

1.03. Cost of Authorized Improvements. To the extent that the County has not issued PID Bonds, Developer shall promptly pay the costs of the Authorized Improvements as the same become due pursuant to an approved Payment Request (as defined herein), including, without limitation, all costs of design, engineering, materials, labor, construction, and inspection arising in connection with the Authorized Improvements; all payments arising under any contracts entered into for the construction of the Authorized Improvements; all costs incurred in connection with obtaining governmental approvals, certificates, permits, easements, rights-of-way, or sites required as a part of the construction of the Authorized Improvements, including, without limitation, any on-site or off-site mitigation costs; and all out-of-pocket expenses incurred in connection with the construction of the Authorized Improvements (the "Actual Costs"). The County shall not be liable to any contractor, engineer, attorney, materialman or other party employed or contracted with by Developer in connection with the construction of the Authorized Improvements, but shall only be obligated to acquire the Authorized Improvements and/or reimburse Developer in the manner and to the extent provided in Article II of this Agreement, and for the avoidance of any doubt, solely from Assessments or proceeds of PID Bonds (the "PID Bond Proceeds"), if issued.

1.04 Timing of Authorized Improvements. Notwithstanding anything herein to the contrary, Developer may advance funds and/or construct and install Authorized Improvements as Developer deems appropriate, in its sole discretion, including the construction and installation of Authorized Improvements to serve portions of the Property and in different phases and sections over a period of time until all of the Property is developed. Developer may exercise its sole discretion on all aspects of the phasing and timing of development and shall not be obligated to advance funds and/or construct and install the Authorized Improvements for the entire Property at one time.

1.05 County's Obligation Limited. The Parties agree the County's obligations to reimburse Developer for costs paid related to the Authorized Improvements constructed for the benefit of any phase of development (a "Phase") shall only be paid from (A) PID Bonds, if issued, and/or (B) the PID Assessments and/or annual installments collected from the portion of Property subject to the PID Assessments within each such Phase (the "Assessed Property") (such PID Assessments or annual installments thereof collected on such Assessed Property, the "Assessment Revenue"), and such obligation (i) is contingent upon the County levying such Assessments or issuing PID Bonds related to the Authorized Improvements constructed for the benefit of such phase, and (ii) will not be due and owing unless and until the County actually levies such PID Assessments or issues such PID Bonds related to the Authorized Improvements constructed for the benefit of such phase. The Parties agree that the levying of the Assessments will create the fund out of which the County will pay its obligation under this Reimbursement Agreement and until such time, this Agreement does not create an obligation of the County.

ARTICLE II

Reimbursement for Funds Advanced: Funding of Authorized Improvements

2.01. Obligation to Reimburse; Obligations Limited. The County and Developer agree that the County shall levy Assessments and may, at the discretion of the County, issue and sell, from time to time, PID Bonds to fund the Actual Costs. It is the mutual intent and agreement of

the County and Developer to provide for future reimbursement of funds advanced by Developer for Actual Costs, including PID Costs, through the levy of PID Assessments and/or issuance of PID Bonds and use of Assessment Revenue and/or PID Bond Proceeds. The County is obligated, subject to the provisions of Section 1.05 hereof, to reimburse Developer for all funds advanced by Developer for the acquisition, construction, and management of any Actual Costs of the Authorized Improvements authorized under Chapter 372, Texas Local Government Code and in accordance with the provisions of the SAP. If Developer is in substantial compliance with its obligations under the Development Agreement and this Agreement, then following the inspection and approval of any portion of Authorized Improvements for which Developer seeks reimbursement or payment of the PID Costs by submission of a request for reimbursement or payment (a "Payment Request"), the obligations of the County under this Agreement to pay from Assessment Revenue or the net PID Bond Proceeds, as applicable, disbursements (whether to Developer or to any person designated by Developer) identified in any approved Payment Request and to pay debt service on PID Bonds are unconditional and not subject to any defenses or rights of offset except as may be provided by law or in any Indenture; provided, in no event shall the County Representative be authorized to approve a Payment Request if the County has not previously levied Assessments against Assessed Property within the development related to the Authorized Improvements for which such Payment Request has been submitted. To the extent that the County does not issue PID Bonds, and subject to the provisions of Section 1.05, the County agrees to reimburse Developer from monies available in the Assessment Fund.

Upon the levy of the PID Assessments, the Actual Costs advanced by Developer and approved pursuant to a Payment Request, but not reimbursed by the County pursuant to the terms of this Agreement, shall bear simple interest per annum at the rates specified in Section 2.07. The PID Assessments shall accrue interest in accordance with the SAP. Interest shall continue on the unpaid principal amount of the PID Assessments for 30 years or until the PID Assessments are paid in full, unless otherwise provided in the SAP and/or Assessment Ordinance.

For the avoidance of doubt, the County's obligation to reimburse Developer shall be solely from funds in the Assessment Fund and/or from the PID Bond Proceeds, and Developer agrees to look solely to such sources for reimbursement. The obligations of the County under this Agreement shall not, under any circumstances, give rise to or create a charge against the general credit or taxing power of the County or a debt or other obligation of the County payable from any source other than the Assessment Fund, or the PID Bond Proceeds, if applicable. The parties further agree that the County's obligation under this Reimbursement Agreement with respect to the PID Costs of Authorized Improvements within any Phase shall be contingent upon the County levying PID Assessments against Property within such Phase related to the Authorized Improvements which will benefit such Phase. The levying of the PID Assessments against Property in each Phase will create the fund out of which the County will pay its obligation related to such Phase and until such time, this Agreement does not create an obligation of the County with respect to any Phase. No other County funds, revenues, taxes, or income of any kind shall be used to pay (i) the Actual Costs of the Authorized Improvements; (ii) amounts due and owing under this Agreement; or (iii) debt service on any PID Bonds. None of the County's elected or appointed officials or any of its officers, employees, consultants or representatives shall incur any liability hereunder to Developer or any other party in their individual capacities by reason of this Reimbursement Agreement or their acts or omissions under this Agreement.

2.02. Time and Amount of Reimbursement. The County shall reimburse Developer for payment of Actual Costs related to the Authorized Improvements for the applicable Phase(s) solely from (i) the proceeds of PID Bonds issued for such Phase(s), and/or (ii) Assessment Revenue collected pursuant to PID Assessments levied on such Phase(s).

In regard to reimbursement from PID Bonds, the County shall reimburse Developer for those Actual Costs that have been paid or advanced by Developer pursuant to Sections 1.03 and 2.01 hereof and in accordance with the terms of the PID Bond Indenture.

Additionally, Developer may request reimbursements directly from Assessment Revenue levied on the applicable Phase of Authorized Improvements. Developer may submit a Payment Request and the associated invoices to County, and the Payment Request shall be paid by the County from Assessment Revenue within thirty (30) days of approval. The invoices included with the Payment Request shall identify the payee, the goods, services and/or materials provided by such payee and the total amount paid with respect to such goods, services and/or materials. If the County timely disapproves of the Payment Request by delivering a detailed notice to Developer, then payment with respect to the disputed portion(s) of the Payment Request shall not be made until Developer and the County settle the dispute. The Parties agree to meet promptly and resolve any dispute within forty-five (45) days from the date of the initial submittal of the Payment Request to County for payment.

With respect to any Payment Request by Developer, in no event shall the County Representative be authorized to approve a request if the County has not previously levied Assessments against Assessed Property within a Phase of the development related to the Authorized Improvements for which such Payment Request has been submitted.

2.03. PID Bonds. The County, in its sole discretion, may issue PID Bonds, in one or more series, when and if the County Commissioners Court determines it is financially feasible for the purposes of: (i) paying all or a portion of the amounts due under this Reimbursement Agreement; or (ii) paying directly PID Costs of Authorized Improvements. PID Bonds issued for such purpose will be secured by and paid solely as authorized by the applicable PID Bond Indenture. Upon the issuance of PID Bonds for such purpose and for so long as PID Bonds remain outstanding, Developer's right to receive payments each year in accordance with this Reimbursement Agreement shall be subordinate to the deposits required under the applicable Indenture related to any outstanding PID Bonds, and Developer shall be entitled to receive funds pursuant to the flow of funds provisions of such Indenture. The failure of the County to issue PID Bonds shall not constitute a failure by the County or otherwise result in an event of default by the County.

The County shall not be obligated to sell or issue any amount of the PID Bonds in excess of the amount then recommended by the County's financial advisor. The County shall not be obligated to offer the PID Bonds in contravention of any law of the State of Texas. The County shall use its best efforts to sell the PID Bonds but shall not be considered to have guaranteed the sale thereof.

2.04. Fund Deposits. Until PID Bonds payable from Assessment Revenue collected from a specific Phase of the development are issued, the County shall bill, collect, and immediately deposit into the Assessment Fund all Assessment Revenue consisting of: (i) revenue collected from the payment of Assessments (including pre-payments and amounts received from the foreclosure of liens but excluding costs and expenses related to collection); and (ii) any additional revenue collected from the payment of Annual Installments, as defined in the SAP (excluding Annual Collection Costs and Delinquent Collection Costs, each as defined in the SAP). Funds in the Assessment Fund shall only be used to pay Actual Costs of the Authorized Improvements or all or any portion of the Reimbursement Agreement Balance, as defined herein, in accordance with this Agreement. Once PID Bonds payable from Assessment Revenue collected from a specific Phase of the development are issued, the County shall bill, collect, and immediately deposit all Assessment Revenue securing such series of PID Bonds in the manner set forth in the applicable PID Bond Indenture; and, if applicable, the County shall continue to deposit all Assessment Revenue or payments thereof not securing a series of PID Bonds into the Assessment Fund.

Once PID Bonds payable from Assessment Revenue collected from a specific Phase of the development are issued, the County shall also deposit PID Bond Proceeds and any other funds authorized or required by the applicable PID Bond Indenture into the funds established by the applicable PID Bond Indenture in the manner set forth in the applicable PID Bond Indenture. Annual installments shall be billed and collected by the County (or by any person, entity, or governmental agency permitted by law) in the same manner and at the same time as County ad valorem taxes are billed and collected. Funds in the PID Project Fund shall only be used in accordance with the applicable PID Bond Indenture; provided that funds disbursed from the applicable PID Project Fund shall be made first from PID Bond Proceeds held in the applicable accounts within such PID Project Fund until such accounts are fully depleted and then from the Developer Improvement Account of the applicable PID Project Fund, if applicable. Funds in the PID Bond Reimbursement Fund shall only be used to pay Actual Costs of the Authorized Improvements not paid from the PID Project Fund in accordance with the applicable PID Bond Indenture.

Notwithstanding any other provision in this Agreement, the Actual Costs of Authorized Improvements within each Phase shall be paid from: (i) the Assessment Revenue collected solely from Assessments levied on the Property within such Phase benefitting from such Authorized Improvements, or (ii) net PID Bond Proceeds or other amounts deposited in an account of the PID Project Fund created under a PID Bond Indenture related to PID Bonds secured by the Assessment Revenue collected solely from Assessments levied on the Property within such Phase benefitting from such Authorized Improvements. The County will pursue all actions permissible under applicable law to cause the Assessments to be collected and the liens related to such Assessments to be enforced continuously, in the manner and to the maximum extent permitted by applicable law, and, to the extent permitted by applicable law, to cause no reduction, abatement or exemption in the Assessments for so long as any PID Bonds are outstanding or a Reimbursement Agreement Balance remains outstanding. The County shall determine or cause to be determined, no later than March 31 of each year, whether any Annual Installment is delinquent. If a delinquency exists, then the County will cause to be commenced as soon as practicable any and all appropriate and legally permissible actions to obtain such Annual Installment, and any delinquent charges and interest thereon, including diligently prosecuting an action to foreclose the currently delinquent Annual

Installment. Notwithstanding the foregoing, the County shall not be required under any circumstances to purchase or make payment for the purchase of the delinquent Assessment or the corresponding Assessed Property or to use any County funds, revenues, taxes, income, or property other than moneys collected from the Assessments. Once PID-Bonds are issued, the applicable PID Bond Indenture shall control in the event of any conflict with this Reimbursement Agreement.

2.05. Payment of Actual Costs. If PID Bonds are not issued (or prior to such issuance) to pay the Actual Costs, Developer may elect to make Developer Advances to pay Actual Costs. If PID Bonds are issued, the PID Bond Proceeds shall be used in the manner provided in the applicable PID Bond Indenture; and, except as may be required under the Development Agreement and/or an applicable PID Bond Indenture, Developer shall have no obligation to make Developer Advances for the related Authorized Improvements, unless the PID Bond Proceeds, together with any other funds in the PID Project Fund, are insufficient to pay the Actual Costs of such Authorized Improvements, in which case Developer shall make Developer Advances to pay the deficit. If Developer Advances are required in connection with the issuance of a series of PID Bonds, then such Developer Advances may be reduced by the amount of payments of Actual Costs of the Authorized Improvements (or portions thereof) to be financed by such PID Bonds that Developer has previously paid if: (i) Developer submits to the County all information related to such costs that would be required by a Closing Disbursement Request at least five (5) days prior to the scheduled closing date of such PID Bonds, and (ii) the County approves such Actual Costs in writing. Developer shall also make Developer Advances to pay for cost overruns (after applying cost savings). The lack of PID Bond Proceeds or other funds in the PID Project Fund shall not diminish the obligation of Developer to pay Actual Costs of the Authorized Improvements.

2.06. Payment of Reimbursement Agreement Balance. The County and Developer agree that shall be entitled to receive payments, until the Maturity Date, in the amounts shown on each approved Payment Request (which amounts include all Actual Costs paid by or at the direction of Developer) plus: (i) simple interest on the unpaid principal balance at the rate of five percent (5%) above the highest average index rate for tax-exempt bonds reported in a daily or weekly bond index approved by the County Commissioners Court and reported in the month before the date the obligation is incurred (which date is the same date of the approval by the County of the Assessment Ordinance levying the Assessments from which the Reimbursement Agreement Balance, or a portion thereof, shall be paid) for years one through five beginning on the date each Payment Request is delivered to the County Representative; and (2) simple interest on the unpaid principal balance at the rate of two percent (2%) above the highest average index rate for tax-exempt bonds reported in a daily or weekly bond index approved by the County Commissioners Court reported in the month before the date the obligation is incurred (which date is the same date of the approval by the County of the Assessment Ordinance levying the Assessments from which the Reimbursement Agreement Balance, or a portion thereof, shall be paid) for years six and later (the unpaid principal balance, together with accrued but unpaid interest, owed Developer for all Payment Requests is referred to as the "Reimbursement Agreement Balance"); provided, however, upon the issuance of PID Bonds, the interest rate due and unpaid on amounts shown on each Payment Request to be paid to Developer shall be the interest rate on the applicable series of PID Bonds issued to finance the costs of the Authorized Improvements for which the Payment Request was filed. The interest rates set forth in this section may be approved by the County Commissioners Court and are authorized by the PID Act. The principal amount of each portion of

the Reimbursement Agreement Balance to be paid under each Assessment Ordinance shall be set forth in the SAP. The County's payment of the Reimbursement Agreement Balance related to the Authorized Improvements constructed for the benefit of the PID shall (i) only be paid from the PID Assessments and/or annual installments collected from Property within the PID once such PID Assessments are levied, (ii) are contingent upon the County levying such PID Assessments, and (iii) will not be due and owing unless and until the County actually levies such PID Assessments;

The Reimbursement Agreement Balance is payable solely from: (i) the Assessment Fund if no PID Bonds are issued for the purpose of paying the costs of the Authorized Improvements related to such Reimbursement Agreement Balance, or (ii) from PID Bond Proceeds and the PID Bond Reimbursement Fund, if applicable, if PID Bonds are issued for the purpose of paying the costs of the Authorized Improvements related to such Reimbursement Agreement Balance. No other County funds, revenues, taxes, income, or property shall be used even if the Reimbursement Agreement Balance is not paid in full by the Maturity Date. Payments made from PID Bond Proceeds deposited in the PID Project Fund and payments made from the PID Bond Reimbursement Fund, if applicable, shall be made in the manner set forth in the applicable PID Bond Indenture.

So long as no PID Bonds are issued and the County has received and approved a Payment Request, the County shall make a payment to Developer from the Assessment Fund for an amount of the Reimbursement Agreement Balance at least annually, and no later than sixty (60) days after the date payment of the Annual installments are due, not to exceed the Assessment Revenue collected and payable to the Developer. In the event that a Prepayment of an Assessment is made prior to the issuance of PID Bonds, the County shall remit payment to Developer for an amount of the Reimbursement Agreement Balance then due and payable not to exceed the Assessment Revenue related to such Prepayment from the Assessment Revenue deposited into the Assessment Fund within sixty (60) days after the Prepayment is made. Payments made from the Assessment Fund toward any outstanding Reimbursement Agreement Balance shall first be applied to unpaid interest on such Reimbursement Agreement Balance owed to Developer, and second to unpaid principal of the Reimbursement Agreement Balance owed to Developer. Each payment from the Assessment Fund shall be accompanied by an accounting that certifies the Reimbursement Agreement Balance as of the date of the payment and that itemizes all deposits to and disbursements from the Assessment Fund since the last payment.

2.07. Disbursements and Transfers at and after Bond Closing. The County and Developer agree that from the proceeds of the PID Bonds, and upon the presentation of evidence satisfactory to the County Representative, the County will cause the trustee under the applicable PID Bond Indenture to pay at closing of the PID Bonds approved amounts from the appropriate account to the persons and entities entitled to payment for costs of issuance and payment of costs incurred in the establishment, administration, and operation of the PID and any other eligible costs incurred by Developer as of the time of the delivery of the PID Bonds as described in the SAP. In order to receive disbursement, Developer shall execute a Closing Disbursement Request to be delivered to the County no less than five (5) days prior to the scheduled closing date for the applicable series of PID Bonds for payment in accordance with the provisions of the PID Bond Indenture. In order to receive additional disbursements from any applicable fund under a PID Bond Indenture,

Developer shall execute a Payment Request, no more frequently than monthly, to be delivered to the County for payment in accordance with the provisions of the applicable PID Bond Indenture and this Agreement. Upon receipt of a Payment Request (along with all accompanying documentation required by the County) from Developer, the County shall conduct a review in order to confirm that such request is complete, to confirm that the work for which payment is requested was performed in accordance with all applicable laws and applicable plans therefor and with the terms of this Agreement and any other agreement between the parties related to Property in the PID, and to verify and approve the Actual Costs of such work specified in such Payment Request. The County shall also conduct such review as is required in its discretion to confirm the matters certified in the Payment Request. Developer agrees to cooperate with the County in conducting each such review and to provide the County with such additional information and documentation as is reasonably necessary for the County to conclude each such review. Developer further agrees that if the County provides to Developer a sales tax exemption certificate, then sales tax will not be approved for payment under a Payment Request. Within ten (10) business days following receipt of any Payment Request after the issuance of a series of PID Bonds, the County shall either: (i) approve the Payment Request and forward it to the trustee for payment, or (ii) provide Developer with written notification of disapproval of all or part of a Payment Request, specifying the basis for any such disapproval. Any disputes shall be resolved as required herein. The County shall deliver the approved or partially approved Payment Request to the trustee for payment, and the trustee shall make the disbursements as quickly as practicable thereafter.

ARTICLE III

Representations

3.01. Representations by Developer. Developer hereby represents to the County that:

- (a) The execution and delivery of this Agreement and the transactions contemplated hereby have been duly authorized by Developer;
- (b) This Agreement, the representations and covenants contained herein, and the consummation of the transactions contemplated hereby shall not violate or constitute a breach of any contract or other agreement to which Developer is a party;
- (c) Developer has made financial arrangements sufficient to ensure its ability to perform its obligations hereunder; and
- (d) Developer will send a representative to all meetings of the County Commissioners Court at which such presence may be requested.

3.02. Representations by the County. The County hereby represents and covenants to Developer that it shall use its good faith efforts:

- (a) To, if decided by the County, issue PID Bonds pursuant to the PID Act and other applicable law; and

- (b) To levy and collect the PID Assessments.

ARTICLE IV

Remedies

4.01. Default by Developer. In the event of default by Developer hereunder, the County shall have the right, after written notice of default to Developer and a reasonable opportunity for Developer to cure:

- (a) To terminate this Agreement without thereby incurring any liability to Developer whatsoever; and
- (b) To pursue any legal or equitable remedy or remedies;

An event of default by Developer does not release the County from the obligation to reimburse Developer for Actual Costs advanced or incurred by Developer on behalf of the County prior to the date of default by Developer or to reimburse Developer for Authorized Improvements previously acquired by or conveyed to the County.

4.02. Default by County. In the event of default by the County, hereunder, Developer shall have the right, after written notice of default to County and a reasonable opportunity for County to cure, to seek a writ of mandamus from a court of competent jurisdiction compelling and requiring the County and its officers to observe and perform the covenants, obligations and conditions hereof.

4.03. Future Performance. The failure of either party hereto to insist, in any one or more instances, upon performance of any of the terms, covenants, and conditions of this Agreement shall not be construed as a waiver or relinquishment of the future performance of any such term, covenant, or condition by the other party hereto, but the obligation of such other party with respect to such future performance shall continue in full force and effect.

ARTICLE V

Miscellaneous

5.01. Severability. In case any one or more provision contained in this Reimbursement Agreement shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision hereof, and this Agreement shall be construed as if such invalid, illegal or unenforceable provision had never been contained herein.

5.02. Modification. This Agreement may be modified or varied only by a written instrument subscribed by both of the parties hereto.

5.03. Assignability. This Agreement may be assigned, in whole or in part, by Developer

upon the delivery to the County of a written instrument evidencing such assignment. The County shall promptly execute an acknowledgement of such assignment, in form reasonably requested by Developer. Notwithstanding the foregoing, the Developer may to grant a security interest in Developer's rights hereunder and to all sums to be paid to Developer by the County pursuant to this Agreement to any bank or lending institution making a construction or development loan to Developer for payment of Actual Costs upon written notice thereof to the County and to the extent permitted by State law.

5.04. Captions. The captions used in connection with the paragraphs of this Agreement are for convenience only and shall not be deemed to construe or limit the meaning of the language contained in this Agreement or used as interpreting the meanings and provisions hereof.

5.05. Applicable Law. This Agreement shall be construed and interpreted under the laws of the State of Texas and all obligations of the parties created hereunder are performable in Montgomery County, Texas.

5.06. Parties in Interest. This Agreement shall be for the sole and exclusive benefit of the parties hereto and shall never be construed to confer any benefit on any third party. This Agreement shall be binding upon each party, its successors and assigns.

5.07. Term. The term of this Agreement shall begin on the Effective Date (as defined herein) and shall continue until all amounts due under this Agreement are paid in full.

5.08. Force Majeure. If the County or Developer is rendered unable, in whole or in part, by force majeure to carry out any of its obligations under this Agreement, then the obligations of such party, to the extent affected by such force majeure and to the extent that due diligence is being used to remedy such inability and to resume performance at the earliest practicable time, shall be suspended during the continuance of any inability so caused to the extent provided but for no longer period. The term "force majeure," as used herein, shall include, without limitation, acts of God; strikes, lockouts, or other industrial disturbances; acts of public enemy; order of any kind of the government of the United States or the State of Texas or any civil or military authority; insurrections; riots; epidemics; landslides; lightning; earthquakes; fires; hurricanes; storms; floods; washouts; droughts; arrests; restraint of government and people; civil disturbances; explosions; breakage or accidents to machinery, pipelines or canals; partial or total failure of water supply and inability to provide water necessary for operation of the sewer system, or to receive waste; and any other incapacities of the party, whether similar to those enumerated or otherwise, which are not within the control of the party, which the party could not have avoided by the exercise of due diligence and care. It is understood and agreed that the settlement of strikes and lockouts shall be entirely within the discretion of such party, and that the above requirement that any force majeure shall be remedied with all reasonable dispatch shall not require the settlement of strikes and lockouts by acceding to the demand of the opposing party or parties when such settlement is unfavorable to it in the judgment of such party.

5.09. Non-Waiver. The failure by a party to insist upon the strict performance of any provision of this Reimbursement Agreement by the other party, or the failure by a party to exercise

its rights upon a default by the other party, shall not constitute a waiver of such party's right to insist upon and demand strict compliance by such other party with the provisions of this Agreement.

5.10. Third Party Beneficiaries. Nothing in this Agreement is intended to or shall be construed to confer upon any person or entity other than the County and Developer any rights under or by reason of this Agreement. All provisions of this Agreement shall be for the sole and exclusive benefit of the County and Developer.

5.11. Counterparts. This Agreement may be executed in multiple counterparts, which, when taken together, shall be deemed one original.

5.12. Employment of Undocumented Workers. During the term of this Agreement, Developer agrees not to knowingly employ any undocumented workers and, if convicted of a violation under 8 U.S.C. Section 1324a(f), Developer shall repay any incentives granted herein within 120 days after the date Developer is notified by the County of such violation, plus interest at the rate of six percent (6%) compounded annually from the date of violation until paid. Pursuant to Section 2264.101(c), Texas Government Code, a business is not liable for a violation of Chapter 2264 by a subsidiary, affiliate, or franchisee of the business, or by a person with whom the business contracts.

5.13. No Boycott of Israel. To the extent this Agreement constitutes a contract for goods or services for which a written verification is required under Section 2271.002, Texas Government Code, Developer hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not boycott Israel and will not boycott Israel during the term of this Agreement. The foregoing verification is made solely to enable the County to comply with such Section and to the extent such Section does not contravene applicable federal or Texas law. As used in the foregoing verification, "boycott Israel," a term defined in Section 2271.001, Texas Government Code, by reference to Section 808.001(1), Texas Government Code, 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.

5.14 Iran, Sudan, and Foreign Terrorist Organizations. 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 enable County to comply with Section 2252.152, Texas Government Code, and to the extent such Section does not contravene applicable

federal law or Texas law and excludes 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.

5.15. No Discrimination Against Fossil Fuel Companies. To the extent this Agreement constitutes a contract for goods or services for which a written verification is required under Section 2274.002 (as added by Senate Bill 13 in the 87th Texas Legislature, Regular Session), Texas Government Code, as amended, 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 enable the County to comply with such Section and to the extent such Section does not contravene applicable federal or Texas law. As used in the foregoing verification, “boycott energy companies,” a term defined in Section 2274.001(1), Texas Government Code (as enacted by such Senate Bill) by reference to Section 809.001, Texas Government Code (also as enacted by such Senate Bill), shall mean, without an ordinary business purpose, 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 with a company because the company (A) engages in the exploration, production, utilization, transportation, sale, or manufacturing of fossil fuel-based energy and does not commit or pledge to meet environmental standards beyond applicable federal and state law; or (B) does business with a company described by (A) above.

5.16. No Discrimination Against Firearm Entities and Firearm Trade Associations. To the extent this Agreement constitutes a contract for goods or services for which a written verification is required under Section 2274.002 (as added by Senate Bill 19 in the 87th Texas Legislature, Regular Session), Texas Government Code, as amended, Developer hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not have a practice, policy, guidance, or directive that discriminates against a firearm entity or firearm trade association and will not discriminate against a firearm entity or firearm trade association during the term of this Agreement. The foregoing verification is made solely to enable the County to comply with such Section and to the extent such Section does not contravene applicable federal or Texas law. As used in the foregoing verification, the following definitions apply:

(a) “Discriminate against a firearm entity or firearm trade association,” a term defined in Section 2274.001(3), Texas Government Code (as enacted by such Senate Bill), (A) means, with respect to the firearm entity or firearm trade association, to (i) refuse to engage in the trade of any goods or services with the firearm entity or firearm trade association based solely on its status as a firearm entity or firearm trade association, (ii) refrain from continuing an existing business relationship with the firearm entity or firearm trade association based solely on its status as a firearm entity or firearm trade association, or (iii) terminate an existing business relationship with the firearm entity or firearm trade association based solely on its status as a firearm entity or firearm trade association; and (B) does not include (i) the established policies of a merchant, retail seller, or platform that restrict or prohibit the listing or selling of ammunition, firearms, or firearm accessories; and

(ii) a company's refusal to engage in the trade of any goods or services, decision to refrain from continuing an existing business relationship, or decision to terminate an existing business relationship: (aa) to comply with federal, state, or local law, policy, or regulations or a directive by a regulatory agency; or (bb) for any traditional business reason that is specific to the customer or potential customer and not based solely on an entity's or association's status as a firearm entity or firearm trade association;

(b) "Firearm entity," a term defined in Section 2274.001(6), Texas Government Code (as enacted by such Senate Bill), means (A) a manufacturer, distributor, wholesaler, supplier, or retailer of firearms (defined in Section 2274.001(4), Texas Government Code, as enacted by such Senate Bill, as weapons that expel projectiles by the action of explosive or expanding gases), firearm accessories (defined in Section 2274.001(5), Texas Government Code, as enacted by such Senate Bill, as devices specifically designed or adapted to enable an individual to wear, carry, store, or mount a firearm on the individual or on a conveyance and items used in conjunction with or mounted on a firearm that are not essential to the basic function of the firearm, including detachable firearm magazines), or ammunition (defined in Section 2274.001(1), Texas Government Code, as enacted by such Senate Bill, as a loaded cartridge case, primer, bullet, or propellant powder with or without a projectile); and (B) a sport shooting range (defined in Section 250.001, Texas Local Government Code, as a business establishment, private club, or association that operates an area for the discharge or other use of firearms for silhouette, skeet, trap, black powder, target, self-defense, or similar recreational shooting); and

(c) "Firearm trade association," a term defined in Section 2274.001(7), Texas Government Code (as enacted by such Senate Bill), means any person, corporation, unincorporated association, federation, business league, or business organization that: (A) is not organized or operated for profit and for which none of its net earnings inures to the benefit of any private shareholder or individual; (B) has two or more firearm entities as members; and (C) is exempt from federal income taxation under Section 501(a), Internal Revenue Code of 1986, as an organization described by Section 501(c) of that code.

5.17. Affiliate. As used in Sections 5.12 through 5.16, Developer understands "affiliate" to mean an entity that controls, is controlled by, or is under common control with Developer within the meaning of SEC Rule 405, 17 C.F.R. § 230.405, and exists to make a profit.

