CERTIFICATE OF INTERESTED PARTIES

FORM 1295

Complete Nos. 1 - 4 and 6 if there are interested parties.
Complete Nos. 1, 2, 3, 5, and 6 if there are no interested parties.

OFFICE USE ONLY
CERTIFICATION OF FILING

Certificate Number:
2026-1444396

Date Filed:
04/07/2026

Date Acknowledged:

1 **Name of business entity filing form, and the city, state and country of the business entity's place of business.**
PMB Capital Investments, LP
Dallas, TX United States

2 **Name of governmental entity or state agency that is a party to the contract for which the form is being filed.**
City of Fort Worth

3 **Provide the identification number used by the governmental entity or state agency to track or identify the contract, and provide a description of the services, goods, or other property to be provided under the contract.**
60573
Public Improvement District Improvement Area #4 & #5 Reimbursement Agreements

4 Name of Interested Party	City, State, Country (place of business)	Nature of interest (check applicable)	
		Controlling	Intermediary
FW Club LP	Dallas, TX United States	X	
FW Maverick Development LLC	Wilmington, DE United States	X	
PMB FW Land LP	Dallas, TX United States	X	
Coats Rose, P.C.	Houston, TX United States		X
PMB Ventana Developer South LLC	Dallas, TX United States	X	
PMB SWFW Dev Co Manager LLC	Dallas, TX United States	X	
LJA Engineering, Inc.	Houston, TX United States		X

5 **Check only if there is NO Interested Party.** ☐

6 **UNSWORN DECLARATION**

My name is Taylor Baird, and my date of birth is [redacted].

My address is 4001 Maple Avenue, Suite 270, Dallas, TX, 75219, USA [redacted].
(city) (state) (zip code) (country)

I declare under penalty of perjury that the foregoing is true and correct.

Executed in Dallas County, State of Texas, on the 7th day of April, 2026.
(month) (year)

Signature of authorized agent of contracting business entity
(Declarant)

Official site of the City of Fort Worth, Texas

FORT WORTH

CITY COUNCIL AGENDA

Create New From This M&C

DATE:	4/28/2026	**REFERENCE NO.:**	M&C 26-0286	**LOG NAME:**	03VEALE_RANCH_PID_FY2026 (NIA #4 AND NIA#5)
CODE:	G	**TYPE:**	NON-CONSENT	**PUBLIC HEARING:**	NO

SUBJECT: (CD 3 and ETJ) Conduct Public Hearing to Consider the Levying of Special Assessments in Improvement Area No. 4 and Improvement Area No. 5 of Fort Worth Public Improvement District No. 22 – Veale Ranch and Adopt an Ordinance (1) Levying Special Assessments on Property Located in Improvement Area No. 4 and Improvement Area No. 5 of Fort Worth Public Improvement District No. 22 – Veale Ranch; (2) Approving the Service and Assessment Plan Update for Improvement Area No. 4 and Improvement Area No. 5 of Fort Worth Public Improvement District No. 22 – Veale Ranch; (3) Approving the Assessment Roll for Improvement Area No. 4 and Improvement Area No. 5 of Fort Worth Public Improvement District No. 22 – Veale Ranch, and (4) Ordaining Related Matters; and Adopt a Resolution Approving Reimbursement Agreements with PMB FW Land LP and FW Club LP for the Construction, Acquisition, and Financing of Improvements within Improvement Area No. 4 and Improvement Area No. 5 of Fort Worth Public Improvement District No. 22 – Veale Ranch

(PUBLIC HEARING - a. Staff Available for Questions: Crystal Hinojosa; b. Public Comment; c. Council Action: Close Public Hearing and Act on M&C)

RECOMMENDATION:

It is recommended that the City Council:

1. Conduct a public hearing concerning the proposed special assessments to be levied on the property located in Improvement Area No. 4 and Improvement Area No. 5 of Fort Worth Public Improvement District No. 22 - Veale Ranch, with collection to begin in the fiscal year 2027;
2. Adopt the attached ordinance (a) levying special assessments on property located in Improvement Area No. 4 and Improvement Area No. 5 of Fort Worth Public Improvement District No. 22 - Veale Ranch, (b) approving the Service and Assessment Plan Update for Improvement Area No. 4 and Improvement Area No. 5 of Fort Worth Public Improvement District No. 22 - Veale Ranch, (c) approving the Assessment Roll for Improvement Area No. 4 and Improvement Area No. 5 of Fort Worth Public Improvement District No. 22 - Veale Ranch, and (d) ordaining other matters related thereto; and
3. Adopt the attached resolution approving the reimbursement agreements to address the construction, acquisition, and financing of improvements within Fort Worth Public Improvement District No. 22 - Veale Ranch, as follows:
   a. Improvement Area No. 4 Reimbursement Agreement with PMB FW Land LP and FW Club LP; and
   b. Improvement Area No. 5 Reimbursement Agreement with PMB Ventana Developer South LLC and PMB SWFW Dev Co Manager LLC.

DISCUSSION:

The purpose of this Mayor and Council Communication (M&C) is to conduct a public hearing, approve the Service and Assessment Plan, approve the Assessment Roll, authorize a Reimbursement Agreement with PMB FW Land P and FW Club LP and ordain other matters related thereto and intend to address Improvement Area No. 4 and Improvement Area No. 5 of the Veale Ranch PID, which is the 4th and 5th phase of development. In August 2023 the City Council approved the creation of the Veale Ranch Public Improvement District (Veale Ranch PID), encompassing approximately 5,200 acres of land located primarily within Fort Worth's extraterritorial jurisdiction in Parker and Tarrant Counties, as a vehicle to reimburse FW Club LP (the Developer) for certain authorized public infrastructure improvements associated with the development known as Veale Ranch/Team Ranch, Rolling V South, and Ventana South (collectively, the Development). The Development is anticipated to occur in phases over a period of up to 50 years, with each phase constituting an "Improvement Area" (IA). PID assessments, potential Tax Increment Reinvestment Zone (TIRZ) collections, and bond issuances may occur following annexation of each IA for 25- to 30-year periods to reimburse eligible improvement costs. This Mayor and Council Communication (M&C) intends to address Improvement Area No. 4 and Improvement Area No. 5 of the Veale Ranch PID, which is the 4th and 5th phase of development.

On March 10, 2026, the City Council adopted Resolution No. 6280-03-2026 concerning certain matters related to the Veale Ranch PID, including the following: (1) determining the costs of certain public improvements; (2) accepting a preliminary service and assessment plan update, including a proposed assessment roll; (3) directing the filing of the proposed updated assessment roll with the City Secretary; (4) calling for a public hearing to consider the ordinance levying special assessments on property located within the area defined as Improvement Area No. 4 and Improvement Area No. 5 of the Veale Ranch PID; and (5) directing staff to publish and mail notice of this public hearing to the property owners liable for payment of the special assessment.

As outlined in the Service and Assessment Plan, Improvement Area No. 4 has improvements in the amount of $13,399,137.00, that are to be funded by the special assessments. The special assessments will be levied across 136 residential units (representing 421.082 acres) and collected over a 30-year period. The 136 lots are divided into two categories, with each category represented by lot width and/or type. Including categories as follows: cottage lots and estate lots. Assessments will be allocated as follows:

Lot Size	# of Lots	Annual Installment
Cottage Lots	100	$12,225.75
Estate Lots	36	$9,304.88

The above shown amounts are calculated using an interest rate of 9.06\% per annum for the first five years and 7.04\% per annum for the remaining 25 years.

Improvement Area No. 5 has improvements in the amount of $5,429,728.00, that are to be funded by the special assessments. The special assessments will be levied across 277 residential units (representing 72.059 acres) and collected over a 30-year period. The 277 lots are divided into two categories, with each category represented by lot width and/or type. Widths including categories as follows: 40 feet, 50 feet, 60 feet and 70 feet. Assessments will be allocated as follows:

Lot Size	# of Lots	Annual Installment
40 feet	37	$2,195.23
50 feet	163	$2,462.22
60 feet	38	$2,699.54
70 feet	39	$2,966.53

The above shown amounts are calculated using an interest rate of 9.06\% per annum for the first five years and 7.04\% per annum for the remaining 25 years.

The total principal reimbursement amount for IA 4 is $16,630,000.00.

The Parties will be responsible for managing all construction for the development of the lots and residential units within the Veale Ranch PID. Following execution of the improvement area reimbursement agreement, the City will begin to make monthly payments to the Parties in satisfaction of the Reimbursement Amount from the special assessments revenues, less any administrative fees, once the Parties submit payment requisitions.

The Reimbursement Amount for Improvement Area No. 4 will be paid over a maximum period of 30 years. Until bonds, if any, are issued, the Parties will be entitled to interest on the unpaid Reimbursement Amount at the rate of 9.06 percent per annum for the first five years and 7.04 percent per annum for the remaining 25 years. If any portion of the Reimbursement Amount remains unpaid after the City has elected to issue bonds, the interest rate on the unpaid Reimbursement Amount will be the same as the interest rate on the bonds. It is anticipated that within five years, provided that the Parties have satisfied certain obligations designed to ensure the rapid development of the entire Veale Ranch PID, the City will explore options to accelerate the reimbursement of the Parties by issuing debt secured by a portion of the special assessments.

The total reimbursement for Improvement Area No. 5 is $6,809,000.00.

PMB Ventana Developer South LLC and PMB SWFW Dev Co Manager LLC (the Developers) will be responsible for managing all construction for the development of the lots and residential units within the Veale Ranch PID. Following execution of the improvement area reimbursement agreement, the City will begin to make monthly payments to the Developers in satisfaction of the Reimbursement Amount from the special assessments revenues, less any administrative fees, once the Developer submits payment requisitions

The Reimbursement Amount for Improvement Area No. 4 will be paid over a maximum period of 30 years. Until bonds, if any, are issued, the Developer will be entitled to interest on the unpaid Reimbursement Amount at the rate of 9.06 percent per annum for the first five years and 7.04 percent per annum for the remaining 25 years. If any portion of the Reimbursement Amount remains unpaid after the City has elected to issue bonds, the interest rate on the unpaid Reimbursement Amount will be the same as the interest rate on the bonds. It is anticipated that within five years, provided that the Developer has satisfied certain obligations designed to ensure the rapid development of the entire Veale Ranch PID, the City will explore options to accelerate the reimbursement of the Developer by issuing debt secured by a portion of the special assessments.

This project is located in COUNCIL DISTRICT 3 and ETJ.

FISCAL INFORMATION/CERTIFICATION:

The Director of Finance certifies that approval of this agreement will have no material effect on the Fiscal Year 2026 Budget. While no current year impact is anticipated from this action, any effect on expenditures and revenue will be budgeted in future Fiscal Years and will be included in the long-term financial forecast.

TO

Fund	Department ID	Account	Project ID	Program	Activity	Budget Year	Reference # (Chartfield 2)	Amount

FROM

Fund	Department ID	Account	Project ID	Program	Activity	Budget Year	Reference # (Chartfield 2)	Amount

Submitted for City Manager's Office by:

Originating Department Head: Christianne Simmons (6222)

Additional Information Contact: Brady Kirk (8712)

ATTACHMENTS

IA #4 & IA #5_Form 1295_Signed.pdf (CFW Internal)

Veale Ranch Development Improvement Area 4 Reimbursement Agreement(4449241.4) upd 3.30.pdf (Public)

Veale Ranch Development Improvement Area 5 Reimbursement Agreement_Final upd 3.30.pdf (Public)

Veale Ranch IA4 & IA5 - Assessment Ordinance (Final)(4438724.3) (1).docx (Public)

Veale Ranch IA4 & IA5 Reimbursement Agreement Resolution (Final)(4441600.3) (1).docx (Public)

Veale Ranch PID IA #4 & 5 Fnal SAP v2.0 (1).pdf (Public)

FORT WORTH

Routing and Transmittal Slip

DOCUMENT TITLE: Veale Ranch Development IA #4 Reimbursement Agreement;

Veale Ranch Development IA #5 Reimbursement Agreement;

M&C: 26-0286 **CPN:** **CSO#:** **DOC#:**

DATE: 6/10/26		
TO:	**INITIALS:**	**DATE OUT:**
Trey Qualls, Sr Assistant Attorney		6/11/26
Dana Burghdoff, ACM	DB	6/11
Jannette Goodall, City Secretary		

DOCUMENTS FOR CITY MANAGER'S SIGNTURE: *All documents received from City Departments requesting City Manager's signature for approval MUST BE ROUTED TO THE APPROPRIATE ACM for approval first when applicable.*

NEEDS TO BE NOTARIZED: ☑ Yes ☐ No

RUSH: ☐ Yes ☑ No

SAME DAY: ☐ Yes ☐ No **NEXT DAY:** ☐ Yes ☐ No

ROUTING TO CSO: ☑ Yes ☐ No

Action Required:

__ As Requested
__ For Your Information
__ Signature/Routing and/or Recording
__ Comment
__ File

__ Attach signature, initial and notary tabs

RETURN TO: Holly Fortes, x7687

FORT WORTH®

City Secretary's Office
Contract Routing & Transmittal Slip

Contractor's Name: ______________________

Subject of the Agreement: Veale Ranch Development IA #4 Reimbursement Agreement;
Veale Ranch Development IA #5 Reimbursement Agreement;

M&C Approved by the Council? * Yes ■ No ☐
If so, the M&C must be attached to the contract.

Is this an Amendment to an Existing contract? Yes ☐ No ■ ______________________
If so, provide the original contract number and the amendment number.

Is the Contract "**Permanent**"? *Yes ☐ No ■
If unsure, see back page for permanent contract listing.

Is this entire contract **Confidential**? *Yes ☐ No ■ *If only specific information is Confidential, please list what information is Confidential and the page it is located.*

Effective Date: 4/28/26 Expiration Date: ______________________
If different from the approval date. *If applicable.*

Is a 1295 Form required? * Yes ■ No ☐
**If so, please ensure it is attached to the approving M&C or attached to the contract.*

Project Number: *If applicable.* ______________________

*Did you include a Text field on the contract to add the City Secretary Contract (CSC) number? Yes ☐ No ■

Contracts need to be routed for CSO processing in the following order:

1. Katherine Cenicola (Approver)
2. Jannette S. Goodall (Signer)
3. Allison Tidwell (Form Filler)

**Indicates the information is required and if the information is not provided, the contract will be returned to the department.*

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APPENDIX I

PHOTOGRAPHS OF THE DEVELOPMENT

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Middle portion of Improvement Area #4 viewed from the north

View of Improvement Area #4 from the west including Practice Range and Par-3 Course

Improvement Area #5 viewed from the north

APPENDIX J

APPRAISAL

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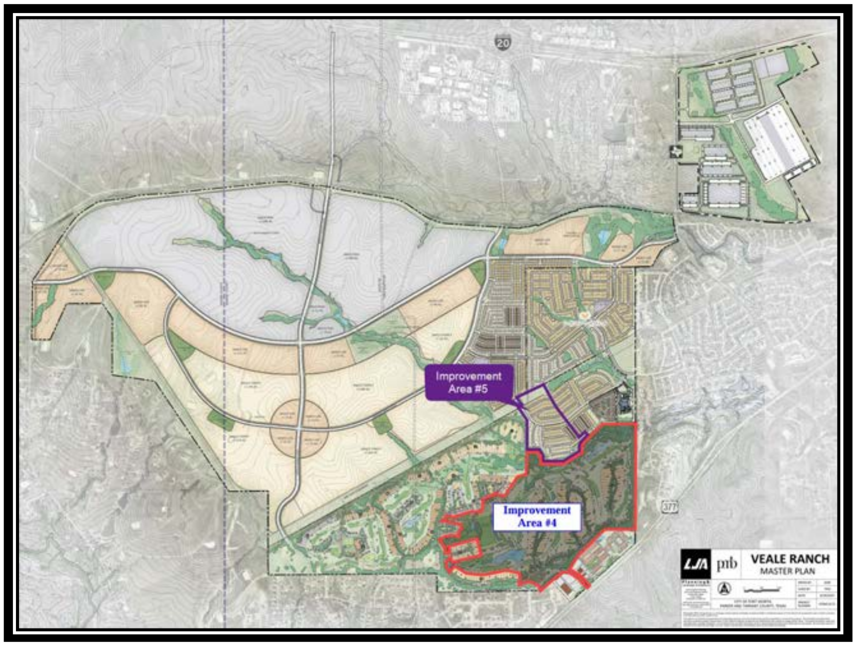
APPRAISAL REPORT

PROJECT #A26-0122-04



VEALE RANCH IMPROVEMENT DISTRICT
IMPROVEMENT AREA #4 CONTAINING 136 RESIDENTIAL LOTS AND
IMPROVEMENT AREA #5 CONTAINING 277 RESIDENTIAL LOTS
FORT WORTH, TARRANT COUNTY, TX 76126

FOR:

FMSBONDS, INC.
5 COWBOYS WAY, SUITE 300-25
FRISCO, TEXAS 75034

RETROSPECTIVE EFFECTIVE DATE OF APPRAISAL:
APRIL 1, 2026 (DATE OF SUBSTANTIAL COMPLETION) FOR
136 RESIDENTIAL LOTS IN IMPROVEMENT AREA #4
AND FOR 277 RESIDENTIAL LOTS IN IMPROVEMENT AREA #5

PREPARED BY:
JAMES L. MAIBACH, CPM, STATE CERTIFIED GENERAL REAL ESTATE APPRAISER,
LESLIE TOLLIVER, STATE CERTIFIED GENERAL REAL ESTATE APPRAISER, AND
BRANDON LAWSON, APPRAISER TRAINEE
OF:

PEYCO SOUTHWEST REALTY, INC.
1703 NORTH PEYCO DRIVE
ARLINGTON, TEXAS 76001

May 29, 2026

Mr. R.R "Tripp" Davenport, III
Director
FMSbonds, Inc.
5 Cowboys Way, Suite 300-25
Frisco, Texas 75034
tdavenport@fmsbonds.com

SUBJECT: Market Value "Upon Completion" Appraisal
Veale Ranch Improvement District, Improvement Area #4 and Improvement Area #5,
Fort Worth, Tarrant County, Texas

Mr. Davenport,

At your request, we have inspected and appraised the above-referenced property. The purpose of the appraisal is to develop an opinion of retrospective market value of the Fee Simple interest of the 136 residential lots located in Improvement Area #4 (IA #4) of the Veale Ranch Improvement District (referred to as Veale Ranch PID) and the retrospective market value of 277 residential lots located in Veale Ranch PID Improvement Area #5 (IA #5).

- Retrospective Market Value as of **April 1, 2026 for 136 detached residential lots in Veale Ranch PID IA #4 on approximately 421.082 acres. The lots are as follows:**
  - **36 Cottage Lots with 18,195-SF; and**
  - **100 Estate Lots with 33,583-SF**
- Retrospective Market Value as of **April 1, 2026 for 277 detached residential lots in Veale Ranch PID IA #5 on approximately 72.059 acres. The lots are as follows:**
  - **37 lots with 40-foot frontages;**
  - **163 lots with 50-foot frontages;**
  - **38 lots with 60-foot frontages; and**
  - **39 lots with 70-foot frontages**

The client and intended user for this assignment is FMSbonds, Inc. The City of Fort Worth is also an intended user. The intended use is underwriting of a proposed Public Improvement District bond transaction. This appraisal is not for purposes of determining the amount of any assessments to be levied by the City of Fort Worth or Tarrant County, nor is it the basis of a determination of the benefit of any constructed or installed public improvements will have on properties within Veale Ranch PID.

At Substantial Completion, which is forecast to be April 1, 2026 for IA #4 and IA #5, the subject property is expected to consist of the infrastructure necessary to provide residential streets, drainage, and utilities to the individual lots within IA #4 and IA #5 of the Veale Ranch PID. A public improvement district containing the property within Veale Ranch PID IA #4 is Zoned Planned Development-1392 (Ordinance No. 26697-01-2024), which is intended to allow for PD/A-5 One-Family and PD/R-2 Townhouse Cluster; Tract 2: PD/R2 Townhouse Cluster, PD/D High Density Multifamily, and PD/G Intensive commercial, with development standards including but not limited to open space and multifamily design standards. Veale Ranch PID IA #5, is Zoned Planned Development-1169 (Ordinance No. 22988), which is intended to allow for PD/SU Planned Development/"A-5" One-Family and "R1" Zero Lot Line/Cluster with development standards not to exceed 30% R1 development and lot coverage not to exceed 60%. Each of the lots are located in Fort Worth ISD.

Veale Ranch Public Improvement District

Per discussions with the client and information pulled from the Preliminary Service and Assessment Plan published by MuniCap, Inc., dated February 24, 2026, IA #4 within the Veale Ranch PID comprises of a total of approximately 421.082 acres of land with an estimated build-out of 36 detached single-family residential Cottage lots and 100 detached single-family residential Estate lots totaling 136 improved residential lots, located in the City of Fort Worth, Texas. IA #5 within the Veale Ranch PID comprises of a total of approximately 72.059 acres of land with an estimated build-out of 37 detached single-family residential 40-FF lots, 163 detached single-family residential 50-FF lots, 38 detached single-family residential 60-FF lots, and 39 detached single-family residential 70-FF lots totaling 277 improved residential lots, located in the City of Fort Worth, Texas. The entire development - Veale Ranch PID - will be developed across multiple phases. However, the focus of our assignment is on Veale Ranch PID IA #4 and IA #5.

Within Veale Ranch PID IA #4, each of the Cottage lot types will have an average of 18,195-square feet (SF), and each of the Estate lot types will have an average of 33,583-SF in size. The minimum lot depths for each of the Cottage and Estate lots of the subject property will be 250' in depth. The two lot types may have different market values with identical characteristics. We have considered any difference in market value based on lot depth is marginal, and other attributes, such as overall situs of the PID, are more important to the market value consideration of a single lot.

Within Veale Ranch PID IA #5, each of the 40-FF lot types will have an average of 4,400-square feet (SF), each of the 50-FF lot types will have an average of 6,000-SF in size, each of the 60-FF lot types will have an average of 7,200-SF in size, and each of the 70-FF lot types will have an average of 8,400-SF in size. The lot depth for the 40-FF lots will be 110' and depths for each of the 50-FF, 60-FF, and 70-FF lots of the subject property will be 120' in depth. The four lot types may have different market values with identical characteristics. We have considered any difference in market value based on lot depth is marginal, and other attributes, such as overall situs of the PID, are more important to the market value consideration of a single lot.

The focus of our appraisal of the Veale Ranch PID is as follows:

Veale Ranch PID								
Area Type	**Size (Acres)**	**Cottage Lots**	**Estate Lots**	**40' Lot Type**	**50' Lot Type**	**60' Lot Type**	**70' Lot Type**	**Total Lots Appraised**
IA #4	*421.082*	***36***	***100***	-	-	-	-	***136***
IA #5	*72.059*	-	-	***37***	***163***	***38***	***39***	***277***
Total	*493.141*	*36*	*100*	*37*	*163*	*38*	*39*	***413***

Extraordinary Assumptions and Hypothetical Conditions

The value conclusions are subject to the following **Extraordinary Assumptions** that may affect the assignment results. An Extraordinary Assumption is uncertain information accepted as fact. If the assumption is found to be false as of the Effective Date of the appraisal, we reserve the right to modify our value conclusions. Extraordinary Assumptions are used in this assignment because the improved residential lots to be delivered by the date utilized in this report are currently complete for IA #4 and IA #5 of the Veale Ranch PID as of the report date.

- Our opinions of retrospective market value at completion assumes that the proposed improvements are completed in accordance with plans and specifications provided by LJA Engineering Inc., the Professional Engineers for the 413 improved residential lots in Veale Ranch PID IA #4 and IA #5.
- All information relative to the property located within Veale Ranch PID including land areas, lot totals, lot sizes, and other pertinent data that was provided by PMB Ventana Developer South, LLC, PHDFW - VENTANA 36 LLC, and American Legend Lot Holdings, LLC (the "Developer"), LJA Engineering Inc. (Professional Engineers), LJA Surveying Inc. (Professional Surveyors) the City of Fort Worth, Tarrant County is assumed to be correct.

The use of these Extraordinary Assumptions has affected assignment results.

In addition to the Extraordinary Assumptions, the value conclusions are based on the following **Hypothetical Conditions** that may affect the assignment results. A Hypothetical Condition is a condition contrary to known fact on the Effective Date of the appraisal but is supposed for the purpose of analysis.

- No Hypothetical Conditions are used in this report.

This appraisal report is intended to conform with the 2026-2027 Uniform Standards of Professional Appraisal Practice (USPAP) and applicable state appraisal regulations. To report the assignment results, we use the Appraisal Report option of Standards Rule 2-2(a) of USPAP. Based upon the valuation analysis in the accompanying report, and subject to the definitions, assumptions, and limiting conditions expressed in the report, our final value conclusions as of the Expected Completion Date are as follows:

VEALE RANCH PID IA #4					
Total Lots	**Square Footage (SF)**	**Retail Price/Lot**	**Effective Date**	**Price/SF ($/SF)**	**Total Retail Value ($)**
36	18,195-SF	$1,783,110	April 1, 2026	$98/SF	$64,191,960
100	33,583-SF	$2,216,478	April 1, 2026	$66/SF	$221,647,800
136					***$285,839,760***

VEALE RANCH PID IA #5						
Total Lots	**Frontage Foot (FF)**	**Square Footage (SF)**	**Retail Price/Lot**	**Effective Date**	**Price/SF ($/SF)**	**Total Retail Value ($)**
37	40 FF	4,400-SF	$105,600	April 1, 2026	$24/SF	$3,907,200
163	50 FF	6,000-SF	$139,800	April 1, 2026	$23/SF	$22,787,400
38	60 FF	7,200-SF	$150,500	April 1, 2026	$21/SF	$5,719,000
39	70 FF	8,400-SF	$168,000	April 1, 2026	$20/SF	$6,552,000
277						***$38,965,600***

After considering discount cash flows, our final value conclusion "Upon Completion" is shown below:

INCOME APPROACH VALUE INDICATION	
Fee Simple Interest, Complete April 1, 2026	
Veale Ranch PID IA #4 ***136 Improved Lots on 421.082 Acres***	***$263,845,000 ($1,940,000/Lot Rounded)***
Fee Simple Interest, Complete April 1, 2026	
Veale Ranch PID IA #5 ***277 Improved Lots on 72.059 Acres***	***$33,474,000 ($120,900/Lot Rounded)***

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

Respectfully submitted,

Peyco Southwest Realty

SIGNATURES OF THE APPRAISERS ON THE FOLLOWNG PAGE

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

Brandon Lawson
TX-1343865-T
Appraiser Trainee
Associate Member, Appraisal Institute

Leslie Tolliver
TX-1381494-CG
State Certified General Real Estate Appraiser
Candidate for Designation, Appraisal Institute

Contents

EXECUTIVE SUMMARY

Property Name	**Veale Ranch PID; Improvement Area #4 & Improvement Area #5**
Property Type	Master-Planned Community
Location	North of Benbrook Boulevard and South of Aledo Road
City, County, State, Zip	City of Fort Worth, Tarrant County, TX 76126
Legal Descriptions – Tarrant AD	Multiple Legal Descriptions
Owner's of Record	PMB Ventana Developer South, LLC, PHDFW - VENTANA 36 LLC, and American Legend Lot Holdings, LLC
Census Tract	1108.08
Tax ID's – Tarrant AD	Multiple Tax ID's
Total Land Area	493.141-AC - Total Land Area
Total Lots	413 Total Lots
Total Lots Per Improvement Area	36 Cottage Lots with 18,195-SF in IA #4 100 Estate Lots with 33,583-SF in IA #4 37 40-Front Footage Width Lots in IA #5 163 50-Front Footage Width Lots in IA #5 38 60-Front Footage Width Lots in IA #5 39 70-Front Footage Width Lots in IA #5
Topography	Gently Sloping
FEMA Flood Zones	IA #4 is located in Unshaded Zone X and Shaded Zone A, and IA #5 is in Unshaded Zone X and Shaded Zone A
FEMA Panel	48439C0270K
FEMA Map Date	9/25/2009
Utilities	
Water	City of Fort Worth
Sewer	City of Fort Worth
Electric	Oncor
Natural Gas	Atmos
Zoning (City of Fort Worth)	Planned Development - 1392 & Planned Development - 1169
Future Land Use	Single-Family Residential Subdivision
Highest & Best Use	Single-Family Residential Subdivision
Final Value Conclusion IA #4 (Income)	**$263,845,000 ($1,940,000/Lot Rounded) Effective Date of April 1, 2026, for 136 Improved Residential Lots on 421.082 Acres**
Final Value Conclusion IA #5 (Income)	**$33,474,000 ($120,900/Lot Rounded) Effective Date of April 1, 2026, for 277 Improved Residential Lots on 72.059 Acres**
Exposure Period	6-12 Months
Marketing Period	6-12 Months
Date of Inspection	February 17, 2026
Date of Valuation (Retrospective)	April 1, 2026 for IA #4 April 1, 2026 for IA #5
Report Date	May 29, 2026

CERTIFICATION

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

(1) The statements of fact contained in this report are true and correct.

(2) The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are our personal, impartial, and unbiased professional analyses, opinions, and conclusions.

(3) We have no present or prospective interest in the property that is the subject of this analysis, and we have no personal interest with respect to the parties involved.

(4) We have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.

(5) Our compensation for completing this assignment is not contingent on an action or event resulting from the analyses, opinions, or conclusions in, or use of, this report, or upon developing or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal. Our engagement in this assignment is not contingent upon developing or reporting predetermined results.

(6) The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of FIRREA guidelines and the Code of Professional Ethics & Standards of Professional Practice of the Appraisal Institute, which include the Uniform Standards of Professional Appraisal Practice.

(7) Brandon Lawson has inspected the subject property. James L. Maibach and Leslie Tolliver have not physically viewed the subject property. The values herein were developed and reported by James L. Maibach, Leslie Tolliver, and Brandon Lawson.

(8) This assignment was not based on a requested minimum value, a specific valuation, or the approval of a loan.

(9) None of the signatories have previously performed services as an appraiser or in any other capacity, other than that specifically stated, regarding the property that is the subject of this report within the three-year period immediately preceding the acceptance of this assignment.

(10) James L. Maibach is not a member of the Appraisal Institute. Leslie Tolliver is a Candidate for Designation and Brandon Lawson is an Associate Member of the Appraisal Institute. As of the date of this report, Leslie Tolliver has completed the Standards and Ethics Education Requirements for Candidates of the Appraisal Institute. As of the date of this report, Brandon Lawson has completed the Standards and Ethics Education Requirements for Associate Members of the Appraisal Institute. The use of this report is subject to the requirements of the Appraisal Institute relating to review by their duly authorized representatives.

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

Leslie Tolliver
TX-1381494-CG
State Certified General Real Estate Appraiser
Candidate for Designation, Appraisal Institute

Brandon Lawson

Brandon Lawson
TX-1343865-T
Appraiser Trainee
Associate Member, Appraisal Institute

SCOPE OF WORK

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

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

The problems to be solved are:

- Determine the Retrospective Market Value with a Substantial Completion Date of April 1, 2026 for the Fee Simple interest of 136 improved single-family residential lots in IA #4 of Veale Ranch PID.
  - Cottage Lots - 36 lots
  - Estate Lots - 100 lots
- Determine the Retrospective Market Value with a Substantial Completion Date of April 1, 2026 for the Fee Simple interest of 277 improved single-family residential lots in IA #5 of Veale Ranch PID.
  - 40-FF - 37 lots
  - 50-FF - 163 lots
  - 60-FF - 38 lots
  - 70-FF - 39 lots

The definition of market value[1] utilized herein is as follows:

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

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

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

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

This Appraisal Report has been prepared under Standards Rule 2-2(a) of an appraisal performed under Standards Rule 1 of USPAP. The value set forth herein was determined after consideration and appropriate application and analysis by three approaches to value i.e., the Cost Approach, the Income (Subdivision Development) Approach, and the Sales Comparison Approach.

As part of this appraisal, we completed a thorough investigation and analysis of the data considered pertinent to valuing the subject property.

Property Identification

The property has been identified using the following sources:

- Public records – Tarrant Appraisal District (TAD)
- Legal descriptions
- Deed Records – Tarrant County
- Veale Ranch PID Concept Plan Exhibit by LJA Engineering Inc., Professional Engineers
- Veale Ranch PID Survey by LJA Surveying Inc., Professional Surveyors

Type and Extent of Data Researched

The following information was reviewed in preparing this report:

- Public record data
- ▪ City of Fort Worth Maps and Land Use Plans
- ▪ Flood plain maps
- ▪ Topographic maps
- ▪ Demographics – CoStar, ESRI, and US Census Bureau
- ▪ Market Conditions Data – S&P Case Schiller, CoreLogic, Zonda, NTREIS, JLL, CBRE, Integra, CoStar, etc.
- ▪ Veale Ranch PID Concept Plan Exhibit by LJA Engineering Inc., Professional Engineers
- ▪ Veale Ranch PID Survey by LJA Surveying Inc., Professional Surveyors
- ▪ Estimated development costs provided by LJA Engineering Inc., Professional Engineers
- ▪ Zoning Ordinance No. 26697-01-2024, adopted May 5, 2024, by the City of Fort Worth.
- ▪ Zoning Ordinance No. 22988, adopted November 11, 2017, and amended August 13, 2024, by the City of Fort Worth
- ▪ Preliminary Service and Assessment Plan (PSAP), published by MuniCap, Inc., dated February 24, 2026
- ▪ Conversations with developers and homebuilders in DFW market

VALUATION METHODOLOGY

Three approaches to value are typically considered when developing a market value opinion for real property. These are the Cost Approach, the Sales Comparison Approach, and the Income (Subdivision Development) Approach. A summary of each portion of the subject property that requires valuation is shown below:

- 413 Improved Single-Family Residential Lots (Cottage Lots, Estate Lots, 40-FF Lots, 50-FF Lots, 60-FF Lots, and 70-FF Lots)

Improved Detached Single-Family Residential Lots (413 Improved Residential Lots)

Cost Approach

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

The Cost Approach provides information that contrasts with information from the Income Capitalization and Sales Comparison Approaches. It allows the appraiser to address the feasibility and highest and best use issues inherent in new construction. <u>This approach is most beneficial when appraising a proposed or recently built project and is typically used when finished lots make up a substantial portion of the entire project.</u> The subject property is being developed in multiple phases and there are no major improvements in place, *the Cost Approach is not the most appropriate and thus was not utilized* for the 413 Improved Residential Lots.

Income (Subdivision Development) Approach

In the Income Capitalization Approach, the retail value of the residential lots is estimated. The individual lot values are based on lot sales in competing developments. The absorption rates, expenses, and discount rates are also based on competing developments. Since sales of individual lots to an end-user homeowner are exceedingly rare in tract home subdivisions in this market, the value of an individual retail lot is effectively the same value of a portion of lots to a homebuilder because homebuilders tend to be the exclusive buyers of vacant developed lots from land developers. In addition, discussions with developers and homebuilders as well as review of contracts indicate that lots are typically received by the builders on a takedown schedule with annual price escalations of approximately 6% so the lots are not released in bulk to the home builders. The indicated value by the Income (Subdivision) Approach is based on the sellout of the lots with deductions for holding costs and discounted to a net present value.

The Income (Subdivision Development) Approach applied in subdivision analysis simulates what occurs in a bulk sale where one buyer purchases a subdivision or large group of lots at a discount. Income capitalization is the primary method used in subdivision valuation because value is determined by future sales over time. Along with discounted cash flow analysis, income capitalization directly measures differences in present value based on future cash flow projections. This approach provides a direct measure of the market value or wholesale value of a group of lots or units, which is different from the sum of the retail lot prices. Since the problem to be solved in this assignment is to determine the bulk sale value of 413 improved residential lots, as of the date of Substantial Completion (Effective Date), *the Income (Subdivision Development) Approach is appropriate and was developed.*

Sales Comparison Approach

The Sales Comparison Approach involves comparing recent sales of entire subdivisions or a large group of lots that involved a single purchaser. The sales are then adjusted for value-related differences. Determining market values for the subdivision or the group of lots is the objective of the analysis, and that determination requires recent and relevant similar bulk sales for the comparison. Finding highly similar and recent sales of improved subdivisions to a single buyer in most markets can be difficult, perhaps impossible. Comparison requires comparable sales with about the same or similar remaining absorption period, a similar mix of lots or unit types, location, home price points, and other characteristics. As Texas is a non-disclosure state, sales data available is limited to sales confirmed by associated parties. Since data on highly similar bulk sales to a single purchaser is difficult to find and verify**,** *the Sales Comparison Approach was not fully developed by the appraisers.* Use of the approaches for the valuation of the improved lots in the Veale Ranch PID IA #4 and IA #5 is summarized below:

Approach	***Applicability to Subject***	***Use in Assignment***
Cost Approach	*Not Appropriate Since the Subject Property will be Developed in Multiple Phases*	*Not Utilized*
Income (Subdivision Development) Approach	*Appropriate in Determining Residential Subdivision Value*	*Utilized*
Sales Comparison Approach	*Aspects Used in Subdivision Valuation to Determine Retail Market Value of the Cottage Lots, Estate Lots, 40-FF Lots, 50-FF Lots, 60-FF Lots, and 70-FF Lots*	*Partially Utilized*

COMPETENCY OF THE APPRAISER

James L. Maibach, C.P.M. is a State Certified General Real Estate Appraiser according to the Texas Appraiser Licensing and Certification Board and has appraised numerous properties similar to the subject since 1993. The appraiser also manages, through his commercial real estate management company, approximately 2.25 million SF of which 60% is industrial warehouse, 20% is Class B and C office and 20% in retail product in Tarrant, Dallas, and Johnson counties. Mr. Maibach has been personally involved in over 250 residential development projects as a broker, developer, bank director, and zoning consultant in the past 35 years. Leslie E. Tolliver is a State Certified General Appraiser and has appraised numerous properties similar to the subject since 2015. Brandon Lawson is an Appraiser Trainee and has assisted in numerous properties similar to the subject property. Attention is invited to the qualifications of each individual, which are presented in the Addenda of this report.

Peyco Southwest Realty is a full-service professional real estate appraisal and consulting firm, providing service to a variety of corporate, institutional, governmental, and private clientele, since 1976. In the past 12 months, our firm has completed numerous valuation assignments involving similar properties. Mr. Maibach currently owns since 1995, represents, and manages multiple properties throughout the DFW Metroplex, mostly in Tarrant, Dallas, Johnson, and Ellis Counties. The subject is located in the City of Fort Worth, Tarrant County, Texas.

INTENDED USE AND USERS

The intended use of the appraisal is to estimate the market value upon completion of the underwriting of a proposed Public Improvement District bond transaction as of the Effective Date of Substantial Completion. The client and intended user is FMSbonds, Inc. The City of Fort Worth is also an intended user. The appraisal is not intended for any other use or user. No party or parties other than the City of Fort Worth and FMSbonds, Inc. may use or rely on the information, opinions, and conclusions contained in this report; provided, however, it is acknowledged that this Appraisal will be used in a preliminary and final limited offering memorandum for the Public Improvement District bonds. The Client may, without Appraiser's prior authorization or notice to Appraiser, provide the Appraisal to other parties for their use in analysis-related activities, however, it does not make the recipient an intended user of this engagement.

DATE OF THE APPRAISAL REPORT
The preparation of this Appraisal Report was completed on **May 29, 2026.** The initial draft of this appraisal report was completed on **February 24, 2026.**

EFFECTIVE DATE OF THE APPRAISAL
The descriptions, analyses, and conclusions of this report for the designated Market Values of the subject property are applicable as of **April 1, 2026 for IA #4 and April 1, 2026 for IA #5**, which is the expected date of Substantial Completion. Brandon Lawson Inspected the property on **February 17, 2026**. James L. Maibach and Leslie Tolliver have not inspected the subject property.

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

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

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

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

HISTORY OF SUBJECT PROPERTY
Tarrant Appraisal District (TAD) records indicate the ownership of the subject property IA #4 is owned by FW Club LP and IA #5 is owned by PMB Ventana Developer South, LLC, PHDFW - VENTANA 36 LLC, and American Legend Lot Holdings, LLC. The history of each parcel, broken down by improvement area is provided below:

IA #4

- IA #4 was replatted on November 11, 2024, resulting in more than 100 individual tax IDs. Prior to replotting, FW Club LP acquired the various parcels from PMB FW Land LP through deed instruments D224163336, D224163333, D224163334, D224225514, and D224085431, recorded between May 16, 2024, and September 12, 2024. Details of this transaction were not disclosed to the appraisers. This transaction does not appear to be arms-length.
- As of the date of this report, FW Club LP has begun selling platted lots to end users. To date, 76 lots have sold within IA #4, including 7 Cottage lots at an average price of $1,640,548 ($90.16/SF) and 69 Estate lots at an average price of $1,947,425 ($57.98/SF). Details of these transactions were not individually disclosed to the appraisers. These transactions do appear to be arms-length.

<u>IA #5</u>

- PHDFW – Ventana 36, LLC was deeded parcel 43124120 from Perry Homes, LLC via deed instrument D224169598 dated July 12, 2024. Details of this transaction were not disclosed to the appraisers. This transaction does not appear to be arms-length.
- PHDFW – Ventana 36, LLC was deeded parcels 43218809 and 43218795 from PMB Ventana Developer South, LLC via deed instrument D224169598 dated September 23, 2024. Details of this transaction were not disclosed to the appraisers. This transaction does not appear to be arms-length.
- Perry Homes, LLC was deeded parcel 43124120 from PMB Ventana Developer South, LLC via deed instrument D224059964 dated April 9, 2024. Details of this transaction were not disclosed to the appraisers. This transaction appears to be arms-length.
- PMB Ventana Developer South, LLC was deeded parcels 43124120 and 42724447 from PB Long Term Hold 2, LP via deed instrument D221026481 dated January 1, 2021. Details of this transaction were not disclosed to the appraisers. This transaction appears to be arms-length.
- PMB Ventana Developer South, LLC was deeded parcels 42797517 and 43188179 from PMB Veale Land Investors 3, LP via deed instrument D224176443 dated October 2, 2024. Details of this transaction were not disclosed to the appraisers. This transaction does not appear to be arms-length.
- PMB Veale Land Investors 3, LP was deeded parcels 42797517 and 43188179 from TRT Land Investors, LLC via deed instrument D224176441 dated October 1, 2024. Details of this transaction were not disclosed to the appraisers. This transaction appears to be arms-length.
- American Legend Lot Holdings, LLC was deeded parcel 43124138 from PMB Ventana Developer South, LLC via deed instrument D224123917 dated July 12, 2024. Details of this transaction were not disclosed to the appraisers. This transaction appears to be arms-length.

We are unaware of any other attempts to sell or divest the subject property, as of the report date. This historical ownership data was researched and reported in order to comply with USPAP which requires a 3-year history of the subject property. It should not be used in lieu of a title search and is not intended as a guarantee to the chain of title.

LEGAL DESCRIPTIONS

The subject property includes multiple tracts consisting of various legal descriptions within the Veale Ranch PID as follows:

- Parcel #42894784: FINLEY, D T SURVEY Abstract 1903 Tract 1A1D SEPARATED TRACT
- Parcel #42797517: FINLEY, D T SURVEY Abstract 1903 Tract 1C
- Parcel #43188179: ATKINS, WILLIAM SURVEY Abstract 1961 Tract 1A3
- Parcel # 42724447: ROGERS, T F SURVEY Abstract 1357 Tract 1A1
- Parcel #43124120: ROGERS, T F SURVEY Abstract 1357 Tract 1A1B
- Parcel #443124138: ROGERS, T F SURVEY Abstract 1357 Tract 1A1C
- Parcel # 43218795: ROGERS, T F SURVEY Abstract 1357 Tract 1A1B1 SEPARATED TRACT
- Parcel #43218817: ROGERS, T F SURVEY Abstract 1357 Tract 1A1B3 SEPARATED TRACT
- Parcel #43218809: ROGERS, T F SURVEY Abstract 1357 Tract 1A1B2 SEPARATED TRACT

Note: IA #4 has already been replatted, and the developer has commenced selling homes to end users. This phase includes more than 100 individual legal descriptions, which are not listed within this report.

PENDING TRANSACTIONS TO BUILDERS

For IA #4, the land is owned by FW Club LP, who also serves as the developer for the subject property and will sell the fully developed single-family residential lots directly to end users. As of the date of this report, 76 lots have been sold within IA #4, consisting of 7 Cottage lots sold at an average price of $1,640,548 ($90.16/SF) and 69 Estate lots sold at an average price of $1,947,425 ($57.98/SF).

For IA #5, the appraisers were informed that the developer has already sold a portion of the raw land to homebuilders, who will ultimately receive finished lots corresponding to their respective tracts. The remaining portion is under contract to be sold to builders through a takedown structure. Although ownership varies between raw-land sales and takedown agreements, the developer is responsible for developing all lots within IA #5. Upon completion of development, the builders will acquire any lots not already owned and proceed with home construction and subsequent sales to end buyers. The appraisers were not provided with copies of the contracts associated with IA #5.

Real Estate Taxes

Real estate tax assessments are administered by the Tarrant Appraisal District (TAD) and are estimated by jurisdiction on a county basis for the subject. Real estate taxes in this state and this jurisdiction represent ad valorem taxes, meaning a tax applied in proportion to value. The real estate taxes for an individual property may be determined by dividing the assessed value for a property by $100, then multiplying the estimate by the composite rate.

Projected 2026 real estate taxes and assessments using the 2025 tax values and rates are shown in the following table which include taxes to the City of Fort Worth, Tarrant County, Tarrant Regional Water District, JPS Health Network, Tarrant County College, and Fort Worth ISD. The projected combined tax rate for those entities is **2.189080 per $100 assessed** as shown in the table below:

Projected Property Taxes - 2026	
Entity	**Rate**
City of Fort Worth	0.670000
Tarrant County	0.186200
Tarrant Regional Water District	0.026500
JPS Health Network	0.165000
Tarrant County College	0.112280
Fort Worth ISD	1.029100
Total	**2.189080**

The Veale Ranch PID IA #4 is comprised of numerous contiguous tracts of land consisting of single-family and HOA parcels. Thus, if we were to add up every parcel that is currently within the Whole Property in IA #4, the total would not give an accurate reflection of the land value for a 493.141-AC. A more accurate predictor of the assessed land value as a single parcel is to review unimproved tracts within IA #5, and apply those assessed rates to IA #4.

The Veale Ranch PID IA #5, is within nine tracts of land consisting of nine tax parcels. The projected (2026) tax burden for the subject property – which is currently in the process of being developed – is $16,419.09, which is partially reduced to an ag exemption. A table of the assessed values and property taxes for the projected tax year (2026) of the subject property is shown on the following page:

TAXES (TARRANT CAD - 2026)							
ID	Owner	Size (AC)	Improvement Market Value	Land Market Value	Ag Exemption	Assessed Value	Estimated Taxes
42894784	PMB Ventana Developer South, LLC	5.160	$ -	$ 67,430	$ -	$ 67,430	$ 1,476.10
42797517	PMB Ventana Developer South, LLC	0.558	$ -	$ 7,291	$ 7,261	$ 30	$ 0.66
43188179	PMB Ventana Developer South, LLC	2.802	$ -	$ 36,616	$ 36,409	$ 207	$ 4.53
42724447	PMB Ventana Developer South, LLC	33.000	$ -	$ 337,000	$ -	$ 337,000	$ 7,377.20
43124120	PHDFW - Ventana 36, LLC	26.3920	$ -	$ 196,665	$ -	$ 196,665	$ 4,305.15
43124138	American Legend Lot Holdings, LLC	4.7850	$ -	$ 139,495	$ -	$ 139,495	$ 3,053.66
43218817	PHDFW - Ventana 36, LLC	1.1570	$ -	$ 8,622	$ -	$ 8,622	$ 188.74
43218795	PHDFW - Ventana 36, LLC	0.0050	$ -	$ 37	$ -	$ 37	$ 0.81
43218809	PHDFW - Ventana 36, LLC	0.0750	$ -	$ 559	$ -	$ 559	$ 12.24
Total:		**73.934**	**$0.00**	**$793,715**	**$ 43,670**	**$750,045**	**$16,419.09**

The Land value represented by TAD is not necessarily accurate. The land market value that has been determined by TAD **- $793,715 ($10,735/AC, $0.25/SF)** – would lead to a tax burden of **$17,375.06** without the agricultural exemption. When the property is redeveloped into residential use, there may be rollback taxes due to the municipal entities. We have not considered the effect of rollback taxes herein and that is beyond the scope of work of this report.

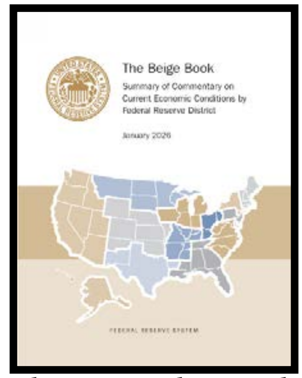
Applying the same rates to IA#4 with 493.141-Acres ($10,735/AC, $0.25/SF) would lead to a land market value of **$5,294,092** which would lead to a tax burden of **$115,891.91**.

Upon substantial completion of the improved lots, the appraised value is expected to increase significantly; however, based on our company's experience as licensed property tax consultants working with tax districts and homebuilders, we believe the finished lots will be assessed by the appraisal district at below retail lot value. Finished lots are often assessed by tax districts at approximately 70% of the retail value because the tax district does not have reliable information on updated costs and because developers are eligible for an inventory reduction on their lots.

MARKET OVERVIEW

ECONOMIC INDICATORS: BEIGE BOOK

FEDERAL RESERVE BANK (January 14, 2026)



Due to the subject's location in North Texas, coupled with integrated business economies, it is relevant to consider the national and regional economic indicators presented by the Federal Reserve Bank of Dallas in the Beige Book. Excerpts from the most recent Beige Book are presented below:

Overall Economic Activity

Overall economic activity increased at a slight- to modest pace in eight of the twelve Federal Reserve Districts, with three Districts reporting no change and one reporting a modest decline. This marks an improvement over the last three report cycles where a majority of Districts reported little change. Most banks reported slight- to modest growth in consumer spending this cycle, largely attributed to the holiday shopping season. Several Districts also noted that spending was stronger among higher-income consumers with increased spending on luxury goods, travel, tourism, and experiential activities. Meanwhile, low to moderate income consumers were seen to be increasingly price sensitive and hesitant to spend on nonessential goods and services. Auto sales were little changed to down across most Districts. Manufacturing activity varied with five Districts reporting growth and six reporting contraction. Non-financial services demand was generally seen as steady to increasing somewhat. Banking conditions were generally reported as stable or improving, with some increased demand coming from credit cards, home equity loans, and commercial lending. Residential real estate sales, construction, and lending activity softened in the majority of Districts that report on the sector. Agriculture conditions were largely unchanged with only Atlanta reporting a modest decline due to weaker demand for exported commodities. Energy demand and production was flat to go down slightly. Outlooks for future activity were mildly optimistic with most expecting slight to modest growth in coming months.

Labor Markets

Employment was mostly unchanged in the most recent period, with eight of the twelve Districts reporting no changes in hiring. Multiple Districts reported an increase in the usage of temporary workers, with one contact reporting this allows them "to stay flexible in uncertain times." When firms were hiring, it was mostly to backfill vacancies rather than create new positions. Firms reported continued challenges finding skilled labor, particularly in engineering, health care, and other trades. Several reports mentioned that fewer workers were switching jobs. Multiple contacts reported exploring AI implementation primarily for productivity enhancement and potential future workforce management. AI's current impact on employment was limited, with more significant effects anticipated in the coming years rather than immediately. Wages grew at a moderate pace, with multiple contacts reporting that wage growth had returned to "normal" levels.

Prices

Prices grew at a moderate rate across a large majority of Districts, with only two Districts reporting slight price growth. Cost pressures due to tariffs were a consistent theme across all Districts. Several contacts that initially absorbed tariff-related costs were beginning to pass them on to customers as pre-tariff inventories became depleted or as pressures to preserve margins grew more acute. But contacts in a few industries—like retail and restaurants—were reluctant to pass costs along to price-sensitive customers. Energy and insurance costs continued to be a significant strain on margins. Looking ahead, firms expect some moderation in price growth, but anticipated prices to remain elevated as they work through increased costs.

ELEVENTH DISTRICT
FEDERAL RESERVE BANK OF DALLAS – January 14, 2026

Summary of Economic Activity

Economic activity in the Eleventh District held steady over the reporting period. Little change was seen in manufacturing, retail, non-financial services, and real estate. The banking sector was a bright spot, with loan volumes increasing over the past six weeks. Activity in the energy sector weakened slightly, hampered by low oil prices. Employment was largely unchanged, and prices increased moderately. Outlooks remained cautious, dampened by concern over the level of demand and the inflationary impact of tariffs.

Labor Markets

Employment remained steady over the reporting period. Some layoffs continued in the energy sector, particularly among oil and gas support services firms. Few layoffs were noted otherwise, though some contacts reported reduced work hours amid a slowdown in business. A staffing agency said companies are slow to backfill open positions and make hiring decisions in general. Overall, few labor shortages were noted, though there were scattered reports of difficulty filling certain skilled or semi-skilled positions due to a lack of qualified candidates. When asked about the effect of AI on employment, most companies using AI said it hasn't had an impact, though a quarter expect it to decrease their need for workers over the next few years. Wage growth in 2025 among more than 250 surveyed Texas manufacturing and services firms was 3.5%, on average, down from 4.3% in 2024. Firms expect 3.3% wage growth in 2026, on average. Among energy firms, wage growth stagnated.

Prices

Price pressures remained moderate overall, with the exception of manufacturing raw materials prices which remained elevated. In a recent Dallas Fed survey, services companies reported 3.7% input price growth in 2025, on average, down slightly from 2024, and they expect input cost growth to moderate further in 2026, to 3.1%. Among manufacturers, input cost growth averaged 5.5% in 2025, up notably from 3.8% in 2024, and is expected to slow notably to 4.1% 2026. Selling price growth ticked down to 2.3% in 2025 and is expected to be 2.5% in 2026, on average across sectors. Contacts continued to note a combination of absorbing tariff costs and passing some on to customers.

Manufacturing

Factory output was flat to down slightly in December after a strong November. Recent weakness was driven primarily by nondurable goods production, including chemicals. Petrochemical production fell, with contacts saying some customers were holding back or canceling orders due to anemic global demand and the high level of uncertainty, particularly regarding trade policy. Machinery and transportation equipment manufacturing were areas of relative strength. Capital spending among manufacturers continued to increase moderately. Manufacturing outlooks were hampered by continued tariff uncertainty, though contacts said lower interest rates could help spur demand.

Retail Sales

Retail sales activity was mixed in December. Retailers noted that customers remained price sensitive, with even marginal price adjustments leading to significant changes in demand. Retailers observed consumer bifurcation, with lower-income households particularly struggling with higher prices. In some Hispanic communities, store traffic dropped due to immigration enforcement concerns. Auto dealers reported weaker sales compared to the previous year, though one noted that luxury brand sales were holding up better. Overall outlooks for the coming year were tepid but positive on net, with many contacts expecting increases in sales.

Nonfinancial Services

Activity in non-financial services was largely flat over the reporting period. Some revenue gains were seen among leisure and hospitality firms, as well as in education and health care. Recent weakness was concentrated on professional and business services. A consulting firm said they were seeing a reduction in the number of opportunities for consulting services in the public sector. Activity in transportation services was mixed softness was reported in cargo volumes, while airlines reported improving demand across the industry. Holiday air travel bookings were strong, and one contact noted that demand for higher-priced international travel has been unexpectedly robust. Staffing contacts said demand held steady. Outlooks were fairly stable overall, with contacts broadly expecting increased activity six months from now. The level of demand remained the top outlook concern, followed closely by domestic policy uncertainty and inflation.

Construction and Real Estate

Conditions in the housing market remained challenging during the reporting period. Existing home sales were fairly steady but weak. On the new home side, demand for entry-level homes was sluggish, while the move-up and luxury markets were somewhat resilient, according to contacts.

Homebuilders reported an elevated level of speculative inventory. There was ongoing downward pressure on home prices and builder margins, and outlooks remained weak.

Commercial real estate activity improved on net. Apartment demand slowed at year end, and rent concessions remained widespread. Office leasing increased overall but was fragmented, with strong net absorption reported for top-tier space, but continued weakness in demand for lower-tier properties. Leasing demand for industrial and retail space was solid.

Financial Services

Loan volume and demand increased in December after decreasing in the previous month. Loan volume was driven up by commercial real estate loans. Credit standards and terms tightened; however, loan pricing continued to decline. Overall loan performance deteriorated at a slower pace than the prior period. Bankers reported increasing general business activity. Their outlooks leaned optimistic. Contacts expect growth in loan demand and business activity six months from now but a slight decrease in loan performance.

Community Perspectives

Nonprofits continued to report elevated demand for social services, driven by economic pressures and community needs. The heighted demand for food assistance from the disruption of the federal Supplemental Nutrition Assistance Program has largely abated, though demand remains higher than last year. Contacts noted that lower-income families budgeted more tightly during the holiday season to manage limited resources, seeking bargains and cutting back on travel and dining out. A community services nonprofit in Southern New Mexico said some migrant farm workers have been afraid to show up to work given recent immigration enforcement policies, and that even missing one paycheck is impactful to their households. A workforce development con tact noted higher demand for employment services compared with this time last year and said there is increasing interest in workshops on the adoption of AI and other digital tools.

TEXAS ECONOMIC OUTLOOK (EXCERPTS)

Texas A&M University – Texas Real Estate Research Center

Jorge Barro (Updated January 16, 2026)

U.S. Unemployment Rate	U.S. Average Hourly Wage	U.S. Consumer Price Index	U.S. Total Nonfarm Employment
▼ 4.1%	▼ 3.7%	▲ 2.4%	▲ 147,000 JOBS

Summary

The U.S. economy continues to expand at a robust pace, despite recent headwinds in the labor market. Third quarter 2025 real gross domestic product increased at an annual rate of 4.3%, exceeding expectations and increasing from a rate of 3.8% in the second quarter 2025. Consumer spending, which historically accounts for roughly two-thirds of real GDP, continued to sustain elevated economic growth in the third quarter with contributions from trade and government spending as well. Within consumer expenditures, healthcare remains a leading contributor to growth. Investment declined slightly, resulting from a decline in inventories.

