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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 G-3



MARKET-RATE APARTMENT COMPLEX

PARC AT WINDMILL FARMS

1003 Windmill Farms Blvd Forney TX 75126-6326

Please direct inquiries to:

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APPRISE BY WALKER & DUNLOP

1919 McKinney Ave, Suite 100

Dallas, TX 75201



App. 352



May 15, 2023

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

A Retrospective Restricted Appraisal Report of Parc At Windmill Farms
a 272 unit, market-rate apartment complex
located at 1003 Windmill Farms Blvd Forney TX 75126-6326

Per the request and authorization of our above-mentioned client, Apprise By Walker & Dunlop has prepared the following retrospective restricted appraisal report outlining the findings, conclusions, and market value estimates of the referenced property. This is a Restricted Appraisal Report which is intended to comply with the reporting requirements set forth under Standards Rule 2-2(c) of the Uniform Standards of Professional Appraisal Practice (USPAP) for a Restricted Appraisal Report. As such, it presents minimal to no discussion of the data, reasoning, and analyses that were used in the appraisal process to develop the appraiser's opinion of value. Supporting documentation concerning the data, reasoning, and analyses is retained in the appraiser's file(s). Without having access to the appraiser's work-file, the report may not contain supporting rationale for all of the opinions and conclusions set forth in the report. The depth of discussion contained in this report is specific to the needs of the client and for the intended use stated above. The appraisers are not responsible for unauthorized use of this report.

The Income Approach to value was developed herein for the retrospective date of value as of February 21, 2023. A summary of improved sales was included to support the value via the Income Approach. The Cost Approach was not necessary for credible assignment results given the subjectivity of estimating depreciation and the propensity of market participants to analyze only the two market-driven valuation methods for similar, existing property. This omission, in no way, detracts from our findings and value estimate(s).

Based on the market data and analyses contained herein, the following estimate(s) of market value were derived:

Premise	Interest	Date	Value	Per Unit
As Is	Leased Fee	February 21, 2023	\$57,800,000	\$212,500

Project Highlights

- The subject is a garden-style apartment with 272 units built in 2019, with an average unit size of 1,028 square feet, and situated on 18.451 acres. The subject is currently 89.3% occupied, and our projected stabilized occupancy is 94.5%. Lease-up costs are immaterial and would be lost in rounding.
- The subject property is currently under contract for \$51,000,000. Based upon our analysis herein, the purchase price appears to be well below market value.
- The subject's stabilized, effective market rent was estimated to be \$1,604/month (\$1.56/SF), which was found to be roughly 2.2% above the current in-place rent.

COVID-19

While COVID-19 continues to be a global health concern, the effects of the pandemic appear to be waning. Nevertheless, there are macroeconomic uncertainties in regard to inflationary pressures, regional bank turmoil, and global/national geopolitical issues. Pricing for multifamily assets appears to have peaked sometime around 2Q2022 due to strong market conditions and historically low capitalization rates at the time. Notably, the Federal Funds Rate has increased nine times in the past 12 months totaling 475 basis points to try and stave off inflation resulting in increased capital costs. Additional rate increases are possible in 2023 as the Fed is indicating the banking system is resilient and well-capitalized yet acknowledges that inflation is slowing.

Market participants have reported increased capitalization rates for multifamily product as buyers adapt to the increased borrowing costs and market uncertainties. Concerns of a looming recession has caused a pullback by lenders. Given the rising mortgage rates, capitalization rate decompression has occurred and rent growth has decelerated and-or turned negative in some markets. Due to the recent slowdown in number of transactions, there is limited market evidence to determine a specific impact on values. Where possible, our valuation reflects the comments and outlook of the market participants active in the subject's area.

Reliance Language

It is our intent to comply with the following regulatory sources: 12 CFR, Subpart C - Subsection 34.42(g), Department of the Treasury, Office of the Comptroller of the Currency; the Uniform Standards of Professional Appraisal Practice (USPAP); and the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute. The undersigned have experience appraising similar properties in the market area, and therefore comply with the competency rule as mandated in USPAP. This report is the sole property of Apprise and the intended user(s) stipulated herein. Apprise is not liable for recipient's disbursement to any third parties and/or use for any purposes other than the specified intended use.

Extraordinary Assumptions

EXTRAORDINARY ASSUMPTION: an assignment-specific assumption as of the effective date regarding uncertain information used in an analysis which, if found to be false, could alter the appraiser's opinions or conclusions.

This appraisal is developed on the premise of the following extraordinary assumptions:

- We relied on public record for real estate tax information, site size, zoning information and in some cases building size. We assume this information is accurate, if additional information indicates otherwise we reserves the right to amend our conclusions.
- We assume the subject is not encumbered by any detrimental easements or encroachments, should a title report indicate otherwise we reserve the right to amend our conclusion.
- All unit sizes, unit count, lease rates, and operating data are true and accurate as presented herein.
- The appraiser inspected the subject on November 21, 2022 which is approximately three months before the effective date of February 21, 2023. The property is assumed to be in similar condition with exception of standard depreciation. We reserve the right to make changes should this be found to be false, inaccurate, and/or misleading.

Hypothetical Conditions

HYPOTHETICAL CONDITION: a condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results but is used for the purpose of analysis. Comment: Hypothetical conditions are contrary to known facts about physical, legal, or economic characteristics of the subject property; or about conditions external to the property, such as market conditions or trends; or about the integrity of data used in an analysis.

This appraisal is developed on the premise of the following hypothetical conditions:

- This appraisal employs hypothetical conditions with respect to the retrospective date of the analysis. In a retrospective analysis, evaluation is based on what was perceived by the market and its' participants as opposed to what actually transpired. The projected income levels for the "coming year" are known to be false given actual data is currently available. Our projection is based on the perceived market as of the reported retrospective date(s).

Respectfully,



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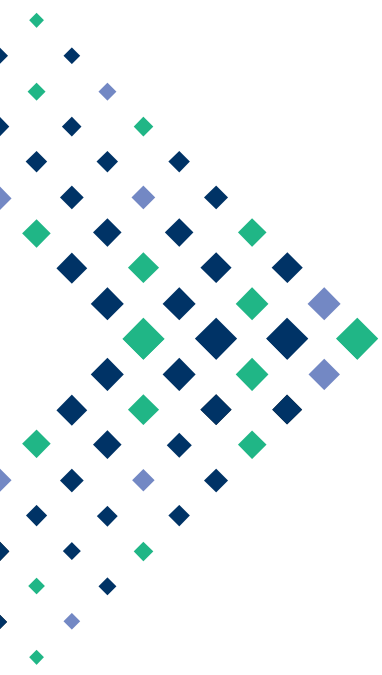


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Executive Summary

Assignment		Improvements	
Report Type	Appraisal Report	Status	Existing
Report Date	May 15, 2023	Year Built	2019
Client	Southern Properties Capital, Ltd.	Year Renovated	
Date of Inspection	November 21, 2022	Pending CapEx	N/A
Property		Gross Building Area	319,780 SF
Property Type	Market-Rate Apartment Complex	Net Rentable Area	279,648 SF
Property Name	Parc At Windmill Farms	Number of Units	272 Units
Address	1003 Windmill Farms Blvd Forney TX 75126-6326	Average Unit Size	1,028 SF
School District	Forney ISD	One-Bedroom Units	116
Investment Class	A	Two-Bedroom Units	120
Economics		Three-Bedroom Units	36
Current Occupancy	89.3%	Density	14
Stabilized Occupancy	94.5%	Land-to-Building Ratio	2.51:1
In-Place Contract Rent	\$1,560/Mo. (\$1.54/SF)	Total Buildings	18
Mkt. Concluded Rent.	\$1,604/Mo. (\$1.56/SF)	Residential Buildings	17
Stabilized NOI	\$2,976,120	Non Residential Buildings	1
Current Mkt. Cap Rate	5.15%	Stories	1 - 2
Market Sale		Construction Frame Type	Wood
Typical Buyer Profile	National And Regional Investor	Building Type	Garden
Exposure Time	Six Months Or Less	Construction Class	D
Marketing Time	Six Months Or Less	Exterior Walls	Wood Siding And Rock Stone
Site		Roof Type	Gable
Net Primary Site Area	18.451 Acres; 803,737 SF	Roof Surface	Composite Shingle
Primary Site Shape	Irregular	Construction Quality	Good
Number of Parcels	1	Condition	Good
Excess Land Area	-	Economic Life	50 Years
Topography	Generally Level	Effective Age	3 Years
Zoning	N/A	Remain. Economic Life	47 Years
Parking	547 Spaces		
Value Conclusions			
			As Is
Interest			Leased Fee
Date			February 21, 2023
Sales Comparison Approach			N/A
Income Capitalization Approach			\$57,800,000
Final Conclusions			\$57,800,000
\$/Unit			\$212,500

Introduction

The Property

Identification

- Physical Address: 1003 Windmill Farms Blvd Forney TX 75126-6326
- Legal Description: See Survey in Addendum
- Tax Assessor's Parcel ID: 8214

Ownership History

The subject title is currently recorded in the name of D4FR, LLC who acquired title to the property from ABC Land & Development, Inc. on December 1, 2017 as vacant land and constructed the current improvements.

Three-Year Sales History

Research of the applicable public records, private data services and an interview of the current owner and/or broker revealed that the subject property has not transferred during the past three years of the effective date of value stated in this report.

Subject Sales Status

According to documentation provided by the client, on October 18, 2022, the Court entered an Order Appointing Receiver by which Cortney C. Thomas was appointed as Receiver for the subject property. According to the Receiver's Motion for Appointment,

"After the Receiver's appointment, he consulted multiple industry professionals and brokers regarding the potential value of the Property and three other similar projects (Bellwether Ridge in DeSoto, the Parc at Ingleside outside of Corpus Christi, and the Parc at Opelika in Alabama) that involve both HUD loans serviced by Greystone and additional loans from Southern Properties to JMJ. Due to the uncertainty surrounding the outstanding dispute with Southern Properties, the Receiver ultimately was unable to reach agreement to engage the brokers, who expressed unease in marketing the properties due to Southern Properties' ownership claims.

Despite difficulties listing the Property with a broker, the Receiver communicated with dozens of potential interested purchasers. Pursuant to the Receivership Order and in accordance with the Administrative Order, the Receiver negotiated with these potential buyers. While most of the potential purchasers ultimately were unwilling to submit offers on the Property, the Receiver obtained multiple offers on the Property, the highest of which was a letter of intent submitted by Palmetto Capital Partners, LLC—on behalf of a joint venture (Windmill Farms 2023, LLC) between Palmetto and i3 Interests LLC (collectively, "Palmetto/i3")—on November 30, 2023 at a purchase price of \$51,000,000.

During the following months, the Receiver and Palmetto/i3 engaged in protracted negotiations regarding the purchase and sale agreements for the Property and one other related property. During this time, the Receiver continued to communicate with other potential interested purchasers, none of whom provided higher offers than that received from Palmetto/i3. Finally, on February 21, 2023 the Receiver and Palmetto/i3 entered into a Purchase and Sale Agreement, whereby the Receiver agreed, subject to Court approval and certain other contingencies outlined below, to sell the Property to Palmetto/i3, which will assume the existing HUD loan, for a total of \$51,000,000. Moreover, Palmetto/i3 and its equity partner, i3 Interests, have represented that they have a history of multifamily development and ownership and will not have difficulty receiving HUD's approval in assuming the HUD Loan."

Based upon our analysis herein, it appears that the subject's market value was notably higher as of February 21, 2023.

Identification of the problem

This is a Restricted Appraisal Report which is intended to comply with the reporting requirements set forth under Standards Rule 2-2(c) of the Uniform Standards of Professional Appraisal Practice (USPAP) for a Restricted Appraisal Report. As such, it presents minimal to no discussion of the data, reasoning, and analyses that were used in the appraisal process to develop the appraiser's opinion of value. Supporting documentation concerning the data, reasoning, and analyses is retained in the appraiser's file(s). The depth of discussion contained in this report is specific to the needs of the client and for the intended use stated above. The appraisers are not responsible for unauthorized use of this report.

Scope of Work

In order to develop the opinion of value, Apprise employed the relevant and commonly accepted appraisal methods and principles to derive a credible value conclusion. The appraiser(s) thoroughly performed an appraisal process, as set forth in Standard 1 by the Uniform Standards of Appraisal Practice. The scope of the assignment relates to the manner and extent to which research is conducted, data is accumulated, and analysis is conducted. In preparing this appraisal, the appraisers did the following:

- Researched the local area for comparable market data; utilized multiple data sources including but not limited to: CoStar, LoopNet, RCA, REIS Reports, area brokers, buyers and sellers, as well as the appraiser's internal database
- Interviewed local property owners, managers, brokers, buyers and sellers, and other various market participants familiar with competitive area real estate
- Obtained various information from surrounding jurisdictions and reporting entities regarding comparable data, demographics, zoning, property taxes, deed history, flood zones, utilities, transit, planned developments, income and expense data, etc.
- Most of the subject and market information is contained within our previous appraisal of the subject property completed at Colliers International and dated December 9, 2022.
- Estimated the Retrospective market value using the Income Approach. We have not provided the narrative discussion of a Sales Comparison Approach; although, we presented the sales in the addendum. These sales have been utilized as a check of reasonableness of the value conclusion and in order to derive a reasonable capitalization rate. A traditional Cost Approach was not utilized. Please see the Appraisal Process section of this report for additional discussion and explanation of the various approaches to value.

Please refer to the [assignment conditions](#) section for the basic and extraordinary assumptions, as well as the limiting and hypothetical conditions upon which our value conclusions are made.

Intended User

The intended user of the appraisal is Southern Properties Capital, Ltd., its successor, and assigns; Client agrees that this Restricted Report is solely for the use and benefit of Client. Although, the client is authorized to provide a copy in its entirety to Shamoun & Norman, LLP (legal counsel for client) and the Northern District of Texas (Dallas, TX division; regarding Case No. 3:22-cv-2118-X) as additional intended users. No other users are intended or authorized by Apprise, and no other parties should use or rely on this Restricted Report or any content in the report.

Intended Use

This restricted report is prepared to estimate the "As Is" Market Value as of February 21, 2023, the date that the court appointed Receiver and Palmetto/i3 entered into a Purchase and Sale Agreement. The report is not intended or authorized for any other use.

Type and Definition of Value

The type of value analyzed in this Retrospective appraisal is market value based on the subject's highest and best use as of February 21, 2023. The definition of value employed in this report is Market Value as defined in 12 CFR - Part 34.42 (FIRREA), Department of the Treasury, Office of the Comptroller of the Currency. Market Value means: the most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

- Buyer and seller are typically motivated;
- Both parties are well informed or well advised, and acting in what they consider their own best interests;
- A reasonable time is allowed for exposure in the open market;
- Payment is made in terms of cash in US dollars or in terms of financial arrangements comparable thereto; and
- The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

Retrospective Value

According to the Dictionary of Real Estate Appraisal (Fifth Edition, 2011), published by the Appraisal Institute, retrospective value opinion is defined as, "A value opinion effective as of a specified historical date." In this case, we are providing the retrospective market value as of February 21, 2023 ("As Is").

Interest Appraised

This report and market value conclusions analyze the Leased Fee interest of the subject property with the following dates of value:

- As Is Leased Fee February 21, 2023

The Leased Fee interest is defined by the Dictionary of Real Estate Appraisal as follows:

- A freehold (ownership interest) where the possessory interest has been granted to another party by creation of a contractual landlord-tenant relationship (i.e., a lease).

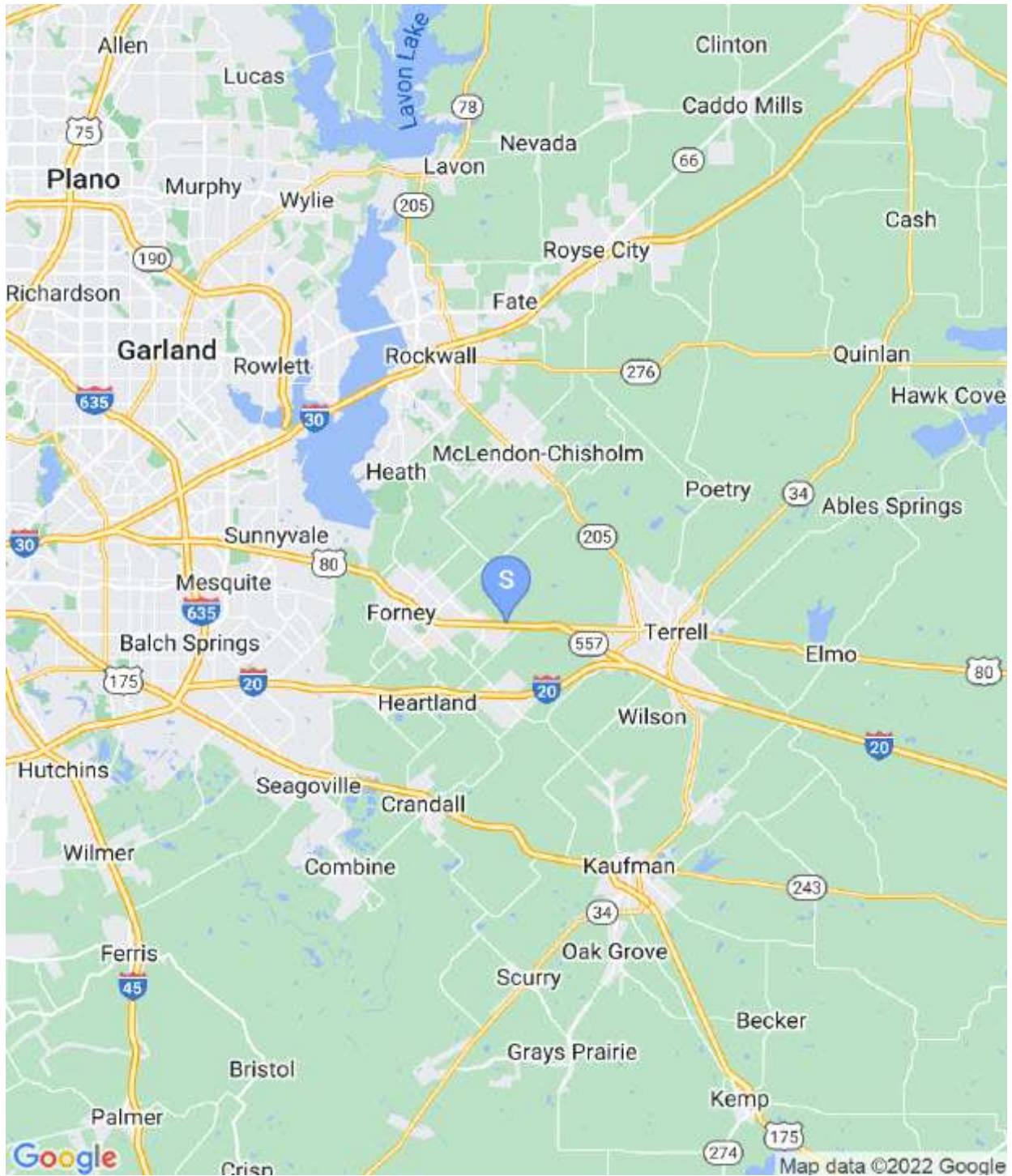
Market Time & Exposure Period

Marketing Time is opinion of the amount of time it might take to sell a real or personal property interest at the concluded market value level during the period immediately after the effective date of an appraisal.

Exposure Period is the estimated length of time that the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal.

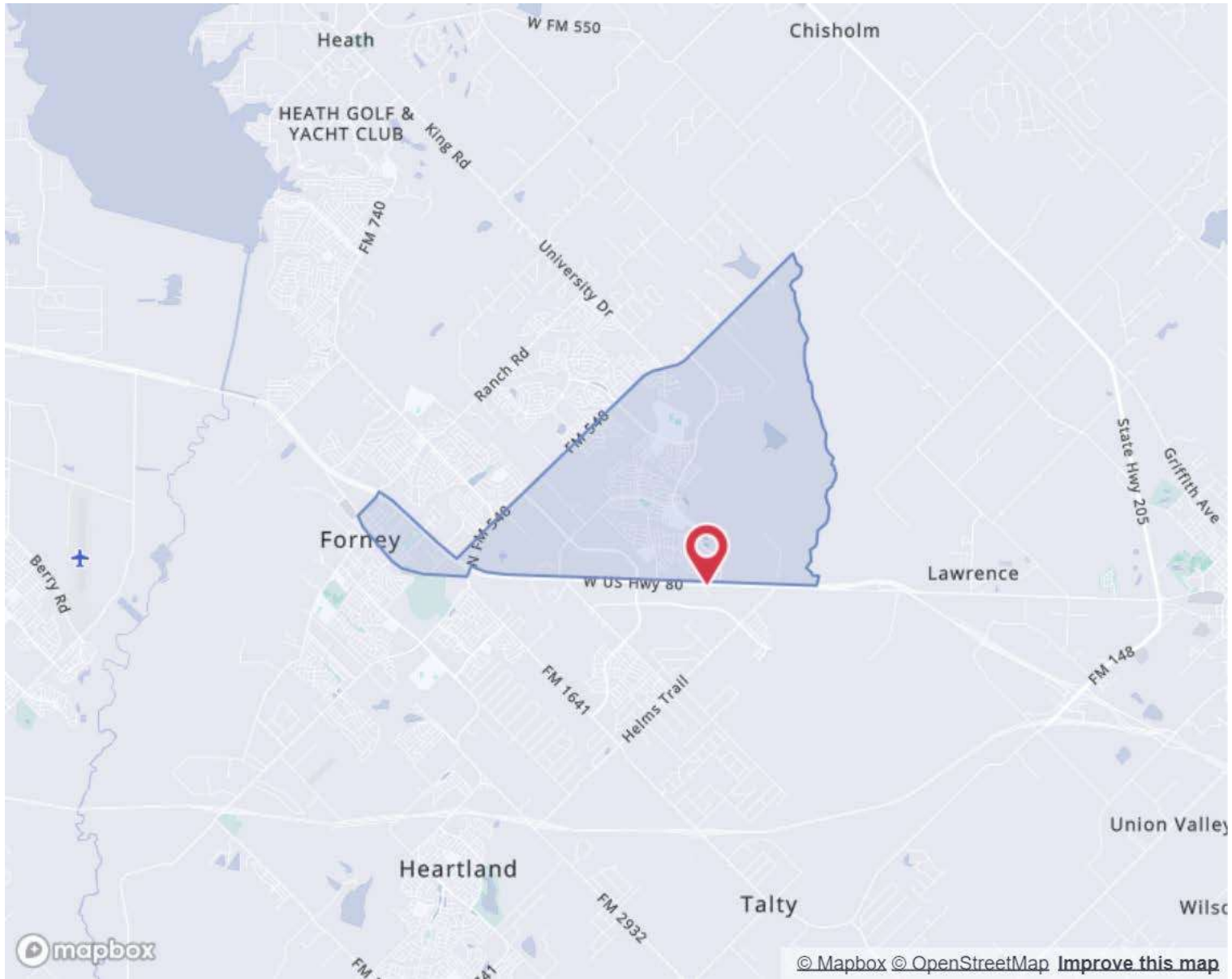
EXPOSURE & MARKETING TIME				
SOURCE		YEAR/QUARTER	MONTHS RANGE	AVERAGE
National Apartment	PwC			
Current Quarter		2022 Q4	1.0 to 12.0	4.6
Last Quarter		2022 Q3	1.0 to 12.0	4.3
Four Quarters Ago		2021 Q4	1.0 to 12.0	4.2
Southeast Region Apartment	PwC			
Current Quarter		2022 Q4	3.0 to 6.0	3.9
Last Quarter		2022 Q3	1.0 to 6.0	3.4
Four Quarters Ago		2021 Q4	1.0 to 6.0	4.2
OVERALL AVERAGE				4.3
Exposure Period Conclusion			Six Months or Less	
Marketing Time Conclusion			Six Months or Less	

Regional Map



Neighborhood Map

Geophy neighborhoods are individual or combinations of adjacent census block groups that have similar demographic and economic characteristics that influence value: social, economic, governmental, and environmental factors. The following map illustrates the subject's location and surrounding area as well as the subject neighborhood and specific boundaries. The neighborhoods are ranked and assigned a rating of A, B, C, and D relative to the demographic and economic characteristics inclusive of rental data when available and proximity to amenities and employment.



The economic borders of the subject's neighborhood are shown on the map above. Uses within the subject's neighborhood are generally characterized as 2000's, multifamily buildings of low-to moderate-density and reflecting average maintenance levels. Supporting retail uses are generally along U.S. Highway 80 and FM 548. The subject's neighborhood rating is B.

Taxes

Assessment of real property is established by an assessor that is an appointed or elected official charged with determining the value of each property. The assessment is used to determine the necessary rate of taxation required to support the municipal budget. A property tax is a levy on the value of property that the owner is required to pay to the municipality in which it is situated. Multiple jurisdictions may tax the same property. The subject property is located within Kaufman County. The 2022 assessed value and property tax for 2022 is summarized in the following table.

ASSESSMENT & TAXES						
Tax Year	2022			2022 Tax Rate	\$2.634592	
Tax Rate Area	Kaufman County			Taxes Current	Yes	
APN	LAND	IMPV	TOTAL	EXEMPTIONS	TAXABLE	BASE TAX
8214	\$3,214,902	\$31,785,098	\$35,000,000	\$0	\$35,000,000	\$922,107
Totals	\$3,214,902	\$31,785,098	\$35,000,000	\$0	\$35,000,000	\$922,107
Totals/Unit	\$11,819	\$116,857			\$128,676	\$3,390
Total/SF (NRA)	\$11.50	\$113.66			\$125.16	\$3.30

Source: Kaufman County Assessment & Taxation

In Texas, the amount of tax is determined by the product of the tax rate and the assessed valuation of the property. The tax rate is set each year by the governing bodies of local taxing entities such as county commissioners, school boards, cities and special districts, usually in October. It includes multiple individual charges for flood, schools, hospitals, utilities, and general city and county levies. The assessed valuation of each piece of property is set by the county assessor according to state statutory guidelines. The subject's 2022 tax burden based upon the 2022 assessment and 2022 tax rates is detailed as follows:

2022 TAX BURDEN			
Jurisdiction	Assessed Value	Tax Rate/\$100	Estimated Taxes
Kaufman County ESD #6	\$35,000,000	\$0.034830	\$12,190.50
Kaufman County	\$35,000,000	\$0.345850	\$121,047.50
Road & Bridge	\$35,000,000	\$0.070412	\$24,644.20
Forney ISD	\$35,000,000	\$1.354600	\$474,110.00
Kaufman CO Fresh Water District	\$35,000,000	\$0.828900	\$290,115.00
Total	\$35,000,000	\$2.634592	\$922,107.20

The chart below details the subject's tax assessment history:

SUBJECT HISTORICAL TAX ASSESSMENTS		
Tax Year	Taxable	% Δ
2020	\$22,151,110	-
2021	\$32,640,000	47%
2022	\$35,000,000	7%

Source: Kaufman County Assessment & Taxation

The State of Texas is a non-disclosure state, meaning that the sales price of a property does not have to be revealed to the public. Therefore, property taxes are not automatically increased to the sales price of the property. Additionally, the Texas Constitution requires that taxation of properties must be "equal and uniform." Therefore, the assessment for a property must be similar to comparable properties in the area. Based upon our research of sales that have occurred in Kaufman County over the last several years, reassessments for properties that recently sold are well below true market value and can range anywhere between 50% and 80%+ of the purchase price. In addition, the increases are not consistent and will depend on if the appraisal district discovers the purchase price and the assessments of other properties in the area. Therefore, projecting a stabilized assessment solely on percentage of purchase price is not appropriate in Kaufman County. Therefore, the taxes comparables were heavily relied upon.

TAX COMPARABLES

To determine if the assessment and taxes on the subject property are reasonable, we considered historical information, as well as information from similar properties in the market. They are illustrated in the table below.

TAX COMPARABLES								
	SUBJECT	COMP 1	COMP 2	COMP 3	COMP 4	LOW	HIGH	AVG
Property Name	Parc at Windmill Farms	Gateway Pines	Gateway Oaks	Gateway Cedars	Emerson at Forney Marketplace	-	-	-
City, State	Forney, TX	Forney, TX	Forney, TX	Forney, TX	Forney, TX	-	-	-
Year Built	2019	2018	2016	2014	2019	2014	2019	2017
Units	272	337	313	334	320	313	337	326
NRA	279,648	272,856	269,086	263,730	286,013	263,730	286,013	272,921
2022 Assessed \$	\$35,000,000	\$41,965,500	\$39,100,000	\$38,800,000	\$37,000,000	\$37,000,000	\$41,965,500	\$39,216,375
2022 Assessed \$/Unit	\$128,676	\$124,527	\$124,920	\$116,168	\$115,625	\$115,625	\$124,920	\$120,310
2022 Assessed \$/SF	\$125.16	\$153.80	\$145.31	\$147.12	\$129.36	\$129.36	\$153.80	\$143.90

The comparable properties reflect 2022 tax assessments ranging from \$115,625 to \$124,920 per unit with an average of \$120,310 per unit. On a per square foot basis, the comparables range from \$129.36 to \$153.80 per square foot with an average of \$143.90 per square foot. The subject's 2022 assessment falls above the range of the tax comparables on a per unit basis but below the range on a per square foot basis. Overall, it appears that the subject's current assessment is generally in line with market.

During 2022, rents continued to increase but capitalization rates began to rise during the second half of the year due to rising interest rates. Given the significant value increases over the last several years and assessment values being well below true market value, it is reasonable to assume that the appraisal district will continue to increase assessments across the board in 2023. Given this, we have increased the subject's assessment by approximately 3% in anticipation of market wide increases in 2023 which is further supported by the historical trends. We note that our projected value to assessment ratio is only 64%. However, the subject is located in small county with limited sales data, and as a result assessments are typically well below true market value. If the subject's assessment were to be increased above the tax comparables, the subject's assessment could be protested on an "equal and uniform" basis assuming assessments weren't increased across the board. Overall, we have taken into consideration the future risk in taxes increasing in our capitalization rate selection. The estimated stabilized taxes are detailed in the chart below:

ESTIMATED STABILIZED TAXES	
As Is Value	\$57,800,000
Estimated Assessed Value	\$36,750,000
Estimated Assessed Value Per Unit	\$135,110
Estimated Assessed Value Per SF	\$131.42
% of As Is Value	64%
x Current Millage Rate	\$2.634592
= Stabilized Taxes Estimate (rounded)	\$968,213
Stabilized Taxes/Unit	\$3,560

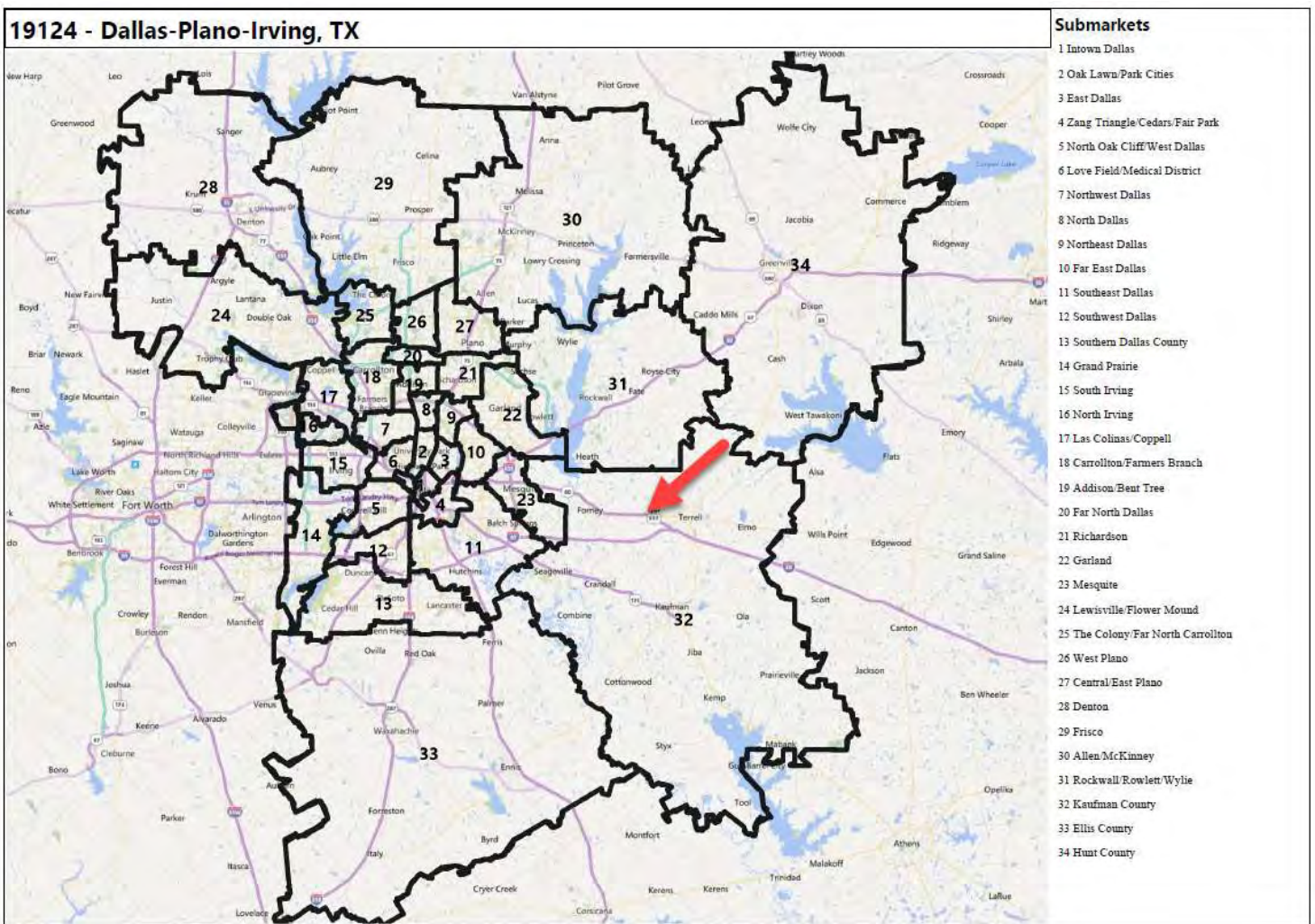
Market Analysis

Overview

A variety of factors influence the performance of a property in the market. In this section, we provide an in-depth analysis of both the market in which the subject property competes and its position within that market. Demographic comparisons are made to larger study areas such as the CBSA, state and U.S. to place the historical and prospective performance of the subject trade area in context.

Dallas-Plano-Irving Market & Kaufman County Submarket

The property being appraised lies within the incorporated city limits of Forney. This places the property in what RealPage defines as the Dallas-Plano-Irving apartment market and Kaufman County submarket – the Dallas-Plano-Irving, Texas MSA. Following is a discussion of the historical, current, and forecasted apartment market conditions in the Dallas-Plano-Irving apartment market, along with the subject submarket and specific competitive apartment projects that significantly impact the property being appraised. The data is extracted from the 4Q 2022 Dallas-Plano-Irving, Texas Market Performance Summary report published by RealPage.



Dallas-Plano-Irving, TX

Apartment Performance

Effective rent decreased 0.9% from \$1,581 in 3Q22 to \$1,572 in 4Q22, which resulted in an annual growth rate of 8.8%. Annual effective rent growth is forecast to be 3.9% in 2023, and average 3.7% from 2024 to 2026. Annual effective rent growth has averaged 2.9% since 2Q96.

The market's annual rent growth rate was above the national average of 6.6%. Out of the 150 markets ranked by RealPage nationally, Dallas-Plano-Irving, TX was 90th for quarterly effective rent growth, and 36th for annual effective rent growth for 4Q22.

The market's occupancy rate decreased from 95.2% in 3Q22 to 94.3% in 4Q22, and was down from 97.2% a year ago. The market's occupancy rate was below the national average of 95.3% in 4Q22. For the forecast period, the market's occupancy rate is expected to be 94.7% in 2023, and average 93.1% from 2024 to 2026. The market's occupancy rate has averaged 93.8% since 2Q96.

Market Survey Results and Forecasts

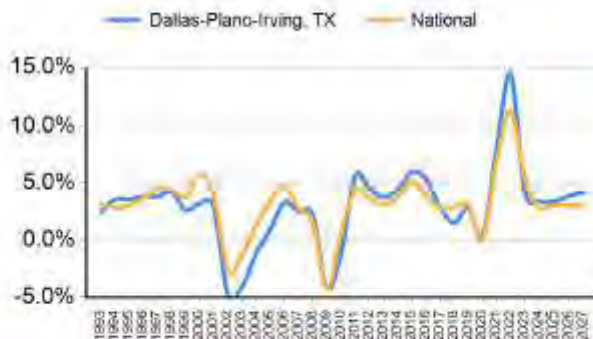
	Sequential			Month	Annual							
	1Q22	2Q22	3Q22	4Q22	Dec-22	2020	2021	2022	2023F	2024F	2025F	2026F
Effective Rent Per Unit	\$1,485	\$1,538	\$1,586	\$1,572	\$1,568	\$1,251	\$1,350	\$1,545	\$1,812	\$1,687	\$1,723	\$1,790
Per Sq. Ft	\$1.69	\$1.74	\$1.80	\$1.78	\$1.77	\$1.43	\$1.54	\$1.75	\$1.83	\$1.89	\$1.95	\$2.03
Effective Rent Growth - Annually	18.7%	17.9%	13.7%	8.8%	7.4%	-1.3%	16.6%	8.8%	3.9%	3.3%	3.5%	4.2%
Effective Rent Growth - Quarterly	2.7%	3.6%	3.1%	-0.9%								
Occupancy Rate	97.3%	96.2%	95.1%	94.3%	94.0%	94.1%	95.5%	95.7%	94.9%	93.8%	93.3%	93.1%
Occupancy Change - Annually	3.5%	1.2%	-1.5%	-2.9%	-3.2%	-0.6%	3.1%	-2.9%	0.4%	-1.5%	-0.1%	-0.4%
Occupancy Change - Quarterly	0.2%	-1.2%	-1.1%	-0.9%								
Economic Concessions												
Concession Value	\$79.00	\$77.00	\$66.00	\$52.00	\$93.00	\$50.50	\$66.00	\$68.50				
As a % of Asking Rent	5.5%	5.2%	4.3%	3.3%	5.9%	4.1%	5.0%	4.5%				

Market Rank

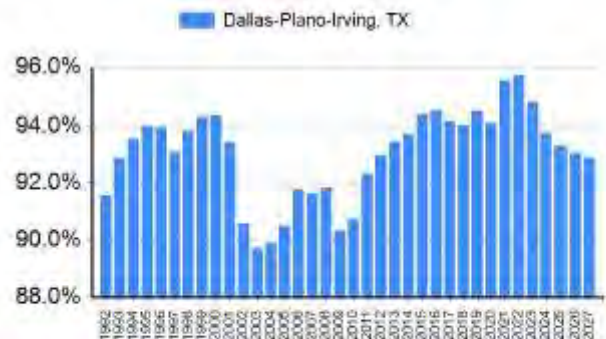
4Q22	Market	National	Rank	4Q22 Annual Results							
Effective Rent Per Unit	\$1,572	\$1,777	60	By Bedroom Type	%	Area	Occ	ERG	Erent	ERSF	
Effective Rent Growth - Annually	8.8%	6.6%	32	Studio/One bedroom	57.7%	722	94.3%	8.6%	\$1,377	\$1.91	
Effective Rent Growth - Quarterly	-0.9%	-1.0%	89	Two bedroom	37.4%	1,066	94.4%	8.7%	\$1,768	\$1.86	
Occupancy Rate	94.3%	95.2%	127	Three + bedrooms	4.9%	1,367	94.5%	9.2%	\$2,140	\$1.57	
Occupancy change - Annually	-2.9%	-2.3%	118	By Year Built							
Occupancy change - Quarterly	-0.9%	-0.7%	109	<= 1980	10.8%	823	95.8%	13.1%	\$1,244	\$1.51	
Concession Value	\$52.00	\$81.00	62	1981-1990	13.8%	798	94.8%	12.5%	\$1,287	\$1.62	
Build Average	1997	1994	48	1991-2000	18.4%	872	94.2%	9.3%	\$1,453	\$1.67	
				2001-2010	25.6%	908	93.8%	7.5%	\$1,576	\$1.74	
				2011-Current	31.4%	925	94.3%	7.2%	\$1,840	\$1.99	

*Ranking based on Top 150 Markets

Annual Effective Rent Growth



Annual Occupancy Rate



Dallas-Plano-Irving, TX

Demand and Supply

According to the Bureau of Labor Statistics, job growth in Dallas-Plano-Irving, TX was 6.8% in November 2022, reflecting 194,100 jobs added during a 12-month period. The metro job growth figure was above the national number of 3.2%.

RealPage forecasts Dallas-Plano-Irving, TX's job growth to be 1.6% in 2023, with 47,529 jobs added. Job growth is expected to average 1.2% from 2024 to 2026, with an average of 36,248 jobs added each year.

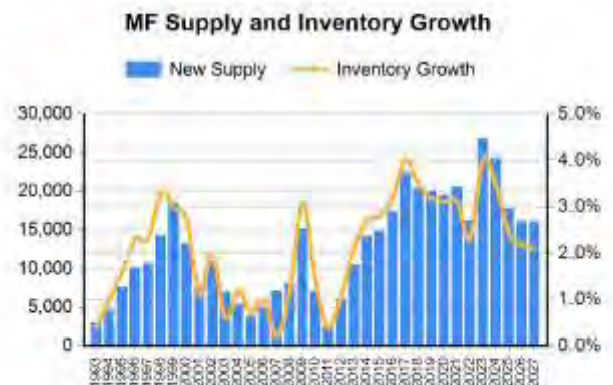
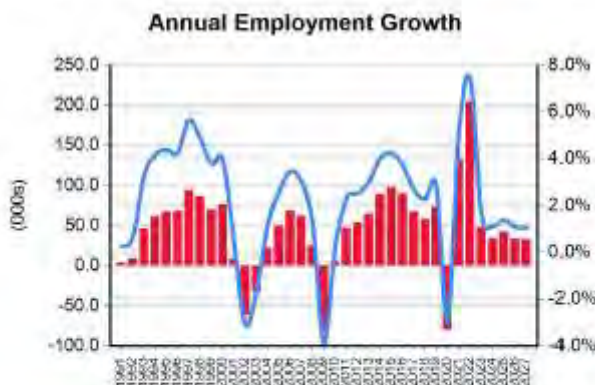
On the supply side, permits for 22,098 multifamily units were issued in the 12 months ending in November 2022, up 3,620 units from the prior year's sum. In terms of total residential housing, 54,420 units were permitted in the 12 months ending November 2022, a decrease of -1,573 units from the prior year's total.

Market Employment and Permitting

	Annual			November-22		Annual Forecast				
	2019	2020	2021	Market	National	2022	2023F	2024F	2025F	2026F
Employment (000s)	2,698.3	2,618.1	2,750.6	3,055.8	154,990.0	2,954.6	3,002.1	3,035.7	3,077.8	3,110.9
Job Gain (000s)	73.1	(80.2)	132.5	194.1	4,780.0	204.0	47.5	33.6	41.9	33.3
Job Growth (%)	2.8%	-3.0%	5.1%	6.8%	3.2%	7.4%	1.6%	1.1%	1.4%	1.1%
Total Residential Permitting	43,467	42,765	55,993	54,420	1,319,575	54,638	46,637	49,141	50,476	51,906
Relative Change	-8.8%	-1.6%	30.9%	-4.4%	2.0%	-2.4%	-14.6%	5.4%	2.7%	2.8%
Single Family Units Permitted	25,586	31,731	37,114	31,517	748,367					
Relative Change	-3.3%	24.0%	17.0%	-16.9%	-8.3%					
Multifamily Units Permitted	17,434	10,343	18,478	22,098	533,860					
Relative Change	-15.2%	-40.7%	78.7%	18.6%	20.4%					
Multifamily as a % of Total	40.1%	24.2%	33.0%	40.6%	40.5%					
Demand/Supply Ratio										
Job Gain / Total Residential Units Permitted	1.5	(1.8)	3.1	3.4	3.7	3.6	0.9	0.7	0.9	0.7
Job Gain / Single Family Units Permitted	2.8	(3.1)	4.2	5.1	5.9					
Job Gain / Multifamily Units Permitted	3.6	(4.8)	12.8	10.4	10.8					

Multifamily Absorption and Supply

	Annual			4Q22		Annual Forecast				
	2019	2020	2021	Market	National	2022	2023F	2024F	2025F	2026F
Total Units Absorbed	20,761	13,773	38,170	(4,614)	(103,485)	(4,614)	28,058	12,881	15,865	11,999
New Supply	20,041	19,528	20,541	16,214	345,685	16,214	26,790	24,292	17,798	16,123
Inventory Growth	3.2%	3.1%	3.1%	2.3%	1.8%	2.3%	4.0%	3.5%	2.5%	2.2%



Dallas-Plano-Irving, TX

Demand and Supply

Dallas-Plano-Irving, TX's two largest job sectors are the Professional and Business Services sector (20.8% of employment), followed by the Trade, Transportation, and Utilities sector (20.4% of employment). The Professional and Business Services sector gained 43,400 jobs during the 12 months ending November 2022, constituting job growth of 7.3%. The Trade, Transportation, and Utilities sector grew 28,000 jobs during the same period; a 4.7% growth rate.

Market Employment by Industry

Employment (000s)	Total Employment				Annual		Percent of		
	2019	2020	Nov21	Nov22	Absolute	%Change	Metro	US	LQ
<i>Mining, Logging, and/or Construction*</i>	149.5	146.1	147.1	160.6	13.50	9.2%	5.3%		
<i>Manufacturing</i>	186.6	181.1	186.4	201.4	15.00	8.0%	6.8%	8.3%	0.79
<i>Trade, Transportation, and Utilities</i>	530.8	532.4	525.5	623.5	28.00	4.7%	20.4%	18.9%	1.08
<i>Information</i>	71.4	69.3	74.8	77.5	2.70	3.6%	2.5%	2.0%	1.28
<i>Financial Activities</i>	250.8	256.9	277.2	300.9	23.70	8.5%	9.8%	5.8%	1.69
<i>Professional and Business Services</i>	518.8	511.2	593.5	636.9	43.40	7.3%	20.8%	14.6%	1.42
<i>Education & Health Services</i>	321.6	310.5	328.2	360.3	22.10	6.7%	11.5%	16.2%	0.71
<i>Leisure and Hospitality</i>	271.7	225.1	258.7	290.8	32.10	12.4%	9.5%	10.2%	0.93
<i>Other Services</i>	86.6	76.0	85.0	94.3	9.30	10.9%	3.1%	3.7%	0.83
<i>Government</i>	310.7	309.6	315.3	319.6	4.30	1.4%	10.5%	14.8%	0.71
Nonfarm	2,698.3	2,618.1	2,861.7	3,055.8	194.10	6.8%			

* Employment may be duplicated due to BLS grouping

Dallas-Plano-Irving, TX's 2021 population of 5,217,380 was an increase of 45,446, 0.9% from the previous year, above the national population change of 0.7%, according to the U.S. Census Bureau.

The median price for existing single family homes in Dallas-Plano-Irving, TX was \$390,100 in 3Q22, according to the National Association of Realtors, 13.0% more than the previous year. According to the U.S. Department of Housing and Urban Development, the market's median family income was \$97,400, an increase of 9.4% from the prior year.

When combining median home price, median family income, interest rate, and the loan-to-price ratio into the housing affordability index, Dallas-Plano-Irving, TX ranks as the 69th most affordable single family market out of the 169 markets measured nationwide.

Housing Affordability

Population

	Annual				Annual			
	2021	2022	3Q22		2018	2019	2020	2021
<i>Housing Affordability Index</i>	160	158	101	Total Population (000s)	4,997	5,082	5,172	5,217
<i>Median Existing Home Price (000s)</i>	\$350.0		\$390.1	<i>Relative Change</i>	1.7%	1.7%	1.8%	0.9%
<i>Relative Change</i>	17.9%		13.0%	<i>Absolute Change</i>	82,550	85,107	89,992	45,446
<i>Median Family Income (HUD,000s)</i>	\$89.0		\$97.4	<i>US Relative Change</i>	0.5%	0.5%	0.4%	0.7%
<i>Relative Change</i>	3.2%		9.4%	Metro > US Ratio	3.2	3.6	4.7	1.2
<i>Effective Mortgage Rate (%)</i>	2.9		8.6					
<i>Loan to Price Ratio</i>	80.0		80.0					

	2013				Annual			
	Metro	US	Metro>US		2018	2019	2020	2021
Total Household Income	\$57,585	\$52,250	1.10	Total Migration	46,046	49,315	56,188	44,317
<i>Householder under 25 years</i>	\$29,756	\$25,391	1.17	<i>As % of pop growth</i>	55.8%	57.9%	62.4%	97.5%
<i>Householder 25 to 44 years</i>	\$57,822	\$56,987	1.01	<i>International Migration</i>	16,150	15,177	12,974	6,790
<i>Householder 45 to 64 years</i>	\$71,358	\$63,474	1.12	<i>% of change</i>	19.6%	17.8%	14.4%	14.9%
<i>Householder 65 years and older</i>	\$42,121	\$37,847	1.11	<i>Domestic Migration</i>	29,896	34,138	43,212	37,527
				<i>% of change</i>	36.2%	40.1%	48.0%	82.6%

Dallas-Plano-Irving, TX

Identified Supply

As of January 12, 2023, RealPage has identified 16,214 apartment units scheduled for delivery in 2022, which all units have been delivered. As a comparison, there were 20,192 apartment units delivered in 2021. Properties delivered to the market in the last 12 months have achieved an average asking rent of \$2,409 per unit, or \$2.30 per square foot. Effective rent has averaged \$2,293, or \$2.19 per square foot, resulting in an average concession value of \$240.48. As a comparison, existing properties in the market had an average asking rent of \$1,578 per unit (\$1.79 per square foot) and an average effective rent of \$1,572 per unit, or \$1.78 per square foot, in 4Q22. Concessions for existing properties averaged \$52.00.

Submarket Delivery Schedule

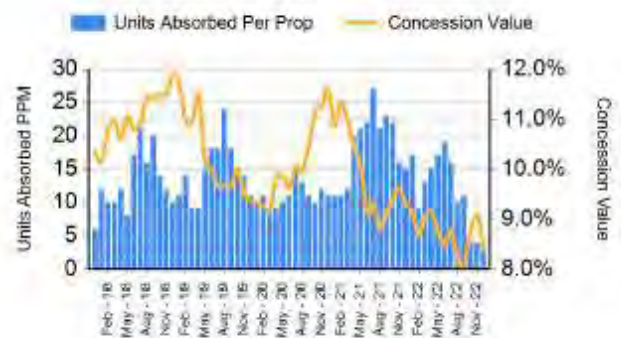
Top Submarkets	Pipeline Delivery Schedule				Pipeline Lease Up Trend					
	2020	2021	2022	Total	Units Absorbed Totals	Asking Rent PPM	Asking Rent Per Unit	Effective Rent PSF	Effective Rent Per Unit	Effective Rent PSF
Allen/McKinney	1,247	2,871	2,227	6,345	793	8	\$1,972	\$1.81	\$1,940	\$1.78
Denton	291	1,448	1,274	3,013	602	11	\$1,918	\$1.69	\$1,874	\$1.65
Frisco	2,329	1,838	4,090	8,257	1,899	15	\$2,035	\$1.96	\$1,949	\$1.87
Grand Prairie	899	894	1,639	3,032	1,003	17	\$1,833	\$2.00	\$1,750	\$1.90
Intown Dallas	1,534	1,553	1,193	4,280	903	13	\$3,867	\$3.43	\$3,477	\$3.25
Other	13,428	11,788	5,791	31,007	3,459	10	\$2,632	\$2.52	\$2,478	\$2.38
Dallas-Plano-Irving, TX	19,528	20,192	16,214	55,934	8,659	11	\$2,409	\$2.30	\$2,293	\$2.19

**Based on 2022 deliveries* **Trend based on a trailing 12 month period*

Identified Unit Deliveries



Lease Up Performance



Top 10 Market Deliveries

Market	Pipeline Delivery Schedule				Pipeline Lease Up Trend					
	2020	2021	2022	Total	Units Absorbed Totals	Asking Rent PPM	Asking Rent Per Ft.	Effective Rent Per Unit	Effective Rent Per Ft.	
Dallas-Plano-Irving, TX	19,528	20,192	16,214	55,934	8,659	11	\$2,409	\$2.30	\$2,293	\$2.19
Houston-The Woodlands-Sugar Land, TX	18,793	16,812	14,970	50,575	10,931	14	\$2,126	\$2.03	\$1,983	\$1.89
Phoenix-Mesa-Scottsdale, AZ	8,758	9,858	14,434	33,050	7,869	11	\$2,138	\$2.24	\$2,060	\$2.15
Austin-Round Rock, TX	10,414	10,568	13,853	34,835	8,876	16	\$2,187	\$2.28	\$2,087	\$2.17
Washington-Arlington-Alexandria, DC-VA-MD-WV	13,541	11,913	13,075	38,529	8,860	12	\$2,800	\$3.32	\$2,530	\$3.00
New York-White Plains, NY	6,052	3,493	12,437	21,982	602	2	\$3,936	\$4.73	\$3,755	\$4.50
Atlanta-Sandy Springs-Roswell, GA	13,060	8,881	11,378	33,319	6,103	13	\$2,172	\$2.13	\$2,069	\$2.03
Newark-Jersey City, NJ-PA	7,886	12,720	11,138	31,744	5,425	5	\$2,590	\$3.04	\$2,484	\$2.91
Seattle-Bellevue-Everett, WA	6,895	7,651	9,991	24,537	3,435	6	\$2,602	\$3.58	\$2,450	\$3.37
Minneapolis-St. Paul-Bloomington, MN-WI	8,008	9,312	9,123	26,443	3,099	2	\$1,990	\$2.32	\$1,881	\$2.18
National	351,347	339,799	349,015	1,040,161	185,590	8	\$2,264	\$2.51	\$2,159	\$2.39

**Based on 2022 deliveries* **Trend based on a trailing 12 month period*

Dallas-Plano-Irving, TX

Annual Submarket Rankings

Effective Rent Growth Ranking						Occupancy Ranking					
Submarket	Rank	4Q22	LTA*	Forecast		Submarket	Rank	4Q22	LTA*	Forecast	
				2022	2023-2026					2022	2023-2026
Hunt County	1	17.2%	3.3%	17.2%	5.0%	Hunt County	1	96.4%	94.8%	96.4%	94.1%
Northwest Dallas	2	16.0%	3.5%	16.0%	5.9%	Northwest Dallas	2	95.7%	93.4%	95.7%	94.6%
Southeast Dallas	3	15.4%	3.8%	15.4%	6.0%	South Irving	3	95.6%	94.8%	95.6%	94.4%
Kaufman County	4	14.8%	3.3%	14.8%	4.3%	Zang Triangle/Cedars/Fair Park	4	95.2%	92.5%	95.2%	93.7%
Mesquite	5	12.9%	3.3%	12.9%	5.6%	Carrollton/Farmers Branch	5	95.2%	94.5%	95.2%	93.6%
Denton	6	12.9%	3.2%	12.9%	5.1%	Ellis County	5	95.2%	95.5%	95.2%	95.0%
Far East Dallas	7	12.6%	3.2%	12.6%	6.0%	Kaufman County	7	95.2%	96.5%	95.2%	94.2%
South Irving	8	12.3%	3.4%	12.3%	6.1%	Southeast Dallas	8	95.1%	92.0%	95.1%	92.2%
Southwest Dallas	9	10.8%	3.3%	10.8%	5.3%	The Colony/Far North Carrollton	9	95.1%	93.5%	95.1%	93.5%
North Irving	10	10.7%	3.1%	10.7%	5.1%	Addison/Bent Tree	10	94.9%	94.4%	94.9%	94.0%
Garland	11	10.3%	3.5%	10.3%	5.5%	Garland	10	94.9%	94.3%	94.9%	93.8%
Carrollton/Farmers Branch	12	10.2%	3.3%	10.2%	4.3%	Love Field/Medical District	12	94.8%	93.8%	94.8%	93.0%
Far North Dallas	13	10.0%	2.9%	10.0%	3.6%	Denton	13	94.8%	95.4%	94.8%	94.4%
West Plano	14	9.9%	2.7%	9.9%	2.9%	Lewisville/Flower Mound	14	94.7%	94.0%	94.7%	93.4%
Northeast Dallas	15	9.9%	2.9%	9.9%	5.4%	Central/East Plano	15	94.7%	94.3%	94.7%	93.0%
North Oak Cliff/West Dallas	16	9.7%	3.3%	9.7%	5.3%	Richardson	16	94.7%	94.7%	94.7%	93.2%
Central/East Plano	17	9.6%	2.9%	9.6%	3.0%	West Plano	17	94.6%	94.5%	94.6%	93.7%
Ellis County	18	9.5%	3.1%	9.5%	5.0%	North Dallas	18	94.5%	93.1%	94.5%	92.7%
North Dallas	18	9.5%	2.8%	9.5%	4.3%	Frisco	19	94.5%	93.7%	94.5%	92.6%
East Dallas	20	9.5%	3.0%	9.5%	2.5%	North Irving	20	94.5%	94.1%	94.5%	93.7%
Richardson	21	8.4%	2.7%	8.4%	3.1%	East Dallas	21	94.4%	93.4%	94.4%	93.1%
Southern Dallas County	22	8.1%	3.2%	8.1%	5.3%	Las Colinas/Coppell	22	94.4%	94.1%	94.4%	93.4%
Zang Triangle/Cedars/Fair Park	23	8.0%	2.6%	8.0%	2.1%	Allen/McKinney	23	94.2%	93.8%	94.2%	93.2%
Las Colinas/Coppell	24	7.9%	2.4%	7.9%	2.6%	Far North Dallas	24	94.0%	94.4%	94.0%	93.8%
Frisco	25	7.8%	2.4%	7.8%	2.4%	Grand Prairie	24	94.0%	93.8%	94.0%	93.6%
Addison/Bent Tree	26	7.8%	2.6%	7.8%	3.1%	Southern Dallas County	26	94.0%	94.3%	94.0%	94.0%
Love Field/Medical District	27	7.3%	3.5%	7.3%	2.0%	Southwest Dallas	27	94.0%	93.3%	94.0%	93.4%
Grand Prairie	28	6.9%	3.0%	6.9%	4.8%	Far East Dallas	28	93.8%	92.4%	93.8%	92.8%
Oak Lawn/Park Cities	29	6.5%	2.2%	6.5%	2.5%	Oak Lawn/Park Cities	28	93.8%	94.0%	93.8%	92.4%
The Colony/Far North Carrollton	29	6.5%	2.0%	6.5%	3.6%	North Oak Cliff/West Dallas	30	93.8%	94.3%	93.8%	93.1%
Intown Dallas	31	6.4%	2.0%	6.4%	2.1%	Mesquite	31	93.7%	94.1%	93.7%	93.9%
Allen/McKinney	32	6.3%	2.6%	6.3%	2.5%	Intown Dallas	32	93.5%	92.9%	93.5%	92.6%
Lewisville/Flower Mound	33	6.2%	3.0%	6.2%	2.9%	Northeast Dallas	33	93.1%	91.3%	93.1%	92.1%
Rockwall/Rowlett/Wylie	34	5.8%	2.9%	5.8%	2.5%	Rockwall/Rowlett/Wylie	34	92.3%	95.0%	92.3%	92.3%
Market Average		9.8%	3.0%	9.8%	4.0%	Market Average		94.5%	94.0%	94.5%	93.4%

*LTA - Long term average 1996 (or available) to current

*LTA - Long term average 1996 (or available) to current

Dallas-Plano-Irving, TX

Annual Submarket Rankings

Concession Value Ranking

% of Asking Rent			
Submarket	Rank	4Q22	LTA*
Frisco	1	5.0%	7.7%
Northwest Dallas	2	4.8%	5.7%
East Dallas	3	4.4%	7.9%
Intown Dallas	3	4.4%	7.1%
Love Field/Medical District	5	4.3%	6.1%
Richardson	5	4.3%	6.7%
The Colony/Far North Carrollton	7	4.1%	6.7%
Las Colinas/Coppell	8	4.0%	7.1%
North Dallas	9	3.9%	6.8%
North Oak Cliff/West Dallas	9	3.9%	5.2%
Northeast Dallas	11	3.6%	6.5%
Zang Triangle/Cedars/Fair Park	12	3.4%	5.9%
Rockwall/Rowlett/Wylie	13	3.3%	4.4%
Far East Dallas	14	3.1%	6.1%
Southwest Dallas	14	3.1%	5.7%
West Plano	14	3.1%	6.2%
Addison/Bent Tree	17	3.0%	6.7%
Carrollton/Farmers Branch	17	3.0%	6.6%
Grand Prairie	17	3.0%	6.7%
Southeast Dallas	20	2.9%	5.1%
Central/East Plano	21	2.7%	6.1%
Lewisville/Flower Mound	22	2.3%	6.8%
Oak Lawn/Park Cities	22	2.3%	7.2%
Allen/McKinney	24	2.2%	6.5%
Southern Dallas County	25	2.1%	5.0%
Denton	26	2.0%	4.3%
Kaufman County	27	1.7%	3.0%
South Irving	28	1.6%	5.9%
Ellis County	29	1.5%	4.8%
Garland	29	1.5%	6.1%
Hunt County	29	1.5%	2.8%
Mesquite	32	1.4%	5.6%
North Irving	33	1.2%	6.7%
Far North Dallas	34	1.1%	6.8%
Market Average		2.9%	6.0%

*LTA - Long term average 1996 (or available) to current

Concession Value

Concession Value			
Submarket	Rank	4Q22	LTA*
Frisco	1	\$87.00	\$81.33
Intown Dallas	2	\$85.00	\$97.00
Northwest Dallas	3	\$74.00	\$40.87
Richardson	4	\$70.00	\$67.04
Love Field/Medical District	5	\$68.00	\$62.33
The Colony/Far North Carrollton	6	\$67.00	\$71.90
East Dallas	7	\$66.00	\$83.43
Las Colinas/Coppell	8	\$65.00	\$73.92
North Oak Cliff/West Dallas	9	\$64.00	\$42.26
Zang Triangle/Cedars/Fair Pa	10	\$59.00	\$66.22
Rockwall/Rowlett/Wylie	11	\$55.00	\$40.89
Oak Lawn/Park Cities	12	\$53.00	\$94.85
West Plano	12	\$53.00	\$64.48
North Dallas	14	\$51.00	\$56.35
Addison/Bent Tree	15	\$49.00	\$57.52
Carrollton/Farmers Branch	15	\$49.00	\$56.04
Central/East Plano	17	\$48.00	\$57.25
Grand Prairie	17	\$48.00	\$52.43
Northeast Dallas	19	\$47.00	\$44.87
Kaufman County	20	\$42.00	\$24.31
Far East Dallas	21	\$39.00	\$41.25
Lewisville/Flower Mound	21	\$39.00	\$57.58
Allen/McKinney	23	\$37.00	\$59.77
Southeast Dallas	24	\$35.00	\$32.15
Southwest Dallas	25	\$31.00	\$36.00
Denton	26	\$29.00	\$33.38
Southern Dallas County	26	\$29.00	\$39.04
Ellis County	28	\$27.00	\$37.19
South Irving	29	\$22.00	\$43.68
Garland	30	\$21.00	\$46.00
Mesquite	30	\$21.00	\$40.95
North Irving	32	\$18.00	\$54.96
Hunt County	33	\$18.00	\$21.41
Far North Dallas	34	\$15.00	\$51.67
Market Average		\$46.44	\$53.83

*LTA - Long term average 1996 (or available) to current

Dallas-Plano-Irving, TX

Kaufman County

Apartment Performance

Effective rent increased 1.1% from \$1,464 in 3Q22 to \$1,480 in 4Q22. The submarket's annual rent growth rate of 14.8% was above the market average of 8.8%. Out of the 34 submarkets in the market, the Kaufman County submarket ranked 5th for quarterly effective rent growth and 4th for annual effective rent growth for 4Q22. Annual effective rent growth is forecast to be 3.0% in 2023, and average 4.4% through 2024 to 2026. The annual effective rent growth has averaged 3.4% per year since 2Q06.

The submarket's occupancy rate decreased from 96.8% in 3Q22 to 94.9% in 4Q22, and was down from 99.1% a year ago. The submarket's occupancy rate was above the market average of 94.3% in 4Q22. For the forecast period, the submarket's occupancy rate is expected to increase to 95.2% in 2023 and average 94.0% from 2024 to 2026. The submarket's occupancy rate has averaged 96.2% since 2Q06.

New Supply

Based on RealPage's identified supply of properties under construction, the submarket is expected to deliver 294 units in 2022 of which all have been delivered. Overall market deliveries decreased from 20,192 units in 2021 to 16,214 in 2022, and the total is expected to rise to 26,790 units in 2023.

During the last 12 months, 8,659 units were absorbed in lease-up properties across the market with 189 of them in this submarket. The average absorption rate for lease-up properties in the market was 11 units per property, per month. The submarket's average absorption was the same at 11 units per property, per month. The submarket's average asking rent for new lease-up properties was \$1,925 per unit, or \$1.81 per square foot. When factoring in concessions, new lease-up properties in this submarket on average achieved an effective rent of \$1,774 per unit, or \$1.66 per square foot.

Submarket Survey Results and Forecasts

	Sequential				Month	Annual						
	1Q22	2Q22	3Q22	4Q22	Dec-22	2019	2020	2021	2022	2023F	2024F	2025F
Effective Rent Per Unit	\$1,333	\$1,395	\$1,464	\$1,480	\$1,498	\$1,182	\$1,176	\$1,254	\$1,418	\$1,498	\$1,557	\$1,625
Per Sq. Ft	\$1.38	\$1.47	\$1.54	\$1.55	\$1.56	\$1.39	\$1.37	\$1.39	\$1.45	\$1.57	\$1.64	\$1.71
Effective Rent Growth - Annually	10.0%	11.9%	16.0%	14.8%	14.4%	-2.0%	3.0%	7.7%	14.8%	3.0%	3.7%	4.4%
Effective Rent Growth - Quarterly	3.3%	4.7%	4.9%	1.1%								
Occupancy Rate	98.8%	97.8%	96.8%	94.9%	93.6%	94.3%	92.4%	96.9%	97.1%	95.4%	93.8%	94.2%
Occupancy Change - Annually	3.8%	1.7%	0.8%	-3.9%	-6.2%	-2.8%	1.6%	4.6%	-3.9%	0.3%	-1.4%	0.3%
Occupancy Change - Quarterly	0.2%	-0.9%	-1.1%	-1.9%								
Economic Concessions												
Concession Value	\$8.00	\$14.00	\$42.00	\$42.00	\$42.00	\$18.00	\$21.00	\$23.50	\$26.50			
As a % of Asking Rent	0.6%	1.1%	3.0%	2.9%	2.8%	1.7%	2.0%	2.0%	1.8%			

Submarket Profile

	Submkt	Market	Rank	Pipeline Delivery Schedule						
				2020	2021	2022	2023	2024	Total	
Effective Rent Per Unit	\$1,480	\$1,572	17/34							
Effective Rent Growth - Annually	14.8%	8.8%	3/34	Submarket	375	441	294	321	550	1,981
Effective Rent Growth - Quarterly	1.1%	-0.9%	5/34	Market	19,528	20,192	16,214	26,790	22,861	105,58
Occupancy Rate	94.9%	94.3%	9/34	Pipeline Lease Up Trend						
Occupancy change - Annually	-3.9%	-2.9%	31/34	Units Absorbed		Asking Rent		Effective Rent		
Occupancy change - Quarterly	-1.9%	-0.9%	34/34	Totals	PPM	Level	Per Ft.	Level	Per Ft.	
Concession Value	\$42.00	\$52.00	20/34	Submarket	189	11	\$1,925	\$1.81	\$1,774	\$1.66
Build Average	2006	1997	8/34	Market	8,659	11	\$2,409	\$2.30	\$2,293	\$2.19

*Ranking based on Submarkets with 5 or more Projects

*Trend based on a trailing 12 month period

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Highest and Best Use

Highest and best use is the reasonably probable use of a property that results in the highest value. The four criteria that the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum productivity.

1	Legally Permissible
Possible uses considering the site's legal restrictions (zoning, deed, easements, etc.)	
2	Physically Possible
Possible uses considering the site's physical characteristics	
3	Financially Feasible
Physically possible and legally permissible uses that yield a positive return on invested capital	
4	Maximally Productive
The single use which meets all the prerequisite criteria and yields the greatest return on invested capital	

To develop the highest and best use, which is integral to the development of market value, the property is viewed from two perspectives: the site as if vacant and the property as improved. The highest and best use as improved examines the existing improvements and determines whether continued use, modified use (renovation, conversion, or expansion), or demolition and redevelopment of the site is maximally productive. In addition to consideration of the site's use, the identification of the most likely user and the timing of the identified use are critical to the analysis of the highest and best use.

As Vacant Analysis

Legally Permissible

The highest and best use of vacant land is typically found among those uses that are permitted by the zoning designation or deed restrictions governing the property. The subject is located outside of city limits of Forney and has no zoning designation. Thus, potential uses to open. There are no known easements, encroachments, covenants, or other use restrictions impacting the subject.

Physically Possible

The test of what is physically possible for the subject site considers the physical and locational characteristics that influence its highest and best use. The site size is adequate for development and displays Generally Level topography with good access and good exposure. The site has access to typical utilities. These attributes allow for a variety of legally permissible uses.

The appraisal principle of conformity, which holds that real estate value is created and sustained when the characteristics of a property conform to the demands of its market, is of particular importance in the analysis of physically possible uses. With consideration for the principal of conformity, the subject is surrounded largely by residential uses with some supportive commercial uses along the primary thoroughfares in the local area.

Financially Feasible

Based on the analysis of the subject market and construction costs, a new property similar to the subject would likely return a typical profit incentive for a developer, given the stable vacancy and increasing rental rates in the competitive market. This data indicates achievable rent levels would support new construction at present.

Maximally Productive

After consideration of all legal, physical, and financially feasible attributes, the development of development of a multi-family residential property as market conditions warrant is determined to return the highest value of the site, indicating the highest and best use of the site as though vacant.

As Improved Analysis

Legally Permissible

Based upon our analysis of the subject property and zoning, the subject property is a Legal, Conforming. The surrounding uses are supportive of the existing development and further support the physically possible indications that its highest and best use is for continued use as a multi-family residential property.

Physically Possible

The existing improvements are consistent with similar multifamily uses in the area, with a unit mix and amenity package generally consistent with market demands. Based on the physical and locational characteristics, the existing improvements meet the criteria for the continued use as a multi-family residential property.

Financially Feasible

As presented in the Income Approach, the subject is projected to generate positive net income over the holding period. Therefore, continued use as a multi-family residential property is financially feasible.

Further, alternative uses of the improvements are considered: continued use as is, modification (renovation, expansion, and/or conversion) to an alternate use, or demolition and redevelopment.

As improved, the subject has been well received by the market and continued operation As Is is financially feasible.

Maximally Productive

After consideration of legal, locational, and physical attributes as well as potential alternative uses, it is our opinion that the existing improvements contribute significantly to the site and continued use as a multi-family residential property is appropriate.

Most Probable Buyer

Based on our analysis, the most probable buyer for the subject, as improved, would be a national and regional investor.

Income

The income capitalization approach estimates value by analyzing a property's income generating capacity. This approach assumes that an asset's value is a function of the expected future benefits (cash flows) associated with it. These benefits, or cash flows, include the outflow an investor is willing to pay today in return for the expected inflows each year from normal operations, as well as the expected reversion, or future sale price, achieved at the end of the holding period.

There are three valuation methodologies associated with the income capitalization approach; the direct capitalization method, the yield capitalization (DCF) and the effective gross income multiplier method. The direct cap method consists of estimating the net operating income generated in the next full year of operations, and then capitalizing it, by means of a capitalization (cap) rate, into value. The yield capitalization method, also known as the discounted cash flow (DCF), consists of estimating each individual cash flow expected during the holding period (including the reversion), and discounting each of which to present value by means of a discount rate. The EGIM is derived by dividing the effective gross annual income of each comparable into the sales price. The direct cap method is the simplest of the three, and most commonly relied upon by prospective investors for multifamily properties (except for estimating IRR in equity returns analysis). Because apartment leases are typically 12 months or less, the next year's income estimate is less assumptive and thus more reliable than projecting the multiple cash flows associated with an entire holding period.

Based on the appraisal problem and scope of work previously defined in the Introduction section, the Direct Capitalization analysis was utilized. The EGIM analysis and Discounted Cash Flow method were not developed.

Subject Rents

Analyzing a subject's existing operations provides support for income and occupancy conclusions. Investors typically analyze in-place rents, recent leasing, and occupancy with consideration given to historical and market supported annual changes.

Rent Roll Analysis															
Unit Type	Min SF	Max SF	Avg SF	# of Units	% of Total	Total SF (NRA)	Occ Units	Vacant Units	% Occ	Contract Rent			Quoted Rent		
										Avg	Avg PSF	PGR/Mo	Avg	Avg PSF	PGR/Mo
1-BR	798	832	818	116	43%	94,880	102	14	87.9%	\$1,388	\$1.70	\$141,619	\$1,499	\$1.83	\$173,924
2-BR	1,059	1,203	1,130	120	44%	135,628	108	12	90.0%	\$1,636	\$1.45	\$176,635	\$1,842	\$1.63	\$221,092
3-BR	1,365	1,365	1,365	36	13%	49,140	33	3	91.7%	\$1,841	\$1.35	\$60,766	\$2,014	\$1.48	\$72,504
Unit Type Detailed			Size SF	# of Units	% of Total	Total SF (NRA)	Occ Units	Vacant Units	% Occ	Contract Rent			Quoted Rent		
										Avg	Avg PSF	PGR/Mo	AVG	Avg PSF	PGR/Mo
1 Bed / 1 Bath			798	48	18%	38,304	43	5	89.6%	\$1,330	\$1.67	\$57,196	\$1,458	\$1.83	\$69,984
1 Bed / 1 Bath			832	68	25%	56,576	59	9	86.8%	\$1,431	\$1.72	\$84,423	\$1,529	\$1.84	\$103,940
2 Bed / 2 Bath			1,059	28	10%	29,652	27	1	96.4%	\$1,613	\$1.52	\$43,560	\$1,705	\$1.61	\$47,740
2 Bed / 2 Bath			1,125	3	1%	3,375	2	1	66.7%	\$1,710	\$1.52	\$3,420	\$1,837	\$1.63	\$5,510
2 Bed / 2 Bath			1,145	77	28%	88,165	68	9	88.3%	\$1,637	\$1.43	\$111,310	\$1,872	\$1.64	\$144,154
2 Bed / 2 Bath			1,203	12	4%	14,436	11	1	91.7%	\$1,668	\$1.39	\$18,345	\$1,974	\$1.64	\$23,688
3 Bed / 2 Bath			1,365	36	13%	49,140	33	3	91.7%	\$1,841	\$1.35	\$60,766	\$2,014	\$1.48	\$72,504
Total/Avg			1,028	272		279,648	243	29	89.3%	\$1,560	\$1.54*	\$379,020	\$1,719	\$1.67	\$467,520

**The calculated overall average contract \$/mo and contract \$/sf is based upon number of occupied units, weighted.

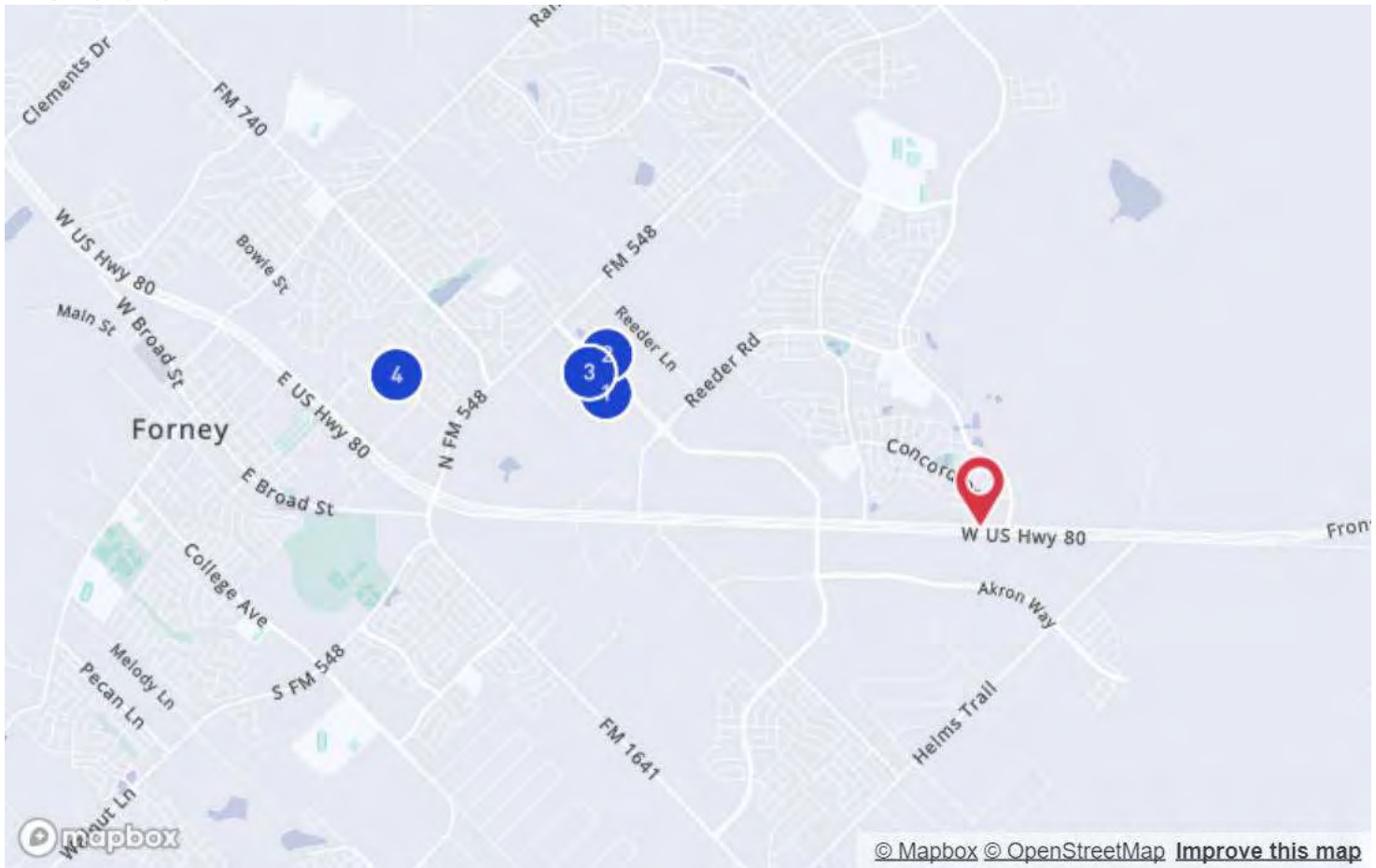
Recent Leases

Recent leases within the last 180/90/60/30 days indicate that rents have started to stabilize or decrease slightly. However, this timeframe typically reflects the slower leasing season and as the summer months approach effective rents are anticipated to trend upwards.

Size	In-Place Rent by Lease Sign In Date												
	Last 180	Δ	# Leases	Last 90	Δ	# Leases	Last 60	Δ	# Leases	Last 30	Δ	# Leases	Avg In-Place Rent
1059	\$1,634	5.00%	10	\$1,635	5.06%	5	\$1,662	3.00%	3	\$1,600	-0.83%	1	\$1,613
1365	\$1,916	4.08%	11	\$1,927	4.66%	4	\$1,937	3.00%	3	\$1,890	-2.84%	1	\$1,941
739	\$1,384	4.04%	12	\$1,396	5.12%	5	\$1,383	3.95%	3	\$1,383	3.95%	3	\$1,330
832	\$1,476	3.17%	28	\$1,477	3.25%	10	\$1,483	3.62%	6	\$1,488	3.97%	3	\$1,431
1145	\$1,680	2.66%	23	\$1,675	2.30%	4	\$1,663	1.56%	2	\$1,600	-2.25%	1	\$1,637
1125	\$1,760	2.92%	1										\$1,710
1203	\$1,740	4.33%	3	\$1,735	7.63%	2	\$1,855	11.23%	1				\$1,668
Total/Average	\$1,603		88	\$1,608		30	\$1,606		18	\$1,522		3	\$1,560

Rent Comps

Following is a map and summary of the most comparable properties to the subject, which are used to support income and occupancy assumptions for the subject property.



Rent Comps Summary

Comp	Name	Address	YOC	Units	Occ	Avg SF	Rent SF	Avg Rent	Dist. (mi)
Rent 1	Gateway Pines	1200 N Gateway Blvd Forney TX 75126-0918	2018	337	92%	810	\$1.73	\$1,404	2.10
Rent 2	Gateway Oaks	1105 N. Gateway Blvd.	2016	313	94%	860	\$1.67	\$1,436	2.17
Rent 3	Gateway Cedars	1100 N Gateway Blvd Forney TX 75126-5190	2014	334	97%	786	\$1.65	\$1,296	2.22
Rent 4	The Emerson At Forney Marketplace	300 Trailhouse Ln Forney TX 75126-2646	2019	320	94%	894	\$1.85	\$1,654	3.20
Subject	Parc At Windmill Farms	1003 Windmill Farms Blvd Forney TX 75126-6326	2019	272	89%	1,028	\$1.67	\$1,719	

Rent Comps Analysis

The subject property is considered to be a Class A, Garden community. This section analyzes only the most similar and competitive properties to the subject for comparability. Following is a table summarizing the rent comparables. Adjustments were applied to account for material differences, on the basis of overall location, overall improvements and amenities, utilities inclusions and other adjustments as needed.

Comparable Rents + Adjustments									
	Subject	1	2	3	4				
Property Name	Parc At Windmill Farms	Gateway Pines	Gateway Oaks	Gateway Cedars	The Emerson At Forney Marketplace				
City	Forney	Forney	Forney	Forney	Forney				
Class	A	A	A	A	A				
Building Type	Garden	Garden	Garden	Garden	Low-Rise				
Units	272	337	313	334	320				
Submarket	C+	C+	C+	C+	C+				
Neighborhood	B	B-	B	B	B-				
Location	A+	A+	A+	A+	A+				
Amenities	A	A	A	A	A				
Year Built	2019	2018	2016	2014	2019				
Quality	Good	Good	Good	Good	Good				
Condition	Good	Good	Good	Good	Good				
Unit Finishes	Good	Good	Good	Good	Good				
Parking Ratio	2.01			1.60	1.75				
Occupancy	89.3%	92.0%	94.0%	97.0%	94.0%				
Property Adjustments									
Overall Location	B+	0%	0%	0%	0%				
Overall Improvements	B+	0%	0%	0%	0%				
Amenities	A	0%	0%	0%	0%				
Overall		0%	0%	0%	0%				
Utility & Other Adjustments									
	Included in Rent	incl.	adj.	incl.	adj.	incl.	adj.	incl.	adj.
Gas			-		-		-		-
Electric			-		-		-		-
Water/Sewer			-		-		-		-
TV/Internet			-		-		-		-
Trash			-		-		-		-
Total			-		-		-		-

Rent Comparable Adjustment Grid

The following tables adjust the comparables to the subject property quantitatively.

RENT COMPARABLE ADJUSTMENT SUMMARY								
COMPARABLE 1	# Units	AVG Size (SF)	EFF. RENT \$/UNIT	ADJUSTMENTS			TOTAL ADJ	ADJUSTED \$/UNIT
				LOCATION	IMPROVEMENTS	AMENITIES		
ALL UNIT TYPES	337	810	\$1,404	\$0	\$0	\$0	\$0	\$1,404
COMPARABLE 2								
ALL UNIT TYPES	313	860	\$1,436	\$0	\$0	\$0	\$0	\$1,436
COMPARABLE 3								
ALL UNIT TYPES	334	786	\$1,296	\$0	\$0	\$0	\$0	\$1,296
COMPARABLE 4								
ALL UNIT TYPES	320	894	\$1,654	\$0	\$0	\$0	\$0	\$1,654
SUBJECT								
ALL UNIT TYPES	272	1,028	\$1,719	-	-	-	-	\$1,719

Based upon the adjusted rent comparables, it appears that the subject's quoted rents were above market. Therefore, we have projected market rents more in line with the subject's in-place and recent leases. We note that the subject's average unit size is larger than all of the comparables and an average towards the upper end of the adjusted range is reasonable for the subject.

Potential Gross Rent (PGR)

Considering the most likely rental rates the subject units are each capable of commanding in the market, the overall subject property is projected to generate the potential gross rental income (PGR) before other income, vacancy, and concessions, indicated in the table below.

CALCULATION OF POTENTIAL GROSS RENTAL INCOME									
Floor Plan	# Units	Size (SF)	Quoted Rents				Appraiser's Estimated Market Rents		
			Market Rent	Market Rent/SF	Effective Market Rent	Eff. Market Rent/SF	Market Rent	Market Rent/SF	Total Rent Per Year
1 Bed / 1 Bath	48	798	\$1,458	\$1.83	\$1,458	\$1.83	\$1,385	\$1.74	\$797,760
1 Bed / 1 Bath	68	832	\$1,529	\$1.84	\$1,529	\$1.84	\$1,485	\$1.78	\$1,211,760
2 Bed / 2 Bath	28	1,059	\$1,705	\$1.61	\$1,705	\$1.61	\$1,650	\$1.56	\$554,400
2 Bed / 2 Bath	3	1,125	\$1,837	\$1.63	\$1,837	\$1.63	\$1,675	\$1.49	\$60,300
2 Bed / 2 Bath	77	1,145	\$1,872	\$1.63	\$1,872	\$1.63	\$1,675	\$1.46	\$1,547,700
2 Bed / 2 Bath	12	1,203	\$1,974	\$1.64	\$1,974	\$1.64	\$1,700	\$1.41	\$244,800
3 Bed / 2 Bath	36	1,365	\$2,014	\$1.48	\$2,014	\$1.48	\$1,895	\$1.39	\$818,640
Total/Mean	272	1,028	\$1,719	\$1.70	\$1,719	\$1.70	\$1,604	\$1.59	\$5,235,360

The subject's average effective quoted rents are \$1,719 per unit. We have relied heavily on the subject's average in-place rent, average of the recent leases, and the rent comparables in order to determine market rent.

CALCULATION OF LOSS TO LEASE									
Floor Plan	Size (SF)	Occupied Units	Vacant Units	Actual Face Rents			Estimated Market Rent	Actual Vs. Market	
				Total	Average	\$/SF			
1 Bed / 1 Bath	798	43	5	\$57,190	\$1,330	\$1.67	\$1,385	4.1%	
1 Bed / 1 Bath	832	58	10	\$82,998	\$1,431	\$1.72	\$1,485	3.8%	
2 Bed / 2 Bath	1,059	27	1	\$43,551	\$1,613	\$1.52	\$1,650	2.3%	
2 Bed / 2 Bath	1,125	2	1	\$3,420	\$1,710	\$1.52	\$1,675	-2.0%	
2 Bed / 2 Bath	1,145	68	9	\$111,316	\$1,637	\$1.43	\$1,675	2.3%	
2 Bed / 2 Bath	1,203	11	1	\$18,348	\$1,668	\$1.39	\$1,700	1.9%	
3 Bed / 2 Bath	1,365	33	3	\$60,753	\$1,841	\$1.35	\$1,895	2.9%	
Total/Mean	1,028	242	30	\$377,576	\$1,560	\$1.51	\$1,609	3.1%	

Based upon the current rent roll, the subject's actual collected rents average \$1,560 per unit, which equates to \$1.51 per square foot. These current in-place rents are 3.1% less than our estimated market rents. Thus, the majority of the subject's in-place leases are below market and loss-to-lease should trend downward over the next year as leases roll to market terms. Given this situation, we have utilized a loss to lease factor of 1.5%.

Operating Analysis

In our analysis and projection of the subject's operating expenses, we considered the subject's reported historical information, operating data from comparables, and survey data, as available.

Market Operating Comparables

The following shows operating data of similar multifamily properties in the market and the data is considered reasonable, representative, and supportive of the subject's most likely operating expenses to be incurred by prudent ownership.

