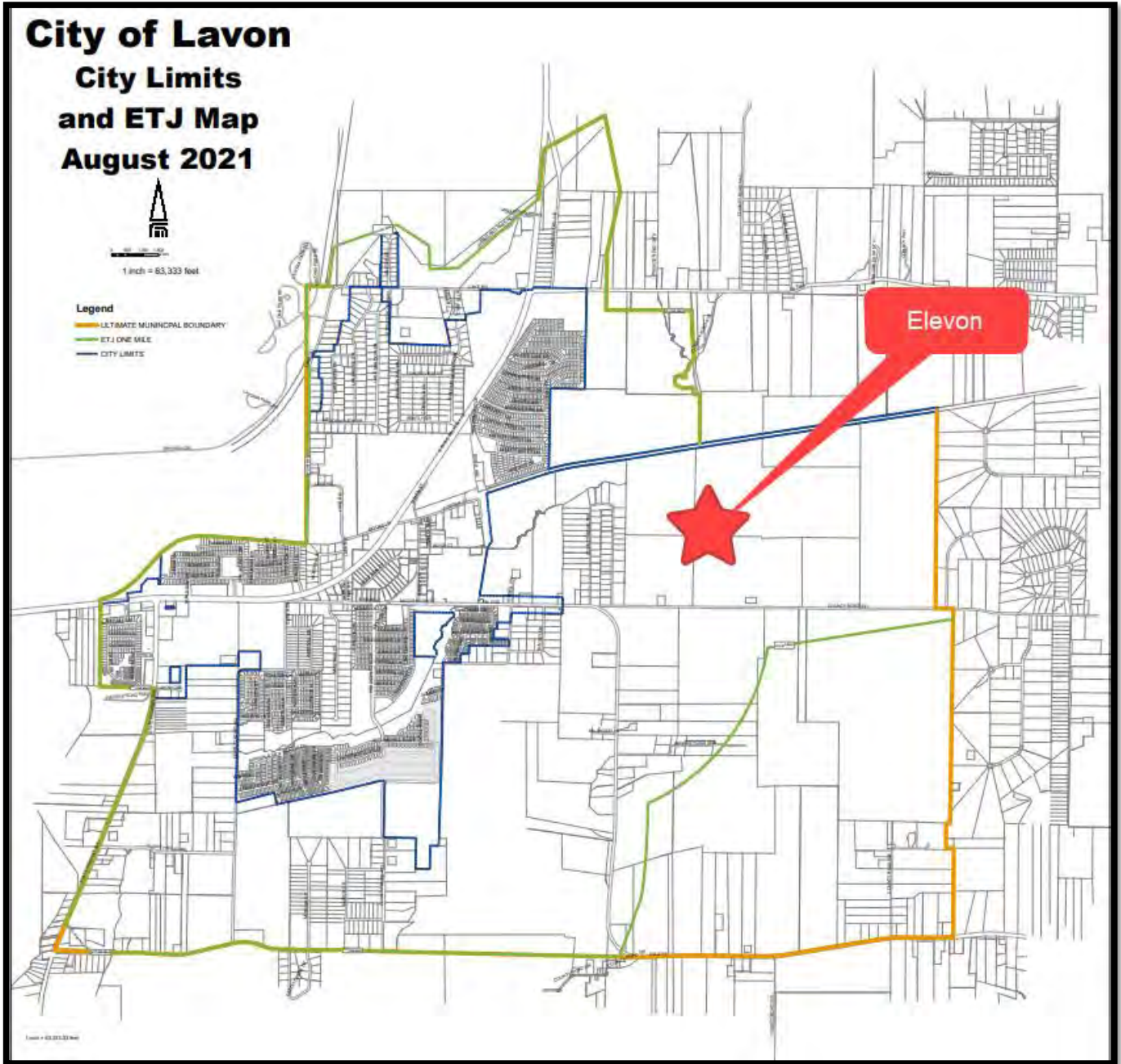


Conclusions

The area is in the growth stage of its life cycle. The surrounding area is developable land that generally does not have difficult topography to overcome. Given the history of the area and the growth trends of this area of North Texas combined with the limited supply of available acreage close to existing population centers, it is expected that property values will continue to increase into the near future.

Lavon, TX City Limits and ETJ Map

The Elevon Public Improvement District is located within the ETJ of the City of Lavon, Collin County, Texas and is within the Community Independent School District.





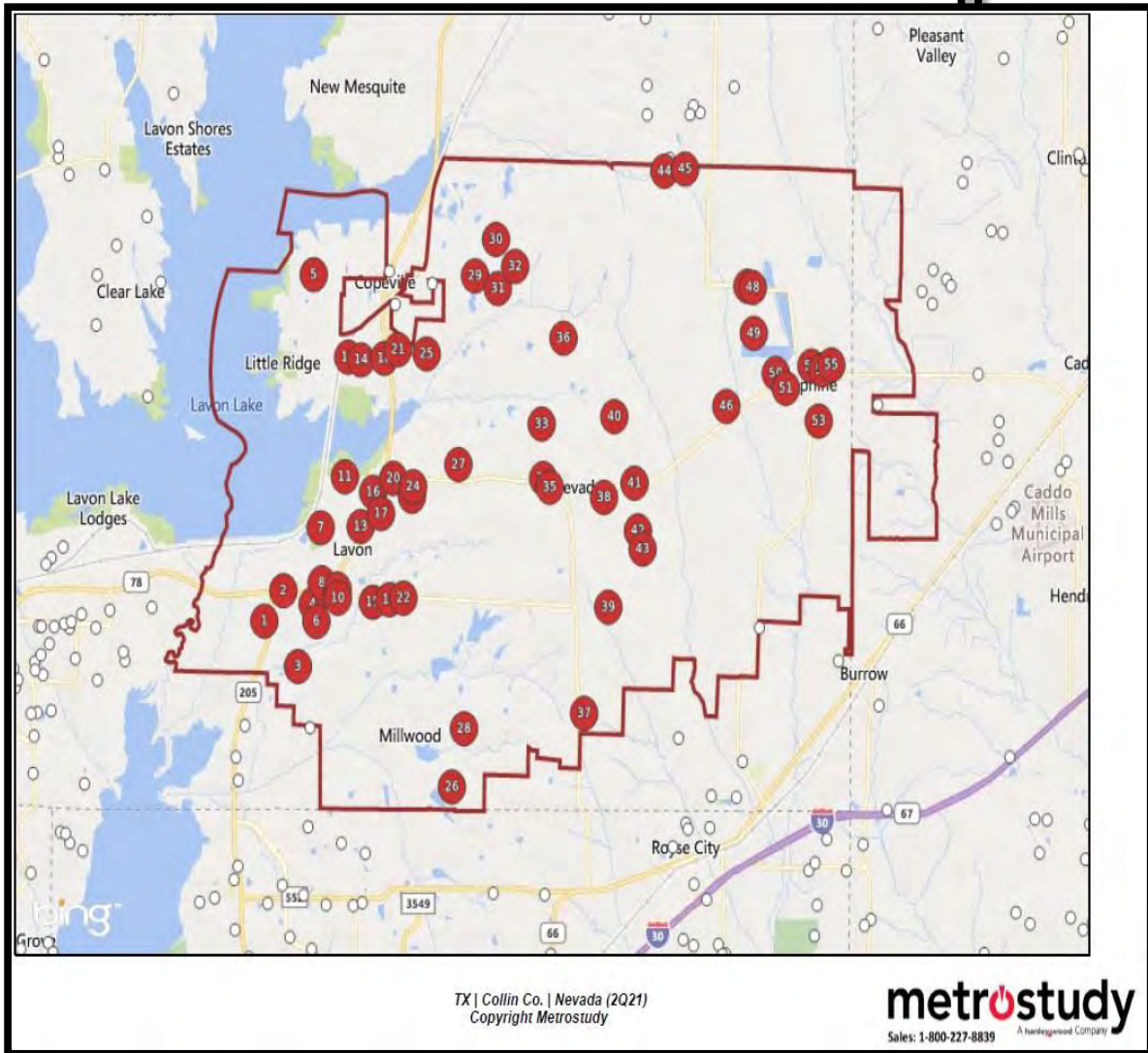
ABSORPTION ANALYSIS

The subject property is a proposed development of a master-planned community. When analyzing the financially feasible and maximally productive use of the site, uses that are both physically possible and legally permissible must be considered. An important factor affecting development of the subject is the surrounding land usage. For the subject, the primary potential use is considered to be single-family residential development as that conforms to the surrounding area. The neighborhood is predominantly vacant land to the east and residential subdivisions in various stages of completion to the north and west. The immediate area surrounding the subject is residential or expected to be single-family residential in the near future.

Since the recession is 2008, the residential real estate market in this area of North Texas has continuously improved. Coming out of the uncertainty caused by the COVID-19 Pandemic in 2020 and early 2021 the area has experienced supply constraints in the single-family residential market which has been upward pressure on multifamily lease rates. Low interest rates have persisted nationally and with large numbers of in-migration and an abundance of steady jobs, prices for real estate – both residential and commercial – have increased. Additionally, with the decline in the availability of vacant developable land, population growth has quickly expanded into the outlying suburban and rural areas of the DFW Metroplex.

Based on the preceding, the proposed absorption of single-family home lots in the subject's neighborhood will be analyzed using historical absorption data provided by Zonda (Metrostudy) as well as information obtained from area market participants and developers. It is important to note that our absorption data is based on historical trends and current available data. Since the residential lots are not scheduled to be complete since 2023 and 2024, we will analyze the historical trends and attempt to forecast the absorption rates based off data, analytics, and our conversations with developers in the market. The subject development is located within the city of Lavon, Collin County, Texas and is within the Community Independent School District. Therefore, data obtained from Zonda (Metrostudy) as of Second Quarter 2021 for the defined area of Community ISD, as shown in the following map, will be analyzed with a summary of the details following.

Community ISD Submarket – Zonda (Metrostudy)



TX | Collin Co. | Nevada (2Q21)
 Copyright Metrostudy

metrostudy
 Sales: 1-800-227-8839
 A harsco corporation

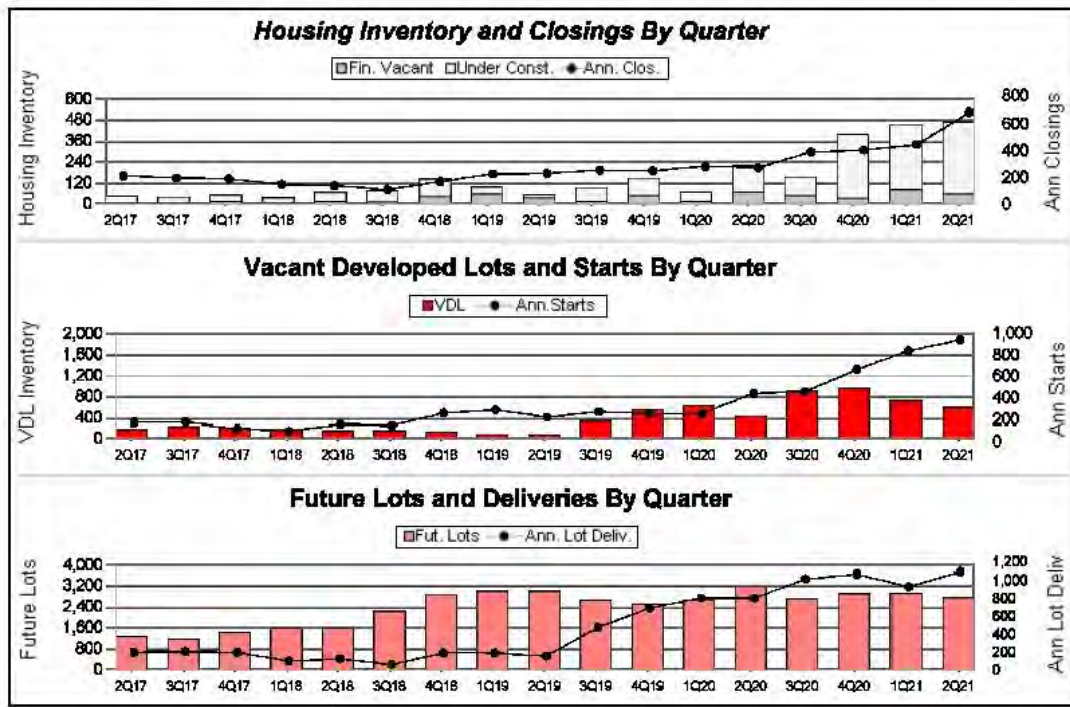


The following chart provided by Metrostudy summarizes historical lot absorption from the past several years for the defined market area of Community ISD.

Historical Housing Activity Summary

Current Selections

Qtr	Qtr Clos	Ann Clos	Model	FinVac	UC	Total Inv	Total Supply	Qtr Starts	Ann Starts	VDL	VDL Supply	Fut Lots	Ann Lot Deliv
2Q17	57	215	3	6	39	48	2.7	16	176	167	11.4	1,284	203
3Q17	36	199	3	6	34	43	2.6	31	180	220	14.7	1,166	210
4Q17	30	192	2	14	39	55	3.4	42	119	188	19.0	1,431	201
1Q18	28	151	2	7	29	38	3.0	11	100	179	21.5	1,595	106
2Q18	48	142	2	14	51	67	5.7	77	161	135	10.1	1,593	129
3Q18	6	112	2	12	66	80	8.6	19	149	136	11.0	2,227	85
4Q18	89	171	4	44	97	145	10.2	154	261	122	5.6	2,875	195
1Q19	87	230	4	57	40	101	5.3	43	293	79	3.2	2,986	193
2Q19	51	233	2	35	20	57	2.9	7	223	74	4.0	2,986	162
3Q19	31	258	2	15	79	96	4.5	70	274	344	15.1	2,652	482
4Q19	84	253	2	48	99	149	7.1	137	257	564	26.3	2,512	699
1Q20	120	286	5	14	54	73	3.1	44	258	632	29.4	2,678	811
2Q20	41	276	6	70	150	226	9.8	194	445	438	11.8	3,187	809
3Q20	148	393	7	49	107	163	5.0	85	460	906	23.6	2,709	1,022
4Q20	98	407	10	33	364	407	12.0	342	665	972	17.5	2,898	1,073
1Q21	161	448	11	82	373	466	12.5	220	841	728	10.4	2,915	937
2Q21	277	684	15	56	414	485	8.5	296	943	594	7.6	2,754	1,089



Dallas/Ft. Worth Residential Survey (2Q21)
Copyright Metrostudy



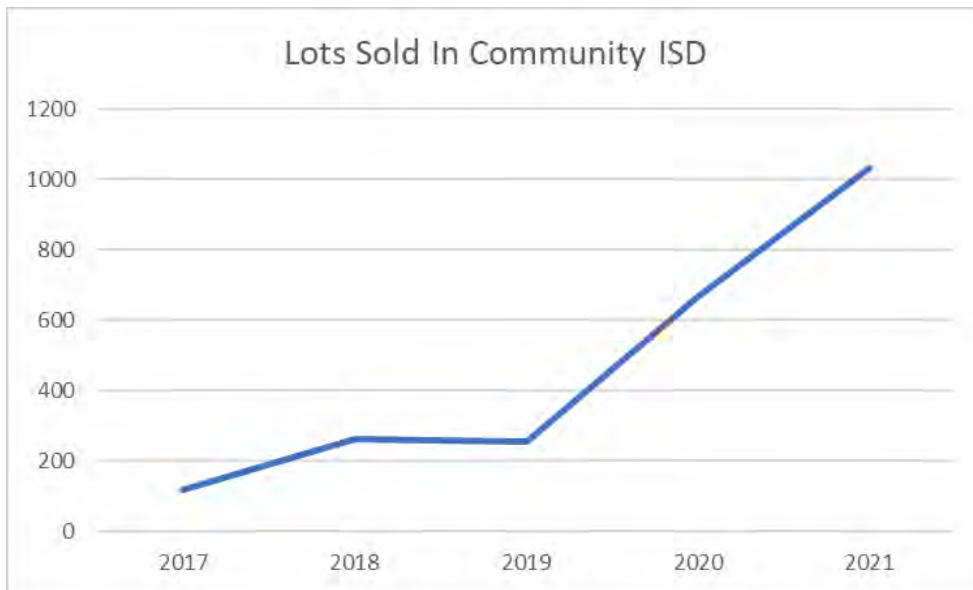


Defined Submarket Area

As shown in the previous chart, the absorption of homes/lots within the submarket area was stable from 2017 to mid-2018 before increasing substantially in 2020 and 2021. According to Zonda (Metrostudy), the submarket area absorbed the following total homes/lots from 2017 to Second Quarter 2021:

- 2017 - 119 lots absorbed
- 2018 - 261 lots absorbed
- 2019 - 257 lots absorbed
- 2020 - 665 lots absorbed
- Up to 2Q2021 - 516 lots absorbed

From 2017-2020, the *annual average* of lots absorbed was 326 lots **with a trend that is accelerating**. Utilizing the more recent 12-month absorption of lots (July 2020 to June 2021), the annual average of lots absorbed more than doubles to 943 lots in the submarket. We have compiled a graph of the lots absorbed below and extrapolated the rest of 2021 to assume the same amount of lots will be sold in Q3-Q4 as in Q1-Q2.



Supply (lot inventory)

According to Zonda (Metrostudy), the existing supply of available housing is presently below ideal levels in the submarket while the number of vacant developed lots in the submarket has substantially increased from a low of 74 vacant lots in 2Q2019 to a high of 906 vacant lots in 3Q2020. The current vacant lot level is only 594 lots as of 2Q2021.

Based upon the Metrostudy absorption figures of the past 4.5 years, there is currently only an approximate 18 month (594 lots / 404 lots = ~1.5-years) total supply of existing lots available in the submarket. This total supply is considered to be below the ideal lot supply levels of 2.0 to 2.5 years per Metrostudy. Furthermore, when utilizing the more current 12-month absorption average of 943 lots, the total supply of existing lots available in the subject's defined submarket decreases further to only ~8-months (594 lots ÷ 943 lots/year = ~0.6-years), which is well below optimum lot supply levels in the submarket.



Thus, the total lot supply within the subject’s submarket is estimated to be between ~0.6- to ~1.5-years (~8 to ~18 months). Currently, this total lot supply is considered to be significantly **below** the ideal supply levels for a significantly developing market. Also, taking into consideration that new developments require a typical 9-to-12-month construction period, *with increasing demand and declining lot supply, it appears that additional lot product in the submarket is feasible and needed at the current time.*

Having considered the supply of lots in the market, it is now prudent to the absorption history of specific competing subdivisions in the subject’s market area with similar lot features and amenities relative to the subject to determine the projected absorption and feasibility of the subject’s proposed lots as follows.

Absorption Analysis – 50’ and 60’ lots (most typical in area)

The similarities considered to be most important are lot size, home price range, and amenity features. The tables that follow detail the active subdivisions, including the subject’s subdivision, that are considered to compete with the subject’s lots. All data is per Zonda (Metrostudy) as of 2Q2021.

Subdivision	Size (Foot Front)	Available Lots	Starts	Months	Starts/Month	Available Supply
LakePointe	50	24	24	9	2.7	9.0
LakePointe	60	79	29	6	4.8	16.3
Lavon Farms	50	37	37	18	2.1	18.0
Grand Heritage	50	42	70	12	5.8	7.2
Inspiration	60	13	86	12	7.2	1.8
Bozman Farms	50	12	85	15	5.7	2.1
Magnolia Landing	60	143	467	12	38.9	3.7
Stone Ranch	60	29	55	6	9.2	3.2
AVERAGE		47.4			9.5	7.7

Absorption Summary Projection: Section 2: Pod 2A, 2B-1, 2C, and 2D; 935 Lots Phase 1)

The data from competing developers in the area indicated there are approximately 8 months of supply based on the current rates of absorption analyzed over the past 18 months. As noted, lot absorption in the area has accelerated over the past 18 months as the area becomes developed and the pool of buyers has increased due to low interest rates and a resilient economy. This also timeframe also coincides with the onset of the COVID-19 Pandemic that has resulted in more people leaving densely populated areas in DFW (and all over the nation) to settle in less densely populated areas as working from home is normalized.

Based on the preceding, the appraisers will assume that lots in the proposed development will sell at approximately 30/month for each type of lot. Smaller front frontage townhouse lots are not represented in the above data as they are atypical for an exurban area such as those developments in Community ISD; however, in speaking with developers the appraisers have determined this smaller foot frontage (townhouse) lots will sell just as quickly as more typical 50’ and 60’ lots as the price point for these homes will be lower. While the proposed Eleven development is large by Lavon standards – or any city, for that matter – the diversity in lot size and builder, strong influx of residents to the area, accelerating lot sales in the submarket, and relatively affordable price points is expected to combine to keep the lots selling at a healthy pace. A table is shown below that reflects the total absorption period for each of the lot sales in Phase 1 of Eleven.



Projected Quarterly Absorption Summary - Phase 1 (935 Lots)											
<i>Lot Type</i>	<i>Apr-23</i>	<i>Jul-23</i>	<i>Oct-23</i>	<i>Jan-24</i>	<i>Apr-24</i>	<i>Jul-24</i>	<i>Oct-24</i>	<i>Jan-25</i>	<i>Apr-25</i>	<i>Jul-25</i>	<i>Oct-25</i>
26' Lots	30	14	-	-	-	-	-	-	-	-	-
31' Lots	30	7	-	-	-	-	-	-	-	-	-
33' Lots	12	-	-	-	-	-	-	-	-	-	-
35' Lots	28	-	-	-	-	-	-	-	-	-	-
40' Lots	30	30	30	30	30	30	30	5	-	-	-
45' Lots	30	30	8	-	-	-	-	-	-	-	-
50' Lots	30	30	30	30	30	30	30	30	30	30	12
60' Lots	30	30	30	30	23	-	-	-	-	-	-
70' Lots	30	30	16	-	-	-	-	-	-	-	-
Total	250	171	114	90	83	60	60	35	30	30	12

Absorption Summary Projection: Section 2: Pod 2B-2 and 2E; 452 Lots Phase 2)

Projected Quarterly Absorption Summary - Phase 2 (452 Lots)							
<i>Lot Type</i>	<i>Oct-24</i>	<i>Jan-25</i>	<i>Apr-25</i>	<i>Jul-25</i>	<i>Oct-25</i>	<i>Jan-26</i>	<i>Apr-26</i>
40' Lots	30	30	30	30	23	-	-
45' Lots	30	30	1	-	-	-	-
50' Lots	30	30	30	30	30	30	23
60' Lots	30	15	-	-	-	-	-
Total	120	105	61	60	53	30	23



Developer Contract Summary

PHASE 1: POD 2A, 2B-1, 2C, AND 2D (935 LOTS)

The proposed development is under contract to be sold to five separate developers for a total of **\$89,948,335**. The developers are essentially paying for the lots at \$1,200 per front foot regardless of the lot width or depth. The one exception to that rate is Pod 2D which is paying \$1,255 per foot front. The difference is likely due to the fact that the developer in that pod is receiving smaller lots which have good proximity to the future school site. The smaller lots will allow that developer to make a higher return on investment by selling higher-density townhouses than single-family homes with lots between 40' and 70' minimum width.

Pod 2A

Contract date = July 16, 2021, to K. Hovnanian Homes, consisting of 92-60'x120' lots at \$72,000 per lot and 76-70'x120' lots at \$84,000 per lot for a total price of **\$13,008,000**.

Pod 2B-1

Contract date = July 16, 2021, to Jabez Development, LP, consisting of 101-40'x120' lots at \$48,000 per lot and 97-50'x120' lots at \$60,000 per lot for a total price of **\$20,796,000**.

Pod 2C

Contract date = July 2, 2021, to Trophy Signature Homes, consisting of 39-40'x120' lots at \$48,000 per lot, 68-45'x120' lots at \$54,000 per lot, 152-50'x120' lots at \$60,000 per lot and 51-60'x120' lots at \$72,000 for a total price of **\$18,336,000**.

Pod 2D

Contract date = August 5, 2021 to Qualico Developments, consisting of 44-26'x100' lots at \$32,630 per lot, 37-31'x105' lots at \$38,905 per lot, 12-33'x105' lots at \$41,415 per lot, 28-35'x105' lots at \$43,925 per lot, 37-40'x110' lots at \$50,200 per lot, 16-40'x120' lots at \$50,200 per lot, 22-40'x130' lots at \$50,200 per lot and 63-50'x120' lots at \$60,000 per lot for a total price of **\$12,230,335**. The contracts on this pod are slightly higher (when analyzing foot frontages) than the other pods which is likely due to the fact they are primarily smaller and more profitable lots that have close proximity to the future school and are located on CR 541 (Watkins Rd.)

PHASE 2: POD 2B-2 AND 2E (452 LOTS)

Pod 2B-2

Contract date = July 16, 2021, to Jabez Development, LP, consisting of 101-40'x120' lots at \$48,000 per lot and 88-50'x120' lots at \$60,000 per lot for a total price of **\$10,128,000**.

Pod 2E

Contract date = July 2, 2021, to Trophy Signature Homes consisting of 42-40'x120' lots at \$48,000 per lot, 61-45'x120' lots at \$54,000 per lot, 115-50'x120' lots at \$60,000 per lot, and 45-60'x120' lots at \$72,000 per lot for a total price of **\$15,450,000**.

SUBJECT PROPERTY ANALYSIS

The subject represents a total of 377.258 acres located within (Phase 1 Pods 2A, 2B-1, 2C, 2D, 2F – 273.198 acres) and (Phase 2 Pods B-2 and 2E – 104.06 acres) as part of the Elevon Public Improvement District. The property (Elevon Public Improvement District) is located on the east side of SH-78, south of FM-6 in the city of Lavon in the far southwestern sector of Collin County. The property is located within the Community Independent School District.

Improvement Plan



General Description

The following general descriptions of the subject’s characteristics are based on review of available maps and data sources, as well as our physical on-site observations. Please refer to copies of the maps, photographs, and renderings for a visual perspective of the subject's physical characteristics.



Phase 1: Pod 2A, 2B-1, 2C and 2D; (935 PHASE ONE LOTS)

Public Improvement Area Improvements

Street

Includes cost associated with subgrade stabilization, concrete and reinforcing steel for roadways, testing, sidewalks, accessibility ramps, earthwork, erosion control, retaining walls, intersections, signage, and revegetation of all disturbed areas within the right-of-way. The street improvements will provide street access to each lot within Phase 1.

Drainage

Includes costs associated with constructing earthen channels, swales, curb and drop inlets, RCP piping and boxes, headwalls, manholes, concrete flumes, rock rip rap, concrete outfalls, and testing as well as all related earthwork, excavation, erosion control necessary to provide storm drainage for all Lots within Phase 1.

Sewer/Wastewater

Includes costs associated with trench excavation and embedment, trench safety, PVC piping, ductile iron encasement, boring, manholes, service connection, testing, related earthwork, excavation, erosion control and all necessary appurtenances required to provide wastewater service to all Lots within Phase 1.

Water

Includes costs associated with trench excavation and embedment, trench safety, PVC piping, manholes, service connections, testing, related earthwork, excavation, erosion control and all necessary appurtenances required to provide wastewater service to all Lots within Phase 1.

Phase 2: Pod 2B-2, 2E- (452 PHASE TWO LOTS)

Phase 1: Pod 2A, 2B-1, 2C and 2D; (935 PHASE ONE LOTS)

Public Improvement Area Improvements

Street

Includes cost associated with subgrade stabilization, concrete and reinforcing steel for roadways, testing, sidewalks, accessibility ramps, earthwork, erosion control, retaining walls, intersections, signage, and revegetation of all disturbed areas within the right-of-way. The street improvements will provide street access to each lot within Phase 2.

Drainage

Includes costs associated with constructing earthen channels, swales, curb and drop inlets, RCP piping and boxes, headwalls, manholes, concrete flumes, rock rip rap, concrete outfalls, and testing as well as all related earthwork, excavation, erosion control necessary to provide storm drainage for all Lots within Phase 2.

Sewer/Wastewater

Includes costs associated with trench excavation and embedment, trench safety, PVC piping, ductile iron encasement, boring, manholes, service connection, testing, related earthwork, excavation, erosion control and

all necessary appurtenances required to provide wastewater service to all Lots within Phase 2.

Water

Includes costs associated with trench excavation and embedment, trench safety, PVC piping, manholes, service connections, testing, related earthwork, excavation, erosion control and all necessary appurtenances required to provide wastewater service to all Lots within Phase 2.

Utilities

Pods on the west side of the development (Pods 2A and 2B) will have water provided by the Bear Creek Special Utility District. Pods on the east side of the development (Pods 2C, 2D, and 2E) will have water provided by Nevada SUD. The dividing line between these two districts in a 75' Atmos Energy natural gas line easement that generally runs north/south. A map from the Texas Public Utility Commission showing the dividing line of the two water districts is shown on the below

Electricity to the property is provided by Oncor energy. Natural gas will be provided by Atmos Energy. The Elevon PID will be served by Lavon sanitary sewer which is not currently built to the site but will be added prior to development. Telephone, fiber-optic, and internet by or through a variety of providers.

Texas Public Utility Commission Map - Bear Creek SUD and Nevada SUD





Accessibility, Frontage, and Streets

The proposed developments will be primarily served from the east/west. Presently, at the south boundary County Road 541 (Watkins Rd.) is the only access to the property but a new thoroughfare from Lavon, Elevation Parkway, will be constructed to serve the community from the northwest....

Easements/Encroachments

A plat survey for the property was not provided that indicates easements or encroachments. Based on our physical site visit and review of available maps of surrounding area it is reasonable to suspect that there are typical setbacks and easements that exist on the property. Maps of the site do indicate there is a 75' Atmos natural gas line easement that generally runs north/south through the development. This line is the dividing line between the water Special Utility Districts mentioned in the Utility section. Construction plans indicate this gas line will be left undisturbed by surrounding development. The appraisers assume the property is free from any detrimental easements or encroachments and specifically reserves the right to alter the conclusion of this analysis should a survey be provided that indicates detrimental easements or encroachments.

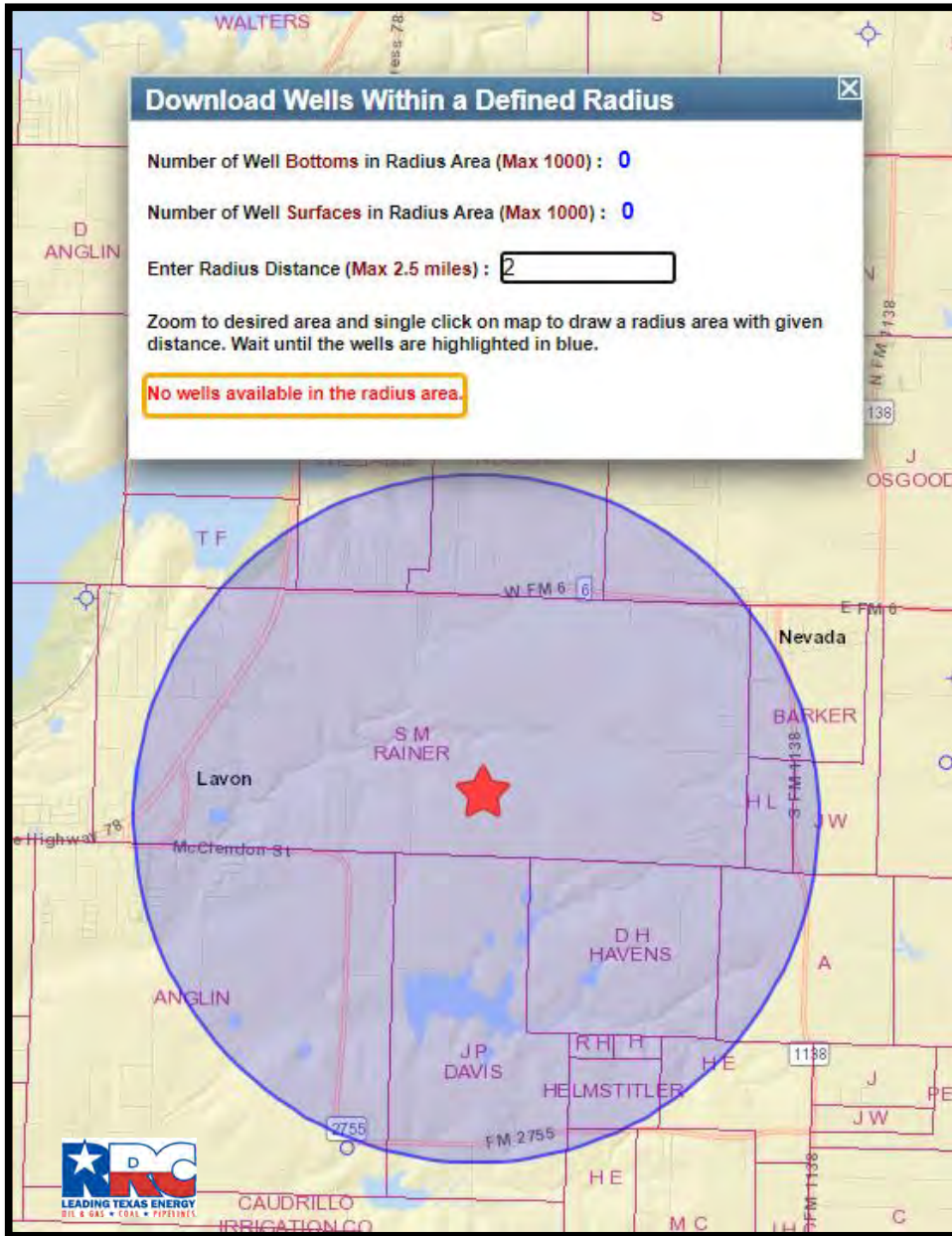
Zoning and Restrictions

The subject site is located in the City of Lavon ETJ and within Collin County. The appraisers spoke with LeAnn McClendon at the City of Lavon who confirmed the development is within the Lavon ETJ and would likely be annexed in the future. Currently, there are no zoning restrictions on use imposed on the subject by any jurisdiction other than those restrictions imposed by the Collin County Fire Marshal.

Soil and Sub-Soil Conditions

No soil engineer's report was available to the appraisers and no recent soil tests are known to have been performed. We have assumed a stable soil condition that would ensure the structural integrity of any improvement which is nor or may be constructed. Our value conclusions are subject to revision should these assumptions prove incorrect. We caution and advise the user of this report to obtain engineering studies which may be required to ascertain any structural integrity.

**TEXAS RAILROAD COMMISSION
Oil and Gas Wells**



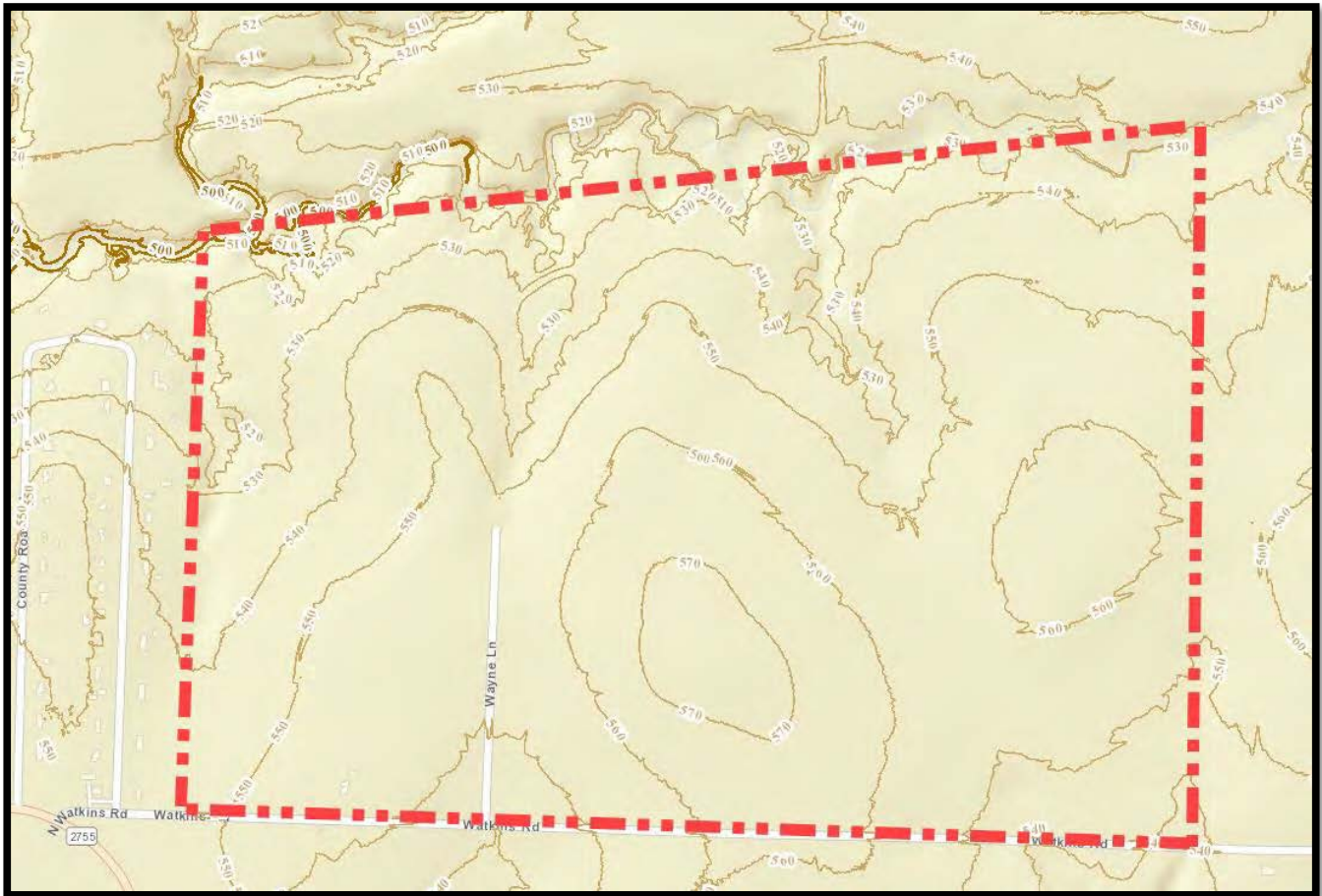
This area of North Texas is not active in natural gas or oil extraction as seen by the above map from the Texas Railroad Commission. There are no well surface sites or well bottom sites within 2.0 miles from the subject. The subject site does not appear to be encumbered by any detrimental restrictions due to the proximity to surface or subsurface well locations due to the fact that the wells are significantly deep underground.

TOPOGRAPHY

The topography of the subject property is described as gently sloping and is mostly cleared with some mature trees along the natural gas easement, drainage areas with lower elevation, and generally surrounding Bear Creek which runs along the north of the development. Topographic information is provided by the DFWMaps.com and the Texas A&M Forestry Service GIS system. The map indicates 10' contour lines marked at 10' increments, showing that the site elevation is gently sloping through the 500'-570' sea level elevation. The site generally slopes to the north and east toward Lavon.

