

Ex. F	Declaration of Don Phillips	App. 57-60
Ex. F-1	Windmill Farms Meeting Minutes	App. 62-65
Ex. F-2	Bellwether Meeting Minutes	App. 67-77
Ex. F-3	Ingleside Project Emails	App. 79-82
Ex. F-4	Opelika Project Emails	App. 84-86

RESPECTFULLY SUBMITTED BY:

/s/ Brian K. Norman

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**ATTORNEYS FOR SOUTHERN
PROPERTIES CAPITAL, LTD.**

CERTIFICATE OF SERVICE

The undersigned hereby certifies that, on May 30, 2023, a true and correct copy of the foregoing document was served upon all counsel of record through the Court's CM/ECF system:

/s/ J. Blair Norris

J. BLAIR NORRIS

EXHIBIT A

portfolio of fifteen properties and thousands of multifamily and mixed-use units. I oversee all aspects of investment and operations for Wittington.

3. Alongside Wittington, I served as President of Abby Development and Construction (“Abby”) from 2015-2016 where I oversaw the development of multifamily real estate. Prior to Abby, I spent the majority of my career with Pillar Income Asset Management (“Pillar”), as the Executive Vice President of Residential Construction. Pillar is responsible for the residential construction for both Transcontinental Realty Investors, Inc. (“TCI”), and American Realty Investors, Inc. (“ARI”). TCI is the owner of Southern Properties Capital, Inc. (“SPC”). While at Pillar, I oversaw the construction of not less than 21 projects, including two SPC projects.
4. Prior to Pillar, I worked at Westchase Construction LTD., as Vice President, Brisben Development as Senior Vice President, Trammel Crow Residential as President of Construction, and the Finger Companies as President of Construction.
5. In my career, I have overseen the acquisition, development, and asset management of hundreds of real estate investments, including thousands of apartment units across the United States. Many of the projects I have overseen involved HUD financing, and I am familiar with and have experience with all aspects of HUD financing and HUD rules and regulations for multi-family housing.
6. I have not been previously involved with the two SPC apartment projects at issue: Parc at Windmill Farms Apartments (“Parc at Windmill Farms”) or Bellwether Ridge Apartments (“Bellwether”).
7. With respect to Parc at Windmill Farms,, I have reviewed the following documents, among others:

- (1) HUD Regulatory Agreement;
- (2) Promissory Note JMJ Development executed in favor of SPC in the principal amount of \$7,300,000.00;
- (3) Amended and Restated Pledge and Security Agreement;
- (4) Assignment of Pledge and Security Agreement JMJ Development executed in favor of SPC;
- (5) SPC's October 3, 2022 letter exercising option to convert, with attached check for \$100.00 and Agreement for Purchase and Sale;
- (6) SPC's November 3, 2022 letter to Receiver; and
- (7) Receiver's Verified Motion for Appointment of Appraisers, Approval of Appraisals, Approval Hearing, and Approval of Sale of Parc at Windmill Farms.

8. With respect to Bellwether, I have reviewed the following documents, among others:

- (1) HUD Regulatory Agreement;
- (2) Promissory Note JMJ Development executed in favor of SPC in the principal amount of \$3,800,000.00;
- (3) Amended and Restated Pledge and Security Agreement;
- (4) Assignment of Pledge and Security Agreement JMJ Development executed in favor of SPC;
- (5) Agreement for Purchase and Sale dated July 6, 2021;
- (6) SPC's October 3, 2022 letter exercising option to convert, with attached check for \$100.00 and First Amendment to the Agreement for Purchase and Sale;

- (7) SPC's November 3, 2022 letter to Receiver; and
- (8) Receiver's Verified Motion for Appointment of Appraisers, Approval of Appraisals, Approval Hearing, and Approval of Sale of Parc at Bellwether Ridge.

9. Based on my review of the documents, it is my opinion that:

- (1) Use of third party capital in HUD-financed projects is common.
- (2) SPC's loans to JMJ Development were mezzanine loans.
- (3) SPC's mezzanine loans to JMJ Development were convertible loans and provided for an absolute right for SPC to convert its mezzanine loans to equity. This right is found in Section 7.15 of the Amended and Restated Pledge and Security Agreement.
- (4) I am not aware of a HUD rule or regulation that prohibits the use of convertible loans on HUD-financed projects.
- (5) SPC's exercise of its conversion rights is similar in effect to the situation if the owner of Windmill Farms (D4FR, LLC), or the owner of Bellwether (D4DS, LLC), had agreed to sell the project to SPC. HUD permits a developer to sale a HUD-financed property. There are HUD rules that require HUD approval of a sale, but I am not aware of HUD rules that prohibit a developer from agreeing to sale a HUD-financed project.
- (6) The transfer of the equity interest to SPC is subject to HUD approval. But I am not aware of any HUD rule that stays or invalidates SPC's exercise of its option to convert its mezzanine loans to equity.

10. It is my opinion that SPC's election to convert its mezzanine loans to equity in Parc at Windmill Farms and Bellwether does not violate HUD rules and regulations. HUD approval is needed to transfer of interest that SPC has already started through its election. HUD approval is in many cases ministerial. TCI and/or SPC has obtained HUD approval before on many projects.
11. I have reviewed the HUD Regulatory Agreement, at sections 11(b), 35(a), 35(b) and 35(i). The Receiver argues that these provisions invalidate SPC's exercise of its option to convert its loan to equity without prior HUD approval. I disagree. These provisions of the HUD Regulatory Agreement do not invalidate SPC's exercise of its conversion. SPC's exercise of the conversion is valid, notwithstanding that HUD approval is required for the transfer, which SPC has already started with its election. As stated above, I am aware of no HUD rule or regulation that stays or invalidates SPC's right to exercise its conversion rights.

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

Executed in Dallas County, State of Texas, on the 9th day of March 2023.

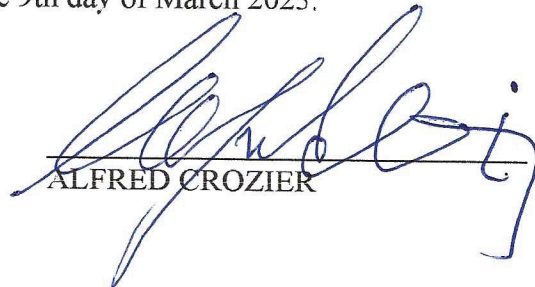

ALFRED CROZIER

EXHIBIT B

3. I am President of Sunchase. Sunchase is a real estate property management company. Property managers are responsible for the day-to-day management of residential properties. This can include maintenance, but it can also include leasing empty units, collecting rent, and communicating with property owners.

4. As the President of Sunchase, I oversee operations, analysis, and strategic planning for all of our communities. This includes Parc at Opelika (“Opelika”).

Parc at Opelika

5. Opelika is a multifamily residential property located in Opelika, Alabama. Sunchase has managed Opelika since its inception. Southern Properties Capital, Ltd. (“SPC”) is a developer. Sunchase receives a percentage fee from SPC to operate and manage Opelika. As the property manager, Sunchase collects and deposits rental payments, shows and leases vacant units, handles maintenance requests, and other duties related to operating and maintaining Opelika.

6. Sunchase’s primary contact at SPC is Brad Kyles (“Kyles”). Kyles is an asset manager with Pillar Income Asset Management (“Pillar”), which manages SPC. When Kyles acts on behalf of Pillar, he is also acting on behalf of SPC.

7. I, or other at Sunchase, communicate with Kyles on a routine basis about various properties Sunchase manages for Pillar, including Opelika. In these routine conversations, Sunchase receives direction from Kyles regarding Opelika.

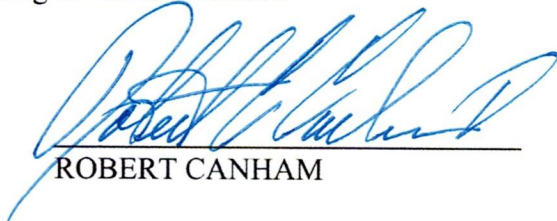
8. Sunchase operates and maintains Opelika from rents and security deposits received from tenants. Opelika, like all properties that Sunchase manages, has its own separate operating account. Prior to the receivership, Sunchase has communicated solely with, and acted solely at the direction of, SPC, through Pillar.

Parc at Opelika has not Received Funds or Direction from Barton, Barton-Related Entities, or Barton Investors

9. Prior to the receivership, Sunchase received its directions solely from SPC, through Pillar, and I am not aware of any instances in which Sunchase received directions from Timothy Barton (“Barton”). To my knowledge, Sunchase has had few communications with Barton regarding Opelika. These communications had to do with Opelika, in a general context.

10. I am not aware that Sunchase has ever received any funds from Barton related to Opelika or its operations. I have no knowledge of Sunchase receiving, on account of Opelika, funds from Barton, a Barton-related entity, or a Barton investor. All funds received by Sunchase on account of Opelika come from one of three different sources: (1) SPC, through Pillar, (2) rents or security deposits collected from tenants, or (3) while being constructed and during lease-up, from construction loan proceeds.

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



ROBERT CANHAM

EXHIBIT C

3. In 2000, I began my career with SunRidge as Assistant Vice President. I currently hold the position of Executive Vice President. Among my duties as Executive Vice President, I oversee more than 21,000 apartment units across the United States. I have worked in a variety of markets, with significant experience in lease up and student housing, along with proficiency in mid-rise and high-rise housing.

4. SunRidge manages 147 communities, spanning 12 states, and 23,221 multifamily units. As the Executive Vice President of SunRidge, I oversee operations, analysis, and strategic planning for all of our communities. This includes the apartment complex referred to as Parc at Ingleside (“Ingleside”).

Ingleside

5. Ingleside is a multifamily residential property located in Ingleside, Texas. SunRidge is the property manager for Ingleside. SunRidge has been the property manager since Ingleside’s inception. Southern Properties Capital, Ltd. (“SPC”) is a developer. SunRidge receives a percentage fee from SPC to operate and manage Ingleside. As the property manager, SunRidge collects and deposits rental payments, shows and leases vacant units, handles maintenance requests, and other duties related to operating and maintaining Ingleside.

6. SunRidge’s primary contact at SPC is Brad Kyles (“Kyles”). Kyles is an asset manager with Pillar Income Asset Management (“Pillar”), which manages SPC. When Kyles acts on behalf of Pillar, he is also acting on behalf of SPC.

7. I, or others at SunRidge, communicate with Kyles on a routine basis about various properties SunRidge manages for Pillar, including Ingleside. In these routine conversations, SunRidge receives direction from Kyles regarding Ingleside.

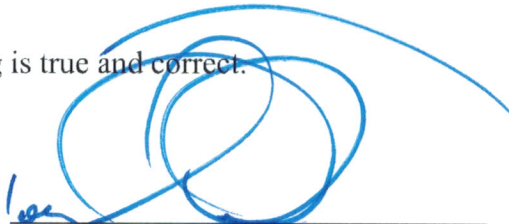
8. Pillar provides SunRidge with money to operate and maintain Ingleside. Ingleside, like all properties that SunRidge manages, has its own separate operating account. The majority of the funds that SunRidge uses to operate and manage Ingleside are derived from rents and security deposits collected from tenants. Through Pillar, SPC has funded Ingleside, too. From its inception, SunRidge has communicated with, and acted at the direction of, SPC, through Pillar.

Ingleside has not Received Funds or Direction from Barton, Barton-Related Entities, or Barton Investors

9. SunRidge receives its directions from SPC, through Pillar, and I am not aware of any instances in which SunRidge received directions from Timothy Barton (“Barton”). To my knowledge, SunRidge has had few communications with Barton. These communications had to do with Ingleside, in a general context. None of these communications involved funding or directions from Barton.

10. I am not aware that SunRidge has ever received any funds from Barton related to Ingleside or its operations. I have no knowledge of SunRidge receiving, on account of Ingleside, funds from Barton, a Barton-related entity, or a Barton investor. All funds received by SunRidge on account of Ingleside come from one of three different sources: (1) SPC, through Pillar, (2) rents or security deposits collected from tenants, or (3) while being constructed and during lease-up, from construction loan proceeds.

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



DOUG GRAHAM

EXHIBIT D

Student Living division. I have also held earlier positions where I oversaw a large property portfolio of multi-family assets.

3. I am currently Executive Vice President of Residential Operations for Pillar. I oversee all property and asset management activities along with the operating performance of the multi-family portfolio of properties. This consists of over 100 apartment complexes located across 14 states. Parc at Opelika (“Opelika”) and Parc at Ingleside (“Ingleside”) are included in this portfolio.

Parc at Opelika

4. Opelika is a multifamily residential property located in Opelika, Alabama. In my role, I routinely interact with Sunchase American, Ltd. (“Sunchase”). Sunchase is a property management group. Sunchase manages Opelika. In my communications with Sunchase, I, on behalf of Pillar, provide direction to Sunchase regarding the management of Opelika. No other person or entity, aside from Southern Properties Capital, Ltd. (“SPC”) through Pillar, gives direction to Sunchase regarding Opelika.

5. Pillar, through SPC, also provides funding to Sunchase to operate and manage Opelika. The majority of the funds that Sunchase uses to operate and manage Opelika are derived from rents and security deposits collected from tenants. No money from Timothy Barton (“Barton”) has been used to operate and manage Opelika.

6. Because Pillar, through SPC, gives direction and funding to Sunchase for Opelika, Barton does not provide any direction or funding regarding Opelika. Only Pillar provides direction regarding Opelika. To this point, all funds for Opelika come from one of three different sources: (1) SPC, through Pillar, (2) rents or security deposits collected from tenants, or (3) while being constructed and during lease-up, from construction loan proceeds.

7. To my knowledge, the funding Pillar, through SPC, has sent to Sunchase for Opelika has not included any money from Barton, Barton-related entities, or Barton investors.

Parc at Ingleside

8. Ingleside is a multifamily residential property located in Ingleside, Texas. In my role, I routinely interact with SunRidge Management Group (“SunRidge”). SunRidge is a property management group. SunRidge manages Ingleside. In my communications with SunRidge, I, on behalf of Pillar, provide direction to SunRidge regarding the management of Ingleside. No other person or entity, aside from SPC through Pillar, gives direction to SunRidge regarding Ingleside.

9. Pillar, through SPC, also provides funds to SunRidge to operate and manage Ingleside. The majority of the funds that SunRidge uses to operate and manage Ingleside are derived from rents and security deposits collected from tenants. No money from Barton has been used to operate Ingleside.

10. Because Pillar, through SPC, gives direction and funding to SunRidge for Ingleside, Barton does not provide any direction or funding regarding Ingleside. Only Pillar provides direction regarding Ingleside. To this point, all funds for Ingleside come from one of three different sources: (1) SPC, through Pillar, (2) rents or security deposits collected from tenants, or (3) while being constructed and during lease-up, from construction loan proceeds.

11. To my knowledge, the funding Pillar, through SPC, has sent to SunRidge for Ingleside has not included any money from Barton, Barton-related entities, or Barton investors.

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



BRAD KYLES

EXHIBIT E

3. I affirm under penalty of perjury that the foregoing is true and correct and that this declaration was executed on May 25, 2023 in New York County, New York.



MARK SHAYNE

EXHIBIT E-1



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New York, New York 10118

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Private & Confidential

February 9, 2023

Mr. Erik Johnson
Southern Properties Capital Ltd.
1603 LBJ Freeway, Suite 800
Dallas, TX 75234

Re: Fair Values of Convertible Loan Portfolio

Dear Mr. Johnson:

Southern Properties Capital Ltd. (“SPC”) has engaged Empire Valuation Consultants, LLC, LLC and Empire-Essence Advisory Ltd. (individually and collectively “Empire”) to estimate the fair values of SPC’s nine convertible loans (the “Convertible Loans” or the “Positions”) related to nine multifamily development projects, as of December 31, 2022 (the “Valuation Date”). We understand that the valuation of the convertible loans will be used by SPC for financial reporting purposes according to International Financial Reporting Standards (“IFRS”). This report is not intended for any other purpose or for any other users. The fair value of the Positions was estimated by Empire as follows:

Fair Values of the Positions

Convertible Loan	Convertible Loan Principal	Convertible Loan Balance	Fair Value	Exhibits
Autumn Breeze	\$4,514,064	\$2,326,277	\$13,354,459	2
Bellwether Ridge	\$3,800,000	\$3,797,759	\$13,010,147	3
Forest Pines (Phase I)	\$6,500,000	\$6,472,031	\$9,821,917	4
Parc at Ingleside	\$6,634,490	\$3,759,164	\$2,809,213	5, 11
Parc at Opelika	\$5,129,000	\$3,189,660	\$2,843,506	6, 11
Parc at Windmill Farms	\$8,300,000	\$7,885,547	\$22,225,974	7
Plum Tree	\$4,654,019	\$1,767,165	\$4,323,016	8
Spyglass of Ennis	\$5,100,000	\$5,258,367	\$11,915,395	9
Steeple Crest	\$6,750,000	\$6,497,871	\$13,301,143	10
Total	\$51,381,573	\$40,953,839	\$93,604,770	

Empire has accepted and incorporated the work of SPC and typical valuation sources and research in this analysis. It is assumed that all information supplied to Empire is accurate and reflects good faith efforts to describe the statuses and prospects of the Positions and the underlying development projects, from a financial point of view, as of the Valuation Date. Empire does not assume any responsibility for the accuracy of the information provided. At your request, this report has been prepared as a Restricted Report as defined in Standards Rule 10 of The Appraisal Foundation’s Uniform Standards of Professional Appraisal Practice (“USPAP”), which specifically applies to the preparation of valuation reports of business interests.

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Rochester
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Long Island
631.719.3456

West Hartford
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Boston
617.535.7785

San Francisco
415.659.1860

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For the purpose of this report, fair value is determined in accordance with the following definition promulgated by IFRS: fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Sources of Information

Key sources of information used to estimate of fair values of the Positions include:

- Discussions and correspondences with representatives of SPC regarding the Positions;
- Real estate appraisals (the “Real Estate Appraisals”) for the Positions’ underlying development projects¹ provided by Colliers International Valuation & Advisory Services and Bowery Valuation, as of November 30, 2022 or December 2022²;
- A memo (the “SPC Loan Analysis Memo”) from SPC that assesses the status of development projects, the expected return of the underlying development projects and management’s estimate of the likelihood of SPC’s conversion of the Convertible Loans as of the Valuation Date;
- A schedule (the “SPC Convertible Loan Schedule”) from SPC that detailed the initial Convertible Loan principals, the Positions’ balances, the statuses of the underlying development projects, etc. as of the Valuation Date.
- The Positions’ underwriting memos; the Convertible Loans’ promissory notes (each a “Promissory Note”) and/or pledge and security agreements; and the developer’s agreements related to the underlying development projects; and
- Customary sources of market data for the Positions, as well as analyses, research, and other relevant data sources as were deemed necessary.