Operating Comparables												
	1		2		3		4		5		6	
Market	DFW		DFW		DFW		DFW		DFW		Dallas	
Year Built	2019		2008		2013		2012		2017		2018	
#Units	320		399		308		334		247		248	
Expense Year	2021		2022		2022		2022		2021		2022	
Income	%PGR	\$/Unit	%PGR	\$/Unit	%PGR	\$/Unit	%PGR	\$/Unit	%PGR	\$/Unit	%PGR	\$/Unit
PGR - Potential Gross Rent		\$14,662		\$16,989		\$17,415		\$18,594		\$16,421		\$16,182
Loss/(Gain) to Lease	-	-	5.5%	\$942	5.3%	\$919	12.4%	\$2,309	4.3%	\$701	5.8%	\$941
Non-Revenue/Model Units	0.2%	\$36	0.4%	\$75	0.8%	\$134	-	-	-	-	-	-
Vacancy	17.6%	\$2,584	4.0%	\$672	2.5%	\$437	5.0%	\$935	6.0%	\$992	4.7%	\$760
Bad Debt	0.5%	\$69	0.3%	\$49	0.8%	\$134	0.9%	\$160	2.2%	\$361	3.0%	\$478
Concessions	2.8%	\$415	0.8%	\$129	0.7%	\$119	0.0%	\$1	1.1%	\$176	3.0%	\$490
NRI - Net Rental Income		\$11,558		\$15,122		\$15,672		\$15,190		\$14,190		\$13,514
Parking & Storage Income	2.1%	\$305	2.3%	\$383	4.6%	\$797	2.2%	\$406	1.6%	\$259	-	-
Utility Reimbursements	3.9%	\$571	3.3%	\$565	2.7%	\$470	4.5%	\$843	4.3%	\$705	3.2%	\$523
Other Income	4.3%	\$626	6.8%	\$1,152	7.0%	\$1,221	5.8%	\$1,073	3.8%	\$629	10.0%	\$1,625
EGI - Effective Gross Income	89.1%	\$13,060	101.4%	\$17,222	104.3%	\$18,160	94.2%	\$17,512	96.1%	\$15,783	96.8%	\$15,661
Expenses	%EGI	\$/Unit	%EGI	\$/Unit	%EGI	\$/Unit	%EGI	\$/Unit	%EGI	\$/Unit	%EGI	\$/Unit
Real Estate Taxes	21.7%	\$2,837	23.1%	\$3,976	20.7%	\$3,768	23.8%	\$4,168	26.7%	\$4,217	16.5%	\$2,581
Franchise Taxes	-	-	-	-	-	-	0.3%	\$53	0.3%	\$53	-	-
Property Insurance	3.2%	\$420	2.2%	\$374	1.9%	\$350	1.8%	\$319	4.2%	\$661	3.8%	\$603
Trash Removal	1.7%	\$227	0.9%	\$154	0.7%	\$120	1.6%	\$287	1.9%	\$304	2.2%	\$341
Utilities - Gas	-	-	0.0%	\$5	-	-	-	-	0.0%	\$3	-	-
Utilities - Electric	0.7%	\$93	0.9%	\$154	0.9%	\$155	0.7%	\$125	1.1%	\$168	0.4%	\$66
Utilities - Water & Sewer	2.9%	\$384	2.6%	\$445	2.0%	\$357	2.9%	\$500	3.2%	\$498	1.6%	\$247
Repairs & Maintenance	3.2%	\$412	4.2%	\$718	4.2%	\$770	2.7%	\$471	3.6%	\$565	3.6%	\$569
Management	2.8%	\$370	2.5%	\$432	3.1%	\$564	3.0%	\$521	2.7%	\$428	2.9%	\$459
Payroll	10.7%	\$1,399	7.3%	\$1,254	7.2%	\$1,312	7.2%	\$1,259	9.3%	\$1,469	9.7%	\$1,518
Advertising	2.4%	\$316	1.0%	\$173	1.0%	\$183	1.4%	\$243	0.9%	\$139	0.7%	\$107
General & Administrative	2.0%	\$259	2.0%	\$340	2.0%	\$362	1.6%	\$274	1.1%	\$176	1.8%	\$275
Non-Revenue/Model Units	-	-	-	-	-	-	0.7%	\$126	0.8%	\$130	0.3%	\$45
Security Contract	0.3%	\$42	-	-	-	-	-	-	-	-	-	-
Asset Specific	-	-	-	-	-	-	0.4%	\$72	-	-	2.7%	\$427
Total Operating Expenses	51.8%	\$6,759	46.6%	\$8,025	43.7%	\$7,940	48.1%	\$8,418	55.8%	\$8,813	46.2%	\$7,239
Total Operating Expenses Less Property Taxes	30.0%	\$3,922	23.5%	\$4,049	23.0%	\$4,172	24.3%	\$4,250	29.1%	\$4,595	29.7%	\$4,658
NOI - Net Operating Income	48.2%	\$6,301	53.4%	\$9,196	56.3%	\$10,220	51.9%	\$9,094	44.2%	\$6,971	53.8%	\$8,423

Subject Operating History

Following is a summary of the actual incurred and reported expenses by the subject property in recent years; the subject’s historical expenses are considered a reasonable and likely indication of what expenses will be in future years of operation. The operating expense data presented and analyzed herein is based on net rentable area (NRA) in unit count.

Subject Operating History															
Income	Oct 2021 T-12			Jan 2023 T-12			Jan T-3 / T-12			Budget			Appraised Pro Forma		
	%PGR	\$/Unit	Total	%PGR	\$/Unit	Total	%PGR	\$/Unit	Total	%PGR	\$/Unit	Total	%PGR	\$/Unit	Total
PGR		\$16,580	\$4,509,800		\$19,470	\$5,295,906		\$20,495	\$5,574,696		\$20,856	\$5,672,799		\$19,248	\$5,235,360
Loss/(Gain) to Lease	3.5%	\$584	\$158,737	8.0%	\$1,564	\$425,344	8.8%	\$1,812	\$492,904	6.6%	\$1,370	\$372,682	1.5%	\$289	\$78,530
Vacancy	2.7%	\$441	\$119,816	3.9%	\$768	\$208,800	7.4%	\$1,517	\$412,702	3.7%	\$764	\$207,858	5.5%	\$1,059	\$287,945
Bad Debt	0.58%	\$96	\$26,225	0.86%	\$167	\$45,363	0.43%	\$88	\$23,978	1.16%	\$241	\$65,649	0.5%	\$96	\$26,177
Concessions	1.0%	\$158	\$42,873	0.3%	\$56	\$15,148	0.5%	\$101	\$27,584	-	-	-	-	-	-
NRI		\$15,302	\$4,162,149		\$16,916	\$4,601,251		\$16,976	\$4,617,528		\$18,480	\$5,026,610		\$17,804	\$4,842,708
Utility Reimbursements	2.3%	\$374	\$101,715	2.0%	\$384	\$104,332	2.0%	\$402	\$109,441	-	-	-	2.0%	\$386	\$105,000
Other Income	5.9%	\$986	\$268,089	4.1%	\$800	\$217,688	2.8%	\$568	\$154,499	3.9%	\$822	\$223,470	4.2%	\$801	\$218,000
EGI	100.5%	\$16,662	\$4,531,953	93.0%	\$18,100	\$4,923,271	87.6%	\$17,947	\$4,881,468	92.5%	\$19,302	\$5,250,080	98.7%	\$18,992	\$5,165,708
Expenses	%EGI	\$/Unit	Total	%EGI	\$/Unit	Total	%EGI	\$/Unit	Total	%EGI	\$/Unit	Total	%EGI	\$/Unit	Total
Real Estate Taxes	6.8%	\$1,127	\$306,431	18.8%	\$3,398	\$924,324	18.9%	\$3,398	\$924,324	18.1%	\$3,492	\$949,770	18.7%	\$3,560	\$968,213
Franchise Taxes	-	-	-	-	-	-	-	-	-	-	-	-	0.3%	\$63	\$17,098
Property Insurance	2.4%	\$403	\$109,480	2.3%	\$414	\$112,645	2.3%	\$414	\$112,645	2.2%	\$430	\$116,886	2.9%	\$551	\$150,000
Trash Removal	0.6%	\$92	\$24,933	0.7%	\$121	\$33,044	0.7%	\$121	\$33,044	-	-	-	0.7%	\$125	\$34,000
Utilities - Electric	0.6%	\$101	\$27,572	0.5%	\$97	\$26,271	0.5%	\$97	\$26,271	-	-	-	0.5%	\$99	\$27,000
Utilities - Water & Sewer	2.2%	\$358	\$97,496	2.4%	\$434	\$118,181	2.4%	\$434	\$118,181	1.2%	\$228	\$62,011	2.3%	\$438	\$119,000
Repairs & Maintenance	2.5%	\$409	\$111,188	3.0%	\$544	\$148,091	3.0%	\$544	\$148,091	2.7%	\$524	\$142,477	2.9%	\$551	\$150,000
Management	2.73%	\$456	\$123,931	2.75%	\$498	\$135,445	2.77%	\$498	\$135,445	2.81%	\$541	\$147,287	2.75%	\$522	\$142,057
Payroll	6.1%	\$1,020	\$277,316	6.2%	\$1,125	\$306,033	6.3%	\$1,125	\$306,033	6.6%	\$1,276	\$347,025	7.3%	\$1,379	\$375,000
Advertising	1.3%	\$211	\$57,310	1.0%	\$187	\$50,836	1.0%	\$187	\$50,836	1.0%	\$196	\$53,445	1.0%	\$188	\$51,000
General & Administrative	1.1%	\$187	\$50,744	1.0%	\$184	\$50,102	1.0%	\$184	\$50,102	1.0%	\$196	\$53,286	1.5%	\$276	\$75,000
Non-Revenue/Model Units	0.5%	\$75	\$20,463	0.4%	\$66	\$17,883	0.4%	\$66	\$17,883	-	-	-	0.3%	\$66	\$17,820
Security Contract	0.4%	\$62	\$16,861	0.2%	\$31	\$8,325	0.2%	\$31	\$8,325	-	-	-	0.2%	\$33	\$9,000
Replacement Reserves	-	-	-	-	-	-	-	-	-	-	-	-	1.1%	\$200	\$54,400
Total Operating Expenses	27.0%	\$4,499	\$1,223,725	39.2%	\$7,100	\$1,931,180	39.6%	\$7,100	\$1,931,180	35.7%	\$6,883	\$1,872,187	42.4%	\$6,050	\$2,189,588
Total Operating Expenses less Taxes	20.2%	\$3,372	\$917,294	20.5%	\$3,702	\$1,006,856	20.6%	\$3,702	\$1,006,856	17.6%	\$3,391	\$922,417	23.6%	\$4,490	\$1,221,375
NOI	73.0%	\$12,163	\$3,308,228	60.8%	\$11,000	\$2,992,091	60.4%	\$10,847	\$2,950,288	64.3%	\$12,419	\$3,377,893	57.6%	\$10,942	\$2,976,120

Adjustments to PGR

Loss/(Gain) to Lease					Analysis and Conclusion
Subject	\$/Unit	\$/SF	%PGR	Total	
Oct 2021 T-12	\$584	\$0.57	3.5%	\$158,737	Based upon the current rent roll, the current in-place rents are slightly below our estimated market rents. Thus, the majority of the subject's in-place leases are below market and loss-to-lease should trend downward over the next year as leases roll to current market terms. Given this situation, we have utilized a nominal loss to lease factor, which also takes into account current leases that are not increased to market at renewal.
Jan 2023 T-12	\$1,564	\$1.52	8.0%	\$425,344	
Jan T-3 / T-12	\$1,812	\$1.76	8.8%	\$492,904	
Budget	\$1,370	\$1.33	6.6%	\$372,682	
Conclusion	\$289	\$0.28	1.5%	\$78,530	

Allowances

Vacancy						Analysis and Conclusion
Comps		Date	Units	Vacant	%	
Comp 1	Gateway Pines	05-11-2023	337	27	8.00%	Based on the subject's size, location and appeal, the competitive set analysis findings warrant primary consideration. The competitive set analysis indicated a current vacancy rate for directly competitive properties of 5.75%. The submarket level analysis warrants secondary consideration based on its moderate applicability to the subject. The metro level analysis indicated a MPF vacancy rate of 5.7% and a submarket level analysis indicated a MPF vacancy rate of 5.1%. Based on our analysis of supply/demand trends and considering the subject's actual performance, a general vacancy rate of 5.5% is concluded.
Comp 2	Gateway Oaks	05-12-2023	313	19	6.00%	
Comp 3	Gateway Cedars	05-12-2023	334	10	3.00%	
Comp 4	The Emerson At Forney Marketplace	05-12-2023	320	19	6.00%	
Total/Avg			1,304	75	5.75%	
Simple AVG					5.75%	
Market Data						
MPF/RealPage	Metro	4Q 2022			5.7	
MPF/RealPage	Submarket	4Q 2022			5.1	
Subject						
Oct 2021 T-12					2.66%	
Jan 2023 T-12					3.94%	
Jan T-3 / T-12					7.40%	
Budget					3.66%	
Rent Roll					10.70%	
Conclusion					5.50%	

Bad Debt					Analysis and Conclusion
Subject	\$/Unit	\$/SF	%PGR	Total	
Oct 2021 T-12	\$96	\$0.09	0.58%	\$26,225	Most properties will, at some point, fail to collect rent and incur some bad debt. Typical losses range from 0%-2.0% but can be more or less depending on the market. We considered the asset class, location and typical tenant profile as well as the historical data if available in our conclusion.
Jan 2023 T-12	\$167	\$0.16	0.86%	\$45,363	
Jan T-3 / T-12	\$88	\$0.09	0.43%	\$23,978	
Budget	\$241	\$0.23	1.16%	\$65,649	
Conclusion	\$96	\$0.09	0.5%	\$26,177	

Historical Concessions					Analysis and Conclusion
Subject	\$/Unit	\$/SF	%PGR	Total	
Oct 2021 T-12	\$158	\$0.15	1.0%	\$42,873	Many comparables utilize daily pricing software which fluctuates rates daily based on supply and demand and exposure to roll over at given times for specific unit types, essentially eliminating the need for concessions. For our analysis we have projected market rents net of concessions. Should concessions be used as a marketing tool, market rents should be increased to offset any concession usage.
Jan 2023 T-12	\$56	\$0.05	0.3%	\$15,148	
Jan T-3 / T-12	\$101	\$0.10	0.5%	\$27,584	
Budget	-	-	-	-	
Conclusion	-	-	-	-	

Adjustments & Allowances Conclusions		Analysis and Conclusion
Loss/(Gain) to Lease	1.50%	Our projected economic vacancy considers the in-place operations, local market data and our concluded market rent estimates. In this case we didn't project a significant increase in rents and a minimal loss to lease was required.
Vacancy	5.50%	
Bad Debt	0.50%	

Other Income

Utility Reimbursements						Analysis and Conclusion
Operating Comps	\$/Unit	\$/SF	%PGR	RECAP %	Total	This category includes possible utility charge backs for electricity, water/sewer, gas, and garbage. The subject's tenants reimburse the property for water/sewer and trash. Typically the full 12-month reporting periods will provide the best indicator as utility rates can fluctuate during the warmer and cooler months. Therefore, we have relied on the trailing 12-months figure for our projection. If utility costs differ from our projection, utility reimbursements should offset the majority of the delta.
Comp 1	\$571	\$0.64	3.9%	93.5%	\$182,749	
Comp 2	\$565	\$0.66	3.3%	94.4%	\$225,451	
Comp 3	\$470	\$0.49	2.7%	98.7%	\$144,778	
Comp 4	\$843	\$0.92	4.5%	107.2%	\$281,524	
Comp 5	\$705	\$0.81	4.3%	87.9%	\$174,065	
Comp 6	\$523	\$0.65	3.2%	88.9%	\$129,696	
Comp Average	\$613	\$0.69	3.7%	95.1%	\$189,711	
Subject						
Oct 2021 T-12	\$374	\$0.36	2.2%	83.1%	\$101,715	
Jan 2023 T-12	\$384	\$0.37	2.1%	69.0%	\$104,332	
Jan T-3 / T-12	\$402	\$0.39	2.2%	72.4%	\$109,441	
Budget	-	-	-	0.0%	-	
Conclusion	\$386	\$0.38	2.0%	68.6%	\$105,000	

Other Income						Analysis and Conclusion
Operating Comps	\$/Unit	\$/SF	%PGR		Total	Miscellaneous income may be attributed to furniture rent, washer/dryer rental, late charges, lease termination fees, month-to-month fees, NSF fees, pet fees, move-out charges, or any other related charges. Thus, we have leaned on the subject's recent collections for our projection.
Comp 1	\$626	\$0.70	4.8%		\$200,303	
Comp 2	\$1,152	\$1.34	6.7%		\$459,721	
Comp 3	\$1,221	\$1.27	6.7%		\$375,971	
Comp 4	\$1,073	\$1.17	6.1%		\$358,243	
Comp 5	\$629	\$0.72	4.0%		\$155,462	
Comp 6	\$1,625	\$2.03	10.4%		\$402,951	
Comp Average	\$1,054	\$1.21	6.3%		\$325,442	
Subject						
Oct 2021 T-12	\$986	\$0.96	5.9%		\$268,089	
Jan 2023 T-12	\$800	\$0.78	4.4%		\$217,688	
Jan T-3 / T-12	\$568	\$0.55	3.2%		\$154,499	
Budget	\$822	\$0.80	4.3%		\$223,470	
Conclusion	\$801	\$0.78	4.2%		\$218,000	

Effective Gross Income

Effective Gross Income					Analysis and Conclusion
Subject	\$/Unit	\$/SF	% Change	Total	
Oct 2021 T-12	\$16,662	\$16.21	-	\$4,531,953	Historical trends indicate moderate positive growth which is consistent with our projections. Our EGI projection is approximately 4.92% above the subject's T-12 collections and 5.82% above the T-3 annualized collections. Over the last few months, the subject's recent leases typically reflect an increase of 3% to 5%. We also note that the subject's T-3 annualized income appears to be down due to lower miscellaneous income from the slower winter leasing season and less turnover. Based upon this information our EGI projection is reasonable and well supported by market.
Jan 2023 T-12	\$18,100	\$17.61	8.6%	\$4,923,271	
Jan T-3 / T-12	\$17,947	\$17.46	-0.8%	\$4,881,468	
Budget	\$19,302	\$18.77	7.6%	\$5,250,080	
Conclusion	\$18,992	\$18.47	-	\$5,165,708	

Operating Expenses

Real Estate Taxes					Analysis and Conclusion
Operating Comps	\$/Unit	\$/SF	%EGI	Total	
Comp 1	\$2,837	\$3.17	21.7%	\$907,986	Please see the Real Estate Tax Section of this report for additional information and directly applicable tax comparables as the expense comps presented may be located in varying municipalities.
Comp 2	\$3,976	\$4.62	23.1%	\$1,586,606	
Comp 3	\$3,768	\$3.92	20.7%	\$1,160,520	
Comp 4	\$4,168	\$4.56	23.8%	\$1,392,027	
Comp 5	\$4,217	\$4.84	26.7%	\$1,041,616	
Comp 6	\$2,581	\$3.22	16.5%	\$640,087	
Comp Average	\$3,591	\$4.06	22.1%	\$1,121,474	
Subject					
Oct 2021 T-12	\$1,127	\$1.10	6.8%	\$306,431	
Jan 2023 T-12	\$3,398	\$3.31	18.8%	\$924,324	
Jan T-3 / T-12	\$3,398	\$3.31	18.9%	\$924,324	
Budget	\$3,492	\$3.40	18.1%	\$949,770	
Conclusion	\$3,560	\$3.46	18.7%	\$968,213	

Franchise Taxes					Analysis and Conclusion
Operating Comps	\$/Unit	\$/SF	%EGI	Total	
Comp 1	-	-	-	-	Franchise Tax is an income tax which depends on numerous scenarios and there are various tax rates that could be imposed on the property owner, if any. Thus, for our analysis we have assumed the subject's owners would qualify for the 0.331% tax rate unless the property's EGI is over \$20 million. If the property has an EGI below \$1,230,000, no franchise tax would be due.
Comp 2	-	-	-	-	
Comp 3	-	-	-	-	
Comp 4	\$53	\$0.06	0.3%	\$17,839	
Comp 5	\$53	\$0.06	0.3%	\$13,060	
Comp 6	-	-	-	-	
Comp Average	\$53	\$0.06	0.3%	\$15,450	
Subject					
Oct 2021 T-12	-	-	-	-	
Jan 2023 T-12	-	-	-	-	
Jan T-3 / T-12	-	-	-	-	
Budget	-	-	-	-	
Conclusion	\$63	\$0.06	0.3%	\$17,098	

Property Insurance					Analysis and Conclusion
Operating Comps	\$/Unit	\$/SF	%EGI	Total	
Comp 1	\$420	\$0.47	3.2%	\$134,544	This expense includes all premiums and costs incurred for insurance covering structures, public liability, rental value, and equipment. The subject's historical costs fall towards the lower end of the expense comparable range, and the owner likely has a blanket insurance policy. We note that Comparables 2, 3, and 4 likely had blanket insurance policies as well. Therefore, we have projected an insurance cost more in line with typical market.
Comp 2	\$374	\$0.44	2.2%	\$149,337	
Comp 3	\$350	\$0.36	1.9%	\$107,851	
Comp 4	\$319	\$0.35	1.8%	\$106,455	
Comp 5	\$661	\$0.76	4.2%	\$163,262	
Comp 6	\$603	\$0.75	3.8%	\$149,452	
Comp Average	\$455	\$0.52	2.9%	\$135,150	
Subject					
Oct 2021 T-12	\$403	\$0.39	2.4%	\$109,480	
Jan 2023 T-12	\$414	\$0.40	2.3%	\$112,645	
Jan T-3 / T-12	\$414	\$0.40	2.3%	\$112,645	
Budget	\$430	\$0.42	2.2%	\$116,886	
Conclusion	\$551	\$0.54	2.9%	\$150,000	

Trash Removal					Analysis and Conclusion
Operating Comps	\$/Unit	\$/SF	%EGI	Total	
Comp 1	\$227	\$0.25	1.7%	\$72,639	This includes all trash removal and recycling (if applicable) expenses. If there are reimbursements these were considered separately in the respective income categories. Given utility costs are property specific, the conclusion is based on the historical expenses. Our projection is supported by the expense comparables. We note that the majority of the comparables has valet trash service which is not offered at the subject.
Comp 2	\$154	\$0.18	0.9%	\$61,408	
Comp 3	\$120	\$0.12	0.7%	\$36,863	
Comp 4	\$287	\$0.31	1.6%	\$95,725	
Comp 5	\$304	\$0.35	1.9%	\$74,988	
Comp 6	\$341	\$0.43	2.2%	\$84,582	
Comp Average	\$239	\$0.27	1.5%	\$71,034	
Subject					
Oct 2021 T-12	\$92	\$0.09	0.6%	\$24,933	
Jan 2023 T-12	\$121	\$0.12	0.7%	\$33,044	
Jan T-3 / T-12	\$121	\$0.12	0.7%	\$33,044	
Budget	-	-	-	-	
Conclusion	\$125	\$0.12	0.7%	\$34,000	

Utilities - Gas					Analysis and Conclusion
Operating Comps	\$/Unit	\$/SF	%EGI	Total	
Comp 1	-	-	-	-	Gas is not utilized at the subject.
Comp 2	\$5	\$0.01	0.0%	\$1,972	
Comp 3	-	-	-	-	
Comp 4	-	-	-	-	
Comp 5	\$3	\$0.00	0.0%	\$763	
Comp 6	-	-	-	-	
Comp Average	\$4	\$0.00	0.0%	\$1,368	
Subject					
Oct 2021 T-12	-	-	-	-	
Jan 2023 T-12	-	-	-	-	
Jan T-3 / T-12	-	-	-	-	
Budget	-	-	-	-	
Conclusion	-	-	-	-	

Utilities - Electric					Analysis and Conclusion
Operating Comps	\$/Unit	\$/SF	%EGI	Total	This includes all associated electric costs for the subject. Given utility costs are property specific, the conclusion is based on the historical expenses. Our projection is supported by the expense comparables.
Comp 1	\$93	\$0.10	0.7%	\$29,858	
Comp 2	\$154	\$0.18	0.9%	\$61,282	
Comp 3	\$155	\$0.16	0.9%	\$47,624	
Comp 4	\$125	\$0.14	0.7%	\$41,905	
Comp 5	\$168	\$0.19	1.1%	\$41,597	
Comp 6	\$66	\$0.08	0.4%	\$16,376	
Comp Average	\$127	\$0.14	0.8%	\$39,774	
Subject					
Oct 2021 T-12	\$101	\$0.10	0.6%	\$27,572	
Jan 2023 T-12	\$97	\$0.09	0.5%	\$26,271	
Jan T-3 / T-12	\$97	\$0.09	0.5%	\$26,271	
Budget	-	-	-	-	
Conclusion	\$99	\$0.10	0.5%	\$27,000	

Utilities - Water & Sewer					Analysis and Conclusion
Operating Comps	\$/Unit	\$/SF	%EGI	Total	This includes all water and sewer costs. If service to the units is billed directly from the provider the expense shown is only for common areas, model/vacant units and amenities. If water/sewer is included for tenants this expense is also shown here. If there are reimbursements these were considered separately in the respective income categories and typically include utility billing fees. As this expense is typically property-specific, the conclusion is based on the historical data. Should waster/sewer costs differ from our projection, utility reimbursements will offset the majority of the delta. Our projection is supported by the expense comparables.
Comp 1	\$384	\$0.43	2.9%	\$122,736	
Comp 2	\$445	\$0.52	2.6%	\$177,500	
Comp 3	\$357	\$0.37	2.0%	\$109,855	
Comp 4	\$500	\$0.55	2.9%	\$166,896	
Comp 5	\$498	\$0.57	3.2%	\$123,081	
Comp 6	\$247	\$0.31	1.6%	\$61,364	
Comp Average	\$405	\$0.46	2.5%	\$126,905	
Subject					
Oct 2021 T-12	\$358	\$0.35	2.2%	\$97,496	
Jan 2023 T-12	\$434	\$0.42	2.4%	\$118,181	
Jan T-3 / T-12	\$434	\$0.42	2.4%	\$118,181	
Budget	\$228	\$0.22	1.2%	\$62,011	
Conclusion	\$438	\$0.43	2.3%	\$119,000	

Repairs & Maintenance					Analysis and Conclusion
Operating Comps	\$/Unit	\$/SF	%EGI	Total	
Comp 1	\$412	\$0.46	3.2%	\$131,851	This expense covers the cost of all routine maintenance and repairs that would be reoccurring. The subject's historical R&M costs have increased with the most recent expense falling within the expense comparable range. Therefore, we have projected a R&M expense in line with the subject's current expense.
Comp 2	\$718	\$0.84	4.2%	\$286,553	
Comp 3	\$770	\$0.80	4.2%	\$237,301	
Comp 4	\$471	\$0.52	2.7%	\$157,253	
Comp 5	\$565	\$0.65	3.6%	\$139,655	
Comp 6	\$569	\$0.71	3.6%	\$141,189	
Comp Average	\$584	\$0.66	3.6%	\$182,300	
Subject					
Oct 2021 T-12	\$409	\$0.40	2.5%	\$111,188	
Jan 2023 T-12	\$544	\$0.53	3.0%	\$148,091	
Jan T-3 / T-12	\$544	\$0.53	3.0%	\$148,091	
Budget	\$524	\$0.51	2.7%	\$142,477	
Conclusion	\$551	\$0.54	2.9%	\$150,000	

Management					Analysis and Conclusion
Operating Comps	\$/Unit	\$/SF	%EGI	Total	
Comp 1	\$370	\$0.41	2.83%	\$118,302	For Class A & B assets 2.00% - 4.00% for third party management is adequate when also tested on a \$/unit basis. For smaller properties or Class C assets fees can be higher from 3.0% - 8.0%, depending on scope of management services and on-site staff levels. In recent years additional ownership groups have added third party management platforms and management fees have gotten more aggressive. Frequently buyer budgets are showing third party management contracts to the low aspect of the range but this hasn't yet been reflected in historical operating statements. Overall, we have projected a 2.75% management fee which is supported by the expense comparables.
Comp 2	\$432	\$0.50	2.51%	\$172,531	
Comp 3	\$564	\$0.59	3.11%	\$173,779	
Comp 4	\$521	\$0.57	2.98%	\$174,168	
Comp 5	\$428	\$0.49	2.71%	\$105,807	
Comp 6	\$459	\$0.57	2.93%	\$113,842	
Comp Average	\$463	\$0.52	2.85%	\$143,072	
Subject					
Oct 2021 T-12	\$456	\$0.44	2.73%	\$123,931	
Jan 2023 T-12	\$498	\$0.48	2.75%	\$135,445	
Jan T-3 / T-12	\$498	\$0.48	2.77%	\$135,445	
Budget	\$541	\$0.53	2.81%	\$147,287	
Conclusion	\$522	\$0.51	2.75%	\$142,057	

Payroll					Analysis and Conclusion
Operating Comps	\$/Unit	\$/SF	%EGI	Total	This expense consists of all on-site payroll costs including associated taxes, and employee benefits. The subject's historical payroll costs have increased with the most recent cost falling below the expense comparable range. Therefore, we have projected a payroll expense more in line with the expense comparable mean.
Comp 1	\$1,399	\$1.56	10.7%	\$447,584	
Comp 2	\$1,254	\$1.46	7.3%	\$500,337	
Comp 3	\$1,312	\$1.36	7.2%	\$404,117	
Comp 4	\$1,259	\$1.38	7.2%	\$420,519	
Comp 5	\$1,469	\$1.69	9.3%	\$362,856	
Comp 6	\$1,518	\$1.89	9.7%	\$376,513	
Comp Average	\$1,369	\$1.56	8.6%	\$418,654	
Subject					
Oct 2021 T-12	\$1,020	\$0.99	6.1%	\$277,316	
Jan 2023 T-12	\$1,125	\$1.09	6.2%	\$306,033	
Jan T-3 / T-12	\$1,125	\$1.09	6.3%	\$306,033	
Budget	\$1,276	\$1.24	6.6%	\$347,025	
Conclusion	\$1,379	\$1.34	7.3%	\$375,000	

Advertising					Analysis and Conclusion
Operating Comps	\$/Unit	\$/SF	%EGI	Total	This includes all associated marketing, advertising and promoting. The subject's historical advertising costs have decreased slightly and fall near the expense comparable mean. Therefore, we projected an advertising expense in line with the subject's historical costs.
Comp 1	\$316	\$0.35	2.4%	\$101,097	
Comp 2	\$173	\$0.20	1.0%	\$69,146	
Comp 3	\$183	\$0.19	1.0%	\$56,283	
Comp 4	\$243	\$0.27	1.4%	\$81,186	
Comp 5	\$139	\$0.16	0.9%	\$34,272	
Comp 6	\$107	\$0.13	0.7%	\$26,526	
Comp Average	\$193	\$0.22	1.2%	\$61,418	
Subject					
Oct 2021 T-12	\$211	\$0.20	1.3%	\$57,310	
Jan 2023 T-12	\$187	\$0.18	1.0%	\$50,836	
Jan T-3 / T-12	\$187	\$0.18	1.0%	\$50,836	
Budget	\$196	\$0.19	1.0%	\$53,445	
Conclusion	\$188	\$0.18	1.0%	\$51,000	

General & Administrative					Analysis and Conclusion
Operating Comps	\$/Unit	\$/SF	%EGI	Total	
Comp 1	\$259	\$0.29	2.0%	\$82,897	This includes office administrative expenses including office supplies, accounting, legal fees, other professional fees, background check expenses, office phone and internet expenses, and personal property taxes. The subject's historical administrative costs have been fairly consistent but fall at the low end of the expense comparable range. Therefore, we projected an administrative expense more in line with the expense comparable mean.
Comp 2	\$340	\$0.39	2.0%	\$135,464	
Comp 3	\$362	\$0.38	2.0%	\$111,350	
Comp 4	\$274	\$0.30	1.6%	\$91,523	
Comp 5	\$176	\$0.20	1.1%	\$43,523	
Comp 6	\$275	\$0.34	1.8%	\$68,149	
Comp Average	\$281	\$0.32	1.7%	\$88,818	
Subject					
Oct 2021 T-12	\$187	\$0.18	1.1%	\$50,744	
Jan 2023 T-12	\$184	\$0.18	1.0%	\$50,102	
Jan T-3 / T-12	\$184	\$0.18	1.0%	\$50,102	
Budget	\$196	\$0.19	1.0%	\$53,286	
Conclusion	\$276	\$0.27	1.5%	\$75,000	

Non-Revenue/Model Units					Analysis and Conclusion
Operating Comps	\$/Unit	\$/SF	%EGI	Total	
Comp 1	-	-	-	-	Our payroll projections specifically assume that no employees will receive free rent. If an employee does receive free rent, then there should be a commensurate decrease in salaries. Therefore, we have not projected any income loss from the employees. The subject has one model unit (Unit #116; 832 SF). Therefore, our projection is based upon the projected rent for the 832 SF unit.
Comp 2	-	-	-	-	
Comp 3	-	-	-	-	
Comp 4	\$126	\$0.14	0.7%	\$42,104	
Comp 5	\$130	\$0.15	0.8%	\$32,211	
Comp 6	\$45	\$0.06	0.3%	\$11,100	
Comp Average	\$100	\$0.11	0.6%	\$28,472	
Subject					
Oct 2021 T-12	\$75	\$0.07	0.5%	\$20,463	
Jan 2023 T-12	\$66	\$0.06	0.4%	\$17,883	
Jan T-3 / T-12	\$66	\$0.06	0.4%	\$17,883	
Budget	-	-	-	-	
Conclusion	\$66	\$0.06	0.3%	\$17,820	

Security Contract					Analysis and Conclusion
Operating Comps	\$/Unit	\$/SF	%EGI	Total	This includes contract security services. Not all the comps provide this service. Therefore, we have projected an expense similar to the subject's historical costs going forward.
Comp 1	\$42	\$0.05	0.3%	\$13,423	
Comp 2	-	-	-	-	
Comp 3	-	-	-	-	
Comp 4	-	-	-	-	
Comp 5	-	-	-	-	
Comp 6	-	-	-	-	
Comp Average	\$42	\$0.05	0.3%	\$13,423	
Subject					
Oct 2021 T-12	\$62	\$0.06	0.4%	\$16,861	
Jan 2023 T-12	\$31	\$0.03	0.2%	\$8,325	
Jan T-3 / T-12	\$31	\$0.03	0.2%	\$8,325	
Budget	-	-	-	-	
Conclusion	\$33	\$0.03	0.2%	\$9,000	

Replacement Reserves					Analysis and Conclusion
	\$/Unit	\$/SF	%EGI	Total	Reserves for replacements typically average from \$150 to \$350 per unit, depending on number of units, average unit size, and condition of the property. In this instance, the appraisers have utilized a per unit amount of \$200, or \$54,400 which is considered sufficient, if properly invested, to yield the amount necessary for the replacement of items such as appliances, roofs, carpet and parking areas.
Subject					
Oct 2021 T-12	-	-	-	-	
Jan 2023 T-12	-	-	-	-	
Jan T-3 / T-12	-	-	-	-	
Budget	-	-	-	-	
Conclusion	\$200	\$0.19	1.05%	\$54,400	

Total Operating Expenses					Analysis and Conclusion
Operating Comps	\$/Unit	\$/SF	%EGI	Total	Our overall projection falls within the expense comparable range. We note that our projection includes reserves while none of the expense comparables have reserves included.
Min	\$6,759	\$7.56	43.7%	\$1,795,179	
Max	\$8,813	\$10.12	55.8%	\$3,202,136	
Avg	\$7,866	\$8.92	48.7%	\$2,432,330	
Subject					
Min	\$4,499	\$4.38	27.0%	\$1,223,725	
Max	\$7,100	\$6.91	39.6%	\$1,931,180	
Avg	\$6,395	\$6.22	35.4%	\$1,739,568	
Conclusion	\$8,050	\$7.83	42.4%	\$2,189,588	

Capitalization Rate

The following methods were considered when selecting a capitalization rate for the subject:

- Band of Investment Method
- Debt Service Coverage Ratio Method
- Investor Surveys
- Market Participant Interviews
- Market Extraction (Primary and/or Supplemental Sales)

Band of Investment Method

The Band of Investment Method estimates an overall capitalization rate by weighting mortgage and equity components of the total property investment. The assumptions utilized within the Band of Investment method are consistently applied below.

Band of Investment					
Loan Amortization Period					30 Years
Interest Rate					5.50%
Loan-to-Value (LTV) Ratio					65.00%
Mortgage Constant					6.81%
Equity Dividend Rate					6.00%
Mortgage Component	65.00%	×	6.81%	=	4.43%
Equity Component	35.00%	×	6.00%	=	2.10%
Band of Investment Capitalization Rate					6.53%

The Band of Investment does not reflect the impact of interest only loans. Typical investors are receiving several years of interest only, which is driving cap rates below levels indicated by the Band of Investment analysis.

It should be noted that interest rates have risen faster than cap rates in the local market, creating an environment where many buyers are going into deals with negative leverage. Negative leverage is defined as when the cap rate on a property acquisition is less than the cost of debt or debt constant and therefore, the cash-on-cash return is less than the cap rate. Buyers of multifamily properties are willing to invest with these terms for a number of reasons: one being that they may have capital raised in a fund that they are eager to allocate; another being that they believe rent increases will be high enough to generate positive leverage within a short period of time; and finally, as protection from inflation, which is currently at its highest level in decades. In addition, some investors are of the opinion that interest rates will come back down within the next couple of years. All of these factors are present to some degree and provide support for our concluded equity and mortgage components above, which reflect the inverse of the typical mortgage-equity relationship where the equity component is expected to exceed the mortgage component.

Debt Service Coverage Ratio Method

The Debt Service Coverage Ratio is derived by looking at NOI against the annual debt service. Assumptions for Loan Interest Rate and LTV were applied as was shown above in the Band of Investments.

Debt Service Coverage Ratio	
Concluded Debt Coverage Ratio	1.25
Loan-To-Value Ratio (LTV) Ratio	65.00%
Mortgage Constant	6.81%
Debt Service Coverage Ratio Capitalization Rate	
	5.54%

Investor Surveys

The results of the most recent published survey(s) are presented below. These surveys are published and updated quarterly.

Investor surveys are typically included as a reference point for overall national or regional trends. In the case of the subject, these rates are not directly applicable, and we did not rely on the indications in our conclusion.

Investor Surveys		
Capitalization Rate (OAR)	Range	Average
National Apartments by PwC		
2022 Q4	3.25% to 8.00%	4.89%
2022 Q3	3.00% to 8.00%	4.75%
Southeast Apartments by PwC		
2022 Q4	4.00% to 5.00%	4.30%
2022 Q3	3.00% to 4.50%	4.00%

Market Participants

The following table presents cap rate ranges for similar assets thru market participant interviews with local brokers active in the market.

Market Participant Interviews						
Name	Company	Deal Type	Investment Class	Date	Range	Average
Confidential	Marcus & Millichap	Market Rate	Class A - Actual	2023 Q1	4.00 % to 4.75%	4.25 %
Confidential	IPA	Market Rate	Class A - Actual	2023 Q1	4.25 % to 5.00%	4.75 %
Investment Sales Broker	Confidential	Market Rate	Class A - Actual	2022 Q4	4.50 % to 5.00%	4.75 %
Confidential	Walker & Dunlop	Market Rate	Class A - Actual	2022 Q4	4.25 % to 4.50%	4.25 %

Market participants have indicated that capitalization rates for Class A properties have increased between 25 and 75 basis points since the peak of the market in early 2022.

Market Extraction

The following table illustrates the transaction data for the sales previously presented in the Sales Comparison Approach.

Market Extraction								
Comp	Close Date	Price	# Units	\$/Unit	Avg Unit Size	Occupancy	NOI/Unit	Cap Rate
1	Mar-23	\$80,000,000	336	\$238,095	964	91.8%	\$12,554	5.27%
2	Jan-23	\$81,788,000	322	\$254,000	939	94.2%	\$11,709	4.61%
3	Nov-22	\$32,650,000	112	\$291,518	960	98.0%	\$14,111	4.84%
4	Nov-22	\$81,000,000	300	\$270,000	860	97.0%	\$10,854	4.02%
5	Oct-22	\$90,720,000	336	\$270,000	896	82.7%	\$11,151	4.13%
6	Oct-22	\$66,126,000	321	\$206,000	952	96.0%	\$8,737	4.13%
7	Oct-22	\$76,045,000	227	\$335,000	981	95.0%	\$15,110	4.51%
8	Oct-22	\$58,000,000	285	\$203,509	852	95.5%	\$8,417	4.14%
9	Sep-22	\$41,760,000	248	\$168,387	844	94.0%	\$7,969	4.73%
10	Aug-22	\$64,000,000	252	\$253,968	936	96.8%	\$10,191	4.01%
Avg		\$67,208,900	274	\$249,048	919	94.1%	\$11,080	4.44%

*Sale 1 was under contract as of the effective date of this report.

Based upon our proforma income and expense projections and considering recent upward movement in capitalization rates across the country, a reasonable and applicable cap rate would be at the upper end of the sales between 5.00% and 5.25%, primarily due to the risk associated with the subject's taxes which are projected at 64% of our concluded market value. Most of the sales have taxes adjusted between 70% and 90% of the purchase price. Our concluded market value of \$212,500 per unit falls at the low end of the sale comparables.

Capitalization Rate Conclusion

Capitalization Rate Conclusions		
Component	Range	Indicated/Average
Band of Investment		6.53%
DSCR		5.54%
Investor Surveys	3.00% to 8.00%	4.49%
Market Participant Interviews	4.00% to 5.00%	4.50%
Market Extraction	4.01% to 5.27%	4.44%
Concluded Capitalization Rate		5.15%

In our conclusion we placed primary weight on the comparable sales and reported capitalization reported by with market participants at the time. Due to the subject's property's location in Kaufman County in which assessed values are typically lower than the primary DFW counties (Dallas, Tarrant, Collin, and Denton), there is some additional risk associated with future tax increases than the sale comparables. Therefore, we have utilized a capitalization rate at the upper end of the sale comparable range and just above the market participant range.

Income Approach Conclusion

The concluded potential gross rental income, vacancy allowance, and operating expenses are outlined and summarized below, as well as the subject's net operating income conclusion.

Appraised Pro Forma & Direct Cap

Income	%/PGR	\$/SF	\$/Unit	Total/Annum
PGR - Potential Gross Rent		\$18.72	\$19,248	\$5,235,360
Loss/(Gain) to Lease	1.5%	\$0.28	\$289	\$78,530
Vacancy	5.5%	\$1.03	\$1,059	\$287,945
Bad Debt	0.5%	\$0.09	\$96	\$26,177
NRI - Net Rental Income		\$17.32	\$17,804	\$4,842,708
Utility Reimbursements	2.0%	\$0.38	\$386	\$105,000
Other Income	4.2%	\$0.78	\$801	\$218,000
Total Other Income	6.2%	\$1.16	\$1,188	\$323,000
EGI - Effective Gross Income	98.7%	\$18.47	\$18,992	\$5,165,708
Expenses	%/EGI			
Real Estate Taxes	18.7%	\$3.46	\$3,560	\$968,213
Franchise Taxes	0.3%	\$0.06	\$63	\$17,098
Property Insurance	2.9%	\$0.54	\$551	\$150,000
Trash Removal	0.7%	\$0.12	\$125	\$34,000
Utilities - Electric	0.5%	\$0.10	\$99	\$27,000
Utilities - Water & Sewer	2.3%	\$0.43	\$438	\$119,000
Repairs & Maintenance	2.9%	\$0.54	\$551	\$150,000
Management	2.75%	\$0.51	\$522	\$142,057
Payroll	7.3%	\$1.34	\$1,379	\$375,000
Advertising	1.0%	\$0.18	\$188	\$51,000
General & Administrative	1.5%	\$0.27	\$276	\$75,000
Non-Revenue/Model Units	0.3%	\$0.06	\$66	\$17,820
Security Contract	0.2%	\$0.03	\$33	\$9,000
Replacement Reserves	1.1%	\$0.19	\$200	\$54,400
Total Operating Expenses	42.4%	\$7.83	\$8,050	\$2,189,588
Total Operating Expenses Less Property Taxes	23.6%	\$4.37	\$4,490	\$1,221,375
NOI - Net Operating Income	57.6%	\$10.64	\$10,942	\$2,976,120
Overall Capitalization Rate	5.15%			\$57,788,729
Concluded Value, rounded to the nearest \$100,000		\$206.69	\$212,500	\$57,800,000

Reconciliation

The preceding section of this report derived value indication(s) based on separate and independent appraisal processes. The most comparable data available was researched and analyzed in the various sections of this report. In the final analysis of the subject property, the results of the Income Capitalization Approach herein are considered reliable and well-supported. Following are the final thoughts, conclusions, and estimates of value derived from approach employed.

Summary of Approaches

Sales Comparison Approach

The Sales Comparison Approach is based on the principle of substitution, which states that the limits of prices, rents, and rates tend to be set by the prevailing prices, rents and rates of equally desirable substitutes. While the reliability of the Sales Comparison Approach is strengthened by the general similarity of the locational and physical characteristics of the sales, it is weakened by its failure to capture the subject's future operating potential.

Due to the nature of the assignment, the sales approach was not presented. However, in order to derive an appropriate market capitalization rate for the Income Approach, 10 recent Class A sales were presented. The sales ranged from \$168,387 per unit to \$335,000 per unit. The subject's indicated value of \$212,500 per unit falls within the lower end of the range and is well supported.

Income Capitalization

This approach is typically most heavily weighted by investors for similar assets. There was sufficient historical operating data as well as rent/expense comparable information available for analysis. Investment metrics related to capitalization rates and supply/demand were analyzed and discussed with market participants. The income approach has been awarded primary weight in the final reconciliation of value.

Final Value Conclusion

Primary weight is placed on the income capitalization approach, as the typical buyer for the subject (national and regional investor) is primarily interested in the income-generating capacity of the property. This appraisal is subject to the assumptions and limiting conditions following this section, was conducted and prepared in accordance with the Uniform Standards of Professional Appraisal Practice and reasonably led the appraisers to the following opinion(s) of Retrospective Market Value:

Value Conclusions	
	As Is
Interest	Leased Fee
Date	February 21, 2023
Income Capitalization Approach	\$57,800,000
Final Conclusions	\$57,800,000
\$/Unit	\$212,500

Certification

We certify to the best of our knowledge and belief:

- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are our personal, impartial and unbiased professional analyses, opinions, and conclusions.
- We have no present or prospective interest in the property that is the subject of this report and have no personal interest with respect to the parties involved.
- We have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- Our engagement in this assignment was not contingent upon developing or reporting predetermined results.
- Our compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- Our analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice and the laws, standards or other requirements of the State of Texas.
- Jason Ribelin made a personal inspection of the property that is the subject of this report on November 21, 2022.
- Corey Clifton (Texas State Registered Appraiser Assistant No. 1340250 Trainee) provided significant real property appraisal assistance to the appraisers signing the certification. Assistance included gathering, analyzing and reporting regional, local area, zoning, and tax information, confirming some of the comparable data, and assisting with portions of the valuation analysis.
- Jason Ribelin, John Jordan, and Corey Clifton have provided real property valuation services as an appraiser for the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment. The appraisers performing this appraisal report have provided several consecutive annual appraisal reports with the most recent report reflecting an effective date of value as of December 1, 2022. Previous appraisals were completed in February 2020, December 2020, and December 2021.
- The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Code of Professional Ethics and Standards of Professional Practice of the Appraisal Institute.
- The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
- As of the date of this report, John Jordan has completed the continuing education program for Designated Members of the Appraisal Institute.
- As of the date of this report, Jason Ribelin has completed the Standards and Ethics Education Requirements for Candidates of the Appraisal Institute.



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Addenda

Addendum a
assignment conditions

General Assumptions and Limiting Conditions

In these General Assumptions and Limiting Conditions, "Property" means the property or properties that are the subject of the appraisal report and refers, without limitation, to all associated land (including earth and soil), improvements and property rights. "Appraiser" means each appraiser signing the report or providing assistance in connection with the appraisal and also includes Apprise, Walker & Dunlop, Inc. and its subsidiaries.

This report has been prepared and is subject to the following general assumptions and limiting conditions:

- Unless otherwise stated in the report, it is assumed that title to the Property is clear and marketable and that there are no recorded or unrecorded liens, encumbrances or other matters affecting the Property that would adversely affect marketability or value. No opinion is expressed and no responsibility is assumed for the legal description of the Property or any matters that are legal in nature or that require legal expertise beyond that of a real estate appraiser. Title and legal matters were not part of the scope of work for this assignment.
- The conclusions stated in the report are only as of the effective date of the appraisal. Changes and conditions occurring after that date and market factors will affect the conclusions.
- This report assumes any improvements on the Property are structurally sound, seismically safe, and compliant with all applicable laws, regulations, codes and standards, unless otherwise stated in the report. This report assumes that all building components and systems, including but not limited to HVAC, MEP (mechanical, electrical, plumbing), elevators, roofing, exterior veneers, walls or columns, and other components and systems do not suffer from material deferred maintenance or deficiencies and are free from water intrusion. The Appraiser has no responsibility for the safety, soundness or compliance of such components and systems.
- Unless otherwise stated in the report, it is assumed that there are no hidden or unapparent conditions of the Property that render the Property more or less valuable and that the Property is not affected by the past or current presence of hazardous materials, contamination, asbestos, mold, pollution, infestations, disease causing organisms or other hazardous conditions. The Appraiser is not qualified to detect such conditions. No responsibility is assumed for such conditions or for any expertise or engineering assistance required to discover them. Unless otherwise stated in the report, such matters were not part of the scope of work for this assignment.
- It is assumed that the Property is in compliance with all applicable federal, state and local laws, ordinances, regulations, building standards and codes, use restrictions and zoning unless the lack of compliance is stated in the report. Determining and reporting on such compliance were not part of the scope of work for this assignment.
- It is assumed that all water, sewer facilities and utilities (whether existing or proposed) are or will be in good working order, safe for use, and sufficient to serve the current or proposed uses of the Property. Determining and reporting on such matters were not part of the scope of work for this assignment.
- It is assumed that use of the land and improvements and their construction is confined within the boundaries or property lines of the Property and that there are no encroachments or trespasses unless noted in the report. Determining and reporting encroachments or trespasses were not within the scope of work for this assignment.
- Any estimate of Insurable Replacement Cost, if stated in the report, is based upon figures developed consistent with regular appraisal practices. However, actual local and regional construction costs may vary significantly from the estimate, and individual insurance policies and underwriters have varied specifications, exclusions, and non-insurable items. The Appraiser strongly recommends that estimates be obtained from professionals experienced in establishing appropriate insurance coverage. This analysis should not be relied upon to determine insurance coverage and the Appraiser makes no warranties regarding this estimate.
- The Appraiser has not made any investigation to determine if the Property is in conformity with the Americans with Disabilities Act (ADA) or similar state or local laws or ordinances. It is possible that such an investigation could reveal that the Property is not in compliance with the ADA or similar laws or ordinances. If so, this could have a negative effect on the value and use of the Property.
- The information furnished by external sources, including but not limited to the Property owners or representatives, taxing or regulatory authorities, or related market participants, is thought to be accurate and reliable. Such information includes but is not limited to gross building and net rentable areas, rent rates and schedules, unit mix and sizes, historical financial and operating data, land size, proposed or ongoing improvements, budgets, sale data, or the like. The Appraiser makes no representations regarding information obtained from other sources. As such, if a significant error is discovered in any of the reported information, the Appraiser reserves the right to amend the report and/or value conclusions.

- Unless otherwise stated in the report, no mineral deposits or subsurface rights of value are involved or considered in this appraisal, whether gas, liquid, or solid, nor are any rights associated with extraction or exploration of such elements considered or analyzed. It is also assumed that there are no transferrable air or development rights of value unless otherwise stated. These matters are outside the scope of work for this assignment and of the Appraiser's expertise.
- Any and all furnishings, fixtures, or equipment, except those specifically stated or typically included or traded as a part of real property, were disregarded and not considered in the appraisal.
- Required licenses, permits, certificates of occupancy, consents, or other legislative or administrative authority from any local, state, or national government or private entity or organization are assumed to have been obtained and renewed as necessary for any use on which the value estimate(s) in this report is based.
- Responsible and prudent ownership and reasonably competent property management are assumed.
- Diagrams, plans, charts, sketches, and other illustrative materials in this report are included only to assist the reader in visualizing the Property. The Appraiser makes no warranties about the accuracy of such materials and they should not be used or relied on for any other purpose.
- Any cash flows, analyses of estimated income or forecasts of future economic conditions performed for this appraisal or included in the report are predicated on the information and assumptions contained within the report and are not predictions or guaranties of the future. The achievement of any financial projections or forecast relating to the Property will be affected by fluctuating economic conditions and will depend on other future occurrences that cannot be assured. Actual results will vary from any projections or forecasts stated in the report. The Appraiser does not warrant any projections or forecasts.
- The allocation of the overall property value between land and improvements, if any, applies only under the stated program of utilization. The individual allocations of land and building value may not be used in conjunction with any other analysis.
- The Appraiser is not required to provide any further consultation, testimony, or court appearance with regard to the Property unless agreed to by the Appraiser in writing.
- The contents of this report, in whole or in part (including its value conclusions, market data, or identity of the Appraiser) are confidential and may not be disseminated to the public through advertising, public relations, news, sales, video, or any other media without the prior, written consent of the Appraiser.
- Possession of this report does not carry with it the right of use, reliance, distribution, or publication, unless authorized by the Appraiser in writing.
- The maximum monetary liability of the Appraiser (including Apprise, Walker & Dunlop, Inc. and its subsidiaries) for any and all claims or causes of action relating to the appraisal shall be limited to the total compensation actually received by Apprise for the appraisal. This limitation of liability extends to all types of claims and causes of action, whether in contract or tort, but excludes claims/causes of action for intentionally fraudulent or criminal conduct, or intentionally caused injury. In the event that different limitations of liability are set forth in an engagement agreement for the appraisal between Apprise and its client, however, the limitations in that agreement shall apply between the Appraiser (including Apprise) and the client.
- Use of or reliance on the appraisal, regardless of whether such use or reliance is known or authorized by the Appraiser, constitutes acknowledgement and acceptance of these General Assumptions and Limiting Conditions, any extraordinary assumptions or hypothetical conditions stated in the report, and any other terms and conditions stated in the report. The appraisal should not be used or relied on by any party who is not identified as the client or as an additional intended user in the report or identified in specific reliance language, if any, contained in the report.

Addendum b
glossary

GLOSSARY

Definitions were sourced from The Dictionary of Real Estate Appraisal, Sixth Edition (2015), Uniform Standards of Professional Appraisal Practice (2020-2021), Intragency Appraisal and Evaluation Guidelines, and Marshall Valuation Service / Marshall & Swift.

ARMS-LENGTH TRANSACTION: A transaction between unrelated parties who are each acting in his or her own best interest.

AS IS MARKET VALUE: The estimate of the market value of real property in its current physical condition, use, and zoning as of the appraisal's effective date.

ASSESSED VALUE: The value of a property according to the tax rolls in ad valorem taxation; may be higher or lower than market value or based on an assessment ratio that is a percentage of market value.

BAND OF INVESTMENT: A technique in which the capitalization rates attributable to components of a capital investment are weighted and combined to derive a weighted-average rate attributable to the total investment.

CASH EQUIVALENCY: analytical process in which the sale price of a transaction with non-market-oriented financing or financing with unusual conditions/incentives is converted into a price expressed in terms of cash.

CONFORMITY: Conformity is the appraisal principle that holds that real property value is created and sustained when the characteristics of a property conform to the demands of its market.

CONTRACT RENT: The actual rental income specified in a lease.

CURABLE FUNCTIONAL OBSOLESCENCE: An element of depreciation; a curable defect caused by a flaw in the structure, materials, or design, which can be practically and economically corrected.

DEBT COVERAGE RATIO (DCR): The ratio of net operating income to annual debt service, which measures the relative ability of a property to meet its debt service out of net operating income; also called debt service coverage ratio (DSCR).

DEFERRED MAINTENANCE: Items of wear and tear on a property that should be fixed now to protect the value or income-producing ability of a property.

DEPRECIATION: In appraising, a loss in property value from any cause; the difference between the cost of an improvement on the effective date of the appraisal and the market value of the improvement on the same date.

DIRECT COST: Expenditures for the labor and materials used in the construction of improvements; also called hard costs.

DISCOUNT RATE: Expenditures for the labor and materials used in the construction of improvements; also called hard costs.

DISPOSITION VALUE: The most probable price that a specified interest in real property should bring given the following terms: consummation of sale within a limited future marketing period, current market conditions prevail as of the date of valuation, prudent and knowledgeable buyer and seller, seller is under compulsion to sell and buyer is typically motivated, both parties acting with consideration to best interest, adequate marketing effort made in the limited time allowed to complete the sale, payment made in local currency or other comparable financial arrangements, and the price represents the normal consideration for the property sold, unaffected by special or creative financing or sales concessions. Definition is different from market value, due to the motivation of the seller to dispose within a limited future marketing period.

EASEMENT: The right to use another's land for a stated purpose. Access or right-of-way easements may be acquired by private parties or public utilities. Governments may be the beneficiaries of easements placed on privately owned land that is dedicated to conservation, open space, or preservation.

EFFECTIVE AGE: defined as the age indicated by the condition and utility of a structure. Effective age can be greater or less than actual age. Regular repairs, maintenance, and renovating all influence the effective age of a structure.

EFFECTIVE DATE: The date on which the appraisal or review opinion applies.^{11 SEP}

EFFECTIVE GROSS INCOME (EGI): The anticipated income from all operations of the real estate after an allowance is made for vacancy and collection losses and an addition is made for any other income.

EFFECTIVE GROSS INCOME MULTIPLIER (EGIM): The ratio between the sale price (or value) of a property and its effective gross income.

EFFECTIVE RENT: The rental rate net of financial concessions such as periods of free rent during the lease term and above or below-market tenant improvements (TIs).

ECONOMIC LIFE: Defined as the period over which improvements to real property contribute to property value. Economic life and physical life rarely equate, as the economic life of a structure is typically of shorter duration due to the fluctuating market demands external and unrelated to the physical structure itself. Remaining economic life is the remaining duration, from the date of value, over which the improvements are estimated to contribute value.

ENTREPRENEURIAL INCENTIVE: The amount an entrepreneur expects to receive for his or her contribution to a project. Entrepreneurial incentive may be distinguished from entrepreneurial profit (often referred to as developer's profit) in that it is the expectation of future profit as opposed to the profit actually earned on a development or improvement.

ENTREPRENEURIAL PROFIT: A market-derived figure that represents the amount an entrepreneur receives for his or her contribution to a project and risk; the difference between the total cost of a property (cost of development) and its market value (property value after completion), which represents the entrepreneur's compensation for the risk and expertise associated with development. An entrepreneur is motivated by the prospect of future value enhancement (i.e., the entrepreneurial incentive). An entrepreneur who successfully creates value through new development, expansion, renovation, or an innovative change of use is rewarded by entrepreneurial profit. Entrepreneurs may also fail and suffer losses.

EXCESS LAND: Land that is not needed to serve or support the existing improvement. The highest and best use of the excess land may or may not be the same as the highest and best use of the improved parcel. Excess land has the potential to be sold separately and is valued separately.

EXPOSURE TIME: The estimated length of time that the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal.

EXTERNAL OBSOLESCENCE: A type of depreciation; a diminution in value caused by negative external influences and generally incurable on the part of the owner, landlord, or tenant. The external influence may be temporary or permanent.

EXTRAORDINARY ASSUMPTION: An assignment-specific assumption as of the effective date regarding uncertain information used in an analysis which, if found to be false, could alter the appraiser's opinions or conclusions. Comment: Uncertain information might include physical, legal, or economic characteristics of the subject property; or conditions external to the property, such as market conditions or trends; or the integrity of data used in an analysis.

FAIR MARKET VALUE: As used in condemnation, litigation, income tax, and property tax situations, a term that is similar in concept to market value but may be defined explicitly by the relevant agency.

FEASIBILITY ANALYSIS: A study of the cost-benefit relationship of an economic endeavor.¹³⁹

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

FLOOR AREA RATIO: The relationship between the above-ground floor area of a building, as described by the zoning or building code, and the area of the plot on which it stands; in planning and zoning, often expressed as a decimal.

FUNCTIONAL OBSOLESCENCE: The impairment of functional capacity of improvements according to market tastes and standards.

FURNITURE, FIXTURES, AND EQUIPMENT (FF&E): Business trade fixtures and personal property, exclusive of inventory.

GROSS BUILDING AREA: Total floor area of a building, excluding unenclosed areas, measured from the exterior of the walls of the above-grade area. This includes mezzanines and basements if and when typically included in the market area of the type of property involved.

HIGHEST AND BEST USE: The highest and best use of a property is defined as "the reasonably probable and legal use of vacant land or an improved that is physically possible, appropriately supported, financially feasible, and that results in the highest value."

HYPOTHETICAL CONDITION: A condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results but is used for the purpose of analysis. Comment: Hypothetical conditions are contrary to known facts about physical, legal, or economic characteristics of the subject property; or about conditions external to the property, such as market conditions or trends; or about the integrity of data used in an analysis.

INDIRECT COSTS: Expenditures or allowances for items other than labor and materials that are necessary for construction but are not typically part of the construction contract. Indirect costs may include administrative costs, professional fees, financing costs and the interest paid on construction loans, taxes and the builder's or developer's all-risk insurance during construction, and marketing, sales, and lease-up costs incurred to achieve occupancy or sale. Also referred to as soft costs.

INSURABLE REPLACEMENT COST: The cost estimate, at current prices as of the effective date of valuation, of a substitute for the building being valued, using modern materials and current standards, design and layout for insurance coverage purposes guaranteeing that damaged property is replaced with a new property.

INTERIM USE: The temporary use to which a site or improved property is put until a different use becomes maximally productive.

INVESTMENT VALUE: The value of a property to a particular investor or class of investors based on the investor's specific requirements. Investment value may be different from market value because it depends on a set of investment criteria that are not necessarily typical of the market.

LEASED FEE INTEREST: Freehold (ownership interest) where the possessory interest has been granted to another party by creation of a contractual landlord-tenant relationship (i.e., a lease).

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

LEGALLY NONCONFORMING USE: A use that was lawfully established and maintained, but no longer conforms to the use regulations of its current zoning.

LIFE CYCLE: The three stages of a neighborhood's life cycle are integration (development or growth stage), equilibrium (static or stability stage), and disintegration (decline stage with diminishing demand); in some cases, a neighborhood experiences revitalization (redevelopment stage with increasing demand), and the cycle continues.

MARKET AREA: The geographic region from which a majority of demand comes and in which the majority of competition is located. Depending on the market, a market area may be further subdivided into components such as primary, secondary, and tertiary market areas.

MARKET STUDY: An analysis of the market conditions of supply, demand, and pricing for a specific property type in a specific area.

MARKETABILITY ANALYSIS: The study of how a specific property is expected to perform in a specific market. A marketability analysis expands on a market analysis by addressing a specific property.

NEIGHBORHOOD: A neighborhood is a group of complementary land uses, inhabitants, buildings, or business enterprises. The neighborhood analysis entails the objective analyzing of observable or quantifiable data indicating discernable patterns of urban growth, structure, and change that may detract from or enhance property values; the analysis focuses on the four sets of considerations that influence value: social, economic, governmental, and environmental factors.

NET OPERATING INCOME (NOI): The actual or anticipated net income that remains after all operating expenses are deducted from effective gross income but before mortgage debt service and book depreciation are deducted.

OBSOLESCENCE: One cause of depreciation; an impairment of desirability and usefulness caused by new inventions, changes in design, improved processes for production, or external factors that make a property less desirable and valuable for a continued use; may be either functional or external.

OVERALL CAPITALIZATION RATE (OAR): The relationship between a single year's net operating income expectancy and the total property price or value.

POTENTIAL GROSS INCOME (PGI): The total income attributable to property at full occupancy before vacancy and operating expenses are deducted.

POTENTIAL GROSS INCOME MULTIPLIER (PGIM): The ratio between the sale price (or value) of a property and its annual potential gross income.

QUALITATIVE ADJUSTMENT: An indication that one property is superior, inferior, or the same as another property. Note that the common usage of the term is a misnomer in that an adjustment to the sale price of a comparable property is not made. Rather, the indication of a property's superiority or inferiority to another is used in relative comparison analysis, bracketing, and other forms of qualitative analysis.

QUANTITATIVE ADJUSTMENT: A numerical (dollar or percentage) adjustment to the indicated value of the comparable property to account for the effect of a difference between two properties on value.

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

REPLACEMENT COST: The estimated cost to construct, at current prices as of a specific date, a substitute for a building or other improvements, using modern materials and current standards, design, and layout.

SCOPE OF WORK: The type and extent of research and analysis in an appraisal or appraisal review assignment.

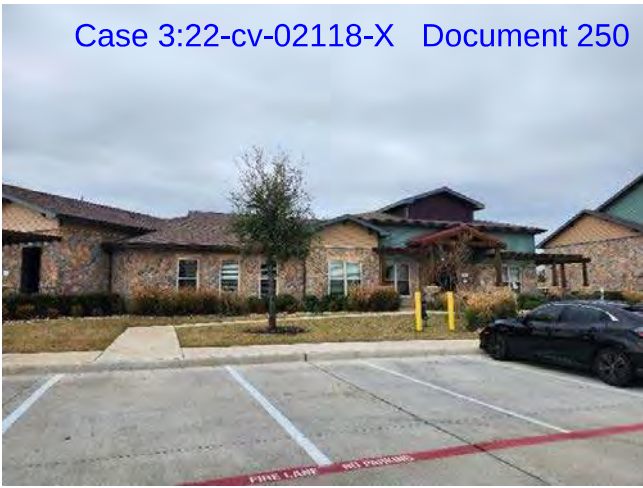
SURPLUS LAND: Land that is not currently needed to support the existing use but cannot be separated from the property and sold off for another use. Surplus land does not have an independent highest and best use and may or may not contribute value to the improved parcel.

USABLE AREA: The area that is actually used by the tenants measured from the inside of the exterior walls to the inside of walls separating the space from hallways and common areas.

USEFUL LIFE: The period of time over which a structure or a component of a property may reasonably be expected to perform the function for which it was designed.

VACANCY AND COLLECTION LOSS: A deduction from potential gross income (PGI) made to reflect income deductions due to vacancies, tenant turnover, and non-payment of rent; also called vacancy and credit loss or vacancy and contingency loss.

Addendum c
photographs



Leasing Office / Clubhouse



Fitness Center



Clubhouse



Swimming Pool



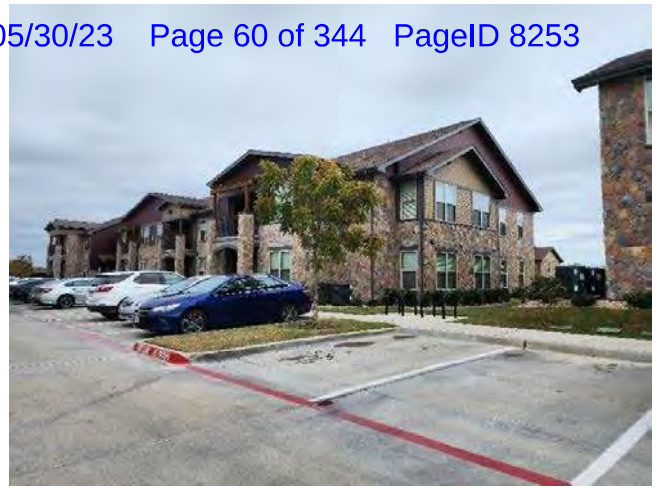
Swimming Pool



Subject Exterior



Subject Exterior



Subject Exterior



Playground



Subject Exterior



Subject Exterior



Subject Exterior



Typical Bathroom



Typical Kitchen



Typical Kitchen



Typical Bedroom



Washer/dryer Provided



Typical Living Area



Typical Kitchen



Typical Kitchen



Typical Bathroom



Typical Bedroom



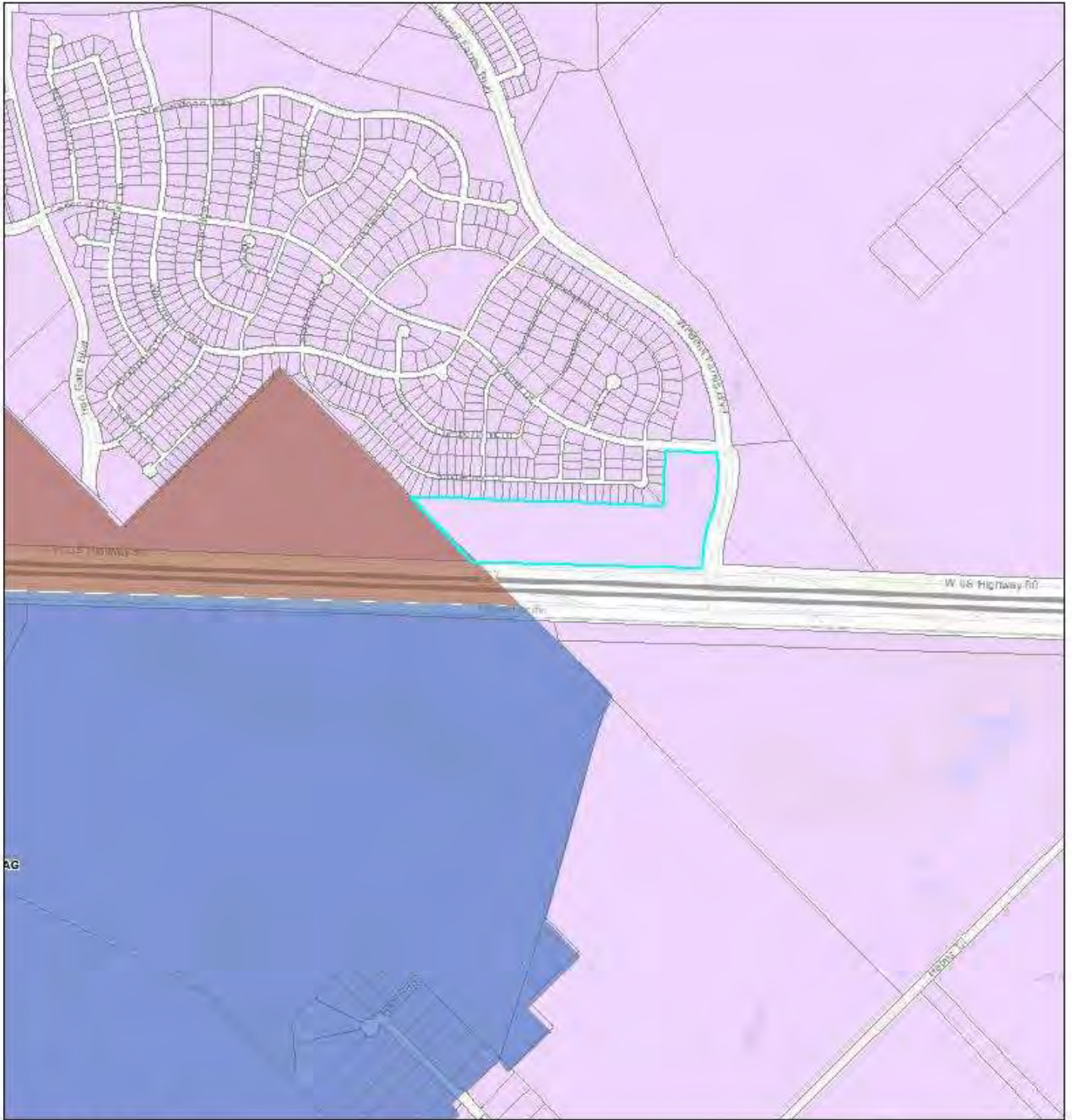
Washer/dryer Provided



Typical Living Area

Addendum d
site maps

Zoning Map

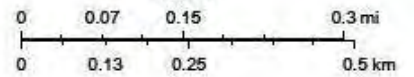


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Forney Zoning

- AG
- PD
- Parcels

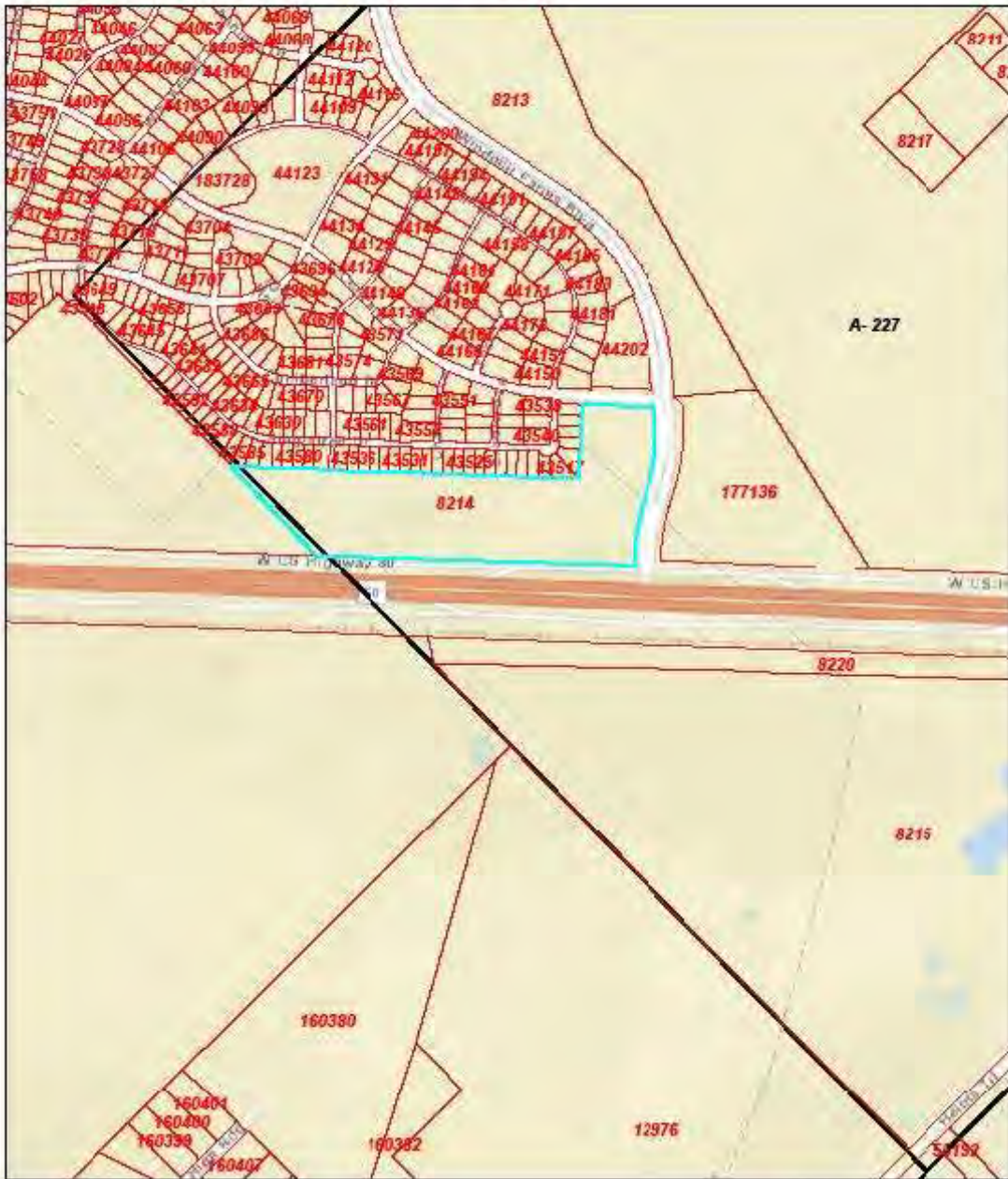
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Sources: Esri, HERE, Garmin, Intermap, increment P Corp., GEBCO, USGS, FAO, NPS, NRCAN, GeoBase, IGN, Kadaster NL, Ordnance Survey, Esri Japan, METI, Esri (China), Swire Hong Kong, (c) OpenStreetMap contributors, and the GIS User Community

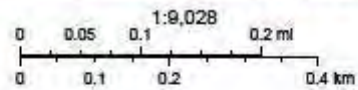
App 412

Plat Map



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- Abstracts
- Parcels



Source: Esri, HERE, DeLorme, USGS, Intermap, INCREMENT P, NRCA, Esri Japan, METI, Esri China (Hong Kong), Esri Korea, Esri (Thailand), NGCC, (c) OpenStreetMap contributors, and the GIS User Community

Kauffman County Appraisal District, BIS Consulting - www.bisconsulting.com

Disclaimer: This product is for informational purposes only and has not been prepared for or be suitable for legal, engineering, or surveying purposes. It does not represent an on-the-ground survey.

National Flood Hazard Layer FIRMette



Legend
SEE FIS REPORT FOR DETAILED LEGEND AND INDEX MAP FOR FIRM PANEL LAYOUT

SPECIAL FLOOD HAZARD AREAS

- Without Base Flood Elevation (BFE) Zone A, V, A99
- With BFE or Depth Zone AE, AD, AH, VE, AR
- Regulatory Floodway

OTHER AREAS OF FLOOD HAZARD

- 0.2% Annual Chance Flood Hazard, Areas of 1% annual chance flood with average depth less than one foot or with drainage areas of less than one square mile Zone X
- Future Conditions 1% Annual Chance Flood Hazard Zone X
- Area with Reduced Flood Risk due to Levee, See Notes, Zone X
- Area with Flood Risk due to Levee Zone D

OTHER AREAS

- NO SCREEN Area of Minimal Flood Hazard Zone X
- Effective LOMRs
- Area of Undetermined Flood Hazard Zone D

GENERAL STRUCTURES

- Channel, Culvert, or Storm Sewer
- Levee, Dike, or Floodwall

CROSS SECTIONS

- 20.2 Cross Sections with 1% Annual Chance Water Surface Elevation
- 17.5 Coastal Transect
- Base Flood Elevation Line (BFE)
- Limit of Study
- Jurisdiction Boundary
- Coastal Transect Baseline

OTHER FEATURES

- Profile Baseline
- Hydrographic Feature

MAP PANELS

- Digital Data Available
- No Digital Data Available
- Unmapped

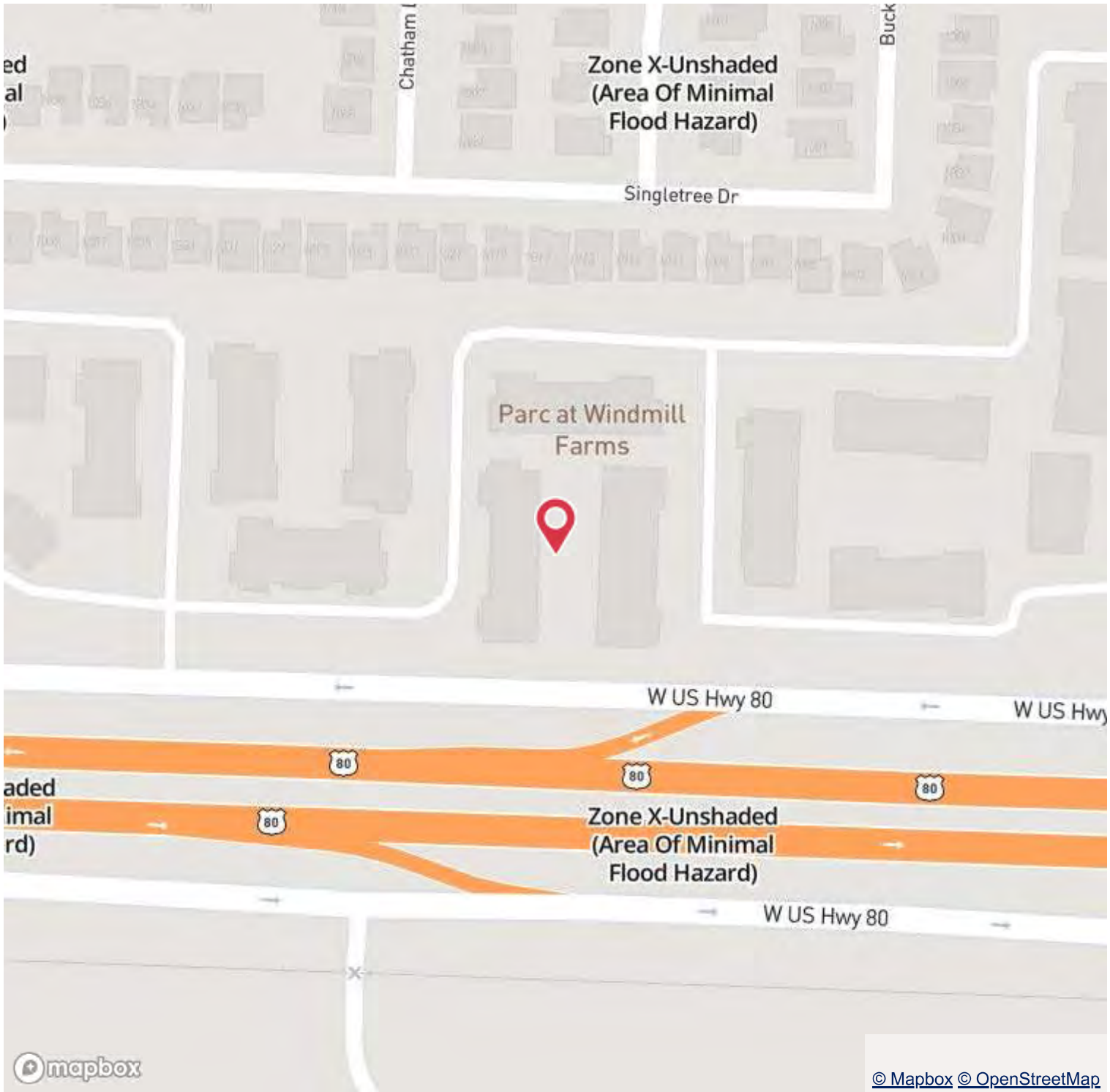
The pin displayed on the map is an approximate point selected by the user and does not represent an authoritative property location.






This map complies with FEMA's standards for the use of digital flood maps if it is not void as described below. The basemap shown complies with FEMA's basemap accuracy standards.

The flood hazard information is derived directly from the authoritative NFHL web services provided by FEMA. This map was exported on 5/14/2023 at 10:38 AM and does not reflect changes or amendments subsequent to this date and time. The NFHL and effective information may change or become superseded by new data over time.

This map image is void if the one or more of the following map elements do not appear: basemap imagery, flood zone labels, legend, scale bar, map creation date, community identifiers, FIRM panel number, and FIRM effective date. Map images for unmapped and unmodernized areas cannot be used for regulatory purposes.

Flood Zones



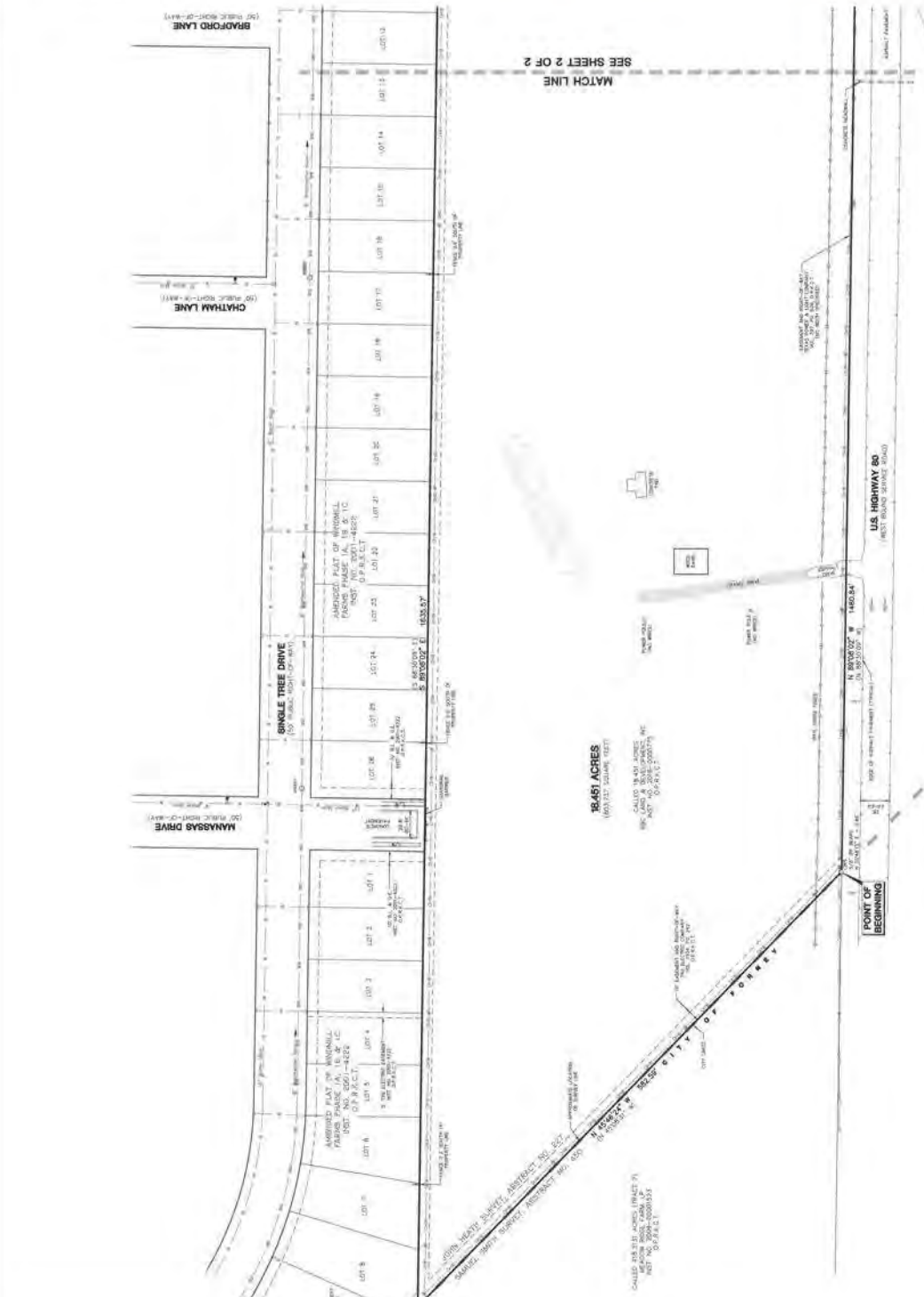
- | | | |
|---|---|--|
|  Zone A
1% Annual Chance Flood Hazard |  Zone X-Unshaded
Area Of Minimal Flood Hazard |  Zone AE
1% Annual Chance Flood Hazard |
|  Zone X-Shaded
0.2% Annual Chance Flood Hazard |  Zone AE
Regulatory Floodway | |



JMU DEVELOPMENT, LLC

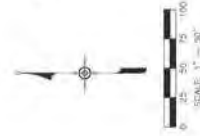
NO.	DATE	DESCRIPTION
1	11/15/22	ISSUED FOR PERMIT
2	11/15/22	ISSUED FOR PERMIT
3	11/15/22	ISSUED FOR PERMIT
4	11/15/22	ISSUED FOR PERMIT
5	11/15/22	ISSUED FOR PERMIT
6	11/15/22	ISSUED FOR PERMIT
7	11/15/22	ISSUED FOR PERMIT
8	11/15/22	ISSUED FOR PERMIT
9	11/15/22	ISSUED FOR PERMIT
10	11/15/22	ISSUED FOR PERMIT

REVISION SHEET



GENERAL NOTES

1. EXISTING UTILITIES SHOWN ARE BASED ON THE LATEST AVAILABLE RECORDS. THE ENGINEER HAS CONDUCTED VISUAL INSPECTIONS OF THE EXISTING UTILITIES AND HAS FOUND THEM TO BE IN ACCORDANCE WITH THE RECORDS. THE ENGINEER HAS NOT CONDUCTED ANY TESTS OR SURVEYS TO VERIFY THE LOCATION OR DEPTH OF THE EXISTING UTILITIES. THE USER SHALL VERIFY THE LOCATION AND DEPTH OF ALL UTILITIES PRIOR TO CONSTRUCTION.
2. THE SUBJECT TRACT OF LAND SHOWN HEREON IS A PART OF THE 18,451 ACRES TRACT OF LAND SITUATED IN THE J. HEATH SURVEY, ABSTRACT NO. 227, KAUFMAN COUNTY, TEXAS. THE TRACT IS BOUND BY THE WEST LINE OF THE 18,451 ACRES TRACT OF LAND SITUATED IN THE J. HEATH SURVEY, ABSTRACT NO. 227, KAUFMAN COUNTY, TEXAS, AND THE SOUTH LINE OF THE 18,451 ACRES TRACT OF LAND SITUATED IN THE J. HEATH SURVEY, ABSTRACT NO. 227, KAUFMAN COUNTY, TEXAS. THE TRACT IS BOUND BY THE WEST LINE OF THE 18,451 ACRES TRACT OF LAND SITUATED IN THE J. HEATH SURVEY, ABSTRACT NO. 227, KAUFMAN COUNTY, TEXAS, AND THE SOUTH LINE OF THE 18,451 ACRES TRACT OF LAND SITUATED IN THE J. HEATH SURVEY, ABSTRACT NO. 227, KAUFMAN COUNTY, TEXAS.
3. ALL OF THE LOTS OF THIS TRACT HAVE BEEN ASSIGNED TO THE SUBJECT TRACT.
4. THE TRACT IS BOUND BY THE WEST LINE OF THE 18,451 ACRES TRACT OF LAND SITUATED IN THE J. HEATH SURVEY, ABSTRACT NO. 227, KAUFMAN COUNTY, TEXAS, AND THE SOUTH LINE OF THE 18,451 ACRES TRACT OF LAND SITUATED IN THE J. HEATH SURVEY, ABSTRACT NO. 227, KAUFMAN COUNTY, TEXAS.
5. THERE ARE NO EXISTING UTILITIES SHOWN WITHIN THE SUBJECT TRACT.
6. THERE ARE NO EXISTING UTILITIES SHOWN WITHIN THE SUBJECT TRACT.
7. THERE ARE NO EXISTING UTILITIES SHOWN WITHIN THE SUBJECT TRACT.