TOPOGRAPHIC MAP

Contours At 10'



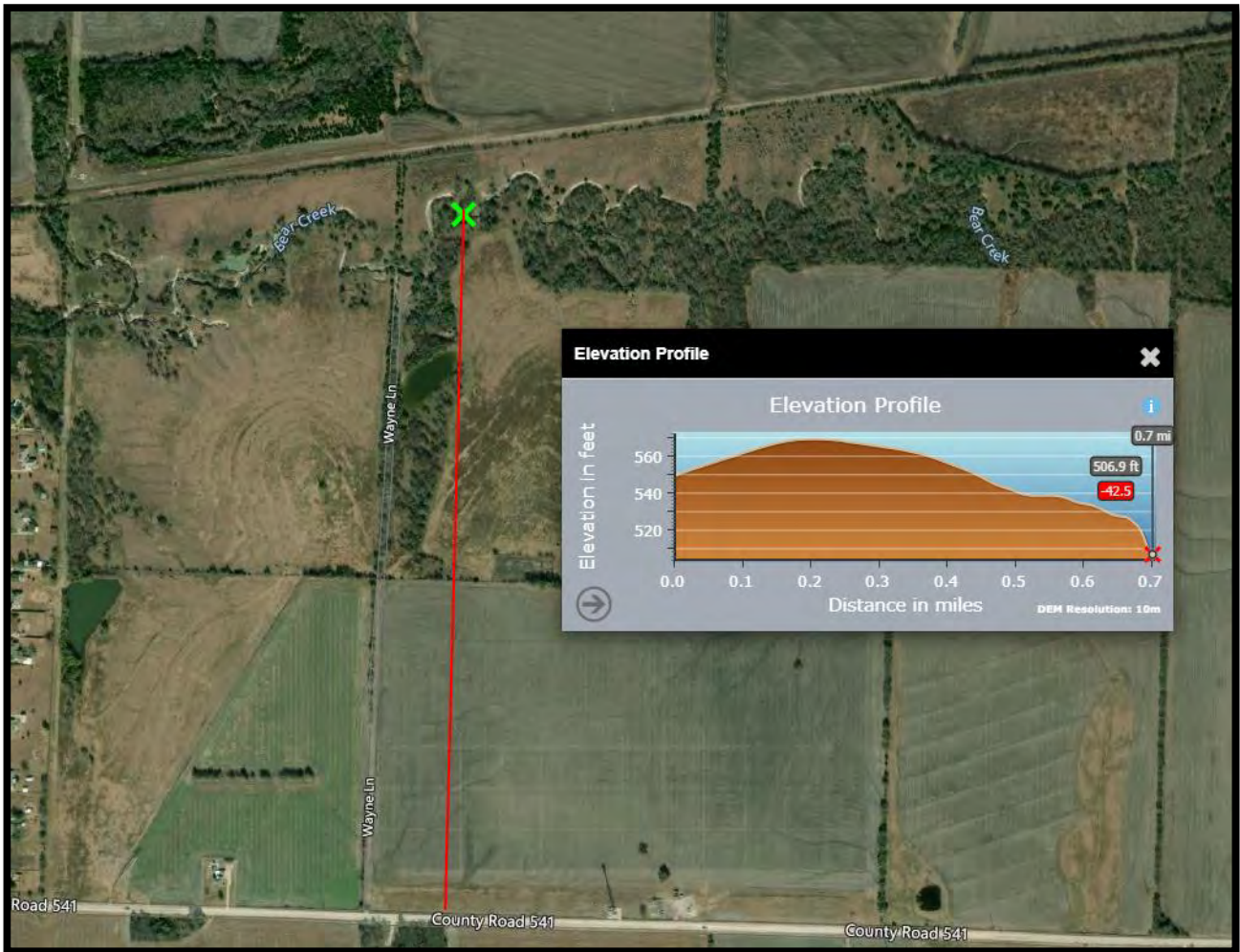
ELEVATION PROFILE – TEXAS A&M FOREST SERVICE



General Slope of the Property Along the North Boundary Moving West to East

- *Elevation profile is represented along illustrated axis*
- *Property has gently sloping topography that generally slopes from the east down to the west*

ELEVATION PROFILE – TEXAS A&M FOREST SERVICE



General Slope of the Property Moving North to South in Flood Zone X

- *Elevation profile is represented along illustrated axis*
- *Elevation rises to the center of the property and then slopes downhill toward Bear Creek which is the north boundary of the development*

FEMA Flood Zone (Map 48085C0445J, Effective 6/2/2009)

The subdivision development is primarily in FEMA Flood Zone X (minimal chance flood hazard) but will have a small portion (19.70 acres) of land along the north boundary in the floodplain (FEMA Flood Zone A – average 1% annual flood hazard without base flood elevation); however, the areas of the subject property that are to be developed with residential lots are outside the floodplain as shown on the following page.

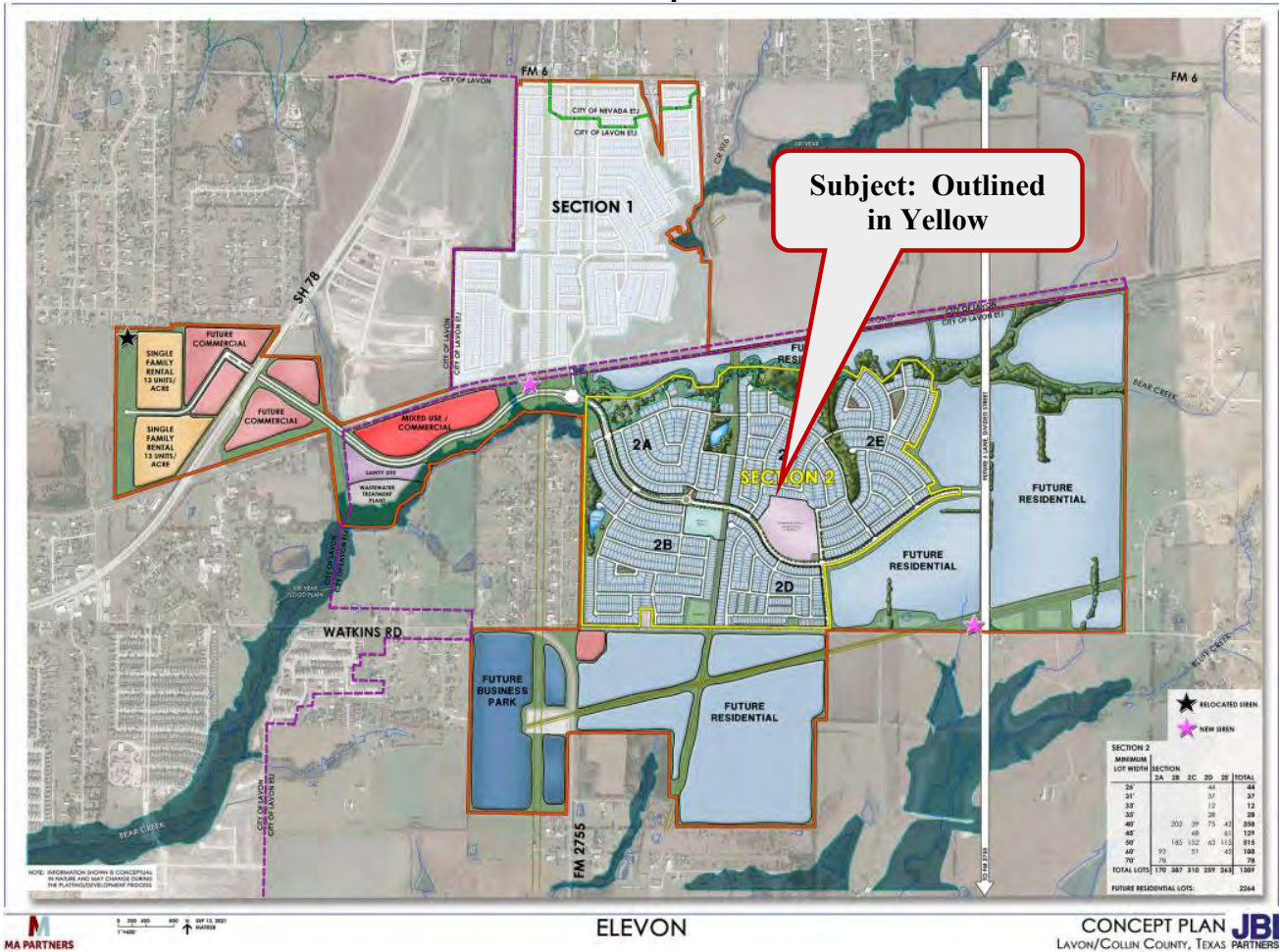


Floodplain – JPI Partners

Based on JPI Partners provided flood map, there are approximately 19.70 acres of flood plain within the entire developable area of the subject property, as illustrated below.



Area Concept Plan



Subject: Elevation Public Improvement District (PID)

PROPERTY PHOTOGRAPHS



Looking Northeast across Pod 2B from Watkins Rd. (CR541)



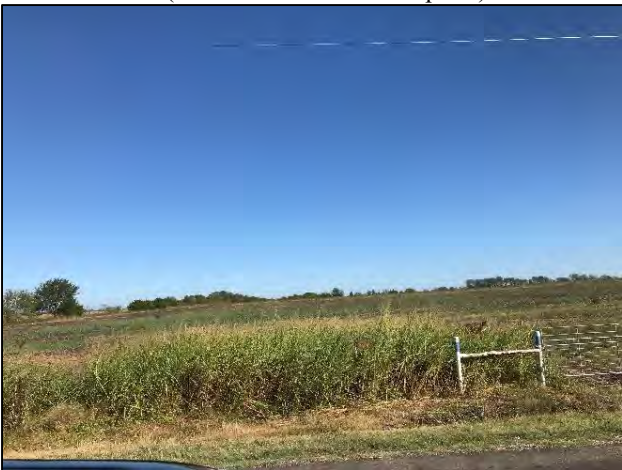
Looking North across Pod 2B & 2D from Watkins Rd. (CR541)



Looking East down Watkins Rd. (CR541) 2B & 2D on the Left
(Cell Tower as reference point)



Cell Tower Outparcel on Pod 2D



Looking North across Pod 2D from Watkins Rd. (CR541)



Looking North Across Pods 2D and 2C



Future Residential Southeast of Pod 2E



Future Development Mixed Use Commercial Outparcel



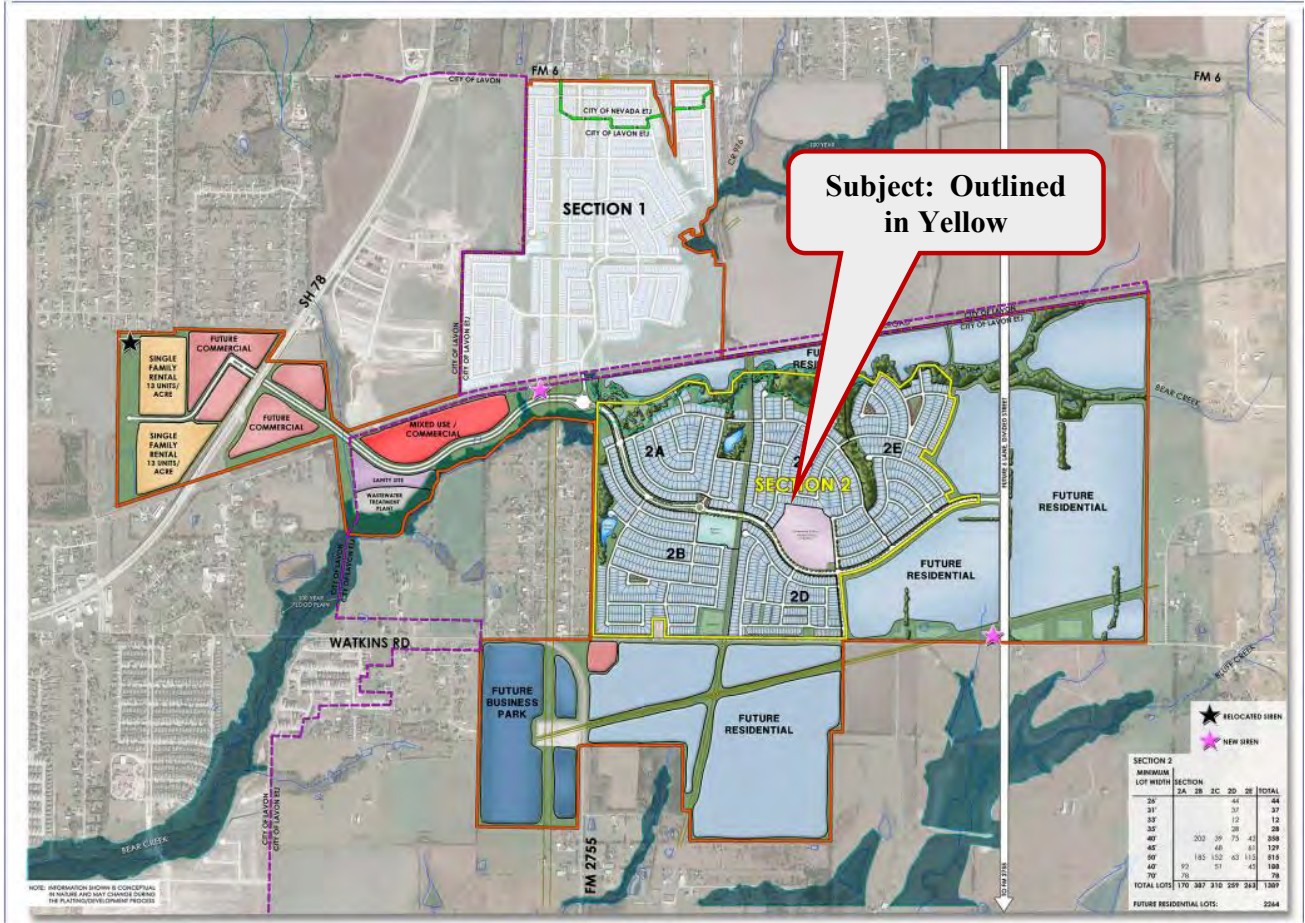
Watson Rd. (CR541) looking north across Future Residential

ELEVON PRELIMINARY PLAT SECTION 2 PHASES 2A-2E

- 935 lots in Phase 1
- 452 lots in Phase 2
- Development has school site, amenity center site, and detention ponds
- Additional engineering plans located in Addenda



Area Concept Plan



Subject: Elevation Public Improvement District (PID)



HIGHEST AND BEST USE

The highest and best use may be defined as the most profitable or likely profitable legal use for which a property may be utilized. The opinion of such use may be based on the highest and most profitable continuous use to which the property is adapted and needed, or likely to be in demand in the reasonably near future. Also, that reasonable and probable use that will support the highest present value, as defined, as of the effective date of the appraisal.

Alternatively, that use, from among reasonably probable and legal alternative uses, is found to be:

- a. Physically Possible
- b. Legally Permissible
- c. Financially Feasible
- d. Maximally Productive

The definition, immediately above, applies specifically to the highest and best use of land. It is to be recognized that in cases where a site has existing improvements on it, the highest and best use may very well be determined to be different from the existing use. The existing use will continue however, unless and until land value in its highest and best use exceeds the total value of the property in its existing use.

There are two distinct types of highest and best use, that being the highest and best use as if the site were vacant, and the highest and best use as improved. Both use determinations require consideration of the physical, legal, financial feasibility and maximal productivity for the site and improvements.

Highest and Best Use Analysis

Physically Possible

Considering the subject's physical characteristics including jurisdiction, location, size, shape, and availability of utilities, the site is capable of numerous uses which are physically possible without being constrained by the property itself.

Legally Permissible

The subject property is presently outside the city limits and within the City of Lavon ETJ. Being in the ETJ there are no zoning or land use limitations.

No private deed restrictions were uncovered during a normal investigation, which would further limit the potential uses of the subject site. No other legal restrictions or covenants were found to be imposed on the subject property at the time of the appraisal which would further restrict development.

Financial Feasibility and Maximal Productivity

In order to be economically feasible, the improvements should conform to the surrounding land uses. To meet the test of being financially feasible, the project must provide a net return over a reasonable period of time. The location and physical characteristics of this property in proximity to Lake Lavon and Hwy 78 corridor are well suitable for residential development as the area is quickly becoming a bedroom community surrounding Dallas within North Texas. Home prices are expected to continue increasing as the demand for housing grows and the inventory remains limited. As such, throughout the North Texas market, and specifically within Collin County, prices continue to rise as developable real estate values increase.



Highest and Best Use “as-vacant”

The resilient business climate in North Texas and the continual development and surrounding neighborhoods has created increased demand for higher end homes and respective developments. Coupled with low interest rates lowering the barriers to entry, is our opinion that the highest and best use of the property “as vacant” would be for the development of single-family residential community.

Highest and Best Use “as-improved”

We believe the value of the subject property as improved exceeds the value of its current AG use of the underlying land. The current single-family increase in demand vs. the availability of supply, has resulted in upward pressure on real estate values. The property owners have work for several years to gain control over the land in order to properly position the property in the current competitive real estate climate for single-family development. The current status of entitlements of the property is favorable and the flexibility in interior layout would suggest that development will accommodate a wide range of user requirements and thereby remain competitive and economically feasible for the long term.

With these considerations, we believe the **highest and best use for the property “as improved”** is for the development of a single-family subdivision.

We also believe that the **most probable buyer** would be a developer of large single-family subdivisions.



VALUATION “PHASE 1 – 935 LOTS” & “PHASE 2 – 452 LOTS”

COST APPROACH

The Cost Approach is based on the principle of substitution, which states that a prudent buyer would not pay more for a property than the cost to acquire a similar site and construct the equivalent improvements without undue delay. This approach is most beneficial when appraising a proposed or recently built project. The methodology provides information that contrasts with information from the income capitalization and sales comparison approaches. It allows the appraiser to address the feasibility and highest and best use issues inherent in new construction.

The cost approach is typically used for proposed projects and existing groups of lots or units that make up a substantial portion of an existing project. It's not particularly useful for valuing a small group of, say, 20 lots in a large 500-lot planned development or several condominium units in a large residential project.

The Cost Approach include three basic elements:

- Land Value
- Reproduction Cost
- Accrued Depreciation

The first step in the Cost Approach is to develop a value opinion of the underlying land involved. As stated previously, the primary developer is under contract to purchase the land for the development at approximately \$30,000/acre; however, these terms were decided several years ago, and the market appreciated within the few years prior to the date of the effective date of the appraisal.

The site valuation is really a separate appraisal of the land of the subject property, under the assumption that the improvements are not yet in place. Therefore, we have elected to treat the site valuation as a separate component of the appraisal process. After we reach an opinion of value for the subject site, that value will be transferred to the calculation of the Cost Approach in the following section of this report.

The subject property has a total of 429.291-AC. Within the 1st phase of lots (Pods 2A, 2B-1, 2C, and 2D) there are a total of 233.315-AC. Within the 2nd phase of lots (Pods 2B-2 and 2E) there are a total of 104.060-AC. There is a total of 92.096-AC that are devoted to the master infrastructure and greenspace (within floodplain) that are within the development but will not have lots built. Since these 92.096-AC and the development costs associated with them are a necessary component of the subdivision, the appraisers have allocated these acres to the phases that have lots. The allocation of the 92.096-AC is done proportionally to the percentage of lots; therefore, since Phase 1 has 935 of the 1387 lots (67.4%) the allocation is 62.084-AC. Since Phase 2 has 452 of the 1387 lots (32.6%) the allocation is 30.012-AC. Therefore, the following acreages are attributable to each phase:

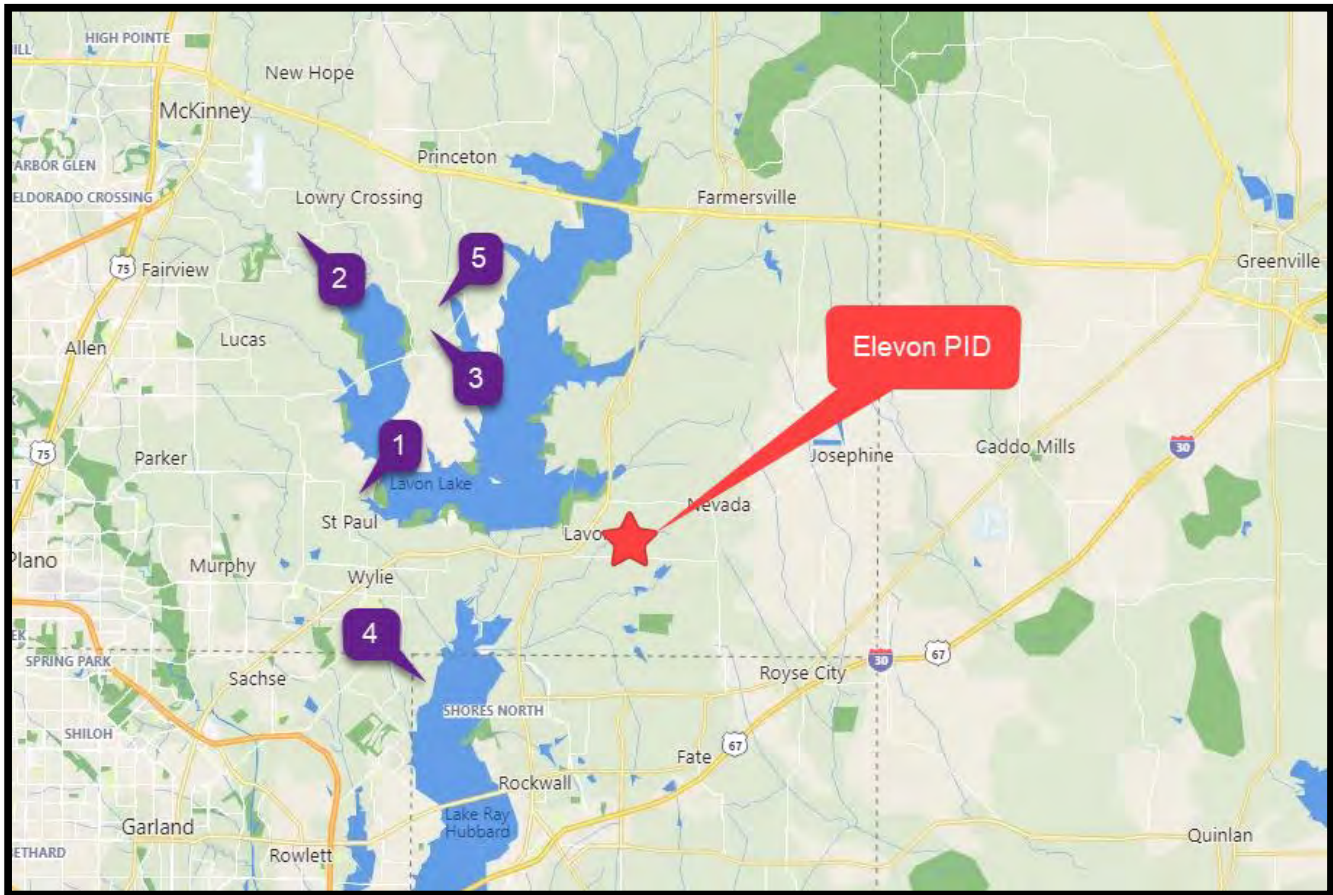
- **Phase 1 has 295.219-AC** - 233.315-AC (Pods 2A, 2B-1, 2C, and 2D) and 62.084-AC of infrastructure
- **Phase 2 has 134.072-AC** - 104.060-AC (Pods 2B-2 and 2E) and 30.012-AC of infrastructure

The appraisers utilized the Sales Comparison Approach to determine the market value of the land. Based on research, buyers in the market typically rely heavily on the following unit of comparison for land valuation:

Sales Price Per Acre - This number is obtained by dividing the sale price by the overall acreage of the land

A map of the subject property with similar, nearby, recent comparable sales is shown below page in addition to a summary of the land sales. Following the map and table there is an adjustment grid as well as an analysis explaining how we adjusted the comparable sales to arrive at a value indication for the subject site's land. Comparable sale data sheets are located in the Addenda.

COMPARABLE SALES MAP – LAND (Phase 1)



Subject: Elevon PID, Lavon, TX 75166

SUMMARY OF LAND SALES - PHASE 1						
Sale	Location	City	Sale Date	Sale Price	Size (AC)	\$/AC
1	38 AC St. Paul RD	St. Paul	4/17/19	\$3,453,500	38.681	\$89,282
2	4905 CR 317	Fairview	10/4/21	\$4,002,000	55.397	\$72,242
3	000 CR 444	Princeton	7/26/21	\$2,550,000	51.497	\$49,517
4	3805 Troy Rd.	Wylie	12/7/20	\$9,500,000	252.000	\$37,698
5	8640 CR 392	Princeton	1/30/20	\$2,496,000	78.819	\$31,667
Subject	Elevon Phase 1	Lavon	N/A	N/A	295.219	N/A



COMPARABLE SALES ADJUSTMENT GRID – LAND (PHASE 1)

	Subject	Sale 1	Sale 2	Sale 3	Sale 4	Sale 5
	<u>Elevon Phase 1</u>	38 AC St. Paul RD	4905 CR 317	000 CR 444	3805 Troy Rd.	8640 CR 392
	<u>Lavon</u>	St. Paul	Fairview	Princeton	Wylie	Princeton
<i>Financial Adjustments</i>						
Sales Price/AC		\$89,282	\$72,242	\$49,517	\$37,698	\$31,667
Rights Conveyed		<u>0%</u>	<u>0%</u>	<u>0%</u>	<u>0%</u>	<u>0%</u>
Sales Price/AC		\$89,282	\$72,242	\$49,517	\$37,698	\$31,667
Financing Terms		<u>0%</u>	<u>0%</u>	<u>0%</u>	<u>0%</u>	<u>0%</u>
Sales Price/AC		\$89,282	\$72,242	\$49,517	\$37,698	\$31,667
Conditions of Sale		<u>0%</u>	<u>0%</u>	<u>0%</u>	<u>0%</u>	<u>0%</u>
Sales Price/AC		\$89,282	\$72,242	\$49,517	\$37,698	\$31,667
Expenditures After Purchase		<u>0%</u>	<u>0%</u>	<u>0%</u>	<u>0%</u>	<u>0%</u>
Sales Price/AC		\$89,282	\$72,242	\$49,517	\$37,698	\$31,667
Market Conditions		<u>18%</u>	<u>0%</u>	<u>3%</u>	<u>12%</u>	<u>15%</u>
ADJUSTED Price/AC:		\$105,352	\$72,242	\$51,003	\$42,222	\$36,418
<i>Physical Adjustments</i>						
Location	Lavon	-15%	-5%	3%	0%	3%
Topography/Floodplain	Gently Sloping with ~5% Floodplain	-3%	-3%	-3%	3%	-3%
Utilities	Water, Electric	0%	0%	0%	0%	0%
Size	260.122-AC	-15%	-12%	-12%	0%	-8%
Total Net Physical Adjustment		-33%	-20%	-12%	3%	-8%
ADJUSTED Price/AC:		\$70,586	\$57,794	\$44,883	\$43,489	\$33,504
SUMMARY OF COMPARABLE VALUES						
Value Range/AC:		\$33,504	to	\$70,586		
Weighted Allocation						
Weighted Allocation		15.0%	15.0%	15.0%	40.0%	15.0%
Contribution to Value		\$ 10,588	\$ 8,669	\$ 6,732	\$ 17,396	\$ 5,026
Subject Value/AC	\$48,411					
Value Indication	\$12,592,647					
Rounded	\$12,600,000					



ANALYSIS OF THE SALES – LAND (PHASE 1)

Our research of sales comparables leads us to the determination that there are ample comparable sales within the last three years involving similar land sales within the subject's general competing area that could reliably and reasonably be verified through our due diligence. The comparable sales for the subject property's land that are utilized had unadjusted sales prices ranging from \$31,667 to \$89,282 per acre, and sizes ranging from 38.681- to 252.000-AC.

Data on each of the sales, including sales price, was confirmed with sources considered reliable. Based on analysis of this data and other pertinent information obtained in our research, the following pages are a discussion of the factors which were found to exhibit significant influence on property values in this market.

Factors to be Considered and Summary of Adjustments

Financial Adjustments

Property Rights

This adjustment considers the difference in sales price of properties sold in fee simple estate or in leased fee estate and the effect of any existing leases on the sales price of the property. All the sales involved fee simple interests being transferred. Thus, no adjustments are applicable for this factor.

Financing Terms

All sales were cash or cash equivalent, thus an adjustment for this item was not necessary.

Condition of Sale

This adjustment reflects the motivations of the buyer and seller, i.e., assemblage, distress sale, reduced prices from family purchase, or purchase by adjacent landowners. All transactions were arm's length and occurred in an open market, with no undue influences noted; therefore, no adjustments were needed.

Expenditures After Purchase

Immediately following the purchase of a property, a buyer will often spend money to cure a problem or to make the property useable. These expenditures need to be accounted for in the adjustments. If a buyer pays an expense that would normally be a seller's responsibility, such as a real estate commission, this expense should be added to the price to determine the true price paid by the buyer for the property. Demolition of existing improvements that have no contributory value is another example of a cost paid by the buyer that would increase the effective price of the property. Based on our due diligence, there were no expenditures after purchase for any of the comparable sales, so no adjustment is made.

Market Conditions/Date of Sale

Market conditions generally change over time. The date of the appraisal is a specific time. Changes in market conditions may be caused by inflation, deflation, fluctuations in supply and demand or other factors. All the sales occurred during a similar period. According to significant YE 2019 and 2020 residential commercial real estate industry reports, including data obtained from firms such as Integra, CBRE, and JLL and according to our firms' significant client and owned property records, vacant land values have shown increase over the last several years overall in the ~18-25% range for vacant land in outlying areas around the DFW Metroplex. These price increases were moderate – 3-5% per year – in 2019 and early 2020 and then accelerated and have been closer to 15-20%



since mid-2020 up to the effective date of this report. A property that sold a year or two ago, would, therefore, have a greater market value this year, and therefore, there is a timing adjustment required based on the influences of economic market forces. Considering this we have conservatively adjusted the sales positively 12% for the past year-over-year timeframe and positively 3% per year for each year prior. All sales occurred from 4/17/2019 through 10/4/2021, and adjustments are reflected on the adjustment table ranging from 0 to 18% positive adjustment.

Physical Adjustments

Location

The location adjustments occur when the comparable sale is located in an area that is either more or less desirable than the subject, in relationship to absorption and new construction starts. Also, surrounding development, demographics, economics, and property use trends are given consideration. Each of the comparable sales would be average-to-good locations for a subdivision development but differences and adjustments are described below:

Sale 1 is on the west side of Lake Lavon in St. Paul in an area that has experienced rapid growth over the past decade. Sale 1 has superior access to Plano, McKinney, and most of the areas of North Dallas and has higher median household incomes; thus, Sale 1 is adjusted negatively 15% for location. Sale 2 is also in a superior location being closer to McKinney and having slightly higher incomes; thus, Sale 2 is adjusted negatively 5%. Sales 3 and 5 have similar demographics as the subject property but are located on a peninsula on Lake Lavon that reduces access to the nearby developed cities; thus, Sales 3 and 5 are adjusted positively 3% for location.

Topography/Floodplain

Topography conditions included are land contours, grades, drainage adequacies, and general physical usability. Land that is heavily wooded would likely be less valuable than a site that was cleared and ready for development. The land being analyzed is generally cleared.

Floodplain includes land denoted by FEMA as being within Zone A, AE, or AE Floodway. These classifications indicate the land is either within the regular path of water or has a 1% average annual chance of flooding. Land within these FEMA Flood Zones cannot be improved with structures that impede water flow. This fact significantly reduces the development potential and, thus, market value. The subject property has approximately 5% of the property within Flood Zone A on Bear Creek toward the north boundary of the development. This land is primarily segregated within Pod 2E that does not have lot development due to the floodplain.

Sales 1, 2, 3, and 5 are within Flood Zone X (minimal chance flood risk) and are cleared so they are slightly superior to the subject property; thus, each of these sales are adjusted negatively 3% for topography/floodplain. Sale 4 has a creek with Floodway AE bisecting the property on the west side but much of the property is gently sloping and cleared for development. Thus, Sale 4 is adjusted positively 3% for topography/floodplain.

Utilities

The availability of utilities is a major factor in the development of any property. If a site has no utility service or cannot acquire access, it is virtually impossible to develop. Public utilities available to the subject property currently include city water, electricity, and telephone. The subject property has a plan in place to bring sanitary sewer and natural gas to the development; however, the current utility access is not available. Each of the comparable sales currently have access to the same utilities so no adjustment is made in this category.



Size

Typically, due to economies of size, the larger the tract the lower the unit price. The converse also tends to be true. Land comparable sales analyzed on an area-wide basis around the subject seem to indicate an approximate price premium or discount for each halving/doubling of size of approximately 5% per acre for tracts within the size range of those compared herein. Adjustments reconciled using this base metric for the size range of the sales utilized in this analysis would appear reasonable based on evaluation of comparable sales and yield the following results (based on 260.122-AC):

- Sale 1: Smaller (38.681-AC); Adjusted negatively 15%
- Sale 2: Smaller (55.397-AC); Adjusted negatively 12%
- Sale 3: Smaller (51.497-AC); Adjusted negatively 12%
- Sale 4: Similar (252.000-AC); No adjustment
- Sale 5: Smaller (78.819-AC); Adjusted negatively 8%

Weighting

In the land valuation analysis of the subject site at for the Elevon PID in Lavon, TX, the appraisers noted that Sale 4 was the most similar sale in both size, location, and overall gross adjustments so we weighted that sale 40%. The rest of the sales are weighted equally at 15%.

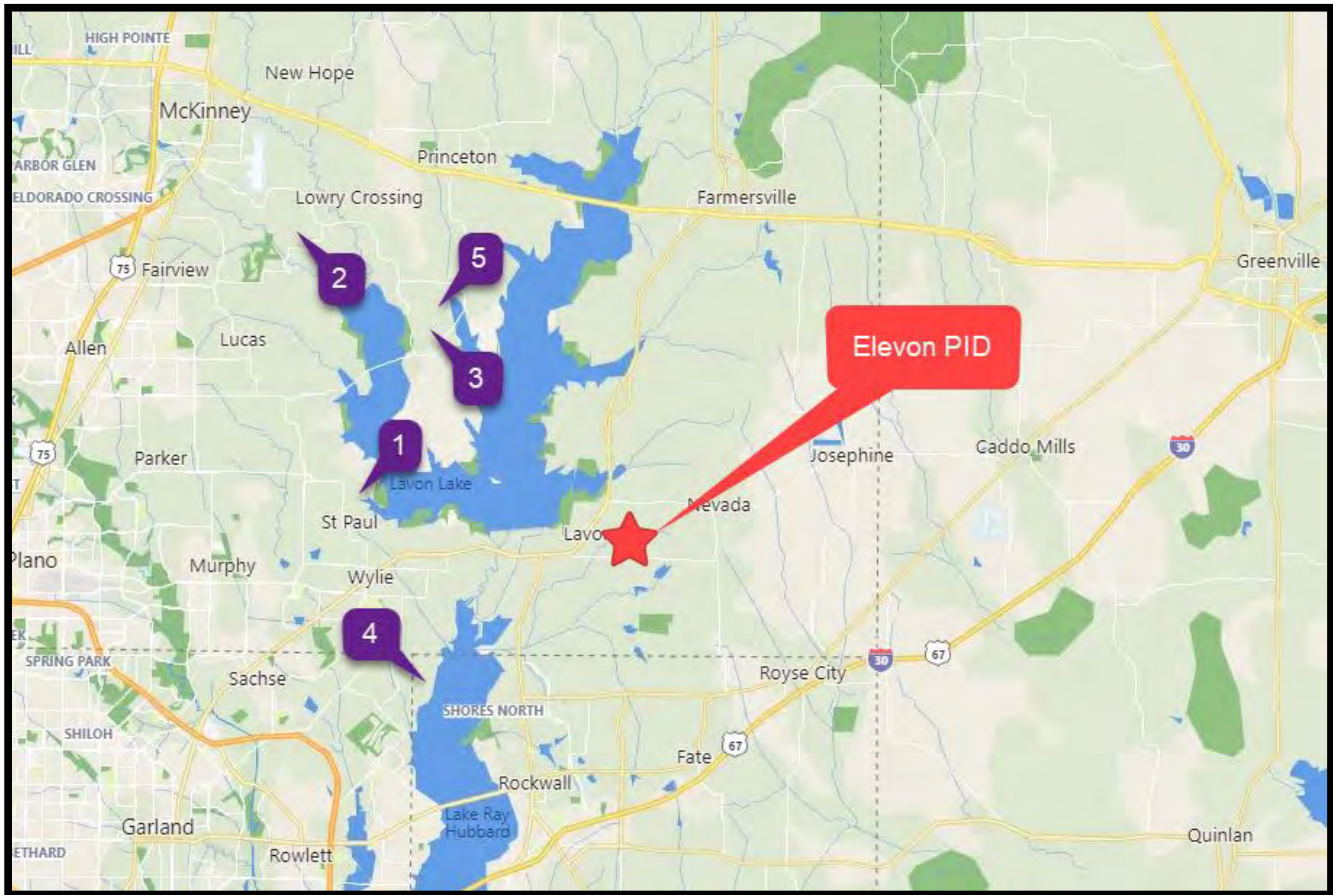
Conclusion

Only those categories which have a measurable difference on the sale price are examined. Each of the comparable sales have similar locations, topography, development potential, and access to utilities, so the vacant land valuation is considered a good indication of market value. After adjustments, the Comparable Sales indicate a price range per acre of \$33,504 to \$70,586. The concluded value for the land allocated to Phase 1 is **\$48,439/AC, or \$12,592,647, rounded to \$12,600,000.**

A valuation for the subject property in Phase 2 is shown on the following pages.

A map of the subject property with similar, nearby, recent comparable sales is shown below page in addition to a summary of the land sales. Following the map and table there is an adjustment grid as well as an analysis explaining how we adjusted the comparable sales to arrive at a value indication for the subject site's land. Comparable sale data sheets are located in the Addenda.

COMPARABLE SALES MAP – LAND (PHASE 2)



Subject: Elevon PID, Lavon, TX 75166

SUMMARY OF LAND SALES - PHASE 2						
Sale	Location	City	Sale Date	Sale Price	Size (AC)	\$/AC
1	38 AC St. Paul RD	St. Paul	4/17/19	\$3,453,500	38.681	\$89,282
2	4905 CR 317	Fairview	10/4/21	\$4,002,000	56.324	\$71,053
3	000 CR 444	Princeton	7/26/21	\$2,550,000	51.497	\$49,517
4	3805 Troy Rd.	Wylie	12/7/20	\$9,500,000	252.000	\$37,698
5	8640 CR 392	Princeton	1/30/20	\$2,496,000	78.819	\$31,667
Subject	Elevon Phase 1	Lavon	N/A	N/A	134.072	N/A



COMPARABLE SALES ADJUSTMENT GRID – LAND (PHASE 2)

	Subject	Sale 1	Sale 2	Sale 3	Sale 4	Sale 5
	<u>Elevon Phase 1</u>	38 AC St. Paul RD	4905 CR 317	000 CR 444	3805 Troy Rd.	8640 CR 392
	<u>Lavon</u>	St. Paul	Fairview	Princeton	Wylie	Princeton
<i>Financial Adjustments</i>						
Sales Price/AC		\$89,282	\$71,053	\$49,517	\$37,698	\$31,667
Rights Conveyed		0%	0%	0%	0%	0%
Sales Price/AC		\$89,282	\$71,053	\$49,517	\$37,698	\$31,667
Financing Terms		0%	0%	0%	0%	0%
Sales Price/AC		\$89,282	\$71,053	\$49,517	\$37,698	\$31,667
Conditions of Sale		0%	0%	0%	0%	0%
Sales Price/AC		\$89,282	\$71,053	\$49,517	\$37,698	\$31,667
Expenditures After Purchase		0%	0%	0%	0%	0%
Sales Price/AC		\$89,282	\$71,053	\$49,517	\$37,698	\$31,667
Market Conditions		18%	0%	3%	12%	15%
ADJUSTED Price/AC:		\$105,352	\$71,053	\$51,003	\$42,222	\$36,418
<i>Physical Adjustments</i>						
Location	Lavon	-15%	-5%	3%	0%	3%
Topography/Floodplain	Gently Sloping with ~5% Floodplain	-3%	-3%	-3%	3%	-3%
Utilities	Water, Electric	0%	0%	0%	0%	0%
Size	134.072-AC	-8%	-6%	-6%	4%	-4%
Total Net Physical Adjustment		-26%	-14%	-6%	7%	-4%
ADJUSTED Price/AC:		\$77,961	\$61,106	\$47,943	\$45,178	\$34,961
SUMMARY OF COMPARABLE VALUES						
Value Range/AC:		\$34,961 to \$77,961				
Weighted Allocation						
Weighted Allocation		15.0%	15.0%	15.0%	40.0%	15.0%
Contribution to Value		\$ 11,694	\$ 9,166	\$ 7,191	\$ 18,071	\$ 5,244
Subject Value/AC		\$51,367				
Value Indication		\$6,014,775				
Rounded		\$6,000,000				



ANALYSIS OF THE SALES – LAND (PHASE 2)

The same comparable sales used to analyze Phase 1 are utilized to analyze the land value of Phase 2 as they are in the same location, with the same topography/floodplain, and are similar sizes. Therefore, we will succinctly describe the adjustments made to arrive at the value conclusion for the land in Phase 2.

Factors to be Considered and Summary of Adjustments

Financial Adjustments

Financial adjustments made for Phase 1 land are the same as Phase 2 land. The only adjustments are for market conditions with positive adjustments between 0 and 18%.