The U.S. labor market sustained weak growth in December as the U.S. economy added 50,000 jobs. The unemployment rate, however, dipped slightly to 4.4 percent, down from 4.5%. Business sentiment in survey data indicates widespread labor market optimism in the coming months. Data from the National Federation of Independent Businesses and the Federal Reserve Banks of Atlanta and Dallas show an improvement trend in expected hiring over the next several months. In the months preceding the COVID pandemic, the unemployment rate had been hovering around 3.5%, and labor markets could show some gravitation toward that value.

The Federal Reserve met in December and reduced its key short-term interest rate by 25 basis points to a range of 3.5% to 3.75%. Moreover, the Fed reaffirmed its commitment to stabilizing its balance sheet, which could ease financial conditions in short-term debt markets. Despite short-term rates falling, the 10-year Treasury yield increased 14 basis points from 4.02% to 4.16% in December. The 10-year Treasury rate remains a critical benchmark for long-term interest rates, including mortgage rates.

Stories We're Following

- ***Sales Revenue Growth Outlook***
    - *The issue: The Survey of Business Expectations housed at the Federal Reserve Bank of Atlanta tracks certain aspects of business sentiment and expectations. This survey offers early insights into the near-term U.S. macroeconomic outlook. Two important series provided by the survey are the average expected employment growth rate, which gives an outlook for labor markets, and the sales revenue growth rate, which gives an outlook for private sector economic growth. While the former has been a focus of past Texas Economic Outlook reports, this edition focuses on the latter.*
    - *Updates: Expected sales revenue growth surged in December, showing a strong rebound since the start of the global trade war in April of 2025. While the series shown here is a three-month average for smoothing, the unsmoothed series (not shown) reflects the largest increase since June of 2022 when inflation was surging. Now, as inflation trends downward, this improving sales growth outlook shows no signs of a looming economic downturn. Moreover, it could indicate an improvement in the employment outlook and the broader macroeconomic outlook.*

Figure 1

Source: Federal Reserve Bank of Atlanta, accessed via FRED

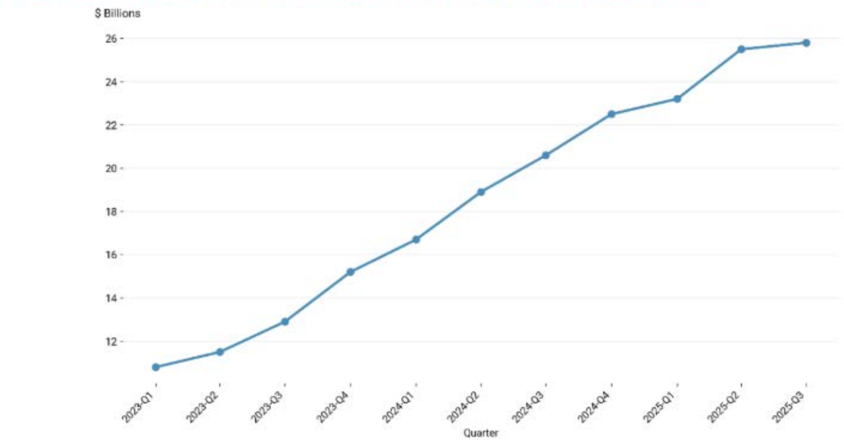
- *Labor Market Conditions*
    - *The issue: Several factors, including policy-related uncertainty and productivity advancements from artificial intelligence, have likely contributed to a slowdown in hiring. Despite the slowdown in hiring, the rate of layoffs has also remained mostly constant in recent months. This slowdown in both hiring and layoffs has coincided with a slow increase in the unemployment rate as the broad labor market cools. Two key factors provide an indication of the labor market outlook: 1) the hiring outlook, which is based on business survey data, and 2) historical pre-recession troughs in the unemployment rate, which shows where the natural rate of unemployment could be, absent any business cycle disruptions.*
    - *Updates: As of the end of December 2025, the unemployment rate stands at 4.4%. Two key observations show where the unemployment rate could trend towards as the economy recovers from the counter-cyclical monetary policy and broader policy uncertainty. First, in late 2019 and early 2020, before the steep economic effects of the pandemic, the unemployment rate appeared to be stabilizing and converging near 3.5%, possibly reflecting the natural rate of unemployment. Then, in April 2023, as the effects of post-pandemic fiscal and monetary stimulus subsided, the unemployment rate again troughed near 3.4% before rising again to its current level. Although the unemployment rate could continue to climb, hiring optimism in business surveys and a low natural rate of unemployment indicate the unemployment rate could soon begin gravitating toward its pre-pandemic trend.*

- *Data Center Investment*
    - *The issue: Technological advancements and the proliferation of artificial intelligence has required massive investment in data centers throughout the U.S. These data centers provide the critical infrastructure, including servers, storage systems, and other equipment, used to operate digital services. In recent years, the U.S. Bureau of Economic Analysis began itemizing data center structures as a component of its nonresidential fixed investments in offices. Although this only accounts for the building itself and not the hardware and infrastructure held within it, the value serves as an indicator of strong growth in the area.*

- *Updates: Texas has been a major beneficiary of the surge in data center investments. With 405 data centers, Texas is currently second only to Virginia, which has 663 data centers. Moreover, data center construction in Texas is set to double in the coming years as an additional 442 data centers are currently under construction or planned. This surge in data center construction is expected to have a large economic impact on both the state and the corresponding regions.*

Figure 2

U.S. DATA CENTER BUILDING INVESTMENT SURGES



Notes: This value shows nonresidential fixed investment in offices that are data centers, which does not include the equipment and infrastructure therein.

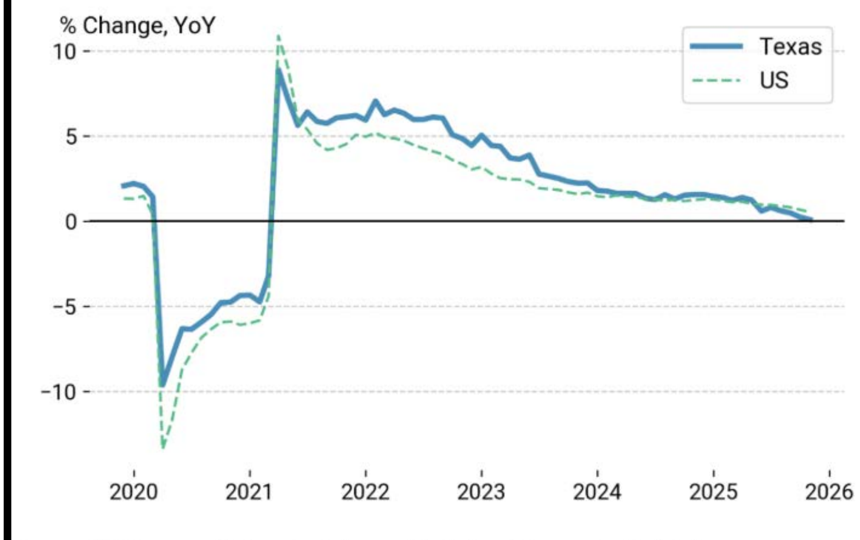
Source: U.S. Bureau of Economic Analysis, accessed via FRED

Texas Economic Indicators

The November labor market data showed a steepening deceleration in Texas. Year-over-year job growth fell below the national average with losses across several geographies and industries, particularly those that show sensitivity to oil prices (Figure 3). Despite these losses, business sentiment data shows signs of optimism that the broader labor market could rebound in 2026.

Figure 3

U.S. AND TEXAS EMPLOYMENT GROWTH, NOVEMBER 2025



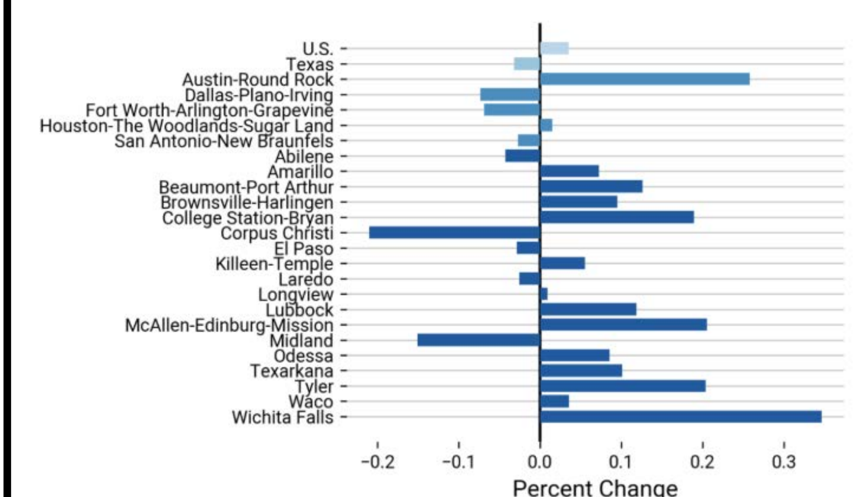
Source: U.S. Bureau of Labor Statistics and the Federal Reserve Bank of Dallas

Employment

The November jobs report showed negative growth in Texas, while the broader U.S. grew slightly (Figure 4). Several regions throughout the state, including the Dallas-Fort Worth metropolitan area, experienced job losses. The Austin and Wichita Falls metropolitan areas experienced sizeable gains, while Houston and several other metropolitan areas experienced more moderate gains.

Figure 4

REGIONAL EMPLOYMENT GROWTH, NOVEMBER 2025



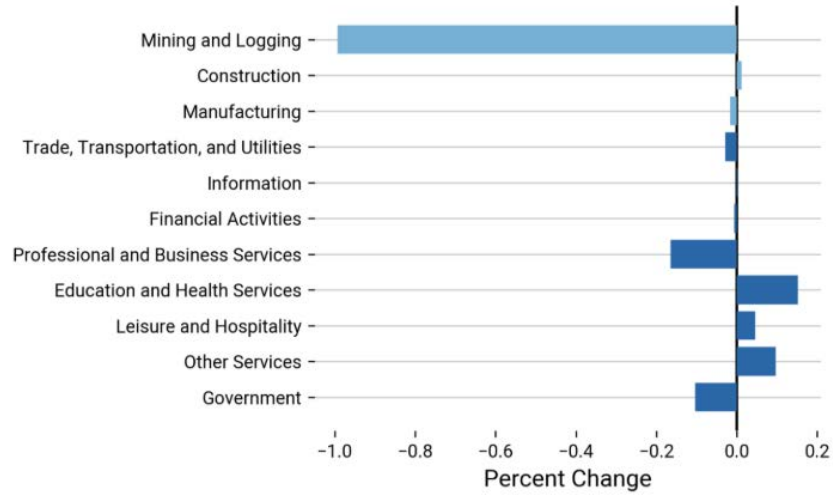
Notes: U.S., Texas, major metropolitan areas, and other metropolitan areas are each shown in different shades of blue.

Source: U.S. Bureau of Labor Statistics and the Federal Reserve Bank of Dallas

The November jobs report showed steep losses in the Texas Mining and Logging sector, likely the result of unusually low oil prices (Figure 5). Construction and manufacturing remained mostly flat in November, while the service sector showed mixed results.

Figure 5

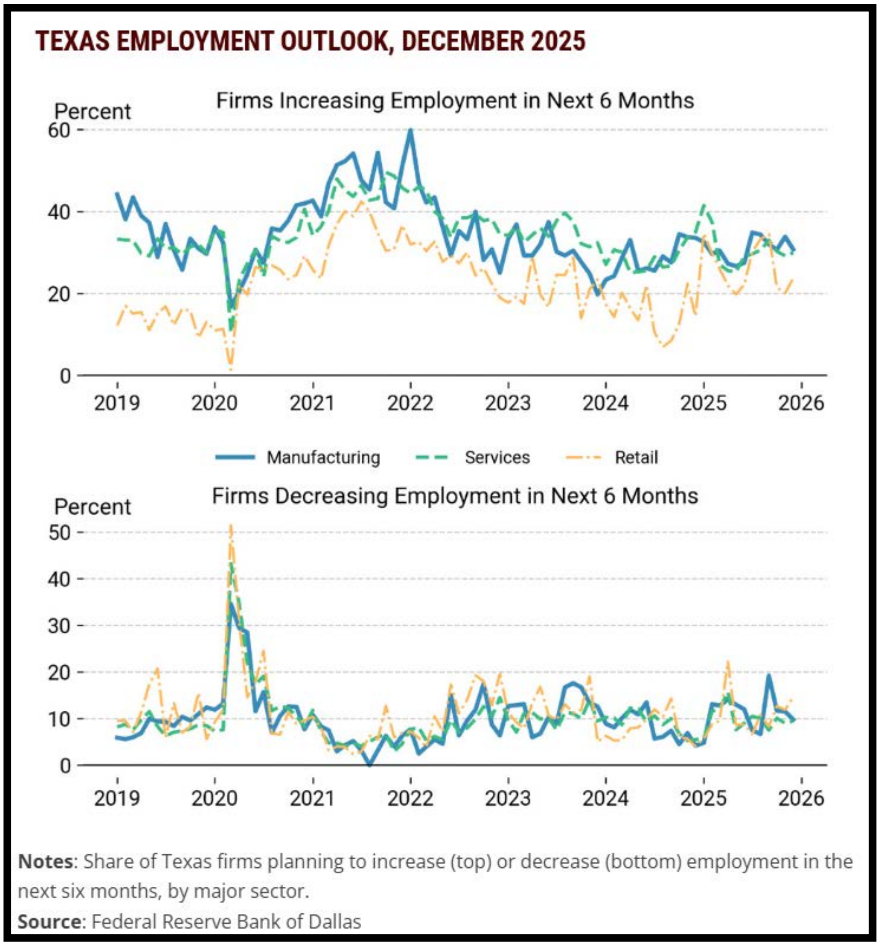
TEXAS INDUSTRIAL EMPLOYMENT GROWTH, NOVEMBER 2025



Notes: Goods-producing and service-providing industries are shown in different shades of blue.
Source: U.S. Bureau of Labor Statistics and the Federal Reserve Bank of Dallas

Employment Outlook

The share of Texas firms planning to hire in the next six months rose in services and retail while dipping slightly in the manufacturing sector (Figure 6). Manufacturing and services are still showing improvement, relative to the steep decline experienced in 2025, but the retail employment outlook remains low, despite the uptick. The number of firms planning to decrease employment dipped in manufacturing, while increasing slightly in retail and services. If the share of firms hiring in the next six months continues trending upward, it could confirm an improvement in the outlook for the broader Texas labor market and economy.

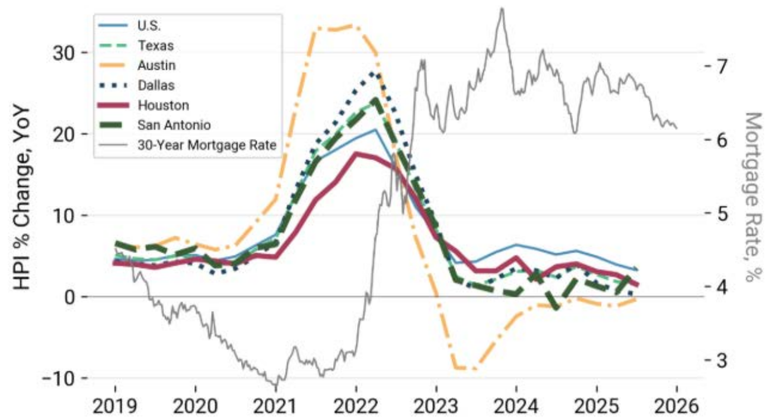


Housing and Mortgage Rates

Mortgage rates declined in December, as rates fell 7 basis points from 6.23% to 6.15% (Figure 7). Overall, mortgage rates have trended downward but have stabilized somewhat in recent months. Still, mortgage rates remain elevated, well above pre-pandemic lows, creating a headwind in the residential real estate market.

Figure 7

HOUSE PRICE GROWTH AND MORTGAGE RATES THROUGH DECEMBER 2025



Notes: House price index data is provided through Q3 2025, and mortgage rate data is provided through the end of December.

Source: FHFA and Freddie Mac, accessed via FRED

The mortgage spread (Figure 8), defined as the premium of mortgage rates over the 10-year Treasury yield, hit a critical benchmark, falling below 200 basis points for the first time since the Fed ceased its purchases of mortgage-backed securities in 2022. The spread fell 22 basis points, from 221 down to 199 basis points (i.e., from 2.21% points to 1.99% points). The mortgage spread, which provides useful context of mortgage rates in broader capital markets, remained elevated compared to the historical range of 150-175 basis points. This suggests that as capital markets normalize, mortgage rates could decline by another 25 basis points, relative to the 10-year Treasury yield.

Figure 8

INTEREST RATES AND THE MORTGAGE SPREAD, DECEMBER UPDATE

Notes: The mortgage spread is defined as the 30-year mortgage rate minus 10-year Treasury yield. Its typical range is 1.5 percent to 1.75 percent (150 to 175 basis points).
Source: Freddie Mac, Board of Governors of the Federal Reserve, and author's calculations; data accessed via FRED

TEXAS HOUSING INSIGHT (EXCERPTS)
Texas A&M University – Texas Real Estate Research Center
Yanling Mayer (February 3, 2026)

Home Sales	Home Price Index	Active Inventory	Permits
▼ 8.0% YOY	▼ 0.6% YOY	▲ 16.2% YOY	▼ 10.2% YTD

This report reflects November 2025 MLS data. Numbers have been revised from their initial publication based on more complete data.

Summary

Texas home sales fell sharply in November 2025, extending the subdued momentum observed in October. The weaker-than-expected November sales partly reflect a difficult comparison with the unusually strong rebound in late 2024, when sharply lower interest rates temporarily drew out demand and boosted sales. National home sales showed a similar pattern, posting a notable decline in November.

Year to date (YTD), sales growth remains positive and is on track to produce a modest year-end gain of roughly 1% to 2%. Pending home sales (a forward-looking indicator) point to an uptick for December. The decline in mortgage rates through November and December, in anticipation of the Federal Reserve's third consecutive 25-basis-point rate cut on Dec. 18, 2025, was expected to draw additional buyers back into the market to close out the year.

New listing activity slowed markedly through November, reflecting both a larger-than-normal seasonal downturn and the impact of already elevated inventory levels that continue to exert pricing pressure on sellers. Overall inventory remains high and is well above what was typical before the pandemic. Meanwhile, as the housing market continues to adjust to persistent affordability constraints on one side and elevated inventory levels on the other, home prices are continually softening across major Texas metros.

Mortgage rates, already showing early signs of easing, are expected to decline further in 2026 as the administration proposes measures for Government Sponsored Enterprises to increase liquidity in the mortgage market. At the same time, the Federal Reserve's quantitative easing and continues support of the Treasury market are likely to exert additional downward pressure on interest rates. The path of mortgage rates will remain the dominant factor shaping buyer demand, seller participation, and inventory dynamics to the overall market transition in 2026.

November Sales Post a Large Decline, While YTD Growth Remains Positive

Table 1

NOVEMBER 2025 STATE & NATIONAL SALES

	Closed Sales	YoY Change	YTD Change	Median Price	Pending Sales YoY
Texas	22,950	(8.0%)	0.8%	$330,000	4.0%
U.S.	295,000	(6.3%)	(0.5%)	$410,000	3.3%

Notes: The sales numbers reflect actual sales, not the seasonally adjusted annual rate.
Source: Texas REALTORS and National Association of REALTORS data (accessed at Haver Analytics)

- *November sales declined 8% from a year ago. The weak year-over-year (YoY) number was partly attributable to the unusually strong market rebound in later 2024, when sharply lower interest rates temporarily boosted demand. Even so, YTD sales remained at 0.8% above last year's level.*
- *November's median home prices held steady at $333,000 month-over-month (MoM), slightly below last year's level of $333,000.*
- *Similarly, seasonally unadjusted national home sales fell 6.3%. Regionally, sales fell 9.5% in the Northeast, 6.5% in the Midwest, 5% in the South, and 7% in the West.*
- *The national median home price of existing single-family homes was $410,000, a modest increase from $404,400 a year earlier.*

Monthly Market Snapshot: November Sales and Inventory Trends

Table 2

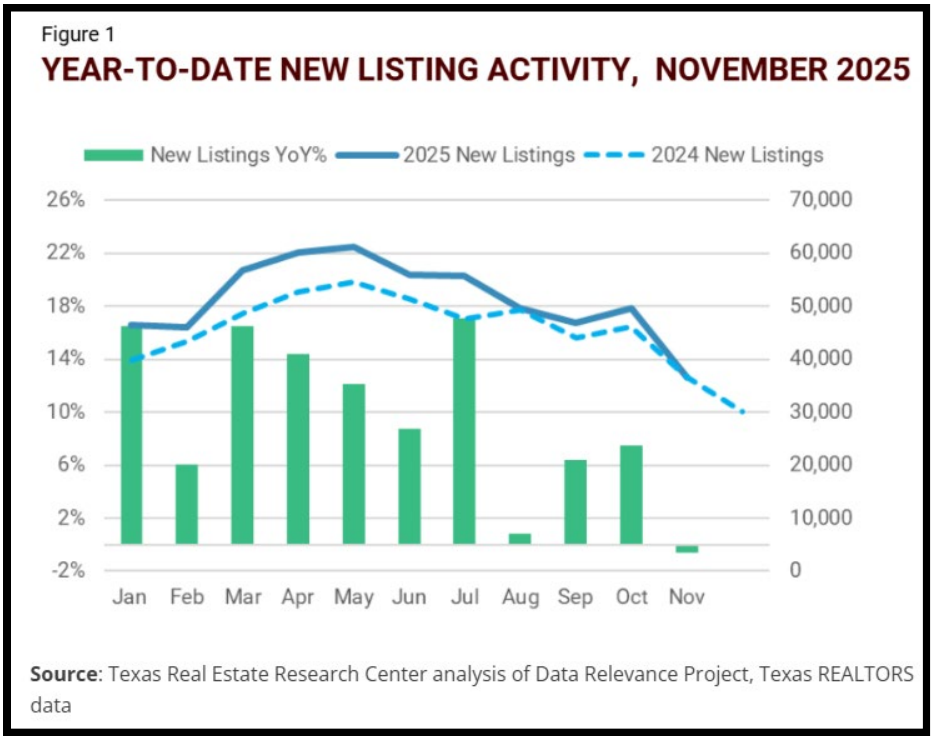
TEXAS HOUSING MARKET INDICATORS

Sales Activity	Nov-2025	Nov-2024	Nov-2023
Average Days on Market	72	63	55
Turnover Rate	16.4%	18.6%	20.7%
Median Seller Price Cuts	$18,740	$15,000	$14,000
Sale-to-List Price Ratio	0.95	0.96	0.96
Active Inventory	**Nov-2025**	**Nov-2024**	**Nov-2023**
Months' Supply	5.2	4.5	3.7
Average Days on Market	103	95	89

Notes: The turnover rate is calculated as pending sales divided by inventory, where inventory is the average of month-beginning and month-end inventory
Source: Texas Real Estate Research Center analysis of Data Relevance Project and Texas REALTORS data

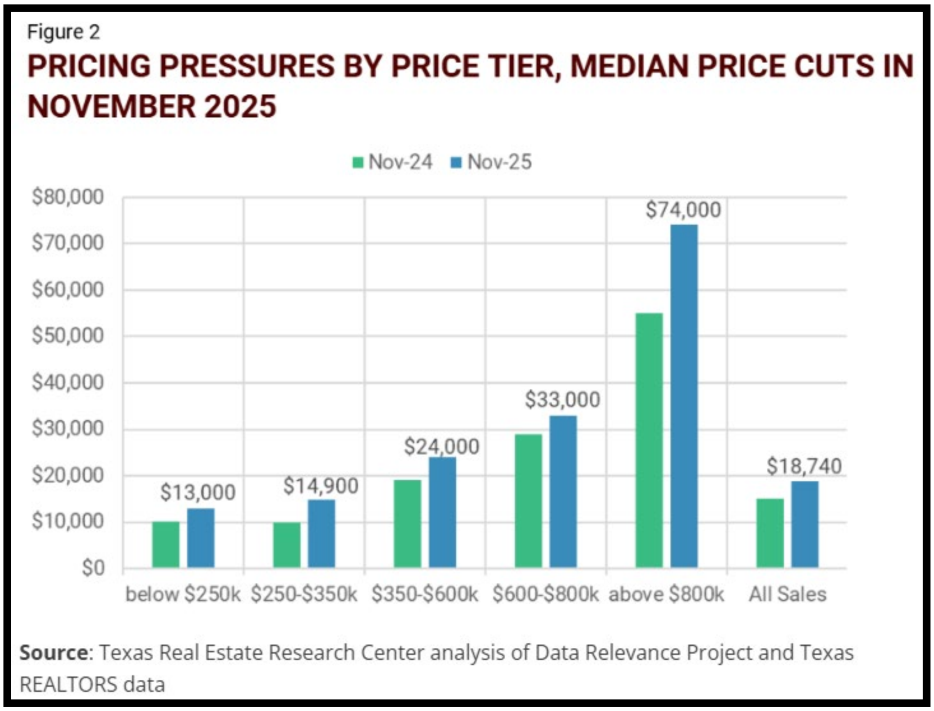
- *In November, homes sold averaged 72 days on the market, corresponding to an inventory turnover rate of 16.4%, down from 18.6% a year earlier and 20.7% in 2023.*
- *Sellers continued to offer larger price concessions amid elevated inventory pressure. In November, the median price cut was $18,740, about a 5% reduction from the original asking price, resulting in a sale-to-list ratio of 0.95.*
- *As of November, active inventory is at a 5.2-month supply, rising from 4.5 months a year earlier. In Texas, a three- to four-month supply is generally considered indicative of a more stable and balanced market.*
- *Average days-on-market (DOM) for unsold inventory climbed to 103 days, having sat on the market about a month longer than sold homes, which averaged 72 days.*

New Listing Activity Pulled Back Sharply, and Overall Inventory Remained Elevated



- *November recorded a sharp pullback in new listing activity, down nearly 1% YoY. Seasonally, the month also posted the steepest MoM decline for a November.*
- *Even without December data, new listing activity in 2025 already reached a record 565,000, surpassing 2024's total of 544,000.*
- *Even with a sharp decline expected in December, 2025 will still mark the highest annual level of seller activity since 2011.*
- *Amid a sharp pullback in new listing activity, total active inventory declined 4.9% since October but remains elevated at 16.2% above the 2024 level.*

Home Price Declines Persist

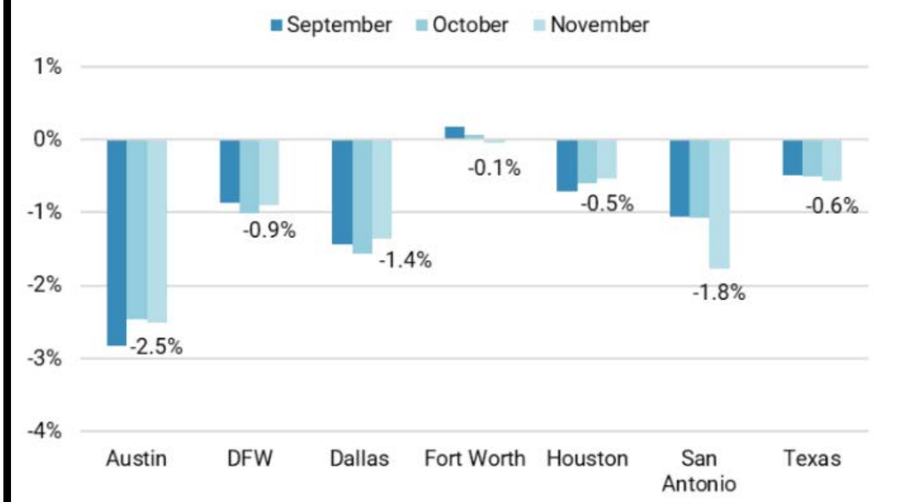


- *Seller pricing pressure continued to intensify in November, with median price cuts rising to $18,740—a 25% increase from a year earlier.*
- *The $250k-$350k segment experienced the sharpest adjustment, with median price cuts up 49%, climbing from $10,000 in November 2024 to $14,900 in November 2025.*
- *The $800k and above segment also saw heightened pricing pressure, with median price cuts rising 35%—from $55,000 in November 2024 to $74,000 in November 2025.*
- *Likewise, in the entry level segment, median price cuts reached $13,000, up 30% from $10,000 a year earlier.*

Texas Home Price Declines Persist

Figure 3

TEXAS HPI: TEXAS AND REGIONAL HOME PRICE TRENDS



Note: The YoY change in the price index is calculated as a three-month moving average.
Source: Texas Real Estate Research Center analysis of Data Relevance Project, Texas REALTORS data

- *The pace of price softening shows little indication of easing. Statewide, YoY home prices declined 0.6%, a slight uptick from the 0.5% declines recorded in September and October.*
- *The pricing pressure appeared to have intensified the most in San Antonio, where home prices declined 1.8% YoY, a notable uptick from 1% in September and October.*
- *Home prices in Austin continue to trend downward, averaging 2.5% YoY in October and November. The city's median sales price in November was $425,000, down from $431,000 recorded a year ago and from $465,000 in November 2022.*
- *Notably, price declines in the DFW market have been largely concentrated in the Dallas-Plano-Irving metropolitan division, where YoY prices declined 1.4% in November. In contrast, prices in the more affordable Fort Worth-Arlington Grapevine area remained relatively stable through November.*
- *Prices in the Houston area continue to face downward pressure from elevated inventory levels, though the pace of declines appeared to moderate. In November, prices fell 0.5% YoY, compared with declines of 0.6% in October and 0.7% in September.*

Local Housing Market Indicators

Table 3

METRO LEVEL HOME SALES, NOVEMBER 2025

Texas Metros	Monthly Sales	Sales YOY%	Sales YTD%	Median Price
Dallas-Fort Worth-Arlington	6,188	(10.5%)	0.2%	$375,000
Texas	22,950	(7.6%)	0.8%	$330,000

Source: Texas Real Estate Research Center analysis of Data Relevance Project, Texas REALTORS data

Table 4

METRO LEVEL MONTH-END INVENTORY, NOVEMBER 2025

Texas Metros	Active Listings	Active Listings YoY%	New Listings YoY%	Months' Supply
Dallas-Fort Worth-Arlington	32,300	12.2%	(1.8%)	4.2
Texas	143,935	16.2%	(0.6%)	5.2

Source: Texas Real Estate Research Center analysis of Data Relevance Project, Texas REALTORS data

Table 5

SINGLE-FAMILY HOUSING PERMITS, OCTOBER 2025

Texas Metros	Year-to-Date Units	YoY%, YTD	Permit Unit Value	Unit Value YoY%
Dallas-Fort Worth-Arlington	34,778	(14.2%)	$312,461	(3.5%)
Texas	122,369	(10.2%)	$293,021	(2.0%)

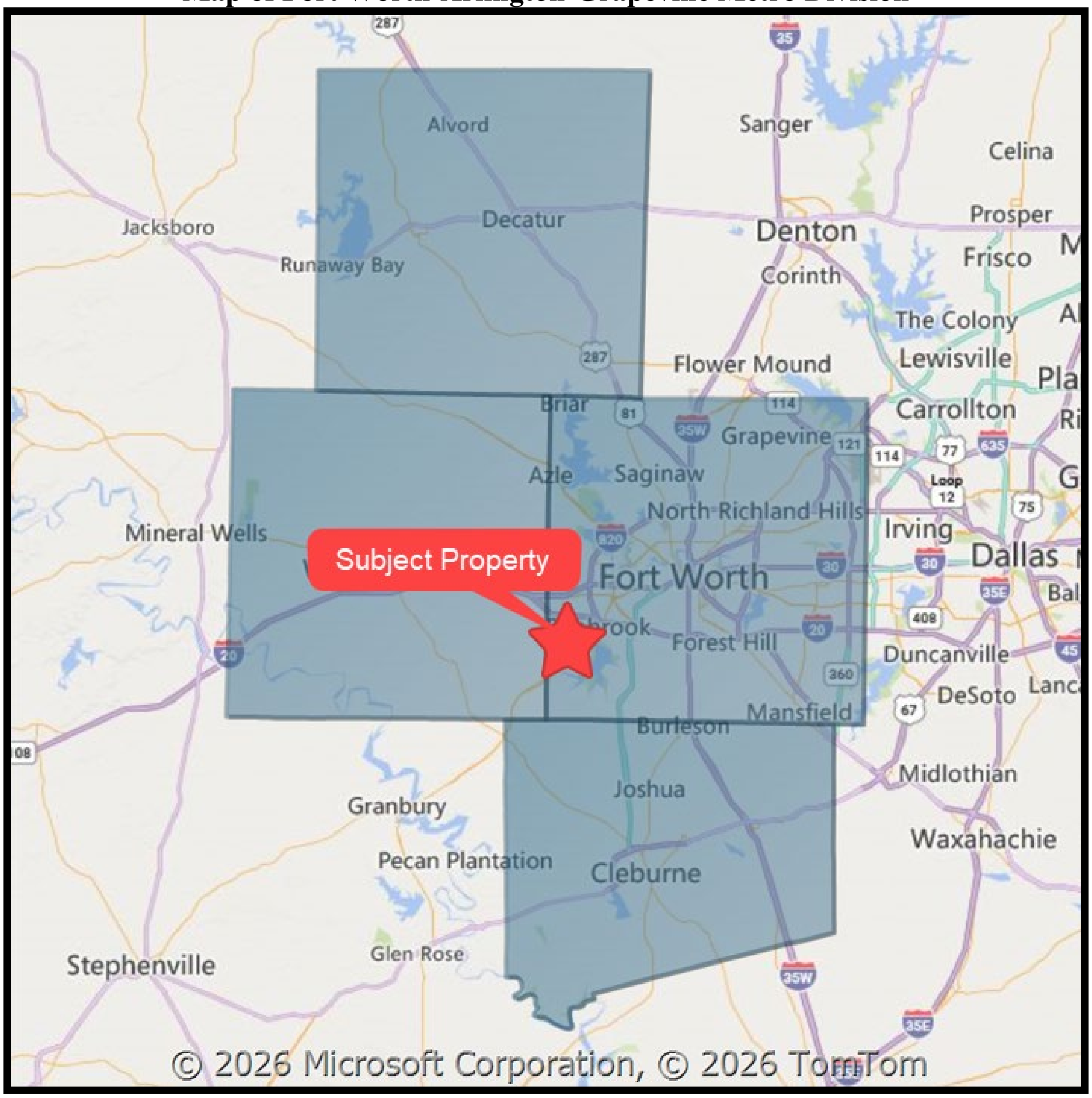
Notes: Permit value is builder estimated construction cost of the residential structure, not including land acquisition cost.
Source: Survey of New Construction of U.S. Census Bureau

FORT WORTH-ARLINGTON-GRAPEVINE METRO DIVISION QUARTERLY HOUSING REPORT (EXCERPTS)
Texas A&M University – Texas Real Estate Research Center
(Third Quarter, 2025)

Executive Summary

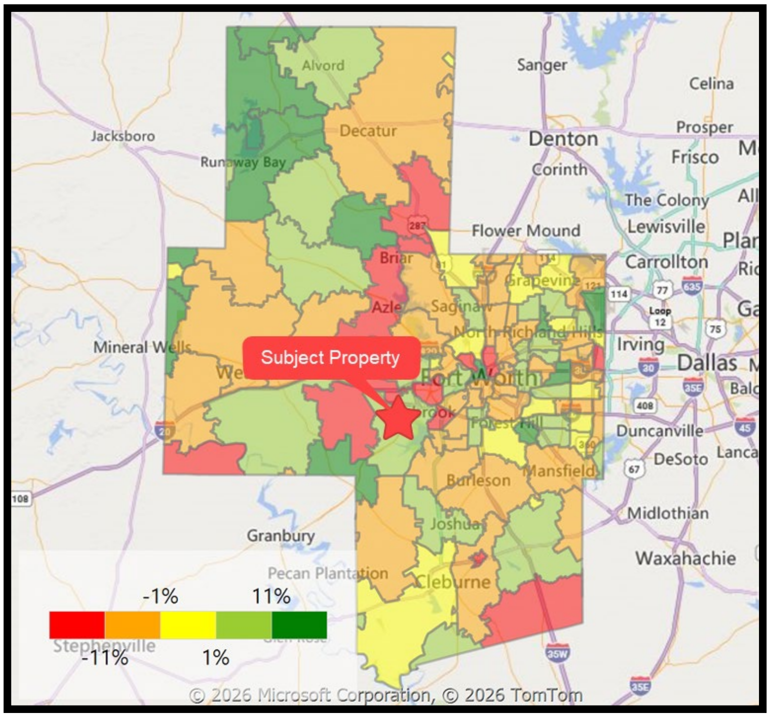
- *Metro area sales volume decreased 3.5% to 6,763 transactions. Median price decreased 2.8% year-over-year to $350,000.*
- *2025 Q4 months inventory for all residential properties rose 3.1% year-over-year to 3.4 months.*
- *Metro area residential property listings increased 2.1% year-over year to 8,257 active listings.*

Map of Fort Worth-Arlington-Grapevine Metro Division



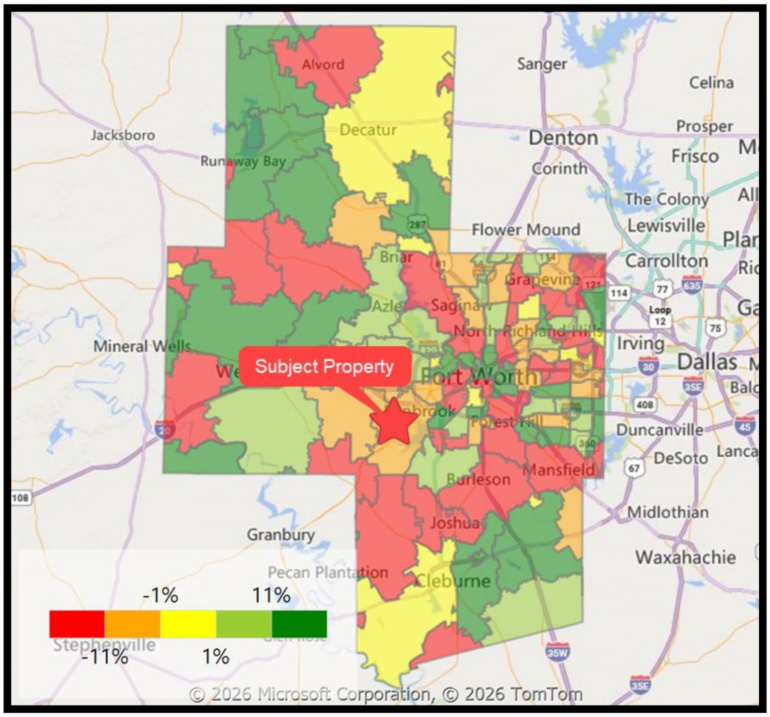
Median Price Change (YoY)

According to TREC, median sale price change year-over-year (YoY) in the subject's area near Veale Ranch PID increased between 1% and 11%.



Sales Volume Change (YoY)

According to TREC, sales volume change year-over-year (YoY) in the subject's area near Veale Ranch PID decreased between 1% and 11%.



The following chart shows the housing metrics for Tarrant County:

Tarrant County

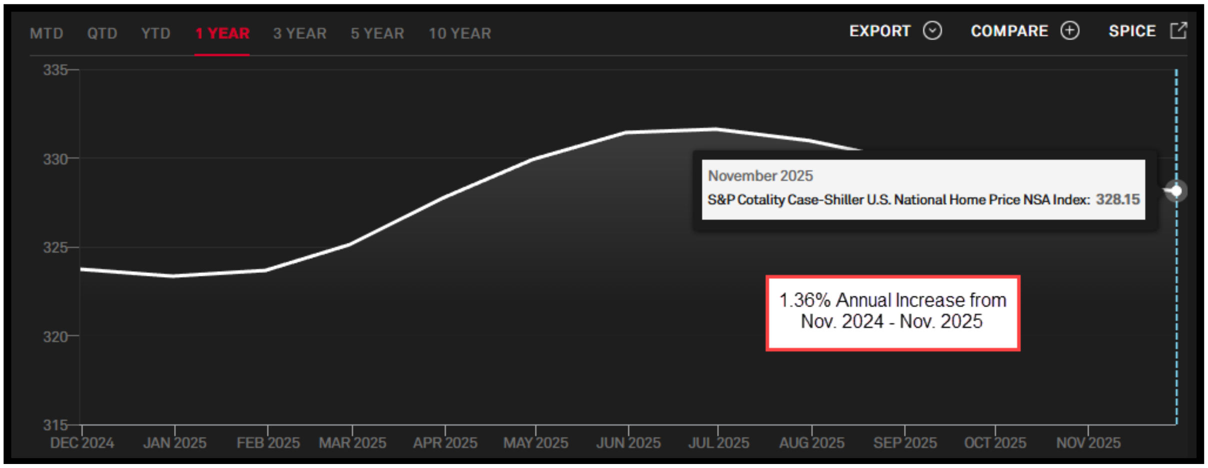
Price Cohort	Closed Sales	YoY%	% Sales	Median Price	YoY%	Median Price PSF	YoY%	Active Listings	Months Inventory	Median Square Feet	Median Year Built
$0 < $70k	5	0%	0%	$50,000	-23%	$61.20	-24%	6	4.5	1,162	1972
$70k < $100k	13	30%	0%	$85,000	-3%	$94.19	-18%	20	3.8	998	1959
$100k < $150k	100	27%	2%	$130,000	0%	$121.02	-3%	108	3.7	1,054	1956
$150k < $200k	240	17%	4%	$180,000	0%	$152.72	-6%	279	4.2	1,174	1959
$200k < $250k	475	5%	8%	$230,000	0%	$175.23	-2%	533	3.6	1,315	1976
$250k < $300k	1,014	11%	17%	$275,000	0%	$175.44	-6%	1,109	3.5	1,572	1987
$300k < $400k	1,952	-4%	33%	$342,500	0%	$178.24	-3%	2,103	3.5	1,906	2003
$400k < $500k	886	5%	15%	$440,000	0%	$180.16	-1%	1,014	3.8	2,454	2005
$500k < $750k	742	-5%	12%	$582,000	-1%	$210.23	1%	976	4.0	2,884	2005
$750k < $1M	244	6%	4%	$846,000	0%	$253.12	3%	287	4.0	3,321	2003
$1M+	311	36%	5%	$1,285,000	-11%	$308.64	-11%	537	6.4	4,378	2002

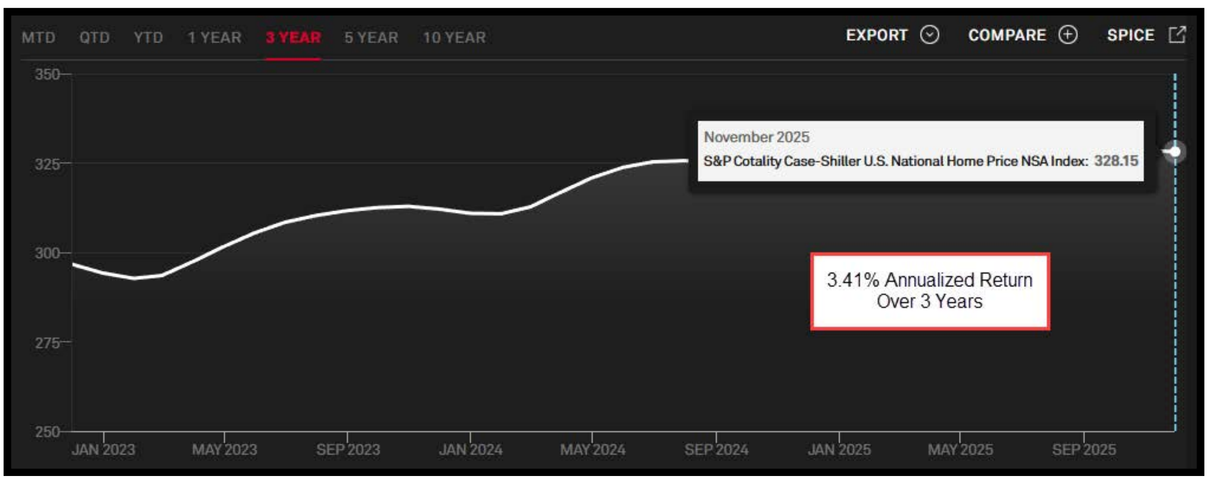
*** Not displayed when fewer than five sales

S&P CORELOGIC CASE-SHILLER INDEX

November 2025

Data reported from the Standard & Poor Dow Jones Indices (1-year and 3-year graphs shown below) from end of November 2025 showed that home prices nationally were up 1.36% YoY while the Dallas Metropolitan area also decreased by 1.42%.





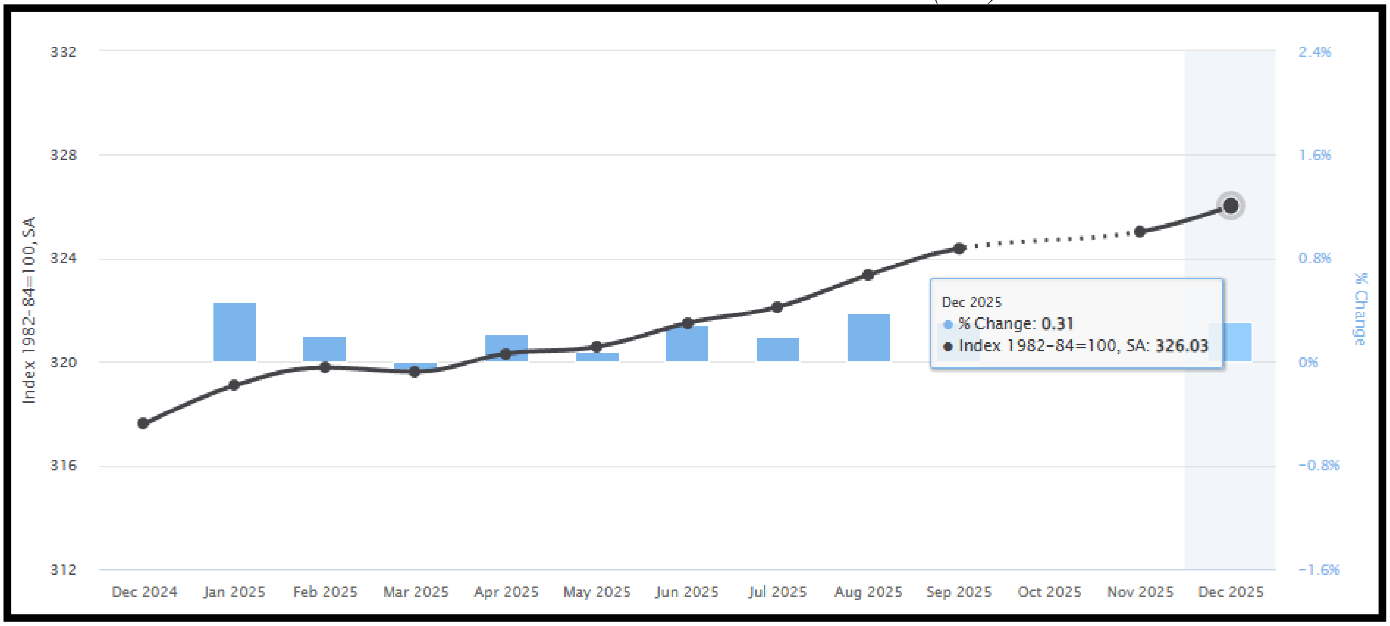
Metropolitan Area	November 2025 Level	November/October Change (%)	October/September Change (%)	1-Year Change (%)
Dallas	290.98	-0.48%	-0.70%	-1.42%
Composite-10	357.47	0.08%	-0.22%	1.99%
Composite-20	337.27	-0.03%	-0.29%	1.39%
U.S. National	328.15	-0.11%	-0.14%	1.36%

Sources: S&P Dow Jones Indices and Cotality

Data through November 2025

CONSUMER PRICE INDEX (CPI)

MOODY'S ANALYTICS CONSUMER PRICE INDEX (CPI) CHART



The U.S. consumer price index rose 0.3% from November to December, in line with expectations. Relative to a year ago, headline CPI held at 2.7% in December. Food prices jumped 0.7% while the CPI for energy rose 0.3%. Excluding food and energy, core CPI was 0.2% higher in December. The increase was a touch less than projected and kept the 12-month rate unchanged at 2.6%. Data gaps from the federal government shutdown will bias year-ago rates downward for most of 2026. Moody's Analytics estimates that the headline and core CPI were 3% and 2.9%, respectively, in December.

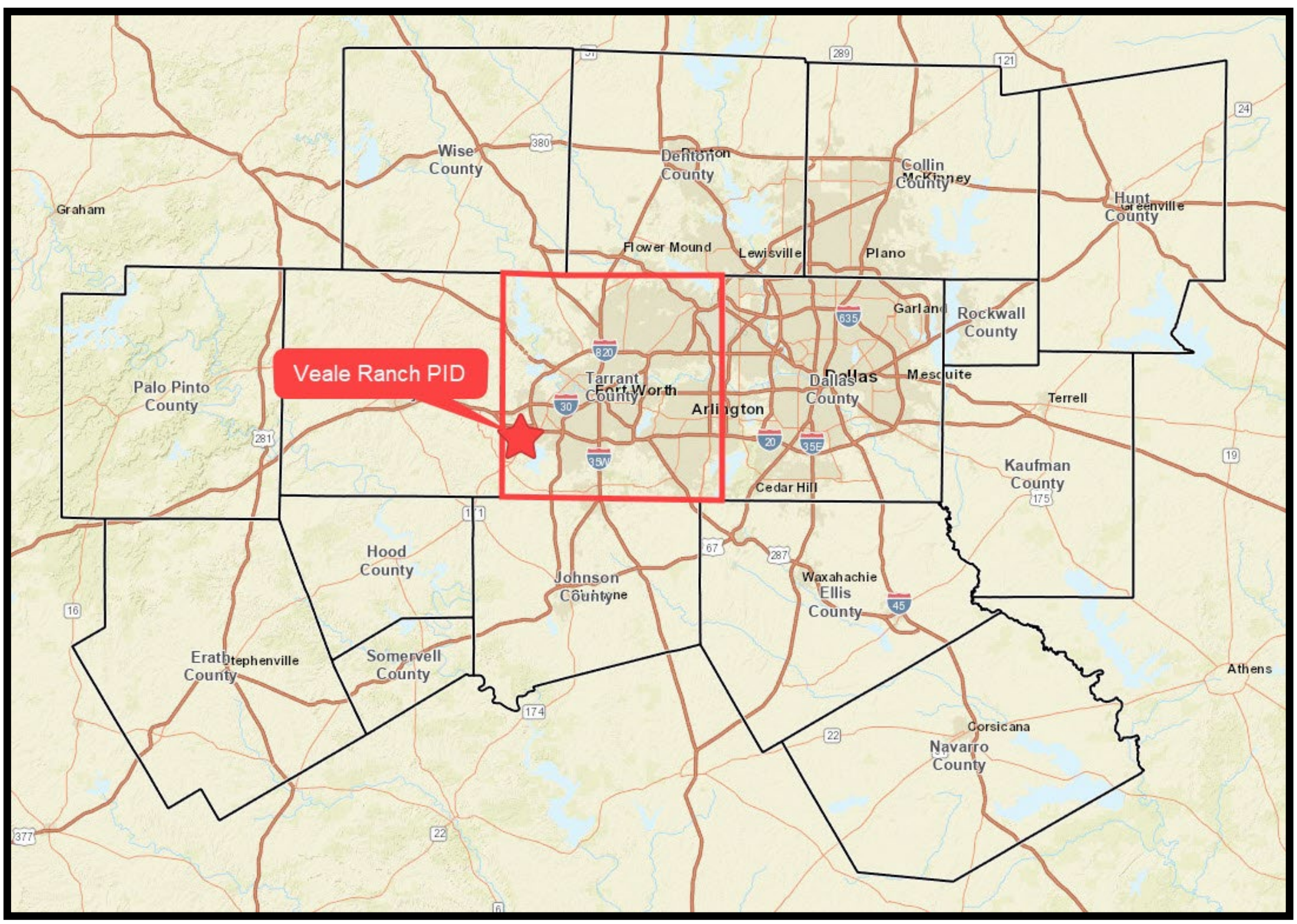
REGIONAL ANALYSIS

The subject is located in Tarrant County within the Fort Worth-Arlington-Grapevine Metropolitan Statistical Area (MSA), often combined with the Dallas-Plano-Irving MSA, and more commonly referred to as the Metroplex (DFW), which encompasses parts of 16 counties and contains 23 cities with populations over 50,000 in North Central Texas. As reported by the North Central Texas Council of Governments (NCTCOG), as of January 1, 2025, the regional population grew by 234,125 last year. Collin County added almost 76,000 new residents, while Dallas County grew by more than 45,000 new residents, followed by Tarrant County (35,746) and Denton County (31,635). The region now has a population of 8,718,500, a growth of more than 886,000 since the 2020 Census. Fort Worth added 32,191 new residents, followed by Dallas (29,510), Celina (15,980), McKinney (11,310), and Princeton (9,838). DFW is home to many business and professional services from major financial institutions to international law firms. It is also home to one of the top ranked container ports in the US and an extensive infrastructure network that serves multiple hotbeds for e commerce fulfillment.

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

MAP OF DALLAS-FORT WORTH METROPLEX

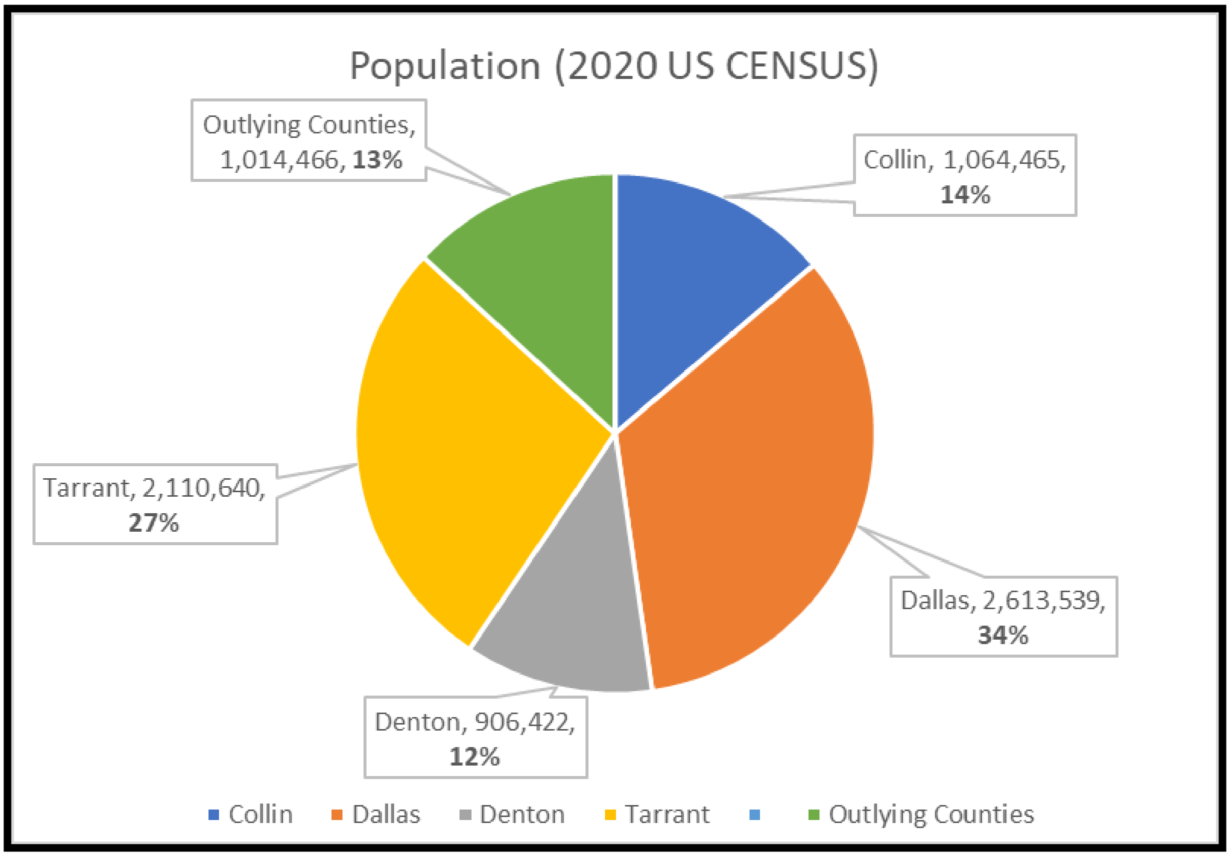
Red Lines Showing Tarrant County Boundary



When compared to the national economy, the DFW Metroplex is expected to experience expansion arising from growth in a variety of sectors including construction, transportation, manufacturing, finance, healthcare, business services, science and technology, education, and real estate. The expansion is fueled by the region's strategic location in the center of the country and is located at the nexus of major roadways such as Interstates 35, 30, 20, and 45. It is predicted by most analysts that economic activity in the area will exceed the state and national growth averages across most indicators. The region is set for long-term development due in part to its transportation infrastructure, low cost-of-living, business friendly regulatory environment, mild weather, young population, and large work force.

A chart of the four counties in the Metroplex, with the highest populations is shown below. Dallas County is the most populated county in the region with 2,613,539 residents, followed closely by Tarrant County with 2,110,640, Collin County with 1,064,465, and Denton County with 906,422. Other outlying counties such as Ellis, Johnson, Parker, Kaufman, Rockwall, Wise etc. add up to another 1,014,476 residents. The subject property is in the southwest area of Tarrant County.