5.18. Form 1295. Submitted herewith is a completed Form 1295 generated by the Texas Ethics Commission's (the "TEC") electronic filing application in accordance with the provisions of Section 2252.908 of the Texas Government Code and the rules promulgated by the TEC (the "Form 1295"). The County hereby confirms receipt of the Form 1295 from Developer, and the County agrees to acknowledge such form with the TEC through its electronic filing application system not later than the 30th day after the receipt of such form. The parties understand and agree that, with the exception of information identifying the County and the contract identification number, neither the County nor its consultants are responsible for the information contained in the Form 1295; that the information contained in the Form 1295 has been provided solely by Developer; and neither the County nor its consultants have verified such information.

5.19. Notice. Any notice referenced in this Agreement must be in writing and shall be deemed given at the addresses shown below ninety-six (96) hours after deposited with the United States Postal Service, Certified Mail, Return Receipt Requested.

To the County: Montgomery County Commissioner Precinct 4
23628 Roberts Road
New Caney, Texas 77357
936-521-8919

With a copy to: Montgomery County Attorney's Office
Attn: B. D. Griffin
501 N. Thompson, Suite 300
Conroe, Texas 77301
936-539-7828
bd.griffin@mctx.org

To Developer: Meadow Park, Ltd.
Attn: Mark Martin
23449 Highway 59
Porter, Texas 77357
mark@netmass.com

With a copy to: Coats | Rose, P.C.
Attn: Timothy Green
9 Greenway Plaza, Suite 1000
Houston, Texas 77046
tgreen@coatsrose.com

IN WITNESS WHEREOF, the parties hereto have executed this Reimbursement Agreement in multiple counterparts, each of equal dignity, to be effective as of the date first written below (the "Effective Date").

[Signature Page Immediately Follows]

COUNTY:
MONTGOMERY COUNTY, TEXAS

By: *[Signature]*
Mark J. Keough, County Judge

Date: June 13, 2023

ATTEST

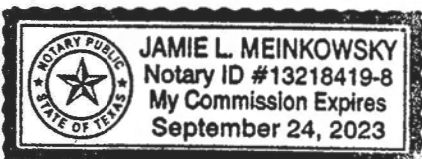
By: *[Signature]*
L. Brandon Steinmann, County Clerk

Date: June 13, 2023



THE STATE OF TEXAS §
 §
COUNTY OF MONTGOMERY §

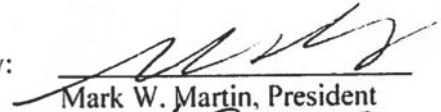
This instrument was acknowledged before me on June 13, 2023, by Mark J. Keough, County Judge, Montgomery County, Texas.



[Signature]
Notary Public, State of Texas

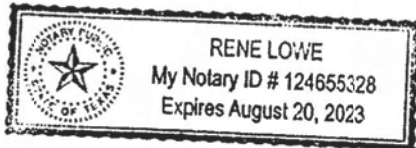
DEVELOPER:
MEADOW PARK, LTD.,
a Texas limited partnership

By: Meadow Park Partners, LLC,
a Texas limited liability company
its General Partner

By: 
Mark W. Martin, President
Date: 6-9-2023

THE STATE OF TEXAS §
 §
COUNTY OF MONTGOMERY §

This instrument was acknowledged before me, the undersigned authority, this 9 day of June, 2023, by Mark W. Martin, President of Meadow Park Partners, LLC, a Texas limited liability company, as general partner for Meadow Park, Ltd., a Texas limited partnership, on behalf of said partnership.




Notary Public, State of Texas

EXHIBIT "A"
LEGAL DESCRIPTION

File No.: 1619755

BEING 167.152 ACRES OF LAND IN THE WILLIAM B. BRIDGES SURVEY, A-73, MONTGOMERY COUNTY, TEXAS, SAID 167.152 ACRES BEING COMPRISED OF FOUR SEPARATE TRACTS DESCRIBED IN INSTRUMENTS TO CODY BIRDWELL, BEING THAT CERTAIN 59.59 ACRE TRACT DESCRIBED IN INSTRUMENT RECORDED UNDER COUNTY CLERK'S FILE NUMBER 8906424, THAT CERTAIN 42.295 ACRE TRACT DESCRIBED IN INSTRUMENT RECORDED UNDER COUNTY CLERK'S FILE NUMBER 8906426, THAT CERTAIN 42.295 ACRE TRACT DESCRIBED IN INSTRUMENT RECORDED UNDER COUNTY CLERK'S FILE NUMBER 8906425, AND THAT CERTAIN 25.00 ACRE TRACT DESCRIBED IN INSTRUMENT RECORDED UNDER COUNTY CLERK'S FILE NUMBER 9137246, ALL OF THE MONTGOMERY COUNTY REAL PROPERTY RECORDS, (M.C.R.P.R.), SAID 167.152 ACRE BEING DESCRIBED MORE PARTICULARLY AS FOLLOWS:

BEGINNING at a 1/2" inch iron rod with "Daffron" cap found in the West right-of-way of Waukegan Road, a county maintained right-of-way, for the Northeast corner of that certain 165.315 acre tract described in instrument to Drillmec, Inc., recorded under County Clerk's File Number 2014116952, of the Montgomery County Official Public Records, (M.C.O.P.R.), being the Southeast corner of second mentioned said 42.295 acre tract, and the herein described 167.152 acre tract;

THENCE South 89°24'30" West, 3311.88 feet, with the South line of said second mentioned 42.295 acre tract, and said 59.59 acre tract, the North line of said 165.315 acre tract, to a 1/2" iron rod found for the Southwest corner of said 59.59 acre tract, the Southeast corner of said 25.00 acre tract, and being an angle point in the South line of the herein described 167.152 acre tract;

THENCE South 89°37'50" West, 584.71 feet, with the South line of said 25.00 acre tract, the North line of said 165.315 acre tract, to a 2" iron pipe found in the East line of that certain 335.9702 acre tract described as Tract I, in instrument to D.P.S.F.L.P., recorded under County Clerk's File Number 2011051036, M.C.O.P.R., for the Northwest corner of said 165.315 acre tract, being the Southwest corner of said 25.00 acre tract and the herein described 167.152 acre tract;

THENCE North 03°01'23" West, with the West line of said 25.00 acre tract, the east line of said 335.9702 acre tract, at 1323.65 feet pass a 4" by 4" concrete monument found for the Northeast corner of said 335.9702 acre tract, being the Southeast corner of that certain called 10.067 acre tract described as Tract I in instrument to Benjamin J. and Julie K. Rojas, recorded under County Clerk's File Number 2001-038077, M.C.O.P.R., at 1324.59 feet pass a 2" iron pipe found for reference, in all a total distance of 1861.77 feet, to a 2-1/4" iron pipe found for the Southwest corner of that certain called 20.00 acre tract described in instrument to Martin Glen Geiger and Jeanie Geiger, recorded under County Clerk's File Number 2013059768, M.C.O.P.R., being the Northwest corner of said 25.00 acre tract, and the herein described 167.152 acre tract;

THENCE North 89°53'34" East, 583.81 feet, with the North line of said 25.00 acre tract, the South line of said 20.00 acre tract, to a 1/2" iron rod found for the Northeast corner of said 25.00 acre tract, being the Northwest corner of said 59.59 acre tract, and being an angle point in the North line of the herein described 167.152 acre tract;

File No.: 1619755
Exhibit A Legal Description

Page 1

THENCE South 89°49'37" East, 782.95 feet, with the North line of said 59.59 acre tract, the South line of said 20.00 acre tract to a 4" by 4" concrete monument found for the Southeast corner of said 20.00 acre tract, being the Southwest corner of the residual of that certain called 90.3 acre tract described in instruments to Don Wallace Page and Ellen Ann Page, Trustees of the Page Living Trust, Dated April 24, 1995, recorded under County Clerk's File Numbers 2006-C11641 and 2006-011642, M.C.O.P.R., and being an angle point in the North line of the herein described 167.152 acre tract, from which a 1-1/2" Steel Stake found (bent) for reference bears South 57°10' East, 0.44 feet;

THENCE South 89°58'06" East, 1428.57 feet with the North line of said 59.59 acre tract, the North of first mentioned said 42.295 acre tract, the south line of the residual of said 90.3 acre tract, to an axle found for the Southeast corner of the residual of said 90.3 acre tract, being the Southwest corner of that certain called 26.142 acre tract described in instrument to Connie Jean Harris Nelson, et al, recorded under County Clerk's File Number 2017011214, M.C.O.P.R., and being an angle point in the North line of the herein described 167.152 acre tract;

THENCE North 89°44'34" East, with the North line of said first mentioned 42.295 acre tract, the south line of said 26.142 acre tract and that certain called 3.539 acre tract described in instrument to Roy Robert Harris, Jr., recorded under County Clerk's File Number 2017011215, M.C.O.P.R., at 1011.98 feet pass a 1/2" iron rod with "Maddux" cap found for the Lower Southeast corner of said 26.142 acre tract, the Southwest corner of said 3.539. in all a total distance of 1097.02 feet to a 5/8" iron rod found for the Northwest corner of that certain called 2.0673 acre tract described in instrument to John Allen Robison and Susanne Agnes Robison, recorded under County Clerk's File Number 8643465, M.C.R.P.R., being the Northerly Northeast corner of the herein described 167.152 acre tract, from which a concrete monument found in the West right-of-way of said Waukegan Road for the Southeast corner of said 3.539 acre tract, being the Northeast corner of said 2.0673 acre tract bears North 89°27'06" East, 389.88 feet;

THENCE South 00°18'25" East, 278.08 feet, with the West line of said 2.0673 acre tract, to a 5/8" iron rod found for the Southwest corner of said 2.0673 acre tract, being an interior corner of the herein described 167.152 acre tract;

THENCE North 89°41'21" East, 267.68 feet, with the South line of said 2.0673 acre tract, to a 5/8" iron rod found in the West right-of-way of said Waukegan Road, the East line of said first mentioned 42.295 acre tract, for the Southeast corner of said 2.0673 acre tract, being the Easterly Northeast corner of the herein described 167.152 acre tract;

THENCE South 20°54'11" West, 152.37 feet, with the West right-of-way of said Waukegan Road, the East line of said first mentioned 42.295 acre tract, to a 1/2" iron rod with cap stamped "Jeff Moon RPLS 4639" set for an angle point;

THENCE South 10°30'34" West, 566.35 feet, with the West right-of-way of said Waukegan Road, the East line of said first mentioned 42.295 acre tract, and said second mentioned 42.295 acre tract, to a 1/2" iron rod found for an angle point;

THENCE South 02°53'59" West, 702.55 feet, with the West right-of-way of said Waukegan Road, the East line of said second mentioned 42.295 acre tract, to a 1/2" iron rod with cap stamped "Jeff Moon RPLS 4639" set for an angle point;

THENCE South 10°26'45" East, 147.08 feet, with the West right-of-way of said Waukegan Road, the East line of said second mentioned 42.295 acre tract, to the POINT OF BEGINNING and containing in all 167.152 acre of land, more or less.

Meadow Park Public Improvement District – Improvement Area #1
(See attached)

Meadow Parks Public Improvement District - IA#1

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June 1, 2023

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F	Ad Valorem Tax Revenues	7
G	Competitive Communities Tax Rates	8
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Exhibit A
Meadow Parks Public Improvement District - IA#1
PID Summary
June 1, 2023

Units	
40' Lots	356
50' Lots	-
60' Lots	-
Commercial SF	-

Values	
Estimated Appraisal Value	\$ 12,816,000
Total Assessed Value	\$ 89,000,000
Value to Lien - Improved Land Value	2.00

Assessments	
Assessment Levy Date	10/1/2023
Bond Issuance Date - A Series	10/1/2023
Bond Issuance Date - B Series	10/1/2025
Bond Term	30
Interest Rate - A Series	5.75%
Interest Rate - B Series	5.25%

Bond Proceeds	\$ 14,955,000
Reserve Fund	\$ (1,036,525)
First Year Administrative Fund	\$ (30,000)
Capitalized Interest	\$ (368,575)
Underwriter's Discount	\$ (448,650)
Cost of Issuance	\$ (897,300)
Net Bond Proceeds	\$ 12,173,950

40' Lots Assessment/Unit	\$ 42,008
50' Lots Assessment/Unit	\$ -
60' Lots Assessment/Unit	\$ -
Commercial Assessment/SF	\$ -

Costs	
Authorized Improvements	\$ 15,444,254
Bond Issuance Costs	\$ 2,781,050
Less: Bond Proceeds	\$ (14,955,000)
Owner Contribution	\$ 3,270,304

Average Annual Installments	
First Annual Installment Due	1/31/2024
Total Average Annual Installment	\$ 522,272
40' Lots Annual Installment/Unit	\$ 3,144
50' Lots Annual Installment/Unit	\$ -
60' Lots Annual Installment/Unit	\$ -
Commercial Annual Installment/SF	\$ -

Equivalent Tax Rates	
PID Equivalent Tax Rate / \$100 AV	\$ 1.258
Total Tax Rate after PID / \$100 AV	\$ 3.000

Exhibit B
Meadow Parks Public Improvement District - IA#1
Authorized Improvements
June 1, 2023

Authorized Improvements [a]	IA #1 [b]
Erosion Control, Mobilization, and Site Preparation	\$ 3,587,263
Streets and Sidewalks	\$ 2,686,359
Storm Sewer, Drainage, & Detention [c]	\$ 3,673,874
Park Improvements	\$ 673,514
District Formation Costs	\$ 150,000
Soft Costs (20%)	\$ 2,124,202
Contingency (20%)	\$ 2,124,202
Project Management Fee (4%)	\$ 424,840
Total Authorized Improvements	\$ 15,444,254

Footnotes:

[a] Per Meadow Parck Section 1 OPC, dated 3/2/2023. Excludes water, sanitary sewer, and natrual gas lines.

[b] Total IA#1 costs calculated on a per lot basis per Meadow Park Section 1 OPC, dated 3/2/2023.

[c] Includes public land purchase for detention.

Exhibit C
Meadow Parks Public Improvement District - IA#1
AV and Assessment Spread
June 1, 2023

Lot Size	Units/ SF [a]	Improved Land		Assessed Value per Unit/SF [b]	Assessed Value	Total Assessment	Average Annual Installment	Assessment Per Unit/SF	Average Annual Installment Per Unit/SF	PID Equivalent Tax Rate
		Value per Unit/SF [b]	Total Improved Land Value							
Improvement Area #1										
40'	356	\$ 40,000	\$ 14,240,000	\$ 250,000	\$ 89,000,000	\$ 14,955,000	\$ 1,119,341	\$ 42,008	\$ 3,144	\$ 1.26
IA #1 Total	356		\$ 14,240,000		\$ 89,000,000	\$ 14,955,000	\$ 1,119,341			\$ 1.26
Improvement Area #2										
50'	136	\$ 52,020	\$ 7,074,720	\$ 291,312	\$ 39,618,432	\$ 6,419,451	\$ 498,039	\$ 47,202	\$ 3,662	\$ 1.26
60'	120	\$ 62,424	\$ 7,490,880	\$ 338,130	\$ 40,575,600	\$ 6,574,543	\$ 510,072	\$ 54,788	\$ 4,251	\$ 1.26
Commercial Pads	102,480	\$ 15	\$ 6,148,800	\$ 200	\$ 20,496,000	\$ 3,321,006	\$ 257,653	\$ 32	\$ 2.51	\$ 1.26
IA #2 Total	256		\$ 20,714,400		\$ 100,690,032	\$ 16,315,000	\$ 1,265,764			\$ 1.26
Total										
Residential Lots	612	\$ 47,068	\$ 28,805,600	\$ 276,461	\$ 169,194,032	\$ 27,948,994	\$ 2,127,452	\$ 45,668	\$ 3,476	\$ 1.26
Commercial Pads	102,480	\$ 15	\$ 6,148,800	\$ 200	\$ 20,496,000	\$ 3,321,006	\$ 257,653	\$ 32	\$ 2.51	\$ 1.26
Project Total	612		\$ 34,954,400		\$ 189,690,032	\$ 31,270,000	\$ 2,385,105			\$ 1.26

Footnotes:

[a] Per Project Land Plan Option C, dated 1/20/22. Assumes 25% FAR for commercial property.

[b] Lot and home pricing provided by client, client to provide commercial value assumptions. Assumes 2% inflation per year.

Exhibit D
Meadow Parks Public Improvement District - IA#1
Value to Lien Analysis
June 1, 2023

		IA#1A	IA#1B
		Value to Lien	
Total Assessment	[1]	\$ 6,410,000	\$ 8,545,000
<i>Bond Issuance Costs</i>			
Reserve Fund		\$ 462,125	\$ 574,400
First Year Administrative Fund		\$ 30,000	\$ -
Capitalized Interest		\$ 368,575	\$ -
Underwriter's Discount		\$ 192,300	\$ 256,350
Cost of Issuance		\$ 384,600	\$ 512,700
	[2]	\$ 1,437,600	\$ 1,343,450
Net Proceeds	[3] = [1] - [2]	\$ 4,972,400	\$ 7,201,550
Improved Land Value	[4]	\$ 14,240,000	
Less: Appraisal Discount (10%)	[5]	\$ (1,424,000)	
Estimated Appraisal Value	[6] = [4] + [5]	\$ 12,816,000	
Total Assessment	[1]	\$ 6,410,000	
Value to Lien - Improved Land	[7] = [6] ÷ [1]	2.00	
Assessed Value	[8]		\$ 89,000,000
Less: Value Applied to Previous Bond Issuance	[9]		\$ (12,816,000)
Estimated Appraisal Value	[10] = [8] + [9]		\$ 76,184,000
Total Assessment	[1]		\$ 6,410,000
Value to Lien - Assessed Value	[11] = [10] ÷ [1]		11.89

Exhibit E
Meadow Parks Public Improvement District - IA#1
Sources and Uses
June 1, 2023

	IA #1 A	IA #1 B
Sources of Funds		
PID Assessment	\$ 6,410,000	\$ 8,545,000
Owner Contribution [a]	\$ 10,471,854	\$ 3,270,304
Total Sources	\$ 16,881,854	\$ 11,815,304
Uses of Funds		
<i>Authorized Improvements</i>		
Internal Improvements	\$ 15,444,254	
Remaining Improvements		\$ 10,471,854
<i>Bond Issuance Costs</i>		
Reserve Fund	\$ 462,125	\$ 574,400
First Year Administrative Fund	\$ 30,000	\$ -
Capitalized Interest	\$ 368,575	\$ -
Underwriter's Discount	\$ 192,300	\$ 256,350
Cost of Issuance	\$ 384,600	\$ 512,700
	\$ 1,437,600	\$ 1,343,450
Total Uses	\$ 16,881,854	\$ 11,815,304

Footnotes:

[a] Owner will fund all costs not covered by Assessments.

Exhibit F
Meadow Parks Public Improvement District - IA#1
Ad Valorem Tax Revenues
June 1, 2023

Tax Entity	Ad Valorem Tax Rate [a]	Estimated Annual Ad Valorem Revenues [b]
Montgomery County	\$ 0.3742	\$ 633,124
Montgomery County Hospital	\$ 0.0502	\$ 84,935
ESD #1	\$ 0.0953	\$ 161,242
Conroe ISD	\$ 1.1146	\$ 1,885,837
Lone Star College	\$ 0.1078	\$ 182,391
Total	\$ 1.7421	\$ 2,947,529
PID Equivalent Rate	\$ 1.2574	
Total Rate Including PID	\$ 2.9995	

Footnotes:

[a] 2022 rates per Montgomery Central Appraisal District.

[b] Assumes an Estimated Buildout Value of \$189,690,032.

Exhibit G
Meadow Parks Public Improvement District - IA#1
Competitive Communities Tax Rates
June 1, 2023

Competitive Tax Rate Rankings	
Artavia	3.0968
Meadow Parks	2.9995
Barton Woods	2.9540
Texas National	2.8491
Meadows at Jacobs Reserve	2.5714
Market Average	2.8678

Meadow Parks	
Montgomery County	0.3742
Montgomery County Hospital	0.0502
ESD #1	0.0953
Conroe ISD	1.1146
Lone Star College	0.1078
Subtotal	<u>1.7421</u>
Meadow Parks PID	1.2574
Total	<u>2.9995</u>

Texas National	
Montgomery County	0.3742
Montgomery County Hospital	0.0502
ESD #1	0.0953
Willis ISD	1.1546
Lone Star College	0.1078
Texas National MUD	1.0670
Total	<u>2.8491</u>

Meadows at Jacobs Reserve	
Montgomery County	0.3742
ESD #4	0.0946
Montgomery County Hospital	0.0502
Lone Star College	0.1078
Conroe ISD	1.1146
Montgomery County MUD #112	0.8300
Total	<u>2.5714</u>

Barton Woods	
City of Conroe	0.4272
Montgomery County	0.3742
Montgomery County Hospital	0.0502
Conroe ISD	1.1146
Conroe MUD #1	0.8800
Lone Star College	0.1078
Total	<u>2.9540</u>

Artavia	
Montgomery County	0.3742
Montgomery County Hospital	0.0502
ESD #9	0.1000
Lone Star College	0.1078
Conroe ISD	1.1146
Montgomery County MUD #111	1.3500
Total	<u>3.0968</u>

Note: Tax rates shown are for Tax Year 2022 per Montgomery CAD.



Exhibit H
Meadow Parks Public Improvement District - IA#1
Improvement Area #1 - A Bond
June 1, 2023

Sources:

Assessment Amount (5.75% Interest Rate) \$ 6,410,000

Uses:

Reserve Fund (Maximum Annual Debt Service) 462,125
 First Year Administrative Expense 30,000
 Capitalized Interest (12 months) 368,575
 Underwriter Discount/Underwriter's Counsel Fee (3%) 192,300
 Cost of Issuance (6.00%) 384,600
 Net Bond Proceeds \$ 4,972,400

PID Equivalent Tax Rate \$ 0.5868
 Average Installment \$ 522,272
 Minimum Debt Service Coverage 1.00

Issuance Date: October 1, 2023

Annual Installment Due 1/31	Principal	Interest Rate	Annual Interest Due	Principal + Interest	Administrative Expenses [a]	Additional Interest Reserve [b]	P & I + Admin + Reserves	Capitalized Interest [c]	Reserve Fund Releases	PID Annual Installment
2024	\$ -	5.75%	\$ 368,575	\$ 368,575	\$ 30,600	\$ 32,050	\$ 431,225	\$ 368,575	\$ -	\$ 62,650
2025	90,000	5.75%	368,575	458,575	31,212	32,050	521,837	-	-	521,837
2026	95,000	5.75%	363,400	458,400	31,836	31,600	521,836	-	-	521,836
2027	100,000	5.75%	357,938	457,938	32,473	31,125	521,535	-	-	521,535
2028	105,000	5.75%	352,188	457,188	33,122	30,625	520,935	-	-	520,935
2029	115,000	5.75%	346,150	461,150	33,785	30,100	525,035	-	-	525,035
2030	120,000	5.75%	339,538	459,538	34,461	29,525	523,523	-	-	523,523
2031	125,000	5.75%	332,638	457,638	35,150	28,925	521,712	-	-	521,712
2032	135,000	5.75%	325,450	460,450	35,853	28,300	524,603	-	-	524,603
2033	140,000	5.75%	317,688	457,688	36,570	27,625	521,882	-	-	521,882
2034	150,000	5.75%	309,638	459,638	37,301	26,925	523,864	-	-	523,864
2035	160,000	5.75%	301,013	461,013	38,047	26,175	525,235	-	-	525,235
2036	170,000	5.75%	291,813	461,813	38,808	25,375	525,996	-	-	525,996
2037	175,000	5.75%	282,038	457,038	39,584	24,525	521,147	-	-	521,147
2038	190,000	5.75%	271,975	461,975	40,376	23,650	526,001	-	-	526,001
2039	200,000	5.75%	261,050	461,050	41,184	22,700	524,934	-	-	524,934
2040	210,000	5.75%	249,550	459,550	42,007	21,700	523,257	-	-	523,257
2041	220,000	5.75%	237,475	457,475	42,847	20,650	520,972	-	-	520,972
2042	235,000	5.75%	224,825	459,825	43,704	19,550	523,079	-	-	523,079
2043	250,000	5.75%	211,313	461,313	44,578	18,375	524,266	-	-	524,266
2044	260,000	5.75%	196,938	456,938	45,470	17,125	519,532	-	-	519,532
2045	280,000	5.75%	181,988	461,988	46,379	15,825	524,192	-	-	524,192
2046	295,000	5.75%	165,888	460,888	47,307	14,425	522,619	-	-	522,619
2047	310,000	5.75%	148,925	458,925	48,253	12,950	520,128	-	-	520,128
2048	330,000	5.75%	131,100	461,100	49,218	11,400	521,718	-	-	521,718
2049	350,000	5.75%	112,125	462,125	50,203	9,750	522,078	-	-	522,078
2050	365,000	5.75%	92,000	457,000	51,207	8,000	516,207	-	-	516,207
2051	390,000	5.75%	71,013	461,013	52,231	6,175	519,418	-	-	519,418
2052	410,000	5.75%	48,588	458,588	53,275	4,225	516,088	-	-	516,088
2053	435,000	5.75%	25,013	460,013	54,341	2,175	516,528	-	516,528	-
Totals	\$ 6,410,000	5.75%	\$ 7,286,400	\$ 13,696,400	\$ 1,241,383	\$ 633,600	\$ 15,571,383	\$ 368,575	\$ 516,528	\$ 14,686,280

Footnotes:

- [a] Preliminary estimate. Assumes Administrative Expenses escalate at 2.00% per year.
- [b] Preliminary estimate. Assumes the interest rate used to calculate the assessments is 0.50% higher than the actual interest rate on the bonds to fund interest related to delinquencies and the prepayment of assessments. Unused funds will be applied to the final year's debt service payment and/or credited back to the landowners.
- [c] Assumes 12 months capitalized interest.



Exhibit I
Meadow Parks Public Improvement District - IA#1
Improvement Area #1 - B Bond
June 1, 2023

Sources:

Assessment Amount (5.25% Interest Rate) \$ 8,545,000

Uses:

Reserve Fund (Maximum Annual Debt Service) 574,400
 First Year Administrative Expense -
 Capitalized Interest (0 months) -
 Underwriter Discount/Underwriter's Counsel Fee (3%) 756,350
 Cost of Issuance (6.00%) 512,700
Net Assessment Proceeds \$ 7,201,550

PID Equivalent Tax Rate \$ 0.6709
 Average Installment \$ 597,069
 Minimum Debt Service Coverage 1.00

Assessment Levy Date: **October 1 2023**

Annual Installment Due 1/31	Principal	Interest Rate	Annual Interest Due	Principal + Interest	Administrative Expenses [a]	Additional Interest Reserve [b]	P & I + Admin + Reserves	Capitalized Interest [c]	Reserve Fund Releases	PID Annual Installment
2024	125,000	5.25%	448,613	\$ 573,613	\$ -	\$ -	\$ 573,613	\$ -	\$ -	\$ 573,613
2025	130,000	5.25%	442,050	572,050	-	-	572,050	-	-	572,050
2026	135,000	5.25%	435,225	570,225	-	41,450	611,675	-	-	611,675
2027	145,000	5.25%	428,138	573,138	-	40,775	613,913	-	-	613,913
2028	150,000	5.25%	420,525	570,525	-	40,050	610,575	-	-	610,575
2029	160,000	5.25%	412,650	572,650	-	39,300	611,950	-	-	611,950
2030	165,000	5.25%	404,250	569,250	-	38,500	607,750	-	-	607,750
2031	175,000	5.25%	395,588	570,588	-	37,675	608,263	-	-	608,263
2032	185,000	5.25%	386,400	571,400	-	36,800	608,200	-	-	608,200
2033	195,000	5.25%	376,688	571,688	-	35,875	607,563	-	-	607,563
2034	205,000	5.25%	366,450	571,450	-	34,900	606,350	-	-	606,350
2035	215,000	5.25%	355,688	570,688	-	33,875	604,563	-	-	604,563
2036	230,000	5.25%	344,400	574,400	-	32,800	607,200	-	-	607,200
2037	240,000	5.25%	332,325	572,325	-	31,650	603,975	-	-	603,975
2038	250,000	5.25%	319,725	569,725	-	30,450	600,175	-	-	600,175
2039	265,000	5.25%	306,600	571,600	-	29,200	600,800	-	-	600,800
2040	280,000	5.25%	292,688	572,688	-	27,875	600,563	-	-	600,563
2041	295,000	5.25%	277,988	572,988	-	26,475	599,463	-	-	599,463
2042	310,000	5.25%	262,500	572,500	-	25,000	597,500	-	-	597,500
2043	325,000	5.25%	246,225	571,225	-	23,450	594,675	-	-	594,675
2044	345,000	5.25%	229,163	574,163	-	21,825	595,988	-	-	595,988
2045	360,000	5.25%	211,050	571,050	-	20,100	591,150	-	-	591,150
2046	380,000	5.25%	192,150	572,150	-	18,300	590,450	-	-	590,450
2047	400,000	5.25%	172,200	572,200	-	16,400	588,600	-	-	588,600
2048	420,000	5.25%	151,200	571,200	-	14,400	585,600	-	-	585,600
2049	445,000	5.25%	129,150	574,150	-	12,300	586,450	-	-	586,450
2050	465,000	5.25%	105,788	570,788	-	10,075	580,863	-	-	580,863
2051	490,000	5.25%	81,375	571,375	-	7,750	579,125	-	-	579,125
2052	515,000	5.25%	55,650	570,650	-	5,300	575,950	-	-	575,950
2053	545,000	5.25%	28,613	573,613	-	2,725	576,338	-	576,338	-
Totals	\$ 8,545,000	5.25%	\$ 8,611,050	\$ 17,156,050	\$ -	\$ 735,275	\$ 17,891,325	\$ -	\$ 576,338	\$ 17,314,988

Footnotes:

- [a] Preliminary estimate. Assumes Administrative Expenses escalate at 2.00% per year.
- [b] Preliminary estimate. Assumes the interest rate used to calculate the assessments is 0.50% higher than the actual interest rate on the bonds to fund interest related to delinquencies and the prepayment of assessments. Unused funds will be applied to the final year's debt service payment and/or credited back to the landowners.
- [c] Assumes 0 months capitalized interest.

