



The Courtyards at Katy Trail - Denison, TX

Appraisal Report
January 11, 2024



January 11, 2024

John Bohannon
Builders Capital
1019 39th Avenue
Suite 220
Puyallup, WA 98374

Blake Vaughn
Principal
Vita Nova Construction
8109 Belmont Court
North Richland Hills, TX 76182

Re: Appraisal Report

Mr. Bohannon and Mr. Vaughn:

In accordance with your request, we have prepared an Appraisal Report to estimate the As-Is Market Value (Fee Simple Interest) and Prospective Upon Completion Individual Home Values on an Aggregate Basis (Fee Simple Interest) for the subject property. Additional value scenarios presented subsequent to the Analysis of Value Conclusions include: Market Value of Going Concern & As Complete - Lots. The intended use of this appraisal will be for financing purposes. Builder's Capital, Vita Nova Construction, or assigns are the only intended users of this report. Please reference the attached report for important information regarding the scope of work and analysis for this appraisal, including property identification, inspection, the highest and best use analysis and valuation methodology. The subject property was physically inspected on December 18, 2023. As such, the valuation date is December 18, 2023.

The subject property is a single family subdivision development located on the southwest corner of S Eisenhower Pkwy and Texoma Pkwy in Denison, TX, in the Sherman-Denison submarket. Based on the information provided to the appraiser, the proposed development will consist of a total of 155 single family residences that average 1,826 SF in size to be sold out upon completion. These residences will be completed in 4 phases, with 68 residences being developed in Phase I, 20 residences in Phase II, 35 Residences in Phase III, and 32 residences in Phase IV. The residences will be developed across 155 developed lots on 95.15 acres of land. In addition, the proposed development will include open space, nature preserve, & an amenity center.

The current plans for the land include the subdivision of these parcels into 155 lots and the construction of 155 improved single-family residences. The delivery of these residences will occur as they are completed, and we estimate that the units will sell out within a period of five years of the valuation date.

The following table conveys the final opinions of value that are developed in this appraisal:



MARKET VALUE CONCLUSION				
VALUATION SCENARIO	INTEREST APPRAISED	EXPOSURE TIME	EFFECTIVE DATE	VALUE
As-Is Market Value Going Concern	Fee Simple Interest	12 Months or Less	December 18, 2023	\$5,700,000
Aggregate Value of Completed Residences	Fee Simple Interest	12 Months or Less	December 18, 2028	\$81,140,000
ADDITIONAL CONCLUSIONS				
As Complete - Lots - Subject to Hypothetical Condition				\$14,900,000

The exposure time preceding December 18, 2023 would have been 12 months or less and the estimated marketing period as of December 18, 2023 is 12 months or less.

Extraordinary Assumptions

The use of an Extraordinary Assumption(s) may have impacted the results of the assignment.

- We have relied on information provided by the client as well as from public records as it relates to lot subdivisions, construction costs, number of units, land size, and other physical, financial, and economic characteristics. It is an extraordinary assumption of this appraisal that this information is accurate and was not misrepresented.
- We assume the construction budget and development timeline provided by the Client are accurate.
- We assume that the sizes and number of units and lots provided by the Client are correct and reliable and will be completed by plans and specs provided.
- The market value of going concern is predicated around the extraordinary assumption that the owner of the land will develop the property to sell finished residences to the specifications provided to us.

Hypothetical Conditions

- Per the request of the client, we have included a value of the proposed lots upon completion. This value is subject to the hypothetical condition that the horizontal work for all of the future phases of the development will be completed in Year 1.

The following appraisal sets forth the most pertinent data gathered, the techniques employed, and the reasoning leading to the opinion of value. This report conforms to the current Uniform Standards of Professional Appraisal Practice (USPAP). Accordingly, the analyses, opinions and conclusions were developed based on, and this report has been prepared in conformance with, our interpretation of the guidelines and recommendations set forth therein.

If there are any specific questions or concerns regarding the attached appraisal report, or if Kroll, LLC can be of additional assistance, please contact the individuals listed in the real property certification section.

Respectfully submitted,

Kroll, LLC

Kroll, LLC

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Photographs of the Subject Property



Subject Site



Subject Site



Subject Site



Subject Site



Viewing west along Theresa Dr at the subject site



Viewing south along Texoma Pkwy at the subject site

Certification

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

1. No investigation has been made of, and no responsibility is assumed for, the legal description or for legal matters including title or encumbrances. Title to the property is assumed to be good and marketable unless otherwise stated. The property is further assumed to be free and clear of liens, easements, encroachments and other encumbrances unless otherwise stated, and all improvements are assumed to lie within property boundaries.
2. Information furnished by others, upon which all or portions of this report are based, is believed to be reliable, but has not been verified in all cases. No warranty is given as to the accuracy of such information.
3. It is assumed that all required licenses, certificates of occupancy, consents, or other legislative or administrative authority from any local, state, or national government or private entity or organization have been, or can readily be obtained, or renewed for any use on which the value estimates provided in this report are based.
4. Full compliance with all applicable federal, state and local zoning, use, occupancy, environmental, and similar laws and regulations is assumed, unless otherwise stated.
5. No responsibility is taken for changes in market conditions and no obligation is assumed to revise this report to reflect events or conditions, which occur subsequent to the appraisal date hereof.
6. Responsible ownership and competent property management are assumed.
7. The allocation, if any, in this report of the total valuation among components of the property applies only to the program of utilization stated in this report. The separate values for any components may not be applicable for any other purpose and must not be used in conjunction with any other appraisal.
8. Areas and dimensions of the property were obtained from sources believed to be reliable. Maps or sketches, if included in this report, are only to assist the reader in visualizing the property and no responsibility is assumed for their accuracy. No independent surveys were conducted.
9. It is assumed that there are no hidden or unapparent conditions of the property, subsoil, or structures that affect value. No responsibility is assumed for such conditions or for arranging for engineering studies that may be required to discover them.
10. No soil analysis or geological studies were ordered or made in conjunction with this report, nor was an investigation made of any water, oil, gas, coal, or other subsurface mineral and use rights or conditions.
11. Neither Kroll REAG nor any individuals signing or associated with this report shall be required by reason of this report to give further consultation, to provide testimony or appear in court or other legal proceedings, unless specific arrangements thereto have been made.
12. This appraisal has been made in conformance with, and is subject to, the requirements of the Code of Professional Ethics and Standards of Professional Conduct of the Appraisal Institute and the Uniform Standards of Professional Appraisal Practice.
13. We have not been engaged nor are we qualified to detect the existence of hazardous material, which may or may not be present on or near the property. The presence of potentially hazardous substances such as asbestos, urea-formaldehyde foam insulation, industrial wastes, etc. may affect the value of the property. The value estimate herein is predicated on the assumption that there is no such material on, in, or near the property that would cause a loss in value. No responsibility is assumed for any such conditions or for any expertise or engineering knowledge required to discover them. The client should retain an expert in this field if further information is desired.
14. The date of value to which the conclusions and opinions expressed in this report apply is set forth in the opinion letter at the front of this report. Our value opinion is based on the purchasing power of the United States' dollar as of this date.

15. 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 or not it is in conformity with the various detailed requirements of the ADA. It is possible that a compliance survey of the property along with a detailed study of ADA requirements could reveal that the property is not in compliance with the act. If so, this would have a negative effect on the property value. We were not furnished with any compliance surveys, or any other documents pertaining to this issue and therefore did not consider compliance or noncompliance with the ADA requirements when estimating the value of the property.
16. In accordance with our agreement, this report is limited to the value of the subject property. One or more additional issues may exist that could affect the Federal tax treatment of the subject property with respect to which we have prepared this report. This report does not consider or provide a conclusion with respect to any of those issues. With respect to any significant Federal tax issue outside the scope of this report, this report was not written, and cannot be used, by anyone for the purpose of avoiding Federal tax penalties.

Extraordinary Assumptions

When a value opinion is subject to an extraordinary assumption or hypothetical condition, the appraiser must state that condition so that its effect on the value opinion or conclusion is clear. An extraordinary assumption is an assumption that is directly related to a specific assignment, which if found to be false, could alter the appraiser's opinions or conclusions. Extraordinary assumptions presume as fact otherwise uncertain information about physical, legal, or economic characteristics of the subject property; or about conditions external to the property such as market conditions or trends; or about the integrity of data used in an analysis. An extraordinary assumption may be used in an assignment only if:

- It is required to properly develop credible opinions and conclusions;
- The appraiser has a reasonable basis for the extraordinary assumption;
- Use of the extraordinary assumption results in a credible analysis; and
- The appraiser complies with the disclosure requirements set forth in USPAP for extraordinary assumptions.

The use of an Extraordinary Assumption(s) may have impacted the results of the assignment.

- We have relied on information provided by the client as well as from public records as it relates to lot subdivisions, construction costs, number of units, land size, and other physical, financial, and economic characteristics. It is an extraordinary assumption of this appraisal that this information is accurate and was not misrepresented.
- We assume the construction budget and development timeline provided by the Client are accurate.
- We assume that the sizes and number of units and lots provided by the Client are correct and reliable and will be completed by plans and specs provided.
- The market value of going concern is predicated around the extraordinary assumption that the owner of the land will develop the property to sell finished residences to the specifications provided to us.

Hypothetical Conditions

Hypothetical conditions assume conditions contrary to known facts about physical, legal, or economic characteristics of the subject property; or about conditions external to the property, such as market conditions or trends; or about the integrity of data used in an analysis. A hypothetical condition may be used in an assignment only if:

- Use of the hypothetical condition is clearly required for legal purposes, for purposes of reasonable analysis, or for purposes of comparison;
- Use of the hypothetical condition results in a credible analysis; and
- The appraiser complies with the disclosure requirements set forth in USPAP for hypothetical conditions.

No Hypothetical Conditions were made for this assignment.

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

- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions, and conclusions of the signers are limited only by the reported assumptions and limiting conditions, and are our personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- The signers of this report have no present or prospective interest in the property that is the subject of this report, and no personal interest with respect to the parties involved.
- Daniel P Carlson, MAI & Daniel Maher, MAI have performed no services, specifically as appraisers or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.
- The signers are not biased with respect to the property that is the subject of this report or to the parties involved with this assignment.
- The engagement in this assignment was not contingent upon developing or reporting predetermined results.
- The compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- The reported analysis, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute, and the Uniform Standards of Professional Appraisal Practice, as set forth by the Appraisal Standards Board of the Appraisal Foundation.
- Daniel Maher, MAI inspected the property that is the subject of this report on December 18, 2023.
- Justin Metten provided significant real property appraisal assistance to the appraisers signing this certification, including verifying rent & sale comparables, interviewing brokers for appropriate market rent, cap rates and sale prices for the subject and similar property type. It is noted that the responsibilities of parties providing assistance is not considered to be significant in terms of any value determination. All parties conducted assistance under the direct supervision of the appraiser's signing this report in compliance with State regulations.
- The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
- As of the date of this report, Daniel P Carlson, MAI, MAI, FRICS, CRE, has completed the continuing education program for Designated Members of the Appraisal Institute.

DRAFT

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State Certified General Real Estate Appraiser
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January 11, 2024

DRAFT

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Senior Director
State Certified General Real Estate Appraiser
Texas License No.1338192
Expiration Date 10/31/2024
469 547 3915
daniel.maher@kroll.com

Executive Summary

PROPERTY IDENTIFICATION

Name	The Courtyards at Katy Trail
Property	Single Family Residential - Housing
Address	Southwest Corner of S Eisenhower Pkwy & Texoma Pkwy
City, State Zip	Denison, Texas 75020
County	Grayson County
MSA	Sherman-Denison, TX MSA
Market / Submarket	Sherman-Denison / Sherman-Denison
Geocode	33.716677,-96.565013
Census Tract	48-215-024129

SITE DESCRIPTION

Number of Parcels	6	
Assessor Parcel Numbers	151319, 151337, 151365, 151320, 151364, 151332	
Land Area	Square Feet	Acres
Usable	4,144,603	95.15
Total	4,144,603	95.15
Proposed Lots	155	
Zoning	Multiple (SF5, SF7.5, A, & C)	
Shape	Irregular	
Topography	Level at street grade	
Flood Zone	Zone AE & Zone X (Unshaded)	
Seismic Zone	Low Risk	

IMPROVEMENT DESCRIPTION

Net Rentable Area (NRA)	282,969
Gross Building Area (GBA)	282,969
Proposed Units	155
Proposed Unit Size	1,826 SF
Total Proposed Buildings	155
Floors	1 & 2 Floors
Year Built	2024
Actual Age	0 Years
Effective Age	0 Years
Economic Life	45 Years
Remaining Useful Life	45 Years
Building Class	D
Site Coverage Ratio	3.4%
Parking	1.4 / 1,000 SF NRA
Project Amenities	Open space & amenity center
Laundry	None
Security Features	None

QUALITATIVE ANALYSIS

Site Quality	Good
Site Access	Good
Site Exposure	Good
Site Utility	Good
Building Quality	Good
Building Condition	Good
Building Appeal	Good

Executive Summary

(Continued)

HIGHEST & BEST USE

Proposed Construction	Yes
As Vacant	For an adequately sized single residential development
As Proposed	As currently proposed with single family residences

EXPOSURE & MARKETING TIME

Exposure Time	12 Months or Less
Marketing Time	12 Months or Less

INVESTMENT INDICATORS

MARKET VALUE CONCLUSION

VALUATION SCENARIO	INTEREST APPRAISED	EXPOSURE TIME	EFFECTIVE DATE	VALUE
As-Is Market Value Going Concern	Fee Simple Interest	12 Months or Less	December 18, 2023	\$5,700,000
Aggregate Value of Completed Residences	Fee Simple Interest	12 Months or Less	December 18, 2028	\$81,140,000

ADDITIONAL CONCLUSIONS

As Complete - Lots - Subject to Hypothetical Condition	\$14,900,000
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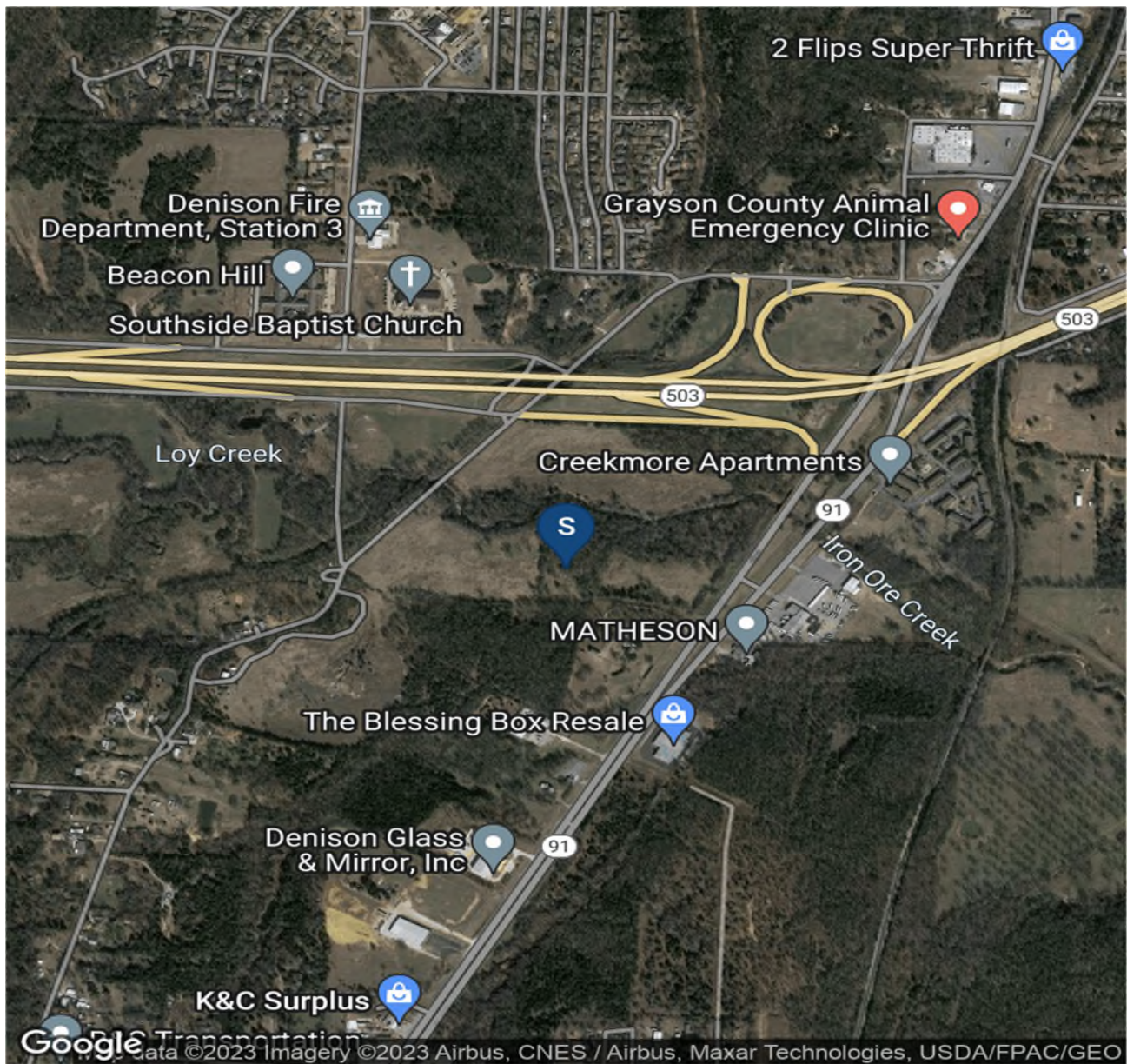
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January 11, 2024

(Continued)

January 11, 2024

Aerial Photograph



Identification of Assignment

Property Identification

The subject property is a single family subdivision development located on the southwest corner of S Eisenhower Pkwy and Texoma Pkwy in Denison, TX, in the Sherman-Denison submarket. Based on the information provided to the appraiser, the proposed development will consist of a total of 155 single family residences that average 1,826 SF in size to be sold out upon completion. These residences will be completed in 4 phases, with 68 residences being developed in Phase I, 20 residences in Phase II, 35 Residences in Phase III, and 32 residences in Phase IV. The residences will be developed across 155 developed lots on 95.15 acres of land. In addition, the proposed development will include open space, nature preserve, & an amenity center.

Legal Description

The legal description of the subject property is as follows: G-0077 BALL JAMES A-G0077, ACRES 35.507, G-0781 MANNING J M A-G0781, ACRES 18.94, HUNTS S/D, BLOCK 1, LOT PT 12 13 14, ACRES 6.26, G-0077 BALL JAMES A-G0077, ACRES 30.9, HUNTS S/D, BLOCK 1, LOT W PT 12 13 14, ACRES 2.54, & G-0767 MARTIN P C A-G0767, ACRES 1.0

Client/Intended Use/Users

The client of this specific assignment is Builders Capital & Vita Nova Construction. The intended use of this appraisal will be for financing purposes. Builder's Capital, Vita Nova Construction, or assigns are the only intended users of this report.

Purpose

The purpose of this appraisal is to develop opinions of the As-Is Market Value (Fee Simple Interest) and Prospective Upon Completion Individual Home Values on an Aggregate Basis (Fee Simple Interest).

Definition Of Market Value

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

1. Buyer and seller are typically motivated;
2. Both parties are well informed or well advised, and acting in what they consider their own best interests;
3. A reasonable time is allowed for exposure in the open market;
4. Payment is made in terms of cash in United States 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.¹

Property Rights Appraised

The property rights appraised constitute the fee simple interest.

¹ Office of Comptroller of the Currency (OCC), Title 12 of the Code of Federal Regulation, Part 34, Subpart C -Appraisals, 34.42 (g); Office of Thrift Supervision (OTS), 12 CFR 564.2 (g); This is also compatible with the FDIC, FRS and NCUA definitions of market value.

Fee Simple Interest

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.²

Non-Discrimination Statement

This appraisal has been completed without regard to race, color, religion, national origin, sex, marital status or any other prohibited basis, and does not contain references which could be regarded as discriminatory.

Personal Property & Business Intangible

There is no personal property (FF&E), or business intangible value included in this appraisal.

Property And Sales History

Current Owner/Three-Year Sales History

The subject title is currently recorded in the name of Vita Nova Construction LLC who acquired title to the property on May 24, 2022 for \$1,650,000, or \$17,341 per acre, as recorded in the Grayson County Deed Records, Document Number 2022-18221. According to county records there has been no other transfer of ownership for the subject property in the past three years and there is no known pending sale or listing of the subject.