Investment Overview³

SPC partners with third-party developers to construct multifamily apartments on its behalf. SPC works with the developers on the location, design, construction budget and initial lease plan for the underlying development projects. The construction plans include development fees to be paid to the developers.

SPC then enters into convertible loan arrangements with the developers, whereby SPC advances out-of-pocket capital to the developers at 5% or 10% rates of interest with an option to convert the loan into a 100% ownership interest in the entity that holds the underlying development project for a price equal to development cost. All parties expect the Convertible Loans to be converted if construction is completed on budget. Through the Valuation Date, management indicated that SPC has never elected collection over conversion for any convertible note.

Autumn Breeze: Per the Real Estate Appraisal, the subject is a Multifamily (Garden/Low Rise) property totaling 216 units located on a 12.86-acre site at 301 Mars Road in Wilmer, Texas. The improvements were built in 2020 and are in good condition. The subject property has a current occupancy level of 98.1%, which is slightly below the stabilized occupancy level estimate of

¹Per management, a real estate appraisal, was not available for Parc at Opelika, as the underlying development project was under construction and only near completion at the Valuation Date.

² Appraisal reports were dated as of December 8, 9, and 12, 2022.

³ Information from the Real Estate Appraisals, the SPC Loan Analysis Memo, and the SPC Convertible Loan Schedule.

Southern Properties Capital Ltd.

February 9, 2023

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94.5% that was developed in the Real Estate Appraisal. Colliers International Valuation & Advisory Services estimated the as-is market value to be \$40.1 million as of November 30, 2022.

Per the Promissory Note⁴ dated April 26, 2019, the Convertible Loan principal is \$4,514,064, the interest rate is 5.0% and the maturity date is July 1, 2025. Per management, the estimated senior debt balance was approximately \$24.5 million at the Valuation Date. Based on management's assessment of the underlying development project and other factors, management determined that conversion of the Position was "highly probable" at the Valuation Date.

Bellwether Ridge: Per the Real Estate Appraisal, the subject is a Multifamily (Garden/Low Rise) property totaling 150 units located on a 7.39-acre site at 841 South Polk Street in DeSoto, Texas. The improvements were built in 2019 and are in average/good condition. The subject property has a current occupancy level of 96.0%, which is above the stabilized occupancy level estimate of 95.0% that was developed in the Real Estate Appraisal. Colliers International Valuation & Advisory Services estimated the as-is market value to be \$32.8 million as of November 30, 2021.

Per the Promissory Note dated October 19, 2017, the Convertible Loan principal is \$3,800,000, the interest rate is 5% and the maturity date is November 1, 2026. Per management, the estimated senior debt balance was approximately \$17.9 million at the Valuation Date. Based on management's assessment of the underlying development project and other factors, management determined that conversion of the Position was "highly probable" at the Valuation Date.

Forest Pines: Per the Real Estate Appraisal, the subject is a Multifamily (Garden/Low Rise) property totaling 240 units located on a 15.57-acre site at 852 N Harvey Mitchell Pkwy in Bryan, Texas. The improvements were completed in 2019 and are in good condition. The subject property has a current occupancy level of 100.0%, which is above the stabilized occupancy level estimate of 95.0% that was developed in the Real Estate Appraisal. Colliers International Valuation & Advisory Services estimated the as-is market value to be \$38.4 million as of November 30, 2022.

Per the Promissory Note dated April 26, 2018, the Convertible Loan principal is \$6,500,000, the interest rate is 5% and the maturity date is November 1, 2022.⁵ Per management, the estimated senior debt balance was approximately \$26.1 million at the Valuation Date. Based on management's assessment of the underlying development project and other factors, management determined that conversion of the Position was "highly probable" at the Valuation Date.

Parc at Ingleside: Per the Real Estate Appraisal, the subject is a Multifamily (Garden/Low Rise) property totaling 192 units located on a 7.80-acre site at 2850 Avenue J in Ingleside, Texas. The improvements were completed in 2021 and are in excellent condition. The subject property has a current occupancy level of 86.0%, which is well below the stabilized occupancy level estimate of 90.0% that was developed in the Real Estate Appraisal. The property is still in the initial lease-up phase. Bowery Valuation estimated the as-is market value to be \$28.5 million as of November 30, 2022.

Per the Promissory Note dated June 13, 2019, the Convertible Loan principal is \$6,634,490, the interest rate is 5% and the maturity date is November 1, 2026. Per management, the estimated senior debt balance was approximately \$24.8 million at the Valuation Date. Based on

⁴ The Second Amendment to the Promissory Note was entered into effective July 1, 2022, extending the Maturity Date to July 1, 2025.

⁵ Per discussions with Management, Empire notes that SPC is in the process of converting the principal balance of the note to equity. Further, it is our understanding that all obligations of the Borrower are in effect until such time that the conversion is complete.

Southern Properties Capital Ltd.
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management's assessment of the underlying development project and other factors, management determined that conversion of the Position was "highly probable" at the Valuation Date.

Parc at Opelika: Per management, the property was still under construction as of the Valuation Date,⁶ and consists of a Multifamily (Garden/Low Rise) property with 168 units located on an 11.95-acre site in Opelika, Alabama. Based on discussions with management, as of the Valuation Date, the development was nearly completed and there were no material changes to the pro forma budget. Therefore, the cost basis of the development was estimated to be roughly \$25.6 million, rounded, at December 31, 2022.

Per the Promissory Note dated January 13, 2021, the Convertible Loan principal is \$5,129,000, the interest rate is 10% and the maturity date is January 13, 2023. Per management and based on the status of the development project, the estimated senior debt balance was approximately \$21.9 million at the Valuation Date. Based on management's assessment of the underlying development project and other factors, management determined that conversion of the Position was "highly probable" at the Valuation Date.

Parc at Windmill Farms: Per the Real Estate Appraisal, the subject is a Multifamily (Garden/Low Rise) property totaling 272 units located on a 18.45-acre site at 1003 Windmill Farms Boulevard in Forney, Texas. The improvements were built in 2019 and are in good condition. The subject property has a current occupancy level of 91.5%, which is below the stabilized occupancy level estimate of 95.0% that was developed in the Real Estate Appraisal. Colliers International Valuation & Advisory Services estimated the as-is market value to be \$62.1 million as of November 30, 2022.

Per the Promissory Note dated December 2017, the Convertible Loan principal is \$8,300,00, the interest rate is 5% and the maturity date is November 1, 2022.⁷ Per management, the estimated senior debt balance was approximately \$35.1 million at the Valuation Date. Based on management's assessment of the underlying development project and other factors, management determined that conversion of the Position was "highly probable" at the Valuation Date.

Plum Tree: Per the Real Estate Appraisal, the subject is a Multifamily (Garden/Low Rise) property with 143 units located on a 7.36-acre site at 4200 South Washington Street in Kaufman, Texas. The improvements were built in 2021 and are in excellent condition. The subject property has a current occupancy level of 94%, which is above the stabilized occupancy level estimate of 93.0% that was developed in the Real Estate Appraisal. Bowery Valuation estimated the as-is market value to be \$23.1 million as of November 30, 2022.

Per the Promissory Note dated April 26, 2019, the Convertible Loan principal is \$4,654,019, the interest rate is 5% and the maturity date is April 26, 2026. Per management, the estimated senior debt balance was approximately \$17.5 million at the Valuation Date. Based on management's assessment of the underlying development project and other factors, management determined that conversion of the Position was "highly probable" at the Valuation Date.

Spyglass: Per the Real Estate Appraisal, the subject is a Multifamily (Garden/Low Rise) property totaling 192 units located on a 12.88-acre site at 1803 West Ennis Avenue in Ennis, Texas. The

⁶ Source: SPC Convertible Loan Analysis, December 13, 2022.

⁷ Per discussions with Management, Empire notes that SPC is in the process of converting the principal balance of the note to equity. Further, it is our understanding that all obligations of the Borrower are in effect until such time that the conversion is complete.

Southern Properties Capital Ltd.

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improvements were built in 2018 and are in average/good condition. The subject property has a current occupancy level of 93.8%, which is slightly below the stabilized occupancy level estimate of 94.0% that was developed in the Real Estate Appraisal. Colliers International Valuation & Advisory Services estimated the as-is market value to be \$37.1 million as of November 30, 2022.

Per the Promissory Note dated May 4, 2017, the Convertible Loan principal is \$5,100,00, the interest rate is 5% and the maturity date is November 1, 2022.⁸ Per management, the estimated senior debt balance was approximately \$22.5 million at the Valuation Date. Based on management's assessment of the underlying development project and other factors, management determined that conversion of the Position was "probable" at the Valuation Date.

Steeple Crest: Per the Real Estate Appraisal, the subject is a Multifamily (Garden/Low Rise) property totaling 200 units located on a 29.96-acre site at 5001 Riverchase Drive in Phenix City, Alabama. The improvements were completed in 2001 and are in average condition. The subject property has a current occupancy level of 98.0%, which is above the stabilized occupancy level estimate of 95.0% that was developed in the Real Estate Appraisal. Colliers International Valuation & Advisory Services estimated the as-is market value to be \$26.6 million as of November 30, 2022.

Per the Promissory Note dated September 30, 2019, the Convertible Loan principal is \$6,750,00, the interest rate is 5% and the maturity date is August 1, 2026. Per management, the estimated senior debt balance was approximately \$11.3 million at the Valuation Date. Based on management's assessment of the underlying development project and other factors, management determined that conversion of the Position was "highly probable" at the Valuation Date.

COVID-19 Impact: Per management none of multifamily apartments in its operating portfolio have been significantly adversely impacted by COVID-19. Because the underlying development projects are located in similar markets, SPC did not expect COVID-19 to adversely impact any of the underlying development projects or Convertible Loans at the Valuation Date.

Summary: Please refer to the following table for a summary of the Positions as of the Valuation Date.

Investment Overview

Convertible Loan	Convertible Loan Principal	Convertible Loan Balance	SPC's Expected Return	Interest Rate	SPC's Likelihood of Conversion	Development Status	Exhibit
Autumn Breeze	\$4,514,064	\$2,326,277	6.71%	5.00%	Highly Probable	Completed	2
Bellwether Ridge	\$3,800,000	\$3,797,759	6.56%	5.00%	Highly Probable	Completed	3
Forest Pines Apartments	\$6,500,000	\$6,472,031	6.10%	5.00%	Highly Probable	Completed	4
Parc at Ingleside	\$6,634,490	\$3,759,164	6.11%	5.00%	Highly Probable	Completed	5,11
Parc at Opelika	\$5,129,000	\$3,189,660	6.28%	10.00%	Highly Probable	In Construction	6,11
Parc at Windmill Farms	\$8,300,000	\$7,885,547	6.30%	5.00%	Highly Probable	Completed	7
Plum Tree	\$4,654,019	\$1,767,165	5.70%	5.00%	Highly Probable	Lease-Up	8
Spyglass	\$5,100,000	\$5,258,367	5.29%	5.00%	Probable	Completed	9
Steeple Crest	\$6,750,000	\$6,497,871	7.91%	5.00%	Highly Probable	Completed	10

⁸ Per discussions with Management, Empire notes that SPC is in the process of converting the principal balance of the note to equity. Further, it is our understanding that all obligations of the Borrower are in effect until such time that the conversion is complete.

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Fair Values of the Convertible Loans

A. General Valuation Approaches

The **Income Approach** estimates value based on an expected stream of benefits, such as earnings or cash flow. Two common methods under this approach are the capitalization of benefits method, which is based on adjusted historical results, and the discounted future benefits method. In the capitalization of benefits method, a representative benefit level is divided by an appropriate capitalization factor to convert the benefit to a value. In the discounted future benefits method, benefits are estimated for each of several future periods. These benefits are converted to value by applying an appropriate discount rate and using present value calculations.

The **Market Approach** uses prices and other relevant information generated by market transactions. Two common methods under this approach are the guideline company method and the guideline transaction method. A guideline company analysis considers transactions that generally involve minority positions in publicly-traded companies. A guideline transaction analysis considers third-party and arm's-length transactions in the subject company as well as transactions in similar entities. These valuation techniques often use market multiples from the identified transactions to provide valuation guidance for the subject entity. The selection of the appropriate multiple requires judgment and should consider factors (both qualitative and quantitative) specific to the circumstances.

The **Asset (or Cost) Approach** determines the value of a business based on the value of its assets net of liabilities. Typically, the asset-based approach should be considered in valuations conducted at the enterprise level and involving: (1) an investment or real estate holding company; or (2) a business appraised on a basis other than as a going concern. Valuations of particular ownership interests in an enterprise may or may not require the use of the asset-based approach.

B. Outline of the Valuation Process

The fair values for the Positions were assessed using the income approach, specifically a DCF analysis. Given the reliability of the property values provided in the RE Appraisals, the Convertible Loans' future cash flows (the remaining value available for the Convertible Loans) were based upon the values of the underlying multifamily apartments as provided in the Real Estate Appraisals⁹, net of transaction costs and estimated senior debt, discounted to the Valuation Date. The Convertible Loans' balances were subtracted from the present value of the remaining equity. In cases where the remaining value available for the Convertible Loans was sufficient to cover the Positions' balances at the Valuation Date, the differences are the estimated fair values.

In cases where the remaining value available for the Convertible Loans was not sufficient to cover the Positions' balances at the Valuation Date, the Convertible Loan balances were valued based on a selected market-based interest rate. The remaining value available for the Convertible Loans from above and the Positions' value based on a market-based interest rate were then weighted and summed to derive the Convertible Loans' fair values.

⁹ Given no real estate appraisal was available for Parc at Opelika, an estimated cost basis was used.

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C. Primary Approach: Income Approach

Values Available for Convertible Loans: The projected cash flows for the Positions consist of the market values per the Real Estate Appraisals of the underlying multifamily apartment development projects. In cases where the properties were still under construction, the prospective values upon stabilization provided in the Real Estate Appraisals was used as the projected cash flow. Refer to the following table for the market values provided by the Real Estate Appraisals.

Market or Prospective Values of the Underlying Development Projects

Position	Development Status	Market Value As-Is	Prospective Value Upon Stabilization	Estimated Cost Basis	Exhibits
Autumn Breeze	Completed	\$40,100,000	N/A	N/A	2
Bellwether Ridge	Completed	\$32,800,000	N/A	N/A	3
Forest Pines Apartments	Completed	\$38,400,000	N/A	N/A	4
Parc at Ingleside	Lease-Up	\$28,500,000	N/A	N/A	5
Parc at Opelika	In Construction	N/A	N/A	\$25,565,440	6
Parc at Windmill Farms	Completed	\$62,100,000	N/A	N/A	7
Plum Tree	Lease-Up	\$23,100,000	N/A	N/A	8
Spyglass	Completed	\$37,100,000	N/A	N/A	9
Steeple Crest	Completed	\$26,600,000	N/A	N/A	10

Transaction Costs and Estimated Senior Debt Balances: For each of the underlying development projects, transaction costs were projected to be 4% of the as-is market value or prospective value upon stabilization, which is based upon general market data regarding transaction costs. The estimated senior debt balances were provided by management. The transaction costs and estimated senior debt balances were subtracted from the as-is market value or prospective value upon stabilization to determine the values available for the Convertible Loans. Refer to the following table for details.

Values Available for Convertible Loans

Position	Market or Prospective Values or Cost	Transaction Costs (4%)	Estimated Senior Debt Balances	Value Available for Convertible Loan	Exhibits
Autumn Breeze	\$40,100,000	(\$1,604,000)	(\$24,473,818)	\$14,022,182	2
Bellwether Ridge	\$32,800,000	(\$1,312,000)	(\$17,842,843)	\$13,645,157	3
Forest Pines Apartments	\$38,400,000	(\$1,536,000)	(\$26,059,891)	\$10,804,109	4
Parc at Ingleside	\$28,500,000	(\$1,140,000)	(\$24,814,836)	\$2,545,164	5
Parc at Opelika	\$25,565,440	(\$1,022,618)	(\$21,904,386)	\$2,638,436	6
Parc at Windmill Farms	\$62,100,000	(\$2,484,000)	(\$35,111,864)	\$24,504,136	7
Plum Tree	\$23,100,000	(\$924,000)	(\$17,524,738)	\$4,651,262	8
Spyglass	\$37,100,000	(\$1,484,000)	(\$22,509,065)	\$13,106,935	9
Steeple Crest	\$26,600,000	(\$1,064,000)	(\$11,297,982)	\$14,238,018	10

Lead Time and Discount Rate: Lead times were selected for each underlying development project, which was based on a review of the Real Estate Appraisals, the current development status of the underlying multifamily apartments, general market data, Empire's experience and other factors. Discount rates were also selected for each Position based on a review of market-based discount rate data in Exhibit 12, the current development status of the underlying multifamily

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apartments, and a review of the capitalization rate data in Exhibit 15 (discount rate is equal to the capitalization rate plus a long-term growth rate). Based on the selected lead times and discount rates, discount factors were calculated, which were then applied to the values available of the Convertible Loans to the determined their present values. Please refer to the following table for details.

Present Values of Values Available for Convertible Loans

Convertible Loan	Value Available for Convertible Loan	Lead Time	Discount Rate	Present Value of Value Available for Convertible Loan	Exhibit
Autumn Breeze	\$14,022,182	180 days	10.25%	\$13,354,459	2
Bellwether Ridge	\$13,645,157	180 days	10.00%	\$13,010,147	3
Forest Pines Apartments	\$10,804,109	180 days	10.00%	\$9,821,917	4
Parc at Ingleside	\$2,545,164	270 days	10.50%	\$2,361,533	5
Parc at Opelika	\$2,638,436	180 days	11.50%	\$2,499,427	6
Parc at Windmill Farms	\$24,504,136	180 days	10.25%	\$22,225,974	7
Plum Tree	\$4,651,262	270 days	10.25%	\$4,323,016	8
Spyglass	\$13,106,935	180 days	10.00%	\$11,915,395	9
Steeple Crest	\$14,238,018	270 days	9.50%	\$13,301,143	10

Fair Value of Convertible Loans with Sufficient Equity: As noted earlier, in cases where the present value of value available for the Convertible Loans was sufficient to cover the Convertible Loan balance at the Valuation Date, this was the fair value of the Position. Refer to the following table for details.