DRAFT

**Exhibit J
Meadow Parks Public Improvement District - IA#1
Assumptions
6/1/2023**

Project Specifics	Assumptions	Source
40' Lot Initial Assessed Value	\$ 250,000	Client
50' Lot Initial Assessed Value	\$ 280,000	Client
60' Lot Initial Assessed Value	\$ 325,000	Client
Lot Price per front foot	\$ 1,000	Client
FAR Ratio- Commercial Property	25%	DPFG
Commercial Improved Land/ SF	\$ 15	DPFG
Commercial Estimated AV/ SF	\$ 200	DPFG
District Formation Costs	\$ 300,000	DPFG
Contingency	20%	DPFG
Soft Costs	20%	DPFG
Project Management Fee	4%	DPFG
Inflation	2%	DPFG

PID Bond	Assumptions	Source
Bond Term	30	DPFG
Improvement Area #1 A Bond Issuance Date	10/1/2023	DPFG
Improvement Area #1 B Bond Issuance Date	10/1/2025	DPFG
Improvement Area #1 Interest Rate - A Series	5.75%	DPFG
Capitalized Interest - A Series	12	DPFG
Interest Rate - B Series	5.25%	DPFG
Capitalized Interest - B Series	-	DPFG
Costs of Issuance	6.0%	Market
Underwriter's Discount	3.0%	Market
Reserve Fund Earnings	0.0%	Market
Debt Service Escalator	0.0%	Market
Additional Interest Reserve	0.5%	Market
Administrative Expenses Escalator	2.0%	Market
Administrative Expenses - A Series	\$ 30,000	Market
Administrative Expenses - B Series	\$ -	Market
Denomination	\$ 5,000	Market
Appraisal Discount	10%	Underwriter

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APPENDIX H
APPRAISAL

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AN APPRAISAL REPORT
OF
MEADOW PARK, SECTIONS 1 AND 2
PUBLIC IMPROVEMENT DISTRICT IMPROVEMENT AREA No. 1

COMPRISED OF 83 FINISHED LOTS ON 15.937 ACRES IN SECTION 1; 103 UNDER-DEVELOPMENT LOTS ON 17.895 ACRES IN SECTION 2, PLUS 57 DETACHED SFRs IN VARIOUS STAGES OF CONSTRUCTION, LOCATED JUST SOUTH OF S.H. 105, ALONG THE WEST LINE OF WILLIS-WAUKEGAN ROAD, IN CONROE, MONTGOMERY COUNTY, TEXAS 77306

FOR

MR. R.R. "TRIPP" DAVENPORT, III
UNDERWRITER
FMSBONDS, INC.
5 COWBOYS WAY, SUITE 300-25
FRISCO, TEXAS 75034

BY

BARLETTA & ASSOCIATES, INC.
1313 CAMPBELL ROAD, BUILDING C
HOUSTON, TEXAS 77055-6429

B&A FILE NUMBER: C8948-01

As Of

DATE OF APPRAISAL TRANSMITTAL:	OCTOBER 1, 2024
DATE OF SITE VISIT & "As Is" VALUE:	AUGUST 3, 2024
EFFECTIVE DATE OF "UPON COMPLETION" VALUE:	SEPTEMBER 30, 2024

BARLETTA & ASSOCIATES, INC.

REAL ESTATE APPRAISERS • CONSULTANTS

October 1, 2024

Mr. R.R. "Tripp" Davenport, III
Underwriter
FMSbonds, Inc.
5 Cowboy Way, Suite 300-25
Frisco, Texas 75034

Phone: 877-899-2220

Email: tdavenport@fmsbonds.com

RE: An Appraisal Report of 83 finished lots on 15.937 acres in Section 1 and 103 under-development lots on 17.895 acres in Section 2, plus 57 detached single-family residences in Section 1 in various stages of construction, located just south of S.H. 105, along the west line of Willis-Waukegan Road, in Conroe, Montgomery County, Texas 77306.

**Client: FMSbonds, Inc.
B&A File No. C8948-01**

Dear Mr. Davenport:

At your request, we have visited the above-referenced property, gathered comparable market data, and conducted a study of the market area for the purpose of providing our opinions of the **"As Is" and "Upon Completion" Bulk Market Lot Values and the Hypothetically "As Complete" Retail Unit Values** as referenced above, in compliance with FMSbonds, Inc.'s Appraisal Instructions, the Uniform Standards of Professional Appraisal Practice, and the Appraisal Institute's Code of Professional Ethics. This appraisal also complies with applicable fair lending and anti-defamation laws including the Equal Credit Opportunity Act (ECOA), the Fair Housing Act (FHAct), the Civil Rights Act of 1866, as well as other federal, state or local laws that prohibit discrimination.

At the request of the client, the "As Is" Market Value of the under-development lots in Section 2 have not been valued herein. Additionally, for any units that are proposed or under-construction, the "As Is" Market Value has not been provided, only the hypothetical "As Complete" value of the units has been provided herein.

It is our opinion that the **"As Is" and "Upon Completion" Bulk Market Lot Values and the Hypothetically "As Complete" Retail Unit Values** of the fee simple interest in the subject property, as of the indicated dates, are as follows:

Description	No. of Lots/Units	Avg. Lot FF	Value	Effective Date
"As Is" Bulk Market Value, Section 1	83	40'	\$4,040,000	8/3/2024
"Upon Completion" Bulk Market Value, Section 2	103	40'	\$4,800,000	9/30/2024
"As Complete" Retail Value - 57 units, Section 1	57	40'	\$13,750,000	8/3/2024

1313 CAMPBELL ROAD, BUILDING C • HOUSTON, TEXAS 77055 • PHONE (713) 464-7700/FAX (713) 464-3696

The Bulk Market Value above is derived from a Sum of Retail Revenue of **\$4,482,000**, or \$54,000 per lot for Section 1; and **\$5,562,000**, or \$54,000 per lot for Section 2.

The estimated prospective **Marketing Period** and historic **Exposure Time** for the subject property at the above concluded "As Is" and Prospective "Upon Completion" Market Values in Bulk is estimated within 3-6 months, based upon discussions with area builders, and the marketing period for comparable properties that have recently sold.

Extraordinary Assumptions:

- 1.) This appraisal assumes that Lennar Homes and First America Homes, or comparable production builder/s, will build upon the existing and under-development subject lots, detached single-family units with a projected price from \$225,990 to \$285,990.
- 2.) If any of these assumptions and conditions prove to be false, it may have an effect on the Market Values contained herein.

Hypothetical Conditions:

- 1.) The subject 57 detached single-family units are in various stages of completion (proposed/under-construction/complete). However, per the client's request, this appraisal is based on the hypothetical condition that the subject floor plans are finished as of the current effective date of this appraisal, August 3, 2024.
- 2.) The valuation of the subject improvements "As Complete" require valuations of the various subject improvements as hypothetically complete, based upon the plans and specifications provided. Developing this opinion of value requires the use of a hypothetical condition, because the subject in the value opinion is as though hypothetically complete. Therefore, we have relied upon specifications for the subject floor plans provided by the subject developing party. Should these representations be amended, or prove to be inaccurate, the value conclusions are subject to revision.
- 3.) If any of these conditions prove to be false, it may have an effect on the Market Values contained herein.

As referenced herein, **Market Value** is defined by FIRREA, as follows:

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 are 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;

Mr. R.R. Tripp Davenport
October 1, 2024
Page 3

- (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.

(Source: Code of Federal Regulations, Title 12, Chapter I, Part 34.42[h]; also Interagency Appraisal and Evaluation Guidelines, Federal Register, 75 FR 77449, September 30, 2010, page 77472)

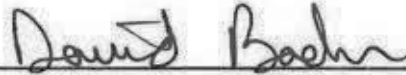
It has been a pleasure serving you. Please call if we may be of further assistance.

Sincerely,

BARLETTA & ASSOCIATES, INC.



Phillip F. Barletta, MAI, SRA
President
State Certified, TX-1320197-G



David M. Baehr, MAI, SRA, AI-GRS
State Certified, TX-1380372-G

CERTIFICATION

We certify, to the best of our knowledge and belief, the following:

USPAP Certifications

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 report, and we have no personal interest with respect to the parties involved.
4. David M. Baehr, MAI, SRA, AI-GRS has provided no other real estate services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment. Phillip F. Barletta, MAI, SRA appraised 12 of the subject lots in Section 1 for another lender/client in June 2024; other than that, he has provided no other real estate services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.
5. We have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
6. Our engagement in this assignment was not contingent upon developing or reporting predetermined results.
7. Our compensation for completing this assignment is not contingent upon the development 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.
8. Our analyses, opinions, and conclusions were developed, and this Appraisal Report has been prepared in conformity with the *Uniform Standards of Professional Appraisal Practice*.
9. David M. Baehr, MAI, SRA, AI-GRS made an unaccompanied visit to the site on August 3, 2024. Phillip F. Barletta, MAI, SRA did not inspect the property, but is familiar with the subject market area and the subject subdivision.
10. No one provided significant real property appraisal assistance to the signers of this appraisal report.
11. This appraisal assignment was not based on a requested minimum valuation, a specific valuation, or the approval of a loan.
12. The appraisers have extensive experience in appraising subdivisions, subdivision lots, base master floor plans, and master-planned residential subdivisions, and are State General Certified; thus, they are well-qualified to appraise the subject property

and fully satisfy the Competency Rule of the Uniform Standards of Professional Appraisal Practice.

13. Phillip F. Barletta, MAI, SRA and David M. Baehr, MAI, SRA, AI-GRS are State Certified General Real Estate Appraisers by the Texas Appraiser Licensing and Certification Board for the State of Texas.

AI Certifications

1. The reported analyses, opinions and conclusions were developed, and this report has also been prepared, in conformity with the requirements of the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute.
2. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
3. As of the date of this report, Phillip F. Barletta, MAI, SRA and David M. Baehr, MAI, SRA, AI-GRS have completed the continuing education program for Designated Members of the Appraisal Institute.

It is our opinion that the **“As Is” and “Upon Completion” Bulk Market Lot Values and the Hypothetically “As Complete” Retail Unit Values** of the fee simple interest in the subject property, as of the indicated dates, are as follows:

Description	No. of Lots/Units	Avg. Lot FF	Value	Effective Date
"As Is" Bulk Market Value, Section 1	83	40'	\$4,040,000	8/3/2024
"Upon Completion" Bulk Market Value, Section 2	103	40'	\$4,800,000	9/30/2024
"As Complete" Retail Value - 57 units, Section 1	57	40'	\$13,750,000	8/3/2024

The estimated prospective **Marketing Period** and historic **Exposure Time** for the 186 finished and under-development subject lots at the above concluded “As Is” and Prospective “Upon Completion” Market Values in Bulk is estimated within 3-6 months, based upon discussions with area builders, and the marketing period for comparable properties that have recently sold.

Extraordinary Assumptions:

- 1.) This appraisal assumes that Lennar Homes and First America Homes, or comparable production builder/s, will build upon the existing and under-development subject lots, detached single-family units with a projected price from \$225,990 to \$285,990.
- 2.) If any of these assumptions and conditions prove to be false, it may have an effect on the Market Values contained herein.

Hypothetical Conditions:

- 1.) The subject 57 detached single-family units are in various stages of completion (proposed/under-construction/complete). However, per the client's request, this appraisal is based on the hypothetical condition that the subject floor plans are finished as of the current effective date of this appraisal, August 3, 2024.
- 2.) The valuation of the subject improvements "As Complete" require valuations of the various subject improvements as hypothetically complete, based upon the plans and specifications provided. Developing this opinion of value requires the use of a hypothetical condition, because the subject in the value opinion is as though hypothetically complete. Therefore, we have relied upon specifications for the subject floor plans provided by the subject developing party. Should these representations be amended, or prove to be inaccurate, the value conclusions are subject to revision.
- 3.) If any of these conditions prove to be false, it may have an effect on the Market Values contained herein.

BARLETTA & ASSOCIATES, INC.

Phillip F. Barletta, MAI, SRA
President
State Certified, TX-1320197-G



David M. Baehr, MAI, SRA, AI-GRS
State Certified, TX-1380372-G

ASSUMPTIONS AND LIMITING CONDITIONS

This appraisal is subject to the following conditions:

1. This Appraisal Report is intended to comply with the reporting requirements set forth under the Uniform Standards of Professional Appraisal Practice, Standards Rule 2-2 (a). As such, this report does, in fact, include narrative discussions of the data, reasoning and analyses that were used in the appraisal process to develop the appraiser's opinion of value. Supporting documentation concerning the data, reasoning, and analyses is included in this report. The appraiser is not responsible for unauthorized use of this report.
2. No responsibility is assumed for legal or title consideration. Title to the property is assumed to be good and marketable unless otherwise stated in this report.
3. The property is appraised free and clear of any or all liens and encumbrances unless otherwise stated in this report.
4. Responsible ownership and competent property management are assumed unless otherwise stated in this report.
5. The information furnished by others is believed to be reliable. However, no warranty is given for its accuracy.
6. All engineering is assumed to be correct. Any plot plans and illustrative material in this report are included only to assist the reader in visualizing the property.
7. It is assumed that there are no hidden or unapparent conditions of the property, subsoil, or structures that render it more or less valuable. No responsibility is assumed for such conditions or for arranging for engineering studies that may be required to discover them.
8. It is assumed that there is full compliance with all applicable federal, state, and local environmental regulations and laws unless otherwise stated in this report.
9. It is assumed that all applicable zoning and use regulations and restrictions have been complied with, unless nonconformity has been stated, defined, and considered in this appraisal report.
10. It is assumed that all required licenses, certificates of occupancy or other legislative or administrative authority from any local, state, or national governmental or private entity or organization have been or can be obtained or renewed for any use on which the value estimates contained in this report are based.

11. Any sketch in this report may show approximate dimensions and is included to assist the reader in visualizing the property. Maps and exhibits found in this report are provided for reader reference purposes only. No guarantee as to accuracy is expressed or implied unless otherwise stated in this report. No survey has been made for the purpose of this report.
12. It is assumed that the utilization of the land and improvements is within the boundaries or property lines of the property described and that there is no encroachment or trespass unless otherwise stated in this report.
13. The appraisers are not qualified to detect hazardous waste and/or toxic materials. Any comment by the appraisers that might suggest the possibility of the presence of such substances should not be taken as confirmation of the presence of hazardous waste and/or toxic materials. Such determination would require investigation by a qualified expert in the field of environmental assessment. The presence of substances such as asbestos, urea-formaldehyde foam insulation, lead contamination, or other potentially hazardous materials may affect the value of the property. The appraisers' value estimate is predicated on the assumption that there is no such material on or in the property that would cause a loss in value unless otherwise stated in this report. No responsibility is assumed for any environmental conditions, or for any expertise or engineering knowledge required to discover them. The appraisers' descriptions and resulting comments are the result of the routine observations made during the appraisal process.
14. Unless otherwise stated in this report, the subject property is appraised without a specific compliance survey having been conducted to determine if the property is or is not in conformance with the requirements of the Americans With Disabilities Act. The presence of architectural and communications barriers that are structural in nature that would restrict access by disabled individuals may adversely affect the property's value, marketability, or utility.
15. Any proposed improvements are assumed to be completed in a good workmanlike manner in accordance with the submitted plans and specifications.
16. The distribution, if any, of the total valuation in this report between land and improvements applies only under the stated program of utilization. The separate allocations for land and buildings must not be used in conjunction with any other appraisal and are invalid if so used.
17. Possession of this report, or a copy thereof, does not carry with it the right of publication. It may not be used for any purpose by any person other than the party to whom it is addressed without the written consent of the appraisers, and in any event, only with proper written qualification and only in its entirety.
18. Neither all nor any part of the contents of this report (especially any conclusions as to value, the identity of the appraisers, or the firm with which the appraisers are

connected) shall be disseminated to the public through advertising, public relations, new sales, or other media without prior written consent and approval of the appraisers.

19. Texas is a non-disclosure state. It is important that the intended user of the appraisal understand that, in Texas, there is no legal requirement for grantors or grantees to disclose any information relative to a transfer of real property. In Texas, deeds typically do not contain information about the transaction other than the legal description, the parties involved in the transaction and minimum consideration of \$10.00. As a result, no data source provides absolute coverage of all transactions. It is possible that there are sales data in the market, of which the appraisers are unaware. Our sources provide the data typically available to appraisers in the ordinary course of business.

Extraordinary Assumptions:

- 1.) This appraisal assumes that Lennar Homes and First America Homes, or comparable production builder/s, will build upon the existing and under-development subject lots, detached single-family units with a projected price from \$225,990 to \$285,990.
- 2.) If any of these assumptions and conditions prove to be false, it may have an effect on the Market Values contained herein.

Hypothetical Conditions:

- 1.) The subject 57 detached single-family units are in various stages of completion (proposed/under-construction/complete). However, per the client's request, this appraisal is based on the hypothetical condition that the subject floor plans are finished as of the current effective date of this appraisal, August 3, 2024.
- 2.) The valuation of the subject improvements "As Complete" require valuations of the various subject improvements as hypothetically complete, based upon the plans and specifications provided. Developing this opinion of value requires the use of a hypothetical condition, because the subject in the value opinion is as though hypothetically complete. Therefore, we have relied upon specifications for the subject floor plans provided by the subject developing party. Should these representations be amended, or prove to be inaccurate, the value conclusions are subject to revision.
- 3.) If any of these conditions prove to be false, it may have an effect on the Market Values contained herein.

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SUMMARY OF SALIENT FACTS AND CONCLUSIONS

Property Name: **Meadow Park Sections 1 and 2 – Meadow Park Public Improvement District, Improvement Area No. 1**

Type of Property: The subject consists of 83 finished 40' x 115' lots on 15.937 acres in Section 1 and 103 under-development 40' x 115' lots on 17.895 acres in Section 2, plus 57 detached single-family residences in Section 1 in various stages of construction located just south of S.H. 105, along the west line of Willis-Waukegan Road, in Conroe, Montgomery County, Texas 77306.

Key Map Reference: 160-T

Postal Address: Conroe, Texas 77306

Location: The subject subdivision is located just south of S.H. 105, along the west line of Willis-Waukegan Road, in Conroe, Montgomery County, Texas 77306.

Tract Sizes: Section 1 - 15.937 acres (83 lots)
Section 2 – 17.895 acres (103 lots)

Density: Section 1 - 5.21 lots per acre
Section 2 – 5.76 lots per acre

Subject Lot Mix:

<u>Section No.</u>	<u>No.</u>	<u>Description</u>	<u>Avg. FF</u>	<u>Avg. Size</u>
1	83	Existing	40'	4,600 SF
2	103	Under-development	40'	4,600 SF
	186			

Appraisal Dates:

- Date of Report Transmittal: October 1, 2024
 - As Is Date of Value: August 3, 2024
 - Upon Completion Date of Value: September 30, 2024

Purpose of the Appraisal: To provide an opinion of the “As Is” and “Upon Completion” Bulk Market Values, per U.S.P.A.P.; FMSbonds, Inc.’s Appraisal Guidelines; and the Appraisal Institute’s Code of Professional Ethics.

Rights Appraised: Fee Simple Estate

Zoning/Restrictions: None. The subdivision will be subject to typical residential lot deed restrictions. Yet, we are aware of no restrictions that would adversely affect development of the subject site to its highest and best use.

Utilities/Services:

Utilities/Services	
Electricity:	Reliant Energy and others
Water/Sanitary Sewer:	Crystal Springs Water Company
Gas:	CenterPoint Energy
Phone:	AT&T & others
Police Protection:	Montgomery County Sheriff's Dept.
Fire Protection:	Emergency Service District #1
School District:	Conroe ISD

Floodplain:

FEMA Flood Map	
Flood Map No.:	48339C0425G
Flood Map Date:	8/18/2014
Flood Map Designation:	Zone X

Environmental: No adverse influences noted or known, such as endangered species, habitats, or wetlands.

Builder/s: Lennar Homes and First America Homes

New Home Price Range: \$225,990 to \$285,990

Highest & Best Uses:

Highest & Best Use of Lots: Construction of single-family residential homes, as demand and market conditions warrant in the \$225,990 to \$285,990 price range by Lennar Homes and First America Homes or comparable builders.

CONCLUSIONS:

It is our opinion that the **“As Is” and “Upon Completion” Bulk Market Lot Values and the Hypothetically “As Complete” Retail Unit Values** of the fee simple interest in the subject property, as of the indicated dates, are as follows:

Description	No. of Lots/Units	Avg. Lot FF	Value	Effective Date
"As Is" Bulk Market Value, Section 1	83	40'	\$4,040,000	8/3/2024
"Upon Completion" Bulk Market Value, Section 2	103	40'	\$4,800,000	9/30/2024
"As Complete" Retail Value - 57 units, Section 1	57	40'	\$13,750,000	8/3/2024

IDENTIFICATION OF THE SUBJECT PROPERTY

The subject of this appraisal is Meadow Park, Sections 1 and 2, consisting of 83 finished lots on 15.937 acres in Section 1; and 103 under-development lots on 17.895 acres in Section 2, plus 57 detached single-family residences in Section 1 in various stages of construction, located just south of S.H. 105, along the west line of Willis-Waukegan Road, in Conroe, Montgomery County, Texas 77306. The subject can be legally identified by as follows:

Section 1

Lots 1 thru 17, Block 1; Lots 1 thru 43, Block 2; Lots 1 thru 23, Block 3, Meadow Park, Section 1, Montgomery County.

Section 2

Lots 1 thru 29, Block 1; Lots 1 thru 25, Block 2; Lots 1 thru 49, Block 3, Meadow Park, Section 2, Montgomery County.

HISTORY OF THE SUBJECT PROPERTY

Per the requirements of the Appraisal Institute's Standards of Professional Practice and the U.S.P.A.P., the following are comments pertaining to the three-year sales history of the subject property.

Lots in Sections 1 and 2 are under contract to Lennar Homes and First America Homes for a base price of \$46,000 per lot or \$1,150 per FF, subject to a 4% annual escalator. Lots in Section 1 were purchased beginning in December 2023 by Lennar. The lots were contracted in late 2021 (Lennar) and mid-2022 (First America Homes). Lot prices have increased significantly since the subject lots were placed under-contract. The Bulk Market Values are adequately supported by data contained herein. Of the 57 units appraised herein, 51 are by Lennar Homes and 6 are by First America Homes. Several of the units appraised herein are listed/pending for sale ranging from \$213,990 to \$326,990 per unit.

There are no other known contracts, listings, or offers pending with respect to the subject,

and the appraisers are unaware of any other transactions involving the subject property during the past three years.

INTENDED USE/USER OF THE APPRAISAL

This appraisal is intended to offer our opinion of the **“As Is” and “Upon Completion” Bulk Market Lot Values of the subject 186 finished and under-development lots, as well as the 57 detached single-family units hypothetically “As Complete”** to the client, FMSbonds, Inc., for the underwriting of Meadow Park, Sections 1 and 2, Bond transaction. The use of the appraisal by anyone other than Mr. Tripp Davenport, III and Mr. Robert Rivera (c/o FMSbonds, Inc.), or the Meadow Park Public Improvement District (the “District”) is prohibited, except as provided herein. Additionally, we confirm our permission to use the final Appraisal Report in the offer and sale of public securities, secured by the special assessments levied on property within the District, and we confirm that we will execute, subject to our approval of the same, a certificate related to the use of the appraisal for such purpose, as provided by the client. Any other party is an unintended unauthorized user.

SCOPE OF WORK OF THE APPRAISAL

Barletta & Associates, Inc. has an internal Quality Control Program. All appraisals are read a second time by an MAI who may or may not participate in the assignment. For this assignment, Quality Control Oversight was provided by Phillip F. Barletta, MAI, SRA, who was an active appraiser participant.

The scope of work of the appraisal is the process to support our opinion of the “As Is” and “Upon Completion” Bulk Market Lot Values of the 186 finished and under-development lots that comprise Meadow Park, Sections 1 and 2, as well as the 57 detached single-family units “As Complete” in various stages of vertical construction, employing all applicable approaches to value in a comprehensive appraisal process and presented in this Appraisal Report. In preparing this appraisal, the appraisers:

- visited the subject property and surrounding market area, unaccompanied;

- contacted Mr. Mark Martin (mark@netmass.com) with Meadow Park, Ltd., who provided physical, financial and historical data for this valuation analysis;
- analyzed macro and micro market conditions of this region and market area;
- interviewed active market participants;
- gathered relevant available information on current comparable builder takedown lot sales and lot absorption data, referencing such publications as the Houston MLS, the Zonda Houston Metrostudy and the appraisers' extensive database;
- referenced other publications and services such as MapPro, Loop Net, Crexi, Google Earth, Realty Rates.com, the Montgomery County Appraisal District, and the Montgomery County Clerk's Office, among other services;
- confirmed and analyzed the data and applied the most applicable approaches to value; i.e. the Sales Comparison Approach-Retail Lot Sales and Retail value of the 57 detached single-family units "As Complete"; and the Income Approach-DCF analysis;
- the Cost Approach was not developed. At the request of the client, the "As Is" Market Value of the subject under-development lots in Section 2 has not been valued herein. The absence of the Cost Approach does not affect the credibility of the Market Value conclusions in this appraisal;
- concluded the "As Is" Bulk Market Value of the finished 83 Section 1 lots and the prospective "Upon Completion" Bulk Market Value of 103 under-development lots in Section 2 to a single purchaser, and, as such, our report conforms to the reporting guidelines of the Appraisal Institute, the Texas Appraiser Licensing and Certification Board, the Appraisal Foundation's U.S.P.A.P., and Regulation 12 CFR Part 564; and
- concluded the "As Is" and "Upon Completion" Bulk Market Values of the finished and under-development subject lots, and the hypothetically "As Complete" Retail value of the 57 detached single-family units as of the stated effective dates for a reasonable exposure period.

PROPERTY RIGHTS APPRAISED

The property rights appraised are the **Fee Simple Estate**. Fee Simple Estate is defined by The Dictionary of Real Estate Appraisal, Seventh Edition, Appraisal Institute, published in 2022, Page 73, as follows:

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.

DEFINITION OF MARKET VALUE

As referred to herein, **Market Value** is defined by FIRREA, as follows:

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 each 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.

(Source: Code of Federal Regulations, Title 12, Chapter I, Part 34.42[h]; also Interagency Appraisal and Evaluation Guidelines, Federal Register, 75 FR 77449, September 30, 2010, page 77472)

DEFINITION OF “SUM OF THE RETAIL VALUES”

As referred to herein, ***Sum of Retail Values*** is defined by The Dictionary of Real Estate Appraisal, Seventh Edition, Appraisal Institute, published in 2022, Page 185, as follows:

The sum of the separate and distinct market value opinions for each of the units in a condominium, subdivision development, or portfolio of properties, as of the date of valuation. The aggregate of retail values does not represent the value of all the units as though sold together in a single transaction; it is simply the total of the individual market value conclusions. An appraisal has an effective date, but summing the sale prices of multiple units over an extended period of time will not be the value on that one day unless the prices are discounted to make the value equivalent to what another developer or investor would pay for the bulk purchase of the units. Also called the aggregate of the retail values or aggregate retail selling price.

DEFINITION OF “AS IS” MARKET VALUE ON APPRAISAL DATE

As referred to herein, ***“As Is” Market Value*** is defined by The Dictionary of Real Estate Appraisal, Seventh Edition, Appraisal Institute, published in 2022, Page 10, as follows:

The estimate of the market value of real property in its current physical condition, use, and zoning as of the appraised date.

DEFINITION OF “BULK VALUE”

As referred to herein, “**Bulk Value**” is defined by The Dictionary of Real Estate Appraisal, Seventh Edition, revised 2022, by the Appraisal Institute, Page 22, as follows:

The value of multiple units, subdivided plots, or properties in a portfolio as though sold together in a single transaction.

DATES OF THE APPRAISAL

The “As Is” Market Value of the finished lots and the hypothetically “As Complete” Retail Value of the units have an effective date of value of August 3, 2024. The “Upon Completion” Bulk Market Lot Value effective date of value of this appraisal is September 30, 2024. The date of transmittal of the report is October 1, 2024.

ZONING & RESTRICTIONS

The Caney Mills subdivision is not zoned, being in unincorporated Montgomery County. The subject lots are assumed to be deed restricted, and we are unaware of any adverse deed restrictions which would preclude development to the subject’s highest and best use.

AD VALOREM TAX DATA

All properties in the State of Texas are taxed at 100% of their assessed value, which are determined for all taxing jurisdictions within a county by a central county appraisal district, in this case, the Montgomery County Appraisal District (MCAD). The finished and under-development lots have not been individually assessed and are considered a portion of the Parent Tract, under Account Number 37205 with a total assessed value of \$1,511,180.

In most cases, the taxing entities typically assess lots at around 30% to 100% of the retail value. Within the discounted cash flow section of this report, the appraisers will utilize an average **60%** assessment-to-retail value ratio, which was derived from tax comparables from the subject’s market area. See table below:

Property Tax Comps for Meadow Park			
MCAD		2022	% Tax
Property ID	Street Address	Lot Value	Assessment
R540246	14401 High Hill Dr.	\$33,500	62.00%
R540258	14449 High Hill Dr.	\$33,500	62.00%
Average Tax Assessment-to-Total Value Ratio:			62.00%
			60%

2024 Tax Rates: The 2024 property tax rates per \$100, applicable to the subject, are summarized in the following table:

Taxing Authorities and 2024 Rates per \$100	
Emergency Service District #1	\$0.0986
Montgomery County	\$0.3696
Montgomery County Hospital	\$0.0498
Lone Star College	\$0.1076
Conroe ISD	\$0.9621
2024 Cumulative Tax Rate per \$100:	\$1.5877

GREATER HOUSTON AREA DATA

(Please refer to the Addenda of this appraisal for a Houston MSA summary analysis.)

As of July 2024, notable within the current and recent analyses are the following items primarily related to the Houston MSA:

Economic/Employment Update: Metro Houston added 102,900 in 2023, well over prior estimates at 70,100 jobs. Houston had 3 consecutive years of exceptional job growth since the Covid scare in May 2020. The region's gross domestic product now tops \$633 billion and its population exceeds 7.3 million. However, in Houston only 78,000 jobs have been added in the 12 months as of June 2024, with 6,500 jobs added to the Houston market in June 2024. The 78,000 jobs added since June 2023 is a significant drop in growth from 139,800 jobs for the same time period in 2023, continuing to indicate slowing economic growth. However, the current rate is over the long-term average of 70,000 jobs per year. Nationally, 2.7M jobs were added in 2023, the 5th best year in the past 20 years, as job losses during Covid were still coming back on-line.