² The Dictionary of Real Estate Appraisal, Sixth Edition, Appraisal Institute, Chicago, Illinois, 2015

Scope of Work

According to the Uniform Standards of Professional Appraisal Practice, it is the appraiser's responsibility to develop and report a scope of work that results in credible results that are appropriate for the appraisal problem and intended user(s). Therefore, the appraiser must identify and consider:

- The client and intended users,
- The intended use of the report,
- The type and definition of value,
- The effective date of value,
- Assignment conditions,
- Typical client expectations,
- Typical appraisal work by peers for similar assignments.

The client of this specific assignment is Builders Capital . The intended use of this appraisal will be for financing purposes. Builder's Capital, Vita Nova Construction, or assigns are the only intended users of this report.

The scope of work for this assignment was based on the needs and prior communications with the Client. The purpose of this assignment—which was prepared as an Appraisal Report in accordance with USPAP Standards Rule 2-2a, with the analysis stated in the document and representing a fully described level of analysis—is to form an opinion of the 1) As-Is Market Value (Fee Simple Interest) and Prospective Upon Completion Individual Home Values on an Aggregate Basis (Fee Simple Interest) for the subject property. Specifically, the scope of work and report content herein is commensurate with the relative risk that is associated with this particular transaction as determined by the Clients, Builders Capital & Vita Nova Construction.

We have conducted primary research and-whenever possible-we have verified and/or re-verified applicable tax data, zoning requirements, flood zone status, demographics, and comparable listing, sale and rental information which was gathered via: a) public records, b) comments from local brokers and market participants, c) third party data such as CoStar, MLS, etc., d) other sources such as related or previous appraisal projects; and e) observations of the micro and/or macro market environments with respect to physical and economic factors relevant to the valuation process. Then we analyzed, correlated and reconciled the results with the use of appropriate and accepted appraisal methodology to arrive at a reasonable and defensible value conclusion via the Sales Comparison and Income (Discounted Cash Flow) Approaches to value.

The appraisal analyzes the regional and local area profiles including employment, population, household income and real estate trends. The local area was inspected to consider external influences on the subject.

The appraisal analyzes legal and physical features of the subject including site size, improvement size, flood zone, seismic zone, site zoning, easements, encumbrances, site access and site exposure.

The appraisal includes a single family residential market analysis for the Sherman-Denison residential market using vacancy, absorption, supply and rent data. Conclusions were drawn for the subject's competitive position given its physical and locational features, current market conditions and external influences.

We have estimated a reasonable exposure time and marketing time associated with the value estimate presented.

The appraisal includes a Highest and Best Use analysis and conclusions have been completed for the highest and best use of the subject property As Vacant. The analysis considered legal, locational, physical and financial feasibility characteristics of the subject site and existing improvements.

We completed an analysis of the subject's existing and/or pro forma economic operating characteristics.

We have not provided prior professional services regarding the subject property, in the capacity as appraisers or otherwise, within a three-year period immediately preceding the date of acceptance of this assignment.

Scope of Work

(Continued)

We observed the surrounding land area of the subject. We did not attempt to detect any physical issues with the site area that would not be readily observable without removal of fixtures or fixed elements or any foliage at the site. As well, we did not attempt to detect any environmental hazards at the subject that were not readily observable during our on-site visitation, nor did we conduct any off-site research into potential environmental hazards which might impact the subject. Finally, no research into pending legal proceedings (such as planned condemnation for public-right-of-way, etc.) was undertaken.

Unless otherwise noted in this appraisal, area measurements were taken from the information made available to us that was provided from the Client and site surveys or other sources. These figures have been cross-checked to the extent possible with public records. However, in no event—unless otherwise noted in this report—have we conducted measurements of the specific areas (these figures are taken solely from the information provided by the Client, site surveys or other sources).

The authors of this report are aware of the Competency Rule of USPAP and meet the standards.

Sources of Information

The following sources were contacted to obtain relevant information:

INFORMATION PROVIDED	
Property Assessment & Tax	Grayson County Assessor
Zoning & Land Use Planning	City of Denison Zoning
Site Size	Grayson County Assessor
Building Size	Grayson County Assessor
Supply & Demand	CoStar
Flood Map	FEMA
Demographics	STDB On-Line
Comparable Information	MLS Public Records Confirmed by Local Agents
Construction Costs/Budget	Client
Building Plans/Specs	Client

The lack of the unavailable items could affect the results of this analysis. As part of the general assumptions and limiting conditions, the subject is assumed to have no adverse easements, significant items of deferred maintenance, or be impacted by adverse environmental conditions.

Subject Property Inspection

PROPERTY INSPECTION					
APPRAISER	INSPECTED	EXTENT	ALL UNITS INSPECTED	DATE	ROLE
Daniel P Carlson, MAI	No	N/A	No	December 18, 2023	Primary Appraiser
Daniel Maher, MAI	Yes	Site	No	December 18, 2023	Appraiser

Exposure & Marketing Time

Marketing time and exposure time are both influenced by price. That is, a prudent buyer could be enticed to acquire the property in less time if the price were less. Hence, the time span cited below coincides with the value opinion(s) formed herein.

USPAP Standard rule 1-2(c)(iv) requires an opinion of exposure time, not marketing time, when the purpose of the appraisal is to estimate market value. In the recent past, the volume of competitive properties offered for sale, sale prices, and vacancy rates have fluctuated little. Sale concessions have not been prevalent. The following information is used to estimate exposure time and marketing time for the subject:

EXPOSURE & MARKETING TIME				
SOURCE		YEAR/QUARTER	MONTHS RANGE	AVERAGE
National Development Land	PwC			
Current Quarter		2023 Q2	1.0 to 15.0	8.0
Last Quarter		2023 Q1	- to -	-
Four Quarters Ago		2022 Q2	1.0 to 12.0	3.2
OVERALL AVERAGE				8.0
Exposure Period Conclusion			12 Months or Less	
Marketing Time Conclusion			12 Months or Less	

Conclusion

Given the analysis we have analyzed the exposure time as 12 months or less. Further, my marketing time of 12 months or less is estimated for the subject.

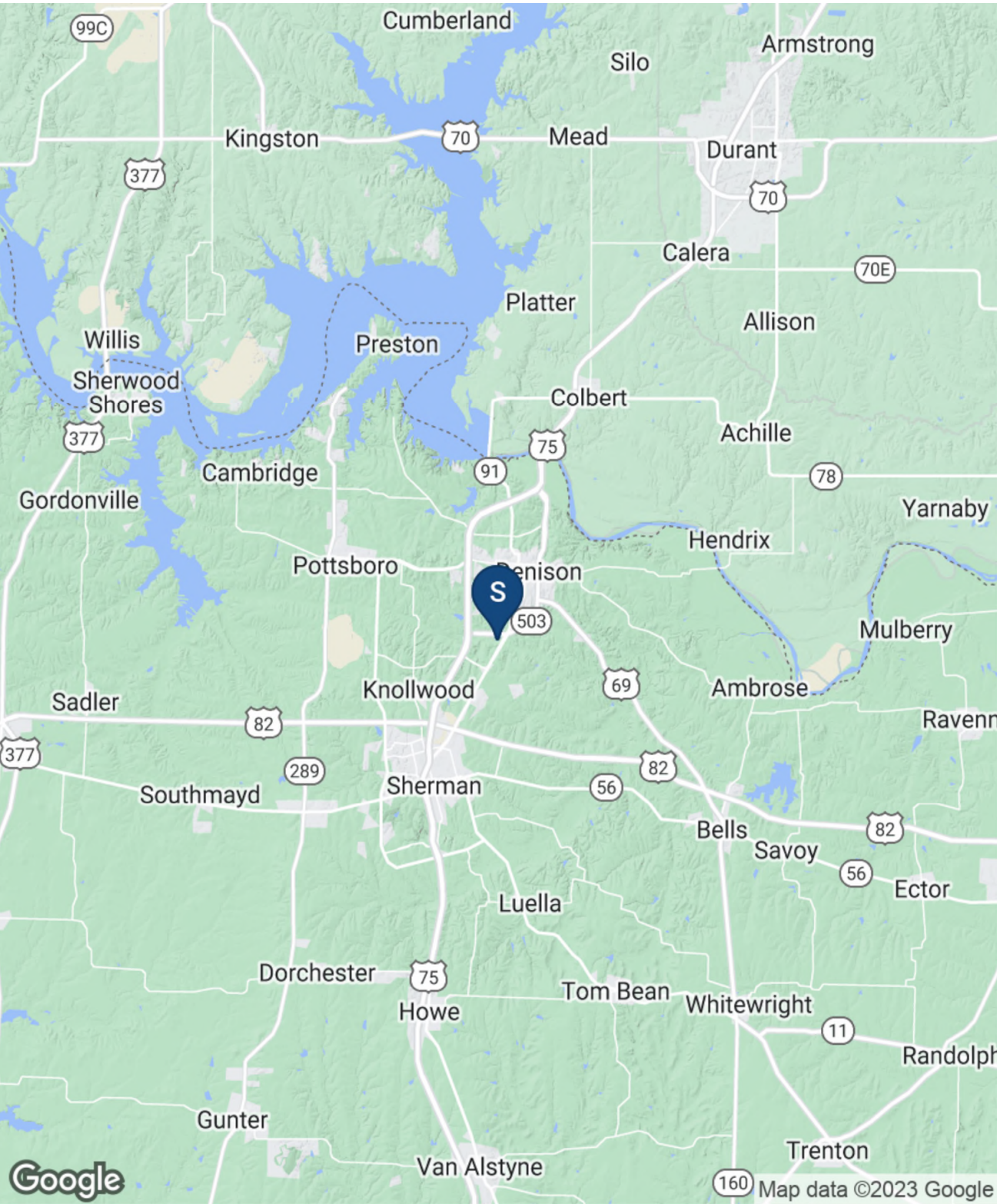
Regional Analysis

Introduction

We have analyzed demographic and economic information as it relates to the interaction of real estate market's supply and demand. This market analysis provides a tool to predict a property's market position and to estimate current and future occupancy and rental rates. Furthermore, a market analysis provides a basis for determining highest and best use of the subject property. Overall market conditions, as well as the property's ability to compete in its market segment, influence income and occupancy performance. Market conditions are influenced by a variety of factors; we have focused on the historical and projected trends for a.) gross domestic product; b.) population; c.) employment; d.) personal income; e.) consumer spending; and f.) housing.

The subject market's economic performance and the property's ability to maintain its market position is a result of its specific attributes, including overall quality, amenities, location, and reputation in the marketplace. To evaluate the factors that influence a property's income potential over a projection term, the market has been analyzed at two levels: first from a broad market perspective (Regional Overview) without specific consideration of the subject property; second from a more narrowly defined market perspective with regards to the subject's neighborhood influences (Neighborhood Analysis).

The subject property is located in Denison, Texas. The map presented below illustrates the subject property location relative to the Sherman-Denison, TX MSA metropolitan area.



Current Economic Conditions

Leading employment growth and demographic growth found in northern counties of Dallas-Fort Worth is beginning to spill over into the Sherman-Denison metro. While population and employment growth have picked up, they typically align more with the U.S. average than the D-FW average, following a brisk pace. Based on results from Oxford Economics, employment in the metro was 1.5% over the past 10 years, adding an average of 47,000 jobs.

Demographic growth in Sherman-Denison is far from those seen in marquee suburbs like Frisco, Allen, and McKinney, where population growth has averaged more than 3% annually since 2010. However, growth rates could pick up in the coming decades. Plenty of developable land along Highway 75 and Preston Road (a potential Dallas North Tollway expansion route) between Sherman-Denison and employment centers near the Sam Rayburn Tollway make the area attractive. As a result, the area is emerging as another "boomburb" sprawling north of the Metroplex.

While most focus on Sherman-Denison revolves around what it will look like in the coming decades, the metro has a stable, growing employment base. Education and health services are the most significant employment super-sector, followed by trade, transportation, utilities, and government. The largest employers include Tyson Foods (1,700) and Texas Instruments (1,200), located in Sherman. In addition, there are two regional health centers in Denison: The Wilson N. Jones Regional Health System and the Texoma Medical Center.

The area has emerged as a hotbed for chip and semiconductor manufacturing. Texas Instruments has broken ground on a \$30 billion campus. In addition, GlobiTech announced plans to build a \$5 billion plant. When fully staffed, the facility will create 1,500 new jobs and produce more than 1 million silicon wafers monthly.

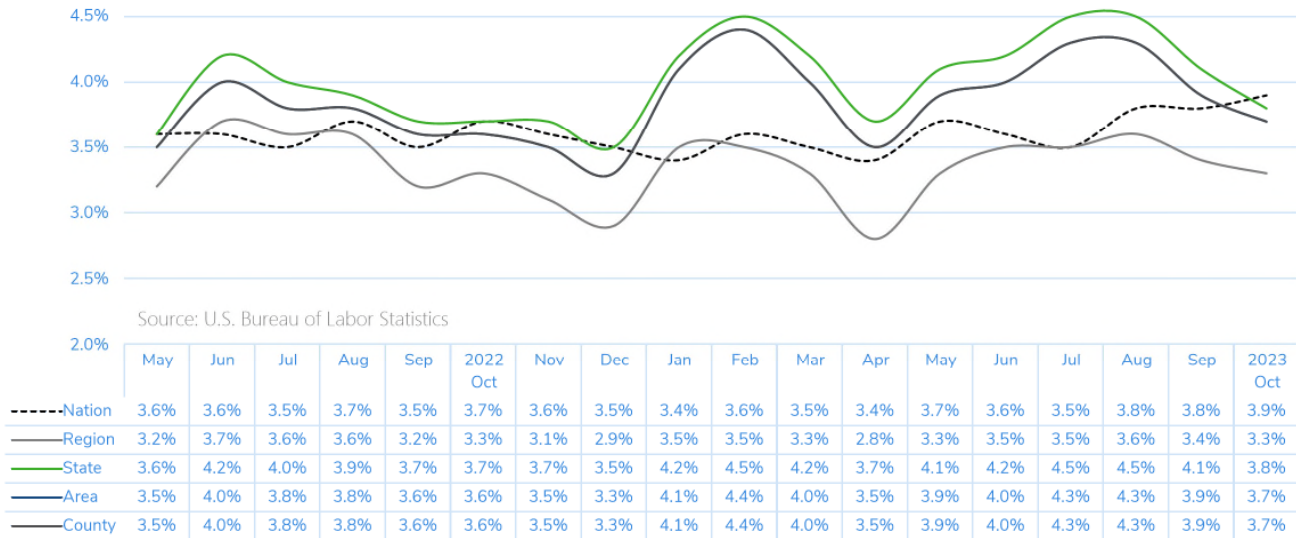
These plans will galvanize the commercial and socio-economic linkages between Dallas-Fort Worth and Sherman-Denison, potentially attracting more firms and people to the region. In turn, Sherman-Denison will need more housing options for current and future residents to support expected growth to the region.

Regional Analysis

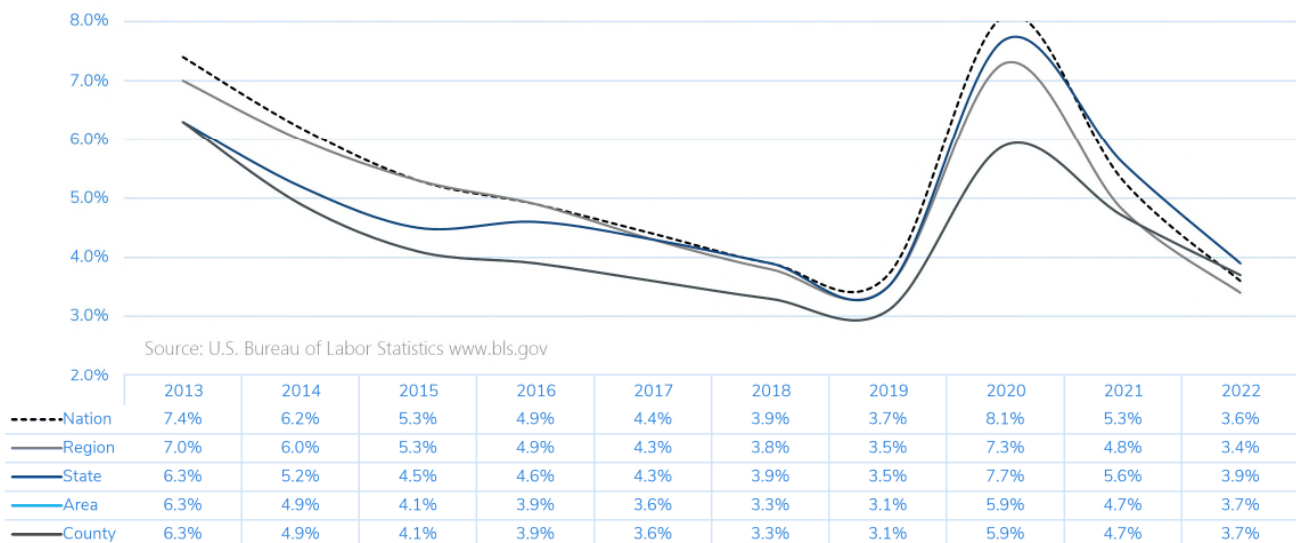
Unemployment

The following graphs charts the trailing 18 months and trailing 10 years unemployment rate for the United States, South Region, Texas, Sherman-Denison, TX MSA, and Grayson County.

MONTHLY UNEMPLOYMENT RATE (18 MONTHS)



ANNUAL UNEMPLOYMENT RATE (10 YEARS)



Employment

The following chart shows the trailing 10 years employment for the state of Texas, Sherman-Denison, TX MSA, and Grayson County.

STATE & REGIONAL EMPLOYMENT						
YEAR	STATE	% CHG.	AREA	% CHG.	COUNTY	% CHG.
2013	12,022,272	1.9%	56,592	1.4%	56,592	1.4%
2014	12,333,076	2.5%	57,302	1.2%	57,302	1.2%
2015	12,503,464	1.4%	57,580	0.5%	57,580	0.5%
2016	12,728,898	1.8%	58,868	2.2%	58,868	2.2%
2017	12,888,025	1.2%	59,282	0.7%	59,282	0.7%
2018	13,178,793	2.2%	60,715	2.4%	60,715	2.4%
2019	13,429,073	1.9%	61,780	1.7%	61,780	1.7%
2020	12,883,803	(4.2%)	60,181	(2.7%)	60,181	(2.7%)
2021	13,503,671	4.6%	62,098	3.1%	62,098	3.1%
2022	14,092,833	4.2%	63,365	2.0%	63,365	2.0%
CAGR	1.8%	-	1.3%	-	1.3%	-

Source: U.S. Bureau of Labor Statistics www.bls.gov

Neighborhood Analysis

Introduction

A property is an integral part of its surrounding and must not be treated as an entity separate and apart from its surroundings. The value of a property is not found exclusively in its physical characteristics. Physical, economic, political and sociological forces found in the area interact to give value to a property. In order to determine the degree of influence extended by these forces on a property, their past and probable future trends must be analyzed in depth. Therefore, in order to determine the value of a property, a careful and thorough analysis must be made of the area in which the property under study is found. The area is commonly referred to as a neighborhood.

“The productivity of real estate is strongly influenced by its economic and physical location. Analyzing economic location goes beyond identification of the physical position of one property in relation to another. The analysis of economic location begins with identification of the economic activities in the neighborhood or trade area, which is delineated by physical, political and socioeconomic boundaries or by time-distance relationships represented by travel times to and from common destinations.” Therefore, in order to estimate the value of a property, a careful and thorough analysis must be made of the area in which the property under study is found. The area is commonly referred to as a neighborhood.

A neighborhood can be a portion of a city, a community or an entire town. It is usually considered to be an area which exhibits a fairly high degree of homogeneity as to use, tenancy and certain other characteristics. Therefore, in real estate terminology, a homogeneous neighborhood is one in which property use types are similar. Thus, a neighborhood is more or less a unified area with somewhat definite boundaries. The objective of a neighborhood analysis is to determine perceivable patterns of growth, structure and change that may detract from or enhance property values. The analysis provides a framework or context in which the property values are estimated. A neighborhood map is presented below, followed by a discussion of the subject's neighborhood.