Physical Adjustments

Location adjustments, topography/floodplain, and utilities are the same as Phase 1. The size of Phases 1 (295.219-AC) and Phase 2 (134.072-AC) are different and require different adjustments as shown below:

Again, due to economies of size, the larger the tract the lower the unit price. The converse also tends to be true. Land comparable sales analyzed on an area-wide basis around the subject seem to indicate an approximate price premium or discount for each halving/doubling of size of approximately 5% per acre for tracts within the size range of those compared herein. Adjustments reconciled using this base metric for the size range of the sales utilized in this analysis would appear reasonable based on evaluation of comparable sales and yield the following results (based on 117.095-AC):

- Sale 1: Smaller (38.681-AC); Adjusted negatively 8%
- Sale 2: Smaller (55.397-AC); Adjusted negatively 6%
- Sale 3: Smaller (51.497-AC); Adjusted negatively 6%
- Sale 4: Larger (252.000-AC); Adjusted positively 4%
- Sale 5: Smaller (78.819-AC); Adjusted negatively 4%

Weighting

In the land valuation analysis of the subject site at for the Elevon PID in Lavon, TX, the appraisers noted that Sale 4 was the most similar sale in both size, location, and overall gross adjustments so we weighted that sale 40%. The rest of the sales are weighted equally at 15%.

Conclusion

Only those categories which have a measurable difference on the sale price are examined. Each of the comparable sales have similar locations, topography, development potential, and access to utilities, so the vacant land valuation is considered a good indication of market value. After adjustments, the Comparable Sales indicate a price range per acre of \$34,961 to \$77,961. The concluded value for the land allocated to Phase 2 is **\$51,367/AC, or \$6,886,826, rounded to \$6,900,000.**



COST APPROACH (CONTINUED)

Replacement cost is the current cost of replacing the improvement with one having equal utility or able to perform the same economic function:

1. It could be the cost of acquiring an equally desirable substitute, or
2. The cost to replace, with a property having an equivalent utility, which may or may not be a replica, or
3. The replacing or remodeling of parts of a structure to maintain it in its highest and best use and operating condition.

This term generally is used to indicate: The present cost of replacing the improvements with improvements of equivalent utility, considering modern materials and construction methods.

NOTE: The appraisers have been provided with detailed construction development costs provided by JBI Partners who has worked with both the master developer and the home builders who are contracted to purchase the finished lots on a bulk sale basis. We have reviewed these costs and concluded they are reasonable and credible for developing the Elevon PID. Further, we have utilized an extraordinary assumption that the development costs are accurate as of the effective date of the report. Use of this extraordinary assumption has affected assignment results.

Detailed costs for each phase (created by JBI Partners) were provided to us by the master developer, MA Development, and are found with notations in the Addenda. There are costs for the master infrastructure, Pods 2A, 2B-1, 2B-2, 2C, 2D, and 2E. An example of these developer construction costs (for Pod 2D) is shown below:

PRELIMINARY DEVELOPMENT COST ESTIMATE	
MAT029 - ELEVEN - SECTION 2D	
LAVON, TEXAS	
JBI PROJECT NO. MAT029	
OCTOBER 21, 2021	
	JBI PARTNERS
	SECTION 2D
I. INTRACT BUILDER COSTS	
A. EROSION CONTROL	\$58,362
B1. EARTHWORK	\$630,519
B2. OVER EXCAVATION & MOISTURE CONDITIONING PADS (\$2,265/Lot Budget)	\$536,805
C. PAVING	\$1,538,047
D. WATER SYSTEM	\$745,916
E. SANITARY SEWER SYSTEM	\$778,221
F1. DRAINAGE SYSTEM	\$760,527
G. RETAINING WALLS	\$286,538
H1. SCREENING WALLS	\$214,900
K. FIBER LINE CONDUIT (\$1.5/LF of conduit + \$3.50/LF of trench)	\$112,000
I. STREET LIGHTS (\$4,500/light)	\$121,500
M. ENGINEERING/ SURVEYING FEE (11%)	\$586,843
R2. CITY FINAL PLAT APPLICATION & REVIEW FEES	\$6,026
R3. CITY ENGINEERING REVIEW FEE (\$5,000 Budget)	\$5,000
R4. CITY INSPECTION FEES (4%)	\$123,072
R5. NEVADA SUD INSPECTION FEES (5%)	\$37,296
S. FINAL GEOTECHNICAL STUDY & TESTING (\$1,000/bore)	\$38,988
T. 5% CONTINGENCY (A through G)	\$266,747
TOTAL INFRASTRUCTURE	\$6,847,306

Developer Construction Costs
\$5,783,335

Municipal Fees
\$171,394



Depreciation is defined as loss in capital value from any cause. It is employed in this report in estimating the difference in the present-day value of the improvements and the cost of new replacement. The three major types of accrued depreciation are:

Physical Deterioration

Physical deterioration is loss in value from actual physical causes and measured either as curable or incurable. The curable items are measured by the actual cost to replace or repair the component parts. The incurable portion is estimated by virtue of an observed condition or ascertaining the used portion by the best estimate of the appraiser. Curable physical deterioration, also referred to as deferred maintenance, is caused by normal wear and tear that should be corrected immediately or, is necessary to keep rents at market levels. The cost of curing the condition and bringing the property to a satisfactory and functioning condition, is generally the measure of deferred maintenance.

Note: As the subject property is a proposed subdivision, there is no physical deterioration to consider.

Functional Obsolescence

Functional obsolescence is loss in value from conditions existing within the property which make the property inadequate or less desirable to the typical prudent purchaser. It, too, may be curable or incurable. Incurable obsolescence is normally measured by the loss in income which may accrue to the property by reason thereof.

Note: The proposed subject building is considered to be of desirable size and functional design for the high demand from typical users in this market. There is no indication of functional obsolescence for this property.

External Obsolescence

According to the Dictionary of Real Estate Appraisal, Fifth Edition, external obsolescence is “*an element of depreciation; a diminution of value caused by negative externalities and generally incurable on the part of the owner, landlord, or tenant.*”

External obsolescence is considered to be the loss in value of a property resulting from the influence of negative forces not inherent with the property. It can be caused by the exertion of detrimental external forces upon the neighborhood or property itself. Other examples are noise from nearby expressways or airports, excessive taxes, special assessments or certain other governmental actions, or the infiltration of inharmonious groups or land uses.

This form of obsolescence is rarely, if ever, curable. The measure of this form of obsolescence is the capitalized value of the rental loss due to the condition. Care must be exercised to charge against the improvements only the pro-rata amount of the indicated loss represented by the improvements to total property value ratio. In other words, if the land value already reflects the condition, the rent loss attributable only to the improvements should be capitalized.

Note: As the proposed subdivision is in a quickly growing area where similar residential subdivisions are expected to be built, there is no depreciation for external obsolescence.



Entrepreneurial Profit

According to the Dictionary of Real Estate Appraisal, Fifth Edition, entrepreneurial profit is defined as “*a market-derived figure that represents the amount an entrepreneur receives for his or her contribution to a project and risk; the difference between the total cost of a property (cost of development) and its market value (property after completion) which represents the entrepreneur’s compensation for the risk and expertise associated with development.*”. Typically, the range of 10-20% of cost is used for this category with higher percentages typical when a development involves more risk. Typically, subdivision developers are categorized as higher risk than other real estate endeavors due to the high degree coordination that takes place over several years. Within the span of those years numerous market changes are likely to occur. We are using **18%** for the purpose of this analysis.

Note: The developer is purchasing the land for below market value at approximately \$30,000/AC compared to the approximately \$50,000/AC we determined the current market value it is (as of the effective date of this report). This increases the overall profit to approximately 29% which is a more typical profit margin for a developer to undertake the risks associated with a subdivision development.

Cost Approach Assumptions

As we put together the Cost Approach value conclusions, we should report the following assumptions will affect our Cost Approach value conclusions:

- Developer construction cost estimates provided by JBI Partners are accurate and reflect all associated costs (as of the effective date) to construct the development – *Utilizing Extraordinary Assumption*
- Phase 1 will have construction complete on April 1, 2023, and Phase 2 will have construction complete on October 1, 2024 – *Utilizing Extraordinary Assumption*
- The land and expenses master infrastructure (primarily Elevation Parkway to SH 78) have been allocated to Phases 1 and 2 based on the percentage of lots – **Phase 1 has 67.4% of the lots and Phase 2 has 32.6% of the lots**
- Developer construction costs will increase 3% per year after the effective date – this is based on expected labor costs and inflation rising in costs rising even though supply chain issues should return to normal
- The market value of the land will increase 8% per year after the effective date – according to industry report for outlying areas of DFW as well as our experience with rapidly growing suburban bedroom communities
 - The market value of the vacant land in Phase 1 as of October 11, 2021, is \$14,200,000
 - The market value of the vacant land in Phase 2 as of October 11, 2021, is \$6,900,000
- The land is currently Ag exempt for property taxes, and this will continue until construction is complete and the lots can be sold in bulk to a builder – current taxes are minimal due to Ag exemption. *The effect of rollback taxes is not considered within the scope of this assignment.*
- Phase 2 will require the installation of a Nevada SUD water tower at a cost (as of the effective date) of \$1,312,500
- Entrepreneurial profit is considered to be 18% which is the market rate profit a developer would expect to undertake the risk associated with a subdivision development such as the subject property
- Contingencies (typically 5-10%) were not included since we assumed slightly rising costs in our analysis



COST APPROACH VALUE CONCLUSION

Again, the indicated property value determined by the Cost Approach is derived by the following equation:

$$\text{Property Value} = \text{Land Value} + (\text{Cost New less Accumulated Depreciation})$$

With our assumptions in place, as well as the developer construction costs provided by a state licensed third party (JBI Partners) and our market values for the vacant land, we have reported our Cost Approach value indication below:

Value Conclusion: Cost Approach - Phase 1	
<i>Total Build Cost</i>	
Developer Construction Costs	\$ 39,955,038
Engineering/Survey Fees	\$ 3,664,700
Municipal Fees	\$ 1,087,179
Miscellaneous (Environmental, Geotech., Taxes)	\$ 419,400
<i>Plus: Entrepreneurial Profit (18%)</i>	\$ 8,122,737
Less Depreciation	
Physical Curable/Incurable	\$ -
Functional Obsolescence	\$ -
External Obsolescence	\$ -
Total Accrued Depreciation	\$ -
<i>Plus: Land (295.219 Acres)</i>	\$ 13,734,000
<i>Indicated Total Value (As of April 1, 2023)</i>	\$ 66,983,053
<i>Total Value Rounded</i>	\$ 67,000,000

As of the construction completion date of April 1, 2023, the value indication of Phase 1 (with its share of master infrastructure) using the Cost Approach is \$67,000,000 (\$71,658/lot).



Value Conclusion: Cost Approach - Phase 2	
<i>Total Build Cost</i>	
Developer Construction Costs	\$ 20,082,739
Engineering/Survey Fees	\$ 2,646,684
Municipal Fees	\$ 490,372
Miscellaneous (Enviromental, Geotech., Taxes)	\$ 199,878
<i>Plus: Entrepreneurial Profit (18%)</i>	<i>\$ 4,215,541</i>
Less Depreciation	
Physical Curable/Incurable	\$ -
Functional Obselescence	\$ -
External Obselescence	\$ -
Total Accrued Depreciation	\$ -
<i>Plus: Land (134.072 Acres)</i>	<i>\$ 7,080,000</i>
Indicated Total Value	\$ 34,715,214
<i>Total Value Rounded</i>	<i>\$ 34,700,000</i>

As of the construction completion date of October 1, 2024, the value indication of Phase 2 (with its share of master infrastructure) using the Cost Approach is \$34,700,000 (\$76,770/lot).



INCOME APPROACH

Income capitalization is the primary method used in subdivision valuation because value is determined by future sales over time. Along with discounted cash flow analysis, income capitalization directly measures differences in present value based on future cash flow projections. The income methodology applied in subdivision analysis has been adapted to simulate what occurs in a bulk sale where one buyer purchases a group of lots at a discount. It provides a direct measure of the market value or wholesale value of a group of lots or units, which is different from the sum of the retail lot prices.

In order to complete the analysis, the appraisers:

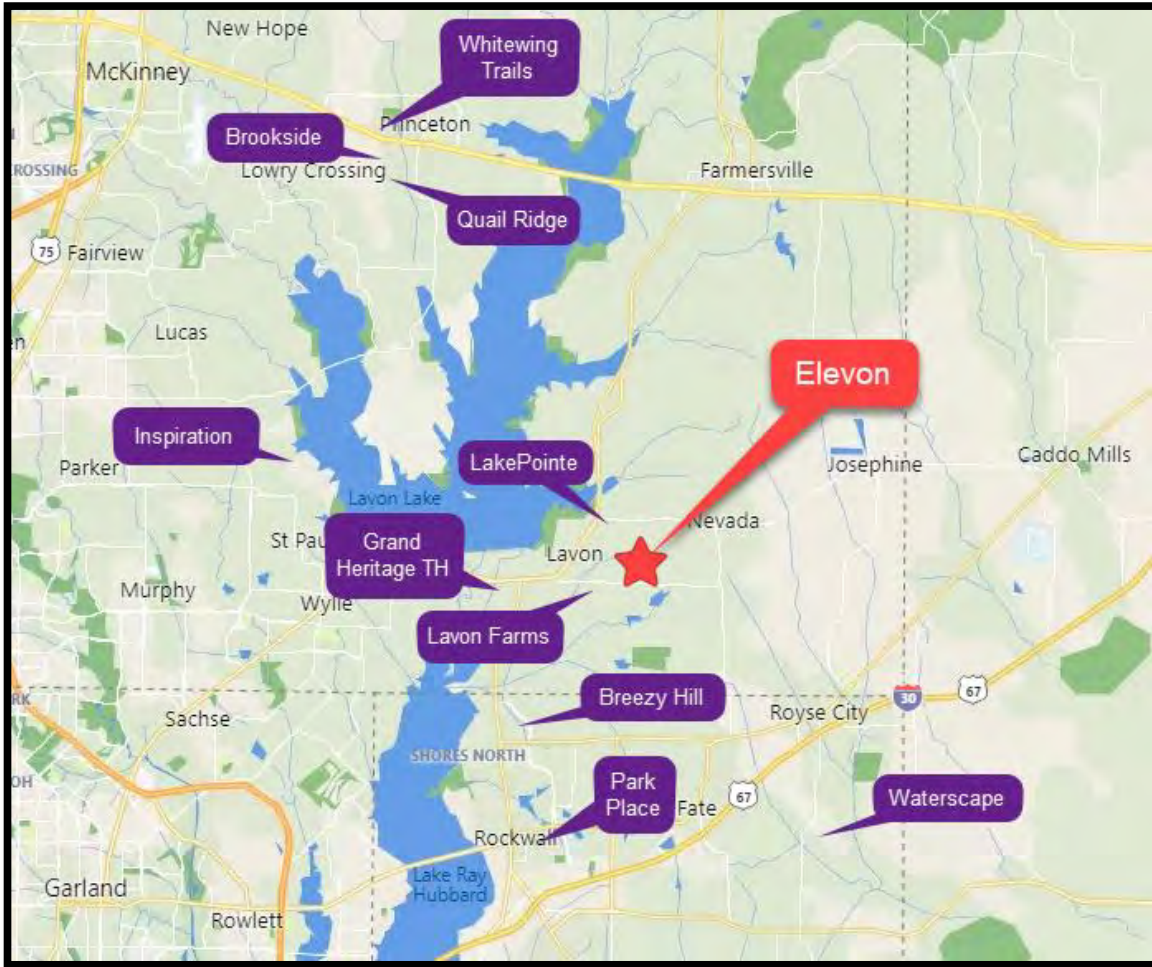
- Determined the retail value of the lots through the Sales Comparison Approach based on the concept plan provided by the developers
- Calculated the absorption period (earlier in the report) for the finished lots after construction is complete
- Analyzed the effect of appreciation, taxes, and sales costs over the absorption period
- Estimated the appropriate discount rate necessary to undertake the risks associate with the project
- Utilized discount cash flow (DCF) analysis to determine the present value of future cash flows realized by selling the lots at retail prices

We utilized the following unit of comparison which is the measure most commonly found in the market:

***Sales Price Per Front Foot** - This denominator is obtained by dividing the sale price by the front footage of the lot*

Comparable Sale Summaries are found in the Addenda.

Map of Comparable Lot Sales



Subject: Elevon PID, Lavon TX 75166

Comparable	Size (Front Feet)	Anaylsis Utilized
LakePointe	50	26, 31, 33, 35, 40, 45, 50
Lavon Farms	50	26, 31, 33, 35, 40, 45, 50
Inspiration	50	26, 31, 33, 35, 40, 45, 50
Inspiration	60	60, 70
Brookside	50	26, 31, 33, 35, 40, 45, 50
Grand Heritage Townhomes	60*	26, 31, 33, 35
Whitewing Trails	50	40, 45, 50
Park Place	70	60, 70
Quail Ridge	62	60, 70
Breezy Hill	70	60, 70
Waterscape	60	60, 70



26' Townhome Lot Sales – Comparison Grid

	Subject	Comparable 1	Comparable 2	Comparable 3	Comparable 4	Comparable 5
	<u>Elevon - 26'</u> <u>Townhouse Lots</u>	LakePointe, Phase 1	Lavon Farms	Inspiration, Phase 5B	Brookside, Phase 1B	Grand Heritage Townhomes
	<u>Lavon</u>	Lavon	Lavon	Wylie	Princeton	Lavon
<i>Financial Adjustments</i>						
Sales Price/FF		\$950	\$1,100	\$1,391	\$1,092	\$1,240
Rights Conveyed		0%	0%	0%	0%	0%
Sales Price/FF		\$950	\$1,100	\$1,391	\$1,092	\$1,240
Financing Terms		0%	0%	0%	0%	0%
Sales Price/FF		\$950	\$1,100	\$1,391	\$1,092	\$1,240
Conditions of Sale		0%	0%	0%	0%	0%
Sales Price/FF		\$950	\$1,100	\$1,391	\$1,092	\$1,240
Expenditures After Purchase		0%	0%	0%	0%	0%
Sales Price/FF		\$950	\$1,100	\$1,391	\$1,092	\$1,240
Market Conditions		20%	23%	23%	18%	27%
ADJUSTED Price/FF:		\$1,140	\$1,353	\$1,710	\$1,289	\$1,575
<i>Physical Adjustments</i>						
Location	Lavon	0%	0%	-10%	0%	0%
Access	~1-mile from SH 78	0%	0%	0%	0%	0%
Amenities	School, Amenities Center, Ponds, Paved Sidewalks	5%	5%	-5%	0%	5%
Size	26' Feet Front	5%	5%	5%	5%	10%
Topography	None	0%	0%	0%	0%	0%
Zoning	None	0%	0%	0%	0%	0%
Total Net Physical Adjustment		10%	10%	-10%	5%	15%
ADJUSTED Price/SF:		\$1,254	\$1,488	\$1,539	\$1,353	\$1,811
SUMMARY OF COMPARABLE VALUES						
Value Range/SF:		\$1,254.00 to \$1,811.02				
Weighted Allocation						
Weighted Allocation		20.0%	20.0%	20.0%	20.0%	20.0%
Contribution to Value		\$ 250.80	\$ 297.66	\$ 307.86	\$ 270.60	\$ 362.20
Subject Value/FF		\$1,489				
Value Indication		\$38,717				
Rounded		\$38,500				

Note: Townhouse lots are unique in an exurban area such as Lavon as most municipalities prefer lower density to reduce demand on their infrastructure. A search for similar townhouse lot sales in the area proved difficult. Rather than search in a different submarket with highly different characteristics, the appraisers analyzed the smallest lot sales that could be confirmed and made a size adjustment in our analysis. Sale 5 is a duplex lot that is 60' wide (30' for each unit) which is the closest comparable the appraisers could analyze.



SUMMARY OF LOT SALES - 26' Front Feet							
Sale	Location	City	Sale Date	Sale Price	Front Feet (FF)	Total Area (SF)	\$/FF
1	LakePointe, Phase 1	Lavon	09/2020	\$47,500	50	6,000	\$950
2	Lavon Farms	Lavon	07/2020	\$55,000	50	5,500	\$1,100
3	Inspiration, Phase 5B	Wylie	07/2020	\$69,525	50	6,250	\$1,391
4	Brookside, Phase 1B	Princeton	10/2020	\$54,600	50	6,325	\$1,092
5	Grand Heritage Townhomes	Lavon	7/2018	\$74,375	30*	3,095*	\$1,240
Subject	Elevon - 26' Townhouse Lots	Lavon	N/A	N/A	26	2,600	

*Sale 5 is a duplex lot that is 6,189-SF but each unit is approximately 26' and 3,095-SF

Analysis of Adjustments - 26' Townhome Lot Sales

Our research of sales comparables leads us to the determination that there are ample comparable sales within the last few years involving similar properties within the subject's general competing area that could reliably and reasonably be verified through our due diligence. The comparable sales for the subject property had unadjusted sales prices ranging from \$950 to \$1,391 per front foot, and lot foot frontages sizes ranging from 30' (adjusted) to 50'

Data on each of the sales, including sales price, was confirmed with sources considered reliable. Based on analysis of this data and other pertinent information obtained in our research, the following pages are a discussion of the factors which were found to exhibit significant influence on property values in this market.

Factors to be Considered and Summary of Adjustments

Financial Adjustments – Property Rights, Financing Terms, Conditions of Sales, Expenditures After Purchase, Market Conditions

Each of the comparable sales were sold as fee simple interests, sales were transferred in cash equivalency, and required no additional expenditures after purchase. Comparables 1-4 were bulk sales with discounts given to builders, so they were adjusted positively 10% for conditions of sale. The comparable sales also require significant adjustment for market conditions as the residential real estate market in this area of North Texas has experienced significant appreciation, especially for finished lot tracts. Based on the market data, discussions with our lending institutions, and builders/developers in the area the appraisers have applied a YOY 2020-2021 market conditions adjusted of positive 18%. Sales that took place prior to 2020 were adjusted a lesser amount as yearly market condition improvements were closer to 4% prior to mid-2020. Therefore, each of the comparable lot sales have been adjusted between 18 and 27% for market conditions.

Physical Adjustments – Location, Amenities, Size, Topography, Zoning

Sale 3 is in a superior location close to Lake Lavon; thus, it is adjusted negatively 10%. Sale 3 also has superior amenities with resort-style pool and clubhouse, so it is adjusted a further 5% for amenities. Sales 1, 2, and 5 have limited amenities and are inferior to the subject's development; thus, each is adjusted positively 5% for amenities. Due to economies of scale, the townhouse lots will be able to demand a higher price per foot, so the appraisers made a positive 5% adjusted to Comparables 1-4 for size as they are each 50'FF lots. Comparable 5 is a duplex lot that has a similar size for each unit but is less desirable in the market; thus, it is adjusted positively 10%.

Conclusion - The 26' Townhouse Lot Sales have an adjusted range of \$1,254- to \$1,811/FF. Weighing each comparable equally indicates a price per front foot (rounded) of **\$38,500 for 26' Townhouse Lots**.



31' Townhome Lot Sales – Comparison Grid

	Subject	Comparable 1	Comparable 2	Comparable 3	Comparable 4	Comparable 5
	<u>Elevon - 31' Townhouse Lots</u>	LakePointe, Phase 1	Lavon Farms	Inspiration, Phase 5B	Brookside, Phase 1B	Grand Heritage Townhomes
	<u>Lavon</u>	Lavon	Lavon	St. Paul	Princeton	Lavon
<i>Financial Adjustments</i>						
Sales Price/FF		\$950	\$1,100	\$1,391	\$1,092	\$1,240
Rights Conveyed		0%	0%	0%	0%	0%
Sales Price/FF		\$950	\$1,100	\$1,391	\$1,092	\$1,240
Financing Terms		0%	0%	0%	0%	0%
Sales Price/FF		\$950	\$1,100	\$1,391	\$1,092	\$1,240
Conditions of Sale		0%	0%	0%	0%	0%
Sales Price/FF		\$950	\$1,100	\$1,391	\$1,092	\$1,240
Expenditures After Purchase		0%	0%	0%	0%	0%
Sales Price/FF		\$950	\$1,100	\$1,391	\$1,092	\$1,240
Market Conditions		20%	23%	23%	18%	27%
ADJUSTED Price/FF:		\$1,140	\$1,353	\$1,710	\$1,289	\$1,575
<i>Physical Adjustments</i>						
Location	Lavon	0%	0%	-10%	0%	0%
Access	~1-mile from SH 78	0%	0%	0%	0%	0%
Amenities	School, Amenities Center, Ponds, Paved Sidewalks	5%	5%	-5%	0%	5%
Size	31' Feet Front	4%	4%	4%	4%	10%
Topography	None	0%	0%	0%	0%	0%
Zoning	None	0%	0%	0%	0%	0%
<i>Total Net Physical Adjustment</i>		9%	9%	-11%	4%	15%
ADJUSTED Price/FF:		\$1,243	\$1,475	\$1,522	\$1,340	\$1,811
SUMMARY OF COMPARABLE VALUES						
Value Range/FF:		\$1,242.60 to \$1,811.02				
Weighted Allocation						
Weighted Allocation		20.0%	20.0%	20.0%	20.0%	20.0%
Contribution to Value		\$ 248.52	\$ 294.95	\$ 304.44	\$ 268.02	\$ 362.20
Subject Value/FF	\$1,478					
Value Indication	\$45,822					
Rounded	\$46,000					

Note: Townhouse lots are unique in an exurban area such as Lavon as most municipalities prefer lower density to reduce demand on their infrastructure. A search for similar townhouse lot sales in the area proved difficult. Rather than search in a different submarket with highly different characteristics, the appraisers analyzed the smallest lot sales that could be confirmed and made a size adjustment in our analysis. Sale 5 is a duplex lot that is 60' wide (30' for each unit) which is the closest comparable the appraisers could analyze.



SUMMARY OF LOT SALES - 31' Front Feet							
Sale	Location	City	Sale Date	Sale Price	Front Feet (FF)	Total Area (SF)	\$/FF
1	LakePointe, Phase 1	Lavon	09/2020	\$47,500	50	6,000	\$950
2	Lavon Farms	Lavon	07/2020	\$55,000	50	5,500	\$1,100
3	Inspiration, Phase 5B	St. Paul	07/2020	\$69,525	50	6,250	\$1,391
4	Brookside, Phase 1B	Princeton	10/2020	\$54,600	50	6,325	\$1,092
5	Grand Heritage Townhomes	Lavon	7/2018	\$74,375	30*	3,095*	\$1,240
Subject	Elevon - 31' Townhouse Lots	Lavon	N/A	N/A	31	3,255	

*Sale 5 is a duplex lot that is 6,189-SF but each unit is approximately 26' and 3,095-SF

Analysis of Adjustments - 31' Townhome Lot Sales

Our research of sales comparables leads us to the determination that there are ample comparable sales within the last few years involving similar properties within the subject's general competing area that could reliably and reasonably be verified through our due diligence. The comparable sales for the subject property had unadjusted sales prices ranging from \$950 to \$1,391 per front foot, and lot foot frontages sizes ranging from 30' (adjusted) to 50'.

Data on each of the sales, including sales price, was confirmed with sources considered reliable. Based on analysis of this data and other pertinent information obtained in our research, the following pages are a discussion of the factors which were found to exhibit significant influence on property values in this market.

Factors to be Considered and Summary of Adjustments

Financial Adjustments – Property Rights, Financing Terms, Conditions of Sales, Expenditures After Purchase, Market Conditions

Each of the comparable sales were sold as fee simple interests, sales were transferred in cash equivalency, and required no additional expenditures after purchase. Comparables 1-4 were bulk sales with discounts given to builders, so they were adjusted positively 10% for conditions of sale. The comparable sales also require significant adjustment for market conditions as the residential real estate market in this area of North Texas has experienced significant appreciation, especially for finished lot tracts. Based on the market data, discussions with our lending institutions, and builders/developers in the area the appraisers have applied a YOY 2020-2021 market conditions adjusted of positive 18%. Sales that took place prior to 2020 were adjusted a lesser amount as yearly market condition improvements were closer to 4% prior to mid-2020. Therefore, each of the comparable lot sales have been adjusted between 18 and 27% for market conditions.

Physical Adjustments – Location, Amenities, Size, Topography, Zoning

Sale 3 is in a superior location close to Lake Lavon; thus, it is adjusted negatively 10%. Sale 3 also has superior amenities with resort-style pool and clubhouse, so it is adjusted a further 5% for amenities. Sales 1, 2, and 5 have limited amenities and are inferior to the subject's development; thus, each is adjusted positively 5% for amenities. Due to economies of scale, the townhouse lots will be able to demand a higher price per foot, so the appraisers made a positive 4% adjusted to Comparables 1-4 for size as they are each 50'FF lots. Comparable 5 is a duplex lot that has a similar size for each unit but is less desirable in the market; thus, it is adjusted positively 10%.

Conclusion - The 31' Townhouse Lot Sales have an adjusted range of \$1,243- to \$1,811/FF. Weighing each comparable equally indicates a price per front foot (rounded) of **\$46,000 for 31' Townhouse Lots**.



33' Townhome Lot Sales – Comparison Grid

Subject		Comparable 1	Comparable 2	Comparable 3	Comparable 4	Comparable 5
<u>Elevon - 33'</u> <u>Townhouse Lots</u>		LakePointe, Phase 1	Lavon Farms	Inspiration, Phase 5B	Brookside, Phase 1B	Grand Heritage Townhomes
<u>Lavon</u>		Lavon	Lavon	St. Paul	Princeton	Lavon
<i>Financial Adjustments</i>						
Sales Price/FF		\$950	\$1,100	\$1,391	\$1,092	\$1,240
Rights Conveyed		0%	0%	0%	0%	0%
Sales Price/FF		\$950	\$1,100	\$1,391	\$1,092	\$1,240
Financing Terms		0%	0%	0%	0%	0%
Sales Price/FF		\$950	\$1,100	\$1,391	\$1,092	\$1,240
Conditions of Sale		0%	0%	0%	0%	0%
Sales Price/FF		\$950	\$1,100	\$1,391	\$1,092	\$1,240
Expenditures After Purchase		0%	0%	0%	0%	0%
Sales Price/FF		\$950	\$1,100	\$1,391	\$1,092	\$1,240
Market Conditions		20%	23%	23%	18%	27%
ADJUSTED Price/FF:		\$1,140	\$1,353	\$1,710	\$1,289	\$1,575
<i>Physical Adjustments</i>						
Location	Lavon	0%	0%	-10%	0%	0%
Access	~1-mile from SH 78	0%	0%	0%	0%	0%
Amenities	School, Amenities Center, Ponds, Paved Sidewalks	5%	5%	-5%	0%	5%
Size	33' Feet Front	4%	4%	4%	4%	10%
Topography	None	0%	0%	0%	0%	0%
Zoning	None	0%	0%	0%	0%	0%
Total Net Physical Adjustment		9%	9%	-11%	4%	15%
ADJUSTED Price/FF:		\$1,243	\$1,475	\$1,522	\$1,340	\$1,811
SUMMARY OF COMPARABLE VALUES						
Value Range/FF:		\$1,242.60 to \$1,811.02				
Weighted Allocation						
Weighted Allocation		20.0%	20.0%	20.0%	20.0%	20.0%
Contribution to Value		\$ 248.52	\$ 294.95	\$ 304.44	\$ 268.02	\$ 362.20
Subject Value/FF		\$1,478				
Value Indication		\$48,778				
Rounded		\$49,000				

Note: Townhouse lots are unique in an exurban area such as Lavon as most municipalities prefer lower density to reduce demand on their infrastructure. A search for similar townhouse lot sales in the area proved difficult. Rather than search in a different submarket with highly different characteristics, the appraisers analyzed the smallest lot sales that could be confirmed and made a size adjustment in our analysis. Sale 5 is a duplex lot that is 60' wide (30' for each unit) which is the closest comparable the appraisers could analyze.



SUMMARY OF LOT SALES - 33' Front Feet							
Sale	Location	City	Sale Date	Sale Price	Front Feet (FF)	Total Area (SF)	\$/FF
1	LakePointe, Phase 1	Lavon	09/2020	\$47,500	50	6,000	\$950
2	Lavon Farms	Lavon	07/2020	\$55,000	50	5,500	\$1,100
3	Inspiration, Phase 5B	St. Paul	07/2020	\$69,525	50	6,250	\$1,391
4	Brookside, Phase 1B	Princeton	10/2020	\$54,600	50	6,325	\$1,092
5	Grand Heritage Townhomes	Lavon	7/2018	\$74,375	30*	3,095*	\$1,240
Subject	Elevon - 33' Townhouse Lo	Lavon	N/A	N/A	33	3,465	

*Sale 5 is a duplex lot that is 6,189-SF but each unit is approximately 26' and 3,095-SF

Analysis of Adjustments - 33' Townhome Lot Sales

Our research of sales comparables leads us to the determination that there are ample comparable sales within the last few years involving similar properties within the subject's general competing area that could reliably and reasonably be verified through our due diligence. The comparable sales for the subject property had unadjusted sales prices ranging from \$950 to \$1,391 per front foot, and lot foot frontages sizes ranging from 30' (adjusted) to 50'.

Data on each of the sales, including sales price, was confirmed with sources considered reliable. Based on analysis of this data and other pertinent information obtained in our research, the following pages are a discussion of the factors which were found to exhibit significant influence on property values in this market.

Factors to be Considered and Summary of Adjustments

Financial Adjustments – Property Rights, Financing Terms, Conditions of Sales, Expenditures After Purchase, Market Conditions

Each of the comparable sales were sold as fee simple interests, sales were transferred in cash equivalency, and required no additional expenditures after purchase. Comparables 1-4 were bulk sales with discounts given to builders, so they were adjusted positively 10% for conditions of sale. The comparable sales also require significant adjustment for market conditions as the residential real estate market in this area of North Texas has experienced significant appreciation, especially for finished lot tracts. Based on the market data, discussions with our lending institutions, and builders/developers in the area the appraisers have applied a YOY 2020-2021 market conditions adjusted of positive 18%. Sales that took place prior to 2020 were adjusted a lesser amount as yearly market condition improvements were closer to 4% prior to mid-2020. Therefore, each of the comparable lot sales have been adjusted between 18 and 27% for market conditions.

Physical Adjustments – Location, Amenities, Size, Topography, Zoning

Sale 3 is in a superior location close to Lake Lavon; thus, it is adjusted negatively 10%. Sale 3 also has superior amenities with resort-style pool and clubhouse, so it is adjusted a further 5% for amenities. Sales 1, 2, and 5 have limited amenities and are inferior to the subject's development; thus, each is adjusted positively 5% for amenities. Due to economies of scale, the townhouse lots will be able to demand a higher price per foot, so the appraisers made a positive 4% adjusted to Comparables 1-4 for size as they are each 50'FF lots. Comparable 5 is a duplex lot that has a similar size for each unit but is less desirable in the market; thus, it is adjusted positively 10%.

Conclusion - The 33' Townhouse Lot Sales have an adjusted range of \$1,243- to \$1,811/FF. Weighing each comparable equally indicates a price per front foot (rounded) of **\$49,000 for 33' Townhouse Lots**.



35' Townhome Lot Sales – Comparison Grid

	Subject	Comparable 1	Comparable 2	Comparable 3	Comparable 4	Comparable 5
	<u>Elevon - 35' Townhouse Lots</u>	Lake Pointe, Phase 1	Lavon Farms	Inspiration, Phase 5B	Brookside, Phase 1B	Grand Heritage Townhomes
	<u>Lavon</u>	Lavon	Lavon	St. Paul	Princeton	Lavon
<i>Financial Adjustments</i>						
Sales Price/FF		\$950	\$1,100	\$1,391	\$1,092	\$1,240
Rights Conveyed		0%	0%	0%	0%	0%
Sales Price/FF		\$950	\$1,100	\$1,391	\$1,092	\$1,240
Financing Terms		0%	0%	0%	0%	0%
Sales Price/FF		\$950	\$1,100	\$1,391	\$1,092	\$1,240
Conditions of Sale		0%	0%	0%	0%	0%
Sales Price/FF		\$950	\$1,100	\$1,391	\$1,092	\$1,240
Expenditures After Purchase		0%	0%	0%	0%	0%
Sales Price/FF		\$950	\$1,100	\$1,391	\$1,092	\$1,240
Market Conditions		20%	23%	23%	18%	27%
ADJUSTED Price/FF:		\$1,140	\$1,353	\$1,710	\$1,289	\$1,575
<i>Physical Adjustments</i>						
Location	Lavon	0%	0%	-10%	0%	0%
Access	~1-mile from SH 78	0%	0%	0%	0%	0%
Amenities	School, Amenities Center, Ponds, Paved Sidewalks	5%	5%	-5%	0%	5%
Size	35' Feet Front	3%	3%	3%	3%	10%
Topography	None	0%	0%	0%	0%	0%
Zoning	None	0%	0%	0%	0%	0%
<i>Total Net Physical Adjustment</i>		8%	8%	-12%	3%	15%
ADJUSTED Price/FF:		\$1,231	\$1,461	\$1,505	\$1,327	\$1,811
SUMMARY OF COMPARABLE VALUES						
Value Range/FF:		\$1,231.20 to		\$1,811.02		
Weighted Allocation						
Weighted Allocation		20.0%	20.0%	20.0%	20.0%	20.0%
Contribution to Value		\$ 246.24	\$ 292.25	\$ 301.02	\$ 265.44	\$ 362.20
Subject Value/FF	\$1,467					
Value Indication	\$51,350					
Rounded	\$51,500					

Note: Townhouse lots are unique in an exurban area such as Lavon as most municipalities prefer lower density to reduce demand on their infrastructure. A search for similar townhouse lot sales in the area proved difficult. Rather than search in a different submarket with highly different characteristics, the appraisers analyzed the smallest lot sales that could be confirmed and made a size adjustment in our analysis. Sale 5 is a duplex lot that is 60' wide (30' for each unit) which is the closest comparable the appraisers could analyze.



SUMMARY OF LOT SALES - 35' Front Feet							
Sale	Location	City	Sale Date	Sale Price	Front Feet (FF)	Total Area (SF)	\$/FF
1	LakePointe, Phase 1	Lavon	09/2020	\$47,500	50	6,000	\$950
2	Lavon Farms	Lavon	07/2020	\$55,000	50	5,500	\$1,100
3	Inspiration, Phase 5B	St. Paul	07/2020	\$69,525	50	6,250	\$1,391
4	Brookside, Phase 1B	Princeton	10/2020	\$54,600	50	6,325	\$1,092
5	Grand Heritage Townhomes	Lavon	7/2018	\$74,375	30*	3,095*	\$1,240
Subject	Elevon - 35' Townhouse Lot	Lavon	N/A	N/A	35	2,600	

*Sale 5 is a duplex lot that is 6,189-SF but each unit is approximately 26' and 3,095-SF

Analysis of Adjustments - 35' Townhome Lot Sales

Our research of sales comparables leads us to the determination that there are ample comparable sales within the last few years involving similar properties within the subject's general competing area that could reliably and reasonably be verified through our due diligence. The comparable sales for the subject property had unadjusted sales prices ranging from \$950 to \$1,391 per front foot, and lot foot frontages sizes ranging from 30' (adjusted) to 50'.

Data on each of the sales, including sales price, was confirmed with sources considered reliable. Based on analysis of this data and other pertinent information obtained in our research, the following pages are a discussion of the factors which were found to exhibit significant influence on property values in this market.

Factors to be Considered and Summary of Adjustments

Financial Adjustments – Property Rights, Financing Terms, Conditions of Sales, Expenditures After Purchase, Market Conditions

Each of the comparable sales were sold as fee simple interests, sales were transferred in cash equivalency, and required no additional expenditures after purchase. Comparables 1-4 were bulk sales with discounts given to builders, so they were adjusted positively 10% for conditions of sale. The comparable sales also require significant adjustment for market conditions as the residential real estate market in this area of North Texas has experienced significant appreciation, especially for finished lot tracts. Based on the market data, discussions with our lending institutions, and builders/developers in the area the appraisers have applied a YOY 2020-2021 market conditions adjusted of positive 18%. Sales that took place prior to 2020 were adjusted a lesser amount as yearly market condition improvements were closer to 3% prior to mid-2020. Therefore, each of the comparable lot sales have been adjusted between 18 and 27% for market conditions.

Physical Adjustments – Location, Amenities, Size, Topography, Zoning

Sale 3 is in a superior location close to Lake Lavon; thus, it is adjusted negatively 10%. Sale 3 also has superior amenities with resort-style pool and clubhouse, so it is adjusted a further 5% for amenities. Sales 1, 2, and 5 have limited amenities and are inferior to the subject's development; thus, each is adjusted positively 5% for amenities. Due to economies of scale, the townhouse lots will be able to demand a higher price per foot, so the appraisers made a positive 4% adjusted to Comparables 1-4 for size as they are each 50'FF lots. Comparable 5 is a duplex lot that has a similar size for each unit but is less desirable in the market; thus, it is adjusted positively 10%.