PIE CHART OF POPULATION PERCENTAGES IN DFW METROPLEX



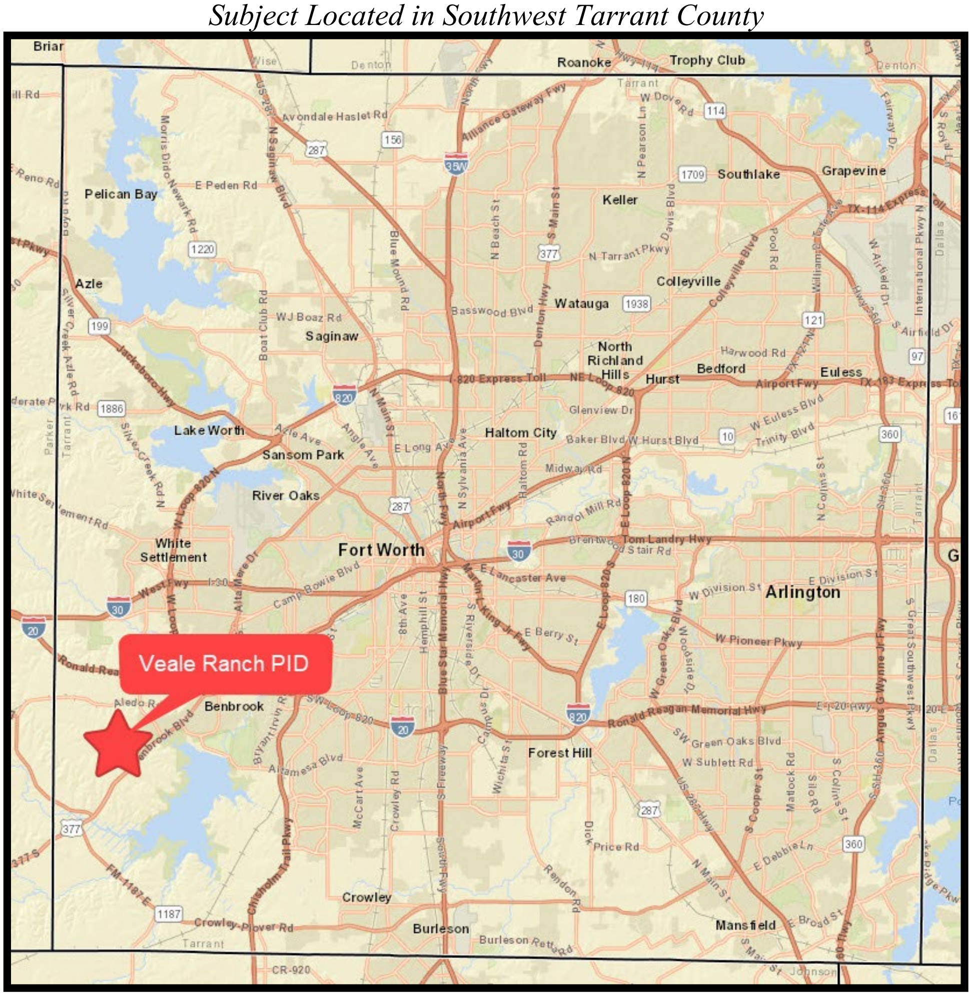
TARRANT COUNTY OVERVIEW

Tarrant County is one of the core population and employment centers of the Dallas–Fort Worth metropolitan area, with an estimated 2024 population of approximately 2.23 million and steady growth of about 5.7% since 2020. The county spans roughly 865 square miles and is anchored by Fort Worth, Arlington, and a network of suburban cities that support a diverse economic base. Median age trends remain stable at around 35 years, reflecting a balanced mix of working-age residents and families. Strong transportation connectivity—including I-20, I-30, I-35W, SH-121, and proximity to DFW International Airport—continues to reinforce the county's role as a regional hub for commerce, logistics, and corporate activity.

Economically, Tarrant County demonstrates solid fundamentals, with a 2023 median household income of $81,905 and year-over-year income growth of nearly 4%. Employment remains diverse across healthcare, education, manufacturing, logistics, aviation, and professional services, supported by more than 1 million employed residents. Housing indicators show continued upward pressure, with the median property value rising to approximately $294,100 in 2023–2024. Ongoing population growth, infrastructure investment, and sustained commercial development contribute to stable market conditions relevant to highest-and-best-use analysis, absorption expectations, and long-term valuation trends.

MAP OF TARRANT COUNTY

Subject Located in Southwest Tarrant County



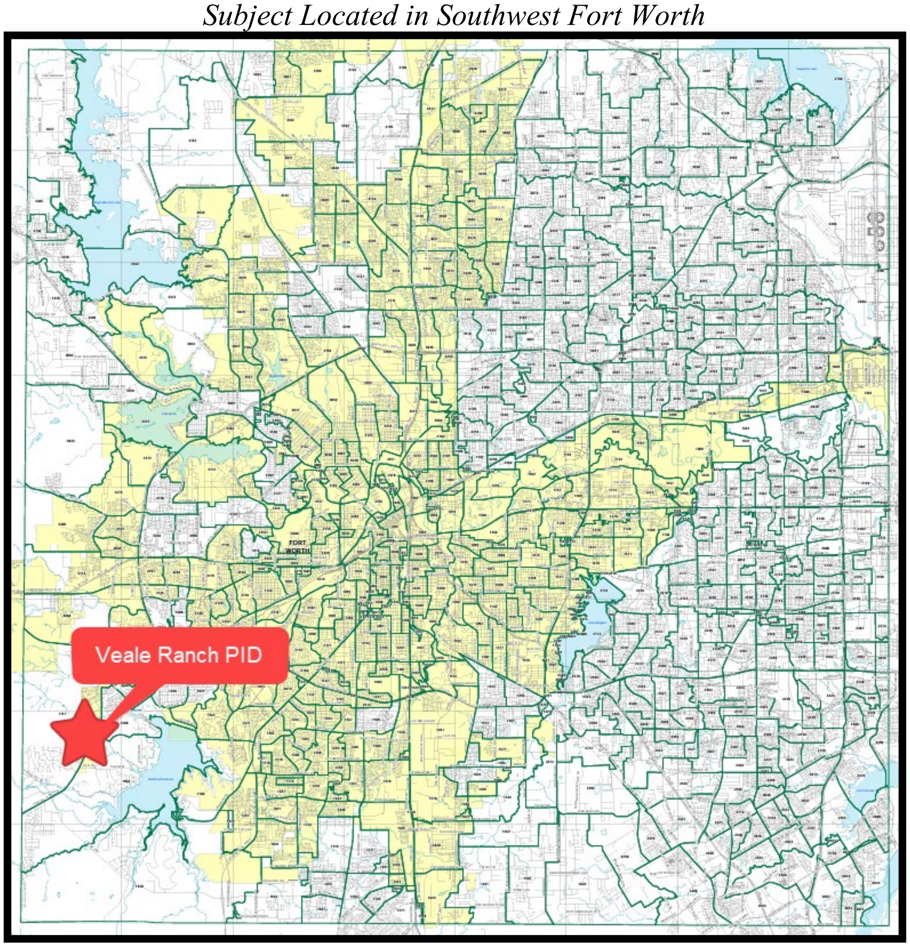
CITY OF FORT WORTH OVERVIEW

Fort Worth is the second-largest city in North Texas and a major economic anchor within the Dallas–Fort Worth metropolitan area. With an estimated 2024 population exceeding 975,000, the city continues to experience steady long-term growth supported by strong in-migration, a diversified employment base, and ongoing residential development. Fort Worth spans more than 350 square miles, offering a mix of historic urban districts, established suburban neighborhoods, and rapidly developing fringe areas. Its transportation network—including I-20, I-30, I-35W, Loop 820, and proximity to DFW International Airport—supports regional mobility and reinforces the city's role as a hub for logistics, corporate operations, and advanced manufacturing.

The local economy is characterized by stability and diversification, with major employment sectors including aviation and aerospace, healthcare, education, logistics, defense, and professional services. Median household income levels have shown consistent year-over-year growth, reflecting a healthy labor market and continued business expansion. Fort Worth's housing market remains active, with rising median home values and sustained demand driven by population growth and ongoing single-family and multifamily construction. The city's combination of economic resilience, infrastructure investment, and broad development activity contributes to favorable long-term market conditions relevant to valuation, absorption expectations, and highest-and-best-use considerations.

MAP OF THE CITY OF FORT WORTH

Subject Located in Southwest Fort Worth



MAVERICK GOLF AND RANCH CLUB

The Veale Ranch development is within the Maverick Golf & Ranch Club, which is a luxury, master-planned residential and recreational development designed around an 18-hole championship golf course and an extensive network of open-space amenities. The property features rolling terrain, long views, native landscaping, and preserved natural corridors that shape the layout of residential pods and recreational areas. The clubhouse serves as the central gathering point and includes dining venues, event space, and member services, supported by a full suite of golf amenities such as a driving range, practice greens, and professional facilities. The development's design blends contemporary architectural elements with a Texas ranch-inspired aesthetic, reinforced by entry monuments, landscaped boulevards, and controlled access points.

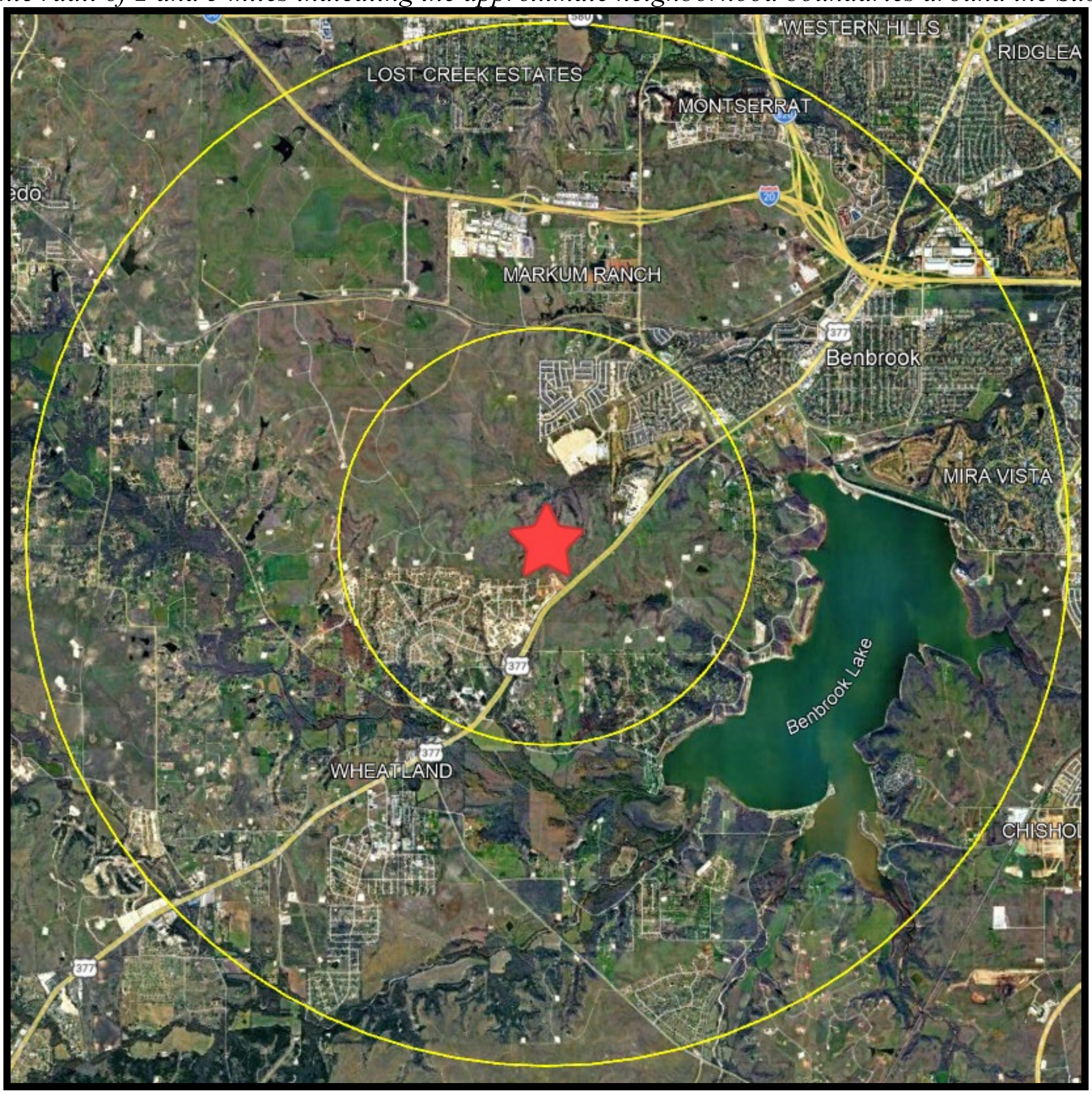
Beyond golf, the community incorporates a broad range of lifestyle amenities intended to support outdoor recreation, wellness, and family-oriented activities. These include an Outdoor Pursuits program with guided activities, trail systems, equestrian-influenced open spaces, and areas designed for exploration and nature engagement. Wellness amenities—such as spa services, fitness facilities, and relaxation areas—are integrated into the development to complement the recreational offerings. Common areas, pocket parks, and gathering spaces contribute to a unified environment that emphasizes comfort, service, and connection to the land. Overall, Maverick Golf & Ranch Club reflects a highly curated, amenity-rich development centered on experiential living, open-space preservation, and a coordinated master-planned design.

NEIGHBORHOOD ANALYSIS

A neighborhood may be defined as a section of a community or an entire community. It refers to relatively unified areas with definite boundaries which exhibit a fairly high degree of homogeneous uses – basically a group of complimentary land uses that exhibit a greater degree of commonality than the larger area. The boundaries of a neighborhood define the geographical area which exerts influence on the value of the subject property. Veale Ranch PID is located within the City of Fort Worth, Tarrant County, Texas.

NEIGHBORHOOD MAP

Geographic radii of 2 and 5 miles indicating the approximate neighborhood boundaries around the Subject



	2 Miles	5 Miles
North	Aledo Road	Interstate Highway 30
East	Stevens Drive	Chisholm Trail Parkway
South	Pearl Ranch Road	Crowley Plover Road
West	Bear Creek Parkway	McCleandon Walker Road

NEIGHBORHOOD DEMOGRAPHICS

The subject is located in census tract 1108.08 with the census report shown on the following page. The census tract report for 1108.08 indicates 4,752 people reside in the tract and income levels are in the upper tier with estimated median family incomes of $205,195. Within census tract 1108.08, approximately 82% of housing units are owner-occupied with 5% being renter-occupied and 14% being vacant. These housing and demographic statistics indicate upper class residents who tend to live in 10–20-year-old single-family homes.

Census Tract 1108.08 Map

Tract 1108.08 Census Report

FFIEC

2025 FFIEC Geocode Census Report

Address: Selected Tract
MSA: 23104 - FORT WORTH-ARLINGTON-GRAPEVINE, TX
State: 48 -
County: 439 - TARRANT COUNTY
Tract Code: 1108.08

Summary Census Demographic Information

Tract Income Level	Upper
Underserved or Distressed Tract	No
2025 FFIEC Estimated MSA/MD/non-MSA/MD Median Family Income	$106,900
2025 Estimated Tract Median Family Income	$205,195
2020 Tract Median Family Income	$158,650
Tract Median Family Income %	191.95
Tract Population	4752
Owner-Occupied Units	1256
1- to 4- Family Units	1533

Census Income Information

Tract Income Level	Upper
2020 MSA/MD/statewide non-MSA/MD Median Family Income	$82,649
2025 FFIEC Estimated MSA/MD/non-MSA/MD Median Family Income	$106,900
% below Poverty Line	3.89
Tract Median Family Income %	191.95
2020 Tract Median Family Income	$158,650
2025 Estimated Tract Median Family Income	$205,195
2020 Tract Median Household Income	$153,750

Census Population Information

Tract Population	4752
Number of Families	1243
Number of Households	1326

Census Housing Information

Total Housing Units	1533
1- to 4- Family Units	1533
Median House Age (Years)	13
Owner-Occupied Units	1256
Renter Occupied Units	70
Owner Occupied 1- to 4- Family Units	1256
Inside Principal City?	YES
Vacant Units	207

DEMOGRAPHIC SUMMARY

Analytics from CoStar of the area are provided below. Within a 10-mile radius of the subject there are 390,118 people which represents a 1.80% annual increase in population since 2020 and highlights growth that has occurred in this portion of the DFW Metroplex. The population growth is expected to continue in the coming years and grow another 1.6% annually in the next four years. Median household incomes in the 10-mile radius are $69,228.

Population

	2 miles	5 miles	10 miles
2020 Population	7,142	48,327	364,569
2024 Population	7,339	51,010	390,118
2029 Population Projection	7,743	54,359	420,865
Annual Growth 2020-2024	0.7%	1.4%	1.8%
Annual Growth 2024-2029	1.1%	1.3%	1.6%
Median Age	41.2	40.7	36
Bachelor's Degree or Higher	54%	42%	35%
U.S. Armed Forces	4	33	1,034

Income

	2 miles	5 miles	10 miles
Avg Household Income	$139,219	$113,996	$95,919
Median Household Income	$115,387	$84,624	$69,288
< $25,000	186	2,350	23,414
$25,000 - 50,000	284	3,260	30,971
$50,000 - 75,000	315	3,271	25,549
$75,000 - 100,000	389	2,856	18,249
$100,000 - 125,000	329	2,173	14,570
$125,000 - 150,000	375	1,428	9,959
$150,000 - 200,000	328	1,576	10,322
$200,000+	547	3,047	15,276

EMPLOYMENT DATA

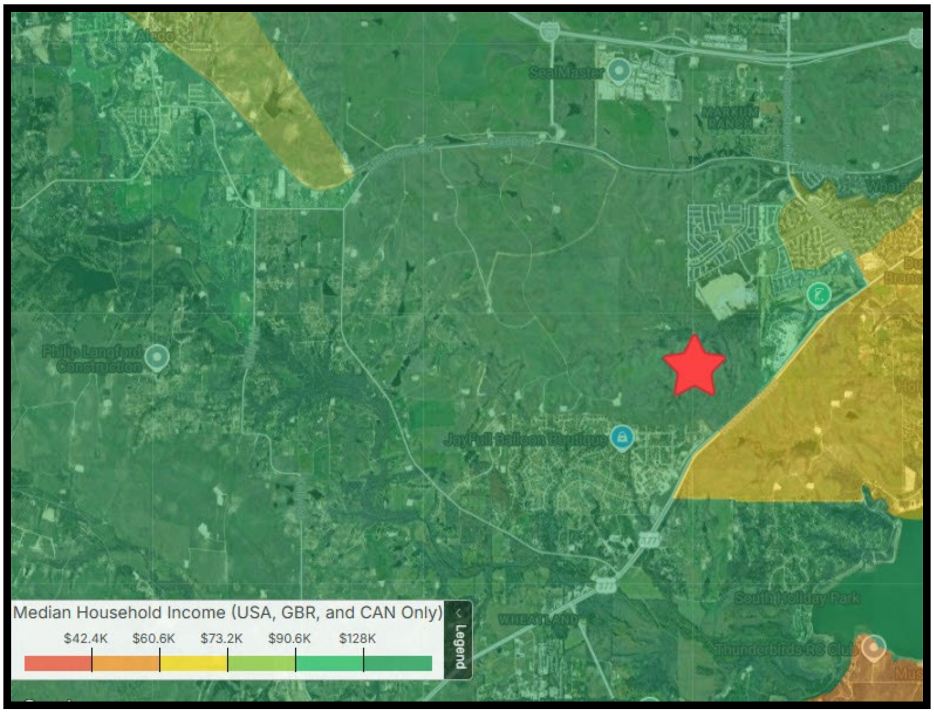
A table of the 2, 5, and 10-mile radius employment figures are shown below. The numbers highlight the area's economy with most employees in the area surrounding the subject are in service-producing industries.

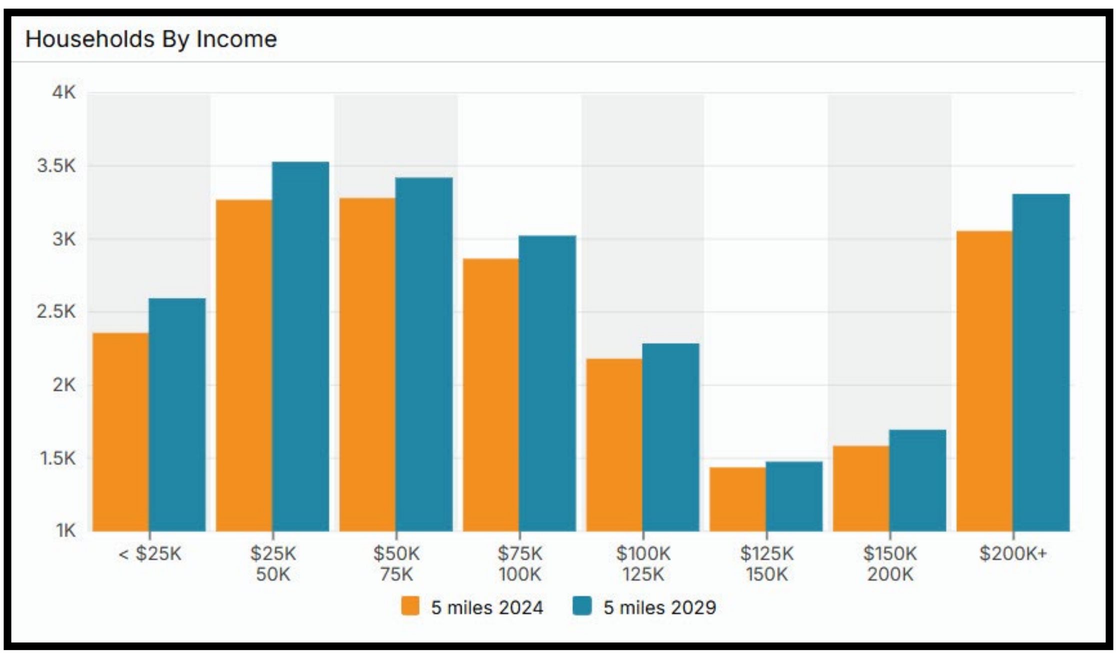
Daytime Employment

Radius	2 miles		5 miles		10 miles	
	Employees	Businesses	Employees	Businesses	Employees	Businesses
Service-Producing Industri...	**487**	**88**	**10,565**	**1,406**	**123,303**	**13,771**
Trade Transportation & Uti...	46	13	2,548	248	23,581	2,035
Information	18	2	221	29	2,260	214
Financial Activities	12	3	973	214	12,978	2,073
Professional & Business S...	67	21	1,229	247	23,863	1,934
Education & Health Services	74	13	2,802	323	30,574	4,452
Leisure & Hospitality	95	9	1,427	121	17,886	1,259
Other Services	171	26	1,203	215	9,921	1,675
Public Administration	4	1	162	9	2,240	129
Goods-Producing Industries	**67**	**21**	**1,900**	**234**	**9,994**	**1,237**
Natural Resources & Mining	21	5	52	14	171	55
Construction	35	13	1,356	171	5,469	894
Manufacturing	11	3	492	49	4,354	288
Total	**554**	**109**	**12,465**	**1,640**	**133,297**	**15,008**

CoStar Analytics – Map of Median Household Income

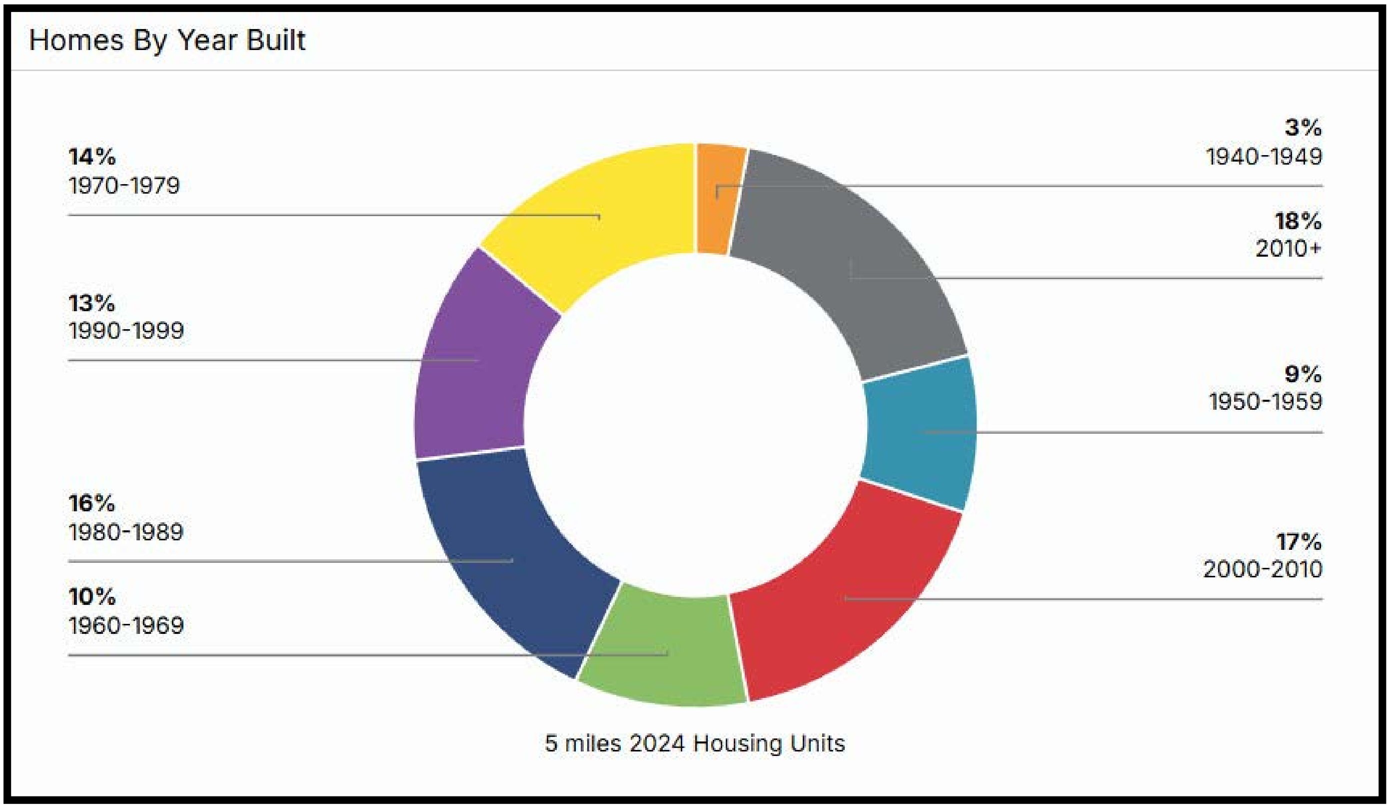
As indicated by the map below, median incomes in the vicinity of the subject property are over $128K. Median incomes in the DFW metroplex tend to be higher in suburban areas outside the population centers in Dallas and Fort Worth. This is especially true in areas southwest of Fort Worth where affluent communities have concentrated for the past few decades.





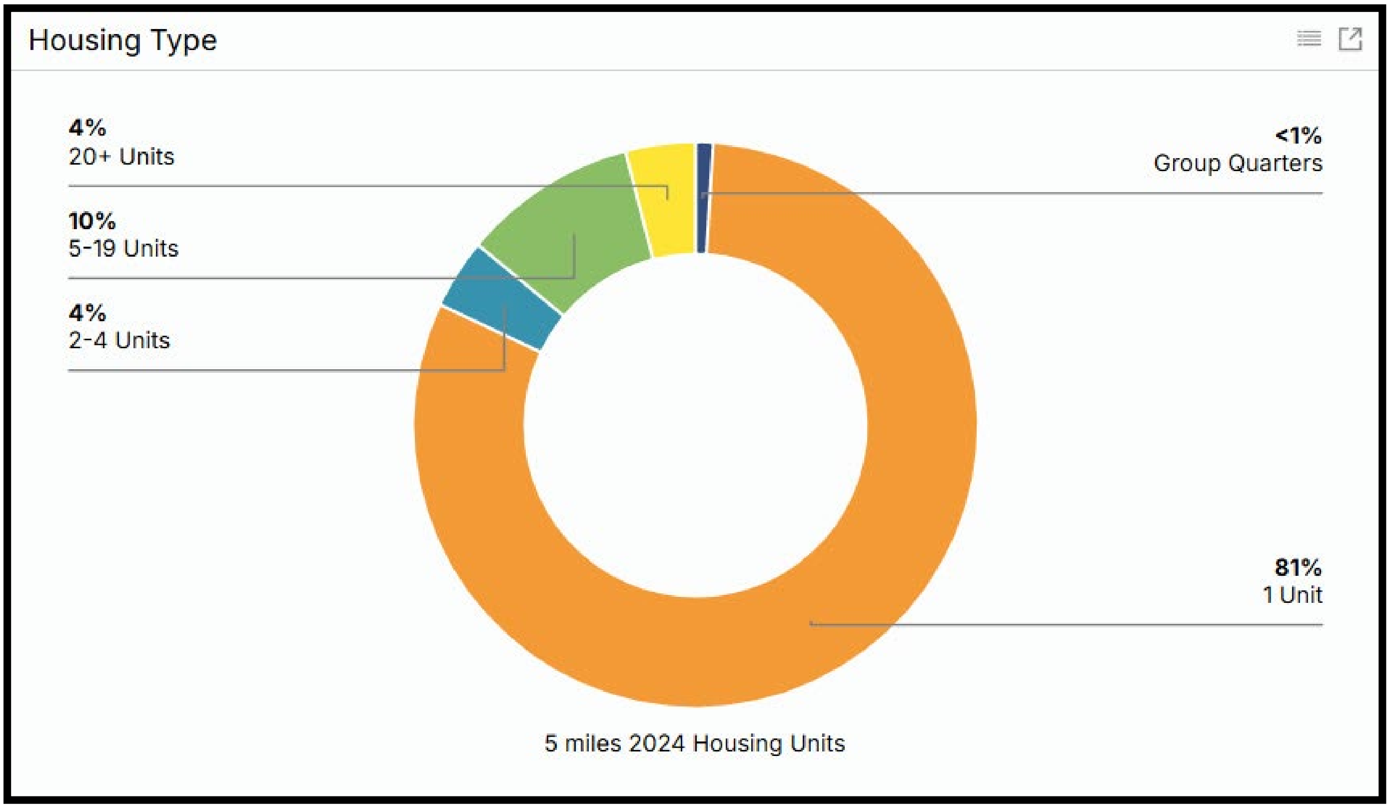
CoStar Analytics – Housing Statistics

Most housing in the area (65%) are homes that were before 2000. However, the surrounding area has begun to see a growth stage having experienced numerous residential subdivision developments in recent years.



CoStar Analytics – Housing Statistics

In addition, the vast majority (81%) of housing in the 5-mile radius consists of single unit housing stock. The subject property is being developed with detached single-family housing that is consistent with the surrounding area.



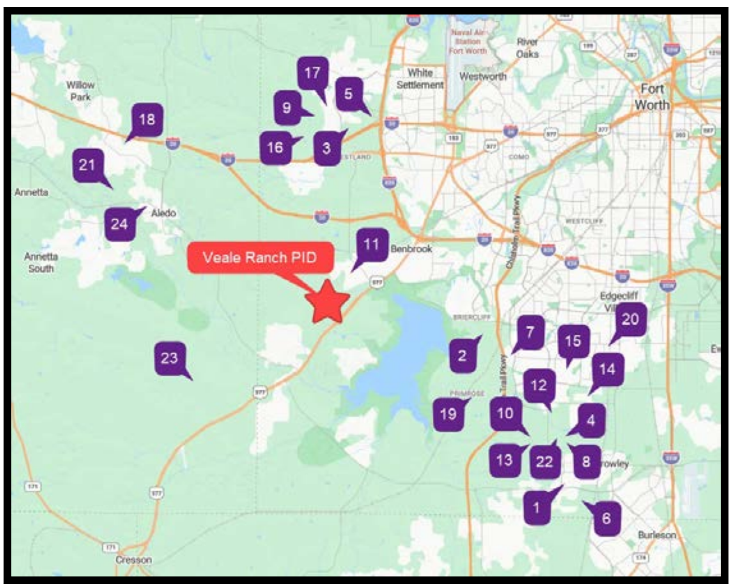
Map of Notable Nearby Developing Residential Subdivisions

The purpose of this assignment is to value Veale Ranch PID, specifically IA #4 and IA #5. When considering the absorption schedule, it is important to recognize that the two areas represent very different market segments.

- IA #4 is composed of 18,195-SF Cottage Lots and 33,583-SF Estate Lots located along a golf course. These lot types are not commonly found in the subject's market area. However, since November 30, 2024, the developer has begun selling platted lots to end users. To date, 76 lots have sold within IA #4, including 7 Cottage Lots and 69 Estate Lots. The appraisers will utilize the absorption of these lots to project the absorption of the remaining lots in IA #4
- IA #5, by contrast, consists of 40-FF, 50-FF, 60-FF and 70-FF lots, which are typical and commonly absorbed within the subjects' market area.

Given these distinctions, the appraiser developed two separate absorption analyses for the subject property. The first section addresses the 40-FF, 50-FF, 60-FF and 70-FF lots in IA #5, followed by an examination of the Cottage Lots and Estate Lots in IA #4.

A map of notable built-out, developing, and planning single-family residential subdivisions are shown below which highlights the similar and conforming uses around the subject property.



MAP KEY					
1	TarryTown	*9*	Carrell Hills	*17*	Vista West
2	Tavolo Park/Ladera	*10*	Summer Crest	*18*	Country Hollow
3	West Square	*11*	Whitestone Point	*19*	Rocky Creek Crossing
4	Rosemary Ridge Addition	*12*	Terra Trace	*20*	Sycamore Landing
5	Highlands at Chapel Creek	*13*	Deer Creek	*21*	Parks of Aledo/Lakes
6	Creekside	*14*	Rainbow Ridge	*22*	Miraverde South
7	Summer Trails	*15*	Garden Springs Addition	*23*	Kelly Ranch
8	Sunnycreek	*16*	Palmilla Springs	*24*	Parks of Aledo

ABSORPTION ANALYSIS

RESIDENTIAL ANALYSIS

The subject property is Veale Ranch PID IA #4 & IA #5, which consists of a combined approximately 493.141 acres in Tarrant County being developed into detached single-family lots for residential use. The property is owned by PMB Ventana Developer South, LLC, PHDFW - VENTANA 36 LLC, and American Legend Lot Holdings, LLC.

When analyzing the financially feasible and maximally productive use of the site, uses that are both physically possible and legally permissible must be considered. An important factor affecting the development of the subject is the surrounding land usage. For the subject property, the primary potential use is single-family residential development as that conforms to recent land development in the surrounding area around Fort Worth. The neighborhood is best described as west of Benbrook Boulevard and south of Aledo Road. The neighborhood is a mix of single-family developments, agricultural land, and supporting commercial development. At the entrance to the subject property, Benbrook Boulevard runs north/south, which connects the subject to Interstate Highway 20.

Since the recession in 2008, the residential real estate market in this area of North Texas has continuously improved and the City of Fort Worth has experienced this consistent population growth. Low interest rates persisted nationally in 2021, and the markets rose significantly, but from 2022-2025 and into the beginning of 2026 we have seen higher interest rates as the Fed seeks to combat inflation. Still, with large numbers of migration from outside DFW from higher cost-of-living states and an abundance of steady jobs, demand for residential real estate in growing communities like Fort Worth is expected to remain strong. Based on research and discussions with the development team, homes within IA #4 are expected to average $3,250,000 for Cottage lots and $4,250,000 for Estate lots. These price points are well-aligned with demand from high-income buyers seeking large lots, premium finishes, and access to above-average master-planned amenities. In IA #5, projected home prices average $430,000 for 40-FF lots, $480,000 for 50-FF lots, $530,000 for 60-FF lots, and $580,000 for 70-FF lots. This range is positioned to attract families and move-up buyers seeking a quiet Fort Worth community with the enhanced amenities and cohesive design typical of a planned residential development.

Demand for vacant developed lots (VDLs) for home builders is currently very high; however, material and labor shortages were well-publicized in 2021 and have continued to ease in late-2022 and in 2023 according to the Texas Real Estate Research Center. Developable residential land in DFW with good access to Fort Worth and Dallas is in high demand with developments moving ever further away from the Dallas and Fort Worth CBDs and highly developed areas south of Fort Worth where vacant land is scarce after decades of growth. The subject property –Veale Ranch PID– is removed from the large Central Business Districts in the Metroplex but relatively near areas of Tarrant County where many families have migrated when searching for safe neighborhoods, good schools, relatively affordable new homes, and desirable residential amenities.

Based on the preceding, the proposed absorption of single-family home lots in the subject's neighborhood will be analyzed using historical absorption data provided by Zonda as well as information obtained from area market participants and developers. It is important to note that our absorption data is based on <u>historical trends</u> and <u>current available data</u>. Since the first residential lots are scheduled to be completed April 1, 2026 for IA #4 and IA #5, we will analyze the historical trends and attempt to forecast the absorption rates based off data, analytics, and our conversations with developers in the market.

Veale Ranch Public Improvement District

We will first analyze the absorption for IA #5 which consists of 40-FF, 50-FF, 60-FF and 70-FF lots.

We determined a 15-mile radius around the subject property is suitable for our absorption analysis as the competitive supply of lots is within this area. Further, we examined residential communities with lot widths between 40'-75'.

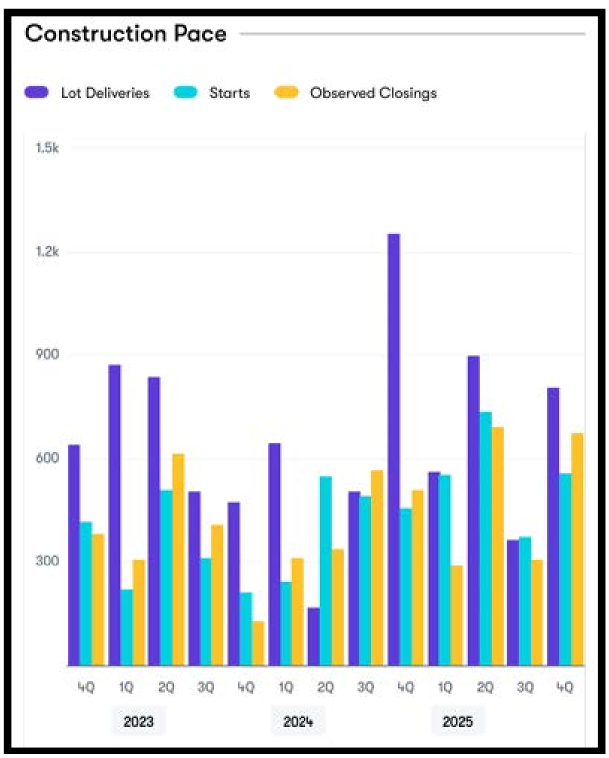
Veale Ranch Public Improvement District

The Construction Pace data shows a mixed but overall moderating development environment through 2025, with lot deliveries fluctuating sharply quarter to quarter. Quarterly VDL deliveries declined from 1,257 in 4Q2024 to 807 in 4Q2025, a 35.80% year-over-year decrease, reflecting reduced lot production after a stronger prior year. Starts demonstrated more volatility, rising from 459 in 4Q2024 to 738 in 2Q2025 before falling back to 558 in 4Q 2025, resulting in a 22% annual increase but signaling inconsistent builder activity. Observed closings followed a similar pattern, dipping early in the year but ending at 676 in 4Q2025—up 32% from the prior year—indicating that buyer absorption strengthened even as production slowed. Overall, the construction pace reflects a market where builders are moderating new development while closings remain comparatively resilient, suggesting continued demand supported by existing inventory rather than new lot creation.

Construction & Supply

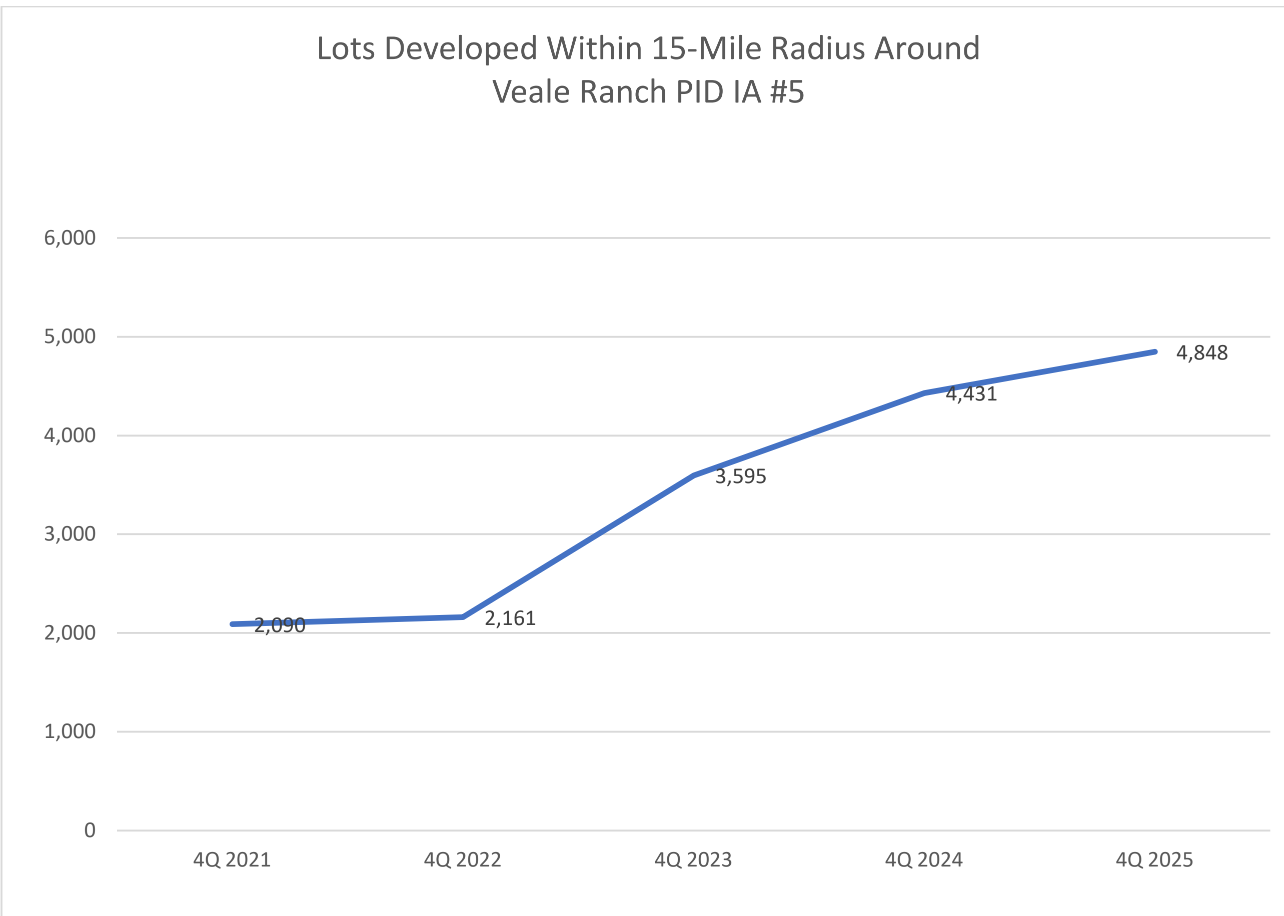
	4Q 2024	1Q 2025	2Q 2025	3Q 2025	4Q 2025	4Q 2025 VS 4Q 2024
Pace						
Quarterly VDL Deliveries	1,257	564	902	368	807	-35.80%
Annual VDL Deliveries	2,584	2,499	3,230	3,091	2,641	2.21%
Quarterly Starts	459	554	738	374	558	22.00%
Annual Starts	1,748	2,055	2,244	2,125	2,224	27.00%
Quarterly Observed Closings	513	291	696	312	676	32.00%
Annual Observed Closings	1,736	1,713	2,069	1,812	1,975	14.00%

Zonda. **Historical Homebuilding Activity (Subdivision)** Feb. 06, 2026 1 / 3
Custom Shape

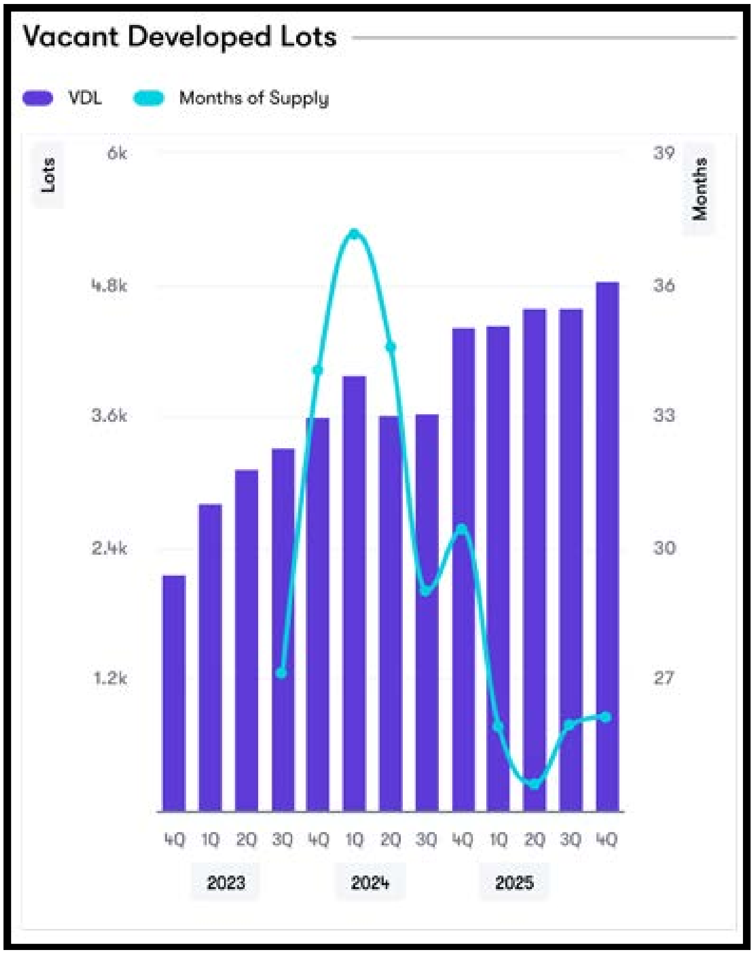


DEFINED SUBMARKET AREA
According to Zonda, the selected area absorbed the following number of 40'-75' lots year-over-year from 4Q2021 to 4Q2025
4Q 2021 - 2,090 lots absorbed
4Q 2022 - 2,161 lots absorbed
4Q 2023 - 3,595 lots absorbed
4Q 2024 - 4,431 lots absorbed
4Q 2025 - 4,848 lots absorbed

From 2021-2025, the *annual average* of lots absorbed was 3,425 (17,125 ÷ 5). Utilizing the more recent 24-month absorption of lots (4Q2023 to 4Q2025), the annual average of lots absorbed increases to 4,291 (12,874 ÷ 3) lots in the area.



COMPETITIVE SUPPLY (LOT INVENTORY)
The Vacant Developed Lots (VDL) data shows a gradual expansion of finished lot inventory through 2025, paired with a modest improvement in months of supply. Total VDL counts increased from 4,431 in 4Q2024 to 4,848 in 4Q2025, a 9.41% year-over-year rise, indicating that more completed lots remained available on the ground as development activity continued. Months of supply, however, declined from 30.42 to 26.16 over the same period—a 14% reduction—suggesting that absorption improved relative to inventory despite the increase in total lots. This combination of rising lot counts and falling months of supply points to a market where builders are maintaining a healthy pipeline of finished lots while buyer demand has strengthened enough to reduce overall supply pressure.



Thus, the total lot supply is considered to be **<u>below</u>** the ideal supply levels for a significantly developing market. Also, taking into consideration that new developments require a typical 12-to-18-month construction period, *with increasing demand and declining lot supply, it appears that additional lot product in the submarket is feasible and needed at the current time*. This corresponds to discussions we had with DFW homebuilders who state there is a scarcity of vacant developed lots currently on the market which is pushing prices higher.

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

ABSORPTION ANALYSIS – 40', 50', 60' AND 70' LOTS IN IA #5
The similarities considered to be most important are lot size, home price range, and amenity features. The tables that follow detail the active subdivisions that are considered to compete with the subject's lots in IA #5. All data is per Zonda as of 4Q2025.

40' Lots
We included data for lots that were each 40'-45' lots within a 15-mile radius. Since data on 40'-45' lots is limited, we selected two comparable absorption schedules at nearby communities we concluded are similar to the subject and considered some of these communities are smaller and some larger than Veale Ranch PID.

Subdivision	Size (Foot Front)	Available Lots	Starts	Months	Available Supply (Months)	Starts /Month
TarryTown	40'-45'	14	45	12	3.7	**3.8**
Tavolo Park/Ladera	42'	54	25	12	25.9	**2.1**
AVERAGE		***34.0***	***35.0***	***12.0***	***14.8***	***2.9***

Our analysis indicates Starts/Month is between 2.1 and 3.8 with an average of 2.9 starts/month and a median of 2.9 starts/month. We similarly weighed and considered **the subject property's 40' lots would likely absorb 3 lots/month, or approximately 9 lots per quarter.**

50' Lots
We included data for lots that were each 50' lots within a 15-mile radius. Since data on 50' lots is plentiful, we selected eighteen comparable absorption schedules at nearby communities we concluded are similar to the subject and considered some of these communities are smaller and some larger than Veale Ranch PID.

Subdivision	(Foot Front)	Lots	Starts	Months	Supply	/Month
West Square	50'	151	184	12	9.8	**15.3**
Rosemary Ridge Addition	50'	1	92	12	0.1	**7.7**
Highlands at Chapel Creek	50'	32	129	12	3.0	**10.8**
Creekside	50'	75	20	12	45.0	**1.7**
Summer Trails	50'	77	3	12	308.0	**0.3**
Sunnycreek	50'	200	100	12	24.0	**8.3**
Carrell Hills	50'	50	100	12	6.0	**8.3**
Summer Crest	50'	216	61	12	42.5	**5.1**
Whitestone Point	50'	21	8	12	31.5	**0.7**
Terra Trace	50'	75	80	12	11.3	**6.7**
Deer Creek	50'	13	22	12	7.1	**1.8**
Rainbow Ridge	50'	0	3	12	0.0	**0.3**
Garden Springs Addition	50'	0	5	12	0.0	**0.4**
Palmilla Springs	50'	127	41	12	37.2	**3.4**
Vista West	50'	185	53	12	41.9	**4.4**
Country Hollow	50'	81	14	12	69.4	**1.2**
Rocky Creek Crossing	50'	239	82	12	35.0	**6.8**
Sycamore Landing	50'	67	27	12	29.8	**2.3**
AVERAGE		***89.4***	***56.9***	***12.0***	***39.0***	***4.7***

Our analysis indicates Starts/Month is between 0.3 and 15.3 with an average of 4.7 starts/month and a median of 3.9 starts/month. We similarly weighed and considered **the subject property's 50' lots would likely absorb 5 lots/month, or approximately 15 lots per quarter.**

60' Lots

We included data for lots that were each 60' lots within a 15-mile radius. Since data on 60' lots is somewhat limited, we selected four comparable absorption schedules at nearby communities we concluded are similar to the subject and considered some of these communities are smaller and some larger than Veale Ranch PID.

Subdivision	Size (Foot Front)	Available Lots	Starts	Months	Available Supply (Months)	Starts /Month
Parks of Aledo/Lakes	60'	140	42	12	40.0	**3.5**
Miraverde South	60'	12	20	12	7.2	**1.7**
Kelly Ranch	60'	199	29	12	82.3	**2.4**
Parks of Aledo	60'	1	6	12	2.0	**0.5**
AVERAGE		***88.0***	***24.3***	***12.0***	***32.9***	***2.0***

Our analysis indicates Starts/Month is between 0.5 and 3.5 with an average of 2.0 starts/month and a median of 2.0 starts/month. We similarly weighed and considered **the subject property's 60' lots would likely absorb 2 lots/month, or approximately 6 lots per quarter.**

70' Lots

We included data for lots that were each 70'-75' lots within a 15-mile radius. Since data on 70'-75' lots is limited, we selected two comparable absorption schedules at nearby communities we concluded are similar to the subject and considered some of these communities are smaller and some larger than Veale Ranch PID.

Subdivision	Size (Foot Front)	Available Lots	Starts	Months	Available Supply (Months)	Starts /Month
Whitestone Crest Addition	70'	39	5	12	93.6	**0.4**
Brookside at Benbrook Field	75'	24	4	12	72.0	**0.3**
AVERAGE		***31.5***	***4.5***	***12.0***	***82.8***	***0.4***

Our analysis indicates Starts/Month is between 0.3 and 0.4 with an average of 0.4 starts/month and a median of 0.4 starts/month. We similarly weighed and considered **the subject property's 70' lots would likely absorb 1 lot/month, or approximately 3 lots per quarter.**

Absorption Summary Projection: 40', 50', 60', and 70' Lots in IA #5

Based on the preceding, we estimate that lots in the subject property's development will sell 9 lots/quarter for 40' lots, 15 lots/quarter for 50' lots, 6 lots/quarter for 60' lots, and 3 lots/quarter for 70' lots with absorption beginning April 2026 for IA #5. An Absorption Summary Projection for the 277 lots in Veale Ranch PID IA #5 is shown in the table below:

Projected Quarterly Absorption Summary - Veale Ranch PID IA #5														
Lot Type	*Apr-2026*	*Jul-2026*	*Oct-2026*	*Jan-2027*	*Apr-2027*	*Jul-2027*	*Oct-2027*	*Jan-2028*	*Apr-2028*	*Jul-2028*	*Oct-2028*	*Jan-2029*	*Apr-2029*	**TOTAL**
40-FF	9	9	9	9	1	-	-	-	-	-	-	-	-	**37**
50-FF	15	15	15	15	15	15	15	15	15	15	13	-	-	**163**
60-FF	6	6	6	6	6	6	2	-	-	-	-	-	-	**38**
70-FF	3	3	3	3	3	3	3	3	3	3	3	3	3	**39**
Total	**33**	**33**	**33**	**33**	**25**	**24**	**20**	**18**	**18**	**18**	**16**	**3**	**3**	**277**

The total absorption period for the 40' lots is expected to be 13 months (37 lots ÷ 3 lots/month), and lots are expected to sell out in April 2027. The 50' lots is expected to be 33 months (163 lots ÷ 5 lots/month), and lots are expected to be sold out in December 2028. The total absorption period for the 60' lots is expected to be 19 months (38 lots ÷ 2 lots/month), and lots are expected to be sold out in October 2027. The total absorption period for the 70' lots is expected to be 39 months (39 lots ÷ 1 lots/month), and lots are expected to be sold out in June 2029.

Next, we will analyze the absorption for IA #4 with Cottage and Estate lots.

ABSORPTION ANALYSIS – IA #4 COTTAGE AND ESTATE LOTS

IA #4 is composed of 18,195-SF Cottage Lots and 33,583-SF Estate Lots located along a golf course. These lot types are not commonly found in the subject's market area. However, since November 30, 2024, the developer has begun selling platted lots to end users. To date, 76 lots have sold within IA #4, including 7 Cottage lots and 69 Estate lots. The absorption of the 76 lots in IA #4 are detailed in the chart below:

Quarterly Absorption Summary - Veale Ranch PID IA #4							
Lot Type	*Oct-2024*	*Jan-2025*	*Apr-2025*	*Jul-2025*	*Oct-2025*	*Jan-2026*	**TOTAL**
Cottage Lot	2	1	2	1	1	0	**7**
Estate Lot	34	12	9	7	5	2	**69**
Total	**36**	**13**	**11**	**8**	**6**	**2**	**76**

Our analysis indicates that Cottage lots have historically absorbed between 1 and 2 lots per quarter, with both the average and median reflecting a pace of 1 lot per quarter. While this trend establishes a conservative baseline, the appraisers note that current conditions do not yet reflect the market's response to the forthcoming development activity. Once substantial completion is reached and buyers can visibly observe vertical improvements and neighborhood character taking shape, marketability is expected to increase. In the appraisers' opinion, this improved market exposure and buyer confidence will support an absorption rate of 2 Cottage lots per quarter.

The Estate lots have historically absorbed between 2 and 34 lots per quarter, with an average of 12 lots per quarter and a median of 8 lots per quarter. However, absorption has declined each successive quarter. Given this downward trend, the appraisers conclude that future absorption will fall closer to the more recent averages and estimate an absorption rate of 6 Estate lots per quarter.

Note: Because 7 Cottage lots and 69 Estate lots have already been sold, the appraisers placed those transactions at the front of the absorption schedule. The 2 Cottage lots and 6 Estate lots that are expected to sell in the 2nd quarter of 2026 were then added sequentially on top of the previously sold inventory.

Projected Quarterly Absorption Summary - Veale Ranch PID IA #4								
Lot Type	*Apr-2026*	*Jul-2026*	*Oct-2026*	*Jan-2027*	*Apr-2027*	*Jul-2027*	*Oct-2027*	*Jan-2028*
Cottage Lot	9	2	2	2	2	2	2	2
Estate Lot	75	6	6	6	6	1	-	-
Total	**84**	**8**	**8**	**8**	**8**	**3**	**2**	**2**

▼
▼

Projected Quarterly Absorption Summary - Veale Ranch PID IA #4							
Lot Type	*Apr-2028*	*Jul-2028*	*Oct-2028*	*Jan-2029*	*Apr-2029*	*Jul-2029*	*Oct-2029*	**TOTAL**
Cottage Lot	2	2	2	2	2	2	1	**36**
Estate Lot	-	-	-	-	-	-	-	**100**
Total	**2**	**2**	**2**	**2**	**2**	**2**	**1**	**136**

The total absorption period for the Cottage lots is expected to be 54 months (36 lots ÷ 0.67 lots/month), and lots are expected to sell out in October 2029. The Estate lots is expected to be 17 months (100 lots ÷ 6 lots/month), and lots are expected to be sold out in July 2027.