Subject Neighborhood Delineation

While a certain level of subjectivity exists in attempting to quantify the limits of a property's neighborhood, based upon our observations of road patterns and the competition, we believe the subject's neighborhood is defined by S Eisenhower Pkwy to the north, Texoma Pkwy to the east, Grayson Dr to the south, and US-75 to the west.



Location

The subject property is located along Southwest Corner of S Eisenhower Pkwy & Texoma Pkwy, in a primarily rural area on southwestern portion of Denison, TX.

Access & Linkages

Primary road access to the subject property is provided by S Eisenhower Pkwy and secondary road access is provided by Texoma Pkwy. Major north/south streets in the area include Texoma Pkwy, US-75, and Theresa Dr and major east/west streets in the area include S Eisenhower Pkwy, Grayson Dr, and Knight Rd. In addition to the subject's location along S Eisenhower Pkwy and Texoma Pkwy, the subject is located approximately 1.25 miles to the east of US-75 and 4.00 miles north of US-82. In addition, the North Texas Regional Airport is approximately 6.00 miles to the west of the subject. Overall transportation infrastructure is largely characteristic of a rural area.

Land Uses

The subject property is located along Southwest Corner of S Eisenhower Pkwy & Texoma Pkwy. The area is predominantly rural in nature, with the subject site among agricultural, open land, and single family residential uses.

Neighborhood Analysis

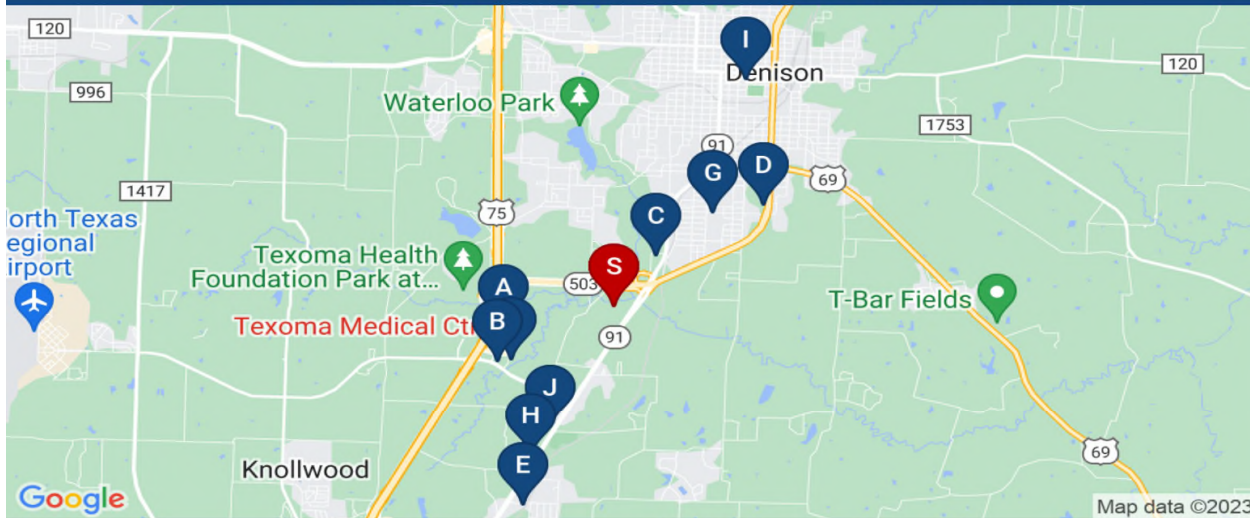
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LOCAL AREA OFFICE - THREE-MILE RADIUS

CLASS	RBA	YEAR BUILT	PERCENT LEASED	PROPERTIES
A	140,000 SF	2007	66.9	1
B	117,597 SF	2011	67.3	11
C	194,178 SF	1976	96.1	29
TOTAL	451,775 SF	1995	79.6	41

Source: CoStar

LARGEST OFFICE DEVELOPMENTS - THREE-MILE RADIUS



PIN	NAME	ADDRESS, CITY	DIST TO SUBJ	RBA	BUILT	CLASS	%LEASED
A	Gateway Central	4616 S US Highway 75, Denison	1.1 mi	140,000	2007	A	66.86
B		5125 Texoma Medical Center Dr, Denison	1.3 mi	75,000	2020	B	52.9
C		3101 Woodlawn Blvd, Denison	0.7 mi	72,025	1970	C	100
D		2301 S Austin Ave, Denison	1.9 mi	15,800	1951	C	100
E		2626 Hilltop Dr, Denison	2.5 mi	13,000	1986	C	100
F		5130 Pool Rd, Denison	1.2 mi	9,908	2020	B	100
G		806 W Coffin St, Denison	1.5 mi	9,900	1990	C	100
H		5452 Texoma Pky, Sherman	1.9 mi	9,500	2003	C	100
I		500 W Chestnut St, Denison	2.9 mi	9,400	1970	C	100
J		5904 Texoma Pky, Sherman	1.5 mi	7,644	1987	C	100

Source: CoStar

Neighborhood Analysis

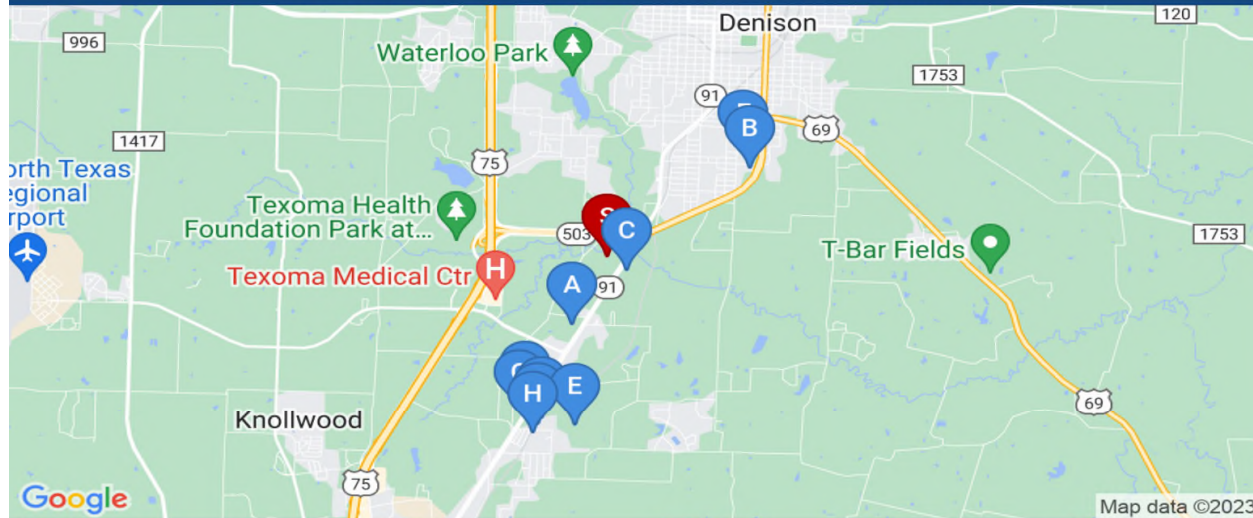
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LOCAL AREA INDUSTRIAL - THREE-MILE RADIUS

TYPE	RBA	YEAR BUILT	PERCENT LEASED	PROPERTIES
Flex	172,457 SF	1986	94	9
Gen-Ind <25,000 FT	394,442 SF	1980	99	44
Gen-Ind >25,000 FT	520,333 SF	1988	90	10
TOTAL	1,087,232 SF	1984	94.1	63

Source: CoStar

LARGEST INDUSTRIAL DEVELOPMENTS - THREE-MILE RADIUS



PIN	NAME	ADDRESS, CITY	DIST TO SUBJ	RBA	BUILT	TYPE	%LEASED
A	Longhorn Business Park BTS	4725 Texas 91, Denison	0.9 mi	100,000	N/A	Industrial	50
B	Eisenhower Business Center	2415 S Austin Ave, Denison	1.8 mi	85,000	1970	Flex	100
C		4200 Texoma Pky, Denison	0.3 mi	72,000	1982	Industrial	100
D		2709 Fallon Dr, Sherman	2.1 mi	61,000	1973	Industrial	100
E		2945 Fallon Dr, Sherman	2.0 mi	60,000	2017	Industrial	100
F		401-413 Coffin St, Denison	1.8 mi	44,500	N/A	Industrial	100
G	Food Production Plant/Bakery	5302 Texoma Pky, Sherman	2.0 mi	44,053	1960	Industrial	100
H		2720 Fallon Dr, Sherman	2.2 mi	40,800	1969	Industrial	100
I		5470 Texoma Pky, Sherman	1.9 mi	37,980	1970	Industrial	100
J		2709 Fallon Dr, Sherman	2.0 mi	30,000	2025	Industrial	100

Source: CoStar

Neighborhood Analysis

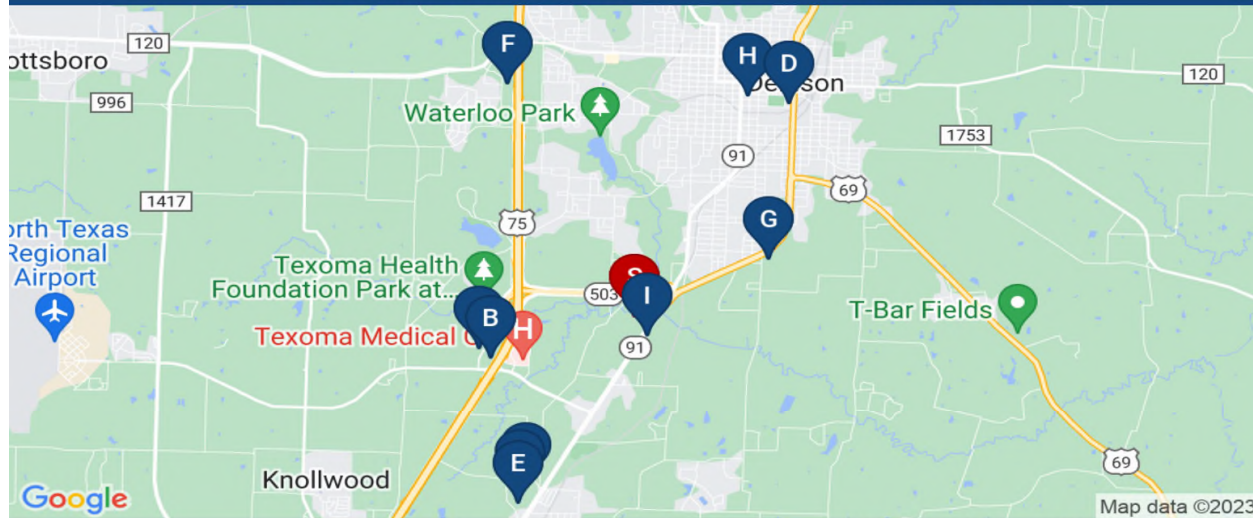
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LOCAL AREA RETAIL - THREE-MILE RADIUS

SIZE	RBA	YEAR BUILT	PERCENT LEASED	PROPERTIES
<5,000 FT	216,880 SF	1976	100.0	87
>5,000 FT-<20,000 FT	415,129 SF	1991	91.2	44
>20,000 FT	1,289,143 SF	1985	49.2	15
TOTAL	1,921,152 SF	1985	64.0	147

Source: CoStar

LARGEST RETAIL DEVELOPMENTS - THREE-MILE RADIUS



PIN	NAME	ADDRESS, CITY	DIST TO SUBJ	RBA	BUILT	CLASS	%LEASED
A	Midway Mall	4800 N Texoma Pky, Sherman	2.3 mi	530,000	1980	B	24.53
B		NW US 75 & Grayson Dr, Denison	1.5 mi	255,000	N/A	O	0
C	Dillard's	4800 Texoma Pky, Sherman	2.2 mi	72,800	1987	B	100
D	Albertsons	200 W Crawford St, Denison	2.9 mi	69,550	1983	C	100
E	Burlington Coat Factory	4800 Texoma Pky, Sherman	2.4 mi	62,275	1986	B	100
F		215 N Us Highway 75, Denison	3.0 mi	40,360	N/A	C	100
G	Classic Chevrolet Cadillac	2900 S Eisenhower Pky, Denison	1.5 mi	33,810	2010	C	100
H		300 S Armstrong Ave, Denison	2.8 mi	33,200	1972	C	100
I		4006 Texoma Pky, Denison	0.3 mi	30,800	1979	C	100
J		3401 Southbend Dr, Denison	1.6 mi	30,000	2020	B	100

Source: CoStar

Neighborhood Analysis

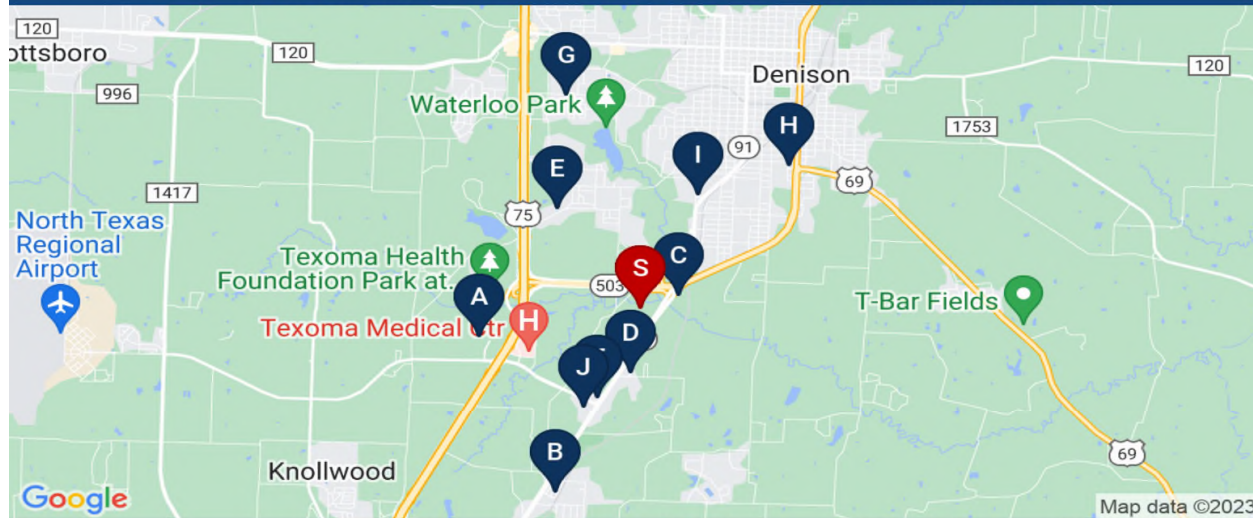
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LOCAL AREA MULTI-FAMILY - THREE-MILE RADIUS

CLASS	RBA	YEAR BUILT	UNITS	PROPERTIES
A	705,478 SF	2018	408	3
B	197,078 SF	1977	178	3
C	732,238 SF	1969	615	15
TOTAL	1,634,794 SF	1994	1,201	21

Source: CoStar

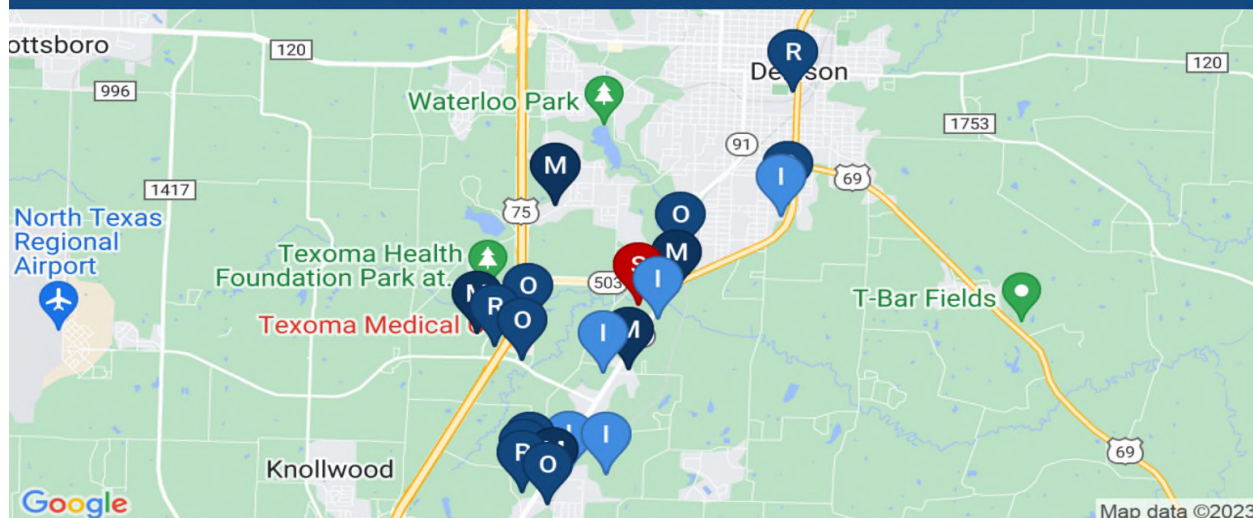
LARGEST MULTI-FAMILY DEVELOPMENTS - THREE-MILE RADIUS



PIN	NAME	ADDRESS, CITY	DIST TO SUBJ	RBA	BUILT	CLASS	STORIES
A	The Residence at Gateway Village	3415 Southbend Dr, Denison	1.7 mi	582,933	2017	A	3
B	Hilltop Village Apartments	4919 Timberview Dr, Sherman	2.3 mi	309,421	1970	C	2
C	The Creekmore	3800 S State Highway 91, Denison	0.4 mi	175,558	1980	B	2
D	Shannon Estates MH Park	2007 Shannon Rd, Denison	0.7 mi	143,731	N/A	C	1
E	Hyde Park Apartment Homes	2901 Loy Lake Rd, Denison	1.4 mi	112,048	2020	A	2
F	Marvin Gardens	4931 Texoma Pky, Denison	1.1 mi	73,049	1950	C	1
G	East Coast Apartments	2824 W Crawford St, Denison	2.6 mi	43,600	1978	C	2
H	Circle Apartments	1527 S Austin Ave, Denison	2.2 mi	42,550	1970	C	2
I		2102 Woodlawn Blvd, Denison	1.4 mi	25,000	N/A	C	0
J	Town & Country	6404 Texoma Pky, Sherman	1.3 mi	20,244	N/A	C	0

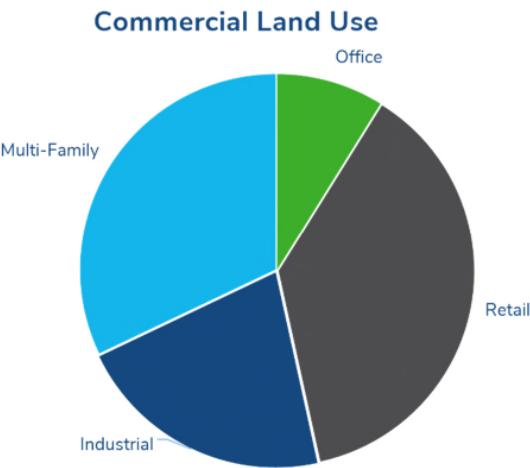
Source: CoStar

TOTAL DEVELOPMENT OVERLAY - THREE-MILE RADIUS



Source: CoStar

The land use in the subject's immediate neighborhood consists of a significant amount of commercial property, comprising of a mix of many property types. Commercial uses in the area are predominantly multi-family & retail in nature, with significant office and industrial uses present as well. The following chart illustrates the high concentration of multifamily and retail compared to industrial and office properties.



Demographics

The following information reflects the demographics for the subject's area.