Purchasing Manager's Index (PMI): The Houston PMI increased 0.6 points to 51.7 in June 2024, up from 51.1 in May 2024, but down from 53.7 in February 2024. According to the Institute for Supply Management, readings above 50 indicate the local economy is expanding, below 50 indicate that it's contracting. Nationally, the GDP increased a healthy 2.5% in 2023, just over the 20-year average of 2.4%. The year ended with GDP growing a whopping 4.9% in the 3rd quarter 2023 and 3.4% in the 4th quarter. During the 1st quarter of 2024 the national GDP growth rate was estimated at an anemic 1.6%.

Population Update: The U.S. Census Bureau data indicates that metro Houston's population grew by 139,789 residences, or 1.9% in 2023. The 10-county metro area topped 7.370 million residents in 2023, and now exceeds that of 37 states and the District of Columbia. Houston had the second largest numeric gain, which grew by 152,598 residences, or also by 1.9%. The nation's 3 most populous metros, New York, Los

Angeles, and Chicago, declined in population. Just 5 of the nation’s 20 largest major cities, Atlanta, Dallas-Fort Worth, Houston, Phoenix, and Tampa, had significant gains

HOUSTON METRO POPULATION, CHANGE BY COUNTY, 7/1/22 to 7/1/23

County	'23 Population	'22 Population	# Change	% Change
Austin	31,070	31,677	607	2.0
Brazoria	388,234	398,938	10,704	2.8
Chambers	51,309	53,876	2,567	5.0
Fort Bend	888,919	916,778	27,859	3.1
Galveston	357,387	361,744	4,357	1.2
Harris	4,781,337	4,835,125	53,788	1.1
Liberty	102,462	108,272	5,810	5.7
Montgomery	679,554	711,354	31,800	4.7
San Jacinto	28,936	28,340	596	2.1
Waller	61,852	53,553	1,701	2.8
Total	7,372,486	7,512,276	139,790	1.9

Source: U.S. Census Bureau, Population Estimates

COMPONENTS OF POPULATION CHANGE, 7/1/22 TO 7/1/23

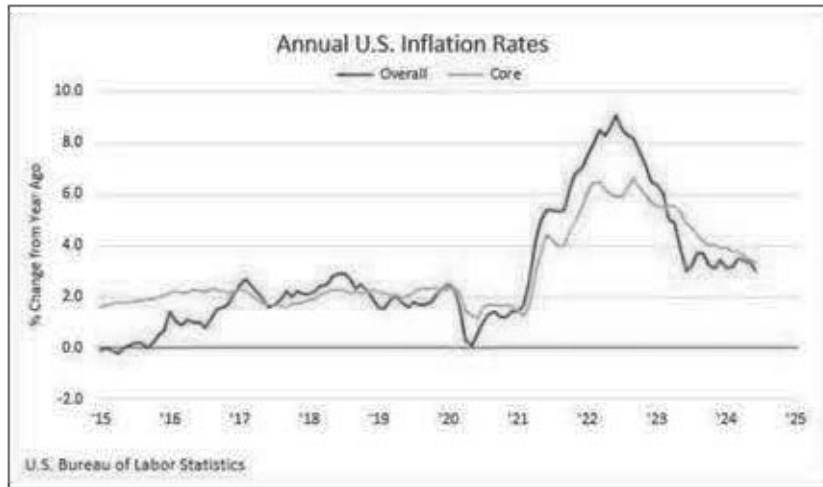
County	Total Change	Vital Events			Net Migration		
		Natural Change	Births	Deaths	Inmi-gration	Inter-national	Domestic
Austin	607	47	390	343	562	3	559
Brazoria	10,704	1,875	4,834	2,959	8,843	955	7,888
Chambers	2,567	217	611	394	2,362	89	2,273
Fort Bend	27,859	5,389	9,567	4,178	22,591	6,834	15,757
Galveston	4,357	882	4,053	3,171	3,493	505	2,988
Harris	53,788	34,695	65,450	30,755	18,873	41,665	-22,792
Liberty	5,810	400	1,415	1,015	5,447	52	5,395
Montgomery	31,800	4,011	8,570	4,559	27,866	2,365	25,501
San Jacinto	596	-142	307	449	740	3	737
Waller	1,701	279	761	482	1,421	83	1,338
Total	139,789	47,653	95,958	48,305	92,198	52,554	39,644

Source: U.S. Census Bureau, Population Estimates

Harris County led the nation in population growth, adding the most residents among the nation’s 3,144 counties; however, 2023 is the 8th consecutive year that Harris County experienced negative domestic migration (i.e., more people moved out of Harris County than moved in from elsewhere in the U.S.). Harris County lost 22,792 residents to domestic out-migration last year. That was the 13th worst performance in the nation. By comparison, Montgomery County had the 2nd highest level of domestic migration (+25,501 residents)

and Fort Bend the eighth-best (+15,757). If not for the high number of births inside Harris County, 65,450 last year, the county would have plummeted in the growth rankings.

Inflation: As measured by the Consumer Price Index for all Urban Consumers (CPI-U), inflation was flat at 3.0% nationwide in the 12 months ending in June 2024. In Houston, inflation has generally tracked over the national average since April 2022 and rose by 2.1% in June 2024, and though up from its low of 1.9% in November 2023, remains well under its peak of 10.1% in June 2022. The U.S. Federal Reserve in an attempt to fight inflation by slowing the economy has rapidly raised rates from 0%, starting in February 2022 to the current level of $\pm 5.3\%$ from July 2023 to June 2024. However, the core inflation rate came in at 3.3% in June 2024. The Federal Reserve may again raise rates after the national election.



Unemployment: The unemployment rates in Houston, the U.S. and Texas were up again in June 2024. The unemployment rate for metro Houston increased to 4.8%, in June 2024, up from 4.0% in May 2024, due to college and high school students temporally entering the workforce and slowing economic growth. The Texas rate increased from 3.8% in May 2024 to 4.5% in June 2024. The national rate also increased from 3.7% in May 2024 to 4.3% in June 2024. The rates are not seasonally adjusted.

City	Rate	City	Rate	City	Rate
Alvin	4.8	Fulshear	5.7	League City	3.8
Baytown	8.7	Galveston	4.6	Missouri City	4.8
Bryan	3.5	Houston	4.8	Pasadena	5.9
College Station	3.7	Huntsville	6.4	Pearland	4.1
Conroe	4.5	Katy	3.8	Rosenberg	5.1
Deer Park	5.1	Lake Jackson	5.2	Sugar Land	4.0
Friendswood	4.1	La Porte	5.4	Texas City	6.1

Source: Texas Workforce Commission *Not seasonally adjusted

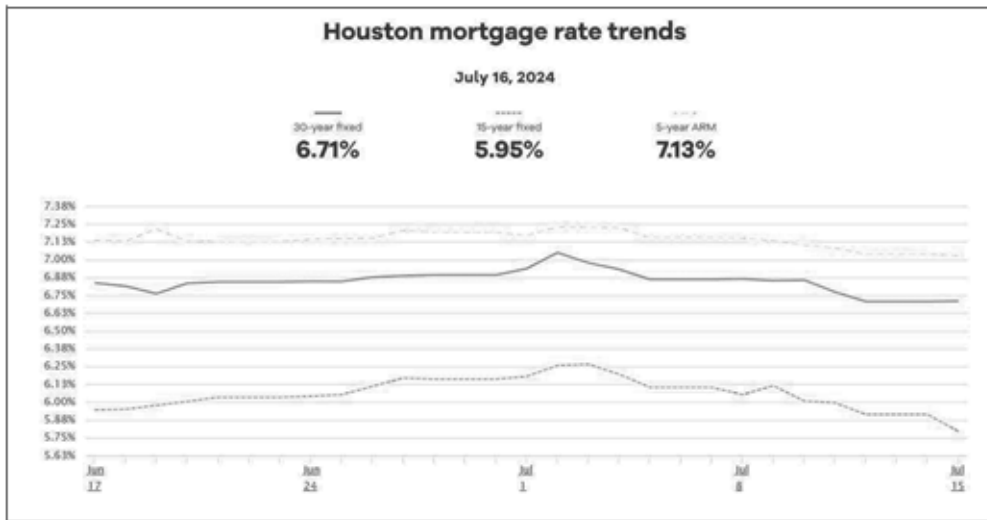
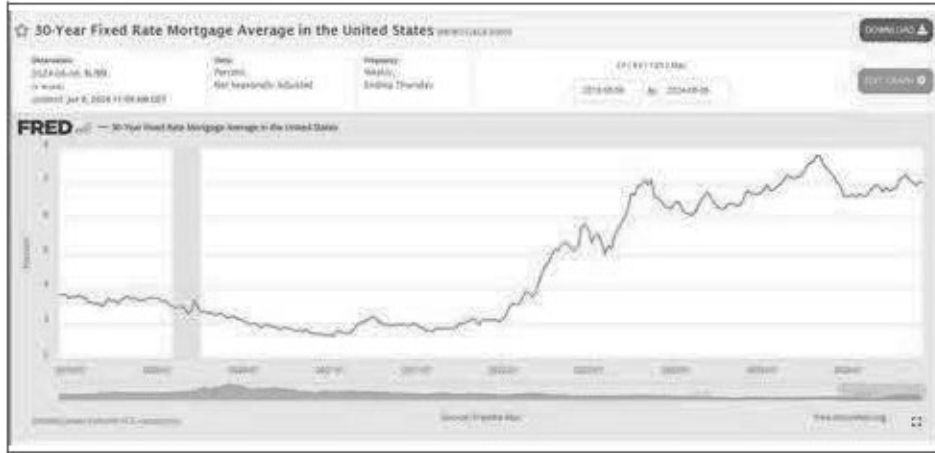
Crude Oil: The closing spot price for West Texas Intermediate (WTI), the U.S. benchmark for light, sweet crude averaged \$74.15 per barrel in January 2024, down from \$78.12 in January 2023. WTI has consistently traded in the \$65 to \$85 per barrel since mid-2021. It peaked in the Fall of 2023, due to the war in the middle east, but has since settled down. Still, attaches have increased costs and transit times. The U.S. Energy Information Administration forecasts WTI to average in the \$82.50 per barrel in 2024 and \$80.30 in 2025. The Baker Hughes count of active domestic rotary rigs averaged 620 in January 2024, a 20% decrease from 772 in January 2023. This is well above the recent bottom of 250 in August 2020 and well under the pre-pandemic December 2019 average of 804 rigs.

Houston Area Existing Home Sales: Single-family sales were down 11.6% in June 2024, compared to June 2023, which is the 2nd month in a row that home sales have fallen lower than last year’s levels. Year-to-date sales are the lowest in 5 years, excluding the initial Covid year of 2020. Typically, June is one of the strongest sales months, but this June is the weakest June in 8 years. As a result, housing inventories are up to 4.3 months, compared to 3.0 months last year, and are at a stabilized/balanced market level of 3.5% to 4.5%. Overall, Houston is at a stabilized/balanced housing market, with reasonable price increases, inventories at balanced levels and sales volume. With the housing inventory over 4 months, Houston has shifted from a seller’s market to a buyer’s market. Further, increasing interest rates continue to slow price increases and slow sales.

Houston Area New Lot Development & Home Sales: The overall Houston Area had 9,944 closings and 10,819 starts in the 2nd Quarter of 2024, up 9.94% from 9,841 starts in the 1st Quarter of 2024, and up 5.60% from the 10,245 starts in the 2nd Quarter of 2023. The result is a stabilized new home inventory of 24,156 new homes, or 7.8 months for the overall Houston new home market. In the 2nd Quarter 2024, there was a total existing inventory of 51,629 vacant developed lots in the Houston area. This equates to a shortage supply level of 15.9 months, down from 16.5 months in the 1st Quarter of 2023, and down from 19.6 months in the 2nd Quarter of 2023. Housing starts continued at a steady pace in the 2nd Quarter of 2024 and are at levels similar to that prior to the spike in inflation and prior to the current high mortgage interest rates. Historically, a 20 to 24 month supply of vacant developed lots indicated a stabilized condition. However, closing are still lagging behind, primarily due to continued supply chain issues, with closings sometimes delayed due the lack of electrical or water/sewer service, which has been easing. Historical new home closings, starts, inventory and vacant lot inventory for the overall Houston Area, are summarized on the following chart:

Market Area		2Q22	3Q22	4Q22	1Q23	2Q23	3Q23	4Q23	1Q24	2Q24	Annual Rates/ Inventory Supply (Mos)
Houston Area	Starts	11,653	8,663	5,873	7,042	10,245	10,120	8,077	9,841	10,819	38.857
	Closings	10,603	9,863	8,861	8,630	8,307	8,984	8,682	9,532	9,944	37.142
	Housing Inv.	26,261	25,061	22,053	20,497	22,435	23,577	22,972	23,281	24,156	7.8 Mos.
	VDL Inv.	38,413	42,308	51,601	53,445	51,869	51,805	52,871	52,620	51,629	15.9 Mos.





Mortgage interest rates have stabilized, ranging from 5.933% to 7.078% (20 lenders surveyed), in the Houston region, and averaging 6.71%, per Realtor.com, as of July 15, 2024, just under the national average of 7.89%.

Houston Commercial/Multifamily Real Estate: Per CoStar, overall rent and vacancy rates comparisons for end of year 2022, 2023, and year-to-date 2024 were as follows:

Property Type	Rent					Vacancy				
	2022	2023	% Change	YTD 2024	% Change	2022	2023	% Change	YTD 2024	% Change
Retail	\$21.38	\$23.59	10.3%	\$23.52	-0.3%	5.5%	4.9%	-0.6%	5.0%	0.1%
Office	\$28.50	\$29.63	4.0%	\$29.62	0.0%	18.9%	18.9%	0.0%	18.8%	-0.1%
Industrial	\$8.00	\$8.93	11.6%	\$8.88	-0.6%	6.7%	6.9%	0.2%	7.5%	0.6%
Multifamily	\$1,240	\$1,316	6.1%	\$1,343	2.1%	7.3%	10.9%	3.6%	11.3%	0.4%
Hospitality	\$106.47	\$113.22	6.3%	\$114.73	1.3%	43.4%	40.2%	-3.2%	39.6%	-0.6%

Source: CoStar 7-1-2024

HOUSTON AREA MAP



MARKET AREA ANALYSIS

Market Area Defined: According to The Dictionary of Real Estate Appraisal, Seventh Edition, by the Appraisal Institute, 2022, page 116, a **market area** is defined as: “The geographic region from which a majority demand comes and in which the majority of competition is located. Depending on the market, a market area may be further subdivided into components such as primary, secondary, and tertiary market areas, or the competitive market area may be distinguished from the general market area.”

Boundaries: In order to discuss a market area, the boundaries must be established in order to distinguish it from the rest of the community. The subject, known as the Conroe market area, is located approximately 35 to 45 miles north of the Houston Central Business District, with boundaries generally delineated as follows:

North: S.H. 150
West: F.M. 149
South: S.H. 242
East: Peach Creek

Access: Estimated driving time to the Central Business District of Houston is about 40 to 45 minutes, except during peak traffic rush hours, which can be in excess of one hour. The subject market area has good accessibility to downtown Houston via Interstate 45 in a southerly direction. Also, the Hardy Toll Road provides a time-saving north-south tollway route from the Harris/Montgomery County line on the north to Loop 610 on the south. This toll road extends 21.7 miles. It lies just east of Interstate 45 and significantly reduces commute time to and from the Houston CBD from southern Montgomery County.

Major Streets: The subject market area is approximately 40% built-up, with a general mix of predominantly residential and supportive commercial interests. The commercial uses are typically located along the major traffic arteries or in planned business parks within The Woodlands. The major north-south thoroughfares within the market area include I.H. 45, F.M. 1484, F.M. 2432, F.M. 149, F.M. 1486 and F.M. 2854. The major east-west thoroughfares within the area include S.H. 105, F.M. 1488, S.H. 242, F.M. 1097, F.M. 2854 and Loop 336 and S.H. 150. Other streets within the market area are,

for the most part, residential or secondary access streets.

Streets throughout the market area, for the most part, are concrete-paved, some having curbs and gutters, while some are asphalt-paved with open ditch drainage. As the area has steadily grown, many new streets have been planned and constructed to provide increased accessibility throughout.

The Grand Parkway (S.H. 99) will be a 172-mile roadway that circles the city at a 25-30 mile radius and forms the fourth loop in the Houston area. The segment affecting the subject market area extends in a generally east/west direction as it passes just south of the subject market area boundary. According to officials with the Grand Parkway Association, the plans for this segment of the Parkway are initially for a four-lane roadway to be ultimately expanded to a six-lane limited access roadway with two-lane access roads. Construction from U.S. Highway 290 in Cypress to U.S. Highway 59/Interstate 69 in New Caney, started in early 2013 and was fully complete by early 2016. The new segment of S.H. 99 east of I-69 to Dayton, then south to Baytown, is currently under construction and is scheduled for completion by late 2022. This newly finished expressway will further stimulate growth in the market area, due to increased accessibility.

Education: The majority of the market area is in the Conroe Independent School District, Montgomery Independent School District, or Willis Independent School District. These school districts provide numerous schools from elementary through high school throughout the area. Lone Star College and the University of Houston - The Woodlands Institute provide convenient classes for higher education. Numerous institutes of higher education are also within commuting distance of the market area.

Lone Star College District offers academic and occupational courses. Lone Star College is the seventh-largest community college district in Texas and is growing. Since 1973, Lone Star College has grown from 613 students to nearly 83,000 credit students each semester, and an additional 12,000 non-credit students. Lone Star College currently has six colleges and 10 off-campus sites that are accessible to all students in all of the college district's neighborhoods.

The University Center is a multi-university center that opened in the fall of 1997 near the Montgomery College campus in the 78,000-square-foot George P. Mitchell Building in the Woodlands. The University Center is an alliance of six universities, the Lone Star College District and the private sector. The four Lone Star College colleges offer the freshman and sophomore course work. In addition to Lone Star College, The University Center partners include Prairie View A&M University, Sam Houston State University, Texas A&M University, Texas Southern University, University of Houston, and University of Houston-Downtown.

Recreation: There are abundant recreational facilities which serve the market area, most of which are located within The Woodlands, just north of the defined market area. The Woodlands Country Club, a membership facility, consists of two 18-hole golf courses and complete health spa facilities. The club has 24-indoor and outdoor tennis courts. The PGA Tournament Players Course TM is a separate 18-hole facility that is the site for the annual PGA-Houston Open.

The market area features the 21,000-acre Lake Conroe and the 12,000-acre Lake Houston. The Woodlands has the Cynthia Woods Mitchell Pavilion, an outdoor amphitheater capable of seating 3,000 people with a grassy hillside that provides additional seating for up to 7,000 people. Continual open air concerts have been planned for this amphitheater, and hopes are that it will provide a permanent home for the performing arts in the north Greater Houston region. Surrounded by a lush forest, the amphitheater provides concerts from April to October each year. The first concerts were performed in April 1990 and have continued successfully with major music entertainers.

Airport Access: Airport access is very convenient to the subject neighborhood. Houston's Bush Intercontinental Airport is located north of Greens Road between Aldine-Westfield Road and Lee Road, just north of Greens Road. It is situated on 10,000 acres and is the base of operations for 21 major airlines and 3 commuter airlines. The airport officially began operations in June of 1969. There are 400,000 square feet of warehouse terminal space for cargo business and a post office with airside facilities. Four of the airlines have constructed major maintenance facilities, and United Airlines has a complete aircraft facility for training flight crews. Complete aviation service is provided for private

and corporate-owned aircraft by two fixed-base operator facilities. There are currently four terminals in operation at the airport. Terminal "D" is the most recent International Airlines Building (IAB), which is a state-of-the-art terminal for all international departures and arrivals. This terminal, which was completed and opened in June 1990, features parking for nine wide-body aircrafts. Terminals A, B, C and E are now used for all domestic flights. Terminals B and D are currently scheduled for a \$1 billion expansion to be funded by United Airlines and the City of Houston.

Private and corporate pilots flying into Conroe will find a 7,500-foot by 150-foot primary runway with a full instrument approach system at the Lone Star Executive Airport located northeast of town and just 35 miles north of George Bush Intercontinental Airport. Three full-service FBO's providing Av Gas and Jet A fuel services along with aircraft maintenance, flight training and aircraft charter and sales are located at the airport. A second runway of 5,000-feet by 100-feet is also available.

Services/Utilities: Police protection is provided by the City of Conroe and Montgomery County and local constables, while fire protection is provided by local volunteer fire departments, or ESD's. All public utilities (electricity, gas, sewer, water, and telephone) are available to most properties, with water and sewer services supplied primarily by municipal utility districts (MUD's) within platted subdivisions.

Employment Centers: There are several major employment centers within the immediate vicinity of the subject market area. The Woodlands Business Center is a 5,000-acre commercial and industrial complex that includes a regional shopping mall, corporate offices, research laboratories and related industrial enterprises, a medical community built around the Memorial Hospital - The Woodlands, and a variety of business ranging including light manufacturing, warehousing and distribution. The Woodlands Business Center is divided into four zones: The Town Center, The Research Forest, Trade Center, and College Park. The Town Center is the downtown of The Woodlands and features such developments as The Woodlands Mall, 1.5 million square feet of office space, Cynthia Wood Mitchell Pavilion, Tinseltown - The Woodlands Theater, and Memorial Hospital - The Woodlands. The Research Forest is a 100-acre campus on Research Forest Drive that is home to high-tech companies and institutions. The Trade Center is a

light manufacturing and distribution park fronting Interstate 45, with access to the Union Pacific and Missouri Pacific railroads.

Exxon Mobil is relocating several offices from around the Houston regional area, and from other cities nationwide, to the new City Place (fka Springwoods Village) corporate campus location south of The Woodlands, just west of the intersection of I-45 & Hardy Toll Road. Development of the 385-acre campus is underway and will include 3M square feet of office space, including day care facilities, recreational facilities, and other supportive amenities. Portions of the campus were completed sometime in late 2015 and is currently home to 9,000 employees. This major relocation has significantly increased the demand for single-family housing, apartments and supportive commercial development in this market area. Anticipation of this move prior to 2015, resulted in a marked increase in residential, apartment and retail development in the market area.

Several Class "A" high-rise office buildings and hotels have been constructed near The Woodlands - Town Center. The subject area also has excellent access to Bush Intercontinental Airport, which is another major employment center.

Medical Facilities: Three regional hospitals and an array of medical support facilities serve the people in Montgomery County. Conroe Regional Medical Center is a 360-bed, full-service tertiary care facility that provides modern services in most specialties including cardiology, cardiovascular surgery, radiation, oncology services, neonatal intensive care and a renowned wound care and hyperbaric oxygen (HBO) program. The Neonatal Intensive Care Unit and the Emergency Department are Level III services - providing higher levels of care that are not readily available in many regions between Dallas and Houston. CRMC provides a staff of more than 1,200 and over 250 physicians and surgeons, providing medical expertise in forty different specialties.

Memorial Hermann-The Woodlands Hospital, located approximately ten miles to the south of Conroe, is an established non-profit facility that recently added a diagnostic and interventional cardiac catheterization lab, as well as a new Continence and Bladder Health Center. Memorial Hermann-The Woodlands Hospital has a 168-bed patient tower, with private rooms and the latest technology that completed in early 2003. A third medical

office building opened in 2005. The four-story, 120,000-square foot medical office building houses an outpatient care center, an outpatient surgery center and two floors of physician office space. Memorial Hermann-The Woodlands has a team of more than 500 medical staff physicians, 1,000 employees and 250 volunteers, bringing healthcare to the residents of North Harris and Montgomery counties.

CHI-St. Luke's Health - The Woodlands is a 231-bed not-for-profit hospital located approximately 8 miles south of Conroe. St. Luke's has, on one campus, multiple healthcare organizations that are ranked in the top 10 of their specialties by U.S. News & World Report: Texas Children's Hospital provides inpatient and outpatient pediatric care. TIRR Rehabilitation Centers provides inpatient and outpatient physical therapy. The University of Texas M.D. Anderson Cancer Center operates a Radiation Treatment Center in the hospital. Services at CHI-St. Luke's - The Woodlands include a Family Birthing Center, surgery center, digital diagnostic imaging, sleep center, nuclear medicine and pulmonary function studies. A comprehensive cardiovascular program, which began in January 2005, will include diagnosis, treatment, surgery and rehabilitation. Board certified adult and pediatric emergency physicians provide emergency services to adults and children. The adjacent six-story Medical Arts Center houses a number of multi-specialty medical staff in several medical office buildings.

Encompass Health Rehabilitation Hospital is a freestanding, 84-bed, comprehensive medical rehabilitation hospital designed to meet the needs of individuals who have experienced a disabling injury or illness.

Single-Family Residential: The appraisers have referenced the Zonda Houston Metrostudy, 2nd Quarter 2024. The subject of this appraisal is located within the Conroe Submarket and is located within the Far North Market Area of the overall Houston region. The following chart summarizes the vital statistics for Conroe Submarket, the Far North Market Area, and the overall Houston region.

Zonda Houston Metrostudy 2Q 2024								% Change
Submarket/ Market Area		2Q 2023	3Q 2023	4Q 2023	1Q 2024	2Q 2024	Yrly. Rates/ Supply	12 Month
Conroe Submarket	Starts	1,046	1,112	783	1,077	1,209	4,181	15.58%
	Closings	901	1,035	897	1,025	957	3,914	6.22%
	Housing Inv.	2,428	2,505	2,391	2,443	2,695	8.3 mos.	11.00%
	VDL Inv.	7,549	81,827	8,433	9,175	8,705	25.0 mos.	15.31%
Far North Market Area	Starts	1,530	1,659	1,274	1,624	1,919	6,476	25.42%
	Closings	1,342	1,471	1,334	1,477	1,583	5,865	17.96%
	Housing Inv.	3,550	3,738	3,678	3,825	4,161	8.5 mos.	17.21%
	VDL Inv.	10,403	10,869	11,403	11,687	11,176	20.7 mos.	7.43%
Houston Total	Starts	8,754	5,817	7,083	10,247	10,417	33,564	19.00%
	Closings	9,870	8,975	8,601	8,374	9,018	34,968	-8.63%
	Housing Inv.	25,250	22,092	20,574	22,447	23,846	8.2 mos.	-5.56%
	VDL Inv.	42,419	51,396	53,561	52,154	52,212	18.7 mos.	23.09%

For the 2nd Quarter 2024, the Conroe Submarket had 1,209 housing starts (a 15.58% increase since 2nd Quarter 2023), and 957 closings, (a 6.22% increase since 2nd Quarter 2023). The Conroe Submarket ended the quarter with a new home inventory of 2,695 units or an 8.3-month supply, which is superior to the 8.5-month supply for the Far North Market Area new home market. The Conroe Submarket concluded the 2nd Quarter 2024 with 8,705 vacant developed lots in inventory. This lot inventory equates to a 25.0-month **moderate oversupply**, which is inferior to the 20.7-month VDL stable supply for Far North Market Area. A 20-to-24-month supply of lots is considered to be a market in equilibrium.

For the 2nd Quarter 2024, the overall Far North Market Area had 1,919 starts (a 25.42% increase since 2nd Quarter 2023) and 1,583 closings (a 17.96% increase since 2nd Quarter 2023). The result is a new home inventory of 4,161 units, or an 8.5-month supply, which is inferior to the 8.2-month supply for the overall Houston new home market. At the time of this Zonda Houston Metrostudy report, there was a total inventory of 11,176 vacant developed lots in the Far North Market Area. This equates to a 20.7-month **stable supply**, which is inferior to the 18.7-month moderate shortage supply for the overall Houston region. Again, a 20-to-24-month supply of lots is considered to be a market in equilibrium.

CONCLUSION:

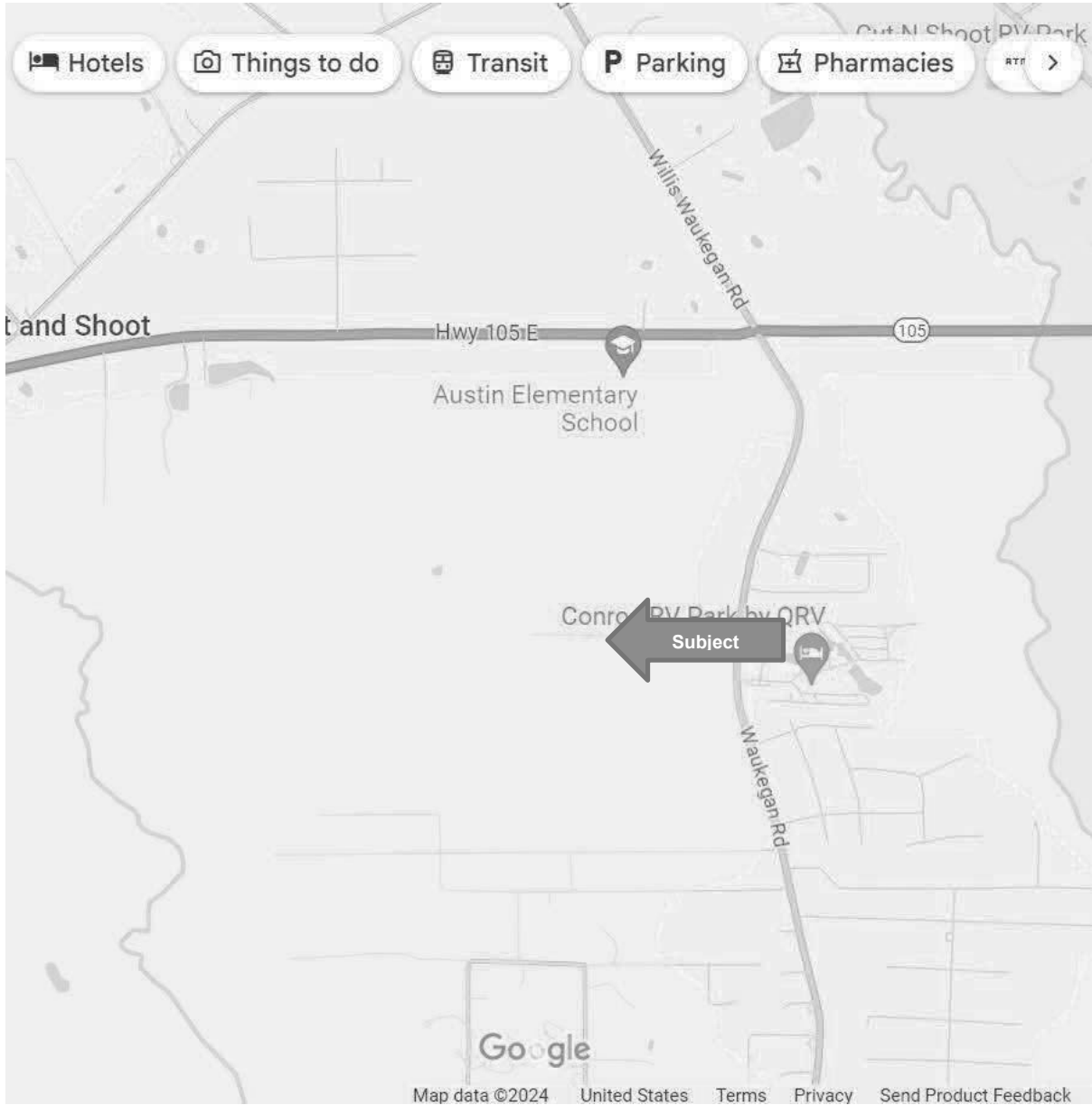
The subject market area, with its convenient location and rapidly growing population has experienced rapid growth since late 2012, after several years of slower, post-recessionary growth. The majority of development has been a good balance of single-family residential and supportive commercial uses. Utilities are available to most properties in the area, and no adverse conditions were observed that would represent a negative influence for the market area. The commercial properties are generally located along the major thoroughfares and are considered to enhance rather than adversely affect the residential values. Retail and multifamily occupancies in the subject area have thus maintained average levels, as compared to the general Houston area markets.