Conclusion - The 35' Townhouse Lot Sales have an adjusted range of \$1,231- to \$1,811/FF. Weighing each comparable equally indicates a price per front foot (rounded) of **\$49,000 for 35' Townhouse Lots.**

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40' Detached Lot Sales – Comparison Grid

	Subject	Comparable 1	Comparable 2	Comparable 3	Comparable 4	Comparable 5
	<u>Elevon-40' Single Family Lots</u>	LakePointe, Phase 1	Lavon Farms	Inspiration, Phase 5B	Brookside, Phase 1B	Whitewing Trails, Phase 1
	<u>Lavon</u>	Lavon	Lavon	St. Paul	Princeton	Princeton
<i>Financial Adjustments</i>						
Sales Price/FF		\$950	\$1,100	\$1,391	\$1,092	\$1,000
Rights Conveyed		0%	0%	0%	0%	0%
Sales Price/FF		\$950	\$1,100	\$1,391	\$1,092	\$1,000
Financing Terms		0%	0%	0%	0%	0%
Sales Price/FF		\$950	\$1,100	\$1,391	\$1,092	\$1,000
Conditions of Sale		0%	0%	0%	0%	0%
Sales Price/FF		\$950	\$1,100	\$1,391	\$1,092	\$1,000
Expenditures After Purchase		0%	0%	0%	0%	0%
Sales Price/FF		\$950	\$1,100	\$1,391	\$1,092	\$1,000
Market Conditions		20%	23%	23%	18%	25%
ADJUSTED Price/FF:		\$1,140	\$1,353	\$1,710	\$1,289	\$1,250
<i>Physical Adjustments</i>						
Location	Lavon	0%	0%	-10%	0%	0%
Access	~1-mile from SH 78	0%	0%	0%	0%	0%
Amenities	School, Amenities Center, Ponds, Paved Sidewalks	5%	5%	-5%	0%	5%
Size	40' Feet Front	3%	3%	3%	3%	3%
Topography	None	0%	0%	0%	0%	0%
Zoning	None	0%	0%	0%	0%	0%
<i>Total Net Physical Adjustment</i>		8%	8%	-12%	3%	8%
ADJUSTED Price/FF:		\$1,231	\$1,461	\$1,505	\$1,327	\$1,350
SUMMARY OF COMPARABLE VALUES						
Value Range/FF:		\$1,231 to \$1,505				
Weighted Allocation						
Weighted Allocation		20.0%	20.0%	20.0%	20.0%	20.0%
Contribution to Value		\$ 246.24	\$ 292.25	\$ 301.02	\$ 265.44	\$ 270.00
Subject Value/FF		\$1,375				
Value Indication		\$54,998				
Rounded		\$55,000				



SUMMARY OF LOT SALES - 40' Front Feet							
Sale	Location	City	Sale Date	Sale Price	Front Feet (FF)	Total Area (SF)	\$/FF
1	LakePointe, Phase 1	Lavon	09/2020	\$47,500	50	6,000	\$950
2	Lavon Farms	Lavon	07/2020	\$55,000	50	5,500	\$1,100
3	Inspiration, Phase 5B	St. Paul	07/2020	\$69,525	50	6,250	\$1,391
4	Brookside, Phase 1B	Princeton	10/2020	\$54,600	50	6,325	\$1,092
5	Whitewing Trails, Phase 1	Princeton	02/2020	\$50,000	50	5,000	\$1,000
Subject	Elevon-40' Single Family	Lavon	N/A	N/A	40	4,800	

Analysis of Adjustments – 40' Detached Lot Sales

Our research of sales comparables leads us to the determination that there are ample comparable sales within the last few years involving similar properties within the subject's general competing area that could reliably and reasonably be verified through our due diligence. The comparable sales for the subject property had unadjusted sales prices ranging from \$950 to \$1,391 per front foot, and lot foot frontages sizes are each 50'.

Data on each of the sales, including sales price, was confirmed with sources considered reliable. Based on analysis of this data and other pertinent information obtained in our research, the following pages are a discussion of the factors which were found to exhibit significant influence on property values in this market.

Factors to be Considered and Summary of Adjustments

Financial Adjustments – Property Rights, Financing Terms, Conditions of Sales, Expenditures After Purchase, Market Conditions

Each of the comparable sales were sold as fee simple interests, sales were transferred in cash equivalency, and required no additional expenditures after purchase. Each of the comparables were bulk sales with discounts given to builders so they were adjusted positively 10% for conditions of sale. The comparable sales did require significant adjustment for market conditions as the residential real estate market in this area of North Texas has experienced significant appreciation, especially for finished lot tracts. Based on the market data, discussions with our lending institutions, and builders/developers in the area the appraisers have applied a YOY 2020-2021 market conditions adjusted of positive 18%. Sales that took place prior to 2020 were adjusted a lesser amount as yearly market condition improvements were closer to 3% prior to mid-2020. Therefore, each of the comparable lot sales have been adjusted between 18 and 27% for market conditions.

Physical Adjustments – Location, Amenities, Size, Topography, Zoning

Sale 3 is in a superior location close to Lake Lavon; thus, it is adjusted negatively 10%. Sale 3 also has superior amenities with resort-style pool and clubhouse, so it is adjusted a further 5% for amenities. Sales 1, 2, and 5 have limited amenities and are inferior to the subject's development; thus, each is adjusted positively 5% for amenities. Due to economies of scale, the smaller lots will be able to demand a higher price per foot, so the appraisers made a positive 4% adjusted to Comparables 1-5 for size as they are each 50'FF lots.

Conclusion - The 40' Detached Lot Sales have an adjusted range of \$1,231- to \$1,506/FF. Weighing each comparable equally indicates a price per front foot (rounded) of **\$55,000 for 40' Detached Lots.**



45' Detached Lot Sales – Comparison Grid

Subject		Comparable 1	Comparable 2	Comparable 3	Comparable 4	Comparable 5
	<u>Elevon-45' Single-Family Lots</u>	LakePointe, Phase 1	Lavon Farms	Inspiration, Phase 5B	Brookside, Phase 1B	Whitewing Trails, Phase 1
	<u>Lavon</u>	Lavon	Lavon	St. Paul	Princeton	Princeton
<i>Financial Adjustments</i>						
Sales Price/FF		\$950	\$1,100	\$1,391	\$1,092	\$1,000
Rights Conveyed		0%	0%	0%	0%	0%
Sales Price/FF		\$950	\$1,100	\$1,391	\$1,092	\$1,000
Financing Terms		0%	0%	0%	0%	0%
Sales Price/FF		\$950	\$1,100	\$1,391	\$1,092	\$1,000
Conditions of Sale		0%	0%	0%	0%	0%
Sales Price/FF		\$950	\$1,100	\$1,391	\$1,092	\$1,000
Expenditures After Purchase		0%	0%	0%	0%	0%
Sales Price/FF		\$950	\$1,100	\$1,391	\$1,092	\$1,000
Market Conditions		20%	23%	23%	18%	25%
ADJUSTED Price/FF:		\$1,140	\$1,353	\$1,710	\$1,289	\$1,250
<i>Physical Adjustments</i>						
Location	Lavon	0%	0%	-10%	0%	0%
Access	~1-mile from SH 78	0%	0%	0%	0%	0%
Amenities	School, Amenities Center, Ponds, Paved Sidewalks	5%	5%	-5%	0%	5%
Size	45' Feet Front	2%	2%	2%	2%	2%
Topography	None	0%	0%	0%	0%	0%
Zoning	None	0%	0%	0%	0%	0%
<i>Total Net Physical Adjustment</i>		7%	7%	-13%	2%	7%
ADJUSTED Price/FF:		\$1,220	\$1,448	\$1,488	\$1,314	\$1,338
SUMMARY OF COMPARABLE VALUES						
Value Range/FF:		\$1,220 to \$1,488				
Weighted Allocation						
Weighted Allocation		20.0%	20.0%	20.0%	20.0%	20.0%
Contribution to Value		\$ 243.96	\$ 289.54	\$ 297.59	\$ 262.87	\$ 267.50
Subject Value/FF		\$1,361				
Value Indication		\$61,266				
Rounded		\$61,500				



SUMMARY OF LOT SALES - 45' Front Feet							
Sale	Location	City	Sale Date	Sale Price	Front Feet (FF)	Total Area (SF)	\$/FF
1	LakePointe, Phase 1	Lavon	09/2020	\$47,500	50	6,000	\$950
2	Lavon Farms	Lavon	07/2020	\$55,000	50	5,500	\$1,100
3	Inspiration, Phase 5B	St. Paul	07/2020	\$69,525	50	6,250	\$1,391
4	Brookside, Phase 1B	Princeton	10/2020	\$54,600	50	6,325	\$1,092
5	Whitewing Trails, Phase 1	Princeton	02/2020	\$50,000	50	5,000	\$1,000
Subject	Eleven-45' Single-Family	Lavon	N/A	N/A	45	5,400	

Analysis of Adjustments – 45' Detached Lot Sales

Our research of sales comparables leads us to the determination that there are ample comparable sales within the last few years involving similar properties within the subject's general competing area that could reliably and reasonably be verified through our due diligence. The comparable sales for the subject property had unadjusted sales prices ranging from \$950 to \$1,391 per front foot, and lot foot frontages sizes are each 50'.

Data on each of the sales, including sales price, was confirmed with sources considered reliable. Based on analysis of this data and other pertinent information obtained in our research, the following pages are a discussion of the factors which were found to exhibit significant influence on property values in this market.

Factors to be Considered and Summary of Adjustments

Financial Adjustments – Property Rights, Financing Terms, Conditions of Sales, Expenditures After Purchase, Market Conditions

Each of the comparable sales were sold as fee simple interests, sales were transferred in cash equivalency, and required no additional expenditures after purchase. Each of the comparables were bulk sales with discounts given to builders so they were adjusted positively 10% for conditions of sale. The comparable sales did require significant adjustment for market conditions as the residential real estate market in this area of North Texas has experienced significant appreciation, especially for finished lot tracts. Based on the market data, discussions with our lending institutions, and builders/developers in the area the appraisers have applied a YOY 2020-2021 market conditions adjusted of positive 18%. Sales that took place prior to 2020 were adjusted a lesser amount as yearly market condition improvements were closer to 3% prior to mid-2020. Therefore, each of the comparable lot sales have been adjusted between 18 and 27% for market conditions.

Physical Adjustments – Location, Amenities, Size, Topography, Zoning

Sale 3 is in a superior location close to Lake Lavon; thus, it is adjusted negatively 10%. Sale 3 also has superior amenities with resort-style pool and clubhouse, so it is adjusted a further 5% for amenities. Sales 1, 2, and 5 have limited amenities and are inferior to the subject's development; thus, each is adjusted positively 5% for amenities. Due to economies of scale, the smaller lots will be able to demand a higher price per foot, so the appraisers made a positive 2% adjusted to Comparables 1-5 for size as they are each 50'FF lots.

Conclusion - The 45' Detached Lot Sales have an adjusted range of \$1,231- to \$1,488/FF. Weighing each comparable equally indicates a price per front foot (rounded) of **\$61,500 for 45' Detached Lots.**



50' Detached Lot Sales – Comparison Grid

	Subject	Comparable 1	Comparable 2	Comparable 3	Comparable 4	Comparable 5
	<u>Elevon-50' Single-Family Lots</u>	LakePointe, Phase 1	Lavon Farms	Inspiration, Phase 5B	Brookside, Phase 1B	White wing Trails, Phase 1
	<u>Lavon</u>	Lavon	Lavon	St. Paul	Princeton	Princeton
<i>Financial Adjustments</i>						
Sales Price/FF		\$950	\$1,100	\$1,391	\$1,092	\$1,000
Rights Conveyed		<u>0%</u>	<u>0%</u>	<u>0%</u>	<u>0%</u>	<u>0%</u>
Sales Price/FF		\$950	\$1,100	\$1,391	\$1,092	\$1,000
Financing Terms		<u>0%</u>	<u>0%</u>	<u>0%</u>	<u>0%</u>	<u>0%</u>
Sales Price/FF		\$950	\$1,100	\$1,391	\$1,092	\$1,000
Conditions of Sale		<u>10%</u>	<u>10%</u>	<u>10%</u>	<u>10%</u>	<u>10%</u>
Sales Price/FF		\$1,045	\$1,210	\$1,530	\$1,201	\$1,100
Expenditures After Purchase		<u>0%</u>	<u>0%</u>	<u>0%</u>	<u>0%</u>	<u>0%</u>
Sales Price/FF		\$1,045	\$1,210	\$1,530	\$1,201	\$1,100
Market Conditions		<u>20%</u>	<u>23%</u>	<u>23%</u>	<u>18%</u>	<u>25%</u>
ADJUSTED Price/FF:		\$1,254	\$1,488	\$1,881	\$1,417	\$1,375
<i>Physical Adjustments</i>						
Location	Lavon	0%	0%	-10%	0%	0%
Access	~1-mile from SH 78	0%	0%	0%	0%	0%
Amenities	School, Amenities Center, Ponds, Paved Sidewalks	5%	5%	-5%	0%	5%
Size	50' Feet Front	0%	0%	0%	0%	0%
Topography	None	0%	0%	0%	0%	0%
Zoning	None	0%	0%	0%	0%	0%
Total Net Physical Adjustment		5%	5%	-15%	0%	5%
ADJUSTED Price/FF:		\$1,317	\$1,563	\$1,599	\$1,417	\$1,444
SUMMARY OF COMPARABLE VALUES						
Value Range/FF:		\$1,317	to	\$1,599		
Weighted Allocation						
Weighted Allocation		20.0%	20.0%	20.0%	20.0%	20.0%
Contribution to Value		\$ 263.34	\$ 312.54	\$ 319.83	\$ 283.48	\$ 288.75
Subject Value/FF	\$1,468					
Value Indication	\$73,397					
Rounded	\$73,500					



SUMMARY OF LOT SALES - 50' Front Feet							
Sale	Location	City	Sale Date	Sale Price	Front Feet (FF)	Total Area (SF)	\$/FF
1	LakePointe, Phase 1	Lavon	09/2020	\$47,500	50	6,000	\$950
2	Lavon Farms	Lavon	07/2020	\$55,000	50	5,500	\$1,100
3	Inspiration, Phase 5B	St. Paul	07/2020	\$69,525	50	6,250	\$1,391
4	Brookside, Phase 1B	Princeton	10/2020	\$54,600	50	6,325	\$1,092
5	Whitewing Trails, Phase 1	Princeton	02/2020	\$50,000	50	5,000	\$1,000
Subject	Elevon-50' Single-Family	Lavon	N/A	N/A	50	6,000	

Analysis of Adjustments – 50’ Detached Lot Sales

Our research of sales comparables leads us to the determination that there are ample comparable sales within the last few years involving similar properties within the subject’s general competing area that could reliably and reasonably be verified through our due diligence. The comparable sales for the subject property had unadjusted sales prices ranging from \$950 to \$1,391 per front foot, and lot foot frontages sizes are each 50’.

Data on each of the sales, including sales price, was confirmed with sources considered reliable. Based on analysis of this data and other pertinent information obtained in our research, the following pages are a discussion of the factors which were found to exhibit significant influence on property values in this market.

Factors to be Considered and Summary of Adjustments

Financial Adjustments – Property Rights, Financing Terms, Conditions of Sales, Expenditures After Purchase, Market Conditions

Each of the comparable sales were sold as fee simple interests, sales were transferred in cash equivalency, and required no additional expenditures after purchase. Each of the comparables were bulk sales with discounts given to builders so they were adjusted positively 10% for conditions of sale. The comparable sales did require significant adjustment for market conditions as the residential real estate market in this area of North Texas has experienced significant appreciation, especially for finished lot tracts. Based on the market data, discussions with our lending institutions, and builders/developers in the area the appraisers have applied a YOY 2020-2021 market conditions adjusted of positive 18%. Sales that took place prior to 2020 were adjusted a lesser amount as yearly market condition improvements were closer to 3% prior to mid-2020. Therefore, each of the comparable lot sales have been adjusted between 18 and 27% for market conditions.

Physical Adjustments – Location, Amenities, Size, Topography, Zoning

Sale 3 is in a superior location close to Lake Lavon; thus, it is adjusted negatively 10%. Sale 3 also has superior amenities with resort-style pool and clubhouse, so it is adjusted a further 5% for amenities. Sales 1, 2, and 5 have limited amenities and are inferior to the subject’s development; thus, each is adjusted positively 5% for amenities.

Conclusion - The 50’ Detached Lot Sales have an adjusted range of \$1,197- to \$1,454/FF. Weighing each comparable equally indicates a price per front foot (rounded) of **\$66,500 for 50’ Detached Lots.**



60' Detached Lot Sales – Comparison Grid

	Subject	Comparable 1	Comparable 2	Comparable 3	Comparable 4	Comparable 5
	<u>Elevon-6070'</u> <u>Single-Family Lots</u>	Lake Pointe, Phase 1	Park Place Phase 3	Quail Ridge Estates	Breezy Hill Phase 11	Waterscape Phase 2 - 60' Lots
	<u>Lavon</u>	Lavon	Rockwall	Royse City	Rockwall	Royse City
<i>Financial Adjustments</i>						
Sales Price/FF		\$915	\$1,357	\$1,258	\$1,271	\$901
Rights Conveyed		<u>0%</u>	<u>0%</u>	<u>0%</u>	<u>0%</u>	<u>0%</u>
Sales Price/FF		\$915	\$1,357	\$1,258	\$1,271	\$901
Financing Terms		<u>0%</u>	<u>0%</u>	<u>0%</u>	<u>0%</u>	<u>0%</u>
Sales Price/FF		\$915	\$1,357	\$1,258	\$1,271	\$901
Conditions of Sale		<u>0%</u>	<u>0%</u>	<u>0%</u>	<u>0%</u>	<u>0%</u>
Sales Price/FF		\$915	\$1,357	\$1,258	\$1,271	\$901
Expenditures After Purchase		<u>0%</u>	<u>0%</u>	<u>0%</u>	<u>0%</u>	<u>0%</u>
Sales Price/FF		\$915	\$1,357	\$1,258	\$1,271	\$901
Market Conditions		<u>20%</u>	<u>18%</u>	<u>8%</u>	<u>6%</u>	<u>15%</u>
ADJUSTED Price/FF:		\$1,098	\$1,601	\$1,359	\$1,348	\$1,036
<i>Physical Adjustments</i>						
Location	Lavon	0%	0%	0%	0%	10%
Access	~1-mile from SH 78	0%	0%	0%	0%	0%
Amenities	School, Amenities Center, Ponds, Paved Sidewalks	5%	5%	5%	3%	5%
Size	60' Feet Front	0%	3%	0%	3%	0%
Topography	None	0%	0%	0%	0%	0%
Zoning	None	0%	0%	0%	0%	0%
<i>Total Net Physical Adjustment</i>		5%	8%	5%	6%	15%
ADJUSTED Price/FF:		\$1,153	\$1,730	\$1,427	\$1,429	\$1,192
SUMMARY OF COMPARABLE VALUES						
Value Range/FF:		\$1,153 to \$1,730				
Weighted Allocation						
Weighted Allocation		20.0%	20.0%	20.0%	20.0%	20.0%
Contribution to Value		\$ 230.58	\$ 345.91	\$ 285.33	\$ 285.72	\$ 238.31
Subject Value/FF		\$1,386				
Value Indication		\$83,151				
Rounded		\$83,000				



SUMMARY OF LOT SALES - 60' Front Feet							
Sale	Location	City	Sale Date	Sale Price	Front Feet (FF)	Total Area (SF)	\$/FF
1	LakePointe, Phase 1	Lavon	09/2020	\$54,900	60	7,200	\$915
2	Park Place Phase 3	Rockwall	10/2020	\$95,000	70	8,712	\$1,357
3	Quail Ridge Estates	Princeton	5/2021	\$78,000	62	7,449	\$1,258
4	Breezy Hill Phase 11	Rockwall	6/2021	\$89,000	70	8,400	\$1,271
5	Waterscape Phase 2 - 60' Lots	Royse City	12/2020	\$54,060	60	7,500	\$901
Subject	Elevon-6070' Single-Family Lots	Lavon	N/A	N/A	60	7,200	

Analysis of Adjustments – 60' Detached Lot Sales

Our research of sales comparables leads us to the determination that there are ample comparable sales within the last few years involving similar properties within the subject's general competing area that could reliably and reasonably be verified through our due diligence. The comparable sales for the subject property had unadjusted sales prices ranging from \$901 to \$1,357 per front foot, and lot foot frontages sizes range from 60' to 70'.

Data on each of the sales, including sales price, was confirmed with sources considered reliable. Based on analysis of this data and other pertinent information obtained in our research, the following pages are a discussion of the factors which were found to exhibit significant influence on property values in this market.

Factors to be Considered and Summary of Adjustments

Financial Adjustments – Property Rights, Financing Terms, Conditions of Sales, Expenditures After Purchase, Market Conditions

Each of the comparable sales were sold as fee simple interests, sales were transferred in cash equivalency, and required no additional expenditures after purchase. Comparables 1, 3, and 5 were bulk sales with discounts given to builders so they were adjusted positively 10% for conditions of sale. The comparable sales did require significant adjustment for market conditions as the residential real estate market in this area of North Texas has experienced significant appreciation, especially for finished lot tracts. Based on the market data, discussions with our lending institutions, and builders/developers in the area the appraisers have applied a YOY 2020-2021 market conditions adjusted of positive 18%. Sales that took place prior to 2020 were adjusted a lesser amount as yearly market condition improvements were closer to 4% prior to mid-2020. Therefore, each of the comparable lot sales have been adjusted between 6 and 20% for market conditions.

Physical Adjustments – Location, Amenities, Size, Topography, Zoning

Sale 5 is in an inferior location in a less desirable area for new residents in Royse City; thus, it is adjusted positively 10%. Each of the comparable have more limited amenities and are inferior to the subject's development; thus, each is adjusted positively 3-5%. Due to economies of scale, smaller lots will be able to demand a higher price per foot, so the appraisers made a positive 3% adjustment to Comparables 2 and 4 for size as they are each 70'FF lots.

Conclusion - The 60' Detached Lot Sales have an adjusted range of \$1,153- to \$1,730/FF. Weighing each comparable equally indicates a price per front foot (rounded) of \$83,000 for 60' Detached Lots.



70' Detached Lot Sales – Comparison Grid

	Subject	Comparable 1	Comparable 2	Comparable 3	Comparable 4	Comparable 5
	Elevon-70' Single-Family Lots	LakePointe, Phase 1	Park Place Phase 3	Quail Ridge Estates	Breezy Hill Phase 11	Waterscape Phase 2 - 60' Lots
	Lavon	Lavon	Rockwall	Royse City	Rockwall	Royse City
<i>Financial Adjustments</i>						
Sales Price/FF		\$915	\$1,357	\$1,258	\$1,271	\$901
Rights Conveyed		0%	0%	0%	0%	0%
Sales Price/FF		\$915	\$1,357	\$1,258	\$1,271	\$901
Financing Terms		0%	0%	0%	0%	0%
Sales Price/FF		\$915	\$1,357	\$1,258	\$1,271	\$901
Conditions of Sale		10%	0%	0%	10%	10%
Sales Price/FF		\$1,007	\$1,357	\$1,258	\$1,399	\$991
Expenditures After Purchase		0%	0%	0%	0%	0%
Sales Price/FF		\$1,007	\$1,357	\$1,258	\$1,399	\$991
Market Conditions		20%	18%	8%	6%	15%
ADJUSTED Price/FF:		\$1,208	\$1,601	\$1,359	\$1,482	\$1,140
<i>Physical Adjustments</i>						
Location	Lavon	0%	0%	10%	0%	10%
Access	~1-mile from SH 78	0%	0%	0%	0%	0%
Amenities	School, Amenities Center, Ponds, Paved Sidewalks	5%	5%	5%	3%	5%
Size	70' Feet Front	-3%	0%	-3%	0%	-3%
Topography	None	0%	0%	0%	0%	0%
Zoning	None	0%	0%	0%	0%	0%
Total Net Physical Adjustment		2%	5%	12%	3%	12%
ADJUSTED Price/FF:		\$1,232	\$1,682	\$1,522	\$1,527	\$1,277
SUMMARY OF COMPARABLE VALUES						
Value Range/FF:		\$1,232	to	\$1,682		
Weighted Allocation						
Weighted Allocation		20.0%	20.0%	20.0%	20.0%	20.0%
Contribution to Value		\$ 246.39	\$ 336.30	\$ 304.35	\$ 305.39	\$ 255.31
Subject Value/FF		\$1,448				
Value Indication		\$101,342				
Rounded		\$94,500				



SUMMARY OF LOT SALES - 70' Front Feet							
Sale	Location	City	Sale Date	Sale Price	Front Feet (FF)	Total Area (SF)	\$/FF
1	LakePointe, Phase 1	Lavon	09/2020	\$54,900	60	7,200	\$915
2	Park Place Phase 3	Rockwall	10/2020	\$95,000	70	8,712	\$1,357
3	Quail Ridge Estates	Royse City	5/2021	\$78,000	62	7,449	\$1,258
4	Breezy Hill Phase 11	Rockwall	6/2021	\$89,000	70	8,400	\$1,271
5	Waterscape Phase 2 - 60' Lots	Royse City	12/2020	\$54,060	60	7,500	\$901
Subject	Elevon-70' Single-Family Lots	Lavon	N/A	N/A	70	8,400	

Analysis of Adjustments – 70' Detached Lot Sales

Our research of sales comparables leads us to the determination that there are ample comparable sales within the last few years involving similar properties within the subject's general competing area that could reliably and reasonably be verified through our due diligence. The comparable sales for the subject property had unadjusted sales prices ranging from \$901 to \$1,357 per front foot, and lot foot frontages sizes range from 60' to 70'.

Data on each of the sales, including sales price, was confirmed with sources considered reliable. Based on analysis of this data and other pertinent information obtained in our research, the following pages are a discussion of the factors which were found to exhibit significant influence on property values in this market.

Factors to be Considered and Summary of Adjustments

Financial Adjustments – Property Rights, Financing Terms, Conditions of Sales, Expenditures After Purchase, Market Conditions

Each of the comparable sales were sold as fee simple interests, sales were transferred in cash equivalency, and required no additional expenditures after purchase. Comparables 1, 3, and 5 were bulk sales with discounts given to builders so they were adjusted positively 10% for conditions of sale. The comparable sales did require significant adjustment for market conditions as the residential real estate market in this area of North Texas has experienced significant appreciation, especially for finished lot tracts. Based on the market data, discussions with our lending institutions, and builders/developers in the area the appraisers have applied a YOY 2020-2021 market conditions adjusted of positive 18%. Sales that took place prior to 2020 were adjusted a lesser amount as yearly market condition improvements were closer to 4% prior to mid-2020. Therefore, each of the comparable lot sales have been adjusted between 6 and 20% for market conditions.

Physical Adjustments – Location, Amenities, Size, Topography, Zoning

Sale 5 is in an inferior location in a less desirable area for new residents in Royse City; thus, it is adjusted positively 10%. Each of the comparable have more limited amenities and are inferior to the subject's development; thus, each is adjusted positively 3-5%. Due to economies of scale, smaller lots will be able to demand a higher price per foot, so the appraisers made a negative 3% adjustment to Comparables 1, 3, and 5 for size as they are each 70'FF lots.

Conclusion - The 60' Detached Lot Sales have an adjusted range of \$1,153- to \$1,730/FF. Weighing each comparable equally indicates a price per front foot (rounded) of \$83,000 for 60' Detached Lots.



Indicated Retail Market Value of Lots

The comparative analysis in the sales comparison approach focuses on differences in the characteristics of the sales, in relation to the subject, which can account for variation in prices. There tends to be an inverse relationship between the degree of adjustment and degree of reliability that exists in the adjusted sale price. In other words, the greater the adjustment the less the reliability. Utilization of a weighted mean analysis, the greater emphasis is placed on the sale comparables with the least total adjustments, (i.e., more similar = greater weight). According to this analysis, the indicated market values for the lot types are:

Lot Type	Concluded Retail Value 11/1/2021
26' Townhouse Lot	\$41,500
31' Townhouse Lot	\$49,500
33' Townhouse Lot	\$52,500
35' Townhouse Lot	\$55,000
40' Detached Lot	\$60,500
45' Detached Lot	\$67,500
50' Detached Lot	\$73,500
60' Detached Lot	\$89,500
70' Detached Lot	\$101,500



DISCOUNT CASH FLOW ANALYSIS

Having completed the retail lot conclusions using aspects of the Sales Comparison Approach, we will develop an opinion of the market value of the property to a single purchaser, as of the construction completion date. This value will include a provision for compensating the developer, i.e., profit for risk and expenditure of time. This value contemplates that the developer of the subject property would sell the subject to another developer who would in turn sell the developed lots on a retail basis. This value represents the concept of market value to a single purchaser as of the completed construction date, wherein a portion of the overall real property rights or physical asset would typically be sold to its ultimate users over some future period. Valuations involving such properties must fully reflect all appropriate deductions and discounts as well as the anticipated cash flows to be derived from the disposition of the asset over time. Appropriate deductions and discounts are those which reflect all expenses associated with the disposition of the property as well as the cost of capital and entrepreneurial profit. **This latter item of entrepreneurial profit is accounted for herein as part of the discount rate.**

The various assumptions necessary to complete our Discounted Cash Flow (DCF) analysis for the developed subject subdivision are discussed in detail in the following paragraphs.

Absorption

As discussed in detail in the "Absorption Analysis" section of the report, our quarterly absorption projections are summarized as follows for the subject:

Projected Quarterly Absorption Summary - Phase 1 (935 Lots)											
<i>Lot Type</i>	<i>Apr-23</i>	<i>Jul-23</i>	<i>Oct-23</i>	<i>Jan-24</i>	<i>Apr-24</i>	<i>Jul-24</i>	<i>Oct-24</i>	<i>Jan-25</i>	<i>Apr-25</i>	<i>Jul-25</i>	<i>Oct-25</i>
26' Lots	30	14	-	-	-	-	-	-	-	-	-
31' Lots	30	7	-	-	-	-	-	-	-	-	-
33' Lots	12	-	-	-	-	-	-	-	-	-	-
35' Lots	28	-	-	-	-	-	-	-	-	-	-
40' Lots	30	30	30	30	30	30	30	5	-	-	-
45' Lots	30	30	8	-	-	-	-	-	-	-	-
50' Lots	30	30	30	30	30	30	30	30	30	30	12
60' Lots	30	30	30	30	23	-	-	-	-	-	-
70' Lots	30	30	16	-	-	-	-	-	-	-	-
Total	250	171	114	90	83	60	60	35	30	30	12

Projected Quarterly Absorption Summary - Phase 2 (452 Lots)							
<i>Lot Type</i>	<i>Oct-24</i>	<i>Jan-25</i>	<i>Apr-25</i>	<i>Jul-25</i>	<i>Oct-25</i>	<i>Jan-26</i>	<i>Apr-26</i>
40' Lots	30	30	30	30	23	-	-
45' Lots	30	30	1	-	-	-	-
50' Lots	30	30	30	30	30	30	23
60' Lots	30	15	-	-	-	-	-
Total	120	105	61	60	53	30	23



Historically, in the sales contracts of the volume lot sales in the marketplace, the lot prices are typically adjusted upward at rates ranging from the prime rate (3.25%) to the prime rate, plus one percent (annually) up to 8.0%. Thus, for valuation purposes moving forward, we have estimated an annual appreciation on the sale of the subject units at 6% per year for the subject lots which is in line with real estate appreciation over the past decade. This is considered reasonable given the lack of available lot and housing supply in the area and the historical realization of interest carry/appreciation by developers within the Dallas/Fort Worth and surrounding market areas.

Expenses

Taxes are paid by the developer annually. The estimation of taxes paid per period is based upon the premise that taxes are prorated at closing and are paid in arrears. Therefore, we have deducted taxes based upon the estimated retail market value of the unsold lots. The taxes are prorated in each calendar year based upon the projected sales in each period. Based upon our experience and information gathered from builders/ developers, and the current tax rate for the property being in the Lavon ETJ, a 1.7% tax rate estimate is used for lots held by the developers

Cost of Sales has been estimated at 5% of gross sales proceeds for various closing costs, commissions, and title policies.

Marketing expense is included in the Cost of Sales expense

Discount Rate

The discount rate utilized herein is essentially an anticipated Internal Rate of Return (IRR) for the subject property, as estimated from investment performance realized by market participants. Although the investment vehicle being analyzed herein is real property, competition for investment dollars in other investment media is strong, and a shrewd investment manager must carefully consider all options. Because of the element of risk involved in real estate investment versus alternative investment vehicles, the shrewd investment manager must compare rates of return. The performance of real estate is dependent upon and could fluctuate with the degree of quality of management, unexpected competition, disasters, or economic cycles, particularly in the subject's market area. Therefore, it entails a greater degree of risk than instruments such as government-backed bonds or fixed-rate mortgages.

The discount rate used for the subject should be less than the typical land development project because the value to be determined is that for a fully entitled project which will have less risk exposure than that of a raw land development. Therefore, it is appropriate to utilize a discount rate adjusted for this risk. The appraisers have included a recent discount rate survey published by Realty Rates that considers the market conditions, risk, entrepreneurial profit, and liquidity inherent in a project such as the subject that developers of similar properties would consider.

RealtyRates.com DEVELOPER SURVEY - 3rd Quarter 2021*						
Texas - Subdivisions & PUDs						
	Actual Rates			Pro-Forma Rates		
	Min	Max	Avg	Min	Max	Avg
Site-Built Residential	13.80%	32.00%	21.22%	13.25%	30.72%	20.38%
-100 Units	13.80%	27.59%	20.28%	13.25%	28.48%	19.47%
100-500 Units	14.15%	30.34%	21.36%	13.58%	29.13%	20.50%
500+ Units	14.49%	31.72%	21.72%	13.91%	30.45%	20.85%
Mixed Use	14.84%	32.00%	21.54%	14.24%	30.72%	20.68%
Manufactured Housing	13.65%	33.96%	22.06%	13.10%	32.60%	21.17%
-100 Units	13.65%	29.53%	21.18%	12.10%	29.95%	20.31%
100-500 Units	13.89%	32.49%	22.31%	13.43%	31.19%	21.42%
500+ Units	14.33%	33.96%	22.70%	13.76%	32.60%	21.79%
Business Parks	13.82%	31.50%	21.03%	13.26%	30.24%	20.19%
-100 Acres	13.82%	27.39%	20.19%	13.26%	26.30%	19.39%
100-500 Acres	14.16%	30.13%	21.26%	13.60%	28.93%	20.41%
500+ Acres	14.51%	31.50%	21.63%	13.93%	30.24%	20.76%
Industrial Parks	13.92%	27.04%	19.06%	13.36%	25.96%	18.30%
-100 Acres	13.92%	23.52%	18.34%	13.36%	22.58%	17.61%
100-500 Acres	14.27%	25.87%	19.27%	13.70%	24.83%	18.50%
500+ Acres	14.62%	27.04%	19.58%	14.03%	25.96%	18.80%

As shown above, the minimum actual rates in Texas range from 13.80% for less than 100 units; 14.15% for 100 to 500+ units; and 14.49% for 500+ units with minimum pro-forma rates ranging from 13.25% to 13.91%.

The Sixth Edition of the Dictionary of Real Estate Appraisal defines this term as “a discount rate that is adjusted to offset one or more risk factors, i.e., when a future downswing in the business cycle is likely, the risk associated with a project may increase near the end of its term, necessitating a special adjustment to the discount rate. Such discount rates include all of the elements of risk associated with an income stream for a specified period adjusted to offset additional term risk”. Thus, it is our opinion that a potential purchaser would expect to receive a much lower return on his investment for a completed project similar to the subject, which has a purchaser of the end product relative to that of a vacant tract of land awaiting eventual development (higher risk of escalating costs to site development and of the eventual timing of completion).

Based upon the preceding, an IRR that is similar to the minimum rates provided by the RealtyRates “Developer Survey” for Texas of 14.49% for 500+ units; and 13.91% for likewise minimum pro-forma rates ranging is considered reasonable for the subject. Hence, taking into consideration the supply and demand levels within the subject’s submarket area, we have selected a discount rate of **14%** for the subject which takes into consideration the degree of risk, developer profit, and the liquidity inherent in a project such as the subject, as well as the current market conditions. To be consistent with the timing of the cash flows, the annual income stream is discounted quarterly. With each of the required elements now identified, we will now analyze the subject in DCF analyses as shown on the following pages.



PHASE 1 – DISCOUNT CASH FLOW (DCF) ANALYSIS

The following assumptions are made in our analysis which are supported by other research and analysis found earlier in this report:

- Construction Complete 4/1/2023
- 6% Appreciation/Year (1.5%/Quarter)
- Each Lot Type Sells at 30/Quarter
- Discount Rate 14% (3.5%/Quarter)
- Tax Expense on Inventory is 1.7%/Year; 0.425%/Quarter) – Development is in Lavon ETJ
- Sales and Marketing Expense (5% of Revenue)

As of November 1, 2021, the retail market value of each lot is shown below which we then expect to escalate 6% per year (1.5% per quarter):

Lot Type	Concluded Retail Value 11/1/2021	Concluded Retail Value 4/1/2023
26' Townhouse Lot	\$41,500	\$45,235
31' Townhouse Lot	\$49,500	\$53,955
33' Townhouse Lot	\$52,500	\$57,225
35' Townhouse Lot	\$55,000	\$59,950
40' Detached Lot	\$60,500	\$65,945
45' Detached Lot	\$67,500	\$73,575
50' Detached Lot	\$73,500	\$80,115
60' Detached Lot	\$89,500	\$97,555
70' Detached Lot	\$101,500	\$110,635

Discount cash flow analysis was completed on a quarterly and annual basis as a check for reasonableness. In both analyses, the absorption is a maximum of 30/units per type per quarter, but the annual DCF is a more basic calculation. When applying the DCF on a quarterly basis, the discount rate is divided by 4 and a discount rate of 3.5% is applied to each period.