LEGEND

01	ADJ. TO STATE
02	ADJ. TO COUNTY
03	ADJ. TO CITY
04	ADJ. TO TRACT
05	ADJ. TO ROAD
06	ADJ. TO RAILROAD
07	ADJ. TO WATERWAY
08	ADJ. TO AIRWAY
09	ADJ. TO POWERLINE
10	ADJ. TO TELEPHONE
11	ADJ. TO GAS
12	ADJ. TO OIL
13	ADJ. TO MINERAL
14	ADJ. TO OTHER
15	ADJ. TO UNDEVELOPED
16	ADJ. TO OPEN SPACE
17	ADJ. TO WETLANDS
18	ADJ. TO HISTORIC
19	ADJ. TO CULTURAL
20	ADJ. TO ENVIRONMENTAL
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96	ADJ. TO CULTURAL
97	ADJ. TO ENVIRONMENTAL
98	ADJ. TO OTHER
99	ADJ. TO UNDEVELOPED
100	ADJ. TO OPEN SPACE

RECORD PROPERTY DESCRIPTION
 ATTACHMENT NO. 203-00070 (OFFICIAL)

THIS PLAN AND THE SURVEY THEREON, INCLUDING THE SURVEY DATA, ARE HEREBY FILED FOR THE RECORD AND FOR THE PURPOSES OF THE PUBLIC RECORDS OF FAYETTE COUNTY, WEST VIRGINIA, AND SHALL BE A PART OF THE PUBLIC RECORDS OF FAYETTE COUNTY, WEST VIRGINIA.

NOTICE TO CONTRACTORS: THE CONTRACTOR SHALL BE RESPONSIBLE FOR OBTAINING ALL NECESSARY PERMITS AND APPROVALS FROM THE APPROPRIATE AGENCIES AND SHALL BE RESPONSIBLE FOR VERIFYING THE ACCURACY OF ALL SURVEY DATA AND THE LOCATION OF ALL UTILITIES AND STRUCTURES. THE CONTRACTOR SHALL BE RESPONSIBLE FOR OBTAINING ALL NECESSARY PERMITS AND APPROVALS FROM THE APPROPRIATE AGENCIES AND SHALL BE RESPONSIBLE FOR VERIFYING THE ACCURACY OF ALL SURVEY DATA AND THE LOCATION OF ALL UTILITIES AND STRUCTURES.

NOTICE TO ADJACENT PROPERTY OWNERS: THE CONTRACTOR SHALL BE RESPONSIBLE FOR NOTIFYING ALL ADJACENT PROPERTY OWNERS OF THE PROPOSED WORK AND SHALL BE RESPONSIBLE FOR OBTAINING ALL NECESSARY PERMITS AND APPROVALS FROM THE APPROPRIATE AGENCIES AND SHALL BE RESPONSIBLE FOR VERIFYING THE ACCURACY OF ALL SURVEY DATA AND THE LOCATION OF ALL UTILITIES AND STRUCTURES.

NOTICE TO THE PUBLIC: THE CONTRACTOR SHALL BE RESPONSIBLE FOR NOTIFYING THE PUBLIC OF THE PROPOSED WORK AND SHALL BE RESPONSIBLE FOR OBTAINING ALL NECESSARY PERMITS AND APPROVALS FROM THE APPROPRIATE AGENCIES AND SHALL BE RESPONSIBLE FOR VERIFYING THE ACCURACY OF ALL SURVEY DATA AND THE LOCATION OF ALL UTILITIES AND STRUCTURES.

TITLE COMMITMENT NOTES

1. THE CONTRACTOR SHALL BE RESPONSIBLE FOR OBTAINING ALL NECESSARY PERMITS AND APPROVALS FROM THE APPROPRIATE AGENCIES AND SHALL BE RESPONSIBLE FOR VERIFYING THE ACCURACY OF ALL SURVEY DATA AND THE LOCATION OF ALL UTILITIES AND STRUCTURES.

2. THE CONTRACTOR SHALL BE RESPONSIBLE FOR NOTIFYING ALL ADJACENT PROPERTY OWNERS OF THE PROPOSED WORK AND SHALL BE RESPONSIBLE FOR OBTAINING ALL NECESSARY PERMITS AND APPROVALS FROM THE APPROPRIATE AGENCIES AND SHALL BE RESPONSIBLE FOR VERIFYING THE ACCURACY OF ALL SURVEY DATA AND THE LOCATION OF ALL UTILITIES AND STRUCTURES.

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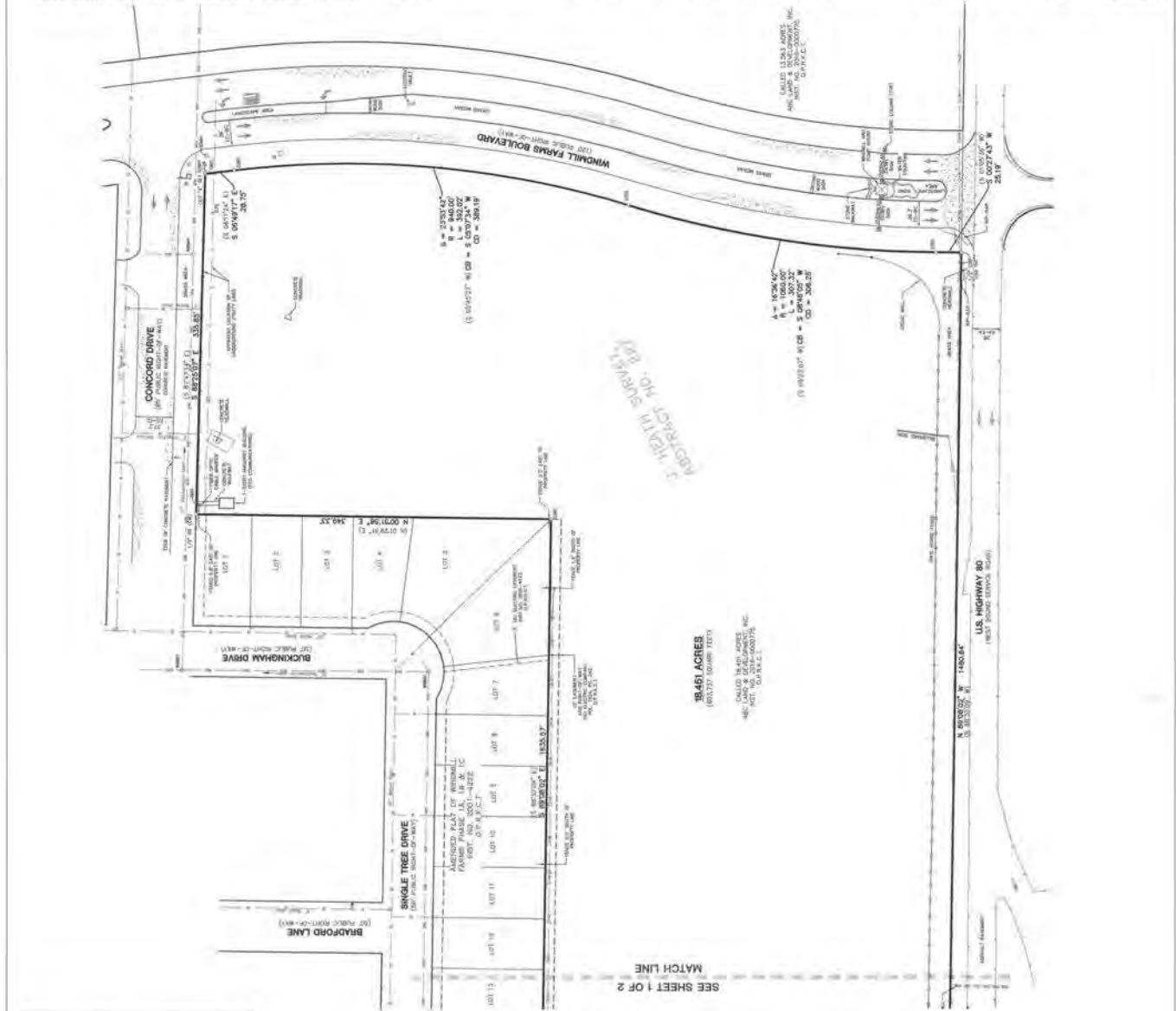
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SEE SHEET 1 OF 2

16.821 ACRES (APPROXIMATE)

US HIGHWAY 80 (WEST BOUND STRIP ROAD)

POUNCEFORD DRIVE

BUCKENHAM DRIVE

SINGLE TREE DRIVE

BRADFORD LANE

WINDMILL FARMS BOULEVARD

LOT 1

LOT 2

LOT 3

LOT 4

LOT 5

LOT 6

LOT 7

LOT 8

LOT 9

LOT 10

LOT 11

LOT 12

LOT 13

LOT 14

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DATE: 05/30/23

DRAWN BY: [Name]

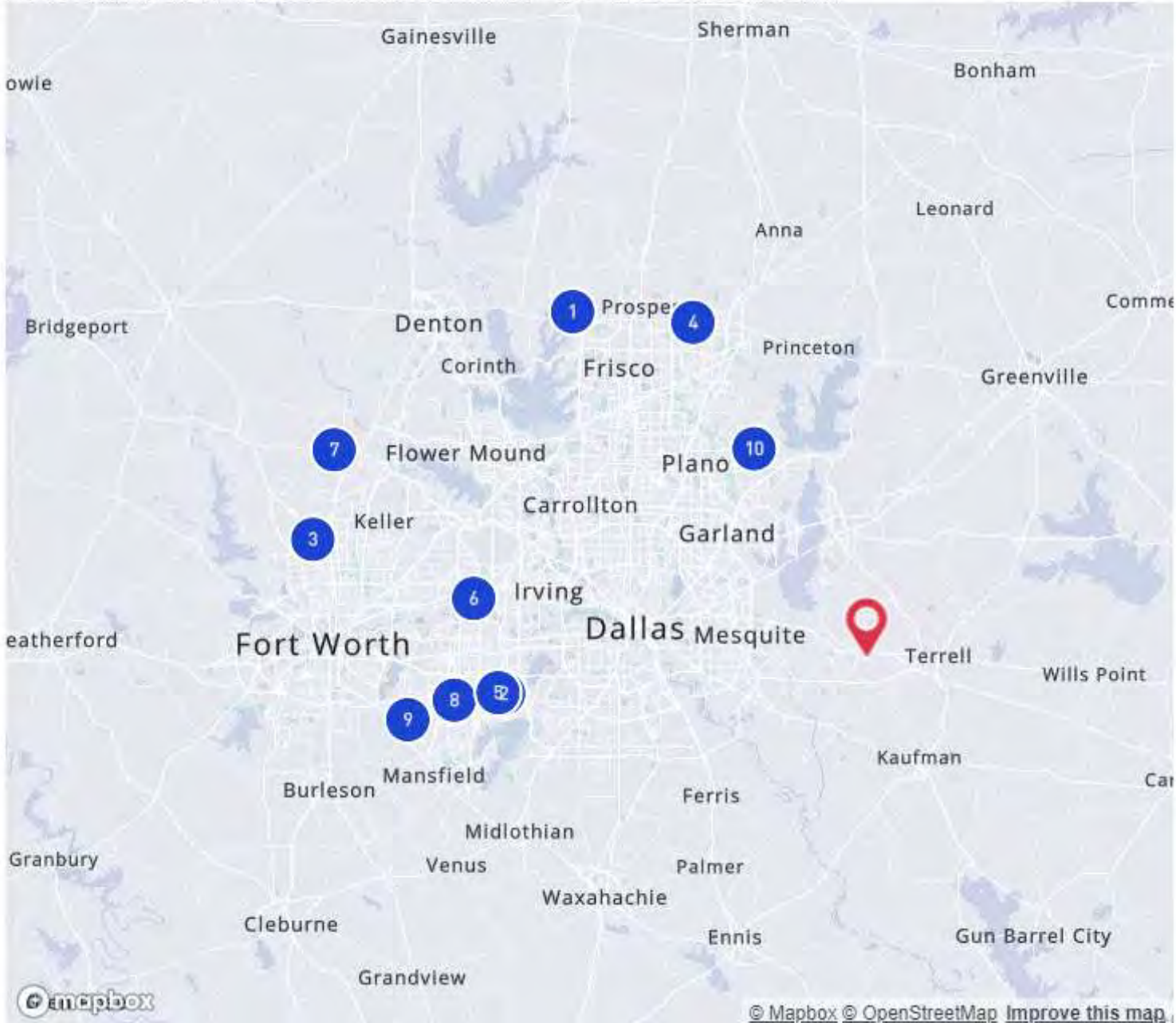
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Addendum e
sales

Sales Map

The sales comparison approach relies upon the principle of substitution. In order to derive a value estimate for the subject property based on the comparable sales, adjustments are made to account for differences in the various elements of comparison.



Capitalization Rate Comps

Comp	Close Date	Price	# Units	\$/Unit	Avg Unit Size	Occupancy	NOI/Unit	Cap Rate
1	Mar-23	\$80,000,000	336	\$238,095	964	91.8%	\$12,554	5.27%
2	Jan-23	\$81,788,000	322	\$254,000	939	94.2%	\$11,709	4.61%
3	Nov-22	\$32,650,000	112	\$291,518	960	98.0%	\$14,111	4.84%
4	Nov-22	\$81,000,000	300	\$270,000	860	97.0%	\$10,854	4.02%
5	Oct-22	\$90,720,000	336	\$270,000	896	82.7%	\$11,151	4.13%
6	Oct-22	\$66,126,000	321	\$206,000	952	96.0%	\$8,737	4.13%
7	Oct-22	\$76,045,000	227	\$335,000	981	95.0%	\$15,110	4.51%
8	Oct-22	\$58,000,000	285	\$203,509	852	95.5%	\$8,417	4.14%
9	Sep-22	\$41,760,000	248	\$168,387	844	94.0%	\$7,969	4.73%
10	Aug-22	\$64,000,000	252	\$253,968	936	96.8%	\$11,419	4.01%
Avg		\$67,208,900	274	\$249,048	919	94.1%	\$11,080	4.44%



Prose Magnolia

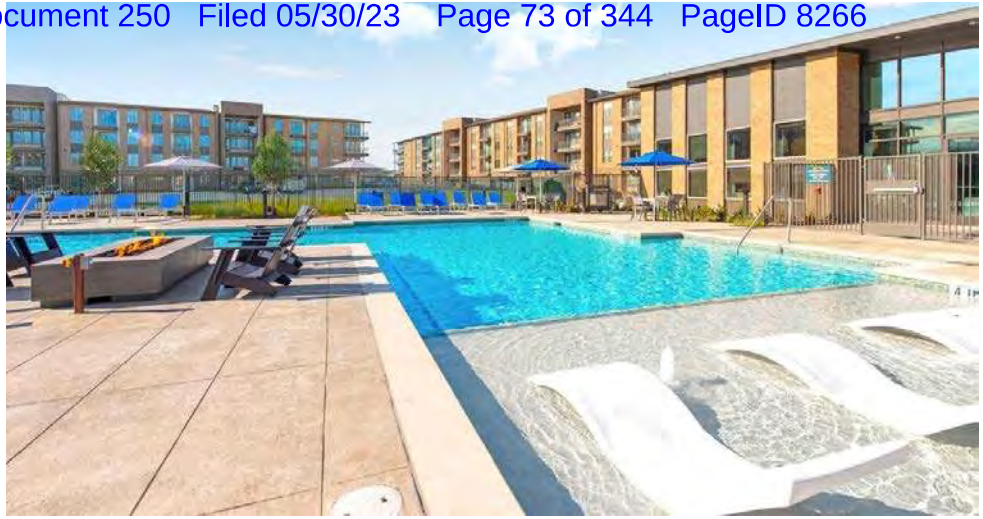
Class A Market-Rate Apartment Complex 336 Units 14864 Fishtrap Rd Aubrey TX 76227-7634

Property		Units		Transaction	
Market	Dallas (A)	Unit Finishes	Good	Sale	
Submarket	Northwest Denton County (A)	Appliances	High-End Stainless-Steel	Close Date	03/01/2023
Neighborhood Rating	(A-)	Countertops	Granite	Contract Price	\$80,000,000
Location Rating	(A+)	Cabinets	Good W/Hardware	Adjustments	\$0
Building		Primary Flooring	Luxury Vinyl Plank	Adjusted Sale Price	\$80,000,000
Building	3-Story Garden (B+)	Secondary Flooring	Luxury Vinyl Plank	Adj. Price/Unit	\$238,095
Construction	Frame, Brick And Wood Siding, Hip, Composite Shingle	Washer/Dryer	Included All Units	Adj. Price/BR	\$158,730
GBA			Dishwasher, Garbage Disposal, Microwave, Ceiling Fan, Walk-In Closet, Patio Balcony, Tile Backsplash, High/Vaulted Ceilings, Recessed Lighting, Breakfast Bar, Window Coverings And Built-In Shelving	Adj. Price/SF	\$247
Year Built	2022	Features		Buyer	14864 Fishtrap Rd Owner, LLC
Quality	Good			Seller	Alliance Residential Company
NRA	323880			Broker	
Renovated				Broker Company	IPA
Condition	Good			Broker Phone	
Amenities	Clubhouse, Controlled Access, Business Center, Fitness Center, Resort-Style Pool, Billiards, BBQ Grill, Cabana/Pergola, Outdoor Lounge, Dog Park, Package Locker, Courtyard, Spas, Pools, Businesscenter, Fitness, Washerdryer, Washerdryer Hookuponly, Balcony/Patio (Partial Units), Microwave (All Units) And Elevators			Conditions	Arm's Length
				Recording Info	2023-19180
				Verification	Confidential
				Originator/Lender	

General		Unit Mix				Income			
Parking Type	Surface	#	Avg Baths	SF Range	Avg SF	Potential Gross Rent	\$20.13/SF	\$6,520,000	
Parking/Unit	1.15	1-BR	168	1.0	731 - 812	766	Less Vacancy	6.47%	\$422,018
Land Area	761428 SF; 17.480 Acres	2-BR	168	2.0	1,105 - 1,185	1,162	Potential Net Rent		\$6,097,982
Density	19	Average		1.5		964	Less: Allowances		
Land-to-Building Ratio	-	Total	336		731 - 1,185	323,880	Other Income & Reimbs	10.28%	\$670,000
Floor Area	7.435						Effective Gross Income		\$6,767,982
School District							Less Operating Expenses	37.68%	\$2,550,000
County Parcel ID	SD5168A-000000A-0000-0002-0000						Net Operating Income		\$4,217,982
Formerly Known As							NOI/Unit		\$12,554
ID #	6131959						Cap Rate	Actual	5.27%

Comments

Prose Magnolia is a 336-unit, market rate apartment complex that was constructed in 2022. The property is a three-story, garden style community with surface parking. The property reflects new construction and reached 91% occupancy when the property sold. The purchase price was verified by a confidential source directly involved with the transaction. For our proforma, income was based upon in-place figures with slight modifications to market assuming stabilized operations. Expenses were based upon in-place figures with adjustments assuming stabilized operations and taxes adjusted to 80% of the purchase price. The property was actively marketed IPA.



Axis Grand Crossing

Class A Market-Rate Apartment Complex 322 Units 1661 S Forum Dr Grand Prairie TX 75052-1267

Property		Units		Transaction	
Market	Dallas (A)	Unit Finishes	Excellent	Sale	
Submarket	Grand Prairie (B+)	Appliances	Stainless Steel	Close Date	01/12/2023
Neighborhood Rating	(C+)	Countertops	Granite	Contract Price	\$81,788,000
Location Rating	(A+)	Cabinets	Good W/Hardware	Adjustments	\$0
Building		Primary Flooring	Luxury Vinyl Plank	Adjusted Sale Price	\$81,788,000
Building	4-Story Mid-Rise (A)	Secondary Flooring	Luxury Carpet	Adj. Price/Unit	\$254,000
Construction	Wood, Brick, Sloped, Composite Shingle	Washer/Dryer	Included All Units	Adj. Price/BR	\$179,360
GBA	322000		Dishwasher, Garbage Disposal,	Adj. Price/SF	\$270
Year Built	2022	Features	Microwave, Ceiling Fan, Walk-In Closet,	Buyer	Sherman Residential
Quality	Excellent		Patio Balcony, Built-In Shelving,	Seller	Wood Partners
NRA	302413		Window Coverings And Breakfast Bar	Broker	
Renovated				Broker Company	IPA
Condition	Excellent			Broker Phone	
Amenities	Clubhouse, Leasing Office, Controlled Access, Fitness Center, Business Center, Billiards, Resort-Style Pool, BBQ Grill, Package Locker And Private Garages			Conditions	Arm's Length
				Recording Info	N/A
				Verification	WDIS
				Originator/Lender	

General		Unit Mix				Income		
Parking Type	Attached Garage And Surface	#	Avg Baths	SF Range	Avg SF	Potential Gross Rent	\$0.00/SF	\$0
Parking/Unit	1.09	Studio	20	673 - 673	673	Less Vacancy		
Land Area	629442 SF; 14.450 Acres	1-BR	183	722 - 849	789	Potential Net Rent		
Density		2-BR	104	1,127 - 1,223	1,181	Less: Allowances		
Land-to-Building Ratio	1.95:1	3-BR	15	1,450 - 1,450	1,450	Other Income & Reimbs		
Floor Area	6.942	Average		1.3	939	Effective Gross Income		\$0
School District		Total	322	673 - 1,450	302,413	Less Operating Expenses		
County Parcel ID	65-03951-101-002-0000					Net Operating Income		\$3,770,427
Formerly Known As	Alta Grand Crossing					NOI/Unit		\$11,709
ID #	6135778					Cap Rate	Actual	4.61%

Comments

Axis Grand Crossing, fka Alta Grand Crossing is a 322-unit, market rate apartment complex that was constructed in 2022. The property display excellent finish out and a high level of amenities. The purchase price and in-place cap rate were confirmed by parties privy to the transaction.



Horizon at Ridgeview

Class A Market-Rate Apartment Complex 112 Units 1000 E Harmon Rd, Fort Worth TX 76131-3302

Property		Units		Transaction	
Market	Fort Worth (A-)	Unit Finishes	Good	Sale	
Submarket	Northwest (A)	Appliances	Stainless Steel	Close Date	11/10/2022
Neighborhood Rating	(A-)	Countertops	Granite	Contract Price	\$32,650,000
Location Rating	(A)	Cabinets	Good W/Hardware	Adjustments	\$0
Building		Primary Flooring	Luxury Vinyl Plank	Adjusted Sale Price	\$32,650,000
Building	1-Story Garden (B+)	Secondary Flooring		Adj. Price/Unit	\$291,518
Construction	Frame And Brick, Brick, Wood Siding And Tile, Gable, Composite Shingle	Washer/Dryer	Included	Adj. Price/BR	\$142,576
GBA	107490	Features	Dishwasher, Garbage Disposal, Microwave, Ceiling Fan, Walk-In Closet, Patio Balcony, Tile Backsplash, High/Vaulted Ceiling And Recessed Lighting	Adj. Price/SF	\$304
Year Built	2021			Buyer	Starboard Ridgeview DST
Quality	Good			Seller	NEXMETRO Fossil Creek LP
NRA	107490			Broker	
Renovated				Broker Company	
Condition	Good			Broker Phone	
Amenities	Controlled Access, Gated Parking, Pool, BBQ Grill And Dog Park			Conditions	Arm's Length
				Recording Info	
				Verification	Appraiser
				Originator/Lender	

General		Unit Mix				Income			
Parking Type	Attached Garage And Street	#	Avg Baths	SF Range	Avg SF	Potential Gross Rent	\$27,20/SF	\$2,923,200	
Parking/Unit		1-BR	30	1.0	637 - 637	637	Less Vacancy	7.00%	\$204,624
Land Area	625193 SF; 14.352 Acres	2-BR	47	2.0	960 - 960	960	Potential Net Rent		\$2,718,576
Density	7	3-BR	35	2.0	1,236 - 1,236	1,236	Less: Allowances		
Land-to-Building Ratio	5.82:1	Average		1.7		960	Other Income & Reimbs	11.70%	\$342,000
Floor Area	2,468	Total	112		637 - 1,236	107,490	Effective Gross Income		\$3,060,576
School District							Less Operating Expenses	48.36%	\$1,480,200
County Parcel ID	42611251						Net Operating Income		\$1,580,376
Formerly Known As							NOI/Unit		\$14,111
ID #	6137686						Cap Rate		4.84%

Comments

The property was in good condition and 92% occupied at the time of sale. The purchase price was verified by the purchase and sales agreement. The purchase price reflects a 4.05% capitalization rate based upon the T-11 annualized income and expenses with \$200 per unit in reserves. For our proforma, income was based upon in-place figures with slight modifications to market. Expenses were based upon in-place figures with several categories decreased to market terms and a projected increase in taxes. The property was actively marketed by Berkadia.



Gray Branch Luxury Apartments

Class A Market-Rate Apartment Complex		300 Units	1760 N Ridge Rd, McKinney TX 75071					
Property		Units		Transaction				
Market	Dallas (A)	Unit Finishes	Very-Good		Sale			
Submarket	Plano/Allen/McKinney (A)	Appliances	Black		Close Date	11/01/2022		
Neighborhood Rating	(A-)	Countertops	Granite		Contract Price	\$81,000,000		
Location Rating	(A+)	Cabinets	Good W/Hardware		Adjustments	\$0		
Building		Primary Flooring	Real Hardwood		Adjusted Sale Price	\$81,000,000		
Building	2-Story Garden (A-)	Secondary Flooring	Luxury Carpet		Adj. Price/Unit	\$270,000		
Construction	Frame And Wood, Combination, Wood Siding And Brick Veneer, Gable, Composite Shingle	Washer/Dryer	Included All Units		Adj. Price/BR	\$197,561		
GBA	366759	Features	Patio Balcony, Dishwasher, Garbage Disposal, Walk-In Closet, Microwave, Ceiling Fan, Tile Backsplash, High/Vaulted Ceilings, Pendant Lighting, Recessed Lighting, Window Coverings, Breakfast Bar And Built-In Shelving		Adj. Price/SF	\$314		
Year Built	2020				Buyer	Magellan Development		
Quality	Good				Seller	Cross Development		
NRA	258136				Broker	Roberto Casas		
Renovated					Broker Company	JLL		
Condition	Excellent				Broker Phone	(469) 232-1939		
Amenities	BBQ Grill, Clubhouse, Fitness Center, Pool, Sport Court, Dog Park, Picnic Area, Controlled Access, Gated Parking, Leasing Office, Business Center, On-Site Manager, Spa, Volleyball Court And Yard Games				Conditions	Arm's Length		
					Recording Info	0160450		
					Verification	WDIS		
					Originator/Lender			
General		Unit Mix				Income		
Parking Type	Surface, Attached Garage And Detached Garage	#	Avg Baths	SF Range	Avg SF	Potential Gross Rent	\$0.00/SF	\$0
Parking/Unit	1.82	1-BR	198	1.0	597 - 946	743	Less Vacancy	
Land Area	803856 SF; 18.454 Acres	2-BR	94	1.8	993 - 1,234	1,073	Potential Net Rent	
Density	16	3-BR	8	1.8	1,260 - 1,260	1,260	Less: Allowances	
Land-to-Building Ratio	2.19:1	Average		1.3		860	Other Income & Reimbs	
Floor Area	5.926	Total	300		597 - 1,260	258,136	Effective Gross Income	\$0
School District	McKinney ISD						Less Operating Expenses	
County Parcel ID	R2762742						Net Operating Income	\$3,256,200
Formerly Known As							NOI/Unit	\$10,854
ID #	6114967						Cap Rate	Actual 4.02%

Comments

Gray Branch Luxury Apartments is a 300-unit class A, garden style apartment complex in McKinney, TX. The eight building two-story property was built in 2020 and displays a high end finish of its units and offers a number of typical amenities for its classification such as a pool, volleyball court, pet park, fitness center, clubhouse and controlled access/gated parking. The property was sold November 1st by Cross Development to Magellan Development in an arms length transaction. The seller was represented by JLL. The sale price and cap rate information were provided by parties privy to the transaction.



Copeland

Class A Market-Rate Apartment Complex 336 Units 2045 S Forum Dr Grand Prairie TX 75052-1190

Property	
Market	Dallas (A)
Submarket	Grand Prairie (B+)
Neighborhood Rating	(B)
Location Rating	(A+)
Building	
Building	3-Story Garden (A)
Construction	Wood, Combination, Flat,
GBA	340000
Year Built	2022
Quality	Excellent
NRA	301121
Renovated	
Condition	Excellent
Amenities	Clubhouse, Controlled Access, Fitness Center, Pool, Business Center, Resort-Style Pool, BBQ Grill, Outdoor Lounge, Dog Park, Package Locker And Electric Vehicle (EV) Charging Stations Available On Site.

Units	
Unit Finishes	Excellent
Appliances	High-End Stainless-Steel
Countertops	Quartz
Cabinets	Good W/Hardware
Primary Flooring	Basic Vinyl Plank
Secondary Flooring	Basic Carpet
Washer/Dryer	Included All Units
Features	Dishwasher, Garbage Disposal, Microwave, Ceiling Fan, Walk-In Closet, Patio Balcony, Tile Backsplash, Pendant Lighting And Window Coverings

Transaction	
Sale	
Close Date	10/20/2022
Contract Price	\$90,720,000
Adjustments	\$0
Adjusted Sale Price	\$90,720,000
Adj. Price/Unit	\$270,000
Adj. Price/BR	\$183,273
Adj. Price/SF	\$301
Buyer	Copeland Grand Prairie LLC
Seller	KIW Grand Prairie Venture LLC
Broker	
Broker Company	CBRE
Broker Phone	
Conditions	Arm's Length
Recording Info	20220276195
Verification	Confidential
Originator/Lender	

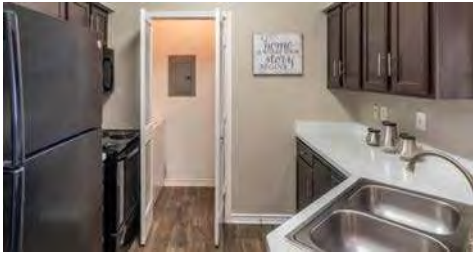
General	
Parking Type	Carport, Attached Garage And Surface
Parking/Unit	1.82
Land Area	SF; Acres
Density	
Land-to-Building Ratio	-
Floor Area	6,913
School District	Grand Prairie ISD
County Parcel ID	280665800A0010000, 280665800A0020000
Formerly Known As	Forum At Sara Jane, Wolff Multifamily
ID #	6133189

Unit Mix				
	#	Avg Baths	SF Range	Avg SF
1-BR	198	1.0	624 - 936	724
2-BR	117	2.0	993 - 1,307	1,114
3-BR	21	2.0	1,309 - 1,309	1,309
Average		1.4		896
Total	336		624 - 1,309	301,121

Income		
Potential Gross Rent	\$0.00/SF	\$0
Less Vacancy		
Potential Net Rent		
Less: Allowances		
Other Income & Reimbs		
Effective Gross Income		\$0
Less Operating Expenses		
Net Operating Income		\$3,746,736
NOI/Unit		\$11,151
Cap Rate	Actual	4.13%

Comments

Copeland is a 336 unit, market-rate apartment complex that was constructed in 2022. The property is a three-story, garden style community with surface and garage parking. The purchase price was confirmed by confidential parties privy to the transaction. No cap rate information or unusual sale conditions were reported. The property recently completed construction and is almost stabilized as of the sale date.



Station 3700

Class B Market-Rate Apartment Complex		321 Units	3700 Post Oak Blvd, Euless TX 76040-7577		
Property		Units		Transaction	
Market	Fort Worth (A-)	Unit Finishes	Average-Good	Sale	
Submarket	North Arlington (B+)	Appliances	Black And White	Close Date	10/12/2022
Neighborhood Rating	(A+)	Countertops	Epoxy-Surfaced	Contract Price	\$66,126,000
Location Rating	(B)	Cabinets	Good, No Hardware	Adjustments	\$0
Building		Primary Flooring	Basic Vinyl Plank	Adjusted Sale Price	\$66,126,000
Building	3-Story Low-Rise (B)	Secondary Flooring	Basic Carpet	Adj. Price/Unit	\$206,000
Construction	Wood, Masonry, Sloped, Composite Shingle	Washer/Dryer	Connections	Adj. Price/BR	\$111,511
GBA	305751	Features	Breakfast Bar, Ceiling Fan, Dishwasher, Garbage Disposal, High/Vaulted Ceilings, Microwave, Patio Balcony, Recessed Lighting, Walk-In Closet And Window Coverings	Adj. Price/SF	\$216
Year Built	2001		Buyer	Station 3700 MF, LP	
Quality	Average-Good		Seller	Noel Management	
NRA	305751		Broker		
Renovated				Broker Company	NGKF
Condition	Average-Good			Broker Phone	
Amenities	Business Center, Clubhouse, Controlled Access, Fitness Center, Gated Parking, BBQ Grill, Leasing Office, Package Locker And Pool			Conditions	Arm's Length
				Recording Info	D222246811
				Verification	Confidential
				Originator/Lender	

General		Unit Mix				Income			
Parking Type	Carport And Surface	#	Avg Baths	SF Range	Avg SF	Potential Gross Rent	\$19.31/SF	\$5,904,037	
Parking/Unit	1.87	1-BR	96	1.0	745 - 782	764	Less Vacancy	5.00%	\$295,202
Land Area	561440 SF; 12.889 Acres	2-BR	178	1.8	913 - 1,020	985	Potential Net Rent		\$5,608,835
Density	24.9	3-BR	47	2.0	1,217 - 1,217	1,217	Less: Allowances		
Land-to-Building Ratio	1.84:1	Average		1.6		952	Other Income & Reimbs		
Floor Area	7,019	Total	321		745 - 1,217	305,751	Effective Gross Income		\$5,608,835
School District							Less Operating Expenses	50.00%	\$2,804,418
County Parcel ID	07064136; 07064144						Net Operating Income		\$2,804,417
Formerly Known As	Bluffs At Paradise Creek, The, Paradise Hills						NOI/Unit		\$8,737
ID #	6107002						Cap Rate	Pro Forma	4.13%

Comments

Station 3700 is a 321-unit, market rate apartment complex that was constructed in 2001. It was reported that the property was renovated in 2015; however, no details on the number of units or depth of the renovation. This was an arms-length sale of a Class B, unrestricted garden style apartment complex. The transaction was brokered by NGKF. The sale information was provided by confidential parties privy to the transaction. The pro forma cap rate is based on the rents at the time of sale, a 95% occupancy rate, and a 50% operating expense ratio.



Avilla Reserve

Class A Independent Living Facility		227 Units	11049 State Hwy 114		
Property		Units		Transaction	
Market	Dallas (B)	Unit Finishes	Good	Sale	
Submarket	Northwest Denton County (B)	Appliances	Stainless Steel	Close Date	10/12/2022
Neighborhood Rating	(B)	Countertops	Granite	Contract Price	\$76,045,000
Location Rating	(B)	Cabinets	Good W/Hardware	Adjustments	\$0
Building		Primary Flooring	Basic Vinyl Plank	Adjusted Sale Price	\$76,045,000
Building	1-Story Garden (B+)	Secondary Flooring	Basic Carpet	Adj. Price/Unit	\$335,000
Construction	Wood And Frame, Masonry, Rock Stone, Wood Siding And Siding Not (Aluminum, Vinyl, Etc.), Hip And Gable, Metal	Washer/Dryer	Included All Units	Adj. Price/BR	\$157,770
		Features	Ceiling Fan, Dishwasher, Garbage Disposal, High/Vaulted Ceilings, Microwave, Tile Backsplash, Walk-In Closet And Window Coverings	Adj. Price/SF	\$342
GBA	222640			Buyer	Confidential
Year Built	2020			Seller	NEXMETRO RESERVE LP
Quality	Good			Broker	
NRA	222640			Broker Company	Berkadia
Renovated				Broker Phone	
Condition	Good			Conditions	Arm's Length
Amenities	Clubhouse, Leasing Office, Pool, BBQ Grill And Dog Park			Recording Info	No Recording #
				Verification	Confidential
				Originator/Lender	Not Disclosed

General		Unit Mix				Income			
Parking Type	Detached Garage And Surface	#	Avg Baths	SF Range	Avg SF	Potential Gross Rent	\$25.60/SF	\$5,700,000	
Parking/Unit	2.05	1-BR	64	1.0	637 - 637	637	Less Vacancy	6.00%	\$342,000
Land Area	871244 SF; 20.001 Acres	2-BR	71	2.0	960 - 960	960	Potential Net Rent		\$5,358,000
Density	11	3-BR	92	2.0	1,236 - 1,236	1,236	Less: Allowances		
Land-to-Building Ratio	3.91:1	Average		1.7		981	Other Income & Reimbs	12.32%	\$702,000
Floor Area	5,111	Total	227		637 - 1,236	222,640	Effective Gross Income		\$6,060,000
School District	Northwest ISD						Less Operating Expenses	43.40%	\$2,630,000
County Parcel ID	R766701						Net Operating Income		\$3,430,000
Formerly Known As							NOI/Unit		\$15,110
ID #	3892						Cap Rate	Pro Forma	4.51%

Comments

Avilla Reserve is a 227-unit market rate BFR apartment complex located at 11049 State Hwy 114 in Justin, Tx. The property was in good/new condition at the time of sale and 95% occupied. The purchase price was verified by a confidential source directly involved in the transaction. The purchase price reflects a 4.13% capitalization rate based upon the T-3 annualized income and T-12 expenses with \$200 per unit in reserves. For our proforma, income was based upon in-place figures with slight modifications to market. Expenses were based upon in-place figures with R&M decreased to market terms and taxes adjusted and based on an assessment at 80% of the purchase price. Each unit has a fenced backyard area and patio. The property was actively marketed for sale by Berkadia.



Bardin Greene Apartments

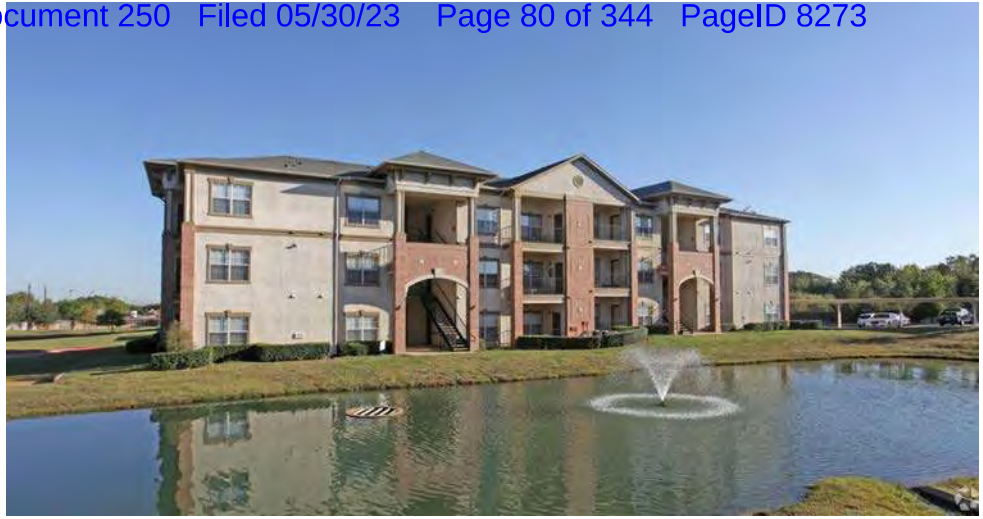
Class B Market-Rate Apartment Complex 285 Units 300 Bardin Greene Dr, Arlington, TX 76018

Property		Units		Transaction	
Market	Fort Worth (A-)	Unit Finishes	Average-Good	Sale	
Submarket	Southeast (A)	Appliances	Stainless Steel And White	Close Date	10/01/2022
Neighborhood Rating	(A+)	Countertops	Laminate	Contract Price	\$58,000,000
Location Rating	(A)	Cabinets	Good, No Hardware	Adjustments	\$0
Building		Primary Flooring	Basic Vinyl Plank	Adjusted Sale Price	\$58,000,000
Building	2-Story Garden (B)	Secondary Flooring	Basic Carpet	Adj. Price/Unit	\$203,509
Construction	Frame, Brick And Wood Siding, Gable And Hip, Composite Shingle	Washer/Dryer	Connections	Adj. Price/BR	\$132,723
GBA	252416	Features	Dishwasher, Garbage Disposal, Ceiling Fan, Microwave, Walk-In Closet, Built-In Shelving And Window Coverings	Adj. Price/SF	\$239
Year Built	2001			Buyer	Magma Equities Holdings LLC
Quality	Average-Good			Seller	Bardin Greene DST
NRA	242896			Broker	
Renovated				Broker Company	Marcus & Millichap
Condition	Average-Good			Broker Phone	
Amenities	Leasing Office, Controlled Access, Clubhouse, Business Center, Fitness Center, Pool, Sport Court, Laundry Facilities, Courtyard, Picnic Area And Private Garages			Conditions	Arm's Length
				Recording Info	D223054263
				Verification	Confidential
				Originator/Lender	

General		Unit Mix				Income			
		#	Avg Baths	SF Range	Avg SF				
Parking Type	Surface	1-BR	152	1.0	605 - 750	669	Potential Gross Rent	\$19.43/SF	\$4,719,600
Parking/Unit	2.28	2-BR	114	2.0	900 - 1,167	1,022	Less Vacancy	6.50%	\$306,774
Land Area	690804 SF; 15.859 Acres	3-BR	19	2.0	1,295 - 1,295	1,295	Potential Net Rent		\$4,412,826
Density	17.96	Average		1.5		852	Less: Allowances		
Land-to-Building Ratio	2.74:1	Total	285		605 - 1,295	242,896	Other Income & Reimbs	11.23%	\$530,123
Floor Area	5,576						Effective Gross Income		\$4,942,949
School District	Arlington ISD						Less Operating Expenses	51.47%	\$2,544,186
County Parcel ID	07697201						Net Operating Income		\$2,398,763
Formerly Known As							NOI/Unit		\$8,417
ID #	6132614						Cap Rate	Pro Forma	4.14%

Comments

This property is located in Arlington, Texas and currently under contract as part of a three-property portfolio to Magma Equities Holdings LLC (Buyer) for an allocated purchase price of \$58,000,000. The portfolio as a whole is being purchased for \$230,000,000. The property was in average condition at the time of contract and 97% occupied. The property has received minor renovations with vinyl-plank flooring and stainless-steel appliances in a small number of units. The buyer plans to renovate and reposition the asset. However, we have analyzed the sale in its As- Is condition. For our proforma, income was based upon in-place figures with slight modifications to market. Expenses were based upon in-place figures with slight modifications to market, the estimated amount of taxes was based on the assessment being adjusted to 75% of the contract purchase price.



Falcon Lakes

Class B Market-Rate Apartment Complex 248 Units 6504 Falcon River Way Arlington TX 76001-2831

Property		Units		Transaction	
Market	Fort Worth (A-)	Unit Finishes	Average	Sale	
Submarket	Southeast (A)	Appliances	White	Close Date	09/16/2022
Neighborhood Rating	(A+)	Countertops	Formica	Contract Price	\$41,760,000
Location Rating	(B)	Cabinets	Refinished Original W/Hardware	Adjustments	\$0
Building		Primary Flooring	Basic Vinyl Plank	Adjusted Sale Price	\$41,760,000
Building	3-Story Garden (B-)	Secondary Flooring	Basic Carpet	Adj. Price/Unit	\$168,387
Construction	Wood And Frame, Brick Veneer And Stucco, Hip, Composite Shingle	Washer/Dryer	Connections	Adj. Price/BR	\$108,750
GBA	209280	Features	Dishwasher, Garbage Disposal, Ceiling Fan, Walk-In Closet, Patio Balcony, Recessed Lighting And Window Coverings	Adj. Price/SF	\$200
Year Built	2002		Buyer	MACK (ARLINGTON) LLC	
Quality	Average	Seller	FALCON LAKES LTD	Broker	
NRA	209280	Broker Company	Eastdil Secured	Broker Phone	
Renovated		Conditions	Portfolio Sale	Recording Info	D222229292
Condition	Average	Verification	Confidential 3rd Party	Originator/Lender	
Amenities	Leasing Office, Gated Parking, Clubhouse, Laundry Facilities, Pool, Fitness Center, Business Center And BBQ Grill				

General		Unit Mix				Income			
Parking Type	Other	#	Avg Baths	SF Range	Avg SF	Potential Gross Rent	\$19.88/SF	\$4,160,448	
Parking/Unit	1.98	1-BR	120	1.0	689 - 689	689	Less Vacancy	5.00%	\$208,022
Land Area	760122 SF; 17.450 Acres	2-BR	120	2.0	976 - 976	976	Potential Net Rent		\$3,952,426
Density	14	3-BR	8	2.0	1,185 - 1,185	1,185	Less: Allowances		
Land-to-Building Ratio	3.63:1	Average		1.5		844	Other Income & Reimbs		
Floor Area	4,804	Total	248		689 - 1,185	209,280	Effective Gross Income		\$3,952,426
School District	Kennedale ISD						Less Operating Expenses	50.00%	\$1,976,213
County Parcel ID	40012964						Net Operating Income		\$1,976,213
Formerly Known As							NOI/Unit		\$7,969
ID #	6133728						Cap Rate	Pro Forma	4.73%

Comments

This was an arms-length sale of a Class B, unrestricted apartment complex. This transaction was representative of "market" to the best of the appraiser's knowledge. The pro forma cap rate information is based on rents at the time of transaction, and the expenses are market proforma. Reportedly, this property was part of a 34-property portfolio transaction.



Creekside South

Class A Market-Rate Apartment Complex 252 Units 3400 McMillen Rd, Wylie, TX 75098

Property	
Market	Dallas (A)
Submarket	Plano/Allen/McKinney (A)
Neighborhood Rating	(B+)
Location Rating	(A+)
Building	
Building	3-Story Garden (B+)
Construction	Masonry, Brick And Rock Stone, Gable And Hip, Composite Shingle
GBA	332047
Year Built	2015
Quality	Good
NRA	235992
Renovated	
Condition	Good
Amenities	Leasing Office, Controlled Access, Clubhouse, Fitness Center, Business Center, Resort-Style Pool, BBQ Grill, Outdoor Lounge, Firepit, Cabana/Pergola, Dog Park, Courtyard And Picnic Area

Units	
Unit Finishes	Good
Appliances	Stainless Steel
Countertops	Granite
Cabinets	Good W/Hardware
Primary Flooring	Basic Vinyl Plank
Secondary Flooring	Basic Carpet
Washer/Dryer	Included All Units
Features	Dishwasher, Garbage Disposal, Microwave, Ceiling Fan, Walk-In Closet, Patio Balcony, High/Vaulted Ceilings, Pendant Lighting, Recessed Lighting, Built-In Shelving, Window Coverings And Breakfast Bar

Transaction	
Sale	
Close Date	08/18/2022
Contract Price	\$64,000,000
Adjustments	\$0
Adjusted Sale Price	\$64,000,000
Adj. Price/Unit	\$253,968
Adj. Price/BR	\$152,381
Adj. Price/SF	\$271
Buyer	3400 McMillen Borrower LLC
Seller	Creekside South Gardens, LP
Broker	
Broker Company	
Broker Phone	
Conditions	Arms-Length
Recording Info	0112371
Verification	Confidential
Originator/Lender	

General	
Parking Type	Surface
Parking/Unit	1.79
Land Area	804771 SF; 18.475 Acres
Density	13
Land-to-Building Ratio	2.42:1
Floor Area	5,418
School District	
County Parcel ID	R-6589-000-0010-1
Formerly Known As	
ID #	225

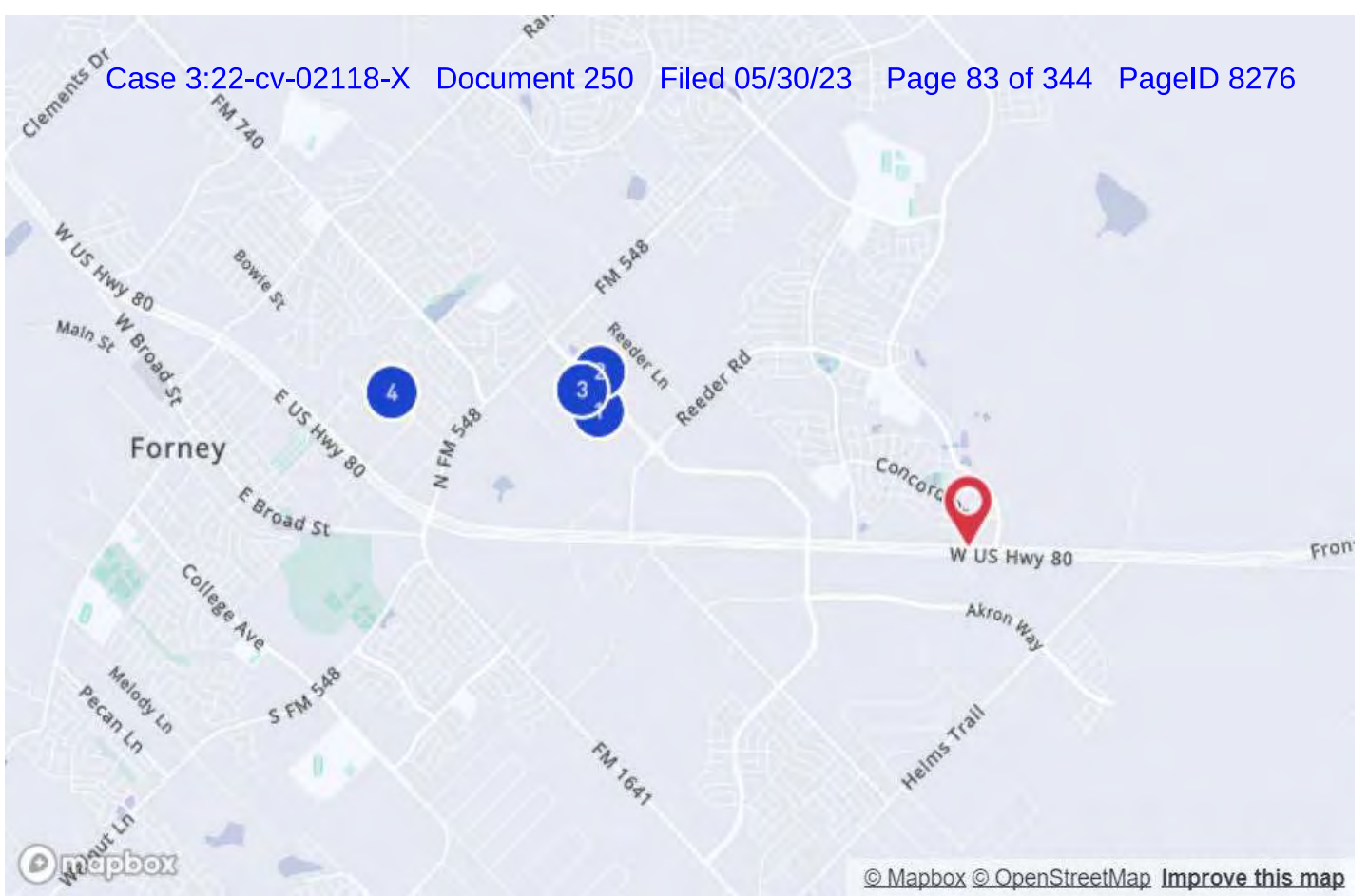
Unit Mix				
	#	Avg Baths	SF Range	Avg SF
1-BR	96	1.0	780 - 780	780
2-BR	144	1.8	903 - 1,037	1,015
3-BR	12	2.0	1,250 - 1,250	1,250
Average		1.5		936
Total	252		780 - 1,250	235,992

Income		
Potential Gross Rent	\$19.85/SF	\$4,683,600
Less Vacancy	5.70%	\$266,965
Potential Net Rent		\$4,416,635
Less: Allowances		
Other Income & Reimbs	13.02%	\$610,000
Effective Gross Income		\$5,026,635
Less Operating Expenses	48.91%	\$2,458,557
Net Operating Income		\$2,568,078
NOI/Unit		\$10,191
Cap Rate	Pro Forma	4.01%

Comments

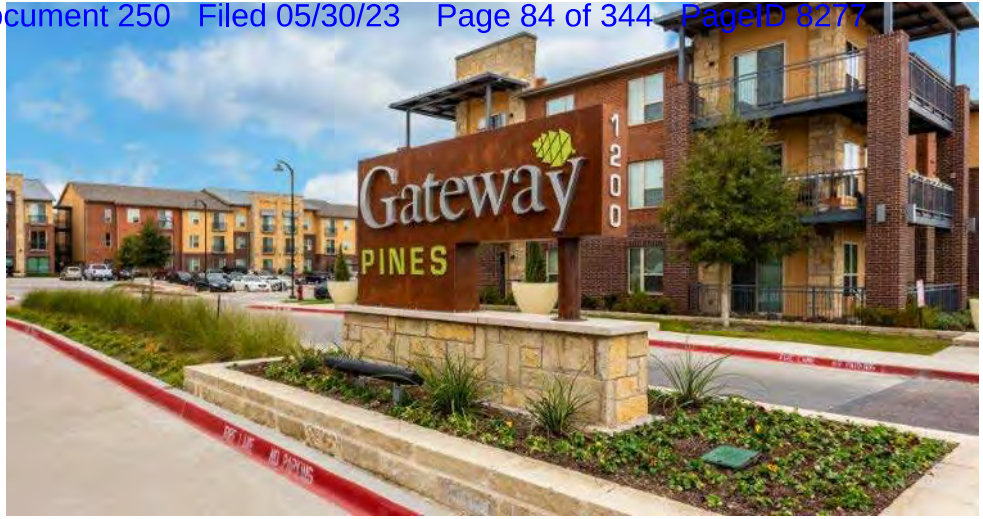
The property was 96% occupied at the time of sale and in good condition. The purchase price was verified by the purchase and sales agreement. The purchase price reflects a 3.89% capitalization rate based upon the T-12 NOI annualized income, inclusive of \$200 per unit in reserves. For our proforma, income was based upon in-place figures with slight modifications to market. Expenses were based upon in-place figures with several categories decreased to market terms and taxes increased to approximately 75% of the purchase price.

Addendum f
rents



Rent Comps Summary

Comp	Name	Address	YOC	Units	Occ	Avg SF	Rent SF	Avg Rent	Dist. (mi)
Rent 1	Gateway Pines	1200 N Gateway Blvd Forney TX 75126-0918	2018	337	92%	810	\$1.73	\$1,404	2.10
Rent 2	Gateway Oaks	1105 N. Gateway Blvd.	2016	313	94%	860	\$1.67	\$1,436	2.17
Rent 3	Gateway Cedars	1100 N Gateway Blvd Forney TX 75126-5190	2014	334	97%	786	\$1.65	\$1,296	2.22
Rent 4	The Emerson At Forney Marketplace	300 Trailhouse Ln Forney TX 75126-2646	2019	320	94%	894	\$1.85	\$1,654	3.20
Subject	Parc At Windmill Farms	1003 Windmill Farms Blvd Forney TX 75126-6326	2019	272	89%	1,028	\$1.67	\$1,719	



Gateway Pines

Class A Market-Rate Apartment Complex

337 Units

1200 N Gateway Blvd Forney TX 75126-0918

Property

Market	Dallas (A)
Submarket	Mesquite/Seagoville (C+)
Neighborhood Rating	(B-)
Location Rating	(A+)

Building

Building	3-Story Garden (B+)
Construction	Wood, Brick, ,
GBA	272856
Year Built	2018
Quality	Good
NRA	272970
Renovated	
Condition	Good
Amenities	Controlled Access, Clubhouse, Fitness Center, Business Center, Pool, BBQ Grill And Dog Park

General

Electric	Sub-Meter; Tenant-Pay
Gas	
Water/Sewer	Sub-Meter; Tenant-Reimbursed
Trash	Sub-Meter; Tenant-Reimbursed
Parking Type & Ratio	Detached Garage, Carport And Surface,
Land Area	566193 SF; 12.998 Acres
County Parcel ID	190873
PM Company	
Formerly Known As	
ID #	6138683

Unit Mix

Occupancy	92%
Concessions	None
As Of	05/11/2023

Summary

	# Units	Avg Baths	SF Range	Avg SF	Contract Rent	Quoted Rent	Contract PSF	Quoted PSF
1-BR	337	1.0	810 - 810	810	\$0	\$1,404	\$0.00	\$1.73
Avg		1.0		810	\$0	\$1,404	\$0.00	\$1.73
Total	337			272,970	\$0	\$473,148		

Breakdown

layout	#	Beds	Baths	SF	Current Rent	Quoted Rent	Current PSF	Quoted PSF
All Unit Types	337	1	1.0	810	\$0	\$1,404	\$0.00	\$1.73

Comments

The market rents and occupancy reflect rates and occupancy as of February 2023.



Gateway Oaks

Class A Market-Rate Apartment Complex

313 Units

1105 N. Gateway Blvd.

Property

Market	Dallas (A)
Submarket	- (C+)
Neighborhood Rating	(B)
Location Rating	(A+)

Building

Building	3-Story Garden (B+)
Construction	, Brick, ,
GBA	269086
Year Built	2016
Quality	Good
NRA	269180
Renovated	
Condition	Good
Amenities	Controlled Access, Clubhouse, Fitness Center, Business Center, Pool, BBQ Grill, Dog Park And Storage Units

General

Electric	Sub-Meter; Tenant-Pay
Gas	
Water/Sewer	Sub-Meter; Tenant-Reimbursed
Trash	Sub-Meter; Tenant-Reimbursed
Parking Type & Ratio	Detached Garage, Carport And Surface,
Land Area	0 SF; 0.000 Acres
County Parcel ID	190829
PM Company	
Formerly Known As	
ID #	2722

Unit Mix

Occupancy	94%
Concessions	None
As Of	05/12/2023

Summary

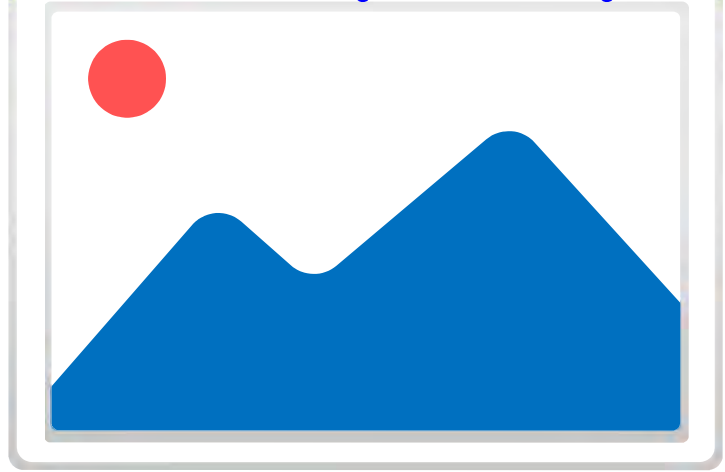
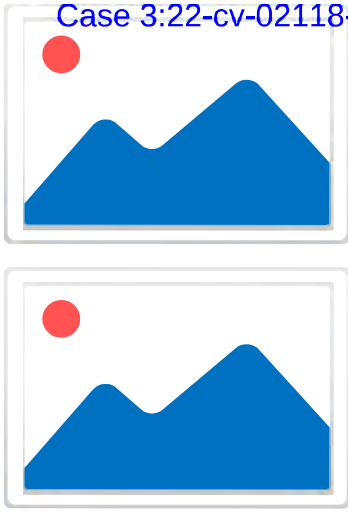
	# Units	Avg Baths	SF Range	Avg SF	Contract Rent	Quoted Rent	Contract PSF	Quoted PSF
1-BR	313	1.0	860 - 860	860	\$0	\$1,436	\$0.00	\$1.67
Avg		1.0		860	\$0	\$1,436	\$0.00	\$1.67
Total	313				\$0	\$449,468		

Breakdown

layout	#	Beds	Baths	SF	Current Rent	Quoted Rent	Current PSF	Quoted PSF
All Unit Types	313	1	1,0	860	\$0	\$1,436	\$0.00	\$1.67

Comments

The market rents and occupancy reflect rates and occupancy as of February 2023. This property offers covered parking for \$35/month and detached garages for \$100/month. Select units feature granite countertops.



Gateway Cedars

Class A Market-Rate Apartment Complex 334 Units 1100 N Gateway Blvd Forney TX 75126-5190

Property

Market	Dallas (A)
Submarket	Mesquite/Seagoville (C+)
Neighborhood Rating	(B)
Location Rating	(A+)

Building

Building	3-Story Garden (B+)
Construction	Frame, Brick Veneer , Composite Shingle
GBA	
Year Built	2014
Quality	Good
NRA	262524
Renovated	
Condition	Good
Amenities	Clubhouse, Controlled Access, Fitness Center, Business Center, Pool, BBQ Grill, Dog Park And Storage Units

General

Electric	Sub-Meter; Tenant-Pay
Gas	
Water/Sewer	Sub-Meter; Tenant-Reimbursed
Trash	Sub-Meter; Tenant-Reimbursed
Parking Type & Ratio	Carport, Detached Garage And Surface, 1.6
Land Area	0 SF; 0.000 Acres
County Parcel ID	189098
PM Company	Amalgamated Management
Formerly Known As	
ID #	6138719

Unit Mix

Occupancy	97%
Concessions	None
As Of	05/12/2023

Summary

	# Units	Avg Baths	SF Range	Avg SF	Contract Rent	Quoted Rent	Contract PSF	Quoted PSF
1-BR	334	1.0	786 - 786	786	\$0	\$1,296	\$0.00	\$1.65
Avg		1.0		786	\$0	\$1,296	\$0.00	\$1.65
Total	334				\$0	\$432,864		

Breakdown

layout	#	Beds	Baths	SF	Current Rent	Quoted Rent	Current PSF	Quoted PSF
All Unit Types	334	1	1.0	786	\$0	\$1,296	\$0.00	\$1.65

Comments

The market rents and occupancy reflect rates and occupancy as of February 2023. This property offers covered parking for \$25/month and detached garages for \$75 per month.



The Emerson at Forney Marketplace

Class A Market-Rate Apartment Complex

320 Units

300 Trailhouse Ln Forney TX 75126-2646

Property

Market	Dallas (A)
Submarket	Mesquite/Seagoville (C+)
Neighborhood Rating	(B-)
Location Rating	(A+)

Building

Building	2-Story Low-Rise (B+)
Construction	Frame, Masonry, Gable, Composite Shingle
GBA	300476
Year Built	2019
Quality	Good
NRA	286080
Renovated	
Condition	Good
Amenities	BBQ Grill, Clubhouse, Controlled Access, Fitness Center, Pool, Sport Court, Dog Park And Business Center

General

Electric	Sub-Meter; Tenant-Pay
Gas	
Water/Sewer	Sub-Meter; Tenant-Reimbursed
Trash	Sub-Meter; Tenant-Reimbursed
Parking Type & Ratio	Surface, Carport And Detached Garage, 1.75
Land Area	0 SF; 0.000 Acres
County Parcel ID	177858
PM Company	CESM Real Estate
Formerly Known As	
ID #	6109685

Unit Mix

Occupancy	94%
Concessions	None
As Of	05/12/2023

Summary

	# Units	Avg Baths	SF Range	Avg SF	Contract Rent	Quoted Rent	Contract PSF	Quoted PSF
1-BR	320	1.0	894 - 894	894	\$0	\$1,654	\$0.00	\$1.85
Avg		1.0		894	\$0	\$1,654	\$0.00	\$1.85
Total	320			286,080	\$0	\$529,280		

Breakdown

layout	#	Beds	Baths	SF	Current Rent	Quoted Rent	Current PSF	Quoted PSF
All Unit Types	320	1	1,0	894	\$0	\$1,654	\$0.00	\$1.85

Comments

The market rents and occupancy reflect rates and occupancy as of February 2023. This property has covered parking for \$35/month and detached garages for 150/month. Select units feature premium countertops.

Addendum g
rent roll

Onfile Report - Form 4 Worksheet Form
 05/12/2023 13:13 PM

ParentID	LeafID	Unit	Flanagan	Designation	SOPT	UnitLeaveStatus	Name	Hours H	Hours Out	Leave Start	Leave End	Market / Ask	Residual Amount	Days On Hand	Balance	Lease Fee	RENT	PTRENT	RETCR	OFFCHRG	COMSPECCL	Total Billing
10000	111	111	111	111	111	111	111	111	111	111	111	111	111	111	111	111	111	111	111	111	111	111

Addendum h
income statements

MULTIFAMILY PERFORMANCE SUMMARY														
PROPERTY NAME: PARC AT WINDMILL FARMS														
City: FORNEY TX														
State: TX														
Total Units: 272														
Total Square Feet: 279,948														
Average Unit Size: 1,028 Sq. Ft.														
Mgmt. Co.: ALL														
08-Nov-21 03:03 PM														
Page 3 of 6														
	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	TOTAL
Actual	1309	1309	1309	1329	1329	1370	1397	1397	1400	1400	1453	1453	1395	1395
RP/Unit	86.9%	86.9%	86.9%	86.8%	86.8%	86.8%	86.9%	86.9%	86.9%	86.9%	86.8%	86.8%	86.9%	86.9%
Effort/Unit	1.273	1.273	1.273	1.273	1.273	1.273	1.273	1.273	1.273	1.273	1.273	1.273	1.273	1.273
Actual	352,607	352,607	352,607	352,607	352,607	352,607	352,607	352,607	352,607	352,607	352,607	352,607	352,607	352,607
RP/Unit	1273	1273	1273	1273	1273	1273	1273	1273	1273	1273	1273	1273	1273	1273
Effort/Unit	1.273	1.273	1.273	1.273	1.273	1.273	1.273	1.273	1.273	1.273	1.273	1.273	1.273	1.273
Actual	352,607	352,607	352,607	352,607	352,607	352,607	352,607	352,607	352,607	352,607	352,607	352,607	352,607	352,607
RP/Unit	1273	1273	1273	1273	1273	1273	1273	1273	1273	1273	1273	1273	1273	1273
Effort/Unit	1.273	1.273	1.273	1.273	1.273	1.273	1.273	1.273	1.273	1.273	1.273	1.273	1.273	1.273
REVENUE														
Loss/Gain to Leases	386,050	386,050	386,050	381,490	381,490	372,610	379,850	379,850	380,930	380,930	390,370	385,060	395,060	4,509,880
Loss/Gain to Leases	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Leases Over Schedule	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Vacancy Losses	(3,443)	(2,985)	(4,139)	(4,275)	(5,141)	(16,948)	(20,727)	(21,495)	(16,285)	(12,965)	(17,960)	(20,989)	(15,776)	(158,737)
Gross Possible Rent	382,607	383,065	381,911	377,215	376,349	355,662	359,123	358,355	364,645	367,945	372,410	374,101	379,314	4,351,063
RIS Change	48,564	26,656	22,911	11,444	2,906	4,222	3,138	4,603	11,609	7,880	13,212	4,758	6,488	119,816
Other Rental Losses	1,210	1,210	1,210	1,210	1,210	1,210	1,210	1,210	1,210	1,210	1,210	1,210	1,210	15,320
Administrative & Model	960	3,750	1,503	5,392	6,747	840	3,888	(615)	1,666	570	4,304	570	3,129	26,225
Bad Debt	17,469	16,368	14,503	9,351	2,933	518	(3,688)	0	591	564	564	(592)	422	42,873
Other Rental Losses	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Discounts & Concessions	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Unit Concessions	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Rental Losses	66,223	48,092	40,127	27,617	7,001	6,930	4,619	6,324	15,123	11,718	19,410	6,074	11,369	204,234
Net Rental Revenue	286,384	305,360	311,785	329,598	349,349	348,812	354,504	352,031	349,522	356,227	353,070	368,027	368,545	4,146,829
OTHER REVENUE														
Total Other Revenue	1,800	1,250	1,150	1,350	1,450	600	1,400	1,550	2,250	1,900	1,900	1,500	850	17,150
Application Fees	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Cable TV	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Corporate Rentals	1,800	1,250	1,150	1,350	1,450	600	1,400	1,550	2,250	1,900	1,900	1,500	850	17,150
Deposits/Forfeitures	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Equip., Facility, & Furn. Rental	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Interest Income	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Lease Incentives	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Miscellaneous Income	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Miscellaneous Income	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Non-Refundable Pre-Deposits	0	0	0	0	0	0	0	0	0	0	0	0	0	0
NSF & Late Fees	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Parking	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Vending & Telephone	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Other Revenue	13,615	13,373	13,743	13,807	85,434	9,803	15,273	11,509	12,229	20,118	19,355	20,592	15,376	250,613
TOTAL REVENUE	299,999	318,733	325,527	343,405	434,784	358,615	369,776	363,541	361,751	376,345	372,425	368,619	383,921	4,397,441
EXPENSES														
Personnel	0	3,000	1,500	0	0	0	2,000	0	0	0	0	0	0	9,500
Contract Help	1,273	674	706	486	301	288	268	0	270	0	0	0	0	1,000
Employee Apartments	173	250	250	500	500	500	500	500	500	500	500	500	500	5,143
Employee Recruitment	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Gas	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Maintenance Salaries	5,945	5,730	6,195	6,130	5,900	5,600	6,554	5,956	6,213	6,016	5,276	6,823	7,896	5,500
Misc Personnel	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Office Salaries	9,290	9,249	10,188	10,578	8,304	8,848	10,433	10,852	9,751	9,768	9,675	10,362	7,842	116,248
Other Payroll Taxes	1,525	1,834	1,748	1,663	1,561	2,116	2,030	1,792	1,768	2,080	1,737	1,967	1,749	22,035
Other Salaries	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Payroll Administration	152	184	175	166	156	212	203	178	177	208	179	196	175	2,203
Payroll Taxes - FICA	1,295	1,559	1,486	1,413	1,327	1,789	1,728	1,545	1,503	1,768	1,476	1,672	1,487	18,731
Porter/Housekeeper Salaries	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Workers Comp	486	585	558	498	498	674	2,347	2,142	2,359	2,254	2,224	2,388	2,178	19,635
TOTAL PERSONNEL EXP	20,329	23,964	23,825	21,655	20,576	22,588	26,718	23,379	23,045	27,100	21,964	25,053	22,892	282,459
Management Fees	9,026	8,836	10,075	9,727	10,259	9,725	10,945	10,533	10,262	10,343	10,525	10,348	10,752	123,931
Administrative	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Administrative	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Computer Lease	74	220	267	220	263	200	230	220	222	193	230	220	237	927
Computer Supplies/Meet.	590	547	547	547	547	547	547	547	547	547	547	547	547	3,075
Copier & Printing	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Credit/Collection/Eviction	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Dues & Subscriptions	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Employee Relocations	1,373	296	337	1,425	353	289	337	293	362	(173)	607	1070	2,008	7,986
Employee Relocations	824	437	496	432	468	551	816	442	454	516	509	536	477	3,956
Office Furniture Rental	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Office Supplies	0	183	0	0	0	39	32	183	196	56	45	116	186	1,046
Party Cash Exp	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Administrative	260	273	286	275	274	254	293	309	256	78	228	232	235	2,973
Postage & Freight	0	0	0	0	0	0	0	0	0	0	0	0	0	0

Monthly Performance Summary												
PROPERTY NAME	12/22	1/23	2/23	3/23	4/23	5/23	6/23	7/23	8/23	9/23	10/23	11/23
TX	TX	TX	TX	TX	TX	TX	TX	TX	TX	TX	TX	TX
REVENUE	14,772	11,769	25,900	30,697	18,243	16,891	16,587	18,151	16,216	20,566	36,267	41,890
RENTAL REVENUE	367,115	370,607	360,243	365,233	378,805	382,270	388,268	388,078	397,691	397,676	394,118	382,298
OTHER REVENUE	690	1,330	1,900	2,690	2,700	1,420	2,200	1,700	860	400	750	660
TOTAL REVENUE	14,861	12,138	28,800	33,383	18,243	16,891	16,587	18,151	16,216	20,566	36,267	41,890
EXPENSES	388,129	382,745	380,070	383,034	396,728	403,842	414,283	405,895	411,852	417,704	398,521	393,542
TOTAL EXPENSES	388,129	382,745	380,070	383,034	396,728	403,842	414,283	405,895	411,852	417,704	398,521	393,542
NET OPERATING INCOME	10,732	11,769	25,900	30,697	18,243	16,891	16,587	18,151	16,216	20,566	36,267	41,890
NET OPERATING LOSS	(10,732)	(11,769)	(25,900)	(30,697)	(18,243)	(16,891)	(16,587)	(18,151)	(16,216)	(20,566)	(36,267)	(41,890)

2023 PILLAR INCOME RESIDENTIAL OPERATING BUDGET

MGT CO: **SUNRIDGE**
 YEAR BUILT: **2019**
 1ST STABLE MONTH / PURCHASE DATE: **Nov-19**
 PROPERTY: **PARC AT WINDMILL FARMS**
 CITY / ST: **FORENEY**
 OWNER: **SPC**

FOR THE BUDGET PERIOD BEGINNING: **Jan-23**
 FOR THE BUDGET PERIOD ENDING: **Dec-23**

NET RENTABLE SQ. FEET: **279,648**
 NUMBER OF UNITS: **272**
 AVERAGE UNIT SIZE: **1,028**

PRINTED: 15-May-23 09:20 AM	FILE NAME: PARCWINDMILL23
Avg rent/unit Dec-22: 1,709	POTENTIAL: 1,560
Avg rent/unit Dec-23: 1,759	POSSIBLE: 1,673
Percentage Increase: 2.93%	POTENTIAL: 7.94%

	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Dec-22
AVERAGE RENT/UNIT - POTENTIAL:	1,709	1,719	1,719	1,729	1,739	1,739	1,739	1,749	1,749	1,759	1,759	1,759	1,709
AVERAGE RENT/SQ.FT. - POTENTIAL:	1.66	1.67	1.67	1.68	1.68	1.69	1.69	1.70	1.70	1.71	1.71	1.71	1.66
% INCREASE FROM PRIOR MO.:	0.00%	0.59%	0.59%	0.59%	0.59%	0.59%	0.59%	0.59%	0.57%	0.57%	0.57%	1.71	1.71
AVERAGE RENT/UNIT - POSSIBLE:	1,555	1,564	1,575	1,591	1,609	1,624	1,640	1,653	1,662	1,668	1,672	1,673	1,550
AVERAGE RENT/SQ.FT. - POSSIBLE:	1.50	1.51	1.52	1.53	1.54	1.55	1.56	1.57	1.57	1.58	1.58	1.59	1.51
% INCREASE FROM PRIOR MO.:	0.32%	0.59%	0.70%	1.02%	1.13%	0.93%	0.99%	0.79%	0.54%	0.39%	0.24%	0.90%	1.51
% INCREASE FROM PRIOR MO.:	0.32%	0.59%	0.70%	1.02%	1.13%	0.93%	0.99%	0.79%	0.54%	0.39%	0.24%	0.90%	1.51

PHYSICAL OCCUPANCY:	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	TOTAL	AVERAGE OCCUPANCY	% OF TOTAL
	98.00%	98.00%	98.50%	98.50%	98.50%	98.50%	98.50%	98.50%	98.50%	98.50%	98.50%	98.50%	96.33%	96.33%	107.03%

REVENUES	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	TOTAL	AVERAGE OCCUPANCY	% OF TOTAL
GROSS POTENTIAL RENT PER SCHEDULE	464,800	467,520	467,520	470,240	470,240	472,960	472,960	475,680	475,680	478,400	478,400	478,400	5,672,799	20.29	20.66%
(LOSS) / GAIN TO LEASES	(41,894)	(42,046)	(39,157)	(37,543)	(32,671)	(31,151)	(26,971)	(26,001)	(23,119)	(23,749)	(23,681)	(23,229)	(372,692)	(1.33)	(1.37)%
TOTAL POSSIBLE RENT PER LEASES	422,906	425,474	428,363	432,697	437,569	441,809	446,889	449,679	451,961	454,651	454,719	455,171	5,300,117	18.95	19.48%
VACANCY LOSSES	23,240	18,701	16,363	16,458	16,458	16,554	16,649	16,649	16,649	16,744	16,744	16,744	207,858	0.74	0.74%
TOTAL OTHER RENTAL LOSSES	5,330	5,349	5,371	5,403	5,440	5,472	5,504	5,531	5,568	5,568	5,572	5,572	65,649	0.23	0.23%
TOTAL RENTAL LOSSES	28,570	24,050	21,734	21,861	21,898	22,028	22,058	22,180	22,197	22,305	22,312	22,316	273,507	0.98	1.00%
NET RENTAL REVENUE	394,336	401,424	406,629	410,836	415,671	419,783	424,031	427,489	429,764	431,376	432,407	432,855	5,026,610	17.97	18.48%
TOTAL OTHER REVENUE	13,260	15,800	20,455	19,400	20,180	20,955	20,960	20,960	21,525	21,525	16,280	16,455	223,470	0.80	0.82%
TOTAL REVENUES	407,596	417,224	427,084	430,236	435,851	444,038	444,991	448,459	451,289	447,656	446,347	449,310	5,250,080	18.77	19.30%

OPERATING EXPENSES	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	TOTAL	AVERAGE OCCUPANCY	% OF TOTAL
PERSONNEL	29,504	27,655	28,008	30,049	28,123	28,512	30,489	28,538	28,424	30,610	28,582	28,531	347,025	1.24	1.27%
MANAGEMENT FEES	11,437	11,705	11,980	12,069	12,226	12,453	12,481	12,579	12,659	12,661	12,527	12,610	147,287	0.53	0.54%
ADMINISTRATIVE	6,139	4,674	4,784	3,924	3,924	4,034	3,924	4,234	4,234	4,574	4,269	4,379	53,286	0.19	0.19%
LEASING	3,661	4,281	4,481	4,756	4,766	4,996	4,996	4,611	4,611	3,726	3,466	3,466	53,445	0.19	1.01%
UTILITIES	3,949	6,708	4,074	5,523	4,888	5,188	5,611	6,445	5,777	6,943	3,334	3,872	62,011	0.22	1.17%
SERVICES	5,195	5,120	5,045	4,895	4,820	4,745	4,745	5,045	5,045	4,520	4,445	4,370	58,290	0.21	1.10%
CLEANING & DECORATING	1,124	3,124	3,866	6,382	7,124	7,124	7,640	4,866	3,866	921	1,866	921	55,547	0.20	2.04%
REPAIRS & MAINTENANCE	1,995	1,995	2,345	2,245	2,245	2,245	2,245	2,245	2,045	1,995	1,995	1,995	28,640	0.10	1.05%
PROPERTY TAXES	79,148	79,148	79,148	79,148	79,148	79,148	79,148	79,148	79,148	79,148	79,148	79,148	949,770	3.40	3.49%
PROPERTY INSURANCE	9,720	9,720	9,720	9,720	9,720	9,720	9,720	9,720	9,720	9,720	9,720	9,720	116,886	0.42	1.79%
TOTAL OPERATING EXPENSES	151,893	154,150	153,472	159,536	157,280	159,181	161,670	160,426	156,749	159,168	149,632	149,032	1,872,188	6.69	6.83%
NET OPERATING INCOME	255,703	263,074	273,612	270,700	278,571	284,857	283,321	288,033	294,541	288,488	296,715	300,278	3,377,892	12.08	12.41%

PROPERTY REPLACEMENTS	RECURRING	NON-RECURRING (includes Property Loss)	TOTAL PROPERTY REPLACEMENTS	NET RESERVE ACTIVITY	AVAILABLE FOR DEBT SERVICE	DEBT SERVICE	CASH FLOW
3,865	3,865	3,865	12,134	6,800	236,789	149,256	87,513
3,865	3,865	3,865	36,084	6,800	230,728	149,256	102,284
3,865	3,865	3,865	12,734	6,800	251,165	149,256	81,472
3,865	3,865	3,865	26,184	6,800	245,587	149,256	101,909
3,865	3,865	3,865	22,734	6,800	255,323	149,256	96,331
3,865	3,865	3,865	10,934	6,800	265,587	149,256	106,067
3,865	3,865	3,865	14,734	6,800	266,499	149,256	116,331
3,865	3,865	3,865	11,734	6,800	277,556	149,256	117,243
3,865	3,865	3,865	5,184	6,800	286,934	149,256	128,300
3,865	3,865	3,865	11,734	6,800	289,934	149,256	120,698
3,865	3,865	3,865	5,184	6,800	284,731	149,256	135,475
3,865	3,865	3,865	4,734	6,800	309,143	149,256	159,887
0.17	0.17	0.17	0.62	0.22	3,144,581	1,791,071	1,353,510
0.45	0.45	0.45	0.62	0.22	1,791,071	1,791,071	484
2.37%	2.37%	2.37%	3.25%	1.15%	11,561	6,585	4,976
1.05%	1.05%	1.05%	1.54%	0.54%	59,33%	33,79%	25,54%

Addendum i
letter of engagement



5949 Sherry Lane, Suite 1500
Dallas, TX 75225

John Jordan, MAI
Managing Director

📞 214 693 4419
✉️ jjordan@apprise.us

May 9, 2023

Erik Johnson
Southern Properties Capital, Ltd.
1603 LBJ Freeway, Suite 800
Dallas, TX 75234
Erik.Johnson@pillarincome.com
469-522-4413

REQUEST FOR TWO RESTRICTED APARTMENT APPRAISALS:

**Parc @ Windmill Farms (1003 Windmill Farms Blvd., Forney, TX)
Bellwether Ridge (841 South Polk Street, DeSoto, TX)**

Per your request, Apprise by Walker & Dunlop is pleased to provide this proposal for two Restricted Appraisals regarding the above defined properties. Upon your acceptance, this proposal including the attached Terms and Conditions will form the agreement for this assignment and our services.

TERMS OF ENGAGEMENT

REPORT TYPE

Restricted Appraisals

CLIENT

Erik Johnson as agent for Southern Properties Capital, Ltd

INTENDED USERS

Southern Properties Capital, Ltd., its successor, and assigns; Client agrees that that the Restricted Reports are solely for the use and benefit of Client. Although, the client is authorized to provide a copy in its entirety to Shamoun & Norman, LLP (legal counsel for client) and the Northern District of Texas (Dallas, TX division; regarding Case No. 3:22-cv-2118-X) as additional intended users. No other users are intended or authorized by Apprise, and no other parties should use or rely on the Restricted Reports or any content in the reports.

INTENDED USE

Restricted reports are to estimate the "As Is" Market Value as of February 21, 2023, the date that the court appointed Receiver and Palmetto/i3 entered into a Purchase and Sale Agreement. The reports are not intended or authorized for any other use.

PREPARATION COMPLIANCE

USPAP, Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute.

ANTICIPATED SCOPE OF WORK

All minimum content as required by applicable regulatory guidelines. The actual scope of work will be communicated within the report. In general, we anticipate the following scope:

- Research the immediate market to establish the highest and best use of each property.
- Provided an abbreviated Income Approach with direct capitalization.
- Research and report sale comparables to determine Market Cap Rate(s) for the subject properties & support for the value conclusion via the Income Approach.

TYPE OF OPINION

As Is Market Value

DATE OF OPINION:

February 21, 2023

PROPERTY TYPE

Two garden-style apartment complexes

DELIVERY DATE & FEE

May 15, 2023, or sooner; \$6,400 (\$3,200/per report)

Fee quoted is inclusive of any related expenses incurred during the preparation of the report. All invoices are due upon receipt.

Apprise will use its best efforts to deliver the Restricted reports within the above timeframe. Our delivery of the report is contingent on timely receipt from the Client of the requested information below. In the event of a delay, Apprise will inform Client promptly as soon as reasonably practicable.

RETAINER

None

START DATE

Restricted Reports will commence upon receipt of signed copy of this agreement, requested property information, and any applicable retainer.

REPORT COPIES

PDF delivered via email

ACCEPTANCE

The above price quote is effective and valid for one (1) business day. Upon acceptance by the client, this document is intended to function as a formal letter of engagement and contract for services. The appraiser hereby certifies they have no present or prospective interest in the property that is the subject of the proposed report.

PRIOR SERVICE DISCLOSURE

The appraiser(s) performing the Restricted Reports have provided several consecutive annual appraisal reports with the most recent report reflecting an effective date of value as of December 1, 2022. The appraiser(s) have not provided any additional services regarding the subject properties in any other capacity within the three-year period preceding the date of this proposal. If this engagement presents a conflict for Apprise, we reserve the right to withdraw from the engagement without penalty; provided that it refunds any payments made by Client pursuant to this agreement.

MARKETING DISCLOSURE

We may disclose that we have provided valuation services for the property in future marketing documents and materials, unless otherwise directed at the conclusion of this engagement.

ADDITIONAL TERMS AND CONDITIONS

The reports will be drafted in a restricted format. Thus, the report(s) may not contain supporting rationale for all the opinions and conclusions set forth in the report(s). The appraiser(s) are not inspecting the properties for this assignment. Both properties were inspected in late November 2022. The appraisals will reflect an extraordinary assumption which depicts the properties are in the same general condition as reflected in the last property inspection. The attached Terms and Conditions form a material part of the agreement and are no less important than any other part.

If you accept the terms of this proposal by signing below, it will become a binding agreement regarding our Restricted Reports of the properties. For report(s) delivery by the provided due date herein, please sign and date below and return this agreement via email to the sender within one (1) business day along with the requested property information below.

- January 31, 2023, T-12 P&L statements (in excel)
- January 1, 2023, P&L Statement (in excel)
- February 12, 2023 Rent Roll (in excel)

The additional information needed (site plan, floor plans, etc.) is contained in our files from the previous appraisals prepared for Southern Properties Capital, Ltd. By the appraiser(s). If additional data is necessary, a request for information will be sent.

Please don't hesitate to call or email me directly with any further questions. Thank you for the opportunity to be of service on this assignment. We look forward to working with you!