Fair Values of Convertible Loans

Convertible Loan	Present Value of Value Available for Convertible Loan	Convertible Loan Balance	Fair Value of Convertible Loan	Exhibit
Autumn Breeze	\$13,354,459	\$2,326,277	\$13,354,459	2
Bellwether Ridge	\$13,010,147	\$3,797,759	\$13,010,147	3
Forest Pines Apartments	\$10,301,314	\$6,472,031	\$9,821,917	4
Parc at Windmill Farms	\$23,337,272	\$7,885,547	\$22,225,974	7
Plum Tree	\$4,323,016	\$1,767,165	\$4,323,016	8
Spyglass	\$12,496,972	\$5,258,367	\$11,915,395	9
Steeple Crest	\$13,301,143	\$6,497,871	\$13,301,143	10

Fair Value of Convertible Loans with No Value Above Balance: As noted earlier, in cases where the present value of value available for the Convertible Loans was insufficient to cover the Convertible Loan balance at the Valuation Date, the Convertible Loan balances were valued based on a selected market-based interest rate. The selected interest rates are based on a review of relevant rates in Exhibit 12. The 9.0% selection was based on the mean discount rate data and the 12.0% was based on the data at the high end of the range and considers the additional risk and duration. Then, the remaining value available for the Convertible Loans calculated earlier in the report and the Positions' value based on a market-based interest rate were then weighted based on probabilities described next and summed to derive the Convertible Loans' fair values. The probabilities were determined based on management's assessment of the project (i.e., whether or

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not its expected return is greater than 5%) and the equity cushion based on the real estate appraisals. In addition, Empire notes that management believed that conversion of all the loans was “highly probable” (or “probable” in the case of Spyglass) based on its calculation of the net operating income divided by the development costs. Empire considered management’s expectation of conversion in the valuation. Finally, Empire did not know the financial position of the developers to determine whether or not the convertible loans could be repaid and therefore again relied upon management’s assessment of the likelihood of conversion in determining the probabilities.

Fair Values of Convertible Loans

Convertible Loan	Present Value of Value Available for Convertible Loan	Likelihood of Conversion	Selected Interest Rate	Value Based on Selected Discount Rate	1 - Likelihood of Conversion	Sum of Weighted Values (Fair Value)	Exhibit
Parc at Ingleside	\$2,361,533	50%	9.0%	\$3,256,893	50%	\$2,809,213	11
Parc at Opelika	\$2,499,427	50%	10.0%	\$3,187,585	50%	\$2,843,506	11

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Conclusion: Given the foregoing review and analysis, and subject to the attached Statement of Limiting Conditions, Empire estimates the following fair values of SPC's Convertible Loans as of December 31, 2022 for use by SPC for financial reporting purposes:

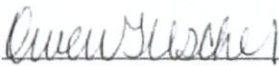
Fair Values of Convertible Loans

Convertible Loan	Convertible Loan Principal	Convertible Loan Balance	Fair Value	Exhibits
Autumn Breeze	\$4,514,064	\$2,326,277	\$13,354,459	2
Bellwether Ridge	\$3,800,000	\$3,797,759	\$13,010,147	3
Forest Pines (Phase I)	\$6,500,000	\$6,472,031	\$9,821,917	4
Parc at Ingleside	\$6,634,490	\$3,759,164	\$2,809,213	5, 11
Parc at Opelika	\$5,129,000	\$3,189,660	\$2,843,506	6, 11
Parc at Windmill Farms	\$8,300,000	\$7,885,547	\$22,225,974	7
Plum Tree	\$4,654,019	\$1,767,165	\$4,323,016	8
Spyglass of Ennis	\$5,100,000	\$5,258,367	\$11,915,395	9
Steeple Crest	\$6,750,000	\$6,497,871	\$13,301,143	10
Total	\$51,381,573	\$40,953,839	\$93,604,770	

This appraisal is not intended for any other purpose nor for any other users and the sharing of the contents herein is not permitted without the express written consent of Empire Valuation Consultants, LLC and Empire-Essence Advisory Ltd. Empire has no obligation to update this appraisal for information that comes to our attention after the date of this report.

Respectfully submitted,

Empire Valuation Consultants, LLC and Empire-Essence Advisory Ltd.



Owen Uscher, CFA
Senior Manager
Empire Valuation Consultants, LLC



Mark Shayne, ASA, CPA, ABV, CGMA
Senior Managing Director
Empire Valuation Consultants, LLC



Einat Sperling, CPA (IL)
Chief Executive Officer
Empire-Essence Advisory Ltd.

Addendum 1-1

STATEMENT OF LIMITING CONDITIONS

1. Financial statements and other related information provided by or on behalf of the client entity or its representatives, in the course of this engagement, have been accepted without any verification as fully and correctly reflecting the enterprise's business conditions and operating results for the respective periods, except as specifically noted herein. Empire Valuation Consultants, LLC has not audited, reviewed, or compiled the financial information provided to us and, accordingly, we express no audit opinion or any other form of assurance on this information.

2. Public information and industry and statistical information have been obtained from sources we believe to be reliable. However, we make no representation as to the accuracy or completeness of such information and have performed no procedures to corroborate the information. Information used was limited to that available on or before the Valuation Date, or which could be reasonably ascertained as of that date. We reserve the right to make such adjustments to the valuation herein reported as may be required by consideration of additional or more reliable data that may become available subsequent to the issuance of this report.

3. We do not provide assurance on the achievability of the results forecasted by the client entity because events and circumstances frequently do not occur as expected; differences between actual and expected results may be material; and achievement of the forecasted results is dependent on actions, plans, and assumptions of management.

4. The conclusion of value arrived at herein is based on the assumption that the current level of management expertise and effectiveness would continue to be maintained, and that the character and integrity of the enterprise through any sale, reorganization, exchange, or diminution of the owners' participation would not be materially or significantly changed.

5. This report and the conclusion of value arrived at herein are for the exclusive use of our client for the sole and specific purposes as noted herein. They may not be used for any other purpose or by any other party for any purpose. Furthermore the report and conclusion of value are not intended by Empire Valuation Consultants, LLC and should not be construed by the reader to be investment advice in any manner whatsoever. The conclusion of value represents the considered opinion of Empire Valuation Consultants, LLC, based on information furnished to them by the client entity and other sources.

6. Neither all nor any part of the contents of this report (especially the conclusion of value, the identity of any valuation specialist(s), or the firm with which such valuation specialists are connected or any reference to any of their professional designations) should be disseminated to the public through advertising media, public relations, news media, sales media, mail, direct transmittal, or any other means of communication without the prior written consent and approval of Empire Valuation Consultants, LLC.

Addendum 1-2

7. Future services regarding the subject matter of this report, including, but not limited to testimony or attendance in court, shall not be required of Empire Valuation Consultants, LLC unless previous arrangements have been made in writing.

8. Empire Valuation Consultants, LLC is not an environmental consultant or auditor, and it takes no responsibility for any actual or potential environmental liabilities. Any person entitled to rely on this report, wishing to know whether such liabilities exist, or the scope and their effect on the value of the property, is encouraged to obtain a professional environmental assessment. Empire Valuation Consultants, LLC does not conduct or provide environmental assessments and has not performed one for the subject property.

9. Empire Valuation Consultants, LLC has not determined independently whether the client entity is subject to any present or future liability relating to environmental matters (including, but not limited to CERCLA/Superfund liability) nor the scope of any such liabilities. Empire Valuation Consultants, LLC's valuation takes no such liabilities into account, except as they have been reported to Empire Valuation Consultants, LLC by the client entity or by an environmental consultant working for the client entity, and then only to the extent that the liability was reported to us in an actual or estimated dollar amount. Such matters, if any, are noted in the report. To the extent such information has been reported to us, Empire Valuation Consultants, LLC has relied on it without verification and offers no warranty or representation as to its accuracy or completeness.

10. Empire Valuation Consultants, LLC has not made a specific compliance survey or analysis of the subject property to determine whether it is subject to, or in compliance with, the Americans with Disabilities Act of 1990, and this valuation does not consider the effect, if any, of noncompliance.

11. No change of any item in this appraisal report shall be made by anyone other than Empire Valuation Consultants, LLC, and we shall have no responsibility for any such unauthorized change.

12. Unless otherwise stated, no effort has been made to determine the possible effect, if any, on the subject business due to future Federal, state, or local legislation, including any environmental or ecological matters or interpretations thereof.

13. If prospective financial information approved by management has been used in our work, we have not examined or compiled the prospective financial information and therefore, do not express an audit opinion or any other form of assurance on the prospective financial information or the related assumptions. Events and circumstances frequently do not occur as expected and there will usually be differences between prospective financial information and actual results, and those differences may be material.

14. We have conducted interviews with the current management of the client entity concerning the past, present, and prospective operating results of the company, as applicable for this analysis.

Addendum 1-3

15. Except as noted, we have relied on the representations of the owners, management, and other third parties concerning the value and useful condition of all equipment, real estate, investments used in the business, and any other assets or liabilities, except as specifically stated to the contrary in this report. We have not attempted to confirm whether or not all assets of the business are free and clear of liens and encumbrances or that the client entity has good title to all assets.

16. The fee established for the formulation and reporting of these conclusions is not contingent upon the value or other opinions presented.

17. Neither the appraiser nor any officer or employee of Empire Valuation Consultants, LLC has any interest in the property appraised.

18. We assume that there are no hidden or unexpected conditions of the assets valued that would adversely affect value.

19. No opinion is intended for matters which require legal or specialized expertise, investigation or knowledge, beyond that customarily employed by appraisers.

CERTIFICATION OF APPRAISERS

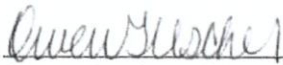
We the appraisers certify that, to the best of our knowledge and belief:

1. Our analyses, opinions and conclusions were developed, and this report was prepared, in conformity with the Uniform Standards of Professional Appraisal Practice.
2. All statements of fact contained in this report are true and correct.
3. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are our personal, unbiased professional analyses, opinions, and conclusions.
4. Neither Empire nor any of its employees has, to the best of our knowledge, either a present or intended financial interest in the entity that is the subject of this report, in any affiliates that may exist, or with respect to the parties involved.
5. Empire has performed services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.
6. We have no bias with respect to the entity that is the subject of this report or to the parties involved with this assignment.
7. Empire's engagement in this assignment was not contingent upon developing or reporting predetermined results.
8. The professional fee paid to Empire for the preparation of this report is not contingent upon its conclusion, including: developing or reporting a predetermined value or direction of 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.
9. No one provided significant business appraisal assistance to the persons signing this certification, unless specifically stated herein.

The American Society of Appraisers has a mandatory recertification program for all of its Accredited Senior Appraisers. The senior members signing below, designated by the "ASA," are in compliance with that program.

Empire Valuation Consultants, LLC

Empire-Essence Advisory Ltd.



Owen Uscher, CFA
Senior Manager



Einat Sperling, CPA (IL)
Chief Executive Officer



Mark Shayne, ASA CFA, ABV, CGMA
Managing Director

Addendum 3-1

EMPIRE VALUATION CONSULTANTS, LLC

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Valuation Services

Empire Valuation Consultants, LLC provides valuations to private equity and hedge funds, business owners, attorneys, accountants, commercial bankers, investment bankers, trust departments, insurance agents, and financial planners, among others. **Empire's** consultants have prepared or managed the preparation of over 40,000 appraisals for the following reasons:

- Private Equity & Hedge Fund Marking
- Transfer Pricing
- Solvency Opinions
- Buy/Sell Agreements
- Gifting Programs
- Estate Taxes
- Mergers & Acquisitions
- Blocks of Publicly Traded Securities
- Employee Stock Ownership Plans (ESOPs)
- Financial and SEC Reporting
- Fairness Opinions
- Litigation Support
- Redemptions
- Recapitalizations
- Going Private Transactions
- Stock Option Plans
- Dissenting Shareholder Suits
- Impairment Testing
- Intellectual Property
- Purchase Price Allocations

Other Financial Services

Litigation Support & Expert Testimony

Empire can assist you with research and litigation support and its professionals are available to provide expert testimony in matters involving questions of valuation.

ESOP Feasibility Studies & Preliminary Valuations

Empire is available to work with our client's team of financial advisors or participate in independent feasibility studies and preliminary valuation reviews in connection with ESOP formation planning.

Addendum 3-2

OWEN USCHER, CFA

Academic Degrees

M.B.A Texas Christian University, M.J. Neeley School of Business, 2012
B.A. James Madison University, International Affairs, 2005

Employment

Empire Valuation Consultants, New York, New York, (2022-Present)
Senior Manager (2022-present)

Värde Partners LP, New York, New York (2018 – 2022)
Director, Private Credit Asset Management (2021 – 2022)
Director, Portfolio Valuation (2018 – 2021)

KPMG LLP – Economic & Valuation Services, New York, New York (2015 – 2018)
Manager (2016 – 2018)
Senior Associate (2015 – 2016)

Valuescope Inc., Southlake, Texas (2012 – 2015)
Senior Associate (2013 – 2015)
Associate (2012 – 2013)

Mercedes-Benz Financial Services USA, Parsippany, New Jersey & Fort Worth, Texas, (2006 – 2012)
Various roles specializing in credit operations, consumer/commercial underwriting, floorplan financing, and loss recovery

Experience

Owen brings over 15 years of experience performing and supervising hundreds of valuation engagements. Over the course of his career, Owen held roles as a third-party valuation consultant, Big Four audit support specialist, as well as ‘in-house’ valuation specialist and asset manager for an alternative investment firm.

Specific valuation experience includes valuations of private equity and debt investments across a variety of industries, such as Financial Services, Residential & Commercial Real Estate, Structured Products, Industrials, Pharmaceutical/Biotech, and Oil & Gas.

Owen is also a Chartered Financial Analyst (CFA) charterholder.

Addendum 3-3

MARK SHAYNE, ASA, CPA, ABV, CGMA

Academic Degrees

- M.B.A. Stern Graduate School of Business at New York University (with Distinction)
- B.S. The Wharton School, University of Pennsylvania (cum laude)

Experience

Mr. Shayne is a Managing Director with Empire Valuation Consultants LLC, an Accredited Senior Appraiser (ASA) of the American Society of Appraisers, and Accredited in Business Valuation (ABV) by the American Institute of Certified Public Accountants (AICPA).

Mr. Shayne has over 25 years of experience providing valuation, financial consulting and due diligence services. He has extensive experience with the valuation of hedge fund and private equity investments, business assets and interests, financial securities and derivatives for purposes of ASC 820, ASC 805 and ASC 350-20 financial reporting, SEC reporting, fairness opinions, acquisition, sale, estate and gift tax, and buy/sell agreements.

Mr. Shayne works with many internationally recognized companies and funds, including major alternative asset managers and technology companies. He previously worked for JP Morgan Chase, Equitable Capital's (AXA) Private Placement & LBO Group, and PricewaterhouseCoopers (PwC).

Professional

Mr. Shayne has lectured and published on business and securities valuation, the valuation of intellectual property, and financial reporting valuation for national accounting, hedge fund, valuation and legal organizations. He is past President of the NYC Chapter of the American Society of Appraisers; and has testified as an expert witness in Federal & State Courts and before the American Arbitration Association.

Mr. Shayne is a past Professor of Finance (Business Valuation) at Fordham University's Graduate School of Business. He is a member of the Wharton Hedge Fund Network, the CFA Institute, the Investment Management Due Diligence Association (IMDDA), the American Institute of Certified Public Accountants (AICPA), the Wharton Club of NY and the Beta Gamma Sigma Honor Society.

EINAT SPERLING, CPA (IL)

Academic Degrees

- M.B.A. Tel Aviv University, The Leon Recanati Graduate School of Business Administration, Finance and Strategy, *w/distinction*, 2002
- B.A. Technion – Israel Institute of Technology, Faculty of Industrial Engineering and Management, Economics and Management, *w/distinction*, 1998

Employment

Founder and CEO of Essence Financial advisory Ltd. and of Empire – Essence Advisory Ltd., Ramat Gan, Israel, 2020 - Present

Partner, Head of Valuation and Business Modeling, Transaction Advisory Services, of Ernst & Young (EY), Tel-Aviv, Israel, 2000-2018

Experience

Ms. Sperling is the CEO and founder of Empire-Essence Advisory Ltd. and the owner of Essence Financial Advisory Ltd.

Ms. Sperling has over 20 years of experience providing valuation, financial consulting and due diligence services.

Before founding Essence Financial Advisory Ltd. and Empire-Essence Advisory Ltd., Einat was the head of the Valuation and Business Modeling team in EY Israel. During her work in EY, Ms. Sperling has valued and reviewed the equity, debt, options/warrants, restricted stock, carried interests, etc. of publicly traded and privately held businesses for acquisitions, financial reporting, and general corporate planning purposes as well as fairness and solvency opinions. She has valued intangible assets, including trademarks/names, covenants not-to-compete, leases, technologies, licenses, patents, workforces in place, customer contracts, lists and relationships, and franchise rights, and has performed numerous valuations for purchase price allocation (ASC 805, IFRS3), goodwill impairment (ASC 350/360, IAS 36), stock compensation (ASC 718/409(a), IFRS2), and fair value (ASC 820) purposes.

**AUTUMN BREEZE
SOUTHERN PROPERTIES CAPITAL, LTD.
AS OF DECEMBER 31, 2022**

Convertible Loan	Convertible Loan		Property Status	Discount Rate	Cap Rate	Fair Value	Exhibit Reference
	Principal	Balance					
Autumn Breeze	4,514,064	2,326,277	Completed	10.25%	5.00%	13,354,459	2
Bellwether Ridge	3,800,000	3,797,759	Completed	10.00%	4.75%	13,010,147	3
Forest Pines Apartments	6,500,000	6,472,031	Completed	10.00%	5.00%	9,821,917	4
Parc at Ingleside	6,634,490	3,759,164	Lease-Up	10.50%	5.25%	2,809,213	5, 11
Parc at Opelika	5,129,000	3,189,660	Under Construction	11.50%	N/A	2,843,506	6, 11
Parc at Windmill Farms	8,300,000	7,885,547	Completed	10.25%	5.00%	22,225,974	7
Plum Tree	4,654,019	1,767,165	Completed	10.25%	5.00%	4,323,016	8
Spyglass	5,100,000	5,258,367	Completed	10.00%	4.75%	11,915,395	9
Steeple Crest	6,750,000	6,497,871	Completed	9.50%	6.00%	13,301,143	10
Total	51,381,573	40,953,839		10.16%	4.74%	93,604,770	

AUTUMN BREEZE
SOUTHERN PROPERTIES CAPITAL, LTD.
AS OF DECEMBER 31, 2022

The subject is a Multifamily (Garden/Low Rise) property with 216 units located on a 12.86-acre site at 301 Mars Road in Wilmer, Texas. The improvements were built in 2020 and are in good condition. The subject property has a current occupancy level of 94.0%, which is below the stabilized occupancy level estimate of 94.5% that was developed in the real estate appraisal.