The overall economic outlook of the market area has recently improved from the effects of the Coronavirus pandemic with the economy continuing to open up, along with recovering \$70 - \$90+/- per barrel oil. New home sales activity are expected to continue at a rapid pace in this market area, as well as the greater Houston MSA during early 2024, due to softening in the high mortgage interest rates since December 2023.

Inflation has been at its highest level since 1982, but has receded to 3.0% in June 2023, but jumped to 3.7% in August 2023, causing the Federal Reserve to rapidly increase interest rates during May 2022 through July 2023. As of July 2024, the inflation rate dropped to 2.9%, which indicates a slowing overall. The overall impact to the local residential market is the anticipation of improving activity in 2024 in comparison to 2023, as interest rates are expected to further recede during later 2024, as a result of recessionary economic conditions and lower inflation.

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MARKET AREA MAP



LOCATION MAP



SITE ANALYSES

Meadow Park Sections 1 and 2 – Meadow Park Public Improvement District, Improvement Area No. 1

Type of Property: The subject consists of 83 finished 40' x 115' lots on 15.937 acres in Section 1 and 103 under-development 40' x 115' lots on 17.895 acres in Section 2, plus 57 detached single-family residences in Section 1 in various stages of construction, located just south of S.H. 105, along the west line of Willis-Waukegan Road, in Conroe, Montgomery County, Texas 77306.

Key Map Reference: 160-T

Postal Address: Conroe, Texas 77306

Location: The subject subdivision is located just south of S.H. 105, along the west line of Willis-Waukegan Road, in Conroe, Montgomery County, Texas 77306.

Tract Sizes: Section 1 - 15.937 acres (83 lots)
Section 2 – 17.895 acres (103 lots)

Density: Section 1 - 5.21 lots per acre
Section 2 – 5.76 lots per acre

Subject Lot Mix:

<u>Section No.</u>	<u>No.</u>	<u>Description</u>	<u>Avg. FF</u>	<u>Avg. Size</u>
1	83	Existing	40'	4,600 SF
2	<u>103</u>	Under-development	40'	4,600 SF
	186			

Zoning/Restrictions: None. The subdivision is subject to typical residential lot deed restrictions. Yet, we are aware of no restrictions that would adversely affect development of the subject site to its highest and best use.

Shape: The subject lots are generally rectangular in shape.

Topography: The topography of the subject lots are generally level.

Subdivision Improvements: Site improvements include public concrete-paved streets, water and sanitary sewer provided by the Crystal Springs Water Company, electrical lines, natural gas lines, cable/telephone lines, concrete curb and gutter drainage and offsite detention.

Easements: The appraisers know of no easements that would adversely affect development of the subject lots to their highest and best use.

Soil/Subsoil Conditions: A soil and subsoil report has not been provided to the appraisers; however, as evidenced by the existing and surrounding development, the soil conditions appear to be adequate in all respects for most types of construction.

Environmental: Upon physical inspection of the subject, no obvious environmental hazards or endangered species were observed. The appraisers are not environmental engineers and are not qualified to detect environmental hazards or endangered species. For a conclusive analysis of the lots, a study by qualified environmental experts would be necessary.

Subdivision Amenities: Park

Utilities/Services:

Utilities/Services	
Electricity:	Reliant Energy and others
Water/Sanitary Sewer:	Crystal Springs Water Company
Gas:	CenterPoint Energy
Phone:	AT&T & others
Police Protection:	Montgomery County Sheriff's Dept.
Fire Protection:	Emergency Service District #1
School District:	Conroe ISD

Floodplain:

FEMA Flood Map	
Flood Map No.:	48339C0425G
Flood Map Date:	8/18/2014
Flood Map Designation:	Zone X

Subject Builders: Lennar Homes and First America Homes

New Home Price Range: \$225,990 to \$285,990

Conclusion: All services and public utilities are available, and no detrimental zoning, encroachments, or restrictions were noted, which would represent an adverse influence to the subject lots for new residential construction with an average price point of \$225,990 to \$285,990 by Lennar Homes and First America Homes, or a comparable builder/s. Local employment and residential demand are anticipated to grow for the immediate market area and regional corridor. All services and public utilities are available, and the starter new home price range of the development is a good draw for the finished and under-development subject single-family lots.

SECTION 2 PRELIMINARY PLAT

DEED OF GIFT

We, Meadow Park, LTD, a Texas limited partnership, acting by and through Mark Martin, President and Managing Member of Meadow Park, LTD, do hereby make irrevocable and non-transferable...

WITNESSES: We do hereby declare before the public a copy, a minimum of four copies, of the original instrument...

By: Mark Martin, President Meadow Park Partners, LLC, General Partner of Meadow Park, LTD, a Texas limited partnership...

STATE OF TEXAS

Before me, the undersigned authority, on this day personally appeared Mark W. Martin, known to me to be the person whose name is subscribed to the foregoing instrument...

Notary Public in and for the Montgomery County, Texas My Commission expires: _____

STATE OF TEXAS COUNTY OF MONTGOMERY Before me, the undersigned authority, on this day personally appeared _____

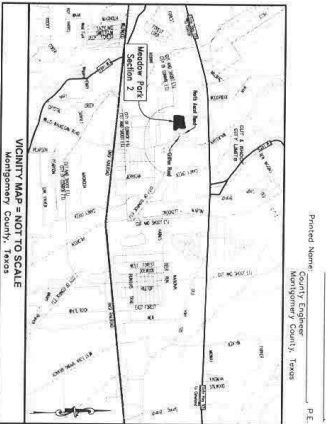
MEADOW PARK SECTION 2 BRING A SUBDIVISION OF 17,895 ACRES OF LAND IN THE WILLIAM B. BRIDGES SURVEY, A-73 MONTGOMERY COUNTY, TEXAS, CONTAINING: 108 RESIDENTIAL LOTS, AND 2 RESTRICTED RESERVES (1,098 ACRES/47,829 SQ. FT.) IN 3 BLOCKS

OWNER/DIVULGERS: MEADOW PARK, LTD A TEXAS BY IT'S GENERAL PARTNER, MCDOW PARK PARTNERS, LLC PO BOX 251147 FORT WORTH, TEXAS 77255 PHONE: (817) 354-2141 EMAIL: info@meadowpark.com

By: Bryan Denton, Mayor City of Dallas, Texas Any L. Borden, City Secretary



Jeffrey Moon, on registered under the laws of the State of Texas to practice the profession of Land Surveying and Mapping, certify that the above subdivision is true and correct...

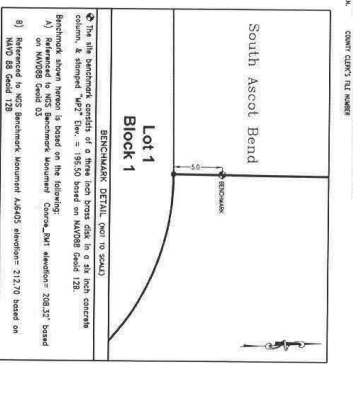


APPROVED AND ACCEPTED BY THE COMMISSIONER'S COURT OF MONTGOMERY COUNTY, TEXAS. This day of _____, 20____

James Boone, Commissioner, Precinct 3 Mark Krough, County Judge

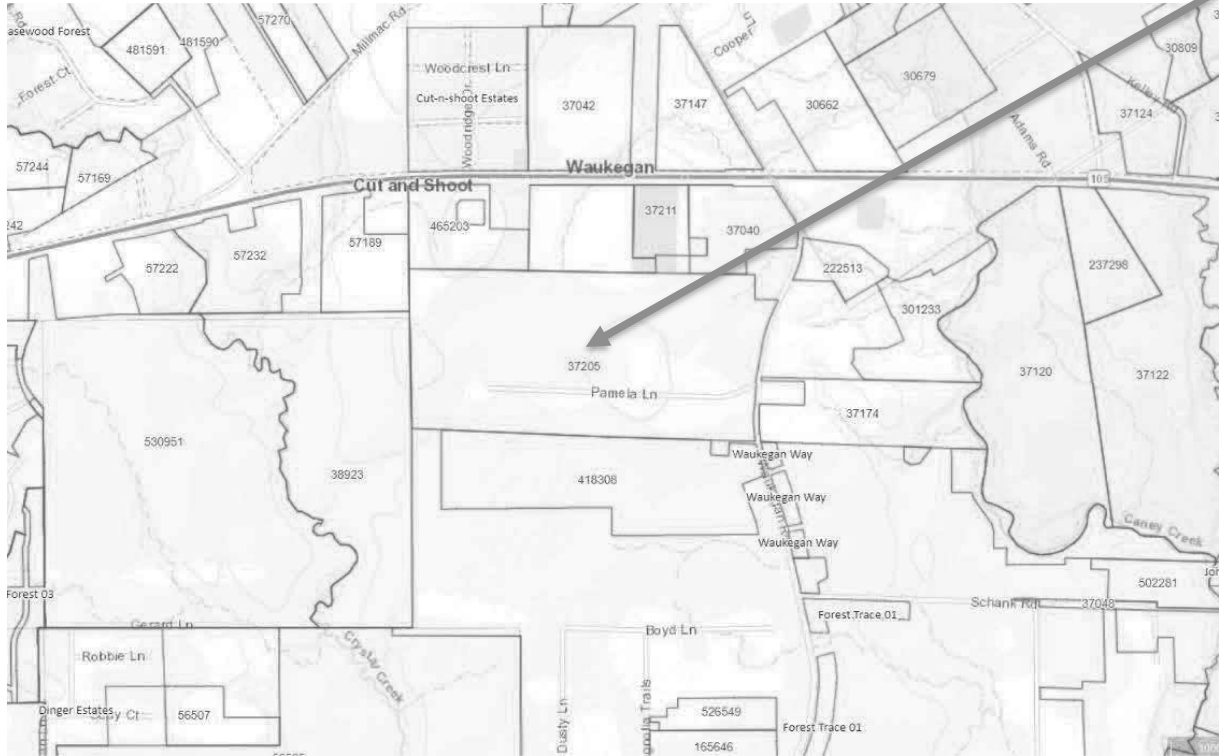
By: _____ Notary Public in and for the Montgomery County, Texas

- NOTES: 1) Dimensions are measured from the corner of the lot to the center of the road. 2) The survey is based on the 1985 US National Benchmarks. 3) The survey is based on the 1985 US National Benchmarks. 4) The survey is based on the 1985 US National Benchmarks.



JEFFREY MOON & ASSOCIATES, INC. LAND SURVEYORS 2780 S. BRIDGES SURVEY, P.O. Box 2501, Correll, Texas 77306 PHONE: (817) 758-5288

MCAD MAP



FLOOD PLAIN MAP



AERIAL PHOTOS



Micro Aerial



Macro Aerial

SUBJECT PROPERTY PHOTOGRAPHS



Entrance



Model home



Model home



Homes under-construction



Subject property



Subject property



Subject property



Subject property



Subject property



Subject property

IMPROVEMENT ANALYSES

Subject Plans:

The following table summarizes the 57 units appraised herein:

	Address	Lot No.	Block	GLA SF	# of Stories	Bed/Bath Count	Garage Count
1	2707 Pheasant Hill Court	28	2	1,683	1	4/2	2-car
2	2703 Pheasant Hill Court	29	2	2,229	2	4/2.1	2-car
3	2711 Pheasant Hill Court	27	2	1,851	2	4/2.1	2-car
4	2718 Pheasant Hill Court	34	2	1,186	1	3/2	2-car
5	2726 Pheasant Hill Court	35	2	1,461	1	3/2	2-car
6	2730 Pheasant Hill Court	36	2	1,311	1	3/2	2-car
7	2750 Pheasant Hill Court	41	2	1,851	2	4/2.1	2-car
8	2754 Pheasant Hill Court	42	2	1,461	1	3/2	2-car
9	14733 South Ascot Bend	24	2	1,683	1	4/2	2-car
10	2758 Pheasant Hill Court	43	2	1,311	1	3/2	2-car
11	14737 South Ascot Bend	23	2	1,186	1	3/2	2-car
12	14732 South Ascot Bend	17	1	2,229	2	4/2.1	2-car
13	14740 South Ascot Bend	15	1	1,311	1	3/2	2-car
14	14736 South Ascot Bend	16	1	1,461	1	3/2	2-car
15	14764 South Ascot Bend	9	1	1,186	1	3/2	2-car
16	14776 South Ascot Bend	6	1	1,851	2	4/2.1	2-car
17	14772 South Ascot Bend	7	1	1,311	1	3/2	2-car
18	14780 South Ascot Bend	5	1	1,683	1	4/2	2-car
19	14994 North Ascot Bend	13	2	1,683	1	4/2	2-car
20	14986 North Ascot Bend	11	2	1,418	1	3/2	2-car
21	14990 North Ascot Bend	12	2	1,607	1	4/2	2-car
22	14982 North Ascot Bend	10	2	1,273	1	3/2	2-car
23	14979 North Ascot Bend	19	3	1,409	1	3/2	2-car
24	14943 North Ascot Bend	11	3	1,273	1	3/2	2-car
25	14975 North Ascot Bend	18	3	1,418	1	3/2	2-car
26	14939 North Ascot Bend	10	3	1,409	1	3/2	2-car
27	14931 North Ascot Bend	8	3	1,418	1	3/2	2-car
28	14935 North Ascot Bend	9	3	1,607	1	4/2	2-car
29	14926 North Ascot Bend	4	2	1,273	1	3/2	2-car
30	14930 North Ascot Bend	5	2	1,979	2	4/2.1	2-car
31	14922 North Ascot Bend	3	2	1,409	1	3/2	2-car
32	14915 North Ascot Bend	4	3	1,607	1	4/2	2-car
33	14911 North Ascot Bend	3	3	1,979	2	4/2.1	2-car
34	14903 North Ascot Bend	1	3	1,607	1	4/2	2-car
35	14907 North Ascot Bend	2	3	1,418	1	3/2	2-car
36	14983 North Ascot Bend	20	3	1,607	1	4/2	2-car
37	14987 North Ascot Bend	21	3	1,979	2	4/2.1	2-car
38	14991 North Ascot Bend	22	3	1,409	1	3/2	2-car
39	14995 North Ascot Bend	23	3	1,979	2	4/2.1	2-car
40	2715 Pheasant Hill Court	26	2	1,607	1	4/2	2-car
41	14741 South Ascot Bend	22	2	1,979	2	4/2.1	2-car
42	2719 Pheasant Hill Court	25	2	1,418	1	3/2	2-car
43	14745 South Ascot Bend	21	2	1,409	1	3/2	2-car
44	14914 North Ascot Bend	1	2	1,273	1	3/2	2-car
45	14918 North Ascot Bend	2	2	1,979	2	4/2.1	2-car
46	14966 North Ascot Bend	6	2	1,418	1	3/2	2-car
47	14919 North Ascot Bend	5	3	1,418	1	3/2	2-car
48	14970 North Ascot Bend	7	2	1,409	1	3/2	2-car
49	14974 North Ascot Bend	8	2	1,607	1	4/2	2-car
50	14978 North Ascot Bend	9	2	1,979	2	4/2.1	2-car
51	14971 North Ascot Bend	17	3	1,273	1	3/2	2-car
52	14793 South Ascot Bend	16	2	2,416	2	5/2.1	2-car
53	14923 North Ascot Bend	6	3	1,364	1	3/2	2-car
54	14927 North Ascot Bend	7	3	1,535	1	4/2	2-car
55	2738 Pheasant Hill Court	8	2	2,416	2	5/2.1	2-car
56	2742 Pheasant Hill Court	39	2	1,560	1	3/2	2-car
57	2746 Pheasant Hill Court	40	2	2,049	2	4/2.1	2-car

It should be noted that in the table above, units 1-51 are constructed by Lennar Homes and units 52-57 are constructed by First America Homes.

The details of construction and specifications of the units appraised herein are as follows:

- 1 and 2-story homes
- Concrete slab foundation
- Wood frame studs, joists, trusses, rafters, etc.
- Brick and cement fiberboard exteriors
- Granite countertops in kitchen
- 2-car garages with opener
- Walk-in closets
- Double-pane windows
- Composite shingle roofs
- Utility room that accommodates full-size washer/dryer
- Fenced rear yard
- Landscaped front yard

HIGHEST AND BEST USE

The "**Highest and Best Use**" is defined as:

The reasonably probable use of property, that results in the highest value. The four criteria that the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum productivity. (The Dictionary of Real Estate Appraisal, Seventh Edition, 2022, pages 88-89, Appraisal Institute).

Highest and Best Use of Land or a Site As Though Vacant: Among all reasonable, alternative uses, the use that yields the highest present land value, after payments are made for labor, capital, and coordination. The use of a property based on the assumption that the parcel of land is vacant or can be made vacant by demolishing any improvements. (The Dictionary of Real Estate Appraisal, Fifth Edition, 2010, page 93, Appraisal Institute).

Highest and Best Use of Property As Improved: The use that should be made of a property as it exists. A near-complete property should be renovated or retained as is so long as it continues to contribute to the total market value of the property, or until the return from a new improvement would more than offset the cost of demolishing the near-complete building and constructing a new one. (The Dictionary of Real Estate Appraisal, Fifth Edition, 2010, page 94, Appraisal Institute).

The definition immediately above applies specifically to the highest and best use of land. In cases where a site has near-complete improvements, the highest and best use may be different from the near-complete use. The near-complete use will continue, however, unless or until land value in its highest and best use exceeds the total value of the property in its near-complete use.

Contribution of that specific use to community environment or to community development goals is implied within these definitions, in addition to wealth maximization. Also implied is that determination of the highest and best use is formulation of an opinion, not a fact, resulting from the appraiser's judgment and analysis. In appraisal practice, the concept of highest and best use is the premise on which value is based. In the context of most probable selling price (market value), another appropriate term to reflect highest and best use would be "most probable use." In the current context of investment value, an alternative term would be "most profitable use".

In order to reasonably determine the highest and best use of the subject lots, the legally permissible uses, physically possible uses, financially feasible uses and the maximally productive use are considered.

LEGALLY PERMISSIBLE

Zoning/Restrictions: Zoning regulations, deed restrictions, adverse easements, historical districts, building codes, and environmental regulations often limit the potential uses of a property. The subject lots are located in unincorporated Montgomery County and therefore are not subject to a zoning ordinance. The subject properties are subject to Meadow Park, Sections 1 and 2 deed restrictions.

PHYSICALLY POSSIBLE

Site size, shape, topography, location, and the availability of utilities are generally held as the most important factors in determining uses by which land may be developed. Consistent with single-family residential lots located in the subject's market area, the 186 finished and under-development 40' subject lots are well-suited for construction of starter-priced single-family homes, as proposed by Lennar Homes and First America Homes.

FINANCIALLY FEASIBLE

Any use which produces a positive rate of return, is regarded as feasible from a financial point of view. Other important factors include the possible and legal uses as well as the location, size, shape and street frontage. The general character of the market area and adjacent land uses also provide indications of feasible use. This data along with other market data form the basis for analysis of various alternate investment returns.

The appraisers have referenced the Zonda Houston Metrostudy, 2nd Quarter 2024. The subject of this appraisal is located within the Conroe Submarket and is located within the Far North Market Area of the overall Houston region. The following chart summarizes the vital statistics for Conroe Submarket, the Far North Market Area, and the overall Houston region.

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	Closings	901	1,035	897	1,025	957	3,914	6.22%
	Housing Inv.	2,428	2,505	2,391	2,443	2,695	8.3 mos.	11.00%
	VDL Inv.	7,549	81,827	8,433	9,175	8,705	25.0 mos.	15.31%
Far North Market Area	Starts	1,530	1,659	1,274	1,624	1,919	6,476	25.42%
	Closings	1,342	1,471	1,334	1,477	1,583	5,865	17.96%
	Housing Inv.	3,550	3,738	3,678	3,825	4,161	8.5 mos.	17.21%
	VDL Inv.	10,403	10,869	11,403	11,687	11,176	20.7 mos.	7.43%
Houston Total	Starts	8,754	5,817	7,083	10,247	10,417	33,564	19.00%
	Closings	9,870	8,975	8,601	8,374	9,018	34,968	-8.63%
	Housing Inv.	25,250	22,092	20,574	22,447	23,846	8.2 mos.	-5.56%
	VDL Inv.	42,419	51,396	53,561	52,154	52,212	18.7 mos.	23.09%

For the 2nd Quarter 2024, the Conroe Submarket had 1,209 housing starts (a 15.58% increase since 2nd Quarter 2023), and 957 closings, (a 6.22% increase since 2nd Quarter 2023). The Conroe Submarket ended the quarter with a new home inventory of 2,695 units or an 8.3-month supply, which is superior to the 8.5-month supply for the Far North Market Area new home market. The Conroe Submarket concluded the 2nd Quarter 2024 with 8,705 vacant developed lots in inventory. This lot inventory equates to a 25.0-month **moderate oversupply**, which is inferior to the 20.7-month VDL stable supply for Far North Market Area. A 20-to-24-month supply of lots is considered to be a market in equilibrium.

For the 2nd Quarter 2024, the overall Far North Market Area had 1,919 starts (a 25.42% increase since 2nd Quarter 2023) and 1,583 closings (a 17.96% increase since 2nd Quarter 2023). The result is a new home inventory of 4,161 units, or an 8.5-month supply, which is inferior to the 8.2-month supply for the overall Houston new home market. At the time of this Zonda Houston Metrostudy report, there was a total inventory of 11,176 vacant developed lots in the Far North Market Area. This equates to a 20.7-month **stable supply**, which is inferior to the 18.7-month moderate shortage supply for the overall Houston region. Again, a 20-to-24-month supply of lots is considered to be a market in equilibrium.

MAXIMALLY PRODUCTIVE HIGHEST & BEST USE CONCLUSIONS

Based on our analyses of the legally permissible, physically possible and financially feasible uses for the subject finished and under-development lots, we conclude that their maximally productive uses, and therefore, their highest and best uses, are as follows:

Highest & Best Use of Lots: Construction of detached residential units, as demand and market conditions warrant in the \$225,990 to \$285,990 price point by Lennar Homes and First America Homes or comparable builders.

SALES COMPARISON APPROACH – SINGLE-FAMILY HOME VALUATION

The Sales Comparison Approach is “The process of deriving a value indication for the subject property by comparing sales of similar properties to the property being appraised, identifying appropriate units of comparison, and making adjustments to the sale prices (or unit prices, as appropriate) of the comparable properties based on relevant, market-derived elements of comparison.” (The Dictionary of Real Estate Appraisal, Seventh Edition, Appraisal Institute, 2022, p. 170).

The rationale for this approach, based on the principle of substitution, is that a probable purchaser would not be justified in paying more for an individual SFR than the cost of acquiring a substitute property of similar utility and characteristics, as that of the typical subject residence.

The appraiser consulted with knowledgeable individuals active in the area, including real estate brokers, principals, developers, and builders for information that would aid in the investigation. All of the data presented were confirmed for accuracy, via the local MLS and tax records.

The home sales listed represent the best available data for comparison to the subject floor plans.

IMPROVED SFR SALES GRID ANALYSES

The Sales Comparison Approach is a set of procedures in which a value indication is derived by comparing the property being appraised to similar properties that have been sold recently, applying appropriate units of comparison, and making adjustments to the sale prices of the comparables based on the elements of comparison.

In the following analysis, 3 proxy plans are utilized, which will then be utilized to value the individual 57 units. The 3 proxy plans are as follows:

Plan 1300 – 1,300 SF, 3/2 bed/bathroom count; 1-story; 2-car garage

Plan 1700 – 1,700 SF, 3/2 bed/bathroom count; 1-story; 2-car garage

Plan 2100 – 2,100 SF, 4/2.1 bed/bathroom count; 2-story; 2-car garage

The following table summarize the comparable sales.

Summary of Home Sale Comps Meadow Park													
Comp No.	Subdivision	Address	MLS#	SF	Lot Size (SF)	Stories	Beds	Baths	Garage	Year Built	Closing Date	Sales Price	Price Per SF
1	Meadow Park	14764 South Ascot Bend Circle	79620165	1,186	4,600	1	3	2.0	2-Att.	2024	Pending	\$213,990	\$180.43
2	Caney Mills	14215 Sedona Ridge Drive	63290522	1,402	4,673	1	3	2.0	2-Att.	2024	5/29/2024	\$214,325	\$152.87
3	Caney Mills	14219 Sedona Ridge Drive	54038519	1,459	5,000	1	3	2.0	2-Att.	2024	5/2/2024	\$219,600	\$150.51
4	Meadow Park	14780 South Ascot Bend Circle	37810029	1,683	4,600	1	4	2.0	2-Att.	2024	Pending	\$243,990	\$144.97
5	Caney Mills	9711 Smoothe Rock Road	19806107	1,772	5,000	1	3	2.0	2-Att.	2024	1/2/2024	\$239,321	\$135.06
6	Meadow Park	14776 South Ascot Bend Circle	77184802	1,851	4,600	2	4	2.1	2-Att.	2024	Pending	\$259,990	\$140.46
7	Meadow Park	14995 North Ascot Bend Circle	29370302	1,979	4,600	2	4	2.1	2-Att.	2024	Pending	\$256,990	\$129.86
8	Caney Mills	14212 Sedona Ridge Drive	390119474	1,880	5,200	2	3	2.1	2-Att.	2024	5/31/2024	\$244,391	\$130.00
9	Caney Mills	14235 Sedona Ridge Drive	66577696	2,049	5,200	2	4	2.1	2-Att.	2022	4/19/20024	\$244,990	\$119.57
10	Caney Mills	9555 Caney Trails Road	21822321	2,178	6,250	2	4	2.1	3-Att.	2024	3/25/2024	\$266,000	\$122.13
11	Meadow Park	2703 Pheasant Hill Court	78230567	2,229	4,600	2	4	2.1	2-Att.	2024	Pending	\$278,990	\$125.16
12	Meadow Park	2738 Pheasant Hill Court	Builder	2,416	4,600	2	4	2.1	2-Att.	2024	Pending	\$321,605	\$133.11
Average Comparable Sales Prices:				1,840								\$250,349	\$136.03

Comparable sales are from the subject development and a competing development.

IMPROVED RESIDENTIAL SALES ANALYSES

The Sales Comparison Approach is a set of procedures in which a value indication is derived by comparing the property being appraised to similar properties that have been sold recently, applying appropriate units of comparison, and making adjustments to the sale prices of the comparables based on the elements of comparison.

CUMULATIVE ADJUSTMENTS

Real Property Rights Conveyed: The comparability of property interests must first be considered when utilizing sales for adjustment analysis. The real property rights conveyed of the sales were all found to feature fee simple interest. Therefore, no adjustments are necessary for this category, as it is considered that each sale adequately represents market activity in the subject area for fee simple estates.

Financing/Cash Equivalent Considerations: Prior to adjusting for various categories applicable in the adjustment grid, each sale was reviewed with respect to financing terms and supplemental acquisition costs. When favorable financing occurred, the sale was adjusted to reflect the cash equivalent price in terms of U.S. dollars that the seller actually received. Generally cash equivalency is arrived at by applying present value factors to the stream of income generated by the seller offering favorable financing. All monies are brought back to the present value if the seller were to sell for cash or cash equivalency. Where applicable adjustments were made for this element of comparison.

Conditions of Sale: This category, as well as the previous two categories, is related to motivation of the parties in the transaction to agree on the sales price at the date of sale. The conditions and reasons for a sale are factors, which can have a direct impact on the sales price. Buyers and sellers motivation for acquisition or disposition of a property can cause large differences in the actual sales price versus market value. Extraction of an appropriate adjustment for special sales conditions is generally difficult to ascertain. Pairing of sales is typically the best method in establishing an adjustment. However, when sales are scarce and/or significant differences in the properties are evident, additional considerations must be reviewed. Such considerations typically relate to additional information provided by the buyer and/or seller, which may be difficult to measure, but

must be considered, analyzed, and reasonably adjusted. All of the sales are arms-length transactions, and adjustments were therefore not warranted.

Date of Sale: A time adjustment is required if changes occur in market conditions between the time of sale of a comparable property, and the effective date of the appraisal of the subject property. Under such circumstances, the price of the comparable property would be different at the date of appraisal, and an adjustment would be required to be made to the actual cash equivalent sales price for the sale to be used as a comparable. The comparable improved sales presented occurred within the past 1-7 months. Based on a comparison within the data set, no adjustment for market conditions has been applied.