Sincerely,

Apprise by Walker & Dunlop



John Jordan, MAI
Managing Director
JJordan@apprise.us
214-693-4419



CLIENT AND INTENDED USER – AGREED AND ACCEPTED

Erik Johnson as agent for Southern Properties Capital, Ltd

DATE:

5/10/23

TERMS AND CONDITIONS

- 1. Payment.** The fee is due upon delivery of the final report or within thirty (30) days of Client's receipt of the draft report, whichever is sooner. If a draft is requested, the fee is considered earned upon delivery of our draft report. Client agrees to pay all fees and expenses, including attorney's fees, incurred by Apprise in connection with the collection or attempted collection of the fees and expenses. In the event Client fails to make payments when due and payable, the amount due shall bear interest at 1.5% per month or the maximum rate permitted by law.
- 2. Cap Rate Study Assumptions and Conditions.** Cap Rate Study limiting conditions and assumptions, including any necessary extraordinary assumptions or hypothetical conditions, will be stated within the Cap Rate Study report. Use of or reliance on the Cap Rate Study will constitute acceptance of all such conditions and assumptions.
- 3. Subpoenas and Testimony.** In the event that Apprise, any of its appraisers or other personnel (collectively, "Personnel") or any of its affiliates is compelled by subpoena or other legal or administrative process to provide testimony or produce documents relating to this assignment, whether in court, deposition, arbitration or any other proceeding, Apprise will make reasonable efforts to notify Client. Unless Apprise, its Personnel or any of its affiliates is a party to the underlying proceeding, Client agrees to compensate Apprise or its affiliate, as applicable, for the time and expenses, including attorneys' fees, incurred in connection with the demand for testimony or documents at the then current hourly rates of the Personnel or other persons responding.
- 4. Termination of Assignment.** The Cap Rate Study assignment may be terminated by Client in writing (including via email); however, Apprise will be entitled to a portion of the quoted fee based upon the timing of the cancellation and work performed prior to termination.
- 5. Assignment Changes.** The Client, Intended User(s), or Intended Use, effective date, or interest appraised covered by this agreement may not be modified without a new agreement.
- 6. No Assignments of Agreement.** Neither this agreement nor any legal claims or causes of action by any party relating to the Cap Rate Study or this agreement may be assigned by either party without the other parties' prior written consent.
- 7. Mutual Limitations of Liability.** To the fullest extent permitted by applicable law, the maximum monetary liability of Apprise (including its Personnel and affiliates) or Client to one another for any and all claims or causes of action relating to the Cap Rate Study or this agreement shall be limited to the total compensation actually received by Apprise for the Cap Rate Study or other services that are the subject of the claim(s) or cause(s) of action. This limitation of liability extends to all types of claims and causes of action, whether in contract or tort, but excludes: (i) claims/causes of action for intentionally fraudulent or criminal conduct, intentionally caused injury, or unauthorized use or publication of the Cap Rate Study or other work product or (ii) claims/causes of action by Apprise for the collection of unpaid compensation for the Cap Rate Study or other services (for which the maximum recovery shall be the total amount unpaid and owing to Apprise plus reasonable costs of collection).
- 8. Mutual Limitations on Types of Damages.** Neither Apprise (including its Personnel and affiliates) or Client shall be liable to one another or to any third party for special, consequential, punitive or incidental damages relating to the Cap Rate Study or this agreement, including, without limitation, loss of profits or revenue, cost of capital, interest or late charges, or loss of clients or prospective business opportunities, regardless of whether arising from negligence, gross negligence, breach of contract or otherwise, and regardless of whether a party was advised or knew of the possibility of such damages.
- 9. No Publication of Report.** The Client may not publish any part of the Cap Rate Study report without Apprise's express prior permission in writing. This includes using any part of the report in marketing materials or securities filings, except as specifically permitted.

10. **Apprise Not Responsible for Certain Conditions.** Notwithstanding that the Cap Rate Study report may comment on, analyze or assume certain conditions in the Cap Rate Study, unless otherwise stated in the report, neither Apprise nor its Personnel or affiliates shall have any responsibility for investigating and liability for matters pertaining to: (a) title defects, liens or encumbrances affecting the property; (b) the property's compliance with local, state or federal zoning, planning, building, disability access and environmental laws, regulations and standards; (c) building permits and planning approvals for improvements on the property; (d) structural or mechanical soundness or safety; (e) contamination, mold, pollution, storage tanks, animal infestations and hazardous conditions affecting the property; and (f) other conditions and matters for which licensed real estate appraisers are not customarily deemed to have professional expertise.
11. **No Third Party Beneficiaries.** Unless identified expressly, there are no third party beneficiaries of this agreement, and no other person or entity shall have any right, benefit or interest under this agreement. The identification of a party as an intended user of the Cap Rate Study does not mean that the party is a third party beneficiary of this agreement.
12. **Modifications.** This agreement may only be modified by a subsequent agreement of the parties in writing signed by all the parties; provided, however, that the parties recognize and agree that, as stated above, use of or reliance on the Cap Rate Study will constitute acceptance of the Cap Rate Study conditions and assumptions stated within the Cap Rate Study report.
13. **Severability.** If any provision of these Terms and Conditions or other parts of the agreement is held, in whole or part, to be unenforceable or invalid for any reason, the remainder of that provision and the remainder of the entire agreement will be severable and remain in effect.
14. **Applicable Law.** This Agreement shall be construed and enforced in accordance with the laws of the State of Maryland without regard to the principles of conflict of laws thereof, and the parties hereto agree to the exclusive jurisdiction of the state and federal courts located in Montgomery County and Prince George's country, Maryland, respectively. EACH PARTY HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES, TO THE FULLEST EXTENT IT MAY LEGALLY AND EFFECTIVELY DO SO, ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING (WHETHER SOUNDING IN CONTRACT, TORT, OR OTHERWISE) ARISING OUT OF, OR RELATED TO, THIS AGREEMENT.

Addendum j

appraiser qualifications



JASON RIBELIN
SENIOR DIRECTOR

Work: 469.248.1249
Cell: 405.517.6917
jribelin@apprise.us

CREDENTIALS

Certified General Real Estate Appraiser

TX – 1380338 LA – 4232
OK – 13292 AZ - 1029779
MS – 1420 AK - 185970
MN – 40808735
MD – 33970
CO – 200000038

EDUCATION & AFFILIATIONS

University of North Texas

Bachelor of Science, Integrative Studies

Successfully completed the following relevant courses.

- Basic Appraisal Principles
- Basic Appraisal Procedures
- Uniform Standards of Professional Appraisal Practice (USPAP)

Appraisal Institute Courses Completed:

- General Appraiser Market Analysis and Highest & Best Use
- General Appraiser Sales Comparison Approach
- General Appraiser Site Valuation and Cost Approach

5949 SHERRY LANE, SUITE 1500
DALLAS, TEXAS 75225

PERSONAL QUALIFICATIONS

Mr. Ribelin has been engaged in the real estate industry in excess of thirteen years. Over the last seven years, Mr. Ribelin has been primarily focused on multi-family properties and has personally inspected and appraised over 1,000 apartments complexes in 35 states ranging from ten units to 2,000+ units. Mr. Ribelin has appraised all asset classes and has vast knowledge of conventional and affordable properties inclusive of LIHTC, LURA, Section 236, and HAP properties. Additionally, Mr. Ribelin has conducted research on and made appraisals and/or inspections of numerous other property types which include the following:

- Automotive Dealerships
- Office buildings
- Planned unit developments
- Retail centers (all property types)
- Industrial / Flex warehouse
- Waterfront Land
- Community Amenity Centers
- Vacant land
- Hotels

QUALIFICATIONS



SOUTH



JASON RIBELIN
SENIOR DIRECTOR

Work: 469.248.1249
Cell: 405.517.6917
jribelin@apprise.us

LICENSES

TALCB
TEXAS APPRAISER LICENSING & CERTIFICATION BOARD

Certified General Real Estate Appraiser

Appraiser: **JASON PAUL RIBELIN**
License #: **TX 1380338 G** License Expires: **07/31/2024**

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

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

Chlössa Buchholtz
Commissioner

State of Louisiana
Certified General Appraiser License

Making compliance with the license requirements as set forth in R.S. 19:521 Title 37, Chapter 31, and Executive Act, and the Real Estate Appraisers Board Rules and Regulations, a Certified General Appraiser License is hereby granted to
Jason P. Ribelin

In Testimony Whereof, this license has been issued by the Secretary of the Louisiana Real Estate Appraisers Board.

Board Created: August 9, 2021 Expiration: December 31, 2022

Signe Ann Clark
Chairman

Mark A. Boudreau
Secretary

License number: G4232

State of Oklahoma
Oklahoma Real Estate Appraiser Board

This is to certify that:
Jason P. Ribelin
has complied with the provisions of the Oklahoma Real Estate Appraisers Act to transact business as a **Certified General Real Estate Appraiser** in the State of Oklahoma.

In Witness Whereof, I have hereunto set my hand and caused the seal of my office to be affixed at the City of Oklahoma City, State of Oklahoma, this 7th day of August, 2020.

Chlössa Buchholtz
Chairwoman, Oklahoma Real Estate Appraiser Board

Members, Oklahoma Real Estate Appraiser Board:
Brandon Witt, *Peterson A. Brown*, *Signe Ann Clark*

8/31/2021 Oklahoma License Number: **13292CGA**

Department of Insurance and Financial Institutions
State of Arizona

CGA - 1029779

This Appraiser is licensed from **JASON PAUL RIBELIN** but compliant with the provisions of Arizona Revised Statutes, relating to its qualifications and operations is a:
Certified Residential Real Estate Appraiser

and that the Department of Financial Institutions of the State of Arizona has granted this license in reliance on the factors set forth in the Arizona Real Estate Appraiser Act.

Certified Residential Real Estate Appraiser:
JASON PAUL RIBELIN

This license is subject to the laws of Arizona and will remain in full force and effect until rescinded, revoked or suspended as provided by law.

Expiration Date: September 30, 2023

State of Mississippi
MISSISSIPPI REAL ESTATE APPRAISER LICENSING AND CERTIFICATION BOARD

LICENSE # GA-1420 STATUS: ACTIVE

JASON PAUL RIBELIN

HAS BEEN GRANTED A LICENSE AS A
STATE CERTIFIED GENERAL APPRAISER

Effective Date: *[Signature]* Expiration Date: **06/30/2024**

SIGNATURE OF LICENSEE
Robert E. Praytor, Administrator

STATE OF MINNESOTA
Department of Commerce

JASON PAUL RIBELIN
1145 BENTLEY DRIVE
ROANOK, TX 76262

The Undersigned COMMISSIONER OF COMMERCE for the State of Minnesota hereby certifies that
Jason Paul Ribelin

1145 BENTLEY DRIVE
ROANOK, TX 76262

has complied with the laws of the State of Minnesota and is hereby licensed to transact the business of
Non-Resident Appraiser - Certified General

License Number: **40808735**

unless this authority is suspended, revoked, or otherwise legally terminated. This license shall be in effect until August 31, 2023.

Rene Arnold
COMMISSIONER OF COMMERCE
Minnesota Department of Commerce
Licensing Division
85 7th Place East, Suite 500
St. Paul, MN 55101-3165
Telephone: (651) 526-1669
Email: licensing.commerce@state.mn.us
Website: commerce.state.mn.us

Notes:
- Individual Licensees Only - Continuing Education: 18 hours is required in the first renewal period, which includes a 7 hour USRAP course. 30 hours is required for each subsequent renewal period, which includes a 7 hour USRAP course.
- Appraisers: You must not be involved in a pending transaction, Certified Residential, or Certified General, until you are in compliance with the requirements for licensure.

Maryland
DEPARTMENT OF LABOR

LICENSE • REGISTRATION • CERTIFICATION • PERMIT
STATE OF MARYLAND
MARYLAND DEPARTMENT OF LABOR
COMMISSION OF REAL APPRAISERS & HOME INSPECTORS
CERTIFIES THAT:
JASON PAUL RIBELIN

IS AUTHORIZED. **04 - CERTIFIED GENERAL**

LIC/REG/CERT	EXPIRATION	EFFECTIVE	CONTROL NO.
53976	08-20-2025	08-20-2020	5559366

Tiffany P. Robinson
Secretary

WHERE REQUIRED BY LAW THIS MUST BE CONSPICUOUSLY DISPLAYED IN OFFICE TO WHICH IT APPLIES

Jason P. Ribelin
1145 Bentley Drive
Roanoke, TX 76262

State of Colorado
Department of Regulatory Agencies
Division of Real Estate

Board of Real Estate Appraisers

Jason P. Ribelin
Certified General Appraiser

License #: **CG200000038**
Status: Active
Expires: 12/31/2023

Marcia Waters
Director: Marcia Waters

For the most up to date information regarding this credential, visit <http://dora.colorado.gov/dre>

State of Alaska
Department of Commerce, Community, and Economic Development
Division of Corporations, Business, and Professional Licensing
Board of Certified Real Estate Appraisers

Jason Paul Ribelin
As
Certified General Real Estate Appraiser

License 185970	Effective Date 11/30/2021	Expires 06/30/2023
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App. 455

QUALIFICATIONS



SOUTHW



COREY CLIFTON
ASSOCIATE

Work: 817.504.4636
cclifton@apprise.us

PERSONAL QUALIFICATIONS

Corey Clifton is an Associate in the Dallas, TX office of Apprise. He has been engaged in the real estate industry in excess of ten years. Over the last ten years, Mr. Clifton has specialized on multi-family properties and has personally appraised over 900 apartment complexes ranging from ten units to 2,000+ units. Mr. Clifton has appraised all asset classes and has vast knowledge of conventional and affordable properties inclusive of LIHTC, LURA, Section 236, and HAP properties. Additionally, he has conducted research on and made appraisals and/or inspections of numerous other property types.

Prior to joining Apprise, Mr. Clifton was a Valuation Associate at another national full-service brokerage firm for roughly four years, where he specialized in multi-family valuations throughout the United States.

LICENSES



CREREDENTIALS

General Real Estate Appraiser Trainee
TX – 1340250 Trainee

EDUCATION

Texas Woman’s University
Denton, TX
Bachelor of General Studies
(Concentration in Business, Real Estate,
and Government)

5949 SHERRY LANE, SUITE 1500
DALLAS, TX 75225-8011



JOHN JORDAN, MAI
MANAGING DIRECTOR

Work: 214.693.4419
jjordan@apprise.us

CREDENTIALS

Certified General Real Estate Appraiser

TX – 1321156

OK – 12104

MO – 2019002055

Texas Licensed Broker

EDUCATION & AFFILIATIONS

University of Oklahoma
Finance

Appraisal Institute Designated
Member MAI

Past Associate Member of Mortgage
Bankers Association of America

Past Licensed Tax Consultant, State
of Texas

5949 SHERRY LANE, SUITE 1500
DALLAS, TX 75225

PERSONAL QUALIFICATIONS

John D. Jordan, MAI is a Managing Director at Apprise by Walker & Dunlop, based in Dallas, Texas. In his role, he is responsible for client relationships, growing the national platform, and expanding the Southwest multifamily team. He brings more than 35 years of real estate experience to Walker & Dunlop. Mr. Jordan has experience with nearly every property type and has provided consulting/appraisals assignments in every state. During his career, he has appraised/reviewed over 6,000 multifamily complexes.

Separate from Walker & Dunlop, Mr. Jordan is the President of Deverick & Associates, Inc. (D&A), a company he founded in 1984 which was a full-service real estate appraisal, mortgage/investment sales brokerage, consulting, and review firm with a national presence. D&A provided comprehensive valuation services and specializes in preparing high-quality appraisals on complex properties with a major emphasis on multifamily assets. In 2019 D&A's appraisal team merged with Colliers where Mr. Jordan served in multiple roles including Executive Managing Director / US Multifamily Client Services. Prior to the Colliers' merger, D&A was one of the top five appraisal firms by annual appraisal volume with Fannie Mae and Freddie Mac.

Mr. Jordan's tenure has included Director of Acquisition for Ensearch Realty, brokerage, and consulting. In these various capacities, he has enabled the purchase and financing of several investment-grade properties, represented the seller as principal broker in one of the largest multifamily trades in 2017 in the State of Texas, and represented the buyer and seller as principal broker on a large four property portfolio valued more than \$170 MM, reflecting one of the largest 2020 multifamily trades in North Texas. Further, he is an active participant in various real estate entities, consults with several publicly held corporations, and has acted as a broker on approximately \$500 million in CMBS, banks, & Fannie Mae loans.

Mr. Jordan is a Member of the Appraisal Institute, Licensed Texas Real Estate Broker, State Certified General Real Estate Appraiser, and past Texas Licensed Tax Consultant.



JOHN JORDAN, MAI
MANAGING DIRECTOR

Work: 214.693.4419
jjordan@apprise.us

LICENSES



EXHIBIT G-4



MARKET-RATE APARTMENT COMPLEX

BELLWETHER RIDGE

841 S Polk St Desoto TX 75115-7500

Please direct inquiries to:

Jason Ribelin

jribelin@apprise.us | 405-517-6917

APPRISE BY WALKER & DUNLOP

1919 McKinney Ave, Suite 100

Dallas, TX 75201



App. 460



May 15, 2023

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

A Retrospective Restricted Appraisal Report of Bellwether Ridge
a 150 unit, market-rate apartment complex
located at 841 S Polk St Desoto TX 75115-7500

Per the request and authorization of our above-mentioned client, Apprise By Walker & Dunlop has prepared the following retrospective restricted appraisal report outlining the findings, conclusions, and market value estimates of the referenced property. This is a Restricted Appraisal Report which is intended to comply with the reporting requirements set forth under Standards Rule 2-2(c) of the Uniform Standards of Professional Appraisal Practice (USPAP) for a Restricted Appraisal Report. As such, it presents minimal to no discussion of the data, reasoning, and analyses that were used in the appraisal process to develop the appraiser's opinion of value. Supporting documentation concerning the data, reasoning, and analyses is retained in the appraiser's file(s). Without having access to the appraiser's work-file, the report may not contain supporting rationale for all of the opinions and conclusions set forth in the report. The depth of discussion contained in this report is specific to the needs of the client and for the intended use stated above. The appraisers are not responsible for unauthorized use of this report.

The Income Approach to value was developed herein for the retrospective date of value as of February 21, 2023. A summary of improved sales was included to support the value via the Income Approach. The Cost Approach was not necessary for credible assignment results given the subjectivity of estimating depreciation and the propensity of market participants to analyze only the two market-driven valuation methods for similar, existing property. This omission, in no way, detracts from our findings and value estimate(s).

Based on the market data and analyses contained herein, the following estimate(s) of market value were derived:

Premise	Interest	Date	Value	Per Unit
As Is	Leased Fee	February 21, 2023	\$31,200,000	\$208,000

Project Highlights

- The subject is a garden-style apartment with 150 units built in 2019, with an average unit size of 937 square feet, and situated on 7.389 acres. The subject is currently 94.7% occupied, and our projected stabilized occupancy is 94.0%.
- The subject property is currently under contract for \$27,000,000. Based upon our analysis herein, the purchase price appears to be well below market value.
- The subject's stabilized, effective market rent was estimated to be \$1,649/month (\$1.76/SF), which was found to be roughly 4.1% above the current in-place rent.

COVID-19

While COVID-19 continues to be a global health concern, the effects of the pandemic appear to be waning. Nevertheless, there are macroeconomic uncertainties in regard to inflationary pressures, regional bank turmoil, and global/national geopolitical issues. Pricing for multifamily assets appears to have peaked sometime around 2Q2022 due to strong market conditions and historically low capitalization rates at the time. Notably, the Federal Funds Rate has increased nine times in the past 12 months totaling 475 basis points to try and stave off inflation resulting in increased capital costs. Additional rate increases are possible in 2023 as the Fed is indicating the banking system is resilient and well-capitalized yet acknowledges that inflation is slowing.

Market participants have reported increased capitalization rates for multifamily product as buyers adapt to the increased borrowing costs and market uncertainties. Concerns of a looming recession has caused a pullback by lenders. Given the rising mortgage rates, capitalization rate decompression has occurred and rent growth has decelerated and-or turned negative in some markets. Due to the recent slowdown in number of transactions, there is limited market evidence to determine a specific impact on values. Where possible, our valuation reflects the comments and outlook of the market participants active in the subject's area.

Reliance Language

It is our intent to comply with the following regulatory sources: 12 CFR, Subpart C - Subsection 34.42(g), Department of the Treasury, Office of the Comptroller of the Currency; the Uniform Standards of Professional Appraisal Practice (USPAP); and the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute. The undersigned have experience appraising similar properties in the market area, and therefore comply with the competency rule as mandated in USPAP. This report is the sole property of Apprise and the intended user(s) stipulated herein. Apprise is not liable for recipient's disbursement to any third parties and/or use for any purposes other than the specified intended use.

Extraordinary Assumptions

EXTRAORDINARY ASSUMPTION: an assignment-specific assumption as of the effective date regarding uncertain information used in an analysis which, if found to be false, could alter the appraiser's opinions or conclusions.

This appraisal is developed on the premise of the following extraordinary assumptions:

- We relied on public record for real estate tax information, site size, zoning information and in some cases building size. We assume this information is accurate, if additional information indicates otherwise we reserves the right to amend our conclusions.
- We assume the subject is not encumbered by any detrimental easements or encroachments, should a title report indicate otherwise we reserve the right to amend our conclusion.
- All unit sizes, unit count, lease rates, and operating data are true and accurate as presented herein.
- The subject was inspected by an appraiser on November 22, 2022 which is approximately three months before the effective date of February 21, 2023. The property is assumed to be in similar condition with exception of standard depreciation. We reserve the right to make changes should this be found to be false, inaccurate, and/or misleading.

Hypothetical Conditions

HYPOTHETICAL CONDITION: a condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results but is used for the purpose of analysis. Comment: Hypothetical conditions are contrary to known facts about physical, legal, or economic characteristics of the subject property; or about conditions external to the property, such as market conditions or trends; or about the integrity of data used in an analysis.

This appraisal is developed on the premise of the following hypothetical conditions:

- This appraisal employs hypothetical conditions with respect to the retrospective date of the analysis. In a retrospective analysis, evaluation is based on what was perceived by the market and its' participants as opposed to what actually transpired. The projected income levels for the "coming year" are known to be false given actual data is currently available. Our projection is based on the perceived market as of the reported retrospective date(s).

Respectfully,



Jason Ribelin | Senior Director
Texas Certified General TX 1380338 G
jribelin@apprise.us
[405-517-6917](tel:405-517-6917)

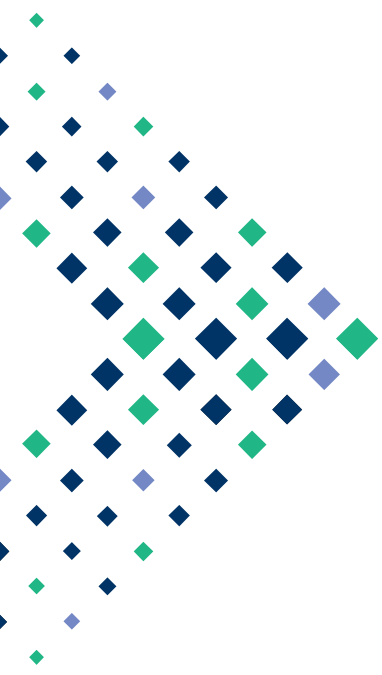


John Jordan | Managing Director
Texas Managing Director TX 1321156 G
jjordan@apprise.us
[214-693-4419](tel:214-693-4419)



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Executive Summary

Assignment		Improvements	
Report Type	Appraisal Report	Status	Existing
Report Date	May 15, 2023	Year Built	2019
Client	Southern Properties Capital, Ltd.	Year Renovated	
Date of Inspection	November 21, 2022	Pending CapEx	N/A
Property		Gross Building Area	167,717 SF
Property Type	Market-Rate Apartment Complex	Net Rentable Area	140,511 SF
Property Name	Bellwether Ridge	Number of Units	150 Units
Address	841 S Polk St Desoto TX 75115-7500	Average Unit Size	937 SF
School District	DeSoto Independent School District	One-Bedroom Units	84
Investment Class	A	Two-Bedroom Units	66
Economics		Density	20
Current Occupancy	94.7%	Land-to-Building Ratio	1.92:1
Stabilized Occupancy	94.0%	Total Buildings	10
In-Place Contract Rent	\$1,583/Mo. (\$1.71/SF)	Residential Buildings	9
Mkt. Concluded Rent.	\$1,649/Mo. (\$1.76/SF)	Non Residential Buildings	1
Stabilized NOI	\$1,514,708	Stories	1 - 3
Current Mkt. Cap Rate	4.85%	Construction Frame Type	Wood
Market Sale		Building Type	Garden
Typical Buyer Profile	National And Regional Investor	Construction Class	D
Exposure Time	Six Months Or Less	Exterior Walls	Brick
Marketing Time	Six Months Or Less	Roof Type	Gable
Site		Roof Surface	Composite Shingle
Net Primary Site Area	7,389 Acres; 321,868 SF	Construction Quality	Average
Primary Site Shape	Irregular	Condition	Average-Good
Number of Parcels	2	Economic Life	50 Years
Excess Land Area	-	Effective Age	3 Years
Topography	Generally Level	Remain. Economic Life	47 Years
Zoning	PD-74		
Parking	260 Spaces		
Value Conclusions			
			As Is
Interest			Leased Fee
Date			February 21, 2023
Sales Comparison Approach			N/A
Income Capitalization Approach			\$31,200,000
Final Conclusions			\$31,200,000
\$/Unit			\$208,000

Introduction

The Property

Identification

- Physical Address: 841 S Polk St Desoto TX 75115-7500
- Legal Description: See Survey in Addendum
- Tax Assessor's Parcel ID: 200547500A1A1A000; 200547500A3A1A000

Ownership History

The subject title is currently recorded in the name of D4DS, LLC who acquired title to the property from DeSoto Development, LLC on October 24, 2017 as vacant land and constructed the current improvements.

Three-Year Sales History

Research of the applicable public records, private data services and an interview of the current owner and/or broker revealed that the subject property has not transferred during the past three years of the effective date of value stated in this report.

Subject Sales Status

According to documentation provided by the client, on October 18, 2022, the Court entered an Order Appointing Receiver by which Cortney C. Thomas was appointed as Receiver for the subject property. According to the Receiver's Motion for Appointment,

"After the Receiver's appointment, he consulted multiple industry professionals and brokers regarding the potential value of the Property and three other similar projects (Parc at Windmill Farms in Forney, the Parc at Ingleside outside of Corpus Christi, and the Parc at Opelika in Alabama) that involve both HUD loans serviced by Greystone and additional loans from Southern Properties to JMJ. Due to the uncertainty surrounding the outstanding dispute with Southern Properties, the Receiver ultimately was unable to reach agreement to engage the brokers, who expressed unease in marketing the properties due to Southern Properties' ownership claims.

Despite difficulties listing the Property with a broker, the Receiver communicated with dozens of potential interested purchasers. Pursuant to the Receivership Order and in accordance with the Administrative Order, the Receiver negotiated with these potential buyers. While most of the potential purchasers ultimately were unwilling to submit offers on the Property, the Receiver obtained multiple offers on the Property, the highest of which was a letter of intent submitted by Palmetto Capital Partners, LLC—on behalf of a joint venture (Polk Street 2023, LLC) between Palmetto and i3 Interests LLC (collectively, "Palmetto/i3")—on November 30, 2023 at a purchase price of \$27,000,000.

During the following months, the Receiver and Palmetto/i3 engaged in protracted negotiations regarding the purchase and sale agreements for the Property and one other related property. During this time, the Receiver continued to communicate with other potential interested purchasers, none of whom provided higher offers than that received from Palmetto/i3. Finally, on February 21, 2023 the Receiver and Palmetto/i3 entered into a Purchase and Sale Agreement, whereby the Receiver agreed, subject to Court approval and certain other contingencies outlined below, to sell the Property to Palmetto/i3, which will assume the existing HUD loan, for a total of \$27,000,000."

Based upon our analysis herein, it appears that the subject's market value was notably higher as of February 21, 2023.

Identification of the problem

This is a Restricted Appraisal Report which is intended to comply with the reporting requirements set forth under Standards Rule 2-2(c) of the Uniform Standards of Professional Appraisal Practice (USPAP) for a Restricted Appraisal Report. As such, it presents minimal to no discussion of the data, reasoning, and analyses that were used in the appraisal process to develop the appraiser's opinion of value. Supporting documentation concerning the data, reasoning, and analyses is retained in the appraiser's file(s). The depth of discussion contained in this report is specific to the needs of the client and for the intended use stated above. The appraisers are not responsible for unauthorized use of this report.

Scope of Work

In order to develop the opinion of value, Apprise employed the relevant and commonly accepted appraisal methods and principles to derive a credible value conclusion. The appraiser(s) thoroughly performed an appraisal process, as set forth in Standard 1 by the Uniform Standards of Appraisal Practice. The scope of the assignment relates to the manner and extent to which research is conducted, data is accumulated, and analysis is conducted. In preparing this appraisal, the appraisers did the following:

- Researched the local area for comparable market data; utilized multiple data sources including but not limited to: CoStar, LoopNet, RCA, REIS Reports, area brokers, buyers and sellers, as well as the appraiser's internal database
- Interviewed local property owners, managers, brokers, buyers and sellers, and other various market participants familiar with competitive area real estate
- Obtained various information from surrounding jurisdictions and reporting entities regarding comparable data, demographics, zoning, property taxes, deed history, flood zones, utilities, transit, planned developments, income and expense data, etc.
- Most of the subject and market information is contained within our previous appraisal of the subject property completed at Colliers International and dated December 9, 2022.
- Estimated the Retrospective market value using the Income Approach. We have not provided the narrative discussion of a Sales Comparison Approach; although, we presented the sales in the addendum. These sales have been utilized as a check of reasonableness of the value conclusion and in order to derive a reasonable capitalization rate. A traditional Cost Approach was not utilized. Please see the Appraisal Process section of this report for additional discussion and explanation of the various approaches to value.

Please refer to the [assignment conditions](#) section for the basic and extraordinary assumptions, as well as the limiting and hypothetical conditions upon which our value conclusions are made.

Intended User

The intended user of the appraisal is Southern Properties Capital, Ltd., its successor, and assigns; Client agrees that this Restricted Report is solely for the use and benefit of Client. Although, the client is authorized to provide a copy in its entirety to Shamoun & Norman, LLP (legal counsel for client) and the Northern District of Texas (Dallas, TX division; regarding Case No. 3:22-cv-2118-X) as additional intended users. No other users are intended or authorized by Apprise, and no other parties should use or rely on this Restricted Report or any content in the report.

Intended Use

This restricted report is prepared to estimate the "As Is" Market Value as of February 21, 2023, the date that the court appointed Receiver and Palmetto/i3 entered into a Purchase and Sale Agreement. The report is not intended or authorized for any other use.

Type and Definition of Value

The type of value analyzed in this Retrospective appraisal is market value at highest and best use as of February 21, 2023. The definition of value employed in this report is Market Value as defined in 12 CFR - Part 34.42 (FIRREA), Department of the Treasury, Office of the Comptroller of the Currency. Market Value means: the most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

- Buyer and seller are typically motivated;
- Both parties are well informed or well advised, and acting in what they consider their own best interests;
- A reasonable time is allowed for exposure in the open market;
- Payment is made in terms of cash in US dollars or in terms of financial arrangements comparable thereto; and
- The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

Retrospective Value

According to the Dictionary of Real Estate Appraisal (Fifth Edition, 2011), published by the Appraisal Institute, retrospective value opinion is defined as, "A value opinion effective as of a specified historical date." In this case, we are providing the retrospective market value as of February 21, 2023 ("As Is").

Interest Appraised

This report and market value conclusions analyze the Leased Fee interest of the subject property with the following dates of value:

- As Is Leased Fee February 21, 2023

The Leased Fee interest is defined by the Dictionary of Real Estate Appraisal as follows:

- A freehold (ownership interest) where the possessory interest has been granted to another party by creation of a contractual landlord-tenant relationship (i.e., a lease).

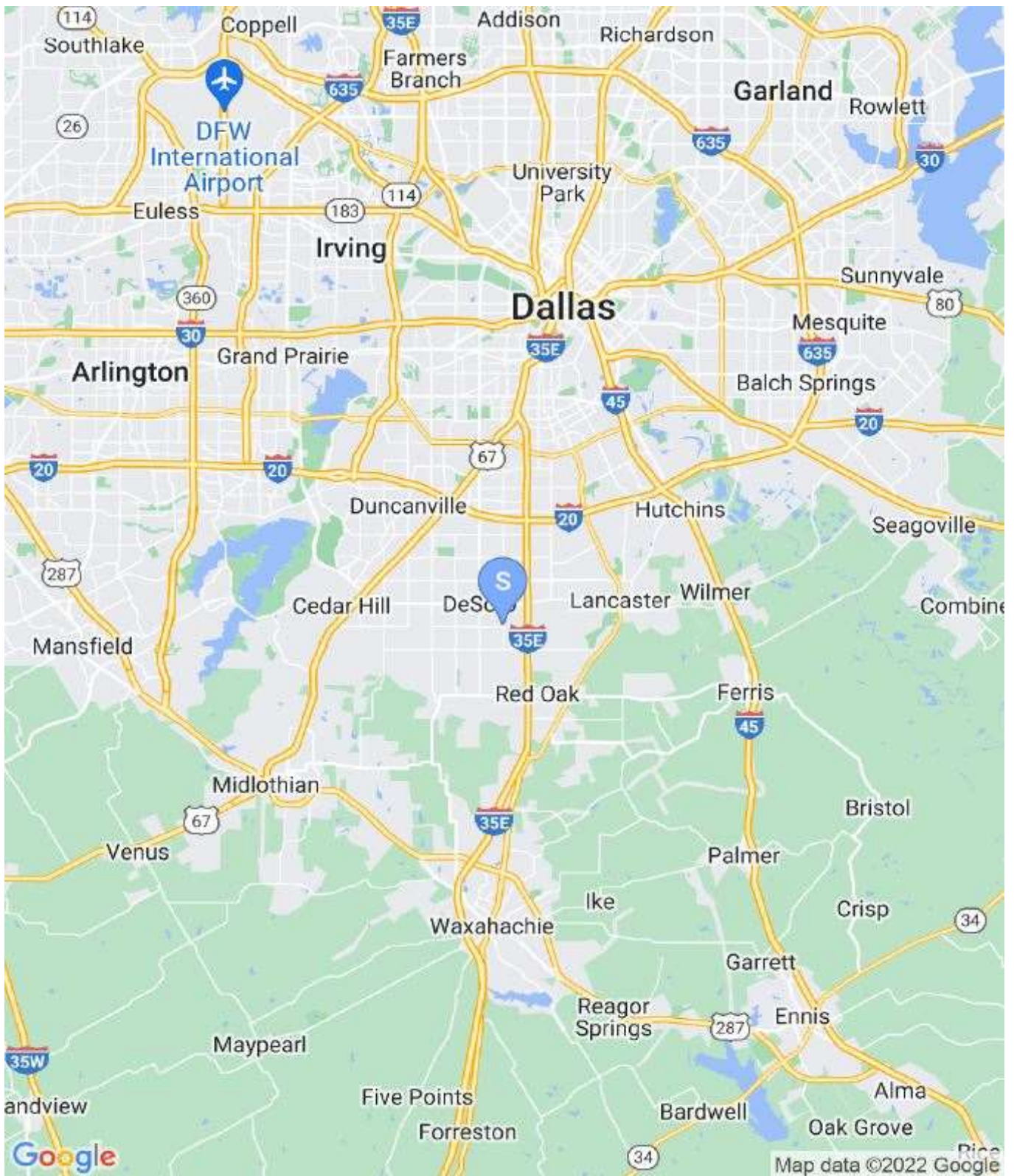
Market Time & Exposure Period

Marketing Time is opinion of the amount of time it might take to sell a real or personal property interest at the concluded market value level during the period immediately after the effective date of an appraisal.

Exposure Period is the estimated length of time that the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal.

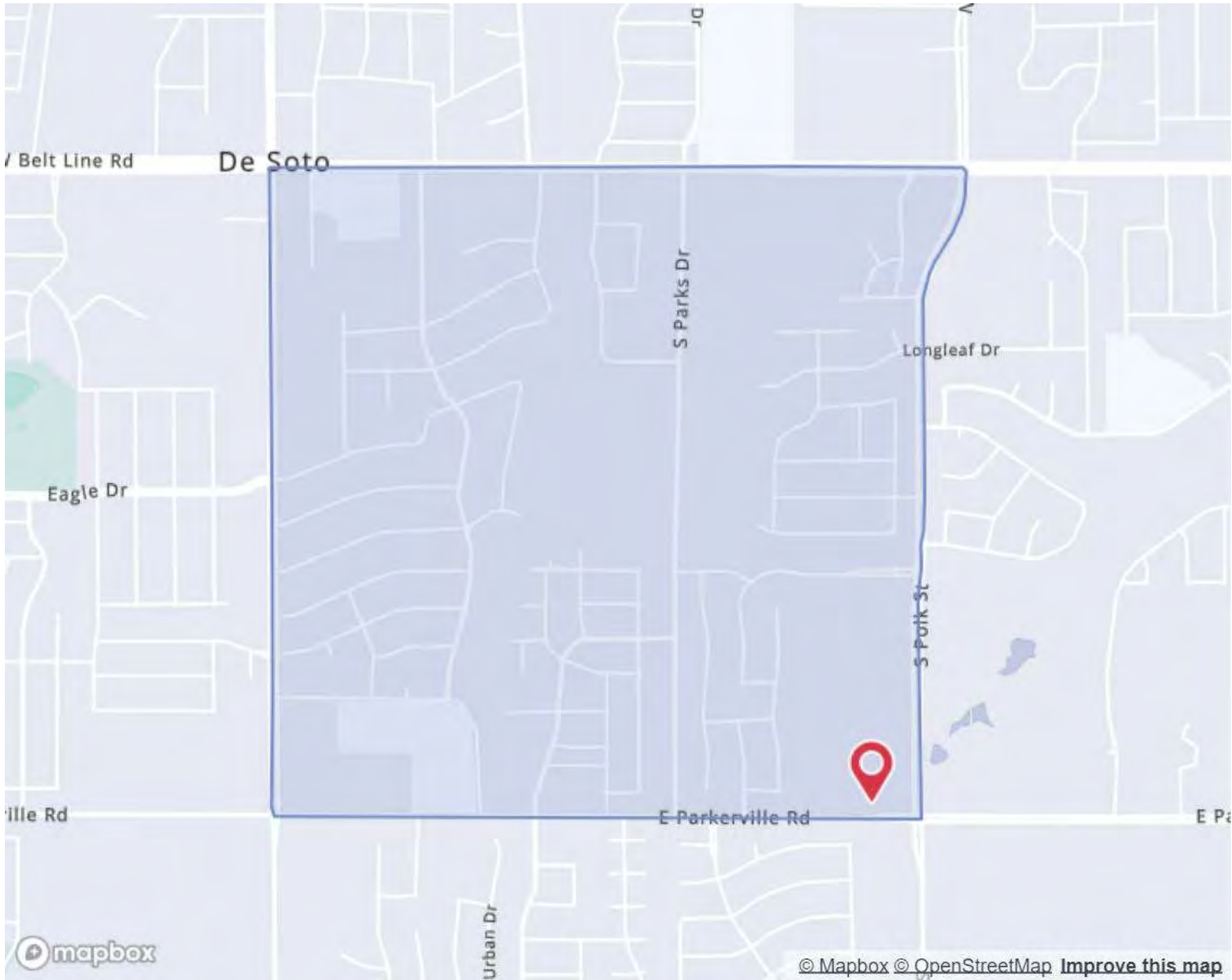
EXPOSURE & MARKETING TIME				
SOURCE		YEAR/QUARTER	MONTHS RANGE	AVERAGE
National Apartment	PwC			
Current Quarter		2022 Q4	1.0 to 12.0	4.6
Last Quarter		2022 Q3	1.0 to 12.0	4.3
Four Quarters Ago		2021 Q4	1.0 to 12.0	4.2
Southeast Region Apartment	PwC			
Current Quarter		2022 Q4	3.0 to 6.0	3.9
Last Quarter		2022 Q3	1.0 to 6.0	3.4
Four Quarters Ago		2021 Q4	1.0 to 6.0	4.2
OVERALL AVERAGE				4.3
Exposure Period Conclusion			Six Months or Less	
Marketing Time Conclusion			Six Months or Less	

Regional Map



Neighborhood Map

Geophy neighborhoods are individual or combinations of adjacent census block groups that have similar demographic and economic characteristics that influence value: social, economic, governmental, and environmental factors. The following map illustrates the subject's location and surrounding area as well as the subject neighborhood and specific boundaries. The neighborhoods are ranked and assigned a rating of A, B, C, and D relative to the demographic and economic characteristics inclusive of rental data when available and proximity to amenities and employment.



The economic borders of the subject's neighborhood are shown on the map above. Uses within the subject's neighborhood are generally characterized as 2000's, multifamily buildings of low-to moderate-density and reflecting average maintenance levels. Supporting retail uses are generally along I-34E and South Hampton Road. The subject's neighborhood rating is B.

Taxes

Assessment of real property is established by an assessor that is an appointed or elected official charged with determining the value of each property. The assessment is used to determine the necessary rate of taxation required to support the municipal budget. A property tax is a levy on the value of property that the owner is required to pay to the municipality in which it is situated. Multiple jurisdictions may tax the same property. The subject property is located within Dallas County. The 2022 assessed value and property tax for 2022 is summarized in the following table.

ASSESSMENT & TAXES						
Tax Year	2022			2022 Tax Rate	\$2.519399	
Tax Rate Area	Dallas County			Taxes Current	Yes	
APN	LAND	IMPV	TOTAL	EXEMPTIONS	TAXABLE	BASE TAX
200547500A1A1A000	\$426,890	\$27,081,270	\$27,508,160	\$0	\$27,508,160	\$693,040
200547500A3A1A000	\$216,840	\$0	\$216,840	\$0	\$216,840	\$5,463
Totals	\$643,730	\$27,081,270	\$27,725,000	\$0	\$27,725,000	\$698,503
Totals/Unit	\$2,367	\$99,563			\$101,930	\$2,568
Total/SF (NRA)	\$2.30	\$96.84			\$99.14	\$2.50

Source: Dallas County Assessment & Taxation

In Texas, the amount of tax is determined by the product of the tax rate and the assessed valuation of the property. The tax rate is set each year by the governing bodies of local taxing entities such as county commissioners, school boards, cities and special districts, usually in October. It includes multiple individual charges for flood, schools, hospitals, utilities, and general city and county levies. The assessed valuation of each piece of property is set by the county assessor according to state statutory guidelines. The subject's 2022 tax burden based upon the 2022 assessment and 2022 tax rates is detailed as follows:

2022 TAX BURDEN			
Jurisdiction	Assessed Value	Tax Rate/\$100	Estimated Taxes
City of Desoto	\$27,725,000	\$0.691554	\$191,733.35
Desoto ISD	\$27,725,000	\$1.258200	\$348,835.95
Dallas County	\$27,725,000	\$0.217946	\$60,425.53
Dallas College	\$27,725,000	\$0.115899	\$32,133.00
Parkland Hospital	\$27,725,000	\$0.235800	\$65,375.55
Total	\$27,725,000	\$2.519399	\$698,503.37

The chart below details the subject's tax assessment history:

SUBJECT HISTORICAL TAX ASSESSMENTS		
Tax Year	Taxable	% Δ
2019	\$8,143,730	-
2020	\$18,383,960	126%
2021	\$23,273,830	27%
2022	\$27,725,000	19%

Source: Dallas County Assessment & Taxation

The State of Texas is a non-disclosure state, meaning that the sales price of a property does not have to be revealed to the public. Therefore, property taxes are not automatically increased to the sales price of the property. Additionally, the Texas Constitution requires that taxation of properties must be "equal and uniform." Therefore, the assessment for a property must be similar to comparable properties in the area. Based upon our research of sales that have occurred in Dallas County over the last several years, reassessments for properties that recently sold can range anywhere between 60% and 100%+ of the purchase price depending on location and quality class. Typically, reassessments for Class A properties fall towards the upper end of the range while Class B/C fall towards the lower end of the range. In addition, the increases are not consistent and will depend on if the appraisal district discovers the purchase price and the assessments of other properties in the area. Therefore, projecting a stabilized assessment solely on percentage of purchase price is not appropriate in Dallas County. Therefore, the taxes comparables were also relied upon.

TAX COMPARABLES

To determine if the assessment and taxes on the subject property are reasonable, we considered historical information, as well as information from similar properties in the market. They are illustrated in the table below.

TAX COMPARABLES									
	SUBJECT	COMP 1	COMP 2	COMP 3	COMP 4	COMP 5	LOW	HIGH	AVG
Property Name	Bellwether Ridge	Abigail	Beacon on Westmoreland	Desoto Ranch	Legacy of Cedar Hill	Bella Ruscello	-	-	-
City, State	Desoto, TX	Desoto, TX	Desoto, TX	Desoto, TX	Cedar Hill, TX	Duncanville, TX	-	-	-
Year Built	2019	2007	2021	2002	2003	2007	2002	2021	2008
Units	150	198	194	248	600	216	194	600	291
NRA	140,511	199,106	154,724	246,257	572,636	173,922	154,724	572,636	269,329
2022 Assessed \$	\$27,508,160	\$35,900,000	\$34,518,520	\$42,850,000	\$100,200,000	\$25,129,630	\$25,129,630	\$100,200,000	\$47,719,630
2022 Assessed \$/Unit	\$183,388	\$181,313	\$177,931	\$172,782	\$167,000	\$116,341	\$116,341	\$181,313	\$163,073
2022 Assessed \$/SF	\$195.77	\$180.31	\$223.10	\$174.01	\$174.98	\$144.49	\$144.49	\$223.10	\$179.38

The comparable properties reflect 2022 tax assessments ranging from \$116,341 to \$181,313 per unit with an average of \$163,073 per unit. On a per square foot basis, the comparables range from \$144.49 to \$223.10 per square foot with an average of \$179.38 per square foot. The Subject's 2022 assessment falls above the range of the tax comparables on a per unit basis and towards the upper end of the range on a per square foot basis. Overall, it appears that the subject's current assessment is at the upper end or slightly above market.

During 2022, rents continued to increase but capitalization rates began to rise during the second half of the year due to rising interest rates. Given the significant value increases over the last several years and assessment values being below true market value, it is reasonable to assume that the appraisal district will continue to increase assessments across the board in 2023. Given this, we have increased the subject's assessment by 3% in anticipation of market wide increases in 2023 which is further supported by the historical trends. We note that our projected value to assessment ratio is 92%. If the subject's assessment were to be increased above the tax comparables, the subject's assessment could be protested on an "equal and uniform" basis assuming assessments weren't increased across the board. Overall, we have taken into consideration the future risk in taxes increasing in our capitalization rate selection. The estimated stabilized taxes are detailed in the chart below:

ESTIMATED STABILIZED TAXES	
As Is Value	\$31,200,000
Estimated Assessed Value	\$28,556,750
Estimated Assessed Value Per Unit	\$104,988
Estimated Assessed Value Per SF	\$102.12
% of As Is Value	92%
x Current Millage Rate	\$2.519399
= Stabilized Taxes Estimate (rounded)	\$719,458
Stabilized Taxes/Unit	\$2,645

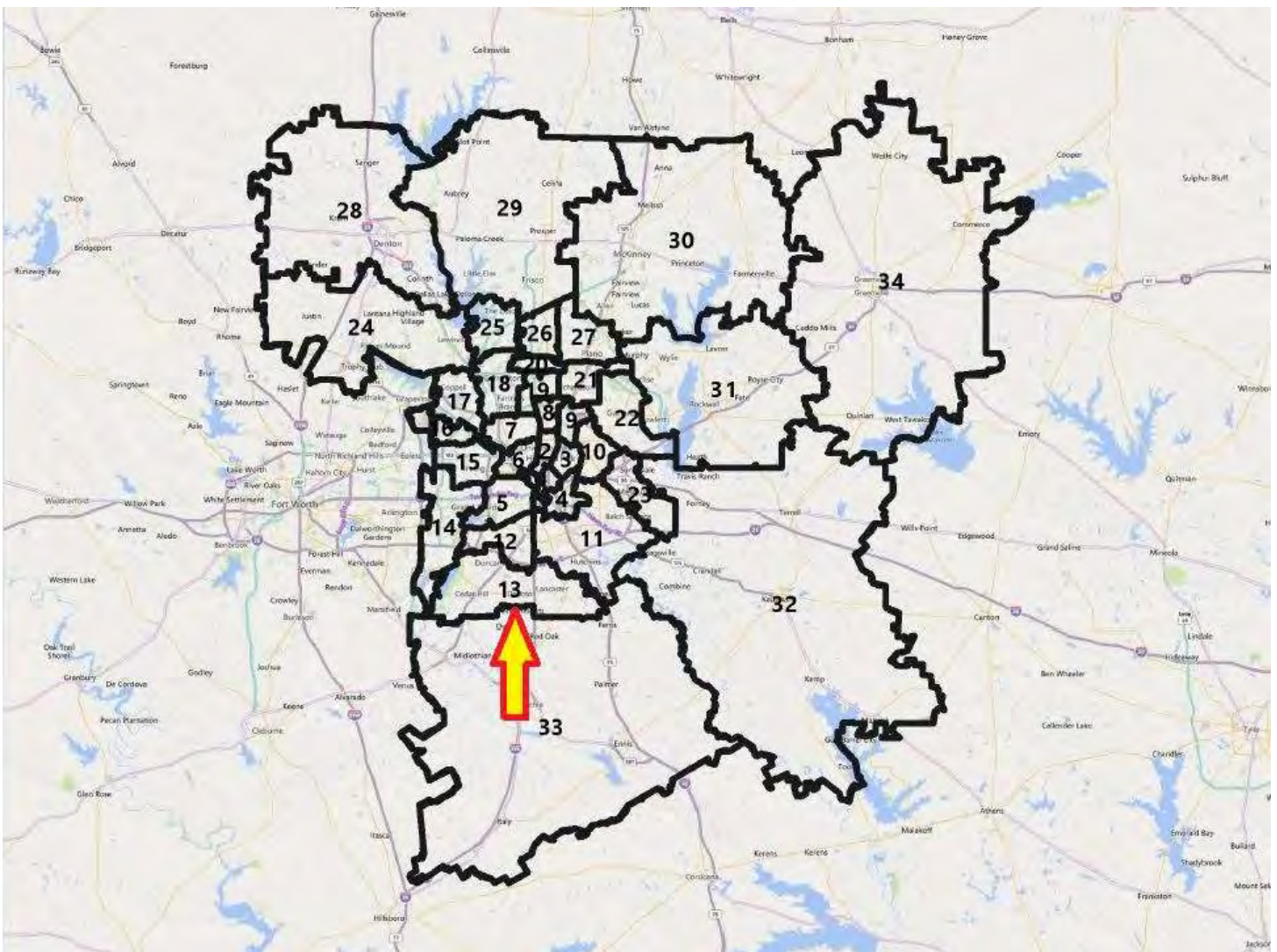
Market Analysis

Overview

A variety of factors influence the performance of a property in the market. In this section, we provide an in-depth analysis of both the market in which the subject property competes and its position within that market. Demographic comparisons are made to larger study areas such as the CBSA, state and U.S. to place the historical and prospective performance of the subject trade area in context.

Dallas-Plano-Irving Market & Southern Dallas County Submarket

The property being appraised lies within the incorporated city limits of Forney. This places the property in what RealPage defines as the Dallas-Plano-Irving apartment market and Southern Dallas County submarket – the Dallas-Plano-Irving, Texas MSA. Following is a discussion of the historical, current, and forecasted apartment market conditions in the Dallas-Plano-Irving apartment market, along with the subject submarket and specific competitive apartment projects that significantly impact the property being appraised. The data is extracted from the 4Q 2022 Dallas-Plano-Irving, Texas Market Performance Summary report published by RealPage.



Dallas-Plano-Irving, TX

Apartment Performance

Effective rent decreased 0.9% from \$1,581 in 3Q22 to \$1,572 in 4Q22, which resulted in an annual growth rate of 8.8%. Annual effective rent growth is forecast to be 3.9% in 2023, and average 3.7% from 2024 to 2026. Annual effective rent growth has averaged 2.9% since 2Q96.

The market's annual rent growth rate was above the national average of 6.6%. Out of the 150 markets ranked by RealPage nationally, Dallas-Plano-Irving, TX was 90th for quarterly effective rent growth, and 36th for annual effective rent growth for 4Q22.

The market's occupancy rate decreased from 95.2% in 3Q22 to 94.3% in 4Q22, and was down from 97.2% a year ago. The market's occupancy rate was below the national average of 95.3% in 4Q22. For the forecast period, the market's occupancy rate is expected to be 94.7% in 2023, and average 93.1% from 2024 to 2026. The market's occupancy rate has averaged 93.8% since 2Q96.

Market Survey Results and Forecasts

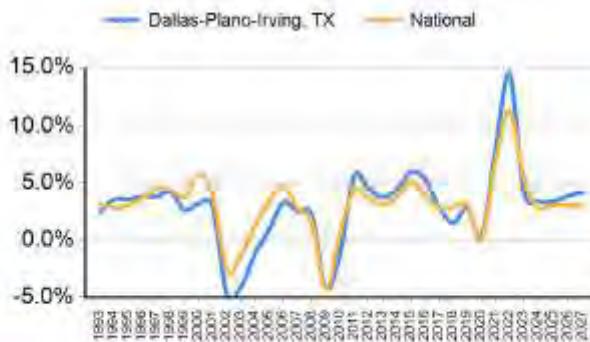
	Sequential			Month	Annual							
	1Q22	2Q22	3Q22	4Q22	Dec-22	2020	2021	2022	2023F	2024F	2025F	2026F
Effective Rent Per Unit	\$1,485	\$1,538	\$1,586	\$1,572	\$1,568	\$1,251	\$1,350	\$1,545	\$1,812	\$1,687	\$1,723	\$1,790
Per Sq. Ft	\$1.69	\$1.74	\$1.80	\$1.78	\$1.77	\$1.43	\$1.54	\$1.75	\$1.83	\$1.89	\$1.95	\$2.03
Effective Rent Growth - Annually	18.7%	17.9%	13.7%	8.8%	7.4%	-1.3%	16.6%	8.8%	3.9%	3.3%	3.5%	4.2%
Effective Rent Growth - Quarterly	2.7%	3.6%	3.1%	-0.9%								
Occupancy Rate	97.3%	96.2%	95.1%	94.3%	94.0%	94.1%	95.5%	95.7%	94.9%	93.8%	93.3%	93.1%
Occupancy Change - Annually	3.5%	1.2%	-1.5%	-2.9%	-3.2%	-0.6%	3.1%	-2.9%	0.4%	-1.5%	-0.1%	-0.4%
Occupancy Change - Quarterly	0.2%	-1.2%	-1.1%	-0.9%								
Economic Concessions												
Concession Value	\$79.00	\$77.00	\$66.00	\$52.00	\$93.00	\$50.50	\$66.00	\$68.50				
As a % of Asking Rent	5.5%	5.2%	4.3%	3.3%	5.9%	4.1%	5.0%	4.5%				

Market Rank

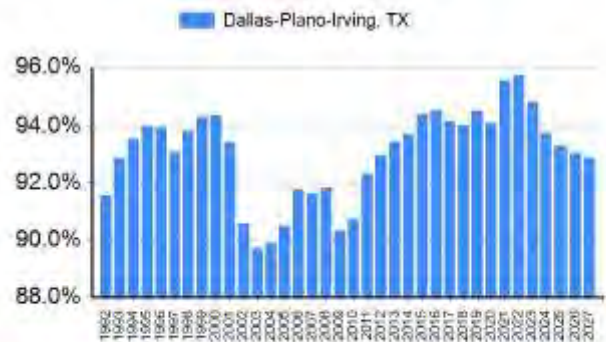
4Q22	Market	National	Rank	4Q22 Annual Results							
Effective Rent Per Unit	\$1,572	\$1,777	60	By Bedroom Type	%	Area	Occ	ERG	Erent	ERSF	
Effective Rent Growth - Annually	8.8%	6.6%	32	Studio/One bedroom	57.7%	722	94.3%	8.6%	\$1,377	\$1.91	
Effective Rent Growth - Quarterly	-0.9%	-1.0%	89	Two bedroom	37.4%	1,066	94.4%	8.7%	\$1,768	\$1.86	
Occupancy Rate	94.3%	95.2%	127	Three + bedrooms	4.9%	1,367	94.5%	9.2%	\$2,140	\$1.57	
Occupancy change - Annually	-2.9%	-2.3%	118	By Year Built							
Occupancy change - Quarterly	-0.9%	-0.7%	109	<= 1980	10.8%	823	95.8%	13.1%	\$1,244	\$1.51	
Concession Value	\$52.00	\$81.00	62	1981-1990	13.8%	798	94.8%	12.5%	\$1,287	\$1.62	
Build Average	1997	1994	48	1991-2000	18.4%	872	94.2%	9.3%	\$1,453	\$1.67	
				2001-2010	25.6%	908	93.8%	7.5%	\$1,576	\$1.74	
				2011-Current	31.4%	925	94.3%	7.2%	\$1,840	\$1.99	

*Ranking based on Top 150 Markets

Annual Effective Rent Growth



Annual Occupancy Rate



Dallas-Plano-Irving, TX

Demand and Supply

According to the Bureau of Labor Statistics, job growth in Dallas-Plano-Irving, TX was 6.8% in November 2022, reflecting 194,100 jobs added during a 12-month period. The metro job growth figure was above the national number of 3.2%.

RealPage forecasts Dallas-Plano-Irving, TX's job growth to be 1.6% in 2023, with 47,529 jobs added. Job growth is expected to average 1.2% from 2024 to 2026, with an average of 36,248 jobs added each year.

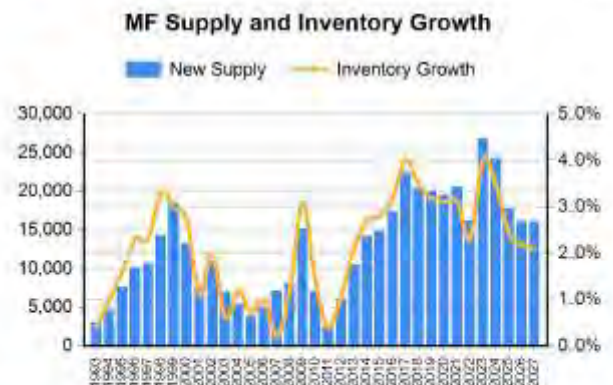
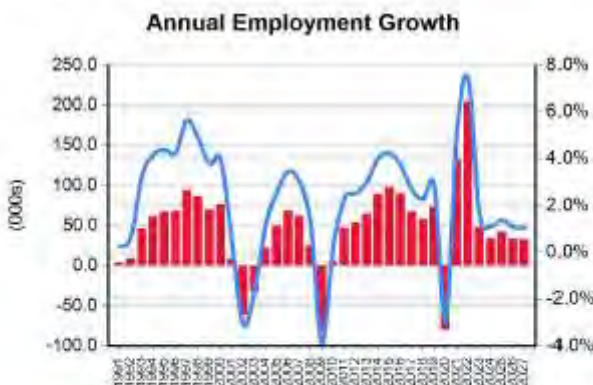
On the supply side, permits for 22,098 multifamily units were issued in the 12 months ending in November 2022, up 3,620 units from the prior year's sum. In terms of total residential housing, 54,420 units were permitted in the 12 months ending November 2022, a decrease of -1,573 units from the prior year's total.

Market Employment and Permitting

	Annual			November-22		Annual Forecast				
	2019	2020	2021	Market	National	2022	2023F	2024F	2025F	2026F
Employment (000s)	2,698.3	2,618.1	2,750.6	3,055.8	154,990.0	2,954.6	3,002.1	3,035.7	3,077.8	3,110.9
Job Gain (000s)	73.1	(80.2)	132.5	194.1	4,780.0	204.0	47.5	33.6	41.9	33.3
Job Growth (%)	2.8%	-3.0%	5.1%	6.8%	3.2%	7.4%	1.6%	1.1%	1.4%	1.1%
Total Residential Permitting	43,467	42,765	55,993	54,420	1,319,575	54,638	46,637	49,141	50,476	51,906
Relative Change	-8.8%	-1.6%	30.9%	-4.4%	2.0%	-2.4%	-14.6%	5.4%	2.7%	2.8%
Single Family Units Permitted	25,586	31,731	37,114	31,517	748,367					
Relative Change	-3.3%	24.0%	17.0%	-16.9%	-8.3%					
Multifamily Units Permitted	17,434	10,343	18,478	22,098	533,860					
Relative Change	-15.2%	-40.7%	78.7%	18.6%	20.4%					
Multifamily as a % of Total	40.1%	24.2%	33.0%	40.6%	40.5%					
Demand/Supply Ratio										
Job Gain / Total Residential Units Permitted	1.5	(1.8)	3.1	3.4	3.7	3.6	0.9	0.7	0.9	0.7
Job Gain / Single Family Units Permitted	2.8	(3.1)	4.2	5.1	5.9					
Job Gain / Multifamily Units Permitted	3.6	(4.8)	12.8	10.4	10.8					

Multifamily Absorption and Supply

	Annual			4Q22		Annual Forecast				
	2019	2020	2021	Market	National	2022	2023F	2024F	2025F	2026F
Total Units Absorbed	20,761	13,773	38,170	(4,614)	(103,485)	(4,614)	28,058	12,881	15,865	11,999
New Supply	20,041	19,528	20,541	16,214	345,685	16,214	26,790	24,292	17,798	16,123
Inventory Growth	3.2%	3.1%	3.1%	2.3%	1.8%	2.3%	4.0%	3.5%	2.5%	2.2%



Dallas-Plano-Irving, TX

Demand and Supply

Dallas-Plano-Irving, TX's two largest job sectors are the Professional and Business Services sector (20.8% of employment), followed by the Trade, Transportation, and Utilities sector (20.4% of employment). The Professional and Business Services sector gained 43,400 jobs during the 12 months ending November 2022, constituting job growth of 7.3%. The Trade, Transportation, and Utilities sector grew 28,000 jobs during the same period; a 4.7% growth rate.

Market Employment by Industry

Employment (000s)	Total Employment				Annual		Percent of		
	2019	2020	Nov21	Nov22	Absolute	%Change	Metro	US	LQ
<i>Mining, Logging, and/or Construction*</i>	149.5	146.1	147.1	160.6	13.50	9.2%	5.3%		
<i>Manufacturing</i>	186.6	181.1	186.4	201.4	15.00	8.0%	6.8%	8.3%	0.79
<i>Trade, Transportation, and Utilities</i>	530.8	532.4	525.5	623.5	28.00	4.7%	20.4%	18.9%	1.08
<i>Information</i>	71.4	69.3	74.8	77.5	2.70	3.6%	2.5%	2.0%	1.28
<i>Financial Activities</i>	250.8	256.9	277.2	300.9	23.70	8.5%	9.8%	5.8%	1.69
<i>Professional and Business Services</i>	518.8	511.2	593.5	636.9	43.40	7.3%	20.8%	14.6%	1.42
<i>Education & Health Services</i>	321.6	310.5	328.2	360.3	22.10	6.7%	11.5%	16.2%	0.71
<i>Leisure and Hospitality</i>	271.7	225.1	258.7	290.8	32.10	12.4%	9.5%	10.2%	0.93
<i>Other Services</i>	86.6	76.0	85.0	94.3	9.30	10.9%	3.1%	3.7%	0.83
<i>Government</i>	310.7	309.6	315.3	319.6	4.30	1.4%	10.5%	14.8%	0.71
Nonfarm	2,698.3	2,618.1	2,861.7	3,055.8	194.10	6.8%			

* Employment may be duplicated due to BLS grouping

Dallas-Plano-Irving, TX's 2021 population of 5,217,380 was an increase of 45,446, 0.9% from the previous year, above the national population change of 0.7%, according to the U.S. Census Bureau.

The median price for existing single family homes in Dallas-Plano-Irving, TX was \$390,100 in 3Q22, according to the National Association of Realtors, 13.0% more than the previous year. According to the U.S. Department of Housing and Urban Development, the market's median family income was \$97,400, an increase of 9.4% from the prior year.

When combining median home price, median family income, interest rate, and the loan-to-price ratio into the housing affordability index, Dallas-Plano-Irving, TX ranks as the 69th most affordable single family market out of the 169 markets measured nationwide.

Housing Affordability

Population

	Annual				Annual			
	2021	2022	3Q22		2018	2019	2020	2021
<i>Housing Affordability Index</i>	160	158	101	Total Population (000s)	4,997	5,082	5,172	5,217
<i>Median Existing Home Price (000s)</i>	\$350.0		\$390.1	<i>Relative Change</i>	1.7%	1.7%	1.8%	0.9%
<i>Relative Change</i>	17.9%		13.0%	<i>Absolute Change</i>	82,550	85,107	89,992	45,446
<i>Median Family Income (HUD,000s)</i>	\$89.0		\$97.4	<i>US Relative Change</i>	0.5%	0.5%	0.4%	0.7%
<i>Relative Change</i>	3.2%		9.4%	Metro > US Ratio	3.2	3.6	4.7	1.2
<i>Effective Mortgage Rate (%)</i>	2.9		8.6					
<i>Loan to Price Ratio</i>	80.0		80.0					

	2013				Annual			
	Metro	US	Metro>US		2018	2019	2020	2021
Total Household Income	\$57,585	\$52,250	1.10	Total Migration	46,046	49,315	56,188	44,317
<i>Householder under 25 years</i>	\$29,756	\$25,391	1.17	<i>As % of pop growth</i>	55.8%	57.9%	62.4%	97.5%
<i>Householder 25 to 44 years</i>	\$57,822	\$56,987	1.01	<i>International Migration</i>	16,150	15,177	12,974	6,790
<i>Householder 45 to 64 years</i>	\$71,358	\$63,474	1.12	<i>% of change</i>	19.6%	17.8%	14.4%	14.9%
<i>Householder 65 years and older</i>	\$42,121	\$37,847	1.11	<i>Domestic Migration</i>	29,896	34,138	43,212	37,527
				<i>% of change</i>	36.2%	40.1%	48.0%	82.6%

Dallas-Plano-Irving, TX

Identified Supply

As of January 12, 2023, RealPage has identified 16,214 apartment units scheduled for delivery in 2022, which all units have been delivered. As a comparison, there were 20,192 apartment units delivered in 2021. Properties delivered to the market in the last 12 months have achieved an average asking rent of \$2,409 per unit, or \$2.30 per square foot. Effective rent has averaged \$2,293, or \$2.19 per square foot, resulting in an average concession value of \$240.48. As a comparison, existing properties in the market had an average asking rent of \$1,578 per unit (\$1.79 per square foot) and an average effective rent of \$1,572 per unit, or \$1.78 per square foot, in 4Q22. Concessions for existing properties averaged \$52.00.

Submarket Delivery Schedule

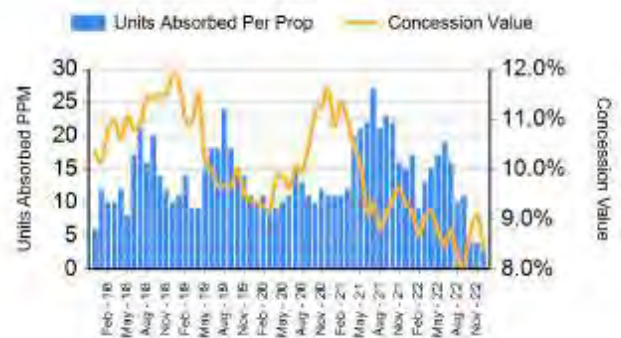
Top Submarkets	Pipeline Delivery Schedule				Pipeline Lease Up Trend					
	2020	2021	2022	Total	Units Absorbed Totals	Units Absorbed PPM	Asking Rent Per Unit	Asking Rent PSF	Effective Rent Per Unit	Effective Rent PSF
Allen/McKinney	1,247	2,871	2,227	6,345	793	8	\$1,972	\$1.81	\$1,940	\$1.78
Denton	291	1,448	1,274	3,013	602	11	\$1,918	\$1.69	\$1,874	\$1.65
Frisco	2,329	1,838	4,090	8,257	1,899	15	\$2,035	\$1.96	\$1,949	\$1.87
Grand Prairie	899	894	1,639	3,032	1,003	17	\$1,833	\$2.00	\$1,750	\$1.90
Intown Dallas	1,534	1,553	1,193	4,280	903	13	\$3,867	\$3.43	\$3,477	\$3.25
Other	13,428	11,788	5,791	31,007	3,459	10	\$2,632	\$2.52	\$2,478	\$2.38
Dallas-Plano-Irving, TX	19,528	20,192	16,214	55,934	8,659	11	\$2,409	\$2.30	\$2,293	\$2.19

**Based on 2022 deliveries* **Trend based on a trailing 12 month period*

Identified Unit Deliveries



Lease Up Performance



Top 10 Market Deliveries

Market	Pipeline Delivery Schedule				Pipeline Lease Up Trend					
	2020	2021	2022	Total	Units Absorbed Totals	Units Absorbed PPM	Asking Rent Per Unit	Asking Rent Per Ft.	Effective Rent Per Unit	Effective Rent Per Ft.
Dallas-Plano-Irving, TX	19,528	20,192	16,214	55,934	8,659	11	\$2,409	\$2.30	\$2,293	\$2.19
Houston-The Woodlands-Sugar Land, TX	18,793	16,812	14,970	50,575	10,931	14	\$2,126	\$2.03	\$1,983	\$1.89
Phoenix-Mesa-Scottsdale, AZ	8,758	9,858	14,434	33,050	7,869	11	\$2,138	\$2.24	\$2,060	\$2.15
Austin-Round Rock, TX	10,414	10,568	13,853	34,835	8,876	16	\$2,187	\$2.28	\$2,087	\$2.17
Washington-Arlington-Alexandria, DC-VA-MD-WV	13,541	11,913	13,075	38,529	8,860	12	\$2,800	\$3.32	\$2,530	\$3.00
New York-White Plains, NY	6,052	3,493	12,437	21,982	602	2	\$3,936	\$4.73	\$3,755	\$4.50
Atlanta-Sandy Springs-Roswell, GA	13,060	8,881	11,378	33,319	6,103	13	\$2,172	\$2.13	\$2,069	\$2.03
Newark-Jersey City, NJ-PA	7,886	12,720	11,138	31,744	5,425	5	\$2,590	\$3.04	\$2,484	\$2.91
Seattle-Bellevue-Everett, WA	6,895	7,651	9,991	24,537	3,435	6	\$2,602	\$3.58	\$2,450	\$3.37
Minneapolis-St. Paul-Bloomington, MN-WI	8,008	9,312	9,123	26,443	3,099	2	\$1,990	\$2.32	\$1,881	\$2.18
National	351,347	339,799	349,015	1,040,161	185,590	8	\$2,264	\$2.51	\$2,159	\$2.39

**Based on 2022 deliveries* **Trend based on a trailing 12 month period*

Dallas-Plano-Irving, TX

Annual Submarket Rankings

Effective Rent Growth Ranking						Occupancy Ranking					
Submarket	Rank	4Q22	LTA*	Forecast		Submarket	Rank	4Q22	LTA*	Forecast	
				2022	2023-2026					2022	2023-2026
Hunt County	1	17.2%	3.3%	17.2%	5.0%	Hunt County	1	96.4%	94.8%	96.4%	94.1%
Northwest Dallas	2	16.0%	3.5%	16.0%	5.9%	Northwest Dallas	2	95.7%	93.4%	95.7%	94.6%
Southeast Dallas	3	15.4%	3.8%	15.4%	6.0%	South Irving	3	95.6%	94.8%	95.6%	94.4%
Kaufman County	4	14.8%	3.3%	14.8%	4.3%	Zang Triangle/Cedars/Fair Park	4	95.2%	92.5%	95.2%	93.7%
Mesquite	5	12.9%	3.3%	12.9%	5.6%	Carrollton/Farmers Branch	5	95.2%	94.5%	95.2%	93.6%
Denton	6	12.9%	3.2%	12.9%	5.1%	Ellis County	5	95.2%	95.5%	95.2%	95.0%
Far East Dallas	7	12.6%	3.2%	12.6%	6.0%	Kaufman County	7	95.2%	96.5%	95.2%	94.2%
South Irving	8	12.3%	3.4%	12.3%	6.1%	Southeast Dallas	8	95.1%	92.0%	95.1%	92.2%
Southwest Dallas	9	10.8%	3.3%	10.8%	5.3%	The Colony/Far North Carrollton	9	95.1%	93.5%	95.1%	93.5%
North Irving	10	10.7%	3.1%	10.7%	5.1%	Addison/Bent Tree	10	94.9%	94.4%	94.9%	94.0%
Garland	11	10.3%	3.5%	10.3%	5.5%	Garland	10	94.9%	94.3%	94.9%	93.8%
Carrollton/Farmers Branch	12	10.2%	3.3%	10.2%	4.3%	Love Field/Medical District	12	94.8%	93.8%	94.8%	93.0%
Far North Dallas	13	10.0%	2.9%	10.0%	3.6%	Denton	13	94.8%	95.4%	94.8%	94.4%
West Plano	14	9.9%	2.7%	9.9%	2.9%	Lewisville/Flower Mound	14	94.7%	94.0%	94.7%	93.4%
Northeast Dallas	15	9.9%	2.9%	9.9%	5.4%	Central/East Plano	15	94.7%	94.3%	94.7%	93.0%
North Oak Cliff/West Dallas	16	9.7%	3.3%	9.7%	5.3%	Richardson	16	94.7%	94.7%	94.7%	93.2%
Central/East Plano	17	9.6%	2.9%	9.6%	3.0%	West Plano	17	94.6%	94.5%	94.6%	93.7%
Ellis County	18	9.5%	3.1%	9.5%	5.0%	North Dallas	18	94.5%	93.1%	94.5%	92.7%
North Dallas	18	9.5%	2.8%	9.5%	4.3%	Frisco	19	94.5%	93.7%	94.5%	92.6%
East Dallas	20	9.5%	3.0%	9.5%	2.5%	North Irving	20	94.5%	94.1%	94.5%	93.7%
Richardson	21	8.4%	2.7%	8.4%	3.1%	East Dallas	21	94.4%	93.4%	94.4%	93.1%
Southern Dallas County	22	8.1%	3.2%	8.1%	5.3%	Las Colinas/Coppell	22	94.4%	94.1%	94.4%	93.4%
Zang Triangle/Cedars/Fair Park	23	8.0%	2.6%	8.0%	2.1%	Allen/McKinney	23	94.2%	93.8%	94.2%	93.2%
Las Colinas/Coppell	24	7.9%	2.4%	7.9%	2.6%	Far North Dallas	24	94.0%	94.4%	94.0%	93.8%
Frisco	25	7.8%	2.4%	7.8%	2.4%	Grand Prairie	24	94.0%	93.8%	94.0%	93.6%
Addison/Bent Tree	26	7.8%	2.6%	7.8%	3.1%	Southern Dallas County	26	94.0%	94.3%	94.0%	94.0%
Love Field/Medical District	27	7.3%	3.5%	7.3%	2.0%	Southwest Dallas	27	94.0%	93.3%	94.0%	93.4%
Grand Prairie	28	6.9%	3.0%	6.9%	4.8%	Far East Dallas	28	93.8%	92.4%	93.8%	92.8%
Oak Lawn/Park Cities	29	6.5%	2.2%	6.5%	2.5%	Oak Lawn/Park Cities	28	93.8%	94.0%	93.8%	92.4%
The Colony/Far North Carrollton	29	6.5%	2.0%	6.5%	3.6%	North Oak Cliff/West Dallas	30	93.8%	94.3%	93.8%	93.1%
Intown Dallas	31	6.4%	2.0%	6.4%	2.1%	Mesquite	31	93.7%	94.1%	93.7%	93.9%
Allen/McKinney	32	6.3%	2.6%	6.3%	2.5%	Intown Dallas	32	93.5%	92.9%	93.5%	92.6%
Lewisville/Flower Mound	33	6.2%	3.0%	6.2%	2.9%	Northeast Dallas	33	93.1%	91.3%	93.1%	92.1%
Rockwall/Rowlett/Wylie	34	5.8%	2.9%	5.8%	2.5%	Rockwall/Rowlett/Wylie	34	92.3%	95.0%	92.3%	92.3%
Market Average		9.8%	3.0%	9.8%	4.0%	Market Average		94.5%	94.0%	94.5%	93.4%

*LTA - Long term average 1996 (or available) to current

*LTA - Long term average 1996 (or available) to current

Dallas-Plano-Irving, TX

Annual Submarket Rankings

Concession Value Ranking

% of Asking Rent			
Submarket	Rank	4Q22	LTA*
Frisco	1	5.0%	7.7%
Northwest Dallas	2	4.8%	5.7%
East Dallas	3	4.4%	7.9%
Intown Dallas	3	4.4%	7.1%
Love Field/Medical District	5	4.3%	6.1%
Richardson	5	4.3%	6.7%
The Colony/Far North Carrollton	7	4.1%	6.7%
Las Colinas/Coppell	8	4.0%	7.1%
North Dallas	9	3.9%	6.8%
North Oak Cliff/West Dallas	9	3.9%	5.2%
Northeast Dallas	11	3.6%	6.5%
Zang Triangle/Cedars/Fair Park	12	3.4%	5.9%
Rockwall/Rowlett/Wylie	13	3.3%	4.4%
Far East Dallas	14	3.1%	6.1%
Southwest Dallas	14	3.1%	5.7%
West Plano	14	3.1%	6.2%
Addison/Bent Tree	17	3.0%	6.7%
Carrollton/Farmers Branch	17	3.0%	6.6%
Grand Prairie	17	3.0%	6.7%
Southeast Dallas	20	2.9%	5.1%
Central/East Plano	21	2.7%	6.1%
Lewisville/Flower Mound	22	2.3%	6.8%
Oak Lawn/Park Cities	22	2.3%	7.2%
Allen/McKinney	24	2.2%	6.5%
Southern Dallas County	25	2.1%	5.0%
Denton	26	2.0%	4.3%
Kaufman County	27	1.7%	3.0%
South Irving	28	1.6%	5.9%
Ellis County	29	1.5%	4.8%
Garland	29	1.5%	6.1%
Hunt County	29	1.5%	2.8%
Mesquite	32	1.4%	5.6%
North Irving	33	1.2%	6.7%
Far North Dallas	34	1.1%	6.8%
Market Average		2.9%	6.0%

*LTA - Long term average 1996 (or available) to current

Concession Value

Concession Value			
Submarket	Rank	4Q22	LTA*
Frisco	1	\$87.00	\$81.33
Intown Dallas	2	\$85.00	\$97.00
Northwest Dallas	3	\$74.00	\$40.87
Richardson	4	\$70.00	\$67.04
Love Field/Medical District	5	\$68.00	\$62.33
The Colony/Far North Carrollton	6	\$67.00	\$71.90
East Dallas	7	\$66.00	\$83.43
Las Colinas/Coppell	8	\$65.00	\$73.92
North Oak Cliff/West Dallas	9	\$64.00	\$42.26
Zang Triangle/Cedars/Fair Pa	10	\$59.00	\$66.22
Rockwall/Rowlett/Wylie	11	\$55.00	\$40.89
Oak Lawn/Park Cities	12	\$53.00	\$94.85
West Plano	12	\$53.00	\$64.48
North Dallas	14	\$51.00	\$56.35
Addison/Bent Tree	15	\$49.00	\$57.52
Carrollton/Farmers Branch	15	\$49.00	\$56.04
Central/East Plano	17	\$48.00	\$57.25
Grand Prairie	17	\$48.00	\$52.43
Northeast Dallas	19	\$47.00	\$44.87
Kaufman County	20	\$42.00	\$24.31
Far East Dallas	21	\$39.00	\$41.25
Lewisville/Flower Mound	21	\$39.00	\$57.58
Allen/McKinney	23	\$37.00	\$59.77
Southeast Dallas	24	\$35.00	\$32.15
Southwest Dallas	25	\$31.00	\$36.00
Denton	26	\$29.00	\$33.38
Southern Dallas County	26	\$29.00	\$39.04
Ellis County	28	\$27.00	\$37.19
South Irving	29	\$22.00	\$43.68
Garland	30	\$21.00	\$46.00
Mesquite	30	\$21.00	\$40.95
North Irving	32	\$18.00	\$54.96
Hunt County	33	\$18.00	\$21.41
Far North Dallas	34	\$15.00	\$51.67
Market Average		\$46.44	\$53.83

*LTA - Long term average 1996 (or available) to current

Dallas-Plano-Irving, TX

Southern Dallas County

Apartment Performance

Effective rent decreased 0.4% from \$1,368 in 3Q22 to \$1,362 in 4Q22. The submarket's annual rent growth rate of 8.1% was below the market average of 8.8%. Out of the 34 submarkets in the market, the Southern Dallas County submarket ranked 17th for quarterly effective rent growth and 22nd for annual effective rent growth for 4Q22. Annual effective rent growth is forecast to be 4.9% in 2023, and average 5.4% through 2024 to 2026. The annual effective rent growth has averaged 3.5% per year since 2Q96.

The submarket's occupancy rate decreased from 95.0% in 3Q22 to 94.0% in 4Q22, and was down from 97.3% a year ago. The submarket's occupancy rate was below the market average of 94.3% in 4Q22. For the forecast period, the submarket's occupancy rate is expected to increase to 95.3% in 2023 and average 93.8% from 2024 to 2026. The submarket's occupancy rate has averaged 94.3% since 2Q96.

New Supply

Based on RealPage's identified supply of properties under construction, the submarket is expected to deliver 0 units in 2022 of which all have been delivered. Overall market deliveries decreased from 20,192 units in 2021 to 16,214 in 2022, and the total is expected to rise to 26,790 units in 2023.

During the last 12 months, 8,659 units were absorbed in lease-up properties across the market with none of them in this submarket. The average absorption rate for lease-up properties in the market was 11 units per property, per month.

Submarket Survey Results and Forecasts

	Sequential				Annual							
	1Q22	2Q22	3Q22	4Q22	Dec-22	2019	2020	2021	2022	2023F	2024F	2025F
Effective Rent Per Unit	\$1,295	\$1,332	\$1,368	\$1,362	\$1,357	\$1,086	\$1,121	\$1,203	\$1,339	\$1,417	\$1,463	\$1,559
Per Sq. Ft	\$1.47	\$1.51	\$1.55	\$1.54	\$1.53	\$1.23	\$1.27	\$1.36	\$1.62	\$1.60	\$1.68	\$1.76
Effective Rent Growth - Annually	12.4%	12.4%	11.8%	8.1%	6.6%	3.7%	4.0%	9.7%	8.1%	4.9%	5.7%	5.2%
Effective Rent Growth - Quarterly	3.1%	2.8%	2.7%	-0.5%								
Occupancy Rate	97.7%	95.8%	95.0%	94.0%	94.0%	95.9%	95.2%	96.3%	95.6%	95.3%	94.4%	94.0%
Occupancy Change - Annually	2.5%	0.2%	-2.1%	-3.2%	-3.6%	1.0%	-0.7%	1.9%	-3.2%	1.4%	-1.4%	-0.1%
Occupancy Change - Quarterly	0.4%	-1.9%	-0.8%	-1.0%								
Economic Concessions												
Concession Value	\$44.00	\$39.00	\$39.00	\$29.00	\$80.00	\$21.00	\$24.75	\$38.75	\$35.25			
As a % of Asking Rent	3.6%	2.6%	2.9%	2.1%	5.9%	2.0%	2.3%	3.2%	2.7%			

Submarket Profile

	Submkt	Market	Rank	Pipeline Delivery Schedule					
				2020	2021	2022	2023	2024	Total
Effective Rent Per Unit	\$1,362	\$1,572	26/34						
Effective Rent Growth - Annually	6.1%	8.8%	21/34						
Effective Rent Growth - Quarterly	-0.5%	-0.9%	16/34						
Occupancy Rate	94.0%	94.3%	25/34						
Occupancy Change - Annually	-3.2%	-2.9%	27/34						
Occupancy Change - Quarterly	-1.0%	-0.9%	22/34						
Concession Value	\$29.00	\$52.00	26/34						
Build Average	1988	1997	26/34						
				Pipeline Lease Up Trend					
				Units Absorbed	Asking Rent	Effective Rent			
				Totals	PPM	Level	Per Ft.	Level	Per Ft.
				8,659	11	\$2,409	\$2.30	\$2,293	\$2.19

*Ranking based on Submarkets with 5 or more Projects

*Trend based on a trailing 12 month period

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Highest and Best Use

Highest and best use is the reasonably probable use of a property that results in the highest value. The four criteria that the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum productivity.

1	Legally Permissible
Possible uses considering the site's legal restrictions (zoning, deed, easements, etc.)	
2	Physically Possible
Possible uses considering the site's physical characteristics	
3	Financially Feasible
Physically possible and legally permissible uses that yield a positive return on invested capital	
4	Maximally Productive
The single use which meets all the prerequisite criteria and yields the greatest return on invested capital	

To develop the highest and best use, which is integral to the development of market value, the property is viewed from two perspectives: the site as if vacant and the property as improved. The highest and best use as improved examines the existing improvements and determines whether continued use, modified use (renovation, conversion, or expansion), or demolition and redevelopment of the site is maximally productive. In addition to consideration of the site's use, the identification of the most likely user and the timing of the identified use are critical to the analysis of the highest and best use.

As Vacant Analysis

Legally Permissible

The highest and best use of vacant land is typically found among those uses that are permitted by the zoning designation or deed restrictions governing the property. The subject is zoned PD-74 by the City of Dallas which is open to a variety of potential uses. There are no known easements, encroachments, covenants, or other use restrictions impacting the subject.

Physically Possible

The test of what is physically possible for the subject site considers the physical and locational characteristics that influence its highest and best use. The site size is adequate for development and displays Generally Level topography with average access and average exposure. The site has access to typical utilities. These attributes allow for a variety of legally permissible uses.

The appraisal principle of conformity, which holds that real estate value is created and sustained when the characteristics of a property conform to the demands of its market, is of particular importance in the analysis of physically possible uses. With consideration for the principal of conformity, the subject is surrounded largely by residential uses with some supportive commercial uses along the primary thoroughfares in the local area.

Financially Feasible

Based on the analysis of the subject market and construction costs, a new property similar to the subject would likely return a typical profit incentive for a developer, given the stable vacancy and increasing rental rates in the competitive market. This data indicates achievable rent levels would support new construction at present.

Maximally Productive

After consideration of all legal, physical, and financially feasible attributes, the development of a multi-family residential property as market conditions warrant is determined to return the highest value of the site, indicating the highest and best use of the site as though vacant.

As Improved Analysis

Legally Permissible

Based upon our analysis of the subject property and zoning, the subject property is a Legal, Conforming. The surrounding uses are supportive of the existing development and further support the physically possible indications that its highest and best use is for continued use as a multi-family residential property.

Physically Possible

The existing improvements are consistent with similar multifamily uses in the area, with a unit mix and amenity package generally consistent with market demands. Based on the physical and locational characteristics, the existing improvements meet the criteria for the continued use as a multi-family residential property.

Financially Feasible

As presented in the Income Approach, the subject is projected to generate positive net income over the holding period. Therefore, continued use as continued use as a multi-family residential property is financially feasible.

Further, alternative uses of the improvements are considered: continued use as is, modification (renovation, expansion, and/or conversion) to an alternate use, or demolition and redevelopment.

As improved, the subject has been well received by the market and continued operation As Is is financially feasible.

Maximally Productive

After consideration of legal, locational, and physical attributes as well as potential alternative uses, it is our opinion that the existing improvements contribute significantly to the site and continued use as a multi-family residential property is appropriate.

Most Probable Buyer

Based on our analysis, the most probable buyer for the subject, as improved, would be a national and regional investor.

Income

The income capitalization approach estimates value by analyzing a property's income generating capacity. This approach assumes that an asset's value is a function of the expected future benefits (cash flows) associated with it. These benefits, or cash flows, include the outflow an investor is willing to pay today in return for the expected inflows each year from normal operations, as well as the expected reversion, or future sale price, achieved at the end of the holding period.

There are three valuation methodologies associated with the income capitalization approach; the direct capitalization method, the yield capitalization (DCF) and the effective gross income multiplier method. The direct cap method consists of estimating the net operating income generated in the next full year of operations, and then capitalizing it, by means of a capitalization (cap) rate, into value. The yield capitalization method, also known as the discounted cash flow (DCF), consists of estimating each individual cash flow expected during the holding period (including the reversion), and discounting each of which to present value by means of a discount rate. The EGIM is derived by dividing the effective gross annual income of each comparable into the sales price. The direct cap method is the simplest of the three, and most commonly relied upon by prospective investors for multifamily properties (except for estimating IRR in equity returns analysis). Because apartment leases are typically 12 months or less, the next year's income estimate is less assumptive and thus more reliable than projecting the multiple cash flows associated with an entire holding period.

Based on the appraisal problem and scope of work previously defined in the Introduction section, the Direct Capitalization analysis was utilized. The EGIM analysis and Discounted Cash Flow method were not developed.