SUBJECT PROPERTY ANALYSIS

The Veale Ranch PID represents a total of approximately 493.141 acres (21,481,222-SF) and is currently being developed into the areas as follows:

- Veale Ranch PID IA#4 will consist of
  - 36 Cottage Lots, and
  - 100 Estate Lots
- Veale Ranch PID IA#5 will consist of
  - 37 40-FF lots,
  - 163 50-FF lots,
  - 38 60-FF lots, and
  - 39 70-FF lots

The following chart shows the two distinct areas of Veale Ranch PID:

Veale Ranch PID								
Area Type	**Size (Acres)**	**Cottage Lots**	**Estate Lots**	**40' Lot Type**	**50' Lot Type**	**60' Lot Type**	**70' Lot Type**	**Total Lots Appraised**
IA #4	*421.082*	***36***	***100***	***-***	***-***	***-***	***-***	***136***
IA #5	*72.059*	***-***	***-***	***37***	***163***	***38***	***39***	***277***
Total	*493.141*	*36*	*100*	*37*	*163*	*38*	*39*	***413***

The land in Veale Ranch PID Improvement Area #4 and Improvement Area #5 is owned by PMB Ventana Developer South, LLC, PHDFW - VENTANA 36 LLC, and American Legend Lot Holdings, LLC. Veale Ranch PID is located in the southwestern portion of the City of Fort Worth. This location is in the southwest portion of Tarrant County. The area surrounding the subject property is single-family developments and agricultural land.

Access to the subject property is considered average as it is located along Benbrook Boulevard. Generally, the main retail and commercial options near the subject site are found along Benbrook Boulevard and Interstate Highway 20, which are both major commercial corridors.

The subject property has a mandatory homeowner’s association (HOA) over residential portions of the subject property in order to maintain any potential open spaces, common areas, detention areas, and other related improvements or appurtenances that are not dedicated or maintained by the City of Fort Worth.

Based on research and discussions with the development team, homes within IA #4 are expected to average $3,250,000 for Cottage lots and $4,250,000 for Estate lots. These price points are well-aligned with demand from high-income buyers seeking large lots, premium finishes, and access to above-average master-planned amenities.

In IA #5, projected home prices average $430,000 for 40-FF lots, $480,000 for 50-FF lots, $530,000 for 60-FF lots, and $580,000 for 70-FF lots. This range is positioned to attract families and move-up buyers seeking a quiet Fort Worth community with enhanced amenities and cohesive design typical of a planned residential development.

The following information describes the authorized improvements to the subject property. This information comes directly from the PSAP set to be published by MuniCap, Inc. on February 24, 2026.

Veale Ranch Public Improvement District

The descriptions of the Improvement Area #4 Improvements are presented below as provided by the project engineer. The Budgeted Costs of the Improvement Area #4 Improvements are shown in Table III-A. The costs shown in Table III-A are estimates and may be revised in Annual Service Plan Updates, including such other improvements as deemed necessary to further improve the properties within the PID.

A description of the Improvement Area #4 Improvements are as follows.

Roadway Improvements

The road improvement portion of the Improvement Area #4 Improvements consists of the acquisition, construction, improvement, widening, narrowing, closing and re-routing of streets, roadways, bridges and arterials and include, subgrade stabilization (including lime treatment and compaction), concrete, asphalt or other applicable material, curbs, gutters, sidewalks, barrier free ramps, signage, traffic control devices and wayfinding, landscaping and irrigation, re-vegetation of disturbed areas within and for the right of way, retaining walls within and for the right of way, all related earthwork and excavation, and the fair market value of any right-of-way acquisition by the City which benefit the Improvement Area #4 Assessed Property. Roadway improvements also include, if necessary, any TxDOT turn lanes or TxDOT signalization at US 377 & Bear Creek Parkway or other locations and the necessary infrastructure, requirements, permitting, and other necessary work related to TxDOT. All roadway projects will be designed and constructed in accordance with City standards and specifications and will be owned and operated by the City.

Water Improvements

The water improvements portion of the Improvement Area #4 Improvements consists of acquisition, construction, improvement and installation of water and reclaimed water supply lines and related facilities and equipment, which includes waterlines, valves, vaults, fire hydrants, trench safety, testing, related earthwork and excavation, appurtenances, and the fair market value of any easements granted to the City necessary for the portion of the water distribution system that will service the Improvement Area #4 Assessed Property, including improvements that are off-site. The water improvements will be designed and constructed in accordance with City standards and specifications and will be owned and operated by the City.

Sanitary Sewer Improvements

The sanitary sewer improvement portion of the Improvement Area #4 Improvements consists of acquisition, construction, improvement and installation of various sized sanitary sewer pipes, service lines, force main(s), lift station(s), and related facilities and equipment which include, manholes, encasements, pumps, trench safety, testing, related earthwork and excavation, appurtenances, and the fair market value of any easements granted to the City necessary to provide sanitary sewer service to Improvement Area #4 Assessed Property, including improvements that are offsite. The sanitary sewer improvements will be designed and constructed in accordance with City standards and specifications and will be owned and operated by the City.

Storm Drainage Improvements

The storm drainage improvement portion of the Improvement Area #4 Improvements consists of the acquisition, construction, improvement and installation of stormwater drainage and detention improvements and related facilities and equipment which include, storm pipes (all applicable material), storm boxes, multi-reinforced box culverts, junction boxes, inlets, headwalls, trench safety, testing, related earthwork and excavation and erosion control, appurtenances, and the fair market value of any easements *granted to the City necessary to provide adequate drainage to the Improvement Area #4 Assessed Property, including improvements that are offsite. Storm drainage improvements further include, if necessary, any drainage infrastructure within TxDOT turn lanes at US 377 & Bear Creek Parkway or other locations and the necessary infrastructure, requirements, permitting, and other necessary work related to TxDOT. The storm drainage collection system improvements will be designed and constructed in accordance with City standards and specifications and will be owned and operated by the City.*

Public Landscaping and Trails

The public landscaping and trail improvements of the Improvement Area #4 Improvements consist of the planting and construction of supplemental landscaping such as parks, ponds, lakes, open spaces, entry features and areas, which include, sitting stations, benches, shaded structure(s), hardscape such as walls, statues and monuments, landscaping, plantings, and irrigation, fountains, playgrounds, athletic facilities, pavilions, lighting and paved parking spaces, which benefit the Improvement Area #4 Assessed Property. The landscaping improvements will be designed according to City standards and will be available for public use.

Other Soft and Miscellaneous Costs

The soft and miscellaneous costs portion of the Improvement Area #4 Improvements consists of all costs related to designing, construction, installing, and financing the Authorized Improvements including engineering and surveying, land planning and design, project and construction management fees, City fees (including inspection fees, IPRC engineering plan review fees, administrative material testing costs, water lab testing fees, permit fees, development fees, capacity fees and per acre charges), material testing, appraisal, legal and issuance costs, contingency, and other related soft and miscellaneous costs.

Table III-A
Budgeted Costs – Improvement Area #4

Authorized Improvements	Total Improvement Area #4 Improvements[1]
Roadway improvements	$3,212,402
Water improvements	$4,792,594
Sanitary sewer improvements	$1,502,756
Storm drainage improvements	$289,181
Public landscaping and trails	$675,000
Other soft and miscellaneous costs	$2,927,205
Total Authorized Improvements	**$13,399,137**

[1]Provided by the Improvement Area #4 Developer. The figures shown in Table III-A may be revised in Annual Service Plan Updates and may be reallocated between line items so long as the total Improvement Area #4 Assessment related to the Improvement Area #4 Improvements does not increase.

The descriptions of the Improvement Area #5 Improvements are presented below as provided by the project engineer. The Budgeted Costs of the Improvement Area #5 Improvements are shown in Table III-B. The costs shown in Table III-B are estimates and may be revised in Annual Service Plan Updates, including such other improvements as deemed necessary to further improve the properties within the PID.

A description of the Improvement Area #5 Improvements are as follows.

<u>Roadway Improvements</u>

The road improvement portion of the Improvement Area #5 Improvements consists of the acquisition, construction, improvement, widening, narrowing, closing and re-routing of streets, roadways, bridges and arterials and include, subgrade stabilization (including lime treatment and compaction), concrete, asphalt or other applicable material, curbs, gutters, sidewalks, barrier free ramps, signage, traffic control devices and wayfinding, landscaping and irrigation, re-vegetation of disturbed areas within and for the right of way, retaining walls within and for the right of way, all related earthwork and excavation, and the fair market value of any right-of-way acquisition by the City which benefit the Improvement Area #5 Assessed Property. All roadway projects will be designed and constructed in accordance with City standards and specifications and will be owned and operated by the City.

<u>Water Improvements</u>

The water improvements portion of the Improvement Area #5 Improvements consists of acquisition, construction, improvement and installation of water and reclaimed water supply lines and related facilities and equipment, which includes waterlines, valves, vaults, fire hydrants, trench safety, testing, related earthwork and excavation, appurtenances, and the fair market value of any easements granted to the City necessary for the portion of the water distribution system that will service the Improvement Area #5 Assessed Property, including improvements that are offsite. The water improvements will be designed and constructed in accordance with City standards and specifications and will be owned and operated by the City.

<u>Sanitary Sewer Improvements</u>

The sanitary sewer improvement portion of the Improvement Area #5 Improvements consists of acquisition, construction, improvement and installation of various sized sanitary sewer pipes, service lines, force main(s), lift station(s), and related facilities and equipment which include, manholes, encasements, pumps, trench safety, testing, related earthwork and excavation, appurtenances, and the fair market value of any easements granted to the City necessary to provide sanitary sewer service to Improvement Area #5 Assessed Property, including improvements that are offsite. The sanitary sewer improvements will be designed and constructed in accordance with City standards and specifications and will be owned and operated by the City.

<u>Storm Drainage Improvements</u>

The storm drainage improvement portion of the Improvement Area #5 Improvements consists of the acquisition, construction, improvement and installation of stormwater drainage and detention improvements and related facilities and equipment which include, storm pipes (all applicable material), storm boxes, multi-reinforced box culverts, junction boxes, inlets, headwalls, trench safety, testing, related earthwork and excavation and erosion control, appurtenances, and the fair market value of any easements *granted to the City necessary to provide adequate drainage to the Improvement Area #5 Assessed Property, including improvements that are offsite. The storm drainage collection system improvements will be designed and constructed in accordance with City standards and specifications and will be owned and operated by the City.*

Public Landscaping and Trails

The public landscaping and trail improvements of the Improvement Area #5 Improvements consist of the planting and construction of supplemental landscaping such as parks, ponds, lakes, open spaces, entry features and areas, which include, sitting stations, benches, shaded structure(s), hardscape such as walls, statues and monuments, landscaping, plantings, and irrigation, fountains, playgrounds, athletic facilities, pavilions, lighting and paved parking spaces, which benefit the Improvement Area #5 Assessed Property. The landscaping improvements will be designed according to City standards and will be available for public use.

Other Soft and Miscellaneous Costs

The soft and miscellaneous costs portion of the Improvement Area #5 Improvements consists of all costs related to designing, construction, installing, and financing the Authorized Improvements including engineering and surveying, land planning and design, project and construction management fees, City fees (including inspection fees, IPRC engineering plan review fees, administrative material testing costs, water lab testing fees, permit fees, development fees, capacity fees and per acre charges), material testing, appraisal, legal and issuance costs, contingency, and other related soft and miscellaneous costs.

Table III-B
Budgeted Costs – Improvement Area #5 Improvements

Authorized Improvements	Master Improvements	Residential Improvements	Total Improvement Area #5 Improvements [1]
Roadway improvements	$1,219,985	$0	$1,219,985
Water improvements	$468,315	$0	$468,315
Sanitary sewer improvements	$1,002,254	$0	$1,002,254
Storm drainage improvements	$210,695	$1,309,286	$1,519,981
Public landscaping and trails	$147,696	$0	$147,696
Other soft and miscellaneous costs	$884,963	$186,534	$1,071,497
Total Authorized Improvements	$3,933,908	$1,495,820	**$5,429,728**

[1]Provided by the Improvement Area #5 Developer. The figures shown in Table III-B may be revised in Annual Service Plan Updates and may be reallocated between line items so long as the total Improvement Area #5 Assessment related to the Improvement Area #5 Improvements does not increase.

Veale Ranch Public Improvement District

The charts below shows a breakdown of the costs associated with Veale Ranch PID IA #4 and IA #5 provided by LJA Engineering Inc., the Professional Engineers.

VEALE RANCH PID IA #4 OPINION OF PROBABLE COST

Improvement Area #4 - Engineer's Development Cost - Draft	
Excavation Improvements	$12,995,760
Roadway Improvements	$8,670,069
Water Improvements	$6,774,295
Sewer Improvements	$5,013,269
Storm Drainage Improvements	$2,766,314
Public Landscaping, Trails and Parks	$3,175,000
Amenities (Golf Courses, Comfort Stations, Etc.)	$71,100,000
Other Soft and Miscellaneous Costs	$10,277,437
TOTAL - IMPROVEMENT AREA #4	$120,772,143

VEALE RANCH PID IA #5 OPINION OF PROBABLE COST

Improvement Area #5 - Engineer's Development Cost - Draft	
Grading Improvements	$1,762,415
Roadway Improvements	$3,983,258
Retaining Wall Improvements	$1,065,858
Water Improvements	$1,717,437
Sewer Improvements	$2,471,001
Landscape and Open Space Improvements	$1,640,131
Public Landscaping, Trails, and Parks	$147,696
Other Soft and Miscellaneous Costs	$1,450,190
TOTAL - IMPROVEMENT AREA #5	$14,237,985

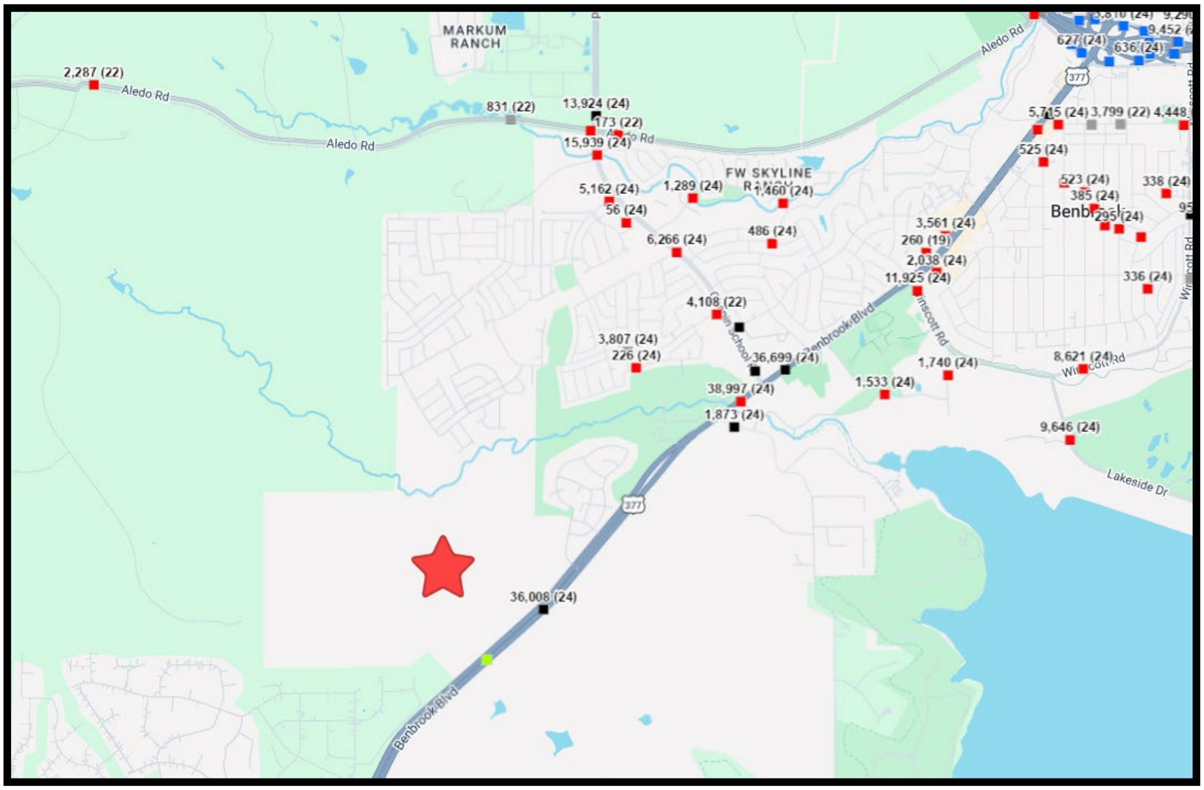
The preceding general descriptions of the subject's characteristics are based on review of available maps and data sources, as well as our physical on-site observations. Please refer to copies of the maps, photographs, and renderings for a visual perspective on the subject's physical characteristics.

ACCESSIBILITY, FRONTAGE, AND STREETS

The subject property is primarily accessed by Benbrook Boulevard which is a north/south bound state highway and transverses along the eastern line of the subject property and connects the property to Interstate Highway 20.

A map below from TXDOT shows traffic counts near the subject property. Benbrook Boulevard, which is a north/south bound highway that runs east of the subject property reports over 36,000 average daily vehicles.

TXDOT Traffic Web Viewer



Traffic			
Collection Street	**Cross Street**	**Traffic Volume**	**Count Year**
Co Rd 340	Mitas Hill S	460	2025
Co Rd 410	Pvt Rd 5334	114	2025
Co Rd 412	Co Rd 1116 W	347	2025
Grove View Rd	Greenway Ln S	32	2025
FM 2933	Co Rd 340 N	1,024	2025
Berry Rd	Co Rd 362 N	1,128	2025
Co Rd 341	FM 2933 W	312	2025
Berry Rd	Co Rd 362 S	1,011	2025
FM 2933	FM 545 N	3,591	2024
Milrany Lane	FM 545 N	2,966	2025

ZONING AND RESTRICTIONS

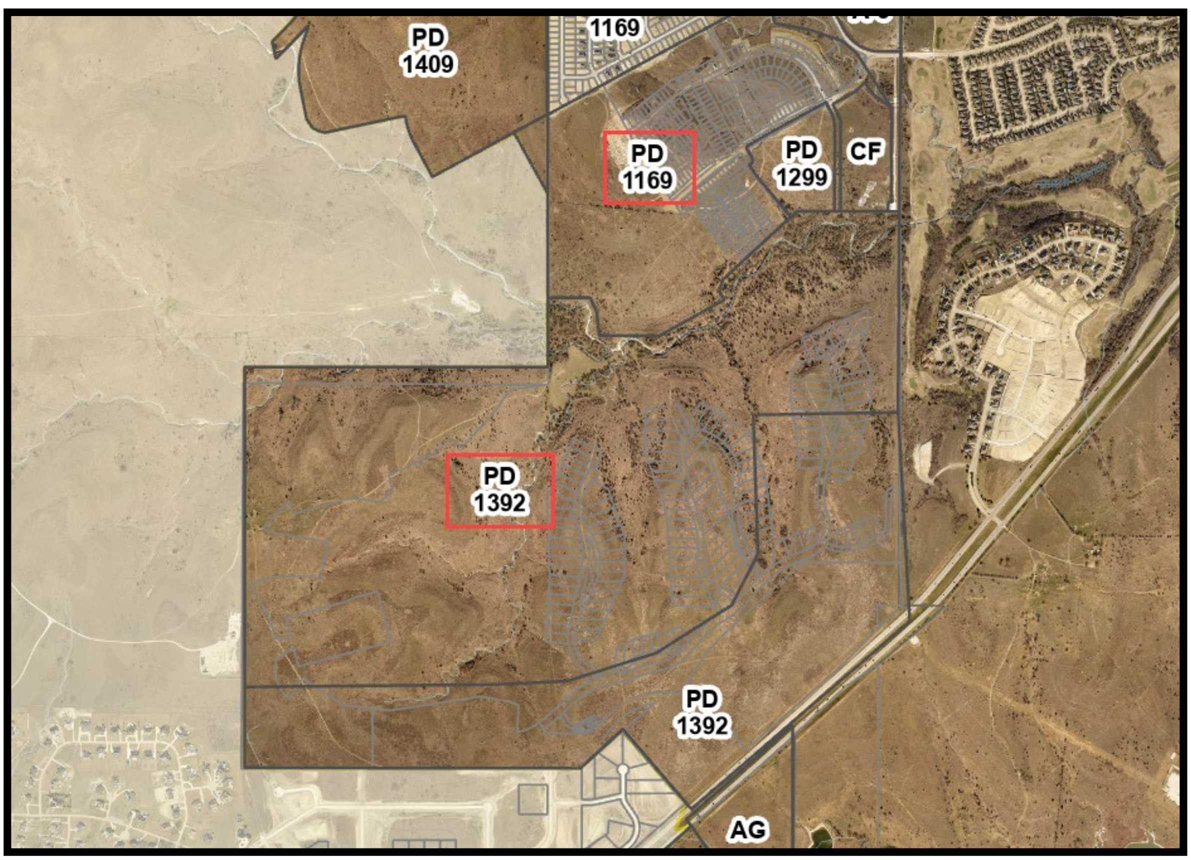
A public improvement district containing the property within Veale Ranch PID IA #4 is Zoned Planned Development-1392 (Ordinance No. 26697-01-2024), which is intended to allow for PD/A-5 One-Family and PD/R-2 Townhouse Cluster; Tract 2: PD/R2 Townhouse Cluster, PD/D High Density Multifamily, and PD/G Intensive commercial, with development standards including but not limited to open space and multifamily design standards.

Veale Ranch PID IA #5, is Zoned Planned Development-1169 (Ordinance No. 22988-112017 and 27065-08-2024), which is intended to allow for PD/SU Planned Development/"A-5" One-Family and "R1" Zero Lot Line/Cluster with development standards not to exceed 30% R1 development and lot coverage not to exceed 60%.

The Planned Development zoning in the City of Fort Worth is intended to provide for combining and mixing of uses to permit flexibility in the use and design of land and buildings; however, our subject property (Veale Ranch PID IA #4 and IA #5) only encompasses single-family use.

The subject must adhere to the City of Fort Worth's ordinance for Planned Development-1392 and Planned Development-1169 zoning. The proposed lot construction appears to be a conforming land use. A zoning map from the City of Fort Worth is shown below.

CITY OF FORT WORTH ZONING MAP

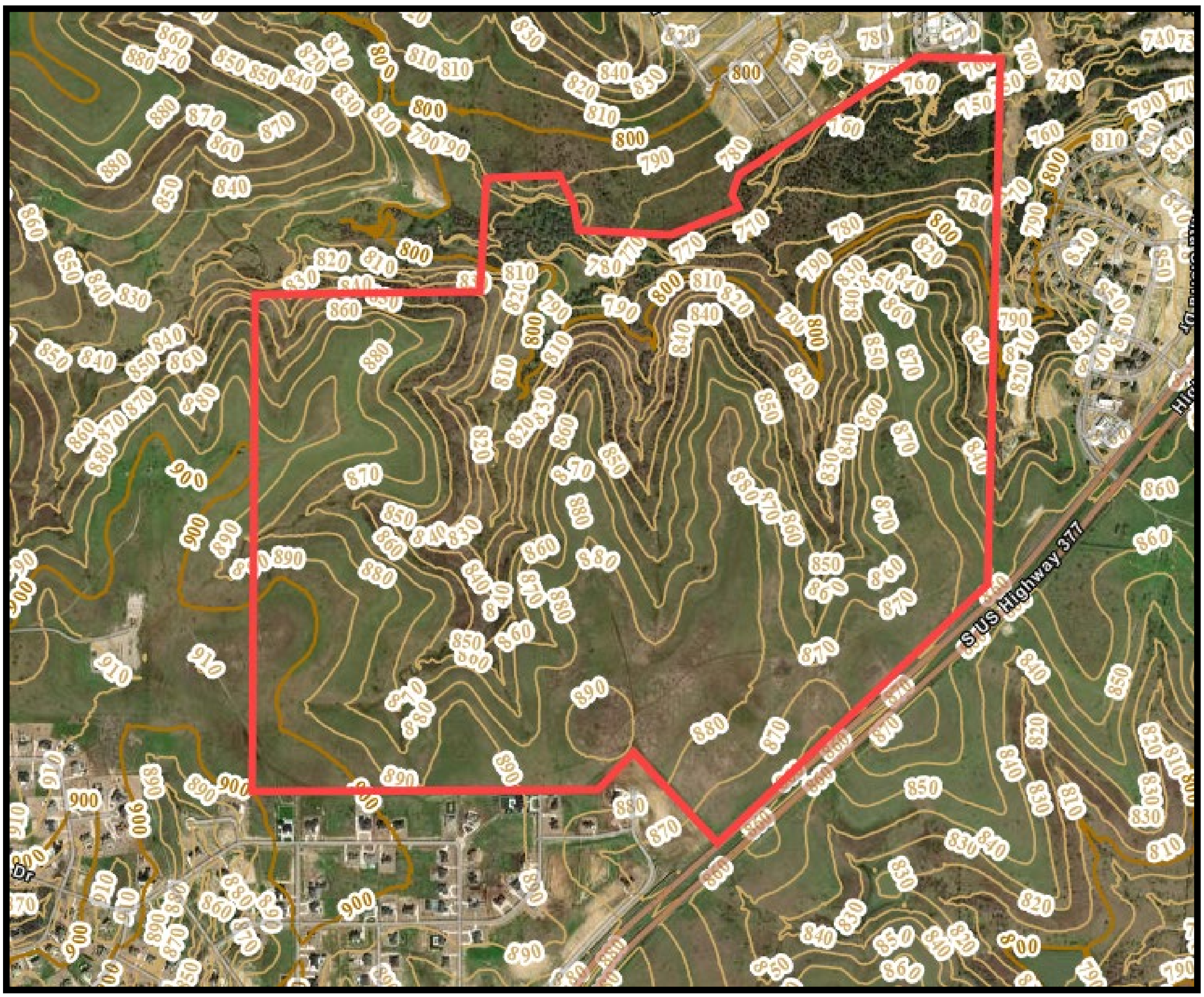


TOPOGRAPHY - IA #4

The topography of the subject property IA #4 is described as gently sloping and was in the process of being cleared as of the date of inspection. As of the inspection date, February 17, 2026, these topographic maps showing the contours are slightly out-of-date as the site is in the process of being improved for single-family lots with streets, storm sewer, and utilities. Topographic information is provided by the North Central Texas Council of Governments and Texas A&M Forest Service.

TOPOGRAPHIC MAP

Contours At 2'; Bold at 10'



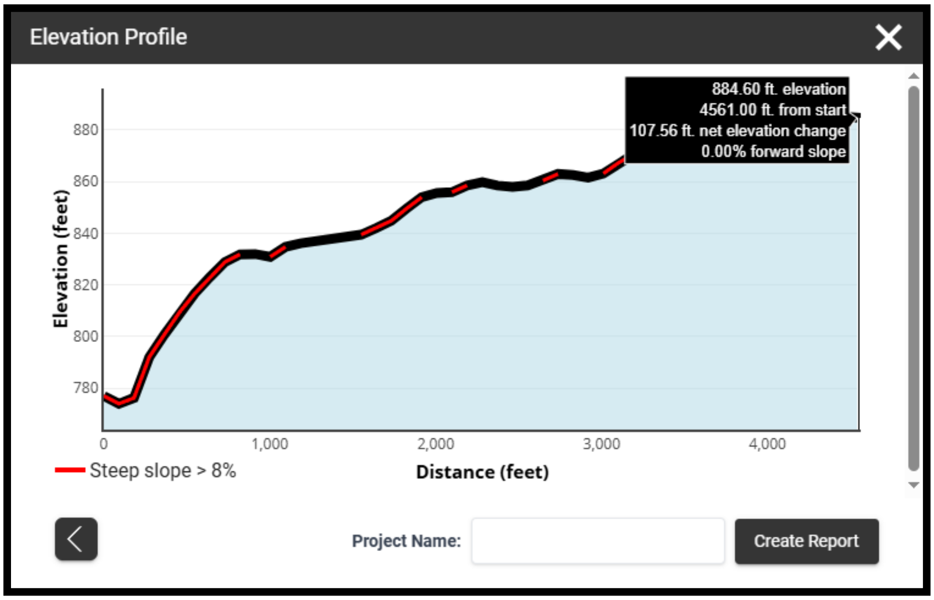
TOPOGRAPHY - IA #5

The topography of the subject property IA #5 is described as gently sloping and was in the process of being cleared as of the date of inspection. As of the inspection date, February 17, 2026, these topographic maps showing the contours are slightly out-of-date as the site is in the process of being improved for single-family lots with streets, storm sewer, and utilities. Topographic information is provided by the North Central Texas Council of Governments and Texas A&M Forest Service.

TOPOGRAPHIC MAP

Contours At 2'; Bold at 10'

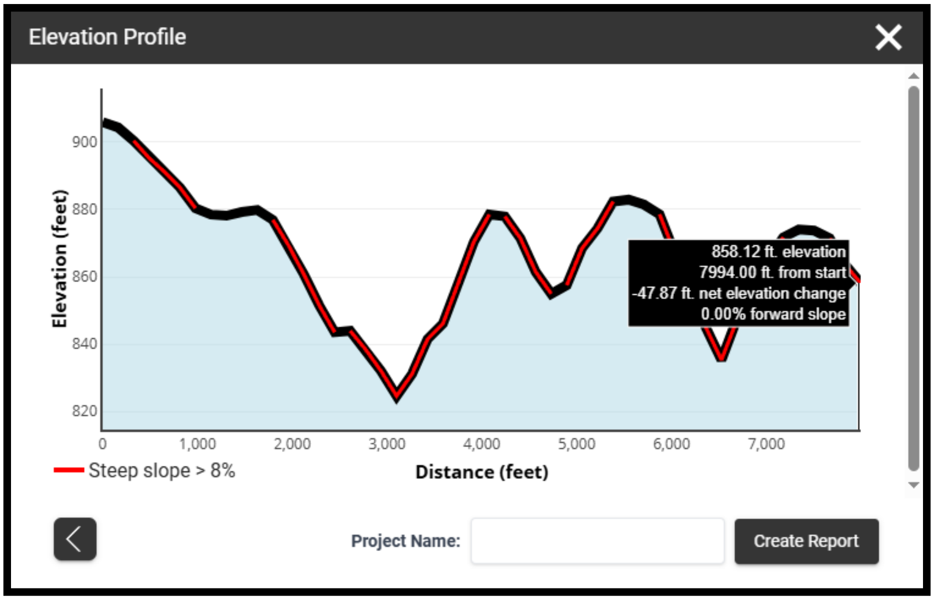
TEXAS A&M UNIVERSITY FOREST SERVICE – MAP MY PROPERTY – IA #4



General Slope of the Property Moving from South to North

- *Note that measurements are in feet*
- *Elevation profile is represented along illustrated axis*
- *Property slopes south to north with approximately 107.56 feet of variation over approximately 4,561 feet of run*

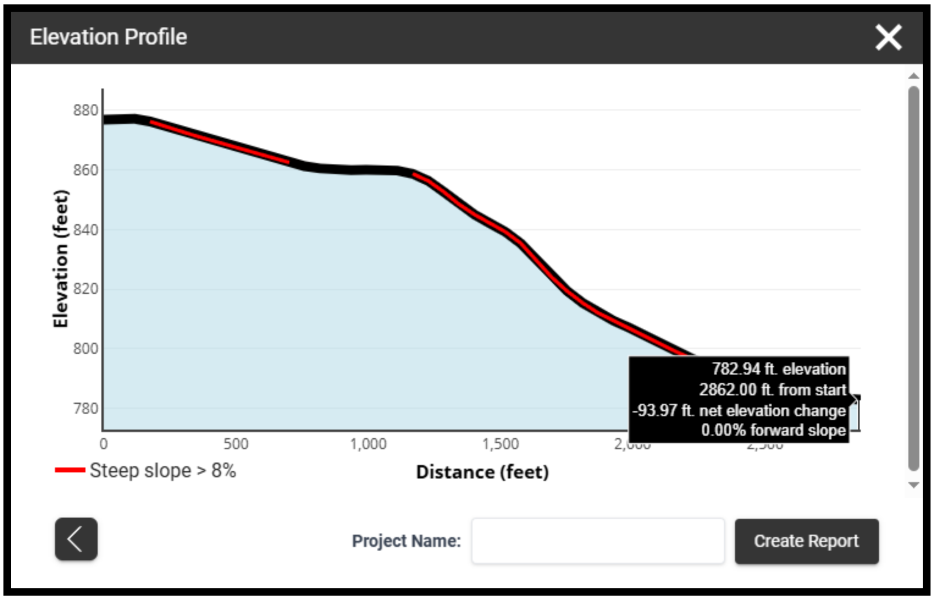
TEXAS A&M UNIVERSITY FOREST SERVICE – MAP MY PROPERTY – IA #4



General Slope of the Property Moving from West to East

- *Note that measurements are in feet*
- *Elevation profile is represented along illustrated axis*
- *Property slopes west to east with approximately 47.87 feet of variation over approximately 7,994 feet of run*

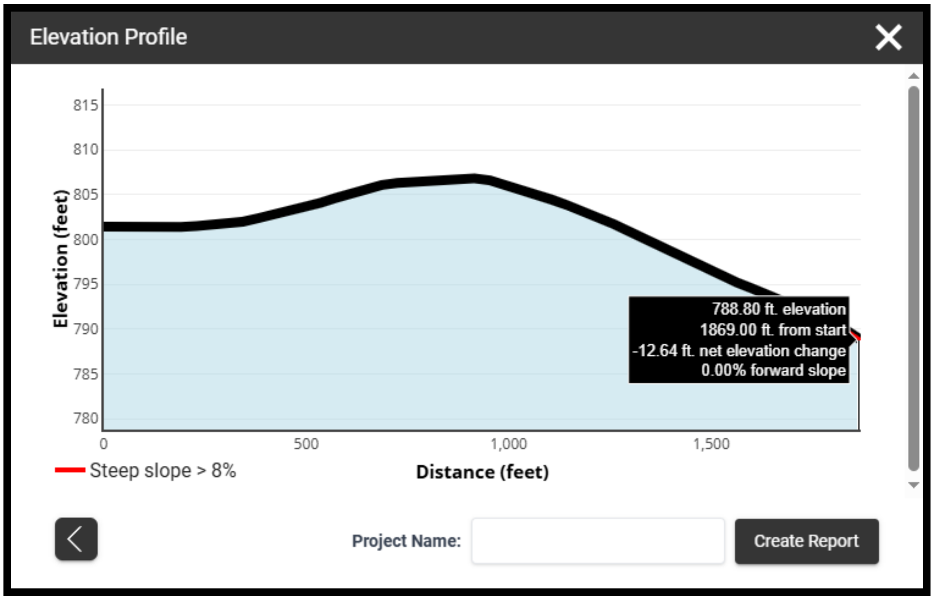
TEXAS A&M UNIVERSITY FOREST SERVICE – MAP MY PROPERTY – IA #5



General Slope of the Property Moving from North to South

- *Note that measurements <u>are in feet</u>*
- *Elevation profile is represented along illustrated axis*
- *Property slopes north to south with approximately 93.97 feet of variation over approximately 2,862 feet of run*

TEXAS A&M UNIVERSITY FOREST SERVICE – MAP MY PROPERTY – IA #5



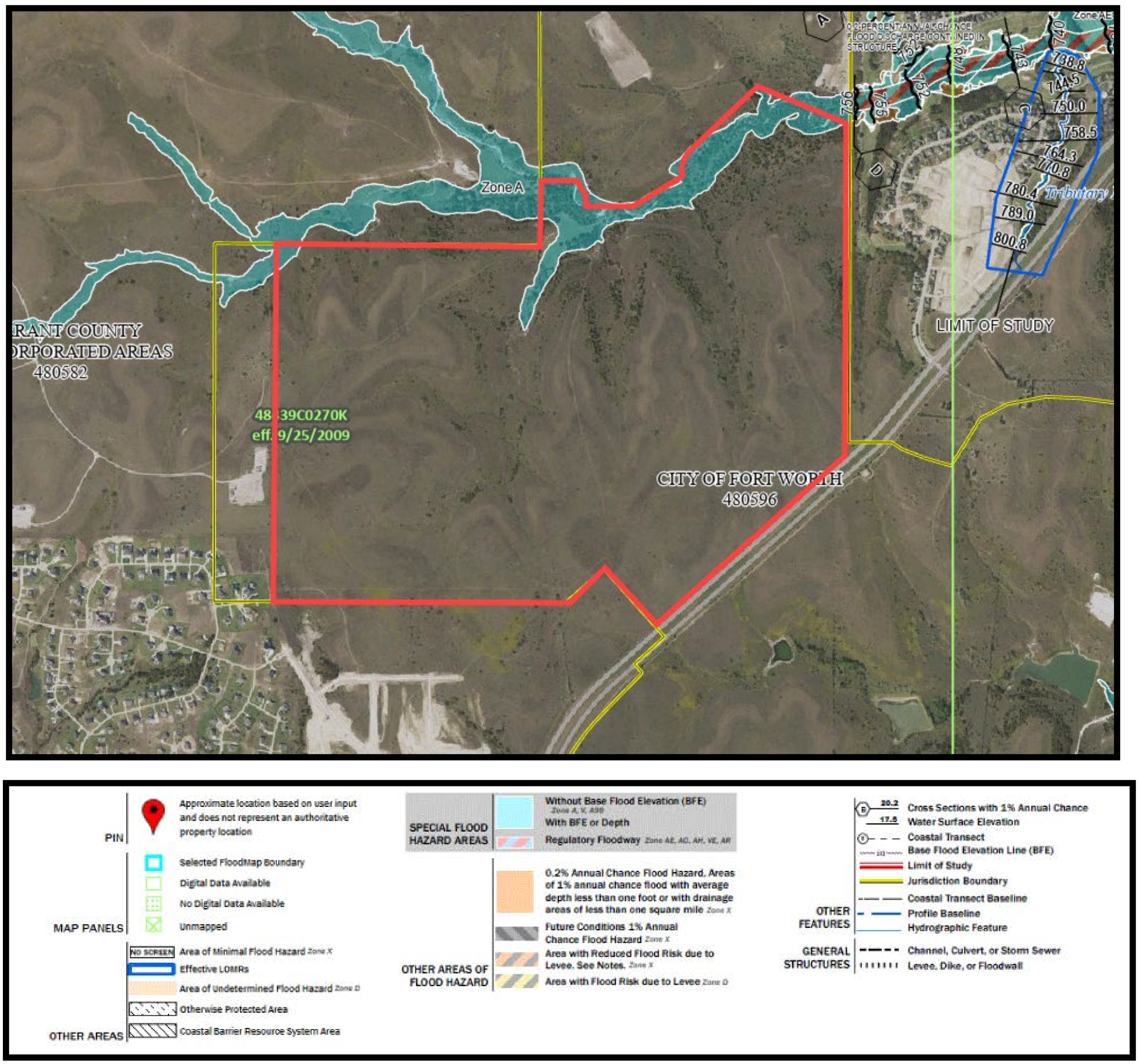
General Slope of the Property Moving from West to East

- *Note that measurements are in feet*
- *Elevation profile is represented along illustrated axis*
- *Property slopes west to east with approximately 12.64 feet of variation over approximately 1,869 feet of run*

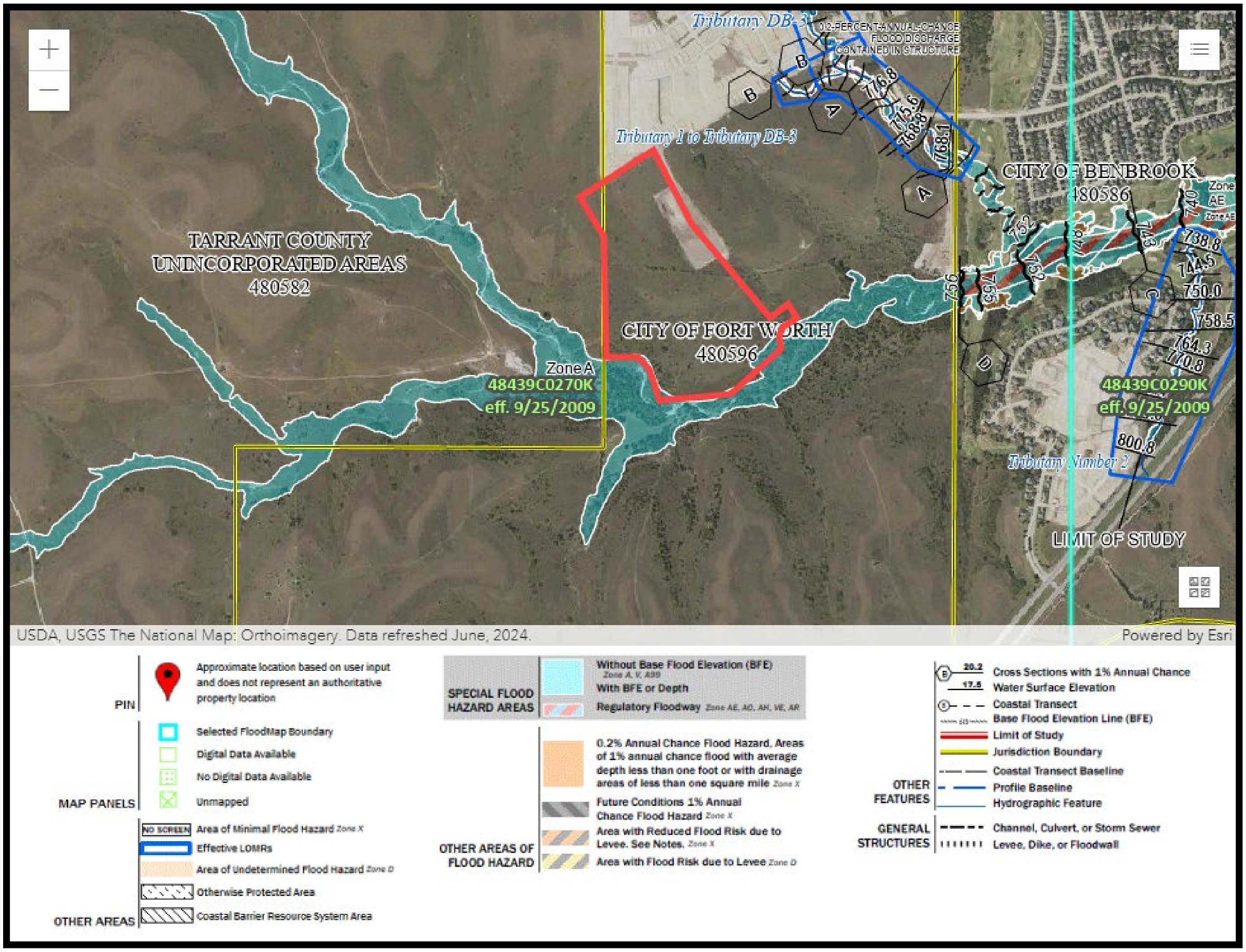
FEMA FLOOD ZONE

Veale Ranch PID IA #4 is located in Unshaded Zone X and Shaded Zone A, and IA #5 is in Unshaded Zone X and Shaded Zone A according to Map 48439C0270K, effective September 25, 2009. Per the provided Concept Plan, it appears that the improvements within the subject property IA #4 and IA #5 will be developed entirely within Unshaded Zone X. Development within Unshaded Zone X does not appear to be detrimental to the development of the subject property.

FLOODPLAIN MAP – IA #4



FLOODPLAIN MAP – IA #5



UTILITIES

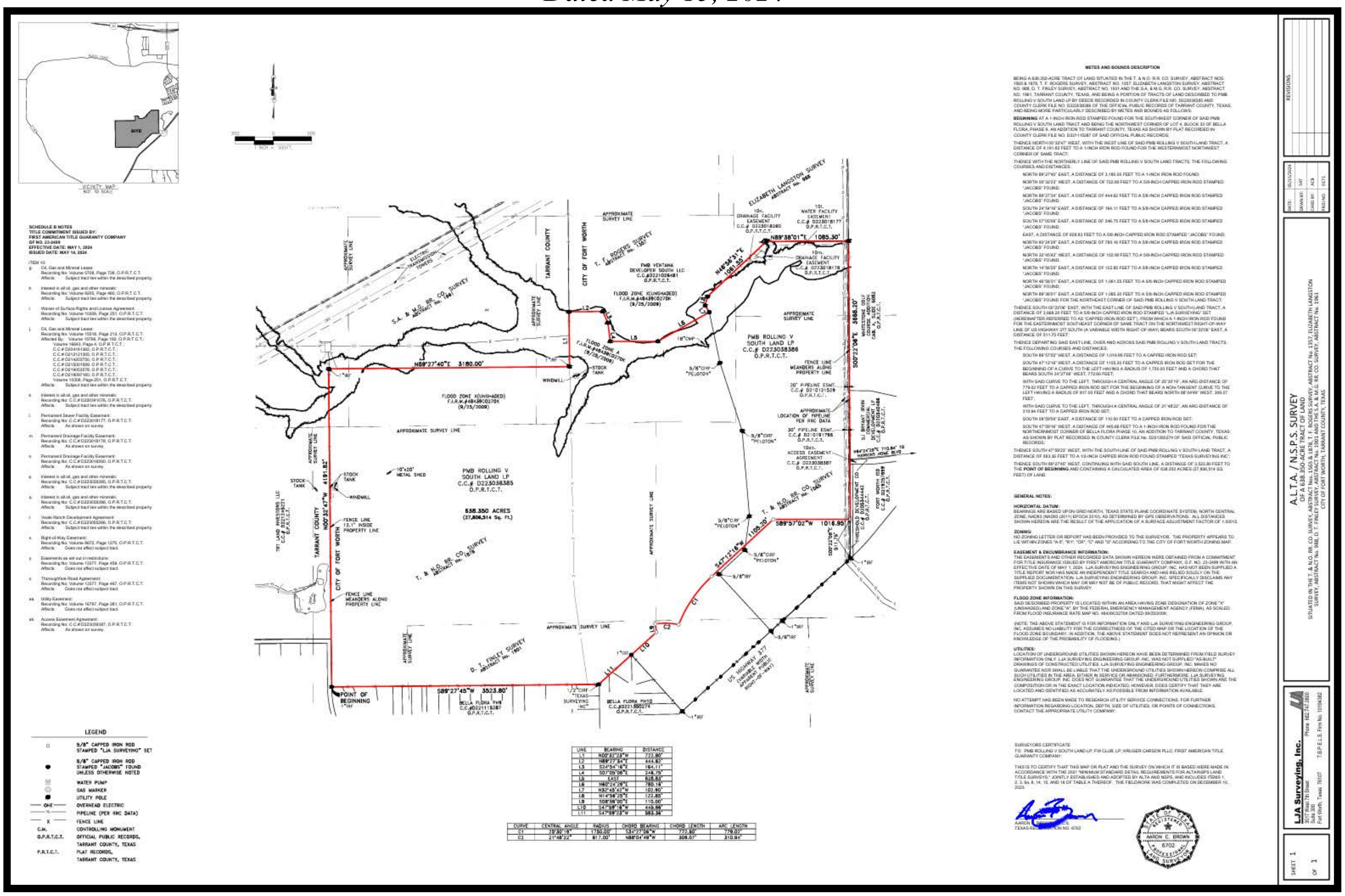
Electricity to the property is maintained by Oncor and natural gas is maintained by Atmos. Water and sanitary sewer services are provided by the City of Fort Worth which provides water and sewer to other residential communities within the city limits. The subject property is served by the Fort Worth Police Department and the Fort Worth Fire Department for fire and emergency medical services. Telephone, fiber-optic, and internet are available through AT&T, Spectrum, T-Mobile, Optimum, and Nextlink.

SOIL AND SUB-SOIL CONDITIONS

No soil engineer's report was available to the appraisers and no recent soil tests are known to have been performed. We have assumed a stable soil condition that would ensure the structural integrity of any improvement to be constructed. As of the report date the developer has excavation and earthwork underway. Our value conclusions are subject to revision should assumptions that land is stable prove incorrect. We caution and advise the user of this report to obtain engineering studies which may be required to ascertain any structural integrity.

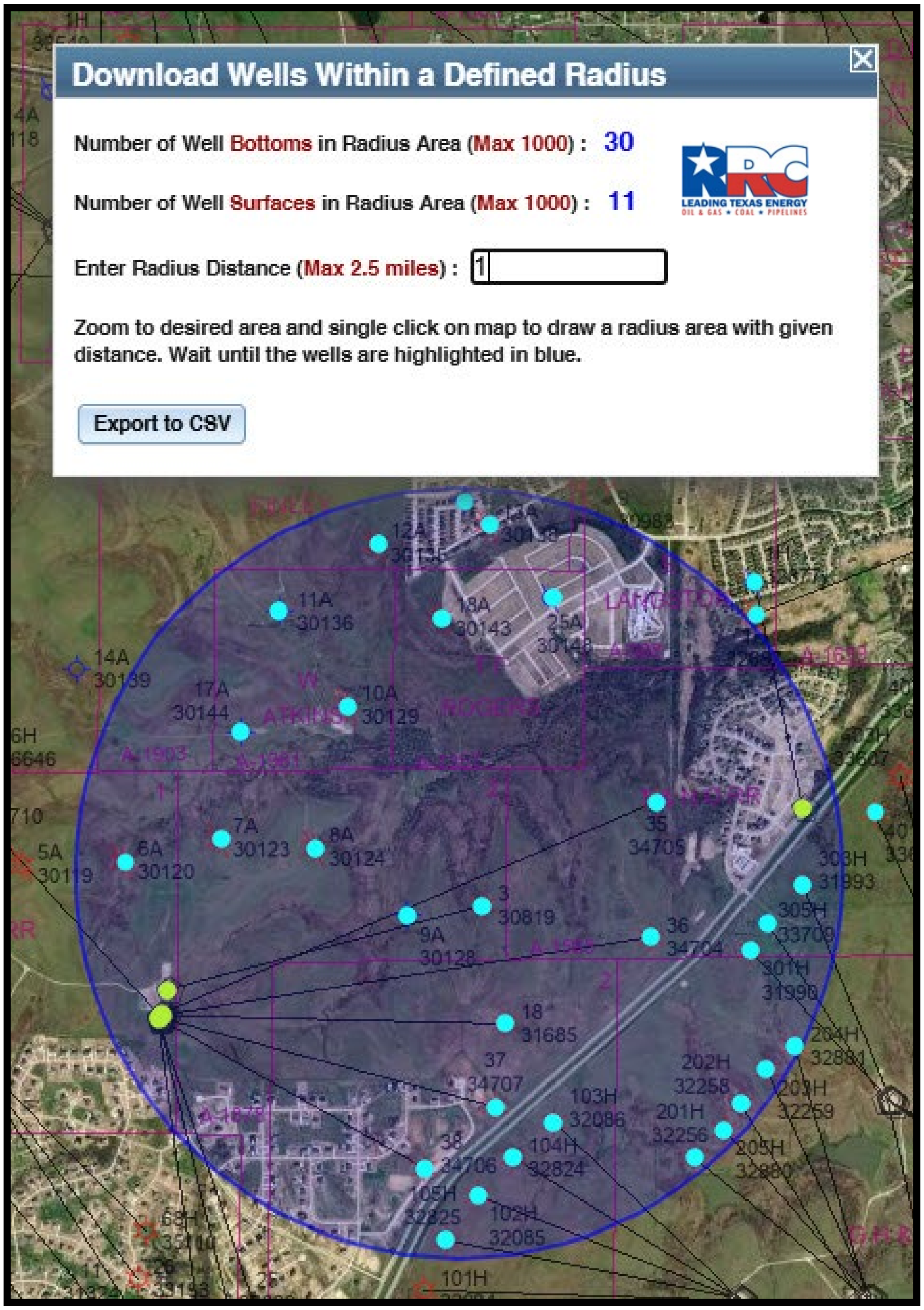
EASEMENTS/ENCROACHMENTS
Based on a physical site inspection and review of a survey prepared by LJA Surveying, Inc., dated May 15 2024, there are no detrimental easements or encroachments located on the subject property. It is reasonable to assume the presence of typical setbacks and easements approved by the City of Fort Worth. The appraisers assume the property is free from detrimental easements or encroachments but reserve the right to revise this analysis should a subsequent survey reveal otherwise.

IA #4 SURVEY BY LJA SURVEYING, INC.
Dated May 15, 2024



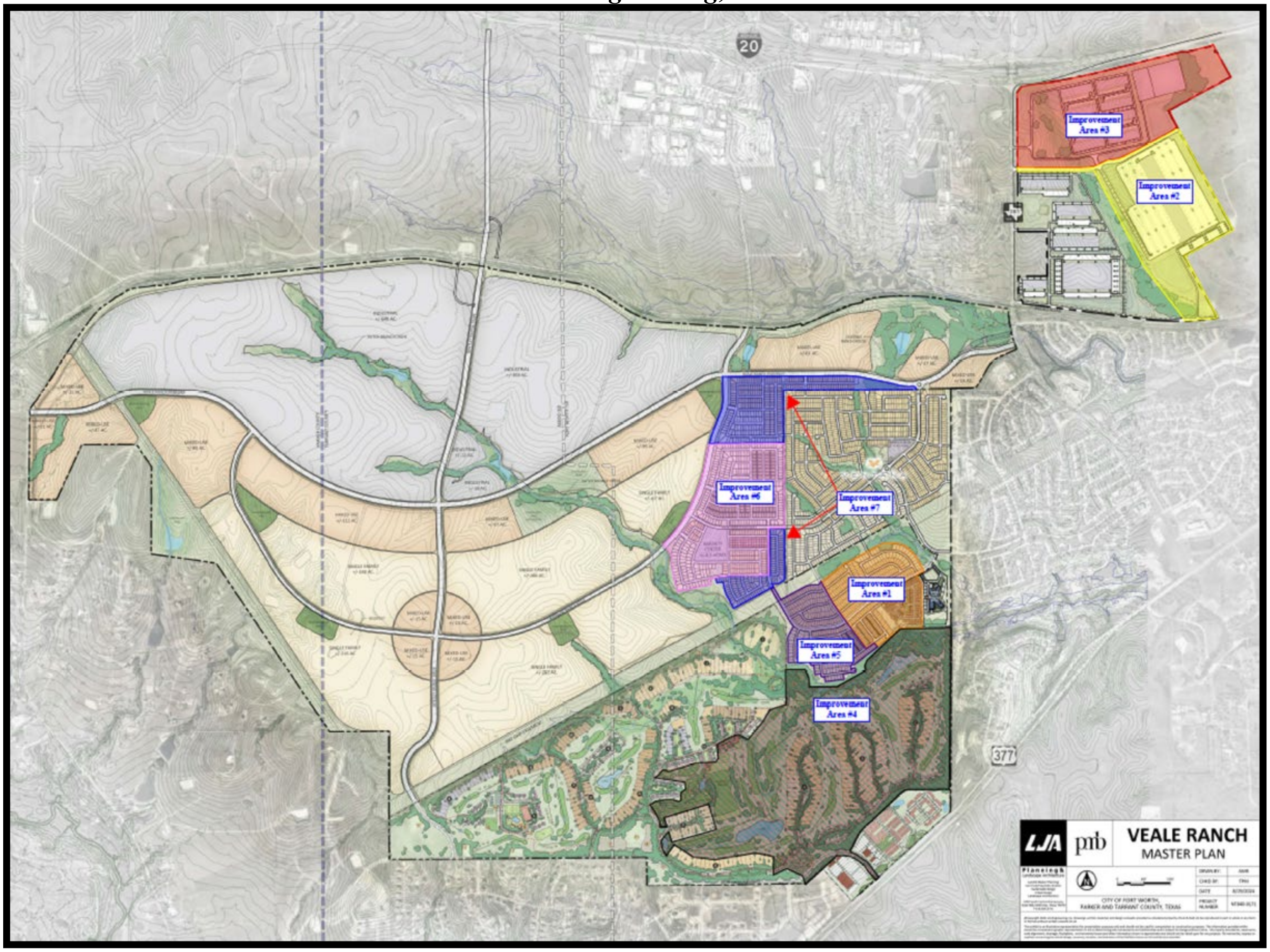
Note: A survey for IA #5 was not provided to the appraisers.

OIL AND GAS WELLS
Texas Railroad Commission



There are 30 well bottom sites and 11 well surface sites within 1 mile from the subject property according to the above referenced map from the Texas Railroad Commission. The subject site does not appear to be encumbered by any detrimental restrictions due to the proximity to surface or subsurface well locations because this area of DFW is minimally active in mineral extraction.

VEALE RANCH MASTER PLAN
BY LJA Engineering, Inc.



PROPERTY PHOTOGRAPHS

Benbrook Boulevard Facing North

Benbrook Boulevard Facing South

Easten Line of IA #4 Facing South

Easten Line of IA #4 Facing West

Easten Line of IA #4 Facing North

Northwest Corner of IA #4 Facing South

PROPERTY PHOTOGRAPHS

Northwest Corner of IA #4 Facing West

Eastern Line of IA #5 Facing South

Eastern Line of IA #5 Facing West

Eastern Line of IA #5 Facing North

Northeast Corner of IA #5 Facing South

Northeast Corner of IA #5 Facing West

HIGHEST AND BEST USE

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

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

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

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

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

HIGHEST AND BEST USE ANALYSIS

Highest and Best Use "As-Vacant"

Legally Permissible
The subject property is within the City of Fort Worth and is zoned Planned Development - 1392 for IA #4 and Planned Development - 1169 for IA #5 which, at the subject property, allows for detached single-family residential use.

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

Given surrounding land use patterns in the area, only detached single-family residential use is given further consideration in determining the highest and best use of the site as vacant.