DISCOUNT CASH FLOW DATA – PHASE 1 (QUARTERLY)

Lot Type	Phase	Starting Units	Apr-23		Jul-23			Oct-23		
			Lot Price	Sales Apr-23	Units Available	Lot Price	Sales Jul-23	Units Available	Lot Price	Sales Jul-23
26' Lot	1	44	\$ 45,235	30	14	\$ 45,914	14	0	\$ 46,832	4
31' Lot	1	37	\$ 53,955	30	7	\$ 54,764	7	0	-	-
33' Lot	1	12	\$ 57,225	12	0	-	-	0	-	-
35' Lot	1	28	\$ 59,950	28	0	-	0	0	-	-
40' Lot	1	215	\$ 65,945	30	185	\$ 66,934	30	155	\$ 67,938	30
45' Lot	1	68	\$ 73,575	30	38	\$ 74,679	30	8	\$ 75,799	8
50' Lot	1	312	\$ 80,115	30	282	\$ 81,317	30	252	\$ 82,536	30
60' Lot	1	143	\$ 97,555	30	113	\$ 99,018	30	83	\$ 100,504	30
70' Lot	1	76	\$ 110,635	30	46	\$ 112,295	30	16	\$ 113,979	18
Revenue		935	\$ 18,175,750			\$ 14,053,411			\$ 10,374,686	
Expenses										
<i>Tax Expense (1.7% Year of Outstanding Lots)</i>			\$ 309,773			\$ 236,014			\$ 715,725	
<i>Sales Expense (5% of Revenue)</i>			\$ 908,788			\$ 702,671			\$ 518,734	
Net Income			\$ 16,957,190			\$ 13,114,726			\$ 9,140,227	

Jan-24			Apr-24			Jul-24			Oct-24		
Units Available	Lot Price	Sales Jan-24	Units Available	Lot Price	Sales Apr-24	Units Available	Lot Price	Sales Jul-24	Units Available	Lot Price	Sales Oct-24
0	-	-	0	-	-	0	-	-	0	-	-
0	-	-	0	-	-	0	-	-	0	-	-
0	-	-	0	-	-	0	-	-	0	-	-
0	-	-	0	-	-	0	-	-	0	-	-
125	\$ 68,957	30	95	\$ 69,992	30	65	\$ 71,041	30	35	\$ 72,107	30
0	\$ 76,936	-	0	\$ 78,090	-	0	-	-	0	-	-
222	\$ 83,775	30	192	\$ 85,031	30	162	\$ 86,307	30	132	\$ 87,601	30
53	\$ 102,011	30	23	\$ 103,541	23	0	-	-	0	-	-
0	\$ 115,689	-	0	-	-	0	-	-	0	-	-
	\$ 7,642,288			\$ 7,032,133			\$ 4,720,443			\$ 4,791,250	
	\$ 138,653			\$ 107,766			\$ 79,047			\$ 59,870	
	\$ 382,114			\$ 351,607			\$ 236,022			\$ 239,562	
	\$ 7,121,521			\$ 6,572,761			\$ 4,405,374			\$ 4,491,817	

Jan-25			Apr-25			Jul-25			Oct-25			TOTAL
Units Available	Lot Price	Sales Jan-25	Units Available	Lot Price	Sales Apr-25	Units Available	Lot Price	Sales Jul-25	Units Available	Lot Price	Sales Oct-25	
0	-	-	0	-	-	0	-	-	0	-	-	
0	-	-	0	-	-	0	-	-	0	-	-	
0	-	-	0	-	-	0	-	-	0	-	-	
0	-	-	0	-	-	0	-	-	0	-	-	
5	\$ 73,189	5	0	-	-	0	-	-	0	-	-	
0	-	-	0	-	-	0	-	-	0	-	-	
102	\$ 88,915	30	72	\$ 90,249	30	42	\$ 91,603	30	12	\$ 92,977	12	
0	-	-	0	-	-	0	-	0	0	-	-	
0	-	-	0	-	-	0	-	-	0	-	-	
	\$ 3,033,400			\$ 2,707,469			\$ 2,748,081			\$ 1,115,721		\$ 76,395,567
	\$ 40,100			\$ 27,616			\$ 16,351			\$ 4,742		\$ 1,735,657
	\$ 151,670			\$ 135,373			\$ 137,404			\$ 55,786		\$ 2,291,867
	\$ 2,841,630			\$ 2,544,479			\$ 2,594,326			\$ 1,055,193		

Total Net Revenue Over 11 Quarters	\$ 72,368,043
Net Present Value (at completion) at 14% Discount Rate	\$ 62,311,687
Rounded	\$ 62,300,000



DISCOUNT CASH FLOW DATA – PHASE 1 (ANNUAL)

Lot Type	Phase	Starting Units	2023		2024			2025			TOTAL
			Lot Price	Sales Apr-23	Units Available	Lot Price	Sales Jul-23	Units Available	Lot Price	Sales Jul-23	
26' Lot	1	44	\$ 45,858	44	0	\$ -	0	0	\$ -	0	
31' Lot	1	37	\$ 54,698	37	0	\$ -	0	0	-	-	
33' Lot	1	12	\$ 58,013	12	0	-	-	0	-	-	
35' Lot	1	28	\$ 60,775	28	0	\$ -	0	0	-	-	
40' Lot	1	215	\$ 66,853	90	125	\$ 70,864	120	5	\$ 75,115	5	
45' Lot	1	68	\$ 74,588	68	0	\$ -	0	0	\$ -	0	
50' Lot	1	312	\$ 81,218	90	222	\$ 86,091	120	102	\$ 91,256	102	
60' Lot	1	143	\$ 98,898	90	53	\$ 104,831	53	0	\$ -	0	
70' Lot	1	76	\$ 112,158	76	0	\$ -	0	0	\$ -	0	
Revenue		935	\$ 42,262,383	535		\$ 24,390,566			\$ 9,683,688		\$ 76,338,106
Expenses											
<i>Tax Expense (1.7%/Year of Outstanding Lots)</i>			\$ 1,256,144			\$ 569,944			\$ 164,623		\$ 1,990,710
<i>Sales Expense (5% of Revenue)</i>			\$ 2,113,119			\$ 1,219,528			\$ 484,184		\$ 2,290,143
Net Income			\$ 38,893,120			\$ 22,601,093			\$ 9,034,881		

Total Net Revenue Over 11 Quarters	\$ 72,057,252
Net Present Value (at completion) at 14% Discount Rate	\$ 57,605,866
Rounded	\$ 57,600,000

We have reconciled the quarterly and annual DCF analyses for Phase 1 to \$60,000,000 as of the construction completion date.



PHASE 2 – DISCOUNT CASH FLOW (DCF) ANALYSIS

The following assumptions are made in our analysis which are supported by other research and analysis found earlier in this report:

- Construction Complete 10/1/2024
- 6% Appreciation/Year (2%/Quarter)
- Each Lot Type Sells at 30/Quarter
- Discount Rate 14%
- Tax Expense on Inventory is 1.7%/Year; 0.425%/Quarter) – Development is in Lavon ETJ
- Sales Expense (3% of Revenue)

As of November 1, 2021, the retail market value of each lot is shown below which we then expect to escalate 6% per year (1.5% per quarter):

Lot Type	Concluded Retail Value 11/1/2021	Concluded Retail Value 10/1/2024
40' Detached Lot	\$60,500	\$71,390
45' Detached Lot	\$67,500	\$79,650
50' Detached Lot	\$73,500	\$86,730
60' Detached Lot	\$89,500	\$105,610

Discount cash flow analysis was completed on a quarterly and annual basis as a check for reasonableness. In both analyses, the absorption is a maximum 30/units per type per quarter, but the annual DCF is a more basic calculation. When applying the DCF on a quarterly basis, the discount rate is divided by 4 and a discount rate of 3.5% is applied to each period.



DISCOUNT CASH FLOW DATA – PHASE 2 (QUARTERLY)

Lot Type	Phase	Oct-24			Jan-25			Apr-25		
		Starting Units	Lot Price	Sales Oct-24	Units Available	Lot Price	Sales Jan-25	Units Available	Lot Price	Sales Apr-25
40' Lot	2	143	\$ 71,390	30	113	\$ 72,461	30	83	\$ 73,548	30
45' Lot	2	61	\$ 79,650	30	31	\$ 80,845	30	1	\$ 82,057	1
50' Lot	2	203	\$ 86,730	30	173	\$ 88,031	30	143	\$ 89,351	30
60' Lot	2	45	\$ 105,610	30	15	\$ 107,194	15	0	\$ 108,802	-
		452								
Revenue			\$ 10,301,400			\$ 8,848,009			\$ 4,969,033	
Expenses										
Taxes (1.7%/Year of Outstanding Lots)			\$ 159,061			\$ 117,009			\$ 80,596	
Sales (5% of Revenue)			\$ 515,070			\$ 442,400			\$ 248,452	
Net Income			\$ 9,627,269			\$ 8,288,599			\$ 4,639,985	

Jul-25			Oct-25			Jan-26			Apr-26			TOTAL
Units Available	Lot Price	Sales Jul-25	Units Available	Lot Price	Sales Oct-25	Units Available	Lot Price	Sales Jan-26	Units Available	Lot Price	Sales Apr-26	
53	\$74,650.98	30	23	\$ 75,771	23	0	-	-	0	-	-	
0	-	-	0	-	-	0	-	-	0	-	-	
113	\$90,691.69	30	83	\$ 92,052	30	53	\$ 93,433	30	23	\$ 94,834	23	
0	-	-	0	-	-	0	-	-	0	-	-	
	\$4,960,280			\$4,504,289			\$2,802,985			\$2,181,190		\$ 38,567,185
	\$ 60,370			\$ 39,878			\$ 21,046			\$ 9,270		\$ 487,229
	\$ 248,014			\$ 225,214			\$ 140,149			\$ 109,059		\$ 1,928,359
	\$4,651,896			\$4,239,197			\$2,641,790			\$2,062,860		

Total Net Revenue Over 7 Quarters	\$ 36,151,597
Net Present Value (at completion) at 14% Discount Rate	\$ 32,617,842
Rounded	\$ 32,600,000



DISCOUNT CASH FLOW DATA – PHASE 1 (ANNUAL)

		2024			2025			Apr-25			TOTAL
Lot Type	Phase	Starting Units	Lot Price	Sales Oct-24	Units Available	Lot Price	Sales Jan-25	Units Available	Lot Price	Sales Apr-25	
40' Lot	2	143	\$ 71,390	30	113	\$ 75,673	113	0	\$ -	-	
45' Lot	2	61	\$ 79,650	30	31	\$ 84,429	31	0	\$ -	-	
50' Lot	2	203	\$ 86,730	30	173	\$ 91,934	120	53	\$ 97,450	53	
60' Lot	2	45	\$ 105,610	30	15	\$ 111,947	15	0	\$ -	-	
		452									
Revenue			\$ 10,301,400			\$ 23,879,648			\$ 5,164,841		\$ 39,345,889
Expenses											
Taxes (1.7%/Year of Outstanding Lots)			\$ 636,243			\$ 488,786			\$ 87,802		\$ 1,212,832
Sales (5% of Revenue)			\$ 515,070			\$ 1,193,982			\$ 258,242		\$ 1,967,294
Net Income			\$ 9,150,087			\$ 22,196,879			\$ 4,818,797		

Total Net Revenue Over 7 Quarters	\$ 36,165,763
Net Present Value (at completion) at 14% Discount Rate	\$ 28,358,720
Rounded	\$ 28,400,000

We have reconciled the quarterly and annual DCF analyses for Phase 2 to \$30,000,000 as of the construction completion date.

Income Approach Conclusions

Using the Income Approach with discount cash flow analysis calculating both quarterly and annual lot takedowns, the appraisers arrived at similar values – within 10% for Phase 1 and within 15% for Phase 2. Both annual and quarterly analyses have relevance and are a check of reasonableness on the overall analysis. The appraisers have chosen to reconcile the quarterly and annual analyses and determined that **Phase 1 has a net present value (at completion) of \$60,000,000 (\$64,171/Lot) and Phase 2 has a net present value (at completion) of \$30,000,000 (\$66,372/Lot).**



RECONCILIATION AND FINAL VALUE CONCLUSION

The Appraisal of Real Estate, Fourteenth Edition, copyright 2013, pages 641-642, published by the Appraisal Institute states,

“Resolving the differences among various value indications is called reconciliation.... The final value opinion is not the average of the different value indications derived. No mechanical formula is used to select one indication over the others...Final reconciliation relies on proper application of appraisal techniques and the appraiser’s judgment.”

As previously stated, the Sales Comparison Approach involves comparing recent sales of lots, units, or entire subdivisions that involved a single purchaser. Finding similar and recent sales of improved subdivisions or large groups of lots in most markets can be difficult, perhaps impossible. Comparison requires comparable sales with about the same or similar remaining absorption period, a similar mix of lots or unit types, location, home price points, and other characteristics. As Texas is a non-disclosure state, sales data available is limited to sales confirmed by associated parties. Since data on bulk-sales to a single purchaser is difficult find and verify, **the Sales Comparison Approach was not developed by the appraisers.** Aspects of the Sales Comparison Approach were utilized to develop an opinion of the retail value of the finished lots.

The Cost and Income Approaches were utilized as they are applicable under the scope of work for this assignment.

The Cost Approach is typically used for proposed projects and existing groups of lots or units that make up a substantial portion of an existing project. As we are valuing a proposed subdivision and there is no infrastructure or phases that have been completed, the Cost Approach is appropriate. We determined the value of the vacant land, input developer cost data provided by a state certified third party (JBI Partners), verified that data with other developers for its reasonableness, escalated the costs by an appropriate rate to consider the costs as of the date of construction completion, and considered the presence of any forms of depreciation. We added an appropriate entrepreneurial profit for the developer to undertake the risks and added the components together to arrive at a value indication for the Cost Approach.

The Cost Approach concluded the prospective market value at completion of the fee simple interest of **Phase 1 for 935 lots is \$67,000,000 (\$71,658/Lot) and Phase 2 for 452 lots is \$34,700,000 (\$76,770/Lot).**

In addition to the Cost Approach, the appraisers used the Subdivision Development Approach (with Discount Cash Flow analysis) by determining a projection of future lot sale prices, absorption analysis to conclude the rate at which the lots would be built, subtracting out holding cost expenses, and then applying an appropriate discount rate to reflect the profit and risks associated with undertaking this development project. Since the subject is a proposed subdivision development, this Approach provides a good indication of the value of the subject at construction completion.

The Income Approach concluded the prospective market value at completion of the fee simple interest of **Phase 1 for 935 lots is \$60,000,000 (\$64,171/Lot) and Phase 2 for 452 lots is \$30,000,000 (\$66,372/Lot).**



Final Value Conclusion Summary

As a result of our investigations, studies and analysis of the sale, cost, income, and expense data, interpreted within the context of all the factors in the marketplace which effect value, our reconciliation of the indicated values between the utilized approaches to value are listed in the table below. Overall, we placed the most emphasis on the Income Approach which is the approach most utilized and relied upon for determining the value of a subdivision.

Elevon PID, Lavon, TX 75166				
<i>As Complete, Fee Simple Interest</i>				
		Cost	Income	Sales
Elevon Phase 1		\$67,000,000	\$60,000,000	N/A
935 Lots	Completed April 1, 2023			
Final Market Value Opinion		\$62,000,000		
<i>As Complete, Fee Simple Interest</i>				
		Cost	Income	Sales
Elevon Phase 2		\$34,700,000	\$30,000,000	N/A
452 Lots	Completed October 1, 2024			
Final Market Value Opinion		\$32,000,000		

Exposure Time

Assuming adequate exposure and normal marketing efforts, the estimated exposure time (i.e. the length of time the subject property would have been exposed for sale in the market had it sold at the market value concluded to in this analysis as of the date of this valuation) would have been at least 3-12 months; the estimated marketing time (i.e. the amount of time it would probably take to sell the subject property if exposed in the market beginning on the date of this valuation) is estimated to be between 3-12 months.

Marketing Time

Marketing time is an estimate of the amount of time it might take to sell a property at the concluded market value immediately following the effective date of value. Market conditions are presently strong, and we expect no significant changes in the near term. It is our opinion that a reasonable marketing period for the subject is likely to be the same as the exposure time. Accordingly, we estimate the subject’s marketing period at 3-12 months.



ADDENDA

COMPARABLE SALES SUMMARIES

COMPARABLE SALE – VACANT LAND (COST APPROACH)

Property Sale Write-Up for 38 AC St. Paul RD



38 Acres On St. Paul Rd.

Property Information

Property Name	38 AC St. Paul RD
Property Class	Land
Address	38 AC St. Paul RD, St. Paul , TX 75098
County	Collin
Property Type & Sub-Type	Housing / Multiple Units

Site Information - Land

Land SF	1,684,944
Land Acres	38.68
Zoning Code	St. Paul ETJ
Shape	Trapezoidal
Topography	Basically Level
Available Utilities	Electricity, Water, Sewer, and Gas

Transaction Information

Sale Status	Closed
Sale Date	04/17/2019
Sale Price	\$3,435,000
Analysis Sale Price	\$3,435,000
Price per SF Land	\$2.04
Analysis Sale Price per SF Land	\$2.04
Price per Acre	\$88,806
Analysis Sale Price per Acre	\$88,806

COMPARABLE SALE – VACANT LAND (COST APPROACH)


Property Sale Write-Up for 4905 County Road 317



4905 County Road 317


Property Information	
Property Name	4905 County Road 317
Property Class	Land
Address	4905 County Road 317, Fairview, TX 75069
County	Collin
Property Type & Sub-Type	Housing / Multiple Units
Site Information - Land	
Land SF	2,453,473
Land Acres	56.32
Zoning Code	None
Shape	Rectangular
Topography	Gently Sloping
Available Utilities	Electricity and Water
Transaction Information	
Sale Status	Closed
Sale Date	10/04/2021
Sale Price	\$4,002,000
Analysis Sale Price	\$4,002,000
Price per SF Land	\$1.63
Analysis Sale Price per SF Land	\$1.63
Price per Acre	\$71,058
Analysis Sale Price per Acre	\$71,058

COMPARABLE SALE – VACANT LAND (COST APPROACH)

Property Sale Write-Up for 000 CR 444	
	
000 CR 444	
Property Information	
Property Name	000 CR 444
Property Class	Land
Address	000 CR 444, Princeton, TX 75407
County	Collin
Property Type & Sub-Type	Housing / Multiple Units
Site Information - Land	
Land SF	2,243,209
Land Acres	51.50
Zoning Code	None
Shape	Rectangular
Topography	Basically Level
Available Utilities	Electricity and Water
Transaction Information	
Sale Date	07/26/2021
Sale Price	\$2,550,000
Analysis Sale Price	\$2,550,000
Price per SF Land	\$1.14
Analysis Sale Price per SF Land	\$1.14
Price per Acre	\$49,515
Analysis Sale Price per Acre	\$49,515

COMPARABLE SALE – VACANT LAND (COST APPROACH)


Property Sale Write-Up for 3805 Troy Rd.



3805 Troy Rd.

Property Information	
Property Name	3805 Troy Rd.
Property Class	Land
Address	3805 Troy Rd., Rockwall, TX 75098
County	Dallas, Rockwall
Property Type & Sub-Type	Housing / Multiple Units
Site Information - Land	
Land SF	10,977,120
Land Acres	252.00
Zoning Code	None
Shape	Irregular
Topography	Gently Sloping
Available Utilities	Electricity and Water
Transaction Information	
Sale Status	Closed
Sale Date	12/07/2020
Sale Price	\$9,500,000
Analysis Sale Price	\$9,500,000
Price per SF Land	\$0.87
Analysis Sale Price per SF Land	\$0.87
Price per Acre	\$37,698
Analysis Sale Price per Acre	\$37,698

COMPARABLE SALE – VACANT LAND (COST APPROACH)

Property Sale Write-Up for 8640 CR 392	
	
8640 CR 392	
Property Information	
Property Name	8640 CR 392
Property Class	Land
Address	8640 CR 392, Princeton, TX 75407
County	Collin
Property Type & Sub-Type	Housing / Multiple Units
Site Information - Land	
Land SF	3,433,356
Land Acres	78.82
Zoning Code	None
Shape	Rectangular
Topography	Gently Sloping
Available Utilities	Electricity and Water
Transaction Information	
Sale Date	01/30/2020
Sale Price	\$2,496,000
Analysis Sale Price	\$2,496,000
Price per SF Land	\$0.73
Analysis Sale Price per SF Land	\$0.73
Price per Acre	\$31,667
Analysis Sale Price per Acre	\$31,667

COMPARABLE SALE – 26’, 31’, 33’, 35’, 40’, 45’, 50’ (INCOME APPROACH)


Property Sale Write-Up for LakePointe, Phase 1

LakePointe


Property Information	
Property Name	LakePointe, Phase 1
Property Class	Land
Address	LakePointe, Phase 1, Lavon, TX 75166
County	Collin
Property Type & Sub-Type	Housing / Multiple Units
Site Information - Land	
Land SF	6,000
Land Acres	0.14
Zoning Code	SF-PD
Shape	Rectangular
Topography	Basically Level
Available Utilities	Electricity, Gas, Water, and Sewer
Transaction Information	
Sale Status	Closed
Sale Date	09/01/2020
Sale Price	\$47,500
Analysis Sale Price	\$47,500
Price per SF Land	\$7.92
Analysis Sale Price per SF Land	\$7.92
Price per Acre	\$339,286
Analysis Sale Price per Acre	\$339,286

COMPARABLE SALE – 26’, 31’, 33’, 35’, 40’, 45’, 50’ (INCOME APPROACH)

Property Sale Write-Up for Lavon Farms



LAVON FARMS



Lavon Farms

Property Information	
Property Name	Lavon Farms
Property Class	Land
Address	Lavon Farms, Lavon, TX 75166
County	Collin
Property Type & Sub-Type	Housing / Multiple Units
Site Information - Land	
Land SF	5,500
Land Acres	0.13
Zoning Code	PD-SF
Shape	Rectangular
Topography	Basically Level
Available Utilities	Electricity, Gas, Water, and Sewer
Transaction Information	
Sale Status	Closed
Sale Date	07/15/2020
Sale Price	\$55,000
Analysis Sale Price	\$55,000
Price per SF Land	\$10.00
Analysis Sale Price per SF Land	\$10.00
Price per Acre	\$423,077
Analysis Sale Price per Acre	\$423,077

COMPARABLE SALE – 26’, 31’, 33’, 35’, 40’, 45’, 50’ (INCOME APPROACH)

Property Sale Write-Up for Brookside



Brookside

Property Information	
Property Name	Brookside
Property Class	Land
Address	Brookside, Princeton, TX 75407
County	Collin
Property Type & Sub-Type	Housing / Multiple Units
Site Information - Land	
Land SF	6,325
Land Acres	0.15
Zoning Code	PD
Shape	Rectangular
Topography	Basically Level
Available Utilities	Electricity, Water, and Sewer
Transaction Information	
Sale Status	Closed
Sale Date	10/05/2020
Sale Price	\$54,600
Analysis Sale Price	\$54,600
Price per SF Land	\$8.63
Analysis Sale Price per SF Land	\$8.63
Price per Acre	\$364,000
Analysis Sale Price per Acre	\$364,000

COMPARABLE SALE – 26’, 31’, 33’, 35’ (INCOME APPROACH)

Property Sale Write-Up for Grand Heritage Townhomes



Grand Heritage Townhomes - Duplex

Property Information

Property Name	Grand Heritage Townhomes
Property Class	Land
Address	Grand Heritage Townhomes, Lorton, TX 75166
County	Collin
Property Type & Sub-Type	Housing / Multiple Units

Site Information - Land

Land SF	6,189
Land Acres	0.14
Zoning Code	PD-SF

Transaction Information

Sale Status	Closed
Sale Date	07/05/2018
Sale Price	\$74,375
Analysis Sale Price	\$74,375
Price per SF Land	\$12.02
Analysis Sale Price per SF Land	\$12.02
Price per Acre	\$531,250
Analysis Sale Price per Acre	\$531,250

COMPARABLE SALE – 40’, 45’, 50’ (INCOME APPROACH)

Property Sale Write-Up for Whitewing Trails



Whitewing Trails

Property Information

Property Name	Whitewing Trails
Property Class	Land
Address	Whitewing Trails, Princeton, TX 75407
County	Collin
Property Type & Sub-Type	Housing / Multiple Units

Site Information - Land

Land SF	5,000
Land Acres	0.11
Zoning Code	PD
Shape	Rectangular
Topography	Basically Level
Available Utilities	Electricity, Water, and Sewer

Transaction Information

Sale Status	Closed
Sale Date	02/15/2020
Sale Price	\$50,000
Analysis Sale Price	\$50,000
Price per SF Land	\$10.00
Analysis Sale Price per SF Land	\$10.00
Price per Acre	\$454,545
Analysis Sale Price per Acre	\$454,545

COMPARABLE SALE – 60’, 70’ (INCOME APPROACH)

Property Sale Write-Up for LakePointe 60'

LakePointe - 60'

Property Information	
Property Name	LakePointe 60'
Property Class	Land
Address	LakePointe 60', Lavon, TX 75166
County	Collin
Property Type & Sub-Type	Housing / Multiple Units
Site Information - Land	
Land SF	7,200
Land Acres	0.17
Zoning Code	PD-SF
Shape	Rectangular
Topography	Basically Level
Available Utilities	Electricity, Gas, Water, and Sewer
Transaction Information	
Sale Status	Closed
Sale Date	09/01/2020
Sale Price	\$54,900
Analysis Sale Price	\$54,900
Price per SF Land	\$7.63
Analysis Sale Price per SF Land	\$7.63
Price per Acre	\$322,941
Analysis Sale Price per Acre	\$322,941

COMPARABLE SALE – 60’, 70’ (INCOME APPROACH)

Property Sale Write-Up for Park Place

Park Place, Phase 3

Property Information	
Property Name	Park Place
Property Class	Land
Address	Park Place, Rockwall, TX 75087
County	Rockwall
Property Type & Sub-Type	Housing / Multiple Units
Site Information - Land	
Land SF	8,712
Land Acres	0.20
Zoning Code	PD-59
Shape	Rectangular
Topography	Basically Level
Available Utilities	Electricity, Gas, Water, and Sewer
Transaction Information	
Sale Status	Closed
Sale Date	10/01/2020
Sale Price	\$95,000
Analysis Sale Price	\$95,000
Price per SF Land	\$10.90
Analysis Sale Price per SF Land	\$10.90
Price per Acre	\$475,000
Analysis Sale Price per Acre	\$475,000

COMPARABLE SALE – 60’, 70’ (INCOME APPROACH)

Property Sale Write-Up for Estates of Quail Ridge



Quail Ridge Estates

Property Information

Property Name	Estates of Quail Ridge
Property Class	Land
Address	Estates of Quail Ridge, Princeton, TX 75407
County	Collin
Property Type & Sub-Type	Housing / Multiple Units

Site Information - Land

Land SF	7,449
Land Acres	0.17
Zoning Code	PD

Transaction Information

Sale Status	Closed
Sale Date	05/15/2021
Sale Price	\$78,000
Analysis Sale Price	\$78,000
Price per SF Land	\$10.47
Analysis Sale Price per SF Land	\$10.47
Price per Acre	\$458,824
Analysis Sale Price per Acre	\$458,824

COMPARABLE SALE – 60’, 70’ (INCOME APPROACH)

Property Sale Write-Up for Breezy Hill



Breezy Hill

Property Information

Property Name	Breezy Hill
Property Class	Land
Address	Breezy Hill, Rockwall, TX 75087
County	Rockwall
Property Type & Sub-Type	Housing / Multiple Units

Site Information - Land

Land SF	8,400
Land Acres	0.19
Zoning Code	PD-74
Shape	Rectangular
Topography	Basically Level
Available Utilities	Electricity, Gas, Water, and Sewer

Transaction Information

Sale Date	06/01/2021
Sale Price	\$89,000
Analysis Sale Price	\$89,000
Price per SF Land	\$10.60
Analysis Sale Price per SF Land	\$10.60
Price per Acre	\$468,421
Analysis Sale Price per Acre	\$468,421

COMPARABLE SALE – 60’, 70’ (INCOME APPROACH)

Property Sale Write-Up for Waterscape



Waterscape

Property Information

Property Name	Waterscape
Property Class	Land
Address	Waterscape, Royse City, TX 75189
County	Rockwall
Property Type & Sub-Type	Housing / Multiple Units

Site Information - Land

Land SF	7,500
Land Acres	0.17
Zoning Code	None
Shape	Rectangular
Topography	Basically Level
Available Utilities	Electricity, Water, and Sewer

Transaction Information

Sale Status	Closed
Sale Date	12/01/2020
Sale Price	\$54,060
Analysis Sale Price	\$54,060
Price per SF Land	\$7.21
Analysis Sale Price per SF Land	\$7.21
Price per Acre	\$318,000
Analysis Sale Price per Acre	\$318,000

MASTER INFRASTRUCTURE DEVELOPER CONSTRUCTION COSTS

EXHIBIT C

PRELIMINARY DEVELOPMENT COST ESTIMATE
ELEVON - SECTION 2 - MAJOR INFRASTRUCTURE
 LAVON, TEXAS
 JBI PROJECT NO. MAT029
 JUNE 24, 2021

JBI PARTNERS

		SECTION 2 - SELLER COST
I. DEVELOPER COSTS ONSITE - JBI PARTNERS		
A1. EROSION CONTROL - ELEVON PARKWAY		\$46,113
A2. EROSION CONTROL - ROAD TO WATKINS		\$14,530
B1. EARTHWORK - ELEVON PARKWAY		\$97,959
B2. EARTHWORK - ROAD TO WATKINS		\$22,628
C1. PAVING - ELEVON PARKWAY		\$2,068,102
C2. PAVING - ROAD TO WATKINS		\$233,698
D1. WATER SYSTEM - ELEVON PARKWAY (BCSUD)		\$263,214
D2. WATER SYSTEM - ELEVON PARKWAY (NEVADA SUD)		\$236,585
D3. WATER SYSTEM - ROAD TO WATKINS (NEVADA SUD)		\$88,413
D4. WATER SYSTEM - THROUGH SECTION 1 (BCSUD)		\$569,831
D5. WATER SYSTEM - ALONG WATKINS ROAD (NEVADA SUD)		\$283,330
E1. SANITARY SEWER SYSTEM - ELEVON PARKWAY		\$113,524
E2. SANITARY SEWER SYSTEM - THROUGH PHASE 2A		\$254,015
F1. DRAINAGE SYSTEM - ELEVON PARKWAY		\$348,759
F2. DRAINAGE SYSTEM - ROAD TO WATKINS		\$125,666
F4. BRIDGE - BEAR CREEK CROSSING		\$2,000,000
H1. SCREENING WALLS - ELEVON PARKWAY		\$804,650
H2. LANDSCAPE		\$650,000
H3. AMENITY CENTER		\$2,500,000
H4. HIKE & BIKE TRAILS		\$500,000
H5. ENTRY FEATURE		\$750,000
J. STREET LIGHTS (\$4,500/light)		\$84,000
M. ENGINEERING/ SURVEYING FEE (11%)		\$744,300
P. FLOOD STUDY, TIMING ANALYSIS & DETENTION ANALYSIS		\$60,000
R2. CITY FINAL PLAT APPLICATION FEES (\$1000 + \$10/lot)		\$1,000
R3. CITY ENGINEERING REVIEW FEE (\$5,000 Budget)		\$5,000
R4. CITY INSPECTION FEES (4%)		\$125,751
R5. BEAR CREEK SUD INSPECTION FEES (5%)		\$41,852
R6. NEVADA SUD INSPECTION FEES (5%)		\$30,416
S. PRELIMINARY GEOTECHNICAL STUDY & TESTING (\$2,000/bore)		\$3,260
T. 10% CONTINGENCY (A through F3)		\$476,837
TOTAL		\$13,540,032
II. DEVELOPER COST OFFSITE - USA ENGINEERS		
A. EROSION CONTROL		\$36,220
B. EARTHWORK		\$83,500
C1. PAVING - ELEVON PARKWAY & INSPIRATION GROVE		\$1,571,066
C2. TxDOT IMPROVEMENTS - SH 78		\$137,449
D1. WATER SYSTEM - BCSUD SYSTEM		\$569,233
D2. WATER SYSTEM - NEVADA SUD SYSTEM		\$451,443
E. SANITARY SEWER SYSTEM		\$516,450
F. DRAINAGE SYSTEM		\$823,914
H. STREET LIGHTS (\$4,500/light)		\$300,000
I. ENGINEERING/ SURVEYING FEE		\$484,750
J. CITY & UTILITY DISTRICT FEES		\$230,000
N. GEOTECHNICAL AND MATERIAL TESTING (4%)		\$200,000
O. 10% CONTINGENCY (A through F)		\$428,927
		\$5,832,952
III. ADDITIONAL DEVELOPER COST		
A. NEVADA SUD WATER TOWER (250,000 GSEWT)		\$1,312,500
B. WASTEWATER TREATMENT PLANT - FIRST PHASE (250,000 GSEWT)		\$1,000,000
		\$2,312,500
TOTAL		\$6,312,500
GRAND TOTAL		\$24,605,104

Developer Construction Costs \$12,052,017

Municipal Fees \$203,819

Developer Construction Costs \$4,459,725

Nevada SUD Water Tower In Phase 2

City of Lavon Paying For Water Tower

POD 2A (PHASE 1) DEVELOPER CONSTRUCTION COSTS

PRELIMINARY DEVELOPMENT COST ESTIMATE		JBI PARTNERS
ELEVON - SECTION 2A		
LAVON, TEXAS		SECTION 2A
JBI PROJECT NO. MAT029		
OCTOBER 21, 2021		
I. INTRACT BUILDER COSTS		
A. EROSION CONTROL		\$57,437
B1. EARTHWORK		\$779,432
B2. OVER EXCAVATION & MOISTURE CONDITIONING PADS (\$2,500/Lot Budget)		\$420,000
C. PAVING		\$1,390,142
D. WATER SYSTEM	Developer Construction Costs \$5,812,270	\$764,526
E. SANITARY SEWER SYSTEM		\$672,308
F1. DRAINAGE SYSTEM		\$822,632
F2. POND		\$58,464
G. RETAINING WALLS		\$631,829
K. FIBER LINE CONDUIT (\$1.5/LF of conduit + \$3.50/LF of trench)		\$112,000
L. STREET LIGHTS (\$4,500/light)		\$103,500
M. ENGINEERING/ SURVEYING FEE (11%)		\$615,645
R2. CITY FINAL PLAT APPLICATION & REVIEW FEES	Municipal Fees \$165,639	\$7,010
R3. CITY ENGINEERING REVIEW FEE (\$5,000 Budget)		\$5,000
R4. CITY INSPECTION FEES (4%)		\$115,403
R5. BEAR CREEK SUD INSPECTION FEES (5%)		\$38,226
S. FINAL GEOTECHNICAL STUDY & TESTING (\$1,000/bore)		\$43,370
T. 10% CONTINGENCY (A through G)		\$559,677
TOTAL INFRASTRUCTURE		\$7,196,600

POD 2B (PHASES 1 AND 2) DEVELOPER CONSTRUCTION COSTS

PRELIMINARY DEVELOPMENT COST ESTIMATE		JBI PARTNERS		
ELEVON - SECTION 2B				
LAVON, TEXAS		PHASE 1	PHASE 2	TOTAL SECTION 2B
JBI PROJECT NO. MAT029				
OCTOBER 21, 2021				
I. INTRACT BUILDER COSTS				
A. EROSION CONTROL		\$55,742	\$41,818	\$97,560
B1. EARTHWORK		\$704,345	\$606,615	\$1,310,960
B2. OVER EXCAVATION & MOISTURE CONDITIONING PADS (\$2,500/Lot Budget)		\$495,000	\$472,500	\$967,500
C. PAVING		\$1,484,863	\$1,045,896	\$2,530,559
D. WATER SYSTEM	Developer Construction Costs \$10,404,053	\$787,117	\$593,127	\$1,380,243
E. SANITARY SEWER SYSTEM		\$898,646	\$628,841	\$1,527,487
F1. DRAINAGE SYSTEM		\$813,761	\$526,347	\$1,340,107
F2. DETENTION POND		\$139,763	\$118,189	\$257,952
G. RETAINING WALLS		\$312,633	\$111,050	\$423,683
H1. SCREENING WALLS		\$109,100	\$66,400	\$175,500
K. FIBER LINE CONDUIT (\$1.5/LF of conduit + \$3.50/LF of trench)		\$92,400	\$79,600	\$172,000
L. STREET LIGHTS (\$4,500/light)		\$144,000	\$76,500	\$220,500
M. ENGINEERING/ SURVEYING FEE (11%)		\$626,084	\$455,882	\$1,081,966
R2. CITY FINAL PLAT APPLICATION & REVIEW FEES	Municipal Fees \$307,266	\$6,380	\$5,948	\$12,328
R3. CITY ENGINEERING REVIEW FEE (\$5,000 Budget)		\$5,000	\$5,000	\$10,000
R4. CITY INSPECTION FEES (4%)		\$127,883	\$88,043	\$215,926
R5. BEAR CREEK SUD INSPECTION FEES (5%)		\$39,356	\$29,656	\$69,012
S. FINAL GEOTECHNICAL STUDY & TESTING (\$1,000/bore)		\$47,670	\$32,400	\$80,070
T. 5% CONTINGENCY (A through G)		\$284,583	\$207,219	\$491,803
TOTAL INFRASTRUCTURE		\$7,164,124	\$5,191,032	\$12,355,156

PRELIMINARY DEVELOPMENT COST ESTIMATE
ELEVON - SECTIONS 2C & 2E
 LAVON, TEXAS
 JBI PROJECT NO. MAT029
 OCTOBER 21, 2021

	SECTION 2C (PHASE 1)			SECTION 2E (PHASE 2)			TOTAL		
	New	3rd Amendment	Variance	New	3rd Amendment	Variance	New	3rd Amendment	Variance
I. INTRACT BUILDER COSTS									
A. EROSION CONTROL	\$81,533	\$85,081	(\$3,548)	\$73,596	\$76,679	(\$3,083)	\$155,128	\$161,760	(\$6,632)
B1. EARTHWORK	\$1,183,624	\$929,008	\$254,616	\$984,337	\$772,601	\$211,736	\$2,167,960	\$1,701,609	\$466,351
B2. OVER EXCAVATION & MOISTURE CONDITIONING PADS (\$2,500/Lot Budget)	\$775,000	\$775,000	\$0	\$657,500	\$657,500	\$0	\$1,432,500	\$1,432,500	\$0
C. PAVING	\$2,329,705	\$2,282,057	\$37,648	\$1,972,392	\$1,942,681	\$29,711	\$4,302,097	\$4,234,738	\$67,359
D. WATER SYSTEM	\$1,195,006	\$1,075,911	\$119,095	\$955,586	\$871,279	\$84,307	\$2,150,592	\$1,947,190	\$203,402
E. SANITARY SEWER SYSTEM	\$1,343,546	\$1,039,170	\$304,376	\$1,143,574	\$884,375	\$259,199	\$2,487,120	\$1,923,545	\$563,575
F1. DRAINAGE SYSTEM	\$1,423,147	\$1,333,523	\$89,624	\$897,758	\$838,792	\$58,966	\$2,320,905	\$2,172,315	\$148,590
F2. DETENTION POND	\$119,783	\$120,243	(\$460)	\$0	\$0	\$0	\$119,783	\$120,243	(\$460)
G. RETAINING WALLS	\$708,885	\$726,583	(\$17,698)	\$430,075	\$452,570	(\$22,495)	\$1,138,960	\$1,179,153	(\$40,193)
K. FIBER LINE CONDUIT (\$1.5/LF of conduit + \$3.50/LF of trench)	\$167,200	\$167,200	\$0	\$136,800	\$136,800	\$0	\$304,000	\$304,000	\$0
L. STREET LIGHTS (\$4,500/light)	\$144,000	\$144,000	\$0	\$112,500	\$112,500	\$0	\$256,500	\$256,500	\$0
M. ENGINEERING SURVEYING FEE (1%)	\$1,007,625	\$921,823	\$86,202	\$782,630	\$718,612	\$68,018	\$1,790,255	\$1,640,435	\$154,220
R2. CITY FINAL PLAT APPLICATION & REVIEW FEES	\$7,484	\$2,100	\$5,384	\$7,015	\$1,865	\$5,150	\$14,499	\$3,965	\$10,534
R3. CITY ENGINEERING REVIEW FEE (\$5,000 Budget)	\$5,000	\$5,000	\$0	\$5,000	\$5,000	\$0	\$10,000	\$10,000	\$0
R4. CITY INSPECTION FEES (4%)	\$203,856	\$186,590	\$17,266	\$160,549	\$146,634	\$13,915	\$364,405	\$333,224	\$31,181
R5. NEVADA SUD INSPECTION FEES (5%)	\$59,750	\$53,796	\$5,954	\$47,779	\$43,564	\$4,215	\$107,530	\$97,360	\$10,170
S. FINAL GEOTECHNICAL STUDY & TESTS (\$100,000)	\$63,610	\$63,610	\$0	\$53,500	\$53,500	\$0	\$117,110	\$117,110	\$0
T. 5% CONTINGENCY (A through G)	\$458,011	\$837,657	(\$379,646)	\$355,741	\$649,648	(\$293,907)	\$813,752	\$1,487,305	(\$673,553)
TOTAL INFRASTRUCTURE	\$11,276,765	\$10,757,952	\$518,813	\$8,776,332	\$8,360,600	\$415,732	\$20,053,097	\$19,118,552	\$934,545

Developer Construction Costs \$15,254,784

Muni. Fees \$450,484



POD 2D (PHASE 1) DEVELOPER CONSTRUCTION COSTS



PRELIMINARY DEVELOPMENT COST ESTIMATE

MAT029 - ELEVON - SECTION 2D

LAVON, TEXAS

JBI PROJECT NO. MAT029

OCTOBER 21, 2021

SECTION 2D

J. INTRACT BUILDER COSTS

A. EROSION CONTROL	\$58,362
B1. EARTHWORK	\$630,519
B2. OVER EXCAVATION & MOISTURE CONDITIONING PADS (\$2,265/Lot Budget)	\$536,805
C. PAVING	\$1,538,047
D. WATER SYSTEM	\$745,916
E. SANITARY SEWER SYSTEM	\$778,221
F1. DRAINAGE SYSTEM	\$760,527
G. RETAINING WALLS	\$286,538
H1. SCREENING WALLS	\$214,900
K. FIBER LINE CONDUIT (\$1.5/LF of conduit + \$3.50/LF of trench)	\$112,000
L. STREET LIGHTS (\$4,500/light)	\$121,500
Developer Construction Costs	\$5,783,335
M. ENGINEERING/ SURVEYING FEE (11%)	\$586,843
R2. CITY FINAL PLAT APPLICATION & REVIEW FEES	\$6,026
R3. CITY ENGINEERING REVIEW FEE (\$5,000 Budget)	\$5,000
R4. CITY INSPECTION FEES (4%)	\$123,072
R5. NEVADA SUD INSPECTION FEES (5%)	\$37,296
Municipal Fees	\$171,394
S. FINAL GEOTECHNICAL STUDY & TESTING (\$1,000/bore)	\$38,988
T. 5% CONTINGENCY (A through G)	\$266,747
TOTAL INFRASTRUCTURE	\$6,847,306