LOCAL AREA & MSA DEMOGRAPHICS									
DESCRIPTION	1 MILE	3 MILE	5 MILE	MSA	DESCRIPTION	1 MILE	3 MILE	5 MILE	MSA
POPULATION TOTAL					HOUSEHOLDS				
2010 Census	167	12,009	25,470	120,877	2010 Census	75	4,790	10,285	46,905
2020 Census	203	12,234	26,770	135,543	2020 Census	93	4,893	10,747	52,307
2022 Estimate	221	12,322	27,404	139,357	2022 Estimate	101	4,979	11,081	53,744
2027 Projection	250	12,708	28,863	145,650	2027 Projection	114	5,133	11,674	56,116
Δ 2010-2020	21.56%	1.87%	5.10%	12.13%	Δ 2010-2020	24.00%	2.15%	4.49%	11.52%
Δ 2020-2022	8.87%	0.72%	2.37%	2.81%	Δ 2020-2022	8.60%	1.76%	3.11%	2.75%
Δ 2022-2027	13.12%	3.13%	5.32%	4.52%	Δ 2022-2027	12.87%	3.09%	5.35%	4.41%
Total Daytime Population	1,681	14,377	26,385	133,086	HOUSEHOLDS BY INCOME (2022 ESTIMATE)				
HOUSING UNITS					<\$15,000	5.0%	12.3%	10.5%	9.1%
Total (2022 Estimate)	108	5,753	12,615	60,496	\$15,000 - \$24,999	10.9%	13.2%	11.4%	8.9%
Owner Occupied	73.1%	52.5%	60.3%	61.3%	\$25,000 - \$34,999	4.0%	11.9%	11.2%	9.8%
Renter Occupied	20.4%	34.0%	27.6%	27.5%	\$35,000 - \$49,999	8.9%	11.1%	10.5%	10.9%
Vacant Housing Units	6.5%	13.5%	12.2%	11.2%	\$50,000 - \$74,999	15.8%	20.6%	21.0%	20.4%
Total (2027 Projection)	121	5,950	13,270	63,240	\$75,000 - \$99,999	13.9%	12.4%	14.0%	13.7%
Owner Occupied	74.4%	53.0%	61.0%	62.0%	\$100,000 - \$149,999	19.8%	12.4%	12.6%	16.1%
Renter Occupied	19.8%	33.3%	27.0%	26.7%	\$150,000 - \$199,999	6.9%	2.5%	4.2%	5.4%
Vacant Housing Units	5.8%	13.7%	12.0%	11.3%	\$200,000+	14.9%	3.7%	4.6%	5.7%
AVERAGE HOUSEHOLD INCOME					AVERAGE HOUSEHOLD SIZE				
2022 Estimate	\$120,599	\$70,577	\$77,812	\$86,363	2022 Estimate	2.19	2.44	2.43	2.55
2027 Projection	\$139,886	\$83,694	\$90,578	\$100,140	2027 Projection	2.19	2.44	2.44	2.56
Δ 2022-2027	15.99%	18.59%	16.41%	15.95%	Δ 2022-2027	0.00%	0.00%	0.41%	0.39%
MEDIAN HOUSEHOLD INCOME					MEDIAN HOME VALUE				
2022 Estimate	\$83,168	\$51,287	\$55,572	\$61,414	2022 Estimate	\$287,500	\$120,320	\$160,396	\$217,858
2027 Projection	\$89,501	\$59,241	\$64,516	\$71,176	2027 Projection	\$339,024	\$235,550	\$237,500	\$303,805
Δ 2022-2027	7.61%	15.51%	16.09%	15.90%	Δ 2022-2027	17.92%	95.77%	48.07%	39.45%
PER CAPITA INCOME					AVERAGE HOME VALUE				
2022 Estimate	\$50,669	\$28,794	\$31,114	\$33,329	2022 Estimate	\$335,625	\$176,424	\$195,416	\$251,700
2027 Projection	\$58,643	\$34,100	\$36,208	\$38,603	2027 Projection	\$394,602	\$293,875	\$287,525	\$332,011
Δ 2022-2027	15.74%	18.43%	16.37%	15.82%	Δ 2022-2027	17.57%	66.57%	47.13%	31.91%

Source: Sites To Do Business Online

Population

The estimate provided by ESRI for the current 2022 population within the subject neighborhood's 3 mile radius is 12,322 representing a 0.72% change since 2020. ESRI's 2020 population estimate for the subject's 5 mile radius is 27,404, which represents a 2.37% change since 2020.

Looking forward, ESRI estimates that the population within the subject neighborhood's 3 mile radius is forecasted to change to 12,708 by the year 2027. As for the broader area, ESRI forecasts that the population within the subject's 5 mile radius will change to 28,863 over the next five years. The population estimates for the next five years within the subject's 5 mile radius represents a 5.32% change as well as a 13.12% change within the subject's 1 mile radius for the same period.

Households

The estimates provided by ESRI indicate that the number of households within the subject neighborhood's 3 mile radius is 4,979, which is a 1.76% change since 2020. Within the subject's broader 5 mile radius, ESRI estimates that the number of households is 11,081, a 3.11% change over the same period of time.

By the year 2027, the estimates provided by ESRI indicate that the number of households within the subject neighborhood's 3 mile radius will change by 3.09% to 5,133 households. Additionally, ESRI's estimate for total households over the next five years within the subject's broader 5 mile radius indicates an expected change of 5.35% which will result in a total household estimate of 11,674.

Looking back, the number of households in the subject neighborhood's 3 mile radius changed 2.15% during the ten-year period of 2010 to 2020. Since then, it has changed by 1.76%.

Income

Income estimates provided by ESRI for the subject neighborhood's 3 mile radius indicates that the median household income is \$51,287 and that the average household income is \$70,577. Further, the estimates provided by ESRI indicate that, for the subject's broader 5 mile radius the median household income is \$55,572, and the average household income is \$77,812. Given that there are reportedly 11,081 households in the subject's 5 mile radius, it is estimated that the local effective buying income is around \$862,234,772.

Demographics Conclusion

Based on our observation and the data provided by ESRI, it is perceived that the income and population demographics for the subject neighborhood exhibit average characteristics in terms of income levels, and average characteristics in terms of population, as the area is rural in nature. As previously mentioned, the population growth for the subject's 3 mile radius has increased 0.72% since 2020 and based on the projections provided by ESRI, it is expected to continue to increase another 3.13% during the next 5 years. Lastly, we perceive that, since average household incomes are around the national average (\$70,577, for the subject's 3 mile radius) and given that the area is average-populated (4,979 households in a 3 mile radius), developments like the subject should be adequately supported.

Market Analysis

The following is taken from the PWC 4Q 2022 and 2Q 2023 Quarterly report detailing the National Development Land Market.

National Development Land Market

When looking at macro development prospects for the five major commercial real estate sectors included in *Emerging Trends*, only the hotel sector shows an improvement in its rating from last year – moving from 2.66 [on a scale of 1 abysmal to 5 excellent] to 3.05 (see Chart NDL-1). The current rating for hotels is the best since 2019. Although the industrial/distribution and multi-family sectors boast the highest ratings for 2023, they both slip this year among respondents. The development outlook for the office sector falls the most, dropping 34 basis points.

From a micro standpoint, the top-five property types for development prospects in 2023 are data centers, fulfillment, moderate-income/workforce apartments, life-science facilities, and single-family rental housing. On the other hand, the property types at the bottom of the 27-category list are regional malls, power centers,

central-city office, outlet centers, and suburban office.

Preferred Metros

Of the 80 U.S. metros included in *Emerging Trends*, the top-ten individual markets regarding development/redevelopment prospects for 2023 are Dallas/Fort Worth, Nashville, Tampa/St. Petersburg, Raleigh/Durham, Miami, Austin, San Antonio, Charlotte, West Palm Beach, and Atlanta. At the bottom of the list are San Francisco, Hartford, Honolulu, Buffalo, Oakland/East Bay, Portland (Oregon), and New Orleans.

For homebuilding prospects in 2023, the top cities are San Antonio, Raleigh-Durham, Tampa/St. Petersburg, Austin, Charlotte, Dallas/Fort Worth. At the bottom sit Milwaukee, Hartford, Cleveland, Detroit, New Orleans, Long Island, and Pittsburgh. Average-rated metros include Orange County, Cincinnati, Columbus, Tacoma, Los Angeles, Knoxville, and San Jose.

Development Issues

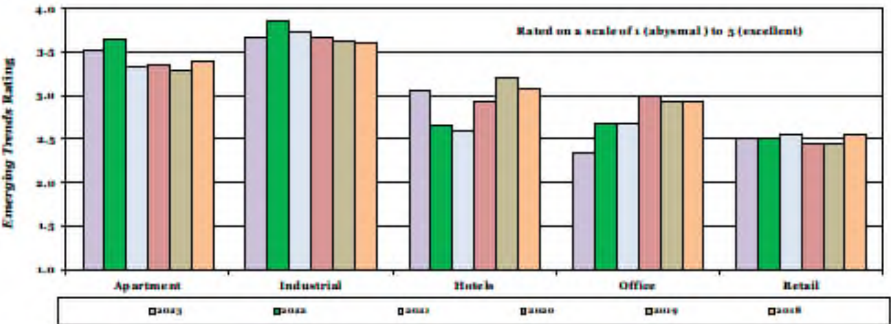
For 2023, development issues among *Emerging Trends* respondents are shown below, ranked on a scale of 1 [no importance] to 5 [great importance].

- 1) construction labor costs (4.51)
- 2) construction material costs (4.48)
- 3) construction labor availability (4.46)
- 4) land costs (3.72)
- 5) operating costs (3.54)
- 6) state & local regulations (3.61)
- 7) tenant leasing & retention costs (3.49)
- 8) NIMBYism (3.47)
- 9) infrastructure/transportation (3.42)
- 10) property taxes (3.42)

Discount Rates

On an unleveraged basis, discount rates (including developers' profit) for the national development land market range from 12.00% to 30.00% and average 18.70% this quarter – 150 basis points higher than six months ago.

Chart NDL-1
DEVELOPMENT PROSPECTS
Emerging Trends - 2018 to 2023



Source: *Emerging Trends in Real Estate*®, 2018 to 2023

National Development Land Market

Development land investors continue to search for opportunities, especially in the apartment and industrial sectors of the industry. They note, however, that holding costs are dramatically higher due to the rise in interest rates over the past year, which could change their strategies for the near term and keep their acquisitions to a minimum. "Deals are requiring further due diligence to meet projected returns," states an investor. Unfortunately, the current stress in the financial sector is adding additional challenges. "We are looking closely at our banking relationships," says another.

Total spending on U.S. private construction was up 1.0% on a year-over-year basis in March 2023 (see Table DVL-1). When looking more closely at these figures, private residential spending was down 10.0% while private non-residential spending was up 21.3% – a significant change from an annual increase of 8.5% in March 2022.

In the nonresidential sector, each segment reported year-over-year increases in spending as of March 2023 except for power. The largest increase was posted for the manufacturing segment – up 62.5% compared to March 2022. The transporta-

tion and lodging segments also reported strong year-over-year increases (+33.8% and +38.9%, respectively).

Discount Rates

Free-and-clear discount rates including developer's profit range from 12.00% to 30.00% and average 19.20% this quarter (see Exhibit DL-1). This average is 50 basis points higher than six months ago, 100 basis points higher than a year ago, and assumes entitlements are in place. Without entitlements in place, certain investors will increase the discount rate an average of 125 basis points.

Growth Rate Assumptions

Growth rates for development expenses, such as amenities, real estate taxes, advertising, and administration, range from 0.00% to 10.00% and average 4.71%. For lot pricing, investors indicate a range from 2.00% to 5.00%; the average growth rate is 3.13%.

Absorption Period

The absorption period required to sell an entire project varies significantly depending on such factors as location, size, and property type. This quarter, the most common preferred absorption period among investors is

one to 10 years, averaging 6.9 years.

Forecast Value Change

Over the next 12 months, surveyed investors are mostly optimistic regarding value trends for the national development land market. Their expectations range from a decline of 5.0% to growth of 25.0% with an average expected value change of +3.2%. This average has been on a decline since the second quarter of 2022 when it was +7.0%. It was +4.6% six months ago.

Marketing Period

The typical time a property is on the market prior to selling ranges from one to 15 months and averages eight months – slightly higher than a year ago.

Table DVL-1
U.S. CONSTRUCTION SPENDING*
March 2022 to March 2023

	Year-Over-Year Change
Total Nonresidential	+ 21.3%
Manufacturing	+ 62.5%
Transportation	+ 33.8%
Lodging	+ 38.9%
Office	+ 16.8%
Power	- 4.7%
Amusement and	
Recreation	+ 14.9%
Health care	+ 11.2%
Communication	+ 4.8%
Commercial	+ 20.1%
Religious	+ 2.4%
Education	+ 17.9%
Total Residential	- 10.0%
New single family	- 22.9%
New multifamily	+ 23.0%
Total Private	+ 1.0%

* Private construction
Source: U.S. Census Bureau; seasonally adjusted

Exhibit DL-1
DISCOUNT RATES (IRRS)*
Second Quarter 2023

	CURRENT QUARTER	FOURTH QUARTER 2022
FREE & CLEAR		
Range	12.00% – 30.00%	12.00% – 30.00%
Average	19.20%	18.70%
Change		+ 50

a. Rate on unleveraged, all-cash transactions; including developer's profit

In addition, the following is taken from the Greater Texoma Association of Realtors 2Q 2023 (most recent) housing supply overview and monthly report detailing the Grayson County, Denison, and Sherman residential markets. Lastly, we have included the most recent data from NTREIS showing the most recent median original list price, median sales price, and median days on the market in the subject's market.





Sherman Housing Report

2023 Q2



Median price

\$290,000

↓ **1.9%**

Compared to same quarter last year

Price Distribution



Active listings

↑ **111%**

154 in 2023 Q2



Closed sales

↑ **17.9%**

178 in 2023 Q2



Days on market

Days on market 53

Days to close 32

Total 85

26 days more than 2022 Q2



Months of inventory

3.1

Compared to 1.3 in 2022 Q2

About the data used in this report

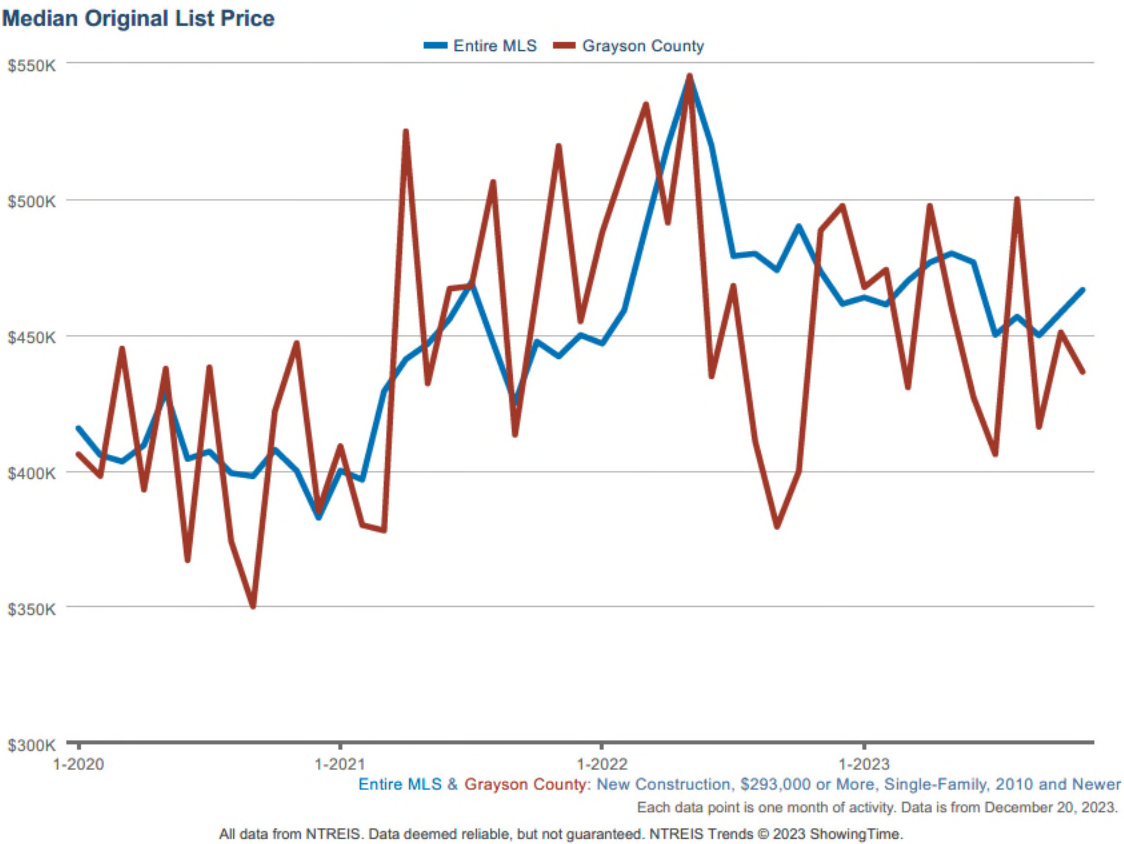
Data used in this report come from the Texas REALTOR® Data Relevance Project, a partnership among the Texas Association of REALTORS® and local REALTOR® associations throughout the state. Analysis is provided through a research agreement with the Real Estate Center at Texas A&M University.



GREATER★TEXOMA
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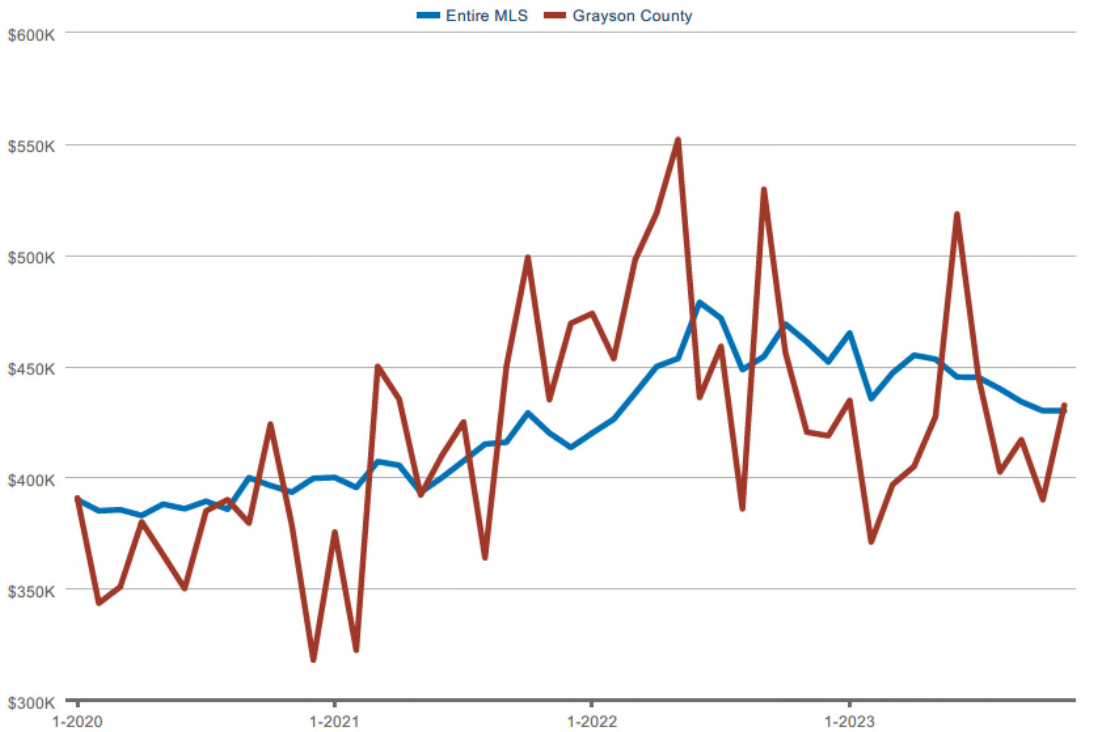


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Median Sales Price



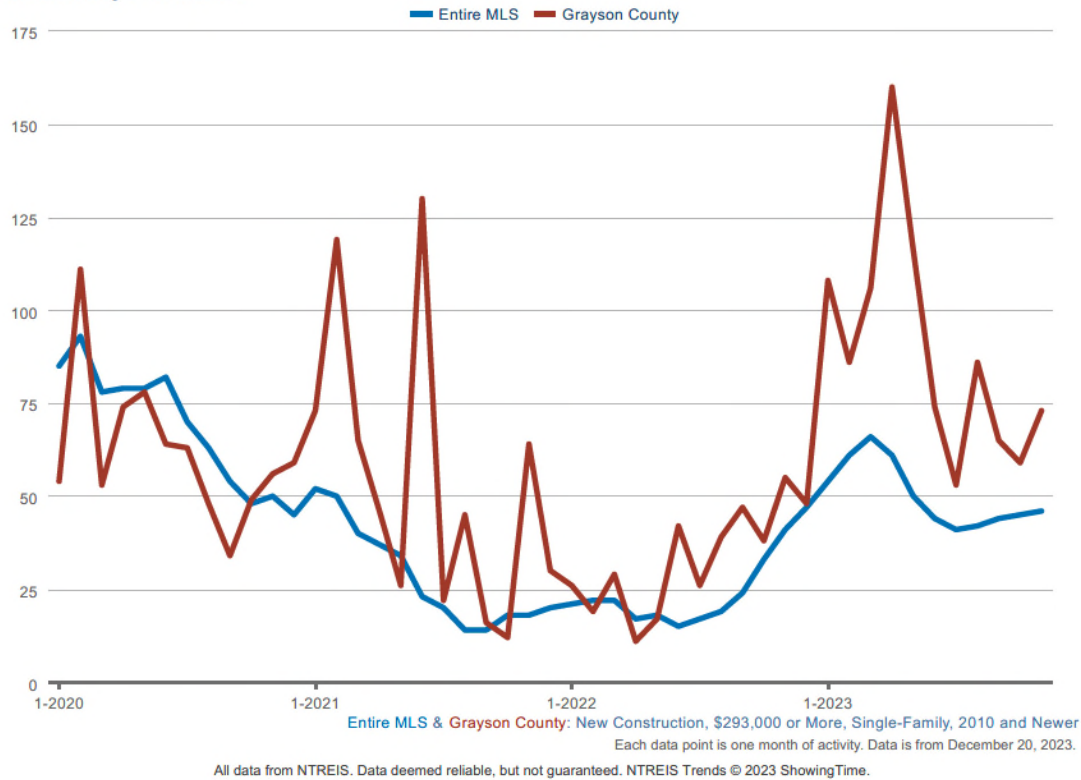
Entire MLS & Grayson County: New Construction, \$293,000 or More, Single-Family, 2010 and Newer
Each data point is one month of activity. Data is from December 20, 2023.
All data from NTREIS. Data deemed reliable, but not guaranteed. NTREIS Trends © 2023 ShowingTime.