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

Financially Feasible
In order to be economically feasible, the improvements should conform to the surrounding land uses. To meet the test of being financially feasible, the project must provide a net return over a reasonable period of time. The area surrounding the subject property is suburban and development of the surrounding area has accelerated considerably over the past decade as development in southwest Tarrant County and along major highways has shown almost endless demand. Developers and home builders have moved further away from the center of the

Metroplex to quasi-rural areas of Tarrant County like those surrounding the subject property are being developed with middle-to-upper class housing stock. Based on review of homes on the market, we would expect home prices in the $3,000,000s-$4,000,000s for IA #4 and $400,000s-$600,000s for IA #5 would be in demand in Veale Ranch PID.

Based on our analysis of the market, it is reasonable to expect a rise in demand for vacant developed lots (VDLs) in 2026 as homebuilders sell more homes when mortgage rates begin to fall precipitously as they did in 2025; Along with this, due to the lack of supply for VDLs and the long-term prospects of the subject's area, we expect ample demand for single-family lots in the next 2-5 years. When looking at the longer time horizon, it appears that a newly developed single-family residential use on the site would have a value commensurate with its cost. Therefore, single-family residential use is considered to be financially feasible.

Maximally Productive
There does not appear to be any reasonably probable use of the subject property that would generate a higher residual land value than single-family residential use. Accordingly, it is our opinion that single-family residential use, developed to the normal market density allowed by the planned development, is the maximally productive use of the property.

The resilient business climate in North Texas and the continual development of neighborhoods in Fort Worth and Tarrant County has created increased demand for homes in the area. Coupled with increasing movement into DFW, and southwestward in the Metroplex in particular, it is our opinion that the highest and best use of the property "As-Vacant" would be for the development of single-family residential community. Thus, the highest and best use of the property "As-Vacant" is for development of single-family residential use.

Highest and Best Use "As-Improved"

Development of the subject property, as proposed utilizing our extraordinary assumptions, is the only use that meets the four tests of highest and best use. Therefore, we conclude that the highest and best use of the property "As-Improved" is similar to our conclusion "As-Vacant" which is for single-family residential use.

We believe that the **most probable buyers** would be a developer of large single-family communities or a large homebuilder who is active in the DFW Metroplex market. Also, given that the developer of the subject property is a nationally recognized developer and homebuilder, an additional most probably buyer would be the end-user seeking high quality housing in Fort Worth.

VALUATION – IMPROVED RESIDENTIAL LOTS

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

Approach	*Applicability to Subject*	*Use in Assignment*
Cost Approach	*Not Appropriate Since the Subject Property will be Developed in Multiple Phases*	*Not Utilized*
Income (Subdivision Development) Approach	*Appropriate in Determining Residential Subdivision Value*	*Utilized*
Sales Comparison Approach	*Aspects Used in Subdivision Valuation to Determine Retail Market Value of the Cottage Lots, Estate Lots, 40-FF Lots, 50-FF Lots, 60-FF Lots, the 70-FF Lots*	*Partially Utilized*

Residential Subdivision (413 Improved Lots)

Cost Approach

The Cost Approach provides information that contrasts with information from the Income and Sales Comparison Approaches. It allows the appraiser to address the feasibility and highest and best use issues inherent in new construction. This approach is most beneficial when appraising a proposed or recently built project and is typically used when units make up a substantial portion of the entire project. Since the subject property will be developed in multiple phases, *the Cost Approach is not appropriate and thus was not utilized.*

Income (Subdivision Development) Approach

The Income (Subdivision Development) Approach applied in subdivision analysis simulates what occurs in a bulk sale where one buyer purchases a subdivision or large group of lots at a discount. Income capitalization is the primary method used in subdivision valuation because value is determined by future sales over time. Along with discounted cash flow analysis, income capitalization directly measures differences in present value based on future cash flow projections. This approach provides a direct measure of the market value or wholesale value of a group of lots or units, which is different from the sum of the retail lot prices. Since the problems to be solved in this assignment is to determine the bulk sale value of all 136 improved lots in IA #4, as of the Retrospective Effective Date of April 1, 2026 and 277 improved lots in IA #5, as of the Retrospective Effective Date of April 1, 2026, *the Income (Subdivision Development) Approach is appropriate and was fully developed.*

Sales Comparison Approach

The Sales Comparison Approach involves comparing recent sales of entire subdivisions or a large group of lots that involved a single purchaser. The sales are then adjusted for value-related differences. Determining market values for the subdivision or the group of lots is the objective of the analysis, and that determination requires recent and relevant similar bulk sales for the comparison. Finding highly similar and recent sales of improved subdivisions to a single buyer in most markets can be difficult, perhaps impossible. Comparison requires comparable sales with about the same or similar remaining absorption period, a similar mix of lots or unit types, location, home price points, and other characteristics. As Texas is a non-disclosure state, sales data available is limited to sales confirmed by associated parties. Since data on highly similar bulk sales to a single purchaser is difficult to find and verify, *the Sales Comparison Approach was not fully developed by the appraisers.* Aspects of the Sales Comparison Approach were utilized to determine the retail value of the improved lots for analysis within the Income (Subdivision Development) Approach.

INCOME (SUBDIVISION DEVELOPMENT) APPROACH – IMPROVED RESIDENTIAL LOTS (IA #4)

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

In order to complete the analysis, the appraisers:

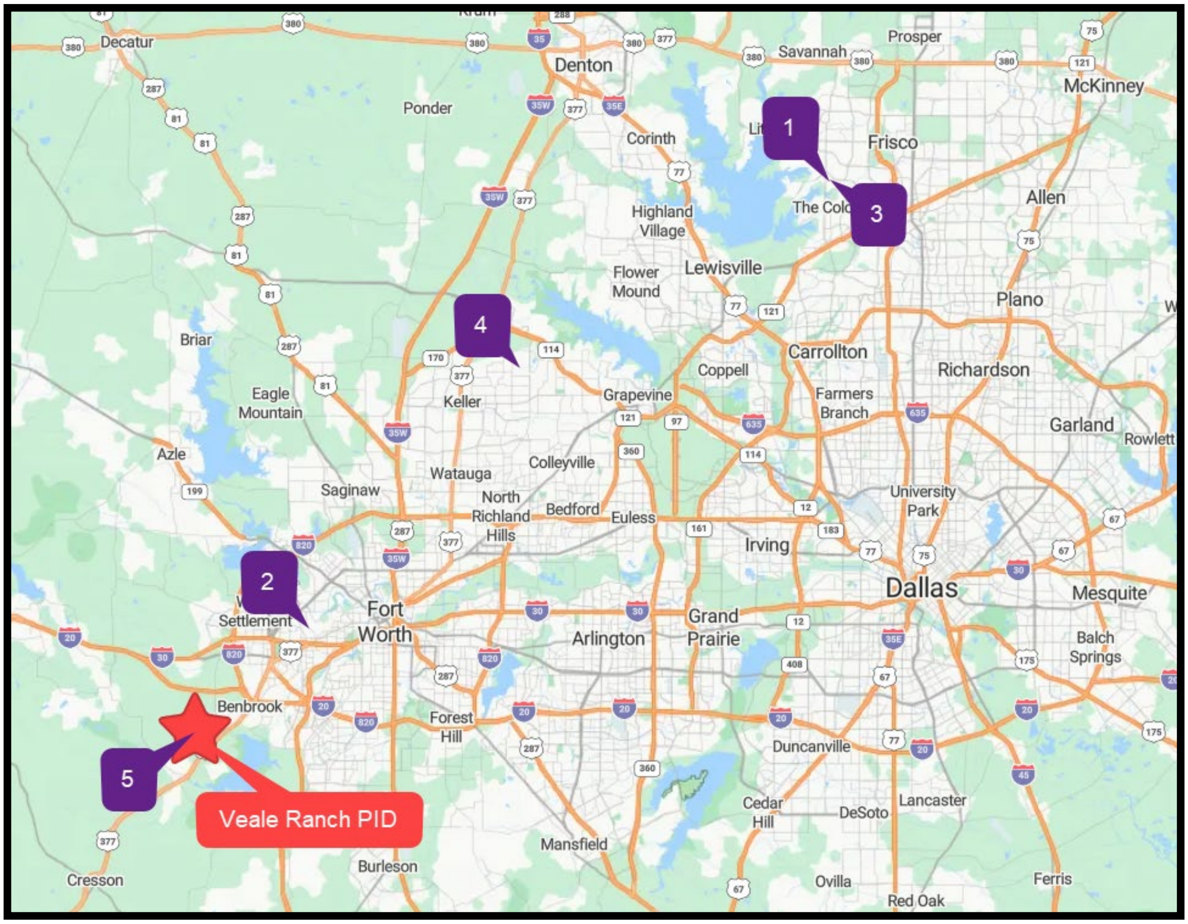
- Determined the value of the lots through aspects of the Sales Comparison Approach based on the concept plan provided by the developers
- Calculated the absorption period (earlier in the report) for the finished lots after construction is complete
- Analyzed the effect of appreciation, taxes, and sales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

For IA #4, we utilized the following unit of comparison which is the measure commonly found in the market:

Sales Price Per Square Foot *– Obtained by dividing sale price by the square footage of the lot*

Following is our analysis of the 18,195-SF and 33,583-SF lots within Veale Ranch PID in IA #4. Due to the larger lot sizes and superior amenities within the subject development, we expanded our market area to include comparables that were considered most similar to the subject property in IA #4.

MAP OF COMPARABLE LOT SALES – 18,195-SF (COTTAGE) LOTS



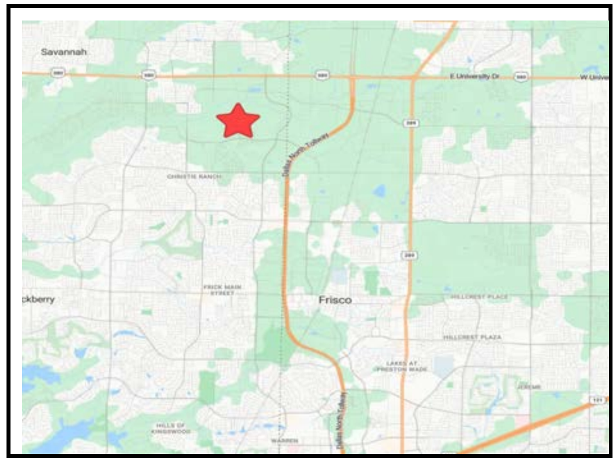
Subject: Veale Ranch PID IA #4, Fort Worth, TX 76126

We selected the best and most recent comparable lot sales for our analysis of the 18,195-SF Cottage lots. Our five comparable sales are shown below:

SUMMARY OF LOT SALES - COTTAGE LOTS								
Sale	Subdivision	City	ISD	Contract Date	Sale Date	Base Lot Price	Square Feet (SF)	$/SF
1	The Preserve	Frisco	Frisco	Oct-2025	Closed	$2,050,000	21,032	$ 97.47
2	Westover Hills	Westover Hills	Fort Worth	Mar-2023	Closed	$3,080,500	35,676	$ 86.35
3	The Preserve	Frisco	Frisco	Mar-2025	Closed	$1,625,000	20,828	$ 78.02
4	Vaquero	Westlake	Keller	Jul-2024	Closed	$1,800,000	20,168	$ 89.25
5	Veale Ranch	Fort Worth	Fort Worth	Jan-2025	Closed	$1,800,000	18,195	$ 98.93
Subject	**Veale Ranch PID, IA #4**	**Fort Worth**	**Benbrook**	**-**	**-**	**-**	**18,195**	**-**

SALE COMPARABLE 1 – 18,195-SF (COTTAGE) LOTS

Comparable 1 Aerial

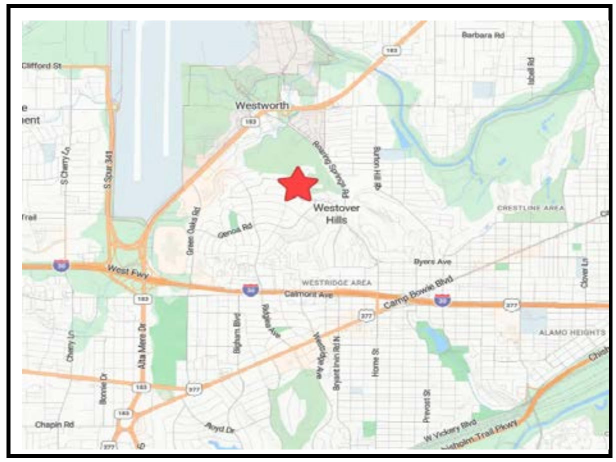


Comparable 1 Map

Cottage Lot (18,195 SF) Sale Comparable 1				
Property Information				
Subdivision Name	The Preserve			
Property Class	Residential Lot			
Address	163 Madeline Avenue, Frisco			
County	Denton			
Property Type	Residential / Multiple Units			
Site Information				
Site Size	21,032	SF	0.48	Acres
Zoning Code	Planned Development - 280			
Shape	Rectangular			
Topography	Basically level			
Available Utilities	All available			
Transaction Information				
Sale Status	Closed			
Sale/Contract Date	October - 2025			
Seller	HW Builders, LLC			
Buyer	Paul James Randle & Bonnie Lynn Randle			
Sale Price	$2,050,000			
Price per SF Land	**$97.47**			

SALE COMPARABLE 2 – 18,195-SF (COTTAGE) LOTS

Comparable 2 Aerial

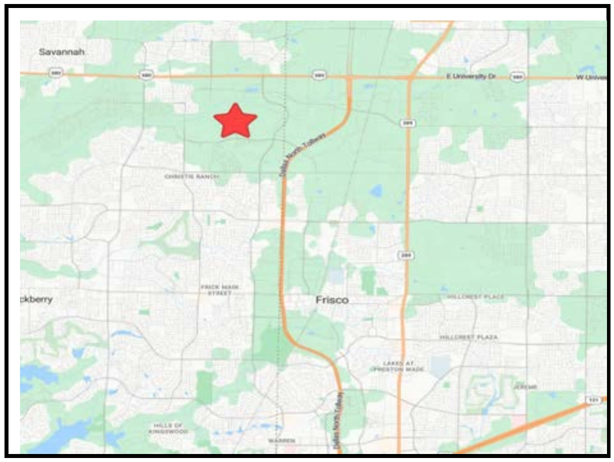


Comparable 2 Map

Cottage Lot (18,195 SF) Sale Comparable 2				
Property Information				
Subdivision Name	Westover Hills			
Property Class	Residential Lot			
Address	6212 Indian Creek Drive, Westover Hills			
County	Tarrant			
Property Type	Residential / Multiple Units			
Site Information				
Site Size	35,676	SF	0.82	Acres
Zoning Code	Residential			
Shape	Mostly rectangular			
Topography	Basically level			
Available Utilities	All available			
Transaction Information				
Sale Status	Closed			
Sale/Contract Date	March - 2023			
Seller	Thomas Winters			
Buyer	Travis F. Thompson & Alexis J. Thompson			
Sale Price	$3,080,500			
Price per SF Land	**$86.35**			

SALE COMPARABLE 3 – 18,195-SF (COTTAGE) LOTS


Comparable 3 Aerial

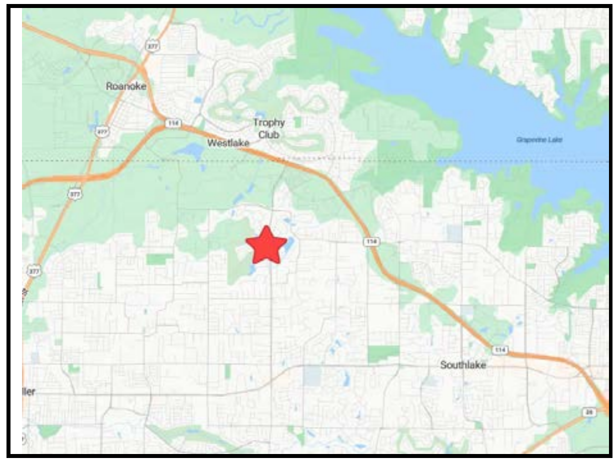


Comparable 3 Map

Cottage Lot (18,195 SF) Sale Comparable 3				
Property Information				
Subdivision Name	The Preserve			
Property Class	Residential Lot			
Address	113 Fallwood Street, Frisco			
County	Denton			
Property Type	Residential / Multiple Units			
Site Information				
Site Size	20,828	SF	0.48	Acres
Zoning Code	Planned Development - 280			
Shape	Mostly rectangular			
Topography	Basically level			
Available Utilities	All available			
Transaction Information				
Sale Status	Closed			
Sale/Contract Date	March - 2025			
Seller	Starside Custom Builders, LLC			
Buyer	Tu Doa & Alex Dao			
Sale Price	$1,625,000			
Price per SF Land	**$78.02**			

SALE COMPARABLE 4 – 18,195-SF (COTTAGE) LOTS

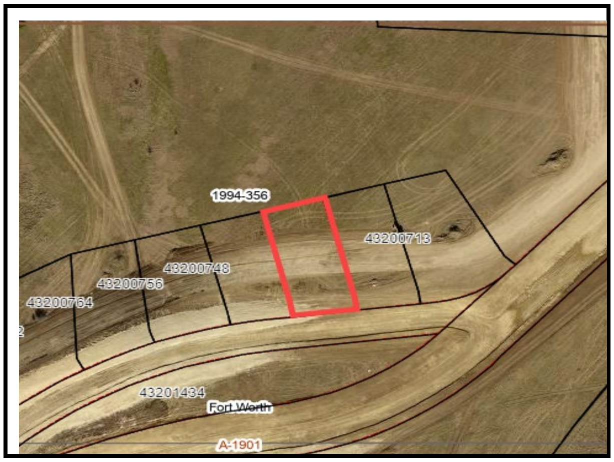
Comparable 4 Aerial



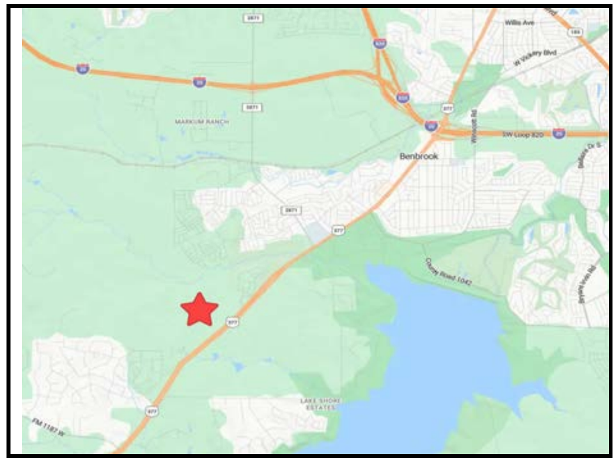
Comparable 4 Map

Cottage Lot (18,195 SF) Sale Comparable 4				
Property Information				
Subdivision Name	Vaquero			
Property Class	Residential Lot			
Address	1408 Post Oak Place, Westlake			
County	Tarrant			
Property Type	Residential / Multiple Units			
Site Information				
Site Size	20,168	SF	0.46	Acres
Zoning Code	Planned Development 3-1			
Shape	Mostly rectangular			
Topography	Basically level			
Available Utilities	All available			
Transaction Information				
Sale Status	Closed			
Sale/Contract Date	July - 2024			
Seller	Brian E. Flowers & Julia Flowers			
Buyer	Scott E. Miller & Camela D. Miller			
Sale Price	$1,800,000			
Price per SF Land	**$89.25**			

SALE COMPARABLE 5 – 18,195-SF (COTTAGE) LOTS



Comparable 5 Aerial



Comparable 5 Map

Cottage Lot (18,195 SF) Sale Comparable 5				
Property Information				
Subdivision Name	Veale Ranch			
Property Class	Residential Lot			
Address	West of Benbrook Boulevard and South of Aledo Road, Fort Worth			
County	Tarrant			
Property Type	Residential / Multiple Units			
Site Information				
Site Size	18,195	SF	0.42	Acres
Zoning Code	Planned Development - 1392			
Shape	Mostly rectangular			
Topography	Basically level			
Available Utilities	All available			
Transaction Information				
Sale Status	Closed			
Sale/Contract Date	January - 2025			
Seller	FW Club, LP			
Buyer	SCB 2021 Trust			
Sale Price	$1,800,000			
Price per SF Land	**$98.93**			

SALES ADJUSTMENT COMPARISON GRID – 18,195-SF (COTTAGE) LOTS

	Subject	Sale 1	Sale 2	Sale 3	Sale 4	Sale 5
Subdivision	Veale Ranch PID, IA #4	The Preserve	Westover Hills	The Preserve	Vaquero	Veale Ranch
	Fort Worth	Frisco	Westover Hills	Frisco	Westlake	Fort Worth
Transactional Adjustments						
Sales Price/SF		$97.47	$86.35	$78.02	$89.25	$98.93
Rights Conveyed		0%	0%	0%	0%	0%
Sales Price/SF		$97.47	$86.35	$78.02	$89.25	$98.93
Financing Terms		0%	0%	0%	0%	0%
Sales Price/SF		$97.47	$86.35	$78.02	$89.25	$98.93
Conditions of Sale		0%	0%	0%	0%	0%
Sales Price/SF		$97.47	$86.35	$78.02	$89.25	$98.93
Expenditures After Purchase		0%	0%	0%	0%	0%
Sales Price/SF		$97.47	$86.35	$78.02	$89.25	$98.93
Time/Market Conditions		+2%	+9%	+3%	+5%	+4%
ADJUSTED Price/SF:		$99.42	$94.12	$80.36	$93.71	$102.89
Physical Adjustments						
Location/Access	North of Benbrook Bouelvard, Fort Worth	-3%	+2%	-3%	-2%	0%
Amenities	18-Hole Golf Course, 12-Hole Golf Course, 9-Hole Par 3 Course, Amenity Center, Pool, Fitness Center, Coffee Shop, General Store, Spa, Event Lawn, Farm, Sports Complex, Campground, Multiple Restaurants, Adventure Park, Mountain Bike Course, Trails, and Greenspace	+3%	+10%	+3%	+6%	0%
Size	18,195-SF	0%	+2%	0%	0%	0%
View	Golf Course View	0%	0%	0%	+3%	0%
Utilities	All Available	0%	0%	0%	0%	0%
Zoning	Planned Development - 1392	0%	0%	0%	0%	0%
Total Net Physical Adj. After Transactional Adj.		0%	+14%	0%	+7%	0%
ADJUSTED Price/SF:		$99.42	$107.29	$80.36	$100.27	$102.89
SUMMARY OF COMPARABLE VALUES						
Value Range/SF			$80.36	to	$107.29	
Average Value/SF	$98.05					
Median Value/SF	$100.27					
Size	18,195-SF					
Unit Value Indication	$98.00/SF					
Overall Value Indication	$1,783,110					
Rounded	$1,783,110					

ANALYSIS OF ADJUSTMENTS – 18,195-SF (COTTAGE) LOTS

Our research of comparable lot sales leads us to the determination that there have been ample recent transactions within the last few years involving similar properties within the subject's general competing area that could reliably and reasonably be verified through our due diligence. The comparable sales for the subject property had unadjusted contracted base prices ranging from $78.02 per square foot to $98.93 per square foot (SF) with all Sales being between 18,195-SF and 35,676-SF lot types.

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

Factors to be Considered and Summary of Adjustments

Transactional Adjustments

Property Rights, Financing Terms, and Conditions of Sale
Each of the comparable sales were sold as Fee Simple interests, sales were transferred in cash equivalency, and under typical sale conditions; thus, no adjustments are made for these three factors.

Expenditures After Purchase
Typically, in a master-planned residential community like the subject, municipalities will require impact fees paid for water, sewer, and roadway. These fees will be the responsibility of the homebuilder rather than the developer. Since purchasers of other lots would typically be expected to pay water, sewer, and roadway impact/connection fees, these are not considered atypical and are not included in our analysis.

Time/Market Conditions
The residential real estate market increased significantly in 2020-2025 but now appears to be cooling following another interest rate decrease by the Federal Reserve that has lowered mortgage rates by 7 basis points to 6.15% as of December 2025. Prices increased from 2020-2025 occurred in improved residential homes as well as in vacant developed lots as there was strong demand for lots and new homes. Homebuilders absorbed lots well above the historical norm during this period. We also considered that according to data from Zonda there is a shortage of 18,195-SF vacant developed lots in this market which has driven prices higher even as demand for finished homes has recently diminished.

Considering the residential market data and price increases for recent platted and developed residential lot sales throughout the Metroplex and specifically within Tarrant County which were necessitated based off supply and demand as well as development costs, we believe a market conditions adjustment of +3% year-over year (YoY) increase throughout 2023, 2024, 2025, and into the first quarter of 2026 is warranted and supported for residential developed lots for sale in platted subdivisions, due to the time it takes to get all the city entitlements approved and engineer and zoning costs paid. Platted developed lots on the ground have a faster market sale value increase than would raw land sold for this use. Based on the preceding, each of the comparable lot sales have been adjusted positively between +2% and +9% for Market Conditions depending on the sale date.

Physical Adjustments

Location/Access
The subject property is in a quickly developing area of North Texas in the City of Fort Worth. Development in the subject's area has been increasing and consistent throughout the decades. The subject is located along Benbrook Boulevard which is a major state highway. The area around the subject is primarily single-family developments and agricultural land. Also, in the area there are municipal and commercial uses along Interstate Highway 20 which runs north of the subject.

North of the subject property, about 4 miles, is Benbrook Middle-High School which is one of many high schools in Fort Worth ISD. Fort Worth ISD has a "C" rating from the Texas Education Agency (TEA), however, Benbrook Middle-High School has a "B" rating from TEA. Many future residents looking for a quasi-rural residential neighborhood would likely prefer a smaller and desirable school district than larger school districts more prevalent within DFW. Accessibility is considered average for this area. We have made the following adjustments for Location/Access:

- <u>Sale 1</u>: Superior; Located in Frisco, which has similar access to commercial uses, and it is located in Frisco ISD which has an "A" rating and is considering a superior ISD compared to the subject; Adjusted -3%
- <u>Sale 2</u>: Inferior; Located in Westover Hills, which has similar access to commercial uses, and it is located in Fort Worth ISD which has a "C" rating and is considered an inferior ISD compared to the subject; Adjusted +2%
- <u>Sale 3</u>: Superior; Located in Frisco, which has similar access to commercial uses, and it is located in Frisco ISD which has an "A" rating and is considering a superior ISD compared to the subject; Adjusted; Adjusted -3%
- <u>Sale 4</u>: Superior; Located in Westlake, which has similar access to commercial uses, and it is located in the Keller ISD which has a "B" rating and considered to be a superior ISD; Adjusted -2%
- <u>Sale 5</u>: Similar; Located in Fort Worth, which has similar access to commercial uses, and it is located in Fort Worth ISD, however this sale is located within the subject property's subdivision and feeds into the same school as the subject; Adjusted 0%

Amenities
The subject property's amenities will consist of an 18-hole golf course, 12-hole golf course, 9-hole par 3 course, amenity center, pool, fitness center, coffee shop, general store, spa, event lawn, farm, sports complex, campground, multiple restaurants, adventure park, mountain bike course, trails, and greenspace. According to the site visit, earthwork on the site is underway. The subject's amenities are well above average for a master planned community the size of Veale Ranch PID IA #4 development being built-out with 136 homes. We have made the following adjustments for Amenities:

- <u>Sale 1</u>: Inferior; The Preserve Subdivision, which has inferior amenities such as two 18-hole golf courses, amenity center, resort-style pool, fitness center, sports courts, parks, ponds, trails, and greenspace. Though these are above average amenities, this development does not have the total amount of amenities of the subject; Adjusted +3%
- <u>Sale 2</u>: Inferior; Westover Hills Subdivision, which has an 18-hole golf course, but does not have any of the other amenities that are present at the subject property; Adjusted +10%
- <u>Sale 3</u>: Inferior; The Preserve Subdivision, which has inferior amenities such as two 18-hole golf courses, amenity center, resort-style pool, fitness center, sports courts, parks, ponds, trails, and greenspace. Though these are above average amenities, this development does not have the total amount of amenities of the subject; Adjusted +3%
- <u>Sale 4</u>: Inferior; Vaquero Subdivision, which has inferior amenities such as an 18-hole golf course, pool,

sports courts, clubhouse, fishing camp, fitness center, spa, restaurant, trails, and greenspace. Though these are above average amenities, this development does not have the total amount of amenities as the subject; Adjusted +6%

- Sale 5: Similar; Veale Ranch Subdivision, which has similar amenities such as an 18-hole golf course, 12-hole golf course, 9-hole par 3 course, amenity center, pool, fitness center, coffee shop, general store, spa, event lawn, farm, sports complex, campground, multiple restaurants, adventure park, mountain bike course, trails, and greenspace. These are the same as the subject; Adjusted 0%

Size

Due to economies of scale, smaller lots are expected to sell for a higher price per unit (square footage). Sales 1, 3, 4, and 5 are between 18,195-SF and 21,032-SF lots that can accommodate a similar building pad, so no adjustment is made for Size for those sales. Sale 2 is a 35,676-SF lot that can accommodate a larger building pad, so an adjustment of +2% is made for Size for Sale 2.

View

The subject properties 18,195-SF (Cottage) Lots are located along a golf course. Golf-course lots are typically considered superior because they offer protected open-space views, consistent landscaping, and a built-in amenity that cannot be replicated on standard interior lots. The following adjustments have been made:

- Sale 1: Similar; Located along a golf course; Adjusted 0%
- Sale 2: Similar; Located along a golf course; Adjusted 0%
- Sale 3: Similar; Located along a golf course; Adjusted 0%
- Sale 4: Inferior; Located in a community with access to a golf course, but not a lot with a golf course view; Adjusted +3%
- Sale 5: Similar; Located along a golf course; Adjusted 0%

Utilities

The subject property's improved lots will each have access to electricity, water, sewer, natural gas, and high-speed Internet. Sales 1-5 will also have access to the same utilities as the subject. Therefore, no adjustment is made for Utilities to those comparable sales.

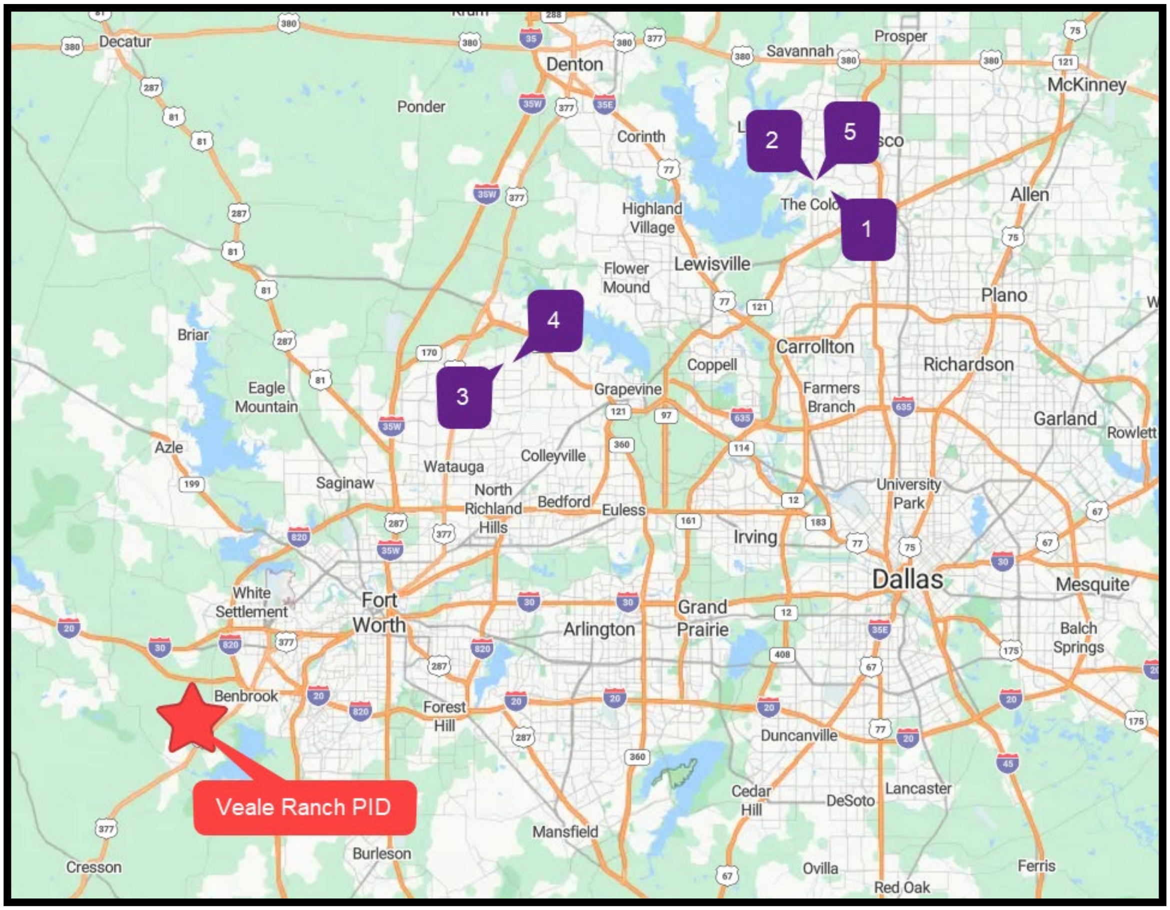
Zoning

The subject property is in a planned development and comparable sales 1-5 are in planned developments with residential subdivision zoning or in residential zoning for similar sized residential lots; thus, no adjustment is made for Zoning.

Conclusion for 18,195-SF (Cottage) Lots – The 18,195-SF (Cottage) Lot Sales have an adjusted range of $80.36/SF to $107.29/SF with an average of $98.05/SF and a median of $100.27/SF. We considered each of the five sales as being reflective of the market and considered increasing land development costs due to increases in material and labor, which has increased the cost to develop a property similar to the subject. We conclude that the retail market value of the **improved 18,195-SF (Cottage) lots is $98.00/SF, or $1,783,110/Lot.**

Lot Type	Total Lots	Projected Completion Date	Concluded Retail Value Per Lot
Cottage Lots	36	April 1, 2026	$1,783,110

MAP OF COMPARABLE LOT SALES – 33,583-SF (ESTATE) LOTS



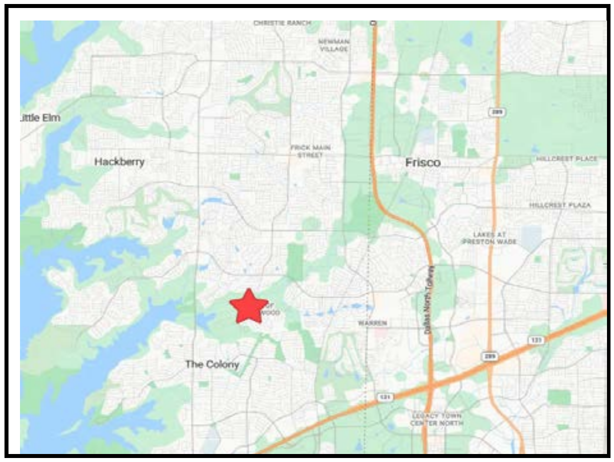
Subject: Veale Ranch PID IA #4, Fort Worth, TX 76126

We selected the best and most recent comparable lot sales for our analysis of the 33,583-SF (Estate) lots. Our five comparable sales are shown below:

SUMMARY OF LOT SALES - ESTATE LOTS								
Sale	**Subdivision**	**City**	**ISD**	**Contract Date**	**Sale Date**	**Base Lot Price**	**Square Feet (SF)**	***$/SF***
1	Hills of Kingswood	Frisco	Frisco	Oct-2025	Closed	$1,810,000	36,068	*$ 50.18*
2	The Preserve	Frisco	Frisco	Oct-2025	Closed	$1,600,000	28,155	*$ 56.83*
3	Westlake Ranch	Westlake	Keller	Jul-2025	Closed	$1,725,000	25,777	*$ 66.92*
4	Vaquero	Westlake	Keller	Sept-2024	Closed	$1,500,000	24,350	*$ 61.60*
5	The Preserve	Frisco	Frisco	Oct-2024	Closed	$2,095,000	33,241	*$ 63.02*
Subject	**Veale Ranch PID, IA #4**	**Fort Worth**	**Benbrook**	**-**	**-**	**-**	**33,583**	**-**

SALE COMPARABLE 1 – 33,583-SF (ESTATE) LOTS

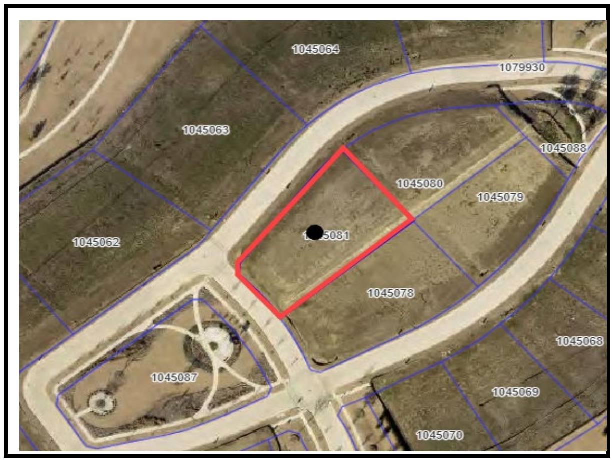
Comparable 1 Aerial



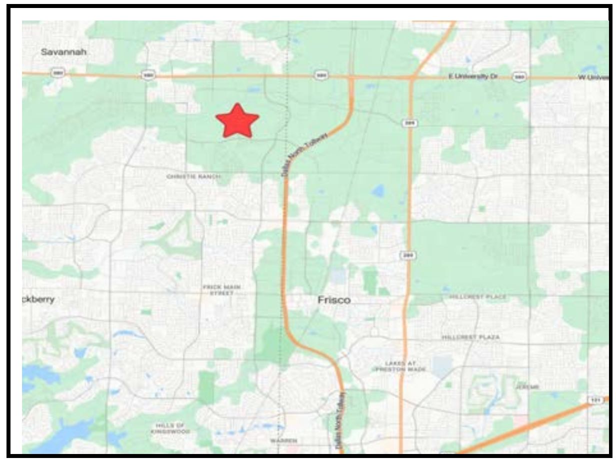
Comparable 1 Map

Estate Lot (33,583 SF) Sale Comparable 1				
Property Information				
Subdivision Name	Hills of Kingswood			
Property Class	Residential Lot			
Address	3767 Balfour Court, Frisco			
County	Denton			
Property Type	Residential / Multiple Units			
Site Information				
Site Size	36,068	SF	0.83	Acres
Zoning Code	Single-Family 8.5			
Shape	Irregular			
Topography	Basically level			
Available Utilities	All available			
Transaction Information				
Sale Status	Closed			
Sale/Contract Date	October - 2025			
Seller	MRR Holdings, LLC			
Buyer	My Heartland Home, LLC			
Sale Price	$1,810,000			
Price per SF Land	**$50.18**			

SALE COMPARABLE 2 – 33,583-SF (ESTATE) LOTS



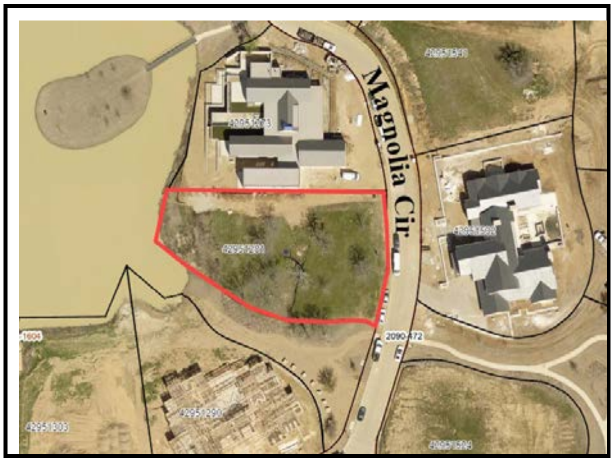
Comparable 2 Aerial



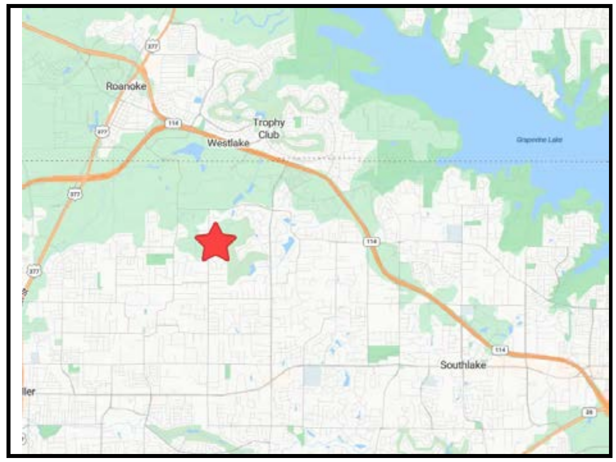
Comparable 2 Map

Estate Lot (33,583 SF) Sale Comparable 2				
Property Information				
Subdivision Name	The Preserve			
Property Class	Residential Lot			
Address	26 Birchwood Lane, Frisco			
County	Denton			
Property Type	Residential / Multiple Units			
Site Information				
Site Size	28,155	SF	0.65	Acres
Zoning Code	Planned Development - 280			
Shape	Irregular			
Topography	Basically level			
Available Utilities	All available			
Transaction Information				
Sale Status	Closed			
Sale/Contract Date	October - 2025			
Seller	Starside Custom Builders, LLC			
Buyer	Rahul Purini & Sri Living Trust			
Sale Price	$1,600,000			
Price per SF Land	**$56.83**			

SALE COMPARABLE 3 – 33,583-SF (ESTATE) LOTS



Comparable 3 Aerial

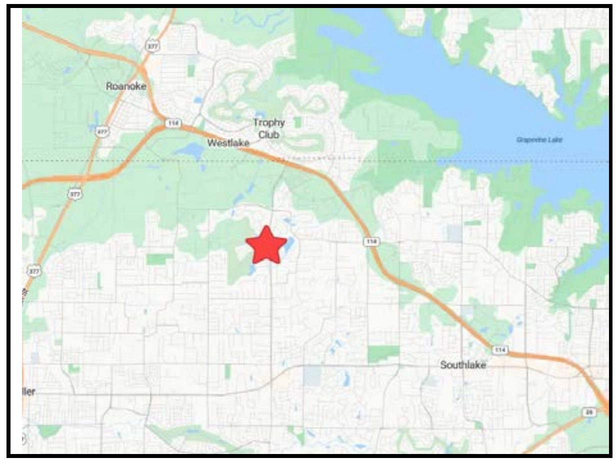


Comparable 3 Map

Estate Lot (33,583 SF) Sale Comparable 3				
Property Information				
Subdivision Name	Westlake Ranch			
Property Class	Residential Lot			
Address	2641 Magnolia Circle, Westlake			
County	Tarrant			
Property Type	Residential / Multiple Units			
Site Information				
Site Size	25,777	SF	0.59	Acres
Zoning Code	Planned Development - 7			
Shape	Irregular			
Topography	Basically level			
Available Utilities	All available			
Transaction Information				
Sale Status	Closed			
Sale/Contract Date	July - 2025			
Seller	SCH Homes, LP			
Buyer	MWG Enterprises, LLC			
Sale Price	$1,725,000			
Price per SF Land	**$66.92**			

SALE COMPARABLE 4 – 33,583-SF (ESTATE) LOTS

Comparable 4 Aerial

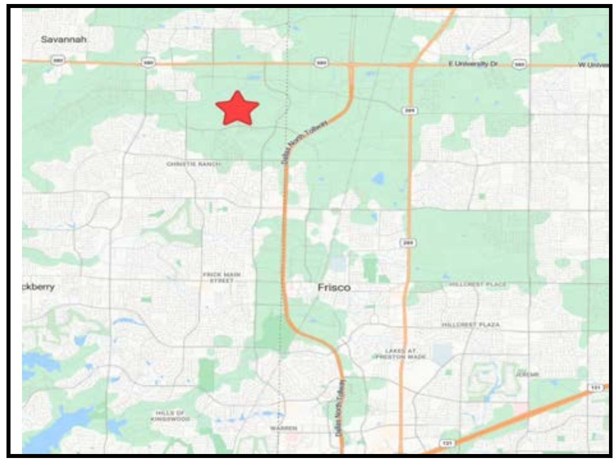


Comparable 4 Map

Estate Lot (33,583 SF) Sale Comparable 4				
Property Information				
Subdivision Name	Vaquero			
Property Class	Residential Lot			
Address	1716 Post Oak Place, Westlake			
County	Tarrant			
Property Type	Residential / Multiple Units			
Site Information				
Site Size	24,350	SF	0.56	Acres
Zoning Code	Planned Development 3-1			
Shape	Irregular			
Topography	Basically level			
Available Utilities	All available			
Transaction Information				
Sale Status	Closed			
Sale/Contract Date	September - 2024			
Seller	Michael Payne & Shatara Wright			
Buyer	Thomas Murphy			
Sale Price	$1,500,000			
Price per SF Land	**$61.60**			

SALE COMPARABLE 5 – 33,583-SF (ESTATE) LOTS

Comparable 5 Aerial



Comparable 5 Map

Estate Lot (33,583 SF) Sale Comparable 5				
Property Information				
Subdivision Name	The Preserve			
Property Class	Residential Lot			
Address	51 Noble Hill Lane, Frisco			
County	Denton			
Property Type	Residential / Multiple Units			
Site Information				
Site Size	33,241	SF	0.76	Acres
Zoning Code	Planned Development - 280			
Shape	Rectangular			
Topography	Basically level			
Available Utilities	All available			
Transaction Information				
Sale Status	Closed			
Sale/Contract Date	October - 2024			
Seller	Sharif & Munir Custom Homes, Inc.			
Buyer	Nobles Living Trust			
Sale Price	$2,095,000			
Price per SF Land	**$63.02**			

SALES ADJUSTMENT COMPARISON GRID – 33,583-SF (ESTATE) LOTS

	Subject	Sale 1	Sale 2	Sale 3	Sale 4	Sale 5
Subdivision	Veale Ranch PID, IA #4	Hills of Kingswood	The Preserve	Westlake Ranch	Vaquero	The Preserve
	Fort Worth	Frisco	Frisco	Westlake	Westlake	Frisco
Transactional Adjustments						
Sales Price/SF		$50.18	$56.83	$66.92	$61.60	$63.02
Rights Conveyed		0%	0%	0%	0%	0%
Sales Price/SF		$50.18	$56.83	$66.92	$61.60	$63.02
Financing Terms		0%	0%	0%	0%	0%
Sales Price/SF		$50.18	$56.83	$66.92	$61.60	$63.02
Conditions of Sale		0%	0%	0%	0%	0%
Sales Price/SF		$50.18	$56.83	$66.92	$61.60	$63.02
Expenditures After Purchase		0%	0%	0%	0%	0%
Sales Price/SF		$50.18	$56.83	$66.92	$61.60	$63.02
Time/Market Conditions		+2%	+2%	+2%	+5%	+5%
ADJUSTED Price/SF:		$51.19	$57.96	$68.26	$64.68	$66.18
Physical Adjustments						
Location/Access	North of Benbrook Bouelvard, Fort Worth	-3%	-3%	-2%	-2%	-3%
Amenities	18-Hole Golf Course, 12-Hole Golf Course, 9-Hole Par 3 Course, Amenity Center, Pool, Fitness Center, Coffee Shop, General Store, Spa, Event Lawn, Farm, Sports Complex, Campground, Multiple Restaurants, Adventure Park, Mountain Bike Course, Trails, and Greenspace	+10%	+3%	+10%	+6%	+3%
Size	33,583-SF	0%	0%	0%	0%	0%
View	Golf Course View	+3%	+3%	0%	+3%	+3%
Utilities	All Available	0%	0%	0%	0%	0%
Zoning	Planned Development - 1392	0%	0%	0%	0%	0%
Total Net Physical Adj. After Transactional Adj.		+10%	+3%	+8%	+7%	+3%
ADJUSTED Price/SF:		$56.31	$59.70	$73.72	$69.21	$68.16
SUMMARY OF COMPARABLE VALUES						
Value Range/SF			$56.31	to	$73.72	
Average Value/SF	$65.42					
Median Value/SF	$68.16					
Size	33,583-SF					
Unit Value Indication	$66.00/SF					
Overall Value Indication	$2,216,478					
Rounded	$2,216,478					

ANALYSIS OF ADJUSTMENTS – 33,583-SF (ESTATE) LOTS

Our research of comparable lot sales leads us to the determination that there have been ample recent transactions within the last few years involving similar properties within the subject's general competing area that could reliably and reasonably be verified through our due diligence. The comparable sales for the subject property had unadjusted contracted base prices ranging from \$50.18 per square foot to \$66.92 per square foot (SF) with all Sales being between 24,350-SF and 36,068-SF lot types.

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

Factors to be Considered and Summary of Adjustments

Transactional Adjustments

Property Rights, Financing Terms, and Conditions of Sale
Each of the comparable sales were sold as Fee Simple interests, sales were transferred in cash equivalency, and under typical sale conditions; thus, no adjustments are made for these three factors.

Expenditures After Purchase
Typically, in a master-planned residential community like the subject, municipalities will require impact fees paid for water, sewer, and roadway. These fees will be the responsibility of the homebuilder rather than the developer. Since purchasers of other lots would typically be expected to pay water, sewer, and roadway impact/connection fees, these are not considered atypical and are not included in our analysis.

Time/Market Conditions
The residential real estate market increased significantly in 2020-2025 but now appears to be cooling following another interest rate decrease by the Federal Reserve that has lowered mortgage rates by 7 basis points to 6.15% as of December 2025. Prices increased from 2020-2025 occurred in improved residential homes as well as in vacant developed lots as there was strong demand for lots and new homes. Homebuilders absorbed lots well above the historical norm during this period. We also considered that according to data from Zonda there is a shortage of 33,583-SF vacant developed lots in this market which has driven prices higher even as demand for finished homes has recently diminished.

Considering the residential market data and price increases for recent platted and developed residential lot sales throughout the Metroplex and specifically within Tarrant County which were necessitated based off supply and demand as well as development costs, we believe a market conditions adjustment of +3% year-over year (YoY) increase throughout 2023, 2024, 2025, and into the first quarter of 2026 is warranted and supported for residential developed lots for sale in platted subdivisions, due to the time it takes to get all the city entitlements approved and engineer and zoning costs paid. Platted developed lots on the ground have a faster market sale value increase than would raw land sold for this use. Based on the preceding, each of the comparable lot sales have been adjusted positively between +2% and +5% for Market Conditions depending on the sale date.

Physical Adjustments

Location/Access

The subject property is in a quickly developing area of North Texas in the City of Fort Worth. Development in the subject's area has been increasing and consistent throughout the decades. The subject is located along Benbrook Boulevard which is a state highway. The area around the subject is primarily single-family developments and agricultural land. Also, in the area there are municipal and commercial uses along Interstate Highway 20 which runs north of the subject.

North of the subject property, about 4 miles, is Benbrook Middle-High School which is one of many high schools in Fort Worth ISD. Fort Worth ISD has a "C" rating from the Texas Education Agency (TEA), however, Benbrook Middle-High School has a "B" rating from TEA. Many future residents looking for a quasi-rural residential neighborhood would likely prefer a smaller and desirable school district than larger school districts more prevalent within DFW. Accessibility is considered average for this area. We have made the following adjustments for Location/Access:

- Sale 1: Superior; Located in Frisco, which has similar access to commercial uses, and it is located in Frisco ISD which has an "A" rating and is considering a superior ISD compared to the subject; Adjusted -3%
- Sale 2: Superior; Located in Frisco, which has similar access to commercial uses, and it is located in Frisco ISD which has an "A" rating and is considering a superior ISD compared to the subject; Adjusted -3%
- Sale 3: Superior; Located in Westlake, which has superior access to commercial uses, and it is located in Keller ISD which has a "B" rating and considered to be a similar ISD; Adjusted -2%
- Sale 4: Superior; Located in Westlake, which has superior access to commercial uses, and it is located in Keller ISD which has a "B" rating and considered to be a similar ISD; Adjusted -2%
- Sale 5: Superior; Located in Frisco, which has similar access to commercial uses, and it is located in Frisco ISD which has an "A" rating and is considering a superior ISD compared to the subject; Adjusted -3%

Amenities

The subject property's amenities will consist of an 18-hole golf course, 12-hole golf course, 9-hole par 3 course, amenity center, pool, fitness center, coffee shop, general store, spa, event lawn, farm, sports complex, campground, multiple restaurants, adventure park, mountain bike course, trails, and greenspace. According to the site visit, earthwork on the site is underway. The subject's amenities are well above average for a master planned community the size of Veale Ranch PID IA #4 development being built-out with 136 homes. We have made the following adjustments for Amenities:

- Sale 1: Inferior; Hills of Kingswood Subdivision, which has inferior amenities such as a clubhouse, pool, fitness center, sports courts, playgrounds, trails, and greenspace. Though these are above average amenities, this development does not have the total amount of amenities of the subject; Adjusted +10%
- Sale 2: Inferior; The Preserve Subdivision, which has inferior amenities such as an two 18-hole golf courses, amenity center, resort-style pool, fitness center, sports courts, parks, ponds, trails, and greenspace. Though these are above average amenities, this development does not have the total amount of amenities of the subject; Adjusted +3%
- Sale 3: Inferior; Westlake Ranch Subdivision, which has inferior amenities such as a clubhouse, on-site concierge service, sports courts, pond, trails, and greenspace. Though these are above average amenities, this development does not have the total amount of amenities of the subject; Adjusted +10%
- Sale 4: Inferior; Vaquero Subdivision, which has inferior amenities such as an 18-hole golf course, pool, sports courts, clubhouse, fishing camp, fitness center, spa, restaurant, trails, and greenspace. Though these are above average amenities, this development does not have the total amount of amenities of the subject; Adjusted +6%

- Sale 5: Inferior; The Preserve Subdivision, which has inferior amenities such as an two 18-hole golf courses, amenity center, resort-style pool, fitness center, sports courts, parks, ponds, trails, and greenspace. Though these are above average amenities, this development does not have the total amount of amenities of the subject; Adjusted +3%

Size

Due to economies of scale, smaller lots are expected to sell for a higher price per unit (square footage). Sales 1-5 are between 24,350-SF and 36,068-SF lots that can accommodate a similar building pad, so no adjustment is made for Size.

View

The subject properties 33,583-SF (Estate) Lots are located along a golf course. Golf-course lots are typically considered superior because they offer protected open-space views, consistent landscaping, and a built-in amenity that cannot be replicated on standard interior lots. The following adjustments have been made:

- Sale 1: Inferior; Located in a community with access to a golf course, but not a lot with a golf course view; Adjusted +3%
- Sale 2: Inferior; Located in a community with access to a golf course, but not a lot with a golf course view; Adjusted +3%
- Sale 3: Similar; Located along a community pond, which would protect the lots view and provide similar benefits as a golf course lot; Adjusted 0%
- Sale 4: Inferior; Located in a community with access to a golf course, but not a lot with a golf course view; Adjusted +3%
- Sale 5: Inferior; Located in a community with access to a golf course, but not a lot with a golf course view; Adjusted +3%

Utilities

The subject property's improved lots will each have access to electricity, water, sewer, natural gas, and high-speed Internet. Sales 1-5 will also have access to the same utilities as the subject. Therefore, no adjustment is made for Utilities to those comparable sales.

Zoning

The subject property is in a planned development and comparable sales 1-5 are in planned developments with residential subdivision zoning or in residential zoning for similar sized residential lots; thus, no adjustment is made for Zoning.

Conclusion for 33,583-SF (Estate) Lots – The 33,583-SF (Estate) Lot Sales have an adjusted range of $56.31/SF to $73.72/SF with an average of $65.42/SF and a median of $68.16/SF. We considered each of the five sales as being reflective of the market and considered increasing land development costs due to increases in material and labor, which has increased the cost to develop a property similar to the subject. We conclude that the retail market value of the **improved 33,583-SF (Estate) lots is $66.00/SF, or $2,216,478/Lot.**

Lot Type	Total Lots	Projected Completion Date	Concluded Retail Value Per Lot
Estate Lots	100	April 1, 2026	$2,216,478

Cumulative Retail Lot Value - IA #4
We believe a current lot market value of $1,783,110 for 18,195-SF (Cottage) improved Lots and $2,216,478 for 33,583-SF (Estate) improved Lots with a Retrospective Effective Date of April 1, 2026 is accurate and well-supported. Not only do our compiled recent comparable lot sales indicate that price, but numerous conversations with market participants – land developers and homebuilders – regarding current prices of lots within the subject's market indicate that our concluded values per square foot is supported by the current retail price for 18,195-SF (Cottage) lots and 33,583-SF (Estate) lots similar to the subject property. Market participants noted that prices for lots rose significantly in late 2020 and throughout 2025 and into 2026, which followed a spike in the residential housing market in DFW that contributed to a scarcity of vacant developed lots for homebuilders.

As of the Retrospective Effective Date of April 1, 2026, the market value the 18,195-SF (Cottage) lots and 33,583-SF (Estate) lots prices for Veale Ranch PID IA #4 is shown below:

VEALE RANCH PID IA #4					
Total Lots	**Square Footage (SF)**	**Retail Price/Lot**	**Effective Date**	**Price/SF ($/SF)**	**Total Retail Value ($)**
36	18,195-SF	$1,783,110	April 1, 2026	$98/SF	$64,191,960
100	33,583-SF	$2,216,478	April 1, 2026	$66/SF	$221,647,800
136					***$285,839,760***

Next, we will develop an opinion of value for the residential lots for IA #4 using the Discount Cash Flow analysis.

DISCOUNT CASH FLOW ANALYSIS

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

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

Absorption

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

ABSORPTION SCHEDULE FOR VEALE RANCH PID IA #4

Note: Because 7 Cottage lots and 69 Estate lots have already been sold, the appraisers placed those transactions at the front of the absorption schedule. The 2 Cottage lots and 6 Estate lots that are expected to sell in the 2nd quarter of 2026 were then added sequentially on top of the previously sold inventory.