ELEVON PRELIMINARY ENGINEERING PHASE 2D PAVING PLAN



ELEVON PRELIMINARY ENGINEERING PHASE 2E PAVING PLAN (NORTH)



PRELIMINARY PLAT FOR REVIEW PURPOSES ONLY PRELIMINARY ENGINEERING SHEET 05 ELEVON, PHASES 2A - 2E COLLIN COUNTY, TEXAS		2107 Mendenhall Suite 300 Carrollton, Texas 75006 (972) 241-7770 FPDF No. F-438 FPDF's No. 1000000	JBI PARTNERS	PRELIMINARY FOR REVIEW ONLY NOT FOR CONSTRUCTION ENGINEER: David Dancy, P.E. P.E. No. 3981 Date: 09/05/2011	PROJECT NO: DRAWING NO: SHEET NO: 1.05
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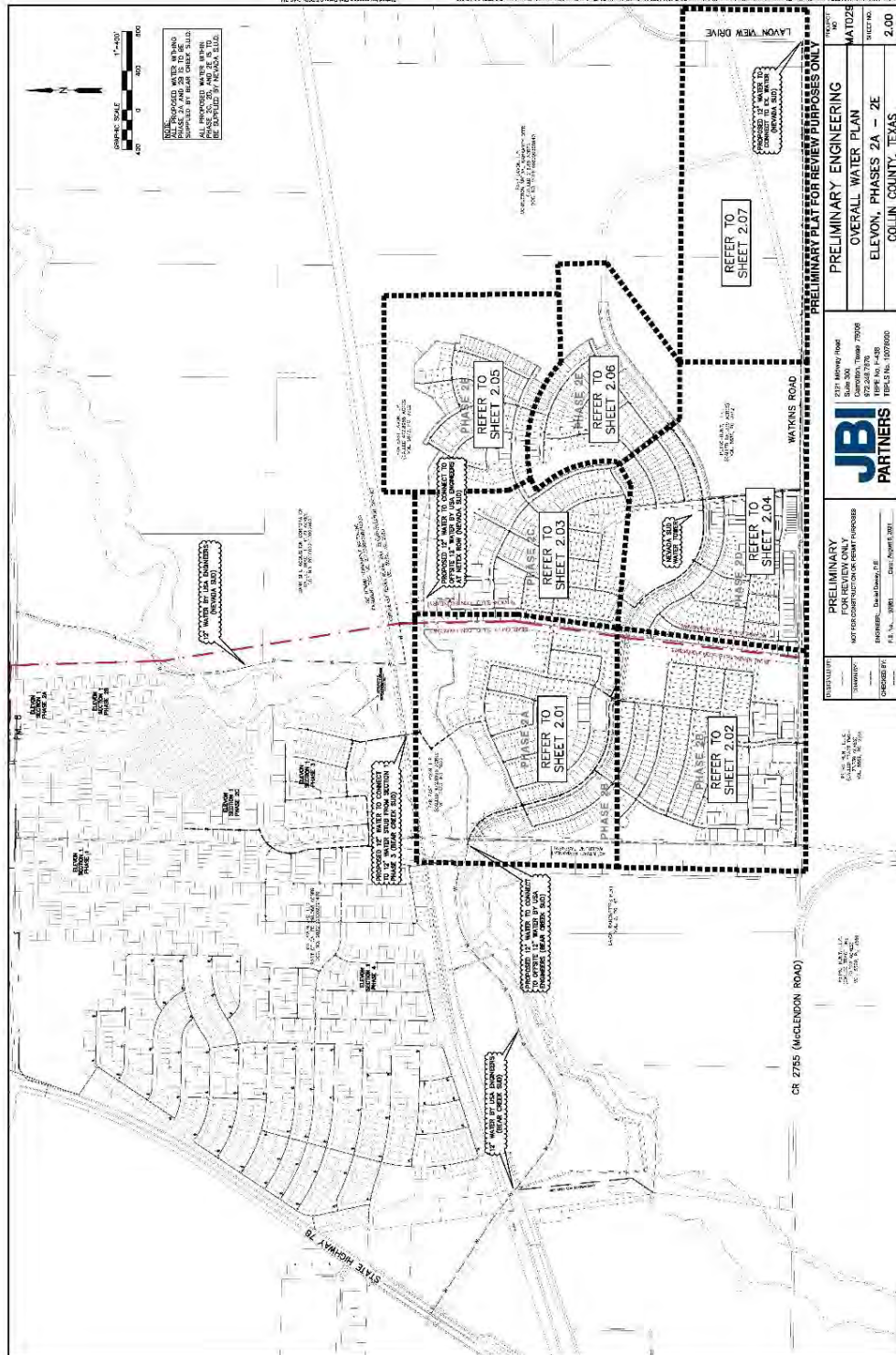
ELEVON PRELIMINARY ENGINEERING PHASE 2A-2E PAVING DETAILS

PRELIMINARY PLAT FOR REVIEW PURPOSES ONLY

PRELIMINARY ENGINEERING	PROJECT NO.
PAVING DETAILS	MAT024
ELEVON, PHASES 2A - 2E	PLAT NO.
COLLIN COUNTY, TEXAS	1.07

JBI PARTNERS	6111 Kinney Road Suite 500 Dallas, Texas 75068 972.242.7276 14000 L. EXPANDED ZONE 100 SOUTH LEPROPR
PRELIMINARY ENGINEERING	NOT FOR CONSTRUCTION OR PERMIT PURPOSES 14000 L. EXPANDED ZONE P.E. No. 10001 - Date: 02/05/2014

ELEVON PRELIMINARY ENGINEERING OVERALL WATER PLAN



ELEVON PRELIMINARY ENGINEERING PHASE 2B WATER PLAN



PRELIMINARY PLAT FOR REVIEW PURPOSES ONLY

PROJECT NO.	MAT024
PRELIMINARY ENGINEERING SHEET 02	
ELEVON, PHASES 2A - 2E	
COLLIN COUNTY, TEXAS	
SHEET NO.	2.02

JBI PARTNERS
 9371 Money Road
 Dallas, Texas 75248
 972.467.7870
 10000 N. Central Expressway
 Suite 2000, Dallas, TX 75243

PRELIMINARY
 NOT FOR CONSTRUCTION OR PERMIT PURPOSES
 ENGINEER, DRAFTER, OR
 CHECKED BY: [Signature]
 DATE: 06/07/2011

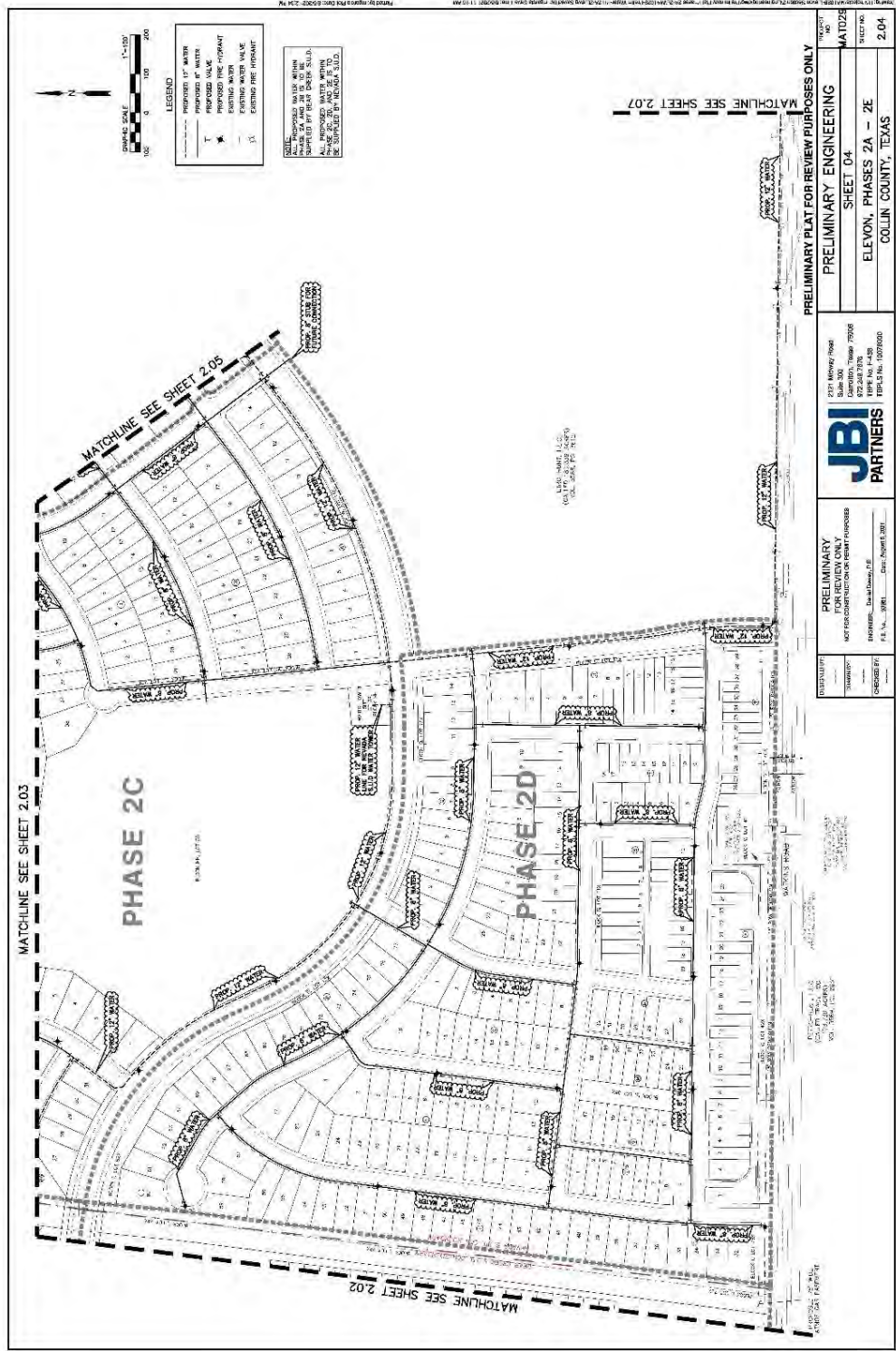
DESIGNER:
 DRAWN BY:
 CHECKED BY:

PLOTED: JAC, LJC
 05/24/11 08:50
 100% 100% 100%

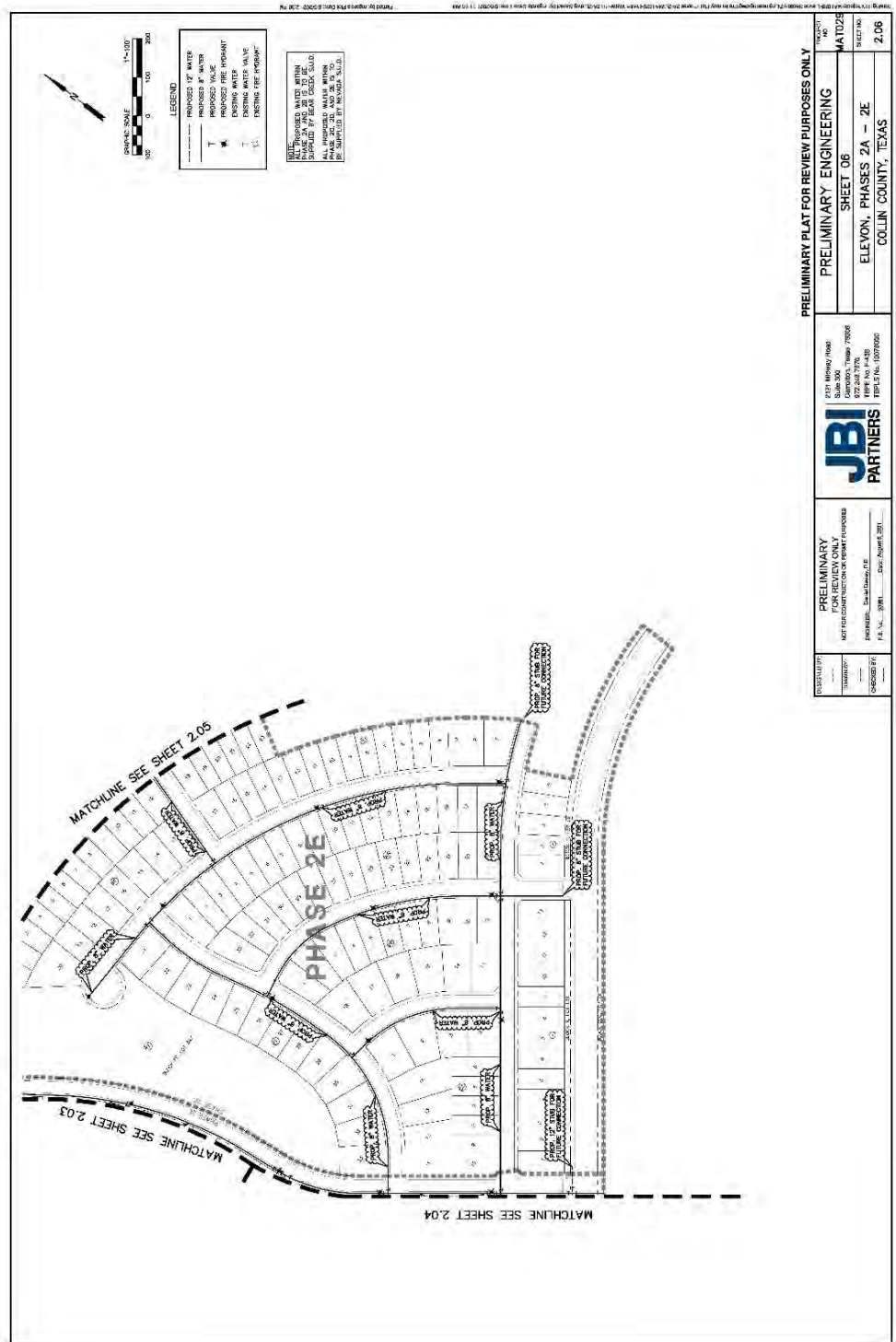
ELEVON PRELIMINARY ENGINEERING PHASE 2C WATER PLAN




ELEVON PRELIMINARY ENGINEERING PHASE 2D WATER PLAN

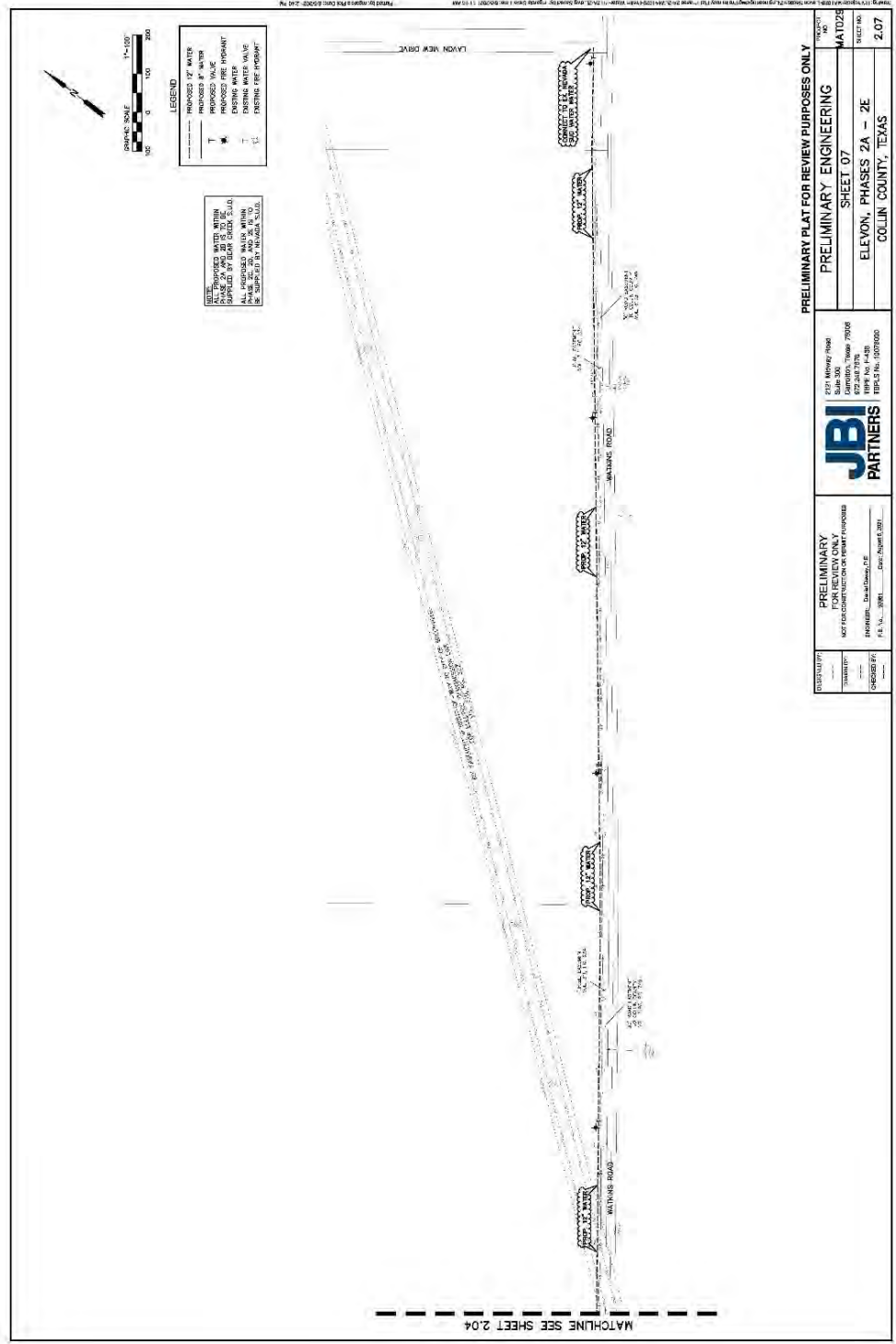


ELEVON PRELIMINARY ENGINEERING PHASE 2E WATER PLAN



PRELIMINARY PLAT FOR REVIEW PURPOSES ONLY	
PRELIMINARY ENGINEERING	MATD2E
SHEET 06	SHEET 06
ELEVON, PHASES 2A - 2E	
COLLIN COUNTY, TEXAS	
 2121 BIRNEY ROAD SUITE 200 COLLEEN, TEXAS 75006 817-467-7878 WWW.JBI.COM P.E. No. 10070200	
PRELIMINARY NOT FOR CONSTRUCTION OR PERMIT PURPOSES ENGINEER: [Signature] P.E. P.E. No. 10070200	
PREPARED BY: [Signature] CHECKED BY: [Signature]	DATE: [Date]

ELEVON PRELIMINARY ENGINEERING OFFSITE WATER PLAN

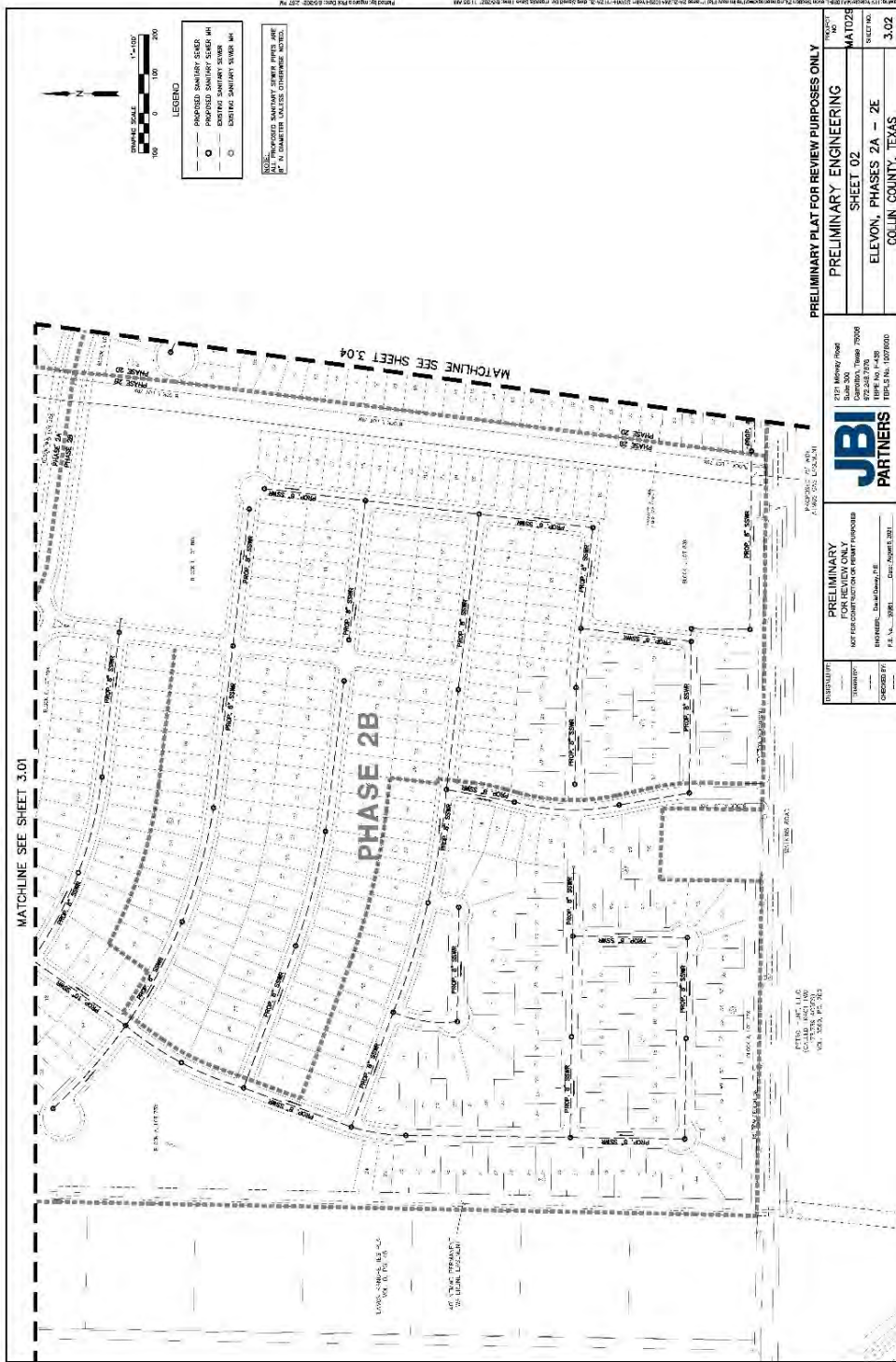


PRELIMINARY PLAT FOR REVIEW PURPOSES ONLY	
PRELIMINARY ENGINEERING	PROJECT NO: MAT026
SHEET 07	SHEET NO:
ELEVON, PHASES 2A - 2E	COLLIN COUNTY, TEXAS
2571 MENARD ROAD SUITE 100 ARLINGTON, TEXAS 76010 817.467.6803 WWW.PEYCOSOUTHWEST.COM	JBI PARTNERS
PRELIMINARY NOT FOR CONSTRUCTION OR PERMIT PURPOSES PREPARED BY: JBI PARTNERS, P.C. P.L.L.C. - 2001	DATE: 08/16/2011

ELEVON PRELIMINARY ENGINEERING PHASE 2A SANITARY SEWER PLAN



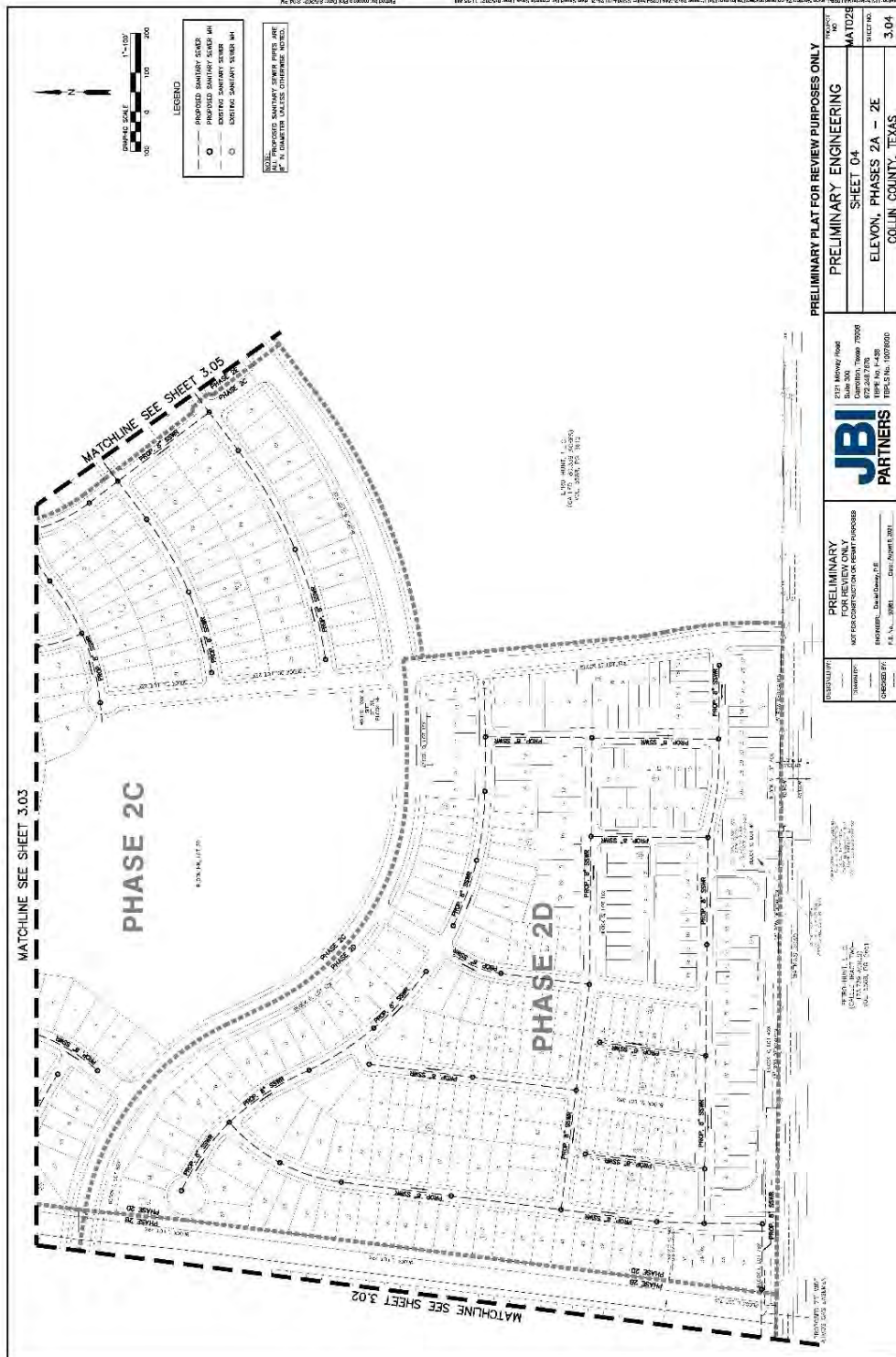
ELEVON PRELIMINARY ENGINEERING PHASE 2B SANITARY SEWER PLAN



ELEVON PRELIMINARY ENGINEERING PHASE 2C SANITARY SEWER PLAN



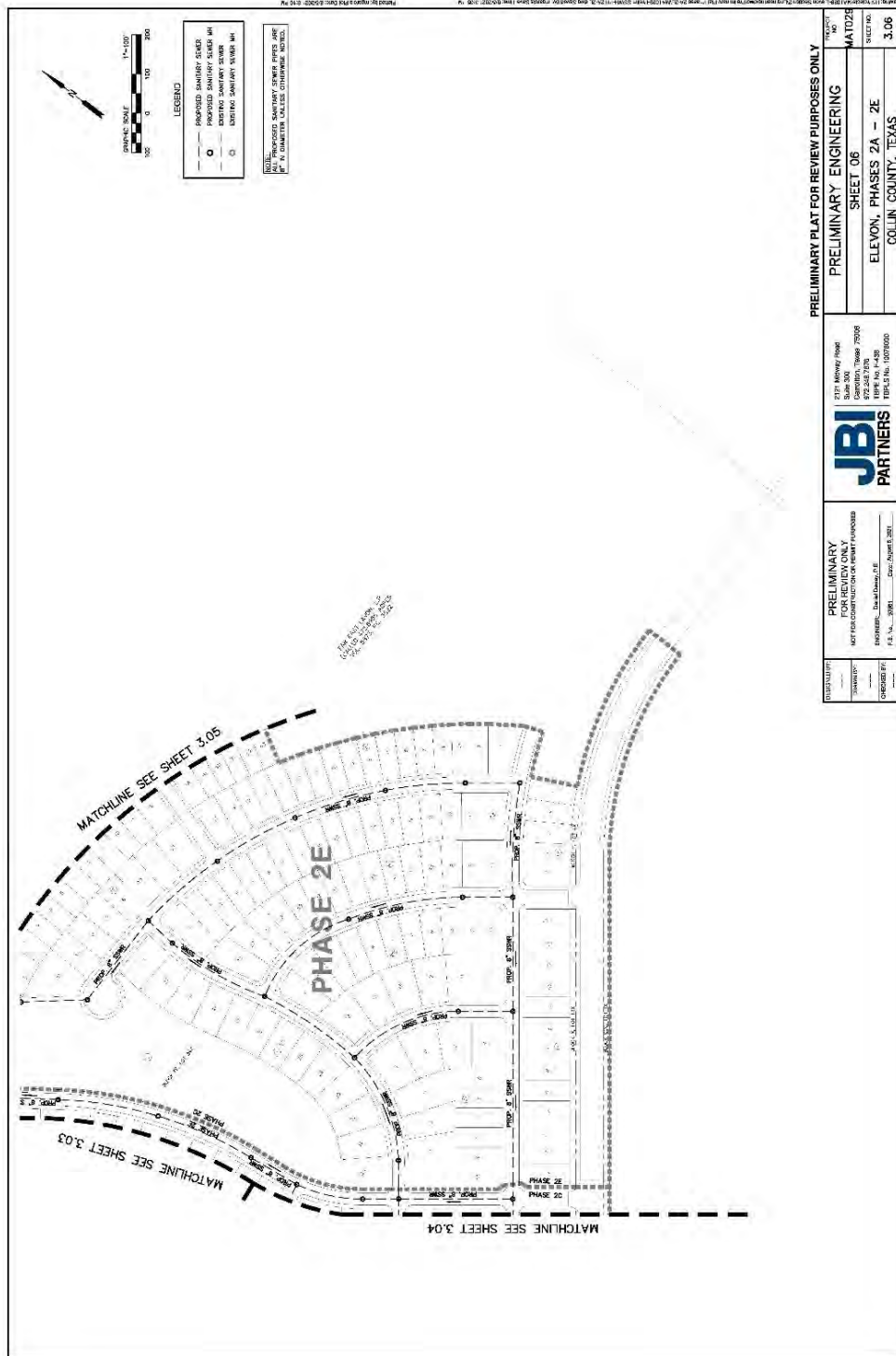
ELEVON PRELIMINARY ENGINEERING PHASE 2D SANITARY SEWER PLAN



ELEVON PRELIMINARY ENGINEERING PHASE 2E SANITARY SEWER PLAN

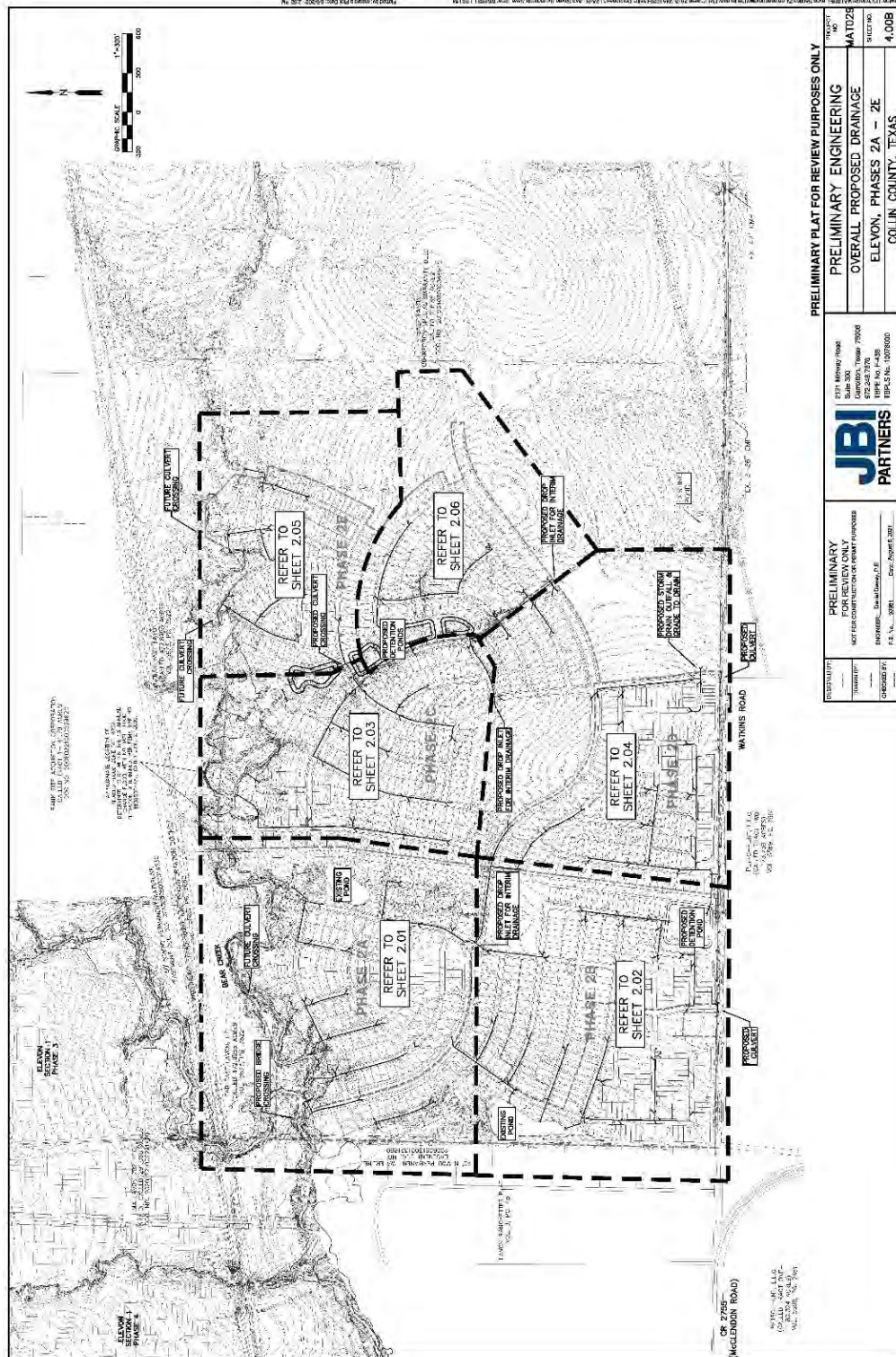



ELEVON PRELIMINARY ENGINEERING PHASE 2E SANITARY SEWER PLAN



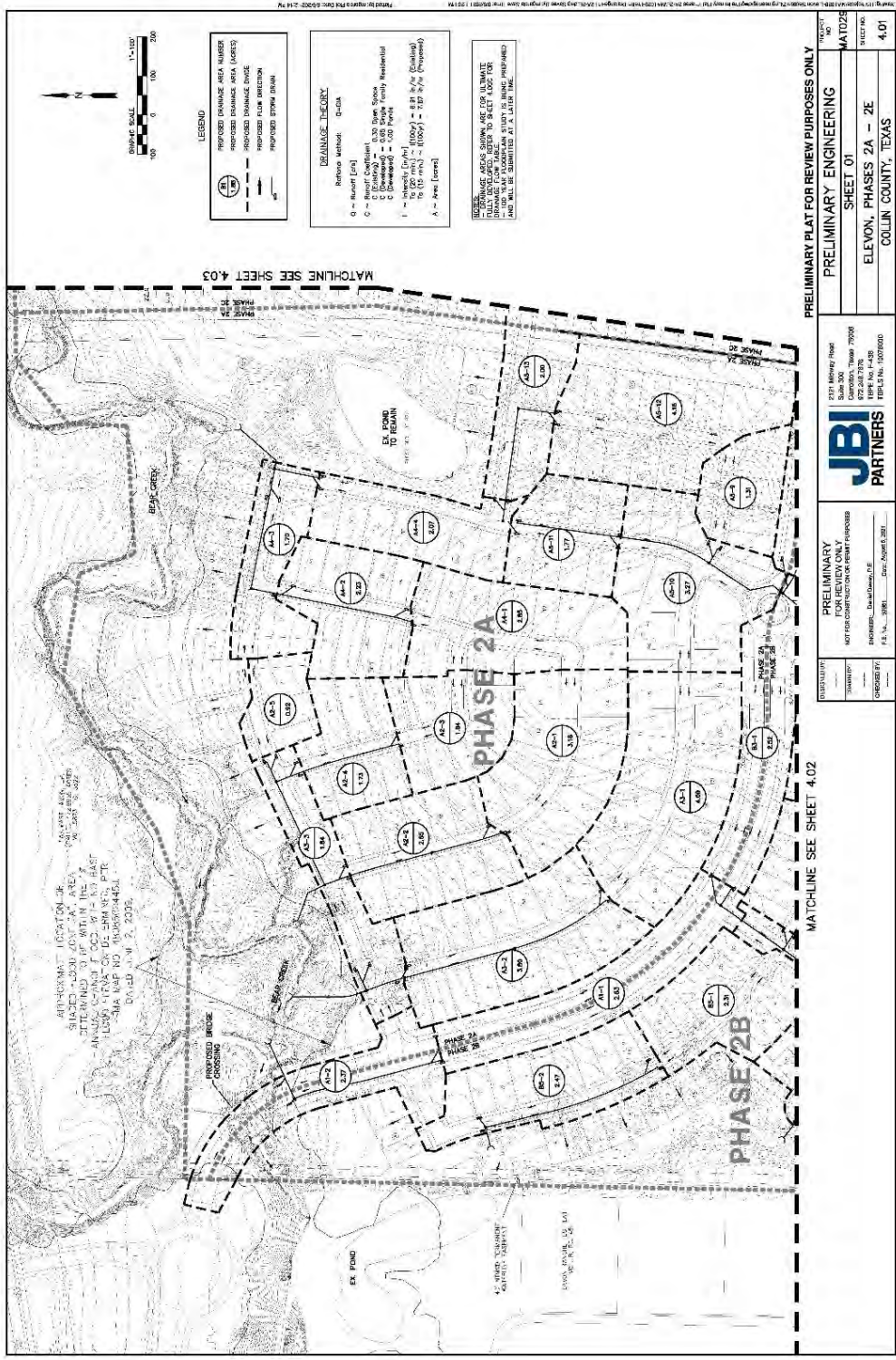
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PROJECT NO.	MAT22E
DATE	3.06
PRELIMINARY ENGINEERING	
SHEET 06	
ELEVON, PHASES 2A - 2E	
COLLIN COUNTY, TEXAS	
2717 MEADOW PARK SUITE 300 FORT WORTH, TEXAS 76106 817.342.7278 WWW.JBI.COM	
PRELIMINARY ENGINEERING FOR THE CONSTRUCTION OF SANITARY SEWER SYSTEMS FOR PHASES 2A, 2B, 2C, 2D, 2E OF THE ELEVON DEVELOPMENT IN COLLIN COUNTY, TEXAS	

ELEVON PRELIMINARY ENGINEERING OVERALL DRAINAGE PLAN



PRELIMINARY PLAT FOR REVIEW PURPOSES ONLY	
PROJECT NO.	MAT02E
SHEET NO.	4.00B
PRELIMINARY ENGINEERING OVERALL PROPOSED DRAINAGE ELEVON, PHASES 2A - 2E COLLIN COUNTY, TEXAS	
8711 MEADOW HOOK SUITE 300 972.262.7376 888.888.4488 100-100-100000	
PRELIMINARY NOT FOR CONSTRUCTION OR PERMITS ENGINEER: David D. Smith, P.E. F.S. No. 38981 Date: 08/01/2011	