Project	Autumn Breeze	
Convertible Loan Principal	4,514,064	[1]
Convertible Loan Balance	2,326,277	[2]
Convertible Loan Interest Rate	5.00%	[1]
Convertible Loan Expected Return	6.71%	[2,3]
Convertible Loan Origination Date	4/26/2019	[1]
Convertible Loan Maturity Date	7/1/2025	[1,4]
Likelihood of Conversion	Highly Probable	[2]
Estimated Senior Debt Balance	24,473,818	[2]
Senior Debt Interest Rate	3.63%	[2]
Development Status	Completed	[2]
Market Value As-Is	40,100,000	[5]
Capitalization Rate used in Real Estate Appraisal	5.00%	[5]
 Valuation		
Market Value As-Is	40,100,000	
Less: Transaction Costs	4.00%	(1,604,000)
Market Value As-Is, Net		38,496,000
Less: Estimated Senior Debt Balance		24,473,818
Value Available for Convertible Loan		14,022,182
Valuation Date	12/31/2022	
Valuation Date, Including Estimated Lead Time (180 Days)	6/29/2023	[6]
Selected Discount Rate	10.25%	[7]
Discount Factor	0.9524	
Value Available for Convertible Loan	14,022,182	
Times: Discount Factor		0.9524
Present Value of Value Available for Convertible Loan		13,354,459
Less: Present Value of Value Available for Convertible Loan	13,354,459	
Convertible Loan Balance	2,326,277	
Convertible Loan Value above Balance		11,028,182
Fair Value of Autumn Breeze Convertible Loan	13,354,459	

Notes:

- [1] Source: Promissory Note dated April 26, 2019.
[2] Source: Management.
[3] Expected Return: The expected return is defined as net operating income divided by development cost.
[4] Maturity Date: The maturity date is defined as the earlier of (i) first day of the month following 30 months after the construction loan is closed for property ("Real Estate") in Dallas County, Texas owned by Autumn Breeze Apartments, LP, and (ii) seven years from the origination date.
[5] Source: Appraisal provided by Colliers International Valuation & Advisory Services as of November 30, 2022.
[6] Lead (marketing) time is based on a review of the Appraisal provided by Colliers International Valuation & Advisory Services as of November 30, 2022, the current development status, Empire's experience and other factors.
[7] Refer to EXHIBIT 12. As construction was completed, Empire selected a discount rate at the lower end of the range (9.99%) of the Garden & Suburban Townhouse discount rate data and the overall median (9.75%; again, low end of range) for properties in Texas. Empire also reviewed the capitalization rate data in EXHIBIT 15, and determined that the selected discount rate (capitalization rate plus long-term growth rate) was appropriate for Autumn Breeze.

BELLWETHER RIDGE
SOUTHERN PROPERTIES CAPITAL, LTD.
AS OF DECEMBER 31, 2022

The subject is a Multifamily (Garden/Low Rise) property totaling 150 units located on a 7.39-acre site at 841 South Polk Street in Desoto, Texas. The improvements were built in 2019 and are in good condition. The subject property has a current occupancy level of 96.0%, which is above the stabilized occupancy level estimate of 95.0% that was developed in the real estate appraisal.

Project	Bellwether Ridge	
Convertible Loan Principal	3,800,000	[1]
Convertible Loan Balance	3,797,759	[2]
Convertible Loan Interest Rate	5.00%	[1]
Convertible Loan Expected Return	6.56%	[2,3]
Convertible Loan Origination Date	10/19/2017	[1]
Convertible Loan Maturity Date	11/1/2026	[1,4]
Likelihood of Conversion	Highly Probable	[2]
Estimated Senior Debt Balance	17,842,843	[2]
Senior Debt Interest Rate	3.70%	[2]
Development Status	Completed	[5]
Market Value As-Is	32,800,000	[5]
Capitalization Rate used in Real Estate Appraisal	4.75%	[5]
Valuation		
Market Value As-Is		32,800,000
Less: Transaction Costs	4.00%	(1,312,000)
Market Value As-Is, Net		31,488,000
Less: Estimated Senior Debt Balance		17,842,843
Value Available for Convertible Loan		13,645,157
Valuation Date		12/31/2022
Valuation Date plus Estimated Lead Time (180 Days)		6/29/2023 [6]
Selected Discount Rate		10.00% [7]
Discount Factor		0.9535
Value Available for Convertible Loan		13,645,157
Times: Discount Factor		0.9535
Present Value of Value Available for Convertible Loan		13,010,147
Less: Present Value of Value Available for Convertible Loan		13,010,147
Convertible Loan Balance		3,797,759
Convertible Loan Value above Balance		9,212,388
Fair Value of Bellwether Ridge Convertible Loan		13,010,147

Notes:

- [1] Source: Promissory Note dated October 19, 2017.
[2] Source: Management.
[3] Expected Return: The expected return is defined as net operating income divided by development cost.
[4] Source: Third Modification Agreement to Promissory Note dated June 30, 2021.
[5] Source: Appraisal provided by Colliers International Valuation & Advisory Services as of November 30, 2022.
[6] Lead (marketing) time is based on a review of the Appraisal provided by Colliers International Valuation & Advisory Services as of November 30, 2022, the current development status, Empire's experience and other factors.
[7] Refer to EXHIBIT 12. As construction was completed, Empire selected a discount rate at the lower end of the range (9.99%) of the Garden & Suburban Townhouse discount rate data and the overall median (9.75%; again, low end of range) for properties in Texas. Empire also reviewed the capitalization rate data in EXHIBIT 15, and determined that the selected discount rate (capitalization rate plus long-term growth rate) was appropriate for Bellwether Ridge.

FOREST PINES**SOUTHERN PROPERTIES CAPITAL, LTD.****AS OF DECEMBER 31, 2022**

The subject is a Multifamily (Garden/Low Rise) property totaling 240 units located on a 15.57-acre site at 852 N Harvey Mitchell Pkwy in Bryan, Texas. The improvements were completed in 2019 and are in good condition. The subject property has a current occupancy level of 100.0%, which is above the stabilized occupancy level estimate of 95.0% that was developed in the real estate appraisal.

Project	Forest Pines	
Convertible Loan Principal	6,500,000	[1]
Convertible Loan Balance	6,472,031	[2]
Convertible Loan Interest Rate	5.00%	[1]
Convertible Loan Expected Return	6.10%	[2,3]
Convertible Loan Origination Date	4/16/2018	[1]
Convertible Loan Maturity Date	11/1/2022	[1,4]
Likelihood of Conversion	Highly Probable	[2]
Estimated Senior Debt Balance	26,059,891	[2]
Senior Debt Interest Rate	3.35%	[2]
Development Status	Completed	[5]
Market Value As-Is	38,400,000	[5]
Capitalization Rate used in Real Estate Appraisal	5.00%	[5]
 Valuation		
Market Value As-Is	38,400,000	
Less: Transaction Costs	4.00% <u>(1,536,000)</u>	
Market Value As-Is, Net	36,864,000	
Less: Estimated Senior Debt Balance	<u>26,059,891</u>	
Value Available for Convertible Loan	10,804,109	
 Valuation Date		
	12/31/2022	
Valuation Date plus Estimated Lead Time (180 Days)		
	6/29/2023	[6]
Selected Discount Rate		
	10.00%	[7]
Discount Factor		
	0.9091	
 Value Available for Convertible Loan		
	10,804,109	
Times: Discount Factor		
	<u>0.9091</u>	
Present Value of Value Available for Convertible Loan	9,821,917	
 Less: Present Value of Value Available for Convertible Loan		
	9,821,917	
Convertible Loan Balance	<u>6,472,031</u>	
Convertible Loan Value above Balance	3,349,886	
 Fair Value of Forest Pines Convertible Loan		 9,821,917

Notes:

[1] Source: Promissory Note dated April 16, 2018.

[2] Source: Management.

[3] Expected Return: The expected return is defined as net operating income divided by development cost.

[4] Source: Second Amendment to Promissory Note dated November 1, 2020. Per Management, this loan was in the process of being converted to equity as of the Valuation Date. As such, it is Empire's understanding that all obligations of the Borrower remain unchanged until the conversion is complete.

[5] Source: Appraisal provided by Colliers International Valuation & Advisory Services as of November 30, 2022.

[6] Lead (marketing) time is based on a review of the Appraisal provided by Colliers International Valuation & Advisory Services as of November 30, 2022, the current development status, Empire's experience and other factors.

[7] Refer to EXHIBIT 12. As construction was completed, Empire selected a discount rate at the lower end of the range (9.99%) of the Garden & Suburban Townhouse discount rate data and the overall median (9.75%; again, low end of range) for properties in Texas. Empire also reviewed the capitalization rate data in EXHIBIT 15, and determined that the selected discount rate (capitalization rate plus long-term growth rate) was appropriate for Forest Pines.

PARC AT INGLESIDE
SOUTHERN PROPERTIES CAPITAL, LTD.
AS OF DECEMBER 31, 2022

The subject is a Multifamily (Garden/Low Rise) property totaling 192 units located on a 7.80-acre site at 2850 Avenue J in Ingleside, Texas. The improvements were completed in 2021 and are in excellent condition. The subject property has a current occupancy level of 86.0%, which is below the stabilized occupancy level estimate of 93.0%, that was developed in the real estate appraisal. Lease up efforts continue on pace, as prior year occupancy was 51%.

Project	Parc at Ingleside	
Convertible Loan Principal	6,634,490	[1]
Convertible Loan Balance	3,759,164	[2]
Convertible Loan Interest Rate	5.00%	[1]
Convertible Loan Expected Return	6.11%	[2,3]
Convertible Loan Origination Date	6/13/2019	[1]
Convertible Loan Maturity Date	11/1/2026	[1,4]
Likelihood of Conversion	Highly Probable	[2]
Estimated Senior Debt Balance	24,814,836	[2]
Senior Debt Interest Rate	3.59%	[2]
Development Status	Lease-Up	[2]
Market Value As-Is	28,500,000	[5]
Prospective Value Upon Stabilization	28,500,000	[5]
Projected Stabilization Date	6/1/2023	[5]
Capitalization Rate used in Real Estate Appraisal	5.25%	[5]
 Valuation		
Prospective Value Upon Stabilization	28,500,000	
Less: Transaction Costs	4.00% <u>(1,140,000)</u>	
Prospective Value Upon Stabilization, Net	27,360,000	
Less: Estimated Senior Debt Balance	<u>24,814,836</u>	
Value Available for Convertible Loan	2,545,164	
Projected Stabilization Date	6/1/2023	
Projected Stabilization Date, Including Estimated Lead Time (270 Days)	2/26/2024	[6]
Selected Discount Rate	10.50%	[7]
Discount Factor	0.9279	
Value Available for Convertible Loan	2,545,164	
Times: Discount Factor	<u>0.9279</u>	
Present Value of Value Available for Convertible Loan	2,361,533	
Less: Present Value of Value Available for Convertible Loan	2,361,533	
Convertible Loan Balance	<u>3,759,164</u>	
Convertible Loan Value above Balance	N/A	

Notes:

[1] Source: Promissory Note dated June 13, 2019.

[2] Source: Management.

[3] Expected Return: The expected return is defined as net operating income divided by development cost.

[4] Maturity Date: The maturity date is defined as the earlier of (i) first day of the month following 30 months after the construction loan is closed for property ("Real Estate") in Ingleside, Texas owned by D4IN LLC, a Texas limited partnership, and (ii) seven (7) years from the origination date.

[5] Source: Appraisal provided by Bowery Valuation as of November 30, 2022.

[6] Lead (marketing) time is based on a review of the Appraisal provided by Bowery Valuation of November 30, 2022, the current development status, Empire's experience and other factors.

[7] Refer to EXHIBIT 12. As construction was completed but the Property was not fully leased, Empire selected a discount rate slightly above the low end of the range (9.99%) of the Garden & Suburban Townhouse discount rate data and the overall median (9.75%; again, low end of range) for properties in Texas. Empire also reviewed the capitalization rate data in EXHIBIT 15, and determined that the selected discount rate (capitalization rate plus long-term growth rate) was appropriate for Parc at Ingleside.

PARC AT OPELIKA**SOUTHERN PROPERTIES CAPITAL, LTD.****AS OF DECEMBER 31, 2022**

The subject is planned to be completed by July 17, 2022. It will consist of a Multifamily (Garden/Low Rise) property with 168 units located on an 11.95-acre site in Opelika, Alabama.

Project	Parc at Opelika	
Convertible Loan Principal	5,129,000	[1]
Convertible Loan Balance	3,189,660	[2]
Convertible Loan Interest Rate	10.00%	[1]
Convertible Loan Expected Return	6.28%	[2,3]
Convertible Loan Origination Date	1/13/2021	[1]
Convertible Loan Maturity Date	1/13/2023	[1,4]
Likelihood of Conversion	Highly Probable	[2]
Estimated Senior Debt Balance	21,904,386	[2,5]
Senior Debt Interest Rate	2.99%	[2]
Development Status	Under Construction	[2]
Estimated Cost Basis	25,565,440	[5]
Valuation		
Estimated Cost Basis	25,565,440	
Less: Transaction Costs	4.00%	(1,022,618)
Estimated Cost Basis, Net		24,542,822
Less: Estimated Senior Debt Balance		21,904,386
Value Available for Convertible Loan		2,638,436
Valuation Date		12/31/2022
Valuation Date plus Estimated Lead Time (180 Days)		6/29/2023 [6]
Selected Discount Rate		11.50% [7]
Discount Factor		0.9473
Value Available for Convertible Loan		2,638,436
Times: Discount Factor		0.9473
Present Value of Value Available for Convertible Loan		2,499,427
Less: Present Value of Value Available for Convertible Loan		2,499,427
Convertible Loan Balance		3,189,660
Convertible Loan Value above Balance		N/A

Notes:

- [1] Source: Promissory Note dated January 13, 2021.
- [2] Source: Management.
- [3] Expected Return: The expected return is defined as net operating income divided by development cost.
- [4] Source: Promissory Note dated January 13, 2021.
- [5] Excludes developer fees. Based on discussions with management, as of the Valuation Date, the development was approximately 50% completed and there were no material changes to the pro forma budget.
- [6] Lead (marketing) time is based on discussions with management, the current development status, Empire's experience and other factors.
- [7] Refer to EXHIBIT 12. As the property was under construction, Empire selected a discount rate between the low end of the range (9.49%) and the mean (12.22%) of the Garden & Suburban Townhouse discount rate data for properties in the Southeast. Empire also reviewed the capitalization rate data in EXHIBIT 15, and determined that the selected discount rate (capitalization rate plus long-term growth rate) was appropriate for Parc at Opelika.

PARC AT WINDMILL FARMS
SOUTHERN PROPERTIES CAPITAL, LTD.
AS OF DECEMBER 31, 2022

The subject is a Multifamily (Garden/Low Rise) property with 272 units located on a 18.45-acre site at 1003 Windmill Farms Boulevard in Forney, Texas. The improvements were built in 2019 and are in good condition. The subject property has a current occupancy level of 91.5%, which is below the stabilized occupancy level estimate of 95.0% that was developed in the real estate appraisal.

Project	Parc at Windmill Farms	
Convertible Loan Principal	8,300,000	[1]
Convertible Loan Balance	7,885,547	[2]
Convertible Loan Interest Rate	5.00%	[1]
Convertible Loan Expected Return	6.30%	[2,3]
Convertible Loan Origination Date	12/14/2017	[1]
Convertible Loan Maturity Date	11/1/2022	[1,4]
Likelihood of Conversion	Highly Probable	[2]
Estimated Senior Debt Balance	35,111,864	[2]
Senior Debt Interest Rate	3.90%	[2]
Development Status	Completed	[5]
Market Value As-Is	62,100,000	[5]
Capitalization Rate used in Real Estate Appraisal	5.00%	[5]
 Valuation		
Market Value As-Is	62,100,000	
Less: Transaction Costs	4.00% (2,484,000)	
Market Value As-Is, Net	59,616,000	
Less: Estimated Senior Debt Balance	35,111,864	
Value Available for Convertible Loan	24,504,136	
 Valuation Date		
	12/31/2022	
Valuation Date plus Estimated Lead Time (180 Days)		
	6/29/2023	[6]
Selected Discount Rate		
	10.25%	[7]
Discount Factor		
	0.9070	
 Value Available for Convertible Loan		
	24,504,136	
Times: Discount Factor		
	0.9070	
Present Value of Value Available for Convertible Loan		
	22,225,974	
 Less: Present Value of Value Available for Convertible Loan		
	22,225,974	
Convertible Loan Balance		
	7,885,547	
Convertible Loan Value above Balance		
	14,340,427	
 Fair Value of Parc at Windmill Farms Convertible Loan		 22,225,974

Notes:

[1] Source: Promissory Note dated December 2017.

[2] Source: Management.

[3] Expected Return: The expected return is defined as net operating income divided by development cost.

[4] Source: Fourth Amendment to Promissory Note dated November 1, 2020. Per Management, this loan was in the process of being converted to equity as of the Valuation Date. As such, it is Empire's understanding that all obligations of the Borrower remain unchanged until the conversion is complete.

[5] Source: Appraisal provided by Colliers International Valuation & Advisory Services as of November 30, 2022.

[6] Lead (marketing) time is based on a review of the Appraisal provided by Colliers International Valuation & Advisory Services as of November 30, 2022, the current development status, Empire's experience and other factors.

[7] Refer to EXHIBIT 12. As construction was completed, Empire selected a discount rate at the lower end of the range (9.99%) of the Garden & Suburban Townhouse discount rate data and the overall median (9.75%; again, low end of range) for properties in Texas.

Empire also reviewed the capitalization rate data in EXHIBIT 15, and determined that the selected discount rate (capitalization rate plus long-term growth rate) was appropriate for Parc at Windmill Farms.

PLUM TREE**SOUTHERN PROPERTIES CAPITAL, LTD.****AS OF DECEMBER 31, 2022**

The subject is a Multifamily (Garden/Low Rise) property with 143 units located on a 7.36-acre site at 4200 South Washington Street in Kaufman, Texas. The improvements were built in 2021 and are in excellent condition. The subject property has a current occupancy level of 94.0%, which is slightly above the stabilized occupancy level estimate of 93.0% that was developed in the real estate appraisal.