ADDITIVE ADJUSTMENTS

Location: Improved Sales 1 thru 12 were considered to be generally similar locales to the subject in terms of location, warranting no adjustments.

Construction Quality: Again, this is an analysis of a base plan, with no builder upgrades. Improved Sales 1 thru 12 were similar with no adjustments applied.

Condition: Like the subject residences, Improved Sales 1-12 were in new condition, and are considered very comparable to the subject's new status.

Room Count: Differences in the number of bedrooms are reflected in the adjustment for GLA. Where applicable, differences in half-bathrooms are adjusted at \$5,000.

Gross Living Area: Smaller homes typically bring higher prices per-square-foot than otherwise equally desirable larger homes. Differences in GLA are based on a rate of \$95 PSF for all 3 proxy plans.

Site Size: The subject lots have typical size of 4,600 SF. Improved Sales 1 thru 12 are considered generally similar in lot size compared to the subject and have not been adjusted for this element of comparison.

Garages: Where applicable, an adjustment was made for \$10,000 per garage space.

IMPROVED SALES ADJUSTMENT GRIDS

The following Improved Sales Adjustment Grids illustrate the adjustments that were extracted and applied in the analyses of the comparable improved sales to the subject 3 proxy master base floor plans.

ADJUSTMENT GRID - Master Base Plan # 1300											
ADJUSTMENT DATA	SUBJECT	COMPARABLE 1		COMPARABLE 2		COMPARABLE 3		COMPARABLE 4			
Development	Meadow Park	Meadow Park		Caney Mills		Caney Mills		Meadow Park			
Floor Plan	1300	N/A		N/A		N/A		N/A			
Street Address	N/A	14764 South Ascot Bend Circle		14215 Sedona Ridge Drive		14219 Sedona Ridge Drive		14780 South Ascot Bend Circle			
City, State, Zip	Conroe, TX 77306	Conroe, TX 77306		Conroe, TX 77303		Conroe, TX 77303		Conroe, TX 77306			
Sales Price			\$213,990		\$214,325		\$219,600		\$243,990		
Price per SF			\$180.43		\$152.87		\$150.51		\$144.97		
Data Source		MLS #79620165	\$0	MLS #63290522	\$0	MLS #54038519	\$0	MLS #37810029	\$0		
Date of Sale		Pending	\$0	5/29/2024	\$0	5/2/2024	\$0	Pending	\$0		
Concessions		Concessions	\$0	Concessions	\$0	Concessions	\$0	Concessions	\$0		
Adjusted Sales Price			\$213,990		\$214,325		\$219,600		\$243,990		
Location	Meadow Park	Meadow Park	\$0	Caney Mills	\$0	Caney Mills	\$0	Meadow Park	\$0		
Lot Size Adjustment (SF)	4,600	4,600	\$0	4,673	\$0	5,000	\$0	4,600	\$0		
Product Type - Att or Det	Detached	Detached	\$0	Detached	\$0	Detached	\$0	Detached	\$0		
Construction Quality	Average - Base Plan	Similar	\$0	Similar	\$0	Similar	\$0	Similar	\$0		
Appliance Quality	Good	Similar	\$0	Similar	\$0	Similar	\$0	Similar	\$0		
Age	2024	2024	\$0	2024	\$0	2024	\$0	2024	\$0		
Condition	New	Good	\$0	New	\$0	New	\$0	New	\$0		
Total Rooms	6	6		6		6		7			
Bedrooms	3	3		3		3		4			
Bathrooms	2.0	2.0	\$0	2.0	\$0	2.0	\$0	2.0	\$0		
Living Area Square Feet	\$95 1,300	1,186	\$10,830	1,402	(\$9,690)	1,459	(\$15,105)	1,683	(\$36,385)		
Functional Utility	Average	Similar	\$0	Similar	\$0	Similar	\$0	Similar	\$0		
Number of Stories	1-Story	1-Story	\$0	1-Story	\$0	1-Story	\$0	1-Story	\$0		
Garage Parking	2.0-Attached Gar.	2.0-Attached Gar.	\$0	2.0-Attached Gar.	\$0	2.0-Attached Gar.	\$0	2.0-Attached Gar.	\$0		
Air Conditioning/Heat	Central	Central	\$0	Central	\$0	Central	\$0	Central	\$0		
Porch/Patio	Yes/Yes	Yes	\$0	Yes	\$0	Yes	\$0	Yes	\$0		
Total Net Adjustment			\$10,830		(\$9,690)		(\$15,105)		(\$36,385)		
Indicated Value of Subject Plan			\$224,820		\$204,635		\$204,495		\$207,605		
Mean:		\$210,389		Median:		\$206,120		MV Conclusion		\$206,000	
Builder Asking Price:		N/A									

ADJUSTMENT GRID - Master Base Plan #1700									
ADJUSTMENT DATA	SUBJECT	COMPARABLE 5		COMPARABLE 6		COMPARABLE 7		COMPARABLE 8	
Development	Meadow Park	Caney Mills		Meadow Park		Meadow Park		Caney Mills	
Floor Plan	1700	N/A		N/A		N/A		N/A	
Street Address	N/A	9711 Smoother Rock Road		14776 South Ascot Bend Circle		14995 North Ascot Bend Circle		14212 Sedona Ridge Drive	
City, State, Zip	Conroe, TX 77306	Conroe, TX 77303		Conroe, TX 77306		Conroe, TX 77306		Conroe, TX 77303	
Sales Price			\$239,321		\$259,990		\$256,990		\$244,391
Price per SF			\$135.06		\$140.46		\$129.86		\$130.00
Data Source		MLS #19806107	\$0	MLS #77184802	\$0	MLS #29370302	\$0	MLS #390119474	\$0
Date of Sale		1/2/2024	\$0	Pending	\$0	Pending	\$0	5/31/2024	\$0
Concessions		Concessions	\$0	Concessions	\$0	Concessions	\$0	Concessions	\$0
Adjusted Sales Price			\$239,321		\$259,990		\$256,990		\$244,391
Location	Meadow Park	Caney Mills	\$0	Meadow Park	\$0	Meadow Park	\$0	Caney Mills	\$0
Lot Size Adjustment	4,600	5,000	\$0	4,600	\$0	4,600	\$0	5,200	\$0
Product Type - Att or Det	Detached	Detached	\$0	Detached	\$0	Detached	\$0	Detached	\$0
Construction Quality	Average - Base Plan	Similar	\$0	Similar	\$0	Similar	\$0	Similar	\$0
Appliance Quality	Good	Similar	\$0	Similar	\$0	Similar	\$0	Similar	\$0
Age	2024	2024	\$0	2024	\$0	2024	\$0	2024	\$0
Condition	New	Good	\$0	New	\$0	New	\$0	New	\$0
Total Rooms	6	6		7		7		6	
Bedrooms	3	3		4		4		3	
Bathrooms	2.0	2.0	\$0	2.1	(\$5,000)	2.1	(\$5,000)	2.1	(\$5,000)
Living Area Square Feet	\$95 1,700	1,772	(\$6,840)	1,851	(\$14,345)	1,979	(\$26,505)	1,880	(\$17,100)
Functional Utility	Average	Similar	\$0	Similar	\$0	Similar	\$0	Similar	\$0
Number of Stories	1-Story	1-Story	\$0	2-Story	\$0	2-Story	\$0	2-Story	\$0
Garage Parking	2.0-Attached Gar.	2.0-Attached Gar.	\$0	2.0-Attached Gar.	\$0	2.0-Attached Gar.	\$0	2.0-Attached Gar.	\$0
Air Conditioning/Heat	Central	Central	\$0	Central	\$0	Central	\$0	Central	\$0
Porch/Patio	Yes/Yes	Yes	\$0	Yes	\$0	Yes	\$0	Yes	\$0
Total Net Adjustment			(\$6,840)		(\$19,345)		(\$31,505)		(\$22,100)
Indicated Value of Subject Plan			\$232,481		\$240,645		\$225,485		\$222,291
Mean:		\$230,226							
Median:		\$228,983							
MV Conclusion		\$230,000							
Builder Asking Price:		N/A							

ADJUSTMENT GRID - Master Base Plan #2100										
ADJUSTMENT DATA	SUBJECT	COMPARABLE 9			COMPARABLE 10		COMPARABLE 11		COMPARABLE 12	
Development	Meadow Park	Caney Mills			Caney Mills		Meadow Park		Meadow Park	
Floor Plan	2100	N/A			N/A		N/A		N/A	
Street Address	N/A	14235 Sedona Ridge Drive			9555 Caney Trails Road		2703 Pheasant Hill Court		2738 Pheasant Hill Court	
City, State, Zip	Conroe, TX 77306	Conroe, TX 77303			Conroe, TX 77303		Conroe, TX 77306		Conroe, TX 77306	
Sales Price				\$244,990		\$266,000		\$278,990		\$321,605
Price per SF				\$119.57		\$122.13		\$125.16		\$133.11
Data Source		MLS #66577696		\$0	MLS #21822321		MLS #78230567		Builder	\$0
Date of Sale		4/19/20024		\$0	3/25/2024		Pending		Pending	\$0
Concessions		Concessions		\$0	Concessions		Concessions		Concessions	\$0
Adjusted Sales Price				\$244,990		\$266,000		\$278,990		\$321,605
Location	Meadow Park	Caney Mills		\$0	Caney Mills		Meadow Park		Meadow Park	\$0
Lot Size Adjustment (SF)	4,600	5,200		\$0	6,250		4,600		4,600	\$0
Product Type - Att or Det	Detached	Detached		\$0	Detached		Detached		Detached	\$0
Construction Quality	Average - Base Plan	Similar		\$0	Similar		Similar		Similar	\$0
Appliance Quality	Good	Similar		\$0	Similar		Similar		Similar	\$0
Age	2024	2022		\$0	2024		2024		2024	\$0
Condition	New	New		\$0	New		New		New	\$0
Total Rooms	7	7		7	7		7		7	7
Bedrooms	4	4		4	4		4		4	4
Bathrooms	2.1	2.1		\$0	2.1		2.1		2.1	\$0
Living Area Square Feet	\$95 2,100	2,049		\$4,845	2,178		2,229		2,416	(\$30,020)
Functional Utility	Average	Similar		\$0	Similar		Similar		Similar	\$0
Number of Stories	2-Story	1-Story		\$0	2-Story		1-Story		1-Story	\$0
Garage Parking	2.0-Attached Gar.	2.0-Attached Gar.		\$0	3.0-Attached Gar.		2.0-Attached Gar.		2.0-Attached Gar.	\$0
Air Conditioning/Heat	Central	Central		\$0	Central		Central		Central	\$0
Porch/Patio	Yes/Yes	Yes		\$0	Yes		Yes		Yes	\$0
Total Net Adjustment				\$4,845		(\$17,410)		(\$12,255)		(\$30,020)
Indicated Value of Subject Plan				\$249,835		\$248,590		\$266,735		\$291,585
Mean:				\$264,186						
Median:				\$258,285						
MV Conclusion				\$255,000						
Builder Asking Price:				N/A						

SUMMARY OF SALES COMPARISON APPROACH "AS COMPLETE" VALUE INDICATIONS

Based upon the prior Sales Comparison Analyses of the selected comparable sales, the "As Complete" Market Values of the subject 3 master base floor plans are concluded as follows:

Sales Comparison Approach Market Value Indications			
No.	Proxy Plan	"As Complete"	Per SF
1	1300	\$206,000	\$158.46
2	1700	\$230,000	\$135.29
3	2100	\$255,000	\$121.43

Utilizing the above concluded amounts per SF, the 57 proposed/under-construction/complete units will be valued Hypothetically "As Complete" as noted below:

- \$158.46 will be utilized for units with a size of 1,186 SF to 1,683 SF**
- \$135.29 will be utilized for units with a size of 1,851 SF to 2,049 SF**
- \$121.43 will be utilized for units with a size of 2,229 SF to 2,416 SF**

Subject Units Meadow Park, Section 1											
	Address	Lot No.	Block	GLA SF	# of Stories	Bed/Bath Count	Garage Count	Builder Asking Price	Base Unit MV	Retail Value Rounded	
1	2707 Pheasant Hill Court	28	2	1,683	1	4/2	2-car	\$255,990	\$266,688	\$267,000	
2	2703 Pheasant Hill Court	29	2	2,229	2	4/2.1	2-car	\$278,990	\$270,667	\$271,000	
3	2711 Pheasant Hill Court	27	2	1,851	2	4/2.1	2-car	\$259,990	\$250,422	\$250,000	
4	2718 Pheasant Hill Court	34	2	1,186	1	3/2	2-car	\$213,990	\$187,934	\$188,000	
5	2726 Pheasant Hill Court	35	2	1,461	1	3/2	2-car	\$236,990	\$231,510	\$232,000	
6	2730 Pheasant Hill Court	36	2	1,311	1	3/2	2-car	\$228,990	\$207,741	\$208,000	
7	2750 Pheasant Hill Court	41	2	1,851	2	4/2.1	2-car	\$253,990	\$250,422	\$250,000	
8	2754 Pheasant Hill Court	42	2	1,461	1	3/2	2-car	\$227,990	\$231,510	\$232,000	
9	14733 South Ascot Bend	24	2	1,683	1	4/2	2-car	N/A	\$266,688	\$267,000	
10	2758 Pheasant Hill Court	43	2	1,311	1	3/2	2-car	\$222,990	\$207,741	\$208,000	
11	14737 South Ascot Bend	23	2	1,186	1	3/2	2-car	\$210,990	\$187,934	\$188,000	
12	14732 South Ascot Bend	17	1	2,229	2	4/2.1	2-car	N/A	\$270,667	\$271,000	
13	14740 South Ascot Bend	15	1	1,311	1	3/2	2-car	\$220,990	\$207,741	\$208,000	
14	14736 South Ascot Bend	16	1	1,461	1	3/2	2-car	\$230,990	\$231,510	\$232,000	
15	14764 South Ascot Bend	9	1	1,186	1	3/2	2-car	\$213,990	\$187,934	\$188,000	
16	14776 South Ascot Bend	6	1	1,851	2	4/2.1	2-car	\$259,990	\$250,422	\$250,000	
17	14772 South Ascot Bend	7	1	1,311	1	3/2	2-car	N/A	\$207,741	\$208,000	
18	14780 South Ascot Bend	5	1	1,683	1	4/2	2-car	\$243,990	\$266,688	\$267,000	
19	14994 North Ascot Bend	13	2	1,683	1	4/2	2-car	\$245,990	\$266,688	\$267,000	
20	14986 North Ascot Bend	11	2	1,418	1	3/2	2-car	\$227,990	\$224,696	\$225,000	
21	14990 North Ascot Bend	12	2	1,607	1	4/2	2-car	\$245,990	\$254,645	\$255,000	
22	14982 North Ascot Bend	10	2	1,273	1	3/2	2-car	\$220,990	\$201,720	\$202,000	
23	14979 North Ascot Bend	19	3	1,409	1	3/2	2-car	\$231,990	\$223,270	\$223,000	
24	14943 North Ascot Bend	11	3	1,273	1	3/2	2-car	\$220,990	\$201,720	\$202,000	
25	14975 North Ascot Bend	18	3	1,418	1	3/2	2-car	\$232,990	\$224,696	\$225,000	
26	14939 North Ascot Bend	10	3	1,409	1	3/2	2-car	\$227,990	\$223,270	\$223,000	
27	14931 North Ascot Bend	8	3	1,418	1	3/2	2-car	N/A	\$224,696	\$225,000	
28	14935 North Ascot Bend	9	3	1,607	1	4/2	2-car	\$241,990	\$254,645	\$255,000	
29	14926 North Ascot Bend	4	2	1,273	1	3/2	2-car	\$220,990	\$201,720	\$202,000	
30	14930 North Ascot Bend	5	2	1,979	2	4/2.1	2-car	\$253,990	\$267,739	\$268,000	
31	14922 North Ascot Bend	3	2	1,409	1	3/2	2-car	N/A	\$223,270	\$223,000	
32	14915 North Ascot Bend	4	3	1,607	1	4/2	2-car	\$241,990	\$254,645	\$255,000	
33	14911 North Ascot Bend	3	3	1,979	2	4/2.1	2-car	\$253,990	\$267,739	\$268,000	
34	14903 North Ascot Bend	1	3	1,607	1	4/2	2-car	\$249,990	\$254,645	\$255,000	
35	14907 North Ascot Bend	2	3	1,418	1	3/2	2-car	\$227,990	\$224,696	\$225,000	
36	14983 North Ascot Bend	20	3	1,607	1	4/2	2-car	N/A	\$254,645	\$255,000	
37	14987 North Ascot Bend	21	3	1,979	2	4/2.1	2-car	\$255,990	\$267,739	\$268,000	
38	14991 North Ascot Bend	22	3	1,409	1	3/2	2-car	\$221,990	\$223,270	\$223,000	
39	14995 North Ascot Bend	23	3	1,979	2	4/2.1	2-car	\$256,990	\$267,739	\$268,000	
40	2715 Pheasant Hill Court	26	2	1,607	1	4/2	2-car	\$245,990	\$254,645	\$255,000	
41	14741 South Ascot Bend	22	2	1,979	2	4/2.1	2-car	\$253,990	\$267,739	\$268,000	
42	2719 Pheasant Hill Court	25	2	1,418	1	3/2	2-car	\$236,990	\$224,696	\$225,000	
43	14745 South Ascot Bend	21	2	1,409	1	3/2	2-car	\$229,990	\$223,270	\$223,000	
44	14914 North Ascot Bend	1	2	1,273	1	3/2	2-car	\$220,990	\$201,720	\$202,000	
45	14918 North Ascot Bend	2	2	1,979	2	4/2.1	2-car	\$253,990	\$267,739	\$268,000	
46	14966 North Ascot Bend	6	2	1,418	1	3/2	2-car	\$231,990	\$224,696	\$225,000	
47	14919 North Ascot Bend	5	3	1,418	1	3/2	2-car	\$233,990	\$224,696	\$225,000	
48	14970 North Ascot Bend	7	2	1,409	1	3/2	2-car	\$227,990	\$223,270	\$223,000	
49	14974 North Ascot Bend	8	2	1,607	1	4/2	2-car	\$245,990	\$400,000	\$400,000	
50	14978 North Ascot Bend	9	2	1,979	2	4/2.1	2-car	\$253,990	\$267,739	\$268,000	
51	14971 North Ascot Bend	17	3	1,273	1	3/2	2-car	N/A	\$201,720	\$202,000	
52	14793 South Ascot Bend	16	2	2,416	2	5/2.1	2-car	N/A	\$293,375	\$293,000	
53	14923 North Ascot Bend	6	3	1,364	1	3/2	2-car	\$253,982	\$216,139	\$216,000	
54	14927 North Ascot Bend	7	3	1,535	1	4/2	2-car	\$264,734	\$243,236	\$243,000	
55	2738 Pheasant Hill Court	8	2	2,416	2	5/2.1	2-car	\$326,605	\$293,375	\$293,000	
56	2742 Pheasant Hill Court	39	2	1,560	1	3/2	2-car	\$273,996	\$247,198	\$247,000	
57	2746 Pheasant Hill Court	40	2	2,049	2	4/2.1	2-car	\$296,593	\$277,209	\$277,000	
Total:									\$13,750,000		
Avg. Per Unit:									\$241,228		

SALES COMPARISON APPROACH – RETAIL LOT VALUATION

The Sales Comparison Approach is “The process of deriving a value indication for the subject property by comparing sales of similar properties to the property being appraised, identifying appropriate units of comparison, and making adjustments to the sale prices (or unit prices, as appropriate) of the comparable properties based on relevant, market-derived elements of comparison.” (The Dictionary of Real Estate Appraisal, Seventh Edition, Appraisal Institute, 2022, p. 170).

The rationale for this approach, based on the principle of substitution, is that a probable purchaser would not be justified in paying more for an individual retail lot than the cost of acquiring a substitute property of similar utility and characteristics, as that of the typical subject lot.

Again, knowledgeable individuals active in the area, which include real estate brokers, appraisers, developers, and builders, were consulted for information that would aid in the investigation. All of the data presented was confirmed for accuracy. On the following pages are details concerning the comparable takedown lot sales that have been used for the establishment of the subject's typical or base Builder Lot Value conclusion.

LOT SALE NUMBER ONE



Subdivision Name: Caney Mills, Section 7
 Key Map: 158-M
 Location: Located along the west line of Willis Waukegan Road, north of Highway 105, east of Rolling Hills Road, in Conroe, Montgomery County, Texas 77303.
 Grantor: Caney Mills Development Company, LLC (Signorelli)
 Grantee: Castlerock Communities
 SFR Price Range: \$210,990 to \$288,990

Sales Data:

<u>No. Lots</u>	<u>Avg FF</u>	<u>Base Lot Price</u>	<u>Esc. Lot Price</u>	<u>Per FF</u>	<u>Sale Date</u>
105	45'	\$49,500	\$54,225	\$1,205	6/3/2024

Financing: Cash to seller
 Utilities: All available
 School District: Conroe I.S.D.
 Zoning/Restrictions: None/Caney Mills Deed Restrictions
 Floodplain: None
 Confirmation: Lot Contract
 Recording Info: 2024-050343

Comments: This is the bulk purchase of 105 lots in Section 7 of Caney Mills. Castlerock Communities will be the exclusive builder in Section 7. Escalation of 6% commenced from initial 60-lot purchase in October 2022. No other fees are due to the developer.

LOT SALE NUMBER TWO

Subdivision Name: Colony at Pinehurst, Sections 1 - 4

Key Map: 247-B

Location: Southwest side of F.M. 1774 at Lone Star Lane, 1/4 mile northwest of F.M. 149, and 1/2 mile west of State Highway 249, within the Colony at Pinehurst master-planned community, in the Tomball/Magnolia market area of Montgomery County, Texas.

Lot Sales Data:

<u>No. Lots</u>	<u>Avg FF</u>	<u>Base Lot Price</u>	<u>Total Lot Price</u>	<u>Per FF</u>	<u>Sale Date</u>
3	40'	\$50,000	\$52,250	\$1,306	3/22/2024

Developer: HMH Stratford Pinehurst JV

Builder: Brightland Homes

New Home Price Range: \$240,000 to \$355,000

Financing: Cash to seller

Utilities: All available

School District: Magnolia I.S.D.

Zoning: None

Restrictions: Typical Deed Restrictions

Floodplain: None

Subdivision Amenities: Detention lakes, playground, and walking trails.

Confirmation: Builder/Contract (B & A #C8751)

Clerk's #: 2024-027991

Comments: HMH Lifestyles developed this subdivision to build new homes and sell lots to a second builder, Brightland Homes. Though the History Maker Homes contract is

effectively a non-arm's length internal transaction, it's terms are identical to Brightland Homes and market pricing.

LOT SALE NUMBER THREE

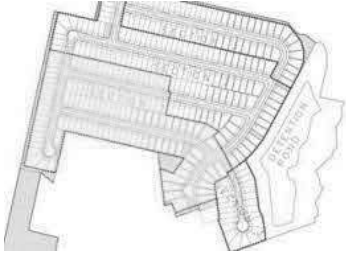
Subdivision: Stonebrooke, Section 1
 Key Map: 159-C
 Location: Northeast side of Willis Waukegan Road at Stonebrooke Chase Drive, about 3.5 miles northeast of State Highway 105 and 2.0 miles southwest of F.M. 1485, within the Conroe/Willis market area of Montgomery County, Texas.

Lot Sales Data:

<u>No. Lots</u>	<u>Avg FF</u>	<u>Base Lot Price</u>	<u>Esc. Lot Price</u>	<u>Per FF</u>	<u>Sale Date</u>
6	40'	\$42,000	\$43,740	\$1,087	4/23/2024

New Home Price Range: \$250,000 - \$335,000
 Developer/Seller: Willis Waukegan Development, LLC
 Builder: K. Hovnanian Homes
 Financing: Cash to seller
 Utilities: All available
 School District: Conroe I.S.D.
 Zoning: None
 Restrictions: Typical Deed Restrictions
 Floodplain: None
 Subdivision Amenities: ½ acre park, detention pond and walking paths..
 Confirmation: Developer/Contracts/B&A C8890
 Recording Information: 2024-117068
 Comments: The developer and builder are related entities; however, the lots are priced at market rates.

LOT SALE NUMBER FOUR



Subdivision: Enclave at Willis
 Key Map: 127-E
 Location: Southwest side of F.M. 1097 at the northern end of Canyon Falls Boulevard, about 1/3 mile west of Interstate 45, in the Conroe market area of Montgomery County, Texas 77318.

Lot Sales Data:

<u>No. Lots</u>	<u>Avg FF</u>	<u>Base Lot Price</u>	<u>Total Lot Price</u>	<u>Per FF</u>	<u>Sale Date</u>
15	40'	\$58,000	\$58,000	\$1,450	Pending
5	50'	\$72,500	\$72,500	\$1,450	Pending
20					

Developer: Enclave at Willis, Ltd.
 Builder: Colonia/NuWay Homes
 New Home Price Range: \$275,000 - \$350,000
 Financing: Cash to seller
 Utilities: All available
 School District: Willis I.S.D.
 Zoning: None
 Restrictions: Typical Deed Restrictions
 Floodplain: No
 Subdivision Amenities: Lake, walking trails
 Confirmation: Contract/Developer/B&A C8648
 Clerk's #: Pending

Comments: The contracts are takedown contracts, selling 150 lots to each builder in Sections 1 - 3, with a base price based on \$1,450 PFF of the typical lot. This sale represents the initial takedown of 20 lots per builder, to be followed by 10 lots per builder within 120 days and 10 lots per builder, per quarter, thereafter.

LOT SALE NUMBER FIVE



Subdivision: Cielo, Section 3

Key Map: 158-D

Location: Located along the south line of Amar Drive, just east of F.M. 1484, and west of Fallow Lane, in Conroe, Montgomery County, Texas 77303.

Lot Sales Data:

<u>No. Lots</u>	<u>Avg FF</u>	<u>Base Lot Price</u>	<u>Per FF</u>	<u>Sale Date</u>
107	45'	\$58,500	\$1,300	5/22/2024

Developer: Airport Road Development Company, LLC

Builder: Castlerock Communities

New Home Price Range: \$232,990 to \$328,990

Financing: Cash to seller

Utilities: All available

School District: Conroe I.S.D.

Zoning: None

Restrictions: None adverse known/Typical Deed Restrictions

Floodplain: No

Subdivision Amenities: Onsite elementary school, community park, green space

Confirmation: Contract

Clerk's #: 2024-050343

Comments: This is the bulk purchase of the 107 lots the builder is committed to in Section 3. No fees are due to the developer. A 6% annual escalator is applicable to the next set of lots to be purchased by the builder (per contract, Phase 2). Castlerock is the exclusive builder in Section 3.

LOT SALE NUMBER SIX

Subdivision: Meadow Park, Section 1

Key Map: 160-T

Location: Located just south of S.H. 105, along the west line of Willis-Waukegan Road, in Conroe, Montgomery County, Texas 77306.

Lot Sales Data:

<u>No. Lots</u>	<u>Avg FF</u>	<u>Base Lot Price</u>	<u>Per FF</u>	<u>Sale Date</u>
13	40'	\$46,000	\$1,150	12/27/2023

Developer: Meadow Park, Ltd.

Builder: Lennar Homes

New Home Price Range: \$225,990 - \$270,990

Financing: Cash to seller

Utilities: All available

School District: Conroe I.S.D.

Zoning: None

Restrictions: None adverse known/Typical Deed Restrictions

Floodplain: No

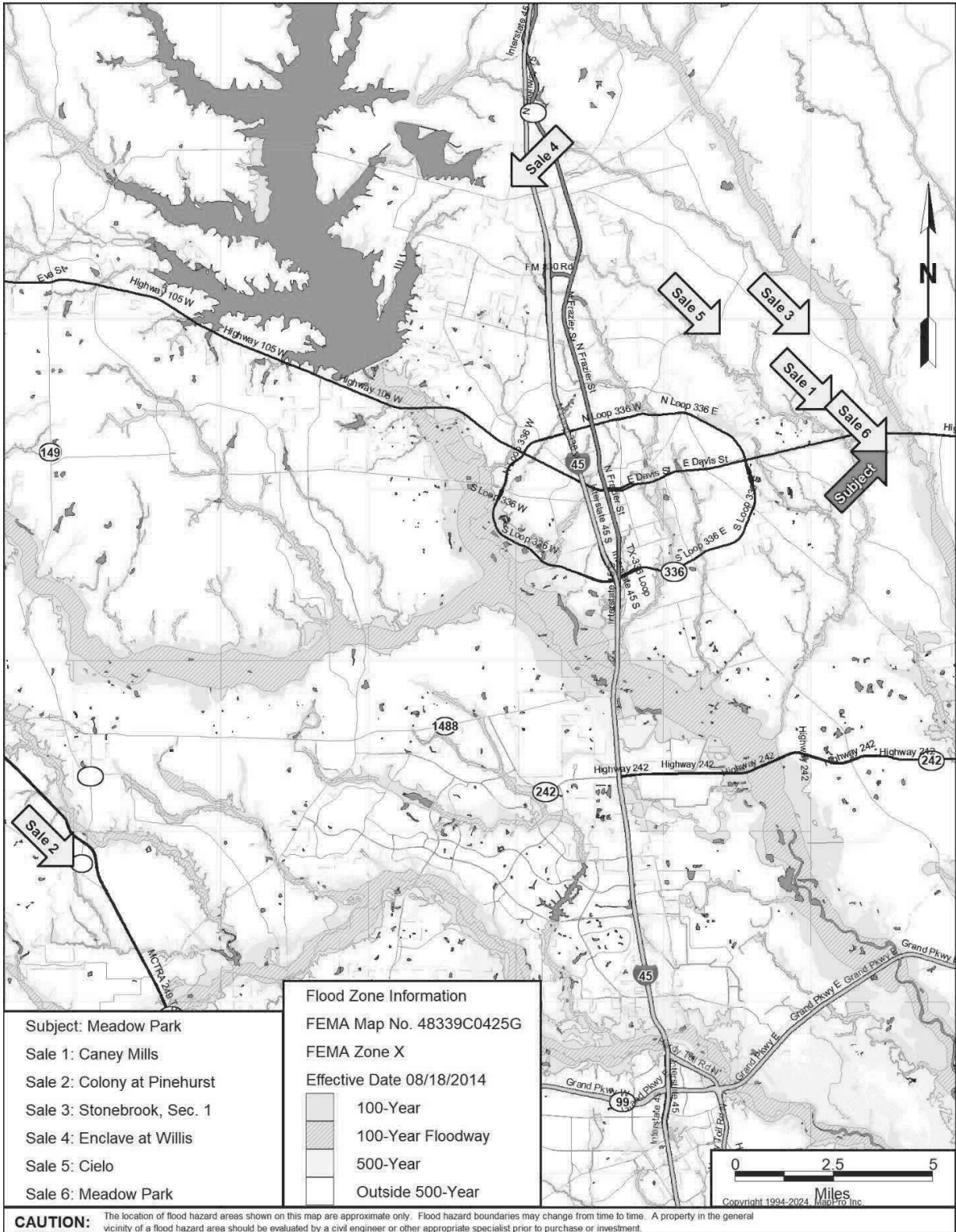
Subdivision Amenities: Park

Confirmation: Developer/Contract

Clerk's #: 2023-123828

Comments: This is the initial takedown of 13 lots the builder is committed to in the subject subdivision. The lots are subject to a 4% annual escalator. First America Homes is the competing builder in the development, with identical terms.