ELEVON PRELIMINARY ENGINEERING PHASE 2A DRAINAGE PLAN

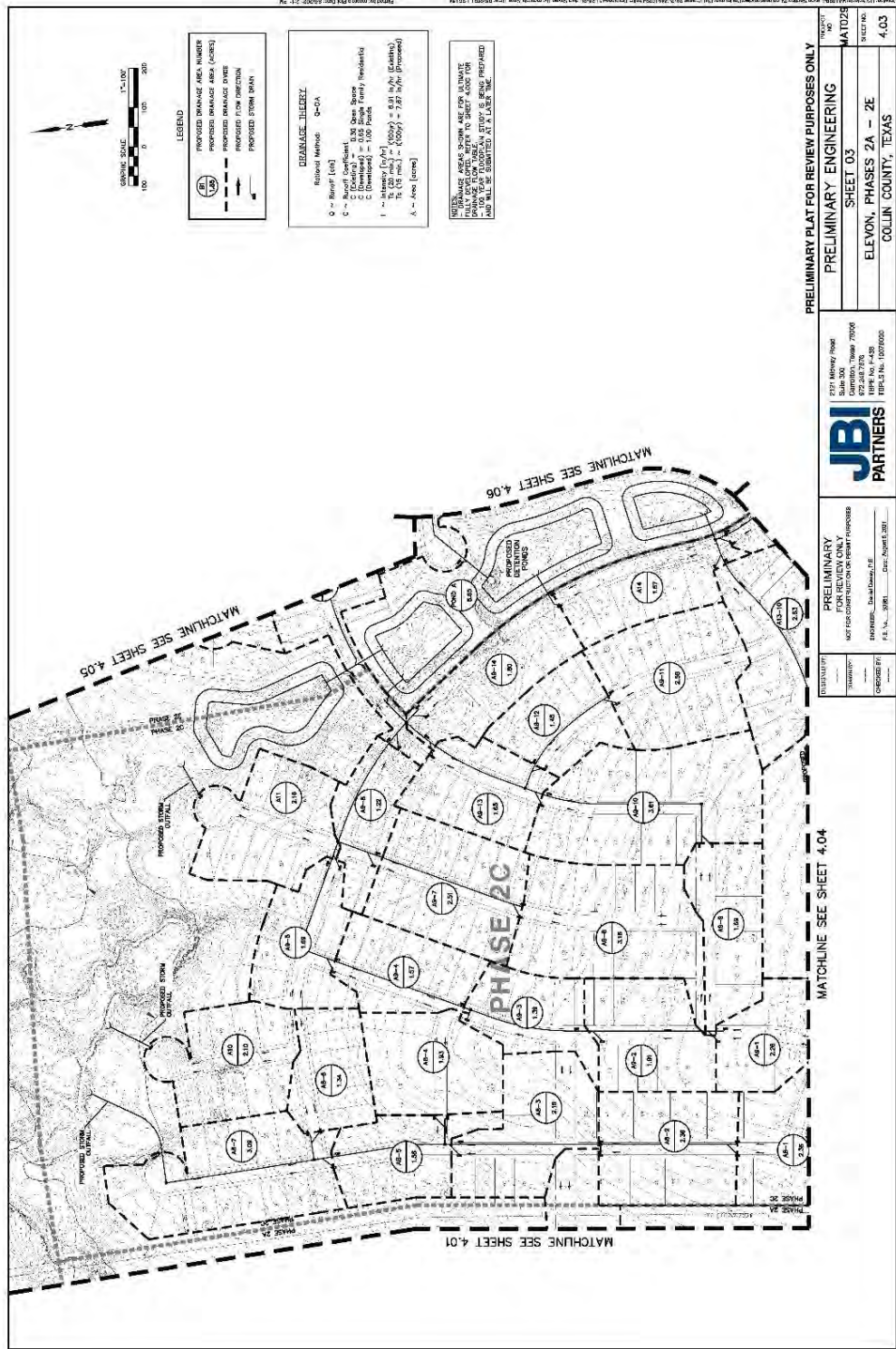


PRELIMINARY PLAT FOR REVIEW PURPOSES ONLY
 PRELIMINARY ENGINEERING
 SHEET 01
 ELEVON, PHASES 2A - 2E
 COLLIN COUNTY, TEXAS
 4.01

JBI PARTNERS
 1075 McKinney Road
 Suite 300
 Carrollton, Texas 75006
 Phone: 972-467-4300
 Fax: 972-467-4300
 TEXAS REG. NO. 1007600

PRELIMINARY FOR REVIEW ONLY
 NOT FOR CONSTRUCTION OR PERMIT PURPOSES
 ENGINEER: David L. Jones, C.E.
 F.S. No. 30861 Civil Engineer, JBI

ELEVON PRELIMINARY ENGINEERING PHASE 2C DRAINAGE PLAN



PRELIMINARY PLAT FOR REVIEW PURPOSES ONLY

PROJECT	PRELIMINARY ENGINEERING
SHEET	SHEET 03
PROJECT	ELEVON, PHASES 2A - 2E
COUNTY	COLLIN COUNTY, TEXAS
SHEET NO.	4.03

2124 Money Road
 Carrollton, Texas 75006
 872-243-2700
JBI PARTNERS

PRELIMINARY FOR REVIEW ONLY
 NOT FOR CONSTRUCTION OR REVIEW PURPOSES
 EXPIRES: 06/30/2024
 J.B.I., INC. 2024 0001 0001 0001 0001



ASSUMPTIONS AND LIMITING CONDITIONS

This report is subject to the following assumptions and limiting conditions:

- 1) The value is based on the assumption of responsible ownership and competent management. The subject property is assumed to be free and clear of all liens, except as may be otherwise herein described. No responsibility is assumed by the appraiser for matters legal in character, nor is any opinion on the title rendered, which is assumed to be good and marketable.
- 2) The information contained herein has been gathered from sources deemed to be reliable, but the appraiser assumes no responsibility for its accuracy. Correctness of estimates, opinions, dimensions, sketches, and other exhibits that have been furnished and have been used in this report are not guaranteed.
- 3) The value rendered herein is based on preliminary analyses of the subject and market area. The market value is expressed in terms of the current purchasing power of the dollar.
- 4) Any leases, agreements or other written or verbal representations and/or communications and information received by the appraiser has been reasonably relied upon in good faith but have not been analyzed for their legal implications. We urge and caution the user of this report to obtain legal counsel of his/her own choice to review the legal and factual matters, and to verify and analyze the underlying facts and merits of any investment decision in a reasonably prudent manner.
- 5) Appraisers assume no responsibility for any hidden agreements known as "side reports", which may or may not exist relative to this property, which have not been made known to us, unless specifically acknowledged within this report.
- 6) This report is to be used in whole, and not in part. Any separate valuation for land and improvements shall not be used in conjunction with any other valuation and is invalid if so used. Possession of this report or any copy thereof does not carry with it the right of publication nor may the same be used for any purpose by anyone but the client without the previous written consent of the appraiser, and in any event, only in its entirety.
- 7) The appraiser, by reason of this report, are not required to give testimony in court with reference to the property unless notice and proper arrangements have been previously made, therefore.
- 8) Neither all nor any part of the contents of this report shall be conveyed to the public through advertising, public relations, news, sales or other media without prior written consent and approval of the author.
- 9) No subsoil data or analysis based on engineering core borings or other tests were furnished to us. We have assumed that there are no subsoil defects present that would impair development of the land to its maximum permitted use or would render it more or less valuable. No responsibility is assumed for engineering, which might be required to discover such factors.
- 10) Any construction and physical condition of the improvements described herein are based on the building construction plans and specifications and construction budgets if provided. No liability is assumed by the appraiser for the soundness of structural members since no engineering tests were conducted. No liability is



assumed for the condition or adequacy of mechanical equipment, plumbing or electrical components. No responsibility is assumed for engineering, which might be required to discover such factors. We urge the user of this report to retain an expert in this field as this is any considered “to-be-built” improvements.

- 11) Unless otherwise stated in this report, the existence of hazardous substances, including without limitation asbestos, polychlorinated biphenyls, petroleum leakage, or agricultural chemicals, which may or may not be present in or on the property, or other environmental conditions were not called to the attention of the appraiser nor did the appraiser become aware of such during the appraiser site visit. The appraiser has no knowledge of the existence of such materials on or in the property unless otherwise stated. The appraiser, however, are not qualified to test such substances or conditions. If the presence of such substances as asbestos, urea formaldehyde, foam insulation or other hazardous substance or environmental conditions may affect the value of the property, the value is predicated on the assumption that there is no such condition on or in the property or in such proximity thereto as to cause a loss in value. No responsibility is assumed for any such conditions, nor for any expertise or engineering knowledge required to detect or discover them. We urge the user of this report to retain an expert in the field of environmental impacts on real estate if so desired.
- 12) We have made no survey of the property and assume no responsibility in connected with such matters. Any sketch or survey of the property included in this report is for illustrative purposes only and should not be considered to be scaled accurately for size. The appraisal covers the property as described in this report, and the areas and dimensions set forth are assumed to be correct.
- 13) We accept no responsibility for issues requiring expertise in other fields. Such factors include, but are not limited to, legal descriptions and other legal matters such as legal title, geologic items such as soils and seismic stability; civil, mechanical, electrical, structural and other engineering and environmental matters. Such issues may also include determinations of compliance with zoning and other federal, state, and local laws, regulations, and codes.
- 14) The projections of income, expenses, terminal values or future sales prices are not predictions of the future; rather, they are the best estimate of current market thinking of what future trends will be. No warranty or representation is made that these projections will materialize. The real estate market is constantly changing. It is not the task of the appraiser to estimate the conditions of a future real estate market, but rather to reflect what the investment community envisions for the future, and upon what assumptions of the future investment decisions are based.
- 15) The client or user of this report agrees to notify the appraiser of any error, omission or inaccurate data contained in the report within 15 days of receipt and return the report and all copies thereof to the appraiser for correction prior to any use.
- 16) The acceptance of this report, and its subsequent use by the client or any other party in any manner whatsoever for any purpose, is acknowledgment by the user that the report has been read and understood, and specifically agrees that the data and analyses, to their knowledge, are correct and acceptable.
- 17) We have assumed no extreme fluctuations in the economic cycles will occur over the dates analyzed herein
- 18) The appraisal report and value conclusions assume the satisfactory development proceeds in a workmanlike manner



- 19) The conclusions in this report are estimates based on known current trends and reasonably foreseeable future occurrences. These estimates are based partly on property information, existing trends, interviews with parties knowledgeable and experienced in the market, data obtained from public records, and research conducted by third parties. Such data is not always completely reliable. The appraisers are not responsible for these and other future occurrences that could not have reasonably been foreseen on the effective date of this assignment. In addition, it is inevitable that some assumptions will not materialize and that unanticipated events may occur that will likely affect actual performance. While we hold the opinion that our findings are reasonable based on current market conditions, we do not represent that these estimates will be achieved, as they are forecasts and subject to risk and uncertainty. Additionally, we assume competent and effective management and market for the duration of the projected holding period of this property.
- 20) Prospective value opinions presented in this report are estimates and forecasts which are prospective in nature and are subject to risk and uncertainty. Many events could occur that may substantially alter the outcome of our estimates such as changes in the economy, interest rates, capitalization rates, the behavior of consumers, investors, and lenders, and changes in title or conveyances of easements and deed restrictions. It is assumed that conditions reasonably foreseeable at the present time are consistent or similar with the future.
- 21) This assignment was not based upon a requested minimum valuation, a specific valuation, or the approval of a loan. However, it is based on a hypothetical assumption that access to the south tract is achievable in accordance with all applicable regulations, and any building is to be constructed according to the approved plans and specifications provided by a licensed general contractor.
- 22) The Americans with Disabilities Act (ADA) became effective January 26, 1992. We have not made a specific compliance survey and analysis of this property to determine whether it is in conformity with the various detailed requirements of the ADA. It is possible that a compliance survey of the property together with a detailed analysis of the requirements of the ADA could reveal that the property is not in compliance with one or more requirements of the act. If so, this fact could have a negative impact upon the value of the property. However, since we have no direct evidence relating to the issue of compliance, we did not consider possible noncompliance with requirements of ADA in forming an opinion of the value of the property.
- 23) In addition to the preceding assumptions and limiting conditions, this appraisal is subject to the following extraordinary assumptions and/or hypothetical conditions:



EXTRAORDINARY ASSUMPTIONS AND HYPOTHETICAL CONDITIONS

The value conclusions are subject to the following **extraordinary assumptions** that may affect the assignment results. An extraordinary assumption is uncertain information accepted as fact. If the assumption is found to be false as of the effective date of the appraisal, we reserve the right to modify our value conclusions.

- Our opinions of prospective market value at completion assumes that the proposed improvements are completed in accordance with plans and specifications as of April 1, 2023, for the 935 improved finished lots in Phase I and October 1, 2024, for the 452 finished lots in Phase II.
- All information relative to the undeveloped property located within the Elevon Public Improvement District (Phase I and II) including land areas, lot totals, lot sizes, and other pertinent data that was provided by JBI Partners (engineering/planning/surveying), FMSbonds, MA Development, LLC (owner/developer), the City of Lavon, EDC City of Lavon, and the Collin Central Appraisal District is assumed to be correct.
- The subject is proposed construction with two different expected completion dates; therefore, this report contains two prospective opinions of value. Considering this, we have assumed that the market conditions as discussed and considered within this report will be similar on the prospective valuation dates. Further, we cannot be held responsible for unforeseeable events that alter market conditions prior to the prospective effective dates.

The value conclusions are based on the following hypothetical conditions that may affect the assignment results.

A hypothetical condition is a condition contrary to known fact on the effective date of the appraisal but is supposed for the purpose of analysis.

1. No Hypothetical Conditions are used in this report.

The use of any extraordinary assumption or hypothetical condition has affected the assignment results.



LEGAL DESCRIPTIONS

PID IMPROVEMENT AREA

(PHASES 2A, 2B, 2C, 2D, 2F, AND MASTER INFRASTRUCTURE)

PHASE 2A – 65.135 ACRES (HOVNANIAN)

Real Property Legal Description

Being a parcel of land located in Collin County, Texas, a part of the Samuel M. Rainer Survey, Abstract Number 740, and being a part of that called 472.8955 acre tract of land described in deed to Far East Lavon, L.P. as recorded in Volume 5873, Page 3522, Official Public Records of Collin County, Texas, and being further described as follows:

COMMENCING at a one-half inch iron rod with cap stamped "USA INC. PROP. COR" found at the southwest corner of said 180.339 acre tract, said point being the southeast corner of Lot 29, Lavon Ranchettes Plat, an Addition to Collin County as recorded in Volume B, Page 45, Official Public Records of Collin County, Texas, said point also being in the north right-of-way line of County Road 541, from which said point bears South 89 degrees 10 minutes 57 seconds East, 848.67 feet along the south line of said 180.339 acre tract to a one-half inch iron rod found at the southwest corner of that called 1.05 acre tract of land described in deed to Donald Stiles as recorded in Document Number 20200821001383600;

THENCE North 50 degrees 19 minutes 12 seconds East, 2,785.72 feet to the POINT OF BEGINNING;

THENCE Northwesterly, 24.78 feet along a curve to the left having a central angle of 02 degrees 01 minutes 41 seconds, a radius of 700.00 feet, a tangent of 12.39 feet and whose chord bears North 81 degrees 07 minutes 10 seconds West, 24.78 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE North 82 degrees 08 minutes 01 seconds West, 434.21 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE Northwesterly, 77.13 feet along a curve to the right having a central angle of 12 degrees 48 minutes 33 seconds, a radius of 345.00 feet, a tangent of 38.73 feet and whose chord bears North 75 degrees 43 minutes 44 seconds West, 76.97 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE North 20 degrees 40 minutes 33 seconds East, 126.87 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE Northwesterly, 34.35 feet along a curve to the right having a central angle of 08 degrees 44 minutes 50 seconds, a radius of 225.00 feet, a tangent of 17.21 feet and whose chord bears North 58 degrees 43 minutes 50 seconds West, 34.32 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE Northwesterly, 164.40 feet along a curve to the left having a central angle of 34 degrees 15 minutes 07 seconds, a radius of 275.00 feet, a tangent of 84.74 feet and whose

chord bears North 71 degrees 28 minutes 59 seconds West, 161.96 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE South 00 degrees 28 minutes 06 seconds East, 119.86 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE South 89 degrees 31 minutes 54 seconds West, 237.35 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE Northwesterly, 967.74 feet along a curve to the right having a central angle of 75 degrees 26 minutes 18 seconds, a radius of 735.00 feet a tangent of 568.47 feet and whose chord bears North 52 degrees 44 minutes 57 seconds West, 899.33 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE North 15 degrees 01 minutes 48 seconds West, 581.11 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE Northwesterly, 443.89 feet along a curve to the left having a central angle of 54 degrees 41 minutes 39 seconds, a radius of 465.00 feet, a tangent of 240.49 feet and whose chord bears North 42 degrees 22 minutes 38 seconds West, 427.22 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE South 88 degrees 52 minutes 39 seconds East, 629.94 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE North 70 degrees 37 minutes 18 seconds East, 252.27 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE North 58 degrees 06 minutes 24 seconds East, 454.01 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE South 81 degrees 00 minutes 14 seconds East, 273.36 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE South 20 degrees 23 minutes 20 seconds East, 149.63 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE North 86 degrees 39 minutes 17 seconds East, 326.44 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE North 02 degrees 14 minutes 27 seconds East, 149.62 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE North 50 degrees 45 minutes 14 seconds East, 210.82 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;



THENCE North 88 degrees 55 minutes 55 seconds East, 119.51 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE South 01 degrees 04 minutes 05 seconds East, 924.12 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE South 07 degrees 51 minutes 55 seconds West, 1,088.26 feet to the POINT OF BEGINNING and containing 2,837,262 square feet or 65.135 acres of land.



PHASE 2B – 88.190 ACRES (HMH)

Real Property Legal Description

Being a parcel of land located in Collin County, Texas, a part of the Samuel M. Rainer Survey, Abstract Number 740, and being a part of that called 472.8955 acre tract of land described in deed to Far East Lavon, L.P. as recorded in Volume 5873, Page 3522, Official Public Records of Collin County, Texas, and also being a part of that called 180.339 acre tract of land described in deed to Petro-Hunt, L.L.C. as recorded in Volume 5588, Page 3612, Official Public Records of Collin County, Texas, and being further described as follows:

BEGINNING at a one-half inch iron rod with cap stamped “USA INC. PROP. COR” found at the southwest corner of said 180.339 acre tract, said point being the southeast corner of Lot 29, Lavon Ranchettes Plat, an Addition to Collin County as recorded in Volume B, Page 45, Official Public Records of Collin County, Texas, said point also being in the north right-of-way line of County Road 541;

THENCE along the west line of said 180.339 acre tract and along the east line of said Lavon Ranchettes Addition as follows:

North 01 degrees 21 minutes 21 seconds East, 157.69 feet to a one-half inch iron rod found for corner;

North 01 degrees 07 minutes 18 seconds East, 1,375.04 feet to a three-eighths inch iron rod found for corner;

North 01 degrees 01 minutes 22 seconds East, 240.18 feet to a one-half inch iron rod with cap stamped “USA INC. PROP. COR” found at the northwest corner of said 180.339 acre tract, said point also being in the south line of said 472.8955 acre tract;

THENCE North 01 degrees 07 minutes 21 seconds East, 1,444.77 feet to a one-half inch iron rod with yellow cap stamped “JBI” set for corner;

THENCE Southeasterly, 295.43 feet along a curve to the right having a central angle of 50 degrees 31 minutes 40 seconds, a radius of 335.00 feet, a tangent of 158.10 feet and whose chord bears South 40 degrees 17 minutes 38 seconds East, 285.95 feet to a one-half inch iron rod with yellow cap stamped “JBI” set for corner;

THENCE South 15 degrees 01 minutes 48 seconds East, 581.11 feet to a one-half inch iron rod with yellow cap stamped “JBI” set for corner;

THENCE Southeasterly, 1,028.63 feet along a curve to the left having a central angle of 68 degrees 08 minutes 04 seconds, a radius of 865.00 feet, a tangent of 584.93 feet and whose chord bears South 49 degrees 05 minutes 50 seconds East, 969.09 feet to a one-half inch iron rod with yellow cap stamped “JBI” set for corner;

THENCE South 83 degrees 09 minutes 52 seconds East, 339.07 feet to a one-half inch iron rod with yellow cap stamped “JBI” set for corner;

THENCE Southeasterly, 17.15 feet along a curve to the right having a central angle of 15 degrees 07 minutes 06 seconds, a radius of 65.00 feet, a tangent of 8.63 feet and whose chord bears South 00 degrees 47 minutes 23 seconds East, 17.10 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE South 06 degrees 46 minutes 10 seconds West, 12.37 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE South 83 degrees 13 minutes 50 seconds East, 50.00 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE South 06 degrees 46 minutes 10 seconds West, 381.15 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE South 83 degrees 13 minutes 50 seconds East, 334.17 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE Southeasterly, 116.68 feet along a curve to the right having a central angle of 133 degrees 42 minutes 04 seconds, a radius of 50.00 feet, a tangent of 116.94 feet and whose chord bears South 61 degrees 22 minutes 49 seconds East, 91.95 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE South 84 degrees 31 minutes 47 seconds East, 105.40 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE South 82 degrees 50 minutes 49 seconds East, 95.73 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE South 07 degrees 09 minutes 11 seconds West, 1,277.53 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE along the south line of said 180.339 acre tract and along the north right-of-way line of County Road 541 as follows:

North 89 degrees 28 minutes 43 seconds West, 190.57 feet to a one-half inch iron rod with cap stamped "USA INC. PROP. COR" found for corner;

North 89 degrees 23 minutes 25 seconds West, 705.75 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner, said point also being the southeast corner of that called 1.05 acre tract of land described in deed to Donald Stiles as recorded in Document Number 20200821001383600, Official Public Records of Collin County, Texas;

THENCE along the common lines of said 180.339 acre tract and said 1.05 acre tract as follows:

North 00 degrees 45 minutes 47 seconds East, 253.51 feet to a five-eighths inch iron rod found for corner;

North 87 degrees 47 minutes 23 seconds West, 180.66 feet to a one-half inch iron rod with cap stamped "USA INC. PROP. COR" found for corner;



South 00 degrees 37 minutes 46 seconds West, 257.91 feet to a one-half inch iron rod found at the southwest corner of said 1.05 acre tract, said point also being in the north right-of-way line of County Road 541;

THENCE North 89 degrees 10 minutes 57 seconds West, 848.67 feet along the south line of said 180.339 acre tract and along the north right-of-way line of County Road 541 to the POINT OF BEGINNING and containing 3,841,570 square feet or 88.190 acres of land.



PHASE 2C – 77.398 ACRES (GREEN BRICK 2)

Real Property Legal Description

Being a parcel of land located in Collin County, Texas, a part of the Samuel M. Rainer Survey, Abstract Number 740, and being a part of that called 472.8955 acre tract of land described in deed to Far East Lavon, L.P. as recorded in Volume 5873, Page 3522, Official Public Records of Collin County, Texas, and also being a part of that called 180.339 acre tract of land described in deed to Petro-Hunt, L.L.C. as recorded in Volume 5588, Page 3612, Official Public Records of Collin County, Texas, and being further described as follows:

COMMENCING at a one-half inch iron rod with cap stamped “USA INC. PROP. COR” found at the southwest corner of said 180.339 acre tract, said point being the southeast corner of Lot 29, Lavon Ranchettes Plat, an Addition to Collin County as recorded in Volume B, Page 45, Official Public Records of Collin County, Texas, said point also being in the north right-of-way line of County Road 541, from which said point bears South 89 degrees 10 minutes 57 seconds East, 848.67 feet along the south line of said 180.339 acre tract to a one-half inch iron rod found at the southwest corner of that called 1.05 acre tract of land described in deed to Donald Stiles as recorded in Document Number 20200821001383600;

THENCE North 50 degrees 19 minutes 12 seconds East, 2,785.72 feet to the POINT OF BEGINNING;

THENCE North 07 degrees 51 minutes 55 seconds East, 1,088.26 feet to a one-half inch iron rod with yellow cap stamped “JBI” set for corner;

THENCE North 01 degrees 04 minutes 05 seconds West, 924.12 feet to a one-half inch iron rod with yellow cap stamped “JBI” set for corner;

THENCE North 88 degrees 55 minutes 55 seconds East, 304.18 feet to a one-half inch iron rod with yellow cap stamped “JBI” set for corner;

THENCE South 85 degrees 19 minutes 02 seconds East, 780.24 feet to a one-half inch iron rod with yellow cap stamped “JBI” set for corner;

THENCE North 88 degrees 10 minutes 40 seconds East, 229.33 feet to a one-half inch iron rod with yellow cap stamped “JBI” set for corner;

THENCE South 01 degrees 49 minutes 20 seconds East, 826.53 feet to a one-half inch iron rod with yellow cap stamped “JBI” set for corner;

THENCE South 25 degrees 12 minutes 04 seconds East, 127.05 feet to a one-half inch iron rod with yellow cap stamped “JBI” set for corner;

THENCE Southwesterly, 150.35 feet along a curve to the left having a central angle of 12 degrees 45 minutes 43 seconds, a radius of 675.00 feet, a tangent of 75.49 feet and whose chord bears South 58 degrees 25 minutes 05 seconds West, 150.04 feet to a one-half inch iron rod with yellow cap stamped “JBI” set for corner;

THENCE Southeasterly, 55.25 feet along a curve to the right having a central angle of 03 degrees 50 minutes 13 seconds, a radius of 825.00 feet, a tangent of 27.63 feet and whose chord bears South 37 degrees

02 minutes 08 seconds East, 55.24 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE South 35 degrees 07 minutes 02 seconds East, 200.65 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE Southeasterly, 529.97 feet along a curve to the right having a central angle of 29 degrees 37 minutes 27 seconds, a radius of 1,025.00 feet, a tangent of 271.05 feet and whose chord bears South 20 degrees 18 minutes 18 seconds East, 524.08 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE South 05 degrees 29 minutes 35 seconds East, 87.20 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE Southeasterly, 206.77 feet along the curve to the left having a central angle of 31 degrees 35 minutes 33 seconds, a radius of 375.00 feet, a tangent of 106.09 feet and whose chord bears South 21 degrees 17 minutes 21 seconds East, 204.16 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE South 37 degrees 05 minutes 08 seconds East, 346.08 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE South 82 degrees 05 minutes 08 seconds East, 14.14 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE South 42 degrees 47 minutes 46 seconds East, 50.25 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE South 07 degrees 54 minutes 52 seconds West, 14.14 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE South 37 degrees 05 minutes 08 seconds East, 110.00 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE South 52 degrees 54 minutes 52 seconds West, 151.00 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE Southwesterly, 749.00 feet along a curve to the right having a central angle of 33 degrees 00 minutes 41 seconds, a radius of 1,300.00 feet, a tangent of 385.22 feet and whose chord bears South 69 degrees 25 minutes 12 seconds West, 738.68 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE North 05 degrees 37 minutes 01 seconds West, 693.64 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE Northwesterly, 43.54 feet along a curve to the right having a central angle of 49 degrees 53 minutes 28 seconds, a radius of 50.00, a tangent of 23.26 feet and whose chord bears North 05 degrees 36 minutes 31 seconds West, 42.18 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;



THENCE North 56 degrees 34 minutes 01 seconds West, 100.00 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE North 23 degrees 18 minutes 10 seconds West, 81.19 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE North 82 degrees 08 minutes 05 seconds West, 532.52 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE South 07 degrees 51 minutes 55 seconds West, 139.75 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE South 36 degrees 33 minutes 37 seconds West, 279.48 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE Northwesterly, 491.31 feet along a curve to the left having a central angle of 40 degrees 12 minutes 50 seconds, a radius of 700.00 feet, a tangent of 256.26 feet and whose chord bears North 59 degrees 59 minutes 54 seconds West, 481.29 feet to the POINT OF BEGINNING and containing 3,371,475 square feet or 77.398 acres of land.

SAVE AND EXCEPT:

Being a parcel of land located in Collin County, Texas, a part of the Samuel M. Rainer Survey, Abstract Number 740, and being a part of that called 472.8955 acre tract of land described in deed to Far East Lavon, L.P. as recorded in Volume 5873, Page 3522, Official Public Records of Collin County, Texas, and also being a part of that called 180.339 acre tract of land described in deed to Petro-Hunt, L.L.C. as recorded in Volume 5588, Page 3612, Official Public Records of Collin County, Texas, and being further described as follows:

COMMENCING at a one-half inch iron rod with cap stamped "USA INC. PROP. COR" found at the southwest corner of said 180.339 acre tract, said point being the southeast corner of Lot 29, Lavon Ranchettes Plat, an Addition to Collin County as recorded in Volume B, Page 45, Official Public Records of Collin County, Texas, said point also being in the north right-of-way line of County Road 541, from which said point bears South 89 degrees 10 minutes 57 seconds East, 848.67 feet along the south line of said 180.339 acre tract to a one-half inch iron rod found at the southwest corner of that called 1.05 acre tract of land described in deed to Donald Stiles as recorded in Document Number 20200821001383600;

THENCE North 60 degrees 49 minutes 18 seconds East, 3,749.67 feet to the POINT OF BEGINNING;

THENCE North 81 degrees 18 minutes 34 seconds East, 106.54 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE North 04 degrees 52 minutes 09 seconds West, 109.11 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE North 84 degrees 30 minutes 25 seconds East, 213.06 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE North 05 degrees 29 minutes 35 seconds West, 9.54 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE Northwesterly, 1.51 feet along a curve to the left having a central angle of 00 degrees 07 minutes 03 seconds, a radius of 735.00 feet, a tangent of 0.75 feet and whose chord bears North 05 degrees 33 minutes 06 seconds West, 1.51 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE North 84 degrees 30 minutes 25 seconds East, 120.00 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE North 07 degrees 29 minutes 53 seconds West, 10.40 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE North 83 degrees 42 minutes 34 seconds East, 120.28 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE Southeasterly, 13.57 feet along a curve to the right having a central angle of 00 degrees 47 minutes 52 seconds, a radius of 975.00 feet, a tangent of 6.79 feet and whose chord bears South 05 degrees 53 minutes 31 seconds East, 13.57 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE North 84 degrees 30 minutes 25 seconds East, 50.00 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE South 05 degrees 29 minutes 35 seconds East, 87.20 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE Southeasterly, 206.77 feet along a curve to the left having a central angle of 31 degrees 35 minutes 33 seconds, a radius of 375.00 feet, a tangent of 106.09 feet and whose chord bears South 21 degrees 17 minutes 21 seconds East, 204.16 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE South 37 degrees 05 minutes 08 seconds East, 346.08 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE South 82 degrees 05 minutes 08 seconds East, 14.14 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE South 42 degrees 47 minutes 46 seconds East, 50.25 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE South 07 degrees 54 minutes 52 seconds West, 14.14 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE South 37 degrees 05 minutes 08 seconds East, 110.00 feet to a one-half inch iron rod with yellow caps stamped "JBI" set for corner;

South 52 degrees 54 minutes 52 seconds West, 151.00 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE Southwesterly, 749.00 feet along a curve to the right having a central angle of 33 degrees 00 minutes 41 seconds, a radius of 1,300.00 feet, a tangent of 385.22 feet and whose chord bears South 69 degrees 25 minutes 12 seconds West, 738.68 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE North 05 degrees 37 minutes 01 seconds West, 693.64 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE Northwesterly, 43.54 feet along a curve to the right having a central angle of 49 degrees 53 minutes 28 seconds, a radius of 50.00 feet, a tangent of 23.26 feet and whose chord bears North 05 degrees 36 minutes 31 seconds West, 42.18 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE North 56 degrees 34 minutes 01 seconds West, 100.00 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE North 23 degrees 18 minutes 10 seconds West, 81.19 feet to the POINT OF BEGINNING and containing 626,454 square feet or 14.381 acres of land.



PHASE 2C – 14.381 ACRES (UNIONMAIN HOMES)

Exhibit A

Real Property Legal Description

Being a parcel of land located in Collin County, Texas, a part of the Samuel M. Rainer Survey, Abstract Number 740, and being a part of that called 472.8955 acre tract of land described in deed to Far East Lavon, L.P. as recorded in Volume 5873, Page 3522, Official Public Records of Collin County, Texas, and also being a part of that called 180.339 acre tract of land described in deed to Petro-Hunt, L.L.C. as recorded in Volume 5588, Page 3612, Official Public Records of Collin County, Texas, and being further described as follows:

COMMENCING at a one-half inch iron rod with cap stamped "USA INC. PROP. COR" found at the southwest corner of said 180.339 acre tract, said point being the southeast corner of Lot 29, Lavon Ranchettes Plat, an Addition to Collin County as recorded in Volume B, Page 45, Official Public Records of Collin County, Texas, said point also being in the north right-of-way line of County Road 541, from which said point bears South 89 degrees 10 minutes 57 seconds East, 848.67 feet along the south line of said 180.339 acre tract to a one-half inch iron rod found at the southwest corner of that called 1.05 acre tract of land described in deed to Donald Stiles as recorded in Document Number 20200821001383600;

THENCE North 60 degrees 49 minutes 18 seconds East, 3,749.67 feet to the POINT OF BEGINNING;

THENCE North 81 degrees 18 minutes 34 seconds East, 106.54 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE North 04 degrees 52 minutes 09 seconds West, 109.11 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE North 84 degrees 30 minutes 25 seconds East, 213.06 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE North 05 degrees 29 minutes 35 seconds West, 9.54 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE Northwesterly, 1.51 feet along a curve to the left having a central angle of 00 degrees 07 minutes 03 seconds, a radius of 735.00 feet, a tangent of 0.75 feet and whose chord bears North 05 degrees 33 minutes 06 seconds West, 1.51 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE North 84 degrees 30 minutes 25 seconds East, 120.00 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE North 07 degrees 29 minutes 53 seconds West, 10.40 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE North 83 degrees 42 minutes 34 seconds East, 120.28 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE Southeasterly, 13.57 feet along a curve to the right having a central angle of 00 degrees 47 minutes 52 seconds, a radius of 975.00 feet, a tangent of 6.79 feet and whose chord bears South 05 degrees 53 minutes 31 seconds East, 13.57 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE North 84 degrees 30 minutes 25 seconds East, 50.00 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE South 05 degrees 29 minutes 35 seconds East, 87.20 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE Southeasterly, 206.77 feet along a curve to the left having a central angle of 31 degrees 35 minutes 33 seconds, a radius of 375.00 feet, a tangent of 106.09 feet and whose chord bears South 21 degrees 17 minutes 21 seconds East, 204.16 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE South 37 degrees 05 minutes 08 seconds East, 346.08 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE South 82 degrees 05 minutes 08 seconds East, 14.14 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE South 42 degrees 47 minutes 46 seconds East, 50.25 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE South 07 degrees 54 minutes 52 seconds West, 14.14 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE South 37 degrees 05 minutes 08 seconds East, 110.00 feet to a one-half inch iron rod with yellow caps stamped "JBI" set for corner;

South 52 degrees 54 minutes 52 seconds West, 151.00 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE Southwesterly, 749.00 feet along a curve to the right having a central angle of 33 degrees 00 minutes 41 seconds, a radius of 1,300.00 feet, a tangent of 385.22 feet and whose chord bears South 69 degrees 25 minutes 12 seconds West, 738.68 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE North 05 degrees 37 minutes 01 seconds West, 693.64 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE Northwesterly, 43.54 feet along a curve to the right having a central angle of 49 degrees 53 minutes 28 seconds, a radius of 50.00 feet, a tangent of 23.26 feet and whose chord bears North 05 degrees 36 minutes 31 seconds West, 42.18 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE North 56 degrees 34 minutes 01 seconds West, 100.00 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE North 23 degrees 18 minutes 10 seconds West, 81.19 feet to the POINT OF BEGINNING and containing 626,454 square feet or 14.381 acres of land.



PHASE 2D – 40.661 ACRES (QUALICO)

Real Property Legal Description

Being a parcel of land located in Collin County, Texas, a part of the Samuel M. Rainer Survey, Abstract Number 740, and being a part of that called 180.339 acre tract of land described in deed to Petro-Hunt, L.L.C. as recorded in Volume 5588, Page 3612, Official Public Records of Collin County, Texas, and being further described as follows:

COMMENCING at a one-half inch iron rod with cap stamped “USA INC. PROP. COR” found at the southwest corner of said 180.339 acre tract, said point being the southeast corner of Lot 29, Lavon Ranchettes Plat, an Addition to Collin County as recorded in Volume B, Page 45, Official Public Records of Collin County, Texas, said point also being in the north right-of-way line of County Road 541, from which said point bears South 89 degrees 10 minutes 57 seconds East, 848.67 feet along the south line of said 180.339 acre tract to a one-half inch iron rod found at the southwest corner of that called 1.05 acre tract of land described in deed to Donald Stiles as recorded in Document Number 20200821001383600;

THENCE North 52 degrees 14 minutes 09 seconds East, 2,694.47 feet to the POINT OF BEGINNING;

THENCE South 81 degrees 57 minutes 00 seconds East, 95.02 feet to a one-half inch iron rod with yellow cap stamped “JBI” set for corner;

THENCE South 59 degrees 59 minutes 35 seconds East, 227.77 feet to a one-half inch iron rod with yellow cap stamped “JBI” set for corner;

THENCE South 40 degrees 56 minutes 52 seconds East, 201.52 feet to a one-half inch iron rod with yellow cap stamped “JBI” set for corner;

THENCE Southeasterly, 25.59 feet along a curve to the right having a central angle of 02 degrees 26 minutes 39 seconds, a radius of 600.00 feet, a tangent of 12.80 feet and whose chord bears South 26 degrees 46 minutes 09 seconds East, 25.59 feet to a one-half inch iron rod with yellow cap stamped “JBI” set for corner;

THENCE South 25 degrees 32 minutes 49 seconds East, 113.69 feet to a one-half inch iron rod with yellow cap stamped “JBI” set for corner;

THENCE Southeasterly, 747.47 feet along a curve to the left having a central angle of 63 degrees 55 minutes 13 seconds, a radius of 670.00 feet, a tangent of 418.02 feet and whose chord bears South 57 degrees 30 minutes 26 seconds East, 709.30 feet to a one-half inch iron rod with yellow cap stamped “JBI” set for corner;

THENCE South 89 degrees 28 minutes 03 seconds East, 143.77 feet to a one-half inch iron rod with yellow caps stamped “JBI” set for corner;

THENCE Northeasterly, 115.26 feet along a curve to the left having a central angle of 04 degrees 43 minutes 01 seconds, a radius of 1,400.00 feet, a tangent of 57.66 feet and whose chord bears North 88 degrees 10 minutes 26 seconds East, 115.23 feet to a one-half inch iron rod with yellow cap stamped “JBI” set for corner;

THENCE South 05 degrees 37 minutes 01 seconds East, 723.91 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE South 04 degrees 52 minutes 41 seconds East, 50.22 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE Southeasterly, 68.22 feet along a curve to the right having a central angle of 04 degrees 03 minutes 01 seconds, a radius of 965.00 feet, a tangent of 34.12 feet and whose chord bears South 01 degrees 29 minutes 33 seconds East, 68.20 feet to a one-half inch iron with yellow cap stamped "JBI" set for corner;

THENCE South 00 degrees 31 minutes 57 seconds West, 66.61 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner, said point being in the south line of said 180.339 acre tract, said point also being in the north right-of-way line of County Road 541;

THENCE North 89 degrees 28 minutes 43 seconds West, 399.74 feet along the south line of said 180.339 acre tract and along the north right-of-way line of County Road 541 to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE North 00 degrees 31 minutes 17 seconds East, 147.58 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE North 89 degrees 28 minutes 43 seconds West, 147.58 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE South 00 degrees 31 minutes 17 seconds West, 147.58 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner, said point being in the south line of said 180.339 acre tract, said point also being in the north right-of-way line of County Road 541;

THENCE North 89 degrees 28 minutes 43 seconds West, 1,075.43 feet along the south line of said 180.339 acre tract and along the north right-of-way line of County Road 541 to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE North 07 degrees 09 minutes 11 seconds East, 1,514.49 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE North 05 degrees 33 minutes 02 seconds East, 172.15 feet to the POINT OF BEGINNING and containing 1,771,212 square feet or 40.661 acres of land.