Project		Plum Tree	
Convertible Loan Principal		4,654,019	[1]
Convertible Loan Balance		1,767,165	[2]
Convertible Loan Interest Rate		5.00%	[1]
Convertible Loan Expected Return		5.70%	[2,3]
Convertible Loan Origination Date		4/26/2019	[1]
Convertible Loan Maturity Date		4/26/2026	[1,4]
Likelihood of Conversion		Highly Probable	[2]
Estimated Senior Debt Balance		17,524,738	[2]
Senior Debt Interest Rate		3.68%	[2]
Development Status		Completed	[2]
Market Value As-Is		23,100,000	[5]
Capitalization Rate used in Real Estate Appraisal		5.00%	[5]
Valuation			
Market Value As-Is		23,100,000	
Less: Transaction Costs	4.00%	<u>(924,000)</u>	
Market Value As-Is, Net		22,176,000	
Less: Development Status		<u>17,524,738</u>	
Value Available for Convertible Loan		4,651,262	
Valuation Date		12/31/2022	
Valuation Date plus Estimated Lead Time (9 Months)		9/27/2023	[6]
Selected Discount Rate		10.25%	[7]
Discount Factor		0.9294	
Value Available for Convertible Loan		4,651,262	
Times: Discount Factor		<u>0.9294</u>	
Present Value of Value Available for Convertible Loan		4,323,016	
Less: Present Value of Value Available for Convertible Loan		4,323,016	
Convertible Loan Balance		<u>1,767,165</u>	
Convertible Loan Value above Balance		2,555,851	
Fair Value of Plum Tree Convertible Loan		4,323,016	

Notes:

[1] Source: Promissory Note dated April 26, 2019.

[2] Source: Management.

[3] Expected Return: The expected return is defined as net operating income divided by development cost.

[4] Maturity Date: The maturity date is defined as the earlier of (i) first day of the month following 30 months after the construction loan is closed for property ("Real Estate") in Kaufman County, Texas owned by Plum Tree Apartments, LP, a Texas limited partnership, and (ii) seven years from the origination date.

[5] Source: Appraisal provided by Bowery Valuation as of November 30, 2022.

[6] Lead (marketing) time is based on a review of the Appraisal provided by Bowery Valuation as of November 30, 2022, the current development status, Empire's experience and other factors.

[7] Refer to EXHIBIT 12. As construction was completed but the Property was not fully leased, Empire selected a discount rate slightly above the low end of the range (9.99%) of the Garden & Suburban Townhouse discount rate data and the overall median (9.75%; again, low end of range) for properties in Texas. Empire also reviewed the capitalization rate data in EXHIBIT 15, and determined that the selected discount rate (capitalization rate plus long-term growth rate) was appropriate for Plum Tree.

SPYGLASS**SOUTHERN PROPERTIES CAPITAL, LTD.****AS OF DECEMBER 31, 2022**

The subject is a Multifamily (Garden/Low Rise) property totaling 192 units located on a 12.88-acre site at 1803 West Ennis Avenue in Ennis, Texas. The improvements were built in 2018 and are in good condition. The subject property has a current occupancy level of 93.8%, which is which is 20bps lower than the stabilized occupancy level estimate of 94.0% that was developed in the real estate appraisal.

Project		Spyglass	
Convertible Loan Principal		5,100,000	[1]
Convertible Loan Balance		5,258,367	[2]
Convertible Loan Interest Rate		5.00%	[1]
Convertible Loan Expected Return		5.29%	[2,3]
Convertible Loan Origination Date		5/4/2017	[1]
Convertible Loan Maturity Date		11/1/2022	[1,4]
Likelihood of Conversion		Probable	[2]
Estimated Senior Debt Balance		22,509,065	[2]
Senior Debt Interest Rate		3.79%	[2]
Development Status		Completed	[5]
Market Value As-Is		37,100,000	[5]
Capitalization Rate used in Real Estate Appraisal		4.75%	[5]
Valuation			
Market Value As-Is		37,100,000	
Less: Transaction Costs	4.00%	<u>(1,484,000)</u>	
Market Value As-Is, Net		35,616,000	
Less: Estimated Senior Debt Balance		<u>22,509,065</u>	
Value Available for Convertible Loan		13,106,935	
Valuation Date		12/31/2022	
Valuation Date plus Estimated Lead Time (180 Days)		6/29/2023	[6]
Selected Discount Rate		10.00%	[7]
Discount Factor		0.9091	
Value Available for Convertible Loan		13,106,935	
Times: Discount Factor		<u>0.9091</u>	
Present Value of Value Available for Convertible Loan		11,915,395	
Less: Present Value of Value Available for Convertible Loan		11,915,395	
Convertible Loan Balance		<u>5,258,367</u>	
Convertible Loan Value above Balance		6,657,029	
Fair Value of Spyglass Convertible Loan		11,915,395	

Notes:

[1] Source: Promissory Note dated May 4, 2017.

[2] Source: Management.

[3] Expected Return: The expected return is defined as net operating income divided by development cost.

[4]

Source: First Amendment to Promissory Note dated October 31, 2019. Per Management, this loan was in the process of being converted to equity as of the Valuation Date. As such, it is Empire's understanding that all obligations of the Borrower remain unchanged until the conversion is complete.

[5] Source: Appraisal provided by Colliers International Valuation & Advisory Services as of November 30, 2022.

[6] Lead (marketing) time is based on a review of the Appraisal provided by Colliers International Valuation & Advisory Services as of November 30, 2022, the current development status, Empire's experience and other factors.

[7] Refer to EXHIBIT 12. As construction was completed, Empire selected a discount rate at the low end of the range (9.99%) of the Garden & Suburban Townhouse discount rate data and the overall median (9.75%; again, low end of range) for properties in Texas.

Empire also reviewed the capitalization rate data in EXHIBIT 15, and determined that the selected discount rate (capitalization rate plus long-term growth rate) was appropriate for Spyglass.

STEEPLE CREST**SOUTHERN PROPERTIES CAPITAL, LTD.****AS OF DECEMBER 31, 2022**

The subject is a Multifamily (Garden/Low Rise) property totaling 200 units located on a 29.96-acre site at 5001 Riverchase Drive in Phenix City, Alabama. The improvements were completed in 2001 and are in average condition. The subject property has a current occupancy level of 98.0%, which is above the stabilized occupancy level estimate of 95.0% that was developed in the real estate appraisal.

Project		Steeple Crest	
Convertible Loan Principal		6,750,000	[1]
Convertible Loan Balance		6,497,871	[2]
Convertible Loan Interest Rate		5.00%	[1]
Convertible Loan Expected Return		7.91%	[2,3]
Convertible Loan Origination Date		9/30/2019	[1]
Convertible Loan Maturity Date		8/1/2026	[1,4]
Likelihood of Conversion		Highly Probable	[2]
Estimated Senior Debt Balance		11,297,982	[2]
Senior Debt Interest Rate		4.25%	[2]
Development Status		Completed	[5]
Market Value As-Is		26,600,000	[5]
Capitalization Rate used in Real Estate Appraisal		6.00%	[5]
Valuation			
Market Value As-Is		26,600,000	
Less: Transaction Costs	4.00%	<u>(1,064,000)</u>	
Market Value As-Is, Net		25,536,000	
Less: Estimated Senior Debt Balance		<u>11,297,982</u>	
Value Available for Convertible Loan		14,238,018	
Valuation Date		12/31/2022	
Valuation Date plus Estimated Lead Time (9 Months)		9/27/2023	[6]
Selected Discount Rate		9.50%	[7]
Discount Factor		0.9342	
Value Available for Convertible Loan		14,238,018	
Times: Discount Factor		<u>0.9342</u>	
Present Value of Value Available for Convertible Loan		13,301,143	
Less: Present Value of Value Available for Convertible Loan		13,301,143	
Convertible Loan Balance		<u>6,497,871</u>	
Convertible Loan Value above Balance		6,803,272	
Fair Value of Steeple Crest Convertible Loan		13,301,143	

Notes:

- [1] Source: Promissory Note dated September 30, 2019.
[2] Source: Management.
[3] Expected Return: The expected return is defined as net operating income divided by development cost.
[4] Source: Third Amended and Restated Promissory Note dated June 30, 2021.
[5] Source: Appraisal provided by Colliers International Valuation & Advisory Services as of November 30, 2022.
[6] Lead (marketing) time is based on a review of the Appraisal provided by Colliers International Valuation & Advisory Services as of November 30, 2022, the current development status, Empire's experience and other factors.
[7] Refer to EXHIBIT 12. As construction was completed, Empire selected a discount rate at the low end of the range (9.49%) of the Garden & Suburban Townhouse discount rate data and the overall median (9.75%; again, low end of range) for properties in the Southeast. Empire also reviewed the capitalization rate data in EXHIBIT 15, and determined that the selected discount rate (capitalization rate plus long-term growth rate) was appropriate for Steeple Crest.

FAIR VALUE OF CONVERTIBLE LOANS WITH NO VALUE ABOVE BALANCE

SOUTHERN PROPERTIES CAPITAL, LTD.

AS OF DECEMBER 31, 2022

Convertible Loan	Convertible Loan Balance	Convertible Loan Maturity Date	Convertible Loan Interest Rate	Selected Interest Rate [1]
Parc at Ingleside	3,759,164	11/1/2026	5.00%	9.00%
Parc at Opelika	3,189,660	1/13/2023	10.00%	12.00%

Convertible Loan	Convertible Loan Balance	Value Based on Selected Interest Rate [2]
Parc at Ingleside	3,759,164	3,256,893
Parc at Opelika	3,189,660	3,187,585

Convertible Loan	Present Value of Value Available for Convertible Loan [3]	Times: Likelihood of Conversion [4]	Weighted Value [A]
Parc at Ingleside	2,361,533	50.00%	1,180,767
Parc at Opelika	2,499,427	50.00%	1,249,714

Convertible Loan	Value Based on Selected Interest Rate	Times: 1- Likelihood of Conversion	Weighted Value [B]
Parc at Ingleside	3,256,893	50.00%	1,628,447
Parc at Opelika	3,187,585	50.00%	1,593,793

Convertible Loan	Fair Value [A+B]
Parc at Ingleside	2,809,213
Parc at Opelika	2,843,506

Notes:

[1] Selected interest rate is based on a review of relevant rates in EXHIBIT 13.

[2] Convertible loan balance was grown to maturity at the current interest rate and discounted back to the present at the selected discount rate.

[3] Refer to EXHIBIT 5.

[4] Based on the amount of equity cushion and management's assessment of conversion probabilities.

**CONSTRUCTION FINANCING AND DISCOUNT RATE BENCHMARKS
SOUTHERN PROPERTIES CAPITAL, LTD.
AS OF DECEMBER 31, 2022**

Benchmark	Description / Comments	Geography	As of 12/31/22		
			Low	High	Mean
REALTY RATES Interim Construction Financing	Q3 2022 Developer Survey - New Development	National	4.80%	10.00%	7.36%
REALTY RATES Primary Residential - Hi-Rise & Urban Townhouse	Q4 2022 Developer Survey - New Development	National	9.63%	26.08%	17.95%
Primary Residential - Garden & Suburban Townhouse	Q4 2022 Developer Survey - New Development	National	9.29%	24.86%	17.50%
Primary Residential - Mixed Use	Q4 2022 Developer Survey - New Development	National	9.53%	26.08%	18.25%
Primary Residential - Hi-Rise & Urban Townhouse	Q4 2022 Developer Survey - New Development	Southeast (AL)	9.85%	16.76%	13.03%
Primary Residential - Garden & Suburban Townhouse	Q4 2022 Developer Survey - New Development	Southeast (AL)	9.49%	15.97%	12.22%
Primary Residential - Mixed Use	Q4 2022 Developer Survey - New Development	Southeast (AL)	9.75%	16.76%	12.72%
Primary Residential - Hi-Rise & Urban Townhouse	Q4 2022 Developer Survey - New Development	TX	10.36%	17.64%	13.72%
Primary Residential - Garden & Suburban Townhouse	Q4 2022 Developer Survey - New Development	TX	9.99%	16.81%	12.87%
Primary Residential - Mixed Use	Q4 2022 Developer Survey - New Development	TX	10.26%	17.64%	13.39%
		Minimum	9.29%	15.97%	12.22%
		Maximum	10.36%	26.08%	18.25%
		Mean	9.79%	19.84%	14.63%
		Median	9.75%	17.64%	13.39%

CREDIT SPREADS & YIELDS: MEZZ & BRIDGE LOANS
SOUTHERN PROPERTIES CAPITAL, LTD.
AS OF DECEMBER 2022

Mezzanine Surveyed / Quotes	Loan Type	Rate Type	Property Type	LTC/LTV			DSCR			Report Date	Base Rate	Credit Spread			Yield (no curve)			Yield (with curve)		
				Low	High	Mean	Low	High	Mean			Low	High	Mean	Low	High	Mean	Low	High	Mean
Cushman & Wakefield 1	mezz	floating	all	60.0%	70.0%	65.0%	1.05x	1.15x	1.10x	12/5/22	L	6.50%	8.50%	7.50%	10.89%	12.89%	11.89%	10.88%	12.88%	11.88%
Cushman & Wakefield 2	mezz	floating	all	70.0%	80.0%	75.0%	N/A	N/A	N/A	12/5/22	L	7.50%	12.00%	9.75%	11.89%	16.39%	14.14%	11.88%	16.38%	14.13%
C&W Surveyed	mezz	floating	all	60.0%	80.0%	70.0%	1.05x	1.15x	1.10x	12/5/22	L	6.50%	12.00%	8.63%	10.89%	16.39%	13.02%	10.88%	16.38%	13.01%
Hedge/Opportunity Funds	mezz	fixed	all	60.0%	80.0%	70.0%	N/A	N/A	N/A	12/5/22	F	4.62%	8.62%	6.62%	9.00%	13.00%	11.00%	9.00%	13.00%	11.00%
Investment Banks	mezz	fixed	all	60.0%	80.0%	70.0%	N/A	N/A	N/A	12/5/22	F	4.62%	8.62%	6.62%	9.00%	13.00%	11.00%	9.00%	13.00%	11.00%
Private Lenders	mezz	fixed	all	55.0%	80.0%	67.5%	N/A	N/A	N/A	12/5/22	F	4.62%	8.62%	6.62%	9.00%	13.00%	11.00%	9.00%	13.00%	11.00%
C&W Surveyed	mezz	fixed	all	55.0%	80.0%	69.2%	N/A	N/A	N/A	12/5/22	F	4.62%	8.62%	6.62%	9.00%	13.00%	11.00%	9.00%	13.00%	11.00%
Fantini & Gorga Mezz	mezz	fixed	all	N/A	N/A	85.0%	1.10x	N/A	1.10x	6/30/22	F	1.62%	8.62%	5.12%	6.00%	13.00%	9.50%	6.00%	13.00%	9.50%
Fantini & Gorga (Preferred)	mezz	fixed	all	N/A	95.0%	95.0%	N/A	N/A	N/A	6/30/22	F	1.62%	3.62%	2.62%	6.00%	8.00%	7.00%	6.00%	8.00%	7.00%
Fantini & Gorga Mezz	mezz	fixed	multi/apt	85.0%	90.0%	87.5%	1.10x	N/A	1.10x	12/27/22	F	1.62%	7.62%	4.62%	6.00%	12.00%	9.00%	6.00%	12.00%	9.00%
Fantini & Gorga Mezz	mezz	fixed	retail	60.0%	75.0%	67.5%	1.10x	N/A	1.10x	3/31/22	F	3.62%	7.62%	5.62%	8.00%	12.00%	10.00%	8.00%	12.00%	10.00%
F&G Surveyed	mezz	fixed	all	60.0%	95.0%	83.8%	1.10x	1.10x	1.10x	7/22/22	F	1.62%	8.62%	4.49%	6.00%	13.00%	8.88%	6.00%	13.00%	8.88%
Pepperdine (10M-50M)	mezz	fixed	all	N/A	N/A	N/A	1.40x	1.60x	1.50x	4/26/22	F	4.12%	12.92%	8.52%	8.50%	17.30%	12.90%	8.50%	17.30%	12.90%
Lender Quote #1	mezz	fixed	all	N/A	85.0%	N/A	N/A	N/A	N/A	9/30/22	F	5.62%	7.62%	6.62%	10.00%	12.00%	11.00%	10.00%	12.00%	11.00%
Lender Quote #2	mezz	fixed	all	N/A	90.0%	N/A	N/A	N/A	N/A	9/30/22	F	4.62%	7.62%	6.12%	9.00%	12.00%	10.50%	9.00%	12.00%	10.50%
Mezzanine Min				55.0%	70.0%	65.0%	1.05x	1.15x	1.10x	3/31/22	N/A	1.62%	3.62%	2.62%	6.00%	8.00%	7.00%	6.00%	8.00%	7.00%
Mezzanine Max				85.0%	95.0%	95.0%	1.40x	1.60x	1.50x	12/27/22	N/A	7.50%	12.92%	9.75%	11.89%	17.30%	14.14%	11.88%	17.30%	14.13%
Mezzanine Mean				64.3%	82.5%	75.8%	1.15x	1.38x	1.18x	9/20/22	N/A	4.22%	8.50%	6.36%	8.61%	12.88%	10.74%	8.61%	12.88%	10.74%
Mezzanine Median				60.0%	80.0%	70.0%	1.10x	1.38x	1.10x	12/5/22	N/A	4.62%	8.56%	6.62%	9.00%	12.95%	11.00%	9.00%	12.94%	11.00%
Bridge/Dev Surveyed / Quotes	Loan Type	Rate Type	Property Type	LTC/LTV			DSCR			Pricing Date	Base Rate	Credit Spread			Yield (no curve)			Yield (with curve)		
Lender #1	bridge	fixed	all	N/A	75.0%	N/A	N/A	N/A	N/A	9/30/22	F	2.62%	7.62%	5.12%	7.00%	12.00%	9.50%	7.00%	12.00%	9.50%
Lender #2	bridge	fixed	all	N/A	85.0%	N/A	N/A	N/A	N/A	9/30/22	F	2.62%	8.12%	5.32%	6.90%	12.50%	9.70%	6.90%	12.50%	9.70%
Lender #3	bridge	fixed	all	N/A	90.0%	N/A	N/A	N/A	N/A	9/30/22	F	4.62%	7.62%	6.12%	9.00%	12.00%	10.50%	9.00%	12.00%	10.50%
Independent Lender Quotes	bridge	floating	all	75.0%	90.0%	N/A	N/A	N/A	N/A	9/30/22	F	2.52%	8.12%	5.52%	6.90%	12.50%	9.90%	6.90%	12.50%	9.90%
Fantini & Gorga Interim Loan	bridge	variable	multi/apt	70.0%	75.0%	72.5%	1.25x	1.30x	1.28x	12/27/22	L	3.50%	4.50%	4.00%	7.89%	8.89%	8.39%	7.88%	8.88%	8.38%
Fantini & Gorga Interim Loan	bridge	variable	retail	50.0%	65.0%	57.5%	1.30x	1.40x	1.35x	3/31/22	L	2.50%	5.00%	3.75%	6.89%	9.39%	8.14%	6.88%	9.38%	8.13%
Fantini & Gorga Interim Loan	bridge	floating	varies	50.0%	75.0%	65.0%	1.25x	1.40x	1.31x	8/13/22	L	2.50%	5.00%	3.88%	6.89%	9.39%	8.27%	6.88%	9.38%	8.26%
RealtyRates	bridge	variable	apartments	60.0%	100.0%	80.0%	N/A	N/A	N/A	12/7/22	P	0.45%	6.45%	3.49%	5.95%	11.95%	8.99%	5.95%	11.95%	8.99%
RealtyRates	bridge	variable	retail	50.0%	100.0%	80.0%	N/A	N/A	N/A	12/7/22	P	0.95%	6.75%	3.94%	6.45%	12.25%	9.44%	6.45%	12.25%	9.44%
RealtyRates	bridge	variable	office	50.0%	100.0%	83.0%	N/A	N/A	N/A	12/7/22	P	0.95%	6.45%	3.80%	6.45%	11.95%	9.30%	6.45%	11.95%	9.30%
RealtyRates	bridge	variable	lodging	50.0%	100.0%	80.0%	N/A	N/A	N/A	12/7/22	P	1.25%	7.00%	4.24%	6.75%	12.50%	9.74%	6.75%	12.50%	9.74%
RealtyRates	bridge	variable	industrial	50.0%	100.0%	80.0%	N/A	N/A	N/A	12/7/22	P	0.95%	6.85%	3.94%	6.45%	12.35%	9.44%	6.45%	12.35%	9.44%
RealtyRates	bridge	variable	all	50.0%	100.0%	73.0%	N/A	N/A	N/A	12/7/22	P	0.45%	8.15%	4.32%	5.95%	13.65%	9.62%	5.95%	13.65%	9.62%
RealtyRates	bridge	variable	all	50.0%	100.0%	79.3%	N/A	N/A	N/A	12/7/22	P	0.45%	8.15%	3.96%	5.95%	12.50%	9.46%	5.95%	12.50%	9.46%
Bridge/Development Min				50.0%	65.0%	57.5%	1.25x	1.30x	1.28x	3/31/22	N/A	0.45%	4.50%	3.49%	5.95%	8.89%	8.14%	5.95%	8.88%	8.13%
Bridge/Development Max				70.0%	100.0%	83.0%	1.30x	1.40x	1.35x	12/27/22	N/A	4.62%	8.15%	6.12%	9.00%	12.50%	10.50%	9.00%	12.50%	10.50%
Bridge/Development Mean				53.8%	90.0%	75.8%	1.28x	1.31x	1.31x	10/28/22	N/A	1.89%	6.77%	4.37%	6.88%	11.58%	9.36%	6.88%	11.58%	9.36%
Bridge/Development Median				50.0%	100.0%	80.0%	1.28x	1.35x	1.31x	12/7/22	N/A	1.25%	6.85%	4.00%	6.75%	12.00%	9.44%	6.75%	12.00%	9.44%