Projected Quarterly Absorption Summary - Veale Ranch PID IA #4

Lot Type	*Apr-2026*	*Jul-2026*	*Oct-2026*	*Jan-2027*	*Apr-2027*	*Jul-2027*	*Oct-2027*	*Jan-2028*
Cottage Lot	9	2	2	2	2	2	2	2
Estate Lot	75	6	6	6	6	1	-	-
Total	**84**	**8**	**8**	**8**	**8**	**3**	**2**	**2**

▼

▼

Projected Quarterly Absorption Summary - Veale Ranch PID IA #4

Lot Type	*Apr-2028*	*Jul-2028*	*Oct-2028*	*Jan-2029*	*Apr-2029*	*Jul-2029*	*Oct-2029*	**TOTAL**
Cottage Lot	2	2	2	2	2	2	1	**36**
Estate Lot	-	-	-	-	-	-	-	**100**
Total	**2**	**2**	**2**	**2**	**2**	**2**	**1**	**136**

Note: Typically, quarters start in January, April, July, and October so we have used those baselines in our analysis. Since the Effective Date is April 1, 2026, our analysis starts at the beginning of the 2nd quarter of 2026.

Value Increases During Sellout Period
Historically, in the sales contracts of volume lot sales in the marketplace, the lot prices are typically adjusted upward at rates ranging from the Wall Street Journal Prime rate (6.75% as of February 2026), plus 1% (annually) up to 7.75%. Contracts between land developers and homebuilders typically have a 6% escalation which is consistent with recent improved lot appreciations over many years. Thus, for valuation purposes moving forward, we have estimated an annual appreciation on the subject's lots at 6% per year which is also consistent with residential real estate appreciation over the past decade. This is also considered reasonable given the lack of available lot and housing supply in the area and the historical realization of interest carry/appreciation by developers within DFW and surrounding market areas.

EXPENSES

Taxes are paid by the developer annually. The estimation of taxes paid per period is based upon the principle that taxes are prorated at closing and are paid in arrears. Therefore, we have deducted taxes based upon the estimated retail market value of the unsold lots. The taxes are prorated in each calendar year based upon the projected sales in each period. The current tax rate for the bulk of the property is **0.02189080 per $100 assessed – 2.189080%** for the purpose of our analysis – with taxes due to the City of Fort Worth, Tarrant County, Tarrant Regional Water District, JPS Health Network, Tarrant County College, and Fort Worth ISD.

Based upon our experience as property tax consultants and information gathered from builders/developers, we do not believe the vacant lots will be assessed for their full market value once Substantial Completion is achieved. We believe the builders will have their lots assessed at approximately 70% of the market value, i.e., if a lot has a retail value of $100,000 then the assessed value will be $70,000. We believe this 30% discount is justified as taxing districts do not typically have access to cost data and assessments typically lag the market. In addition, many taxing districts allow for a 20% builder's inventory reduction.

Cost of Sales has been estimated at 1.5% of gross sales proceeds for various closing costs, surveys, commissions, and title policies.

Marketing expenses are not included as there is a shortage of vacant developed lots on the market and we would expect these lots to be absorbed by volume builders.

Discount Rate
The discount rate utilized herein is essentially an anticipated Internal Rate of Return (IRR) for the subject property, as estimated from investment performance realized by market participants. The discount rate used for the subject should be less than the typical land development project because the value we are determining is for a fully entitled project in a city-approved Planned Development which will have less risk exposure than that of a raw land development. Therefore, it is appropriate to utilize a discount rate adjusted for this risk. The appraisers have included a recent discount rate survey published by Realty Rates that considers the market conditions, risk, entrepreneurial profit, and liquidity inherent in a project such as the subject that developers of similar properties would consider.

RealtyRates.com DEVELOPER SURVEY - 4th Quarter 2025* Texas - Subdivisions & PUDs	Actual Rates			Pro-Forma Rates		
	Min	Max	Avg	Min	Max	Avg
Site-Built Residential	15.59%	33.99%	23.00%	14.97%	32.63%	22.08%
-100 Units	15.59%	29.30%	22.00%	14.97%	28.13%	21.12%
100-500 Units	15.98%	32.23%	23.14%	15.34%	30.94%	22.22%
500+ Units	16.37%	33.70%	23.53%	15.72%	32.35%	22.59%
Mixed Use	16.76%	33.99%	23.34%	16.09%	32.63%	22.41%
Manufactured Housing	16.09%	37.16%	24.70%	15.44%	35.67%	23.71%
-100 Units	16.09%	32.31%	23.72%	15.44%	31.02%	22.77%
100-500 Units	16.49%	35.54%	24.98%	15.83%	34.12%	23.98%
500+ Units	16.89%	37.16%	25.40%	16.22%	35.67%	24.39%
Business Parks	16.05%	35.53%	23.94%	15.40%	34.11%	22.98%
-100 Acres	16.05%	30.90%	23.00%	15.40%	29.66%	22.08%
100-500 Acres	16.45%	33.99%	24.21%	15.79%	32.63%	23.24%
500+ Acres	16.85%	35.53%	24.62%	16.17%	34.11%	23.63%
Industrial Parks	16.12%	29.98%	21.47%	15.47%	28.78%	20.61%
-100 Acres	16.12%	26.07%	20.67%	15.47%	25.03%	19.85%
100-500 Acres	16.52%	28.68%	21.70%	15.86%	27.53%	20.83%
500+ Acres	16.93%	29.98%	22.05%	16.25%	28.78%	21.16%

*3rd Quarter 2025 Data

As shown, the minimum actual rates in Texas range from 15.59% for less than 100 units; 15.98% for 100 to 500 units; and 16.37% for 500+ units with minimum pro-forma rates ranging from 14.97% to 15.72%.

The 7th Edition of the Dictionary of Real Estate Appraisal defines this term as "a discount rate that is adjusted to offset one or more risk factors, i.e., when a future downswing in the business cycle is likely, the risk associated with a project may increase near the end of its term, necessitating a special adjustment to the discount rate. Such discount rates include all of the elements of risk associated with an income stream for a specified period adjusted to offset additional term risk". Thus, it is our opinion that a potential purchaser would expect to receive a much lower return on his investment for a completed project similar to the subject, which has numerous purchasers of the end product relative to that of a vacant tract of land awaiting eventual development (higher risk of escalating costs to site development and of the eventual timing of completion).

Based upon the preceding, an internal rate of return (IRR) that is similar to the minimum actual rates provided by the Realty Rates "Developer Survey" for Texas of 15.98% for 100-500 units; and 15.34% for likewise minimum pro-forma rates is considered reasonable for the subject. Hence, taking into consideration the supply and demand levels within the subject's submarket area, we have selected a discount rate of **16%** for the subject which takes into consideration the degree of risk, developer profit, and the liquidity inherent in a project such as the subject (assisted by involvement of the PID), as well as the current market conditions. To be consistent with the timing of the cash flow, the annual income stream is discounted quarterly with an annual DCF also included. With each of the required elements now identified, we will analyze the subject in DCF analyses as shown on the following pages.

DISCOUNT CASH FLOW (DCF) ANALYSIS - VEALE RANCH PID, IA #4

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

- Substantial Complete April 1, 2026
- Retail lot values: $1,783,110 for 18,195-SF (Cottage) lots
- Retail lot values: $2,216,478 for 33,583-SF (Estate) lots
- 6% Appreciation/Year (1.5%/Quarter)
- 18,195-SF (Cottage) Lots sell at 2/Quarter
- 33,583-SF (Estate) Lots sell at 6/Quarter
- Discount Rate 16% (4.00%/Quarter)
- Tax Expense on Inventory is 2.189080%/Year, 0.54727%/Quarter, but is discounted 30%
- Sales and Marketing Expense (1.5% of Revenue)

At Substantial Completion (April 1, 2026) on the improved lots in Veale Ranch PID IA #4, we believe lot prices will continue to appreciate closer to their historical average which is closer to 6% per year. Thus, we have concluded that current retail improved lot values will be similar when absorption begins. **Therefore, as of the expected Substantial Completion Date (April 1, 2026) the retail lot value for 36 of the 18,195-SF (Cottage) lots is $64,191,960 and 100 of the 33,583-SF (Estate) lots is $221,647,800 with a cumulative value of $285,839,760 as shown in the following table:**

VEALE RANCH PID IA #4					
Total Lots	**Square Footage (SF)**	**Retail Price/Lot**	**Effective Date**	**Price/SF ($/SF)**	**Total Retail Value ($)**
36	18,195-SF	$1,783,110	April 1, 2026	$98/SF	$64,191,960
100	33,583-SF	$2,216,478	April 1, 2026	$66/SF	$221,647,800
136					***$285,839,760***

Discount cash flow analysis was completed on a quarterly and annual basis as a check for reasonableness. The annual DCF is a more rudimentary calculation, and we consider the quarterly analysis to be more accurate. When applying the DCF on a quarterly basis, the discount rate is divided by 4 and a discount rate of 4.00% is applied to each period. Typically, quarters start in January, April, July, and October so we have used those baselines in our analysis. Since the Substantial Completion Date was April 1, 2026, we will analyze on a quarterly basis starting April 2026.

DISCOUNT CASH FLOW DATA – VEALE RANCH PID IA #4 LOTS (QUARTERLY)

	Apr. 2026			Jul. 2026			Oct. 2026		
Lot Type	Starting Units	Lot Price	Sales	Units Available	Lot Price	Sales	Units Available	Lot Price	Sales
Cottage Lot	36	$ 1,783,110	9	27	$ 1,809,857	2	25	$ 1,837,004	2
Estate Lot	100	$ 2,216,478	75	25	$ 2,249,725	6	19	$ 2,283,471	6
Revenue		**$ 182,283,840**			**$ 17,118,064**			**$ 17,374,835**	
Tax Expense		*$ (1,095,021)*			*$ (402,662)*			*$ (342,141)*	
Sales Expense		*$ (2,734,258)*			*$ (256,771)*			*$ (260,623)*	
Net Income		**$ 178,454,562**			**$ 16,458,631**			**$ 16,772,072**	
Factor		**0.981619**			**0.945863**			**0.911410**	
Income Net Present Value (NPV)		**$ 175,174,306**			**$ 15,567,611**			**$ 15,286,233**	

	Jan. 2027			Apr. 2027			Jul. 2027		
Lot Type	Units Available	Lot Price	Sales	Units Available	Lot Price	Sales	Units Available	Lot Price	Sales
Cottage Lot	23	$ 1,864,560	2	21	$ 1,892,528	2	19	$ 1,920,916	2
Estate Lot	13	$ 2,317,723	6	7	$ 2,352,489	6	1	$ 2,387,776	1
Revenue		**$ 17,635,458**			**$ 17,899,990**			**$ 6,229,608**	
Tax Expense		*$ (279,713)*			*$ (215,336)*			*$ (148,965)*	
Sales Expense		*$ (264,532)*			*$ (268,500)*			*$ (93,444)*	
Net Income		**$ 17,091,212**			**$ 17,416,154**			**$ 5,987,199**	
Factor		**0.878212**			**0.846223**			**0.815399**	
Income Net Present Value (NPV)		**$ 15,009,704**			**$ 14,737,948**			**$ 4,881,957**	

	Oct. 2027			Jan. 2028			Apr. 2028		
Lot Type	Units Available	Lot Price	Sales	Units Available	Lot Price	Sales	Units Available	Lot Price	Sales
Cottage Lot	17	$ 1,949,730	2	15	$ 1,978,976	2	13	$ 2,008,660	2
Estate Lot	-	-	-	-	-	-	-	-	-
Revenue		**$ 3,899,459**			**$ 3,957,951**			**$ 4,017,320**	
Tax Expense		*$ (126,976)*			*$ (113,719)*			*$ (100,034)*	
Sales Expense		*$ (58,492)*			*$ (59,369)*			*$ (60,260)*	
Net Income		**$ 3,713,991**			**$ 3,784,863**			**$ 3,857,026**	
Factor		**0.785698**			**0.757079**			**0.729502**	
Income Net Present Value (NPV)		**$ 2,918,076**			**$ 2,865,441**			**$ 2,813,710**	

	Jul. 2028			Oct. 2028			Jan. 2029		
Lot Type	Units Available	Lot Price	Sales	Units Available	Lot Price	Sales	Units Available	Lot Price	Sales
Cottage Lot	11	$ 2,038,790	2	9	$ 2,069,372	2	7	$ 2,100,413	2
Estate Lot	-	-	-	-	-	-	-	-	-
Revenue		**$ 4,077,580**			**$ 4,138,744**			**$ 4,200,825**	
Tax Expense		*$ (85,914)*			*$ (71,348)*			*$ (56,325)*	
Sales Expense		*$ (61,164)*			*$ (62,081)*			*$ (63,012)*	
Net Income		**$ 3,930,502**			**$ 4,005,315**			**$ 4,081,488**	
Factor		**0.702930**			**0.677326**			**0.652654**	
Income Net Present Value (NPV)		**$ 2,762,869**			**$ 2,712,904**			**$ 2,663,801**	

	Apr. 2029			Jul. 2029			Oct. 2029		
`ype	Units Available	Lot Price	Sales	Units Available	Lot Price	Sales	Units Available	Lot Price	Sales
Cottage Lot	5	$2,131,919	2	3	$2,163,897	2	1	$2,196,356	1
Estate Lot	-	-	-	-	-	-	-	-	-
Revenue		**$4,263,837**			**$4,327,795**			**$2,196,356**	
Tax Expense		*$ (40,836)*			*$ (24,869)*			*$ (5,609)*	
Sales Expense		*$ (63,958)*			*$ (64,917)*			*$ (32,945)*	
Net Income		**$4,159,044**			**$4,238,009**			**$2,157,801**	
Factor		**0.628881**			**0.605974**			**0.587524**	
Income Net Present Value (NPV)		**$2,615,546**			**$2,568,125**			**$1,267,760**	

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Total Net Revenue Over ~15 Quarters	***$286,107,870***
Net Present Value (As-Is) at 16% Discount Rate	***$263,845,991***
Rounded	**$263,845,000**

Note: Quarterly discount and appreciation calculations are averaged to the middle of the period.

DISCOUNT CASH FLOW DATA – VEALE RANCH PID IA #4 LOTS (ANNUAL)

	2026			2027		
Lot Type	Starting Units	Lot Price	Sales	Starting Units	Lot Price	Sales
Cottage Lot	36	$ 1,809,857	13	23	$ 1,906,684	8
Estate Lot	100	$ 2,249,725	87	13	$ 2,353,213	13
Revenue		**$ 219,254,226**			**$ 45,845,235**	
Tax Expense		*$ (2,222,892)*			*$ (1,140,770)*	
Sales Expense		*$ (3,288,813)*			*$ (687,679)*	
Net Income		**$ 213,742,521**			**$ 44,016,786**	
Factor		**0.945863**			**0.830668**	
Income Net Present Value (NPV)		**$ 202,171,150**			**$ 36,563,339**	

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	2028			2029		
Lot Type	Starting Units	Lot Price	Sales	Starting Units	Lot Price	Sales
Cottage Lot	15	$ 2,021,085	8	7	$ 2,142,350	8
Estate Lot	-	-	-	-	-	-
Revenue		**$ 16,168,680**			**$ 17,138,801**	
Tax Expense		*$ (464,553)*			*$ (95,750)*	
Sales Expense		*$ (242,530)*			*$ (257,082)*	
Net Income		**$ 15,461,597**			**$ 16,785,969**	
Factor		**0.716093**			**0.644632**	
Income Net Present Value (NPV)		**$ 11,071,944**			**$ 10,820,771**	

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Total Net Revenue Over ~4 Years	***$290,006,873***
Net Present Value (As-Is) at 16% Discount Rate	***$260,627,203***
Rounded	**$260,628,000**

Note: Annual discount and appreciation calculations are averaged to the middle of the period

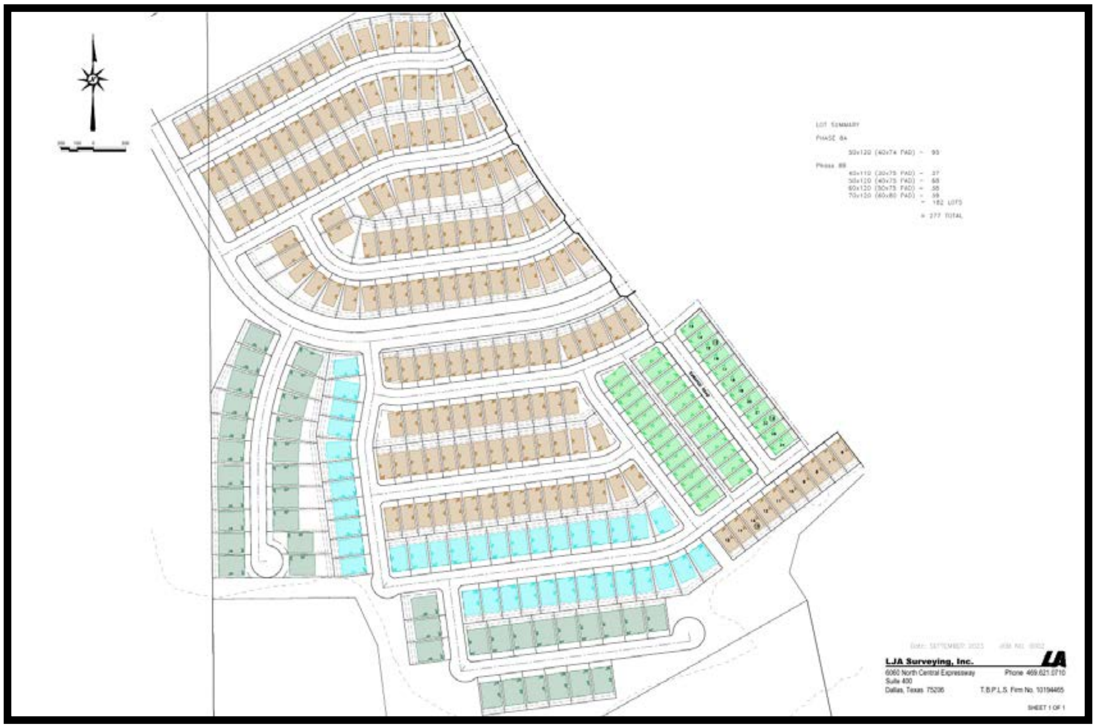
DCF Conclusion (136 Improved Lots) – IA #4
Using the Discount Cash Flow analysis on both a quarterly and annual basis suggests the market value for the 136 improved lots in Veale Ranch PID IA #4 in a bulk sale transaction would be between $260,627,203 and $263,845,991, which is approximately $3,218,788 (1.24%) different. Both annual and quarterly DCF analyses have relevance and are a check of reasonableness on each other, but we consider the quarterly analysis to be the more accurate and precise calculation. Thus, we have determined that the **market value for Veale Ranch PID IA #4 "Upon Completion" with a Retrospective Effective Date of April 1, 2026, for 136 improved lots is $263,845,000 ($1,940,000/lot Rounded)**

INCOME (SUBDIVISION DEVELOPMENT) APPROACH CONCLUSIONS – IA #4
Using the Discount Cash Flow Analysis to determine the net present value as of the expected substantial completion date (April 1, 2026), we have determined the following value for Veale Ranch PID IA #4 as shown in the table below:

INCOME APPROACH VALUE INDICATION	
Fee Simple Interest, Complete April 1, 2026	
Veale Ranch PID IA #4 ***136 Improved Lots on 421.082 Acres***	***$263,845,000 ($1,940,000/Lot Rounded)***

Next, we will value IA #5 utilizing the Income (Subdivision Development) Approach.

INCOME (SUBDIVISION DEVELOPMENT) APPROACH – IMPROVED RESIDENTIAL LOTS (IA #5)



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

In order to complete the analysis, the appraisers:

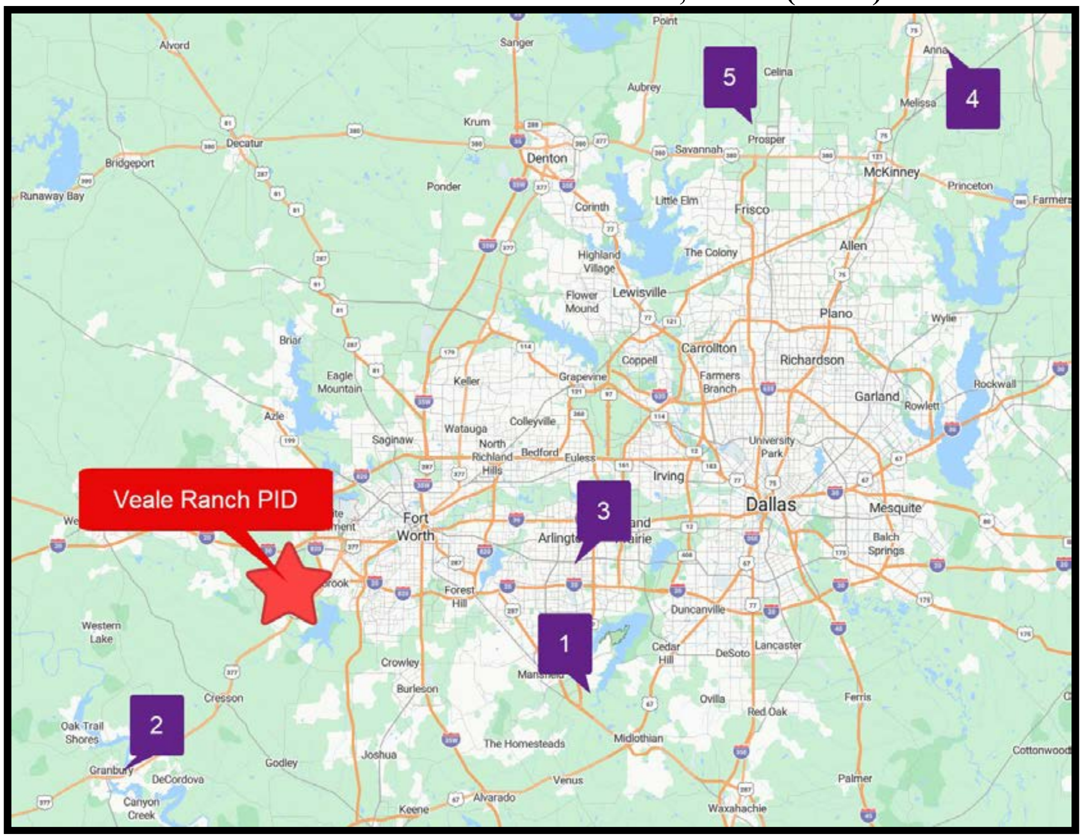
- Determined the value of the lots through aspects of the Sales Comparison Approach based on the concept plan provided by the developers
- Calculated the absorption period (earlier in the report) for the finished lots after construction is complete
- Analyzed the effect of appreciation, taxes, and sales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

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

***Sales Price Per Square Foot** – Obtained by dividing sale price by the square footage of the lot*

Following is our analysis of the 4,400-SF (40-FF), 6,000-SF (50-FF), 7,200-SF (60-FF), and 8,400-SF (70-FF) lots within Veale Ranch PID IA #5.

MAP OF COMPARABLE LOT SALES – 4,400-SF (40-FF) LOTS

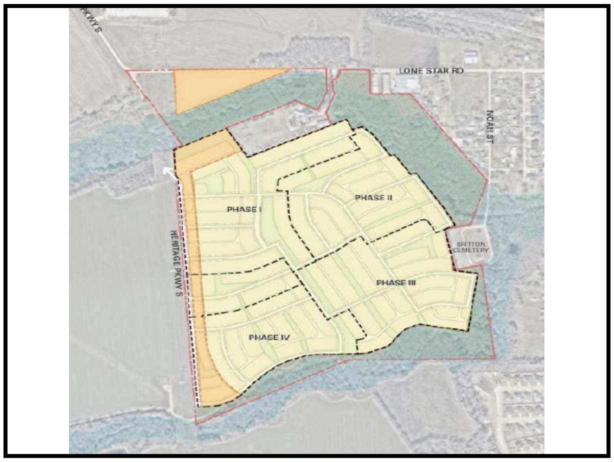


Subject: Veale Ranch PID IA #5, Fort Worth, TX 76126

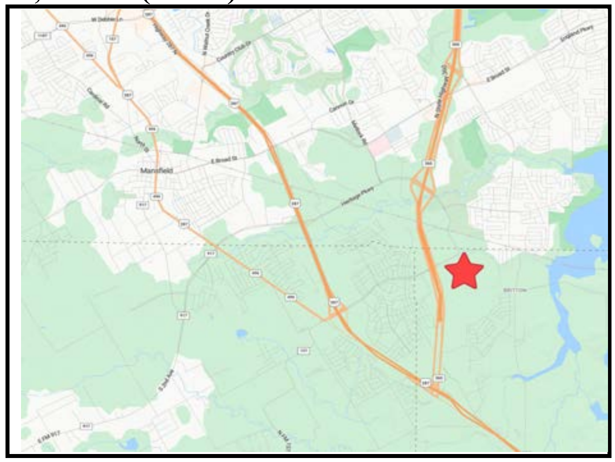
We selected the best and most recent comparable lot sales for our analysis of the 4,400-SF (40-FF) lots. Our five comparable sales are shown below:

SUMMARY OF LOT SALES - 4,400 SF LOTS								
Sale	**Subdivision**	**City**	**ISD**	**Contract Date**	**Sale Date**	**Base Lot Price**	**Square Feet (SF)**	***$/SF***
1	Arcadia Staybolt	Mansfield	Mansfield	May-2025	In-Contract	$108,000	4,950	*$21.82*
2	Thrash	Granbury	Granbury	Jan-2024	Jan-2024	$89,000	3,485	*$25.54*
3	Arlington Manor	Arlington	Arlington	Aug-2023	Aug-2023	$95,000	4,661	*$20.38*
4	Sherley Farms	Anna	Anna	Jun-2025	In-Contract	$119,250	5,400	*$22.08*
5	Light Farms	Celina	Prosper	Aug-2023	Aug-2023	$89,000	4,000	*$22.25*
Subject	**Veale Ranch PID, IA #5**	**Fort Worth**	**Benbrook**	**-**	**-**	**-**	**4,400**	**-**

SALE COMPARABLE 1 – 4,400-SF (40-FF) LOTS



Comparable 1 Aerial

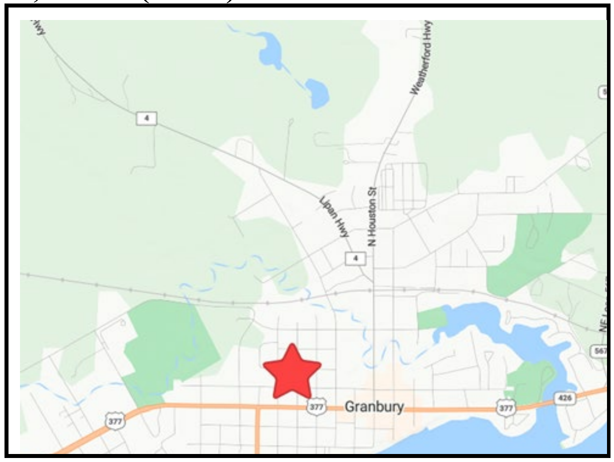


Comparable 1 Map

4,400 SF Sale Comparable 1				
Property Information				
Subdivision Name	Arcadia Staybolt			
Property Class	Residential Lot			
Address	South of Lone Star Road, West of Noah Street, and East of State Highway 360, Mansfield			
County	Ellis			
Property Type	Residential / Multiple Units			
Site Information				
Site Size	4,950	SF	0.11	Acres
Zoning Code	Planned Development			
Shape	Rectangular			
Topography	Basically level			
Available Utilities	All available			
Transaction Information				
Sale Status	In-Contract			
Sale/Contract Date	May - 2025			
Seller	Arcadia Staybolt Plase 1, LLC			
Buyer	Weekly Homes, LLC			
Sale Price	$108,000			
Price per SF Land	**$21.82**			

SALE COMPARABLE 2 – 4,400-SF (40-FF) LOTS

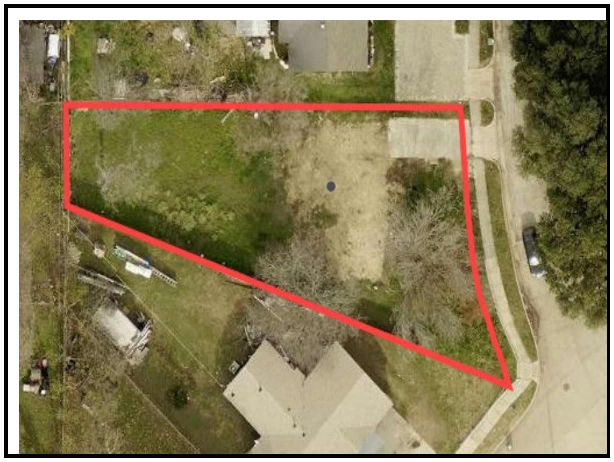
Comparable 2 Aerial



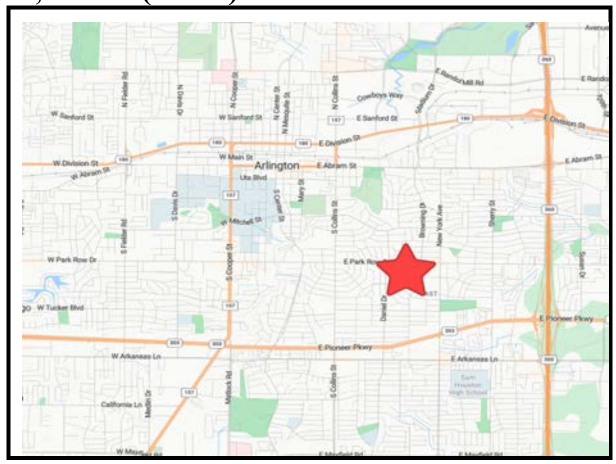
Comparable 2 Map

4,400 SF Sale Comparable 2				
Property Information				
Subdivision Name	Thrash			
Property Class	Residential Lot			
Address	516 West Bridge Street, Granbury			
County	Hood			
Property Type	Residential / Multiple Units			
Site Information				
Site Size	3,485	SF	0.08	Acres
Zoning Code	Single Family-8.4			
Shape	Rectangular			
Topography	Basically level			
Available Utilities	All available			
Transaction Information				
Sale Status	Closed			
Sale/Contract Date	January - 2024			
Seller	Koldus John ET UX Gwen			
Buyer	Cason Nicholas ET UX Amanda			
Sale Price	$89,000			
Price per SF Land	**$25.54**			

SALE COMPARABLE 3 – 4,400-SF (40-FF) LOTS



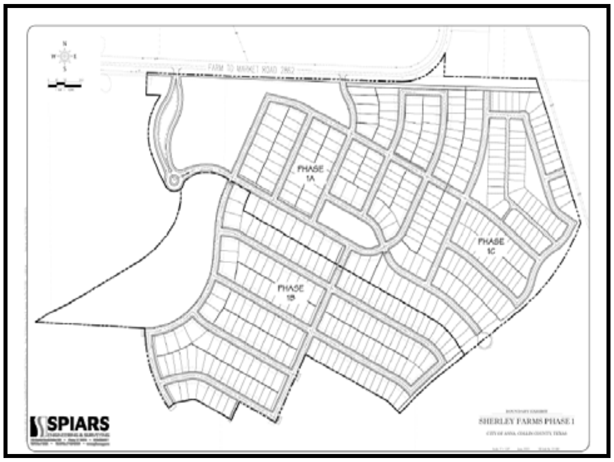
Comparable 3 Aerial



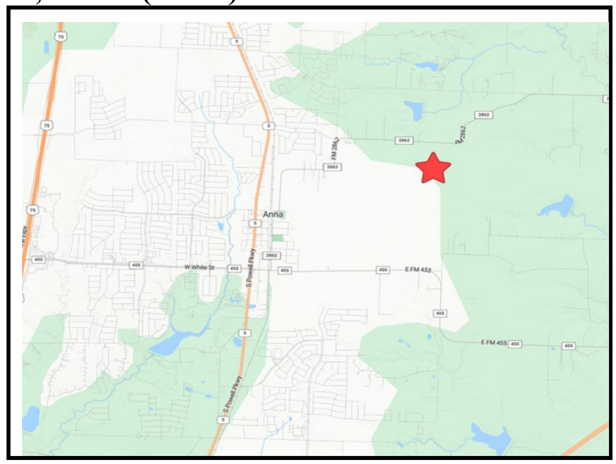
Comparable 3 Map

4,400 SF Sale Comparable 3				
Property Information				
Subdivision Name	Arlington Manor			
Property Class	Residential Lot			
Address	1508 Dale Drive, Arlington			
County	Tarrant			
Property Type	Residential / Multiple Units			
Site Information				
Site Size	4,661	SF	0.11	Acres
Zoning Code	Residential Single-Family - 7.2			
Shape	Irregular			
Topography	Basically level			
Available Utilities	All available			
Transaction Information				
Sale Status	Closed			
Sale/Contract Date	August-2023			
Seller	Casa De Renta 2, LLC			
Buyer	Ector Vazquez			
Sale Price	$95,000			
Price per SF Land	**$20.38**			

SALE COMPARABLE 4 – 4,400-SF (40-FF) LOTS



Comparable 4 Aerial

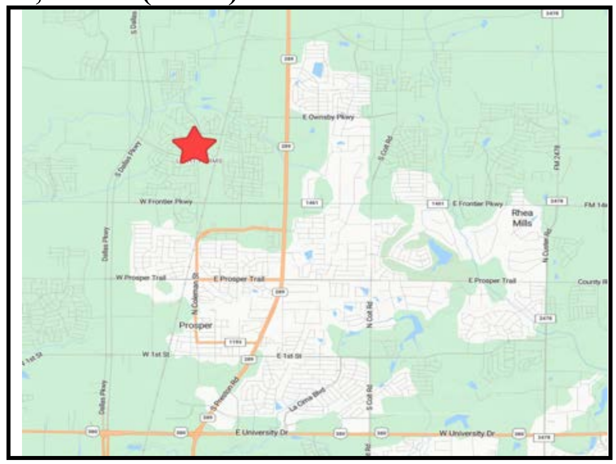


Comparable 4 Map

4,400 SF Sale Comparable 4				
Property Information				
Subdivision Name	Sherley Farms			
Property Class	Residential Lot			
Address	South side of Houston Street, Anna			
County	Collin			
Property Type	Residential / Multiple Units			
Site Information				
Site Size	5,400	SF	0.12	Acres
Zoning Code	Zone 1			
Shape	Rectangular			
Topography	Basically level			
Available Utilities	All available			
Transaction Information				
Sale Status	In-Contract			
Sale/Contract Date	June-2025			
Seller	Tellus-Texas III, LLC			
Buyer	Scott Felder Homes, LLC			
Sale Price	$119,250			
Price per SF Land	**$22.08**			

SALE COMPARABLE 5 – 4,400-SF (40-FF) LOTS

Comparable 5 Aerial



Comparable 5 Map

4,400 SF Sale Comparable 5				
Property Information				
Subdivision Name	Light Farms			
Property Class	Residential Lot			
Address	733 Isabel Street, Celina			
County	Collin			
Property Type	Residential / Multiple Units			
Site Information				
Site Size	4,000	SF	0.09	Acres
Zoning Code	Planned Development			
Shape	Rectangular			
Topography	Basically level			
Available Utilities	All available			
Transaction Information				
Sale Status	Closed			
Sale/Contract Date	August-2023			
Seller	LFC Devco B2G2, LLC			
Buyer	Shaddock Homes, LTD			
Sale Price	$89,000			
Price per SF Land	**$22.25**			

SALES ADJUSTMENT COMPARISON GRID – 4,400-SF (40-FF) LOTS

	Subject	Sale 1	Sale 2	Sale 3	Sale 4	Sale 5
Subdivision	Veale Ranch PID, IA #5	Arcadia Staybolt	Thrash	Arlington Manor	Sherley Farms	Light Farms
	Fort Worth	Mansfield	Granbury	Arlington	Anna	Celina
Transactional Adjustments						
Sales Price/SF		$21.82	$25.54	$20.38	$22.08	$22.25
Rights Conveyed		0%	0%	0%	0%	0%
Sales Price/SF		$21.82	$25.54	$20.38	$22.08	$22.25
Financing Terms		0%	0%	0%	0%	0%
Sales Price/SF		$21.82	$25.54	$20.38	$22.08	$22.25
Conditions of Sale		0%	0%	0%	0%	0%
Sales Price/SF		$21.82	$25.54	$20.38	$22.08	$22.25
Expenditures After Purchase		0%	0%	0%	0%	0%
Sales Price/SF		$21.82	$25.54	$20.38	$22.08	$22.25
Time/Market Conditions		+3%	+7%	+8%	+3%	+8%
ADJUSTED Price/SF:		$22.47	$27.33	$22.01	$22.75	$24.03
Physical Adjustments						
Location/Access	North of Benbrook Bouelvard, Fort Worth	-2%	0%	+2%	+2%	-3%
Amenities	Amenity Center, Pool, Grilling Station, Park, Trails, Greenspace	0%	+8%	+8%	-4%	-2%
Size	4,400-SF	0%	0%	0%	0%	0%
Utilities	All Available	0%	0%	0%	0%	0%
Zoning	Planned Development - 1169	0%	0%	0%	0%	0%
Total Net Physical Adj. After Transactional Adj.		-2%	+8%	+10%	-2%	-5%
ADJUSTED Price/SF:		$22.02	$29.51	$24.21	$22.29	$22.83
SUMMARY OF COMPARABLE VALUES						
Value Range/SF			**$22.02**	**to**	**$29.51**	
Average Value/SF	**$24.17**					
Median Value/SF	**$22.83**					
Size	**4,400-SF**					
Unit Value Indication	**$24.00/SF**					
Overall Value Indication	**$105,600**					
Rounded	**$105,600**					

ANALYSIS OF ADJUSTMENTS – 4,400-SF (40-FF) LOTS

Our research of comparable lot sales leads us to the determination that there have been ample recent transactions within the last few years involving similar properties within the subject's general competing area that could reliably and reasonably be verified through our due diligence. The comparable sales for the subject property had unadjusted contracted base prices ranging from $20.38 per square foot to $25.54 per square foot with all sales being between 3,485-SF and 5,400-SF lot types.

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

Factors to be Considered and Summary of Adjustments

Transactional Adjustments

Property Rights, Financing Terms, and Conditions of Sale
Each of the comparable sales were sold as Fee Simple interests, sales were transferred in cash equivalency, and under typical sale conditions; thus, no adjustments are made for these three factors.

Expenditures After Purchase
Typically, in a master-planned residential community like the subject, municipalities will require impact fees paid for water, sewer, and roadway. These fees will be the responsibility of the homebuilder rather than the developer. Since purchasers of other lots would typically be expected to pay water, sewer, and roadway impact/connection fees, these are not considered atypical and are not included in our analysis.

Time/Market Conditions
The residential real estate market increased significantly in 2020-2025 but now appears to be cooling following another interest rate decrease by the Federal Reserve that has lowered mortgage rates by 7 basis points to 6.15% as of December 2025. Prices increased from 2020-2025 occurred in improved residential homes as well as in vacant developed lots as there was strong demand for lots and new homes. Homebuilders absorbed lots well above the historical norm during this period. We also considered that according to data from Zonda there is a shortage of 4,400-SF vacant developed lots in this market which has driven prices higher even as demand for finished homes has recently diminished.

Considering the residential market data and price increases for recent platted and developed residential lot sales throughout the Metroplex and specifically within Tarrant County which were necessitated based off supply and demand as well as development costs, we believe a market conditions adjustment of +3% year-over year (YoY) increase throughout 2023, 2024, 2025, and into the first quarter of 2026 is warranted and supported for residential developed lots for sale in platted subdivisions, due to the time it takes to get all the city entitlements approved and engineer and zoning costs paid. Platted developed lots on the ground have a faster market sale value increase than would raw land sold for this use. Based on the preceding, each of the comparable lot sales have been adjusted positively between +3% and +8% for Market Conditions depending on the sale date.

Physical Adjustments

Location/Access

The subject property is in a quickly developing area of North Texas in the City of Fort Worth. Development in the subject's area has been increasing and consistent throughout the decades. The subject is located along Benbrook Boulevard, which is a state highway. The area around the subject is primarily single-family developments and agricultural land. Also, in the area there are municipal and commercial uses along Interstate Highway 20 which runs north of the subject.

North of the subject property, about 4 miles, is Benbrook Middle-High School which is one of many high schools in Fort Worth ISD. Fort Worth ISD has a "C" rating from the Texas Education Agency (TEA), however, Benbrook Middle-High School has a "B" rating from TEA. Many future residents looking for a quasi-rural residential neighborhood would likely prefer a smaller and desirable school district than larger school districts more prevalent within DFW. Accessibility is considered average for this area. We have made the following adjustments for Location/Access:

- <u>Sale 1</u>: Superior; Located in Mansfield, which has superior access to commercial uses, and it is located in Mansfield ISD which has a "B" rating and considered to be a similar ISD; Adjusted -2%
- <u>Sale 2</u>: Similar; Located in Granbury, which has similar access to commercial uses, and it is located in Granbury ISD which has a "B" rating and considered to be a similar ISD; Adjusted 0%
- <u>Sale 3</u>: Inferior; Located in Arlington, which has similar access to commercial uses, and it is located in Arlington ISD which has a "C" rating and considered to be an inferior ISD; Adjusted +2%
- <u>Sale 4</u>: Inferior; Located in Anna which has similar access to commercial uses, and it is located in Anna ISD which has a "C" rating and considered to be an inferior ISD; Adjusted +2%
- <u>Sale 5</u>: Superior; Located in Celina, which has similar access to commercial uses, and feeds into Prosper ISD which has an "A" rating and considered to be a superior ISD; Adjusted -3%

Amenities

The subject property's amenities will consist of an amenity center, pool, grilling station, park, trails, and greenspace. According to the site visit, earthwork on the site is underway. The subject's amenities are standard for a master planned community the size of Veale Ranch PID IA #5 development being built-out with 277 homes. We have made the following adjustments for Amenities:

- <u>Sale 1</u>: Similar; Arcadia Staybolt Subdivision, which has similar amenities such as an amenity center, a swimming pool, a playground, trails, and greenspace; Adjusted 0%
- <u>Sale 2</u>: Inferior; Thrash Subdivision, does not have amenities, therefore is inferior to the subject; Adjusted +8%
- <u>Sale 3</u>: Inferior; Arlington Manor Subdivision, does not have amenities, therefore is inferior to the subject; Adjusted +8%
- <u>Sale 4</u>: Superior; Sherley Farms Subdivision, which has superior amenities such as commercial areas, industrial areas, two amenity centers, a fully functioning farm, pocket parks, greenspace, and trails. This comparable has some similar amenities plus commercial and industrial areas and a farm; Adjusted -4%
- <u>Sale 5</u>: Superior; Light Farms Subdivision, which has superior amenities such as pools, sport courts, fitness center, dog park, parks, playgrounds, trails, and greenspace This comparable has some similar amenities plus sport courts, a fitness center, and a dog park; adjusted -2%

Size
Due to economies of scale, smaller lots are expected to sell for a higher price per unit (square footage). Sales 1-5 are between 3,485-SF and 5,400-SF lots that can accommodate a similar building pad, so no adjustment is made for Size.

Utilities
The subject property's improved lots will each have access to electricity, water, sewer, natural gas, and high-speed Internet. Sales 1-5 will also have access to the same utilities as the subject. Therefore, no adjustment is made for Utilities to those comparable sales.

Zoning
The subject property is in a planned development and comparable sales 1-5 are in planned developments with residential subdivision zoning or in residential zoning for similar sized residential lots; thus, no adjustment is made for Zoning.

Conclusion for 4,400-SF (40-FF) Lots – The 4,400-SF (40-FF) Lot Sales have an adjusted range of $22.02/SF to $29.51/SF with an average of $24.17/SF and a median of $22.83/SF. We considered each of the five sales as being reflective of the market and considered increasing land development costs due to increases in material and labor, which has increased the cost to develop a property similar to the subject. We conclude that the retail market value of the **improved 4,400-SF (40-FF) lots is $24.00/SF, or $105,600/Lot.**

Lot Type	Total Lots	Projected Completion Date	Concluded Retail Value Per Lot
4,400-SF Detached Lots	37	April 1, 2026	$105,600

Next, we will analyze the retail market value of the 6,000-SF (50-FF) improved residential lots within IA #5 of Veale Ranch PID.

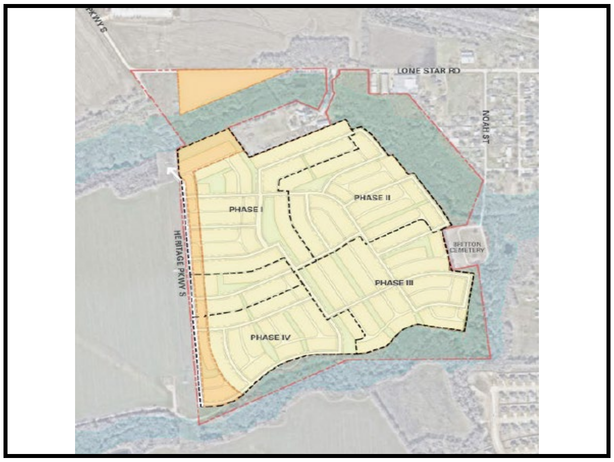
MAP OF COMPARABLE LOT SALES – 6,000-SF (50-FF) LOTS

Subject: Veale Ranch PID IA #5, Fort Worth, TX 76126

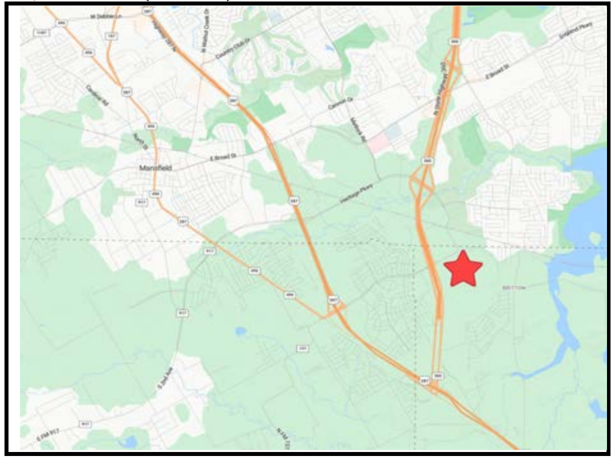
We selected the best and most recent comparable lot sales for our analysis of the 6,000-SF (50-FF) lots. Our five comparable sales are shown below:

SUMMARY OF LOT SALES - 6,000 SF LOTS								
Sale	**Subdivision**	**City**	**ISD**	**Contract Date**	**Sale Date**	**Base Lot Price**	**Square Feet (SF)**	***$/SF***
1	Arcadia Staybolt	Mansfield	Mansfield	May-2025	In-Contract	$108,000	4,950	*$ 21.82*
2	Chaparral Park	Oak Point	Denton	Dec-2023	Closed	$117,500	6,000	*$ 19.58*
3	Sherley Farms	Anna	Anna	Aug-2025	Closed	$135,000	6,500	*$ 20.77*
4	Vineyard Hills	Melissa	Melissa	Jan-2026	In-Contract	$145,000	6,000	*$ 24.17*
5	Sunset Ridge	Fort Worth	Castleberry	Jan-2026	Closed	$227,000	7,754	*$ 29.28*
Subject	**Veale Ranch PID, IA #5**	**Fort Worth**	**Benbrook**	**-**	**-**	**-**	**6,000**	**-**

SALE COMPARABLE 1 – 6,000-SF (50-FF) LOTS



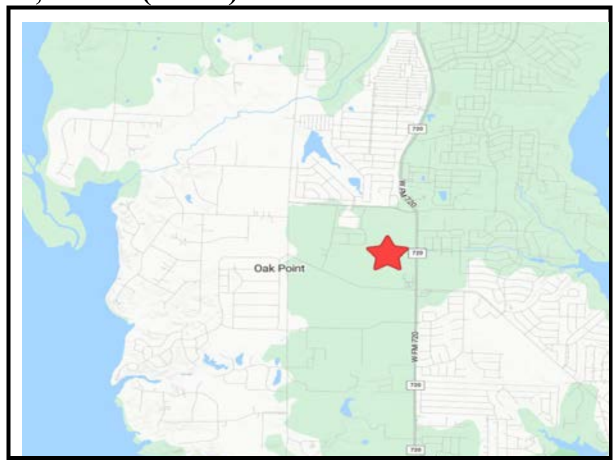
Comparable 1 Aerial


Comparable 1 Map

6,000 SF Sale Comparable 1				
Property Information				
Subdivision Name	Arcadia Staybolt			
Property Class	Residential Lot			
Address	South of Lone Star Road, West of Noah Street, and East of State Highway 360, Mansfield			
County	Ellis			
Property Type	Residential / Multiple Units			
Site Information				
Site Size	4,950	SF	0.11	Acres
Zoning Code	Planned Development			
Shape	Rectangular			
Topography	Basically level			
Available Utilities	All available			
Transaction Information				
Sale Status	In-Contract			
Sale/Contract Date	May - 2025			
Seller	Arcadia Staybolt Plase 1, LLC			
Buyer	Weekly Homes, LLC			
Sale Price	$108,000			
Price per SF Land	**$21.82**			

SALE COMPARABLE 2 – 6,000-SF (50-FF) LOTS

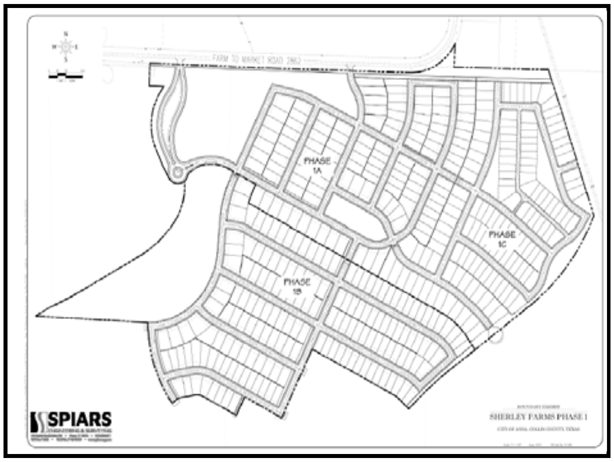
Comparable 2 Aerial



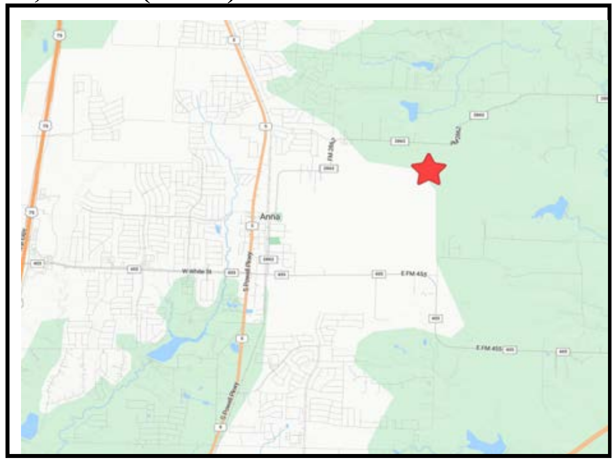
Comparable 2 Map

6,000 SF Sale Comparable 2	
Property Information	
Subdivision Name	Chaparral Park
Property Class	Residential Lot
Address	South side of Martop Road and the west side of West FM 720, Oak Point
County	Denton
Property Type	Residential / Multiple Units
Site Information	
Site Size	6,000 SF 0.14 Acres
Zoning Code	Planned Development
Shape	Rectangular
Topography	Basically level
Available Utilities	All available
Transaction Information	
Sale Status	Closed
Sale/Contract Date	December - 2023
Seller	Bloomfied Homes, LP
Buyer	DFH Covetry, LLC
Sale Price	$117,500
Price per SF Land	**$19.58**

SALE COMPARABLE 3 – 6,000-SF (50-FF) LOTS



Comparable 3 Aerial

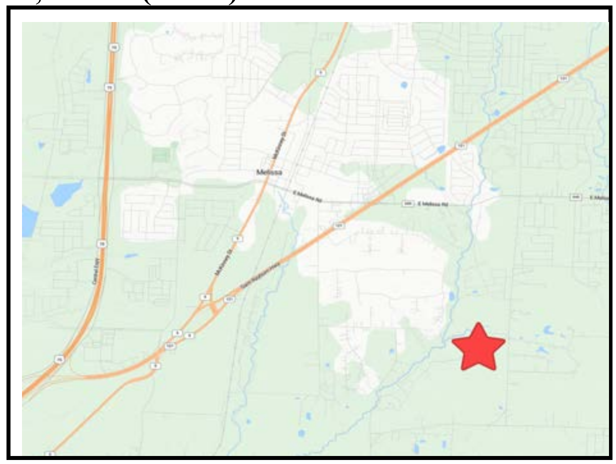


Comparable 3 Map

6,000 SF Sale Comparable 3				
Property Information				
Subdivision Name	Sherley Farms			
Property Class	Residential Lot			
Address	South side of Houston Street, Anna			
County	Collin			
Property Type	Residential / Multiple Units			
Site Information				
Site Size	6,500	SF	0.15	Acres
Zoning Code	Zone 1			
Shape	Rectangular			
Topography	Basically level			
Available Utilities	All available			
Transaction Information				
Sale Status	In-Contract			
Sale/Contract Date	August-2025			
Seller	Tellus-Texas III, LLC			
Buyer	Homebound Technologies, Inc.			
Sale Price	$135,000			
Price per SF Land	**$20.77**			

SALE COMPARABLE 4 – 6,000-SF (50-FF) LOTS

Comparable 4 Aerial

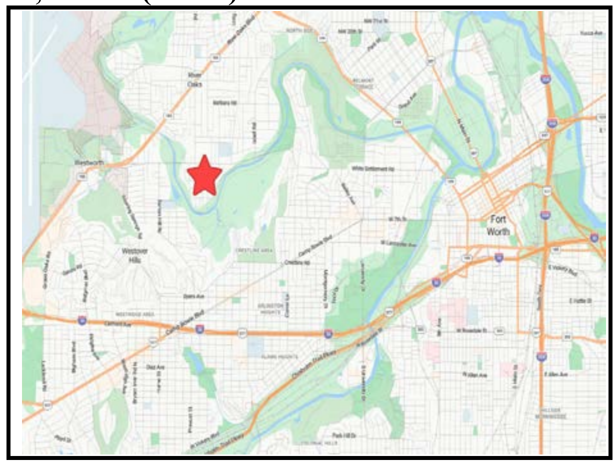


Comparable 4 Map

6,000 SF Sale Comparable 4				
Property Information				
Subdivision Name	Vineyard Hills			
Property Class	Residential Lot			
Address	Southwest quadrant of County Road 1217 and Milrany Lane, Melissa			
County	Collin			
Property Type	Residential / Multiple Units			
Site Information				
Site Size	6,000	SF	0.14	Acres
Zoning Code	Planned Development			
Shape	Rectangular			
Topography	Basically level			
Available Utilities	All available			
Transaction Information				
Sale Status	In-Contract			
Sale/Contract Date	January - 2026			
Seller	OMA Melissa, LLC			
Buyer	Weekly Homes, LLC			
Sale Price	$145,000			
Price per SF Land	**$24.17**			

SALE COMPARABLE 5 – 6,000-SF (50-FF) LOTS

Comparable 5 Aerial



Comparable 5 Map

6,000 SF Sale Comparable 5				
Property Information				
Subdivision Name	Sunset Ridge			
Property Class	Residential Lot			
Address	225 Sunset Lane, Fort Worth			
County	Tarrant			
Property Type	Residential / Multiple Units			
Site Information				
Site Size	7,754	SF	0.18	Acres
Zoning Code	Two Family			
Shape	Rectangular			
Topography	Basically level			
Available Utilities	All available			
Transaction Information				
Sale Status	Closed			
Sale/Contract Date	January - 2026			
Seller	Strong Living Trust			
Buyer	Boston Rouge, LLC			
Sale Price	$227,000			
Price per SF Land	**$29.28**			

SALES ADJUSTMENT COMPARISON GRID – 6,000-SF (50-FF) LOTS

	Subject	Sale 1	Sale 2	Sale 3	Sale 4	Sale 5
Subdivision	**Veale Ranch PID, IA #5**	**Arcadia Staybolt**	**Chaparral Park**	**Sherley Farms**	**Vineyard Hills**	**Sunset Ridge**
	Fort Worth	**Mansfield**	**Oak Point**	**Anna**	**Melissa**	**Fort Worth**
Transactional Adjustments						
Sales Price/SF		$21.82	$19.58	$20.77	$24.17	$29.28
Rights Conveyed		0%	0%	0%	0%	0%
Sales Price/SF		$21.82	$19.58	$20.77	$24.17	$29.28
Financing Terms		0%	0%	0%	0%	0%
Sales Price/SF		$21.82	$19.58	$20.77	$24.17	$29.28
Conditions of Sale		0%	0%	0%	0%	0%
Sales Price/SF		$21.82	$19.58	$20.77	$24.17	$29.28
Expenditures After Purchase		0%	0%	0%	0%	0%
Sales Price/SF		$21.82	$19.58	$20.77	$24.17	$29.28
Time/Market Conditions		+3%	+7%	+2%	0%	0%
ADJUSTED Price/SF:		$22.47	$20.95	$21.18	$24.17	$29.28
Physical Adjustments						
Location/Access	North of Benbrook Bouelvard, Fort Worth	-2%	-2%	+2%	-3%	0%
Amenities	Amenity Center, Pool, Grilling Station, Park, Trails, Greenspace	0%	-3%	-4%	0%	+6%
Size	6,000-SF	-3%	0%	0%	0%	0%
Utilities	All Available	0%	0%	0%	0%	0%
Zoning	Planned Development - 1169	0%	0%	0%	0%	0%
Total Net Physical Adj. After Transactional Adj.		-5%	-5%	-2%	-3%	+6%
ADJUSTED Price/SF:		$21.35	$19.91	$20.76	$23.44	$31.03
SUMMARY OF COMPARABLE VALUES						
Value Range/SF			**$19.91**	**to**	**$31.03**	
Average Value/SF	**$23.30**					
Median Value/SF	**$21.35**					
Size	**6,000-SF**					
Unit Value Indication	**$23.30/SF**					
Overall Value Indication	**$139,800**					
Rounded	**$139,800**					

ANALYSIS OF ADJUSTMENTS –6,000-SF (50-FF) LOTS

Our research of comparable lot sales leads us to the determination that there have been ample recent transactions within the last few years involving similar properties within the subject's general competing area that could reliably and reasonably be verified through our due diligence. The comparable sales for the subject property had unadjusted contracted base prices ranging from $19.58 per square foot to $29.28 per square foot with all sales being between 4,950-SF and 7,754-SF lot types.