LOCATION MAP OF LOT SALES COMPARABLES



BUILDER LOT SALES ANALYSES

The Builder Takedown Lot Sales illustrated on the preceding pages are considered to be representative of the best available data for comparison to the subject lots, and are summarized on the following chart:

Builder Lot Sales Summary							
Lot Sale	Sale Date	Subdivision	Sale Type	Description	Lot Size	Price PFF	Lot Price
1	6/3/2024	Caney Mills, Sec. 7	Bulk	105 Lots	45'	\$1,205	\$54,225
2	3/22/2024	Colony at Pinehurst	Retail	3 Lots	40'	\$1,306	\$52,250
3	4/3/2024	Stonebrook, Sec. 1	Retail	6 Lots	40'	\$1,087	\$43,470
4	Pending	Enclave at Willis	Retail	20 Lots	40' & 50'	\$1,450	\$58,000 & \$72,500
5	5/22/2024	Cielo, Sec. 3	Bulk	107 Lots	45'	\$1,300	\$58,500
6	12/27/2023	Meadow Park, Sec. 1	Retail	13 Lots	40'	\$1,150	\$46,000

CUMULATIVE ADJUSTMENTS

Market Conditions: A time adjustment is required if changes occur in market conditions between the time of sale of a comparable property, and the effective date of the appraisal of the subject property. Under such circumstances, the price of the comparable property would be different at the date of appraisal, and an adjustment is warranted to the cash equivalent sales price for the sale to be used as a comparable. Lot prices have been increasing in the subject market area at 5% to 8% per annum. Accordingly, where applicable, lot sales have been adjusted at a rate of **6%** per annum.

Financing/Cash Equivalent Considerations: Prior to adjusting for various categories applicable in the adjustment grid, each sale was reviewed with respect to financing terms and supplemental acquisition costs. When favorable financing occurred, the sale was adjusted to reflect the cash equivalent price in terms of U.S. dollars that the seller actually received. Generally cash equivalency is arrived at by applying present value factors to the stream of income generated by the seller offering favorable financing. All monies are brought back to the present value if the seller were to sell for cash or cash equivalency. No considerations for financing were required in this analysis.

Conditions of Sale: This category, as well as the previous two categories, is related to motivation of the parties in the transaction to agree on the sales price at the date of sale.

The conditions and reasons for a sale are factors, which can have a direct impact on the sales price. Buyers and sellers motivation for acquisition or disposition of a property can cause large differences in the actual sales price versus market value. Extraction of an appropriate adjustment for special sales conditions is generally difficult to ascertain. Pairing of sales is typically the best method in establishing an adjustment. However, when sales are scarce and/or significant differences in the properties are evident, additional considerations must be reviewed. Such considerations typically relate to additional information provided by the buyer and/or seller, which may be difficult to measure, but must be considered, analyzed, and reasonably adjusted. Due to holding costs, bulk lot takedowns which are significantly larger or smaller in lot totals will typically reflect discounted or higher lot sale prices, respectively. No adjustment is warranted for this factor for Lot Sales 2 thru 4 and 6, as these lot sales are considered typical retail takedown transactions. Lot Sales 1 and 5 have been adjusted upward 20% for higher bulk lot quantity compared to a typical takedown.

ADDITIVE ADJUSTMENTS

Location: Lot Sales 2, 3, and 6 have a generally similar location and have not been adjusted for this factor. Lot Sales 1, 4 and 5 have a superior location to the subject with a higher price point of housing compared to the subject, and have been adjusted downward -10%, -5% and -10%, respectively.

Lot Size: No adjustment was warranted for this factor as all lot sales have similar lot frontages of 40' to 50' and were analyzed on a per front foot basis methodology.

Amenities: Lot Sales 1 thru 6 have generally similar in amenities compared to the subject single-family lots and have not been adjusted for this element of comparison.

LOT SALES ADJUSTMENT GRID

The following Lot Sales Adjustment Grid illustrates the adjustments that were extracted and applied in the analysis of the comparable builder lot sales to the typical subject interior lot.

Lot Sales Adjustment Grid							
Market Data	Subject	Sale 1	Sale 2	Sale 3	Sale 4	Sale 5	Sale 6
Sale Price/FF	-	\$1,205	\$1,306	\$1,087	\$1,450	\$1,300	\$1,150
Sales Date	8/3/2024	6/3/2024	3/22/2024	4/3/2024	Pending	5/22/2024	12/27/2023
Adjustment	-	3.0%	4.3%	6.0%	0.0%	3.3%	4.5%
Adjusted Sales Price/FF	-	\$1,241	\$1,362	\$1,152	\$1,450	\$1,343	\$1,202
Financing	-	CTS	CTS	CTS	CTS	CTS	CTS
Adjustment	-	0%	0%	0%	0%	0%	0%
Adjusted Sales Price/FF	-	\$1,241	\$1,362	\$1,152	\$1,450	\$1,343	\$1,202
Conditions of Sale	Typical	105 Lots	3 Lots	6 Lots	20 Lots	107 Lots	13 Lots
Adjustment	-	20%	0%	0%	0%	20%	0%
Adjusted Sale Price/FF	-	\$1,489	\$1,362	\$1,152	\$1,450	\$1,611	\$1,202
Builder	-	Castlerock	Brightland Homes	K. Hovnanian	Colina/Nuway Homes	Castlerock	Lennar Homes
Location	Meadow Park	Caney Mills, Sec. 7	Colony at Pinehurst	Stonebrook, Sec. 1	Enclave at Willis	Cielo, Sec. 3	Meadow Park, Sec. 1
Adjustment	-	-10%	0%	0%	-5%	-10%	0%
Lot Size	40'	45'	40'	40'	40' & 50'	45'	40'
Adjustment	-	0%	0%	0%	0%	0%	0%
Amenities	Typical	Similar	Similar	Similar	Similar	Similar	Similar
Adjustment	-	0%	0%	0%	0%	0%	0%
Net Adjustment	-	-10%	0%	0%	-5%	-10%	0%
Adjusted Sale Price/FF	-	\$1,340	\$1,362	\$1,152	\$1,378	\$1,450	\$1,202
Indicated Mean:	\$1,314						
Indicated Median:	\$1,351						
Concluded Value/FF:	\$1,350						

Conclusion of Base Retail Lot Value

The lot sales used in this analysis are of typical base lot sales to which lot adjustments, due to premiums (if applicable) and applicable fees, will be applied to conclude an adjusted value PFF. Accordingly, the appraisers derived the following statistical parameters and the Base Retail Lot Value PFF.

Statistical Benchmarks	
Lowest	\$1,152
Mean	\$1,314
Median	\$1,351
Highest	\$1,450
Concluded Value/FF:	\$1,350

The builder lot sales used in this analysis exhibit an adjusted price per front foot of \$1,152 to \$1,450 PFF, with a mean of \$1,314 PFF and a median of \$1,351 PFF. Based on the preceding analysis, with credence given to each of the lot sales, the Highest and Best Use of the comparable sales, and the supply and demand of lots in the subject’s market

area, the appraisers' have concluded a Base Retail Market Value of **\$1,350 PFF, or \$54,000 per 40' lot, as of August 3, 2024 (Section 1), as well as September 30, 2024 for the Section 2.**

LOT PREMIUMS AND FEES:

No lot premiums are noted in the lot purchase agreement and there are no fees due to the developer.

Thus, the Sum of the Retail Lot Values – “As Is” and Upon Completion” can be summarized as follows:

Sum of the Retail Lot Values - "As Is"						
Meadow Park, Section 1						
No. Lots	Average Lot FF	Concluded PFF	Base Lot Price	Base Lot Revenue	Sum of the Lot Revenues	
					\$ Total	\$ / Lot
83	40'	\$1,350	\$54,000	\$4,482,000	\$4,482,000	\$54,000

Sum of the Retail Lot Values - "Upon Completion"						
Meadow Park, Section 2						
No. Lots	Average Lot FF	Concluded PFF	Base Lot Price	Base Lot Revenue	Sum of the Lot Revenues	
					\$ Total	\$ / Lot
103	40'	\$1,350	\$54,000	\$5,562,000	\$5,562,000	\$54,000

ABSORPTION ANALYSIS

To determine the rates at which the subject single-family lots will be absorbed into the market, we have analyzed the recent absorption of lots in the following competing subdivisions in the vicinity of the subject.

Zonda Houston Metrostudy 2Q 2024									
Subdivision / Product (\$1,000)		3Q 2023	4Q 2023	1Q 2024	2Q 2024	Past 4 Qtrs Total Absorb	Avg Absorb Per Qtr	No. of Builders	Avg Absorb Per Bldr/Qtr
Caney Mills - Multiple 40' & 45' Lots \$205 - \$358	Starts	44	9	36	46	135	33.8	3	11.3
	Closings	26	26	46	30	128	32.0		10.7
	VDL	131	122	86	145				
Enclave at Lexington Woods - Rausch Coleman 40' Lots \$236 - \$290	Starts	42	12	13	0	67	16.8	1	16.8
	Closings	0	68	29	23	120	30.0		30.0
	VDL	25	13	0	0				
Magnolia Ridge, Sec. 14 - Rausch Coleman 45' Lots \$229 - \$290	Starts	21	5	0	0	26	6.5	1	6.5
	Closings	11	15	25	1	52	13.0		13.0
	VDL	11	6	6	6				
Chapel Run - Multiple 40' Lots \$215 - \$320	Starts	24	28	32	24	108	27.0	2	13.5
	Closings	31	13	33	1	78	19.5		9.8
	VDL	136	285	253	229				
Hidden Creek, Sec. 2 - Rausch Coleman 40' Lots \$212 - \$268	Starts	21	10	10	4	45	11.3	1	11.3
	Closings	15	33	9	16	73	18.3		18.3
	VDL	45	14	4	0				
		Average Absorption Per Quarter Over Past 4 Quarters			Starts	Minimum:	6.5		6.5
						Average:	19.1		11.9
						Maximum:	33.8		16.8
					Closings	Minimum:	13.0		9.8
						Average:	22.6		16.3
						Maximum:	32.0		30.0

These absorption comparables indicate quarterly absorption of 6.5 to 16.8 lots, with an average of 11.9 starts per quarter per builder and 9.8 to 30.0 lots, with an average of 16.3 closings per quarter per builder. The comparable projects include a variety of builders and offer lot sizes which are generally similar to those of the subject lots, and new home pricing ranging from \$205,000 up to \$358,000+.

LOT ABSORPTION PROJECTION

All of the absorption comparables noted above are good indicators of absorption given their location and price point compared to the subject property. Given the high level of interest rates, but considering the builder rate buydowns, and the potential impact on home sales, an absorption rate of **20 lots per quarter** is supported.

INCOME APPROACH – “AS IS” AND “UPON COMPLETION” MARKET VALUE

The Bulk Market Value for the subject lots, or sold collectively to a single purchaser, is determined by discounting the net sales proceeds of the aggregate gross builder retail lot revenue arrived at previously. The discounting is necessary to reflect the absorption period, required yield, and related expenses incurred during the sell-out term. The following is a discussion of each of these categories and the assumptions applicable thereto:

YIELD RATE / IRR ANALYSIS

We referenced the developer’s survey conducted by RealtyRates.com for the 2nd Quarter 2024 (1st quarter 2024 data).

RealtyRates.com DEVELOPER SURVEY - 2nd Quarter 2024						
Texas - Subdivisions & PUDs						
	Actual Rates			Pro-Forma Rates		
	Min	Max	Avg	Min	Max	Avg
Site-Built Residential	15.51%	33.81%	22.88%	14.89%	32.46%	21.97%
-100 Units	15.51%	29.15%	21.88%	14.89%	27.98%	21.00%
100-500 Units	15.89%	32.06%	23.02%	15.26%	30.78%	22.10%
500+ Units	16.28%	33.52%	23.41%	15.63%	32.18%	22.47%
Mixed Use	16.67%	33.81%	23.22%	16.00%	32.46%	22.29%
Manufactured Housing	16.00%	36.94%	24.56%	15.36%	35.47%	23.58%
-100 Units	16.00%	32.13%	23.58%	15.36%	30.84%	22.64%
100-500 Units	16.40%	35.34%	24.83%	15.74%	33.92%	23.84%
500+ Units	16.80%	36.94%	25.26%	16.13%	35.47%	24.25%
Business Parks	15.95%	34.33%	23.35%	15.31%	32.95%	22.42%
-100 Acres	15.95%	29.85%	22.44%	15.31%	28.66%	21.54%
100-500 Acres	16.35%	32.83%	23.61%	15.69%	31.52%	22.66%
500+ Acres	16.75%	34.33%	24.00%	16.08%	32.95%	23.04%
Industrial Parks	16.04%	29.80%	21.35%	15.40%	28.60%	20.49%
-100 Acres	16.04%	25.91%	20.55%	15.40%	24.87%	19.73%
100-500 Acres	16.44%	28.50%	21.57%	15.78%	27.36%	20.71%
500+ Acres	16.84%	29.80%	21.92%	16.17%	28.60%	21.04%

*1st Quarter 2024 Data

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Within the RealtyRates.com survey, developers and builders reported modeling pro-forma internal rates of return ranging from 14.89% to 27.98%, with an average of 21.00% for site-built residential less than 100 units. The developers and builders reported actual rates ranging from 15.51% to 29.15%, with an average of 21.88%. The above chart reflects surveyed rates for complete subdivision developments – from vacant land to lot

development, to home construction, to home sellout. By contrast, the subject of this analysis represents finished lots. Therefore, entitlement and land development risk have occurred. Home construction, marketing, and home sales risk remain to be incurred. Based on the availability of alternative investment yields and considering the relative risk of the subject residential development investment; it is the appraiser's opinion that an overall **IRR of 17.0%** is reasonable for the subject 186 lots.

DISCOUNTED CASH FLOW ASSUMPTIONS

Sum of the Retail Values: The Sum of the Builder Retail Values for the cash flows are predicated on a beginning lot value including any applicable lot fees and lot premiums, previously concluded as follows:

Sum of the Retail Lot Values - "As Is"						
Meadow Park, Section 1						
No. Lots	Average Lot FF	Concluded PFF	Base Lot Price	Base Lot Revenue	Sum of the Lot Revenues	
					\$ Total	\$ / Lot
83	40'	\$1,350	\$54,000	\$4,482,000	\$4,482,000	\$54,000

Sum of the Retail Lot Values - "Upon Completion"						
Meadow Park, Section 2						
No. Lots	Average Lot FF	Concluded PFF	Base Lot Price	Base Lot Revenue	Sum of the Lot Revenues	
					\$ Total	\$ / Lot
103	40'	\$1,350	\$54,000	\$5,562,000	\$5,562,000	\$54,000

Absorption Period: The absorption period projected for the subject sell-out is based on the vacant lot inventory and absorption projection, previously concluded at 20 lots per quarter.

Sales Price Escalation: Per current market trends and market participants active in the subject's market area and greater Houston MSA, the subject lot prices are projected to escalate at an annual rate equal to 6% per year, **or 1.5% per quarter**, beginning in the 1st period.

Beginning Lot Inventory: The Beginning Lot Inventory is the total number of lots in inventory on the first day of each quarterly period.

Lot Sales Per Period: The Lots Sales per Period is the total number of lots sold or absorbed during each quarterly period.

Ending Lot Inventory: The Ending Inventory is the total number of lots in inventory on the last day of each quarterly period.

Average Lots Held Per Period: The Average Lots Held per Period is the average of Beginning Lot Inventory and Ending Lot Inventory.

Starting Inventory (Dollars): The Starting Inventory is expressed in terms of dollars by multiplying the Average Lot Value by the Beginning Lot Inventory and is a carry-over of the Ending Inventory balance.

Average Inventory Held (Dollars): The Average Inventory Held in Dollars is the average of the Starting Inventory (dollars) and the Ending Inventory (dollars).

Ending Inventory (Dollars): The Ending Inventory is expressed in terms of dollars by subtracting the periodic Sales (dollars) from the Starting Lot Inventory (dollars).

Lot Sales Income: The Total Quarterly Sales are the revenue generated during the period, before sales expense deductions.

SALES EXPENSES

Marketing/Closing Costs: The marketing expense is typically carried by the lot developer; however, in submarkets in which the lot supply is at shortage levels and in quality developments, the marketing expense can and is occasionally passed through to the builders. In the case of the subject, the marketing expense is based on **1.0%** of lot sales, beginning in Period "0". Please note that the marketing expense is combined with commissions and closing costs expenses below.

Typical lot takedown contracts call for the developer to pay commissions and part or all of the closing costs. Thus, real estate commissions and closing costs are typical carrying expenses. The commissions/closing costs expense is based on **4.0% of the periodic sales**. This item is considered to be sufficient to cover broker commissions at 3.0%, plus 1.0% closing costs. Brokerage fees for this type of transaction typically range from 2% to 4%, due to the repetitive nature of lot takedown contracts. Closing costs also vary, but typically total 0.5% to 1.5% of the sales price of the lots. Again, the marketing expense of 1.0% is combined with the commissions and closing costs category. Thus, **total marketing/closing costs equate to 5.0% of periodic sales**, beginning in Period 1.

Taxes: We utilized a property tax rate of **\$1.5877** per \$100 in the cash flow. Estimated property taxes are based upon the average lot inventory (retail value) held per period, multiplied by **60%**, multiplied by the projected current tax rate noted above, and divided by 4 to reflect quarterly taxes, beginning in the 1st period.

Administrative Expense: This category reflects incidental expenses including bank charges, accounting and legal fees, office expenses, etc., which are typically incurred by the developer throughout the holding period. These expenses are often relatively minor; thus, we have projected this expense at **0.5% of periodic sales**, beginning in Period 0.

Homeowner's Association Fees: The HOA expense is calculated based on the average inventory held (Lots) by the developer multiplied by the quarterly HOA fee to reflect quarterly HOA fees. HOA fees within Meadow Park are \$500 annually. While the builder is responsible for subsidizing the development HOA for inventory lots, the builder is typically only responsible for about 50% of the standard homeowner HOA fee. For the purposes of this analysis, we assume that the builder will be responsible for an HOA fee of \$250 per lot per year on inventory lots, or **\$62.50 per lot held per quarter**.

“As Is” AND “UPON COMPLETION” BULK MARKET VALUE DCF ANALYSIS

The discounted cash flows are as follows:

Discounted Cash Flow Analysis					
Bulk Market Value "As Is"					
Meadow Park, Section 1 - 40' Lots					
TOTAL NO. OF LOTS:	83	August 3, 2024			Date of Value
AVERAGE INDIVIDUAL LOT VALUE:	\$54,000				
GROSS RETAIL VALUE:	\$4,482,000				
ABSORPTION PERIOD:	4 QUARTERS				
ANNUAL YIELD/IRR:	17.0%				
EFFECTIVE TAX RATE/\$100:	\$1.5877	\$1.5877	\$1.5877	\$1.5877	\$1.5877
AVG. HOA DUES per LOT (\$250.00/Yr.)	\$62.50	\$62.50	\$62.50	\$62.50	\$62.50
QUARTERLY PERIOD:	0	1	2	3	4
STARTING LOT INVENTORY:	83.0	63.0	43.0	23.0	3.0
LOT SALES/PERIOD:	20.0	20.0	20.0	20.0	3.0
ENDING LOT INVENTORY:	63.0	43.0	23.0	3.0	0.0
AVG. LOTS HELD/PERIOD:	73.0	53.0	33.0	13.0	1.5
SALES APPRECIATION:	0.00%	1.50%	1.50%	1.50%	1.50%
STARTING INVENTORY (Dollars):	\$4,482,000	\$3,453,030	\$2,392,182	\$1,298,733	\$171,941
AVG. LOT VALUE:	\$54,000	\$54,810	\$55,632	\$56,467	\$57,314
AVG. INVENTORY HELD:	\$3,942,000	\$2,904,930	\$1,835,861	\$734,066	\$85,970
ENDING INVENTORY:	<u>\$3,402,000</u>	<u>\$2,356,830</u>	<u>\$1,279,539</u>	<u>\$169,400</u>	<u>\$0</u>
QUARTERLY SALES:	\$1,080,000	\$1,096,200	\$1,112,643	\$1,129,333	\$171,941
LESS EXPENSES:					
a) MARKETING/CLOSING (5.0%)	\$54,000	\$54,810	\$55,632	\$56,467	\$8,597
b) TAXES/AVG. INV. HELD (@ 60%)	\$0	\$6,918	\$4,372	\$1,748	\$205
c) ADMINISTRATIVE @ 0.5%:	\$5,400	\$5,481	\$5,563	\$5,647	\$860
d) HOA DUES per QUARTER:	\$0	\$3,313	\$2,063	\$813	\$94
TOTAL EXPENSES:	<u>\$59,400</u>	<u>\$70,522</u>	<u>\$67,630</u>	<u>\$64,674</u>	<u>\$9,755</u>
NET SALES INCOME:	\$1,020,600	\$1,025,678	\$1,045,013	\$1,064,659	\$162,186
QUARTERLY YIELD/IRR:					
FACTOR @ 17.0%	<u>1.000000</u>	<u>0.959233</u>	<u>0.920127</u>	<u>0.882616</u>	<u>0.846634</u>
DISCOUNTED SALES:	\$1,020,600	\$983,864	\$961,545	\$939,685	\$137,312
	\$4,043,006				
ROUNDED TO:	<u>\$4,040,000</u>	-9.9% Discount Margin			
VALUE PER LOT:	<u>\$48,675</u>				

Discounted Cash Flow Analysis						
Bulk Market Value "Upon Completion"						
Meadow Park, Section 2 - 40' Lots						
TOTAL NO. OF LOTS:	103	September 30, 2024		Date of Value		
AVERAGE INDIVIDUAL LOT VALUE:	\$54,000					
GROSS RETAIL VALUE:	\$5,562,000					
ABSORPTION PERIOD:	5 QUARTERS					
ANNUAL YIELD/IRR:	17.0%					
EFFECTIVE TAX RATE/\$100:	\$1.5877	\$1.5877	\$1.5877	\$1.5877	\$1.5877	\$1.5877
AVG. HOA DUES per LOT (\$250.00/Yr.)	\$62.50	\$62.50	\$62.50	\$62.50	\$62.50	\$62.50
QUARTERLY PERIOD:	0	1	2	3	4	5
STARTING LOT INVENTORY:	103.0	103.0	83.0	63.0	43.0	23.0
LOT SALES/PERIOD:	0.0	20.0	20.0	20.0	20.0	23.0
ENDING LOT INVENTORY:	103.0	83.0	63.0	43.0	23.0	0.0
AVG. LOTS HELD/PERIOD:	103.0	93.0	73.0	53.0	33.0	11.5
SALES APPRECIATION:	0.00%	1.50%	1.50%	1.50%	1.50%	1.50%
STARTING INVENTORY (Dollars):	\$5,562,000	\$5,645,430	\$4,617,468	\$3,557,398	\$2,464,486	\$1,337,987
AVG. LOT VALUE:	\$54,000	\$54,810	\$55,632	\$56,467	\$57,314	\$58,173
AVG. INVENTORY HELD:	\$5,562,000	\$5,097,330	\$4,061,147	\$2,992,732	\$1,891,350	\$668,993
ENDING INVENTORY:	<u>\$5,562,000</u>	<u>\$4,549,230</u>	<u>\$3,504,825</u>	<u>\$2,428,065</u>	<u>\$1,318,214</u>	<u>\$0</u>
QUARTERLY SALES:	\$0	\$1,096,200	\$1,112,643	\$1,129,333	\$1,146,273	\$1,337,987
LESS EXPENSES:						
a) MARKETING/CLOSING (5.0%)	\$0	\$54,810	\$55,632	\$56,467	\$57,314	\$66,899
b) TAXES/AVG. INV. HELD (@ 60%)	\$0	\$12,140	\$9,672	\$7,127	\$4,504	\$1,593
c) ADMINISTRATIVE @ 0.5%:	\$0	\$5,481	\$5,563	\$5,647	\$5,731	\$6,690
d) HOA DUES per QUARTER:	\$0	\$5,813	\$4,563	\$3,313	\$2,063	\$719
TOTAL EXPENSES:	<u>\$0</u>	<u>\$78,243</u>	<u>\$75,430</u>	<u>\$72,553</u>	<u>\$69,612</u>	<u>\$75,901</u>
NET SALES INCOME:	\$0	\$1,017,957	\$1,037,213	\$1,056,780	\$1,076,661	\$1,262,085
QUARTERLY YIELD/IRR:						
FACTOR @ 17.0%	<u>1.000000</u>	<u>0.959233</u>	<u>0.920127</u>	<u>0.882616</u>	<u>0.846634</u>	<u>0.812119</u>
DISCOUNTED SALES:	\$0	\$976,458	\$954,368	\$932,731	\$911,538	\$1,024,964
	\$4,800,058					
ROUNDED TO:	<u>\$4,800,000</u>	-13.7% Discount Margin				
VALUE PER LOT:	<u>\$46,602</u>					

RECONCILIATION AND FINAL MARKET VALUE CONCLUSIONS

The Sales Comparison Approach was used to conclude the “As Is” and “Upon Completion” retail revenues of the subject residential lots. An Income Approach retail sell-out technique was then employed to derive the indicated “As Is” and “Upon Completion” Bulk Market Values of the subject 186 finished and under-development lots in Meadow Park, Sections 1 and 2. The cumulative builder retail revenue of the subject lots were discounted for their projected absorption periods. A discounted cash flow analysis was used to present value the projected income streams of the subject finished lots over their projected absorption period per section. The Income Approach procedure is generally considered to be the most valid method of estimating the bulk value of multiple builder retail lots to one individual buyer, especially if the parcels/lots involve a holding period or sell-out term and carrying costs. Additionally, the Sales Comparison Approach was utilized for the hypothetical “As Complete” value for the 57 units.

At the request of the client, the “As Is” Market Value of the under-development lots in Section 2 have not been valued herein. Additionally, for any units that are proposed or under-construction, the “As Is” Market Value has not been provided, only the hypothetical “As Complete” value of the units has been provided herein.

To conclude, it is our opinion that the **“As Is” and “Upon Completion” Bulk Market Lot Values and the Hypothetically “As Complete” Retail Unit Values** of the fee simple interest in the subject property, as of the indicated dates, are as follows:

Description	No. of Lots/Units	Avg. Lot FF	Value	Effective Date
"As Is" Bulk Market Value, Section 1	83	40'	\$4,040,000	8/3/2024
"Upon Completion" Bulk Market Value, Section 2	103	40'	\$4,800,000	9/30/2024
"As Complete" Retail Value - 57 units, Section 1	57	40'	\$13,750,000	8/3/2024

MARKETING & EXPOSURE PERIODS

According to participants in the regional and local residential lot market and others who have experience handling and marketing of such properties in the subject area, marketing times for properties such as the subject have been reasonably in this active submarket. Based upon our market analysis, we have projected a prospective marketing period for the various value scenarios, “As Is” and “Upon Completion” to be within 3 to 6 months. The subject property should market well at the reasonable and competitive concluded

Bulk Market Values. As a result, we further estimate a historic exposure period of approximately 3 to 6 months for the subject lots, based upon the market data presented herein and the reported exposure times of the comparable sales.

Extraordinary Assumptions:

- 1.) This appraisal assumes that Lennar Homes and First America Homes, or comparable production builder/s, will build upon the existing and under-development subject lots, detached single-family units with a projected price from \$225,990 to \$285,990.
- 2.) If any of these assumptions and conditions prove to be false, it may have an effect on the Market Values contained herein.

Hypothetical Conditions:

- 1.) The subject 57 detached single-family units are in various stages of completion (proposed/under-construction/complete). However, per the client's request, this appraisal is based on the hypothetical condition that the subject floor plans are finished as of the current effective date of this appraisal, August 3, 2024.
- 2.) The valuation of the subject improvements "As Complete" require valuations of the various subject improvements as hypothetically complete, based upon the plans and specifications provided. Developing this opinion of value requires the use of a hypothetical condition, because the subject in the value opinion is as though hypothetically complete. Therefore, we have relied upon specifications for the subject floor plans provided by the subject developing party. Should these representations be amended, or prove to be inaccurate, the value conclusions are subject to revision.
- 3.) If any of these conditions prove to be false, it may have an effect on the Market Values contained herein.

ADDENDA

HOUSTON REGIONAL DATA

THE ECONOMY AT A GLANCE HOUSTON

A publication of the Greater Houston Partnership Volume 32 Number 8 – August 2024



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HURRICANE BERYL

Hurricane Beryl made landfall near Matagorda, Texas as a Category 1 Hurricane around 4 a.m. Monday, July 8. The hurricane’s path took it through parts of Brazoria, Fort Bend, Harris, and Montgomery Counties. These four represent 90 percent of the region’s 7.5 million residents.