For Base Rate, F = fixed rate, L = LIBOR (generally 1 or 3 month), P = Prime, T = Treasury (generally 2-10 year), S = LIBOR maturity swap rate. Variable rate issuances typically have floors (often 0.5%-2.0%). Unless specifically disclosed, LIBOR based spreads and yields were calculated and/or implied by Empire using the US 1 Month Libor spot rate and 3.0 year swap rate, if and as applicable.

CREDIT SPREADS & YIELDS: APT/MULTI-FAMILY SOUTHERN PROPERTIES CAPITAL, LTD. AS OF DECEMBER 31, 2022

Senior/Whole Surveyed	Loan Type	Rate Type	Property Type	LTC/LTV			DSCR			Report Date	Base Rate	Credit Spread			Yield (no curve)			Yield (with curve)		
				Low	High	Mean	Low	High	Mean			Low	High	Mean	Low	High	Mean	Low	High	Mean
Cushman & Wakefield	whole	fixed	all	60.0%	75.0%	67.5%	1.30x	1.50x	1.40x	11/3/22	T	1.75%	4.95%	3.35%	5.63%	8.83%	7.23%	5.63%	8.83%	7.23%
Cushman & Wakefield	whole	fixed	all	60.0%	75.0%	67.5%	1.30x	1.50x	1.40x	11/3/22	T	1.65%	4.95%	3.30%	5.53%	8.83%	7.18%	5.53%	8.83%	7.18%
Cushman & Wakefield	whole	fixed	multi/apt	65.0%	70.0%	67.5%	1.25x	N/A	1.25x	11/3/22	T	2.10%	2.25%	2.18%	5.98%	6.13%	6.06%	5.98%	6.13%	6.06%
Cushman & Wakefield	whole	fixed	multi/apt	70.0%	80.0%	75.0%	1.25x	N/A	1.25x	11/3/22	T	1.85%	1.85%	1.85%	5.73%	5.73%	5.73%	5.73%	5.73%	5.73%
Cushman & Wakefield	whole	various	various	60.0%	80.0%	69.4%	1.25x	1.50x	1.33x	11/3/22	T	1.65%	4.95%	2.67%	5.53%	8.83%	6.55%	5.53%	8.83%	6.55%
RealtyRates	whole	fixed	multi/apt	55.0%	90.0%	73.2%	1.00x	1.86x	1.43x	12/7/22	T	0.72%	4.98%	2.88%	4.60%	8.86%	6.76%	4.60%	8.86%	6.76%
RealtyRates	whole	fixed	multi/apt	65.0%	90.0%	78.0%	1.00x	1.61x	1.26x	12/7/22	T	0.72%	3.83%	2.28%	4.60%	7.71%	6.16%	4.60%	7.71%	6.16%
RealtyRates	whole	fixed	multi/apt	55.0%	75.0%	70.0%	1.25x	1.86x	1.56x	12/7/22	T	0.92%	4.98%	2.95%	4.80%	8.86%	6.83%	4.80%	8.86%	6.83%
RealtyRates	whole	fixed	multi/apt	55.0%	75.0%	70.0%	1.15x	1.71x	1.43x	12/7/22	T	0.92%	4.41%	2.66%	4.80%	8.29%	6.54%	4.80%	8.29%	6.54%
RealtyRates	whole	fixed	multi/apt	55.0%	90.0%	72.8%	1.00x	1.86x	1.42x	12/7/22	T	0.72%	4.98%	2.69%	4.60%	8.86%	6.57%	4.60%	8.86%	6.57%
All Surveyed Min				55.0%	70.0%	67.5%	1.00x	1.50x	1.25x	11/3/22	N/A	0.72%	1.85%	1.85%	4.60%	5.73%	5.73%	4.60%	5.73%	5.73%
All Surveyed Max				70.0%	90.0%	78.0%	1.30x	1.86x	1.56x	12/7/22	N/A	2.10%	4.98%	3.35%	5.98%	8.86%	7.23%	5.98%	8.86%	7.23%
All Surveyed Mean				60.6%	78.8%	71.1%	1.19x	1.67x	1.37x	11/20/22	N/A	1.33%	4.03%	2.68%	5.21%	7.91%	6.56%	5.21%	7.91%	6.56%
All Surveyed Median				60.0%	75.0%	70.0%	1.25x	1.66x	1.40x	11/20/22	N/A	1.29%	4.68%	2.77%	5.17%	8.56%	6.65%	5.17%	8.56%	6.65%

For Base Rate, F = fixed rate, L = LIBOR (generally 1 or 3 month), P = Prime, T = Treasury (generally 2-10 year), S = LIBOR maturity swap rate. Variable rate issuances typically have floors (often 0.5%-2.0%) Unless specifically disclosed, LIBOR based spreads and yields were calculated and/or implied by Empire using the US 1 Month Libor spot rate and 3.0 year swap rate, if and as applicable.

**CAP. RATE BENCHMARKS
SOUTHERN PROPERTIES CAPITAL, LTD.
AS OF DECEMBER 31, 2022**

Benchmark	Description / Comments	Geography	As of 12/31/22		
			Low	High	Mean
RERC					
Apartment - Austin	Terminal	Austin	N/A	N/A	5.30%
Apartment - Dallas	Terminal	Dallas	N/A	N/A	5.20%
Apartment - Houston	Terminal	Houston	N/A	N/A	5.70%
Apartment - South Region	Terminal	South	4.30%	7.50%	5.70%
Apartment - U.S.	Terminal	U.S.	4.10%	6.30%	4.90%
PWC					
Apartment - Southeast Region	Residual	Southeast	4.00%	5.00%	4.70%
Apartment - U.S.	Residual	U.S.	4.00%	8.00%	5.28%
CBRE					
Multifamily - Austin	Class A - Stabilized Properties	Austin	3.25%	3.75%	3.50%
Multifamily - Dallas/Fort Worth	Class A - Stabilized Properties	Dallas	3.25%	3.75%	3.50%
Multifamily - Houston	Class A - Stabilized Properties	Houston	3.50%	4.00%	3.75%
IRR Viewpoint					
Suburban Multifamily - Austin	Class A	Austin	N/A	N/A	5.25%
Suburban Multifamily - Austin	Class B	Austin	N/A	N/A	5.50%
Suburban Multifamily - Dallas	Class A	Dallas	N/A	N/A	5.50%
Suburban Multifamily - Dallas	Class B	Dallas	N/A	N/A	6.50%
Suburban Multifamily - Fort Worth	Class A	Fort Worth	N/A	N/A	6.00%
Suburban Multifamily - Fort Worth	Class B	Fort Worth	N/A	N/A	6.25%
Suburban Multifamily - Houston	Class A	Houston	N/A	N/A	5.70%
Suburban Multifamily - Houston	Class B	Houston	N/A	N/A	6.80%
Suburban Multifamily - South	Class A	South	N/A	N/A	4.88%
Suburban Multifamily - South	Class B	South	N/A	N/A	5.60%
Suburban Multifamily - U.S	Class A	U.S.	N/A	N/A	4.98%
Suburban Multifamily - U.S.	Class B	U.S.	N/A	N/A	5.60%
	Minimum	Minimum	3.25%	3.75%	3.50%
	Maximum	Maximum	4.30%	8.00%	6.80%
	Mean	Mean	3.77%	5.47%	5.28%
	Median	Median	4.00%	5.00%	5.40%

EXHIBIT F

carrying out the functions pursuant to a publicly filed and disclosed Advisory and Cash Management Agreement.

3. I have held the position of Vice-President, Construction at Pillar since June 1, 1992.

4. SPC was intimately involved in development of the properties known as Parc at Windmill Farms, Parc at Ingleside, Bellwether Ridge, and Parc at Opelika (together, the “Properties”). Throughout the development process, I have been involved in my capacity as representative of SPC, and carried out the majority of the owner’s responsibilities in the construction of the Properties.

5. My role as owner representative is reflected in the documents evidencing the construction and development process of the Properties. I and/or my employees either attended or were invited to attend each Project Progress Meeting for the Properties as a representative of Pillar. I attended these Meetings in the role of Owner.

6. For example, on the Windmill Farms project, I was listed as “Owner” on the Project Progress Meeting Agenda, and two of my employees was listed as “Owner’s rep” (Sarah Franco, Pillar Project Manager and Bob Brock, Pillar Project Manager). Attached to this Declaration as **Exhibit 1** are true and correct copies of the first pages of the first four Project Progress Meeting Agenda for Windmill Farms. They reflect:

ATTENDEES: _____

- Gerald Hines
- Jaron Dally
- Kristofer Spurgin
- Sarah Franco
- Don Phillips
- Timothy Barton
- Ron Wood
- Andre Nicholas
- Michael White
- JR Carey

Company: _____

- HUD Inspector
- BGO Architects
- BGO Architects
- Owner's rep
- Owner
- Developer
- Developer Rep.
- NE Construction, LLP.
- NE Construction, LLP.
- NE Construction, LLP.

7. Also, by way of example, attached to this Declaration as **Exhibit 2** are true and correct copies of the first pages of eleven Project Progress Meeting Agenda for Bellwether Ridge. I am listed for Pillar, and my employee, Mecca Smith Bey, Pillar Assistant Construction Manager, is listed as “Owner Rep” as follows:

<u>ATTENDEES</u>	<u>Company:</u>
• Andre Nicholas	N.E. Construction
• Mel Wallis	N.E. Construction
• Thomas Persinger	N.E. Construction
• Chris Martino	BGO Architects
• Carlos Melendez	BGO Architects
• Michael Mathews	Cynergy Development Advisors
• Timothy Barton	D4DS LLC / JMJ Development
• Don Phillips	Pillar Income
• Bob Brock	Pillar Income
• Mecca	Owners Rep
• Gerald Hines	Hud Inspector
• Scott Marsolok	JMJ Development

8. Barton often did not attend the Project Progress Meetings. I was in attendance for the majority, acting in the capacity of owner representative.

9. I was also a frequent point of contact for the parties involved in the construction of the Properties, in the role of owner representative.

10. For example, on the Ingleside project, I received emails from developer JMJ Development, LLC that requested my approval for change orders, and from contractor Axia requesting that I participate in Owner draw reviews. Attached to this Declaration as **Exhibit 3** are true and correct copies of emails to me on the Ingleside project.

11. Also, by way of example, on the Opelika project, I received emails from developer JMJ Development, LLC that requested my approval for change orders. I received requests from contractors for approval of change orders as well, including an invoice sent to me from a subcontractor requesting payment of an invoice for change order work. Attached to this Declaration as **Exhibit 4** are true and correct copies of emails to me on the Opelika project.

12. I am a custodian of records for Pillar and am responsible for ensuring that Pillar maintains accurate and complete records of its regularly conducted activities. The exhibits attached hereto were made at or near the time of the events referenced in each exhibit by, or from information transmitted by, someone with knowledge of the facts; were kept by Pillar in the course of regularly conducted activity and were made as part of the regular practice of that activity.

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

FURTHER AFFIANT SAYETH NOT

Executed in Dallas County, State of Texas, on the 30th of May, 2023.



DON PHILLIPS

EXHIBIT F-1



**Parc at Windmill Farms
Project Progress Meeting No. 1
Meeting Date: 01-08-2018
Agenda**

PROJECT AT A GLANCE:

• Start date:	12-14-2017	Total Weather Days	7
• Completion date:	10-13-2019	Time Impacted Weather days	0
• Original Days to complete:	669	Time Impacted not submitted	0
• Added days:	00	Submitted time Impact:	0
• Total days to complete:	669	City delay	0
• Revised Completion date:	N/A		
• Elapsed time:	26 days		
• Remaining time:	643 days		
• Original contract amount:	\$31,090,523.00		
• Approved change orders amount:	\$0.00		
• Open change proposals:	\$0.00		
• Revised contract amount:	\$0.00		
• Approved payments to date:	\$0.00		
• Percent of Construction to date	0.64 %		

ATTENDEES:

- Gerald Hines
- Jaron Daily
- Kristofer Spurgin
- Sarah Franco
- Don Phillips
- Timothy Barton
- Ron Wood
- Andre Nicholas
- Michael White
- JR Carey

Company:

- HUD Inspector
- BGO Architects
- BGO Architects
- Owner's rep
- Owner
- Developer
- Developer Rep.
- NE Construction, LLP.
- NE Construction, LLP.
- NE Construction, LLP.

In attendance:

AGENDA

1- OLD Business:

ITEM	DESCRIPTION	PARTY	STATUS	DUE DATE

2- New Business:

ITEM	DESCRIPTION	PARTY	STATUS	DUE DATE
1.1	Issued for construction drawings (civil changes forthcoming)	Chris		
1.2	existing IRRIGATION / TREES /			



**Parc at Windmill Farms
Project Progress Meeting No. 2
Meeting Date: 02-12-2018
Agenda**

PROJECT AT A GLANCE:

• Start date:	12-14-2017	Total Weather Days	15
• Completion date:	10-13-2019	Time Impacted Weather days	0
• Original Days to complete:	669	Time Impacted not submitted	0
• Added days:	00	Submitted time impact:	0
• Total days to complete:	669	City delay	0
• Revised Completion date:	N/A		
• Elapsed time:	61 days		
• Remaining time:	643 days		
• Original contract amount:	\$31,090,523.00		
• Approved change orders amount:	\$0.00		
• Open change proposals:	\$0.00		
• Revised contract amount:	\$0.00		
• Approved payments to date:	\$178,195.00		
• Percent of Construction to date	1.28%		

ATTENDEES:	Company:	In attendance:
• Gerald Hines	HUD Inspector	
• Jaron Dally	BGO Architects	
• Kristofer Spurgin	BGO Architects	
• Sarah Franco	Owner's rep	
• Don Phillips	Owner	
• Timothy Barton	Developer	
• Ron Wood	Developer Rep.	
• Andre Nicholas	NE Construction, LLP.	
• Michael White	NE Construction, LLP.	
• JR Carey	NE Construction, LLP.	