Subject Rents

Analyzing a subject's existing operations provides support for income and occupancy conclusions. Investors typically analyze in-place rents, recent leasing, and occupancy with consideration given to historical and market supported annual changes.

Rent Roll Analysis															
Unit Type	Min SF	Max SF	Avg SF	# of Units	% of Total	Total SF (NRA)	Occ Units	Vacant Units	% Occ	Contract Rent			Quoted Rent		
										Avg	Avg PSF	PGR/Mo	Avg	Avg PSF	PGR/Mo
1-BR	699	878	792	84	56%	66,501	77	7	91.7%	\$1,434	\$1.82	\$110,423	\$1,549	\$1.96	\$130,086
2-BR	1,067	1,276	1,121	66	44%	74,010	65	1	98.5%	\$1,760	\$1.57	\$114,377	\$1,925	\$1.72	\$127,024
Unit Type Detailed			Size SF	# of Units	% of Total	Total SF (NRA)	Occ Units	Vacant Units	% Occ	Contract Rent			Quoted Rent		
										Avg	Avg PSF	PGR/Mo	AVG	Avg PSF	PGR/Mo
A1			699	39	26%	27,261	37	2	94.9%	\$1,303	\$1.86	\$48,198	\$1,410	\$2.02	\$54,981
A2			868	27	18%	23,436	22	5	81.5%	\$1,604	\$1.85	\$35,288	\$1,707	\$1.97	\$46,083
A3			878	18	12%	15,804	18	0	100.0%	\$1,497	\$1.70	\$26,937	\$1,612	\$1.84	\$29,022
B1			1,067	42	28%	44,814	42	0	100.0%	\$1,663	\$1.56	\$69,843	\$1,827	\$1.71	\$76,733
B2			1,157	12	8%	13,884	11	1	91.7%	\$1,896	\$1.64	\$20,854	\$2,042	\$1.76	\$24,503
B3			1,276	12	8%	15,312	12	0	100.0%	\$1,973	\$1.55	\$23,680	\$2,149	\$1.68	\$25,788
Total/Avg			937	150		140,511	142	8	94.7%	\$1,583	\$1.71*	\$224,800	\$1,714	\$1.83	\$257,110

**The calculated overall average contract \$/mo and contract \$/sf is based upon number of occupied units, weighted.

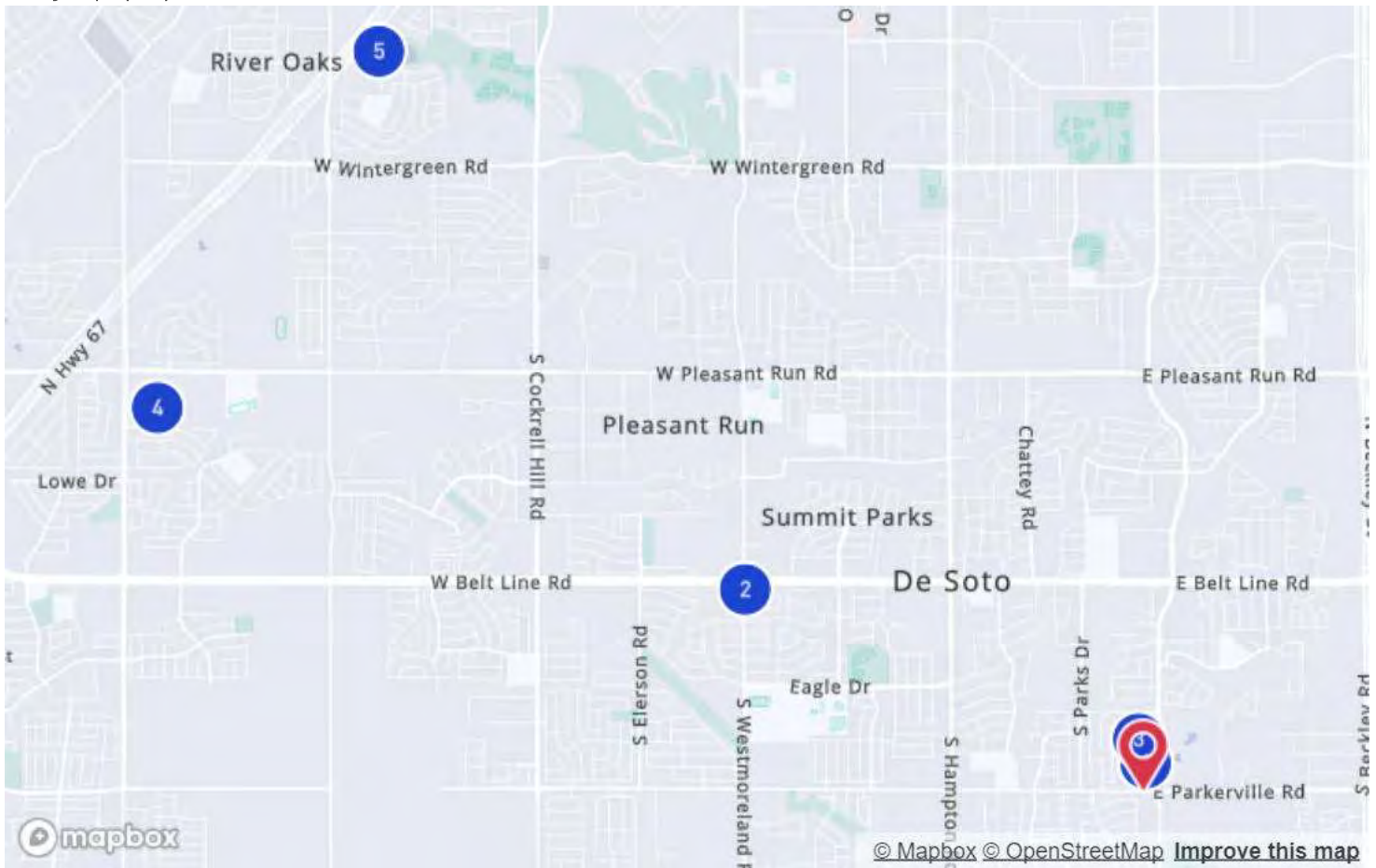
Recent Leases

Recent leases within the last 180/90/60/30 days indicate that rents have started to stabilize or decrease slightly. However, this timeframe typically reflects the slower leasing season and as the summer months approach effective rents are anticipated to trend upwards.

Floor Plan	In-Place Rent by Lease Sign In Date												Avg In-Place Rent
	Last 180	Δ	# Leases	Last 90	Δ	# Leases	Last 60	Δ	# Leases	Last 30	Δ	# Leases	
B2	\$1,942	2.44%	5	\$1,937	2.19%	3							\$1,896
B1	\$1,710	2.80%	20	\$1,772	6.58%	3	\$1,772	6.58%	3	\$1,799	8.18%	2	\$1,663
A2	\$1,627	1.44%	8	\$1,654	3.12%	1	\$1,654	3.12%	1				\$1,604
B3	\$1,998	1.24%	7	\$1,977	0.19%	4	\$1,671	-15.32%	1	\$1,671	-15.32%	1	\$1,973
A1	\$1,355	4.00%	14	\$1,399	7.40%	3	\$1,404	7.78%	1				\$1,303
A3	\$1,568	4.80%	9	\$1,614	7.85%	2	\$1,609	7.52%	1	\$1,609	7.52%	1	\$1,497
Total/Average	\$1,652		62	\$1,757		16	\$1,665		7	\$1,720		4	\$1,583

Rent Comps

Following is a map and summary of the most comparable properties to the subject, which are used to support income and occupancy assumptions for the subject property.



Rent Comps Summary

Comp	Name	Address	YOC	Units	Occ	Avg SF	Rent SF	Avg Rent	Dist. (mi)
Rent 1	The Abigail Apartments	821 S Polk St Desoto TX 75115-7589	2007	198	94%	951	\$1.77	\$1,685	0.10
Rent 2	The Beacon On Westmoreland	120 S Westmoreland Rd Desoto TX 75115-5403	2021	194	95%	849	\$1.93	\$1,635	2.13
Rent 3	Desoto Ranch	801 S Polk St Desoto TX 75115-7573	2002	248	91%	993	\$1.81	\$1,797	0.22
Rent 4	Legacy Of Cedar Hill	720 N Joe Wilson Rd Cedar Hill TX 75104-6134	2003	600	90%	954	\$1.43	\$1,366	5.08
Rent 5	Bella Ruscello	250 E Highway 67 Duncanville TX 75137-4429	2007	216	87%	805	\$1.90	\$1,532	5.09
Subject	Bellwether Ridge	841 S Polk St Desoto TX 75115-7500	2019	150	95%	937	\$1.83	\$1,714	

Rent Comps Analysis

The subject property is considered to be a Class A, Garden community. This section analyzes only the most similar and competitive properties to the subject for comparability. Following is a table summarizing the rent comparables. Adjustments were applied to account for material differences, on the basis of overall location, overall improvements and amenities, utilities inclusions and other adjustments as needed.

Comparable Rents + Adjustments											
	Subject	1	2	3	4	5					
Property Name	Bellwether Ridge	The Abigail Apartments	The Beacon On Westmoreland	Desoto Ranch	Legacy Of Cedar Hill	Bella Ruscello					
City	Desoto	Desoto	Desoto	Desoto	Cedar Hill	Duncanville					
Class	A	B	A	A	A	A					
Building Type	Garden	Garden	Garden	Garden	Garden	Garden					
Units	150	198	194	248	600	216					
Submarket	C+	C+	C+	C+	C+	C+					
Neighborhood	B	B	C	B	B-	B-					
Location	A+	A+	A+	A+	A+	A+					
Amenities	A	A	A	A-	A	A					
Year Built	2019	2007	2021	2002	2003	2007					
Quality	Average	Good	Good	Good	Average-Good	Average-Good					
Condition	Average-Good	Good	Good	Good	Average-Good	Average-Good					
Unit Finishes	Good	Average	Good	Average-Good	Average-Good	Average-Good					
Parking Ratio	1.73		1.88	1.81		1.70					
Occupancy	94.7%	94.4%	94.7%	91.0%	90.0%	87.0%					
Property Adjustments											
Overall Location	B+	0%	0%	0%	0%	0%					
Overall Improvements	B	0%	-5%	-5%	0%	0%					
Amenities	A	0%	0%	0%	0%	0%					
Overall		0%	-5%	-5%	0%	0%					
Utility & Other Adjustments											
	Included in Rent	incl.	adj.	incl.	adj.	incl.	adj.	incl.	adj.	incl.	adj.
Gas			-		-		-		-		-
Electric			-		-		-		-		-
Water/Sewer			-		-		-		-		-
TV/Internet			-		-		-		-		-
Trash			-		-		-		-		-
Total			-		-		-		-		-

Rent Comparable Adjustment Grid

The following tables adjust the comparables to the subject property quantitatively.

RENT COMPARABLE ADJUSTMENT SUMMARY								
COMPARABLE 1	# Units	AVG Size (SF)	EFF. RENT \$/UNIT	ADJUSTMENTS			TOTAL ADJ	ADJUSTED \$/UNIT
				LOCATION	IMPROVEMENTS	AMENITIES		
ALL UNIT TYPES	198	951	\$1,685	\$0	\$0	\$0	\$0	\$1,685
COMPARABLE 2								
ALL UNIT TYPES	194	849	\$1,635	\$0	(\$82)	\$0	(\$82)	\$1,553
COMPARABLE 3								
ALL UNIT TYPES	248	993	\$1,797	\$0	(\$90)	\$0	(\$90)	\$1,707
COMPARABLE 4								
ALL UNIT TYPES	600	954	\$1,366	\$0	\$0	\$0	\$0	\$1,366
COMPARABLE 5								
ALL UNIT TYPES	216	805	\$1,532	\$0	\$0	\$0	\$0	\$1,532
SUBJECT								
ALL UNIT TYPES	150	937	\$1,714	-	-	-	-	\$1,714

Based upon the adjusted rent comparables, it appears that the subject's quoted rents were above market. Therefore, we have projected market rents more in line with the subject's in-place and recent leases.

Potential Gross Rent (PGR)

Considering the most likely rental rates the subject units are each capable of commanding in the market, the overall subject property is projected to generate the potential gross rental income (PGR) before other income, vacancy, and concessions, indicated in the table below.

CALCULATION OF POTENTIAL GROSS RENTAL INCOME									
Floor Plan	# Units	Size (SF)	Quoted Rents				Appraiser's Estimated Market Rents		
			Market Rent	Market Rent/SF	Effective Market Rent	Eff. Market Rent/SF	Market Rent	Market Rent/SF	Total Rent Per Year
1 Bed / 1 Bath	39	699	\$1,410	\$2.02	\$1,410	\$2.02	\$1,375	\$1.97	\$643,500
1 Bed / 1 Bath	27	868	\$1,707	\$1.97	\$1,707	\$1.97	\$1,650	\$1.90	\$534,600
1 Bed / 1 Bath	18	878	\$1,612	\$1.84	\$1,612	\$1.84	\$1,600	\$1.82	\$345,600
2 Bed / 2 Bath	42	1,067	\$1,827	\$1.71	\$1,827	\$1.71	\$1,750	\$1.64	\$882,000
2 Bed / 2 Bath	12	1,157	\$2,042	\$1.76	\$2,042	\$1.76	\$1,925	\$1.66	\$277,200
2 Bed / 2 Bath	12	1,276	\$2,149	\$1.68	\$2,149	\$1.68	\$1,975	\$1.55	\$284,400
Total/Mean	150	937	\$1,714	\$1.85	\$1,714	\$1.85	\$1,649	\$1.79	\$2,967,300

The subject's average effective quoted rents are \$1,714 per unit. We have relied heavily on the subject's average in-place rent, average of the recent leases, and the rent comparables in order to determine market rent.

CALCULATION OF LOSS TO LEASE								
Floor Plan	Size (SF)	Occupied Units	Vacant Units	Actual Face Rents			Estimated Market Rent	Actual Vs. Market
				Total	Average	\$/SF		
1 Bed / 1 Bath	699	37	2	\$48,211	\$1,303	\$1.86	\$1,375	5.5%
1 Bed / 1 Bath	868	22	5	\$35,288	\$1,604	\$1.85	\$1,650	2.9%
1 Bed / 1 Bath	878	18	0	\$26,946	\$1,497	\$1.71	\$1,600	6.9%
2 Bed / 2 Bath	1,067	42	0	\$69,846	\$1,663	\$1.56	\$1,750	5.2%
2 Bed / 2 Bath	1,157	11	1	\$20,856	\$1,896	\$1.64	\$1,925	1.5%
2 Bed / 2 Bath	1,276	12	0	\$23,676	\$1,973	\$1.55	\$1,975	0.1%
Total/Mean	937	142	8	\$224,823	\$1,583	\$1.68	\$1,649	4.1%

Based upon the current rent roll, the subject's actual collected rents average \$1,583 per unit, which equates to \$1.68 per square foot. These current in-place rents are 4.1% less than our estimated market rents. Thus, the majority of the subject's in-place leases are below market and loss-to-lease should trend downward over the next year as leases roll to market terms. Given this situation, we have utilized a loss to lease factor of 2.0%.

Operating Analysis

In our analysis and projection of the subject’s operating expenses, we considered the subject’s reported historical information, operating data from comparables, and survey data, as available.

Market Operating Comparables

The following shows operating data of similar multifamily properties in the market and the data is considered reasonable, representative, and supportive of the subject’s most likely operating expenses to be incurred by prudent ownership.

Operating Comparables												
	1		2		3		4		5		6	
Market	DFW		DFW		DFW		DFW		DFW		Dallas	
Year Built	2019		2008		2013		2012		2017		2018	
#Units	320		399		308		334		247		248	
Expense Year	2021		2022		2022		2022		2021		2022	
Income	%PGR	\$/Unit	%PGR	\$/Unit	%PGR	\$/Unit	%PGR	\$/Unit	%PGR	\$/Unit	%PGR	\$/Unit
PGR - Potential Gross Rent		\$14,662		\$16,989		\$17,415		\$18,594		\$16,421		\$16,182
Loss/(Gain) to Lease	-	-	5.5%	\$942	5.3%	\$919	12.4%	\$2,309	4.3%	\$701	5.8%	\$941
Non-Revenue/Model Units	0.2%	\$36	0.4%	\$75	0.8%	\$134	-	-	-	-	-	-
Vacancy	17.6%	\$2,584	4.0%	\$672	2.5%	\$437	5.0%	\$935	6.0%	\$992	4.7%	\$760
Bad Debt	0.5%	\$69	0.3%	\$49	0.8%	\$134	0.9%	\$160	2.2%	\$361	3.0%	\$478
Concessions	2.8%	\$415	0.8%	\$129	0.7%	\$119	0.0%	\$1	1.1%	\$176	3.0%	\$490
NRI - Net Rental Income		\$11,558		\$15,122		\$15,672		\$15,190		\$14,190		\$13,514
Parking & Storage Income	2.1%	\$305	2.3%	\$383	4.6%	\$797	2.2%	\$406	1.6%	\$259	-	-
Utility Reimbursements	3.9%	\$571	3.3%	\$565	2.7%	\$470	4.5%	\$843	4.3%	\$705	3.2%	\$523
Other Income	4.3%	\$626	6.8%	\$1,152	7.0%	\$1,221	5.8%	\$1,073	3.8%	\$629	10.0%	\$1,625
EGI - Effective Gross Income	89.1%	\$13,060	101.4%	\$17,222	104.3%	\$18,160	94.2%	\$17,512	96.1%	\$15,783	96.8%	\$15,661
Expenses	%EGI	\$/Unit	%EGI	\$/Unit	%EGI	\$/Unit	%EGI	\$/Unit	%EGI	\$/Unit	%EGI	\$/Unit
Real Estate Taxes	21.7%	\$2,837	23.1%	\$3,976	20.7%	\$3,768	23.8%	\$4,168	26.7%	\$4,217	16.5%	\$2,581
Franchise Taxes	-	-	-	-	-	-	0.3%	\$53	0.3%	\$53	-	-
Property Insurance	3.2%	\$420	2.2%	\$374	1.9%	\$350	1.8%	\$319	4.2%	\$661	3.8%	\$603
Trash Removal	1.7%	\$227	0.9%	\$154	0.7%	\$120	1.6%	\$287	1.9%	\$304	2.2%	\$341
Utilities - Gas	-	-	0.0%	\$5	-	-	-	-	0.0%	\$3	-	-
Utilities - Electric	0.7%	\$93	0.9%	\$154	0.9%	\$155	0.7%	\$125	1.1%	\$168	0.4%	\$66
Utilities - Water & Sewer	2.9%	\$384	2.6%	\$445	2.0%	\$357	2.9%	\$500	3.2%	\$498	1.6%	\$247
Repairs & Maintenance	3.2%	\$412	4.2%	\$718	4.2%	\$770	2.7%	\$471	3.6%	\$565	3.6%	\$569
Management	2.8%	\$370	2.5%	\$432	3.1%	\$564	3.0%	\$521	2.7%	\$428	2.9%	\$459
Payroll	10.7%	\$1,399	7.3%	\$1,254	7.2%	\$1,312	7.2%	\$1,259	9.3%	\$1,469	9.7%	\$1,518
Advertising	2.4%	\$316	1.0%	\$173	1.0%	\$183	1.4%	\$243	0.9%	\$139	0.7%	\$107
General & Administrative	2.0%	\$259	2.0%	\$340	2.0%	\$362	1.6%	\$274	1.1%	\$176	1.8%	\$275
Non-Revenue/Model Units	-	-	-	-	-	-	0.7%	\$126	0.8%	\$130	0.3%	\$45
Security Contract	0.3%	\$42	-	-	-	-	-	-	-	-	-	-
Asset Specific	-	-	-	-	-	-	0.4%	\$72	-	-	2.7%	\$427
Total Operating Expenses	51.8%	\$6,759	46.6%	\$8,025	43.7%	\$7,940	48.1%	\$8,418	55.8%	\$8,813	46.2%	\$7,239
Total Operating Expenses Less Property Taxes	30.0%	\$3,922	23.5%	\$4,049	23.0%	\$4,172	24.3%	\$4,250	29.1%	\$4,595	29.7%	\$4,658
NOI - Net Operating Income	48.2%	\$6,301	53.4%	\$9,196	56.3%	\$10,220	51.9%	\$9,094	44.2%	\$6,971	53.8%	\$8,423

Subject Operating History

Following is a summary of the actual incurred and reported expenses by the subject property in recent years; the subject’s historical expenses are considered a reasonable and likely indication of what expenses will be in future years of operation. The operating expense data presented and analyzed herein is based on net rentable area (NRA) in unit count.

Subject Operating History															
	Oct 2022 T-12			Jan 2023 T-12			Jan 2023 T-3			2023 Budget			Appraised Pro Forma		
Income	%PGR	\$/Unit	Total	%PGR	\$/Unit	Total	%PGR	\$/Unit	Total	%PGR	\$/Unit	Total	%PGR	\$/Unit	Total
PGR		\$19,019	\$2,852,780		\$19,597	\$2,939,600		\$20,394	\$3,059,160		\$20,783	\$3,117,480		\$19,782	\$2,967,300
Loss/(Gain) to Lease	6.7%	\$1,265	\$189,750	7.2%	\$1,416	\$212,400	6.8%	\$1,397	\$209,540	5.7%	\$1,176	\$176,468	2.0%	\$396	\$59,346
Vacancy	2.1%	\$404	\$60,643	2.9%	\$574	\$86,081	4.5%	\$927	\$139,048	5.0%	\$1,039	\$155,865	6.0%	\$1,187	\$178,038
Bad Debt	1.47%	\$279	\$41,882	1.56%	\$305	\$45,767	0.79%	\$162	\$24,242	-	-	-	1.5%	\$297	\$44,510
Concessions	0.1%	\$19	\$2,795	0.2%	\$34	\$5,042	0.3%	\$60	\$8,988	-	-	-	-	-	-
NRI		\$17,051	\$2,557,710		\$17,269	\$2,590,310		\$17,849	\$2,677,342		\$18,568	\$2,785,147		\$17,903	\$2,685,407
Parking & Storage Income	1.3%	\$247	\$37,024	1.2%	\$242	\$36,247	1.1%	\$231	\$34,692	-	-	-	1.2%	\$247	\$37,000
Utility Reimbursements	4.5%	\$851	\$127,682	4.6%	\$908	\$136,206	5.0%	\$1,018	\$152,699	-	-	-	4.6%	\$913	\$137,000
Other Income	3.6%	\$679	\$101,842	3.5%	\$678	\$101,745	3.2%	\$652	\$97,813	4.2%	\$880	\$132,050	3.4%	\$680	\$102,000
EGI	99.0%	\$18,828	\$2,824,258	97.4%	\$19,097	\$2,864,508	96.8%	\$19,750	\$2,962,546	93.6%	\$19,448	\$2,917,197	99.8%	\$19,743	\$2,961,407
Expenses	%EGI	\$/Unit	Total	%EGI	\$/Unit	Total	%EGI	\$/Unit	Total	%EGI	\$/Unit	Total	%EGI	\$/Unit	Total
Real Estate Taxes	23.2%	\$4,373	\$656,002	24.7%	\$4,712	\$706,829	39.5%	\$7,793	\$1,169,011	21.2%	\$4,129	\$619,407	24.3%	\$4,796	\$719,458
Franchise Taxes	-	-	-	-	-	-	-	-	-	-	-	-	0.3%	\$65	\$9,802
Property Insurance	2.5%	\$475	\$71,248	2.6%	\$490	\$73,458	2.6%	\$504	\$75,660	2.6%	\$504	\$75,660	2.6%	\$507	\$76,000
Trash Removal	0.4%	\$73	\$10,973	0.4%	\$72	\$10,799	0.4%	\$73	\$11,016	-	-	-	0.4%	\$73	\$11,000
Utilities - Electric	0.7%	\$126	\$18,886	0.7%	\$130	\$19,461	0.7%	\$132	\$19,772	1.7%	\$325	\$48,804	0.7%	\$133	\$20,000
Utilities - Water & Sewer	4.3%	\$818	\$122,755	4.7%	\$889	\$133,374	5.0%	\$985	\$147,751	-	-	-	4.5%	\$893	\$134,000
Repairs & Maintenance	2.9%	\$537	\$80,577	2.9%	\$557	\$83,579	2.9%	\$575	\$86,196	1.9%	\$375	\$56,295	2.8%	\$560	\$84,000
Management	2.74%	\$516	\$77,435	2.76%	\$527	\$79,122	2.91%	\$575	\$86,324	2.87%	\$558	\$83,638	2.75%	\$543	\$81,439
Payroll	7.3%	\$1,378	\$206,639	7.7%	\$1,476	\$221,409	7.4%	\$1,468	\$220,237	7.9%	\$1,545	\$231,761	7.1%	\$1,400	\$210,000
Advertising	0.9%	\$173	\$25,977	0.8%	\$146	\$21,849	0.6%	\$123	\$18,489	1.1%	\$205	\$30,762	0.8%	\$160	\$24,000
General & Administrative	1.2%	\$229	\$34,371	1.1%	\$214	\$32,036	0.9%	\$183	\$27,474	1.2%	\$225	\$33,794	1.2%	\$233	\$35,000
Non-Revenue/Model Units	0.3%	\$66	\$9,840	-	-	-	-	-	-	-	-	-	-	-	-
Security Contract	0.4%	\$71	\$10,698	0.4%	\$77	\$11,498	0.5%	\$101	\$15,200	-	-	-	0.4%	\$80	\$12,000
Replacement Reserves	-	-	-	-	-	-	-	-	-	-	-	-	1.0%	\$200	\$30,000
Total Operating Expenses	46.9%	\$8,836	\$1,325,401	48.6%	\$9,289	\$1,393,414	63.4%	\$12,514	\$1,877,130	40.5%	\$7,867	\$1,180,121	48.9%	\$9,645	\$1,446,699
Total Operating Expenses less Taxes	23.7%	\$4,463	\$669,399	24.0%	\$4,577	\$686,585	23.9%	\$4,721	\$708,119	19.2%	\$3,738	\$560,714	24.6%	\$4,848	\$727,241
NOI	53.1%	\$9,992	\$1,498,857	51.4%	\$9,807	\$1,471,094	36.6%	\$7,236	\$1,085,416	59.5%	\$11,581	\$1,737,076	51.1%	\$10,098	\$1,514,708

Adjustments to PGR

Loss/(Gain) to Lease					Analysis and Conclusion
Subject	\$/Unit	\$/SF	%PGR	Total	Based upon the current rent roll, the current in-place rents are slightly below our estimated market rents. Thus, the majority of the subject's in-place leases are below market and loss-to-lease should trend downward over the next year as leases roll to current market terms. Given this situation, we have utilized a nominal loss to lease factor, which also takes into account current leases that are not increased to market at renewal.
Oct 2022 T-12	\$1,265	\$1.35	6.7%	\$189,750	
Jan 2023 T-12	\$1,416	\$1.51	7.2%	\$212,400	
Jan 2023 T-3	\$1,397	\$1.49	6.8%	\$209,540	
2023 Budget	\$1,176	\$1.26	5.7%	\$176,468	
Conclusion	\$396	\$0.42	2.0%	\$59,346	

Allowances

Vacancy						Analysis and Conclusion
Comps		Date	Units	Vacant	%	Based on the subject's size, location and appeal, the competitive set analysis findings warrant primary consideration. The competitive set analysis indicated a current vacancy rate for directly competitive properties of 8.58%. The submarket level analysis warrants secondary consideration based on its moderate applicability to the subject. The metro level analysis indicated a MPF vacancy rate of 5.7% and a submarket level analysis indicated a MPF vacancy rate of 6.0%. Based on our analysis of supply/demand trends and considering the subject's actual performance, a general vacancy rate of 6.0% is concluded.
Comp 1	The Abigail Apartments	02-21-2023	198	11	5.60%	
Comp 2	The Beacon On Westmoreland	02-21-2023	194	10	5.30%	
Comp 3	Desoto Ranch	02-21-2023	248	22	9.00%	
Comp 4	Legacy Of Cedar Hill	02-21-2023	600	60	10.00%	
Comp 5	Bella Ruscello	02-21-2023	216	28	13.00%	
Total/Avg			1,456	131	9.00%	
Simple AVG					8.58%	
Market Data						
MPF/RealPage	Metro	4Q 2022			5.7	
MPF/RealPage	Submarket	4Q 2022			6.0	
Subject						
Oct 2022 T-12					2.13%	
Jan 2023 T-12					2.93%	
Jan 2023 T-3					4.55%	
2023 Budget					5.00%	
Rent Roll					5.30%	
Conclusion					6.00%	

Bad Debt					Analysis and Conclusion
Subject	\$/Unit	\$/SF	%PGR	Total	
Oct 2022 T-12	\$279	\$0.30	1.47%	\$41,882	Most properties will, at some point, fail to collect rent and incur some bad debt. Typical losses range from 0%-2.0% but can be more or less depending on the market. We considered the asset class, location and typical tenant profile as well as the historical data if available in our conclusion.
Jan 2023 T-12	\$305	\$0.33	1.56%	\$45,767	
Jan 2023 T-3	\$162	\$0.17	0.79%	\$24,242	
2023 Budget	-	-	-	-	
Conclusion	\$297	\$0.32	1.5%	\$44,510	

Historical Concessions					Analysis and Conclusion
Subject	\$/Unit	\$/SF	%PGR	Total	
Oct 2022 T-12	\$19	\$0.02	0.1%	\$2,795	Many comparables utilize daily pricing software which fluctuates rates daily based on supply and demand and exposure to roll over at given times for specific unit types, essentially eliminating the need for concessions. For our analysis we have projected market rents net of concessions. Should concessions be used as a marketing tool, market rents should be increased to offset any concession usage.
Jan 2023 T-12	\$34	\$0.04	0.2%	\$5,042	
Jan 2023 T-3	\$60	\$0.06	0.3%	\$8,988	
2023 Budget	-	-	-	-	
Conclusion	-	-	-	-	

Adjustments & Allowances Conclusions		Analysis and Conclusion
Loss/(Gain) to Lease	2.00%	Our projected economic vacancy considers the in-place operations, local market data and our concluded market rent estimates. In this case we didn't project a significant increase in rents and a minimal loss to lease was required.
Vacancy	6.00%	
Bad Debt	1.50%	

Other Income

Utility Reimbursements						Analysis and Conclusion
Operating Comps	\$/Unit	\$/SF	%PGR	RECAP %	Total	This category includes possible utility charge backs for electricity, water/sewer, gas, and garbage. The subject's tenants reimburse the property for water/sewer and trash. Typically the full 12-month reporting periods will provide the best indicator as utility rates can fluctuate during the warmer and cooler months. Therefore, we have relied on the trailing 12-months figure for our projection. If utility costs differ from our projection, utility reimbursements should offset the majority of the delta.
Comp 1	\$571	\$0.64	3.9%	93.5%	\$182,749	
Comp 2	\$565	\$0.66	3.3%	94.4%	\$225,451	
Comp 3	\$470	\$0.49	2.7%	98.7%	\$144,778	
Comp 4	\$843	\$0.92	4.5%	107.2%	\$281,524	
Comp 5	\$705	\$0.81	4.3%	87.9%	\$174,065	
Comp 6	\$523	\$0.65	3.2%	88.9%	\$129,696	
Comp Average	\$613	\$0.69	3.7%	95.1%	\$189,711	
Subject						
Oct 2022 T-12	\$851	\$0.91	4.5%	95.5%	\$127,682	
Jan 2023 T-12	\$908	\$0.97	4.8%	94.5%	\$136,206	
Jan 2023 T-3	\$1,018	\$1.09	5.2%	96.2%	\$152,699	
2023 Budget	-	-	-	0.0%	-	
Conclusion	\$913	\$0.98	4.6%	94.5%	\$137,000	

Parking & Storage Income						Analysis and Conclusion
Operating Comps	\$/Unit	\$/SF	%PGR	Total	This includes income associated with rentals of attached or detached garages, reserved parking spaces, parking garage fees and/or storage units if available. We concluded based on the subject's historical data.	
Comp 1	\$305	\$0.34	2.3%	\$97,621		
Comp 2	\$383	\$0.45	2.2%	\$152,672		
Comp 3	\$797	\$0.83	4.4%	\$245,375		
Comp 4	\$406	\$0.44	2.3%	\$135,743		
Comp 5	\$259	\$0.30	1.6%	\$63,895		
Comp 6	-	-	-	-		
Comp Average	\$430	\$0.47	2.5%	\$139,061		
Subject						
Oct 2022 T-12	\$247	\$0.26	1.3%	\$37,024		
Jan 2023 T-12	\$242	\$0.26	1.3%	\$36,247		
Jan 2023 T-3	\$231	\$0.25	1.2%	\$34,692		
2023 Budget	-	-	-	-		
Conclusion	\$247	\$0.26	1.2%	\$37,000		

Other Income					Analysis and Conclusion
Operating Comps	\$/Unit	\$/SF	%PGR	Total	Miscellaneous income may be attributed to furniture rent, washer/dryer rental, late charges, lease termination fees, month-to-month fees, NSF fees, pet fees, move-out charges, or any other related charges. Thus, we have leaned on the subject's recent collections for our projection.
Comp 1	\$626	\$0.70	4.8%	\$200,303	
Comp 2	\$1,152	\$1.34	6.7%	\$459,721	
Comp 3	\$1,221	\$1.27	6.7%	\$375,971	
Comp 4	\$1,073	\$1.17	6.1%	\$358,243	
Comp 5	\$629	\$0.72	4.0%	\$155,462	
Comp 6	\$1,625	\$2.03	10.4%	\$402,951	
Comp Average	\$1,054	\$1.21	6.3%	\$325,442	
Subject					
Oct 2022 T-12	\$679	\$0.72	3.6%	\$101,842	
Jan 2023 T-12	\$678	\$0.72	3.6%	\$101,745	
Jan 2023 T-3	\$652	\$0.70	3.3%	\$97,813	
2023 Budget	\$880	\$0.94	4.5%	\$132,050	
Conclusion	\$680	\$0.73	3.4%	\$102,000	

Effective Gross Income

Effective Gross Income					Analysis and Conclusion
Subject	\$/Unit	\$/SF	% Change	Total	Historical trends indicate moderate positive growth which is consistent with our projections. Our EGI projection is approximately 3.38% above the subject's T-12 collections and similar to the T-3 annualized collections. Over the last few months, the subject's recent leases typically reflect an increase of 1% to 8%. Based upon this information our EGI projection is reasonable and well supported by market.
Oct 2022 T-12	\$18,828	\$20.10	-	\$2,824,258	
Jan 2023 T-12	\$19,097	\$20.39	1.4%	\$2,864,508	
Jan 2023 T-3	\$19,750	\$21.08	3.4%	\$2,962,546	
2023 Budget	\$19,448	\$20.76	-1.5%	\$2,917,197	
Conclusion	\$19,743	\$21.08	-	\$2,961,407	

Operating Expenses

Real Estate Taxes					Analysis and Conclusion
Operating Comps	\$/Unit	\$/SF	%EGI	Total	
Comp 1	\$2,837	\$3.17	21.7%	\$907,986	Please see the Real Estate Tax Section of this report for additional information and directly applicable tax comparables as the expense comps presented may be located in varying municipalities.
Comp 2	\$3,976	\$4.62	23.1%	\$1,586,606	
Comp 3	\$3,768	\$3.92	20.7%	\$1,160,520	
Comp 4	\$4,168	\$4.56	23.8%	\$1,392,027	
Comp 5	\$4,217	\$4.84	26.7%	\$1,041,616	
Comp 6	\$2,581	\$3.22	16.5%	\$640,087	
Comp Average	\$3,591	\$4.06	22.1%	\$1,121,474	
Subject					
Oct 2022 T-12	\$4,373	\$4.67	23.2%	\$656,002	
Jan 2023 T-12	\$4,712	\$5.03	24.7%	\$706,829	
Jan 2023 T-3	\$7,793	\$8.32	39.5%	\$1,169,011	
2023 Budget	\$4,129	\$4.41	21.2%	\$619,407	
Conclusion	\$4,796	\$5.12	24.3%	\$719,458	

Franchise Taxes					Analysis and Conclusion
Operating Comps	\$/Unit	\$/SF	%EGI	Total	
Comp 1	-	-	-	-	Franchise Tax is an income tax which depends on numerous scenarios and there are various tax rates that could be imposed on the property owner, if any. Thus, for our analysis we have assumed the subject's owners would qualify for the 0.331% tax rate unless the property's EGI is over \$20 million. If the property has an EGI below \$1,230,000, no franchise tax would be due.
Comp 2	-	-	-	-	
Comp 3	-	-	-	-	
Comp 4	\$53	\$0.06	0.3%	\$17,839	
Comp 5	\$53	\$0.06	0.3%	\$13,060	
Comp 6	-	-	-	-	
Comp Average	\$53	\$0.06	0.3%	\$15,450	
Subject					
Oct 2022 T-12	-	-	-	-	
Jan 2023 T-12	-	-	-	-	
Jan 2023 T-3	-	-	-	-	
2023 Budget	-	-	-	-	
Conclusion	\$65	\$0.07	0.3%	\$9,802	

Property Insurance					Analysis and Conclusion
Operating Comps	\$/Unit	\$/SF	%EGI	Total	This expense includes all premiums and costs incurred for insurance covering structures, public liability, rental value, and equipment. The subject's historical costs fall within the expense comparable range and appear reasonable. Thus, we have projected a similar expense.
Comp 1	\$420	\$0.47	3.2%	\$134,544	
Comp 2	\$374	\$0.44	2.2%	\$149,337	
Comp 3	\$350	\$0.36	1.9%	\$107,851	
Comp 4	\$319	\$0.35	1.8%	\$106,455	
Comp 5	\$661	\$0.76	4.2%	\$163,262	
Comp 6	\$603	\$0.75	3.8%	\$149,452	
Comp Average	\$455	\$0.52	2.9%	\$135,150	
Subject					
Oct 2022 T-12	\$475	\$0.51	2.5%	\$71,248	
Jan 2023 T-12	\$490	\$0.52	2.6%	\$73,458	
Jan 2023 T-3	\$504	\$0.54	2.6%	\$75,660	
2023 Budget	\$504	\$0.54	2.6%	\$75,660	
Conclusion	\$507	\$0.54	2.6%	\$76,000	

Trash Removal					Analysis and Conclusion
Operating Comps	\$/Unit	\$/SF	%EGI	Total	This includes all trash removal and recycling (if applicable) expenses. If there are reimbursements these were considered separately in the respective income categories. Given utility costs are property specific, the conclusion is based on the historical expenses. We note that the majority of the comparables has valet trash service which is not offered at the subject.
Comp 1	\$227	\$0.25	1.7%	\$72,639	
Comp 2	\$154	\$0.18	0.9%	\$61,408	
Comp 3	\$120	\$0.12	0.7%	\$36,863	
Comp 4	\$287	\$0.31	1.6%	\$95,725	
Comp 5	\$304	\$0.35	1.9%	\$74,988	
Comp 6	\$341	\$0.43	2.2%	\$84,582	
Comp Average	\$239	\$0.27	1.5%	\$71,034	
Subject					
Oct 2022 T-12	\$73	\$0.08	0.4%	\$10,973	
Jan 2023 T-12	\$72	\$0.08	0.4%	\$10,799	
Jan 2023 T-3	\$73	\$0.08	0.4%	\$11,016	
2023 Budget	-	-	-	-	
Conclusion	\$73	\$0.08	0.4%	\$11,000	

Utilities - Gas					Analysis and Conclusion
Operating Comps	\$/Unit	\$/SF	%EGI	Total	Gas is not utilized at the subject.
Comp 1	-	-	-	-	
Comp 2	\$5	\$0.01	0.0%	\$1,972	
Comp 3	-	-	-	-	
Comp 4	-	-	-	-	
Comp 5	\$3	\$0.00	0.0%	\$763	
Comp 6	-	-	-	-	
Comp Average	\$4	\$0.00	0.0%	\$1,368	
Subject					
Oct 2022 T-12	-	-	-	-	
Jan 2023 T-12	-	-	-	-	
Jan 2023 T-3	-	-	-	-	
2023 Budget	-	-	-	-	
Conclusion	-	-	-	-	

Utilities - Electric					Analysis and Conclusion
Operating Comps	\$/Unit	\$/SF	%EGI	Total	This includes all associated electric costs for the subject. Given utility costs are property specific, the conclusion is based on the historical expenses. Our projection is supported by the expense comparables. We note that the budget includes all utility costs and appears to be net of reimbursements.
Comp 1	\$93	\$0.10	0.7%	\$29,858	
Comp 2	\$154	\$0.18	0.9%	\$61,282	
Comp 3	\$155	\$0.16	0.9%	\$47,624	
Comp 4	\$125	\$0.14	0.7%	\$41,905	
Comp 5	\$168	\$0.19	1.1%	\$41,597	
Comp 6	\$66	\$0.08	0.4%	\$16,376	
Comp Average	\$127	\$0.14	0.8%	\$39,774	
Subject					
Oct 2022 T-12	\$126	\$0.13	0.7%	\$18,886	
Jan 2023 T-12	\$130	\$0.14	0.7%	\$19,461	
Jan 2023 T-3	\$132	\$0.14	0.7%	\$19,772	
2023 Budget	\$325	\$0.35	1.7%	\$48,804	
Conclusion	\$133	\$0.14	0.7%	\$20,000	

Utilities - Water & Sewer					Analysis and Conclusion
Operating Comps	\$/Unit	\$/SF	%EGI	Total	This includes all water and sewer costs. If service to the units is billed directly from the provider the expense shown is only for common areas, model/vacant units and amenities. If water/sewer is included for tenants this expense is also shown here. If there are reimbursements these were considered separately in the respective income categories and typically include utility billing fees. As this expense is typically property-specific, the conclusion is based on the historical data. Should waster/sewer costs differ from our projection, utility reimbursements will offset the majority of the delta.
Comp 1	\$384	\$0.43	2.9%	\$122,736	
Comp 2	\$445	\$0.52	2.6%	\$177,500	
Comp 3	\$357	\$0.37	2.0%	\$109,855	
Comp 4	\$500	\$0.55	2.9%	\$166,896	
Comp 5	\$498	\$0.57	3.2%	\$123,081	
Comp 6	\$247	\$0.31	1.6%	\$61,364	
Comp Average	\$405	\$0.46	2.5%	\$126,905	
Subject					
Oct 2022 T-12	\$818	\$0.87	4.3%	\$122,755	
Jan 2023 T-12	\$889	\$0.95	4.7%	\$133,374	
Jan 2023 T-3	\$985	\$1.05	5.0%	\$147,751	
2023 Budget	-	-	-	-	
Conclusion	\$893	\$0.95	4.5%	\$134,000	

Repairs & Maintenance					Analysis and Conclusion
Operating Comps	\$/Unit	\$/SF	%EGI	Total	This expense covers the cost of all routine maintenance and repairs that would be reoccurring. The subject's historical R&M costs have increased with the most recent expense falling within the expense comparable range. Therefore, we have projected a R&M expense in line with the subject's current expense.
Comp 1	\$412	\$0.46	3.2%	\$131,851	
Comp 2	\$718	\$0.84	4.2%	\$286,553	
Comp 3	\$770	\$0.80	4.2%	\$237,301	
Comp 4	\$471	\$0.52	2.7%	\$157,253	
Comp 5	\$565	\$0.65	3.6%	\$139,655	
Comp 6	\$569	\$0.71	3.6%	\$141,189	
Comp Average	\$584	\$0.66	3.6%	\$182,300	
Subject					
Oct 2022 T-12	\$537	\$0.57	2.9%	\$80,577	
Jan 2023 T-12	\$557	\$0.59	2.9%	\$83,579	
Jan 2023 T-3	\$575	\$0.61	2.9%	\$86,196	
2023 Budget	\$375	\$0.40	1.9%	\$56,295	
Conclusion	\$560	\$0.60	2.8%	\$84,000	

Management					Analysis and Conclusion
Operating Comps	\$/Unit	\$/SF	%EGI	Total	
Comp 1	\$370	\$0.41	2.83%	\$118,302	For Class A & B assets 2.00% - 4.00% for third party management is adequate when also tested on a \$/unit basis. For smaller properties or Class C assets fees can be higher from 3.0% - 8.0%, depending on scope of management services and on-site staff levels. In recent years additional ownership groups have added third party management platforms and management fees have gotten more aggressive. Frequently buyer budgets are showing third party management contracts to the low aspect of the range but this hasn't yet been reflected in historical operating statements. Overall, we have projected a 2.75% management fee which is supported by the expense comparables.
Comp 2	\$432	\$0.50	2.51%	\$172,531	
Comp 3	\$564	\$0.59	3.11%	\$173,779	
Comp 4	\$521	\$0.57	2.98%	\$174,168	
Comp 5	\$428	\$0.49	2.71%	\$105,807	
Comp 6	\$459	\$0.57	2.93%	\$113,842	
Comp Average	\$463	\$0.52	2.85%	\$143,072	
Subject					
Oct 2022 T-12	\$516	\$0.55	2.74%	\$77,435	
Jan 2023 T-12	\$527	\$0.56	2.76%	\$79,122	
Jan 2023 T-3	\$575	\$0.61	2.91%	\$86,324	
2023 Budget	\$558	\$0.60	2.87%	\$83,638	
Conclusion	\$543	\$0.58	2.75%	\$81,439	

Payroll					Analysis and Conclusion
Operating Comps	\$/Unit	\$/SF	%EGI	Total	
Comp 1	\$1,399	\$1.56	10.7%	\$447,584	This expense consists of all on-site payroll costs including associated taxes, and employee benefits. The subject's historical payroll costs fall within the expense comparable range. Therefore, we have projected a payroll expense similar to historical costs.
Comp 2	\$1,254	\$1.46	7.3%	\$500,337	
Comp 3	\$1,312	\$1.36	7.2%	\$404,117	
Comp 4	\$1,259	\$1.38	7.2%	\$420,519	
Comp 5	\$1,469	\$1.69	9.3%	\$362,856	
Comp 6	\$1,518	\$1.89	9.7%	\$376,513	
Comp Average	\$1,369	\$1.56	8.6%	\$418,654	
Subject					
Oct 2022 T-12	\$1,378	\$1.47	7.3%	\$206,639	
Jan 2023 T-12	\$1,476	\$1.58	7.7%	\$221,409	
Jan 2023 T-3	\$1,468	\$1.57	7.4%	\$220,237	
2023 Budget	\$1,545	\$1.65	7.9%	\$231,761	
Conclusion	\$1,400	\$1.49	7.1%	\$210,000	

Advertising					Analysis and Conclusion
Operating Comps	\$/Unit	\$/SF	%EGI	Total	This includes all associated marketing, advertising and promoting. The subject's historical advertising costs have decreased and fall within the expense comparable range. Therefore, we projected an advertising expense in line with the subject's historical costs.
Comp 1	\$316	\$0.35	2.4%	\$101,097	
Comp 2	\$173	\$0.20	1.0%	\$69,146	
Comp 3	\$183	\$0.19	1.0%	\$56,283	
Comp 4	\$243	\$0.27	1.4%	\$81,186	
Comp 5	\$139	\$0.16	0.9%	\$34,272	
Comp 6	\$107	\$0.13	0.7%	\$26,526	
Comp Average	\$193	\$0.22	1.2%	\$61,418	
Subject					
Oct 2022 T-12	\$173	\$0.18	0.9%	\$25,977	
Jan 2023 T-12	\$146	\$0.16	0.8%	\$21,849	
Jan 2023 T-3	\$123	\$0.13	0.6%	\$18,489	
2023 Budget	\$205	\$0.22	1.1%	\$30,762	
Conclusion	\$160	\$0.17	0.8%	\$24,000	

General & Administrative					Analysis and Conclusion
Operating Comps	\$/Unit	\$/SF	%EGI	Total	This includes office administrative expenses including office supplies, accounting, legal fees, other professional fees, background check expenses, office phone and internet expenses, and personal property taxes. The subject's historical administrative costs have been trending downward with recent costs falling at the low end of the expense comparable range. Therefore, we projected an administrative expense more in line with the expense comparable mean.
Comp 1	\$259	\$0.29	2.0%	\$82,897	
Comp 2	\$340	\$0.39	2.0%	\$135,464	
Comp 3	\$362	\$0.38	2.0%	\$111,350	
Comp 4	\$274	\$0.30	1.6%	\$91,523	
Comp 5	\$176	\$0.20	1.1%	\$43,523	
Comp 6	\$275	\$0.34	1.8%	\$68,149	
Comp Average	\$281	\$0.32	1.7%	\$88,818	
Subject					
Oct 2022 T-12	\$229	\$0.24	1.2%	\$34,371	
Jan 2023 T-12	\$214	\$0.23	1.1%	\$32,036	
Jan 2023 T-3	\$183	\$0.20	0.9%	\$27,474	
2023 Budget	\$225	\$0.24	1.2%	\$33,794	
Conclusion	\$233	\$0.25	1.2%	\$35,000	

Non-Revenue/Model Units					Analysis and Conclusion
Operating Comps	\$/Unit	\$/SF	%EGI	Total	
Comp 1	-	-	-	-	Our payroll projections specifically assume that no employees will receive free rent. If an employee does receive free rent, then there should be a commensurate decrease in salaries. Therefore, we have not projected any income loss from the employees. The subject does not have a model unit or any administrative units. Thus, no income loss is projected.
Comp 2	-	-	-	-	
Comp 3	-	-	-	-	
Comp 4	\$126	\$0.14	0.7%	\$42,104	
Comp 5	\$130	\$0.15	0.8%	\$32,211	
Comp 6	\$45	\$0.06	0.3%	\$11,100	
Comp Average	\$100	\$0.11	0.6%	\$28,472	
Subject					
Oct 2022 T-12	\$66	\$0.07	0.3%	\$9,840	
Jan 2023 T-12	-	-	-	-	
Jan 2023 T-3	-	-	-	-	
2023 Budget	-	-	-	-	
Conclusion	-	-	-	-	

Security Contract					Analysis and Conclusion
Operating Comps	\$/Unit	\$/SF	%EGI	Total	
Comp 1	\$42	\$0.05	0.3%	\$13,423	This includes contract security services. Not all the comps provide this service. Therefore, we have projected an expense similar to the subject's historical costs going forward.
Comp 2	-	-	-	-	
Comp 3	-	-	-	-	
Comp 4	-	-	-	-	
Comp 5	-	-	-	-	
Comp 6	-	-	-	-	
Comp Average	\$42	\$0.05	0.3%	\$13,423	
Subject					
Oct 2022 T-12	\$71	\$0.08	0.4%	\$10,698	
Jan 2023 T-12	\$77	\$0.08	0.4%	\$11,498	
Jan 2023 T-3	\$101	\$0.11	0.5%	\$15,200	
2023 Budget	-	-	-	-	
Conclusion	\$80	\$0.09	0.4%	\$12,000	

Replacement Reserves					Analysis and Conclusion
	\$/Unit	\$/SF	%EGI	Total	
Subject					Reserves for replacements typically average from \$150 to \$350 per unit, depending on number of units, average unit size, and condition of the property. In this instance, the appraisers have utilized a per unit amount of \$200, or \$30,000 which is considered sufficient, if properly invested, to yield the amount necessary for the replacement of items such as appliances, roofs, carpet and parking areas.
Oct 2022 T-12	-	-	-	-	
Jan 2023 T-12	-	-	-	-	
Jan 2023 T-3	-	-	-	-	
2023 Budget	-	-	-	-	
Conclusion	\$200	\$0.21	1.01%	\$30,000	

Total Operating Expenses					Analysis and Conclusion
	\$/Unit	\$/SF	%EGI	Total	
Operating Comps					Our overall projection falls above the expense comparable range but reasonable given our higher projected tax burden and the subject's higher utility costs. We note that our projection includes reserves while none of the expense comparables have reserves included.
Min	\$6,759	\$7.56	43.7%	\$1,795,179	
Max	\$8,813	\$10.12	55.8%	\$3,202,136	
Avg	\$7,866	\$8.92	48.7%	\$2,432,330	
Subject					
Min	\$7,867	\$8.40	40.5%	\$1,180,121	
Max	\$12,514	\$13.36	63.4%	\$1,877,130	
Avg	\$9,627	\$10.28	49.8%	\$1,444,017	
Conclusion	\$9,645	\$10.30	48.9%	\$1,446,699	

Capitalization Rate

The following methods were considered when selecting a capitalization rate for the subject:

- Band of Investment Method
- Debt Service Coverage Ratio Method
- Investor Surveys
- Market Participant Interviews
- Market Extraction (Primary and/or Supplemental Sales)

Band of Investment Method

The Band of Investment Method estimates an overall capitalization rate by weighting mortgage and equity components of the total property investment. The assumptions utilized within the Band of Investment method are consistently applied below.

Band of Investment					
Loan Amortization Period					30 Years
Interest Rate					5.50%
Loan-to-Value (LTV) Ratio					65.00%
Mortgage Constant					6.81%
Equity Dividend Rate					6.00%
Mortgage Component	65.00%	×	6.81%	=	4.43%
Equity Component	35.00%	×	6.00%	=	2.10%
Band of Investment Capitalization Rate					6.53%

The Band of Investment does not reflect the impact of interest only loans. Typical investors are receiving several years of interest only, which is driving cap rates below levels indicated by the Band of Investment analysis.

It should be noted that interest rates have risen faster than cap rates in the local market, creating an environment where many buyers are going into deals with negative leverage. Negative leverage is defined as when the cap rate on a property acquisition is less than the cost of debt or debt constant and therefore, the cash-on-cash return is less than the cap rate. Buyers of multifamily properties are willing to invest with these terms for a number of reasons: one being that they may have capital raised in a fund that they are eager to allocate; another being that they believe rent increases will be high enough to generate positive leverage within a short period of time; and finally, as protection from inflation, which is currently at its highest level in decades. In addition, some investors are of the opinion that interest rates will come back down within the next couple of years. All of these factors are present to some degree and provide support for our concluded equity and mortgage components above, which reflect the inverse of the typical mortgage-equity relationship where the equity component is expected to exceed the mortgage component.

Debt Service Coverage Ratio Method

The Debt Service Coverage Ratio is derived by looking at NOI against the annual debt service. Assumptions for Loan Interest Rate and LTV were applied as was shown above in the Band of Investments.

Debt Service Coverage Ratio	
Concluded Debt Coverage Ratio	1.25
Loan-To-Value Ratio (LTV) Ratio	65.00%
Mortgage Constant	6.81%
Debt Service Coverage Ratio Capitalization Rate	
	5.54%

Investor Surveys

The results of the most recent published survey(s) are presented below. These surveys are published and updated quarterly.

Investor surveys are typically included as a reference point for overall national or regional trends. In the case of the subject, these rates are not directly applicable, and we did not rely on the indications in our conclusion.

Investor Surveys		
Capitalization Rate (OAR)	Range	Average
National Apartments by PwC		
2022 Q4	3.25% to 8.00%	4.89%
2022 Q3	3.00% to 8.00%	4.75%
Southeast Apartments by PwC		
2022 Q4	4.00% to 5.00%	4.30%
2022 Q3	3.00% to 4.50%	4.00%

Market Participants

The following table presents cap rate ranges for similar assets thru market participant interviews with local brokers active in the market.

Market Participant Interviews						
Name	Company	Deal Type	Investment Class	Date	Range	Average
Confidential	Marcus & Millichap	Market Rate	Class A - Actual	2023 Q1	4.00 % to 4.75%	4.25 %
Confidential	IPA	Market Rate	Class A - Actual	2023 Q1	4.25 % to 5.00%	4.75 %
Investment Sales Broker	Confidential	Market Rate	Class A - Actual	2022 Q4	4.50 % to 5.00%	4.75 %
Confidential	Walker & Dunlop	Market Rate	Class A - Actual	2022 Q4	4.25 % to 4.50%	4.25 %

Market participants have indicated that capitalization rates for Class A properties have increased between 25 and 75 basis points since the peak of the market in early 2022.

Market Extraction

The following table illustrates the transaction data for the sales previously presented in the Sales Comparison Approach.

Market Extraction								
Comp	Close Date	Price	# Units	\$/Unit	Avg Unit Size	Occupancy	NOI/Unit	Cap Rate
1	Mar-23	\$80,000,000	336	\$238,095	964	91.8%	\$12,554	5.27%
2	Jan-23	\$81,788,000	322	\$254,000	939	94.2%	\$11,709	4.61%
3	Nov-22	\$32,650,000	112	\$291,518	960	98.0%	\$14,111	4.84%
4	Nov-22	\$81,000,000	300	\$270,000	860	97.0%	\$10,854	4.02%
5	Oct-22	\$90,720,000	336	\$270,000	896	82.7%	\$11,151	4.13%
6	Oct-22	\$66,126,000	321	\$206,000	952	96.0%	\$8,737	4.13%
7	Oct-22	\$76,045,000	227	\$335,000	981	95.0%	\$15,110	4.51%
8	Oct-22	\$58,000,000	285	\$203,509	852	95.5%	\$8,417	4.14%
9	Sep-22	\$41,760,000	248	\$168,387	844	94.0%	\$7,969	4.73%
10	Aug-22	\$64,000,000	252	\$253,968	936	96.8%	\$10,191	4.01%
Avg		\$67,208,900	274	\$249,048	919	94.1%	\$11,080	4.44%

*Sale 1 was under contract as of the effective date of this report.

Based upon our proforma income and expense projections and considering recent upward movement in capitalization rates across the country, a reasonable and applicable cap rate would be at the upper end of the sales between 4.75% and 5.00%. We note that the subject's taxes are projected at approximately 92% of our concluded value which reflects less tax risk in the future. Most of the sales have taxes adjusted between 70% and 90% of the purchase price. Our concluded market value of \$208,000 per unit falls at the low end of the sale comparables.

Capitalization Rate Conclusion

Capitalization Rate Conclusions		
Component	Range	Indicated/Average
Band of Investment		6.53%
DSCR		5.54%
Investor Surveys	3.00% to 8.00%	4.49%
Market Participant Interviews	4.00% to 5.00%	4.50%
Market Extraction	4.01% to 5.27%	4.44%
Concluded Capitalization Rate		4.85%

In our conclusion we placed primary weight on the comparable sales and reported capitalization reported by with market participants at the time.

Income Approach Conclusion

The concluded potential gross rental income, vacancy allowance, and operating expenses are outlined and summarized below, as well as the subject's net operating income conclusion.

Appraised Pro Forma & Direct Cap

Income	%/PGR	\$/SF	\$/Unit	Total/Annum
PGR - Potential Gross Rent		\$21.12	\$19,782	\$2,967,300
Loss/(Gain) to Lease	2.0%	\$0.42	\$396	\$59,346
Vacancy	6.0%	\$1.27	\$1,187	\$178,038
Bad Debt	1.5%	\$0.32	\$297	\$44,510
NRI - Net Rental Income		\$19.11	\$17,903	\$2,685,407
Parking & Storage Income	1.2%	\$0.26	\$247	\$37,000
Utility Reimbursements	4.6%	\$0.98	\$913	\$137,000
Other Income	3.4%	\$0.73	\$680	\$102,000
Total Other Income	9.3%	\$1.96	\$1,840	\$276,000
EGI - Effective Gross Income	99.8%	\$21.08	\$19,743	\$2,961,407
Expenses	%/EGI			
Real Estate Taxes	24.3%	\$5.12	\$4,796	\$719,458
Franchise Taxes	0.3%	\$0.07	\$65	\$9,802
Property Insurance	2.6%	\$0.54	\$507	\$76,000
Trash Removal	0.4%	\$0.08	\$73	\$11,000
Utilities - Electric	0.7%	\$0.14	\$133	\$20,000
Utilities - Water & Sewer	4.5%	\$0.95	\$893	\$134,000
Repairs & Maintenance	2.8%	\$0.60	\$560	\$84,000
Management	2.75%	\$0.58	\$543	\$81,439
Payroll	7.1%	\$1.49	\$1,400	\$210,000
Advertising	0.8%	\$0.17	\$160	\$24,000
General & Administrative	1.2%	\$0.25	\$233	\$35,000
Security Contract	0.4%	\$0.09	\$80	\$12,000
Replacement Reserves	1.0%	\$0.21	\$200	\$30,000
Total Operating Expenses	48.9%	\$10.30	\$9,645	\$1,446,699
Total Operating Expenses Less Property Taxes	24.6%	\$5.18	\$4,848	\$727,241
NOI - Net Operating Income	51.1%	\$10.78	\$10,098	\$1,514,708
Overall Capitalization Rate	4.85%			\$31,231,084
Concluded Value, rounded to the nearest \$100,000		\$222.05	\$208,000	\$31,200,000

Reconciliation

The preceding section of this report derived value indication(s) based on separate and independent appraisal processes. The most comparable data available was researched and analyzed in the various sections of this report. In the final analysis of the subject property, the results of the Income Capitalization Approach herein are considered reliable and well-supported. Following are the final thoughts, conclusions, and estimates of value derived from approach employed.

Summary of Approaches

Sales Comparison Approach

The Sales Comparison Approach is based on the principle of substitution, which states that the limits of prices, rents, and rates tend to be set by the prevailing prices, rents and rates of equally desirable substitutes. While the reliability of the Sales Comparison Approach is strengthened by the general similarity of the locational and physical characteristics of the sales, it is weakened by its failure to capture the subject's future operating potential.

Due to the nature of the assignment, the sales approach was not presented. However, in order to derive an appropriate market capitalization rate for the Income Approach, 10 recent Class A sales were presented. The sales ranged from \$168,387 per unit to \$335,000 per unit. The subject's indicated value of \$208,000 per unit falls within the lower end of the range and is well supported.

Income Capitalization

This approach is typically most heavily weighted by investors for similar assets. There was sufficient historical operating data as well as rent/expense comparable information available for analysis. Investment metrics related to capitalization rates and supply/demand were analyzed and discussed with market participants. The income approach has been awarded primary weight in the final reconciliation of value.

Final Value Conclusion

Primary weight is placed on the income capitalization approach, as the typical buyer for the subject (national and regional investor) is primarily interested in the income-generating capacity of the property. This appraisal is subject to the assumptions and limiting conditions following this section, was conducted and prepared in accordance with the Uniform Standards of Professional Appraisal Practice and reasonably led the appraisers to the following opinion(s) of Retrospective Market Value:

Value Conclusions	
	As Is
Interest	Leased Fee
Date	February 21, 2023
Income Capitalization Approach	\$31,200,000
Final Conclusions	\$31,200,000
\$/Unit	\$208,000

Certification

We certify to the best of our knowledge and belief:

- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are our personal, impartial and unbiased professional analyses, opinions, and conclusions.
- We have no present or prospective interest in the property that is the subject of this report and have no personal interest with respect to the parties involved.
- We have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- Our engagement in this assignment was not contingent upon developing or reporting predetermined results.
- Our compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- Our analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice and the laws, standards or other requirements of the State of Texas.
- Austin Franklin, an appraiser with Apprise and formerly with Colliers, made a personal inspection of the property that is the subject of this report on November 22, 2022.
- Travis Hall (Texas State Registered Appraiser Assistant No. 1342348 Trainee) provided significant real property appraisal assistance to the appraisers signing the certification. Assistance included gathering, analyzing and reporting regional, local area, zoning, and tax information, confirming some of the comparable data, and assisting with portions of the valuation analysis.
- John Jordan has provided real property valuation services as an appraiser for the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment. John Jordan has provided several consecutive annual appraisal reports with the most recent report reflecting an effective date of value as of December 1, 2022. Jason Ribelin and Travis Hall have not provided 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.
- The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Code of Professional Ethics and Standards of Professional Practice of the Appraisal Institute.
- The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
- As of the date of this report, John Jordan has completed the continuing education program for Designated Members of the Appraisal Institute.
- As of the date of this report, Jason Ribelin has completed the Standards and Ethics Education Requirements for Candidates of the Appraisal Institute.



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Addenda

Addendum a
assignment conditions

General Assumptions and Limiting Conditions

In these General Assumptions and Limiting Conditions, "Property" means the property or properties that are the subject of the appraisal report and refers, without limitation, to all associated land (including earth and soil), improvements and property rights. "Appraiser" means each appraiser signing the report or providing assistance in connection with the appraisal and also includes Apprise, Walker & Dunlop, Inc. and its subsidiaries.

This report has been prepared and is subject to the following general assumptions and limiting conditions:

- Unless otherwise stated in the report, it is assumed that title to the Property is clear and marketable and that there are no recorded or unrecorded liens, encumbrances or other matters affecting the Property that would adversely affect marketability or value. No opinion is expressed and no responsibility is assumed for the legal description of the Property or any matters that are legal in nature or that require legal expertise beyond that of a real estate appraiser. Title and legal matters were not part of the scope of work for this assignment.
- The conclusions stated in the report are only as of the effective date of the appraisal. Changes and conditions occurring after that date and market factors will affect the conclusions.
- This report assumes any improvements on the Property are structurally sound, seismically safe, and compliant with all applicable laws, regulations, codes and standards, unless otherwise stated in the report. This report assumes that all building components and systems, including but not limited to HVAC, MEP (mechanical, electrical, plumbing), elevators, roofing, exterior veneers, walls or columns, and other components and systems do not suffer from material deferred maintenance or deficiencies and are free from water intrusion. The Appraiser has no responsibility for the safety, soundness or compliance of such components and systems.
- Unless otherwise stated in the report, it is assumed that there are no hidden or unapparent conditions of the Property that render the Property more or less valuable and that the Property is not affected by the past or current presence of hazardous materials, contamination, asbestos, mold, pollution, infestations, disease causing organisms or other hazardous conditions. The Appraiser is not qualified to detect such conditions. No responsibility is assumed for such conditions or for any expertise or engineering assistance required to discover them. Unless otherwise stated in the report, such matters were not part of the scope of work for this assignment.
- It is assumed that the Property is in compliance with all applicable federal, state and local laws, ordinances, regulations, building standards and codes, use restrictions and zoning unless the lack of compliance is stated in the report. Determining and reporting on such compliance were not part of the scope of work for this assignment.
- It is assumed that all water, sewer facilities and utilities (whether existing or proposed) are or will be in good working order, safe for use, and sufficient to serve the current or proposed uses of the Property. Determining and reporting on such matters were not part of the scope of work for this assignment.
- It is assumed that use of the land and improvements and their construction is confined within the boundaries or property lines of the Property and that there are no encroachments or trespasses unless noted in the report. Determining and reporting encroachments or trespasses were not within the scope of work for this assignment.
- Any estimate of Insurable Replacement Cost, if stated in the report, is based upon figures developed consistent with regular appraisal practices. However, actual local and regional construction costs may vary significantly from the estimate, and individual insurance policies and underwriters have varied specifications, exclusions, and non-insurable items. The Appraiser strongly recommends that estimates be obtained from professionals experienced in establishing appropriate insurance coverage. This analysis should not be relied upon to determine insurance coverage and the Appraiser makes no warranties regarding this estimate.
- The Appraiser has not made any investigation to determine if the Property is in conformity with the Americans with Disabilities Act (ADA) or similar state or local laws or ordinances. It is possible that such an investigation could reveal that the Property is not in compliance with the ADA or similar laws or ordinances. If so, this could have a negative effect on the value and use of the Property.
- The information furnished by external sources, including but not limited to the Property owners or representatives, taxing or regulatory authorities, or related market participants, is thought to be accurate and reliable. Such information includes but is not limited to gross building and net rentable areas, rent rates and schedules, unit mix and sizes, historical financial and operating data, land size, proposed or ongoing improvements, budgets, sale data, or the like. The Appraiser makes no representations regarding information obtained from other sources. As such, if a significant error is discovered in any of the reported information, the Appraiser reserves the right to amend the report and/or value conclusions.

- Unless otherwise stated in the report, no mineral deposits or subsurface rights of value are involved or considered in this appraisal, whether gas, liquid, or solid, nor are any rights associated with extraction or exploration of such elements considered or analyzed. It is also assumed that there are no transferrable air or development rights of value unless otherwise stated. These matters are outside the scope of work for this assignment and of the Appraiser's expertise.
- Any and all furnishings, fixtures, or equipment, except those specifically stated or typically included or traded as a part of real property, were disregarded and not considered in the appraisal.
- Required licenses, permits, certificates of occupancy, consents, or other legislative or administrative authority from any local, state, or national government or private entity or organization are assumed to have been obtained and renewed as necessary for any use on which the value estimate(s) in this report is based.
- Responsible and prudent ownership and reasonably competent property management are assumed.
- Diagrams, plans, charts, sketches, and other illustrative materials in this report are included only to assist the reader in visualizing the Property. The Appraiser makes no warranties about the accuracy of such materials and they should not be used or relied on for any other purpose.
- Any cash flows, analyses of estimated income or forecasts of future economic conditions performed for this appraisal or included in the report are predicated on the information and assumptions contained within the report and are not predictions or guaranties of the future. The achievement of any financial projections or forecast relating to the Property will be affected by fluctuating economic conditions and will depend on other future occurrences that cannot be assured. Actual results will vary from any projections or forecasts stated in the report. The Appraiser does not warrant any projections or forecasts.
- The allocation of the overall property value between land and improvements, if any, applies only under the stated program of utilization. The individual allocations of land and building value may not be used in conjunction with any other analysis.
- The Appraiser is not required to provide any further consultation, testimony, or court appearance with regard to the Property unless agreed to by the Appraiser in writing.
- The contents of this report, in whole or in part (including its value conclusions, market data, or identity of the Appraiser) are confidential and may not be disseminated to the public through advertising, public relations, news, sales, video, or any other media without the prior, written consent of the Appraiser.
- Possession of this report does not carry with it the right of use, reliance, distribution, or publication, unless authorized by the Appraiser in writing.
- The maximum monetary liability of the Appraiser (including Apprise, Walker & Dunlop, Inc. and its subsidiaries) for any and all claims or causes of action relating to the appraisal shall be limited to the total compensation actually received by Apprise for the appraisal. This limitation of liability extends to all types of claims and causes of action, whether in contract or tort, but excludes claims/causes of action for intentionally fraudulent or criminal conduct, or intentionally caused injury. In the event that different limitations of liability are set forth in an engagement agreement for the appraisal between Apprise and its client, however, the limitations in that agreement shall apply between the Appraiser (including Apprise) and the client.
- Use of or reliance on the appraisal, regardless of whether such use or reliance is known or authorized by the Appraiser, constitutes acknowledgement and acceptance of these General Assumptions and Limiting Conditions, any extraordinary assumptions or hypothetical conditions stated in the report, and any other terms and conditions stated in the report. The appraisal should not be used or relied on by any party who is not identified as the client or as an additional intended user in the report or identified in specific reliance language, if any, contained in the report.

Addendum b
glossary

GLOSSARY

Definitions were sourced from The Dictionary of Real Estate Appraisal, Sixth Edition (2015), Uniform Standards of Professional Appraisal Practice (2020-2021), Intragency Appraisal and Evaluation Guidelines, and Marshall Valuation Service / Marshall & Swift.

ARMS-LENGTH TRANSACTION: A transaction between unrelated parties who are each acting in his or her own best interest.

AS IS MARKET VALUE: The estimate of the market value of real property in its current physical condition, use, and zoning as of the appraisal's effective date.

ASSESSED VALUE: The value of a property according to the tax rolls in ad valorem taxation; may be higher or lower than market value or based on an assessment ratio that is a percentage of market value.

BAND OF INVESTMENT: A technique in which the capitalization rates attributable to components of a capital investment are weighted and combined to derive a weighted-average rate attributable to the total investment.

CASH EQUIVALENCY: analytical process in which the sale price of a transaction with non-market-oriented financing or financing with unusual conditions/incentives is converted into a price expressed in terms of cash.

CONFORMITY: Conformity is the appraisal principle that holds that real property value is created and sustained when the characteristics of a property conform to the demands of its market.

CONTRACT RENT: The actual rental income specified in a lease.

CURABLE FUNCTIONAL OBSOLESCENCE: An element of depreciation; a curable defect caused by a flaw in the structure, materials, or design, which can be practically and economically corrected.

DEBT COVERAGE RATIO (DCR): The ratio of net operating income to annual debt service, which measures the relative ability of a property to meet its debt service out of net operating income; also called debt service coverage ratio (DSCR).

DEFERRED MAINTENANCE: Items of wear and tear on a property that should be fixed now to protect the value or income-producing ability of a property.

DEPRECIATION: In appraising, a loss in property value from any cause; the difference between the cost of an improvement on the effective date of the appraisal and the market value of the improvement on the same date.

DIRECT COST: Expenditures for the labor and materials used in the construction of improvements; also called hard costs.

DISCOUNT RATE: Expenditures for the labor and materials used in the construction of improvements; also called hard costs.

DISPOSITION VALUE: The most probable price that a specified interest in real property should bring given the following terms: consummation of sale within a limited future marketing period, current market conditions prevail as of the date of valuation, prudent and knowledgeable buyer and seller, seller is under compulsion to sell and buyer is typically motivated, both parties acting with consideration to best interest, adequate marketing effort made in the limited time allowed to complete the sale, payment made in local currency or other comparable financial arrangements, and the price represents the normal consideration for the property sold, unaffected by special or creative financing or sales concessions. Definition is different from market value, due to the motivation of the seller to dispose within a limited future marketing period.

EASEMENT: The right to use another's land for a stated purpose. Access or right-of-way easements may be acquired by private parties or public utilities. Governments may be the beneficiaries of easements placed on privately owned land that is dedicated to conservation, open space, or preservation.

EFFECTIVE AGE: defined as the age indicated by the condition and utility of a structure. Effective age can be greater or less than actual age. Regular repairs, maintenance, and renovating all influence the effective age of a structure.

EFFECTIVE DATE: The date on which the appraisal or review opinion applies.^{11 SEP}

EFFECTIVE GROSS INCOME (EGI): The anticipated income from all operations of the real estate after an allowance is made for vacancy and collection losses and an addition is made for any other income.

EFFECTIVE GROSS INCOME MULTIPLIER (EGIM): The ratio between the sale price (or value) of a property and its effective gross income.

EFFECTIVE RENT: The rental rate net of financial concessions such as periods of free rent during the lease term and above or below-market tenant improvements (TIs).

ECONOMIC LIFE: Defined as the period over which improvements to real property contribute to property value. Economic life and physical life rarely equate, as the economic life of a structure is typically of shorter duration due to the fluctuating market demands external and unrelated to the physical structure itself. Remaining economic life is the remaining duration, from the date of value, over which the improvements are estimated to contribute value.

ENTREPRENEURIAL INCENTIVE: The amount an entrepreneur expects to receive for his or her contribution to a project. Entrepreneurial incentive may be distinguished from entrepreneurial profit (often referred to as developer's profit) in that it is the expectation of future profit as opposed to the profit actually earned on a development or improvement.

ENTREPRENEURIAL PROFIT: A market-derived figure that represents the amount an entrepreneur receives for his or her contribution to a project and risk; the difference between the total cost of a property (cost of development) and its market value (property value after completion), which represents the entrepreneur's compensation for the risk and expertise associated with development. An entrepreneur is motivated by the prospect of future value enhancement (i.e., the entrepreneurial incentive). An entrepreneur who successfully creates value through new development, expansion, renovation, or an innovative change of use is rewarded by entrepreneurial profit. Entrepreneurs may also fail and suffer losses.

EXCESS LAND: Land that is not needed to serve or support the existing improvement. The highest and best use of the excess land may or may not be the same as the highest and best use of the improved parcel. Excess land has the potential to be sold separately and is valued separately.

EXPOSURE TIME: The estimated length of time that the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal.

EXTERNAL OBSOLESCENCE: A type of depreciation; a diminution in value caused by negative external influences and generally incurable on the part of the owner, landlord, or tenant. The external influence may be temporary or permanent.

EXTRAORDINARY ASSUMPTION: An assignment-specific assumption as of the effective date regarding uncertain information used in an analysis which, if found to be false, could alter the appraiser's opinions or conclusions. Comment: Uncertain information might include physical, legal, or economic characteristics of the subject property; or conditions external to the property, such as market conditions or trends; or the integrity of data used in an analysis.

FAIR MARKET VALUE: As used in condemnation, litigation, income tax, and property tax situations, a term that is similar in concept to market value but may be defined explicitly by the relevant agency.

FEASIBILITY ANALYSIS: A study of the cost-benefit relationship of an economic endeavor.

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

FLOOR AREA RATIO: The relationship between the above-ground floor area of a building, as described by the zoning or building code, and the area of the plot on which it stands; in planning and zoning, often expressed as a decimal.

FUNCTIONAL OBSOLESCENCE: The impairment of functional capacity of improvements according to market tastes and standards.

FURNITURE, FIXTURES, AND EQUIPMENT (FF&E): Business trade fixtures and personal property, exclusive of inventory.

GROSS BUILDING AREA: Total floor area of a building, excluding unenclosed areas, measured from the exterior of the walls of the above-grade area. This includes mezzanines and basements if and when typically included in the market area of the type of property involved.

HIGHEST AND BEST USE: The highest and best use of a property is defined as "the reasonably probable and legal use of vacant land or an improved that is physically possible, appropriately supported, financially feasible, and that results in the highest value."

HYPOTHETICAL CONDITION: A condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results but is used for the purpose of analysis. Comment: Hypothetical conditions are contrary to known facts about physical, legal, or economic characteristics of the subject property; or about conditions external to the property, such as market conditions or trends; or about the integrity of data used in an analysis.

INDIRECT COSTS: Expenditures or allowances for items other than labor and materials that are necessary for construction but are not typically part of the construction contract. Indirect costs may include administrative costs, professional fees, financing costs and the interest paid on construction loans, taxes and the builder's or developer's all-risk insurance during construction, and marketing, sales, and lease-up costs incurred to achieve occupancy or sale. Also referred to as soft costs.

INSURABLE REPLACEMENT COST: The cost estimate, at current prices as of the effective date of valuation, of a substitute for the building being valued, using modern materials and current standards, design and layout for insurance coverage purposes guaranteeing that damaged property is replaced with a new property.

INTERIM USE: The temporary use to which a site or improved property is put until a different use becomes maximally productive.

INVESTMENT VALUE: The value of a property to a particular investor or class of investors based on the investor's specific requirements. Investment value may be different from market value because it depends on a set of investment criteria that are not necessarily typical of the market.

LEASED FEE INTEREST: Freehold (ownership interest) where the possessory interest has been granted to another party by creation of a contractual landlord-tenant relationship (i.e., a lease).

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

LEGALLY NONCONFORMING USE: A use that was lawfully established and maintained, but no longer conforms to the use regulations of its current zoning.

LIFE CYCLE: The three stages of a neighborhood's life cycle are integration (development or growth stage), equilibrium (static or stability stage), and disintegration (decline stage with diminishing demand); in some cases, a neighborhood experiences revitalization (redevelopment stage with increasing demand), and the cycle continues.

MARKET AREA: The geographic region from which a majority of demand comes and in which the majority of competition is located. Depending on the market, a market area may be further subdivided into components such as primary, secondary, and tertiary market areas.

MARKET STUDY: An analysis of the market conditions of supply, demand, and pricing for a specific property type in a specific area.

MARKETABILITY ANALYSIS: The study of how a specific property is expected to perform in a specific market. A marketability analysis expands on a market analysis by addressing a specific property.

NEIGHBORHOOD: A neighborhood is a group of complementary land uses, inhabitants, buildings, or business enterprises. The neighborhood analysis entails the objective analyzing of observable or quantifiable data indicating discernable patterns of urban growth, structure, and change that may detract from or enhance property values; the analysis focuses on the four sets of considerations that influence value: social, economic, governmental, and environmental factors.

NET OPERATING INCOME (NOI): The actual or anticipated net income that remains after all operating expenses are deducted from effective gross income but before mortgage debt service and book depreciation are deducted.

OBSOLESCENCE: One cause of depreciation; an impairment of desirability and usefulness caused by new inventions, changes in design, improved processes for production, or external factors that make a property less desirable and valuable for a continued use; may be either functional or external.

OVERALL CAPITALIZATION RATE (OAR): The relationship between a single year's net operating income expectancy and the total property price or value.

POTENTIAL GROSS INCOME (PGI): The total income attributable to property at full occupancy before vacancy and operating expenses are deducted.

POTENTIAL GROSS INCOME MULTIPLIER (PGIM): The ratio between the sale price (or value) of a property and its annual potential gross income.

QUALITATIVE ADJUSTMENT: An indication that one property is superior, inferior, or the same as another property. Note that the common usage of the term is a misnomer in that an adjustment to the sale price of a comparable property is not made. Rather, the indication of a property's superiority or inferiority to another is used in relative comparison analysis, bracketing, and other forms of qualitative analysis.

QUANTITATIVE ADJUSTMENT: A numerical (dollar or percentage) adjustment to the indicated value of the comparable property to account for the effect of a difference between two properties on value.

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

REPLACEMENT COST: The estimated cost to construct, at current prices as of a specific date, a substitute for a building or other improvements, using modern materials and current standards, design, and layout.

SCOPE OF WORK: The type and extent of research and analysis in an appraisal or appraisal review assignment.

SURPLUS LAND: Land that is not currently needed to support the existing use but cannot be separated from the property and sold off for another use. Surplus land does not have an independent highest and best use and may or may not contribute value to the improved parcel.

USABLE AREA: The area that is actually used by the tenants measured from the inside of the exterior walls to the inside of walls separating the space from hallways and common areas.

USEFUL LIFE: The period of time over which a structure or a component of a property may reasonably be expected to perform the function for which it was designed.

VACANCY AND COLLECTION LOSS: A deduction from potential gross income (PGI) made to reflect income deductions due to vacancies, tenant turnover, and non-payment of rent; also called vacancy and credit loss or vacancy and contingency loss.