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Median Days on Market



Conclusion

Based on the charts above, the subject's residential market is experiencing stable market conditions, even while the market is slowing due to the high interest rate environment. Housing prices and listings have both increased in the subject's market from a year ago, but sales amount have been flat to decreasing and DOM for both Grayson county and Denison have increased from a year ago.

Site Description

The following summaries the salient characteristics of the subject site:

Address	Southwest Corner of S Eisenhower Pkwy & Texoma Pkwy, Denison, Texas.	
Location	The subject property is located along Southwest Corner of S Eisenhower Pkwy & Texoma Pkwy.	
Census Tract	48-215-024129	
Number of Parcels	6	
Assessor Parcels	151319, 151337, 151365, 151320, 151364, 151332	
Land Area	Square Feet	Acres
Economic Unit (Primary) Site Size	4,144,603	95.15
Usable Site Size	4,144,603	95.15
Total Land Area	4,144,603	95.15
Proposed Lots	155	
Excess/Surplus Land	No	
Corner	No	
Floor Area Ratio (FAR)	Not Available	
Site Topography	Level At street grade	
Site Shape	Irregular	
Site Grade	At street grade	
Site Quality	Good	
Site Access	Good	
Site Exposure	Good	
Site Utility	Good	
Utilities	All available	

Adjacent Properties

North	Vacant Land
South	Vacant Land
East	Vacant Land & Single Family Residential
West	Vacant Land & Single Family Residential

Accessibility Access to the subject site is considered good overall.

Site Description

(Continued)

STREET & TRAFFIC DETAIL									
Street Improvements	Type	Direction	Lanes	Lights	Curbs	Sidewalks	Signals	Median	Parking
S Eisenhower Pkwy	Minor arterial	Two-Way	4					x	
Texoma Pkwy	Minor arterial	Two-Way	4					x	
Theresa Rd	Connector	Two-Way	2						
Frontage									
S Eisenhower Pkwy	Adequate along S Eisenhower Pkwy								
Texoma Pkwy	Adequate along Texoma Pkwy								
Theresa Rd	Adequate along Theresa Rd								
Traffic Counts	Location	Date	Source						Count
S Eisenhower Pkwy	S Eisenhower Pkwy	Jan-22	TXDOT						12,881
Texoma Pkwy	Texoma Pkwy	Jan-22	TXDOT						11,816
Theresa Rd	Theresa Rd	Jan-22	TXDOT						171
	TOTAL								24,868
Exposure & Visibility	Exposure of the subject is good balancing the frontage on S Eisenhower Pkwy, Texoma Pkwy, & Theresa Rd.								
Flood Plain	<p>Zone AE. This is referenced by Panel Number 48181C0280F, dated September 29, 2010. Zone AE is a High Risk Special Flood Hazard Area (SFHA). Special Flood Hazard Areas represent the area subject to inundation by 1% annual chance flood. Structures located within the SFHA have a 26% chance of flooding during the life of a standard 30-year mortgage. Federal floodplain management regulations and mandatory flood insurance purchase requirements apply in these zones. Areas subject to inundation by the 1% annual chance flood event determined by detailed methods. BFEs are shown within these zones. (Zone AE is used on new and revised maps in place of Zones A1–A30.) Zone X (Unshaded). This is referenced by Panel Number 448181C0280F, dated September 29, 2010. Zone X (unshaded) is a minimal risk area. Areas of minimal hazard are studied based upon the principal source of flood in the area. However, buildings in these zones could be flooded by severe, concentrated rainfall coupled with inadequate local drainage systems. Local storm water drainage systems are not normally considered in a community's flood insurance study. The failure of a local drainage system can create areas of high flood risk within these zones. Flood insurance is available in participating communities, but is not required by regulation in these zones. Nearly 25% of all flood claims filed are for structures located within these zones. Minimal risk areas outside the 1% and 0.2% annual chance floodplains. No BFEs or base flood depths are shown within these zones. (Zone X (unshaded) is used on new and revised maps in place of Zone C.)</p>								
Seismic	The subject is in a low risk area.								
Easements	A preliminary title report was not available for review. During the property inspection, no adverse easements or encumbrances were noted. This appraisal assumes that there are no adverse easements present. If questions arise, further research is advised.								
Soils	A detailed soils analysis was not available for review. Based on the development of the subject, it appears the soils are stable and suitable for the existing improvements.								

Site Description

(Continued)

Hazardous Waste	We have not conducted an independent investigation to determine the presence or absence of toxins on the subject property. If questions arise, the reader is strongly cautioned to seek qualified professional assistance in this matter. Please see the Assumptions and Limiting Conditions for a full disclaimer.
Site Rating	Overall, the subject site is considered good as a single family residential site in terms of its location, exposure and access to employment, education and shopping centers, based on its location along a minor arterial.
Site Conclusion	In conclusion, the site's physical characteristics appear to be supportive of the subject's current use. Please note, a portion of the subject property lies in FEMA Flood Zone AE. However, there will be no proposed improvements within this flood zone as it will be used as open space & nature preserve. As such, there were no significant detriments discovered that would inhibit development in accordance with its highest and best use.

Plat Map



January 11, 2024

[illegible]

Taxes

Current Taxation & Assessment Description

In Texas, commercial real estate is assessed at 100 % of market value. The total assessment for the subject property for the tax year 2023 is \$1,510,113 or \$0.36 PSF. The subject property benefits from an exemption in the amount of \$1,482,062, reducing the taxable assessment to \$28,051 or \$0.01 PSF. The total tax bill for the property is \$636 or \$0.00 PSF. This is within the general range for comparable land uses in the area. The subject's assessed values and property taxes for the current year are summarized in more detail in the following table.

ASSESSMENT & TAXES (2023)						
TAX RATE AREA	HIDALGO COUNTY				TAX RATE	2.2656%
ASSESSOR PARCEL #	LAND	IMPROVEMENTS	TOTAL	AG EXEMPTIONS	TAXABLE	BASE TAX
151319	\$425,339	\$0	\$425,339	\$423,879	\$1,460	\$33
151337	\$227,077	\$0	\$227,077	\$202,230	\$24,847	\$563
151365	\$74,989	\$0	\$74,989	\$74,895	\$94	\$2
151320	\$740,302	\$0	\$740,302	\$738,726	\$1,576	\$36
151364	\$30,427	\$0	\$30,427	\$30,389	\$38	\$1
151332	\$11,979	\$0	\$11,979	\$11,943	\$36	\$1
Subtotal	\$1,510,113	\$0	\$1,510,113	\$1,482,062	\$28,051	\$636
Subtotal \$/Total Land Area	\$0.36	\$0.00	\$0.36	\$0.36	\$0.01	\$0.00
TOTAL BASE TAX \$/TOTAL LAND AREA / \$ TOTAL					\$0.00	\$636

Source: Grayson County Assessment & Taxation

The last assessment for the subject was January 2023 with future assessments scheduled annually (next assessment estimated to be in January 2024). In this instance, the assessment is equal to the market value multiplied by the assessment ratio. The Grayson County Tax Authority usually reassesses upon sale. Based on the foregoing, and the current assessment's relationship to market value, we perceive that the risk of a reassessment is high. Should a reassessment occur, we believe it could be around 100.0% of market value. Our basis for the level of reassessment is supported by the tax comparables presented later in this section.

According to Grayson County, real estate taxes for the subject property are current as of the date of this report. Based on the scope of this assignment, any pending tax liens are not considered in the value conclusion.

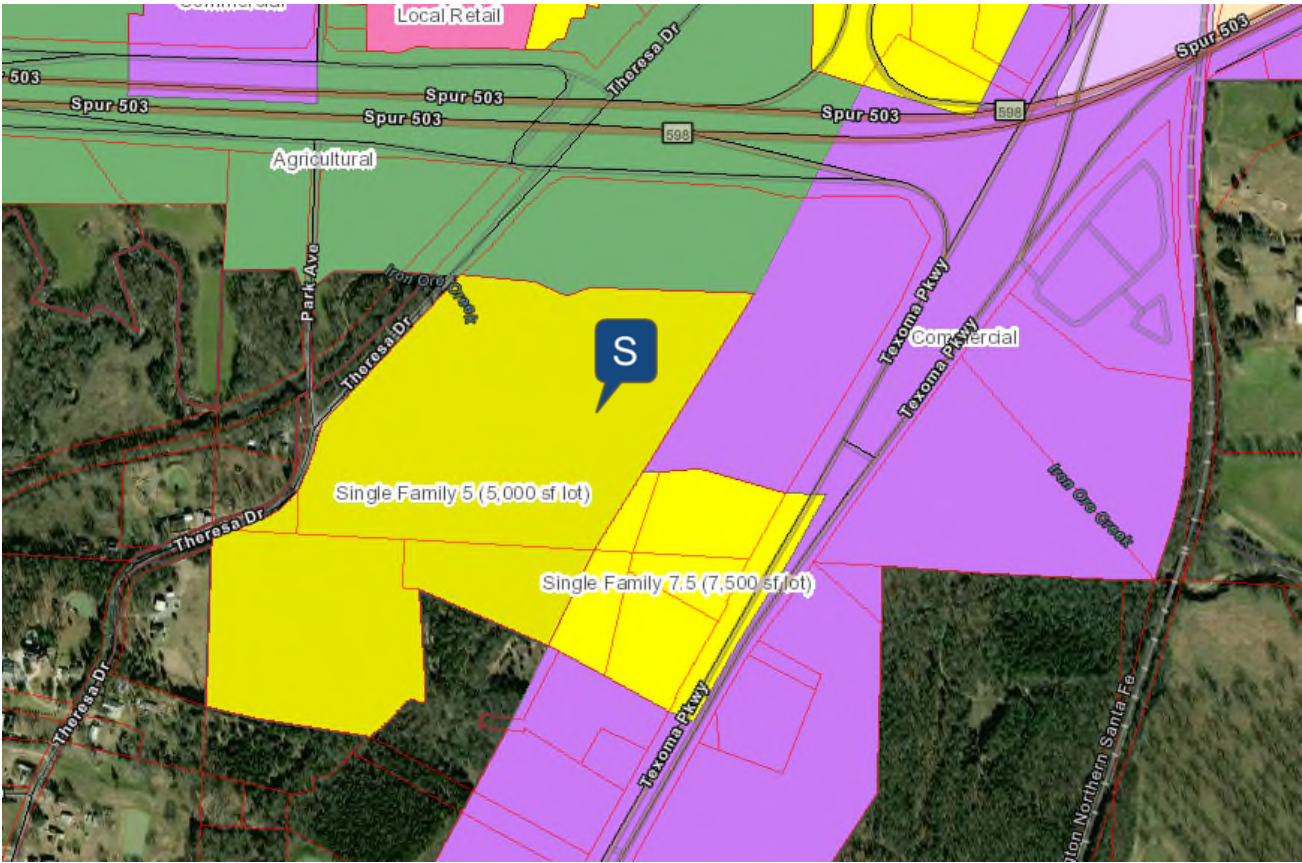
Zoning

The subject is located in the Multiple zoning districts (SF5, SF7.5, A, & C).

ZONING				
Designation	Single Family 5	Single Family 7.5	Agriculture	Commercial
Zoning Authority	City of Denison	City of Denison	City of Denison	City of Denison
Permitted Uses	Residential uses	Residential uses	Agricultural uses	Commercial uses
Current Use	Vacant Land	Vacant Land	Vacant Land	Vacant Land
Current Use Legally Permitted	Yes	Yes	Yes	Yes
Conforming Use	The bulk of the improvements as well as the parking conform to the requirements ordinance.	The bulk of the improvements as well as the parking conform to the requirements ordinance.	The bulk of the improvements as well as the parking conform to the requirements ordinance.	The bulk of the improvements as well as the parking conform to the requirements ordinance.
Conforming Lot	The bulk of the improvements as well as the parking conform to the requirements ordinance.	The bulk of the improvements as well as the parking conform to the requirements ordinance.	The bulk of the improvements as well as the parking conform to the requirements ordinance.	The bulk of the improvements as well as the parking conform to the requirements ordinance.
Zoning Change	Not Likely	Not Likely	Not Likely	Not Likely
Proposed Use	Single Family Residential Subdivision	Single Family Residential Subdivision	Single Family Residential Subdivision	Single Family Residential Subdivision
Proposed Use Legally Permitted	Yes	Yes	Yes	Yes
Max Permitted Height	35 Feet or 2.5 Stories	35 Feet or 2.5 Stories	45 Feet or 3 Stories	8 Stories
Min Lot Depth	100	100	150	150
Min Lot Width	50	60	100	None
Max Permitted Site Coverage	50%	50%	15%	70%
Min Lot Size (SF)	5,000	7,500	43,560	None
Min Permitted Yard Setbacks				
Front (Feet)	20	20	35	25
Rear (Feet)	10	10	10	10
Side (Feet)	15	15	15	Ten (10) percent of the lot width as measured along the front property line.

Zoning Conclusion

The current use for the subject property is vacant land and is a permitted use based on the current zoning guidelines. A zoning change for the subject does not appear likely. Based on the foregoing, it appears that the subject's improvements are a legally conforming use of the subject site.



Improvement Description

The following summaries the salient characteristics of the subject improvements.

Overview

The subject property is a single family subdivision development located on the southwest corner of S Eisenhower Pkwy and Texoma Pkwy in Denison, TX, in the Sherman-Denison submarket. Based on the information provided to the appraiser, the proposed development will consist of a total of 155 single family residences that average 1,826 SF in size to be sold out upon completion. These residences will be completed in 4 phases, with 68 residences being developed in Phase I, 20 residences in Phase II, 35 Residences in Phase III, and 32 residences in Phase IV. The residences will be developed across 155 developed lots on 95.15 acres of land. In addition, the proposed development will include open space, nature preserve, & an amenity center.

Description of Proposed Built Unit Finishings

Foundation	Concrete slab
Exterior Walls/Framing	Wood frame with veneer panel exterior
Roof	Pitched composite & flat membrane
Elevator	None
HVAC	Individual HVAC
Lighting	Fluorescent
Interior Walls	Drywall
Doors and Windows	Wood doors in metal frame
Ceilings	Drywall
Plumbing	Assumed standard and to code
Floor Covering	Wood panel veneer
Fire Protection	Assumed standard and to code
Interior Finish/Build-Out	The proposed interior finish for the subject units include wood panel veneer flooring throughout, granite countertops, and premium stainless steel appliances
Site Improvements	Asphalt and concrete paving
Landscaping	Low maintenance shrubs and grass.
Signage	There is a monument style sign along S Eisenhower Pkwy & Texoma Pkwy

Improvement Description



*Optional courtyard features shown: Artificial turf, Landscaping, Trellis/Fengda, Plant walls (2), Water feature, and Stepping stone paths (Palazzo & Portico only)
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COLUMBUS PALAZZO
REV. 07.22

Improvement Description



January 11, 2024



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Improvement Description



Improvement Description



Improvement Description



Improvement Description



Subject Interior Rendering

Highest & Best Use

The theory of highest and best use is fundamental to the concept of value. Highest and best use analysis identifies the most profitable, competitive use to which the property can be put. The highest and best use of a property is based on the competitive forces within the market and submarket and provides the foundation for a detailed investigation of the competitive position of the subject property in the minds of market participants. Highest and best use may be defined as:

“The reasonably probable and legal use of vacant land or an improved property that is physically possible, appropriately supported, and financially feasible and that results in the highest value.”

The four criteria the highest and best use must meet are 1) legally permissible, 2) physically possible, 3) financially feasible and 4) maximally productive. In arriving at the estimate of highest and best use, the subject was analyzed as vacant and as improved as of the date of value. In each of the previous sections of the report including the Market Analysis, Site Description, Improvement Description, Real Estate Taxes and Zoning we have identified factors that influence value. These factors shape our conclusions for the Highest and Best Use as Vacant and As Improved.

This section develops the highest and best use of the subject property As Though Vacant.

As Vacant Analysis

In this section the highest and best use of the subject as vacant is concluded after taking into consideration financial feasibility, maximal productivity, marketability, legal, and physical factors.

Legally Permissible

Private restrictions, zoning, building codes, historic district controls, and environmental regulations are considered, if applicable to the subject site. The legal factors influencing the highest and best use of the subject site are primarily government regulations such as zoning ordinances. Permitted uses of the subject's Multiple (SF5, SF7.5, A, & C) include residential uses projects. Zoning change is not likely; therefore, uses outside of those permitted by the SF5, SF7.5, A, & C zoning are not considered moving forward in the as-vacant analysis.

Physical Possible

The test of what is physically possible for the subject site considers physical and locational characteristics that influence its highest and best use. In terms of physical features, the subject site totals 95.1470-acres (4,144,603 SF), it is irregular in shape and has a level topography. The site has good exposure and good overall access. There are no physical limitations that would prohibit development of any of the by-right uses on the site.

Improvement Description

Financial Feasibility

The final criterion for Highest and Best Use pertains to the potential return on the property subject to its various physically possible and legally permissible uses. A financially feasible use is one which provides a positive return on the land subsequent to the payment of all costs of development and satisfaction of the investor's rate of return. The maximally productive use refers to the one which, of all uses that are financially feasible, yields the highest value.

In order to determine if new residential developments are financially feasible, it is important to analyze population and household growth in the immediate area. Based on the demographic information presented in the Neighborhood Analysis section of this report, there are approximately 11,081 households in a 5-mile radius of the subject property. It is projected that approximately 598 households will be created in the neighborhood over the next 5 years, which is approximately 120 households per year. With 60.3% of these households expected to be owner-occupied homes, this would put demand for new homes at approximately 48 homes per year. The subject property will be developed into 155 single family residences which will be developed and expected to sell off at 3 units per month, or 36 per year. Based on the demand in the immediate neighborhood for new household formation, it is our opinion that new single family residential development is financially feasible as of the valuation date. Given this and the previous factors mentioned above, we believe this use is also the maximally productive use of the subject site.

Maximum Productivity

There is only one use that creates value and at the same time conforms to the requirements of the first three tests. Financial feasibility, maximal productivity, marketability, legal, and physical factors have been considered and the highest and best use of the subject site as-vacant concluded to be for an adequately sized single residential development.

Most Probable Buyer

Based on the type of property and the income generating potential of the improvements, it is our opinion that the most probable buyer for the subject would be regional or national real estate development company.

Appraisal Methodology

In traditional valuation theory, the three approaches to estimating the value of an asset are the cost approach, sales comparison approach, and income capitalization approach. Each approach assumes valuation of the property at the property's highest and best use. From the indications of these analyses, an opinion of value is reached based upon expert judgment within the outline of the appraisal process.

Cost Approach

The cost approach considers the cost to replace the proposed improvements, less accrued depreciation, plus the market value of the land. The cost approach is based on the understanding that market participants relate value to cost. The value of the property is derived by adding the estimated value of the land to the current cost of constructing a reproduction or replacement for the improvements and then subtracting the amount of depreciation in the structure from all causes. Profit for coordination by the entrepreneur is included in the value indication.