PHASE 2E – 65.340 ACRES (GREEN BRICK)

Exhibit A

Real Property Legal Description

Being a parcel of land located in Collin County, Texas, a part of the Samuel M. Rainer Survey, Abstract Number 740, and being a part of that called 472.8955 acre tract of land described in deed to Far East Lavon, L.P. as recorded in Volume 5873, Page 3522, Official Public Records of Collin County, Texas, and also being a part of that called 180.339 acre tract of land described in deed to Petro-Hunt, L.L.C. as recorded in Volume 5588, Page 3612, Official Public Records of Collin County, Texas, and being further described as follows:

COMMENCING at a one-half inch iron rod with cap stamped "USA INC. PROP. COR" found at the southwest corner of said 180.339 acre tract, said point being the southeast corner of Lot 29, Lavon Ranchettes Plat, an Addition to Collin County as recorded in Volume B, Page 45, Official Public Records of Collin County, Texas, said point also being in the north right-of-way line of County Road 541, from which said point bears South 89 degrees 10 minutes 57 seconds East, 848.67 feet along the south line of said 180.339 acre tract to a one-half inch iron rod found at the southwest corner of that called 1.05 acre tract of land described in deed to Donald Stiles as recorded in Document Number 20200821001383600;

THENCE North 72 degrees 52 minutes 25 seconds East, 4,471.74 feet to the POINT OF BEGINNING;

THENCE North 37 degrees 05 minutes 08 seconds West, 110.00 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE North 07 degrees 54 minutes 52 seconds East, 14.14 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE North 42 degrees 47 minutes 46 seconds West, 50.25 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE North 82 degrees 05 minutes 08 seconds West, 14.14 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE North 37 degrees 05 minutes 08 seconds West, 346.08 to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE Northwesterly, 206.77 feet along a curve to the right having a central angle of 31 degrees 35 minutes 33 seconds, a radius of 375.00 feet, a tangent of 106.09 feet and whose chord bears North 21 degrees 17 minutes 21 seconds West, 204.16 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE North 05 degrees 29 minutes 35 seconds West, 87.20 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE Northwesterly, 529.97 feet along a curve to the left having a central angle of 29 degrees 37 minutes 27 seconds, a radius of 1,025.00 feet, a tangent of 271.05 feet and whose chord bears North 20 degrees 18 minutes 18 seconds West, 524.08 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE North 35 degrees 07 minutes 02 seconds West, 200.65 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE Northwesterly, 55.25 feet along a curve to the left having a central angle of 03 degrees 50 minutes 13 seconds, a radius of 825.00 feet, a tangent of 27.63 feet and whose chord bears North 37 degrees 02 minutes 08 seconds West, 55.24 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE Northeasterly, 150.35 feet along a curve to the right having a central angle of 12 degrees 45 minutes 43 seconds, a radius of 675.00 feet, a tangent of 75.49 feet and whose chord bears North 58 degrees 25 minutes 05 seconds East, 150.04 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE North 25 degrees 12 minutes 04 seconds West, 127.05 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE North 01 degrees 49 minutes 20 seconds West, 826.53 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE North 88 degrees 10 minutes 40 seconds East, 251.99 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE South 57 degrees 19 minutes 17 seconds East, 211.03 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE North 32 degrees 40 minutes 43 seconds East, 126.45 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE North 15 degrees 53 minutes 22 seconds West, 13.34 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE North 63 degrees 02 minutes 13 seconds West, 12.06 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE North 26 degrees 31 minutes 02 seconds East, 50.00 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE Southeasterly, 372.60 feet along a curve to the right having a central angle of 25 degrees 52 minutes 38 seconds, a radius of 825.00 feet, a tangent of 189.54 feet and whose chord bears South 50



degrees 32 minutes 39 seconds East, 369.45 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE North 52 degrees 23 minutes 40 seconds East, 228.59 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE North 27 degrees 23 minutes 01 seconds East, 204.73 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE South 89 degrees 59 minutes 16 seconds East, 238.16 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE South 46 degrees 40 minutes 06 seconds East, 327.25 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE South 10 degrees 15 minutes 11 seconds West, 188.34 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE South 79 degrees 44 minutes 49 seconds East, 15.14 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE South 10 degrees 15 minutes 11 seconds West, 50.00 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE South 79 degrees 44 minutes 49 seconds East, 91.32 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE South 10 degrees 15 minutes 11 seconds West, 24.19 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE South 11 degrees 36 minutes 37 seconds West, 30.55 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE South 15 degrees 04 minutes 19 seconds West, 47.37 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE South 18 degrees 48 minutes 02 seconds West, 186.21 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE South 19 degrees 49 minutes 03 seconds West, 50.93 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE South 21 degrees 41 minutes 34 seconds West, 42.99 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE South 23 degrees 24 minutes 34 seconds West, 42.99 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE South 25 degrees 07 minutes 34 seconds West, 42.99 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE South 26 degrees 16 minutes 04 seconds West, 14.20 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE South 26 degrees 33 minutes 05 seconds West, 330.74 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE South 35 degrees 41 minutes 29 seconds West, 50.00 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE Northwesterly, 122.12 feet along a curve to the left having a central angle of 05 degrees 07 minutes 33 seconds, a radius of 1,365.00 feet, a tangent of 61.10 feet, and whose chord bears North 56 degrees 52 minutes 18 seconds West, 122.08 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE South 30 degrees 33 minutes 56 seconds West, 120.15 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE South 60 degrees 06 minutes 27 seconds East, 9.84 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE South 57 degrees 51 minutes 21 seconds East, 48.93 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE South 55 degrees 35 minutes 59 seconds East, 48.93 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE South 53 degrees 34 minutes 53 seconds East, 48.93 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE South 51 degrees 29 minutes 01 seconds East, 48.94 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE South 49 degrees 23 minutes 06 seconds East, 48.96 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE South 47 degrees 17 minutes 09 seconds East, 48.98 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE South 45 degrees 11 minutes 07 seconds East, 49.01 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE South 43 degrees 05 minutes 01 seconds East, 49.04 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE South 40 degrees 58 minutes 50 seconds East, 49.08 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE South 38 degrees 53 minutes 17 seconds East, 48.54 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE South 36 degrees 52 minutes 59 seconds East, 45.00 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE South 33 degrees 57 minutes 44 seconds East, 91.25 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner

THENCE South 19 degrees 19 minutes 42 seconds East, 50.00 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE Southwesterly, 118.08 feet along a curve to the left having a central angle of 06 degrees 19 minutes 23 seconds, a radius of 1,070.00 feet, a tangent of 59.10 feet and whose chord bears South 67 degrees 30 minutes 37 seconds West, 118.02 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE South 25 degrees 39 minutes 05 seconds East, 120.00 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE Southwesterly, 189.59 feet along a curve to the left having a central angle of 11 degrees 26 minutes 03 seconds, a radius of 950.00 feet, a tangent of 95.11 feet and whose chord bears South 58 degrees 37 minutes 54 seconds West, 189.27 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE South 52 degrees 54 minutes 52 seconds West, 830.17 feet to the POINT OF BEGINNING and containing 2,846,200 square feet or 65.340 acres of land.

SAVE AND EXCEPT:

Being a parcel of land located in Collin County, Texas, a part of the Samuel M. Rainer Survey, Abstract Number 740, and being a part of that called 472.8955 acre tract of land described in deed to Far East Lavon, L.P. as recorded in Volume 5873, Page 3522, Official Public Records of Collin County, Texas, and also being a part of that called 180.339 acre tract of land described in deed to Petro-Hunt, L.L.C. as

recorded in Volume 5588, Page 3612, Official Public Records of Collin County, Texas, and being further described as follows:

COMMENCING at a one-half inch iron rod with cap stamped "USA INC. PROP. COR" found at the southwest corner of said 180.339 acre tract, said point being the southeast corner of Lot 29, Lavon Ranchettes Plat, an Addition to Collin County as recorded in Volume B, Page 45, Official Public Records of Collin County, Texas, said point also being in the north right-of-way line of County Road 541, from which said point bears South 89 degrees 10 minutes 57 seconds East, 848.67 feet along the south line of said 180.339 acre tract to a one-half inch iron rod found at the southwest corner of that called 1.05 acre tract of land described in deed to Donald Stiles as recorded in Document Number 20200821001383600;

THENCE North 60 degrees 25 minutes 05 seconds East, 4,414.54 feet to the POINT OF BEGINNING;

THENCE North 66 degrees 43 minutes 21 seconds East, 214.64 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE North 77 degrees 00 minutes 05 seconds East, 170.00 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE South 12 degrees 59 minutes 55 seconds East, 27.65 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE Northeasterly, 9.81 feet along a curve to the right having a central angle of 00 degrees 32 minutes 54 seconds, a radius of 1,025.00 feet, a tangent of 4.91 feet and whose chord bears South 12 degrees 43 minutes 27 seconds East, 9.81 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE South 56 degrees 19 minutes 41 seconds East, 14.35 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE South 10 degrees 29 minutes 36 seconds East, 50.00 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE North 79 degrees 30 minutes 24 seconds East, 4.73 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE Southeasterly, 179.81 feet along a curve to the right having a central angle of 37 degrees 27 minutes 48 seconds, a radius of 275.00 feet, a tangent of 93.25 feet and whose chord bears South 81 degrees 45 minutes 41 seconds East, 176.63 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE Southeasterly, 355.46 feet along a curve to the right having a central angle of 25 degrees 56 minutes 39 seconds, a radius of 785.00 feet, a tangent of 180.83 feet and whose chord bears South 50

degrees 03 minutes 28 seconds East, 352.43 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE South 37 degrees 05 minutes 08 seconds East, 85.74 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE South 33 degrees 00 minutes 00 seconds East, 70.18 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE South 37 degrees 05 minutes 08 seconds East, 110.00 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE South 52 degrees 54 minutes 52 seconds West, 706.75 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE North 37 degrees 05 minutes 08 seconds West, 110.00 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE North 07 degrees 54 minutes 52 seconds East, 14.14 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE North 42 degrees 47 minutes 46 seconds West, 50.25 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE North 82 degrees 05 minutes 08 seconds West, 14.14 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE North 37 degrees 05 minutes 08 seconds West, 346.08 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE Northwesterly, 206.77 feet along a curve to the right having a central angle of 31 degrees 35 minutes 33 seconds, a radius of 375.00 feet, a tangent of 106.09 feet and whose chord bears North 21 degrees 17 minutes 21 seconds West, 204.16 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE North 05 degrees 29 minutes 35 seconds West, 87.20 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE Northwesterly, 171.73 feet along a curve to the left having a central angle of 09 degrees 35 minutes 59 seconds, a radius of 1,025.00 feet, a tangent of 86.07 feet and whose chord bears North 10 degrees 17 minutes 34 seconds West, 171.53 feet to the POINT OF BEGINNING and containing 565,051 square feet or 12.972 acres of land.



PHASE 2E – 12.972 ACRES (UNIONMAIN HOMES)

Real Property Legal Description

Being a parcel of land located in Collin County, Texas, a part of the Samuel M. Rainer Survey, Abstract Number 740, and being a part of that called 472.8955 acre tract of land described in deed to Far East Lavon, L.P. as recorded in Volume 5873, Page 3522, Official Public Records of Collin County, Texas, and also being a part of that called 180.339 acre tract of land described in deed to Petro-Hunt, L.L.C. as recorded in Volume 5588, Page 3612, Official Public Records of Collin County, Texas, and being further described as follows:

COMMENCING at a one-half inch iron rod with cap stamped "USA INC. PROP. COR" found at the southwest corner of said 180.339 acre tract, said point being the southeast corner of Lot 29, Lavon Ranchettes Plat, an Addition to Collin County as recorded in Volume B, Page 45, Official Public Records of Collin County, Texas, said point also being in the north right-of-way line of County Road 541, from which said point bears South 89 degrees 10 minutes 57 seconds East, 848.67 feet along the south line of said 180.339 acre tract to a one-half inch iron rod found at the southwest corner of that called 1.05 acre tract of land described in deed to Donald Stiles as recorded in Document Number 20200821001383600;

THENCE North 60 degrees 25 minutes 05 seconds East, 4,414.54 feet to the POINT OF BEGINNING;

THENCE North 66 degrees 43 minutes 21 seconds East, 214.64 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE North 77 degrees 00 minutes 05 seconds East, 170.00 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE South 12 degrees 59 minutes 55 seconds East, 27.65 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE Northeasterly, 9.81 feet along a curve to the right having a central angle of 00 degrees 32 minutes 54 seconds, a radius of 1,025.00 feet, a tangent of 4.91 feet and whose chord bears South 12 degrees 43 minutes 27 seconds East, 9.81 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE South 56 degrees 19 minutes 41 seconds East, 14.35 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE South 10 degrees 29 minutes 36 seconds East, 50.00 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE North 79 degrees 30 minutes 24 seconds East, 4.73 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE Southeasterly, 179.81 feet along a curve to the right having a central angle of 37 degrees 27 minutes 48 seconds, a radius of 275.00 feet, a tangent of 93.25 feet and whose chord bears South 81 degrees 45 minutes 41 seconds East, 176.63 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE Southeasterly, 355.46 feet along a curve to the right having a central angle of 25 degrees 56 minutes 39 seconds, a radius of 785.00 feet, a tangent of 180.83 feet and whose chord bears South 50 degrees 03 minutes 28 seconds East, 352.43 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE South 37 degrees 05 minutes 08 seconds East, 85.74 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE South 33 degrees 00 minutes 00 seconds East, 70.18 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE South 37 degrees 05 minutes 08 seconds East, 110.00 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE South 52 degrees 54 minutes 52 seconds West, 706.75 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE North 37 degrees 05 minutes 08 seconds West, 110.00 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE North 07 degrees 54 minutes 52 seconds East, 14.14 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE North 42 degrees 47 minutes 46 seconds West, 50.25 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE North 82 degrees 05 minutes 08 seconds West, 14.14 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE North 37 degrees 05 minutes 08 seconds West, 346.08 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE Northwesterly, 206.77 feet along a curve to the right having a central angle of 31 degrees 35 minutes 33 seconds, a radius of 375.00 feet, a tangent of 106.09 feet and whose chord bears North 21 degrees 17 minutes 21 seconds West, 204.16 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE North 05 degrees 29 minutes 35 seconds West, 87.20 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;



THENCE Northwesterly, 171.73 feet along a curve to the left having a central angle of 09 degrees 35 minutes 59 seconds, a radius of 1,025.00 feet, a tangent of 86.07 feet and whose chord bears North 10 degrees 17 minutes 34 seconds West, 171.53 feet to the POINT OF BEGINNING and containing 565,051 square feet or 12.972 acres of land.



MASTER INFRASTRUCTURE – 40.034 ACRES

Being a parcel of land located in Collin County, Texas, a part of the Samuel M. Rainer Survey, Abstract Number 740, and being a part of that called 472.8955 acre tract of land described in deed to Far East Lavon, L.P. as recorded in Volume 5873, Page 3522, Official Public Records of Collin County, Texas, and also being a part of that called 180.339 acre tract of land described in deed to Petro-Hunt, L.L.C. as recorded in Volume 5588, Page 3612, Official Public Records of Collin County, Texas, and being further described as follows:

COMMENCING at a one-half inch iron rod with cap stamped “USA INC. PROP. COR” found at the northwest corner of said 180.339 acre tract, said point also being in the south line of said 472.8955 acre tract, from which said point bears South 01 degrees 01 minutes 24 seconds West, 240.18 feet along the west line of said 180.339 acre tract and along the east line of Lavon Ranchettes Plat, an Addition to Collin County as recorded in Volume B, Page 45, Official Public Records of Collin County, Texas to a three-eighths inch iron rod found for corner;

THENCE 01 degrees 07 minutes 21 seconds East, at 1,306.98 feet passing the northeast corner of said Lavon Ranchettes Addition, in all a total distance of 1,444.77 feet to a one-half inch iron rod with yellow cap stamped “JBI” set for corner, said point being the POINT OF BEGINNING;

THENCE North 01 degrees 07 minutes 21 seconds East, 131.63 feet to a one-half inch iron rod with yellow cap stamped “JBI” set for corner;

THENCE South 88 degrees 52 minutes 39 seconds East, 19.95 feet to a one-half inch iron rod with yellow cap stamped “JBI” set for corner;

THENCE Southeasterly, 443.89 feet along a curve to the right having a central angle of 54 degrees 41 minutes 39 seconds, a radius of 465.00 feet, a tangent of 240.49 feet and whose chord bears South 42 degrees 22 minutes 38 seconds East, 427.22 feet to a one-half inch iron rod with yellow cap stamped “JBI” set for corner;

THENCE South 15 degrees 01 minutes 48 seconds East, 581.11 feet to a one-half inch iron rod with yellow cap stamped “JBI” set for corner;

THENCE Southeasterly, 967.74 feet along a curve to the left having a central angle of 75 degrees 26 minutes 18 seconds, a radius of 735.00 feet, a tangent of 568.47 feet and whose chord bears South 52 degrees 44 minutes 57 seconds East, 899.33 feet to a one-half inch iron rod with yellow cap stamped “JBI” set for corner;

THENCE North 89 degrees 31 minutes 54 seconds East, 237.35 feet to a one-half inch iron rod with yellow cap stamped “JBI” set for corner;

THENCE North 00 degrees 28 minutes 06 seconds West, 119.86 feet to a one-half inch iron rod with yellow cap stamped “JBI” set for corner;

THENCE Southeasterly, 164.40 feet along a curve to the right having a central angle of 34 degrees 15 minutes 07 seconds, a radius of 275.00 feet, a tangent of 84.74 feet and whose chord bears South 71 degrees 28 minutes 59 seconds East, 161.96 feet to a one-half inch iron rod with yellow cap stamped “JBI” set for corner;

THENCE Southeasterly, 34.35 feet along a curve to the left having a central angle of 08 degrees 44 minutes 50



seconds, a radius of 225.00 feet, a tangent of 17.21 feet and whose chord bears South 58 degrees 43 minutes 50 seconds East, 34.32 feet to a one-half inch iron rod with yellow cap stamped “JBI” set for corner;

THENCE South 20 degrees 40 minutes 33 seconds West, 126.87 feet to a one-half inch iron rod with yellow cap stamped “JBI” set for corner;

THENCE Southeasterly, 77.13 feet along a curve to the left having a central angle of 12 degrees 48 minutes 33 seconds, a radius of 345.00 feet, a tangent of 38.73 feet and whose chord bears South 75 degrees 43 minutes 44 seconds East, 76.97 feet to a one-half inch iron rod with yellow cap stamped “JBI” set for corner;

THENCE South 82 degrees 08 minutes 01 seconds East, 434.21 feet to a one-half inch iron rod with yellow cap stamped “JBI” set for corner;

THENCE Southeasterly, 516.09 feet along a curve to the right having a central angle of 42 degrees 14 minutes 31 seconds, a radius of 700.00 feet, a tangent of 270.40 feet and whose chord bears South 61 degrees 00 minutes 45 seconds East, 504.48 feet to a one-half inch iron rod with yellow cap stamped “JBI” set for corner;

THENCE North 36 degrees 33 minutes 37 seconds East, 279.48 feet to a one-half inch iron rod with yellow cap stamped “JBI” set for corner;

THENCE North 07 degrees 51 minutes 55 seconds East, 139.75 feet to a one-half inch iron rod with yellow cap stamped “JBI” set for corner;

THENCE South 82 degrees 08 minutes 05 seconds East, 532.52 feet to a one-half inch iron rod with yellow cap stamped “JBI” set for corner;

THENCE South 23 degrees 18 minutes 10 seconds East, 81.19 feet to a one-half inch iron rod with yellow cap stamped “JBI” set for corner;

THENCE South 56 degrees 34 minutes 01 seconds East, 100.00 feet to a one-half inch iron rod with yellow cap stamped “JBI” set for corner;

THENCE Southeasterly, 43.54 feet along a curve to the left having a central angle of 49 degrees 53 minutes 28 seconds, a radius of 50.00 feet, a tangent of 23.26 feet and whose chord bears South 05 degrees 36 minutes 31 seconds East, 42.18 feet to a one-half inch iron rod with yellow cap stamped “JBI” set for corner;

THENCE South 05 degrees 37 minutes 01 seconds East, 693.64 feet to a one-half inch iron rod with yellow cap stamped “JBI” set for corner;

THENCE Northeasterly, 749.00 feet along a curve to the left having a central angle of 33 degrees 00 minutes 41 seconds, a radius of 1,300.00 feet, a tangent of 385.22 feet and whose chord bears North 69 degrees 25 minutes 12 seconds East, 738.68 feet to a one-half inch iron rod with yellow cap stamped “JBI” set for corner;

THENCE North 52 degrees 54 minutes 52 seconds East, 981.17 feet to a one-half inch iron rod with yellow cap stamped “JBI” set for corner;

THENCE Northeasterly, 629.34 feet along a curve to the right having a central angle of 37 degrees 57 minutes



22 seconds, a radius of 950.00 feet, a tangent of 326.70 feet and whose chord bears North 71 degrees 53 minutes 33 seconds East, 617.89 feet to a one-half inch iron rod with yellow cap stamped “JBI” set for corner;

THENCE South 00 degrees 52 minutes 14 seconds East, 100.00 feet to a one-half inch iron rod with yellow cap stamped “JBI” set for corner;

THENCE Southwesterly, 563.09 feet along a curve to the left having a central angle of 37 degrees 57 minutes 22 seconds, a radius of 850.00 feet, a tangent of 292.31 feet and whose chord bears South 71 degrees 53 minutes 33 seconds West, 552.85 feet to a one-half inch iron rod with yellow cap stamped “JBI” set for corner;

THENCE South 52 degrees 54 minutes 52 seconds West, 981.17 feet to a one-half inch iron rod with yellow cap stamped “JBI” set for corner;

THENCE Southwesterly, 733.92 feet along a curve to the right having a central angle of 30 degrees 02 minutes 09 seconds, a radius of 1,400.00 feet, a tangent of 375.60 feet and whose chord bears South 67 degrees 55 minutes 57 seconds West, 725.54 feet to a one-half inch iron rod with yellow cap stamped “JBI” set for corner;

THENCE South 05 degrees 37 minutes 01 seconds East, 563.85 feet to a one-half inch iron rod with yellow cap stamped “JBI” set for corner;

THENCE Southeasterly, 55.96 feet along a curve to the left having a central angle of 06 degrees 32 minutes 37 seconds, a radius of 490.00 feet, a tangent of 28.01 feet and whose chord bears South 08 degrees 53 minutes 20 seconds East, 55.93 feet to a one-half inch iron rod with yellow cap stamped “JBI” set for corner;

THENCE Southeasterly, 231.51 feet along a curve to the right having a central angle of 12 degrees 41 minutes 36 seconds, a radius of 1,045.00 feet, a tangent of 116.23 feet and whose chord bears South 05 degrees 48 minutes 51 seconds East, 231.03 feet to a one-half inch iron rod with yellow cap stamped “JBI” set for corner;

THENCE South 00 degrees 31 minutes 57 seconds West, 66.59 feet to a one-half inch iron rod with yellow cap stamped “JBI” set for corner;

THENCE North 89 degrees 28 minutes 43 seconds West, 80.00 feet to a one-half inch iron rod with yellow cap stamped “JBI” set for corner;

THENCE North 00 degrees 31 minutes 57 seconds East, 66.61 feet to a one-half inch iron rod with yellow cap stamped “JBI” set for corner;

THENCE Northwesterly, 68.22 feet along a curve to the left having a central angle of 04 degrees 03 minutes 01 seconds, a radius of 965.00 feet, a tangent of 34.12 feet and whose chord bears North 01 degrees 29 minutes 33 seconds West, 68.20 feet to a one-half inch iron rod with yellow cap stamped “JBI” set for corner;

THENCE North 04 degrees 52 minutes 41 seconds West, 50.22 feet to a one-half inch iron rod with yellow cap stamped “JBI” set for corner;

THENCE North 05 degrees 37 minutes 01 seconds West, 723.91 feet to a one-half inch iron rod with yellow cap stamped “JBI” set for corner;



THENCE Southwesterly, 115.26 feet along a curve to the right having a central angle of 04 degrees 43 minutes 01 seconds, a radius of 1,400.00 feet, a tangent of 57.66 feet and whose chord bears South 88 degrees 10 minutes 26 seconds West, 115.23 feet to a one-half inch iron rod with yellow cap stamped “JBI” set for corner;

THENCE North 89 degrees 28 minutes 03 seconds West, 143.77 feet to a one-half inch iron rod with yellow cap stamped “JBI” set for corner;

THENCE Northwesterly, 747.47 feet along a curve to the right having a central angle of 63 degrees 55 minutes 13 seconds, a radius of 670.00 feet, a tangent of 418.02 feet and whose chord bears North 57 degrees 30 minutes 26 seconds West, 709.30 feet to a one-half inch iron rod with yellow cap stamped “JBI” set for corner;

THENCE North 25 degrees 32 minutes 49 seconds West, 113.69 feet to a one-half inch iron rod with yellow cap stamped “JBI” set for corner;

THENCE Northwesterly, 25.59 feet along a curve to the left having a central angle of 02 degrees 26 minutes 39 seconds, a radius of 600.00 feet, a tangent of 12.80 feet and whose chord bears North 26 degrees 46 minutes 09 seconds West, 25.59 feet to a one-half inch iron rod with yellow cap stamped “JBI” set for corner;

THENCE North 40 degrees 56 minutes 52 seconds West, 201.52 feet to a one-half inch iron rod with yellow cap stamped “JBI” set for corner;

THENCE North 59 degrees 59 minutes 35 seconds West, 227.77 feet to a one-half inch iron rod with yellow cap stamped “JBI” set for corner;

THENCE North 81 degrees 57 minutes 00 seconds West, 95.02 feet to a one-half inch iron rod with yellow cap stamped “JBI” set for corner;

THENCE South 05 degrees 33 minutes 02 seconds West, 172.15 feet to a one-half inch iron rod with yellow cap stamped “JBI” set for corner;

THENCE South 07 degrees 09 minutes 11 seconds West, 236.96 feet to a one-half inch iron rod with yellow cap stamped “JBI” set for corner;

THENCE North 82 degrees 50 minutes 49 seconds West, 95.73 feet to a one-half inch iron rod with yellow cap stamped “JBI” set for corner;

THENCE North 84 degrees 31 minutes 47 seconds West, 105.40 feet to a one-half inch iron rod with yellow cap stamped “JBI” set for corner;

THENCE Northwesterly, 116.68 feet along a curve to the left having a central angle of 133 degrees 42 minutes 04 seconds, a radius of 50.00 feet, a tangent of 116.94 feet and whose chord bears North 61 degrees 22 minutes 49 seconds West, 91.95 feet to a one-half inch iron rod with yellow cap stamped “JBI” set for corner;

THENCE North 83 degrees 13 minutes 50 seconds West, 334.17 feet to a one-half inch iron rod with yellow cap stamped “JBI” set for corner;



THENCE North 06 degrees 46 minutes 10 seconds East, 381.15 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE North 83 degrees 13 minutes 50 seconds West, 50.00 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE North 06 degrees 46 minutes 10 seconds East, 12.37 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE Northwesterly, 17.15 feet along a curve to the left having a central angle of 15 degrees 07 minutes 06 seconds, a radius of 65.00 feet, a tangent of 8.63 feet and whose chord bears North 00 degrees 47 minutes 23 seconds West, 17.10 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE North 83 degrees 09 minutes 52 seconds West, 339.07 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE Northwesterly, 1,028.63 feet along a curve to the right having a central angle of 68 degrees 08 minutes 04 seconds, a radius of 865.00 feet, a tangent of 584.93 feet and whose chord bears North 49 degrees 05 minutes 50 seconds West, 969.09 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE North 15 degrees 01 minutes 48 seconds West, 581.11 feet to a one-half inch iron rod with yellow cap stamped "JBI" set for corner;

THENCE Northwesterly, 295.43 feet along a curve to the left having a central angle of 50 degrees 31 minutes 41 seconds, a radius of 335.00 feet, a tangent of 158.10 feet and whose chord bears North 40 degrees 17 minutes 38 seconds West, 285.95 feet to the POINT OF BEGINNING and containing 1,743,853 square feet or 40.034 acres of land.



ENVIRONMENTAL ASSUMPTIONS

This report is subject to the following environmental assumptions:

- 1) There is a safe, lead-free, adequate supply of drinking water.
- 2) The subject property is free of soil contamination.
- 3) There is no uncontained friable asbestos or other hazardous asbestos material on the property. The appraiser is not qualified to detect such substances.
- 4) There are no uncontained PCB's on or near the property.
- 5) The radon level is at or below EPA recommended levels.
- 6) Any functioning underground storage tanks (UST's) are not leaking and are properly registered; any abandoned UST's are free from contamination and were properly drained, filled and sealed.
- 7) There are no hazardous waste sites on or near the subject property that negatively affect the value and/or safety of the property.
- 8) There is no significant urea formaldehyde (UFFI) insulation or other urea formaldehyde material on the property.
- 9) There is no flaking or peeling of lead-based paint on the property.
- 10) The property is free of air pollution.
- 11) There are no wetlands/flood plains on the property (unless otherwise stated in the report).
- 12) There are no other miscellaneous hazardous substances and/or detrimental environmental conditions on or in the area of the site (excess noise, radiation, light pollution, magnetic radiation, acid mine drainage, agricultural pollution, waste heat, miscellaneous chemical, infectious medical wastes, pesticides, herbicides, and the like).



DEFINITIONS

Fee Simple Estate

Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power and escheat.

Leased Fee Interest

The ownership interest held by the lessor, which includes the right to receive the contract rent specified in the lease plus the reversionary right when the lease expires.

Leasehold Interest

The right held by the lessee to use and occupy real estate for a stated term and under the conditions specified in the lease.

Market Rent

The most probable rent that a property should bring in a competitive and open market reflecting the conditions and restrictions of a specified lease agreement, including the rental adjustment and revaluation, permitted uses, use restrictions, expense obligations, term, concessions, renewal and purchase options, and tenant improvements (TIs).

Market Value

Market value means the most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

- (1) Buyer and seller are typically motivated;
- (2) Both parties are well informed or well advised, and acting in what they consider their own best interests;
- (3) A reasonable time is allowed for exposure in the open market;
- (4) Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
- (5) The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

The value conclusions expressed within this report are in terms of cash (\$US).

Extraordinary assumptions are assignment-specific assumption as of the effective date regarding uncertain information used in an analysis which, if found to be false, could alter the appraiser's opinions or conclusions.

Hypothetical condition a condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results but is used for the purpose of analysis.

Prospective Opinion of Value

A value opinion effective as of a specified future date. The term does not define a type of value. Instead, it identifies a value opinion as being effective at some specific future date. An opinion of value as of a prospective



date is frequently sought in connection with projects that are proposed, under construction, or under conversion to a new use, or those that have not yet achieved sellout or a stabilized level of long-term occupancy.

Prospective Market Value “As Completed” and “As Stabilized”

A prospective market value may be appropriate for the valuation of a property interest related to a credit decision for a proposed development or renovation project. According to USPAP, an appraisal with a prospective market value reflects an effective date that is subsequent to the date of the Appraisal Report. Prospective value opinions are intended to reflect the current expectations and perceptions of market participants, based on available data. Two prospective value opinions may be required to reflect the time frame during which development, construction, and occupancy will occur. The prospective market value—as completed - reflects the property’s market value as of the time that development is expected to be completed. The prospective market value - as stabilized - reflects the property’s market value as of the time the property is projected to achieve stabilized occupancy. For an income-producing property, stabilized occupancy is the occupancy level that a property is expected to achieve after the property is exposed to the market for lease over a reasonable period of time and at comparable terms and conditions to other similar properties. (See USPAP Statement 4* and Advisory Opinion 17.) (Interagency Appraisal and Evaluation Guidelines)

Retrospective Value Opinion

A value opinion effective as of a specified historical date. The term retrospective does not define a type of value. Instead, it identifies a value opinion as being effective at some specific prior date. Value as of a historical date is frequently sought in connection with property tax appeals, damage models, lease renegotiation, deficiency judgments, estate tax, and condemnation. Inclusion of the type of value with this term is appropriate, e.g., “retrospective market value opinion.”

Neighborhood

- (1) A group of complementary land uses; a congruous grouping of inhabitants, buildings, or business enterprises.
- (2) A developed residential superpad within a master planned community usually having a distinguishing name and entrance.

Depreciation

1. In appraisal, a loss in property value from any cause; the difference between the cost of an improvement on the effective date of the appraisal and the market value of the improvement on the same date.
2. In accounting, an allocation of the original cost of an asset, amortizing the cost over the asset’s life; calculated using a variety of standard techniques.

The three major types of accrued depreciation are:

Physical Deterioration

Physical deterioration is loss in value from actual physical causes and measured either as curable or incurable. The curable items are measured by the actual cost to replace or repair the component parts. The incurable portion is estimated by virtue of an observed condition or ascertaining the used portion by the best estimate of the appraiser. Curable physical deterioration, also referred to as deferred maintenance, is caused by normal wear and tear that should be corrected immediately or is necessary to keep rents at market levels. The cost of curing the condition and bringing the property to a satisfactory and functioning condition, is generally the measure of



deferred maintenance.

Functional Obsolescence

Functional obsolescence is loss in value from conditions existing within the property which make the property inadequate or less desirable to the typical prudent purchaser. It, too, may be curable or incurable. Incurable obsolescence is normally measured by the loss in income which may accrue to the property by reason thereof.

External Obsolescence

According to the Dictionary of Real Estate Appraisal, Sixth Edition, external obsolescence is “*A type of depreciation; a diminution in value caused by negative external influences and generally incurable on the part of the owner, landlord, or tenant. The external influence may be either temporary or permanent.*”

Definition Sources:

- Office of the Comptroller of the Currency (12 CFR Part 34)
- Appraisal Institute, *The Dictionary of Real Estate Appraisal*, Sixth Edition, copyright 2015.
- The Appraisal Foundation: USPAP (Uniform Standards of Professional Appraisal Practice) 2018-2019 edition



JAMES L. MAIBACH, CPM

Certified Property Manager and State Certified General Real Estate Appraiser

EDUCATION:

Graduate North Quincy High School, Quincy, Massachusetts, 1976
Bachelor of Science in Business Administration (with Honors)
Northeastern University, Boston Massachusetts, 1981
Major: Accounting Minor: Marketing

TECHNICAL TRAINING:

Institute of Real Estate Management Courses:
#303 - Leasing and Management of Shopping Center and Retail Space
#400 - Managing Real Estate as an Investment
#500 - Problem-Solving & Decision-Making for the Property Manager
#800 - Ethics in Real Estate Management
University of Texas at Arlington: Real Estate Courses:
RE 001 Real Estate Finance; RE 004 Real Estate Mathematics ;
RE 101 Principles of Real Estate; RE 301 Texas Real Estate Law: Contracts;
RE 501 Texas Real Estate Law; RE 701 Property Management
East Texas Baptist University:
Uniform Standards of Professional Appraisers and Code of Ethics. The Appraisal Foundation:
USPAP Update
Texas Association of Property Tax Professionals, Inc.:
Principles of Property Tax Consulting; A Survey of Texas Property Tax Law
Other: USPAP-97 Instructor's Workshop, USPAP Instructor 1997
TREC Licensed Instructor – Commercial Investment Course, CEI 1998
Continuing Education Institute:
Deceptive Trade Practices Act; Let's Talk-Not Fight; Property Taxes: Rights, Remedies and Responsibilities; USPAP Update
Institute for Real Estate Professionals, Inc.
Preparing & Presenting an Ethical Ad Valorem Property Tax Valuation; Texas Property Tax Law 2007
Texas Association of Realtors:
Tarrant County Appraisal Review Board Determinations

PROFESSIONAL AFFILIATIONS:

Texas Appraiser Licensing and Certification Board - State Certified General Real Estate Appraiser No. TX-1323658-G
Institute of Real Estate Management (IREM)- Certified Property Manager, CPM Designation No. 14942
Texas Real Estate Broker's License, No. 375882
Texas Dept. of Licensing & Regulations - Licensed Property Tax Consultant, License #1360
Texas Property Tax Arbitrator #32020394139
Tarrant Appraisal Review Board Member 1991-1992 Appointment
City of Arlington - Planning and Zoning – Commissioner 1997-2003 (Appointed by Mayor and City Council)
American Planning Association – Member 1997 to 2003
Arlington Chamber of Commerce - Board of Directors 1995 to 2001 – Reappointed 2003 to 2006 – Reappointed 2007 to present
City of Arlington Parks & Recreation – Board of Directors, Appointed 2003 to 2007

EXPERIENCE:

Active field appraiser, property manager, developer, broker, and tax consultant of all types of real property since June, 1986.
Appeared in Texas State Court as an expert witness on real estate values on numerous occasions. A property manager and developer for nineteen years at Peyco Properties, Inc. and twenty-one years through Peyco Southwest Realty, Inc. (formerly Southwest Real Estate Services, Inc.), involved in real estate development, leasing, management, rent analysis and consulting services through the DFW metroplex and Colorado. President and founder of Peyco Southwest Realty, Inc. (Southwest Real Estate Services, Inc.), a full-service brokerage company, real estate appraisal, and ad valorem property tax representation firm.



**Certified General
Real Estate Appraiser**

Appraiser: James Lawrence Maibach

License #: TX 1323658 G

License Expires: 09/30/2022

Having provided satisfactory evidence of the qualifications required by the Texas Appraiser Licensing and Certification Act, Occupations Code, Chapter 1103, authorization is granted to use this title:
Certified General Real Estate Appraiser

**Chelsea Buchholtz
Commissioner**

For additional information or to file a complaint please contact TALCB at www.talcb.texas.gov.



SHERIDAN ENGEL
Appraiser Trainee

EDUCATION:

Graduate, 2002 - Brookville High School, Lynchburg, VA
Bachelor of Science in Biochemistry, 2007 - Virginia Polytechnic Institute & State University, Blacksburg, VA
Bachelor of Science in Psychology, 2007 - Virginia Polytechnic Institute & State University, Blacksburg, VA

TECHNICAL TRAINING:

McKissock Learning Appraisal Courses

- Basic Appraisal Principles (30 hours)
- Basic Appraisal Procedures (30 hours)
- 2018-2019 National USPAP Course (15 hours)
- Supervisor-Trainee Course for Texas (4 hours)
- Residential Appraiser Site Valuation and Cost Approach (15 hours)
- Residential Sales Comparison and Income Approaches (30 hours)
- Residential Market Analysis and Best Use (15 hours)
- Residential Report Writing and Case Studies (15 hours)
- Advanced Residential Applications and Case Studies (15 hours)
- Finance, Modeling, and Statistics (15 hours)
- General Appraiser-Highest and Best Use (30 hours)
- General Report Writing & Case Studies (30 hours)
- General Sales Comparison Approach (30 hours)
- General Cost Approach (30 hours)
- General Income Approach (60 hours)
- Expert Witness for Commercial Appraisers (15 hours)
- Commercial Appraisal Review (15 hours)
- Appraisal Subject Matter Electives (20 hours)
- Appraisal Institute: Subdivision Valuation (7 hours)

EXPERIENCE:

October 2020-Present

Appraiser Trainee with Peyco Southwest Realty, Arlington, TX

- Written Reports on Commercial Industrial, Commercial Office, Vacant Land, Residential Appraisals
- Served as Liaison between clients, banks, and supervisor, James L. Maibach, CPM
- Texas Appraiser Trainee - #1342474

April 2009-October 2020

Field Calibration Technician with Bio-Tek Services, Inc., Dallas, TX

- Serviced laboratory instruments for university research, government, hospital, and biotech laboratories
- Top earning service/sales representative from 2011-2020; sales on average 3 times higher than the mean sales rep
- Worked remotely (main office based in Richmond, VA) and rarely needed oversight from operations managers
- Organized an extremely busy schedule (along with 75% overnight travel) to maintain customer compliance
- Developed and maintained strong relationships with clients over the course of a decade
- Followed ISO 17025 guidelines to keep client labs compliant with regulatory standards



Appraiser Trainee

Trainee: Sheridan Scott Engel

Authorization #: TX 1342474 Trainee

Expires: 12/31/2022

Review the list of the above Trainee's Supervisors on the License Holder Search at www.talcb.texas.gov.

Having provided satisfactory evidence of the qualifications required by the Texas Appraiser Licensing and Certification Act, Occupations Code, Chapter 1103, authorization is granted to use this title: Appraiser Trainee

For additional information or to file a complaint please contact TALCB at www.talcb.texas.gov.



**Chelsea Buchholtz
Commissioner**