Addendum c
photographs



Subject Exterior



Subject Exterior



Subject Exterior



Subject Exterior



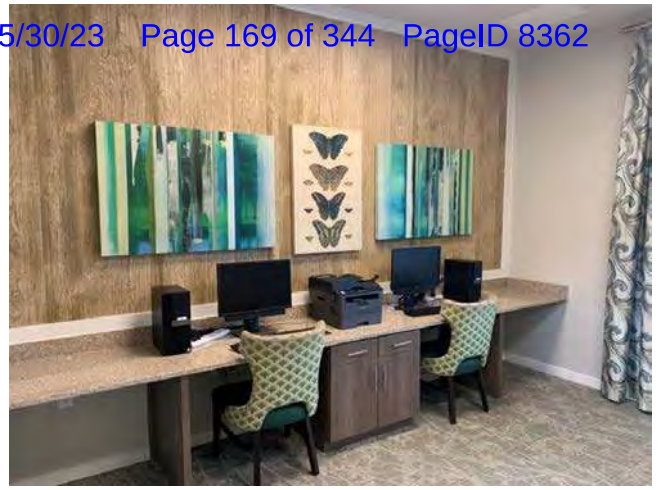
Subject Exterior



Subject Exterior



Fitness Center



Business Center



Leasing Office/Clubhouse



Leasing Office/Clubhouse



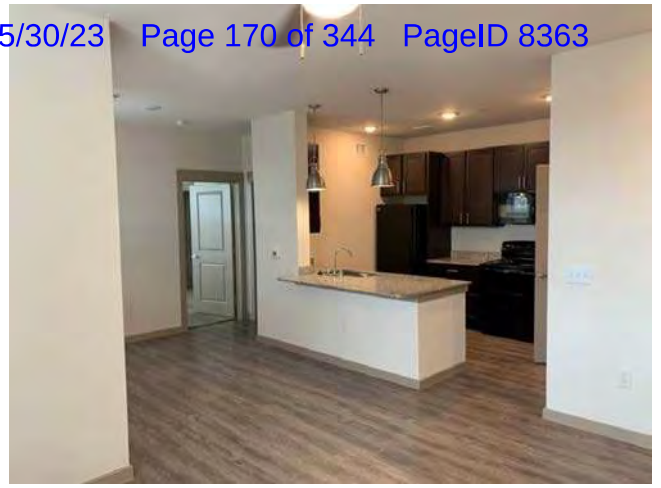
Swimming Pool



Subject Signage



Subject Interior



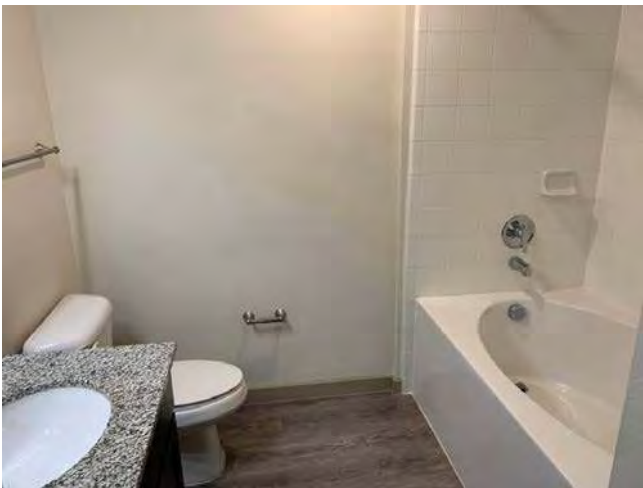
Subject Interior



Subject Interior



Subject Interior

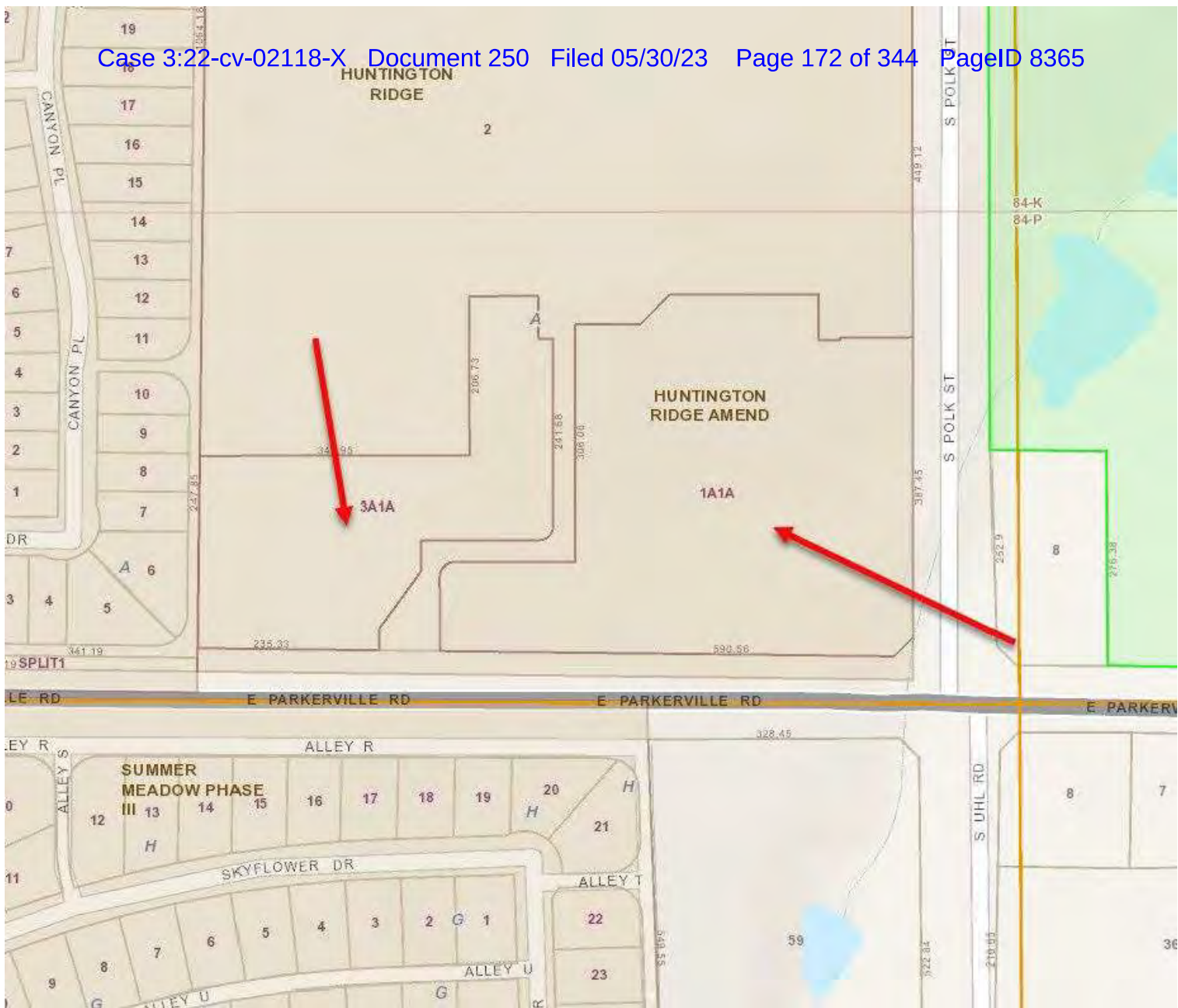


Subject Interior



Subject Interior

Addendum d
site maps

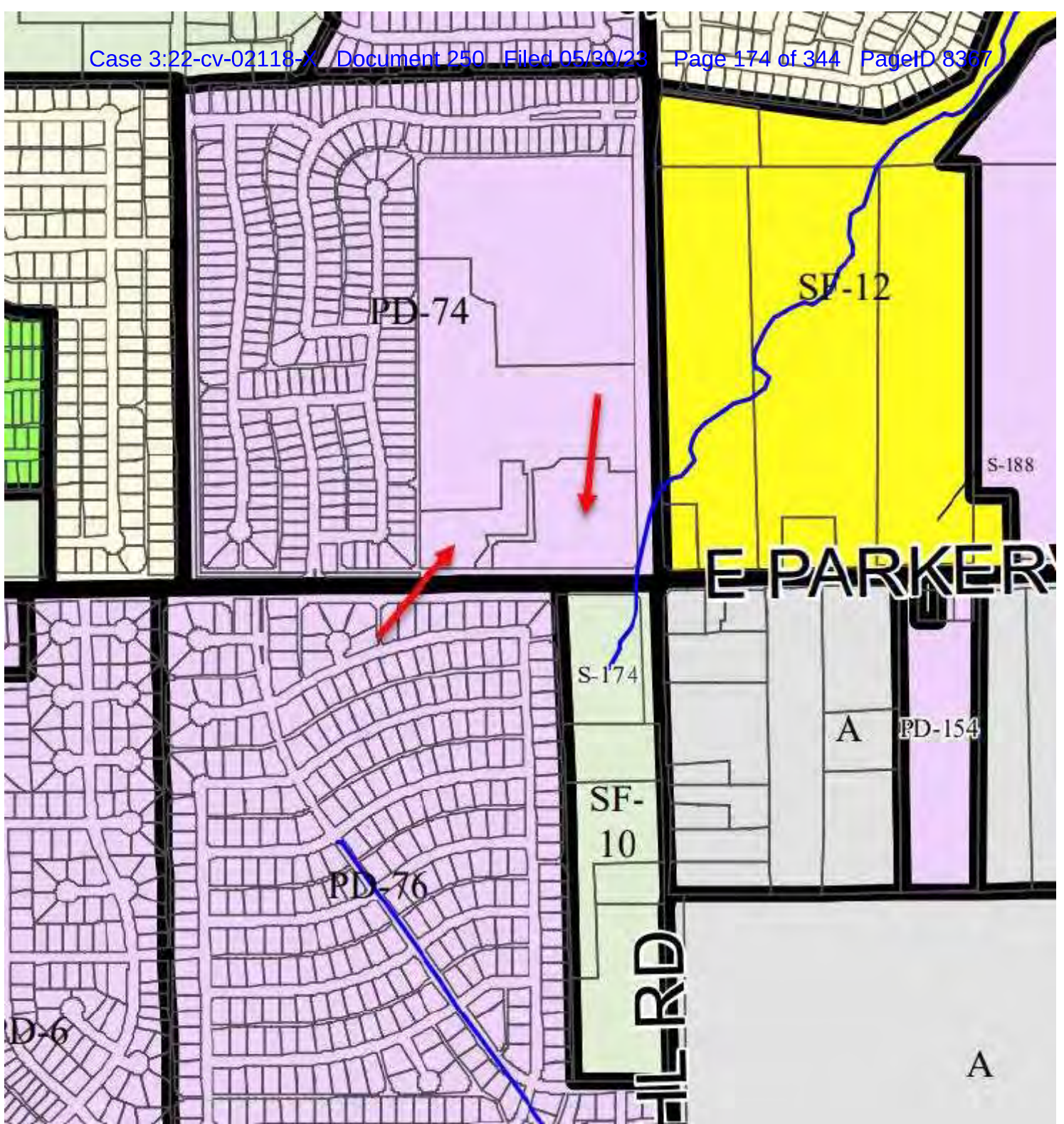




MAP DATA
FEMA Special Flood Hazard Area: No
Map Number: 48113C0630K
Zone: X
Map Date: July 07, 2014
FIPS: 48113

MAP LEGEND
Areas inundated by 500-year flooding
Areas inundated by 100-year flooding
Velocity Hazard
Projected Areas
Floodway
Subject Area

Powered by CoreLogic®

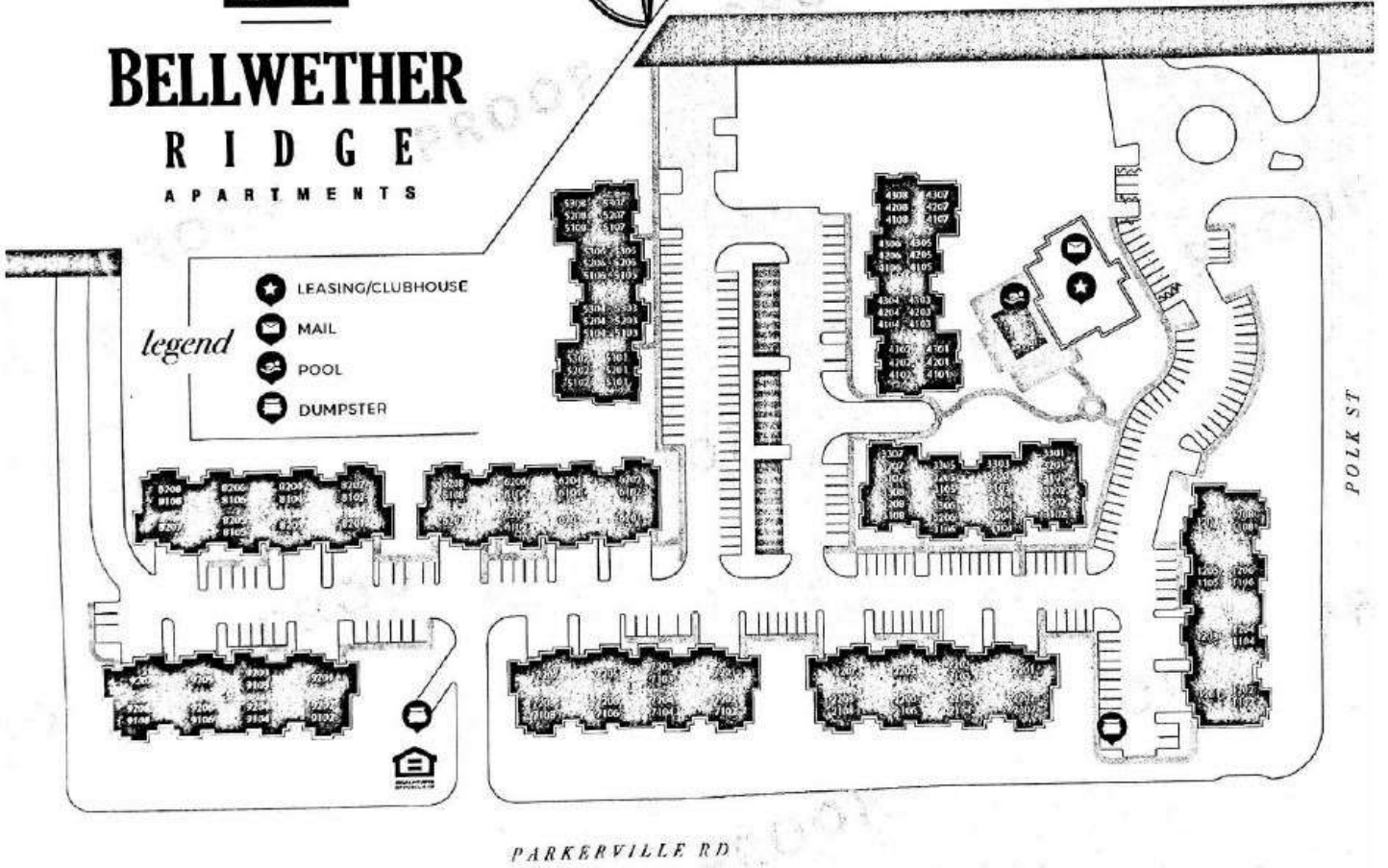




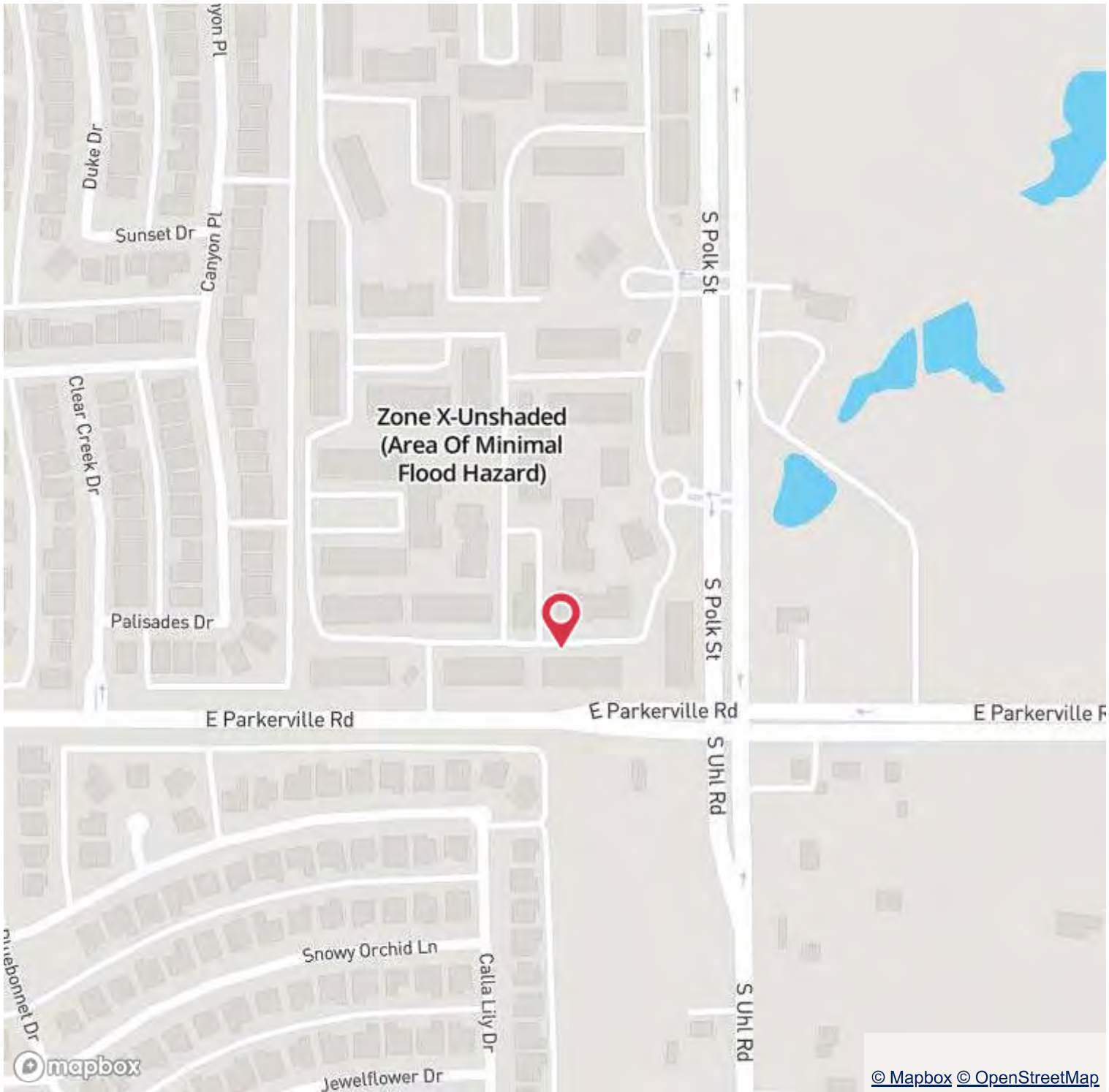
972-223-8000
www.BellwetherRidge.com


BELLWETHER RIDGE APARTMENTS



- legend*
- LEASING/CLUBHOUSE
 - MAIL
 - POOL
 - DUMPSTER





Flood Zones

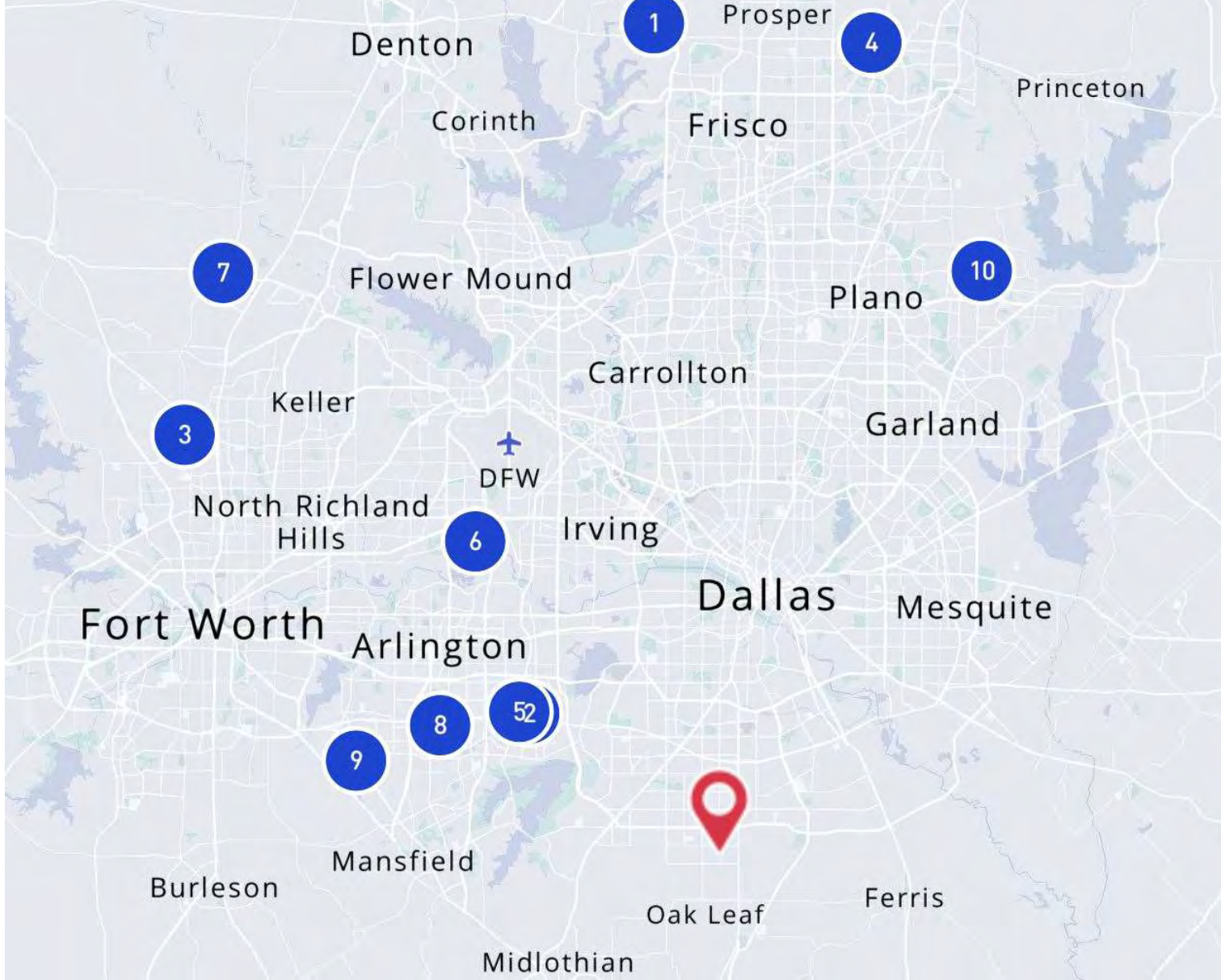


-  Zone X-Shaded
0.2% Annual Chance Flood Hazard

 Zone AE
Regulatory Floodway
-  Zone AE
1% Annual Chance Flood Hazard

 Zone X-Unshaded
Area Of Minimal Flood Hazard
-  Zone A
1% Annual Chance Flood Hazard

Addendum e
sales



Capitalization Rate Comps

Comp	Close Date	Price	# Units	\$/Unit	Avg Unit Size	Occupancy	NOI/Unit	Cap Rate
1	Mar-23	\$80,000,000	336	\$238,095	964	91.8%	\$12,554	5.27%
2	Jan-23	\$81,788,000	322	\$254,000	939	94.2%	\$11,709	4.61%
3	Nov-22	\$32,650,000	112	\$291,518	960	98.0%	\$14,111	4.84%
4	Nov-22	\$81,000,000	300	\$270,000	860	97.0%	\$10,854	4.02%
5	Oct-22	\$90,720,000	336	\$270,000	896	82.7%	\$11,151	4.13%
6	Oct-22	\$66,126,000	321	\$206,000	952	96.0%	\$8,737	4.13%
7	Oct-22	\$76,045,000	227	\$335,000	981	95.0%	\$15,110	4.51%
8	Oct-22	\$58,000,000	285	\$203,509	852	95.5%	\$8,417	4.14%
9	Sep-22	\$41,760,000	248	\$168,387	844	94.0%	\$7,969	4.73%
10	Aug-22	\$64,000,000	252	\$253,968	936	96.8%	\$10,191	4.01%
Avg		\$67,208,900	274	\$249,048	919	94.1%	\$11,080	4.44%

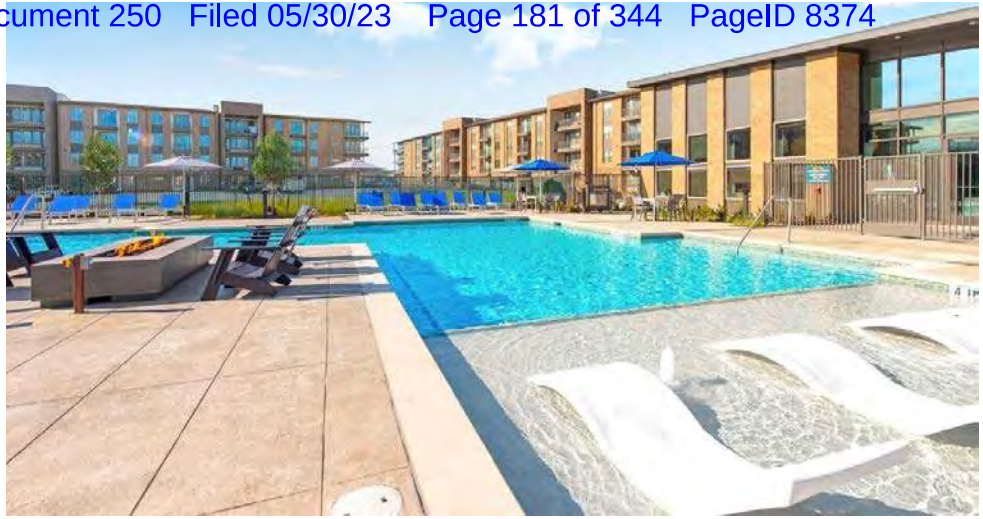


Prose Magnolia

Class A Market-Rate Apartment Complex		336 Units	14864 Fishtrap Rd Aubrey TX 76227-7634				
Property		Units		Transaction			
Market	Dallas (A)	Unit Finishes	Good	Sale			
Submarket	Northwest Denton County (A)	Appliances	High-End Stainless-Steel	Close Date	03/01/2023		
Neighborhood Rating	(A-)	Countertops	Granite	Contract Price	\$80,000,000		
Location Rating	(A+)	Cabinets	Good W/Hardware	Adjustments	\$0		
Building		Primary Flooring	Luxury Vinyl Plank	Adjusted Sale Price	\$80,000,000		
Building	3-Story Garden (B+)	Secondary Flooring	Luxury Vinyl Plank	Adj. Price/Unit	\$238,095		
Construction	Frame, Brick And Wood Siding, Hip, Composite Shingle	Washer/Dryer	Included All Units	Adj. Price/BR	\$158,730		
GBA			Dishwasher, Garbage Disposal, Microwave, Ceiling Fan, Walk-In Closet, Patio Balcony, Tile Backsplash, High/Vaulted Ceilings, Recessed Lighting, Breakfast Bar, Window Coverings And Built-In Shelving	Adj. Price/SF	\$247		
Year Built	2022	Features		Buyer	14864 Fishtrap Rd Owner, LLC		
Quality	Good			Seller	Alliance Residential Company		
NRA	323880			Broker			
Renovated				Broker Company	IPA		
Condition	Good			Broker Phone			
Amenities	Clubhouse, Controlled Access, Business Center, Fitness Center, Resort-Style Pool, Billiards, BBQ Grill, Cabana/Pergola, Outdoor Lounge, Dog Park, Package Locker, Courtyard, Spas, Pools, Businesscenter, Fitness, Washerdryer, Washerdryer Hookuponly, Balcony/Patio (Partial Units), Microwave (All Units) And Elevators			Conditions	Arm's Length		
General		Unit Mix				Income	
Parking Type	Surface	#	Avg Baths	SF Range	Avg SF	Potential Gross Rent	\$20.13/SF \$6,520,000
Parking/Unit	1.15	1-BR	168	1.0 731 - 812	766	Less Vacancy	6.47% \$422,018
Land Area	761428 SF; 17.480 Acres	2-BR	168	2.0 1,105 - 1,185	1,162	Potential Net Rent	\$6,097,982
Density	19	Average		1.5	964	Less: Allowances	
Land-to-Building Ratio	-	Total	336	731 - 1,185	323,880	Other Income & Reimbs	10.28% \$670,000
Floor Area	7.435					Effective Gross Income	\$6,767,982
School District						Less Operating Expenses	37.68% \$2,550,000
County Parcel ID	SD5168A-000000A-0000-0002-0000					Net Operating Income	\$4,217,982
Formerly Known As						NOI/Unit	\$12,554
ID #	6131959					Cap Rate	Actual 5.27%

Comments

Prose Magnolia is a 336-unit, market rate apartment complex that was constructed in 2022. The property is a three-story, garden style community with surface parking. The property reflects new construction and reached 91% occupancy when the property sold. The purchase price was verified by a confidential source directly involved with the transaction. For our proforma, income was based upon in-place figures with slight modifications to market assuming stabilized operations. Expenses were based upon in-place figures with adjustments assuming stabilized operations and taxes adjusted to 80% of the purchase price. The property was actively marketed IPA.



Axis Grand Crossing

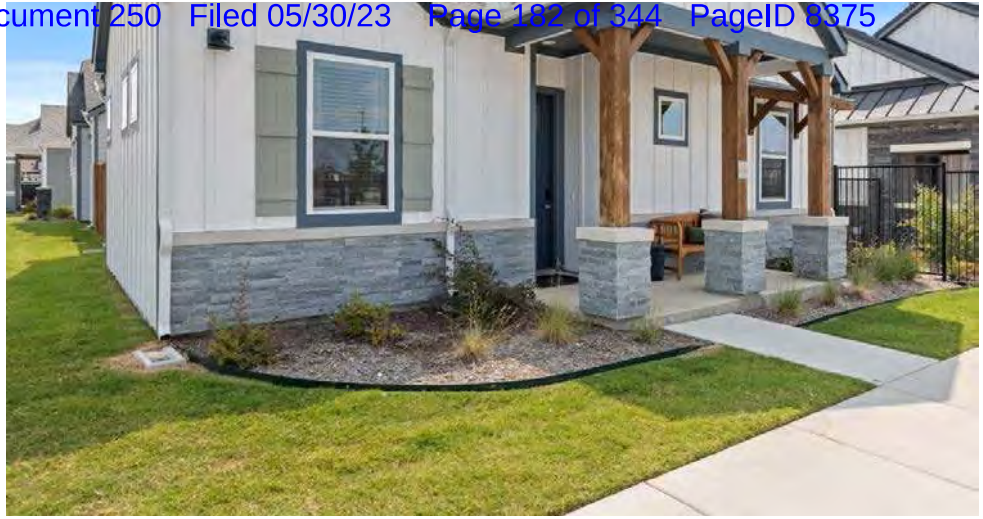
Class A Market-Rate Apartment Complex 322 Units 1661 S Forum Dr Grand Prairie TX 75052-1267

Property		Units		Transaction	
Market	Dallas (A)	Unit Finishes	Excellent	Sale	
Submarket	Grand Prairie (B+)	Appliances	Stainless Steel	Close Date	01/12/2023
Neighborhood Rating	(C+)	Countertops	Granite	Contract Price	\$81,788,000
Location Rating	(A+)	Cabinets	Good W/Hardware	Adjustments	\$0
Building		Primary Flooring	Luxury Vinyl Plank	Adjusted Sale Price	\$81,788,000
Building	4-Story Mid-Rise (A)	Secondary Flooring	Luxury Carpet	Adj. Price/Unit	\$254,000
Construction	Wood, Brick, Sloped, Composite Shingle	Washer/Dryer	Included All Units	Adj. Price/BR	\$179,360
GBA	322000		Dishwasher, Garbage Disposal,	Adj. Price/SF	\$270
Year Built	2022	Features	Microwave, Ceiling Fan, Walk-In Closet,	Buyer	Sherman Residential
Quality	Excellent		Patio Balcony, Built-In Shelving,	Seller	Wood Partners
NRA	302413		Window Coverings And Breakfast Bar	Broker	
Renovated				Broker Company	IPA
Condition	Excellent			Broker Phone	
Amenities	Clubhouse, Leasing Office, Controlled Access, Fitness Center, Business Center, Billiards, Resort-Style Pool, BBQ Grill, Package Locker And Private Garages			Conditions	Arm's Length
				Recording Info	N/A
				Verification	WDIS
				Originator/Lender	

General		Unit Mix				Income		
Parking Type	Attached Garage And Surface	#	Avg Baths	SF Range	Avg SF	Potential Gross Rent	\$0.00/SF	\$0
Parking/Unit	1.09	Studio	20	1.0	673 - 673	673	Less Vacancy	
Land Area	629442 SF; 14.450 Acres	1-BR	183	1.0	722 - 849	789	Potential Net Rent	
Density		2-BR	104	1.8	1,127 - 1,223	1,181	Less: Allowances	
Land-to-Building Ratio	1.95:1	3-BR	15	2.8	1,450 - 1,450	1,450	Other Income & Reimbs	
Floor Area	6.942	Average		1.3		939	Effective Gross Income	\$0
School District		Total	322		673 - 1,450	302,413	Less Operating Expenses	
County Parcel ID	65-03951-101-002-0000						Net Operating Income	\$3,770,427
Formerly Known As	Alta Grand Crossing						NOI/Unit	\$11,709
ID #	6135778						Cap Rate	Actual 4.61%

Comments

Axis Grand Crossing, fka Alta Grand Crossing is a 322-unit, market rate apartment complex that was constructed in 2022. The property display excellent finish out and a high level of amenities. The purchase price and in-place cap rate were confirmed by parties privy to the transaction.



Horizon at Ridgeview

Class A Market-Rate Apartment Complex 112 Units 1000 E Harmon Rd, Fort Worth TX 76131-3302

Property	
Market	Fort Worth (A-)
Submarket	Northwest (A)
Neighborhood Rating	(A-)
Location Rating	(A)
Building	
Building	1-Story Garden (B+)
Construction	Frame And Brick, Brick, Wood Siding And Tile, Gable, Composite Shingle
GBA	107490
Year Built	2021
Quality	Good
NRA	107490
Renovated	
Condition	Good
Amenities	Controlled Access, Gated Parking, Pool, BBQ Grill And Dog Park

Units	
Unit Finishes	Good
Appliances	Stainless Steel
Countertops	Granite
Cabinets	Good W/Hardware
Primary Flooring	Luxury Vinyl Plank
Secondary Flooring	
Washer/Dryer	Included
Features	Dishwasher, Garbage Disposal, Microwave, Ceiling Fan, Walk-In Closet, Patio Balcony, Tile Backsplash, High/Vaulted Ceiling And Recessed Lighting

Transaction	
Sale	
Close Date	11/10/2022
Contract Price	\$32,650,000
Adjustments	\$0
Adjusted Sale Price	\$32,650,000
Adj. Price/Unit	\$291,518
Adj. Price/BR	\$142,576
Adj. Price/SF	\$304
Buyer	Starboard Ridgeview DST
Seller	NEXMETRO Fossil Creek LP
Broker	
Broker Company	
Broker Phone	
Conditions	Arm's Length
Recording Info	
Verification	Appraiser
Originator/Lender	

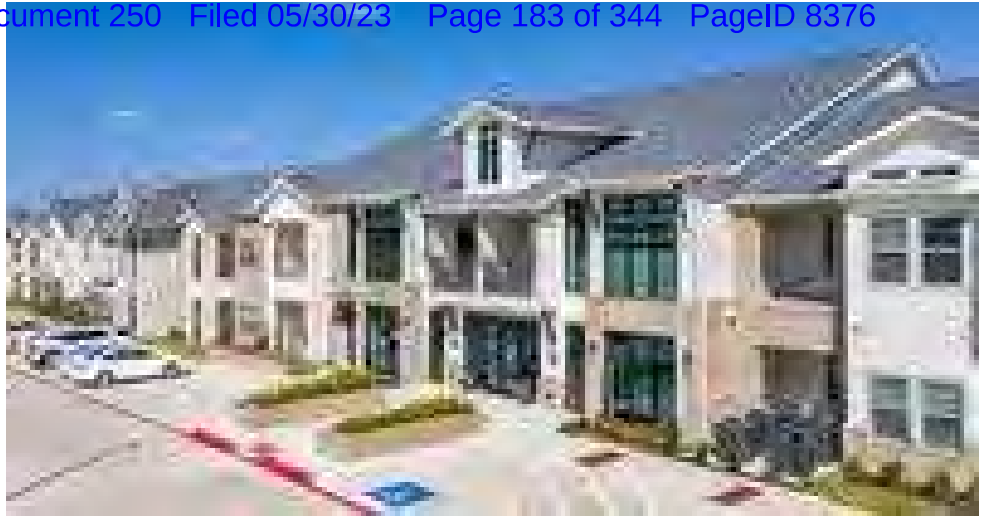
General	
Parking Type	Attached Garage And Street
Parking/Unit	
Land Area	625193 SF; 14.352 Acres
Density	7
Land-to-Building Ratio	5.82:1
Floor Area	2,468
School District	
County Parcel ID	42611251
Formerly Known As	
ID #	6137686

Unit Mix				
	#	Avg Baths	SF Range	Avg SF
1-BR	30	1.0	637 - 637	637
2-BR	47	2.0	960 - 960	960
3-BR	35	2.0	1,236 - 1,236	1,236
Average		1.7		960
Total	112		637 - 1,236	107,490

Income		
Potential Gross Rent	\$27,20/SF	\$2,923,200
Less Vacancy	7.00%	\$204,624
Potential Net Rent		\$2,718,576
Less: Allowances		
Other Income & Reimbs	11.70%	\$342,000
Effective Gross Income		\$3,060,576
Less Operating Expenses	48.36%	\$1,480,200
Net Operating Income		\$1,580,376
NOI/Unit		\$14,111
Cap Rate		4.84%

Comments

The property was in good condition and 92% occupied at the time of sale. The purchase price was verified by the purchase and sales agreement. The purchase price reflects a 4.05% capitalization rate based upon the T-11 annualized income and expenses with \$200 per unit in reserves. For our proforma, income was based upon in-place figures with slight modifications to market. Expenses were based upon in-place figures with several categories decreased to market terms and a projected increase in taxes. The property was actively marketed by Berkadia.



Gray Branch Luxury Apartments

Class A Market-Rate Apartment Complex		300 Units	1760 N Ridge Rd, McKinney TX 75071					
Property		Units		Transaction				
Market	Dallas (A)	Unit Finishes	Very-Good	Sale				
Submarket	Plano/Allen/McKinney (A)	Appliances	Black	Close Date	11/01/2022			
Neighborhood Rating	(A-)	Countertops	Granite	Contract Price	\$81,000,000			
Location Rating	(A+)	Cabinets	Good W/Hardware	Adjustments	\$0			
Building		Primary Flooring	Real Hardwood	Adjusted Sale Price	\$81,000,000			
Building	2-Story Garden (A-)	Secondary Flooring	Luxury Carpet	Adj. Price/Unit	\$270,000			
Construction	Frame And Wood, Combination, Wood Siding And Brick Veneer, Gable, Composite Shingle	Washer/Dryer	Included All Units	Adj. Price/BR	\$197,561			
GBA	366759	Features	Patio Balcony, Dishwasher, Garbage Disposal, Walk-In Closet, Microwave, Ceiling Fan, Tile Backsplash, High/Vaulted Ceilings, Pendant Lighting, Recessed Lighting, Window Coverings, Breakfast Bar And Built-In Shelving	Adj. Price/SF	\$314			
Year Built	2020			Buyer	Magellan Development			
Quality	Good			Seller	Cross Development			
NRA	258136			Broker	Roberto Casas			
Renovated				Broker Company	JLL			
Condition	Excellent			Broker Phone	(469) 232-1939			
Amenities	BBQ Grill, Clubhouse, Fitness Center, Pool, Sport Court, Dog Park, Picnic Area, Controlled Access, Gated Parking, Leasing Office, Business Center, On-Site Manager, Spa, Volleyball Court And Yard Games			Conditions	Arm's Length			
				Recording Info	0160450			
				Verification	WDIS			
				Originator/Lender				
General		Unit Mix				Income		
Parking Type	Surface, Attached Garage And Detached Garage	#	Avg Baths	SF Range	Avg SF	Potential Gross Rent	\$0.00/SF	\$0
Parking/Unit	1.82	1-BR	198	1.0	597 - 946	743	Less Vacancy	
Land Area	803856 SF; 18.454 Acres	2-BR	94	1.8	993 - 1,234	1,073	Potential Net Rent	
Density	16	3-BR	8	1.8	1,260 - 1,260	1,260	Less: Allowances	
Land-to-Building Ratio	2.19:1	Average		1.3		860	Other Income & Reimbs	
Floor Area	5.926	Total	300		597 - 1,260	258,136	Effective Gross Income	\$0
School District	McKinney ISD						Less Operating Expenses	
County Parcel ID	R2762742						Net Operating Income	\$3,256,200
Formerly Known As							NOI/Unit	\$10,854
ID #	6114967						Cap Rate	Actual 4.02%

Comments

Gray Branch Luxury Apartments is a 300-unit class A, garden style apartment complex in McKinney, TX. The eight building two-story property was built in 2020 and displays a high end finish of its units and offers a number of typical amenities for its classification such as a pool, volleyball court, pet park, fitness center, clubhouse and controlled access/gated parking. The property was sold November 1st by Cross Development to Magellan Development in an arms length transaction. The seller was represented by JLL. The sale price and cap rate information were provided by parties privy to the transaction.



Copeland

Class A Market-Rate Apartment Complex 336 Units 2045 S Forum Dr Grand Prairie TX 75052-1190

Property	
Market	Dallas (A)
Submarket	Grand Prairie (B+)
Neighborhood Rating	(B)
Location Rating	(A+)
Building	
Building	3-Story Garden (A)
Construction	Wood, Combination, Flat,
GBA	340000
Year Built	2022
Quality	Excellent
NRA	301121
Renovated	
Condition	Excellent
Amenities	Clubhouse, Controlled Access, Fitness Center, Pool, Business Center, Resort-Style Pool, BBQ Grill, Outdoor Lounge, Dog Park, Package Locker And Electric Vehicle (EV) Charging Stations Available On Site.

Units	
Unit Finishes	Excellent
Appliances	High-End Stainless-Steel
Countertops	Quartz
Cabinets	Good W/Hardware
Primary Flooring	Basic Vinyl Plank
Secondary Flooring	Basic Carpet
Washer/Dryer	Included All Units
Features	Dishwasher, Garbage Disposal, Microwave, Ceiling Fan, Walk-In Closet, Patio Balcony, Tile Backsplash, Pendant Lighting And Window Coverings

Transaction	
Sale	
Close Date	10/20/2022
Contract Price	\$90,720,000
Adjustments	\$0
Adjusted Sale Price	\$90,720,000
Adj. Price/Unit	\$270,000
Adj. Price/BR	\$183,273
Adj. Price/SF	\$301
Buyer	Copeland Grand Prairie LLC
Seller	KIW Grand Prairie Venture LLC
Broker	
Broker Company	CBRE
Broker Phone	
Conditions	Arm's Length
Recording Info	20220276195
Verification	Confidential
Originator/Lender	

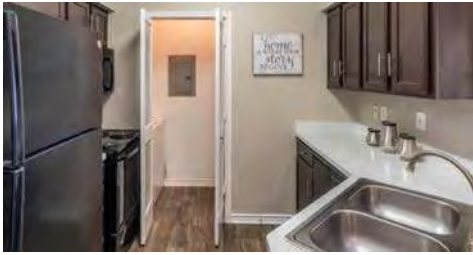
General	
Parking Type	Carport, Attached Garage And Surface
Parking/Unit	1.82
Land Area	SF; Acres
Density	
Land-to-Building Ratio	-
Floor Area	6,913
School District	Grand Prairie ISD
County Parcel ID	280665800A0010000, 280665800A0020000
Formerly Known As	Forum At Sara Jane, Wolff Multifamily
ID #	6133189

Unit Mix				
	#	Avg Baths	SF Range	Avg SF
1-BR	198	1.0	624 - 936	724
2-BR	117	2.0	993 - 1,307	1,114
3-BR	21	2.0	1,309 - 1,309	1,309
Average		1.4		896
Total	336		624 - 1,309	301,121

Income		
Potential Gross Rent	\$0.00/SF	\$0
Less Vacancy		
Potential Net Rent		
Less: Allowances		
Other Income & Reimbs		
Effective Gross Income		\$0
Less Operating Expenses		
Net Operating Income		\$3,746,736
NOI/Unit		\$11,151
Cap Rate	Actual	4.13%

Comments

Copeland is a 336 unit, market-rate apartment complex that was constructed in 2022. The property is a three-story, garden style community with surface and garage parking. The purchase price was confirmed by confidential parties privy to the transaction. No cap rate information or unusual sale conditions were reported. The property recently completed construction and is almost stabilized as of the sale date.



Station 3700

Class B Market-Rate Apartment Complex 321 Units 3700 Post Oak Blvd, Euless TX 76040-7577

Property		Units		Transaction	
Market	Fort Worth (A-)	Unit Finishes	Average-Good	Sale	
Submarket	North Arlington (B+)	Appliances	Black And White	Close Date	10/12/2022
Neighborhood Rating	(A+)	Countertops	Epoxy-Surfaced	Contract Price	\$66,126,000
Location Rating	(B)	Cabinets	Good, No Hardware	Adjustments	\$0
Building		Primary Flooring	Basic Vinyl Plank	Adjusted Sale Price	\$66,126,000
Building	3-Story Low-Rise (B)	Secondary Flooring	Basic Carpet	Adj. Price/Unit	\$206,000
Construction	Wood, Masonry, Sloped, Composite Shingle	Washer/Dryer	Connections	Adj. Price/BR	\$111,511
GBA	305751	Features	Breakfast Bar, Ceiling Fan, Dishwasher, Garbage Disposal, High/Vaulted Ceilings, Microwave, Patio Balcony, Recessed Lighting, Walk-In Closet And Window Coverings	Adj. Price/SF	\$216
Year Built	2001		Buyer	Station 3700 MF, LP	
Quality	Average-Good		Seller	Noel Management	
NRA	305751		Broker		
Renovated				Broker Company	NGKF
Condition	Average-Good			Broker Phone	
Amenities	Business Center, Clubhouse, Controlled Access, Fitness Center, Gated Parking, BBQ Grill, Leasing Office, Package Locker And Pool			Conditions	Arm's Length
				Recording Info	D222246811
				Verification	Confidential
				Originator/Lender	

General		Unit Mix				Income			
Parking Type	Carport And Surface	#	Avg Baths	SF Range	Avg SF	Potential Gross Rent	\$19.31/SF	\$5,904,037	
Parking/Unit	1.87	1-BR	96	1.0	745 - 782	764	Less Vacancy	5.00%	\$295,202
Land Area	561440 SF; 12.889 Acres	2-BR	178	1.8	913 - 1,020	985	Potential Net Rent		\$5,608,835
Density	24.9	3-BR	47	2.0	1,217 - 1,217	1,217	Less: Allowances		
Land-to-Building Ratio	1.84:1	Average		1.6		952	Other Income & Reimbs		
Floor Area	7,019	Total	321		745 - 1,217	305,751	Effective Gross Income		\$5,608,835
School District							Less Operating Expenses	50.00%	\$2,804,418
County Parcel ID	07064136; 07064144						Net Operating Income		\$2,804,417
Formerly Known As	Bluffs At Paradise Creek, The, Paradise Hills						NOI/Unit		\$8,737
ID #	6107002						Cap Rate	Pro Forma	4.13%

Comments

Station 3700 is a 321-unit, market rate apartment complex that was constructed in 2001. It was reported that the property was renovated in 2015; however, no details on the number of units or depth of the renovation. This was an arms-length sale of a Class B, unrestricted garden style apartment complex. The transaction was brokered by NGKF. The sale information was provided by confidential parties privy to the transaction. The pro forma cap rate is based on the rents at the time of sale, a 95% occupancy rate, and a 50% operating expense ratio.



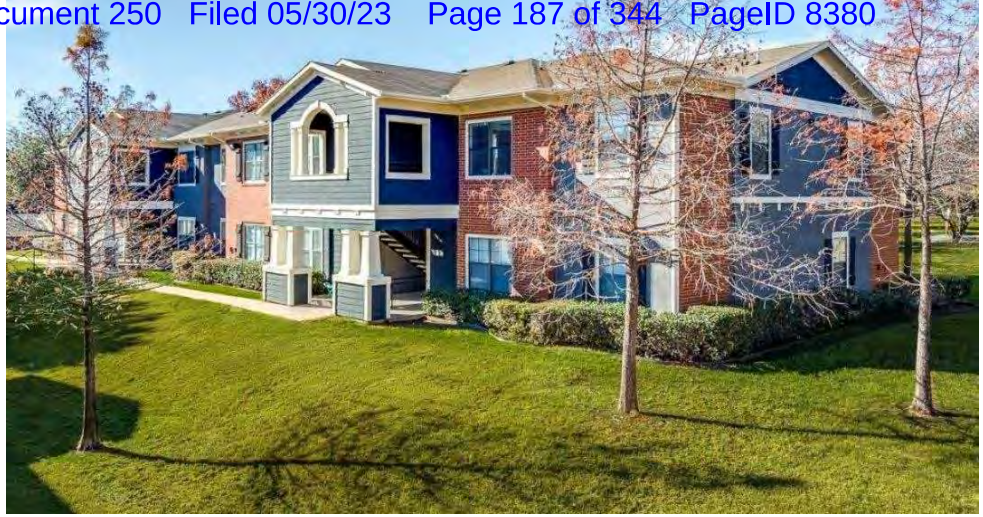
Avilla Reserve

Class A Independent Living Facility		227 Units	11049 State Hwy 114		
Property		Units		Transaction	
Market	Dallas (B)	Unit Finishes	Good	Sale	
Submarket	Northwest Denton County (B)	Appliances	Stainless Steel	Close Date	10/12/2022
Neighborhood Rating	(B)	Countertops	Granite	Contract Price	\$76,045,000
Location Rating	(B)	Cabinets	Good W/Hardware	Adjustments	\$0
Building		Primary Flooring	Basic Vinyl Plank	Adjusted Sale Price	\$76,045,000
Building	1-Story Garden (B+)	Secondary Flooring	Basic Carpet	Adj. Price/Unit	\$335,000
Construction	Wood And Frame, Masonry, Rock Stone, Wood Siding And Siding Not (Aluminum, Vinyl, Etc.), Hip And Gable, Metal	Washer/Dryer	Included All Units	Adj. Price/BR	\$157,770
		Features	Ceiling Fan, Dishwasher, Garbage Disposal, High/Vaulted Ceilings, Microwave, Tile Backsplash, Walk-In Closet And Window Coverings	Adj. Price/SF	\$342
GBA	222640			Buyer	Confidential
Year Built	2020			Seller	NEXMETRO RESERVE LP
Quality	Good			Broker	
NRA	222640			Broker Company	Berkadia
Renovated				Broker Phone	
Condition	Good			Conditions	Arm's Length
Amenities	Clubhouse, Leasing Office, Pool, BBQ Grill And Dog Park			Recording Info	No Recording #
				Verification	Confidential
				Originator/Lender	Not Disclosed

General		Unit Mix				Income			
Parking Type	Detached Garage And Surface	#	Avg Baths	SF Range	Avg SF	Potential Gross Rent	\$25.60/SF	\$5,700,000	
Parking/Unit	2.05	1-BR	64	1.0	637 - 637	637	Less Vacancy	6.00%	\$342,000
Land Area	871244 SF; 20.001 Acres	2-BR	71	2.0	960 - 960	960	Potential Net Rent		\$5,358,000
Density	11	3-BR	92	2.0	1,236 - 1,236	1,236	Less: Allowances		
Land-to-Building Ratio	3.91:1	Average		1.7		981	Other Income & Reimbs	12.32%	\$702,000
Floor Area	5,111	Total	227		637 - 1,236	222,640	Effective Gross Income		\$6,060,000
School District	Northwest ISD						Less Operating Expenses	43.40%	\$2,630,000
County Parcel ID	R766701						Net Operating Income		\$3,430,000
Formerly Known As							NOI/Unit		\$15,110
ID #	3892						Cap Rate	Pro Forma	4.51%

Comments

Avilla Reserve is a 227-unit market rate BFR apartment complex located at 11049 State Hwy 114 in Justin, Tx. The property was in good/new condition at the time of sale and 95% occupied. The purchase price was verified by a confidential source directly involved in the transaction. The purchase price reflects a 4.13% capitalization rate based upon the T-3 annualized income and T-12 expenses with \$200 per unit in reserves. For our proforma, income was based upon in-place figures with slight modifications to market. Expenses were based upon in-place figures with R&M decreased to market terms and taxes adjusted and based on an assessment at 80% of the purchase price. Each unit has a fenced backyard area and patio. The property was actively marketed for sale by Berkadia.



Bardin Greene Apartments

Class B Market-Rate Apartment Complex 285 Units 300 Bardin Greene Dr, Arlington, TX 76018

Property	
Market	Fort Worth (A-)
Submarket	Southeast (A)
Neighborhood Rating	(A+)
Location Rating	(A)
Building	
Building	2-Story Garden (B)
Construction	Frame, Brick And Wood Siding, Gable And Hip, Composite Shingle
GBA	252416
Year Built	2001
Quality	Average-Good
NRA	242896
Renovated	
Condition	Average-Good
Amenities	Leasing Office, Controlled Access, Clubhouse, Business Center, Fitness Center, Pool, Sport Court, Laundry Facilities, Courtyard, Picnic Area And Private Garages

Units	
Unit Finishes	Average-Good
Appliances	Stainless Steel And White
Countertops	Laminate
Cabinets	Good, No Hardware
Primary Flooring	Basic Vinyl Plank
Secondary Flooring	Basic Carpet
Washer/Dryer	Connections
Features	Dishwasher, Garbage Disposal, Ceiling Fan, Microwave, Walk-In Closet, Built-In Shelving And Window Coverings

Transaction	
Sale	
Close Date	10/01/2022
Contract Price	\$58,000,000
Adjustments	\$0
Adjusted Sale Price	\$58,000,000
Adj. Price/Unit	\$203,509
Adj. Price/BR	\$132,723
Adj. Price/SF	\$239
Buyer	Magma Equities Holdings LLC
Seller	Bardin Greene DST
Broker	
Broker Company	Marcus & Millichap
Broker Phone	
Conditions	Arm's Length
Recording Info	D223054263
Verification	Confidential
Originator/Lender	

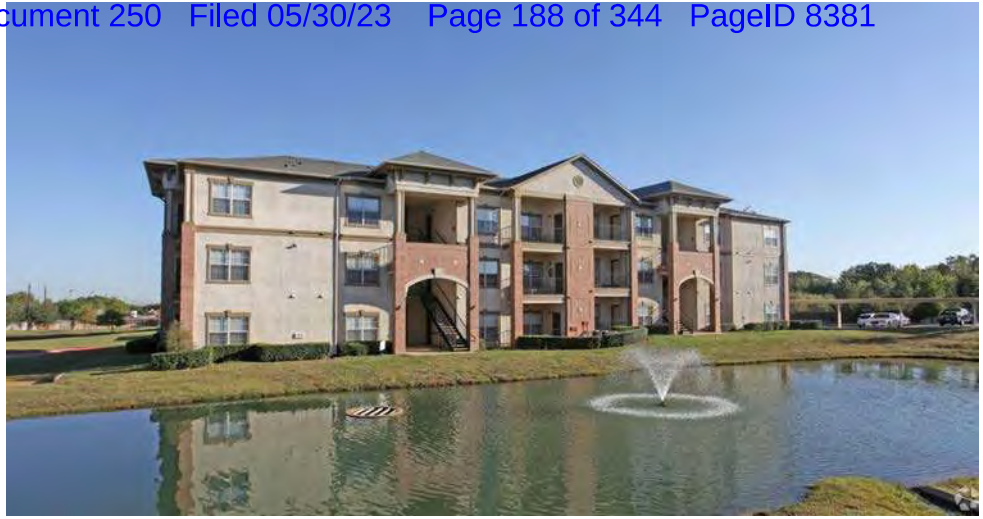
General	
Parking Type	Surface
Parking/Unit	2.28
Land Area	690804 SF; 15.859 Acres
Density	17.96
Land-to-Building Ratio	2.74:1
Floor Area	5,576
School District	Arlington ISD
County Parcel ID	07697201
Formerly Known As	
ID #	6132614

Unit Mix				
	#	Avg Baths	SF Range	Avg SF
1-BR	152	1.0	605 - 750	669
2-BR	114	2.0	900 - 1,167	1,022
3-BR	19	2.0	1,295 - 1,295	1,295
Average		1.5		852
Total	285		605 - 1,295	242,896

Income		
Potential Gross Rent	\$19.43/SF	\$4,719,600
Less Vacancy	6.50%	\$306,774
Potential Net Rent		\$4,412,826
Less: Allowances		
Other Income & Reimbs	11.23%	\$530,123
Effective Gross Income		\$4,942,949
Less Operating Expenses	51.47%	\$2,544,186
Net Operating Income		\$2,398,763
NOI/Unit		\$8,417
Cap Rate	Pro Forma	4.14%

Comments

This property is located in Arlington, Texas and currently under contract as part of a three-property portfolio to Magma Equities Holdings LLC (Buyer) for an allocated purchase price of \$58,000,000. The portfolio as a whole is being purchased for \$230,000,000. The property was in average condition at the time of contract and 97% occupied. The property has received minor renovations with vinyl-plank flooring and stainless-steel appliances in a small number of units. The buyer plans to renovate and reposition the asset. However, we have analyzed the sale in its As- Is condition. For our proforma, income was based upon in-place figures with slight modifications to market. Expenses were based upon in-place figures with slight modifications to market, the estimated amount of taxes was based on the assessment being adjusted to 75% of the contract purchase price.



Falcon Lakes

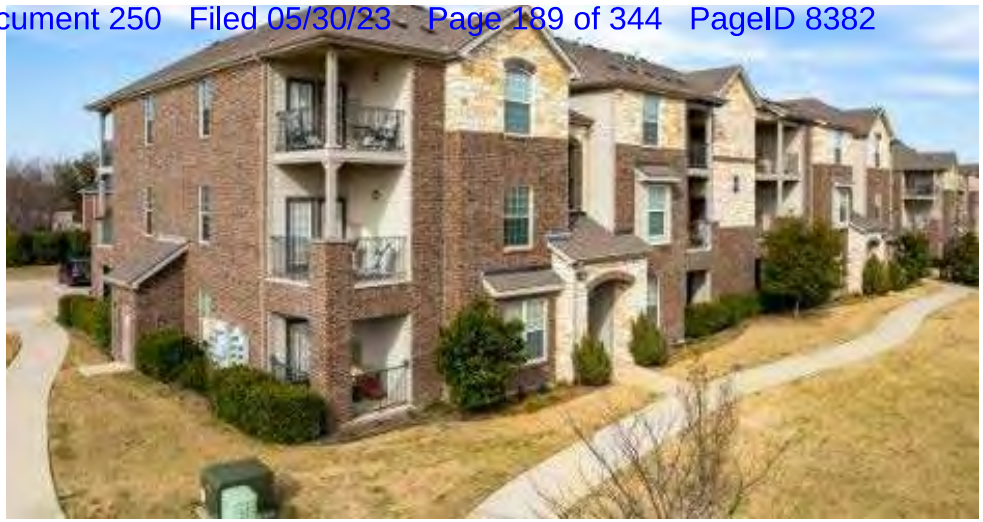
Class B Market-Rate Apartment Complex 248 Units 6504 Falcon River Way Arlington TX 76001-2831

Property		Units		Transaction	
Market	Fort Worth (A-)	Unit Finishes	Average	Sale	
Submarket	Southeast (A)	Appliances	White	Close Date	09/16/2022
Neighborhood Rating	(A+)	Countertops	Formica	Contract Price	\$41,760,000
Location Rating	(B)	Cabinets	Refinished Original W/Hardware	Adjustments	\$0
Building		Primary Flooring	Basic Vinyl Plank	Adjusted Sale Price	\$41,760,000
Building	3-Story Garden (B-)	Secondary Flooring	Basic Carpet	Adj. Price/Unit	\$168,387
Construction	Wood And Frame, Brick Veneer And Stucco, Hip, Composite Shingle	Washer/Dryer	Connections	Adj. Price/BR	\$108,750
GBA	209280	Features	Dishwasher, Garbage Disposal, Ceiling Fan, Walk-In Closet, Patio Balcony, Recessed Lighting And Window Coverings	Adj. Price/SF	\$200
Year Built	2002		Buyer	MACK (ARLINGTON) LLC	
Quality	Average	Seller	FALCON LAKES LTD	Broker	
NRA	209280	Broker Company	Eastdil Secured	Broker Phone	
Renovated		Conditions	Portfolio Sale	Recording Info	D222229292
Condition	Average	Verification	Confidential 3rd Party	Originator/Lender	
Amenities	Leasing Office, Gated Parking, Clubhouse, Laundry Facilities, Pool, Fitness Center, Business Center And BBQ Grill				

General		Unit Mix				Income			
Parking Type	Other	#	Avg Baths	SF Range	Avg SF	Potential Gross Rent	\$19.88/SF	\$4,160,448	
Parking/Unit	1.98	1-BR	120	1.0	689 - 689	689	Less Vacancy	5.00%	\$208,022
Land Area	760122 SF; 17.450 Acres	2-BR	120	2.0	976 - 976	976	Potential Net Rent		\$3,952,426
Density	14	3-BR	8	2.0	1,185 - 1,185	1,185	Less: Allowances		
Land-to-Building Ratio	3.63:1	Average		1.5		844	Other Income & Reimbs		
Floor Area	4,804	Total	248		689 - 1,185	209,280	Effective Gross Income		\$3,952,426
School District	Kennedale ISD						Less Operating Expenses	50.00%	\$1,976,213
County Parcel ID	40012964						Net Operating Income		\$1,976,213
Formerly Known As							NOI/Unit		\$7,969
ID #	6133728						Cap Rate	Pro Forma	4.73%

Comments

This was an arms-length sale of a Class B, unrestricted apartment complex. This transaction was representative of "market" to the best of the appraiser's knowledge. The pro forma cap rate information is based on rents at the time of transaction, and the expenses are market proforma. Reportedly, this property was part of a 34-property portfolio transaction.



Creekside South

Class A Market-Rate Apartment Complex 252 Units 3400 McMillen Rd, Wylie, TX 75098

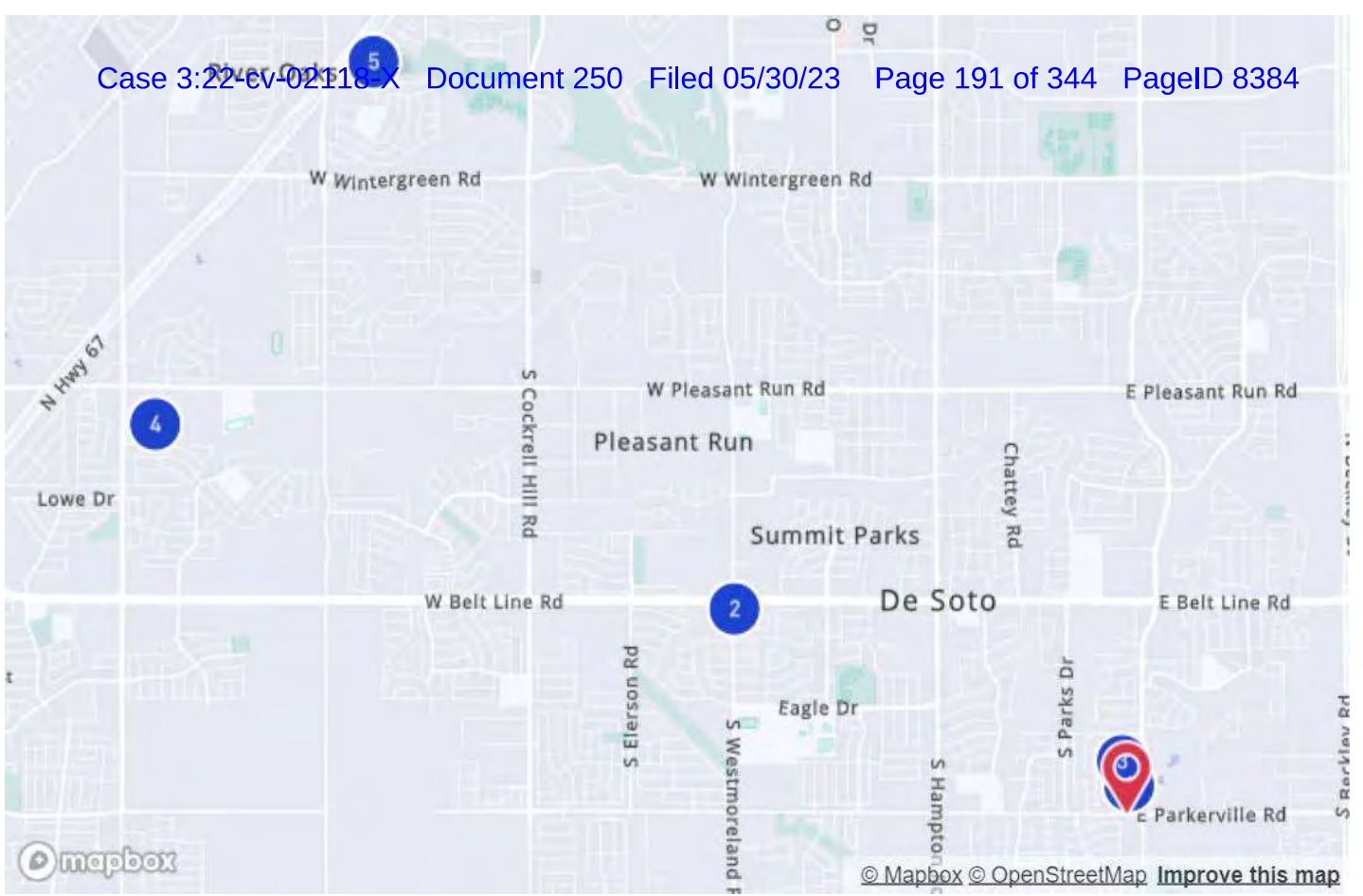
Property		Units		Transaction	
Market	Dallas (A)	Unit Finishes	Good	Sale	
Submarket	Plano/Allen/McKinney (A)	Appliances	Stainless Steel	Close Date	08/18/2022
Neighborhood Rating	(B+)	Countertops	Granite	Contract Price	\$64,000,000
Location Rating	(A+)	Cabinets	Good W/Hardware	Adjustments	\$0
Building		Primary Flooring	Basic Vinyl Plank	Adjusted Sale Price	\$64,000,000
Building	3-Story Garden (B+)	Secondary Flooring	Basic Carpet	Adj. Price/Unit	\$253,968
Construction	Masonry, Brick And Rock Stone, Gable And Hip, Composite Shingle	Washer/Dryer	Included All Units	Adj. Price/BR	\$152,381
GBA	332047	Features	Dishwasher, Garbage Disposal, Microwave, Ceiling Fan, Walk-In Closet, Patio Balcony, High/Vaulted Ceilings, Pendant Lighting, Recessed Lighting, Built-In Shelving, Window Coverings And Breakfast Bar	Adj. Price/SF	\$271
Year Built	2015		Buyer	3400 McMillen Borrower LLC	
Quality	Good	Seller	Creekside South Gardens, LP	Broker	
NRA	235992	Broker Company		Broker Phone	
Renovated		Conditions	Arms-Length	Recording Info	0112371
Condition	Good	Verification	Confidential	Originator/Lender	
Amenities	Leasing Office, Controlled Access, Clubhouse, Fitness Center, Business Center, Resort-Style Pool, BBQ Grill, Outdoor Lounge, Firepit, Cabana/Pergola, Dog Park, Courtyard And Picnic Area				

General		Unit Mix				Income			
		#	Avg Baths	SF Range	Avg SF				
Parking Type	Surface	1-BR	96	1.0	780 - 780	780	Potential Gross Rent	\$19.85/SF	\$4,683,600
Parking/Unit	1.79	2-BR	144	1.8	903 - 1,037	1,015	Less Vacancy	5.70%	\$266,965
Land Area	804771 SF; 18.475 Acres	3-BR	12	2.0	1,250 - 1,250	1,250	Potential Net Rent		\$4,416,635
Density	13	Average		1.5		936	Less: Allowances		
Land-to-Building Ratio	2.42:1	Total	252		780 - 1,250	235,992	Other Income & Reimbs	13.02%	\$610,000
Floor Area	5,418						Effective Gross Income		\$5,026,635
School District							Less Operating Expenses	48.91%	\$2,458,557
County Parcel ID	R-6589-000-0010-1						Net Operating Income		\$2,568,078
Formerly Known As							NOI/Unit		\$10,191
ID #	225						Cap Rate	Pro Forma	4.01%

Comments

The property was 96% occupied at the time of sale and in good condition. The purchase price was verified by the purchase and sales agreement. The purchase price reflects a 3.89% capitalization rate based upon the T-12 NOI annualized income, inclusive of \$200 per unit in reserves. For our proforma, income was based upon in-place figures with slight modifications to market. Expenses were based upon in-place figures with several categories decreased to market terms and taxes increased to approximately 75% of the purchase price.

Addendum f
rents



Rent Comps Summary

Comp	Name	Address	YOC	Units	Occ	Avg SF	Rent SF	Avg Rent	Dist. (mi)
Rent 1	The Abigail Apartments	821 S Polk St Desoto TX 75115-7589	2007	198	94%	951	\$1.77	\$1,685	0.10
Rent 2	The Beacon On Westmoreland	120 S Westmoreland Rd Desoto TX 75115-5403	2021	194	95%	849	\$1.93	\$1,635	2.13
Rent 3	Desoto Ranch	801 S Polk St Desoto TX 75115-7573	2002	248	91%	993	\$1.81	\$1,797	0.22
Rent 4	Legacy Of Cedar Hill	720 N Joe Wilson Rd Cedar Hill TX 75104-6134	2003	600	90%	954	\$1.43	\$1,366	5.08
Rent 5	Bella Ruscello	250 E Highway 67 Duncanville TX 75137-4429	2007	216	87%	805	\$1.90	\$1,532	5.09
Subject	Bellwether Ridge	841 S Polk St Desoto TX 75115-7500	2019	150	95%	937	\$1.83	\$1,714	



The Abigail Apartments

Class B Market-Rate Apartment Complex

198 Units

821 S Polk St Desoto TX 75115-7589

Property	
Market	Dallas (A)
Submarket	South County (C+)
Neighborhood Rating	(B)
Location Rating	(A+)

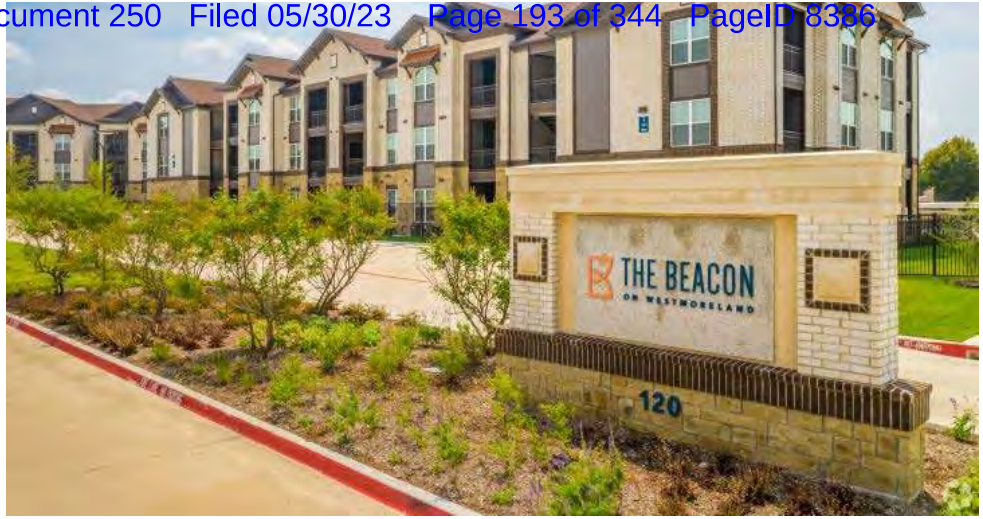
Building	
Building	2-Story Garden (B)
Construction	Wood And Frame, Brick, Wood Siding And Stucco, Gable, Composite Shingle
GBA	227423
Year Built	2007
Quality	Good
NRA	188333,9964
Renovated	
Condition	Good
Amenities	Gated Parking, Controlled Access, Clubhouse, Fitness Center, Business Center, Pool, BBQ Grill, Outdoor Lounge, Sport Court And Private Garages

General	
Electric	Sub-Meter; Tenant-Pay
Gas	
Water/Sewer	Sub-Meter; Tenant-Pay
Trash	Master-Meter; Tenant-Pay
Parking Type & Ratio	/
Land Area	0 SF; 0.000 Acres
County Parcel ID	200547500A1A1A000; 200547500A3A1A000; 200547500A0020000
PM Company	Indio Management
Formerly Known As	
ID #	6129766

Unit Mix		Summary							
Occupancy	94%								
Concessions	None								
As Of	02/21/2023								
		# Units	Avg Baths	SF Range	Avg SF	Contract Rent	Quoted Rent	Contract PSF	Quoted PSF
1-BR		198	1.0	951 - 951	951	\$1,685	\$1,685	\$1.77	\$1.77
Avg			1.0		951	\$1,685	\$1,685	\$1.77	\$1.77
Total		198			188,334	\$333,630	\$333,630		
Breakdown		#	Beds	Baths	SF	Current Rent	Quoted Rent	Current PSF	Quoted PSF
layout									
All Floorplans		198	1	1.0	951	\$1,685	\$1,685	\$1.77	\$1.77

Comments

This property is located along the west line of South Polk Street, just north of East Parkerville Road. The unit mix presented represents all floorplans.



The Beacon On Westmoreland

Class A Market-Rate Apartment Complex 194 Units 120 S Westmoreland Rd Desoto TX 75115-5403

Property

Market	Dallas (A)
Submarket	South County (C+)
Neighborhood Rating	(C)
Location Rating	(A+)

Building

Building	3-Story Garden (B+)
Construction	, Brick Veneer And Rock Stone, ,
GBA	
Year Built	2021
Quality	Good
NRA	164701,9842
Renovated	
Condition	Good
Amenities	Pool, Clubhouse, Fitness Center, BBQ Grill, Playground, Dog Park, Gated Parking And Elevators

General

Electric	Sub-Meter; Tenant-Pay
Gas	
Water/Sewer	Sub-Meter; Tenant-Pay
Trash	Master-Meter; Tenant-Pay
Parking Type & Ratio	Tuckunder Garage,
Land Area	0 SF; 0.000 Acres
County Parcel ID	200657400A0010000
PM Company	Valiant Residential
Formerly Known As	
ID #	6138742

Unit Mix

Occupancy	95%
Concessions	None
As Of	02/21/2023

Summary

	# Units	Avg Baths	SF Range	Avg SF	Contract Rent	Quoted Rent	Contract PSF	Quoted PSF
1-BR	194	1.0	849 - 849	849	\$1,635	\$1,635	\$1.93	\$1.93
Avg		1.0		849	\$1,635	\$1,635	\$1.93	\$1.93
Total	194			164,702	\$317,190	\$317,190		

Breakdown

layout	#	Beds	Baths	SF	Current Rent	Quoted Rent	Current PSF	Quoted PSF
All Floorplans	194	1	1,0	849	\$1,635	\$1,635	\$1.93	\$1.93

Comments

This comparable is located in the southeast quadrant of West Belt Line Road and South Westmoreland Road, just west of Hampton Road. The unit mix presented represents all floorplans.



Desoto Ranch

Class A Market-Rate Apartment Complex 248 Units 801 S Polk St Desoto TX 75115-7573

Property

Market	Dallas (A)
Submarket	South County (C+)
Neighborhood Rating	(B)
Location Rating	(A+)

Building

Building	3-Story Garden (B+)
Construction	, Brick And Wood Siding, , Composite Shingle
GBA	
Year Built	2002
Quality	Good
NRA	246256,9816
Renovated	
Condition	Good
Amenities	Pool, Clubhouse, Fitness Center, Business Center, BBQ Grill, Dog Park And Gated Parking

General

Electric	Sub-Meter; Tenant-Pay
Gas	Master-Meter; Tenant-Pay
Water/Sewer	Sub-Meter; Tenant-Pay
Parking Type & Ratio	Tuckunder Garage,
Land Area	0 SF; 0.000 Acres
County Parcel ID	65112436510250000
PM Company	Bell Partners
Formerly Known As	
ID #	6138745

Unit Mix

Occupancy	91%
Concessions	None
As Of	02/21/2023

Summary

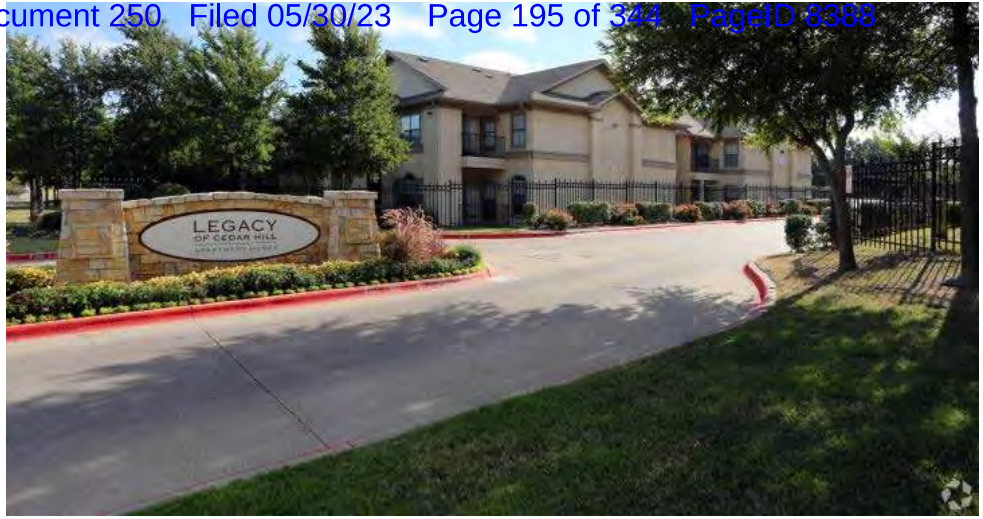
	# Units	Avg Baths	SF Range	Avg SF	Contract Rent	Quoted Rent	Contract PSF	Quoted PSF
1-BR	248	1.0	993 - 993	993	\$1,797	\$1,797	\$1.81	\$1.81
Avg		1.0		993	\$1,797	\$1,797	\$1.81	\$1.81
Total	248			246,257	\$445,656	\$445,656		

Breakdown

layout	#	Beds	Baths	SF	Current Rent	Quoted Rent	Current PSF	Quoted PSF
All Floorplans	248	1	1,0	993	\$1,797	\$1,797	\$1.81	\$1.81

Comments

This property is located along the west line of South Polk Street, just north of East Parkerville Road. The unit mix presented represents all floorplans.



Legacy of Cedar Hill

Class A Market-Rate Apartment Complex 600 Units 720 N Joe Wilson Rd Cedar Hill TX 75104-6134

Property	
Market	Dallas (A)
Submarket	South County (C+)
Neighborhood Rating	(B-)
Location Rating	(A+)

Unit Mix	
Occupancy	90%
Concessions	None
As Of	02/21/2023

Building	
Building	2-Story Garden (B)
Construction	Wood, Brick, ,
GBA	
Year Built	2003
Quality	Average-Good
NRA	572652,96
Renovated	
Condition	Average-Good
Amenities	Pool, Clubhouse, BBQ Grill, Fitness Center, Playground And Gated Parking

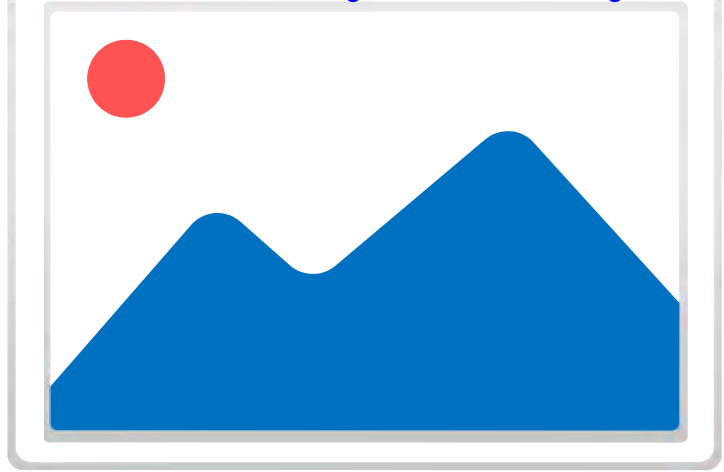
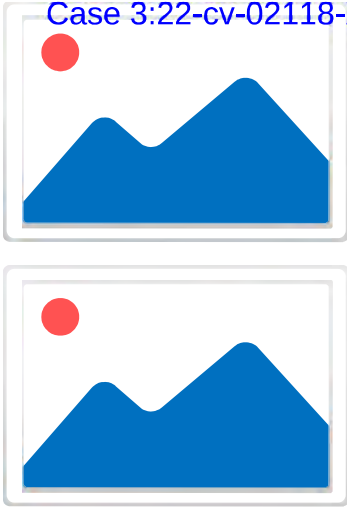
Summary									
	# Units	Avg Baths	SF Range	Avg SF	Contract Rent	Quoted Rent	Contract PSF	Quoted PSF	
1-BR	600	1.0	954 - 954	954	\$1,366	\$1,366	\$1.43	\$1.43	
Avg		1.0		954	\$1,366	\$1,366	\$1.43	\$1.43	
Total	600			572,653	\$819,600	\$819,600			

Breakdown									
layout	#	Beds	Baths	SF	Current Rent	Quoted Rent	Current PSF	Quoted PSF	
All Floorplans	600	1	1,0	954	\$1,366	\$1,366	\$1.43	\$1.43	

General	
Electric	Sub-Meter; Tenant-Pay
Gas	
Water/Sewer	Sub-Meter; Tenant-Pay
Trash	Master-Meter; Tenant-Pay
Parking Type & Ratio	,
Land Area	0 SF; 0,000 Acres
County Parcel ID	16-02825-001-001-0000
PM Company	Morgan Properties
Formerly Known As	
ID #	6138762

Comments

This property is located in the SEC of East Pleasant Run Road and North Joe Wilson Road. The property was built in three phases (2000, 2003, and 2006). The YOC reflects the weighted average.



Bella Ruscello

Class A Market-Rate Apartment Complex

216 Units

250 E Highway 67 Duncanville TX 75137-4429

Property	
Market	Dallas (A)
Submarket	South County (C+)
Neighborhood Rating	(B-)
Location Rating	(A+)

Unit Mix	
Occupancy	87%
Concessions	None
As Of	02/21/2023

Building	
Building	3-Story Garden (B)
Construction	Frame, Brick And Stucco, , Composite Shingle
GBA	
Year Built	2007
Quality	Average-Good
NRA	173921,9904
Renovated	
Condition	Average-Good
Amenities	Pool, Clubhouse, Fitness Center, Business Center And Gated Parking

Summary									
	# Units	Avg Baths	SF Range	Avg SF	Contract Rent	Quoted Rent	Contract PSF	Quoted PSF	
1-BR	216	1.0	805 - 805	805	\$1,532	\$1,532	\$1.90	\$1.90	
Avg		1.0		805	\$1,532	\$1,532	\$1.90	\$1.90	
Total	216			173,922	\$330,912	\$330,912			

General	
Electric	Sub-Meter; Tenant-Pay
Gas	
Water/Sewer	Sub-Meter; Tenant-Pay
Trash	Master-Meter; Tenant-Pay
Parking Type & Ratio	Tuckunder Garage,
Land Area	0 SF; 0.000 Acres
County Parcel ID	22-03577-00A-06A-0000
PM Company	Venterra Realty
Formerly Known As	Duncanville Villages
ID #	6138763

Breakdown									
layout	#	Beds	Baths	SF	Current Rent	Quoted Rent	Current PSF	Quoted PSF	
All Floorplans	216	1	1,0	805	\$1,532	\$1,532	\$1.90	\$1.90	

Comments

This comparable has a setback location along the southeast line of Highway 67, just northeast of South Main Street. The unit mix presented represents all floorplans.