Characteristics specific to the subject property do not warrant that this valuation technique is developed. Based on the preceding information, the Cost Approach will not be presented.

Sales Comparison Approach

The sales comparison approach estimates value based on what other purchasers and sellers in the market have agreed to as price for comparable properties. This approach is based upon the principle of substitution, which states that the limits of prices, rents, and rates tend to be set by the prevailing prices, rents, and rates of equally desirable substitutes. In conducting the sales comparison approach, we gather data on reasonably substitutable properties and make adjustments for transactional and property characteristics. The resulting adjusted prices lead to an estimate of the price one might expect to realize upon sale of the property.

The Sales Comparison Approach was applied to estimate the individual market value of the finished residences. These values were used later on as input for the DCF. Considering the applicability of this approach in relation to the subject property's characteristics, we consider the application of this approach to be warranted.

Income Capitalization Approach

The income capitalization approach simulates the reasoning of an investor who views the cash flows that would result from the anticipated revenue and expense on a property throughout its lifetime. The net income developed in our analysis is the balance of potential income remaining after vacancy and collection loss, and operating expenses. This net income is then capitalized at an appropriate rate to derive an estimate of value or discounted by an appropriate yield rate over a typical projection period in a discounted cash flow analysis. Thus, two key steps are involved: (1) estimating the net income applicable to the subject and (2) choosing appropriate capitalization rates and discount rates. The appropriate rates are ones that will provide both a return on the investment and a return of the investment over the life of the particular property.

The subject is a leased investment property making this valuation technique particularly applicable. Therefore, the Income Approach is developed. Discounted Cash Flow analysis is used in this appraisal. The Direct Capitalization method does not contribute substantially to estimating value beyond the DCF analysis and is not presented.

Correlation and Conclusion

Based on the agreed upon scope with the client, the subject's specific characteristics and the interest appraised, this appraisal developed Sales Comparison and Income (Discounted Cash Flow) Approaches. The values presented represent the As-Is Market Value (Fee Simple Interest) and Prospective Upon Completion Individual Home Values on an Aggregate Basis (Fee Simple Interest). The Sales comparison approach was used to estimate the fair market value of the improved residences, which are inputs that are utilized in the DCF analysis. Additional value scenarios presented subsequent to the Analysis of Value Conclusions include: Market Value of Going Concern & As Complete - Lots.

Completed Residence Valuation - Sales Comparison Approach

This section values the individual finished homes, and then presents an aggregate value of these units, by comparing them with similar properties or listings within the local market area. The sales comparison approach is based on the premise that a buyer would pay no more for a specific property than the cost of obtaining a property with the same quality, utility, and perceived benefits of ownership. It is based on the principles of supply and demand, balance, substitution and externalities. The reliability of this approach is dependent on the availability and verification of data, degree of comparability to the subject and absence of atypical conditions affecting the sale price. The following steps describe the applied process of the sales comparison approach.

- The market in which the subject property competes is investigated; comparable sales, contracts for sale and current offerings are reviewed.
- The most pertinent data is further analyzed, and the quality of the transaction is determined.
- The most meaningful unit of value for the subject property is determined.
- Each comparable sale is analyzed and where appropriate, adjusted to account for differences the subject property.
- The value indication of each comparable sale is analyzed, and the data reconciled for a final indication of value via the sales comparison approach.

Unit of Comparison

In estimating the value for the subject property via the sales comparison approach, we have employed the price per Unit method. The price per Unit utilizes an analysis of the sales and concludes to an adjusted value per Unit. This is then applied to the subject property's size in order to derive a value estimate.

Comparable Selection

Our survey of the market uncovered several recent transactions of comparable single-family residential properties. The information collected on these transfers serves two primary functions. First, they establish the investment criteria and parameters upon which office properties are being purchased in the market. Second, the information obtained in the sales comparison approach will be utilized to derive an independent indication of value. The presented transactions will initially be examined on a sale price per \$/Unit basis to standardize our comparison effort.

We have researched six comparables for this analysis; these are documented below followed by a location map and analysis grid. Our search criteria is noted below:

- Single-family residences;
- Submarket: Grayson County, TX
- Size: Greater than 1,750 Square Feet;
- Sale Date: After January 1, 2023;

Adjustment Process

Adjustments to the comparable sales were considered and made when warranted for market conditions, year built, size, and views.

Transactional Adjustments

Real Property Rights Conveyed¹ When real property rights are sold, they may be the sole subject of the contract or the contract may include other rights, less than all of the real property rights, or even rights to another property or properties. The property rights sold in a comparable should be similar to the property rights being appraised. Typical property rights include the fee simple interest, leased fee interest and leasehold interest.

Completed Residence Valuation - Sales Comparison Approach (Continued)

Financing Terms² The transaction price of one property may differ from that of an identical property due to different financing arrangements. An adjustment for financing terms usually reflects non-market financing as either above or below market.

Conditions of Sale³ The definition of market value requires “typical motivations of buyers and sellers” where there is no duress on either party to consummate the sale. An adjustment for conditions of sale usually reflects the motivation of the buyer or seller who is under duress to complete a transaction.

Expenditures After Sale⁴ Expenses that the buyer incurs after purchase (deferred maintenance, HVAC repairs, etc.). No adjustments are warranted based on review of the sales.

Time Adjustment

Market Conditions⁵ Comparable sales that occurred under market conditions different from those applicable to the subject on the effective date of value require adjustment for any differences that affect their values. An adjustment of market conditions is made if general property values have increased or decreased since the transaction dates. Change in market conditions may result from changes in income tax laws, building moratoriums, and fluctuations in supply and demand. As such, each comparable received an annual downwards adjustment of 5% to account for the superior market conditions of the comparables.

Property Adjustments - Quantitative

Quantitative percentage adjustments are also made for location and physical characteristics such as size, age, site and parking ratios, access, exposure, quality and condition, as well as other applicable elements of comparison. Where possible the adjustments applied are based on paired data or other statistical analysis. It should be stressed that the adjustments are subjective in nature and are meant to illustrate the logic in deriving a value opinion for the subject property by the Sales Comparison Approach.

Location: Location refers to the time-distance relationships, or linkages, between a property or neighborhood and all other possible origins and destinations of people going to or coming from the property or neighborhood. An adjustment for location within a market area may be required when the locational characteristics of a comparable property are different from those of the subject property. The subject property is located in Denison, TX, which is in the Sherman-Denison, TX MSA metropolitan area. Based on the available information of similar single family residential transactions, we have selected 6 comparable sales in Grayson County, TX. The location adjustments applied had varying magnitudes based on the specific locational factors of the subject property. Our methodology was to compare the localized demographics and market fundamentals of each subject property to the comparables to estimate the magnitude and direction of the location adjustment.

Physical Characteristics: Physical characteristics may include differences for size, soils, site access, topography, quality of construction, architectural style, building materials, age, condition, functional utility, attractiveness, amenities, and other characteristics. The value added or lost by the presence or absence of an item in a comparable property may not equal the cost of installing or removing the item. The market dictates the value contribution of individual components to the value of the whole.

Economic Characteristics: Economic characteristics are the attributes of a property that directly affect its income and is typically applied to income-producing properties. Characteristics that typically affect a property's income include operating expenses, quality of management, trade area demographics, tenant mix, rent concessions, lease terms, lease expiration dates, renewal options, and lease provisions.

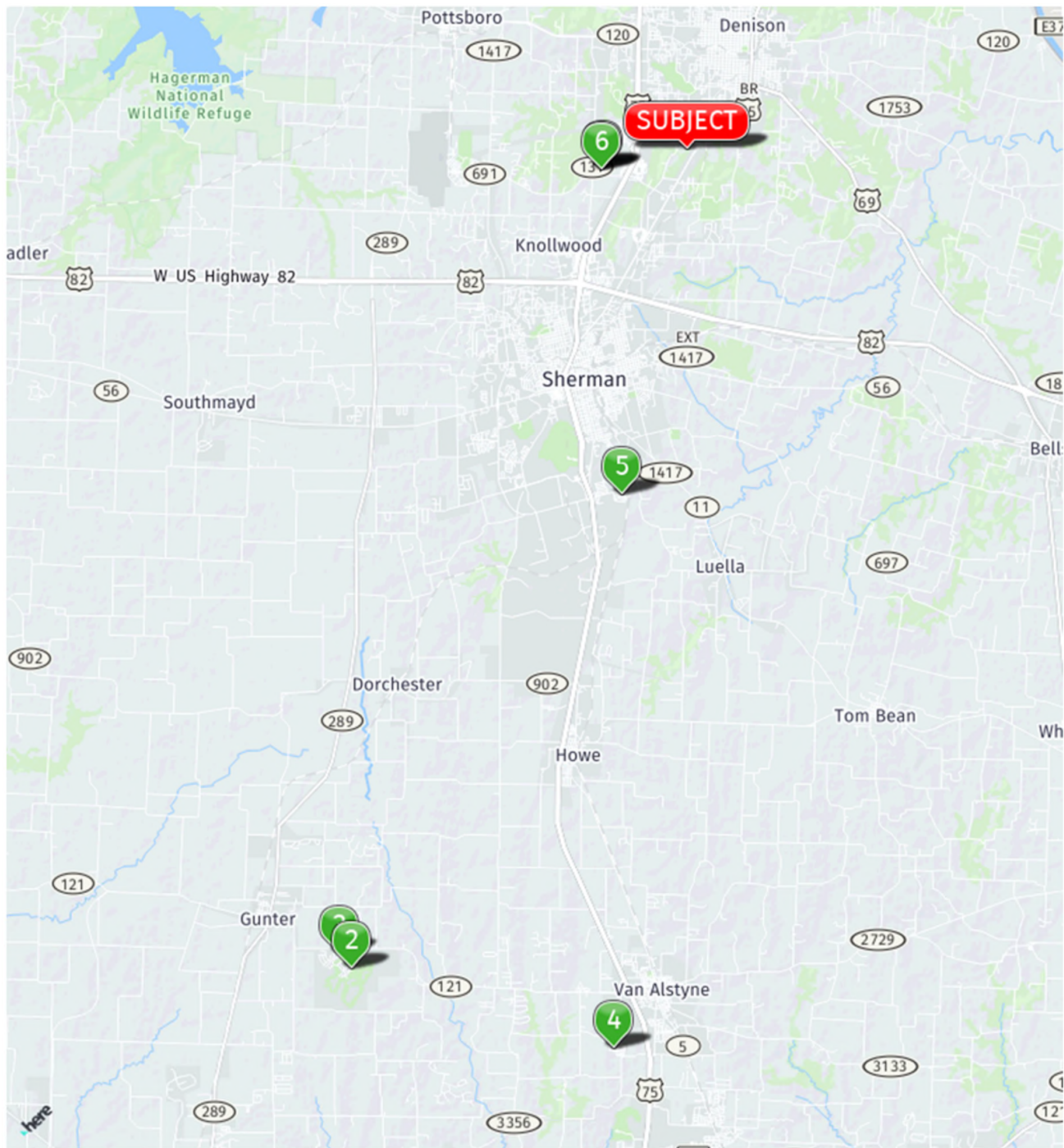
The Improved Sales Comparison Table is on the following page.

Completed Residence Valuation - Sales Comparison Approach (Continued)

IMPROVED SALES COMPARISON TABLE							
SUBJECT	COMP 1	COMP 2	COMP 3	COMP 4	COMP 5	COMP 6	
Name	The Courtyards at Katy Trail - Denison, TX	Gateway Village	Bridges at Preston Crossing	Bridges at Preston Crossing	Mantua Point	Bel Air Village	Gateway Village
Address	Southwest Corner of S Eisenhower Pkwy & Texoma Pkwy	5103 Twin Oaks Court	1412 Bearpath Way	1113 Stonebridge Pass	1900 McDougall Creek	3813 Paradise	5111 Twin Oaks Court
City	Denison	Denison	Gunter	Gunter	Van Alstyne	Sherman	Denison
State	TX	TX	TX	TX	TX	TX	TX
Zip	75020	75020	75058	75058	75495	75090	75020
County	Grayson	Grayson	Grayson	Grayson	Grayson	Grayson	Grayson
Submarket	Sherman-Denison	Sherman-Denison	Sherman-Denison	Sherman-Denison	Sherman-Denison	Sherman-Denison	Sherman-Denison
SALE INFORMATION							
Transaction Price		\$499,000	\$591,826	\$526,042	\$479,990	\$495,724	\$545,000
Transaction Price\$/Unit		\$499,000	\$591,826	\$526,042	\$479,990	\$495,724	\$545,000
Property Rights ¹		Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple
Financing ²		Cash to Seller	Cash to Seller	Cash to Seller	Cash to Seller	Cash to Seller	Cash to Seller
Sale Conditions ³		Normal	Normal	Normal	Normal	Normal	Normal
Expenditures After Sale ⁴		\$0	\$0	\$0	\$0	\$0	\$0
Market Conditions ⁵		10/4/2023	9/29/2023	8/24/2023	7/1/2023	3/14/2023	3/3/2023
Sale Status		Recorded	Recorded	Recorded	Recorded	Recorded	Recorded
Total Transactional Adjustments		\$0 0%	\$0 0%	\$0 0%	\$0 0%	\$0 0%	\$0 0%
Adjusted \$/Unit		\$499,000	\$591,826	\$526,042	\$479,990	\$495,724	\$545,000
PHYSICAL INFORMATION							
Units	155	1	1	1	1	1	1
NRA (SF)	1,826	1,906	2,611 (10%)	2,553 (10%)	2,114 (10%)	2,305 (10%)	2,337 (10%)
Year Built/Ren	2024	2022	2022	2023	2023	2022	2022
Location	Good	Good	Good	Good	Good	Good	Good
Access	Good	Above Average 5%	Above Average 5%	Above Average 5%	Above Average 5%	Good	Above Average 5%
Exposure	Good	Good	Good	Good	Good	Good	Good
Quality	Good	Good	Good	Good	Good	Good	Good
Condition	Good	Good	Good	Good	Good	Good	Good
Appeal	Good	Good	Good	Good	Good	Good	Good
Total Physical Adjustments		\$24,950 5%	(\$29,591) (5%)	(\$26,302) (5%)	(\$23,999) (5%)	(\$49,572) (10%)	(\$27,250) (5%)
Adjusted \$/Unit		\$523,950	\$562,235	\$499,740	\$455,991	\$446,152	\$517,750

Completed Residence Valuation - Sales Comparison Approach

(Continued)



COMPARABLE	LABEL	ADDRESS	MILES FROM SUBJECT
COMPARABLE 1	1	5103 Twin Oaks Court, Denison, TX, 75020	2.1
COMPARABLE 2	2	1412 Bearpath Way, Gunter, TX, 75058	21.5
COMPARABLE 3	3	1113 Stonebridge Pass, Gunter, TX, 75058	21.2
COMPARABLE 4	4	1900 McDougall Creek, Van Alstyne, TX, 75495	21.8
COMPARABLE 5	5	3813 Paradise, Sherman, TX, 75090	8.5
COMPARABLE 6	6	5111 Twin Oaks Court, Denison, TX, 75020	2.1

Improved Sales Photographs



COMPARABLE 1



COMPARABLE 2



COMPARABLE 3



COMPARABLE 4



COMPARABLE 5



COMPARABLE 6

Analysis of Comparable Sales

The comparable sales indicate an overall unadjusted unit value range from \$479,990/Unit to \$591,826/Unit, and an average of \$522,930/Unit. After adjustments, the comparables indicate a range for the subject property from \$446,152/Unit to \$562,235/Unit, and \$500,970/Unit on average. The adjustment process is summarized below.

Sale No. 1 (\$523,950/Unit Adjusted) -

This comparable is located at 5103 Twin Oaks Court, Denison, TX. The property is a single-family residence with 1,906 SF, built in 2022 and was transacted on October 4, 2023 for \$499,000. An upward adjustment was warranted for access as the comparable has inferior access in comparison to the subject. No other adjustments were warranted.

Sale No. 2 (\$562,235/Unit Adjusted) -

This comparable is located at 1412 Bearpath Way, Gunter, TX. The property is a single-family residence with 2,611 SF, built in 2022 and was transacted on September 29, 2023 for \$591,826. A downward adjustment was applied for SF, as the comparable is larger than the subject residences. An upward adjustment was warranted for access as the comparable has inferior access in comparison to the subject. No other adjustments were warranted.

Sale No. 3 (\$499,740/Unit Adjusted) -

This comparable is located at 1113 Stonebridge Pass, Gunter, TX. The property is a single-family residence with 2,553 SF, built in 2023 and was transacted on August 24, 2023 for \$526,042. A downward adjustment was applied for SF, as the comparable is larger than the subject residences. An upward adjustment was warranted for access as the comparable has inferior access in comparison to the subject. No other adjustments were warranted.

Sale No. 4 (\$455,991/Unit Adjusted) -

This comparable is located at 1900 McDougall Creek, Van Alstyne, TX. The property is a single-family residence with 2,114 SF, built in 2023 and was transacted on July 1, 2023 for \$479,990. An upward adjustment was warranted for access as the comparable has inferior access in comparison to the subject. No other adjustments were warranted.

Sale No. 5 (\$446,152/Unit Adjusted) -

This comparable is located at 3813 Paradise, Sherman, TX. The property is a single-family residence with 2,305 SF, built in 2022 and was transacted on March 14, 2023 for \$495,724. A downward adjustment was applied for SF, as the comparable is larger than the subject residences. No other adjustments were warranted.

Sale No. 6 (\$517,750/Unit Adjusted) -

This comparable is located at 5111 Twin Oaks Court, Denison, TX. The property is a single-family residence with 2,337 SF, built in 2022 and was transacted on March 3, 2023 for \$545,000. A downward adjustment was applied for SF, as the comparable is larger than the subject residences. An upward adjustment was warranted for access as the comparable has inferior access in comparison to the subject. No other adjustments were warranted.

Completed Residence Valuation - Sales Comparison Approach (Continued)

Sales Comparison Approach Conclusion

Based on general bracketing, the comparable sales support an adjusted unit value ranges from \$446,152/Unit to \$562,235/Unit, with a unit value of \$523,484/Unit concluded for the subject property (average price of the residences). The following table summarizes the analysis of the comparables, reports the reconciled price per Unit value conclusion, and presents the concluded value of the subject property by the Sales Comparison Approach.

IMPROVED SALES COMPARISON APPROACH CONCLUSION (UNIT)							
	TRANSACTION	ADJUSTMENT				NET	GROSS
	PRICE	TRANSACTIONAL ¹	ADJUSTED	PROPERTY ²	FINAL	ADJ	ADJ
1	\$499,000	0%	\$499,000	5%	\$523,950	5%	5%
2	\$591,826	0%	\$591,826	(5%)	\$562,235	(5%)	15%
3	\$526,042	0%	\$526,042	(5%)	\$499,740	(5%)	15%
4	\$479,990	0%	\$479,990	(5%)	\$455,991	(5%)	15%
5	\$495,724	0%	\$495,724	(10%)	\$446,152	(10%)	10%
6	\$545,000	0%	\$545,000	(5%)	\$517,750	(5%)	15%
HIGH	\$591,826	0%	\$591,826	5%	\$562,235	5%	15%
AVG	\$522,930	0%	\$522,930	(4%)	\$500,970	(4%)	13%
MED	\$512,521	0%	\$512,521	(5%)	\$508,745	(5%)	15%
LOW	\$479,990	0%	\$479,990	(10%)	\$446,152	(10%)	5%
SUBJECT UNIT				\$/UNIT		VALUE	
Capri IV	10			\$480,000		\$4,800,000	
Palazzo	20			\$490,000		\$9,800,000	
Portico	52			\$520,000		\$27,040,000	
Promenade	50			\$540,000		\$27,000,000	
Salerno	7			\$540,000		\$3,780,000	
Torino	8			\$530,000		\$4,240,000	
Verona	8			\$560,000		\$4,480,000	
	155	x		\$523,484 =		\$81,140,000	
INDICATED RETAIL VALUE (ROUNDED TO NEAREST \$10,000)				\$523,484		\$81,140,000	

¹Cumulative ²Additive

Based on the average sale prices in the market, and the subject's position amongst them, it appears that our conclusions stated above are generally reasonable.