Hurricane Beryl was primarily a wind event, with most of the damage caused by fallen trees and downed power lines. Maximum sustained winds were 80 miles per hour (mph). By comparison, maximum sustained winds for Hurricane Ike were 110 mph and for Hurricane Harvey 115 mph. The Texas A&M Forest Service estimates that Hurricane Beryl affected 50 percent of Houston’s urban tree coverage.

Beryl passed through Houston in half a day, unlike Harvey which stalled over Houston and dropped rain for five days. Beryl’s short duration helped limit property damage. Local rainfall was four to eight inches, with 10 to 15 inches in a few isolated spots. Ike dropped six to 10 inches on the region and Harvey 30 to 60 inches.

Power Outages

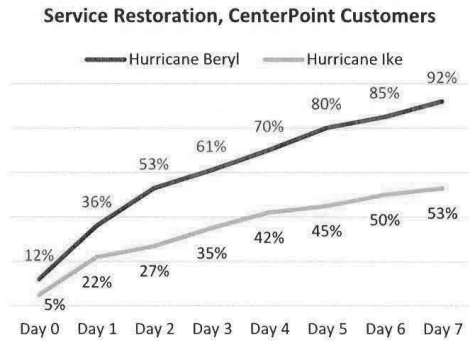
Beryl knocked out electrical power to nearly 2.3 million CenterPoint customers, about 81 percent of its base. The company lost 20,000 utility poles during the storm. By comparison, 2.2 million customers lost power during Ike. Power outages exceeded 1.7 million statewide for Harvey.

To put Beryl’s 2.3 million outages in perspective, metro Houston had a population of 5.7 million when Ike hit. During Harvey, Houston’s population topped 6.9 million. As of July 1, 2023 (latest data available), the region had 7.5

million residents. Given Houston’s growth over the past 12 months, the region’s population likely topped 7.6 million residents during Beryl.

Service Restoration

CenterPoint restored service to 53 percent of its impacted customers within 48 hours and to 92 percent within seven days. By comparison, with Ike 53 percent of CenterPoint’s customers had their power restored within seven days. Comparable numbers for Hurricane Harvey are not readily available.



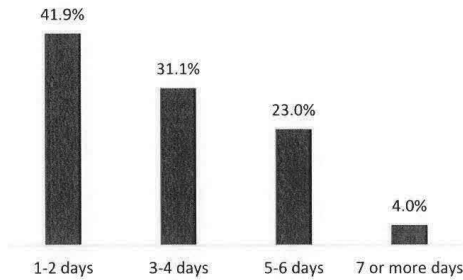
Source: CenterPoint Energy

Property Damage

CoreLogic, a property analytics firm, estimates wind damage claims at \$2.5 billion to \$3.5 billion due to Beryl. That’s for the entire U.S., not just Houston. Moody’s estimates the losses at \$2.5 billion to \$4.5 billion, with \$3.7 billion as the best estimate. Moody’s estimate includes property damage and business interruption losses. Again, that’s for the entire U.S. By comparison, Hurricane Ike’s losses are estimated at \$39 billion and Hurricane Harvey’s at \$160 billion, after adjusting for inflation.

Immediately after the storm, the Greater Houston Partnership asked its members about the impact Hurricane Beryl had on their operations. Eighty members responded to the survey. Most had reopened in four days or less. Only a handful were still closed a week later.

Days of Halted Operations Due to Beryl



Source: Greater Houston Partnership Member survey

When asked about the specific impacts of the storm:

- 91.3 percent reported they had employees who were unable to report to work,
- 68.8 percent temporarily halted operations,
- 41.3 percent lost sales or revenues,
- 30.0 percent reported damage to their buildings,
- 28.8 percent had delayed shipments or deliveries,
- 21.3 percent suffered equipment damage, and
- 10.0 percent reported inventory losses.

When asked how quickly they returned to normal staffing levels:

- 18.8 percent reported within one to two days,
- 37.5 percent reported within three to five days, and
- 40.0 percent reported within one week.

None of the respondents reported water in their facilities. Only 40 percent reported wind damage. Houston has invested roughly \$10 billion in flood mitigation projects since Hurricane Harvey which helped to minimize damage.

The vast majority (91.1 percent) of respondents indicated the storm will have no long-term impact on their ability to conduct business.

Local Infrastructure

Hurricane Beryl disrupted operations at Bush Intercontinental and Hobby Airports, leading to flight cancellations in the late morning and early afternoon. The airports resumed normal operations within four hours of the storm’s passing.

Port Houston reopened 48 hours after the storm. The port extended operating hours and cleared all delayed cargo movements within a week.

Several refineries reduced operations or shut down units ahead of the storm, but these outages were indiscernible from normal seasonal patterns. There was similar

feedback from the chemical sector, though some damage to minor units was reported.

Impacts to area rail and trucking centered on power outages at warehouses, but most were restored within a few days. There were no reports of roads or bridges washed out due to the storm.

Consumer Impact

Activity at Houston-area restaurants fell 81 percent, as measured by the number of seats occupied, according to restaurant reservation service OpenTable. Some restaurants rolled out their food trucks and served their customers from the parking lot. One week later, activity was still down 21 percent. Activity returned to normal levels by July 17.

Though there were long lines at some service stations, data from the U.S. Energy Information Administration indicates gasoline prices remained stable. There were no reported supply shortages.

Demand for hotel rooms jumped as linemen arrived from out of town to assist CenterPoint and as Houston families sought refuge from the heat and humidity. According to Houston First, hotel occupancy jumped to 72.2 percent the week Beryl hit, up from 58.8 percent the same week the year prior.

The Houston Association of Realtors reports that in the week Beryl hit:

- New property listings were down 34.6 percent compared to the same week the prior year.
- Closings were 27.5 percent below '23.
- Showings were down 38.4 percent.

The following week listings were up 1.5 percent, closings were down only 6.8 percent and showings were down 8.1 percent. It’s unclear how much of the drop is due to Beryl and how much to the ongoing struggles in the housing sector.

Employment Impact

Beryl’s impact on employment won’t be known until July employment data is released on August 16. Even then, the impact may be difficult to discern from seasonal patterns. Houston always sheds 15,000 to 30,000 jobs mid-year as teachers between employment contracts impact the overall jobs numbers.

Initial claims for unemployment insurance more than doubled, from an average of 4,175 in the four weeks prior to around 11,730 claims the week of the storm, a jump of roughly 7,500 claims. Houston’s labor force now exceeds

3.7 million, so the jump in claims represents only 0.2 percent of the region’s workforce. Initial claims dropped to around 7,600 the second week after the storm and in a few weeks should return to the pre-hurricane range of 3,500 to 4,000 per week.

Individual Impacts

Hourly workers and low-income households suffered the most from Beryl. Unless they had the opportunity to work overtime after the storm passed, the wages lost due to power outages will never be recouped. The loss of freezer and refrigerator contents for the second time in three months—the May derecho caused similar losses—piled more weight onto the burden of lost wages.

Most salaried employees continued to draw paychecks. However, the loss of power, internet, and cellphone services prevented them from working from home. Projects piled up, deadlines were missed, and work-related stress compounded weather-related stress.

Broader Perspective

Houston is not unique. Since January, the Federal Emergency Management Agency (FEMA) has issued 71 disaster declarations. These include flooding in Maine, mudslides in Oregon, winter storms in Washington, tornadoes in Ohio, windstorms in Florida, and wildfires in California.

Houstonians always assess the damage after any natural disaster and take steps to minimize the impact of future events. Tropical Storm Allison hit Houston in June ’01, inundating the Texas Medical Center (TMC), flooding basements, collapsing walls, and destroying critical research. TMC’s leadership studied the event and then implemented a mitigation plan. Walls were reinforced, storm doors added, drainage improved, and activities moved out of basements to upper floors. As a result, TMC suffered minimal damage from Ike, Harvey, and Beryl.

Events like Hurricane Beryl have the potential to impact Houston’s reputation in the short run, but in the long run, it’s how the region responds to natural disasters that matters. More work is still needed. However, flooding rarely comes up in economic development conversations, and when it does, companies are impressed with the region’s response to fixing the problem. As noted earlier, the region has invested \$10 billion in flood mitigation projects since Hurricane Harvey.

Finally, the region has a long history of overcoming weather events like Beryl. Since ’80, 18 named storms have hit the region. Over that time, metro Houston has

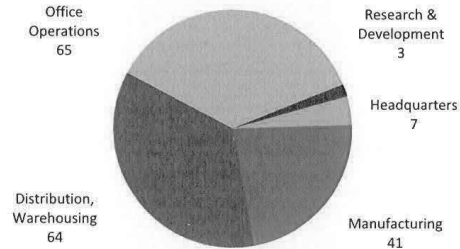
added 2.0 million jobs and 4.4 residents. Houston is resilient. Beryl won’t stop our growth.

NEW BUSINESS ANNOUNCEMENTS

The Greater Houston Partnership has identified 180 businesses that established new operations, relocated to, or expanded operations here in Q2/24. The bulk of activity, 148 projects, involved companies expanding operations and adding jobs. Another 32 established new facilities in the region.

Project announcements during Q2/24 fell into five categories: distribution and warehouse, headquarters, manufacturing, office, and research and development.

NEW BUSINESS ANNOUNCEMENTS BY TYPE



Source: Greater Houston Partnership Research

A quarter of the announcements involved companies in manufacturing, including solar panels, batteries, chemicals and medical equipment. Professional, scientific, and technical services accounted for the next largest share.

ANNOUNCEMENTS BY INDUSTRY



Source: Greater Houston Partnership Research

To be included in the Partnership’s count, a project must disclose at least one of the following: jobs created, capital investment, or square footage of office or industrial space

leased. Only a small fraction of the projects disclosed more than one of these values, so a full analysis of capital investment, employment, and square footage associated with these projects is not available.

DEMOGRAPHIC UPDATE

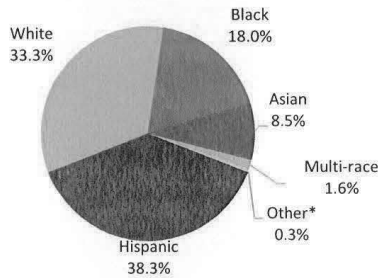
Hispanics contributed the most to metro Houston’s population gains last year, followed by Blacks, Asians, and people of two or more races. The White population was flat. That’s according to newly released population estimates from the U.S. Census Bureau.

Race/Ethnic Group	New Residents	% of Total
Hispanic	74,310	53.2
Black	36,908	26.4
Asian	22,466	16.1
Two or More Races	5,725	4.1
Other	365	0.3
White	15	0.0
Total	139,789	100.0

Source: Partnership calculations based on U.S. Census Bureau data

The Houston-Pasadena-The Woodlands metro area gained more Hispanic residents (74,310) than any other U.S. metro. Among counties, Harris County gained more Hispanic (39,815) and Black residents (15,775) than any other county. Harris now has the nation’s second-largest Hispanic (2,130,515) and second-largest Black populations (954,859) in the U.S. Los Angeles County, CA ranked first in Hispanic (4,695,902), and Cook County, IL first in Black (1,857,682) populations.

Metro Houston Race and Ethnicity as of Mid-Year '23



* Includes Native American, Alaskan Native, Native Hawaiian, and Pacific Islanders.

Source: Partnership calculations based on U.S. Census Bureau data

The table which follows breaks down the metro Houston population by race, ethnicity and gender as of mid-'23.

Houston-Pasadena-The Woodlands Race, Ethnicity, Gender

Race/Ethnicity	# Residents	% Metro Pop
Hispanic	2,878,417	38.3
Male	1,462,184	19.5
Female	1,416,233	18.9
White	2,500,061	33.3
Male	1,248,053	16.6
Female	1,252,008	16.7
Black	1,351,078	18.0
Male	634,561	8.4
Female	716,517	9.8
Asian	636,957	8.5
Male	310,102	4.1
Female	326,845	4.4
Two or more races	122,757	1.6
Male	60,740	0.8
Female	62,017	0.8
Other*	20,993	0.3
Male	10,272	0.1
Female	10,721	0.1
Total	7,510,253	100.0
Male	3,725,912	49.6
Female	3,784,341	50.4

* Native American, Alaskan Native, Native Hawaiian and Pacific Islanders.

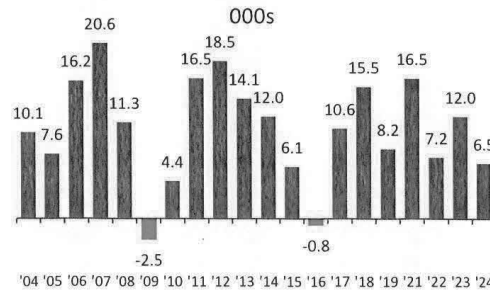
Note: Totals may not sum evenly due to rounding.

Source: Partnership calculations based on U.S. Census Bureau data

EMPLOYMENT TRENDS

Houston created 6,500 jobs in June. Over the past 20 years, the month has logged losses of 2,500 and gains of 48,000. Such wide swings make it difficult to determine what’s typical for the month, but if one excludes the five best and worst Junes of the past 20 years, growth should fall between 7,000 and 16,000 jobs. Last month’s tepid gains suggest growth has slowed in the region.

Historic Job Gains in the Month of June

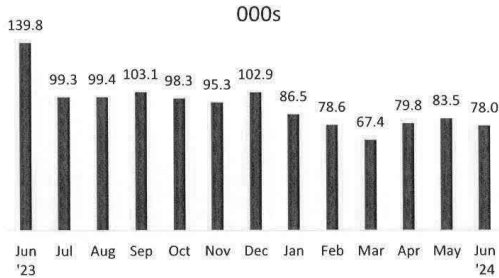


* June '20 not included because job gains that month (48,000) reflect businesses reopening after mandated pandemic closures had been lifted, not long-term trends in the economy.

Source: U.S. Bureau of Labor Statistics

In the 12 months ending June '24, the region created 78,000 jobs. That's down considerably from the 139,800 created over the comparable period in '23 and another sign of slowing growth.

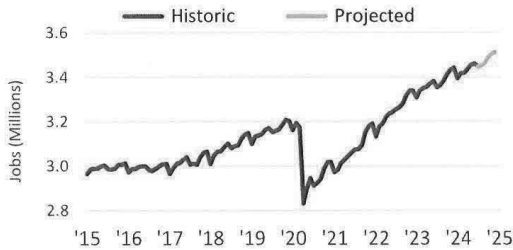
JOBS CREATED, PRECEDING 12 MONTHS, METRO HOUSTON



Source: Texas Workforce Commission

Payroll employment hit 3,460,900 in June. Even as growth weakens, the region should top 3.5 million jobs by December and finish the year with a record number of jobs.

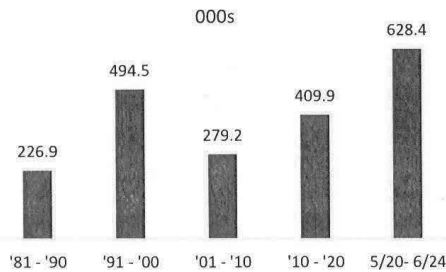
PAYROLL EMPLOYMENT, METRO HOUSTON



Source: Texas Workforce Commission

Metro Houston has created 628,400 jobs since May '20 when the economy began to reopen in the early stages of the pandemic. To put that in perspective, that exceeds the job growth for any of the past four decades.

Job Growth by Decade, Metro Houston



Source: Partnership calculations based on Texas Workforce Commission data

Every sector has recovered the jobs lost in the pandemic. Energy was the last holdout.

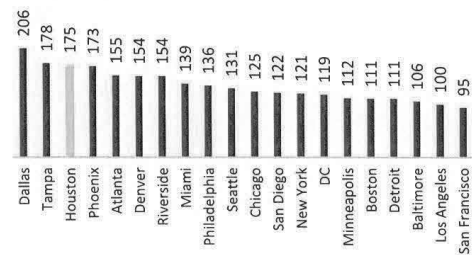
Metro Houston Job Gains Since May '20

Sector	Jobs	Sector	Jobs
Restaurants, Bars	128,000	Finance, Insurance	18,200
Health Care	81,600	Wholesale Trade	18,000
Retail Trade	53,900	Government (excl. Ed.)	17,000
Other Services	48,700	Private Education	16,300
Prof, Sci, and Tech Svcs	46,700	Manufacturing	15,100
Admin Services	43,500	Accommodation	10,700
Transport, Warehousing	32,800	Real Estate	10,000
Construction	31,100	Utilities	6,100
Arts, Entertain, Rec	24,300	Information	4,300
Public Education	20,500	Energy	0

Source: Partnership calculations based on Texas Workforce Commission data

Houston has logged one of the strongest recoveries from the pandemic of any major metro. The region has recouped 174.9 percent of the jobs lost, ranking third in the nation.

% Pandemic Job Losses Recovered, 20 Largest U.S. Metros



Source: Partnership calculations based on Texas Workforce Commission data

Metro Houston ranked third in job growth over the past 12 months. Only metro New York and Los Angeles with populations substantially larger than Houston created more jobs.

Job Growth, June '23 – June '24, Most Populous U.S. Metros

Metro	Jobs	Metro	Jobs
New York	120,800	Seattle	25,000
Los Angeles	84,000	Tampa	22,900
Houston	78,000	Boston	19,900
Miami	72,700	San Diego	8,700
Dallas	64,000	Detroit	7,300
Philadelphia	61,100	San Francisco	6,200
Phoenix	49,000	Minneapolis	4,700
Atlanta	37,000	Chicago	1,200
Riverside	31,100	Baltimore	-1,500
Washington, DC	29,200	Denver	-11,000

Source: Texas Workforce Commission

KEY ECONOMIC INDICATORS

Clicking on the hyperlinks below will provide additional details on that indicator.



Construction — Over \$19.4 billion in construction contracts were awarded in the Houston area through the first five months of this year. That’s up 64.3 percent from the \$11.8 billion awarded over the comparable period in ’23. Residential, non-residential and non-building awards were all up compared to last year.



Home Sales — Brokers closed on 7,718 single-family homes in June, an 11.6 percent dip from June of last year. This was the second month in a row for home sales to fall below last year’s levels. Year-to-date, sales are at their lowest level in five years, except for the drop seen in the early days of the pandemic.



Hotels — Hotel occupancy in Houston rose in June 2024 compared to June 2023, leading to an increase in revenue per available room (RevPAR). Additionally, the average daily rate (ADR), another key metric of financial health, also saw an increase compared to last year.



Industrial Space — The demand for industrial/warehouse space in Houston continues to decline. In Q4/22, the vacancy rate was at a low of 5.1 percent but has since increased to 7.7 percent in Q2/24.



Inflation — Inflation nationwide was flat in June and rose 3.0 percent over the year. In Houston, the annual inflation rate was 2.1 percent.



Multifamily — Apartment occupancy across all property classes ticked up in recent months. This reflects a seasonal pattern, not a fundamental shift in the market. Rents and occupancies remain below where they were this time last year.



Office Space — Houston’s office market recorded 244,681 square feet (SQF) of net absorption in Q2/24, up from 88,423 SQF in Q2/23. In Q1, however, the market logged 743,599 SQF of negative absorption, leaving the market with 301,696 SQF negative net absorption so far this year.



Purchasing Managers Index — Houston’s economy expanded at a slightly faster pace in June than May, according to the most recent Houston Purchasing Managers Index. Manufacturing, after contracting for three consecutive months, is expanding again. Non-manufacturing expanded at the same pace as the month before.



Retail — Houston’s retail real estate market boasts the healthiest performance among the city’s commercial real estate sectors. Retail vacancy rates remain low. Merchants continue to absorb space, although at a slower pace than in ’23. Rents remain stable. And overbuilding is not a concern.



Sales and Use Tax — Sales and use tax collections in the 121 Houston-area cities that collect the tax totaled \$961.2 million during the first four months of ’24, up 0.5 percent from the \$956.5 million collected over the comparable period in ’23. Adjusted for inflation, however, collections are down 2.8 percent.



Unemployment — Houston’s unemployment rate jumped from 4.0 percent in May to 4.8 percent in June. The jump was expected. The rate always rises in June as high school and college students seeking summer employment temporarily enter the workforce and as recent high school and college grads permanently enter the workforce. Houston economy is still growing but at a slower pace.



Vehicle Sales — Houston-area dealers sold 346,979 cars, trucks, and SUVs in the 12 months ending June ’24, a 2.9 percent increase over the 337,282 sold over the comparable period in ’23. Car sales rose 2.4 percent and truck and SUV sales 3.0 percent.

Patrick Jankowski, Margaret Barrientos, Clara Richardson, and Leta Wauson contributed to this issue of *Houston: The Economy at a Glance*.

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HOUSTON MSA NONFARM PAYROLL EMPLOYMENT (000)							
	June 24	May 24	June 23	Change from		% Change from	
				May 24	June 23	May 24	June 23
Total Nonfarm Payroll Jobs	3,460.9	3,454.4	3,382.9	6.5	78.0	0.2	2.3
Total Private	3,002.2	2,990.9	2,941.1	11.3	61.1	0.4	2.1
Goods Producing	555.0	550.3	538.1	4.7	16.9	0.9	3.1
Service Providing	2,905.9	2,904.1	2,844.8	1.8	61.1	0.1	2.1
Private Service Providing	2,447.2	2,440.6	2,403.0	6.6	44.2	0.3	1.8
Mining and Logging	72.1	72.2	70.7	-0.1	1.4	-0.1	2.0
Oil & Gas Extraction	32.5	32.3	31.4	0.2	1.1	0.6	3.5
Support Activities for Mining	38.2	38.4	37.9	-0.2	0.3	-0.5	0.8
Construction	244.6	240.0	232.3	4.6	12.3	1.9	5.3
Manufacturing	238.3	238.1	235.1	0.2	3.2	0.1	1.4
Durable Goods Manufacturing	150.0	150.0	171.2	0.0	-21.2	0.0	-12.4
Nondurable Goods Manufacturing	88.3	88.1	89.5	0.2	-1.2	0.2	-1.3
Wholesale Trade	179.1	179.7	178.5	-0.6	0.6	-0.3	0.3
Retail Trade	316.2	316.5	319.0	-0.3	-2.8	-0.1	-0.9
Transportation, Warehousing and Utilities	192.3	191.2	189.0	1.1	3.3	0.6	1.7
Utilities	23.1	23.2	22.0	-0.1	1.1	-0.4	5.0
Air Transportation	22.6	22.6	22.1	0.0	0.5	0.0	2.3
Truck Transportation	30.1	30.1	30.4	0.0	-0.3	0.0	-1.0
Pipeline Transportation	14.2	14.2	13.3	0.0	0.9	0.0	6.8
Information	32.6	32.7	33.6	-0.1	-1.0	-0.3	-3.0
Telecommunications	11.4	11.4	11.5	0.0	-0.1	0.0	-0.9
Finance & Insurance	121.5	120.7	118.9	0.8	2.6	0.7	2.2
Real Estate & Rental and Leasing	68.5	67.9	67.7	0.6	0.8	0.9	1.2
Professional & Business Services	563.1	561.4	557.1	1.7	6.0	0.3	1.1
Professional, Scientific & Technical Services	281.0	278.4	275.7	2.6	5.3	0.9	1.9
Legal Services	32.7	32.2	32.2	0.5	0.5	1.6	1.6
Accounting, Tax Preparation, Bookkeeping	28.8	28.7	29.6	0.1	-0.8	0.3	-2.7
Architectural, Engineering & Related Services	77.0	75.8	73.8	1.2	3.2	1.6	4.3
Computer Systems Design & Related Services	40.8	41.0	41.6	-0.2	-0.8	-0.5	-1.9
Admin & Support/Waste Mgt & Remediation	234.8	236.0	233.7	-1.2	1.1	-0.5	0.5
Administrative & Support Services	221.8	222.9	220.9	-1.1	0.9	-0.5	0.4
Employment Services	79.5	80.8	80.6	-1.3	-1.1	-1.6	-1.4
Private Educational Services	74.2	74.6	68.8	-0.4	5.4	-0.5	7.8
Health Care & Social Assistance	393.1	393.5	376.5	-0.4	16.6	-0.1	4.4
Arts, Entertainment & Recreation	42.5	42.3	43.5	0.2	-1.0	0.5	-2.3
Accommodation & Food Services	326.7	326.2	323.5	0.5	3.2	0.2	1.0
Other Services	137.4	133.9	126.9	3.5	10.5	2.6	8.3
Government	458.7	463.5	441.8	-4.8	16.9	-1.0	3.8
Federal Government	34.2	34.3	33.3	-0.1	0.9	-0.3	2.7
State Government	97.0	97.5	93.5	-0.5	3.5	-0.5	3.7
State Government Educational Services	52.7	53.3	51.2	-0.6	1.5	-1.1	2.9
Local Government	327.5	331.7	315.0	-4.2	12.5	-1.3	4.0
Local Government Educational Services	225.7	230.0	215.6	-4.3	10.1	-1.9	4.7

SOURCE: Texas Workforce Commission

**QUALIFICATIONS
OF THE
APPRAISERS**

QUALIFICATIONS OF PHILLIP F. BARLETTA, MAI, SRA

PROFESSIONAL AFFILIATIONS

Member Appraisal Institute, MAI Number: 7644

Texas State Certified General Real Estate Appraiser
 Certificate Number: TX-1320197-G
 Date of Expiration: 03/31/2025

Texas Real Estate Broker, License Number: 0235500

Mr. Barletta is a designated Realtor Member of the Houston Association of Realtors and the Texas Association of Realtors. He has served as a member on the Appraisal Institute's Houston Chapter Number 33 Admissions Committee and Candidate's Guidance Committee. He has also been elected to the Houston Chapter Number 33 Board of Directors for Years 2000, 2001 and 2002, and served on the Officer's Nominating Committee for 2003, 2004, 2011, 2014, 2017 and 2019. In 2020, he was again elected to the Houston Chapter Board of Directors in 2020 for 2021.

EDUCATIONAL BACKGROUND

Mr. Barletta graduated from Sam Houston State University in Huntsville, Texas on May 21, 1977. He received a Bachelor of Business Administration degree with primary emphasis on finance, management, and real estate related courses. In addition he has successfully passed the following Appraisal Institute Courses and attended the following Seminars:

- 1) Course 1-A: Basic Appraisal Principles, Methods and Techniques (1979)
- 2) Course 8: Single-Family Residential Appraisal (1979)
- 3) Course 1B-A: Capitalization Theory and Techniques, Part A (1984)
- 4) Course 1B-B: Capitalization Theory and Techniques, Part B (1985)
- 5) Course 2-1: Case Studies and Real Estate Valuation (1985)
- 6) Course 2-2: Valuation Analysis and Report Writing (1985)
- 7) Course 2-3: Standards of Professional Practice (1985)
- 8) Seminar: Subdivision Analysis, by A.I.R.E.A., Houston, TX (1986)
- 9) Seminar: R41-b and the Appraiser, by S.R.E.A., Dallas, TX (1987)
- 10) Course 1B-B: Audited Capitalization, Part B (1987)
- 11) Seminar: FNMA Underwriting Guidelines, by S.R.E.A., Houston, TX (1987)
- 12) Seminar: FNMA Appraisal Guidelines & Condo/PUD Acceptance (2 days), by S.R.E.A., Houston, TX (1988)
- 13) Seminar: FNMA Appraisal Guidelines, by S.R.E.A., Houston, TX (1989)
- 14) Seminar: Standards of Professional Practice Update by A.I.R.E.A., Houston, TX (1989)
- 15) Seminar: Comprehensive Appraisal Workshop by Ted Whitmer, MAI, Houston, TX (Jan. 15-18, 1990)
- 16) Seminar: Affordable Housing Disposition Program by RTC, Houston, TX (Sept. 21, 1990)
- 17) Seminar: Appraising Troubled Income Properties by A.I.R.E.A., Houston, TX (Oct. 25, 1990)
- 18) Seminar: Discounted Cash Flow Analysis by A.I.R.E.A., Houston, TX (Nov. 16, 1990)
- 19) Seminar: FNMA Underwriting Guidelines by Appraisal Institute, Houston, TX (July 19, 1991)
- 20) Seminar: Valuation of Leased Fees by Appraisal Institute, Houston, TX (July 20, 1991)
- 21) Course: Standards of Professional Practice - Parts A & B by Appraisal Institute, Houston, TX (March 26-29, 1992)
- 22) Seminar: Americans with Disabilities Act (ADA) Seminar by Appraisal Institute, Houston, TX (Nov. 4, 1992)
- 23) Seminar: ARGUS Version 3.0 Training Seminar by ARGUS Financial Software, Houston, TX (Nov. 12, 1993)
- 24) Seminar: The New URAR Report, by Appraisal Institute, Houston, TX (Feb. 17, 1994)
- 25) Seminar: Fair Lending and the Appraiser, by Appraisal Institute, Houston, TX (April 8, 1994)
- 26) Seminar: Understanding Limited Appraisals & Reporting Options - General, Houston, TX (July 7, 1994)
- 27) Seminar: How to Appraise FHA Insured Property, by H.U.D., Houston, TX (Dec. 1, 1994)
- 28) Seminar: Real Estate Evaluations & The Appraisal Industry, by Appraisal Institute, Houston, TX (April 20, 1995)
- 29) Seminar: Appraisal Practices for Litigation, by Appraisal Institute, Houston, TX (May 19-20, 1995)
- 30) Seminar: The High-Tech Appraisal Office, by Appraisal Institute, Kansas City, MO (6/14/96)
- 31) Seminar: The Internet and Appraising, by Appraisal Institute, Kansas City, MO (6/15/96)
- 32) Seminar: Litigation Skills for the Appraiser: An Overview, by Appraisal Institute, Houston, TX (10/25/96)
- 33) Seminar: Understanding Limited Appraisals & Appraisal Reporting Options, by Appraisal Institute, Houston, TX (June 12, 1997)
- 34) Seminar: Affordable Housing Valuation, by Appraisal Institute, Houston, TX (June 13, 1997)
- 35) Course 430: Standards of Professional Practice, Part C, by Appraisal Institute, Houston, TX (Dec. 4-5, 1997)
- 36) Seminar: R4580 Fannie Mae Seminar, by Appraisal Institute, Houston, TX (July 17, 1998)
- 37) Seminar: The Appraisal of Local Retail Properties, by Appraisal Institute, Houston, TX (September 28, 1998)