Addendum g
rent roll

Addendum h
income statements

SunRidge Management Group
INCOME STATEMENT - 12 MONTH ROLLING

Case 3:22-cv-02118-X Document 250 Filed 05/30/23 Page 201 of 344 PageID 8394

	01/31/2020	02/29/2020	03/31/2020	04/30/2020	05/31/2020	06/30/2020	07/31/2020	08/31/2020	09/30/2020	10/31/2020	11/30/2020	12/31/2020	12 Month Total
REVENUE													
Total Potential Per Schedule	210,990	210,990	210,990	210,990	210,990	210,990	213,240	213,240	213,240	213,240	213,240	214,740	2,546,880
Leases Under Schedule	(8,420)	(8,120)	(8,517)	(8,517)	(8,617)	(7,897)	(8,737)	(8,827)	(8,342)	(7,652)	(6,572)	(7,612)	(97,830)
TOTAL POSSIBLE RENT PER LEASES	202,570	202,870	202,473	202,473	202,373	203,093	204,503	204,413	204,898	205,588	206,668	207,128	2,449,050
RENTAL LOSSES													
Vacancy Loss	(30,329)	(23,044)	(16,370)	(11,030)	(13,825)	(3,298)	(6,333)	(5,101)	(5,432)	(6,537)	(2,840)	(3,717)	(127,856)
Administrative & Model	(1,124)	(543)	0	0	0	0	0	0	0	0	0	0	(1,667)
Bad Debt Loss	0	0	(3,412)	(2,715)	(1,047)	(3,229)	(7,410)	(2,132)	(1,073)	779	(3,918)	(1,570)	(25,727)
Discounts & Concessions	(5,096)	(11,466)	(6,630)	(3,054)	(6,495)	(6,719)	(501)	(700)	(100)	(739)	(797)	(297)	(42,595)
TOTAL LOSSES	(36,549)	(35,053)	(26,412)	(16,799)	(21,367)	(13,246)	(14,244)	(7,933)	(6,605)	(6,497)	(7,555)	(5,584)	(197,845)
NET RENTAL REVENUE	166,021	167,817	176,061	185,674	181,006	189,847	190,259	196,480	198,293	199,091	199,113	201,544	2,251,205
OTHER REV-ENUE													
Parking	3,509	3,849	4,054	4,290	4,250	4,375	4,807	4,343	4,508	4,134	4,223	4,200	50,542
Cable TV & Internet	0	0	0	30,043	964	1,038	622	1,046	562	1,040	0	959	36,274
Interest Income	0	0	0	0	0	0	0	0	0	0	71	7	78
Deposit Forfeitures	250	967	1,207	1,062	2,442	1,039	4,801	332	1,304	2,030	1,512	777	17,724
Application Fees	490	610	375	375	1,305	780	715	600	867	470	740	150	7,477
Non-Refundable Pet Fees	700	725	475	225	650	175	175	175	150	150	475	125	4,200
Late & NSF Charges	2,065	2,725	2,390	60	0	0	0	3,685	3,145	2,795	3,500	3,165	23,530
Misc Tenant Charges	977	1,962	1,462	695	1,386	750	1,915	2,006	1,113	1,766	2,033	1,475	17,539
TOTAL OTHER REVENUE	7,991	10,838	9,963	36,750	10,997	8,157	13,035	12,187	11,649	12,385	12,554	10,858	157,364
TOTAL REVENUE	174,012	178,655	186,024	222,424	192,003	198,004	203,294	208,667	209,942	211,476	211,667	212,402	2,408,569
OPERATING EXPENSES													
PERSONNEL EXPENSES													
Office Salaries	8,997	8,859	10,774	9,180	8,295	6,656	6,777	6,038	5,457	6,792	6,687	6,971	91,483
Maintenance Salaries	3,845	3,650	3,260	3,725	3,520	3,360	4,385	3,989	3,848	3,755	3,635	3,786	44,755
Porters & Housekeepers	0	1,392	2,400	2,232	2,136	2,016	2,240	2,506	2,527	2,562	2,555	2,562	25,130
Bonuses	282	0	0	893	0	0	893	0	0	704	0	0	2,370
Payroll Taxes	1,739	1,776	2,238	1,983	1,794	1,594	1,776	1,630	1,517	1,691	1,581	1,697	21,018
Worker's Comp Insurance	435	444	560	496	449	398	444	408	379	422	395	424	5,254
Employee Insurance	600	600	600	600	600	600	600	600	600	600	600	600	7,200
Employee Recruitment	160	0	152	0	0	87	113	0	193	0	0	0	706
Contract Help	0	0	0	0	0	0	870	0	1,862	690	897	0	4,317
Payroll Administration	102	70	77	84	70	56	63	56	103	56	56	56	850
TOTAL PERSONNEL EXPENSES	16,160	16,791	20,061	18,993	16,864	14,767	17,961	15,227	16,486	17,272	16,406	16,096	203,083

SunRidge Management Group
INCOME STATEMENT - 12 MONTH ROLLING

	01/31/2020	02/29/2020	03/31/2020	04/30/2020	05/31/2020	06/30/2020	07/31/2020	08/31/2020	09/30/2020	10/31/2020	11/30/2020	12/31/2020	12 Month Total
MANAGEMENT FEES													
Management Fees	4,890	4,890	5,041	6,945	6,503	5,332	5,692	5,856	6,121	6,034	5,684	5,011	67,999
TOTAL MANAGEMENT FEES	4,890	4,890	5,041	6,945	6,503	5,332	5,692	5,856	6,121	6,034	5,684	5,011	67,999
PROPERTY ADMINISTRATION													
Office Furniture & Supplies	0	326	0	507	228	102	102	219	17	65	46	40	1,651
Telephone & Answering Service	584	584	585	603	563	594	1,369	1,331	1,402	1,497	1,578	1,515	12,206
Professional Service	121	86	835	86	86	138	141	88	88	88	88	0	1,844
Site Office	165	110	72	24	18	0	0	0	0	0	0	(27)	364
Travel	0	0	0	100	100	100	118	122	100	100	100	100	940
Postage & Freight	0	0	0	100	100	100	118	122	100	100	100	100	940
Employee Relations	23	0	10	0	0	0	0	0	0	0	248	200	481
Licenses, Permits, Taxes	237	1,148	178	115	156	115	3,575	331	281	200	233	66	6,634
Credit & Collections	686	859	608	307	292	292	554	513	490	210	210	1,186	6,205
Dues & Subscriptions	0	0	0	0	0	0	0	214	0	0	0	0	215
Copier, Forms & Printing	0	103	0	361	164	176	303	0	39	0	143	0	1,289
Training & Seminars	153	58	3	48	48	48	48	48	48	75	0	73	651
Administrative/Forms	0	0	0	10	10	10	10	10	10	10	10	10	90
Computer Supplies	0	310	0	119	215	0	0	0	108	216	0	0	969
Miscellaneous Administrative	269	339	322	484	481	455	512	672	494	495	469	413	5,404
TOTAL ADMINISTRATIVE EXPENSE	2,238	3,923	2,613	2,764	2,361	2,030	6,732	3,548	3,077	2,956	3,125	3,576	38,943
LEASING													
Advertising	1,210	1,214	1,245	1,396	543	391	1,021	402	1,242	687	688	520	10,560
Locator Commissions	1,786	662	1,297	562	0	562	735	500	742	0	0	1,312	8,157
Property Promotions & Other Mktg	1,978	2,006	634	378	548	245	446	392	89	345	418	325	7,803
Referral Fees	0	1,000	1,500	500	0	0	0	0	200	0	0	0	3,200
Model Furniture & Supply	0	0	0	0	0	0	0	87	0	0	0	0	87
Brochures & Related Materials	0	136	1,112	216	0	87	176	0	127	183	0	0	2,038
Leasing Commissions	1,375	900	2,215	700	1,000	1,245	710	1,055	810	280	300	815	11,405
TOTAL LEASING EXPENSE	6,349	5,918	8,003	3,752	2,091	2,530	3,088	2,436	3,210	1,495	1,406	2,972	43,250
UTILITIES													
Electricity-Property	989	608	1,014	1,717	977	1,051	1,033	1,101	1,073	1,077	1,248	480	12,366
Electricity-Vacant & Model	1,784	1,248	859	363	185	272	278	332	236	270	161	6,182	12,172
Electric Reimbursement	(282)	(398)	(267)	(69)	(65)	0	(15)	(125)	(12)	0	(41)	(48)	(1,323)
VCR-Vacant	0	171	341	341	256	128	214	128	0	128	170	0	1,876
Electric Billing	0	0	0	0	0	0	0	0	0	0	0	0	0
Water	2,821	2,532	2,262	2,529	2,542	3,483	3,569	3,193	2,929	4,562	2,411	2,482	35,317
Water-Irrigation	0	0	0	0	0	0	0	0	0	887	487	366	1,740
Water/Sewer	(2,696)	(3,947)	(4,181)	(4,353)	(4,824)	(4,590)	(4,928)	(4,893)	(4,918)	(5,136)	(4,903)	(4,843)	(54,212)
Reimbursements	0	0	0	0	0	0	0	0	0	0	0	0	0
Sewer	3,398	2,469	2,454	2,472	2,516	2,517	2,516	1,833	1,734	3,877	2,600	2,601	30,987
Billing fees & Tax Credit Expenses	364	298	437	450	323	492	342	506	506	398	506	0	4,620
Late Charges	0	0	(105)	0	0	0	0	0	0	0	0	0	(104)

SunRidge Management Group
INCOME STATEMENT - 12 MONTH ROLLING

	01/31/2020	02/29/2020	03/31/2020	04/30/2020	05/31/2020	06/30/2020	07/31/2020	08/31/2020	09/30/2020	10/31/2020	11/30/2020	12/31/2020	12 Month Total
TOTAL UTILITY EXPENSE	6,378	2,981	2,814	3,450	1,910	3,353	3,009	2,075	1,548	6,063	2,639	7,220	43,439

SunRidge Management Group
INCOME STATEMENT - 12 MONTH ROLLING

	01/31/2020	02/29/2020	03/31/2020	04/30/2020	05/31/2020	06/30/2020	07/31/2020	08/31/2020	09/30/2020	10/31/2020	11/30/2020	12/31/2020	12 Month Total
SERVICE EXPENSE													
Grounds Maintenance Contract	2,165	2,165	2,165	2,165	2,165	2,165	2,165	2,165	2,165	2,165	2,165	2,165	25,980
Exterminating Service & Supplies	179	179	179	0	0	379	227	0	179	506	179	357	2,363
Pest Control Reimbursement	(760)	(960)	(984)	(1,032)	(1,128)	(1,080)	(1,144)	(1,144)	(1,144)	(1,136)	(1,112)	(1,120)	(12,744)
Garbage & Trash Removal	5,870	2,348	1,499	1,297	1,334	1,974	564	1,067	2,153	1,112	1,092	1,644	21,958
Trash Reimbursement	(1,551)	(2,081)	(2,197)	(2,254)	(2,575)	(2,418)	(2,668)	(2,590)	(2,643)	(2,663)	(2,510)	(2,521)	(28,673)
Courtesy Patrol Uniform Services & Cleaning	0	0	0	0	0	405	0	1,622	811	811	0	65	3,714
Pool Cleaning	0	0	0	0	0	84	0	0	0	0	0	0	84
Vehicles	143	0	0	0	0	0	0	38	5	0	0	0	184
Hallway Cleaning & Repairs	180	210	180	0	0	0	0	200	0	0	0	0	770
Fire Protection	70	124	70	70	346	92	115	116	70	70	70	44	1,260
TOTAL SERVICE EXPENSE	6,296	2,115	953	246	142	1,601	(741)	1,474	1,596	865	(116)	634	15,067
CLEANING & DECORATING													
Painting-Contract Labor	0	0	0	0	484	999	616	0	1,105	2,370	0	0	5,573
Paint Supplies	0	0	92	0	79	0	206	904	501	34	95	132	2,043
Contract Cleaning & Supply	79	304	95	459	1,067	777	1,200	1,238	1,324	1,264	497	1,047	9,351
Carpet Cleaning	0	146	22	245	141	0	162	217	129	43	314	54	1,471
Carpet Dying & Repairs	0	71	21	0	173	0	162	378	141	65	54	316	1,383
Sheetrock Repairs	0	0	0	0	60	245	190	0	145	455	0	0	1,095
TOTAL CLEANING & DECORATING	79	521	230	704	2,004	2,021	2,536	2,737	3,345	4,231	960	1,549	20,916
REPAIRS & MAINTENANCE													
Grounds Maintenance Supplies	64	335	75	215	0	0	0	0	0	0	0	0	690
Pool Supplies & Repairs	0	130	0	84	130	132	252	622	422	269	341	209	2,589
Parking Lot & Sidewalks	0	0	0	0	0	0	0	491	0	0	0	0	491
Clubhouse & Amenity Repairs	0	0	0	0	0	70	222	0	0	0	0	55	347
Electrical Supplies & Repairs	0	10	0	0	0	82	17	83	0	111	0	0	303
Plumbing Supplies & Repairs	96	110	0	189	138	157	202	87	386	635	6	378	2,386
Hvac Supplies & Repairs	0	30	0	41	0	24	150	194	463	340	0	34	1,275
Appliance Supplies & Repairs	0	0	0	144	295	300	100	258	0	785	183	229	2,293
Carpentry Supplies	0	5	0	0	0	0	0	306	119	112	0	0	542
Hardware Supplies	0	103	0	0	0	0	0	0	0	0	0	21	123
Lock And Keys	0	0	350	34	122	0	35	29	0	0	0	0	570
Light Bulbs And Fixtures	0	24	445	370	183	0	107	71	93	226	0	219	1,738
Glass, Mirrors & Screens	0	0	241	0	0	0	0	241	0	0	0	0	484
TOTAL REPAIRS & MAINTENANCE	160	747	1,111	1,077	868	765	1,085	2,382	1,483	2,478	530	1,145	13,831

SunRidge Management Group
INCOME STATEMENT - 12 MONTH ROLLING

	01/31/2020	02/29/2020	03/31/2020	04/30/2020	05/31/2020	06/30/2020	07/31/2020	08/31/2020	09/30/2020	10/31/2020	11/30/2020	12/31/2020	12 Month Total
PROPERTY TAXES													
Real Estate Tax	0	0	0	0	215,000	43,000	43,000	43,000	43,000	43,000	43,000	54,709	527,708
TOTAL PROPERTY TAXES	0	0	0	0	215,000	43,000	43,000	43,000	43,000	43,000	43,000	54,709	527,708
PROPERTY INSURANCE													
Hazard Insurance	6,469	6,469	6,469	6,469	5,383	5,379	5,379	5,379	5,379	5,379	5,379	5,379	68,912
TOTAL PROPERTY INSURANCE	6,469	6,469	6,469	6,469	5,383	5,379	5,379	5,379	5,379	5,379	5,379	5,379	68,912
TOTAL OPERATING EXPENSES	49,019	44,355	47,295	44,400	253,126	80,778	87,741	84,114	85,245	89,773	79,013	98,291	1,043,148
NET OPERATING INCOME	124,993	134,300	138,729	178,024	(61,123)	117,226	115,553	124,553	124,697	121,703	132,654	114,111	1,365,421
PROPERTY REPLACEMENTS													
RECURRING REPLACEMENTS													
Drapery Replacements	0	0	0	0	0	0	713	0	0	0	0	0	712
Appliance Replacements	0	0	0	0	0	1,968	983	0	0	0	0	0	2,952
TOTAL RECURRING REPLACEMENTS	0	0	0	0	0	1,968	1,696	0	0	0	0	0	3,664
NON-RECURRING REPLACEMENTS													
Lawns, Tree & Shrubs	649	0	(649)	0	0	0	4,999	0	0	2,000	0	0	6,999
Paving & Parking Lot Renovations	0	0	0	0	0	2,145	0	0	0	0	0	0	2,146
Fire & Storm & Insured Loss Repairs	0	0	0	0	0	0	0	0	3,921	0	0	0	3,921
Playground & Recreational Expenses	0	0	0	0	0	0	0	277	0	0	0	0	276
Other Non-Recurring Expenses	740	1,081	0	0	86	0	1,875	525	0	0	0	0	4,308
Clubroom and Office Upgrades	0	0	0	0	465	0	0	0	0	0	0	0	465
Fire Alarm System Inspection/Repairs	0	337	0	0	0	0	0	0	0	0	0	0	336
Gate/Garage Door Repairs/Supplies	1,261	334	0	426	80	125	0	130	105	250	0	0	2,713
Pest Control Expenses	0	0	0	178	0	0	0	0	0	963	0	0	1,142
TOTAL NON-RECURRING REPLACEMENTS	2,650	1,752	(649)	604	631	2,270	6,874	932	4,026	3,213	0	0	22,306
TOTAL PROPERTY REPLACEMENTS	2,650	1,752	(649)	604	631	4,238	8,570	932	4,026	3,213	0	0	25,970
RESERVE ACTIVITY													
RECURRING RESERVE ACTIVITY													
Recurring Payment	3,750	3,750	3,750	3,750	3,750	3,750	3,750	3,750	3,750	3,750	3,750	3,750	45,000
NET RECURRING RESERVE ACTIVITY	3,750	3,750	3,750	3,750	3,750	3,750	3,750	3,750	3,750	3,750	3,750	3,750	45,000

SunRidge Management Group
INCOME STATEMENT - 12 MONTH ROLLING

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	01/31/2020	02/29/2020	03/31/2020	04/30/2020	05/31/2020	06/30/2020	07/31/2020	08/31/2020	09/30/2020	10/31/2020	11/30/2020	12/31/2020	12 Month Total
NET RESERVE ACTIVITY	3,750	3,750	3,750	3,750	3,750	3,750	3,750	3,750	3,750	3,750	3,750	3,750	45,000
AVAILABLE FOR DEBT SERVICE	118,593	128,798	135,628	173,670	(65,504)	109,238	103,233	119,871	116,921	114,740	128,904	110,361	1,294,452
DEBT SERVICE													
Mortgage Payment-1st	73,414	73,414	69,864	69,865	69,865	69,865	71,832	73,629	73,626	71,835	74,858	74,310	866,375
D/S mip	3,963	3,963	3,963	3,963	3,963	3,963	3,963	3,963	3,963	3,963	3,962	3,876	47,467
TOTAL DEBT SERVICE	77,377	77,377	73,827	73,828	73,828	73,828	75,795	77,592	77,589	75,798	78,820	78,186	913,842
NET CASH FLOW/ (DEFICIT)	41,216	51,421	61,801	99,842	(139,332)	35,410	27,439	42,279	39,332	38,942	50,084	32,175	380,609
NON-OPERATING EXPENSES													
1st Mortgage Interest	55,696	55,854	53,380	54,845	54,811	53,984	51,991	55,529	55,471	56,906	53,692	56,390	658,550
Replacement Escrow - Contra	(3,750)	(3,750)	(3,750)	(3,750)	(3,750)	(3,750)	(3,750)	(3,750)	(3,750)	(3,750)	(3,750)	(3,750)	(45,000)
Mortgage Payment Contra	(77,377)	(77,376)	(73,827)	(73,828)	(73,828)	(73,827)	(75,795)	(77,591)	(77,589)	(75,798)	(78,820)	(78,187)	(913,843)
MIP Amortization	0	0	0	0	0	0	0	9	3,962	3,962	3,962	3,962	15,857
TOTAL NON-OPERATING EXPENSES	(25,431)	(25,272)	(24,197)	(22,733)	(22,767)	(23,593)	(27,554)	(25,803)	(21,906)	(18,680)	(24,916)	(21,585)	(284,436)
NET INCOME (LOSS)	66,647	76,693	85,998	122,575	(116,565)	59,003	54,993	68,082	61,238	57,622	75,000	53,760	665,045

Multifamily Performance Summary
 PROPERTY NAME: BELLWETHER RIDGE
 City: DESOTO
 State: TX
 Total Units: 150
 Total Square Feet: 140,601
 Average Unit Size: 937 Sq. Ft.
 Mgmt. Co.: ALL
 08-Nov-21 03:00 PM
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ACTUAL	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	TOTAL
Derived Physical Occupancy	96.9%	98.7%	98.3%	98.9%	98.4%	95.1%	96.9%	95.8%	97.3%	98.0%	97.7%	95.9%	96.7%	97.0%
Economic Occupancy (NRR(GPR))	96.8%	98.3%	97.3%	90.7%	96.4%	92.0%	94.8%	95.2%	95.2%	90.1%	102.7%	90.9%	86.7%	93.6%
Average Rent/Month/SF	1,517	1,517	1,527	1,538	1,538	1,538	1,538	1,559	1,559	1,575	1,575	1,591	1,591	1,552
Average Expenses/Month/SF	0.028	0.030	0.030	0.027	0.028	0.024	0.024	0.022	0.021	0.022	0.022	0.022	0.021	0.024

12 FINANCIAL DETAIL

	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	TOTAL		
REVENUE														
Loss/Gain to Leases	213,240	214,740	214,740	214,740	219,240	221,490	223,740	223,740	223,740	223,740	223,740	2,818,880		
Leases Over Schedule	0	0	0	0	0	0	0	0	0	0	0	0		
Leases Under Schedule	(7,652)	(6,572)	(7,612)	(6,979)	(8,423)	(7,514)	(8,989)	(10,285)	(10,285)	(9,350)	(9,350)	(101,313)		
Vacancy Losses														
Vacancy	6,537	2,840	3,717	7,701	6,615	10,556	6,776	9,749	5,989	4,361	5,056	9,068		
Administrative & Model	(719)	3,918	1,370	11,290	5,591	5,694	3,805	(73)	15,419	16,167	(10,786)	10,407		
Bad Debt	738	797	287	303	287	303	386	287	287	347	(3)	0		
Concessions & Concessions	0	0	0	0	0	0	0	0	0	0	0	0		
Unit Concussions	0	0	0	0	0	0	0	0	0	0	0	0		
Total Other Revenue	6,497	7,555	5,584	19,288	7,463	16,713	10,979	9,973	21,704	20,875	(5,733)	19,475	28,593	
Net Rental Revenue	199,091	199,113	201,544	188,474	198,854	192,013	198,332	199,378	188,856	190,630	218,128	193,980	185,887	2,355,187

OTHER REVENUE

Total Other Revenue	470	740	150	770	470	1,410	375	825	695	1,125	1,410	75	750	8,795
Application Fees	1,040	0	959	0	20,220	(7,704)	1,277	5,757	1,180	676	1,237	1,237	1,263	26,102
Cable TV	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Corporate Rentals	2,030	1,512	777	4,118	1,238	2,428	1,581	1,850	2,120	4,103	1,252	3,424	3,624	28,028
Deposit Forfeitures	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Equip., Facility, & Furni Rental	0	71	7	0	10	0	0	20	21	20	0	145	20	125
Interest Income	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Laundry	1,766	2,033	1,475	1,605	1,764	3,937	3,446	4,331	4,317	1,885	1,950	2,254	2,183	31,139
Misc. Resident Charges	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Miscellaneous Income	150	475	125	125	125	425	125	450	125	500	800	150	150	3,575
Non-Refundable Fel Deposits	2,785	3,500	3,165	3,810	3,120	3,885	2,380	3,075	3,120	3,080	3,112	3,080	3,500	38,950
NSF & Late Fees	4,134	4,223	4,200	3,938	3,990	3,331	3,425	3,089	2,900	3,050	3,112	3,088	2,977	41,183
Parking	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Vending & Telephone	12,384	12,554	10,958	14,266	30,938	7,713	12,609	19,376	14,062	14,659	13,171	13,243	14,447	177,897
Total Other Revenue	211,476	211,667	212,402	202,739	229,791	199,726	210,942	218,754	202,918	205,289	231,299	207,222	200,334	2,533,084

TOTAL REVENUE

Personnel	704	887	0	704	0	678	65	65	65	1,240	65	1,063	1,059	3,720
Personnel	690	0	0	0	0	65	0	0	0	65	0	0	863	3,148
Personnel	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Personnel	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Personnel	600	600	600	600	600	600	600	600	600	600	600	600	600	7,200
Personnel	3,754	3,635	3,786	3,527	2,783	8,431	6,621	6,131	6,549	7,210	4,735	4,194	3,984	67,896
Personnel	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Personnel	6,792	6,687	6,972	7,132	6,087	6,649	7,094	6,851	7,582	9,363	9,148	9,587	8,213	91,352
Personnel	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Personnel	56	56	56	56	56	56	56	56	56	56	56	56	56	715
Personnel	1,691	1,581	1,696	1,521	1,801	1,623	1,801	1,623	1,747	2,228	1,715	1,793	1,957	21,257
Personnel	2,563	2,555	2,563	2,755	(2,755)	0	336	336	336	336	336	336	336	7,618
Personnel	423	395	424	441	380	450	450	406	437	557	429	446	492	5,314
TOTAL PERSONNEL EXP	17,272	16,406	16,096	17,286	14,672	18,025	17,355	15,880	17,042	21,332	16,904	18,072	19,851	208,921

Management Fees

Administrative	10	10	10	10	10	10	10	10	10	10	10	10	10	120
Administrative	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Administrative	216	0	0	0	0	0	0	0	0	0	0	0	0	461
Administrative	0	144	0	88	0	135	128	0	0	0	0	0	0	1,747
Administrative	210	1,186	419	498	210	323	159	517	305	367	367	367	367	4,612
Administrative	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Administrative	248	200	41	41	0	0	0	0	0	0	0	0	0	489
Administrative	200	233	65	327	890	178	119	341	383	370	367	367	367	7,310
Administrative	495	469	412	395	430	401	380	382	383	370	367	367	367	4,717
Administrative	65	45	11	40	0	0	0	0	0	110	76	134	0	463

	2,478	530	1,145	45	264	1,390	1,716	1,771	3,131	2,092	130	1,675	2,767	16,657
TOTAL R&M EXP														
Property Taxes	43,000	43,000	54,709	43,457	43,457	43,457	43,457	43,457	43,457	43,457	43,457	43,457	43,457	532,278
Real Estate Taxes	5,379	5,379	5,379	5,379	5,379	5,379	5,379	5,576	5,588	5,588	5,588	5,588	5,588	65,690
Property Insurance	89,773	79,013	98,291	80,331	77,383	82,676	83,524	80,778	86,840	91,914	82,134	90,617	91,370	1,024,871
Total Operating Exp	121,703	132,654	114,111	122,409	152,408	117,050	127,418	137,976	116,078	113,375	149,164	116,605	108,963	1,508,213
NET OPERATING INCOME														
REPLACEMENTS														
Recurring Repl	0	0	0	0	0	0	0	0	265	0	0	0	0	265
Recurring Repl	0	0	0	0	0	0	0	0	0	0	0	572	0	572
Recurring Repl	0	0	0	0	256	160	0	108	108	0	144	0	399	1,174
Recurring Repl	0	0	0	0	165	0	0	0	165	0	0	0	0	165
Individual Water Heaters	0	0	0	0	421	160	0	108	373	0	144	572	399	2,176
TOTAL RECURRING REPL														
Audit Fee	0	0	0	3,600	0	3,600	0	0	0	0	0	0	0	7,200
Boilers	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Carpentry/Siding/Gutters	0	0	0	0	0	0	0	0	0	0	0	0	0	0
City Inspection/Multi-family License fee	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Clubroom and Office Upgrades	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Concrete Repair	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Const. Mgmt. Fees	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Down Units	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Electrical	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Elevator inspection and repairs	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Exterior Painting	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Fire & Storm Damage	0	0	0	0	0	18,520	0	0	0	0	0	0	0	39,939
Fire Alarm System Inspection and related rep:	0	0	0	0	0	0	1,624	0	0	3,994	1,924	7,600	0	11,624
Foundation Repairs	250	0	0	10,000	495	0	0	0	2,086	0	0	25	0	2,606
Gate Repairs and Supplies	0	0	0	0	0	0	0	0	58	0	0	0	0	58
HVAC	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Insurance Adjuster Fees	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Insured Loss Recovery	2,000	0	0	0	0	0	4,314	4,855	0	0	0	0	0	8,969
Landscaping	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Liability Claim	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Major Exterior Repairs	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Major Pest Control Expenses	963	0	0	0	0	0	0	963	0	0	0	0	0	963
Masonry, Bricks, Stucco, Etc.	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Monument/Directional Signage	0	0	0	0	0	0	0	0	0	0	0	0	0	0
New Computer and peripherals	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other Non-Recurring	0	0	1,000	0	2,374	1,000	0	0	0	0	0	0	0	5,474
Ownership Level Expenses	0	0	0	0	300	0	0	1,679	2,466	0	0	0	0	300
Paving & Parking Lot	0	0	0	0	0	0	0	0	0	0	0	0	0	4,145
Plumbing	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Pool & Etchp.	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Pool Furniture	0	0	0	0	0	0	0	0	0	0	0	0	0	0
REAC Inspection related Expenses	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Refrigerator Equipment	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Refrigerator Overhaul	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Social Services	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Supervisory Fees	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Tax Credit related expenses	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Unit Upgrades	0	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL NON RECURRING REPL	3,213	0	0	15,100	3,769	23,120	5,938	7,297	4,610	3,994	1,924	7,925	7,600	81,278
Repair Escrow Exp.	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Repair Escrow Reimb.	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Repl Reserve Exp	3,750	3,750	3,750	3,750	3,750	3,750	3,750	3,750	3,750	3,750	3,750	3,750	3,750	45,000
Repl Reserve Reimb.	0	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL NET RESERVE ACTIVITY	3,750	3,750	3,750	3,750	3,750	3,750	3,750	3,750	3,750	3,750	3,750	3,750	3,750	45,000
Cash Flow Before Debt	114,740	128,904	110,361	103,569	144,468	90,020	117,731	126,821	107,345	105,631	143,347	104,358	97,214	1,379,759
TOT DEBT SVCE	75,797	78,821	78,187	78,187	78,187	78,187	78,187	78,187	78,187	78,187	78,187	79,411	79,411	941,323
CASH FLOW	38,942	50,084	32,175	25,372	66,282	11,834	39,544	48,635	29,159	27,444	65,160	24,947	17,803	438,436

12 FINANCIAL DETAIL

REVENUE	ACTUAL	MAE	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	JAN	TOTAL
Revenue	1,211	1,211	1,211	1,211	1,211	1,211	1,211	1,211	1,211	1,211	1,211	1,211	14,532
Expenses	(1,211)	(1,211)	(1,211)	(1,211)	(1,211)	(1,211)	(1,211)	(1,211)	(1,211)	(1,211)	(1,211)	(1,211)	(14,532)
Net Profit	0	0	0	0	0	0	0	0	0	0	0	0	0

OTHER REVENUE

OTHER REVENUE	ACTUAL	MAE	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	JAN	TOTAL
Other Revenue	1,211	1,211	1,211	1,211	1,211	1,211	1,211	1,211	1,211	1,211	1,211	1,211	14,532

EXPENSES

EXPENSES	ACTUAL	MAE	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	JAN	TOTAL
Expenses	(1,211)	(1,211)	(1,211)	(1,211)	(1,211)	(1,211)	(1,211)	(1,211)	(1,211)	(1,211)	(1,211)	(1,211)	(14,532)

TOTAL REVENUE

TOTAL REVENUE	ACTUAL	MAE	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	JAN	TOTAL
Total Revenue	2,422	2,422	2,422	2,422	2,422	2,422	2,422	2,422	2,422	2,422	2,422	2,422	29,064

TOTAL EXPENSES

TOTAL EXPENSES	ACTUAL	MAE	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	JAN	TOTAL
Total Expenses	(2,422)	(2,422)	(2,422)	(2,422)	(2,422)	(2,422)	(2,422)	(2,422)	(2,422)	(2,422)	(2,422)	(2,422)	(29,064)

TOTAL OPERATING EXPENSES

TOTAL OPERATING EXPENSES	ACTUAL	MAE	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	JAN	TOTAL
Total Operating Expenses	(2,422)	(2,422)	(2,422)	(2,422)	(2,422)	(2,422)	(2,422)	(2,422)	(2,422)	(2,422)	(2,422)	(2,422)	(29,064)

Account	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999	1998	1997	1996	1995	1994	1993	1992	1991	1990	1989	1988	1987	1986	1985	1984	1983	1982	1981	1980	1979	1978	1977	1976	1975	1974	1973	1972	1971	1970	1969	1968	1967	1966	1965	1964	1963	1962	1961	1960	1959	1958	1957	1956	1955	1954	1953	1952	1951	1950	1949	1948	1947	1946	1945	1944	1943	1942	1941	1940	1939	1938	1937	1936	1935	1934	1933	1932	1931	1930	1929	1928	1927	1926	1925	1924	1923	1922	1921	1920	1919	1918	1917	1916	1915	1914	1913	1912	1911	1910	1909	1908	1907	1906	1905	1904	1903	1902	1901	1900	1899	1898	1897	1896	1895	1894	1893	1892	1891	1890	1889	1888	1887	1886	1885	1884	1883	1882	1881	1880	1879	1878	1877	1876	1875	1874	1873	1872	1871	1870	1869	1868	1867	1866	1865	1864	1863	1862	1861	1860	1859	1858	1857	1856	1855	1854	1853	1852	1851	1850	1849	1848	1847	1846	1845	1844	1843	1842	1841	1840	1839	1838	1837	1836	1835	1834	1833	1832	1831	1830	1829	1828	1827	1826	1825	1824	1823	1822	1821	1820	1819	1818	1817	1816	1815	1814	1813	1812	1811	1810	1809	1808	1807	1806	1805	1804	1803	1802	1801	1800	1799	1798	1797	1796	1795	1794	1793	1792	1791	1790	1789	1788	1787	1786	1785	1784	1783	1782	1781	1780	1779	1778	1777	1776	1775	1774	1773	1772	1771	1770	1769	1768	1767	1766	1765	1764	1763	1762	1761	1760	1759	1758	1757	1756	1755	1754	1753	1752	1751	1750	1749	1748	1747	1746	1745	1744	1743	1742	1741	1740	1739	1738	1737	1736	1735	1734	1733	1732	1731	1730	1729	1728	1727	1726	1725	1724	1723	1722	1721	1720	1719	1718	1717	1716	1715	1714	1713	1712	1711	1710	1709	1708	1707	1706	1705	1704	1703	1702	1701	1700	1699	1698	1697	1696	1695	1694	1693	1692	1691	1690	1689	1688	1687	1686	1685	1684	1683	1682	1681	1680	1679	1678	1677	1676	1675	1674	1673	1672	1671	1670	1669	1668	1667	1666	1665	1664	1663	1662	1661	1660	1659	1658	1657	1656	1655	1654	1653	1652	1651	1650	1649	1648	1647	1646	1645	1644	1643	1642	1641	1640	1639	1638	1637	1636	1635	1634	1633	1632	1631	1630	1629	1628	1627	1626	1625	1624	1623	1622	1621	1620	1619	1618	1617	1616	1615	1614	1613	1612	1611	1610	1609	1608	1607	1606	1605	1604	1603	1602	1601	1600	1599	1598	1597	1596	1595	1594	1593	1592	1591	1590	1589	1588	1587	1586	1585	1584	1583	1582	1581	1580	1579	1578	1577	1576	1575	1574	1573	1572	1571	1570	1569	1568	1567	1566	1565	1564	1563	1562	1561	1560	1559	1558	1557	1556	1555	1554	1553	1552	1551	1550	1549	1548	1547	1546	1545	1544	1543	1542	1541	1540	1539	1538	1537	1536	1535	1534	1533	1532	1531	1530	1529	1528	1527	1526	1525	1524	1523	1522	1521	1520	1519	1518	1517	1516	1515	1514	1513	1512	1511	1510	1509	1508	1507	1506	1505	1504	1503	1502	1501	1500	1499	1498	1497	1496	1495	1494	1493	1492	1491	1490	1489	1488	1487	1486	1485	1484	1483	1482	1481	1480	1479	1478	1477	1476	1475	1474	1473	1472	1471	1470	1469	1468	1467	1466	1465	1464	1463	1462	1461	1460	1459	1458	1457	1456	1455	1454	1453	1452	1451	1450	1449	1448	1447	1446	1445	1444	1443	1442	1441	1440	1439	1438	1437	1436	1435	1434	1433	1432	1431	1430	1429	1428	1427	1426	1425	1424	1423	1422	1421	1420	1419	1418	1417	1416	1415	1414	1413	1412	1411	1410	1409	1408	1407	1406	1405	1404	1403	1402	1401	1400	1399	1398	1397	1396	1395	1394	1393	1392	1391	1390	1389	1388	1387	1386	1385	1384	1383	1382	1381	1380	1379	1378	1377	1376	1375	1374	1373	1372	1371	1370	1369	1368	1367	1366	1365	1364	1363	1362	1361	1360	1359	1358	1357	1356	1355	1354	1353	1352	1351	1350	1349	1348	1347	1346	1345	1344	1343	1342	1341	1340	1339	1338	1337	1336	1335	1334	1333	1332	1331	1330	1329	1328	1327	1326	1325	1324	1323	1322	1321	1320	1319	1318	1317	1316	1315	1314	1313	1312	1311	1310	1309	1308	1307	1306	1305	1304	1303	1302	1301	1300	1299	1298	1297	1296	1295	1294	1293	1292	1291	1290	1289	1288	1287	1286	1285	1284	1283	1282	1281	1280	1279	1278	1277	1276	1275	1274	1273	1272	1271	1270	1269	1268	1267	1266	1265	1264	1263	1262	1261	1260	1259	1258	1257	1256	1255	1254	1253	1252	1251	1250	1249	1248	1247	1246	1245	1244	1243	1242	1241	1240	1239	1238	1237	1236	1235	1234	1233	1232	1231	1230	1229	1228	1227	1226	1225	1224	1223	1222	1221	1220	1219	1218	1217	1216	1215	1214	1213	1212	1211	1210	1209	1208	1207	1206	1205	1204	1203	1202	1201	1200	1199	1198	1197	1196	1195	1194	1193	1192	1191	1190	1189	1188	1187	1186	1185	1184	1183	1182	1181	1180	1179	1178	1177	1176	1175	1174	1173	1172	1171	1170	1169	1168	1167	1166	1165	1164	1163	1162	1161	1160	1159	1158	1157	1156	1155	1154	1153	1152	1151	1150	1149	1148	1147	1146	1145	1144	1143	1142	1141	1140	1139	1138	1137	1136	1135	1134	1133	1132	1131	1130	1129	1128	1127	1126	1125	1124	1123	1122	1121	1120	1119	1118	1117	1116	1115	1114	1113	1112	1111	1110	1109	1108	1107	1106	1105	1104	1103	1102	1101	1100	1099	1098	1097	1096	1095	1094	1093	1092	1091	1090	1089	1088	1087	1086	1085	1084	1083	1082	1081	1080	1079	1078	1077	1076	1075	1074	1073	1072	1071	1070	1069	1068	1067	1066	1065	1064	1063	1062	1061	1060	1059	1058	1057	1056	1055	1054	1053	1052	1051	1050	1049	1048	1047	1046	1045	1044	1043	1042	1041	1040	1039	1038	1037	1036	1035	1034	1033	1032	1031	1030	1029	1028	1027	1026	1025	1024	1023	1022	1021	1020	1019	1018	1017	1016	1015	1014	1013	1012	1011	1010	1009	1008	1007	1006	1005	1004	1003	1002	1001	1000	999	998	997	996	995	994	993	992	991	990	989	988	987	986	985	984	983	982	981	980	979	978	977	976	975	974	973	972	971	970	969	968	967	966	965	964	963	962	961	960	959	958	957	956	955	954	953	952	951	950	949	948	947	946	945	944	943	942	941	940	939	938	937	936	935	934	933	932	931	930	929	928	927	926	925	924	923	922	921	920	919	918	917	916	915	914	913	912	911	910	909	908	907	906	905	904	903	902	901	900	899	898	897	896	895	894	893	892	891	890	889	888	887	886	885	884	883	882	881	880	879	878	877	876	875	874	873	872	871	870	869	868	867	866	865	864	863	862	861	860	859	858	857	856	855	854	853	852	851	850	849	848	847	846	845	844	843	842	841	840	839	838	837	836	835	834	833	832	831	830	829	828	827	826	825	824	823	822	821	820	819	818	817	816	815	814	813	812	811	810	809	808	807	806	805	804	803	802	801	800	799	798	797	796	795	794	793	792	791	790	789	788	787	786	785	784	783	782	781	780	779	778	777	776	775
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2023 PILLAR INCOME RESIDENTIAL OPERATING BUDGET

MGT CO: **SUNRIDGE**
 YEAR BUILT 2019
 1ST STABLE MONTH / PURCHASE DATE **May-19**
 PROPERTY: **BELLETTER RIDGE**
 CITY / ST: **DESOTO**
 OWNER: **SPC**

FOR THE BUDGET PERIOD BEGINNING: **Jan-23**
 FOR THE BUDGET PERIOD ENDING: **Dec-23**

NET RENTABLE SQ. FEET: **140,601**
 NUMBER OF UNITS: **150**
 AVERAGE UNIT SIZE: **937**

PRINTED: **15-May-23 09:18 AM**
 FILE NAME: **BELLETTER-23**
 RENT INCREASES: **Dec-22 1.695** **POTENTIAL 1.572** **POSSIBLE 1.676**
 Avg rent/unit **Dec-23 1.775**
 Percentage Increase: **Dec-23 4.72%** **6.62%**

	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Dec-22
AVERAGE RENT/UNIT - POTENTIAL:	1.695	1.695	1.715	1.715	1.715	1.735	1.735	1.755	1.755	1.755	1.755	1.775	1.695
AVERAGE RENT/SQ.FT. - POTENTIAL:	1.81	1.81	1.83	1.83	1.83	1.85	1.85	1.85	1.87	1.87	1.87	20.00	1.81
% INCREASE FROM PRIOR MO.			20.00			20.00			1.17%			1.14%	
% INCREASE FROM PRIOR MO.			1.18%			1.17%			1.15%			1.44%	
AVERAGE RENT/UNIT - POSSIBLE:	1.575	1.587	1.596	1.608	1.622	1.635	1.647	1.656	1.663	1.669	1.673	1.676	1.572
AVERAGE RENT/SQ.FT. - POSSIBLE:	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.68
% INCREASE FROM PRIOR MO.	3.00	12.00	9.00	12.00	14.00	13.00	12.00	5.00	7.00	1.00	4.00	3.00	
% INCREASE FROM PRIOR MO.	0.19%	0.76%	0.57%	0.75%	0.87%	0.80%	0.73%	0.55%	0.42%	0.36%	0.24%	0.19%	

PHYSICAL OCCUPANCY:	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	TOTAL	AVERAGE OCCUPANCY	% OF TOTAL
98.50%	98.50%	98.50%	98.50%	98.50%	98.50%	98.50%	98.50%	98.50%	98.50%	98.50%	98.50%	98.50%	98.50%	98.50%	98.50%
96.50%	96.50%	96.50%	96.50%	96.50%	96.50%	96.50%	96.50%	96.50%	96.50%	96.50%	96.50%	96.50%	96.50%	96.50%	96.50%

REVENUES	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	TOTAL	AVERAGE OCCUPANCY	% OF TOTAL
GROSS POTENTIAL RENT PER SCHEDULE	254,290	254,290	257,290	257,290	257,290	260,290	260,290	260,290	262,290	262,290	263,290	266,290	3,117,480	22.17	20.73%
(LOSS) / GAIN TO LEASES	(18,028)	(18,287)	(17,827)	(16,106)	(13,995)	(14,868)	(13,514)	(11,939)	(13,887)	(12,911)	(12,377)	(14,990)	(176,468)	(1.20)	(1.17)%
TOTAL POSSIBLE RENT PER LEASES	236,262	236,003	239,463	241,184	243,295	245,322	246,776	248,352	248,403	250,379	250,913	251,300	2,941,012	20.92	19.60%
VACANCY LOSSES	8,900	8,900	9,005	9,005	9,005	9,110	9,110	9,110	9,215	9,215	9,320	9,320	109,110	0.78	7.27%
TOTAL OTHER RENTAL LOSSES	3,764	3,790	3,812	3,838	3,869	3,900	3,945	3,966	3,961	3,976	3,984	3,990	46,755	0.33	3.12%
TOTAL RENTAL LOSSES	12,664	12,690	12,817	12,843	12,874	13,010	13,038	13,055	13,176	13,191	13,199	13,310	155,865	1.11	1.03%
NET RENTAL REVENUE	223,598	225,313	226,646	228,341	230,421	232,312	234,040	235,297	238,247	237,188	237,714	238,030	2,785,147	19.81	18.56%
TOTAL OTHER REVENUE	10,100	10,350	10,425	10,870	13,470	13,545	11,390	10,870	10,425	10,550	10,350	9,905	132,050	0.94	8.80%
TOTAL REVENUES	233,698	235,663	237,071	239,211	243,891	245,857	245,430	246,167	248,672	247,738	248,064	247,935	2,917,197	20.75	19.44%

OPERATING EXPENSES	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	TOTAL	AVERAGE OCCUPANCY	% OF TOTAL
PERSONNEL	18,624	17,469	17,679	18,866	20,368	20,368	21,664	20,496	20,729	19,281	18,104	18,093	231,761	1.65	1.54%
MANAGEMENT FEES	6,714	6,705	6,804	6,863	6,991	7,045	7,034	7,054	7,068	7,092	7,106	7,102	83,638	0.59	5.58%
ADMINISTRATIVE	3,212	3,368	3,347	2,597	2,697	2,597	2,597	2,597	2,597	2,797	2,797	2,797	33,794	0.24	2.84%
LEASING	2,397	2,277	2,277	2,592	2,667	2,342	2,657	2,342	2,477	2,477	2,412	2,412	30,762	0.22	2.05%
UTILITIES	4,464	5,179	3,961	3,848	3,487	4,484	4,817	3,283	3,103	1,973	1,973	1,973	48,804	0.35	1.65%
SERVICES	1,106	1,106	1,206	1,106	1,106	1,306	1,306	1,406	1,106	1,106	1,106	1,106	14,072	0.10	0.48%
CLEANING & DECORATING	1,604	1,604	1,604	1,604	1,604	1,604	1,604	1,604	1,604	1,604	1,604	1,604	24,103	0.17	0.82%
REPAIRS & MAINTENANCE	1,420	1,420	1,420	1,420	1,420	1,420	1,420	1,420	1,420	1,420	1,420	1,420	18,120	0.13	0.62%
PROPERTY TAXES	51,617	51,617	51,617	51,617	51,617	51,617	51,617	51,617	51,617	51,617	51,617	51,617	619,407	4.41	4.12%
PROPERTY INSURANCE	6,305	6,305	6,305	6,305	6,305	6,305	6,305	6,305	6,305	6,305	6,305	6,305	75,680	0.54	5.04%
TOTAL OPERATING EXPENSES	97,462	97,109	96,219	97,146	100,349	102,220	102,016	102,524	98,205	97,096	95,675	94,100	1,180,120	8.39	7.86%
NET OPERATING INCOME	136,236	138,554	140,852	142,066	143,542	143,637	143,414	143,643	148,466	150,442	152,390	153,835	1,737,077	12.35	11.58%

PROPERTY REPLACEMENTS	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	TOTAL	AVERAGE OCCUPANCY	% OF TOTAL
RECURRING	212	212	212	212	212	212	212	212	212	212	212	212	2,544	0.03	0.16%
NON-RECURRING (Includes Property Loss)	3,600	3,400	10,319	15,017	7,775	1,000	5,500	5,000	10,817	5,665	2,567	500	71,160	0.51	2.42%
TOTAL PROPERTY REPLACEMENTS	3,812	3,612	10,531	15,229	7,987	2,332	6,332	6,332	11,029	5,877	2,779	712	75,945	0.54	2.48%
NET RESERVE ACTIVITY	3,750	0	0	3,750	0	0	3,750	0	0	3,750	0	0	15,000	0.11	1.00%
AVAILABLE FOR DEBT SERVICE	128,674	134,942	130,321	123,087	135,555	141,305	133,952	137,311	137,437	140,815	149,611	153,123	1,646,132	11.71	10.97%
DEBT SERVICE	78,297	78,297	78,297	78,297	78,297	78,297	78,297	78,297	78,297	78,297	78,297	78,297	939,560	6.88	6.24%
CASH FLOW	50,377	56,645	52,024	44,790	57,258	63,008	55,656	59,015	59,140	62,518	71,314	74,826	706,571	5.03	4.71%

Addendum i
letter of engagement



5949 Sherry Lane, Suite 1500
Dallas, TX 75225

John Jordan, MAI
Managing Director

📞 214 693 4419
✉️ jjordan@apprise.us

May 9, 2023

Erik Johnson
Southern Properties Capital, Ltd.
1603 LBJ Freeway, Suite 800
Dallas, TX 75234
Erik.Johnson@pillarincome.com
469-522-4413

REQUEST FOR TWO RESTRICTED APARTMENT APPRAISALS:

**Parc @ Windmill Farms (1003 Windmill Farms Blvd., Forney, TX)
Bellwether Ridge (841 South Polk Street, DeSoto, TX)**

Per your request, Apprise by Walker & Dunlop is pleased to provide this proposal for two Restricted Appraisals regarding the above defined properties. Upon your acceptance, this proposal including the attached Terms and Conditions will form the agreement for this assignment and our services.

TERMS OF ENGAGEMENT

REPORT TYPE

Restricted Appraisals

CLIENT

Erik Johnson as agent for Southern Properties Capital, Ltd

INTENDED USERS

Southern Properties Capital, Ltd., its successor, and assigns; Client agrees that that the Restricted Reports are solely for the use and benefit of Client. Although, the client is authorized to provide a copy in its entirety to Shamoun & Norman, LLP (legal counsel for client) and the Northern District of Texas (Dallas, TX division; regarding Case No. 3:22-cv-2118-X) as additional intended users. No other users are intended or authorized by Apprise, and no other parties should use or rely on the Restricted Reports or any content in the reports.

INTENDED USE

Restricted reports are to estimate the "As Is" Market Value as of February 21, 2023, the date that the court appointed Receiver and Palmetto/i3 entered into a Purchase and Sale Agreement. The reports are not intended or authorized for any other use.

PREPARATION COMPLIANCE

USPAP, Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute.

ANTICIPATED SCOPE OF WORK

All minimum content as required by applicable regulatory guidelines. The actual scope of work will be communicated within the report. In general, we anticipate the following scope:

- Research the immediate market to establish the highest and best use of each property.
- Provided an abbreviated Income Approach with direct capitalization.
- Research and report sale comparables to determine Market Cap Rate(s) for the subject properties & support for the value conclusion via the Income Approach.

TYPE OF OPINION

As Is Market Value

DATE OF OPINION:

February 21, 2023

PROPERTY TYPE

Two garden-style apartment complexes

DELIVERY DATE & FEE

May 15, 2023, or sooner; \$6,400 (\$3,200/per report)

Fee quoted is inclusive of any related expenses incurred during the preparation of the report. All invoices are due upon receipt.

Apprise will use its best efforts to deliver the Restricted reports within the above timeframe. Our delivery of the report is contingent on timely receipt from the Client of the requested information below. In the event of a delay, Apprise will inform Client promptly as soon as reasonably practicable.

RETAINER

None

START DATE

Restricted Reports will commence upon receipt of signed copy of this agreement, requested property information, and any applicable retainer.

REPORT COPIES

PDF delivered via email

ACCEPTANCE

The above price quote is effective and valid for one (1) business day. Upon acceptance by the client, this document is intended to function as a formal letter of engagement and contract for services. The appraiser hereby certifies they have no present or prospective interest in the property that is the subject of the proposed report.

PRIOR SERVICE DISCLOSURE

The appraiser(s) performing the Restricted Reports have provided several consecutive annual appraisal reports with the most recent report reflecting an effective date of value as of December 1, 2022. The appraiser(s) have not provided any additional services regarding the subject properties in any other capacity within the three-year period preceding the date of this proposal. If this engagement presents a conflict for Apprise, we reserve the right to withdraw from the engagement without penalty; provided that it refunds any payments made by Client pursuant to this agreement.

MARKETING DISCLOSURE

We may disclose that we have provided valuation services for the property in future marketing documents and materials, unless otherwise directed at the conclusion of this engagement.

ADDITIONAL TERMS AND CONDITIONS

The reports will be drafted in a restricted format. Thus, the report(s) may not contain supporting rationale for all the opinions and conclusions set forth in the report(s). The appraiser(s) are not inspecting the properties for this assignment. Both properties were inspected in late November 2022. The appraisals will reflect an extraordinary assumption which depicts the properties are in the same general condition as reflected in the last property inspection. The attached Terms and Conditions form a material part of the agreement and are no less important than any other part.

If you accept the terms of this proposal by signing below, it will become a binding agreement regarding our Restricted Reports of the properties. For report(s) delivery by the provided due date herein, please sign and date below and return this agreement via email to the sender within one (1) business day along with the requested property information below.

- January 31, 2023, T-12 P&L statements (in excel)
- January 1, 2023, P&L Statement (in excel)
- February 12, 2023 Rent Roll (in excel)

The additional information needed (site plan, floor plans, etc.) is contained in our files from the previous appraisals prepared for Southern Properties Capital, Ltd. By the appraiser(s). If additional data is necessary, a request for information will be sent.

Please don't hesitate to call or email me directly with any further questions. Thank you for the opportunity to be of service on this assignment. We look forward to working with you!

Sincerely,

Apprise by Walker & Dunlop



John Jordan, MAI
Managing Director
JJordan@apprise.us
214-693-4419



CLIENT AND INTENDED USER – AGREED AND ACCEPTED

Erik Johnson as agent for Southern Properties Capital, Ltd

DATE:

5/10/23

TERMS AND CONDITIONS

- 1. Payment.** The fee is due upon delivery of the final report or within thirty (30) days of Client's receipt of the draft report, whichever is sooner. If a draft is requested, the fee is considered earned upon delivery of our draft report. Client agrees to pay all fees and expenses, including attorney's fees, incurred by Apprise in connection with the collection or attempted collection of the fees and expenses. In the event Client fails to make payments when due and payable, the amount due shall bear interest at 1.5% per month or the maximum rate permitted by law.
- 2. Cap Rate Study Assumptions and Conditions.** Cap Rate Study limiting conditions and assumptions, including any necessary extraordinary assumptions or hypothetical conditions, will be stated within the Cap Rate Study report. Use of or reliance on the Cap Rate Study will constitute acceptance of all such conditions and assumptions.
- 3. Subpoenas and Testimony.** In the event that Apprise, any of its appraisers or other personnel (collectively, "Personnel") or any of its affiliates is compelled by subpoena or other legal or administrative process to provide testimony or produce documents relating to this assignment, whether in court, deposition, arbitration or any other proceeding, Apprise will make reasonable efforts to notify Client. Unless Apprise, its Personnel or any of its affiliates is a party to the underlying proceeding, Client agrees to compensate Apprise or its affiliate, as applicable, for the time and expenses, including attorneys' fees, incurred in connection with the demand for testimony or documents at the then current hourly rates of the Personnel or other persons responding.
- 4. Termination of Assignment.** The Cap Rate Study assignment may be terminated by Client in writing (including via email); however, Apprise will be entitled to a portion of the quoted fee based upon the timing of the cancellation and work performed prior to termination.
- 5. Assignment Changes.** The Client, Intended User(s), or Intended Use, effective date, or interest appraised covered by this agreement may not be modified without a new agreement.
- 6. No Assignments of Agreement.** Neither this agreement nor any legal claims or causes of action by any party relating to the Cap Rate Study or this agreement may be assigned by either party without the other parties' prior written consent.
- 7. Mutual Limitations of Liability.** To the fullest extent permitted by applicable law, the maximum monetary liability of Apprise (including its Personnel and affiliates) or Client to one another for any and all claims or causes of action relating to the Cap Rate Study or this agreement shall be limited to the total compensation actually received by Apprise for the Cap Rate Study or other services that are the subject of the claim(s) or cause(s) of action. This limitation of liability extends to all types of claims and causes of action, whether in contract or tort, but excludes: (i) claims/causes of action for intentionally fraudulent or criminal conduct, intentionally caused injury, or unauthorized use or publication of the Cap Rate Study or other work product or (ii) claims/causes of action by Apprise for the collection of unpaid compensation for the Cap Rate Study or other services (for which the maximum recovery shall be the total amount unpaid and owing to Apprise plus reasonable costs of collection).
- 8. Mutual Limitations on Types of Damages.** Neither Apprise (including its Personnel and affiliates) or Client shall be liable to one another or to any third party for special, consequential, punitive or incidental damages relating to the Cap Rate Study or this agreement, including, without limitation, loss of profits or revenue, cost of capital, interest or late charges, or loss of clients or prospective business opportunities, regardless of whether arising from negligence, gross negligence, breach of contract or otherwise, and regardless of whether a party was advised or knew of the possibility of such damages.
- 9. No Publication of Report.** The Client may not publish any part of the Cap Rate Study report without Apprise's express prior permission in writing. This includes using any part of the report in marketing materials or securities filings, except as specifically permitted.

10. **Apprise Not Responsible for Certain Conditions.** Notwithstanding that the Cap Rate Study report may comment on, analyze or assume certain conditions in the Cap Rate Study, unless otherwise stated in the report, neither Apprise nor its Personnel or affiliates shall have any responsibility for investigating and liability for matters pertaining to: (a) title defects, liens or encumbrances affecting the property; (b) the property's compliance with local, state or federal zoning, planning, building, disability access and environmental laws, regulations and standards; (c) building permits and planning approvals for improvements on the property; (d) structural or mechanical soundness or safety; (e) contamination, mold, pollution, storage tanks, animal infestations and hazardous conditions affecting the property; and (f) other conditions and matters for which licensed real estate appraisers are not customarily deemed to have professional expertise.
11. **No Third Party Beneficiaries.** Unless identified expressly, there are no third party beneficiaries of this agreement, and no other person or entity shall have any right, benefit or interest under this agreement. The identification of a party as an intended user of the Cap Rate Study does not mean that the party is a third party beneficiary of this agreement.
12. **Modifications.** This agreement may only be modified by a subsequent agreement of the parties in writing signed by all the parties; provided, however, that the parties recognize and agree that, as stated above, use of or reliance on the Cap Rate Study will constitute acceptance of the Cap Rate Study conditions and assumptions stated within the Cap Rate Study report.
13. **Severability.** If any provision of these Terms and Conditions or other parts of the agreement is held, in whole or part, to be unenforceable or invalid for any reason, the remainder of that provision and the remainder of the entire agreement will be severable and remain in effect.
14. **Applicable Law.** This Agreement shall be construed and enforced in accordance with the laws of the State of Maryland without regard to the principles of conflict of laws thereof, and the parties hereto agree to the exclusive jurisdiction of the state and federal courts located in Montgomery County and Prince George's country, Maryland, respectively. EACH PARTY HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES, TO THE FULLEST EXTENT IT MAY LEGALLY AND EFFECTIVELY DO SO, ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING (WHETHER SOUNDING IN CONTRACT, TORT, OR OTHERWISE) ARISING OUT OF, OR RELATED TO, THIS AGREEMENT.

Addendum j
appraiser qualifications



JASON RIBELIN
SENIOR DIRECTOR

Work: 469.248.1249
Cell: 405.517.6917
jribelin@apprise.us

CREDENTIALS

Certified General Real Estate Appraiser

TX – 1380338 LA – 4232
OK – 13292 AZ - 1029779
MS – 1420 AK - 185970
MN – 40808735
MD – 33970
CO – 200000038

EDUCATION & AFFILIATIONS

University of North Texas

Bachelor of Science, Integrative Studies

Successfully completed the following relevant courses.

- Basic Appraisal Principles
- Basic Appraisal Procedures
- Uniform Standards of Professional Appraisal Practice (USPAP)

Appraisal Institute Courses Completed:

- General Appraiser Market Analysis and Highest & Best Use
- General Appraiser Sales Comparison Approach
- General Appraiser Site Valuation and Cost Approach

5949 SHERRY LANE, SUITE 1500
DALLAS, TEXAS 75225

PERSONAL QUALIFICATIONS

Mr. Ribelin has been engaged in the real estate industry in excess of thirteen years. Over the last seven years, Mr. Ribelin has been primarily focused on multi-family properties and has personally inspected and appraised over 1,000 apartments complexes in 35 states ranging from ten units to 2,000+ units. Mr. Ribelin has appraised all asset classes and has vast knowledge of conventional and affordable properties inclusive of LIHTC, LURA, Section 236, and HAP properties. Additionally, Mr. Ribelin has conducted research on and made appraisals and/or inspections of numerous other property types which include the following:

- Automotive Dealerships
- Office buildings
- Planned unit developments
- Retail centers (all property types)
- Industrial / Flex warehouse
- Waterfront Land
- Community Amenity Centers
- Vacant land
- Hotels



JASON RIBELIN
SENIOR DIRECTOR

Work: 469.248.1249
Cell: 405.517.6917
jribelin@apprise.us

LICENSES



JOHN JORDAN, MAI
MANAGING DIRECTOR

Work: 214.693.4419
jjordan@apprise.us

CREDENTIALS

Certified General Real Estate Appraiser

TX – 1321156

OK – 12104

MO – 2019002055

Texas Licensed Broker

EDUCATION & AFFILIATIONS

University of Oklahoma
Finance

**Appraisal Institute Designated
Member MAI**

**Past Associate Member of Mortgage
Bankers Association of America**

**Past Licensed Tax Consultant, State
of Texas**

5949 SHERRY LANE, SUITE 1500
DALLAS, TX 75225

PERSONAL QUALIFICATIONS

John D. Jordan, MAI is a Managing Director at Apprise by Walker & Dunlop, based in Dallas, Texas. In his role, he is responsible for client relationships, growing the national platform, and expanding the Southwest multifamily team. He brings more than 35 years of real estate experience to Walker & Dunlop. Mr. Jordan has experience with nearly every property type and has provided consulting/appraisals assignments in every state. During his career, he has appraised/reviewed over 6,000 multifamily complexes.

Separate from Walker & Dunlop, Mr. Jordan is the President of Deverick & Associates, Inc. (D&A), a company he founded in 1984 which was a full-service real estate appraisal, mortgage/investment sales brokerage, consulting, and review firm with a national presence. D&A provided comprehensive valuation services and specializes in preparing high-quality appraisals on complex properties with a major emphasis on multifamily assets. In 2019 D&A's appraisal team merged with Colliers where Mr. Jordan served in multiple roles including Executive Managing Director / US Multifamily Client Services. Prior to the Colliers' merger, D&A was one of the top five appraisal firms by annual appraisal volume with Fannie Mae and Freddie Mac.

Mr. Jordan's tenure has included Director of Acquisition for Ensearch Realty, brokerage, and consulting. In these various capacities, he has enabled the purchase and financing of several investment-grade properties, represented the seller as principal broker in one of the largest multifamily trades in 2017 in the State of Texas, and represented the buyer and seller as principal broker on a large four property portfolio valued more than \$170 MM, reflecting one of the largest 2020 multifamily trades in North Texas. Further, he is an active participant in various real estate entities, consults with several publicly held corporations, and has acted as a broker on approximately \$500 million in CMBS, banks, & Fannie Mae loans.

Mr. Jordan is a Member of the Appraisal Institute, Licensed Texas Real Estate Broker, State Certified General Real Estate Appraiser, and past Texas Licensed Tax Consultant.



JOHN JORDAN, MAI
MANAGING DIRECTOR

Work: 214.693.4419
jjordan@apprise.us

LICENSES



QUALIFICATIONS



SOUTHW



TRAVIS HALL
ASSOCIATE

Work: 469.364.7013
Cell: 972.672.9646
thall@apprise.us

PERSONAL QUALIFICATIONS

Travis Hall is an Associate in the Dallas, TX office of Apprise by Walker & Dunlop. Previously, he was with Colliers International Valuation & Advisory Services as a Valuation Associate. Mr. Hall has been in the commercial real estate industry since 2013. He has assisted in performing research on real estate valuation assignments involving primarily multifamily family assets across several different states. Other asset types he has assisted with include vacant land and self-storage. Prior to joining Colliers, Travis was a real estate analyst with Deverick & Associates, Inc. Additionally, he took on the role of Office Manager in 2018 and aided with several administrative and day to day operational duties.

LICENSE

Appraiser Trainee

Trainee: **Travis Hall**
Authorization #: **TX 1342348 Trainee** Expires: **08/31/2024**

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

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

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

Chelsea Buchholtz
Chelsea Buchholtz
Commissioner

CREREDENTIALS

Texas State Appraiser Trainee
TX - 1342348

EDUCATION & AFFILIATIONS

University of North Texas
Denton, TX
Bachelor of Arts, Sociology

Appraisal Institute Courses Completed:

- USPAP (15-Hour Course)
- Basic Appraisal Principles
- Basic Appraisal Procedures
- Market Analysis and Highest and Best Use

Other Related Course

- Supervisor-Trainee Course for TX

5949 SHERRY LANE, SUITE 1500
DALLAS, TX 75201

EXHIBIT G-5



JOHN JORDAN, MAI
MANAGING DIRECTOR

Work: 214.693.4419
jjordan@apprise.us

PERSONAL QUALIFICATIONS

John D. Jordan, MAI is a Managing Director at Apprise by Walker & Dunlop, based in Dallas, Texas. In his role, he is responsible for client relationships, growing the national platform, and expanding the Southwest multifamily team. He brings more than 35 years of real estate experience to Walker & Dunlop. Mr. Jordan has experience with nearly every property type and has provided consulting/appraisals assignments in every state. During his career, he has appraised/reviewed over 6,000 multifamily complexes.

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Mr. Jordan's tenure has included Director of Acquisition for Ensearch Realty, brokerage, and consulting. In these various capacities, he has enabled the purchase and financing of several investment-grade properties, represented the seller as principal broker in one of the largest multifamily trades in 2017 in the State of Texas, and represented the buyer and seller as principal broker on a large four property portfolio valued more than \$170 MM, reflecting one of the largest 2020 multifamily trades in North Texas. Further, he is an active participant in various real estate entities, consults with several publicly held corporations, and has acted as a broker on approximately \$500 million in CMBS, banks, & Fannie Mae loans.

Mr. Jordan is a Member of the Appraisal Institute, Licensed Texas Real Estate Broker, State Certified General Real Estate Appraiser, and past Texas Licensed Tax Consultant.

CREDENTIALS

Certified General Real Estate Appraiser

TX – 1321156
OK – 12104
MO – 2019002055

Texas Licensed Broker

EDUCATION & AFFILIATIONS

University of Oklahoma Finance

Appraisal Institute Designated Member MAI

Past Associate Member of Mortgage Bankers Association of America

Past Licensed Tax Consultant, State of Texas

5949 SHERRY LANE, SUITE 1500
DALLAS, TX 75225



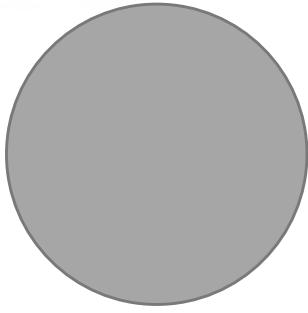
JOHN JORDAN, MAI
MANAGING DIRECTOR

Work: 214.693.4419
jjordan@apprise.us

LICENSES



EXHIBIT G-6



JASON RIBELIN
SENIOR DIRECTOR

Work: 469.248.1249
Cell: 405.517.6917
jribelin@apprise.us

CREDENTIALS

Certified General Real Estate Appraiser

TX – 1380338 LA – 4232
OK – 13292 AZ - 1029779
MS – 1420 AK - 185970
MN – 40808735
MD – 33970
CO – 200000038

EDUCATION & AFFILIATIONS

University of North Texas

Bachelor of Science, Integrative Studies

Successfully completed the following relevant courses.

- Basic Appraisal Principles
- Basic Appraisal Procedures
- Uniform Standards of Professional Appraisal Practice (USPAP)

Appraisal Institute Courses Completed:

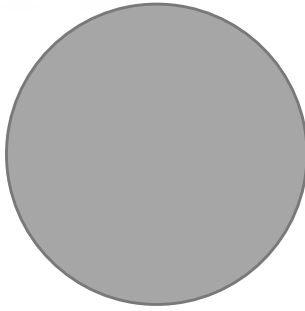
- General Appraiser Market Analysis and Highest & Best Use
- General Appraiser Sales Comparison Approach
- General Appraiser Site Valuation and Cost Approach

5949 SHERRY LANE, SUITE 1500
DALLAS, TEXAS 75225

PERSONAL QUALIFICATIONS

Mr. Ribelin has been engaged in the real estate industry in excess of thirteen years. Over the last seven years, Mr. Ribelin has been primarily focused on multi-family properties and has personally inspected and appraised over 1,000 apartments complexes in 35 states ranging from ten units to 2,000+ units. Mr. Ribelin has appraised all asset classes and has vast knowledge of conventional and affordable properties inclusive of LIHTC, LURA, Section 236, and HAP properties. Additionally, Mr. Ribelin has conducted research on and made appraisals and/or inspections of numerous other property types which include the following:

- Automotive Dealerships
- Office buildings
- Planned unit developments
- Retail centers (all property types)
- Industrial / Flex warehouse
- Waterfront Land
- Community Amenity Centers
- Vacant land
- Hotels



JASON RIBELIN
SENIOR DIRECTOR

Work: 469.248.1249
Cell: 405.517.6917
jribelin@apprise.us

LICENSES

TALCB
TEXAS APPRAISER LICENSE & CERTIFICATION BOARD

Certified General Real Estate Appraiser

Appraiser: **JASON PAUL RIBELIN**
License #: **TX 1380338 G** License Expires: **07/31/2024**

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

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

Chelsea Buchholz
Commissioner

State of Louisiana
Certified General Appraiser License

Having completed both the license requirements as set forth in La. R.S. 10:55, Title 10, Chapter 51, and Paragraphary B10, and the Real Estate Appraiser Branch Rules and Regulations, a Certified General Appraiser License is hereby granted to
Jason P. Ribelin

By Commission Order, this license has been issued by the Secretary of the Louisiana Real Estate Appraiser Board.

Branch Created: August 9, 2021 Branch Expires: December 31, 2022

Signature: Jason P. Ribelin
Notary Number: G4202

State of Oklahoma
Glen Mulready, Insurance Commissioner
Oklahoma Real Estate Appraiser Board

This is to certify that:
Jason P. Ribelin

has complied with the provisions of the Oklahoma Real Estate Appraisers Act to transact business as a Certified General Real Estate Appraiser in the State of Oklahoma.

In Witness Whereof, I have hereunto set my hand and caused the seal of my office to be affixed at the City of Oklahoma City, State of Oklahoma, this 7th day of August, 2020.

Glen Mulready, Insurance Commissioner
Chairperson, Oklahoma Real Estate Appraiser Board
Members: Brandon Witt, Patrick A. Brown, Ryan C. Cole

License #: **13292CGA**

Department of Insurance and Financial Institutions
State of Arizona

CGA - 1029779

This document is a certification of:
JASON PAUL RIBELIN

Active Real Estate Appraiser, entitled to the title and license of a:
Certified Residential Real Estate Appraiser

and the Department of Insurance and Financial Institutions of the State of Arizona has granted this license to the individual named above.

Certified Residential Real Estate Appraiser

JASON PAUL RIBELIN

This license is subject to the laws of Arizona and this license is not valid and does not represent a profession if transferred to any other state.

Effective Date: September 20, 2023

State of Mississippi
MISSISSIPPI REAL ESTATE APPRAISER LICENSING AND CERTIFICATION BOARD
LICENSE # GA-1420 STATUS: ACTIVE

JASON PAUL RIBELIN

HAS BEEN GRANTED A LICENSE AS A
STATE CERTIFIED GENERAL APPRAISER

Effective Date: 06/17/2022 Expiration Date: 06/30/2024

Signature of Licensee: *[Signature]*
Robert E. Praytor, Administrator

STATE OF MINNESOTA
Department of Commerce

JASON PAUL RIBELIN
1145 BENTLEY DRIVE
ROCKWELL, TX 75282

The Undersigned COMMISSIONER OF COMMERCE for the State of Minnesota hereby certifies that Jason Paul Ribelin:

1145 BENTLEY DRIVE
ROCKWELL, TX 75282

has complied with the laws of the State of Minnesota and is hereby licensed to transact the business of Non-Resident Appraiser - Certified General.

License Number: **40808735**

unless this authority is suspended, revoked, or otherwise legally terminated. This license shall be in effect until August 31, 2023.

IN TESTIMONY WHEREOF, I have hereunto set my hand this June 17, 2022.

Loise Arnold
COMMISSIONER OF COMMERCE
Minnesota Department of Commerce
Licensing Division
407 The Square East, Suite 200
St. Paul, MN 55101-3345
Telephone: (651) 536-1588
Email: licensing.commerce@state.mn.us
Website: commerce.state.mn.us

Notes:
Individual Licensees Only - Continuing Education: 14 hours is required in the first license period, which includes a 7-hour CE/CPD course. CE must be earned for each subsequent period, which includes a 7-hour CE/CPD course. Appraisers: You must hold a current Professional Certified Residential or Certified General Appraiser license in order to perform appraisals for specialty residential transactions. However, the sub-quality fee schedule applies until you receive a current Minnesota license.

Maryland
DEPARTMENT OF LABOR

LICENSE • REGISTRATION • CERTIFICATION • PERMIT
STATE OF MARYLAND
MARYLAND DEPARTMENT OF LABOR
COMMISSION OF REAL APPRAISERS & HOME INSPECTORS
CERTIFIES THAT:
JASON PAUL RIBELIN

IS AUTHORIZED: **04 - CERTIFIED GENERAL**

LIC/REG/CERT: 55978 EXPIRATION: 08-20-2023 EFFECTIVE: 08-20-2020 CONTROL NO: 5559366

Lawrence J. Hogan, Jr., Governor
David K. Rothbard, Lt. Governor
Tiffany P. Robinson, Secretary

Signature of Dealer: *[Signature]* Secretary: *Tiffany P. Robinson*

WHERE REQUIRED BY LAW THIS MUST BE CONSPICUOUSLY DISPLAYED IN OFFICE TO WHICH IT APPLIES

Jason P. Ribelin
1145 Bentley Drive
Rockwell, TX 75282

State of Colorado
Department of Regulatory Agencies
Division of Real Estate

Board of Real Estate Appraisers

Jason P. Ribelin
Certified General Appraiser

License #: **CG200000038**
Status: Active
Expires: 12/31/2023

Marcia Waters
Director: Marcia Waters

For the most up to date information regarding this credential, visit <http://dora.colorado.gov/dre>

State of Alaska
Department of Commerce, Community, and Economic Development
Division of Corporations, Business, and Professional Licensing
Board of Certified Real Estate Appraisers

Jason Paul Ribelin
As
Certified General Real Estate Appraiser

License: 185970	Effective Date: 11/30/2021	Expires: 06/30/2023
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EXHIBIT H

**IN THE UNITED STATES DISTRICT COURT FOR
THE NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION**

**SECURITIES AND EXCHANGE
COMMISSION**

Plaintiff,

v.

TIMOTHY BARTON, et al.,

Defendants,

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CASE NO. 3:22-CV-2118-X

**DECLARATION OF SCOTT D. HAKALA, PH.D., CFA RELATED TO SOUTHERN
PROPERTIES CAPITAL, LTD.’S MOTION FOR INTERVENTION AND OPPOSITION
TO THE SALE OF CERTAIN APARTMENT COMPLEXES KNOWN AS PARC AT
WINDMILL FARMS, BELLWETHER RIDGE, PARC AT INGLESIDE, AND PARC AT
OPELIKA**

1. I have been employed by counsel for Southern Properties Capital, Ltd., (“SPC”) to address a number of issues related to the Receivership of four entities purportedly owning apartment complexes known as Parc at Windmill Farms (“Windmill Farms” purportedly owned by D4FR LLC or “D4FR”), Bellwether Ridge (“Bellwether” purportedly owned by D4DS LLC or “D4DS”), Parc at Ingleside (“Ingleside”, purportedly owned by D4IN LLC or “D4IN”) and Parc at Opelika (Opelika, purportedly owned by D4OP LLC or “D4OP”) (collectively the properties will be referred to as the “Apartment Complexes”) and proposed sales by the Receiver of Parc at Windmill

Farms and Bellwether Ridge (the “Proposed Sales”).¹ Additionally, the Receiver has now proposed similar actions with respect to the Opelika and Ingleside apartment complexes in the Receiver’s Motion for Summary Judgment.

2. In this declaration, my conclusions are as follows:

- a. The subject loans from SPC to entities holding interests in D4FR, D4DS, D4IN, and D4OP were hybrid securities known as loans convertible into equity interests. These are common in real estate finance. The conversion features are essential in order to provide an adequate return to the convertible lender given that the funds are used to finance equity in each project. There is no requirement of default for the conversion of such loans to equity, nor would such a condition make sense financially or practically.
- b. The National Valuation Consultants, Inc. (“NVC”) and brokers opinions obtained by the Receiver and submitted in connection with the respective motions for the Proposed Sales are understated and not consistent with the market for a fair sale of either the Windmill Farms or the Bellwether properties. They underestimated revenues and overestimated operating expenses relative to the management budgets prepared for D4FR and D4DS. They also chose capitalization rates and valuation conclusions that were at the upper end of or outside of the range suggested by the market comparable sales information and understated value relative to what would be realized in a fair market sales process for these properties.
- c. Apprise by Walker and Dunlop, Inc. (“Apprise”) used conservative methods based on an arm’s-length sale (with more conservative estimates on net operating income) to estimate

¹ See RECEIVER’S VERIFIED MOTION FOR APPOINTMENT OF APPRAISERS, APPROVAL OF APPRAISALS, APPROVAL HEARING, AND APPROVAL OF SALE OF BELLWETHER RIDGE, 9 March 2023, (“Bellwether Ridge Motion”) and RECEIVER’S VERIFIED MOTION FOR APPOINTMENT OF APPRAISERS, APPROVAL OF APPRAISALS, APPROVAL HEARING, AND APPROVAL OF SALE OF PARC AT WINDMILL FARMS, 23 February 2023 (“Windmill Farms Motions”).

the value of Bellwether Ridge to be \$31.2 million (not including the favorable HUD financing loan rate) as opposed to the lower values suggested by NVC and the brokers cited by the Receiver. The proposed sale at \$27.0 million is inadequate given the potential for growth in rents, the current market, the age of the complex, and the favorable HUD loan financing (which is worth at least another \$2.00 million in additional value).

- d. Apprise used conservative methods based on an arm's-length sale (with more conservative estimates on net operating income) to estimate the value of Parc at Windmill Farms at \$57.8 million as opposed to the much lower values suggested by NVC and the brokers cited by the Receiver and as compared with a current proposed sale at \$51.0 million. The proposed sale at \$51.0 million is inadequate given the potential for growth in rents, the lower actual operating expenses, the age of the complex, and the favorable HUD loan financing (which is worth at least another \$3.57 million in value).
- e. The sales process and the fact that the Receiver conducted that process renders the negotiations more in the nature of an "orderly liquidation" or "forced sale", not a fair sale. In that process, the buyer typically understands that the Receiver desires and needs to sell and that the property has not been fully marketed. This process, therefore, will naturally result in less value than a fully marketed property in a fair market sales process. The differences in the valuations obtained by the Receiver as opposed to those by Colliers International and Apprise reflect in part that fact. The discount in price is significant as a result.
- f. The appraisals provided by NVC, the brokers' opinions obtained by the Receiver, and even the appraisals by Colliers International and now Apprise by Walker & Dunlop, Inc. all assume a buyer obtains replacement financing and do not consider the values of the

favorable interest rates associated with the HUD loans to D4FR and D4DS. As shown in Schedule C.1, the HUD loan on Bellwether Ridge represents favorable financing in the amount of at least \$2.00 million for a ten-year period and \$2.53 million for a fifteen-year period. In Schedule C.2, the HUD loan on Parc at Windmill Farms is worth at least \$3.57 million in favorable financing for a ten-year holding period and \$4.56 million on a fifteen-year holding period. The buyer is proposing to and SPC also would assume the HUD loans at those favorable interest rates and terms. Additionally, the HUD loans have prepayment penalties that would be avoided by having any acquirer assume those HUD loans. Thus, all transactions should consider the value of favorable financing in the analyses of fairness.

- g. The Proposed Sales of Windmill Farms and Bellwether Ridge apartments would both result in less-than fair proceeds to the estates of D4DS and D4FR.
 - i. As shown in Schedule C.1, the Receiver has an estimated shortfall in consideration of between \$6.39 million and \$6.91 million on the sale of Bellwether Ridge with the assumption of the HUD loan by the buyer.
 - ii. As shown in Schedule C.2, the Receiver has an estimated shortfall in consideration of between \$10.80 million and \$11.79 million on the sale of Parc at Windmill Ridge with the assumed of the HUD loan by the buyer.
- h. SPC realizes greater irreparable harm given the proposals of the Receiver and upon the sale of Bellwether Ridge and Windmill Farms.
 - i. SPC effectively owns through its conversion rights the equity to D4DS, D4FR, D4IN, and D4OP.
 - ii. There is additional value to control and in the right to manage the property and time the sale of the property in the future. That option or right has incremental value to a

party holding an asset, often called a “control premium”. The value of that option or control right to hold the properties and maximize value through ownership adds additional value to SPC.

- iii. As shown in Schedule C.1, the sale of Bellwether Ridge and retention of the net proceeds after paying off the SPC loan would inadequately compensate SPC and result in a loss in value of at least \$12.00 million to \$12.48 million. This does not include the option value associated with continued control and ownership and the ability to manage and time the future sale.
- iv. As shown in Schedule C.2, the sale of Windmill Farms and retention of the net proceeds after paying off the SPC loan would inadequately compensate SPC and result in an immediate loss of between \$19.16 million and \$20.15 million. This does not include the option value associated with continued control and ownership and the ability to manage and time the future sale.
- v. Given the nature of the valuations, both D4IN and D4OP are expected to appreciate substantially in the future as rents stabilize such that SPC’s ownership rights are worth millions of dollars each that would be effectively denied by the Receiver. As shown in Schedule C.3, estimates based on the Receiver’s position and assuming an average discount of 5.0% off fair value for the losses to SPC from a similar sale of the Ingleside property are between \$5.75 million and \$6.59 million using conservative estimates. As shown in Schedule C.4, estimates based on the Receiver’s position and assuming an average discount of 5.0% off fair value for the losses to SPC from a similar sale of the Opelika property would be between \$15.21 million and \$16.22 million.

vi. Both SPC and its parent Transcontinental Realty Investors (“TCI”) are publicly reporting companies such that these damages would flow to the shareholders as well. SPC and TCI publicly disclose the value of their conversion rights associated with D4DS, D4FR, D4IN, and D4OP and are constructive owners as a result of those conversion rights for financial accounting purposes.

3. Additionally, the entities D4DS, D4FR, D4IN, and D4OP and their immediate affiliate companies were Special Purposes Entities (“SPE”) subject to audit and review and separated from the other Barton interests that the Receiver represents. The funds used to capitalize D4DS, D4FR, D4IN, and D4OP are identified as from the HUD and SPC loans and not from other sources. I have been tasked with and involved in preparing plans of allocation for the distributions of recoveries on numerous occasions for courts, for the US Securities & Exchange Commission or Department of Justice, for private class plaintiffs, and for FINRA. In my experience, it is inequitable and improper in any plan of allocation associated with a recovery to use funds from a recovery from one distinct set of companies to cover losses and claims of creditors and investors who claim losses for separate and distinct reasons in unrelated entities and thereby deprive a party, SPC in this instance, of its contractual rights and claims and cause SPC to incur a loss.

4. My expertise and experience are set forth later in this declaration and also in Exhibit A to this Declaration. I have more than thirty years of experience as a valuation expert. That experience has included:

- a. Valuing numerous convertible securities and conversion rights or other derivative securities for financial reporting, income and estate and gift tax purposes, private equity reporting, advisory (fairness) purposes, and in litigation.

- b. Valuing assets and entities in financial or operating distress including for or related to trustees or receivers, orderly liquidation purposes, secured lending purposes, financial reporting, bankruptcy or insolvency or financial restructuring, advisory (fairness) purposes, and in litigation.
- c. Assessing the value of control, options to control the timing of sale or purchase, and liquidity on the valuation of assets and securities for financial reporting, secured lending, orderly liquidation, bankruptcy, advisory (fairness) purposes, and in litigation.
- d. Valuing real estate holding companies, commercial real estate, and real estate interests for financial reporting, advisory (fairness) purposes, bankruptcy or financial or operational restructuring purposes, income tax and gift and estate tax purposes, solvency assessments, and in litigation.²
- e. Assisting in preparing and preparing plans of allocation and distributions of funds recovered for trustees and receivers, to private litigations in litigation, in class actions (particularly private securities litigation), for FINRA recoveries and fines, and associated with United States Department of Justice and Securities & Exchange Commission “Fair Funds” distributions.

BACKGROUND

5. Each of the four subject Apartment Complexes was funded by a HUD loan which was senior and secured by each respective property. JMJ Development, LLC (“JMJ”), or an affiliate, then borrowed funds from SPC to provide additional funds to finance the development, construction, and initial operations of each of the four subject Apartment Complexes and to

² While not a licensed real estate appraiser, it is common for a business valuation expert to address valuation issues related to entities owning and holding real estate and real estate outside of secured lending. Some of the factors addressed in this report, such as favorable financing, are particularly important and relevant but omitted from the appraisals by the other experts.

provide equity funding to each of the respective original ownership entities D4DS, D4FR, D4IN, and D4OP. The loans from SPC to JMJ and its affiliates are deemed equity in convertible loans and, also, indirect loans to each property holding entity.³ However, from a practical standpoint, SPC effectively owned and oversaw management of the subject properties through its convertible loans and through the conversion rights associated with each such loan.

6. The loans from SPC to JMJ and affiliates were documented by Promissory Notes. Three of the loans paid interest at annual rate of 5% to maturity in connection with three of the Apartment Complexes: JMJ/D4DS (Bellwether; \$3.8 million loan dated October 19, 2017, with interest and principal due originally at May 1, 2020^{4 5}); JMJ/D4FR (Windmill Farms; \$7.3 million loan dated

³ A convertible equity loan is a loan to an entity where some portion of the underlying collateral, assets, or claims at the entity level or a subsidiary level are subject to senior claims such that the convertible equity loan is subordinated in nature. Additionally, a convertible equity loan is typically structure so that the lender received certain premium compensation in the form of profits-interests, equity rights, or conversion rights associated with said loan. See Luc Nijs, *Mezzanine Financing: Tools, Applications and Total Performance*, 2014, pp. 3, 9, and Chapter 7 Real Estate Projects and Mezzanine Finance pages 211-220.

⁴ See SPC Opposition App. 350+ for Note with reference to pledge at SPC Opposition App. 360. Late payments added 5% and compounding interest. See Amended and Restated Pledge and Security Agreement of 100% member interest of JMJAV LLC by JMJ and TRWF LLC to Lender at SPC Opposition App.363+; Amended and Restated Pledge and Security Agreement of 1% member interest of D4DS by JMJAV and JMJ to Lender at SPC Opposition App. 393+, SPC Opposition App. 466; Amended and Restated Pledge and Security Agreement of 98.5% member interest of D4DS by JMJ and Enoch Investments, LLC to Lender at SPC Opposition App.423+, SPC Opposition App.469.

There was an Agreement for Purchase and Sale dated July 6, 2021, between APTS at Bellwether Ridge, LLC and D4DS at SPC Opposition App. 471+. The HUD Loan balance was modified to \$18,608,100 as of October 1, 2020. The Agreement and transfer of property was subject to receipt of a HUD Transfer of Property Agreement (“TPA”). SPC gave notice on October 3, 2022, of the Purchase and Sale Agreement and Exercise of its conversion option for \$100.00 to various relevant entities at SPC Opposition App. 511 and attached a First Amendment to the Agreement for Purchase and Sale at SPC Opposition App. 513+.

⁵ The HUD loan (SPC Opposition App. 284) to D4DS was approved for \$19,021,200 as of October 1, 2017, with interest only to be paid at the annual rate of 3.70% payable monthly until June 1, 2019. The HUD note had a pre-payment premium for amount prepaid until June 30, 2029. (SPC Opposition App. 294) The HUD Note was modified to \$18,608,100 as of October 1, 2020, at Receiver MSJ APP000368.

December 14, 2017, with interest and principal due originally at May 1, 2020^{6 7}); and JMJAV/D4IN loans (Ingleside; \$6,634,490 loan dated June 13, 2019, with interest and principal due originally at the earliest of “30 months after the construction loan is closed for property” or “seven years from the date” of the Note^{8 9}). The fourth loan paid SPC 10% interest in connection with the MF D4/D4OP loan (Opelika; \$5,129,000 loan dated January 13, 2021, with interest and principal due January 13, 2023^{10 11}). Construction of the Opelika property was not completed as

⁶ See SPC Opposition App. 96; SPC Opposition App.92, and SPC Opposition App. 199-200 (assignment of Pledge and Securities Interests to SPC). Late payments added 5% and compounding interest at SPC Opposition App. 98. The Note was accompanied by a letter requiring the pledge of all the member interests in JMJAV and JMJD4 through TRWF LLC (see SPC Opposition App. 109+ for 100% of member interests in JMJAV), JMJAV LLC (see SPC Opposition App. 139+ for 1% member interest in JMJD4), and Enoch Investments, LLC (see SPC Opposition App. 169+ for 99% member interest in JMJD4). The UCC filings provided for 98.50% of D4FR at SPC Opposition App. 244 and 1% of D4FR at SPC Opposition App. 242.

The Note was amended on October 25, 2019, to increase the Note to \$8.3 million (SPC Opposition App. 207); on May 1, 2020, to extend the maturity date to November 1, 2020 (SPC Opposition App. 220); on November 1, 2020, to extend the maturity date to November 1, 2022 (SPC Opposition App. 224).

SPC gave notice of its exercise of its conversion option on October 3, 2022 (SPC Opposition App. 246) for \$100.00.

⁷ The HUD loan (SPC Opposition App. 25) was approved for \$36,240,200 as of December 1, 2017, with interest only to be paid monthly at the annual rate of 3.9% until February 1, 2020. There was a prepayment penalty until February 28, 2030 (SPC Opposition App. 34).

⁸ See RECEIVER MSJ APP000760; RECEIVER MSJ APP000768 lists the pledged entity to be JMJD4. The Note was accompanied by Pledge and Security Agreement in JMJD4 through JMJAV LLC (see RECEIVER MSJ APP000780+)+ for a 1% member interest in D4IN and 98.75% managing member interests in D4IN. See also RECEIVER MSJ APP001076 and RECEIVER MSJ APP001078 for associated UCC filings.

There was a temporary VOD Loan Agreement between SPC and D4IN for \$5,900,000 at 7.5% interest for a period of up to ten days on June 4, 2019, prior to this Note.

SPC gave notice of its exercise of its conversion option on October 3, 2022 (RECEIVER MSJ APP000815) for \$100.00.

⁹ The HUD loan (RECEIVER MSJ APP000688+) was approved for \$25,201,00 as of November 1, 2019, with interest only to be paid monthly at the annual rate of 3.59% until August 1, 2021. There was a prepayment penalty until August 31, 2031 (RECEIVER MSJ APP000698).

¹⁰ See RECEIVER MSJ APP000933+. The Note was accompanied by Pledge and Security Agreement in D4OP through MF D4 LLC (see RECEIVER MSJ APP000940+)+ for a 1.0% member interest in D4OP and 98.75% managing member interests in D4OP.

There was a temporary VOD Loan Agreement between SPC and D4IN for \$5,900,000 at 7.5% interest for a period of up to ten days on June 4, 2019, prior to this Note.

SPC gave notice of its exercise of its conversion option on October 3, 2022 (RECEIVER MSJ APP000815) for \$100.00.

¹¹ The HUD loan (RECEIVER MSJ APP000910+) was approved for \$23,661,300 as of January 1, 2021, with interest only to be paid monthly at the annual rate 2.99% until November 1, 2022. There was a prepayment penalty until November 30, 2032 (RECEIVER MSJ APP000920).

of November 3, 2022, requiring more draws from both the HUD loan and the SPC Note to complete construction.¹²

7. In addition to receiving accrued interest (with some later paid) from JMJ and its affiliates on each of the four Notes issued to SPC associated with the four Apartment Complexes, JMJ and its affiliates assigned to SPC Pledge and Security Agreements associated with equity interests in D4DS, D4FR, D4IN, and D4OP held by intermediate entities. Pursuant to Section 7.15 of the respective Pledge and Security Agreements, SPC had the option upon “thirty days’ notice ...to exercise an option to acquire the Collateral from Pledgor for consideration of \$100.00”.¹³ Alternatively, the “Pledgor may elect to transfer to Lender the ... Property instead of and in place of the Collateral”.¹⁴ There is no requirement of a condition of default stated associated with this conversion right. The effect is to give SPC the right to convert its loans to JMJ and affiliates into controlling interests that provided substantial control over the property holding entities (in total, 99.5% of D4DS/Bellwether, 99.5% of D4FR/Windmill Farms, 99.75% of D4IN/Ingleside, and 99.75% of D4OP/Opelika) or, alternatively, to convey to SPC the underlying properties. All conversion options recognized the possibility of obtaining HUD Transfer Property Approval (“TPA”) in order to continue with the HUD financing program. SPC intended to exercise its conversion option associated with each convertible equity loan upon completion of construction and once operations had begun to approach stabilization.¹⁵ This understanding and intention is evidenced by the Agreement for Purchase and Sale dated July 6, 2021, between APTS at

¹² See RECEIVER MSJ APP001005 Letter to Mr. Courtney C. Thomas from SPC.

¹³ See RECEIVER MSJ APP000162, APP000195, and RAPP000228 for the D4FR entity and Property (Windmill Farms). See RECEIVER MSJ APP000516, APP000545, for D4DS entity and Property (Bellwether). See, in modified language, APP000797-8 for D4IN entity and Property (Ingleside).

¹⁴ See RECEIVER MSJ APP000516, APP000545-6.

¹⁵ Based on my interview of Mr. Brad Philips and SOUTHERN PROPERTIES CAPITAL, LTD.’S MOTION FOR INTERVENTION, OPPOSITION TO RECEIVER’S VERIFIED MOTIONS FOR APPOINTMENT OF APPRAISER, APPROVAL OF APPRAISERS, APPROVAL OF HEARINGS AND APPROVAL OF SALES AND BRIEF IN SUPPORT OF COMPLAINT FOR DECLARATORY RELIEF WITH RESPECT TO PARC AT WINDMILL FARMS AND BELLWETHER RIDGE.

Bellwether Ridge, LLC and D4DS (at SPC Opposition App. 471+) signed by Timothy Barton as President of D4DS for the purchase of the underlying real property held by D4DS.

8. My understanding is that such approval is customarily and commonly provided by HUD to qualified purchasers of subject properties. SPC and its parent TCI have experience with and received a number of TPAs associated with such property transfers over the years.¹⁶

SUMMARY OF GENERAL OPINIONS AND CONCLUSIONS

9. It is common to use convertible loan financing for equity capital in real estate developments.¹⁷ It is common and customary for lenders in real estate investments to set interest rates on loans at lower-than-market rates for such loans in return for conversion rights to ownership or partial ownership of the underlying property holding entities and other contingent consideration.

- a. The lower-than-market interest rates are set in order to allow for financial feasibility and solvency of the real estate development or properties.
- b. Certain loans also often do not require a pledge of collateral of the underlying properties and are collateralized by claims to the equity of a holding entity.¹⁸
- c. In order to compensate for the subordinated claims relative to secured lender(s) and to provide an adequate return commensurate with the risk, convertible lenders typically require and receive additional consideration in options, warrants, or conversion features designed to provide significant returns in the event the real estate development or investment is successful.¹⁹

¹⁶ Based on interview of Mr. Brad Philips and the Declaration of Alfred Crozier at SPC Opposition App. 934+.

¹⁷ See Luc Nijs, *Mezzanine Financing: Tools, Applications and Total Performance*, 2014, Chapter 7 Real Estate Projects and Mezzanine Finance pages 211-220, and, also, Declaration of Alfred Crozier at SPC Opposition App. 934+ specific to this type of development.

¹⁸ See Luc Nijs, *Mezzanine Financing: Tools, Applications and Total Performance*, 2014, pp. 3, 9, and Chapter 7 Real Estate Projects and Mezzanine Finance, p. 215. "In the event of default, the investor cannot foreclose the mortgage, but does foreclose on the ownership interest...."

¹⁹ See Luc Nijs, *Mezzanine Financing: Tools, Applications and Total Performance*, 2014, pp. 3, 9, and Chapter 7 Real Estate Projects and Mezzanine Finance pages 211-220.

- d. Inclusive of the equity and other additional consideration, the target compounded annualized returns, if the development or investment is successful, on such loans are often in the range of 15% to 30% or greater with interest rates set relatively low in order to allow for senior financing and avoid default risk.²⁰
- e. The restrictions on distributions created by the HUD oversight and loan terms would ordinarily result in greater target and required returns to the investor.
- f. A requirement of default to exercise the conversion option is not stated or found in any of the subject Pledge and Security Agreements. It also would not make sense to have the conversion option contingent on an event of default since the conversion option has the most value and return in the absence of default.
- g. Each convertible loan in this instance is structured to be essentially an equity claim with downside protection. This is a common feature in private equity real estate investment.²¹
- h. Thus, SPC would never have made the loans for interest rates of only 5% for the Windmill Farms, Bellwether, and Ingleside entities and 10% for the Opelika entity in the absence of the conversion rights. Such rates of interest are insufficient compensation for the amounts lent and character and risks associated with such loans.

²⁰ Ibid., p. 15; Smith, Smith, & Bliss, *Entrepreneurial Finance: Strategy, Valuation, & Deal Structure*, 2011, p. 345, but note that realized returns tend to be substantially lower due to failures and falling short of expectations.

²¹ See Luc Nijs, *Mezzanine Financing: Tools, Applications and Total Performance*, 2014, Chapter 7 Real Estate Projects and Mezzanine Finance pages 211-220. It is common for the outside investor to create an interest that is structured as a loan or preferred security but with substantial equity rights, especially in the investor is the primary source of “equity” for the project. See Peiser & Hamilton, *Professional Real Estate Development*, The ULI Guide to the Business, Third Edition, 2012, pp. 210-214. With SPC and affiliates performing substantial development activities, as set forth in the Muth Declaration dated 10 March 2023 and with SPC providing essentially all the equity funding, the lender would expect to receive nearly all the equity upside and pay a developer’s fee and modest equity participation to the developer.

10. The National Valuation Consultants, Inc. (“NVC”) and brokers opinions obtained by the Receiver and submitted in connection with the respective motions in the Proposed Sales are understated and not consistent with the fair market values of the properties.