(Continued)

January 11, 2024

(Continued)

[illegible]

Income Capitalization Approach

Revenue Analysis

The primary source of revenue comes from the sale of improved residences, as detailed in previous section. As such, we are considering 155 single-family improved units.

The Client has provided their revenues estimates for each increment, through discussion with the Client and analyzing the information, we have estimated the following sales timing:

- Capri IV Residences: Generate revenue in 2026 and will sell out until 2027.
- Palazzo Residences: Generate revenue in 2025 and will sell out until 2026.
- Portico Residences: Generate revenue in 2024 and will sell out until 2028.
- Promenade Residences: Generate revenue in 2026 and will sell out until 2028.
- Salerno Residences: Generate revenue in 2027 and will sell out until 2028.
- Torino Residences: Generate revenue in 2024 and will sell out until 2025.
- Verona Residences: Generate revenue in 2024 and will sell out until 2025.

Absorption Analysis

To estimate our absorption time frame, we have considered primarily the projected sales within the client's forecast, which foresees the sale of 36 units per year in throughout the sellout, with the sellout of the units occurring in five years. Based on the aforementioned information, we have forecasted the following annual sales absorption for our DCF analysis:

KROLL DISCOUNTED CASH FLOW SUMMARY The Courtyards at Katy Trail As of December 18, 2023						
For the Year Ending	Dec-24	Dec-25	Dec-26	Dec-27	Dec-28	Total
Sales Absorption	Year 1	Year 2	Year 3	Year 4	Year 5	
Units						
Capri IV	0	0	5	5	0	10
Palazzo	0	10	10	0	0	20
Portico	9	12	12	12	7	52
Promenade	0	0	9	14	27	50
Salerno	0	0	0	5	2	7
Torino	4	4	0	0	0	8
Verona	4	4	0	0	0	8
Unit Sale Totals	17	30	36	36	36	155

Expense Analysis

Vertical and Horizontal Costs

In addition to the value conclusions for improved and unimproved lots in the preceding pages, determinations needed to be made regarding construction costs, soft costs, marketing, legal & entitlement fees, and real estate taxes, among others. Due to the nature of the project and the information we were provided, we have relied on the estimates provided to us by the developer for our conclusions associated with real estate taxes, marketing, legal and entitlement fees, and contingency costs. For entrepreneurial profit and soft costs, we have utilized 10.0% of vertical and horizontal hard costs.

Construction Costs

Through discussions with the developer and documents provided by the client, we have analyzed the budgeted construction costs for improved units at the subject. We have determined vertical hard construction costs to be, as follows:

	Construction Cost PSF
Capri IV	\$155
Palazzo	\$155
Portico	\$155
Promenade	\$155
Salerno	\$155
Torino	\$155
Verona	\$155

Revenue and Expense Annual Growth Rate

We have utilized an annual growth rate of 2.0% to increase revenue and 2.0% to increase expense growth rate for the subject project. This is in line with average historical and projected US inflation.

Marketing and Selling Costs

These are costs associated with marketing, promoting and selling the lot product. These include broker's commissions and all other costs related to closing the transaction. We have utilized 4% based on the Client's estimate for this category and we consider that this percentage is reasonable.

Contingency Costs

These are costs associated with unbudgeted costs. We have utilized 5.0% based on our experience valuing other similar projects in Texas.

Discounted Cash Flow Analysis – As Is Market Value (Fee Simple)

The DCF assumptions concluded for the subject are summarized as follows:

	Units	Price PSF	Average Price per Unit	Average Built SF per Unit	Construction Cost PSF	Average Construction Cost Per Unit
Capri IV	10	\$480,000	\$4,800,000	1,407	\$155	\$218,085.00
Palazzo	20	\$490,000	\$9,800,000	1,519	\$155	\$235,445.00
Portico	52	\$520,000	\$27,040,000	1,776	\$155	\$275,280.00
Promenade	50	\$540,000	\$27,000,000	2,053	\$155	\$318,215.00
Salerno	7	\$540,000	\$3,780,000	1,643	\$155	\$254,665.00
Torino	8	\$530,000	\$4,240,000	1,888	\$155	\$292,640.00
Verona	8	\$560,000	\$4,480,000	2,114	\$155	\$327,670.00

Absorption Rate:

Year 1 (December 2024)	17.00
Year 2 (December 2025)	30.00
Year 3 (December 2026)	36.00
Year 4 (December 2027)	36.00
Year 5 (December 2028)	36.00

Revenue Growth Rate:	2.00%
Expense Growth Rate:	2.00%
Real Estate Tax Growth Rate:	2.00%
Discount Rate As Is:	18.00%
Marketing and Selling Costs:	4.00%
Entrepreneurial Profit:	10.00%
Soft Costs:	10.00%
Contingency Costs:	5.00%

Discount Rate Analysis

After we estimated the net profit for each quarter, we discounted the cash flows on an annual basis. We have researched land development discount rates in order to opine for the most appropriate discount rate. PwC's Real Estate Investor Survey for 2Q 2023 suggests discount rates for national development land range from 12.00% to 30.00%, with an average discount rate of 18.70%. For the purpose of our analysis, we have concluded towards the average of the range with a discount rate of 18.00%. Please note that the selloff calculation is discounting the cash flows on an annual basis.

SUMMARY OF DISCOUNT RATES				
Investor Survey	Date	Discount Rates		
		Low	High	Average
PWC Investor Survey - Development Land	2Q2023	12.00%	30.00%	18.70%
Kroll Discount Rate Conclusion - As Is Market Value			18.00%	

Income Capitalization Approach

Discounted Cash Flow (As Is Market Value)

The Courtyards at Katy Trail As of December 18, 2023							
For the Year Ending Sales Absorption	Dec-24 Year 1	Dec-25 Year 2	Dec-26 Year 3	Dec-27 Year 4	Dec-28 Year 5	Total	
Units							
Capri IV	0	0	5	5	0		10
Palazzo	0	10	10	0	0		20
Portico	9	12	12	12	7		52
Promenade	0	0	9	14	27		50
Salerno	0	0	0	5	2		7
Torino	4	4	0	0	0		8
Verona	4	4	0	0	0		8
Unit Sale Totals	17	30	36	36	36		155
Revenue	Dec-24	Dec-25	Dec-26	Dec-27	Dec-28	Total	
Unit Sale Totals	\$ 9,040,000	\$ 15,810,000	\$ 19,143,360	\$ 20,056,831	\$ 20,890,941	\$	84,941,132
Capri IV	\$ -	\$ -	\$ 2,496,960	\$ 2,546,899	\$ -	\$	5,043,859
Palazzo	\$ -	\$ 4,998,000	\$ 5,097,960	\$ -	\$ -	\$	10,095,960
Portico	\$ 4,680,000	\$ 6,364,800	\$ 6,492,096	\$ 6,621,938	\$ 3,940,053	\$	28,098,887
Promenade	\$ -	\$ -	\$ 5,056,344	\$ 8,022,732	\$ 15,781,861	\$	28,860,937
Salerno	\$ -	\$ -	\$ -	\$ 2,865,262	\$ 1,169,027	\$	4,034,288
Torino	\$ 2,120,000	\$ 2,162,400	\$ -	\$ -	\$ -	\$	4,282,400
Verona	\$ 2,240,000	\$ 2,284,800	\$ -	\$ -	\$ -	\$	4,524,800
Total Revenues	\$ 9,040,000	\$ 15,810,000	\$ 19,143,360	\$ 20,056,831	\$ 20,890,941	\$	84,941,132
Selling Commissions	\$ 361,600	\$ 632,400	\$ 765,734	\$ 802,273	\$ 835,638	\$	3,397,645
Net Revenue	\$ 8,678,400	\$ 15,177,600	\$ 18,377,626	\$ 19,254,558	\$ 20,055,303	\$	81,543,487
Total Revenue	\$ 8,678,400	\$ 15,177,600	\$ 18,377,626	\$ 19,254,558	\$ 20,055,303	\$	81,543,487
Costs ¹	Dec-24	Dec-25	Dec-26	Dec-27	Dec-28	Total	
Horizontal Construction	\$ 11,270,360	\$ -	\$ -	\$ -	\$ -	\$	11,270,360
Vertical Construction	\$ 4,958,760	\$ 8,301,831	\$ 10,000,502	\$ 10,741,675	\$ 11,937,165	\$	45,939,932
Real Property Taxes - Amenities and Improved	\$ 34,213	\$ 68,414	\$ 66,315	\$ 63,288	\$ 61,597	\$	293,828
Contingency Costs	\$ 892,602	\$ 456,601	\$ 550,028	\$ 590,792	\$ 656,544	\$	3,146,566
Soft Costs	\$ 1,622,912	\$ 830,183	\$ 1,000,050	\$ 1,074,167	\$ 1,193,716	\$	5,721,029
Total Costs	\$ 18,778,847	\$ 9,657,029	\$ 11,616,894	\$ 12,469,923	\$ 13,849,022	\$	66,371,715
Cash Flow Before Profit	\$ (10,100,447)	\$ 5,520,571	\$ 6,760,732	\$ 6,784,635	\$ 6,206,281	\$	15,171,772
Entrepreneurial Profit	\$ 1,788,625	\$ 913,201	\$ 1,100,055	\$ 1,181,584	\$ 1,313,088	\$	6,296,553
Total Costs	\$ 20,567,472	\$ 10,570,230	\$ 12,716,949	\$ 13,651,507	\$ 15,162,111	\$	66,371,715
Cash Flow	\$ (11,889,072)	\$ 4,607,370	\$ 5,660,676	\$ 5,603,051	\$ 4,893,193	\$	15,171,772
Going Concern Value							
NPV 18%		\$5,732,139					
Going Concern Value (Rounded)							
NPV 18%		\$5,732,139					
As-Is Value (Rounded)							
Kroll Conclusion Market Value of Going Concern - 18%		\$5,700,000					

Income Capitalization Approach

Based on the agreed upon scope with the client, the subject's specific characteristics and the interest appraised, this appraisal developed Sales Comparison and Income (Discounted Cash Flow) Approaches. The values presented represents As Is Market Value of Going Concern Value, & As Complete - Lots.

As Is Market Value Analysis Conclusion

Based on the above analysis detailed above, we have estimated to a projected fee simple "As Is Market Value of Going Concern Value" of \$5,700,000.

Income Capitalization Approach

(Continued)

Discounted Cash Flow Analysis – As Complete Market Value (Lots)

Per the request of the client, we have also estimated the “as complete” value of the subject lots subject to the hypothetical condition that the horizontal infrastructure of the multiple phases are completed within Year 1 of the analysis. For the purpose of this analysis analysis, we have concluded slightly below the average of the range with a discount rate of 15.00%.

KROLL DISCOUNTED CASH FLOW SUMMARY						
The Courtyards at Katy Trail						
As of December 18, 2023						
For the Year Ending	Dec-24	Dec-25	Dec-26	Dec-27	Dec-28	Total
Sales Absorption	Year 1	Year 2	Year 3	Year 4	Year 5	
Units						
Capri IV	0	0	5	5	0	10
Palazzo	0	10	10	0	0	20
Portico	9	12	12	12	7	52
Promenade	0	0	9	14	27	50
Salerno	0	0	0	5	2	7
Torino	4	4	0	0	0	8
Verona	4	4	0	0	0	8
Unit Sale Totals	17	30	36	36	36	155
Revenue	Dec-24	Dec-25	Dec-26	Dec-27	Dec-28	Total
Unit Sale Totals	\$ 9,040,000	\$ 15,810,000	\$ 19,143,360	\$ 20,056,831	\$ 20,890,941	\$ 84,941,132
Capri IV	\$ -	\$ -	\$ 2,496,960	\$ 2,546,899	\$ -	\$ 5,043,859
Palazzo	\$ -	\$ 4,998,000	\$ 5,097,960	\$ -	\$ -	\$ 10,095,960
Portico	\$ 4,680,000	\$ 6,364,800	\$ 6,492,096	\$ 6,621,938	\$ 3,940,053	\$ 28,098,887
Promenade	\$ -	\$ -	\$ 5,056,344	\$ 8,022,732	\$ 15,781,861	\$ 28,860,937
Salerno	\$ -	\$ -	\$ -	\$ 2,865,262	\$ 1,169,027	\$ 4,034,288
Torino	\$ 2,120,000	\$ 2,162,400	\$ -	\$ -	\$ -	\$ 4,282,400
Verona	\$ 2,240,000	\$ 2,284,800	\$ -	\$ -	\$ -	\$ 4,524,800
Total Revenues	\$ 9,040,000	\$ 15,810,000	\$ 19,143,360	\$ 20,056,831	\$ 20,890,941	\$ 84,941,132
Selling Commissions	\$ 361,600	\$ 632,400	\$ 765,734	\$ 802,273	\$ 835,638	\$ 3,397,645
Net Revenue	\$ 8,678,400	\$ 15,177,600	\$ 18,377,626	\$ 19,254,558	\$ 20,055,303	\$ 81,543,487
Total Revenue	\$ 8,678,400	\$ 15,177,600	\$ 18,377,626	\$ 19,254,558	\$ 20,055,303	\$ 81,543,487
Costs ¹	Dec-24	Dec-25	Dec-26	Dec-27	Dec-28	Total
Vertical Construction	\$ 4,958,760	\$ 8,301,831	\$ 10,000,502	\$ 10,741,675	\$ 11,937,165	\$ 45,939,932
Real Property Taxes - Amenities and Improved	\$ 34,213	\$ 68,414	\$ 66,315	\$ 63,288	\$ 61,597	\$ 293,828
Contingency Costs	\$ 272,732	\$ 456,601	\$ 550,028	\$ 590,792	\$ 656,544	\$ 2,526,696
Soft Costs	\$ 495,876	\$ 830,183	\$ 1,000,050	\$ 1,074,167	\$ 1,193,716	\$ 4,593,993
Total Costs	\$ 5,761,581	\$ 9,657,029	\$ 11,616,894	\$ 12,469,923	\$ 13,849,022	\$ 53,354,449
Cash Flow Before Profit	\$ 2,916,819	\$ 5,520,571	\$ 6,760,732	\$ 6,784,635	\$ 6,206,281	\$ 28,189,037
Entrepreneurial Profit	\$ 548,885	\$ 913,201	\$ 1,100,055	\$ 1,181,584	\$ 1,313,088	\$ 5,056,814
Total Costs	\$ 6,310,466	\$ 10,570,230	\$ 12,716,949	\$ 13,651,507	\$ 15,162,111	\$ 53,354,449
Cash Flow	\$ 2,367,934	\$ 4,607,370	\$ 5,660,676	\$ 5,603,051	\$ 4,893,193	\$ 28,189,037

As-Is Value (Rounded)

Kroll Conclusion As Complete Subject to Hypothetical - 15%

\$14,900,000

Reconciliation of Values

The process of reconciliation involves the analysis of each approach to value. The quality of data applied the significance of each approach as it relates to market behavior and defensibility of each approach are considered and weighed. Finally, each is considered separately and comparatively with each other. Based on the agreed upon scope with the client, the subject's specific characteristics and the interest appraised, this appraisal developed the Income and Sales Comparison Approach. The values presented represent the As-Is Values, Aggregated Lot Values, and Aggregated Homes Values.

Reconciliation is the process of analyzing the relevance of the indicated values, resulting in a final value estimate. In each of the two approaches, the appraisers have documented all of the input data and briefly explained the methodology in processing and/or analyzing this data. Insofar as the appraisers were able to determine, the data furnished is from reliable sources and has been accepted as being accurate. Because the appraisal of real estate is not, by any means, an exact science, a great deal of subjective judgment on the part of the appraisers becomes a part of each of the recognized approaches.

The cost approach relies on the proposition that the market value of the property is no more than the cost of producing a substitute property with the same utility as the subject produces. The approach is reasonable accurate in establishing replacement cost. We have not utilized this approach in our analysis.

The sales comparison approach was utilized in the valuation process to estimate the individual market values of both the lots and the finished cottages. We also presented an aggregate value for the lots and the finished homes. This approach involves the direct comparison of the property being appraised with similar market comparables. Each sale was analyzed and compared on a price per square foot basis. The sales comparison approach is heavily dependent upon the accuracy and comparability of the sales. We were able to research and analyze comparable transactions locally. Although the properties are considered comparable to the subject in general physical and economic characteristics, various adjustment factors were warranted.

The data collected for the income capitalization approach is recent and considered to be reliable. Strong indicators of market rent, occupancy, and expenses were included in the analysis. The income capitalization approach is considered to be most applicable in the subject's valuation, since a prospective purchaser would likely purchase the property based on its income-producing characteristics. The discounted cash flow analysis is generally regarded as the most reliable method for estimating the value of an income producing property. This approach primarily emphasizes the economic productivity of the asset. It is based on the premise that value is created by the expectation of future benefits.

In summary, the income capitalization approach is considered a primary value indicator and was given primary emphasis for the determination of the As-Is Market Value, whereas the sales comparison also provided to be a reliable value estimate in determining the individual market value of both the lots and the finished homes. The reconciled values are presented in the following tables:

MARKET VALUE CONCLUSION				
VALUATION SCENARIO	INTEREST APPRAISED	EXPOSURE TIME	EFFECTIVE DATE	VALUE
As-Is Market Value Going Concern	Fee Simple Interest	12 Months or Less	December 18, 2023	\$5,700,000
Aggregate Value of Completed Residences	Fee Simple Interest	12 Months or Less	December 18, 2028	\$81,140,000
ADDITIONAL CONCLUSIONS				
As Complete - Lots - Subject to Hypothetical Condition				\$14,900,000

(Continued)

January 11, 2024

(Continued)

January 11, 2024

Addenda

General Definitions³

Assessed value

1. A value set on real estate and personal property by a government as a basis for levying taxes. (IAAO)
2. The monetary amount for a property as officially entered on the assessment roll for purposes of computing the tax levy. Assessed values differ from the assessor's estimate of actual (market) value for three major reasons: fractional assessment ratios, partial exemptions, and decisions by assessing officials to override market value. The process of gathering and interpreting economic data to provide information that can be used by policymakers to formulate tax policy. (IAAO)

Easement

An interest in real property that conveys use, but not ownership, of a portion of an owner's property. Access or right of way easements may be acquired by private parties or public utilities. Governments dedicate conservation, open space, and preservation easements.

Effective date

The date at which the analyses, opinions, and advice in an appraisal, review, or consulting service apply.

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.

Floor area ratio (FAR)

The relationship between the above-ground floor area of a building, as described by the building code, and the area of the plot on which it stands; in planning and zoning, often expressed as a decimal, e.g., a ratio of 2.0 indicates that the permissible floor area of a building is twice the total land area.

Identified intangible assets

Those intangible assets owned by a business (going concern) that have been separately identified and valued in an appraisal.

Land-to-building ratio

The proportion of land area to gross building area; one of the factors determining comparability of properties.

Leased fee interest

An ownership interest held by a landlord with the rights of use and occupancy conveyed by lease to others. The rights of the lessor (the leased fee owner) and the lessee are specified by contract terms contained within the lease.

Leasehold interest

The interest held by the lessee (the tenant or renter) through a lease transferring the rights of use and occupancy for a stated term under certain conditions.

Market rent

The most probable rent that a property should bring in a competitive and open market reflecting all conditions and restrictions of the specified lease agreement including term, rental adjustment and revaluation, permitted uses, use restrictions, and expense obligations; the lessee and lessor each acting prudently and knowledgeably, and assuming consummation of a lease contract as of a specified date and the passing of the leasehold from lessor to lessee under conditions whereby:

1. Lessee and lessor are typically motivated.
2. Both parties are well informed or well advised, and acting in what they consider their best interests.
3. A reasonable time is allowed for exposure in the open market.
4. The rent payment is made in terms of cash in United States dollars and is expressed as an amount per time period consistent with the payment schedule of the lease contract.
5. The rental amount represents the normal consideration for the property leased unaffected by special fees or concessions granted by anyone associated with the transaction.

Marketing time

³ Appraisal Institute, *The Dictionary of Real Estate Appraisal*, 6th ed. (Chicago: Appraisal Institute, 2015).

1. The time it takes an interest in real property to sell on the market sub-sequent to the date of an appraisal.
2. Reasonable marketing time is an estimate of the amount of time it might take to sell an interest in real property at its estimated market value during the period immediately after the effective date of the appraisal; the anticipated time required to expose the property to a pool of prospective purchasers and to allow appropriate time for negotiation, the exercise of due diligence, and the consummation of a sale at a price supportable by concurrent market conditions. Marketing time differs from exposure time, which is always presumed to precede the effective date of the appraisal. (Advisory Opinion 7 of the Appraisal Standards Board of The Appraisal Foundation and Statement on Appraisal Standards No. 6, "Reasonable Exposure Time in Real Property and Personal Property Market Value Opinions" address the determination of reasonable exposure and marketing time.)