AGENDA

1- OLD Business:

ITEM	DESCRIPTION	PARTY	STATUS	DUE DATE
1.1	Issued for construction drawings (civil changes forthcoming)	BGO	Open	

2- New Business:

ITEM	DESCRIPTION	PARTY	STATUS	DUE DATE
2.1	Final civil drawings reviewed by city and released for construction	BGO/ Stantec		



**Parc at Windmill Farms
Project Progress Meeting No. 3
Meeting Date: 03-12-2018
Agenda**

PROJECT AT A GLANCE:

• Start date:	12-14-2017	Total Weather Days	31
• Completion date:	10-13-2019	Time Impacted Weather days	2
• Original Days to complete:	669	Time Impacted not submitted	0
• Added days:	00	Submitted time impact:	0
• Total days to complete:	669	City delay	0
• Revised Completion date:	N/A		
• Elapsed time:	89 days		
• Remaining time:	580 days		
• Original contract amount:	\$31,090,523.00		
• Approved change orders amount:	\$0.00		
• Open change proposals:	\$0.00		
• Revised contract amount:	\$0.00		
• Approved payments to date:	\$ 357,941.00		
• Percent of Construction to date	1.73%		

*- Anthony Wilson -
New P.M.*

ATTENDEES:	Company:	In attendance:
Gerald Hines	HUD Inspector	
Jaron Daily	BGO Architects	
Kristofer Spurgin	BGO Architects	
Chris Martino	BGO Architects	
Bob Brock	Owner's rep	
Don Phillips	Owner	
Ron Wood	Developer	
Timothy Barton	Developer Rep.	
Andre Nicholas	NE Construction, LLP.	
Michael White	NE Construction, LLP.	
J.R. Carey	NE Construction, LLP.	
<i>TONY WILSON</i>	NE Construction, LLP	

AGENDA

1- OLD Business:

ITEM	DESCRIPTION	PARTY	STATUS	DUE DATE
1.1	Issued for construction drawings (civil changes forthcoming) 2-12-18 <i>Work list of outstanding civil design issues</i>	BGO/ JMJ	Open	
2.1	Final civil drawings reviewed by city and released for construction	BGO/ Stantec		
2.2	Site electrical distribution design. 2-12-18 JMJ and Jordan Skala to <i>coordinate with Randy Voight from ONCOR</i>	JMJ/ Jordan Skala	Open	
2.3	Jones Carter review comments and design changes to Windmill Farms Boulevard layout	?	<i>closed?</i>	



**Parc at Windmill Farms
Project Progress Meeting No. 4
Meeting Date: 04-09-2018
Agenda**

PROJECT AT A GLANCE:

• Start date:	12-14-2017	Total Weather Days	73
• Completion date:	10-13-2019 (pending)	Time Impacted Weather days	41
• Original Days to complete:	669	Time Impacted not submitted	0
• Added days:	00	Submitted time impact:	66
• Total days to complete:	669	City delay	30
• Revised Completion date:	N/A		
• Elapsed time:	117 days		
• Remaining time:	552 days		
• Original contract amount:	\$31,090,523.00		
• Approved change orders amount:	\$0.00		
• Open change proposals:	\$0.00		
• Revised contract amount:	\$0.00		
• Approved payments to date:	\$ 485,404.00		
• Percent of Construction to date	2.38%		

ATTENDEES:	Company:	In attendance:
Gerald Hines	HUD Inspector	
Jaron Daily	BGO Architects	
Kristofer Spurgin	BGO Architects	
Chris Martino	BGO Architects	
Bob Brock	Owner's rep	
Don Phillips	Owner	
Ron Wood	Developer	
Timothy Barton	Developer Rep.	
Andre Nicholas	NE Construction, LLP.	
Michael White	NE Construction, LLP.	
Anthony Wilson	NE Construction, LLP.	
J.R. Carey	NE Construction, LLP	

AGENDA

1- OLD Business:

ITEM	DESCRIPTION	PARTY	STATUS	DUE DATE
1.1	Issued for construction drawings (civil changes forthcoming) 2-12-18 Work list of outstanding civil design issues. 3-12-18- Civil engineer to submit final revisions to Jones Carter for comments today.	BGO/ JMJ	Closed	3/23/18
2.1	Final civil drawings reviewed by city and released for construction. 3-16-18 Stantec staff hand delivered final, Jones Carter reviewed, plans to city engineer Richard Dormier. Robert Jebavy indicated that the plan review would be complete by the end of the week (3-24-18).	BGO/ Stantec	Closed	3-24-18

EXHIBIT F-2

NE CONSTRUCTION, LLP

Bellwether Ridge
Project Progress Meeting No. 13
Meeting Date: 11.05.2018
Meeting 13

PROJECT AT A GLANCE

• Start date:	10.26-2017	Total Weather Days	84
• Completion date:	02-25-2019	Time Impacted Weather days	24
• Original Days to complete:	488 Days'	Time Impacted Not Submitted	4(civil)
• Added Days:	205 Days	Weather delays	20
• Total Days to complete	693 Days	Civil Delays	185
• Revised Completion Date	<u>09-18-19</u>		
• Elapsed time:	375 Days		
• Remaining time:	318 Days		
• Original contract amount:	\$ 16,398,479.00		
• Approved change orders amount:	\$ 000,000.00		
• Open change proposals	\$ 0.00		
• Revised contract amount:	\$00,000,000.00		
• Approved payments to date:	\$7,333,419.00		
• Percent of Construction to date:	58.34%		

ATTENDEES	Company:	In attendance.
• Andre Nicholas	N.E. Construction	Yes
• Mel Waites	N.E. Construction	Yes
• Thomas Persinger	N.E. Construction	Yes
• Chris Martino	BGO Architects	Yes
• Carlos Melendez	BGO Architects	Yes
• Michael Mathews	Cynergy Development Advisors	Yes
• Timothy Barton	D4DS LLC / JMJ Development	No
• Don Phillips	Pillar Income	Yes
• Bob Brock	Pillar Income	Yes
• Mecca	Owners Rep	Yes
• Gerald Hines	Hud Inspector	Yes

*12/10
1/14
2/11*

Agenda
1- OLD Business:

ITEM	DESCRIPTION	PARTY	STATUS	DUE DATE
12.1	Shop Drawings sent to BGO for review on cables for garages	JJ BGO	Closed	10-10-18
12.2	Pool samples given to Pillar Income for review need to provide set to choose from	Pillar	Closed	10-10-18
12.3	General cleanup of entire site	NE	Open	11-5-18
12.3	6x6 waterline tile needs standard selection to pillar income need chipped edge on coping not rounded	NE	Closed	10-11-18
12.4	Clubhouse doors need swapped out	NE	Open	
12.5	Time Extension Change order 20 days weather 185 days Civil	BGO	Open <i>closed</i>	11-5-18

NE CONSTRUCTION, LLP

Bellwether Ridge
Project Progress Meeting No. 14
Meeting Date: 12.10.2018
Meeting 13

PROJECT AT A GLANCE

• Start date:	10.26-2017	Total Weather Days	84
• Completion date:	02-25-2019	Time Impacted Weather days	24
• Original Days to complete:	488 Days'	Time Impacted Not Submitted	4(civil)
• Added Days:	205 Days	Weather delays	20
• Total Days to complete	693 Days	Civil Delays	185
• Revised Completion Date	09-18-19		
• Elapsed time:	411 Days		
• Remaining time:	282 Days		
• Original contract amount:	\$ 16.398.479.00		
• Approved change orders amount:	\$ 000.000.00		
• Open change proposals	\$ 0.00		
• Revised contract amount:	\$00.000.000.00		
• Approved payments to date:	\$8.467.555.00		
• Percent of Construction to date:	66.76%.		

ATTENDEES	Company:	In attendance.
• Andre Nicholas	N.E. Construction	Yes
• Mel Waites	N.E. Construction	Yes
• Thomas Persinger	N.E. Construction	Yes
• Chris Martino	BGO Architects	Yes
• Carlos Melendez	BGO Architects	Yes
• Michael Mathews	Cynergy Development Advisors	Yes
• Timothy Barton	D4DS LLC / JMJ Development	No
• Don Phillips	Pillar Income	Yes
• Bob Brock	Pillar Income	Yes
• Mecca	Owners Rep	Yes
• Gerald Hines	Hud Inspector	Yes

Agenda

1- OLD Business:

ITEM	DESCRIPTION	PARTY	STATUS	DUE DATE
12.1	Shop Drawings sent to BGO for review on cables for garages	JJ BGO	Closed	10-10-18
12.4	Clubhouse doors need swapped out <i>19th trim - No Date for door</i>	NE	Open	
12.5	Time Extension Change order 20 days weather 185 days Civil	BGO	Close	11-5-18
13.2	Color for Plank Intrigue Same as Ennis	BGO	Closed	11-5-18
13.3	No Back splash wall tile	BGO	Closed	11-5-18
13.4	Leave the bubblers in pool deck	BGO	Closed	11-5-18

2-New Business:

NE CONSTRUCTION, LLP

Bellwether Ridge
Project Progress Meeting No. 15
Meeting Date: 01.14.2019

PROJECT AT A GLANCE

• Start date:	10.26-2017	Total Weather Days	84
• Completion date:	02-25-2019	Time Impacted Weather days	24
• Original Days to complete:	488 Days'	Time Impacted Not Submitted	4(civil)
• Added Days:	205 Days	Weather delays	20
• Total Days to complete	693 Days	Civil Delays	185
• Revised Completion Date	09-18-19		
• Elapsed time:	455 Days		
• Remaining time:	238 Days		
• Original contract amount:	\$ 16,398,479.00		
• Approved change orders amount:	\$ 000,000.00		
• Open change proposals	\$ 121,200.14		
• Revised contract amount:	\$00,000,000.00		
• Approved payments to date:	\$9,689,822.00		
• Percent of Construction to date:	73.97%		

ATTENDEES Company: In attendance.

• Andre Nicholas	N.E. Construction	Yes
• Mel Waites	N.E. Construction	No
• Thomas Persinger	N.E. Construction	Yes
• Chris Martino	BGO Architects	Yes
• Carlos Melendez	BGO Architects	Yes
• Michael Mathews	Cynergy Development Advisors	No
• Timothy Barton	D4DS LLC / JMJ Development	No
• Don Phillips	Pillar Income	Yes
• Bob Brock	Pillar Income	Yes
• Mecca	Owners Rep	Yes
• Gerald Hines	Hud Inspector	Yes
• Scott Marsolek	JMJ Development	Yes

Agenda

1- OLD Business:

ITEM	DESCRIPTION	PARTY	STATUS	DUE DATE
12.4	Clubhouse doors need swapped out	NE	Open	
14.1	Concrete Break low at 28 days at garages Connect will issue letter that foundation is acceptable Have not received letter to cut the cables email sent back out 1-9-19	BGO/NE	Open	
14.2	Site walk of buildings 9,8,7 lumber is discolored but acceptable Moisture content of trusses will be monitored by NE. BFS (Truss Manufacture) will issue letter by end of week. Any Damaged trusses will be repaired per Truss Manufactures and paper work attached. Received email from Truss Manufacture	BGO/NE/BFS	Closed	12-14-2018
14.3	Change order log submitted to JMJ and Pillar for approval for NE to submit	JMJ	Open	

2-New Business:

ITEM	DESCRIPTION	PARTY	STATUS	DUE DATE

NE CONSTRUCTION, LLP

Bellwether Ridge
Project Progress Meeting No. 16
Meeting Date: 02.11.2019

PROJECT AT A GLANCE

• Start date:	10.26-2017	Total Weather Days	84
• Completion date:	02-25-2019	Time Impacted Weather days	24
• Original Days to complete:	488 Days'	Time Impacted Not Submitted	4(civil)
• Added Days:	205 Days	Weather delays	20
• Total Days to complete	693 Days	Civil Delays	185
• Revised Completion Date	09-18-19		
• Elapsed time:	473 Days		
• Remaining time:	220 Days		
• Original contract amount:	\$ 16,398,479.00		
• Approved change orders amount:	\$ 000,000.00		
• Open change proposals	\$ 121,200.14		
• Revised contract amount:	\$00,000,000.00		
• Approved payments to date:	\$11,274,932.00		
• Percent of Construction to date:	82.17%.		

ATTENDEES	Company:	In attendance.
• Andre Nicholas	N.E. Construction	Yes
• Mel Waites	N.E. Construction	Yes
• Thomas Persinger	N.E. Construction	Yes
• Chris Martino	BGO Architects	Yes
• Carlos Melendez	BGO Architects	Yes
• Michael Mathews	Cynergy Development Advisors	No
• Timothy Barton	D4DS LLC / JMJ Development	No
• Don Phillips	Pillar Income	Yes
• Bob Brock	Pillar Income	Yes
• Mecca	Owners Rep	Yes
• Gerald Hines	Hud Inspector	Yes
• Scott Marsolek	JMJ Development	Yes

Agenda

1- OLD Business:

ITEM	DESCRIPTION	PARTY	STATUS	DUE DATE
12.4	Clubhouse doors need swapped out—update glass scheduled to be in this week and installed	NE	Open	
14.3	Change order log submitted to JMJ and Pillar for approval for NE to submit	JMJ	Open	
15.1	Review installation of cabinets above Refrigerators in units	NE	Open	
15.2	Place Frosted film on bathroom Windows in Clubhouse	NE	Open	

2-New Business:

ITEM	DESCRIPTION	PARTY	STATUS	DUE DATE
16.1	Trellis and grills at trash compactor	NE	Open	

NE CONSTRUCTION, LLP

Bellwether Ridge
Project Progress Meeting No. 17
Meeting Date: 03.11.2019

PROJECT AT A GLANCE

• Start date:	10.26-2017	Total Weather Days	84
• Completion date:	02-25-2019	Time Impacted Weather days	24
• Original Days to complete:	488 Days'	Time Impacted Not Submitted	4(civil)
• Added Days:	205 Days	Weather delays	20
• Total Days to complete	693 Days	Civil Delays	185
• Revised Completion Date	09-18-19		
• Elapsed time:	501 478 Days		
• Remaining time:	192 220 Days		
• Original contract amount:	\$ 16,398,479.00		
• Approved change orders amount:	\$ 121,200.14		
• Open change proposals	\$ 000,000.00		
• Revised contract amount:	\$16,519,679.14		
• Approved payments to date:	\$12,921,337.00		
• Percent of Construction to date:	88.01%.		

Next Draw Meeting

ATTENDEES	Company:	In attendance.
• Andre Nicholas	N.E. Construction	Yes
• Mel Waites	N.E. Construction	Yes
• Thomas Persinger	N.E. Construction	Yes
• Chris Martino	BGO Architects	Yes
• Carlos Melendez	BGO Architects	Yes
• Michael Mathews	Cynergy Development Advisors	No
• Timothy Barton	D4DS LLC / JMJ Development	No
• Don Phillips	Pillar Income	Yes
• Bob Brock	Pillar Income	Yes
• Mecca	Owners Rep	Yes
• Gerald Hines	Hud Inspector	Yes
• Scott Marsolek	JMJ Development	Yes

Agenda

1- OLD Business:

ITEM	DESCRIPTION	PARTY	STATUS	DUE DATE
12.4	Clubhouse doors need swapped out—update One glass piece missing from mail room door	NE <i>one piece M. glass door</i>	Open	
14.3	Change order log submitted to JMJ and Pillar for approval for NE to submit	JMJ	Closed- <i>OPEN</i>	
15.1	Review installation of cabinets above Refrigerators in units	NE	Closed	
15.2	Place Frosted film on bathroom Windows in Clubhouse	NE	Closed	
16.1	Trellis and grills at trash compactor Up-date to be installed at dog park, area <i>move to dog park</i>		Closed	

2-New Business:

ITEM	DESCRIPTION	PARTY	STATUS	DUE DATE
17.1	Color selections of playground equipment furniture	NE	Open	

NE CONSTRUCTION, LLP

Bellwether Ridge
Project Progress Meeting No. 18
Meeting Date: 04.08.2019

PROJECT AT A GLANCE

• Start date:	10.26-2017	Total Weather Days	84
• Completion date:	02-25-2019	Time Impacted Weather days	24
• Original Days to complete:	488 Days	Time Impacted Not Submitted	4(civil)
• Added Days:	205 Days	Weather delays	20
• Total Days to complete	693 Days	Civil Delays	185
• Revised Completion Date	09-18-19		
• Elapsed time:	529 Days		
• Remaining time:	164 Days		
• Original contract amount:	\$ 16,398,479.00		
• Approved change orders amount:	\$ 138,878.14		
• Open change proposals	\$ 000,000.00		
• Revised contract amount:	\$16,537,357.14		
• Approved payments to date:	\$12,921,337.00 = 13,838,309.		
• Percent of Construction to date:	%		

Don G. Graham
977

ATTENDEES

	Company:	In attendance.
• Andre Nicholas	N.E. Construction	Yes
• Mel Waites	N.E. Construction	Yes
• Thomas Persinger	N.E. Construction	Yes
• Chris Martino	BGO Architects	Yes
• Carlos Melendez	BGO Architects	Yes
• Michael Mathews	Cynergy Development Advisors	No
• Timothy Barton	D4DS LLC / JMJ Development	No
• Don Phillips	Pillar Income	Yes
• Bob Brock	Pillar Income	Yes
• Mecca	Owners Rep	Yes
• Gerald Hines	Hud Inspector	Yes
• Scott Marsolek	JMJ Development	Yes

Agenda

1- OLD Business:

ITEM	DESCRIPTION	PARTY	STATUS	DUE DATE
12.4	Clubhouse doors need swapped out—update One glass piece missing from mail room door	NE	Closed	
14.3	Change order log submitted to JMJ and Pillar for approval for NE to submit	JMJ	Open closed	change order give
16.1	Trellis and grills at trash compactor up-date to be installed at dog park area		closed	
17.1	Color selections of furniture Selected burgundy for benches and legacy gray for the frame colors		closed	
17.2	Selected colors for playground equipment	Pillar	Closed	
17.3	Layout of trellis and pool equipment room	Pillar/NE	Closed	
17.4	Bollard light sent to Pillar is acceptable for installation	NE/Pillar	Closed	

2-New Business:

ITEM	DESCRIPTION	PARTY	STATUS	DUE DATE

App. 72

NE CONSTRUCTION, LLP

Bellwether Ridge
Project Progress Meeting No. 19
Meeting Date: 05.06.2019

PROJECT AT A GLANCE

• Start date:	10.26-2017	Total Weather Days	84
• Completion date:	02-25-2019	Time Impacted Weather days	24
• Original Days to complete:	488 Days'	Time Impacted Not Submitted	4(civil)
• Added Days:	205 Days	Weather delays	20
• Total Days to complete	693 Days	Civil Delays	185
• Revised Completion Date	09-18-19		
• Elapsed time:	558 Days		
• Remaining time:	135 Days	b	
• Original contract amount:	\$ 16,398,479.00		
• Approved change orders amount:	\$ 138,878.14		
• Open change proposals	\$ 30,653.45		
• Revised contract amount:	\$16,537,357.14		
• Approved payments to date:	\$.00 <i>14,315,468.00</i>		
• Percent of Construction to date:	<i>93.77 %.</i>		

ATTENDEES

Company:

In attendance.