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

Factors to be Considered and Summary of Adjustments

Transactional Adjustments

Property Rights, Financing Terms, and Conditions of Sale
Each of the comparable sales were sold as Fee Simple interests, sales were transferred in cash equivalency, and under typical sale conditions; thus, no adjustments are made for these three factors.

Expenditures After Purchase
Typically, in a master-planned residential community like the subject, municipalities will require impact fees paid for water, sewer, and roadway. These fees will be the responsibility of the homebuilder rather than the developer. Since purchasers of other lots would typically be expected to pay water, sewer, and roadway impact/connection fees, these are not considered atypical and are not included in our analysis.

Time/Market Conditions
The residential real estate market increased significantly in 2020-2025 but now appears to be cooling following another interest rate decrease by the Federal Reserve that has lowered mortgage rates by 7 basis points to 6.15% as of December 2025. Prices increased from 2020-2025 occurred in improved residential homes as well as in vacant developed lots as there was strong demand for lots and new homes. Homebuilders absorbed lots well above the historical norm during this period. We also considered that according to data from Zonda there is a shortage of 6,000-SF vacant developed lots in this market which has driven prices higher even as demand for finished homes has recently diminished.

Considering the residential market data and price increases for recent platted and developed residential lot sales throughout the Metroplex and specifically within Tarrant County which were necessitated based off supply and demand as well as development costs, we believe a market conditions adjustment of +3% year-over year (YoY) increase throughout 2023, 2024, 2025, and into the first quarter of 2026 is warranted and supported for residential developed lots for sale in platted subdivisions, due to the time it takes to get all the city entitlements approved and engineer and zoning costs paid. Platted developed lots on the ground have a faster market sale value increase than would raw land sold for this use. Based on the preceding, each of the comparable lot sales have been adjusted positively between 0% and +7% for Market Conditions depending on the sale date.

Physical Adjustments

Location/Access

The subject property is in a quickly developing area of North Texas in the City of Fort Worth. Development in the subject's area has been increasing and consistent throughout the decades. The subject is located along Benbrook Boulevard, which is a state highway. The area around the subject is primarily single-family developments and agricultural land. Also, in the area there are municipal and commercial uses along Interstate Highway 20 which runs north of the subject.

North of the subject property, about 4 miles, is Benbrook Middle-High School which is one of many high schools in Fort Worth ISD. Fort Worth ISD has a "C" rating from the Texas Education Agency (TEA), however, Benbrook Middle-High School has a "B" rating from TEA. Many future residents looking for a quasi-rural residential neighborhood would likely prefer a smaller and desirable school district than larger school districts more prevalent within DFW. Accessibility is considered average for this area. We have made the following adjustments for Location/Access:

- Sale 1: Superior; Located in Mansfield, which has superior access to commercial uses, and it is located in Mansfield ISD which has a "B" rating and considered to be a similar ISD; Adjusted -2%
- Sale 2: Superior; Located in Oak Point, which has superior access to commercial uses, and it is located in Denton ISD which has a "B" rating and considered to be a similar ISD; Adjusted -2%
- Sale 3: Inferior; Located in Anna, which has similar access to commercial uses, and it is located in Anna ISD which has a "C" rating and considered to be an inferior ISD; Adjusted +2%
- Sale 4: Superior; Located in Melissa which has similar access to commercial uses, and it is located in Melissa ISD which has an "A" rating and considered to be a superior ISD; Adjusted -3%
- Sale 5: Similar; Located in Fort Worth, which has similar access to commercial uses, and it is located in Castleberry ISD which has a "B" rating and considered to be a similar ISD; Adjusted 0%

Amenities

The subject property's amenities will consist of an amenity center, pool, grilling station, park, trails, and greenspace. According to the site visit, earthwork on the site is underway. The subject's amenities are standard for a master planned community the size of Veale Ranch PID IA #5 development being built-out with 277 homes. We have made the following adjustments for Amenities:

- Sale 1: Similar; Arcadia Staybolt Subdivision, which has similar amenities such as an amenity center, a swimming pool, a playground, trails, and greenspace; Adjusted 0%
- Sale 2: Superior; Chaparral Park Subdivision, which has superior amenities such as a commercial center, amenity center, pool, open spaces, trails, and an elementary school. This comparable has some similar amenities plus commercial area and elementary school; Adjusted -3%
- Sale 3: Superior; Sherley Farms Subdivision, which has superior amenities such as commercial areas, industrial areas, two amenity centers, a fully functioning farm, pocket parks, greenspace, and trails. This comparable has some similar amenities plus commercial and industrial areas and a farm; Adjusted -4%
- Sale 4: Similar; Vineyard Hills Subdivision, which has similar amenities such as an amenity center, pool, park, trails, and greenspace; Adjusted 0%
- Sale 5: Inferior; Sunset Ridge Subdivision, does not have amenities, therefore is inferior to the subject; adjusted +6%

Size
Due to economies of scale, smaller lots are expected to sell for a higher price per unit (square footage). Sales 2-5 are between 6,000-SF and 7,754-SF lots that can accommodate a similar building pad, so no adjustment is made for Size for Sales 2-5. Sale 1 is a 4,950-SF lot that can accommodate a smaller building pad, so an adjustment of -3% is made for Size to Sale 1.

Utilities
The subject property's improved lots will each have access to electricity, water, sewer, natural gas, and high-speed Internet. Sales 1-5 will also have access to the same utilities as the subject. Therefore, no adjustment is made for Utilities to those comparable sales.

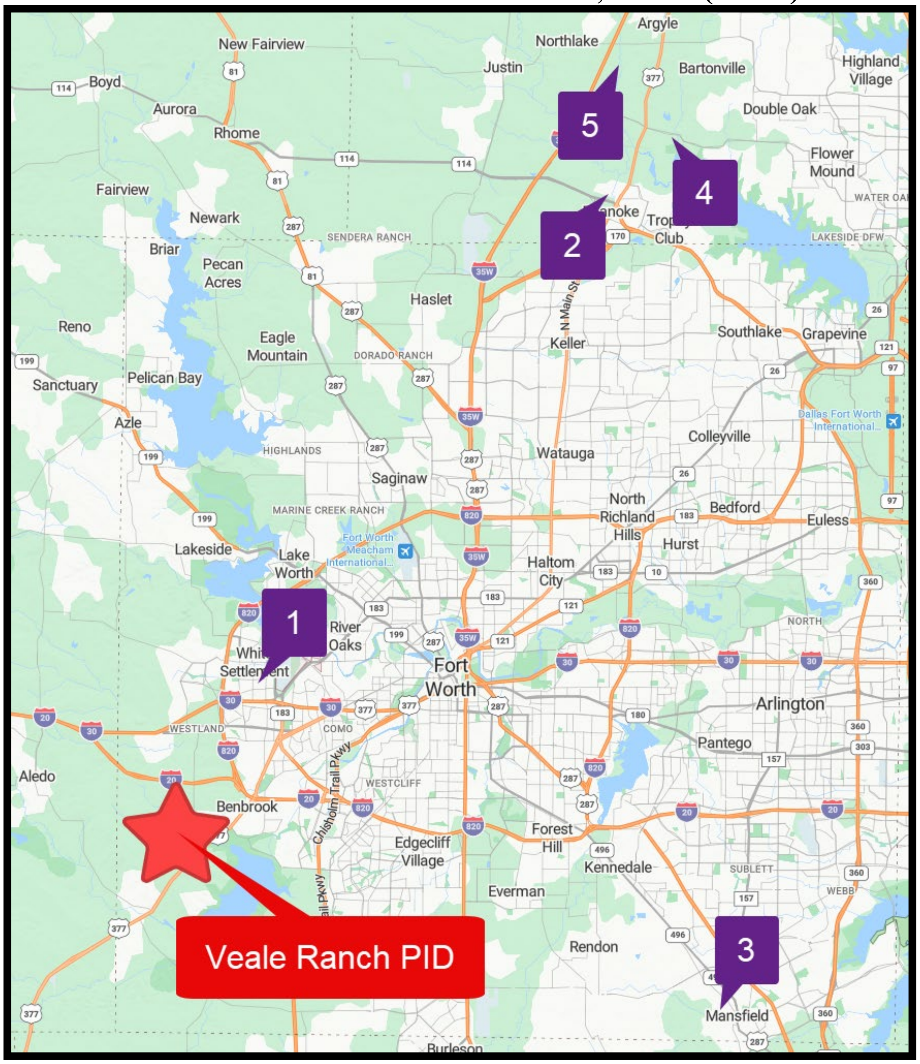
Zoning
The subject property is in a planned development and comparable sales 1-5 are in planned developments with residential subdivision zoning or in residential zoning for similar sized residential lots; thus, no adjustment is made for Zoning.

Conclusion for 6,000-SF (50-FF) Lots – The 6,000-SF (50-FF) Lot Sales have an adjusted range of $19.91/SF to $31.03/SF with an average of $23.30/SF and a median of $21.35/SF. We considered each of the five sales as being reflective of the market and considered increasing land development costs due to increases in material and labor, which has increased the cost to develop a property similar to the subject. We conclude that the retail market value of the **improved 6,000-SF (50-FF) lots is $23.30/SF, or $139,800/Lot.**

Lot Type	Total Lots	Projected Completion Date	Concluded Retail Value Per Lot
6,000 SF Detached Lots	163	April 1, 2026	$139,800

Next, we will analyze the retail market value of the 7,200-SF (60-FF) improved residential lots within IA #5 of Veale Ranch PID.

MAP OF COMPARABLE LOT SALES – 7,200-SF (60-FF) LOTS



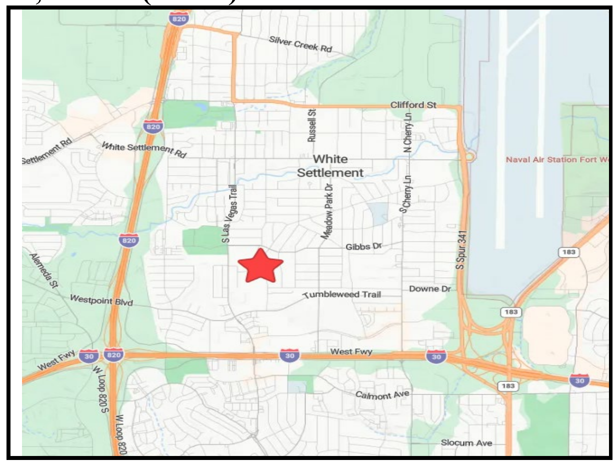
Subject: Veale Ranch PID IA #5, Fort Worth, TX 76126

We selected the best and most recent comparable lot sales for our analysis of the 7,200-SF (60-FF lots). Our five comparable sales are shown below:

SUMMARY OF LOT SALES - 7,200 SF LOTS								
Sale	Subdivision	City	ISD	Contract Date	Sale Date	Base Lot Price	Square Feet (SF)	$/SF
1	Meadow Park	White Settlement	White Settlement	Feb-2024	Closed	$155,000	7,499	*$ 20.67*
2	Briarwyck Addition	Roanoke	Northwest	Feb-2024	Closed	$150,000	7,449	*$ 20.14*
3	Sallie Gray Maxwell Addition	Mansfield	Mansfield	Oct-2025	Closed	$145,000	7,405	*$ 19.58*
4	Roanoke Hills	Flower Mound	Northwest	Feb - 2024	Closed	$145,000	8,168	*$ 17.75*
5	Avalon at Argyle	Argyle	Argyle	Dec-2024	Closed	$132,000	7,200	*$ 18.33*
Subject	**Veale Ranch PID, IA #5**	**Fort Worth**	**Benbrook**	**-**	**-**	**-**	**7,200**	**-**

SALE COMPARABLE 1 – 7,200-SF (60-FF) LOTS

Comparable 1 Aerial

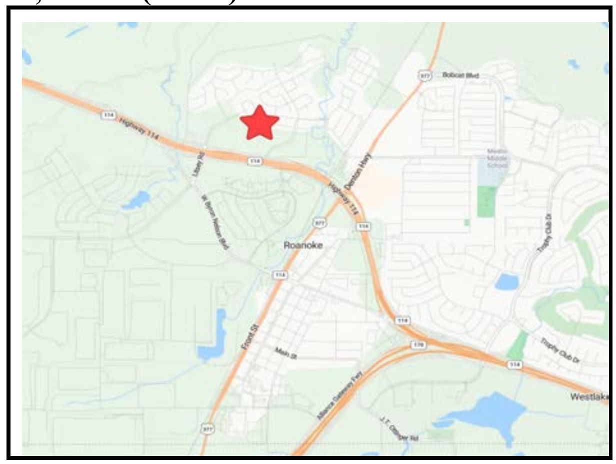


Comparable 1 Map

7,200 SF Sale Comparable 1				
Property Information				
Subdivision Name	Meadow Park			
Property Class	Residential Lot			
Address	1018 Lake View Ridge, White Settlement			
County	Tarrant			
Property Type	Residential / Multiple Units			
Site Information				
Site Size	7,499	SF	0.17	Acres
Zoning Code	Single Family Residential			
Shape	Rectangular			
Topography	Basically level			
Available Utilities	All available			
Transaction Information				
Sale Status	Closed			
Sale/Contract Date	February - 2024			
Seller	Elizabeth Villapando			
Buyer	Estela Larma Alenis			
Sale Price	$155,000			
Price per SF Land	**$20.67**			

SALE COMPARABLE 2 – 7,200-SF (60-FF) LOTS

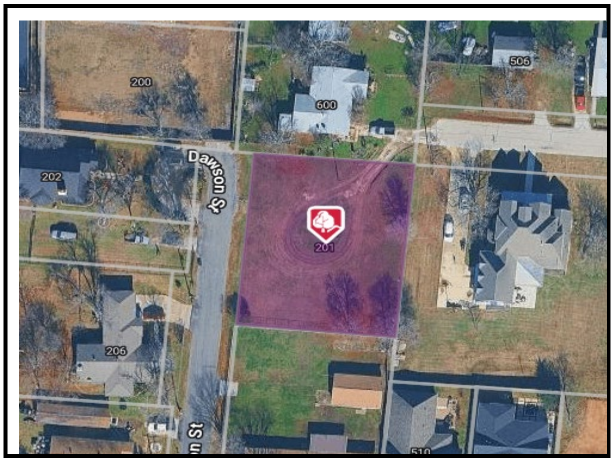
Comparable 2 Aerial



Comparable 2 Map

7,200 SF Sale Comparable 2				
Property Information				
Subdivision Name	Briarwyck Addition			
Property Class	Residential Lot			
Address	425 Bristol Street, Roanoke			
County	Denton			
Property Type	Residential / Multiple Units			
Site Information				
Site Size	7,449	SF	0.17	Acres
Zoning Code	Planned Development			
Shape	Rectangular			
Topography	Basically level			
Available Utilities	All available			
Transaction Information				
Sale Status	Closed			
Sale/Contract Date	February - 2024			
Seller	Brasswood Construction, LLC			
Buyer	Wyatt Hall & Baylie Jeppesen			
Sale Price	$150,000			
Price per SF Land	**$20.14**			

SALE COMPARABLE 3 – 7,200-SF (60-FF) LOTS



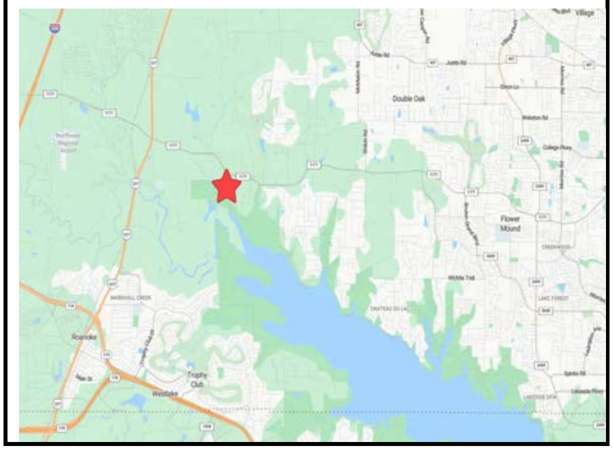
Comparable 3 Aerial

Comparable 3 Map

7,200 SF Sale Comparable 3				
Property Information				
Subdivision Name	Sallie Gray Maxwell Addition			
Property Class	Residential Lot			
Address	201 Dawson Street, Mansfield			
County	Tarrant			
Property Type	Residential / Multiple Units			
Site Information				
Site Size	7,405	SF	0.17	Acres
Zoning Code	Single-Family - 7.5/12			
Shape	Rectangular			
Topography	Basically level			
Available Utilities	All available			
Transaction Information				
Sale Status	Closed			
Sale/Contract Date	October-2025			
Seller	Tina Hanson & Edgar Ayers			
Buyer	Maxwell Sallie Gray			
Sale Price	$145,000			
Price per SF Land	**$19.58**			

SALE COMPARABLE 4 – 7,200-SF (60-FF) LOTS

Comparable 4 Aerial

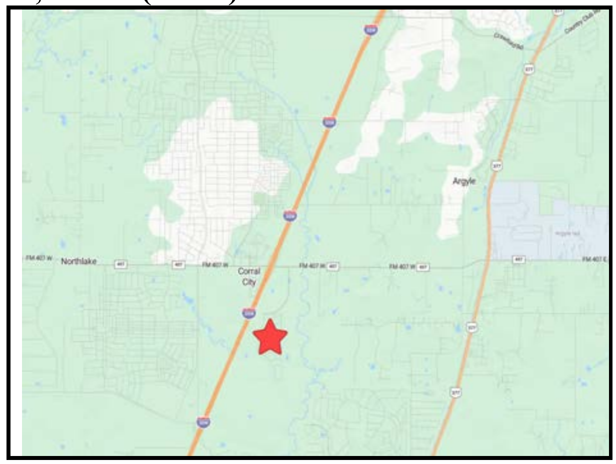


Comparable 4 Map

7,200 SF Sale Comparable 4				
Property Information				
Subdivision Name	Roanoke Hills			
Property Class	Residential Lot			
Address	9205 Cherokee Trail, Flower Mound			
County	Denton			
Property Type	Residential / Multiple Units			
Site Information				
Site Size	8,168	SF	0.19	Acres
Zoning Code	Single Family-10			
Shape	Irregular			
Topography	Basically level			
Available Utilities	All available			
Transaction Information				
Sale Status	Closed			
Sale/Contract Date	February - 2024			
Seller	Isabrl Cano & Cesar Venzor			
Buyer	Yassine Elkhayat & Neveen Sami Hamada			
Sale Price	$145,000			
Price per SF Land	**$17.75**			

SALE COMPARABLE 5 – 7,200-SF (60-FF) LOTS


Comparable 5 Aerial



Comparable 5 Map

7,200 SF Sale Comparable 5				
Property Information				
Subdivision Name	Avalon at Argyle			
Property Class	Residential Lot			
Address	East side of Avalon Boulevard and South of Farm to Market Road 407 West, Argyle			
County	Denton			
Property Type	Residential / Multiple Units			
Site Information				
Site Size	7,200	SF	0.17	Acres
Zoning Code	Planned Development			
Shape	Rectangular			
Topography	Basically level			
Available Utilities	All available			
Transaction Information				
Sale Status	Closed			
Sale/Contract Date	December - 2024			
Seller	CADG Avalon at Argyle, LLC			
Buyer	DR Horton Homes			
Sale Price	$132,000			
Price per SF Land	**$18.33**			

SALES ADJUSTMENT COMPARISON GRID – 7,200-SF (60-FF) LOTS

	Subject	Sale 1	Sale 2	Sale 3	Sale 4	Sale 5
Subdivision	Veale Ranch PID, IA #5	Meadow Park	Briarwyck Addition	Sallie Gray Maxwell Addition	Roanoke Hills	Avalon at Argyle
	Fort Worth	White Settlement	Roanoke	Mansfield	Flower Mound	Argyle
Transactional Adjustments						
Sales Price/SF		$20.67	$20.14	$19.58	$17.75	$18.33
Rights Conveyed		0%	0%	0%	0%	0%
Sales Price/SF		$20.67	$20.14	$19.58	$17.75	$18.33
Financing Terms		0%	0%	0%	0%	0%
Sales Price/SF		$20.67	$20.14	$19.58	$17.75	$18.33
Conditions of Sale		0%	0%	0%	0%	0%
Sales Price/SF		$20.67	$20.14	$19.58	$17.75	$18.33
Expenditures After Purchase		0%	0%	0%	0%	0%
Sales Price/SF		$20.67	$20.14	$19.58	$17.75	$18.33
Time/Market Conditions		+7%	+7%	+2%	+7%	+4%
ADJUSTED Price/SF:		$22.12	$21.55	$19.97	$18.99	$19.07
Physical Adjustments						
Location/Access	North of Benbrook Bouelvard, Fort Worth	+2%	0%	-3%	-3%	-5%
Amenities	Amenity Center, Pool, Grilling Station, Park, Trails, Greenspace	+8%	+2%	+8%	+3%	0%
Size	7,200-SF	0%	0%	0%	0%	0%
Utilities	All Available	0%	0%	0%	0%	0%
Zoning	Planned Development - 1169	0%	0%	0%	0%	0%
Total Net Physical Adj. After Transactional Adj.		+10%	+2%	+5%	0%	-5%
ADJUSTED Price/SF:		$24.33	$21.98	$20.97	$18.99	$18.11
SUMMARY OF COMPARABLE VALUES						
Value Range/SF			**$18.11**	**to**	**$24.33**	
Average Value/SF	**$20.88**					
Median Value/SF	**$20.97**					
Size	**7,200-SF**					
Unit Value Indication	**$20.90/SF**					
Overall Value Indication	**$150,480**					
Rounded	**$150,500**					

ANALYSIS OF ADJUSTMENTS – 7,200-SF (60-FF) LOTS

Our research of comparable lot sales leads us to the determination that there have been ample recent transactions within the last few years involving similar properties within the subject's general competing area that could reliably and reasonably be verified through our due diligence. The comparable sales for the subject property had unadjusted contracted base prices ranging from $17.75 per square foot to $20.67 per square foot with all sales being between 7,200-SF and 8,168-SF lot types.

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

Factors to be Considered and Summary of Adjustments

Transactional Adjustments

Property Rights, Financing Terms, and Conditions of Sale
Each of the comparable sales were sold as Fee Simple interests, sales were transferred in cash equivalency, and under typical sale conditions; thus, no adjustments are made for these three factors.

Expenditures After Purchase
Typically, in a master-planned residential community like the subject, municipalities will require impact fees paid for water, sewer, and roadway. These fees will be the responsibility of the homebuilder rather than the developer. Since purchasers of other lots would typically be expected to pay water, sewer, and roadway impact/connection fees, these are not considered atypical and are not included in our analysis.

Time/Market Conditions
The residential real estate market increased significantly in 2020-2025 but now appears to be cooling following another interest rate decrease by the Federal Reserve that has lowered mortgage rates by 7 basis points to 6.15% as of December 2025. Prices increased from 2020-2025 occurred in improved residential homes as well as in vacant developed lots as there was strong demand for lots and new homes. Homebuilders absorbed lots well above the historical norm during this period. We also considered that according to data from Zonda there is a shortage of 7,200-SF vacant developed lots in this market which has driven prices higher even as demand for finished homes has recently diminished.

Considering the residential market data and price increases for recent platted and developed residential lot sales throughout the Metroplex and specifically within Tarrant County which were necessitated based off supply and demand as well as development costs, we believe a market conditions adjustment of +3% year-over year (YoY) increase throughout 2023, 2024, 2025, and into the first quarter of 2026 is warranted and supported for residential developed lots for sale in platted subdivisions, due to the time it takes to get all the city entitlements approved and engineer and zoning costs paid. Platted developed lots on the ground have a faster market sale value increase than would raw land sold for this use. Based on the preceding, each of the comparable lot sales have been adjusted positively between +2% and +7% for Market Conditions depending on the sale date.

Physical Adjustments

Location/Access

The subject property is in a quickly developing area of North Texas in the City of Fort Worth. Development in the subject's area has been increasing and consistent throughout the decades. The subject is located along Benbrook Boulevard, which is a state highway. The area around the subject is primarily single-family developments and agricultural land. Also, in the area there are municipal and commercial uses along Interstate Highway 20 which runs north of the subject.

North of the subject property, about 4 miles, is Benbrook Middle-High School which is one of many high schools in Fort Worth ISD. Fort Worth ISD has a "C" rating from the Texas Education Agency (TEA), however, Benbrook Middle-High School has a "B" rating from TEA. Many future residents looking for a quasi-rural residential neighborhood would likely prefer a smaller and desirable school district than larger school districts more prevalent within DFW. Accessibility is considered average for this area. We have made the following adjustments for Location/Access:

- Sale 1: Inferior; Located in White Settlement, which has similar access to commercial uses, and it is located in White Settlement ISD which has a "C" rating and considered to be an inferior ISD; Adjusted +2%
- Sale 2: Similar; Located in Roanoke, which has similar access to commercial uses, and it is located in Northwest ISD which has a "B" rating and considered to be a similar ISD; Adjusted 0%
- Sale 3: Superior; Located in Mansfield, which has superior access to commercial uses, and it is located in Mansfield ISD which has a "B" rating and considered to be a similar ISD; Adjusted -3%
- Sale 4: Superior; Located in Flower Mound, which has superior access to commercial uses, and it is located in Northwest ISD which has a "B" rating and considered to be a similar ISD; Adjusted -3%
- Sale 5: Superior; Located in the Argyle, which has superior access to commercial uses, and it is located Argyle ISD which has an "A" rating and considered to be a superior ISD; Adjusted -5%

Amenities

The subject property's amenities will consist of an amenity center, pool, grilling station, park, trails, and greenspace. According to the site visit, earthwork on the site is underway. The subject's amenities are standard for a master planned community the size of Veale Ranch PID IA #5 development being built-out with 277 homes. We have made the following adjustments for Amenities:

- Sale 1: Inferior; Meadow Park Subdivision, does not have amenities, therefore is inferior to the subject; Adjusted +8%
- Sale 2: Inferior; Briarwyck Addition Subdivision, which has inferior amenities such as a pool, trails, and greenspace. However, it does not have a park or grilling station; Adjusted +2%
- Sale 3: Inferior; Sallie Gray Maxwell Addition Subdivision, does not have amenities, therefore is inferior to the subject; Adjusted +8%
- Sale 4: Inferior; Roanoke Hills Subdivision, which has inferior amenities such as biking and walking trails and greenspace However, it does not have a pool, amenity center, or grilling station; Adjusted +3%
- Sale 5: Similar; Avalon at Argyle Subdivision, which has similar amenities such as a pool, playground, park, trails, and greenspace; adjusted 0%

Size

Due to economies of scale, smaller lots are expected to sell for a higher price per unit (square footage). Sales 1-5 are between 7,200-SF and 8,168-SF lots that can accommodate a similar building pad, so no adjustment is made for Size.

Utilities
The subject property's improved lots will each have access to electricity, water, sewer, natural gas, and high-speed Internet. Sales 1-5 will also have access to the same utilities as the subject. Therefore, no adjustment is made for Utilities to those comparable sales.

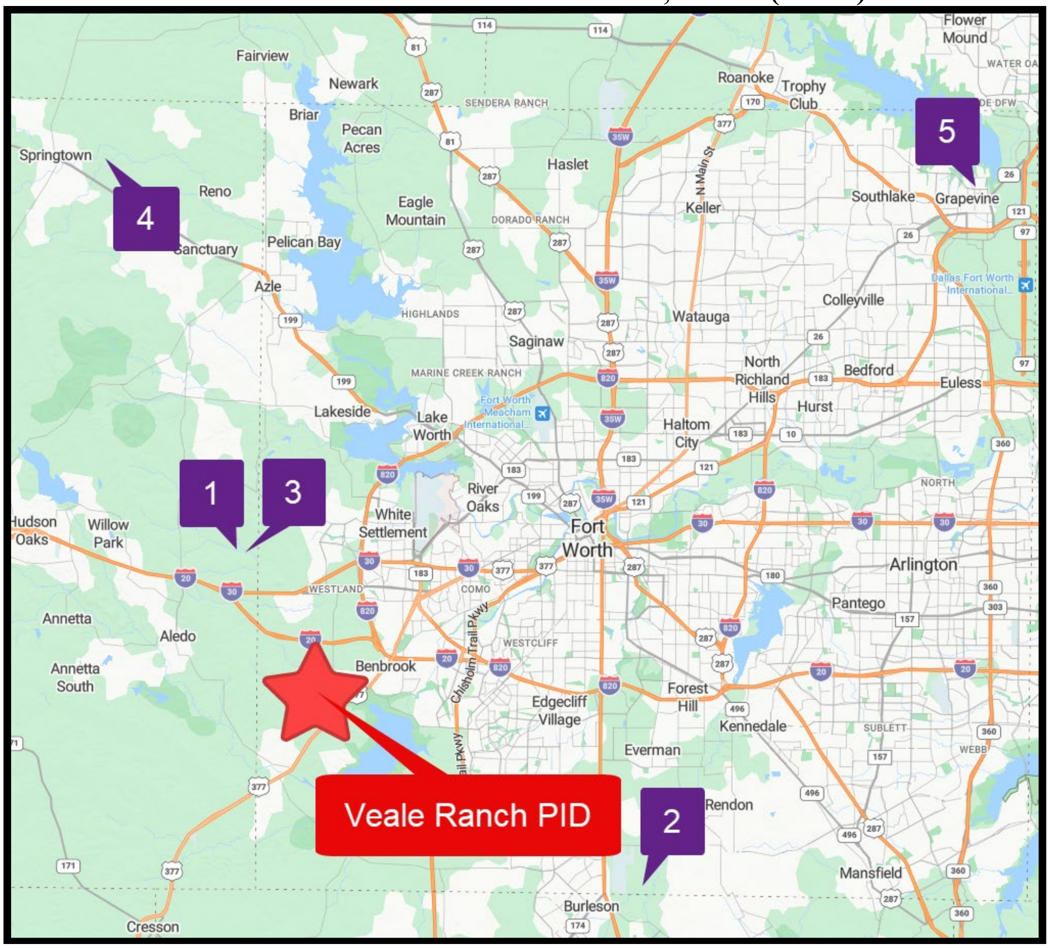
Zoning
The subject property is in a planned development and comparable Sales 1-5 are in planned developments with residential subdivision zoning or in residential zoning for similar sized residential lots; thus, no adjustment is made for Zoning.

Conclusion for 7,200-SF (60-FF) Lots – The 7,200-SF (60-FF) Lot Sales have an adjusted range of $18.11/SF to $24.33/SF with an average of $20.88/SF and a median of $20.97/SF. We considered each of the five sales as being reflective of the market and considered increasing land development costs due to increases in material and labor, which has increased the cost to develop a property similar to the subject. We conclude that the retail market value of the **improved 7,200-SF (60-FF) lots is $20.90/FF, or $150,500/Lot.**

Lot Type	Total Lots	Projected Completion Date	Concluded Retail Value Per Lot
7,200 SF Detached Lots	38	April 1, 2026	$150,500

Next, we will analyze the retail market value of the 8,400-SF (70-FF) improved residential lots within IA #5 of Veale Ranch PID.

MAP OF COMPARABLE LOT SALES – 8,400-SF (70-FF) LOTS



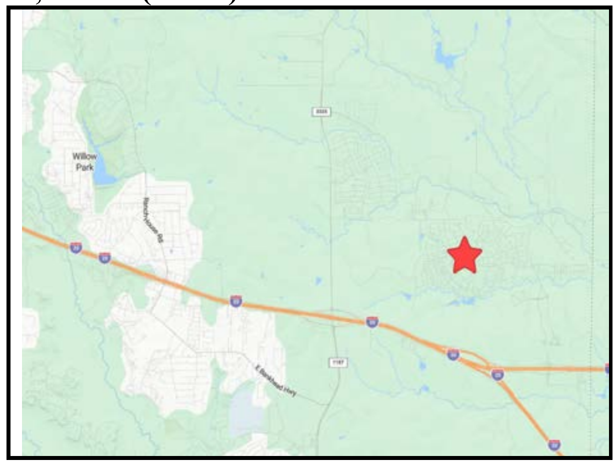
Subject: Veale Ranch PID IA #5, Fort Worth, TX 76126

We selected the best and most recent comparable lot sales for our analysis of the 8,400-SF (70-FF lots). Our five comparable sales are shown below:

SUMMARY OF LOT SALES - 8,400 SF LOTS								
Sale	**Subdivision**	**City**	**ISD**	**Contract Date**	**Sale Date**	**Base Lot Price**	**Square Feet (SF)**	***$/SF***
1	Walsh Ranch	Fort Worth	Aledo	Oct-2025	Closed	$175,900	9,017	*$ 19.51*
2	Thomas Crossing	Burleson	Burleson	Aug-2025	Closed	$150,000	8,320	*$ 18.03*
3	Walsh Ranch	Fort Worth	Aledo	Apr-2024	Closed	$162,000	9,214	*$ 17.58*
4	Boardwalk Estate	Springtown	Springtown	Apr-2024	Closed	$180,000	8,494	*$ 21.19*
5	Woods Addition	Grapevine	Grapevine-Colleyville	Nov-2023	Closed	$164,000	8,407	*$ 19.51*
Subject	**Veale Ranch PID, IA #5**	**Fort Worth**	**Benbrook**	-	-	-	**8,400**	-

SALE COMPARABLE 1 – 8,400-SF (70-FF) LOTS

Comparable 1 Aerial

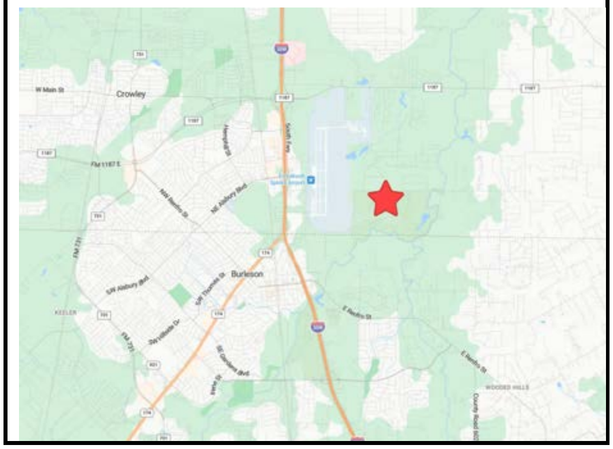


Comparable 1 Map

8,400 SF Sale Comparable 1				
Property Information				
Subdivision Name	Walsh Ranch			
Property Class	Residential Lot			
Address	1840 Shumard Way, Fort Worth			
County	Parker			
Property Type	Residential / Multiple Units			
Site Information				
Site Size	9,017	SF	0.21	Acres
Zoning Code	Planned Development - 522			
Shape	Rectangular			
Topography	Basically level			
Available Utilities	All available			
Transaction Information				
Sale Status	Closed			
Sale/Contract Date	October - 2025			
Seller	Michael Kowalski Jr. & Kathryn Kowalski			
Buyer	Turner Childrens Trust			
Sale Price	$175,900			
Price per SF Land	**$19.51**			

SALE COMPARABLE 2 – 8,400-SF (70-FF) LOTS

Comparable 2 Aerial



Comparable 2 Map

8,400 SF Sale Comparable 2				
Property Information				
Subdivision Name	Thomas Crossing			
Property Class	Residential Lot			
Address	1017 Bandon Dunes Drive, Burleson			
County	Johnson			
Property Type	Residential / Multiple Units			
Site Information				
Site Size	8,320	SF	0.19	Acres
Zoning Code	One Family			
Shape	Rectangular			
Topography	Basically level			
Available Utilities	All available			
Transaction Information				
Sale Status	Closed			
Sale/Contract Date	August - 2025			
Seller	Chase Champion & Jillian R. Champion			
Buyer	Ezequiel Velazquez & Mara A. Velazquez			
Sale Price	$150,000			
Price per SF Land	**$18.03**			

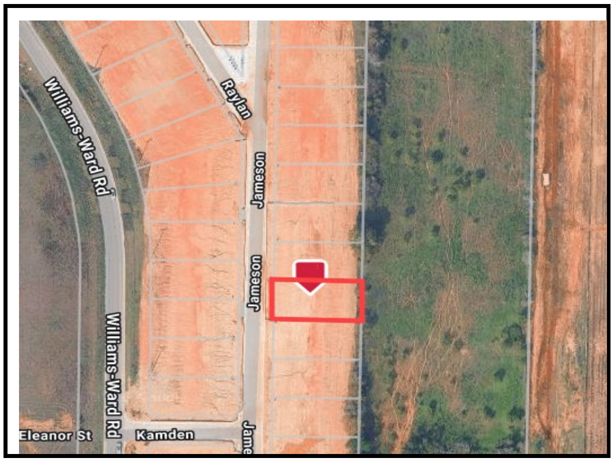
SALE COMPARABLE 3 – 8,400-SF (70-FF) LOTS

Comparable 3 Aerial

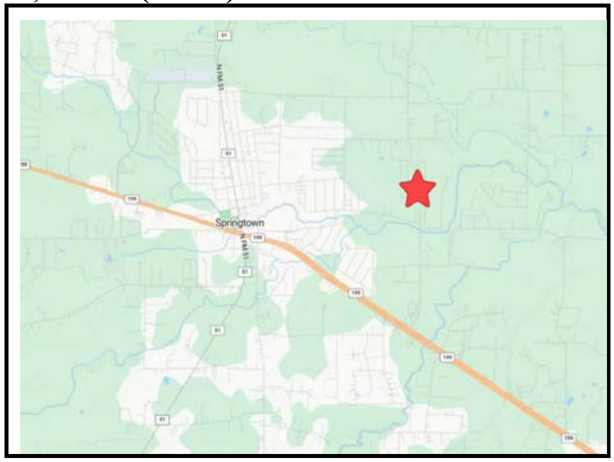
Comparable 3 Map

8,400 SF Sale Comparable 3				
Property Information				
Subdivision Name	Walsh Ranch			
Property Class	Residential Lot			
Address	14428 Lomac Drive, Fort Worth			
County	Parker			
Property Type	Residential / Multiple Units			
Site Information				
Site Size	9,214	SF	0.21	Acres
Zoning Code	Planned Development - 522			
Shape	Irregular			
Topography	Basically level			
Available Utilities	All available			
Transaction Information				
Sale Status	Closed			
Sale/Contract Date	April - 2024			
Seller	Andrew C. Shaw			
Buyer	Tate H. Sawyer & Canon E Sawyer			
Sale Price	$162,000			
Price per SF Land	**$17.58**			

SALE COMPARABLE 4 – 8,400-SF (70-FF) LOTS



Comparable 4 Aerial

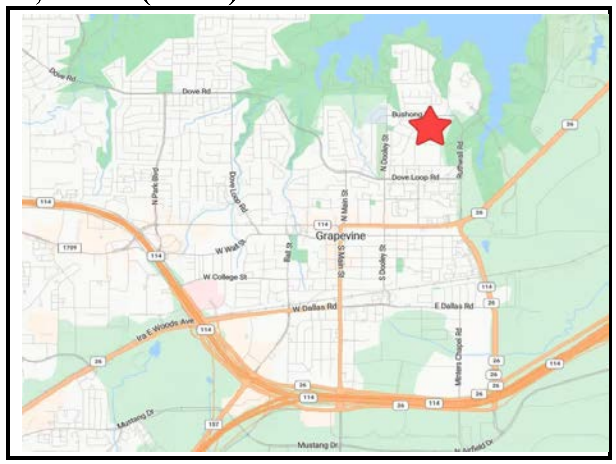


Comparable 4 Map

8,400 SF Sale Comparable 4				
Property Information				
Subdivision Name	Boardwalk Estate			
Property Class	Residential Lot			
Address	608 Jameson, Springtown			
County	Parker			
Property Type	Residential / Multiple Units			
Site Information				
Site Size	8,494	SF	0.19	Acres
Zoning Code	Planned Development			
Shape	Rectangular			
Topography	Basically level			
Available Utilities	All available			
Transaction Information				
Sale Status	Closed			
Sale/Contract Date	April - 2024			
Seller	Mearstone Properties, LP			
Buyer	Royal Crest Custom Homes, LTD			
Sale Price	$180,000			
Price per SF Land	**$21.19**			

SALE COMPARABLE 5 – 8,400-SF (70-FF) LOTS

Comparable 5 Aerial



Comparable 5 Map

8,400 SF Sale Comparable 5	
Property Information	
Subdivision Name	Woods Addition
Property Class	Residential Lot
Address	819 Beverly Drive, Grapevine
County	Tarrant
Property Type	Residential / Multiple Units
Site Information	
Site Size	8,407 SF 0.19 Acres
Zoning Code	Residential 7.5
Shape	Rectangular
Topography	Basically level
Available Utilities	All available
Transaction Information	
Sale Status	Closed
Sale/Contract Date	November - 2023
Seller	Gillingham Kurt IRA, LLC
Buyer	MPN Services, LLC
Sale Price	$164,000
Price per SF Land	**$19.51**

SALES ADJUSTMENT COMPARISON GRID – 8,400-SF (70-FF) LOTS

Subdivision	Subject	Sale 1	Sale 2	Sale 3	Sale 4	Sale 5
	Veale Ranch PID, IA #5	Walsh Ranch	Thomas Crossing	Walsh Ranch	Boardwalk Estate	Woods Addition
	Fort Worth	Fort Worth	Burleson	Fort Worth	Springtown	Grapevine
Transactional Adjustments						
Sales Price/SF		$19.51	$18.03	$17.58	$21.19	$19.51
Rights Conveyed		0%	0%	0%	0%	0%
Sales Price/SF		$19.51	$18.03	$17.58	$21.19	$19.51
Financing Terms		0%	0%	0%	0%	0%
Sales Price/SF		$19.51	$18.03	$17.58	$21.19	$19.51
Conditions of Sale		0%	0%	0%	0%	0%
Sales Price/SF		$19.51	$18.03	$17.58	$21.19	$19.51
Expenditures After Purchase		0%	0%	0%	0%	0%
Sales Price/SF		$19.51	$18.03	$17.58	$21.19	$19.51
Time/Market Conditions		+2%	+2%	+6%	+6%	+7%
ADJUSTED Price/SF:		$19.90	$18.39	$18.64	$22.46	$20.87
Physical Adjustments						
Location/Access	North of Benbrook Bouelvard, Fort Worth	-3%	0%	-3%	+3%	-2%
Amenities	Amenity Center, Pool, Grilling Station, Park, Trails, Greenspace	-3%	-8%	-3%	+8%	+8%
Size	8,400-SF	0%	0%	0%	0%	0%
Utilities	All Available	0%	0%	0%	0%	0%
Zoning	Planned Development - 1169	0%	0%	0%	0%	0%
Total Net Physical Adj. After Transactional Adj.		-6%	-8%	-6%	+11%	+6%
ADJUSTED Price/SF:		$18.70	$16.92	$17.52	$24.93	$22.13
SUMMARY OF COMPARABLE VALUES						
Value Range/SF			$16.92	to	$24.93	
Average Value/SF	$20.04					
Median Value/SF	$18.70					
Size	8,400-SF					
Unit Value Indication	$20.00/SF					
Overall Value Indication	$168,000					
Rounded	$168,000					

ANALYSIS OF ADJUSTMENTS – 8,400-SF (70-FF) LOTS

Our research of comparable lot sales leads us to the determination that there have been ample recent transactions within the last few years involving similar properties within the subject's general competing area that could reliably and reasonably be verified through our due diligence. The comparable sales for the subject property had unadjusted contracted base prices ranging from \$17.58 per square foot to \$21.19 per square foot with all sales being between 8,320-SF and 9,214-SF lot types.

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Time/Market Conditions
The residential real estate market increased significantly in 2020-2025 but now appears to be cooling following another interest rate decrease by the Federal Reserve that has lowered mortgage rates by 7 basis points to 6.15% as of December 2025. Prices increased from 2020-2025 occurred in improved residential homes as well as in vacant developed lots as there was strong demand for lots and new homes. Homebuilders absorbed lots well above the historical norm during this period. We also considered that according to data from Zonda there is a shortage of 8,400-SF vacant developed lots in this market which has driven prices higher even as demand for finished homes has recently diminished.

Considering the residential market data and price increases for recent platted and developed residential lot sales throughout the Metroplex and specifically within Tarrant County which were necessitated based off supply and demand as well as development costs, we believe a market conditions adjustment of +3% year-over year (YoY) increase throughout 2023, 2024, 2025, and into the first quarter of 2026 is warranted and supported for residential developed lots for sale in platted subdivisions, due to the time it takes to get all the city entitlements approved and engineer and zoning costs paid. Platted developed lots on the ground have a faster market sale value increase than would raw land sold for this use. Based on the preceding, each of the comparable lot sales have been adjusted positively between +2% and +7% for Market Conditions depending on the sale date.

Physical Adjustments

Location/Access

The subject property is in a quickly developing area of North Texas in the City of Fort Worth. Development in the subject's area has been increasing and consistent throughout the decades. The subject is located along Benbrook Boulevard, which is a state highway. The area around the subject is primarily single-family developments and agricultural land. Also, in the area there are municipal and commercial uses along Interstate Highway 20 which runs north of the subject.

North of the subject property, about 4 miles, is Benbrook Middle-High School which is one of many high schools in Fort Worth ISD. Fort Worth ISD has a "C" rating from the Texas Education Agency (TEA), however, Benbrook Middle-High School has a "B" rating from TEA. Many future residents looking for a quasi-rural residential neighborhood would likely prefer a smaller and desirable school district than larger school districts more prevalent near DFW. Accessibility is considered average for this area. We have made the following adjustments for Location/Access:

- Sale 1: Superior; Located in Fort Worth, which has similar access to commercial uses, and it is located in Aledo ISD which has an "A" rating and considered to be a superior ISD; Adjusted -3%
- Sale 2: Similar; Located in Burleson, which has similar access to commercial uses, and it is located in Burleson ISD which has a "B" rating and considered to be a similar ISD; Adjusted 0%
- Sale 3: Superior; Located in Fort Worth, which has similar access to commercial uses, and it is located in Aledo ISD which has an "A" rating and considered to be a superior ISD; Adjusted -3%
- Sale 4: Inferior; Located in Springtown, which has inferior access to commercial uses, and it is located in Springtown ISD which has a "C" rating and considered to be an inferior ISD; Adjusted +3%
- Sale 5: Superior; Located in the Grapevine, which has superior access to commercial uses, and it is located in Grapevine-Colleyville ISD which has a "B" rating and considered to be a similar ISD; Adjusted -2%

Amenities

The subject property's amenities will consist of an amenity center, pool, grilling station, park, trails, and greenspace. According to the site visit, earthwork on the site is underway. The subject's amenities are standard for a master planned community the size of Veale Ranch PID IA #5 development being built-out with 277 homes. We have made the following adjustments for Amenities:

- Sale 1: Superior; Walsh Ranch Subdivision, which has superior amenities such as an amenity center, pools, fitness center, sports courts, dog park, playground, pond, trails, and greenspace. This comparable has similar amenities plus a fitness center, sport courts, and a dog park; Adjusted -3%
- Sale 2: Superior; Thomas Crossing Subdivision, which has superior amenities such as an 18-hole golf course, event center, sports courts, restaurant, pond, trails, and greenspace. This comparable has some similar amenities plus a golf course, event center, sport courts, and restaurant; Adjusted -8%
- Sale 3: Superior; Walsh Ranch Subdivision, which has superior amenities such as an amenity center, pools, fitness center, sports courts, dog park, playground, pond, trails, and greenspace. This comparable has similar amenities plus a fitness center, sport courts, and a dog park; Adjusted -3%
- Sale 4: Inferior; Boardwalk Estate Subdivision, does not have amenities, therefore is inferior to the subject; Adjusted +8%
- Sale 5: Inferior; Woods Addition Subdivision, does not have amenities, therefore is inferior to the subject; adjusted +8%

Size
Due to economies of scale, smaller lots are expected to sell for a higher price per unit (square footage). Sales 1-5 are between 8,320-SF and 9,214-SF lots that can accommodate a similar building pad, so no adjustment is made for Size.

Utilities
The subject property's improved lots will each have access to electricity, water, sewer, natural gas, and high-speed Internet. Sales 1-5 will also have access to the same utilities as the subject. Therefore, no adjustment is made for Utilities to those comparable sales.

Zoning
The subject property is in a planned development and comparable sales 1-5 are in planned developments with residential subdivision zoning or in residential zoning for similar sized residential lots; thus, no adjustment is made for Zoning.

Conclusion for 8,400-SF (70-FF) Lots – The 8,400-SF (70-FF) Lot Sales have an adjusted range of $16.92/SF to $24.93/SF with an average of $20.04/SF and a median of $18.70/SF. We considered each of the five sales as being reflective of the market and considered increasing land development costs due to increases in material and labor, which has increased the cost to develop a property similar to the subject. We conclude that the retail market value of the **improved 8,400-SF (70-FF) lots is $20.00/FF, or $168,000/Lot.**

Lot Type	Total Lots	Projected Completion Date	Concluded Retail Value Per Lot
8,400 SF Detached Lots	39	April 1, 2026	$168,000

Cumulative Retail Lot Value – IA #5

We believe a current lot market value of $105,600 for 40-FF (4,400-SF) improved Lots, $139,800 for 50-FF (6,000-SF) improved Lots, $150,500 for 60-FF (7,200-SF) improved Lots, and $168,000 for 70-FF (8,400-SF) improved Lots with an Effective Date of April 1, 2026 is accurate and well-supported. Not only do our compiled recent comparable lot sales indicate that price, but numerous conversations with market participants – land developers and homebuilders – regarding current prices of lots within the subject's market indicate that our concluded value per square foot is supported by the current retail price for 40-FF, 50-FF, 60-FF, and 70-FF lots similar to the subject property. Market participants noted that prices for lots rose significantly in late 2020 and throughout 2025 and into 2026 which followed a spike in the residential housing market in DFW that contributed to a scarcity of vacant developed lots for homebuilders.

As of the Effective Date of April 1, 2026, the market value of 40-FF, 50-FF, 60-FF, and 70-FF lots for Veale Ranch PID IA #5 is shown below:

VEALE RANCH PID IA #5						
Total Lots	**Frontage Foot (FF)**	**Square Footage (SF)**	**Retail Price/Lot**	**Effective Date**	**Price/SF ($/SF)**	**Total Retail Value ($)**
37	40 FF	4,400-SF	$105,600	April 1, 2026	$24/SF	$3,907,200
163	50 FF	6,000-SF	$139,800	April 1, 2026	$23/SF	$22,787,400
38	60 FF	7,200-SF	$150,500	April 1, 2026	$21/SF	$5,719,000
39	70 FF	8,400-SF	$168,000	April 1, 2026	$20/SF	$6,552,000
277						***$38,965,600***

Next, we will develop an opinion of value for the residential lots in IA #5 using the Discount Cash Flow analysis.

DISCOUNT CASH FLOW ANALYSIS

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

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

Absorption

As discussed in detail in the "Absorption Analysis" section of the report, our quarterly absorption projections are summarized as follows for the subject property IA #5:

ABSORPTION SCHEDULE FOR VEALE RANCH PID IA #5

Projected Quarterly Absorption Summary - Veale Ranch PID IA #5														
Lot Type	*Apr-2026*	*Jul-2026*	*Oct-2026*	*Jan-2027*	*Apr-2027*	*Jul-2027*	*Oct-2027*	*Jan-2028*	*Apr-2028*	*Jul-2028*	*Oct-2028*	*Jan-2029*	*Apr-2029*	**TOTAL**
40-FF	9	9	9	9	1	-	-	-	-	-	-	-	-	**37**
50-FF	15	15	15	15	15	15	15	15	15	15	13	-	-	**163**
60-FF	6	6	6	6	6	6	2	-	-	-	-	-	-	**38**
70-FF	3	3	3	3	3	3	3	3	3	3	3	3	3	**39**
Total	**33**	**33**	**33**	**33**	**25**	**24**	**20**	**18**	**18**	**18**	**16**	**3**	**3**	**277**

Note: Typically, quarters start in January, April, July, and October so we have used those baselines in our analysis. Since the Effective Date is April 1, 2026, our analysis starts on the 2nd quarter of 2026.

Value Increases During Sellout Period

Historically, in the sales contracts of volume lot sales in the marketplace, the lot prices are typically adjusted upward at rates ranging from the Wall Street Journal Prime rate (6.75% as of February 2026), plus 1% (annually) up to 7.75%. Contracts between land developers and homebuilders typically have a 6% escalation which is consistent with recent improved lot appreciations over many years. Thus, for valuation purposes moving forward, we have estimated an annual appreciation on the subject's lots at 6% per year which is also consistent with residential real estate appreciation over the past decade. This is also considered reasonable given the lack of available lot and housing supply in the area and the historical realization of interest carry/appreciation by developers within DFW and surrounding market areas.

EXPENSES

Taxes are paid by the developer annually. The estimation of taxes paid per period is based upon the principle that taxes are prorated at closing and are paid in arrears. Therefore, we have deducted taxes based upon the estimated retail market value of the unsold lots. The taxes are prorated in each calendar year based upon the projected sales in each period. The current tax rate for the bulk of the property is **0.02189080 per $100 assessed – 2.189080%** for the purpose of our analysis – with taxes due to the City of Fort Worth, Tarrant County, Tarrant Regional Water District, JPS Health Network, Tarrant County College, and Fort Worth ISD.

Based upon our experience as property tax consultants and information gathered from builders/developers, we do not believe the vacant lots will be assessed for their full market value once Substantial Completion is achieved. We believe the builders will have their lots assessed at approximately 70% of the market value, i.e., if a lot has a retail value of $100,000 then the assessed value will be $70,000. We believe this 30% discount is justified as taxing districts do not typically have access to cost data and assessments typically lag the market. In addition, many taxing districts allow for a 20% builder's inventory reduction.

Cost of Sales has been estimated at 1.5% of gross sales proceeds for various closing costs, surveys, commissions, and title policies.

Marketing expenses are not included as there is a shortage of vacant developed lots on the market and we would expect these lots to be absorbed by volume builders.

Discount Rate

The discount rate utilized herein is essentially an anticipated Internal Rate of Return (IRR) for the subject property, as estimated from investment performance realized by market participants. The discount rate used for the subject should be less than the typical land development project because the value we are determining is for a fully entitled project in a city-approved Planned Development which will have less risk exposure than that of a raw land development. Therefore, it is appropriate to utilize a discount rate adjusted for this risk. The appraisers have included a recent discount rate survey published by Realty Rates that considers the market conditions, risk, entrepreneurial profit, and liquidity inherent in a project such as the subject that developers of similar properties would consider.

RealtyRates.com DEVELOPER SURVEY - 4th Quarter 2025* Texas - Subdivisions & PUDs	Actual Rates			Pro-Forma Rates		
	Min	Max	Avg	Min	Max	Avg
Site-Built Residential	15.59%	33.99%	23.00%	14.97%	32.63%	22.08%
-100 Units	15.59%	29.30%	22.00%	14.97%	28.13%	21.12%
100-500 Units	15.98%	32.23%	23.14%	15.34%	30.94%	22.22%
500+ Units	16.37%	33.70%	23.53%	15.72%	32.35%	22.59%
Mixed Use	16.76%	33.99%	23.34%	16.09%	32.63%	22.41%
Manufactured Housing	16.09%	37.16%	24.70%	15.44%	35.67%	23.71%
-100 Units	16.09%	32.31%	23.72%	15.44%	31.02%	22.77%
100-500 Units	16.49%	35.54%	24.98%	15.83%	34.12%	23.98%
500+ Units	16.89%	37.16%	25.40%	16.22%	35.67%	24.39%
Business Parks	16.05%	35.53%	23.94%	15.40%	34.11%	22.98%
-100 Acres	16.05%	30.90%	23.00%	15.40%	29.66%	22.08%
100-500 Acres	16.45%	33.99%	24.21%	15.79%	32.63%	23.24%
500+ Acres	16.85%	35.53%	24.62%	16.17%	34.11%	23.63%
Industrial Parks	16.12%	29.98%	21.47%	15.47%	28.78%	20.61%
-100 Acres	16.12%	26.07%	20.67%	15.47%	25.03%	19.85%
100-500 Acres	16.52%	28.68%	21.70%	15.86%	27.53%	20.83%
500+ Acres	16.93%	29.98%	22.05%	16.25%	28.78%	21.16%

*3rd Quarter 2025 Data

As shown, the minimum actual rates in Texas range from 15.59% for less than 100 units; 15.98% for 100 to 500 units; and 16.37% for 500+ units with minimum pro-forma rates ranging from 14.97% to 15.72%.

The 7th Edition of the Dictionary of Real Estate Appraisal defines this term as "a discount rate that is adjusted to offset one or more risk factors, i.e., when a future downswing in the business cycle is likely, the risk associated with a project may increase near the end of its term, necessitating a special adjustment to the discount rate. Such discount rates include all of the elements of risk associated with an income stream for a specified period adjusted to offset additional term risk". Thus, it is our opinion that a potential purchaser would expect to receive a much lower return on his investment for a completed project similar to the subject, which has numerous purchasers of the end product relative to that of a vacant tract of land awaiting eventual development (higher risk of escalating costs to site development and of the eventual timing of completion).

Based upon the preceding, an internal rate of return (IRR) that is similar to the minimum actual rates provided by the Realty Rates "Developer Survey" for Texas of 15.98% for 100-500 units; and 15.34% for likewise minimum pro-forma rates is considered reasonable for the subject. Hence, taking into consideration the supply and demand levels within the subject's submarket area, we have selected a discount rate of **16%** for the subject which takes into consideration the degree of risk, developer profit, and the liquidity inherent in a project such as the subject (assisted by involvement of the PID), as well as the current market conditions. To be consistent with the timing of the cash flow, the annual income stream is discounted quarterly with an annual DCF also included. With each of the required elements now identified, we will analyze the subject in DCF analyses as shown on the following pages.