Negative easement

Property that is burdened by an easement; also called servient estate.

Personal property

Identifiable tangible objects that are considered by the general public as being "personal," for example, furnishings, artwork, antiques, gems and jewelry, collectibles, machinery and equipment; all tangible property that is not classified as real estate. Personal property consists of every kind of property that is not real property; movable without damage to itself or the real estate; subdivided into tangible and intangible.

Prospective value opinion

A forecast of the value expected at a specified future date. A prospective value opinion is most frequently sought in connection with real estate projects that are proposed, under construction, or under conversion to a new use, or those that have not achieved sellout or a stabilized level of long-term occupancy at the time the appraisal report is written.

Rentable area

The amount of space on which the rent is based; calculated according to local practice.

Restricted appraisal report

A written appraisal report prepared under Standards Rule 2-2(b) of the Uniform Standards of Professional Appraisal Practice (USPAP, 2020-2021 ed.). A restricted appraisal report sets forth the data considered, the appraisal procedures followed, and the reasoning employed in the appraisal, addressing each item in the depth and detail required by its significance to the appraisal and providing sufficient information so that the client and the users of the report will understand the appraisal and not be misled or confused.

Appraisal report

A written report prepared under Standards Rule 2-2(a) or 8-2(a). An appraisal report contains a summary of all information significant to the solution of the appraisal problem. The essential difference between a restricted appraisal report and an appraisal report is the level of detail of presentation.

Use value

In real estate appraisal, the value a specific property has for a specific use; may be the highest and best use of the property or some other use specified as a condition of the appraisal; may be used where legislation has been enacted to preserve farmland, timberland, or other open space land on urban fringes. See also exchange value; value in use.

Usable area

The area available for assignment or rental to an occupant, including every type of usable space; measured from the inside finish of outer walls to the office side of corridors or permanent partitions and from the centerline of adjacent spaces; includes subdivided occupant space, but no deductions are made for columns and projections. There are two variations of net area: single occupant net assignable area and store net assignable area.

Value "as is"

The value of specific ownership rights to an identified parcel of real estate as of the effective date of the appraisal; relates to what physically exists and is legally permissible and excludes all assumptions concerning hypothetical market conditions or possible rezoning.

John Bohannon
Builder's Capital
1019 39th Avenue
Suite 220
Puyallup, WA 98374

November 15, 2023

Blake Vaughn
Principal
Vita Nova Construction
8109 Belmont Court
North Richland Hills, TX 76182

Re: Engagement Letter for Kroll LLC Valuation Services

Dear Mr. Bohannon and Mr. Vaughn:

This Letter of Engagement confirms that we, Kroll, LLC ("Kroll"), have been retained by you, Builder's Capital and Vita Nova Construction, (the "Companies"), to provide updated valuation services (the "Services") as outlined below in connection with financing the property known as **Courtyards at Katy Trail** (the "Subject Property"). The Subject Property is identified as follows:

Name	Address	City	State
Courtyards at Katy Trail	SW Corner South Eisenhower Parkway and Texoma Parkway	Denison	Texas

The appraisal is for the 1) As Is Value using a residual method; and 2) As Complete Individual Home Values on an Aggregate Basis for the following:

- Proposed 153 residential lot phased subdivision within a 95 acre parcel

The Appraisal Report will be prepared for the Companies for financing purposes. It is our understanding that there are no ground leases related to the property.

Collectively, this arrangement is the "Engagement."

Scope of Services

We understand that the Services to be provided will be used by the Companies for mortgage financing. We anticipate that our scope of services will include the following for each phase:

- We will review the market by means of publications to measure current market conditions, supply and demand factors, and growth patterns to determine their effect on the Subject Property;
- We will complete an inspection of the subject site;
- We will review projected construction costs provided by Management in completing our analysis and forecasts;
- We will review and consider sales results from competitive projects to utilize as a basis for unit pricing and absorption of Courtyards at Katy Trail;

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- We will complete the Sales Comparison Approach to determine individual home retail values and benchmark land values on a per unit basis;
- We will determine an aggregate value per unit based on individual retail pricing, adjusted for inflation subject to the timing of project phasing and sell out;
- We will utilize elements of the Cost Approach to assist in determining outstanding costs to complete related home improvements and remaining site improvements required for lot infrastructure;
- We will complete the Income Capitalization Approach considering a discounted cash flow methodology using retail lot cash flows, adjusted for costs of sale, any remaining infrastructure costs and required absorption period; and,
- We will prepare a Appraisal Report in compliance with the Code of Professional Ethics and Standards of Professional Practice set forth by the Appraisal Institute, and Standards Rule 2-2(a) of the Uniform Standards of Professional Appraisal Practice (“USPAP”) as adopted by the Appraisal Foundation.

In the course of our valuation analysis, we will use and rely upon information obtained from management and information from various public, financial, and industry sources. Our conclusions are dependent on such information being complete and accurate in all material respects. We will not accept responsibility for the accuracy and completeness of such provided information.

Definition of Value

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

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

Valuation Approaches/Premises

We will utilize standard and accepted appraisal methodology in arriving at our opinions of value. An estimation of the market value of the Subject Property will be completed via the most applicable approach for the property. We have assumed that this will involve the consideration of primarily the Sales Comparison and the Income Capitalization Approach. Budgeted redevelopment costs will be incorporated into our analysis, but elements of the Cost Approach will be completed as a benchmark for development costs in support of the other two approaches.

Form of Report and Timetable

We are ready to begin our work immediately upon receipt of the signed Engagement Letter. Draft values and a draft report will be available in three weeks starting November 27, assuming the receipt of requested property data and retainer. Delivery of the final Appraisal Report will occur within days of the approval of the Draft.

The Report will be prepared in draft format and will detail our valuation procedures and the results of our work. The scope of our work will include an Appraisal Report. The Report will be prepared in accordance with the Code of Professional Ethics and Standards of Professional Practice set forth by the Appraisal Institute and the Uniform Standards of Professional Appraisal Practice (“USPAP”) as adopted by the Appraisal Foundation. Once you have read the draft Report, we will issue a final Report bearing the signature of the firm as well as that of the state licensed appraiser completing the report. We will liaise closely with you as to this timetable, and in the event that we anticipate that the timetable cannot be met, we shall notify you as soon as reasonably possible to agree upon an adjusted timetable.

Staffing and Fees

James Gavin, MAI CRE FRICS will be the Managing Director in charge of the Services on behalf of Kroll. Dan Carlson, Managing Director and Dan Maher, Director will oversee the day-to-day aspects of our work program. We will call upon additional experienced staff when required.

Our fees for the Services to be provided reflect the complexity of the Engagement, the time scale for its completion, the caliber of staff engaged, and the value of the Services provided. Based upon our understanding of the Engagement, we estimate that our fees for the Services will be \$8,500. There will be our standard 5% charge to cover administrative expenses related to our appraisal. We will require a full retainer of \$8,500 plus administrative expenses of \$425 for a total of \$8925 prior to starting our work.

Travel expenses, if incurred, will be invoiced at cost. We will be utilizing Dallas-based staff and expect these costs to be relatively nominal.

Acknowledgement and Acceptance

In accordance with Kroll policy, it is necessary that we receive an executed copy of this Engagement Letter and the attached Terms and Conditions (to which this Engagement is subject) prior to commencement of the Services. If the scope and terms of the Engagement Letter and the attached Terms and Conditions are acceptable, please acknowledge your acceptance by signing the confirmation below and returning this Letter to us at the above address and e-mailing (james.gavin@kroll.com) a copy to us.

Please do not hesitate to contact me if you have any questions or amendments.

Yours sincerely,

Kroll, LLC

A handwritten signature in black ink, appearing to read 'J. A. y', with a long horizontal flourish extending to the right.

By: James Gavin, MAI CRE FRICS
Managing Director

Confirmation of Terms of Engagement

Re: Engagement Letter for Kroll, LLC Valuation Services in connection with the estimation of Market Value related to Courtyards at Katy Trail, Denison, TX

Having read this Engagement Letter from Kroll, LLC and the attached Terms and Conditions, we acknowledge acceptance of and agree to engage Kroll, LLC in accordance with the terms and provisions of this Engagement Letter and the attached Terms and Conditions.

Signed: Mr. John Bohannon
On behalf of: Builders Capital

Date: _____

Signed: Mr. Blake Vaughn
On behalf of: Vita Nova Construction

Date: _____

Attachment to the Engagement Letter

Terms and Conditions

The following are the terms and conditions (the “Terms and Conditions”) on which we will provide the services (the “Services”) set forth in the attached engagement letter (the “Engagement Letter”). Together, the Terms and Conditions and the Engagement Letter are referred to as the “Contract,” which forms the entire agreement between Kroll, LLC and you relating to the Services.

Fees

1. Our invoices are payable upon receipt. If we do not receive payment of any invoice within 45 days of the invoice date, we shall be entitled, without prejudice to any other rights that we may have, to suspend provision of the Services until all sums due are paid in full.
2. If any amounts payable hereunder are not paid within thirty (30) days when due, such amounts shall accrue interest at a rate equal to the lesser of two percent (2%) per month or the highest interest rate allowed under the law of New York. In the event that we are required to initiate a lawsuit or hire attorneys to collect any past due amounts, in addition to any other rights and remedies available to us, we shall be entitled to reimbursement of our attorney’s fees and other costs of collection.
3. We have no responsibility to update any Report, analysis or any other document relating to this Engagement for any events or circumstances occurring subsequent to the date of such Report, analysis or other document. Any such subsequent consultations or work shall be subject to arrangements at our then standard fees plus expenses.
4. Either party may request changes to the Services. We shall work with you to consider and, if appropriate, to vary any aspect of the Engagement, subject to payment of reasonable additional fees and a reasonable additional period to provide any additional services. Any variation to this Contract, including any variation to fees, services, or time for performance of the Services, shall be set forth in a separate engagement letter executed by both parties which shall form part of this Contract.
5. Our performance of the Services is dependent upon you providing us with accurate and timely information and assistance as we may reasonably require from time to time. You shall use reasonable skill, care and attention to ensure that all information we may reasonably require is provided on a timely basis and is accurate and complete. You shall notify us if you subsequently learn that the information provided is incorrect or inaccurate or otherwise should not be relied upon. *The inability to supply us with the agreed upon information in a useable form within the amount of time reasonably required by us may increase fees and delay completion. Additionally, in the event unforeseen complications are encountered which would significantly increase fees; we would discuss these with you and await your approval before proceeding.*

Termination

6. Either party may terminate this Contract in the event that the other party has breached any material provision of this contract and such breach has not been cured within ten (10) days after receipt of written notice from the then non-breaching party.
7. Upon termination of this Contract, each party shall, upon written request from the other, return to the other all property and documentation of the other that is in its possession, except that we shall be entitled to retain one copy of such documents in order to maintain a professional record of our involvement in the Engagement, subject to our continuing confidentiality obligations hereunder.
8. The provisions included within “Fees”, “Preservation of Confidential Information” and “Other Terms and Provisions” shall survive the termination or expiration of this Contract.

Valuation Work Products and Report

9. At the conclusion of the Engagement, we will prepare a draft Report detailing our valuation procedures and the results of our work. This Report will include, but will not be limited to, a narrative description of the methodologies used to estimate the Fair Value. Once you have read the draft Report and we have received your comments on it, we will issue our final Report bearing the signature of Kroll, LLC and the MAI appraiser completing the report.
10. Prior to the finalization of the Services and the Report, we will confirm facts with Management. We may do this by providing you with drafts of the valuation analysis and the Report under the condition that in no

circumstances are such drafts to be copied or given to other persons, except that it may be provided to the Company's independent auditors. We may also require a letter from you confirming representations made by you and Management upon which we have relied. In addition, with respect to any information provided by you and Management, we will require from you a written confirmation that, to the best of your knowledge and belief, such information was accurate and that no significant information essential to the Services or Report has been withheld from us.

11. Our Report will be based upon the information provided by and on behalf of you and Management. We assume no responsibility and make no representations with respect to the accuracy or completeness of any information provided by and on behalf of Management. There will usually be differences between estimated and actual results because events and circumstances frequently do not occur as expected, and those differences may be material. You acknowledge that no reliance shall be placed on draft Reports, conclusions or advice, whether oral or written, issued by us since the same may be subject to further work, revision and other factors which may mean that such drafts are substantially different from any final Report or advice issued.
12. Any advice given or Report issued by us is provided solely for your use and benefit and only in connection with the Services that are provided hereunder. Except as required by law, you shall not provide such Report to any third party, except that it may be provided to the Company's independent auditors, legal counsel, and local governmental property tax authorities. Notwithstanding the foregoing, (i) you shall not refer to us either directly by name or indirectly as an independent valuation service provider (or by any other indirect reference or description), or to the Services, whether in any public filing or other document, without our prior written consent, which we may at our discretion grant, withhold, or grant subject to conditions, and (ii) in addition to the foregoing prohibitions and requirements with respect to all third parties, submission of our report or any portion thereof to, or responding to any comment letter issued by, the Securities and Exchange Commission or its staff, or any written or verbal references to us, our Report or to the Services in such a response is subject to you providing us with prior notice, and allowing us to provide input as to the content of such response. In no event, regardless of whether consent or pre-approval has been provided, shall we assume any responsibility to any third party to which any advice or Report is disclosed or otherwise made available.
13. It is understood and agreed that the final Report resulting from this Engagement shall remain your property. To the extent that Kroll, LLC utilizes any of its property (including, without limitation, any hardware or software) in connection with this Engagement, such property shall remain the property of Kroll, LLC, and you shall not acquire any right or interest in such property or in any partially completed Report. We shall have ownership (including, without limitation, copyright ownership) and all rights to use and disclose our ideas, concepts, know-how, methods, techniques, processes and skills, and adaptations thereof in conducting our business (collectively, "Know-How") regardless of whether such Know-How is incorporated in any way in the final Report.
14. The scope of the final Report we will provide pursuant to the terms of this Contract will be limited to the scope as described in the Scope of Services section. One or more additional issues may exist that could affect the Federal tax treatment of the subject matter of our final Report. Our final Report will not consider or provide a conclusion with respect to any of those issues. With respect to any significant Federal tax issue outside the scope of the final Report, the final Report will not be written, and cannot be used, by anyone for the purpose of avoiding Federal tax penalties.
15. The Report or any results of our Services shall not constitute a Solvency Opinion or a Fairness Opinion and may not be relied upon by you or any other party as such. Furthermore, any analyses we perform should not be taken to supplant any procedures that you should undertake in your consideration of the transaction contemplated in connection with this engagement or any other past present or future transaction.
16. By its very nature, valuation work cannot be regarded as an exact science and the conclusions arrived at in many cases will of necessity be subjective and dependent on the exercise of individual judgment.

Preservation of Confidential Information

17. Neither party will disclose to any third party without the prior written consent of the other party any confidential information which is received from the other party for the purposes of providing or receiving the Services which if disclosed in tangible form is marked confidential or if disclosed otherwise is confirmed in writing as being confidential or, if disclosed in tangible form or otherwise, is manifestly confidential. Both of us agree that any confidential information received from the other party shall only be used for the purposes of providing or receiving the Services under this or any other contract between us.
18. These restrictions will not apply to any information which: (a) is or becomes generally available to the public other than as a result of a breach of an obligation by the receiving party; (b) is acquired from a third party who

owes no obligation of confidence with respect to the information; or (c) is or has been independently developed by the recipient.

19. Notwithstanding the foregoing, either party will be entitled to disclose confidential information of the other (i) to our respective insurers or legal advisors, or (ii) to a third party to the extent that this is required, by any court of competent jurisdiction, or by a governmental or regulatory authority or where there is a legal right, duty or requirement to disclose, provided that (and without breaching any legal or regulatory requirement) where reasonably practicable not less than two (2) business days' notice in writing is first given to the other party.

Other Terms and Provisions

20. You accept and acknowledge that any legal proceedings arising from or in connection with this Contract (or any variation or addition thereto) must be commenced within one (1) year from the date when you become aware of or ought reasonably to have become aware of the facts, which give rise to our alleged liability. You also agree that no action or claims will be brought against any Kroll, LLC employees personally.
21. You agree to indemnify and hold harmless Kroll, LLC, its affiliates and their respective employees from and against any and all third party claims, liabilities, losses, costs, demands and reasonable expenses, including but not limited to reasonable legal fees and expenses, internal management time and administrative costs, relating to Services we render under this Contract or otherwise arising under this Contract. The foregoing indemnification obligations shall not apply in the event that a court of competent jurisdiction finally determines that such claims resulted directly from the gross negligence, willful misconduct or fraudulent acts of Kroll, LLC.
22. You accept and acknowledge that we have not made any warranties or guarantees, whether express or implied, with respect to the Services or the results that you may obtain as a result of the provision of the Services.
23. Except for your payment obligations, neither of us will be liable to the other for any delay or failure to fulfill obligations caused by circumstances outside our reasonable control.
24. This Contract constitutes the entire agreement between the parties hereto regarding the subject matter hereof and supersedes any prior agreements (whether written or oral) between the parties regarding the subject matter hereof. This Contract may be executed in any number of counterparts each of which shall be an original, but all of which together shall constitute one and the same instrument.
25. This Contract shall be governed by and interpreted in accordance with the internal laws of the State of New York and the courts of the State of New York shall have exclusive jurisdiction in relation to any claim arising out of this Contract.

Daniel Carlson, MAI



Managing Director, South Leader

Contact Information:

Phone: 713 237 5307
Mobile: 610 570 7685

E-mail Address:

Daniel.carlson@duffandphelps.com

Office Address:

Duff & Phelps, LLC
1111 Bagby Street
Suite 1900
Houston, TX 77002

- Dan Carlson is a Managing Director in the Houston office of Duff & Phelps, LLC and part of the Real Estate Advisory Group.
- Dan is primarily focused on real estate appraisal and consulting for pension funds, pension advisors, lending institutions and publicly-traded REITs. Dan's appraisals have been used for financial reporting, portfolio valuation, internal planning, collateral lending, and decision making purposes. Dan is uniquely skilled in executing large-scale portfolio appraisals across the national platform.
- Prior to joining Duff & Phelps, LLC, Dan was a development associate with Larsen Baker, LLC, a shopping center developer in Tucson, Arizona. At Larsen Baker, LLC, Dan completed analysis for the development of shopping centers, assisted in sourcing retail tenants and compiled market research.
- Dan received his masters degree in real estate from the University of Florida and his bachelor of science in regional development from the University of Arizona. Dan is a designated Member of the Appraisal Institute, an Accredited Senior Appraiser and is a state-certified general real estate appraiser in many states throughout the Southern United States and Mid-Atlantic.
- Dan is a member of the Mortgage Bankers Association, the International Council of Shopping Centers and a regular attendee of NCREIF conferences and meetings.

Certified General Appraiser, License #1380226

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License Status	Expiration Date
Active	05/31/2025
Business Address	
1111 Bagby Street Suite 1900 Houston, TX 77002	

Daniel Maher, MAI

Director, Real Estate Advisory Group,



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Dallas, Texas 75201

- Dan Maher is a Director in the Dallas office of Duff & Phelps, LLC and part of the Real Estate Advisory Group. Dan's primary focus is on the South Central region of the United States; however, he has experience on a national level.
- Dan is primarily focused on real estate appraisal and consulting for lending institutions and publicly-traded REITs. Dan's appraisals have been used for collateral lending, financial reporting, portfolio valuation, internal planning and decision making purposes. Dan has experience in the valuation of multi-family assets, hospitality/leisure, self-storage facilities, retail projects, office developments and industrial assets.
- Dan's clients include leading financial institutions involved in balance sheet lending and CMBS securitizations. Dan also has several client's in the REIT sector and CMBS special servicers.
- Prior to joining Duff & Phelps, LLC, Dan was a director with a concentration in Multi-Family, Self-Storage and Manufactured Housing with CBRE. Prior experience includes a Director position at Colliers International Valuation and Advisory Services.
- Dan received his Bachelor of Business Administration (Finance) from Texas A&M University. Dan is a designated Member of the Appraisal Institute is a state-certified general real estate appraiser in many states throughout the Southern US.

Certified General Appraiser, License #1338192

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