• Andre Nicholas	N.E. Construction	Yes
• Mel Waites	N.E. Construction	Yes
• Thomas Persinger	N.E. Construction	Yes
• Chris Martino	BGO Architects	No
• Carlos Melendez	BGO Architects	Yes
• Michael Mathews	Cynergy Development Advisors	No
• Timothy Barton	D4DS LLC / JMJ Development	No
• Don Phillips	Pillar Income	Yes
• Bob Brock	Pillar Income	Yes
• Mecca	Owners Rep	Yes
• Gerald Hines	Hud Inspector	Yes
• Scott Marsolek	JMJ Development	Yes

Agenda

1- OLD Business:

ITEM	DESCRIPTION	PARTY	STATUS	DUE DATE
18.1	Owners walk building #1 set for Thursday 8 am.	NE/Pillar	Closed	
18.2	Called in for inspection for Clubhouse 4-18-2019—Passed	NE	Closed	
18.3	Gate between property ---Work with Pillar on installation	NE	Closed	
18.4	Contact Oncor reference the meter at the trash compactor to be removed—Update meter has been removed Demo to start			
18.5	Furniture for clubhouse this week	NE	Closed	
18.6	Clean the mulch from the area drains north side building #3	NE	Open	

2-New Business:

ITEM	DESCRIPTION	PARTY	STATUS	DUE DATE

NE CONSTRUCTION, LLP

Bellwether Ridge
Project Progress Meeting No. 21
Meeting Date: 07.08.2019

PROJECT AT A GLANCE

• Start date:	10.26-2017	Total Weather Days	84
• Completion date:	02-25-2019	Time Impacted Weather days	24
• Original Days to complete:	488 Days'	Time Impacted Not Submitted	4(civil)
• Added Days:	205 Days	Weather delays	20
• Total Days to complete	693 Days	Civil Delays	185
• Revised Completion Date	09-18-19		
• Elapsed time:	586 Days		
• Remaining time:	107 Days		
• Original contract amount:	\$ 16,398,479.00		
• Approved change orders amount:	\$ 177,768.59		
• Open change proposals	\$ 0.00		
• Revised contract amount:	\$ 16,567,620.59		
• Approved payments to date:	\$ 15,034,357.00		
• Percent of Construction to date:	97.5%		

ATTENDEES

	Company:	In attendance.
• Andre Nicholas	N.E. Construction	Yes
• Mel Waites	N.E. Construction	Yes
• Thomas Persinger	N.E. Construction	No
• Chris Martino	BGO Architects	Yes
• Carlos Melendez	BGO Architects	Yes
• Michael Mathews	Cynergy Development Advisors	No
• Timothy Barton	D4DS LLC / JMJ Development	No
• Don Phillips	Pillar Income	Yes
• Bob Brock	Pillar Income	Yes
• Mecca	Owners Rep	Yes
• Gerald Hines	Hud Inspector	Yes
• Scott Marsolek	JMJ Development	Yes

Agenda

1- OLD Business:

ITEM	DESCRIPTION	PARTY	STATUS	DUE DATE
19.4	TAS Report needs to come from Architect to Don and Bob for Review.	BGO	Closed	
19.5	Building 2 rub the concrete and install the railings at ramp	NE	Closed	
19.6	Building 8 and 9 clean up	NE	closed	
19.7	Install splash blocks and fill the holes no bushes in front of down spouts stake the trees	NE	On going	
20.1	Access for building #7 fencing set up TBD	NE	Open closed	
20.2	Walk building #3 sidewalks at north end	NE/Pillar	open done	
20.3	Fix the condensing pad at building #4	NE	closed	
20.4	Building #2 siding repairs	NE	Open	

NE CONSTRUCTION, LLP

Bellwether Ridge
Project Progress Meeting No. 22
Meeting Date: 08.05.2019

PROJECT AT A GLANCE

• Start date:	10.26-2017	Total Weather Days	84
• Completion date:	02-25-2019	Time Impacted Weather days	24
• Original Days to complete:	488 Days'	Time Impacted Not Submitted	4(civil)
• Added Days:	205 Days	Weather delays	20
• Total Days to complete	693 Days	Civil Delays	185
• Revised Completion Date	09-18-19		
• Elapsed time:	586 Days		
• Remaining time:	107 Days		
• Original contract amount:	\$ 16,398,479.00		
• Approved change orders amount:	\$ 177,768.59		
• Open change proposals	\$ 0.00		
• Revised contract amount:	\$ 16,567,620.59		
• Approved payments to date:	\$ 16,320.00		
• Percent of Construction to date:	100%		

ATTENDEES **Company:** **In attendance.**

• Andre Nicholas	N.E. Construction	Yes
• Mel Waites	N.E. Construction	Yes
• Thomas Persinger	N.E. Construction	No
• Chris Martino	BGO Architects	Yes
• Carlos Melendez	BGO Architects	Yes
• Michael Mathews	Cynergy Development Advisors	No
• Timothy Barton	D4DS LLC / JMJ Development	No
• Don Phillips	Pillar Income	Yes
• Bob Brock	Pillar Income	Yes
• Mecca	Owners Rep	Yes
• Gerald Hines	Hud Inspector	Yes
• Scott Marsolek	JMJ Development	Yes

Agenda

1- OLD Business:

ITEM	DESCRIPTION	PARTY	STATUS	DUE DATE
19.7	Install splash blocks and fill holes. no bushes in front of down spouts stake the trees	NE	On going	
20.1	Access for building #7 Fencing set up	NE/Pillar	Closed	
20.2	Walk Building #3 Sidewalks at north end	NE Pillar	closed	
20.4	Building #2 siding repairs	NE	Closed	

NE CONSTRUCTION, LLP

Bellwether Ridge
Project Progress Meeting No. 23
Meeting Date: 09.09.2019

PROJECT AT A GLANCE

• Start date:	10.26-2017	Total Weather Days	84
• Completion date:	02-25-2019	Time Impacted Weather days	24
• Original Days to complete:	488 Days'	Time Impacted Not Submitted	4(civil)
• Added Days:	205 Days	Weather delays	20
• Total Days to complete	693 Days	Civil Delays	185
• Revised Completion Date	09-18-19		
• Elapsed time:	648 Days		
• Remaining time:	45 Days <i>~10 days</i>		
• Original contract amount:	\$ 16,398,479.00		
• Approved change orders amount:	\$ 177,768.59		
• Open change proposals	\$ 0.00		
• Revised contract amount:	\$ 16,567,620.59		
• Approved payments to date:	\$ 15,532,689.00		
• Percent of Construction to date:	%.		

ATTENDEES	Company:	In attendance.
• Andre Nicholas	N.E. Construction	No
• Mel Waites	N.E. Construction	Yes
• Thomas Persinger	N.E. Construction	Yes
• Chris Martino	BGO Architects	No
• Carlos Melendez	BGO Architects	Yes
• Michael Mathews	Cynergy Development Advisors	No
• Timothy Barton	D4DS LLC / JMJ Development	No
• Don Phillips	Pillar Income	Yes
• Bob Brock	Pillar Income	Yes
• Mecca	Owners Rep	Yes
• Gerald Hines	Hud Inspector	Yes
• Scott Marsolek	JMJ Development	Yes

Agenda

1- OLD Business:

ITEM	DESCRIPTION	PARTY	STATUS	DUE DATE
19.7	Install splash blocks and fill holes. no bushes in front of down spouts stake the trees	NE	On going	
20.1	Access for building #7 Fencing set up	NE/Pillar	Closed	
20.2	Walk Building #3 Sidewalks at north end	NE Pillar	closed	
20.4	Building #2 siding repairs	NE	Closed	
22.1	Building 5 Meters are still not set by Oncor. According to Oncor scheduled for August 8. 2019 this can be a potential delay	Oncor	Open	
22.2	Building 6 Inspection set for Wednesday for building Final. Building 8 to follow.	NE		
22.3	Building #3 Rock verses Mulch	NE	Closed	
22.4	Building #2 and 7 Rock Verses Mulch	NE	Open	<i>Not done</i>
22.5	Building #3 Rail at retaining wall at playground	NE	Open	.

NE CONSTRUCTION, LLP

Bellwether Ridge
Project Progress Meeting No. 24
Meeting Agenda Date: 10.07.2019

PROJECT AT A GLANCE

• Start date:	10.26-2017	Total Weather Days	84
• Completion date:	02-25-2019	Time Impacted Weather days	24
• Original Days to complete:	488 Days'	Time Impacted Not Submitted	4(civil)
• Added Days:	205 Days	Weather delays	20
• Total Days to complete	693 Days	Civil Delays	185
• Revised Completion Date	09-18-19		
• Elapsed time:	712 Days		
• Remaining time:	0 Days		
• Original contract amount:	\$ 16.398.479.00		
• Approved change orders amount:	\$ 177.768.59		
• Open change proposals	\$ 0.00		
• Revised contract amount:	\$ 16.567.620.59		
• Approved payments to date:	\$ 15.615.912.00		
• Percent of Construction to date:	99.31 %.		

ATTENDEES **Company:** **In attendance.**

• Andre Nicholas	N.E. Construction	Yes
• Mel Waites	N.E. Construction	Yes
• Thomas Persinger	N.E. Construction	Yes
• Chris Martino	BGO Architects	Yes
• Carlos Melendez	BGO Architects	No
• Michael Mathews	Cynergy Development Advisors	No
• Timothy Barton	D4DS LLC / JMJ Development	No
• Don Phillips	Pillar Income	Yes
• Bob Brock	Pillar Income	Yes
• Mecca	Owners Rep	Yes
• Gerald Hines	Hud Inspector	Yes
• Scott Marsolek	JMJ Development	Yes

Agenda
1- OLD Business:

ITEM	DESCRIPTION	PARTY	STATUS	DUE DATE
19.7	Install splash blocks and fill holes. no bushes in front of down spouts stake the trees	NE	On going <i>Closed</i>	
22.1	Building 5 Meters are still not set by Oncor. According to Oncor scheduled for August 8. 2019 this can be a potential delay. Meters were received on 13 September 2019 and we are now able to resume work inside of building to prepare for inspections we are submitting for a 30 day time extension	Oncor	<i>Open</i> Closed	
22.4	Building #2 and 7 Rock Verses Mulch--A&A to install	NE	Closed	
22.5	Building #3 Rail at retaining wall at playground	NE	Closed	
23.1	Fix Ruts at Playground	NE	Closed	
23.2	Color for trash compactor is Tan	NE	Closed	
23.3	Clean up site by Saturday--IN progress	NE	Closed	9-14-2019
23.4	Close fence at building #4	NE	Closed	9-16-2019
23.5	Splash blocks at down spouts	NE	<i>Open</i> Closed	

EXHIBIT F-3

Riley Coven

From: Bella Khusal <BKhusal@jmjdevelopment.com>
Sent: Monday, December 27, 2021 4:30 PM
To: Don Phillips; Ingrid Palet
Subject: Parc at Ingleside
Attachments: ING - Summary Statement.pdf; ING - Aff of Completion - Owner Sign Required.pdf;
ING - Final GC Payment Due.pdf

Follow Up Flag: Follow up
Flag Status: Flagged

I received a set of documents from Jeff about a week ago. Please review and approve the attached documents for signature:

1. Summary Statement – shows various outstanding amounts that Axia is Owed (does not need signature, just for your files)
2. Aff. of Completion (needs signature)

Attached is the final GC payment invoice as well for your files

Thank you.

Best,

Bella Khusal

JMJ Development
1755 Wittington Place, Suite 340
Dallas, Texas 75234
C: 972-802-0265
bkhusal@jmjdevelopment.com
www.jmjdevelopment.net

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Riley Coven

From: Bella Khusal <BKhusal@jmjdevelopment.com>
Sent: Wednesday, January 26, 2022 4:44 PM
To: Don Phillips; Ingrid Palet
Subject: Request for advance of funds
Attachments: 01192022_Parc at Ingleside CO 5 Adv 2.pdf; 01192022_Parc at Ingleside CO 1 Adv 4.pdf; 01192022_Parc at Ingleside Offsites Adv 5.pdf; 01192022_Parc at Ingleside CO #5 Adv 3.pdf

Don can you approve the attached to be funded from the lender to the GC?
These are change orders and offsite requests GC is asking to be paid.

Best,

Bella Khusal

JMJ Development
1755 Wittington Place, Suite 340
Dallas, Texas 75234
C: 972-802-0265
bkhusal@jmjdevelopment.com
www.jmjdevelopment.net

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Riley Coven

From: Don Phillips <Don.Phillips@pillarincome.com>
Sent: Monday, May 17, 2021 8:50 AM
To: Ingrid Palet
Subject: FW: Ingleside - Monthly Report and Draw
Attachments: Axia Contracting- GC Fee - Draw 18.pdf; Ingleside - May Draw.pdf; HUD-COR #5 - Final 5.14.21.pdf; Ingleside Monthly Report- Draw 18.pdf

Fyi and print please

From: Jeff Schaumann [mailto:jschaumann@axiacompanies.com]
Sent: Friday, May 14, 2021 4:07 PM
To: Don Phillips <Don.Phillips@pillarincome.com>; brumsey@crossarchitects.com
Cc: Sarah Franco <Sarah.Franco@pillarincome.com>; RANDY P. MARX <RANDY@themarxfirm.com>; Tim Barton <tbarton@jnjdevelopment.com>; Bella Khusal <BKhusal@jnjdevelopment.com>; Anthony Monaco <AMonaco@crossarchitects.com>; Brett Rossell <brossell@axiacompanies.com>; Dave Berdal <dberdal@axiacompanies.com>; Chad Westrick <cwestrick@axiacompanies.com>
Subject: Ingleside - Monthly Report and Draw

Don, etal,

Attached is the Monthly Report and Draw for next week's meeting. As usual, we will plan on starting the Owner draw review at 9:00 (Wednesday, May 19th) with the HUD Inspector arriving at 10:00. In addition, please find our GC Fee invoice attached hereto (per Pillar's approval), as well as our Other Fees.

As of today, Buildings 1-3 have been accepted, and Building 4 & 5 have substantial completion of owner punch. Reinspection and assumed acceptance of Building 4 & 5 is scheduled for next Wednesday with Mecca.

With the significant delay in getting power to the last 3 buildings (and deferred weather days), we are also requesting a time extension change order of 21 days (through the end of June). The change order is attached for review.

Please let us know if there are any questions prior to the meeting.

Respectfully,

Jeff Schaumann
President



3245 42nd Street South, Suite 200
Fargo, ND 58104

Office (701) 478-1500
Cell (701) 715-3565

Riley Coven

From: Bella Khusal <BKhusal@jmjdevelopment.com>
Sent: Monday, January 24, 2022 9:53 AM
To: Erik Johnson; Randy Johnson; Ingrid Palet; Don Phillips; Kim Geisheimer
Subject: INGLESIDE Final GC Invoice and Change Orders
Attachments: ING - Final GC Payment Due.pdf; ING - CO 5 Final Retention Draw[35].pdf; ING - CO 1 Final Retention Draw[3].pdf; ING - CO 5 Draw 2 - Past Due[90].pdf; ING - Offsite Final Retention Draw[83].pdf; Final Bills Paid and Completion Affidavit for Parc at Ingleside[53].doc

All-
The attached CO's need to be signed and sent in to the Lender to be paid out. Please approve so I can get them signed and submitted. Don, I know we were waiting to sign the affidavit of completion until the Axia was completely done. Are we at that point where I can have Mr. Barton sign it and submit it? Lastly, Jeff also sent me their final GC payment invoice, please let me know if you have already processed.

Thank you.

Best,

Bella Khusal

JMJ Development
1755 Wittington Place, Suite 340
Dallas, Texas 75234
C: 972-802-0265
bkhusal@jmjdevelopment.com
www.jmjdevelopment.net

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EXHIBIT F-4

Riley Coven

From: Ingrid Palet <Ingrid.Palet@pillarincome.com>
Sent: Thursday, November 3, 2022 11:35 AM
To: Ingrid Palet
Subject: OPELIKA II- Change Order
Attachments: 92464M - Request for Approval of Advance of Escrow Funds - Advance #6_Signed.pdf

Change order approved 6-28-22 by Don Phillips.

From: Bella Khusal <BKhusal@jmjdevelopment.com>
Sent: Thursday, June 30, 2022 4:44 PM
To: Kim Geisheimer <Kim.Geisheimer@pillarincome.com>; Brad Kyles <Brad.Kyles@pillarincome.com>
Cc: Jennifer Williamson <Jennifer.Williamson@pillarincome.com>
Subject: Change Order

Please review and approve the attached change order already signed by Don Phillips.

Thanks.

Best,

Bella Khusal

JMJ Development

1755 Wittington Place, Suite 340

Dallas, Texas 75234

C: [972-802-0265](tel:972-802-0265)

bkhusal@jmjdevelopment.com

www.jmjdevelopment.net

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Riley Coven



Subject:

Attachments:

Don Phillips <Don.Phillips@pillarincome.com>

Friday, March 5, 2021 9:42 AM

Ingrid Palet

FW: Opelika - Power Pole Invoice

BC Invoice _ Opelika Power Pole Relocation Reimbursment.pdf; Bakken Wire Instructions.pdf

From: Jackson, Cory [mailto:Cory.Jackson@bccontractingco.com]

Sent: Thursday, March 4, 2021 10:13 AM

To: Don Phillips <Don.Phillips@pillarincome.com>; Ryan Dykes <Ryan.Dykes@pillarincome.com>; Bella Khusal <BKhusal@jmddevelopment.com>; Michael Scott <michaels@mbicompanies.com>

Subject: Opelika - Power Pole Invoice

Don – Per our discussion this morning. Pillar will reimburse BC for the power pole relocation per direct payment. See attached invoice for payment.

I will then void the Change Order request for this matter.

Cory Jackson | Project Manager II

225 Broadway N, Fargo, ND 58102

Office 701.356.3010 | **Mobile** 701.866.3017

cory.jackson@bccontractingco.com | www.bccontractingco.com

Champion Water Systems
818 Veterans Memorial Pkwy
Lanett, AL 36863
1800-333-2228



PILLAR INCOME 4.5.2021

BILL TO	JOB SITE	INSTRUCTIONS
Attention: Don Phillips	Opelika, AL	Proposal for Well

DESCRIPTION TOTAL

Per 8 " Well	
First 200 feet of drilling will total \$5,000.00	
Includes PVC Casing and Mobilization	
\$25 per foot after that drilled in 100 foot increments	
Per 6" Well	
First 200 feet of drilling will total \$3,200.00	
Includes PVC Casing and Mobilization	
\$16 per foot after that drilled in 100 foot increments	
Per Pump:	
1 HP-7.5HP single phase, 80 ft-480 ft, drop pipe, wire, well seal, tank, and controls installed and stubbed out	\$4,700 to \$21,000
Well production and pumping level will determine pump size. We will be able to give an exact price once wells are drilled and these factors are known.	
The well that was plugged produced 50+ GPM. That will be our goal.	

Thank you for your business!

For Questions call Frank Champion at 1800-333-2228