DISCOUNT CASH FLOW (DCF) ANALYSIS - VEALE RANCH PID – IA #5

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

- Substantial Complete April 1, 2026
- Retail lot values: $105,600 for 40-FF lots
- Retail lot values: $139,800 for 50-FF lots
- Retail lot values: $150,500 for 60-FF lots
- Retail lot values: $168,000 for 70-FF lots
- 6% Appreciation/Year (1.5%/Quarter)
- 40-FF Lots sell at 9/Quarter
- 50-FF Lots sell at 15/Quarter
- 60-FF Lots sell at 6/Quarter
- 70-FF Lots sell at 3/Quarter
- Discount Rate 16% (4.0%/Quarter)
- Tax Expense on Inventory is 2.189080%/Year, 0.54727%/Quarter, but is discounted 30%
- Sales and Marketing Expense (1.5% of Revenue)

At Substantial Completion (April 1, 2026) on the improved lots in Veale Ranch PID IA #5, we believe lot prices will continue to appreciate closer to their historical average which is closer to 6% per year. Thus, we have concluded that current retail improved lot values will be similar when absorption begins. **Therefore, as of the expected Substantial Completion Date (April 1, 2026) the retail lot value for 37 of the 40-FF lots is $3,907,200, the retail lot value for 163 of the 50-FF lots is $22,787,400, the retail lot value for 38 of the 60-FF lots is $5,719,000, and 39 of the 70-FF lots is $6,552,000 with a cumulative value of $38,965,600 as shown in the following table:**

VEALE RANCH PID IA #5						
Total Lots	**Frontage Foot (FF)**	**Square Footage (SF)**	**Retail Price/Lot**	**Effective Date**	**Price/SF ($/SF)**	**Total Retail Value ($)**
37	40 FF	4,400-SF	$105,600	April 1, 2026	$24/SF	$3,907,200
163	50 FF	6,000-SF	$139,800	April 1, 2026	$23/SF	$22,787,400
38	60 FF	7,200-SF	$150,500	April 1, 2026	$21/SF	$5,719,000
39	70 FF	8,400-SF	$168,000	April 1, 2026	$20/SF	$6,552,000
277						***$38,965,600***

Discount cash flow analysis was completed on a quarterly and annual basis as a check for reasonableness. The annual DCF is a more rudimentary calculation, and we consider the quarterly analysis to be more accurate. When applying the DCF on a quarterly basis, the discount rate is divided by 4 and a discount rate of 4.00% is applied to each period. Typically, quarters start in January, April, July, and October so we have used those baselines in our analysis. Since the Substantial Completion Date is April 1, 2026, we will analyze on a quarterly basis starting April 2026.

DISCOUNT CASH FLOW DATA – VEALE RANCH PID IA #5 LOTS (QUARTERLY)

	Apr. 2026			Jul. 2026			Oct. 2026		
	Starting Units	Lot Price	Sales	Units Available	Lot Price	Sales	Units Available	Lot Price	Sales
40-FF Lot	37	$ 105,600	9	28	$ 107,184	9	19	$ 108,792	9
50-FF Lot	163	$ 139,800	15	148	$ 141,897	15	133	$ 144,025	15
60-FF Lot	38	$ 150,500	6	32	$ 152,758	6	26	$ 155,049	6
70-FF Lot	39	$ 168,000	3	36	$ 170,520	3	33	$ 173,078	3
Revenue		**$ 4,454,400**			**$ 4,521,216**			**$ 4,589,034**	
Tax Expense		*$ (149,273)*			*$ (134,192)*			*$ (118,625)*	
Sales Expense		*$ (66,816)*			*$ (67,818)*			*$ (68,836)*	
Net Income		**$ 4,238,311**			**$ 4,319,206**			**$ 4,401,574**	
Factor		**0.981619**			**0.945863**			**0.911410**	
Income Net Present Value (NPV)		**$ 4,160,405**			**$ 4,085,377**			**$ 4,011,638**	

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	Jan. 2027			Apr. 2027			Jul. 2027		
	Units Available	Lot Price	Sales	Units Available	Lot Price	Sales	Units Available	Lot Price	Sales
40-FF Lot	10	$ 110,424	9	1	$ 112,080	1	-	-	-
50-FF Lot	118	$ 146,186	15	103	$ 148,379	15	88	$ 150,604	15
60-FF Lot	20	$ 157,375	6	14	$ 159,735	6	8	$ 162,131	6
70-FF Lot	30	$ 175,674	3	27	$ 178,309	3	24	$ 180,984	3
Revenue		**$ 4,657,870**			**$ 3,831,098**			**$ 3,774,803**	
Tax Expense		*$ (102,560)*			*$ (85,987)*			*$ (72,380)*	
Sales Expense		*$ (69,868)*			*$ (57,466)*			*$ (56,622)*	
Net Income		**$ 4,485,442**			**$ 3,687,644**			**$ 3,645,801**	
Factor		**0.878212**			**0.846223**			**0.815399**	
Income Net Present Value (NPV)		**$ 3,939,168**			**$ 3,120,569**			**$ 2,972,783**	

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	Oct. 2027			Jan. 2028			Apr. 2028		
	Units Available	Lot Price	Sales	Units Available	Lot Price	Sales	Units Available	Lot Price	Sales
40-FF Lot	-	-	-	-	-	-	-	-	-
50-FF Lot	73	$ 152,863	15	58	$ 155,156	15	43	$ 157,484	15
60-FF Lot	2	$ 164,563	2	-	-	-	-	-	-
70-FF Lot	21	$ 183,698	3	18	$ 186,454	3	15	$ 189,251	3
Revenue		**$ 3,173,172**			**$ 2,886,707**			**$ 2,930,007**	
Tax Expense		*$ (58,788)*			*$ (47,332)*			*$ (36,817)*	
Sales Expense		*$ (47,598)*			*$ (43,301)*			*$ (43,950)*	
Net Income		**$ 3,066,787**			**$ 2,796,074**			**$ 2,849,240**	
Factor		**0.785698**			**0.757079**			**0.729502**	
Income Net Present Value (NPV)		**$ 2,409,569**			**$ 2,116,850**			**$ 2,078,528**	

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	Jul. 2028			Oct. 2028		
	Units Available	Lot Price	Sales	Units Available	Lot Price	Sales
40-FF Lot	-	-	-	-	-	-
50-FF Lot	28	$ 159,846	15	13	$ 162,244	13
60-FF Lot	-	-	-	-	-	-
70-FF Lot	12	$ 192,090	3	9	$ 194,971	3
Revenue		**$ 2,973,957**			**$ 2,694,079**	
Tax Expense		*$ (25,976)*			*$ (14,802)*	
Sales Expense		*$ (44,609)*			*$ (40,411)*	
Net Income		**$ 2,903,372**			**$ 2,638,866**	
Factor		**0.702930**			**0.677326**	
Income Net Present Value (NPV)		**$ 2,040,868**			**$ 1,787,373**	

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	Jan. 2029			Apr. 2029		
	Units Available	Lot Price	Sales	Units Available	Lot Price	Sales
40-FF Lot	-	-	-	-	-	-
50-FF Lot	-	-	-	-	-	-
60-FF Lot	-	-	-	-	-	-
70-FF Lot	6	$ 197,895	3	3	$ 200,864	3
Revenue		**$ 593,686**			**$ 602,592**	
Tax Expense		*$ (4,549)*			*$ (2,308)*	
Sales Expense		*$ (8,905)*			*$ (9,039)*	
Net Income		**$ 580,232**			**$ 591,244**	
Factor		**0.652654**			**0.628881**	
Income Net Present Value (NPV)		**$ 378,691**			**$ 371,823**	

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Total Net Revenue Over ~13 Quarters	***$40,203,794***
Net Present Value (As-Is) at 16% Discount Rate	***$33,473,641***
Rounded	**$33,474,000**

Note: Quarterly discount and appreciation calculations are averaged to the middle of the period.

DISCOUNT CASH FLOW DATA – VEALE RANCH PID IA #5 LOTS (ANNUAL)

	2026			2027		
Lot Type	Starting Units	Lot Price	Sales	Starting Units	Lot Price	Sales
40-FF Lot	37	$ 107,184	27	10	$ 111,257	10
50-FF Lot	163	$ 141,897	45	118	$ 149,418	60
60-FF Lot	38	$ 152,758	18	20	$ 161,006	20
70-FF Lot	39	$ 170,520	9	30	$ 179,558	12
Revenue		**$ 13,563,648**			**$ 15,452,441**	
Tax Expense		*$ (454,536)*			*$ (419,110)*	
Sales Expense		*$ (203,455)*			*$ (231,787)*	
Net Income		**$ 12,905,657**			**$ 14,801,545**	
Factor		**0.945863**			**0.830668**	
Income Net Present Value (NPV)		**$ 12,206,984**			**$ 12,295,170**	

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	2028			2029		
Lot Type	Starting Units	Lot Price	Sales	Starting Units	Lot Price	Sales
40-FF Lot	-	-	-	-	-	-
50-FF Lot	58	$ 158,383	58	-	-	-
60-FF Lot	-	-	-	-	-	-
70-FF Lot	18	$ 190,331	12	6	$ 199,467	6
Revenue		**$ 11,470,163**			**$ 1,196,801**	
Tax Expense		*$ (193,263)*			*$ (9,170)*	
Sales Expense		*$ (172,052)*			*$ (17,952)*	
Net Income		**$ 11,104,847**			**$ 1,169,680**	
Factor		**0.716093**			**0.640658**	
Income Net Present Value (NPV)		**$ 7,952,105**			**$ 749,364**	

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Total Net Revenue Over ~4 Year	***$39,981,729***
Net Present Value (As-Is) at 16% Discount Rate	***$33,203,624***
Rounded	**$33,203,000**

Note: Annual discount and appreciation calculations are averaged to the middle of the period

DCF Conclusion (277 Improved 40', 50', 60', and 70' Lots) – IA #5

Using the Discount Cash Flow analysis on both a quarterly and annual basis suggests the market value for the 277 improved lots in Veale Ranch PID IA #5 in a bulk sale transaction would be between $33,203,624 and $33,473,641, which is approximately $271,000 (0.82%) different. Both annual and quarterly DCF analyses have relevance and are a check of reasonableness on each other, but we consider the quarterly analysis to be the more accurate and precise calculation. Thus, we have determined that the **market value for Veale Ranch PID IA #5 "Upon Completion" with a Retrospective Effective Date of April 1, 2026, for 277 improved lots is $33,474,000 ($120,900/Lot Rounded).**

INCOME (SUBDIVISION DEVELOPMENT) APPROACH CONCLUSIONS – IA #5

Using the Discount Cash Flow Analysis to determine the net present value as of the expected substantial completion date (April 1, 2026), we have determined the following value for Veale Ranch PID IA #5 as shown in the table below:

INCOME APPROACH VALUE INDICATION	
Fee Simple Interest, Complete April 1, 2026	
Veale Ranch PID IA #5 ***277 Improved Lots on 72.059 Acres***	***$33,474,000 ($120,900/Lot Rounded)***

RECONCILIATION AND FINAL VALUE CONCLUSION

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

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

Three approaches to value are recognized in the appraisal profession (Sales Comparison Approach, Cost Approach, and Income Approach). All three approaches were analyzed as part of the scope of work of this assignment. A summary of each approach follows:

Cost Approach
The Cost Approach provides information that contrasts with information from the Income and Sales Comparison Approaches. It allows the appraiser to address the feasibility and highest and best use issues inherent in new construction. <u>This approach is most beneficial when appraising a proposed or recently built project and is typically used when units make up a substantial portion of the entire project.</u>

Since the improved single-family residential lots in Veale Ranch PID will be constructed in multiple phases over many years, the Cost Approach is not appropriate and thus was not utilized to value the improved lots in the Veale Ranch PID.

Income (Subdivision Development) Approach
For the improved residential lots, the Income (Subdivision Development) Approach applied in subdivision analysis simulates what occurs in a bulk sale where one buyer purchases the bulk of the lots at a discount. Income capitalization is the primary method used in subdivision valuation because value is determined by future sales over time. Along with discounted cash flow analysis, income capitalization directly measures differences in present value based on future cash flow projections. This approach provides a direct measure of the market value or wholesale value of a group of lots or units, which is different from the sum of the retail lot prices.

Since the problems to be solved is to determine the bulk sale value of 136 improved residential lots in Veale Ranch PID IA #4 and the bulk sale value of 277 improved residential lots in Veale Ranch PID IA #5, as of the substantial completion date, the Income Approach is appropriate and was developed. **Through Discounted Cash Flow Analysis, we determined the market value of the 136 improved lots "Upon Completion" in Veale Ranch PID IA #4 as of April 1, 2026, is $263,845,000 ($1,940,000/Lot Rounded) and determined the market value of the 277 improved lots "Upon Completion" in Veale Ranch PID IA #5 as of April 1, 2026 is $33,474,000 ($120,900/Lot Rounded)**

Sales Comparison Approach
For the improved lots, the Sales Comparison Approach was not fully developed because finding highly similar and recent sales of improved groups of lots or subdivisions are not available in the market. Aspects of the Sales Comparison Approach were utilized in concluding the retail lot market values for use in the Income Approach for the improved lots.

Final Value Conclusion Summary
As a result of our investigations, studies and analysis of the sale, cost, income, and expense data, interpreted within the context of all the factors in the marketplace which affect value, our reconciliation of the indicated values between the utilized approaches to value are listed in the table below. The property type warranted one approach to be developed, the Income Approach, so our final value conclusion for the subject property is shown below:

INCOME APPROACH VALUE INDICATION	
Fee Simple Interest, Complete April 1, 2026	
Veale Ranch PID IA #4 ***136 Improved Lots on 421.082 Acres***	***$263,845,000 ($1,940,000/Lot Rounded)***
Fee Simple Interest, Complete April 1, 2026	
Veale Ranch PID IA #5 ***277 Improved Lots on 72.059 Acres***	***$33,474,000 ($120,900/Lot Rounded)***

Exposure Time
Assuming adequate exposure and normal marketing efforts, the estimated exposure time (i.e. the length of time the subject property would have been exposed for sale in the market had it sold at the market value concluded to in this analysis as of the date of this valuation, which is presumed to precede the effective date of the appraisal) would have been at least 6-12 months.

Marketing Time
Marketing time is an estimate of the amount of time it might take to sell a property at the concluded market value immediately following the Effective Date of value. Market conditions are presently strong, and we expect no significant changes in the near term. It is our opinion that a reasonable marketing period for the subject is likely to be the same as the exposure time. Accordingly, we estimate the subject’s marketing period at 6-12 months.

ADDENDA

ENGAGEMENT LETTER

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January 22, 2026

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SUBJECT: Proposal/Authorization for Valuation and Consulting Services of a residential master planned development known as the "Veale Ranch Public Improvement District" located in the City of Fort Worth, Tarrant County, Texas

Dear Mr. Davenport:

Upon your acceptance of this contract engagement, Peyco Southwest Realty, Inc. ("Peyco"), will prepare an appraisal of the Subject Property:

Purpose of the Assignment The purpose of the appraisal is to provide an opinion of the "As-Complete" and "As-If Improved" market value of the fee simple interest in the Subject Property outlined herein. We will assume that the City of Fort Worth will approve or has approved the proposed development and that all development entitlements are in place for the "Project" to proceed. Further, our valuation will also be based upon, and assume that:

a) Only limited specific offsite general infrastructure indicated is fully funded with cash or cash-equivalent (lines of credit, completion agreements, etc.) with special assessments levied on property within the Veale Ranch Public Improvement District ("PID"), and

b) Improvement relating to the "Project" will be completed based on engineering plans provided to the appraisers

It is our understanding that the Appraisal Report will be included in the Preliminary and Final Official Statements for the sale of one or more series of Public Improvement District (PID) bonds for the Project, and we will provide our written consent to the inclusion of the Appraisal Report in the Preliminary and Final Official Statements. The appraisal will be prepared in conformance with and subject to, the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute and the *Uniform Standards of Professional Appraisal Practice* (USPAP) developed by the Appraisal Standards Board of the Appraisal Foundation. The Ethics Rule of USPAP requires us to disclose to you any prior services we have performed regarding the Subject Property within a three-year period immediately preceding the acceptance of this assignment, either as an appraiser or in any other capacity. We represent that we have not performed any services that require disclosure under this rule.

In accordance with our correspondence, the scope of this assignment will require Peyco to consider all relevant and applicable approaches to value as determined during the course of our research, Subject Property analysis, and preparation of the report. **The report will include an opinion of the fee simple market value of the following:**

- **Improvement Area #4 (IA#4) with approximately 136 improved residential lots to be sold in bulk in the Veale Ranch PID. We will report the estimated retail value of the lots during the sellout period consisting of:**
  - **100 lots of Estate Lots, and**
  - **36 lots of Cottage Lots**

- **Improvement Area #5 (IA#5) with approximately 277 improved residential lots to be sold in bulk in the Veale Ranch PID. We will report the estimated retail value of the lots during the sellout period consisting of:**
  - **37 lots of 40-FF sizes,**
  - **163 lots of 50-FF sizes,**
  - **38 lots of 60-FF sizes, and**
  - **39 lots of 70-FF sizes**

Federal banking regulations require banks and other lending institutions to engage appraisers where FIRREA compliant appraisals must be used in connection with mortgage loans or other transactions involving federally regulated lending institutions. Given that requirement, this appraisal may not be accepted by a federally regulated financial institution.

The appraisal will be communicated in an Appraisal Report-Standard Format Report. All work will be performed under the direct supervision of the undersigned, together with other staff members. The appraisal and this letter agreement will be subject to our standard assumptions and limiting conditions, a copy of which is attached as Attachment 1.

The total fee for this assignment will be $16,000 which will be paid for by the Developer, but payment may be reimbursed to the developer as a qualified creation and issuance cost of the "Public Improvement District". Please note that the full fee must be received in our office before the commencement of this appraisal. The delivery date will be within 30 days from your signed acceptance of this letter agreement, receipt of the fee and receipt of requested documents from the developer, but subject to extension based upon late delivery of the requested data and scheduled access for inspection. **We will require the full fee of $16,000 prior to the commencement of this appraisal assignment.** If the assignment is cancelled by either party prior to completion, you agree to pay us for all our expenses and our time to date based upon the percentage of work completed.

Two hard copies of the appraisal report will be provided upon request. Digital copies, in PDF format, will be delivered upon completion via email or other file transfer as client requests. 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 PID for the "Project"; 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. The 30-day delivery date is contingent upon the absence of events outside our control, timely access for inspection of the Subject Property, as well as our receipt of all requested information necessary to complete the assignment. Should, upon review of the draft Appraisal Report, the client requests material changes, or additions beyond the agreed to Scope of Work that materially affect the appraisal report and/or resulting values; the Client agrees to additional scope of work changes at our current hourly rates ($300/hour).

Please be advised that we are not experts in the areas of building inspection (including mold), environmental hazards, ADA compliance, or wetlands. Therefore, unless we have been provided with appropriate third-party expert reports, the appraisals will assume that there are no environmental, wetlands, or ADA compliance problems. The agreed upon fees for our services assume the absence of such issues inasmuch as additional research and analysis may be required. If an expert is required, you are responsible for their selection, payment, and actions.

In the event that we receive a subpoena or are called to testify in any litigation, arbitration or administrative hearing of any nature whatsoever or as a result of this engagement or the related report, to which we are not a party, you agree to pay our current hourly rates ($300/hour) for such preparation and presentation of testimony. You agree that: (i) the data collected by us in this assignment will remain our property; and (ii) with respect to any data provided by you, Peyco and its partner companies may utilize, sell, and include such data (either in the aggregate or individually), in the Peyco database and for use in derivative products. You agree that all data already in the public domain may be utilized on an unrestricted basis. Finally, you agree that we may use commercially available, as well as proprietary software programs, to perform your assignment (web based and others).

If you are in agreement with the terms set forth in this letter and wish us to proceed with the contract engagement, please sign below and return one copy to us. Thank you for this opportunity to be of service and we look forward to working with you.

Sincerely,

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

AGREED TO AND ACCEPTED THIS _____DAY OF _______________, 2026.

BY:

FMS Bonds, Inc.

Tripp Davenport
Authorized Signature

Name (printed)

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ATTACHMENT 1: STANDARD ASSUMPTIONS & LIMITING CONDITIONS

The appraisal report and any work product related to the engagement will be limited by the following standard assumptions:

1. The title is marketable and free and clear of all liens, encumbrances, encroachments, easements, and restrictions. The Subject Property is under responsible ownership and competent management and is available for its highest and best use.
2. There are no existing judgments or pending or threatened litigation that could affect the value of the Subject Property.
3. There are no hidden or undisclosed conditions of the land or of the improvements that would render the Subject Property more or less valuable. Furthermore, there is no asbestos or environmental contamination at the Subject Property.
4. The revenue stamps placed on any deed referenced herein to indicate the sale price are in correct relation to the actual dollar amount of the transaction.
5. The Subject Property is in compliance with all applicable building, environmental, zoning, and other federal, state, and local laws, regulations, and codes.
6. The information furnished by others is believed to be reliable, but no warranty is given for its accuracy.

The appraisal report and any work product related to the engagement will be subject to the following limiting conditions, except as otherwise noted in the report:

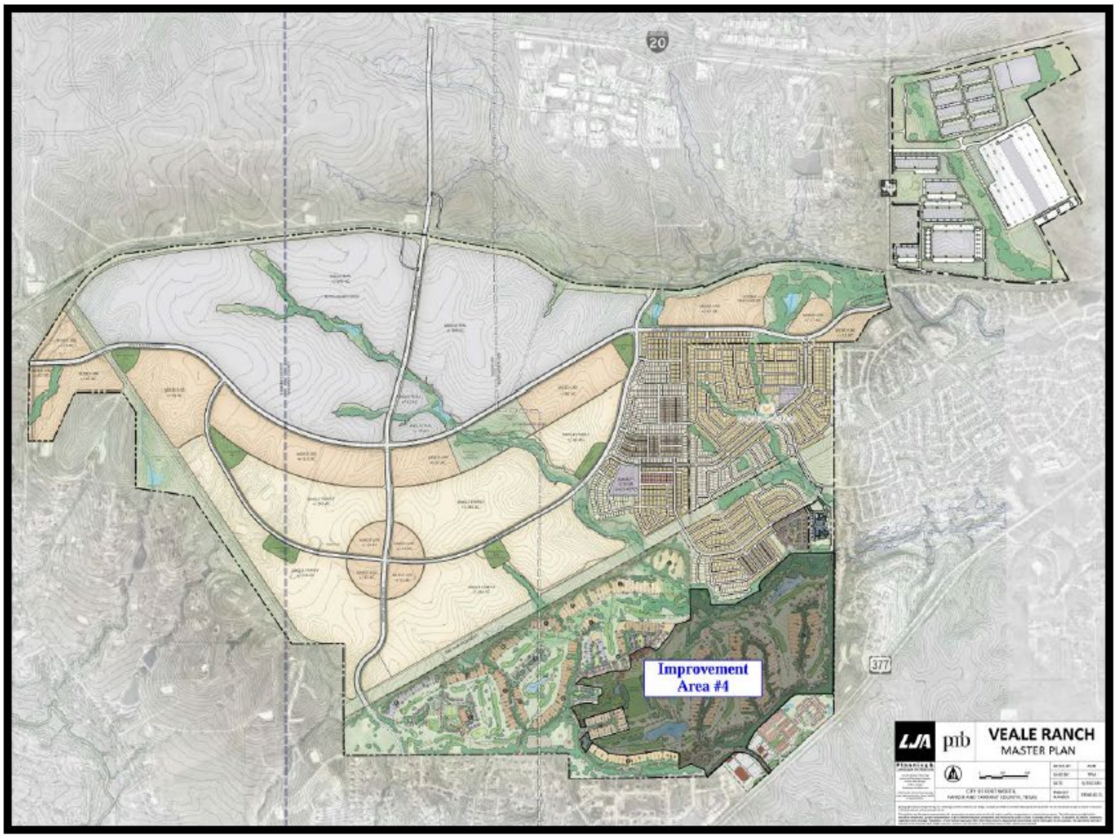
1. An appraisal is inherently subjective and represents our opinion as to the value of the Subject Property appraised.
2. The conclusions stated in our appraisal apply only as of the effective date of the appraisal, and no representation is made as to the effect of subsequent events.
3. No changes in any federal, state, or local laws, regulations, or codes (including, without limitation, the Internal Revenue Code) are anticipated.
4. No environmental impact studies were either requested or made in conjunction with this appraisal, and we reserve the right to revise or rescind any of the value opinions based upon any subsequent environmental impact studies. If any environmental impact statement is required by law, the appraisal assumes that such statement will be favorable and will be approved by the appropriate regulatory bodies.
5. Unless otherwise agreed to in writing, we are not required to give testimony, respond to any subpoena, or attend any court, governmental or other hearing with reference to the Subject Property without compensation relative to such additional employment.
6. We have made no survey of the Subject Property and assume no responsibility in connection with such matters. Any sketch or survey of the Subject Property included in the appraisal report is for illustrative purposes only and should not be considered to be scaled accurately for size. The appraisal covers the Subject Property as described in this report, and the areas and dimensions set forth are assumed to be correct.
7. No opinion is expressed as to the value of subsurface oil, gas, or mineral rights, if any, and we have assumed that the Subject Property is not subject to surface entry for the exploration or removal of such materials, unless otherwise noted in our appraisal.
8. We accept no responsibility for considerations requiring expertise in other fields. Such considerations include, but are not limited to, legal descriptions and other legal matters such as legal title, geologic considerations, such as soils and seismic stability, and civil, mechanical, electrical, structural, and other engineering and environmental matters. Such considerations may also include determinations of compliance with zoning and other federal, state, and local laws, regulations, and codes.
9. The distribution of the total valuation in the report between land and improvements applies only under the reported highest and best use of the Subject Property. The allocations of value for land and improvements must not be used in conjunction with any other appraisal and are invalid if so used. The appraisal report shall be considered only in its entirety. No part of the appraisal report shall be utilized separately or out of context.
10. Neither all nor any part of the contents of this report (especially any conclusions as to value, the identity of the appraisers, or any reference to the Appraisal Institute) shall be disseminated through advertising media, public relations media, news media or any other means of communication (including without limitation prospectuses, private offering memoranda and other offering material provided to prospective investors) without the prior written consent of the persons signing the report.
11. Information, estimates, and opinions contained in the report and obtained from third-party sources are assumed to be reliable and have not been independently verified.
12. Any income and expense estimates contained in the appraisal report are used only for the purpose of estimating value and do not constitute predictions of future operating results.

13. If the Subject Property is subject to one or more leases, any estimate of residual value contained in the appraisal may be particularly affected by significant changes in the condition of the economy, of the real estate industry, or of the Subject Property at the time these leases expire or otherwise terminate.
14. Unless otherwise stated in the report, no consideration has been given to personal property located on the Subject Property or to the cost of moving or relocating such personal property; only the real property has been considered.
15. The current purchasing power of the dollar is the basis for the value stated in the appraisal; we have assumed that no extreme fluctuations in economic cycles will occur.
16. The values found herein are subject to these and to any other assumptions or conditions set forth in the body of this report but which may have been omitted from this list of Assumptions and Limiting Conditions.
17. The analyses contained in the report necessarily incorporate numerous estimates and assumptions regarding property performance, general and local business and economic conditions, the absence of material changes in the competitive environment and other matters. Some estimates or assumptions, however, inevitably will not materialize, and unanticipated events and circumstances may occur; therefore, actual results achieved during the period covered by our analysis will vary from our estimates, and the variations may be material.
18. The Americans with Disabilities Act (ADA) became effective January 26, 1992. We have not made a specific survey or analysis of the Subject Property to determine whether the physical aspects of the improvements meet the ADA accessibility guidelines. We claim no expertise in ADA issues and render no opinion regarding compliance of the Subject Property with ADA regulations. Inasmuch as compliance matches each owner's financial ability with the cost to cure the non-conforming physical characteristics of a property, a specific study of both the owner's financial ability and the cost to cure any deficiencies would be needed for the Department of Justice to determine compliance.
19. The appraisal report is prepared for the exclusive benefit of you, your subsidiaries and/or affiliates. It may not be used or relied upon by any other party. All parties who use or rely upon any information in the report without our written consent do so at their own risk.
20. No studies have been provided to us indicating the presence or absence of hazardous materials on the Subject Property or in the improvements, and our valuation is predicated upon the assumption that the Subject Property is free and clear of any environment hazards including, without limitation, hazardous wastes, toxic substances, and mold. No representations or warranties are made regarding the environmental condition of the Subject Property. Peyco and/or any of its officers, owners, managers, directors, agents, subcontractors, or employees (the "Peyco Parties") shall not be responsible for any such environmental conditions that do exist or for any engineering or testing that might be required to discover whether such conditions exist. Because we are not experts in the field of environmental conditions, the appraisal report cannot be considered as an environmental assessment of the Subject Property.
21. The persons signing the report may have reviewed available flood maps and may have noted in the appraisal report whether the Subject Property is located in an identified Special Flood Hazard Area. However, we are not qualified to detect such areas and therefore do not guarantee such determinations. The presence of flood plain areas and/or wetlands may affect the value of the Subject Property, and the value conclusion is predicated on the assumption that wetlands are nonexistent or minimal.
22. We are not a building or environmental inspector. Peyco does not guarantee that the Subject Property is free of defects or environmental problems. Mold may be present in the Subject Property and a professional inspection is recommended.
23. The appraisal report and value conclusions for an appraisal assumes the satisfactory completion of construction, repairs, or alterations in a workmanlike manner.
24. Peyco is an independently owned and operated company, which has prepared the appraisal for the specific intended use stated elsewhere in the report. The use of the appraisal report by anyone other than the Client is prohibited except as otherwise provided. Accordingly, the appraisal report is addressed to and shall be solely for the Client's use and benefit unless we provide our prior written consent. We expressly reserve the unrestricted right to withhold our consent to your disclosure of the appraisal report or any other work product related to the engagement (or any part thereof including, without limitation, conclusions of value and our identity), to any third parties. Stated again for clarification, unless our prior written consent is obtained, no third party may rely on the appraisal report (even if their reliance was foreseeable).
25. The conclusions of this report are estimates based on known current trends and reasonably foreseeable future occurrences. These estimates are based partly on property information, data obtained in public records, interviews, existing trends, buyer-seller decision criteria in the current market, and research conducted by third parties, and such data are not always completely reliable. Peyco is not responsible for these and other future occurrences that could not have reasonably been foreseen on the effective date of this assignment. Furthermore, it is inevitable that some assumptions will not materialize and that unanticipated events may occur that will likely affect actual performance. While we are of the opinion that our findings are reasonable based on current market conditions, we do not represent that these estimates will actually be achieved, as they are subject to considerable risk and uncertainty. Moreover, we

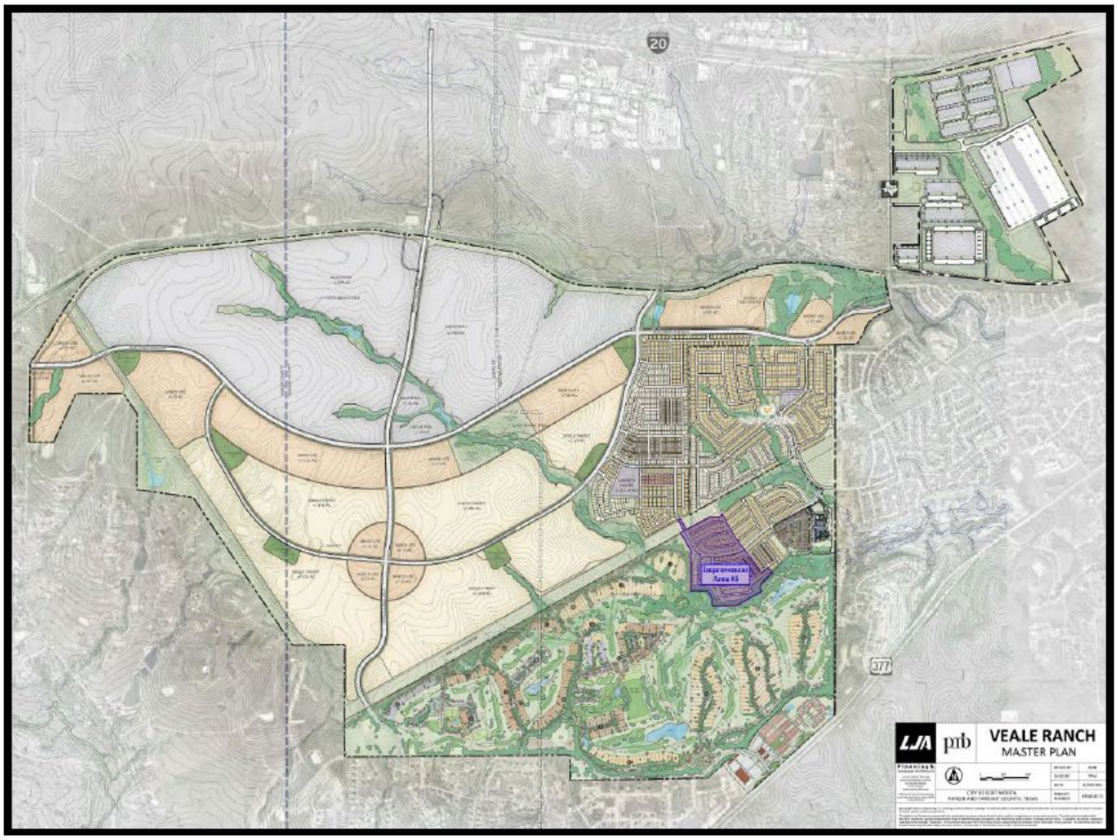
assume competent and effective management and marketing for the duration of the projected holding period of the Subject Property.

26. All prospective value opinions presented in this report are estimates and forecasts which are prospective in nature and are subject to considerable risk and uncertainty. In addition to the contingencies noted in the preceding paragraph, several events may occur that could substantially alter the outcome of our estimates such as, but not limited to changes in the economy, interest rates, capitalization rates, behavior of consumers, investors and lenders, fire and other physical destruction, changes in title or conveyances of easements and deed restrictions, etc. It is assumed that conditions reasonably foreseeable at the present time are consistent or similar to the future.
27. As will be determined during the course of the assignment, additional extraordinary or hypothetical conditions may be required in order to complete the assignment. The appraisal shall also be subject to those assumptions.

IA #4 Map Exhibit



IA #5 Map Exhibit



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ASSUMPTIONS AND LIMITING CONDITIONS

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

1) The value assumes of responsible ownership and competent management. The subject property is assumed to be free and clear of all liens, except as may be otherwise described herein. No responsibility is assumed by the appraiser for matters legal in character, nor is any opinion on the title rendered, which is assumed to be good and marketable.

2) The information contained herein has been gathered from sources deemed to be reliable, but the appraiser assumes no responsibility for its accuracy. Correctness of estimates, opinions, dimensions, sketches, and other exhibits that have been furnished and have been used in this report are not guaranteed.

3) The value rendered herein is based on preliminary analyses of the subject and market area. The market value is expressed in terms of the current purchasing power of the dollar.

4) Any leases, agreements or other written or verbal representations and/or communications and information received by the appraiser have been reasonably relied upon in good faith but have not been analyzed for their legal implications. We urge and caution the user of this report to obtain legal counsel of his/her own choice to review the legal and factual matters, and to verify and analyze the underlying facts and merits of any investment decision in a reasonably prudent manner.

5) Appraisers assume no responsibility for any hidden agreements known as "side reports", which may or may not exist relative to this property, which have not been made known to us, unless specifically acknowledged within this report.

6) This report is to be used in whole, and not in part. Any separate valuation for land and improvements shall not be used in conjunction with any other valuation and is invalid if so used. Possession of this report or any copy thereof does not carry with it the right of publication nor may the same be used for any purpose by anyone but the client without the previous written consent of the appraiser, and in any event, only in its entirety.

7) The appraiser, by reason of this report, is not required to give testimony in court with reference to the property unless notice and proper arrangements have been previously made, therefore.

8) Neither all nor any part of the contents of this report shall be conveyed to the public through advertising, public relations, news, sales or other media without prior written consent and approval of the author.

9) No subsoil data or analysis based on engineering core borings or other tests were furnished to us. We have assumed that there are no subsoil defects present that would impair development of the land to its maximum permitted use or would render it more or less valuable. No responsibility is assumed for engineering, which might be required to discover such factors.

10) Any construction and physical condition of the improvements described herein are based on the building construction plans and specifications and construction budgets <u>if</u> provided. No liability is assumed by the appraiser for the soundness of structural members since no engineering tests were conducted. No liability is assumed for the condition or adequacy of mechanical equipment, plumbing or electrical components. No responsibility is assumed for engineering, which might be required to discover such factors. We urge the user of this report to retain an expert in this field as this is any considered “to-be-built” improvements.

11) Unless otherwise stated in this report, the existence of hazardous substances, including without limitation asbestos, polychlorinated biphenyls, petroleum leakage, or agricultural chemicals, which may or may not be present in or on the property, or other environmental conditions were not called to the attention of the appraiser nor did the appraiser become aware of such during the appraiser site visit. The appraiser has no knowledge of the existence of such materials on or in the property unless otherwise stated. The appraiser, however, is not qualified to test such substances or conditions. If the presence of such substances as asbestos, urea formaldehyde, foam insulation or other hazardous substance or environmental conditions may affect the value of the property, the value is predicated on the assumption that there is no such condition on or in the property or in such proximity thereto as to cause a loss in value. No responsibility is assumed for any such conditions, nor for any expertise or engineering knowledge required to detect or discover them. We urge the user of this report to retain an expert in the field of environmental impacts on real estate if so desired.

12) We have made no survey of the property and assume no responsibility in connected with such matters. Any sketch or survey of the property included in this report is for illustrative purposes only and should not be considered to be scaled accurately for size. The appraisal covers the property as described in this report, and the areas and dimensions set forth are assumed to be correct.

13) We accept no responsibility for issues requiring expertise in other fields. Such factors include, but are not limited to, legal descriptions and other legal matters such as legal title, geologic items such as soils and seismic stability; civil, mechanical, electrical, structural, and other engineering and environmental matters. Such issues may also include determinations of compliance with zoning and other federal, state, and local laws, regulations, and codes.

14) The projections of income, expenses, terminal values, or future sales prices are not predictions of the future; rather, they are the best estimate of current market thinking of what future trends will be. No warranty or representation is made that these projections will materialize. The real estate market is constantly changing. It is not the task of the appraiser to estimate the conditions of a future real estate market, but rather to reflect what the investment community envisions for the future, and upon what assumptions of the future investment decisions are based.

15) The client or user of this report agrees to notify the appraiser of any error, omission or inaccurate data contained in the report within 15 days of receipt and return the report and all copies thereof to the appraiser for correction prior to any use.

16) The acceptance of this report, and its subsequent use by the client or any other party in any manner whatsoever for any purpose, is acknowledgment by the user that the report has been read and understood, and specifically agrees that the data and analyses, to their knowledge, are correct and acceptable.

17) We have assumed no extreme fluctuations in the economic cycles will occur over the dates analyzed herein.

18) The appraisal report and value conclusions assume the satisfactory development proceeds in a workmanlike manner.

19) The conclusions in this report are estimates based on known current trends and reasonably foreseeable future occurrences. These estimates are based partly on property information, existing trends, interviews with parties knowledgeable and experienced in the market, data obtained from public records, and research conducted by third parties. Such data is not always completely reliable. The appraisers are not responsible for these and other future occurrences that could not have reasonably been foreseen on the Effective Date of this assignment. In addition, it is inevitable that some assumptions will not materialize and that unanticipated events may occur that will likely affect actual performance. While we hold the opinion that our findings are reasonable based on current market conditions, we do not represent that these estimates will be achieved, as they are forecasts and subject to risk and uncertainty. Additionally, we assume competent and effective management and market for the duration of the projected holding period of this property.

20) Prospective value opinions presented in this report are estimates and forecasts which are prospective in nature and are subject to risk and uncertainty. Many events could occur that may substantially alter the outcome of our estimates such as changes in the economy, interest rates, capitalization rates, the behavior of consumers, investors, and lenders, and changes in title or conveyances of easements and deed restrictions. It is assumed that conditions reasonably foreseeable at the present time are consistent or similar to the future.

21) This assignment was not based upon a requested minimum valuation, a specific valuation, or the approval of a loan. However, it is based on a hypothetical assumption that access to the south tract is achievable in accordance with all applicable regulations, and any building is to be constructed according to the approved plans and specifications provided by a licensed general contractor.

22) The Americans with Disabilities Act (ADA) became effective January 26, 1992. We have not made a specific compliance survey and analysis of this property to determine whether it is in conformity with the various detailed requirements of the ADA. It is possible that a compliance survey of the property together with a detailed analysis of the requirements of the ADA could reveal that the property is not in compliance with one or more requirements of the act. If so, this fact could have a negative impact upon the value of the property. However, since we have no direct evidence relating to the issue of compliance, we did not consider possible noncompliance with requirements of ADA in forming an opinion of the value of the property.

23) In addition to the preceding assumptions and limiting conditions, this appraisal is subject to the following extraordinary assumptions and/or hypothetical conditions:

EXTRAORDINARY ASSUMPTIONS AND HYPOTHETICAL CONDITIONS

Extraordinary Assumptions and Hypothetical Conditions

The value conclusions are subject to the following **Extraordinary Assumptions** that may affect the assignment results. An Extraordinary Assumption is uncertain information accepted as fact. If the assumption is found to be false as of the Effective Dates of the appraisal, we reserve the right to modify our value conclusions. Extraordinary Assumptions are used in this assignment because the improved residential lots to be delivered by the date utilized in this report are currently complete for IA #4 and IA #5 of the Veale Ranch PID as of the report date.

- Our opinions of retrospective market value at completion assumes that the proposed improvements are completed in accordance with plans and specifications provided by LJA Engineering Inc., the Professional Engineers for the 413 improved residential lots in Veale Ranch PID IA #4 and IA #5.
- All information relative to the property located within Veale Ranch PID IA #4 and IA #5 including land areas, lot totals, lot sizes, and other pertinent data that was provided by PMB Ventana Developer South, LLC, PHDFW - VENTANA 36 LLC, and American Legend Lot Holdings, LLC (the "Developer"), LJA Engineering Inc. (Professional Engineers), LJA Surveying Inc. (Professional Surveyors) the City of Fort Worth, Tarrant County is assumed to be correct.

The use of these Extraordinary Assumptions has affected assignment results.

In addition to the Extraordinary Assumptions, the value conclusions are based on the following **Hypothetical Conditions** that may affect the assignment results. A Hypothetical Condition is a condition contrary to known fact on the Effective Date of the appraisal but is supposed for the purpose of analysis.

No Hypothetical Conditions are used in this report.

ENVIRONMENTAL ASSUMPTIONS

This report is subject to the following environmental assumptions:

1) There is a safe, lead-free, adequate supply of drinking water.

2) The subject property is free of soil contamination.

3) There is no uncontained friable asbestos or other hazardous asbestos material on the property. The appraiser is not qualified to detect such substances.

4) There are no uncontained PCB's on or near the property.

5) The radon level is at or below EPA recommended levels.

6) Any functioning underground storage tanks (UST's) are not leaking and are properly registered; any abandoned UST's are free from contamination and were properly drained, filled, and sealed.

7) There are no hazardous waste sites on or near the subject property that negatively affect the value and/or safety of the property.

8) There is no significant urea formaldehyde (UFFI) insulation or other urea formaldehyde material on the property.

9) There is no flaking or peeling of lead-based paint on the property.

10) The property is free of air pollution.

11) There are no wetlands/flood plains on the subject property (unless otherwise stated in the report).

12) There are no other miscellaneous hazardous substances and/or detrimental environmental conditions on or in the area of the site (excess noise, radiation, light pollution, magnetic radiation, acid mine drainage, agricultural pollution, waste heat, miscellaneous chemical, infectious medical wastes, pesticides, herbicides, and the like).

DEFINITIONS

Fee Simple Estate
Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power and escheat.

Leased Fee Interest
The ownership interest held by the lessor includes the right to receive the contract rent specified in the lease plus the reversionary right when the lease expires.

Leasehold Interest
The right held by the lessee to use and occupy real estate for a stated term and under the conditions specified in the lease.

Market Rent
The most probable rent that a property should bring in a competitive and open market reflecting the conditions and restrictions of a specified lease agreement, including the rental adjustment and revaluation, permitted uses, use restrictions, expense obligations, term, concessions, renewal and purchase options, and tenant improvements (TIs).

Market Value
Market value means the most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

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

The value conclusions expressed within this report are in terms of cash ($US).

Extraordinary assumptions are assignment-specific assumptions as of the Effective Date regarding uncertain information used in an analysis which, if found to be false, could alter the appraiser’s opinions or conclusions.

Hypothetical condition a condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the Effective Date of the assignment results but is used for the purpose of analysis.

Prospective Opinion of Value
A value opinion effective as of a specified future date. The term does not define a type of value. Instead, it identifies a valued opinion as being effective at some specific future date. An opinion of value as of a prospective date is frequently sought in connection with projects that are proposed, under construction, or under conversion to a new use, or those that have not yet achieved sellout or a stabilized level of long-term occupancy.

Prospective Market Value "As Completed" and "As Stabilized"
A prospective market value may be appropriate for the valuation of a property interest related to a credit decision for a proposed development or renovation project. According to USPAP, an appraisal with a prospective market value reflects an Effective Date that is subsequent to the date of the Appraisal Report. Prospective value opinions are intended to reflect the current expectations and perceptions of market participants, based on available data. Two prospective value opinions may be required to reflect the time frame during which development, construction, and occupancy will occur. The prospective market value—as completed - reflects the property's market value as of the time that development is expected to be completed. The prospective market value - as stabilized - reflects the property's market value as of the time the property is projected to achieve stabilized occupancy. For an income-producing property, stabilized occupancy is the occupancy level that a property is expected to achieve after the property is exposed to the market for lease over a reasonable period of time and at comparable terms and conditions to other similar properties. (See USPAP Statement 4* and Advisory Opinion 17.) (Interagency Appraisal and Evaluation Guidelines)

Retrospective Value Opinion
A value opinion effective as of a specified historical date. The term retrospective does not define a type of value. Instead, it identifies a valuable opinion as being effective at some specific prior date. Value as of a historical date is frequently sought in connection with property tax appeals, damage models, lease renegotiation, deficiency judgments, estate tax, and condemnation. Inclusion of the type of value with this term is appropriate, e.g., "retrospective market value opinion."

Neighborhood
(1) A group of complementary land users; a congruous grouping of inhabitants, buildings, or business enterprises.
(2) A developed residential super pad within a master-planned community usually has a distinguishing name and entrance.

Depreciation

1. In appraisal, a loss in property value from any cause; the difference between the cost of an improvement on the Effective Date of the appraisal and the market value of the improvement on the same date.
2. In accounting, an allocation of the original cost of an asset, amortizing the cost over the asset's life; calculated using a variety of standard techniques.

The three major types of accrued depreciation are:

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

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

External Obsolescence
According to the Dictionary of Real Estate Appraisal, Sixth Edition, external obsolescence is "*A type of depreciation; a diminution in value caused by negative external influences and generally incurable on the part of the owner, landlord, or tenant. The external influence may be either temporary or permanent.*"

Paper Lot
Consists of a portion of land with the necessary legal (zoning and platting) and engineering entitlements (site plan approvals) in place but lacking the necessary direct improvements (such as earthwork, erosion control, drainage, retaining walls, and landscaping in addition to lacking direct access from a paved street and utilities) to develop a lot with a residence. The paper lots have access to utilities stubbed nearby and have a status between raw ground and a fully developed lot upon which home construction can begin.

Definition Sources:

- Office of the Comptroller of the Currency (12 CFR Part 34)
- Appraisal Institute, *The Dictionary of Real Estate Appraisal*, Sixth Edition, copyright 2015.
- The Appraisal Foundation: USPAP (Uniform Standards of Professional Appraisal Practice) 2018-2019 edition

JAMES L. MAIBACH, CPM - STATE CERTIFIED GENERAL REAL ESTATE APPRAISER

EDUCATION:
Graduate North Quincy High School, Quincy, Massachusetts, 1976
Bachelor of Science in Business Administration (with Honors)
Northeastern University, Boston Massachusetts, 1981
Major: Accounting Minor: Marketing

TECHNICAL TRAINING:
Institute of Real Estate Management Courses:
#303 - Leasing and Management of Shopping Center and Retail Space
#400 - Managing Real Estate as an Investment
#500 - Problem-Solving & Decision-Making for the Property Manager
#800 - Ethics in Real Estate Management
University of Texas at Arlington: Real Estate Courses:
RE 001 Real Estate Finance; RE 004 Real Estate Mathematics;
RE 101 Principles of Real Estate; RE 301 Texas Real Estate Law: Contracts;
RE 501 Texas Real Estate Law; RE 701 Property Management
East Texas Baptist University:
Uniform Standards of Professional Appraisers and Code of Ethics. The Appraisal Foundation:
USPAP Update
Texas Association of Property Tax Professionals, Inc.:
Principles of Property Tax Consulting; A Survey of Texas Property Tax Law
Other: USPAP-97 Instructor's Workshop, USPAP Instructor 1997
TREC Licensed Instructor – Commercial Investment Course, CEI 1998
Continuing Education Institute:
Deceptive Trade Practices Act; Let's Talk-Not Fight; Property Taxes: Rights, Remedies and Responsibilities; USPAP Update
Institute for Real Estate Professionals, Inc.
Preparing & Presenting an Ethical Ad Valorem Property Tax Valuation; Texas Property Tax Law 2007
Texas Association of Realtors:
Tarrant County Appraisal Review Board Member (1991-1992)

PROFESSIONAL AFFILIATIONS:
Texas Appraiser Licensing and Certification Board - State Certified General Real Estate Appraiser No. TX-1323658-CG since 1992
Institute of Real Estate Management (IREM)- Certified Property Manager, CPM Designation No. 14942 since 1993
Texas Real Estate Broker's License, No. 375882-B since 1989
Texas Dept. of Licensing & Regulations - Licensed Property Tax Consultant, License #1360 since inception
Texas Property Tax Arbitrator #32020394139 since 2006
Tarrant Appraisal Review Board Member 1991-1992 Appointment
City of Arlington - Planning and Zoning – Commissioner1997-2003 (Appointed by Mayor and City Council)
American Planning Association – Member 1997 to 2003
Greater Arlington Chamber of Commerce - Board of Directors 1995 to 2001 – Reappointed 2003 to 2006 – Reappointed 2008 to 2014 – Chairman of the Board 2022, now servicing as Chairman of the Chamber Foundation Board
City of Arlington Parks & Recreation – Board of Directors, Appointed 2003 to 2007
Levitt Pavilion – Board of Directors since 2014

EXPERIENCE:
Active field appraiser, property manager, developer, broker, and tax consultant of all types of real property since June,1986. Appeared in Texas State Court as an expert witness on real estate values on numerous occasions (1990s, 2000s, 2020s). A property manager and developer for nineteen years at Peyco Properties, Inc. and twenty-one years through Peyco Southwest Realty, Inc. (formerly Southwest Real Estate Services, Inc.), involved in real estate development, leasing, management, rent analysis and consulting services through the DFW metroplex and Colorado. President and founder of Peyco Southwest Realty, Inc. (Southwest Real Estate Services, Inc.), a full-service brokerage company, real estate appraisal, and ad valorem property tax representation firm.

TALCB
TEXAS APPRAISER LICENSING & CERTIFICATION BOARD

Certified General Real Estate Appraiser

Appraiser: JAMES LAWRENCE MAIBACH

License #: 1323658-CG **License Expires: 09/30/2026**

Having provided satisfactory evidence of the qualifications required by the Texas Appraiser Licensing and Certification Act, Occupations Code, Chapter 1103, authorization is granted to use this title: Certified General Real Estate Appraiser

For additional information or to file a complaint please contact TALCB at www.talcb.texas.gov.

Chelsea Buchholtz
Executive Director

LESLIE TOLLIVER - STATE CERTIFIED GENERAL REAL ESTATE APPRAISER

EDUCATION:
MBA – Masters in Business Administration – *University of Phoenix* (3.95 GPA)
Bachelor of Science in Business Administration - *University of Phoenix*
Graduate *Owings Mills High School*, Owings Mills, Maryland, 1988

TECHNICAL TRAINING:
Appraisal Institute, Associate Member – 300+ hours of qualifying and continuing education
University of Texas in Arlington – 180 hours of qualifying education for the Texas Real Estate License
Southern Methodist University – qualifying education for the Texas Comptroller Arbitrator registry

PROFESSIONAL AFFILIATIONS:
Texas Appraiser Licensing and Certification Board – State Certified General Appraiser No. TX-1381494-CG
Texas Appraiser Licensing and Certification Board – State Certified Residential Appraiser No. TX-1361274-CR
Texas Real Estate Commission – Real Estate Broker License, No. 0468343-B

EXPERIENCE:

- 11 Years' experience as a fee appraiser for residential and commercial properties for *Peyco Southwest Realty, Aloft Appraisals*, and *G.S. Zachary Company*
  - Residential appraisals – area of expertise is in north Texas region; FHA certified
  - Commercial appraisals - throughout the states of Texas and Oklahoma
- 25 Years' experience as a residential and commercial real estate broker for multiple firms
  - *Savage Realty Investments* – Founding President
    - Negotiated contracts for clients in over $50 million dollars of real estate transactions
    - Managed and trained over 25 Real Estate Agents
  - *Fathom Realty* – Broker Team Leader
    - Trained and mentored Real Estate Agents and assisted them with contracts and client transactions
- 25 Years' experience as a Property Tax Consultant
  - Valued properties, prepared cases, and appeared before Appraisal Review Boards to dispute the tax valuations of residential, commercial, and business personal property throughout the nation. Major clientele base included national accounts such as: Sonic restaurants, Church's Chicken restaurants, and Chuck-E-Cheese restaurants
- 9 Years' experience as a Real Estate Arbitrator on the *Texas Comptroller* registry
  - Act as an Arbitrator for real estate cases involving property tax disputes on residential, commercial, and business personal property taxes throughout Texas
  - Made binding valuation determinations for the disputed properties
- 16 Years' experience as a Real Estate Instructor at the *University of Texas in Arlington*
  - Adjunct instructor, teaching real estate classes to students pursuing a Real Estate Agent license in Texas
- 6 Years' experience as a Real Estate Arbitrator Instructor at the *University of Texas in Arlington*
  - Adjunct instructor, teaching continuing education classes to existing Arbitrators on the Texas Comptroller's registry
  - Trained and mentored many Arbitrators
- 3 Year's expectancy as a Real Estate Acquisition and Valuation Analyst for multiple firms
  - *KeyGlee* – Provided valuation of residential real estate for wholesaling to real estate investors
  - *Hyperion Homes* – Provided valuation of residential real estate for rent-to-own clients

TEXAS APPRAISER LICENSING & CERTIFICATION BOARD

Certified General Real Estate Appraiser

Appraiser: LESLIE ELIZABETH TOLLIVER

License #: 1381494-CG **License Expires: 09/30/2026**

Having provided satisfactory evidence of the qualifications required by the Texas Appraiser Licensing and Certification Act, Occupations Code, Chapter 1103, authorization is granted to use this title: Certified General Real Estate Appraiser

For additional information or to file a complaint please contact TALCB at www.talcb.texas.gov.

Chelsea Buchholtz
Executive Director

BRANDON LAWSON – APPRAISER TRAINEE

EDUCATION:
Bachelor of Arts - Communication, 2021 - University of Arkansas (3.97 GPA)
Master of Arts - Communication, 2023 - University of Arkansas (4.0 GPA)
Graduate *Arlington Martin High School*, Arlington, Texas, 2017

TECHNICAL TRAINING:
- *McKissock* – 79 hours of qualifying education for the Appraiser Trainee license
- 2024-2025 15 Hour National USPAP Course (QE) – 15 hours
- General Appraiser Sales Comparison Approach – 30 hours
- Business Practices and Ethics – 6 hours
- The Discounted Cash Flow Model: Concepts, Issues, and Apps. – 5 hours
- Artificial Intelligence, Blockchain, and the Metaverse: Implications for Valuation – 7 hours
- Subdivision Valuation – 7 hours
- *Champions School of Real Estate* - 180 hours of qualifying education for the Texas Real Estate License
- Real Estate Brokerage – 30 hours

PROFESIONAL AFFILIATIONS:
Texas Appraiser Licensing and Certification Board – Appraisal Trainee No. TX-1343865-T
Texas Real Estate Commission – Real Estate Sales Agent License, No. 818543
Associate Member, Appraisal Institute – since 2023

APPRAISER EXPERIENCE
July 2023-Present
Appraiser Trainee with *Peyco Southwest Realty*, Arlington TX
- Commercial Appraisals – throughout that state of Texas

TALCB
TEXAS APPRAISER LICENSING & CERTIFICATION BOARD

Appraiser Trainee

Trainee: BRANDON L LAWSON

Authorization #: 1343865-T **Authorization Expires: 11/30/2027**

Review the list of the above Trainee's Supervisors on the License Holder Search at www.talcb.texas.gov.

Having provided satisfactory evidence of the qualifications required by the Texas Appraiser Licensing and Certification Act, Occupations Code, Chapter 1103, authorization is granted to use this title:
Appraiser Trainee

Chelsea Buchholtz
Executive Director

For additional information or to file a complaint please contact TALCB at www.talcb.texas.gov.

CITY OF FORT WORTH, TEXAS • SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2026
(FORT WORTH PUBLIC IMPROVEMENT DISTRICT NO. 22 (VEALE RANCH) IMPROVEMENT AREAS #4-5 PROJECT)

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