- a. The appraisals all failed to fully account for the growth in revenues in 2023 actually forecasted for Windmill Farms and Bellwether Apartment Complexes. Historically, management forecasts have been reasonably reliable.
 - i. The management budget for Windmill Farms for 2023 includes a 2.93% increase in revenue as compared with a 0% increase in the NVC appraisal. But NVC also made other adjustments and started with a lower base revenue. As a result, Windmill Farms expected net revenues (effective gross revenue) of \$5,250,080 in 2023 as compared with \$4,900,867 in 2023 estimated by NVC (Windmill Farms Appraisal at page 97, APP000145). NVC reduced forecast revenue in 2023 by 6.65% relative to management budget.
 - ii. The management budget for Bellwether for 2023 includes a 4.72% increase in revenue as compared to a 0% increase in the NVC appraisal. Total net revenue (effective gross revenue) is budgeted to be \$2,917,197. By comparison, the NVC appraisal forecast 2023 revenue at only \$2,831,532 (Bellwether Appraisal at page 90, APP000138), or approximately 2.94% lower than the management budget.
 - iii. The management budgets provided for greater potential growth in revenue by 7.94% for Windmill Farms and 6.62% for Bellwether in the event of more favorable rent increases and greater occupancy rates than forecast.
- b. The operating expenses assumed in the NVC appraisals are materially greater than expected for both Windmill Farms and Bellwether.

- i. In the NVC appraisal for Windmill Farms, the operating expenses before replacement reserves are estimated to be \$2,109,808 (Windmill Farms Appraisal at page 97, APP000145) as compared with the management budget of \$1,872,188. That is an increase in operating expenses of 12.69% by NVC over management.
 - ii. In the NVC appraisal for Bellwether, the operating expenses before replacement reserves are estimated to be \$1,266,068 (Bellwether Appraisal at page 90, APP000138) as compared with the management budget of \$1,180,121. That is an increase in operating expenses of 7.28% by NVC over management.
- c. Due to the greater revenues and lower operating expenses, the net operating income before replacement reserves is substantially greater in the management budgets than provided for in the NVC appraisals. This causes the NVC appraisal to substantially undervalue the Windmill Farms and the Bellwether Apartment Complexes in both the direct capitalization method and even more in the discounted cash flow method (due to a lower revenue growth rate in 2024).
- i. In the NVC appraisal for Windmill Farms, the net operating income before replacement reserves was estimated to be \$2,791,059 (Windmill Farms Appraisal at page 97, APP000145) as compared with the management budget of \$3,377,892. That is an underestimation of net operating income of 17.37% by NVC over management. That translates into a substantial undervaluation of approximately \$10.5 million even if the capitalization rate and all other assumptions were correct.
 - ii. In the NVC appraisal for Bellwether, the net operating income before replacement reserves was estimated to be \$1,565,464 (Bellwether Appraisal at page 90, APP000138) as compared with the management budget of \$1,737,076. That is an

underestimation of net operating income of 9.88% by NVC relative to management.

The undervaluation of just this one error is approximately \$3.1 million even if the capitalization rate and all other assumptions were correct.

- d. The capitalization rates and discount rates used in the NVC appraisals and the brokers' estimates provided to the Receiver are at the upper end of the market range, fail to adequately consider relatively new Class A Apartment Complex capitalization rates, and are arbitrarily chosen with excess adjustments relative to comparable sales transactions. Brokers and investors tend to cite discount rates and capitalization rates that they would like to realize, which tend imply property valuations at less than actual transactions in fair sales would suggest. This further depressed or understated the valuations provided by NVC and the brokers' opinions.
11. Allowing the Receiver to sell the Bellwether and Windmill Farms properties would substantially damage and impair the value of SPC's interests.
 - a. The conversion feature allows SPC to time the conversion of each promissory note into equity at SPC's option when appropriate, typically at some point after the completion of construction through stabilization of operations and profitability. This conversion feature has substantial value. According to the valuation analyses of Empire Valuation Consultants dated February 9, 2023, the Bellwether Note had a "liquidation value" as of December 31, 2022, of \$13,01,147 based on the "conservative" valuation of the underlying Apartment Complex of \$32.8 million.²² The Empire Valuation Constants report also

²² I have reviewed the underlying appraisal. The concluded capitalization rate of 4.75% was above the market capitalization rate for relatively new Class A apartment complexes and, thus, likely undervalued the Bellwether property. My conversations with the appraisers (John Jordan, MAI, and Jason Ribelin, MAI) confirmed that they intended to have a more conservative value for financial reporting to reduce the risk of reductions in value. For purposes of this report, I nevertheless will use the appraisal report by Colliers International dated March 16, 2023,

concluded that the Windmill Farms Note has a “liquidation value” of \$22,225,974 as of December 31, 2022, based on a “conservative” valuation of the underlying Apartment Complex of \$62.1 million.²³ These valuation conclusions are conservative in that they imputed immediate transactions costs (which are not ordinarily included in the fair value or fair market value customarily) of \$1,312,000 for Bellwether and \$2,484,000 for Windmill Farms and did not fully simulate the upside prospects.²⁴ Additionally, these values are discounted for the time required to sell of 180 days each implying a sale with a fixed price. Additionally, the HUD loans have favorable terms and interest rates such that the HUD loans provide greater value to equity if assumed and not paid off. Thus, exercising the conversion option and obtaining a TPA would result in greater realized fair values than suggested in the Empire Valuation Consultants report. Also, such discounts for transactions costs and time to sell are not appropriate for fair value if SPC exercised its conversion options and continued to own and operate the subject properties. Using the most recent Apprise valuation conclusions, upon conversion, SPC would hold fair value of equity in Bellwether in excess of \$15.3 million, depending on the length of the HUD loan, and equity in Windmill Farms in excess of \$26.2 million depending on the amortization

appraising the Bellwether property as of December 1, 2022, with the understanding that the appraisers, now as part of Apprise by Walker & Dunlop, Inc., are updating their analyses.

²³ The implied capitalization rate of 5.00% is well above market rates of relatively new (Class A) apartment complexes and, thus, likely undervalues the subject property relative to actual sales in the market. For purposes of this report, I nevertheless will use the appraisal report by Colliers International dated March 16, 2023, appraising the Windmill property as of December 1, 2022. My conversations with the appraisers (John Jordan, MAI, and Jason Ribelin, MAI) confirmed that they intended to have a more conservative value for financial reporting to reduce the risk of reductions in value.

²⁴ The transactions costs would be avoided in the absence of a sale and replaced with more nominal and much lower costs to SPC in assuming ownership subject to HUD approval. Also, the National Valuation Consultants, Inc. (“NVC”) and Colliers International appraisals all applied significantly lower percentage transactions costs (ranging from 1.50% to 2.00%) upon sale in their respective appraisals in the terminal valuation in the future.

terms and holding period for the respective HUD loans. This is shown in Schedules C.1 and C.2 and discussed later in this declaration.

- b. By contrast, the Receiver is projecting a net recovery of only \$5.1 million from the sale of the Bellwether property with SPC receiving only \$3,797,759 on an equivalent basis in principal payments as of January 17, 2023.²⁵ As discussed previously, the Receiver is relying on appraisers and brokers opinions that underestimate the potential net operating income of the Bellwether property, use capitalization rates and discount rates towards the upper end of the range suggested by the market data, and failed to consider the additional value to the buyer associated with assuming the HUD loan on the property. Thus, after the sale of Bellwether, the total combined net recovery of the Receiver for SPC and the equity remaining would be only approximately \$8.9 million. That is at least \$6.4 million less than determined based on a conservative appraisal by Apprise and continued ownership and operation of the Bellwether property assuming approval of a TPA. See Schedule C.1.
- c. Similarly, the Receiver is projecting a net recovery of only \$7.5 million from the sale of the Windmill property with SPC receiving only \$7,885,547 on an equivalent basis in principal payments as of January 17, 2023.²⁶ The appraisal and brokers' opinions relied upon similarly do not accept the budgets for the Windmill property in 2023, use conservative revenue and expense assumptions for 2023 and thereafter, failed to consider the favorable interest rate on the HUD loan to be assumed by the buyer, and chose capitalization rates and discount rates at the upper end of the reasonable range. Thus, after the sale of the Windmill Farms apartment complex, the total combined net recovery of the

²⁵ See RECEIVER'S VERIFIED MOTION FOR APPOINTMENT OF APPRAISERS, APPROVAL OF APPRAISALS, APPROVAL HEARING, AND APPROVAL OF SALE OF BELLWETHER RIDGE, 9 March 2023.

²⁶ See RECEIVER'S VERIFIED MOTION FOR APPOINTMENT OF APPRAISERS, APPROVAL OF APPRAISALS, APPROVAL HEARING, AND APPROVAL OF SALE OF PARC AT WINDMILL FARMS, 23 February 2023.

Receiver for SPC and the equity remaining would be only approximately \$15.4 million. Again, that amount is at least \$10.8 million less than determined based on a conservative appraisal by Apprise and continued ownership and operation of the Windmill Farms property assuming approval of a TPA. See Schedule C.2.

- d. There are multiple reasons for these projected shortfalls by the Receiver relative to the fair value in continued ownership associated with the properties.
 - i. First, generally, sales by Receivers with limited marketing typically are made at a substantial discount to full fair market value due to the perception of the relative negotiating strengths.²⁷ The Receiver typically is under some perceived pressure to sell to realize net proceeds and does not want to continue to carry the investment. This is the same reason why sales by lenders in a foreclosure or other actions even if actively marketed in an orderly liquidation process are often heavily discounted relative to fair market value, fair value, or market value standards of value. With fair value or market value, the seller does not have to sell and can refuse the “best” offer if it does not meet the target price of the seller. With a Receiver or orderly liquidation sale, the time to sell is typically reduced and the bargaining power of the Receiver is perceived as less. This is well known and customarily factored into appraisals for lenders and in the event of foreclosures.
 - ii. Second, in the appraisals provided by Colliers International capitalization, the capitalization rates quoted by some brokers and investors were often greater than those observed in actual sales transactions. The same is true with the NVC appraisals obtained by the Receiver as well as the brokers’ opinions. A greater capitalization rate

²⁷ It is customary for appraisers to discount the fair value or market value in such circumstances. See, for example, <https://elliottco.com/publications/columns/market-value-disposition-value-or-liquidation-value-appraisal/>.

means a lower valuation of the property, so brokers and investors often tend to understate valuations of commercial real estate. It is fine to be conservative for secured lending purposes or even financial reporting purposes but not for fairness purposes. A buyer in a competitive fair sale process often has to stretch to buy and close the deal.

- iii. Third, the HUD loan interest rate is well below the lower end of the range of interest rates assumed in the appraisals for such properties. The Receiver's proposed transactions require approval for the buyer to retain the HUD loan and obtain a TPA. Absent such HUD loan assumption, D4DS and D4FR would incur prepayment penalties on the HUD loans and the cost of financing the acquisition would be significantly greater. As a result, continued ownership and operation of the subject properties with the existing HUD loans pursuant to a TPA results in an increase in realized equity value relative to the current sale prices proposed. This will especially be true with currently rising and risky short-term interest rates and uncertain markets due to the risk of denial of increasing US government debt limits and risk of a pending recession. As shown in Schedules C.1 and C.2, the values of the favorable HUD loan interest rates on the Windmill Farms and Bellwether Apartment Complex loans were considerable. The values estimated for the favorable HUD interest rates for the Ingleside and Opelika apartments, as shown in Schedules C.3 and C.4, were similarly substantial.
- iv. The ability of a control owner of the property to time the sale and pick when to sell has a substantial "option value" to the controlling member of each property holding entity. This is one reason why sales of properties not under pressure and performing well tend

to be at much more favorable prices as measured by capitalization of NOI (net operating income) and cash flow multiples and other metrics.

- v. Finally, by deferring the sale, one avoids substantial transactions costs.
- e. There is substantial value in control relative to holding an interest or claim. In control, the owner has rights to gain income from operations, has the ability to choose when or if to sell, and gains far greater rights and additional income from operations.
 - i. By selling two of the four Apartment Complexes, Bellwether and Windmill Farms, the value of continuing control is lost leading to a discount in value to TCI and SPC. Most apartment complexes tend to increase in value as they reach stabilized, market occupancy levels and have a sustained track record to show to buyers. Bellwether and Windmill Farms apartments have only been operating two and a half to three years,²⁸ which is when commercial real estate only begins to reach more stabilized values.²⁹ Furthermore, management and other income resulting from owning and operating those two apartment complexes is lost by SPC and its affiliates.
 - ii. By continuing to claim control over the other two Apartment Complexes, Ingleside and Opelika, there is an even greater loss in value.
 - 1. Apartment Complexes and other real estate tend to be more heavily discounted in value during the construction phase. With Opelika, there is the perverse situation

²⁸ See Schedules A.3 and A.5

²⁹ For example, I was recently involved in a bankruptcy related to Bishops Lodge in Santa Fe, New Mexico, listed in Exhibit A. In that instance, the failure of the manager of the development to complete the development in a timely manner and cost over-runs led to default and the mezzanine lender exercised its options to take partial control with a trustee and worked with the equity investors (other than the developer) to structure a plan to restructure with the equity investors realized far greater potential upside by completing construction and development and by then operating the facility for a number of years prior to a possible sale. The alternative bidders were limited in numbers and offered inferior, discounted offers by comparison.

I have worked on a number of similar matters where the property was in default late in the construction phase or early in operations and failed to realize full value in a sale relative to what would be realized by financial restructuring and continuing construction and operation until stabilization of operations and financial recovery had been achieved.

of SPC continuing to fund a portion of the construction without a reasonable rate of return or prospect of an upside and without any prospect for obtaining future control. That loss is substantial and in the millions. In liquidation, SPC stands to lose value even relative to the principal amount of its loan balance and loses the “conversion” value associated with management and ownership of the apartment complex in the future.³⁰ As discussed later, the conversion right is expected to be worth a substantial amount by the end of 2023, at least \$15.21 million (Schedule C.4) based on management forecasts for 2023.

2. With respect to the Ingleside property, operations began in the second half of 2021 and the property has not achieved full stabilization. See Schedule B.3. The Empire Valuation Consultants report estimates a current loss relative to the balance on SPC loan.³¹ Until the revenues and net operating income reaches stabilization, the valuation of SPC’s Note and conversion options will continue be discounted significantly due to uncertainty. The upside to SPC is removed. Therefore, SPC would expect to lose some portion of its outstanding loan balance of \$3.76 million as of December 31, 2022.³² As discussed later, SPC would lose at least \$5.75 million (Schedule C.3) more in current value expected from the conversion right based on management budgets for 2023.

³⁰ Using the Empire Valuation Consultants report dated February 9, 2022, the projected loss is \$360,000 with some 50% chance of the conversion option being exercised. With a full conversion option and time allowed for the value to reach stabilization with a favorable HUD loan, the expected value substantially exceeds the loan balance.

³¹ The stated balance on the SPC Note was reportedly \$3,759,164 as compared with a “fair value” of only \$2,809,213 determined by Empire Valuation Consultants as of December 31, 2022.

³² Using the Empire Valuation Consultants report dated February 9, 2022, the projected loss is \$1.0 million with some 50% chance of the conversion option being exercised. With a full conversion option and time allowed for the value to stabilize with a favorable HUD loan, the expected value substantially exceeds the loan balance.

12. There is no evidence of the use of funds from investors other than SPC and HUD to finance the construction and operation of the four Apartment Complexes in this instance.³³

- a. The relevant entities (D4DS, D4FR, D4IN, and D4OP) are Special Purpose Entities (“SPEs”) designed to hold equity interests in real property investments or real property. They are operated as separate “silos” with separate financials and operations and distinct financial controls and are managed and owned by separate entities. Given the relatively recent construction of the four Apartment Complexes and the existence of two lenders, HUD and SPC, all funds invested in the four Apartment Complexes and their holding companies, are accounted for and isolated. There was no need to draw funds from other Timothy Barton affiliated entities since these entities received funding directly from HUD and SPC loans. Additionally, all payments and distributions from such entities were tracked and reported.
- b. The HUD loan documents required regular reports and monitoring of property cash flows and funds and annual audits. D4FR and D4DS both were audited by Farmer, Fuqua & Huff P.C.
- c. SPC conducted its own reviews and oversight and was audited as a public reporting company, as was Transcontinental Realty Investors (“TCI”). SPC is currently audited by KOST FORER GABBAY & KASIERER, a Member of Ernst & Young Global. TCI is also audited annually.
- d. Therefore, the commingling of funds from the holding companies associated with the Apartment Complexes with other Barton affiliated companies was extremely unlikely and, if found, entirely immaterial. The subject entities did not benefit from the funds provided

³³ See, also, Declaration of Brad Kyles beginning at SPC Opposition App. 945+, Declaration of Robert Canham beginning at SPC Opposition App. 930, and Declaration of Doug Graham beginning at SPC Opposition App. 940.

by other parties that are claiming losses according to the Receiver. Those losses occurred in entirely separate entities.

13. The Receiver's claim of ability to use and transfer funds from the sale of Bellwether and Windmill properties to fund his own expenses and to satisfy claims of other creditors with no relation to those properties is inequitable.

- a. SPC and TCI are public reporting to shareholders and investors the values potentially realizable from the sales of the subject Apartment Complexes. SPC is reporting under IFRS and indicates that the value of its Windmill Farms Note is \$22.226 million as of December 31, 2022, up from \$18.819 million in December 31, 2021, and \$10.77 million December 31, 2020.³⁴ SPC indicates that the value of its Bellwether Note is \$13.010 million as of December 31, 2022, up from \$12.308 million in December 31, 2021, and December 31, 2020, \$5.898 million.³⁵ These values are based on the conversion options in the respective Pledge and Security Agreements and conservatively assuming the sale of such interests without considering the additional value in the HUD loans and the value of holding such interests indefinitely. Thus, incurring costs and selling properties in what amounts to an orderly liquidation will deprive those shareholders and investors and will damage innocent parties.
- b. The entities holding the Apartment Complexes did not receive or benefit from funds associated with investors and others in other completely separate entities affiliated with Barton because they are SPEs and separately audited and monitored.

³⁴ Audit Southern Property Capital, Ltd. Audited Consolidated Financial Statements as of December 31, 2022, in U.S. Dollars.

³⁵ Audit Southern Property Capital, Ltd. Audited Consolidated Financial Statements as of December 31, 2022, in U.S. Dollars.

- c. There is no evidence of any commingling of funds from investors in other Timothy Barton entities that suffered damages or losses due to fraud or other wrongful acts with the entities holding the Apartment Complexes at issue here.
- d. The Receiver relies on incorrect assertions that ignore the value created by the efforts and expenses of SPC and TCI personnel, ignores the terms of the conversion options that do not require a condition of default, and fails to understand the customary terms of convertible loans that are convertible into equity interests. Thus, the Receiver proposes to deny SPC the rights and expectations that it has bargained and contracted for, that it has represented to its shareholders, and that represent substantial value to SPC.
- e. Finally, having worked on many plans of allocation associated with distributions and multiple subclasses and groups of plaintiffs and creditors over the past twenty years, the principle is that recoveries from one group of entities should be used to satisfy only creditors and claimants associated with those entities. It is not acceptable to use proceeds from one entity to satisfy creditor claims and other claims asserted by other, unrelated entities simply because of one person being commonly affiliated with those entities. Put more simply, it is not permissible or equitable to take funds or assets from one pot and put them in another, completely independent pot simply because one pot has sufficient assets and funds and the other does not. This is especially true if doing so would damage or reduce the total amounts recovered and prejudice the rights of a party. In this instance, SPC has conversion options that provide it with the value and upside from the four Apartment Complexes and was the equity lender and assisted in the development of those four Apartment Complexes. The entities involved in the Apartment Complexes subject to indirect loans and funding by SPC are not related in any way with those other entities

managed by Timothy Barton that are subject to other claims and should not benefit at the expense of SPC's legally recognized contractual rights, assuming they are upheld by the court.

INFORMATION RELIED UPON AND REVIEWED

14. The primary information I have relied upon has included certain financial statements and budget information for the four Apartment Complexes and appraisals provided by the Receiver and by SPC. A more complete listing of documents is provided in Exhibit B. I have relied on my experience as an appraiser, knowledge of market interest rates, and other information as well:

- a. The RECEIVER'S BRIEF IN SUPPORT OF MOTION FOR SUMMARY JUDGMENT REGARDING SOUTHERN PROPERTIES CAPITAL, LTD.'S CLAIMED OWNERSHIP INTEREST IN CERTAIN RECEIVERSHIP PROPERTIES and APPENDIX;
- b. SOUTHERN PROPERTIES CAPITAL, LTD.'S MOTION FOR INTERVENTION, OPPOSITION TO RECEIVER'S VERIFIED MOTIONS FOR APPOINTMENT OF APPRAISER, APPROVAL OF APPRAISERS, APPROVAL OF HEARINGS AND APPROVAL OF SALES AND BRIEF IN SUPPORT OF COMPLAINT FOR DECLARATORY RELIEF WITH RESPECT TO PARC AT WINDMILL FARMS AND BELLWETHER RIDGE and APPENDIX;
- c. RECEIVER'S VERIFIED MOTION FOR APPOINTMENT OF APPRAISERS, APPROVAL OF APPRAISALS, APPROVAL HEARING, AND APPROVAL OF SALE OF BELLWETHER RIDGE and APPENDIX;

- d. RECEIVER'S VERIFIED MOTION FOR APPOINTMENT OF APPRAISERS, APPROVAL OF APPRAISALS, APPROVAL HEARING, AND APPROVAL OF SALE OF PARC AT WINDMILL FARMS and APPENDIX;
- e. Declarations of Robert Canham, Alfred Crozier, Doug Graham, Brad Kyles, and Bradley Muth all filed in support of SPC's Motion for Intervention and Opposition to the Proposed Sales;
- f. Appraisal of Parc at Windmill Farms by Colliers International as of December 1, 2022, dated March 16, 2023;
- g. Appraisal of Bellwether Ridge by Colliers International as of December 1, 2022, dated March 16, 2023;
- h. Empire Valuation Consultants, Inc. report dated February 9, 2023, appraising the fair value of SPC's convertible loans in various apartment complexes as of December 31, 2022;
- i. Audited Financial statements for D4DS and D4FR for the years ended December 31, 2020, 2021, and 2022;
- j. Property financial histories in Excel format for each of the four Apartment Complexes to 2022;
- k. Pillar Residential Operating Budgets for Bellwether, Windmill Farms, Opelika, and Ingleside for 2023;
- l. HUD Loan statement for the Month of May 2023 for Opelika;
- m. Interview with Brad Philips;
- n. Discussions with Jason Ribelin, MAI, and John Jordan, MAI, regarding the Colliers International appraisals and status of Apprise update work;

- o. SPC Consolidated Financial Statements for the years ended December 31, 2020, 2021, and 2022,
- p. Transcontinental Realty Investors, Inc. Form 10-K for the fiscal year ended December 31, 2022; and,
- q. General market interest rate and capitalization rate information.

QUALIFICATIONS

15. I am a Principal of ValueScope, Inc. (“ValueScope”), a national business valuation and consulting firm. I joined ValueScope in November 2014. Prior to joining ValueScope I was a managing director of CBIZ Valuation Group, LLC, and had been employed by that firm or its predecessor from May 1992 through October 2014. See Exhibit A.

16. I received a Doctor of Philosophy degree in Economics and a Bachelor’s degree in Economics from the University of Minnesota. I have earned the professional designation of Chartered Financial Analyst (“CFA”), awarded by the Association for Investment Management and Research. The CFA program is one of the most difficult and extensive professional credentials. Earning the CFA designation requires passing a series of three annual exams and a demonstrated level of expertise in financial analysis, financial accounting, valuation of securities and derivative assets and real estate interests, portfolio and asset management, and ethics in the investment industry (including passing three annual exams, each with relatively a high failure rate of as much as 50% or more in each year).

17. In addition, I have served as a consultant and expert witness on numerous occasions specializing in the valuation of conversion rights, security interests, residential mortgage portfolios, and commercial mortgage loan portfolios, and other interests, including related asset-backed securities and derivative securities (including guarantee and insurance obligations) on real

estate holding entities and assets. I have valued many and various types of these interests for secured lending purposes, advisory purposes, financial reporting purposes, solvency analyses and bankruptcy purposes, securities litigation and damages, private equity valuations, commercial litigation (including fraudulent conveyance claims).

18. I have also valued real estate holding companies, real estate management companies, and real estate interests as well as fractional and derivative interests in such companies and assets for financial reporting, gift and estate tax and income tax purposes, fairness and advisory purposes including in bankruptcy, and in commercial litigation.

19. I was a contributing author to the text *The Art of M&A Integration*, ed. Lajoux, McGraw-Hill, 1998, where I wrote sections on the valuation of intangible assets, allocation of purchase price, and assisted in editing sections on issues relating to the issues and problems involved in the integration of companies subsequent to the completion of a merger and acquisition and have extensively studied this issue over a number of years. I also authored a peer-reviewed chapter on “Valuation for Smaller Capitalization Companies” in *Financial Valuation: Businesses and Business Interests*, 1998 Cumulative Update, Warren, Gorham & Lamont, 1998 and a peer-reviewed chapter on the “Valuation of Distressed Businesses” in *Financial Valuation: Businesses and Business Interests*, 1999 Cumulative Update, Warren, Gorham & Lamont, 1999, which was also republished in a valuation journal.

20. I have performed a number of solvency and fairness opinions. I have also performed numerous reviews on solvency and fairness opinions and opined on solvency or fairness in numerous matters over the years. These have included issuing opinions on the fairness and allocation of services and value between related companies within the asset management industry.

21. I have been engaged on numerous occasions to assist in preparing plans of allocation for the allocation of funds recovered to various groups of private litigants, in private securities class actions, for FINRA, for the Securities & Exchange Commission and United States Department of Justice in connection with “fair funds” distributions.

22. A detailed summary of my qualifications, including prior testimony (back to 2001) and articles is provided as Exhibit A in my curriculum vitae.

23. My fees for my services in this engagement are based on my hourly billing rate of \$560 per hour. My fee for my analysis through this Declaration is not to exceed \$20,000 in professional fees. I have received some limited assistance from other staff employed by ValueScope. I and ValueScope have no financial interest in the outcome of this case, and my compensation is not dependent in any way on the outcome of this matter.

FURTHER DISCUSSION

24. SPC was established as a Special Purpose Entity (“SPE”) for purposes of raising capital from the public in Israel. The Company has issued non-convertible debentures on the Tel Aviv Stock Exchange Ltd. Schedules A.1 and A.2 provide the income statements for SPC for the years 2019 through 2022 and balance sheets for SPC for the years ended 2020, 2021, and 2022, respectively.

- a. The financial statements are prepared in accordance with IFRS-international standards, which differ from US GAAP. Overall, this is a well-capitalized and very profitable company.
- b. There was a sale (“VAA Sale”) closed on September 16, 2022, of a portfolio of assets in a joint venture, Victory Abode Apartments, LLC, in 2022 that resulted in an increase in the cash balance in 2022 and the receipt of certain properties (and assumption of certain

mortgage loans) by SPC. Portions of the distributions from that sale also helped finance an increase in investment in real estate as well as real estate held back from that sale.

- c. On November 30, 2022, SPC approved a distribution of \$100 million to its parent company related to the tax liability from the gain on the VAA sale.
- d. Gains in the valuation of multifamily properties were offset by decreases in valuations on some commercial properties. The multifamily properties realized gains of \$14.9 million in 2022 and \$26.5 million in 2021.
- e. The financing income included a gain on revaluation of the convertible loans (including loans related to the four Apartment Complexes) of \$32.5 million in 2021 and \$13.3 million in 2022.
- f. The current debt rating for the debentures was raised from “ilA-“ to “ilA” by Maalot Standard & Poors Ltd. on February 1, 2023.
- g. As of year-end 2022, SPC owned 14 multi-family properties with 2,328 rentable units with net operating income of \$10.751 million and FFO (fund from operations) of \$5.474 million inclusive of two properties sold in 2022. The total estimated value of the 14 properties was \$381.199 million.
- h. SPC also owned three large commercial properties at year-end 2022 with a total of 1,053,981 sq. ft.; net operating income of \$7.663 million, and FFO of \$5.207 million.
- i. SPC held six properties held for development and had acquisition options on two properties pending at year-end 2022.
- j. SPC held loans convertible into ownership interests on nine multifamily properties, including Windmill Farms, Bellwether, Ingleside, and Opelika. As of December 31, 2022, these properties had a combined appraised value of \$313.794 million with HUD loans (at

favorable interest rates) with principal outstanding of \$201.540 million. The convertible loans had a principal balance of only \$40.954 million. As of December 31, 2022, the “carrying values” of the relevant loans were \$13.010 million for Bellwether Ridge, \$2.809 million for Ingleside, \$2.844 million for Opelika, and \$22.226 million for Windmill Farms on a “liquidation basis.”.

25. The audited financial statements for the Bellwether entity D4DS are summarized in Schedules A.3 and A.4. An unaudited summary of income statements for Bellwether from a real estate perspective is provided in Schedule B.1. Schedule B.1 has income summaries for 2019, 2020, 2021, and 2022 as well as for the first four months of 2023 and the management projections for the year. As discussed previously, Bellwether was continuing to grow and stabilize operations. Management is reportedly on track to perform well at the budgeted levels for 2023 shown in Schedule B.1. The increase in 2023 in net operating income and cash flow after replacements and reserve and debt service (both interest and principal payments to HUD) provides a healthy cushion and suggests that the assumptions in the NVC report are overly conservative and unrealistic. The Apprise valuation report on Bellwether projected revenues relative to market rents and forecast revenues consistent with management is reportedly on track to perform well as the budgeted levels for 2023 shown in Schedule B.1. Apprise, however, forecast operating expenses well above management’s budget for 2023 with a forecast increase in property taxes being the major contributor to the difference. This suggests the Apprise appraisal was conservative in its forecast of net operating income as well.³⁶ Thus, the Apprise valuation conclusion of \$31.2 million should set the floor for a fair sale price. This valuation assumed a financing rate of 5.50% (Apprise

³⁶ This was confirmed during my phone conversation with Jason Ribelin on May 15, 2023.

Report, p. 41) instead of the more favorable HUD loan rate of 3.70%. Thus, the incremental value of assuming the HUD loan rate is not accounted for in the appraisal.

26. The audited financial statements for the Windmill Farms entity D4FR are summarized in Schedules A.4 and A.5. An unaudited summary of income statements for Windmill Farms from a real estate perspective is provided in Schedule B.2. Schedule B.2 has income summaries for 2019, 2020, 2021, and 2022 as well as for the first four months of 2023 and the management projections for the year. The increase in 2023 in net operating income and cash flow after replacements and reserve and debt service (both interest and principal payments to HUD) provides a healthy cushion and suggests that the assumptions in the NVC report were overly conservative and unrealistic. Revenues are still growing as the rent rolls stabilize given that the apartment complex is now at three years of operation. Management reportedly expects to be on track to perform at the budgeted levels for 2023 but noted a slight shortfall through April (which is before the season of moves and rent increases) shown in Schedule B.2. The Apprise valuation report (p. 25) suggested that the rents were slightly above market and used that as a basis to moderate the rents and forecast revenues below management budget for 2023, but this may relate to location and other factors. The Apprise valuation report also forecasts greater operating expenses than management, despite the lower operating expenses in the first four months of 2023. This suggests that the Apprise valuation report may be conservative as well and likely sets a floor for the valuation at \$57.8 million in a fair sale reflecting current market assumptions. This valuation did not include the HUD loan rate and assumed a financing rate of 5.50% (Apprise report, p. 40) instead of the favorable HUD rate of 3.90%.

27. Schedule B.3 provides the operating financials for the Ingleside property. These financial statements reflect the fact that the apartment complex only began leasing in 2021 and is still

ramping up to stabilized levels. The management budget and results for the first four months of 2023 demonstrate that Parc at Ingleside is expected to be substantially more profitable going forward and will realize positive cash flows from operations after debt service in 2023. The SPC loan balance as of December 31, 2022, was only \$3,759,164 according to the Empire Valuation Consultants report. The HUD loan balance was \$24,814,836. If a capitalization rate of 5.0% were applied to a forecast NOI after replacements and reserves of \$1,563,000 forecast for 2023, then the value would be \$31.26 million and the SPC note would have a conversion value of \$6.45 million before considering the favorable interest rate on the HUD loan and the relatively high loan to value ratio for the HUD loan (both of which would add millions to the valuation of equity). It is highly likely that this value will increase in subsequent years as occurred with the other convertible loans of SPC as the apartment complex stabilizes rents and operations and as a result of the lower HUD interest rates. Thus, the denial of SPC's conversion rights would substantially cause substantial damages to SPC's interests in D4IN.

28. Schedule B.4 provided the operating financials for the Opelika property. The property realized reduced operations and revenues in 2022 and the first four months of 2023 as it begins to lease up. While preliminary, the management budget forecasts a positive net operating income in 2023, the first year of full operation. That suggests further room for additional growth in future years. The senior debt balance on the Opelika property was \$21,904,386, and the SPC loan balance was at \$3,189,660 as of December 31, 2022, according to the Empire Valuation Consultants report. If the management budget for 2023 is realized at an adjusted net operating income level of \$1,654,000, then at a 5.0% capitalization rate (conservative for a relatively new apartment complex) the SPC note would have a value upon conversion of \$11.17 million and would be

expected to increase as rents and operations stabilize and with the lower HUD loan rate. Thus, the denial of SPC's conversion rights would cause substantial damages to SPC interests in D4OP.

29. In Schedule C.1, I have provided a more detailed estimate of the shortfall in the recovery from the proposed sale of Bellwether Ridge and the damages to SPC. Even if a buyer could not obtain HUD approval for a TPA, the Receiver would recover a total of \$8.8 million with \$3.8 million paid to SPC for its loan balance and the remainder retained by the Receiver as proposed. Given the valuation of Bellwether Ridge by Apprise at \$31.2 million and a selling cost of 1.5% (based on the NVC appraisals), this results in a shortfall in recovery of \$4.4 million upon an immediate sale.

30. However, the proposed purchaser expects to assume the HUD loan as part of the transaction. In Schedule C.1, I have valued the HUD loan based on the difference between the 3.70% stated interest and an interest rate of 5.50% set forth in the Apprise report for Bellwether and calculated the present value of the different in interest payments using a 6.5% discount rate for each monthly excess interest payment.³⁷ For a ten-year period but assuming the loan is not assumed until June 2023, the present value of interest savings would be \$2.00 million. If the loan is assumed and held for a fifteen-year period until December 2037, then the present value of the interest savings will be \$2.53 million. If the favorable loan assumption is included in the value that should have been paid, then the net proceeds should have been at least \$15.29 million to \$15.81 million, instead of \$13.28 million. In that event, the shortfall in the recovery by the Receiver would be between \$6.39 million and \$6.91 million.

31. As shown in Schedule C.1, the damages to SPC are far greater. This is because SPC does not incur closing and selling costs, only some modest costs to obtain a TPA from HUD. As a

³⁷ The 6.5% discount rate is the approximately cost of capital but is considering high for a loan at 5.5%. Therefore, the favorable financing is conservatively valued.

result, SPC loses \$9.96 million from the immediate sale (assuming no HUD prepayment penalty) but suffers an actual loss ranging from \$11.96 million to \$12.48 million from the loss of its conversion rights and inability to assume the HUD loan.

32. Schedule C.2 provides the same calculations as in Schedule C.1, but for the sale of Parc at Windmill Farms. In this instance, the Receiver's recovery is \$7.23 million less than indicated by a conservative Apprise appraisal. However, the loss is actually far greater due to the favorable HUD loan assumed by the buyer. The favorable financing has a value of between \$3.57 million for a ten-year term to \$4.56 million for a fifteen-year term. Thus, the shortfall is between \$10.80 million and \$11.79 million. SPC's losses due to the denial of its conversion rights are between \$19.16 million and \$20.15 million. This is based on the HUD interest rate of 3.90% as compared with 5.50% for an alternative equivalent interest rate.

33. In Schedule C.3, I conservatively applied a 5.00% capitalization rate to management's forecast of adjusted Net Operating Income for the Ingleside apartments for 2023 to derive an estimated fair sale value of \$31.26 million. I then assumed a minimum discount of 5.0% upon sale involving the Receiver. Considering the favorable HUD financing, the loss to SPC would be between \$5.75 million and \$6.59 million given the Receiver's position and later effort to sell the Ingleside property.

34. In Schedule C.4, I conservatively applied a 5.25% capitalization rate (greater due to using projections from later in the year 2023 and uncertainty) to management's forecast of adjusted annualized Net Operating Income for the Opelika apartments for September to December 2023, to derive an estimated fair sale value of \$36.82 million. I then assumed a minimum discount of 5.0% upon sale involving the Receiver. Considering the favorable HUD financing, the loss to SPC

would be between \$15.21 million and \$16.22 million given the Receiver's position and later effort to sell the Opelika property.

35. I am independent of the parties subject to this litigation. My fee has been disclosed at \$560 per hour. This concludes my declaration testimony.

Jurat

My name is Scott Hakala, my date of birth is June 9, 1961 and my address is 2635 Bierstadt Drive, Highland Village, Texas. My work address is ValueScope, Inc. at 950 E. State Highway 114, Suite 120, Southlake, Texas, 76092. I declare under penalty of perjury under the laws of the State of Texas that the foregoing is true and correct.

Executed in Tarrant County, Texas on May 30, 2023



Scott D. Hakala

EXHIBIT H-1

Exhibit A: VITAE OF SCOTT D. HAKALA, PH.D., CFA

SCOTT D. HAKALA, PH.D., CFA
VALUESCOPE, INC. PRINCIPAL
shakala@valuescopeinc.com, 817-481-6347

Dr. Hakala has more than 25 years of business consulting and business valuation experience, concentrating on complex financial analyses. He provides business valuation and financial consulting services to companies in a broad range of industries. Working with domestic and international clients, Dr. Hakala has performed more than a thousand business valuations involving closely held common stock, preferred stock, options, intellectual property and other tangible and intangible assets. His work has involved advising numerous clients on prospective transactions involving business and business related assets, including providing fairness opinions, solvency opinions and financial accounting analysis. As an expert witness, Dr. Hakala has provided deposition and courtroom testimony in matters relating to shareholder values, tax valuations, bankruptcy and economic damages.

FINANCIAL AND TAX REPORTING AND TRANSACTION ADVISORY SERVICES

Dr. Hakala has performed a substantial amount of business valuation work for clients with a focus on companies in the middle market (\$5 million to \$500 million market value), private equity backed companies, venture capital and development stage companies, asset holding entities and asset-backed securitizations, and smaller capitalization public companies (including valuations and advice for companies preparing or considering public offerings or sale). Valuation services include:

- Determining fair market value appraisals of debt, preferred equity and common equity (including LLC, LP and partnership) determinations and discount studies for tax, financial planning, and advisory purposes
- Valuation/appraisals of Derivative Securities and Embedded Derivatives for tax and financial reporting and advisory (including fairness) purposes (incentive compensation awards; officer, director and employee stock options; commodity and currency options and swaps; interest rate options and swaps; warrants; convertible securities; carried interest valuations)
- Advisory valuations (fairness opinions, solvency opinions, prospective private placement or investment purposes, possible sale of business interests, securities held in private and public fund portfolios and holding entities)
- Gift and estate valuations for tax purposes
- Valuations of asset holding companies, partnerships and asset-backed securitizations (receivables, debt securities, mortgage securities, real estate trusts, credit card portfolios, subprime portfolios)
- Reasonable compensation studies including reasonable return to investor analyses for advisory, tax and fairness purposes
- Officer, director, and employee stock and incentive compensation for tax (IRC Section 83(b), IRC 409A), financial accounting, and advisory/fairness purposes
- Transfer pricing analyses for tax, financial reporting, and advisory (fairness) purposes (IRC Section 482)
- Allocation of Purchase Price and related Asset Impairment Studies
- Valuations and Discounts associated with Built-in Capital Gains and Deferred Taxes for tax, financial reporting, and advisory purposes (including S Corporation conversions)
- Valuation of Employee Stock Ownership Plans (ESOPs) for tax, financial reporting, and advisory purposes

Exhibit A: VITAE OF SCOTT D. HAKALA, PH.D., CFA

INTELLECTUAL PROPERTY AND INTANGIBLE ASSET VALUATION

Dr. Hakala has extensive experience in valuing intellectual property and other types of Intangible assets in business appraisals. Having analyzed and overseen the valuation of hundreds of businesses, Dr. Hakala has gained the technical background necessary to analyze complex Intellectual property valuations including:

- Contract-related (e.g., favorable supplier or other product/service contracts)
- Customer-related (e.g., customer lists and customer relationships)
- Data processing-related (e.g., computer software, databases)
- Intellectual property-related (e.g., patents, trade secrets, copyrights, Internet domain names, and trademarks)
- Goodwill-related (e.g., going-concern value, tradename value)
- Human capital-related (e.g., employment agreements, a trained and assembled workforce, non-competition and non-solicitation agreements)
- Location-related (e.g., leasehold Interests, certificates of need)

LITIGATION SUPPORT

A significant portion of Dr. Hakala's practice has involved expert testimony or consulting in litigation. This includes matters relating to general measures of economic loss. The areas Dr. Hakala has testified in include:

- Intellectual property (patent and copyright infringement damages)
- Breach of contract damages and breach of warranty claims (defective equipment)
- Investment and securities litigation (fraud in the Inducement damages, restitution damages, market manipulation, loss causation and economic damages involving both unregistered and registered securities, ERISA and investment management damages relating to unsuitable investments and investment advice) including providing advisory services for administering claims and recoveries of funds by the SEC and FINRA
- Fraudulent conveyance (fairness opinions, solvency opinions, reasonably equivalent value opinions)
- Lost economic income (wrongful termination, personal injury; discrimination)
- Breach of fiduciary duties and related claims (shareholder oppression, fairness in merger and acquisition transactions, fairness involving related party transactions)
- Marital dissolution (valuation of business interests, valuation of pension benefits, valuation of personal goodwill, valuation of private Investments) including work as a court appointed expert or jointly hired by the parties to determine values

Dr. Hakala has served as an expert in many of the most prominent securities fraud cases, including: Enron, Dynegy, Williams Companies, AOL Time Warner, Computer Associates, Mortgage-Backed Securities litigation, NYU v Ezra Merkin (Madoff-related litigation), and Parmalat. In connection with that work, Dr. Hakala co-authored a law review article in 2006 on the economics of loss causation which has been cited in significant court cases and in briefs before the US Supreme Court. In the vast majority of cases, courts have adopted, relied upon or otherwise given significant weight to Dr. Hakala's opinions.

Exhibit A: VITAE OF SCOTT D. HAKALA, PH.D., CFA

EMPLOYMENT HISTORY

November 2014 to Current

ValueScope, Inc.Principal

As a financial economist and financial analyst, Dr. Hakala brings to the firm extensive practical knowledge of finance, economics and statistics. His expertise includes: the valuation or appraisal of securities and business interests (transactions, mergers, acquisitions, fairness opinions, business appraisal); the valuation of intangible assets (patents, trademarks); analysis of publicly traded securities (insider trading studies, trading analyses, event analyses, materiality, damages in securities litigation); economic loss analyses (commercial litigation); wage and compensation determination (reasonable compensation studies, lost personal income, wrongful termination); transfer pricing; valuation of derivative securities (options pricing and valuation); and antitrust and industry structure, strategic pricing, marketing and cost allocation analyses.

May 1992 to October 2014

**CBIZ Valuation Group, LLC (f/k/a Business Valuation Services, Inc.).....
Managing Director (Senior Consultant 1992 to 1994; Dir./Principal 1995 to 2009)**

Dr. Hakala managed engagements and advised clients on a large number of business valuation, economic and financial consulting, and litigation projects. His work included: the valuation of securities and business interests; the valuation of intangible assets; analysis of publicly traded securities; economic loss analyses; wage and compensation determination; intercompany and related party transfer pricing; analyses and valuation of derivative securities; and antitrust and industry structure, strategic pricing, marketing and cost allocation analyses. He frequently reviewed valuation reports for CBIZ's accounting affiliate and assisted in audits involving valuation and related issues.

Jan 1998 – March 1998

Laser BioTherapy, Inc. Consultant/Interim CEO

Dr. Hakala initially served as a consultant to the company. As Interim CEO, his decision-making authority involved issues of marketing, employment, negotiating with investors, pricing, product planning, financial planning and all other corporate decisions related to a development stage company involved in seeking approval for a patented medical device with a variety of non-invasive therapeutic benefits.

1988 – 1992

Dept. of Economics, Southern Methodist University.....Assistant Professor

Dr. Hakala taught graduate and undergraduate courses in macroeconomics, monetary/financial economics, financial institution regulation and international financial management. He supervised dissertations on international money, commodity options and forward markets, and foreign exchange rates. His research interests included monetary policy, the causes of fluctuations in employment and output, capital stock estimation, aggregate production theory, foreign currency movements (futures, options and forward contracts), inflation, interest rate movements and the term structure of interest rates, asset pricing and consumption.

Exhibit A: VITAE OF SCOTT D. HAKALA, PH.D., CFA

1983 - 1988

Dept. of Economics, University of Minnesota *Lecturer*

Dr. Hakala designed course materials and taught large classes in macroeconomics and international economics. He served on hiring committees and evaluated other instructors.

FORMAL EDUCATION

Doctor of Philosophy, Economics - 1989

University of Minnesota, Minneapolis, Minnesota

Graduate School Fellowship

(Graduate/dissertation advisor Edward Prescott was awarded the Nobel Prize in Economics in 2004.)

Bachelor of Arts, Economics - 1983

Minor in Business Administration and Pre-Law Emphasis

University of Minnesota, Duluth, Minnesota

Graduated Summa Cum Laude Whiteside Scholarship, full tuition and expenses

ACADEMIC HONORS

Distinguished Instructor, Department of Economics, University of Minnesota, 1987-1988

Earhart Foundation Award, Department of Economics, University of Minnesota, 1985

Graduate School Fellowship, 1983 and 1984

Cecil H. Meyers Outstanding Economics Student Award, 1982

Perfect Scores on Quantitative Analysis and Verbal Analysis sections of Graduate Record Examination (GRE), 1982

Alice Touhy Tweed Award, High School Valedictorian, 1979

Lee Krough Award (outstanding character), American Legion's Minnesota Boy's State, 1978, elected Lt. Governor and invited to represent state at other events

Centrum Award, 1979 (for outstanding character and contributions)

ORGANIZATIONS AND PROFESSIONAL ASSOCIATIONS

CFA Charter, The Institute of Chartered Financial Analysts, completed all tests and requirements for a CFA designation, 1998

American Society of Appraisers (ASA), Uniform Standards of Professional Appraisal Practice, Certification Course, December 2017, Member

Exhibit A: VITAE OF SCOTT D. HAKALA, PH.D., CFA

PUBLICATIONS

"Lessons from Single-Company Event Studies: The Importance of Controlling for Company-Specific Events" (December 4, 2017). Available at SSRN: <https://ssrn.com/abstract=3083495>

"Valuing Complex Derivatives," ValueScope White Paper, March 2016, updated version December 14, 2017 at https://papers.ssrn.com/sol3/papers.cfm?abstract_id=3087998 (pending release)

"Lessons from Single Company Event Studies," Working Paper publicly available via BE Press, August 2, 2010.

"The Other Side of Kohler: IRS Expert Offers Insights," Business Valuation Update, January 2007.

Thorsen, Kaplan and Hakala, "Rediscovering the Economics of Loss Causation," Journal of Business and Security Law Acceptance, Vol. 6, No. 1 and 2, April 2006, pp. 93-125.

"Estimating and Applying Economic Value Added," Chapter 13E - Financial Valuation: Businesses and Business Interests - 1998 Update. Publisher: Warren, Gorham & Lamont

"Valuation for Smaller Capitalization Companies" (with Dr. Mukesh Bajaj), Chapter 12A - Financial Valuation: Businesses and Business Interests - 1998 Update. Publisher: Warren, Gorham & Lamont.

"Analysis and Valuation of Distressed Equity Securities" (with Mr. M. Travis Keath), Chapter 13F - Financial Valuation: Businesses and Business Interests - 1999 Update. Publisher: Warren, Gorham & Lamont.

"Analysis and Valuation of Distressed Equity Securities" (with Mr. M. Travis Keath), Valuation Strategies, September/October 1999, pp. 24-34. Publisher: Warren, Gorham & Lamont.

Contributing author In The Art of M&A Integration: A Guide to Merging Resources, Processes and Responsibilities. October 1997. Publisher: McGraw-Hill. Contributed on valuation of tangible and intangible assets (patents, trade secrets, customers, goodwill, employment agreements, non-competes, etc.), allocation of purchase price issues, accounting treatment of acquisitions, international valuation and transfer pricing and general valuation and due diligence issues. Assisted editor in commenting on and editing first half of text.

Provided live and taped interviews pertaining to economic issues for television, including lengthy interviews for CNN (July 1990), WFAA-TV (July 1990; July 1991; March 1992), and radio (Internet radio on November 9, 1999, discussing Microsoft anti-trust issues).

SELECTED LECTURES AND APPEARANCES

Reasonable Compensation -presentation to the Dallas CPA Society Member Appreciation CPE Series, September 23, 2014

The Knowledge Foundation, Brand Valuation of Intangible Assets: Hot Topics for 2014 and Beyond, Webinar Presentation February 12, 2014

Exhibit A: VITAE OF SCOTT D. HAKALA, PH.D., CFA

New York City Bar Association, Securities Litigation Meeting- Discussion with Marcia Mayer Kramer regarding: "View from the trenches: How has Dura changed the way you analyze damages" - May 14, 2008

PLUS D&O Symposium - New York-Panel Discussion-Written presentation entitled "Current Economic Issues in Securities Litigation" and Panel Discussion - February 2, 2006

"Valuation of Options for Litigation Purposes" - New York University CLE Presentation-October 2000

"Valuation Issues-Family Limited Partnerships" - Professional Financial Service, LP's Family Limited Partnership Alert and Update; Dallas/Fort Worth - February 2000

"PPOs for Sale: the Valuation of Managed Care Entities" - Caesars Palace; Las Vegas, Nevada - September 1992

"Equilibria in Continuous-Time Models of Money" - refereed paper presented to the Sixth World Congress of the Econometric Society; Barcelona, Spain - August 1990

"The Use and Holding of Currency" - Feature Presentation - Western Economic Association Meeting; San Diego, California - July 1990

"Values and Economics" - Dallas Philosophical Forum; Dallas, Texas - March 1990

"Ethics and the Role of Government" - ARCO Oil and Gas Research Center; Plano, Texas - October 1989

"Continuous-Time Models of Money: Policy Implications" - paper presented to the Division of Research and Statistics of the Board of Governors of the Federal Reserve; Washington DC - January 1988

Exhibit A: VITAE OF SCOTT D. HAKALA, PH.D., CFA
LITIGATION SUPPORT / EXPERT WITNESS TESTIMONY

Gary M. Schwarz & Marlee Schwarz, v. Commissioner of Internal Revenue (Docket No. 12347-20); United States Tax Court; trial testimony February 3, 2023;; testified as to the profits, accumulation of value, and development of a hunting, farming, ranching, and land development company and its affiliates.

Insuraprise, Inc. vs. Universal Fidelity Life Insurance Company, Legend Insurance Agency, et al. (Cause No. D-1-GN-18-003277); 459th Judicial District Court, Travis County, Texas; deposition November 16, 2022; testified as to damages and value of trade secrets associated with allegations of theft of trade secrets and violation and interference with non-competition agreements.

Stephen Vance, in his capacity as the Trustee of the Stephen M. Vance Revocable Trust dated October 9, 2017, Derivatively on behalf of Broce Manufacturing Co., Inc. v. Alan B. Vance, Teri V. Hubbeling, Michael F. Hubbeling, Julie B. Vance, and Waldon Equipment, LLC, and Broce Manufacturing Co., Inc, Nominal Defendant (Case No. 6:19-CV-1136); In the United States District Court for Kansas; deposition testimony August 18, 2022; rebuttal and supplemental deposition October 25, 2022; testified regarding claims of breach of fiduciary duty, fairness, transfer pricing, theft of corporate opportunities, and damages involving heavy construction equipment manufacturers.

I&I Hair Corporation v. Beauty Plus Trading Co., Inc. DBA Janet Collection and Hair Plus Trading Co., Inc. DBA Femi Collection (Civil Action No. 3:20-CV-2179); In the United States District Court for the Northern District of Texas-Dallas Division; deposition testimony March 15, 2022; testified regarding trademark infringement measures of presumptive damages.

TXI Operations, LP v. City of McKinney, Texas and the Board of Adjustment for the City of McKinney, Texas (Case Nos. 4:20-CV-00353 and 4:20-CV-609); In the United States District Court for the Eastern District of Texas-Sherman Division; deposition testimony February 25, 2022; testified regarding prior analyses involving the amortization of remaining assets for a concrete batch plant.

In re: BL Santa Fe, LLC, et al. (File No. 21-11190 (MFW)); In the United States Bankruptcy Court for the District of Delaware; deposition testimony October 18, 2021; trial testimony October 19, 2021; testified to the valuation of competing bids and solvency and feasibility associated with a motion for plan confirmation for a resort in New Mexico.

Forum US, Inc. v. Odessa Separator, Inc. (Case No. 6:20-cv-00150-ADA); In the United States District Court for the Western District of Texas-Waco Division; deposition testimony August 3, 2021; testified regarding claims of lost profits and reasonably royalties associated claims of patent infringement involving a downhole tool for oil and gas production.

GEFT Outdoor, L.L.C. v. Monroe County, Indiana, et al. (Case No. 1:19-cv-01257-JRS-MPB); In the United States District Court for the Southern District of Indiana; deposition testimony June 23, 2021; engaged by counsel for defendants; testified as to the valuation of a prospective digital billboard in Bloomington, IN, and associated lost profits associated with claims of delay in ability to install a billboard.

Exhibit A: VITAE OF SCOTT D. HAKALA, PH.D., CFA

David M. Clapper, Atlantic Midwest L.L.C., and Atlantic XIII, L.L.C. v. American Realty Investors, Inc., et al. (Case No. 3:14-cv-02970-D); In the United States District Court for the Northern District of Texas, Dallas Division; trial testimony May 14, 2021 (prior deposition testimony October 12, 2017, previously listed); testified as to the valuation of certain commercial real estate development companies and other investments (Highly Confidential) related to allegations of fraudulent conveyance.

Scott M. Hoensheid & Anne M. Hoensheid, v. Commissioner of Internal Revenue (Docket No. 18606-19); United States Tax Court; trial testimony March 24, 2021; testified as to the valuation of a charitable gift of equity interests in a private company subject to pending sale and whether the value was reasonably fixed and determinable as of various alternative valuation or transfer dates.

Daniel Small v. DMRJ Group LLC (Index No. 654522/2018); Supreme Court for the State of New York, New York County; deposition testimony February 4, 2020; testified as to the value of a convertible note as of a given valuation date.

Halliburton Energy Services, Inc. v. MCR Oil Tools, LLC; Pursuant to UNCITRAL Arbitration Rules (2010), Dallas, Texas; deposition testimony December 8, 2020; hearing testimony March 30, 2021; testified as to damages associated with breach of contract, tortious interference, and unjust enrichment and in rebuttal to tortious interference claims for damages made by the Plaintiff's expert.

In re: Essential Financial Education, Inc., Debtor (Case No. 18-33108-mvl7); In the United States Bankruptcy Court for the Northern District of Texas, Dallas Division; deposition testimony December 3, 2020; testified to insolvency, fraudulent transfers, and inadequate consideration for an "online trading education" franchise.

Equine Sports Medicine & Surgery, Weatherford Division, PLLC vs. Tyler Tipton (Cause No. CV19-0408); 43rd Judicial District Court, Parker County, Texas; deposition testimony October 16, 2020; testified in rebuttal and damages in a matter relating to claims of a violation of a non-competition agreement.

In re: IMH Financial Corporation, Debtor (Case No. 20-11858-CSS); In the United States Bankruptcy Court for the District of Delaware; hearing testimony October 13, 2020; testified briefly to declaration with extensive report prepared prior to pre-packaged bankruptcy as to the fair values and liquidation values of the Company's assets (including any number of real estate properties, real estate development prospects, and water rights and an associated prospective water project in N.Mx.) and the fair value and liquidation value of equity in connection with a plan of restructuring. (My testimony was not contested at the hearing.)

City of McKinney, Board of Adjustment, regarding: BO20-05 2015 South McDonald Street, McKinney, Texas; September 30, 2020, hearing testimony; Testimony and analyses used by the City of McKinney and Board of Adjustment for purposes of setting a date for final enforcement associated with the non-conforming use of a property currently used for concrete batch plant operations. I provided an "amortization" analysis of the subject batch plant operation and assets. This analysis was then used to determine the amount of time required for the property to be allowed to continue its non-conforming operations so as to permit the owner and operator to jointly recover their original investments and realize a fair return on investment.

Exhibit A: VITAE OF SCOTT D. HAKALA, PH.D., CFA

In re: ZPower Texas, LLC, and ZPower, LLC, Debtors (Case No. 20-41157-11); In the United States Bankruptcy Court for the Northern District of Texas, Fort Worth Division; deposition testimony April 17, 2020; testified (no report) as to the financial condition, insolvency, budget, and prospects for the debtor's financing and business and the issues with collateral proposed for DIP financing.

In re: Rhoderick Terrance Williams (Case No. 19-33539-hdh7); In the United States Bankruptcy Court for the Northern District of Texas, Dallas Division; hearing testimony February 13, 2020; testified (no report) as to the value and, financial condition of and potential damage to the debtor's business in a hearing related to an involuntary bankruptcy.

City of Dallas, Zoning Board of Adjustment, Panel B, regarding: BDA189-031 (SL) 2702 Martin Luther King Jr. Boulevard; Hearing Testimony June 19, 2019; Testimony and analyses used by the City of Dallas for purposes of setting a date for final enforcement associated with the non-conforming use of the property. I testified as to the estimated revenues, cash flows of a self-service cash wash and whether the historical cost of improvements up to the date of the zoning change as of December 2012 had been recovered.

Beacon Point Capital, LLC vs. Philips Lighting North America Corporation; American Arbitration Association (Case No. 50-20-0700-0029); Deposition Testimony May 14, 2019; Hearing Testimony July 15, 2019; testified as to issues of relating to breach of contract, reasonable royalties, calculation of interest, commercially reasonable interest, and other matters relating to a royalty agreement. (Confidential).

ROY ARTERBURY, INDIVIDUALLY, DELWIN COBB, INDIVIDUALLY, CAVINS CORPORATION v. ODESSA SEPARATOR, INC., (Civil Action No. 5:16-CV-00183; In the United States District Court for the Eastern District of Texas, Texarkana Division; trial testimony February 28, 2019; testified as to lost profits and reasonable royalty relating to oilfield tools for filtering sand in the wellbore.

IMH Special Asset NT 168, LLC v. Aperion Communities, LLLP, et al.; IMH Special; Asset NT 161, LLC v. Eladio Properties, LLLP, et al. (Case Nos. CV2010-010943 and CV2010-010990); In the Superior Court for the State of Arizona, County of Maricopa; deposition testimony September 6 and October 30, 2018; hearing testimony September 21 and 28 and November 2 and 9, 2018; testified as to the costs of collection, required rates of return, and damages associated with defaults on loans secured by undeveloped real estate (Confidential). Testified in the later deposition and hearing as to the values of certain recoveries realized by the Plaintiffs on assets received during collection efforts.

Symetra Life Insurance Company and Symetra Assigned Benefits Company v. RSL-3B-IL, Ltd.; RSL-2012-1, LP; Liquidating Marketing Ltd.; Stewart Feldman; Marla Matz Feldman; IberiaBank, Rapid Management Corp.; RSL-3B-IL Management Corp.; and RSL-2012-1 Management Corp., (Civil Actions No. 4:16-CV-00791; In the United States District Court for the Southern District of Texas, Houston Division; deposition testimony May 31, 2018; testified as to issues of insolvency, non-arm's-length transfers and transactions, adequacy of collateral, and comingling of assets, revenues, collateral, expenses, and liabilities. (Highly Confidential).

Exhibit A: VITAE OF SCOTT D. HAKALA, PH.D., CFA

Transamerica Annuity Service Corporation v. Symetra Life Insurance Company, A.M.Y. Property & Casualty Insurance Company, FinServ Casualty Corp., and Liquidated Marketing, Ltd. f/k/a Rapid Settlements, Ltd. (Civil Actions No. 4:16-CV-01426); In the United States District Court for the Southern District of Texas, Houston Division; deposition testimony February 1, 2018; testified as to issues of insolvency, non-arm's-length transfers and transactions, adequacy of collateral, and comingling of assets, revenues, collateral, expenses, and liabilities. (Highly Confidential).

Consulting Services, LLC and Roger W. Smith. vs. Solera Holdings, Inc., Mobile Productivity, LLC d/b/a AutoPoint, et al.; (JAMS Ref. No. 1310022879); JAMS, Dallas Division; deposition testimony November 3, 2017; arbitration testimony August testified as the value of a specialty software (SaaS) company specializing in software and related services for auto dealerships.

David M. Clapper, Atlantic Midwest L.L.C., and Atlantic XIII, L.L.C. v. American Realty Investors, Inc., et al. (Case No. 3:14-cv-02970-D); In the United States District Court for the Northern District of Texas, Dallas Division; deposition testimony October 12, 2017; testified as to the valuation of certain commercial real estate development companies and other investments (Highly Confidential).

Swiftair, LLC v. Row 44, Inc.; Southwest Airlines Co., et al.; (Case NoSC122964); Superior Court of California, County of Los Angeles-West District, Santa Monica Courthouse; deposition testimony July 12, 2017, and September 7, 2017; trial testimony August 29, 2019; testified as to breach of contract damages (losses incurred in reliance and lost prospective future profits) associated with agreements to provide advertising and promotional content and on airline flights.

MCM Investment Management, et al. vs. Commissioner of Internal Revenue (Docket No. 13550-15); United States Tax Court; deposition testimony May 24, 2017; testified as to the valuation of certain preferred and equity interests and range of potential future value associated with the real estate development company.

Oyokey, Inc., v. Naya Ventures, LLC, et al. (Cause No. DC-15-04746); 44th Judicial District Court, Dallas County, Texas; deposition testimony December 14, 2016; testified in rebuttal to valuation analyses, adequacy of compensation, measures of damages, and speculative damages related to a development stage company.

Regions Bank, et al., v. Nexbank Securities, et al. (Cause No. DC-13-14628); 101st Judicial District Court, Dallas County, Texas; deposition testimony November 1 and 2, 2016; testified in rebuttal to various assertions of loss causation, damages, and claims of losses related to the financing and subsequent bankruptcy of a wholesale greenhouse nursery business focused on decorative plants.

MEI Investments, LP vs. Comerica Bank, Blackbriar Advisors, and Harold J. Kessler; (Cause No. DC-15-04024); 68th Judicial District Court, Dallas County, Texas; deposition testimony October 11, 2016; testified as to damages and the valuation of a subprime used auto dealership related to allegations of tortious interference and fraud.

John D. Spicer, as Chapter 7 Trustee for Bankruptcy Estate of Primcogent Solutions LLC vs. Erchonla Corporation and Santa Barbara Medical Innovations, LLC.; (File No. 14 193 Y 00243 11); JAMS, Dallas Division; deposition testimony October 4, 2016; arbitration testimony November 10, 2016; testified as to specific misrepresentations in connection with an asset purchase agreement and resulting out-of-pocket and benefit of the bargain damages resulting from such misrepresentations.

Exhibit A: VITAE OF SCOTT D. HAKALA, PH.D., CFA

Erwin Cruz and the Erwin A. Cruz Family Limited Partnership vs. Mehrdad Ghani, Michael Taba, Ghani Medical Investments Inc., and Plano AMI LP; (Case No. 10-16274); 101st Judicial District Court, Dallas County, Texas; trial testimony July 19 and 21, 2016; testified as to the valuation of certain partnership interests in imaging centers, the fairness of certain offers to purchase the imaging center, and certain financial transactions involving those imaging centers.

Mirna Reyes, et al., v. North Texas Tollway Authority; (Civil Action No. 3:10-CV-00868-G); In the United States District Court for the Northern District of Texas, Dallas Division; deposition testimony January 19, 2016; testified as to the amount administrative fees for costs of collecting tolls and measures of damages for persons charged fees in excess of costs (Highly Confidential).

EVM Systems, LLC, vs. Rex Medical, L.P., et al.; (Civil Action No. 6:13-CV-184); In the United States District Court for the Eastern District of Texas, Tyler Division; trial testimony August 19, 2015; testified as to the reasonable royalty and allocated profitability associated with patent infringement allegations involving the manufacturer and sale of certain endovascular medical devices.

Kimberly Garcia v. Corinthian Wellness Spa, LLC.; (Case No. 4:14-CV-00799-Y); In the United States District Court for the Northern District of Texas, Fort Worth Division; deposition testimony May 12, 2015; testified as to lost income associated with alleged discriminatory rescission of an offer of employment.

H. Jonathan Cooke et al., vs. Robert C. Karlseng; et al. (Cause No. Dc-06-02783-L); 193rd Judicial District, Dallas County, Texas; deposition testimony January 19, 2015; testified as a rebuttal expert on the valuation of a set of title closing businesses subject to material regulatory and legal risks; issues with the opposing expert's valuation and damages analyses; and the absences of measurable damages associated with alleged claims of conversion, shareholder oppression, fraud, and breach of contract in light of the legal and operational issues surrounding the businesses.

AD Global 2000 Fund, LLC, et al. v. Commissioner of Internal Revenue, and AD Investment 2000 Fund, LLC, et al. v. Commissioner of Internal Revenue (Jointly tried; Docket Nos. 9177-08 and 9178-08.); United States Tax Court; trial testimony June 3 and 4, 2014; testified as to the fairness, reasonableness and terms of certain digital foreign currency options.

Acess International, Inc. v. Baker Botts L.L.P.; County Court at Law Number Five, Dallas County, Texas; trial testimony May 8, 2014; testified as to the value and reasonable royalty rate for certain intellectual property, patents, and priority dates involving active RFID technologies as of 2002 and 2003 and resulting damages associated with the failure to disclose conflicts of interest, failure to properly prosecute certain patents, wrongful prosecution of patents of an infringer that conflicted with and infringed the plaintiffs patents and intellectual property, and failure to notify a client of possible interference actions and claims against an infringer (also, represented by the defendant).

In the Matter of the Marriage of Nalini Prabhakar and Meenakshi Prabhakar; 254th Judicial District, Dallas County, Texas; deposition testimony April 22, 2014, hearing testimony April 28, 2014; first trial testimony October 27 & 30, November 6 & 7, and December 1 & 2, 2014; second deposition November 15, 2015; second testimony trial testimony November 20, 23, 25, & 30, 2015 and December 10 & 11, 2015; testified as to personal goodwill and business valuation of a large infectious disease and infusion therapy group medical practice; testified in a hearing regarding information deficiencies and valuation issues in valuing the practice.

Exhibit A: VITAE OF SCOTT D. HAKALA, PH.D., CFA

Endotach LLC. vs. Cook Medical Inc.; (Civil Action No. 1:13-CV-01135-LJM-DKL); In the United States District Court For the Southern District of Indiana, Indianapolis Division; deposition testimony February 27, 2014; testified as to reasonable royalties associated with patent infringement claims relating to stent graft patents.

Coats, Rose, Yale, Ryman & Lee, P.C. vs. Print Fulfillment Services, LLC; (Cause No. DC-12-02377- F); 14th Judicial District Court, Dallas County, Texas; deposition testimony November 25, 2013; testified as a "fact witness" to the content and analyses in a prior expert report and related damage issues arising from allegedly defective printers in a prior matter.

Thomas L. Weintraut, Transferee, et al. v. Commissioner of Internal Revenue (Docket Nos. 6505-12, 6715-12, and 6751-12); United States Tax Court; trial testimony June 11, 2013; testified as to solvency and business purpose as of and subsequent to the of all the common shares of a company with built-in-capital gains and no business operations at the time of sale.

BUTTONWOOD TREE VALUE PARTNERS, LP and JOHN SORRELLS on Behalf of Themselves and all Others Similarly Situated, vs. JACK A. SWEENEY, STEVEN J. SWEENEY, MARILYN J., SWEENEY, GARY M. HORGAN, H. ANTHONY GARSHORE, ELIZABETH THOMPSON, FRED M. EDWARDS, THOMAS E. McCULLOUGH, RICHARD SCHREIBER, and LAWRENCE J. HERMAN, (Case No. 8:10-cv-00537 CJC (MLGx); In the United States District Court For the Central District of California, Southern Division; deposition testimony May 24, 2013; testified as to market efficiency and damages related to class certification motion involving allegations of securities fraud in First Regional Bancorp litigation.

Axcess International Inc. vs. Savi Technology Inc.; (Case No. 3:10-CV-01033-F); In the United States District Court for the Northern District of Texas, Dallas Division; deposition testimony September 14, 2012; testified as to reasonable royalties associated with patent infringement claims relating to active RFID technologies.

Erwin Cruz and the Erwin A. Cruz Family Limited Partnership vs. Mehrdad Ghani, Michael Taba, Ghani Medical Investments Inc., and Plano AMI LP; (Case No. 10-16274); 101st Judicial District Court, Dallas County, Texas; deposition testimony October 3, 2011; trial testimony May 7 and 8, 2012; testified as to the valuation of certain partnership interests in imaging centers, the fairness of certain offers to purchase the imaging center, and certain financial transactions involving those imaging centers.

BOILERMAKERS NATIONAL ANNUITY TRUST FUND, on Behalf of Itself and All Others Similarly Situated, vs. WAMU MORTGAGE PASS-THROUGH CERTIFICATES, SERIES AR1, et al.; (Master Case No.: C09-0037 (MJP)); In the United States District Court For the Western District of Washington; deposition testimony May 12, 2011; testimony regarding class certification issues including loss causation for Section 11 claims; deposition testimony June 8, 2012, testimony regarding Section 11(e) measures of damages, values of the certificates at issue at the time of suit, and in rebuttal to opposing expert reports.

Exhibit A: VITAE OF SCOTT D. HAKALA, PH.D., CFA

John K. Agamalian et al. v. Wedbush Morgan Securities, Inc. and Michael Farah; Financial Industry Regulatory Authority Arbitration; hearing testimony February 16 and 17, 2011 and November 22, 2011; testified as to the standards for appropriate diversification of assets and suitability of assets in various individual and trust accounts, representations regarding the securities invested in the accounts, and losses realized both in absolute terms and relative to appropriate benchmark funds between 2000 and 2004 resulting from investments inconsistent with the individuals' and trusts' needs and objectives and violations of the principle of diversification of risk. In particular, the testimony focused on excessive losses associated with investments and concentrations of holdings in more volatile equity securities and in mezzanine and subordinated tranches of non-agency mortgage-backed securities (often representing less-than-prime mortgages).

David Greenberg et al. v. Commissioner of Internal Revenue, (Docket No. 1143-05 et al.); United States Tax Court; trial testimony February 8 and 9, 2011; testified as to the fairness, reasonableness and terms of certain digital foreign currency options.

PATTY BEALL, MATTHEW MAXWELL, TALINA MCELHANY, KELLY HAMPTON, CASEY BROWN, JAWSON BONNER, KEVIN TULLOS, ANTHONY DODD, ILENE MEYERS, TOM O'HAVER, JOY BIBLES, DON LOCCHI AND MELISSA PASTOR, Individually and on behalf of all other similarly situated; vs. TYLER TECHNOLOGIES, INC. AND EDP ENTERPRISES, INC.; (Case No. 2:08-CV-422 TJW); In the United States District Court For the Eastern District of Texas; deposition testimony October 25, 2010; testimony regarding the imputed hourly pay rate, overtime pay rate, and pay scales relative to technical, managerial, and significant administrative personnel for the type and nature of the business relating to claims of unpaid overtime in violation of the Fair Labor Standards Act.

Jayhawk Capital Management, LLC et al. vs. LSB Industries, Inc., et al.; (Case No. 08-CV-2561 EFM/JPO); In the United States District Court For the District of Kansas at Kansas City; deposition testimony October 7, 2010; trial testimony September 13, 2011; testimony regarding the payment of preferred dividends, the ability of the company to pay dividends, the economic payment of dividends, and the damages associated with omission of accrued cumulative dividends and denial of the ability to participate equally in certain exchanges of preferred shares into common shares.

EDUARDO PURICELLI, on behalf of itself and all others similarly situated, vs. THE REPUBLIC OF ARGENTINA; (Civil Action No. 04-CV-02117 (TPG)) and related cases; In the United States District Court for the Southern District of New York; deposition testimony October 4, 2010; testimony regarding the amount of interest, principal and default interest due and owing to date on eight debt securities issued by and defaulted on by the Republic of Argentina on or before December 31, 2001.

Six & Mango Equipment, L.L.P., et al. v. Adair, Morris & Osborn, P.C., et al.; (Cause No. 296-00453-2009); In the 296th District Court, Collin County, Texas; deposition testimony July 29, 2010; testimony regarding economic damages (loss of business value, additional expenses and lost profits) resulting from undisclosed restrictions on use and delays in development of commercial real estate for an operating commercial equipment dealership.

WILLIAM MOUNTANOS, PETER MOUNTANOS, JAMES RYE, and TYRONE REMINGA, vs. DENDREON CORPORATION, et al.; (Case No. C 09-426-MJP); In the United States District Court for the Western District of Washington at Seattle; deposition testimony June 15, 2010; testimony regarding market efficiency, materiality, loss causation, and damages.

Exhibit A: VITAE OF SCOTT D. HAKALA, PH.D., CFA

MIDDLECOUNTY RETIREMENT SYSTEM, on behalf of itself and all others similarly situated, vs. SEMTECH CORP., JOHN D. POE, JASON L. CARLSON, MOHAN R. MAHESWARAN, DAVID G. FRANZ JR., and JOHN M. BAUMAN; (Civil Action No. 07-CV-7183); In the United States District Court for the Southern District of New York; deposition testimony March 30, 2010; testimony regarding market efficiency, materiality, and loss causation relating to issues of class certification.

James I. Jaconette, in his capacity as Trustee of the James I. Jaconette Separate Property Trust Dated January 14, 2004 vs. EMERALD BAY FINANCIAL, INC., a California corporation; BOB SYREK, an individual; AND DOES 1-50, inclusive; (Case No. 37-2008-00071642 CU-FR-5C); In the Superior Court for the State of California, County of San Diego, South County Division; trial testimony March 23, 2010; testified as to losses and measures of losses associated with allegations of fraud and negligent misrepresentation in connection with the sale of a mortgage loan to the plaintiff.

In re: Coballs Corp., a Nevada Corporation; COBLAIS CORP., A NEVADA CORPORATION, and CORNELL CAPITAL PARTNERS, LP, YORKVILLE ADVISORS, LLC AND, YA GLOBAL INVESTMENTS, LP; (CASE NO. 8:07:12347-TA; ADVERSARY NO. 09:09-AP); In the United States Bankruptcy Court For the Central District of California-Santa Ana Division; deposition testimony February 16, 2010; hearing testimony March 10, 2010; testimony regarding gains from short sales and avoided losses from sales of shares by defendants and damage to market value of debtor/plaintiff.

Harvey Lapin vs. Goldman Sachs Group, Inc. et al.; (No. 1:04-CV-02236-KMK); In the United States District Court for the Southern District of New York; deposition testimony February 11, 2010; testimony regarding market efficiency, materiality, loss causation, inflation per share, and damages.

In re: Northfield Laboratories, Inc. Securities Litigation; (Master File No. 06 C 1493); In the United States District Court for the Northern District of Illinois; deposition testimony February 8, 2010; testimony regarding market efficiency, materiality, and loss causation relating to issues of class certification.

In re: Gary Vanier (MDL No. 06-0784); 48th Judicial District Court, Tarrant County, Texas; deposition testimony February 3, 2010; hearing testimony June 17 and 18, 2010; arbitration testimony January 5, 2023; testified as to the absence of any stock price impact (and no damages) associated with various critical Yahoo! Bulletin Board posts regarding a publicly-traded company.

ROBERT LEVITT for himself and as custodian for Richard Levitt and Monica Levitt, ROBERT RICE, STEPHEN G. SIBEN, STEPHEN STROBEHN, STANLEY VELTKAMP, PHILIP C. VITANZA for himself and Elizabeth Vitanza and Luke Vitanza, JOHN T. WHITE, GUY V. WOOD, CARL ZANDER, JR., and TED M. and KATHRYN N. JONES, as Trustees, vs. J.P. MORGAN SECURITIES INC., and J.P. MORGAN CLEARING CORP. (Civil Action No. 99 Civ. 2789 MDL 1208 (ADS) (MLO)); In the United States District Court for the Eastern District of New York; deposition testimony November 20, 2009; testimony related to a motion for class certification in a class action alleging market manipulation and non-disclosure in connection with an initial public offering regarding issues of loss causation and common measures of damages.

Between: ED J. MCKENNA and GAMMON GOLD, INC., RUSSELL BARWICK, COLIN P. SUTHERLAND, DALE M. HENRICK, FRED GEORGE, FRANK CONTE, KENT NOSEWORTHY, CANEK RANGEL, BRADLEY LANGILLE, ALEJANDRO CARAVEO, BMO NESBITT BURNS INC., SCOTIA CAPITAL INC., and TD SECURITIES INC. Proceeding under the Class Proceedings Act, 1992 (Court File No. 56862); Ontario Superior Court of Justice; deposition testimony October 27, 2009; testimony, including rebuttal testimony, regarding marketing efficiency, materiality, and loss causation for class certification purposes.

Exhibit A: VITAE OF SCOTT D. HAKALA, PH.D., CFA

Douglas Fletcher v. Pivot International, American Arbitration Association (Arbitration Case No. 57-180-Y-00070-08); deposition testimony October 14, 2009; direct and rebuttal arbitration testimony February 23 and 25, 2010; testified as to various transfer pricing and fair market valuation issues relating to the valuation of Pivot International in connection with a buy-sell agreement for a departing employee.

In re Herley Industries Inc. Securities Litigation. (Civil Action No. 06-2596 (JRS)); In the United States District Court for the Eastern District of Pennsylvania; deposition testimony October 9, 2009; testimony, including regarding loss causation and damages issues associated with failure to disclose issues with government contracts.

Between: ROMAN PYSZNY and ORSU METALS CORPORATION (f/k/a EUROPEAN MINERALS CORPORATION) WILLIAM G. KENNEDY and JAMES COLE Proceeding under the *Class Proceedings Act, 1992* (Court File No.: 59650CP); Ontario Superior Court of Justice; deposition testimony August 26, 2009; testimony, including rebuttal testimony, regarding marketing efficiency, materiality, and loss causation for class certification purposes.

In re Merix Corporation Securities Litigation. (Lead Case No. CV-04-826-MO); In the United States District Court for the District of Oregon; deposition testimony August 21, 2009; testimony, including rebuttal testimony, regarding loss causation issues and market and industry forces in a Section 11 case at class certification.

United States v. Charles Cathcart et al. (Civil Case No. 07-4762-PJH (JCS)); In the United States District Court for the Northern District of California- San Francisco Division; deposition testimony July 20, 2009; testimony regarding hedging strategies for common equity shares with built-in capital gain and the materiality of various alternatives with respect to constructive sale guidelines.

In re Scientific-Atlanta, Inc. Securities Litigation (Case No. 1:01- CV- 1950- RWS); In the United States District Court for the Northern District of Georgia- Atlanta Division; deposition testimony March 6, 2009; testimony regarding market efficiency and reliance, inflation per share, loss causation and damages relating to a relating to securities fraud claims involving "channel-stuffing" and premature revenue recognition.

In re MIVA Inc. Securities Litigation (Civil Action No. 2:05-cv-00201-FtM-29DNF); In the United States District Court for the Middle District of Florida- Fort Myers Division; deposition testimony February 18, 2009; testimony regarding market efficiency and reliance, inflation per share, loss causation and damages relating to a relating to securities fraud claims involving revenues based on unethical Internet activity (including "click-fraud").

Brenholb, Inc. d/b/a Brenner Printing. v. Komori America Corporation (Cause No. 51 181 Y 00365 08); American Arbitration Association; deposition testimony January 15, 2009; testified as to issues related to lost profits resulting from and impairment of the value of a defective printing press.

Capital One Financial Corporation and Subsidiaries. v. Commissioner of Internal Revenue (Docket Nos. 24260-05 and 19519-05); United States Tax Court; trial testimony December 17, 2008; testified as to calculation of OID accruals related to certain fees and revenues generated by credit card portfolios based on analyses of account and balance turnover by type.

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JOHN CARFAGNO, derivatively on behalf of CENTERLINE HOLDING COMPANY, vs. MARC D. SCHNITZER, STEPHEN M. ROSS, JEFF T. BLAU, LEONARD W. COTTON, ROBERT J. DOLAN, NATHAN GANTCHER, JEROME Y. HALPERIN, ROBERT L. LOVERD, ROBERT A. MEISTER, JANICE COOK ROBERTS, and THOMAS W. WHITE, and CENTERLINE HOLDING COMPANY (Case No. 1:08-cv-00912-SAS-JCF); In the United States District Court for the Southern District of New York; deposition testimony November 18, 2008; testimony regarding the fairness of a preferred equity investment by an affiliate and related fiduciary issues and damages.

BENJAMIN SHIRK and RONALD JAUSS, individually and on behalf of all others similarly situated, vs. FIFTH THIRD BANCORP, et al., (Civil Action No. 05-cv-00049); In the United States District Court for the Southern District of Ohio, Western Division; deposition testimony November 13, 2008; testimony regarding lost profits and economic losses associated with alleged breaches of fiduciary duties and other acts related to investments in company stock in retirement plans.

AIR MEASUREMENT TECHNOLOGIES, INC. et al. v. AKIN GUMP STRAUSS HAUER & FELD, L.L.P. (Civil Action No. SA 03 CA 0541 RF); In the United States District Court for the Western District of Texas, San Antonio Division; deposition testimony October 16, 2008; trial testimony April 20 and 21, 2009; testimony regarding reasonable royalty rates and lost royalties associated with a portfolio of patents.

Cyberdyne Systems Inc. v. BGI, Inc. (Case No. 06-2954-PHX-ROS); In the United States District Court for the District of Arizona; deposition testimony August 18, 2008; testimony regarding preliminary analyses of claims of damages in a case involving claims of copyright infringement and breach of contract relating to an exclusive distribution agreement.

In re Credit Suisse-AOL Securities Litigation (Civ. Action No. 02-15146-NG); In the United States District Court for the District of Massachusetts; deposition testimony August 11, 2008; hearing testimony December 20, 2011; testimony regarding the impact of analyst reports on the share price of AOL, event studies, damages, and in rebuttal to opposing expert.

In re Stone Energy Securities Litigation (Civil Action No. 6:05CV2088p, 6:05CV2109, and 6:05CV2220); In the United States District Court for the Western District of Louisiana- Lafayette-Opelousas Division; deposition testimony June 18, 2008; testimony regarding market efficiency and reliance and loss causation relating to a motion for class certification relating to securities fraud claims involving overstated petroleum reserves.

Asher, et al. v. Baxter International, Inc. (Case No. CV 02-CV-5608, 5742, 5807, 6085, 6175, and 62567); In the United States District Court for the Northern District of Illinois; deposition testimony May 12, 2008; testimony regarding market efficiency and reliance, loss causation, and damages relating to securities fraud claims involving common stock.

Charles Moon and AISoft, Inc. v. Infoglide Software Corporation (Cause No. D-1-GN-07-000747); 353rd Judicial District Court, Travis County, Texas; deposition testimony May 9, 2007; testified as to lost income due to severance and termination associated with allegations of wrongful termination.

Exhibit A: VITAE OF SCOTT D. HAKALA, PH.D., CFA

Gordon Roundtree Motors, Ltd. v. Mazda Motor of America Inc. et al.; (Case No. WA:06-CV-00251); In the United States District Court for the Western District of Texas, Waco Division; deposition testimony April 10, 2008; testimony regarding capitalization and capitalization ratios involving an application for the purchase of an automotive franchise; testimony in hearing before Texas Motor Vehicle Division August 29, 2008, regarding the financial condition and proposed capitalization of the subject dealership relative to manufacturer requirements.

In re Retek Inc. Securities Litigation (Case No. CV 02-4209 JRT/AJB); In the United States District Court for the District of Minnesota; deposition testimony March 25, 2008; testimony regarding market efficiency and reliance, loss causation, and damages relating to securities fraud claims involving common stock.

In re Accredo Health Inc. Securities Litigation (Civil Action No. 03-2216-BP); In the United States District Court for the Western District of Tennessee; deposition testimony March 10, 2008; testimony regarding market efficiency and reliance, loss causation, and damages relating to securities fraud claims involving common stock.

Planview, Inc. vs. Computer Associates International, Inc. et al.; (Cause No. D-1-GN-06-001382); 345th Judicial District Court, Travis County, Texas; deposition testimony March 4, 2008; testified as to lost revenues and profits, unjust enrichment, and other issues relating to allegations of theft of trade secrets, tortious interference with contractual relationships (including confidentiality, non-solicitation and non-competition agreements with employees of Planview), unfair competition, and other related causes of action.

In re Petco Corporation Securities Litigation (Master File No. 05-CV-0823-H(RBB)); In the United States District Court for the Southern District of California; deposition testimony February 29, 2008; testimony regarding market efficiency and reliance, loss causation, and damages relating to securities fraud claims involving common stock.

In re Faro Technologies Securities Litigation (Lead Case No. 6:05-cv-1810-Orl-22DAB); In the United States District Court for the Middle District of Florida, Orlando Division; deposition testimony February 1, 2008; testimony regarding market efficiency and reliance and loss causation relating to securities fraud claims involving common stock.

James Morton as Trustee for the James E. Morton Living Trust, vs. Merrill Lynch Pierce Fenner & Smith, Inc. and Presidio Capital Advisors, LLC, (Case No. 2:06cv00236 DB); United States District Court, District of Utah, Central Division; deposition testimony February 12, 2008; testimony regarding damages and measures of damages relating to certain block sales of common shares in alleged violation of plaintiff's instructions.

New Phoenix Sunrise Corporation and Subsidiaries v. Commissioner of Internal Revenue, (Docket No. 23096-05); United States Tax Court; trial testimony January 22, 2007; testified as to the fairness, reasonableness and terms of certain foreign currency swaps.

MS Perry Company, Inc.; Michael Perry; Starr Perry; and Anisa International, Inc. vs. Mary Kay, Inc. et al.; (Cause No. 05-00857); 68th Judicial District Court, Dallas County, Texas; deposition testimony December 3, 2007; testified as to revenues, unjust enrichment, lost profits and other issues relating to allegations of theft of trade secrets, breach of confidentiality agreements, and other related causes of action.

Exhibit A: VITAE OF SCOTT D. HAKALA, PH.D., CFA

Premier Ambulatory Surgery of Austin, L.L.P. vs. Brown McCarroll, L.L.P., Hilgers & Watkins, P.C. and David Hilgers (Cause No. D-1-GN-06-003926); 200th Judicial District Court, Travis County, Texas; deposition testimony October 24, 2007; testified as to lost profits and lost purchase price consideration resulting from the loss of certain prospective partners associated with a surgical center.

In re Tower Automotive Securities Litigation (Civil Action No. 1:05-CV-01926-RWS); United States District Court Southern District of New York; deposition testimony November 14, 2007; testimony regarding market efficiency and loss causation.

In re Forest Laboratories Securities Litigation (Civil Action No. 05-CV-2827 (RMB)); In the United States District Court for the Southern District of New York; deposition testimony October 19, 2007; testimony regarding market efficiency and reliance, loss causation, and damages relating to securities fraud claims involving common stock.

Taffazzoll Family Limited Partnership, PMA Corp., Zum Tobel Holdings, Inc. v. Ralph L. Cruz, RLCFI 1997 Limited Partnership, William R. Cruz, WRCF-I 1997 Limited Partnership, Marc J. Stone, Charles F. Wright, David H. Fleischman and Tradestation Group, Inc.; In the Circuit Court of the Eleventh Judicial Circuit in and for Miami-Dade County, Florida (Case No. 03-19815-CA40); deposition testimony September 24, 2007; testified as to materiality of alleged omissions, false and/or misleading statements relating to the sales of common shares by the plaintiffs in Tradestation Group and the losses or damages arising from those sales based on rescission and out-of-pocket damages.

Hubert Fu v. Baptist/ St. Anthony's Health System; Deborah McCollum; and, Amarillo Anesthesia Consultants, P.A.; U.S. District Court for the Northern District of Texas, Amarillo Division (Civil Action No. 2-07CV-028-J); deposition testimony September 20, 2007; testified as to lost income and incremental expenses incurred as a result of defamation and other claims involving anesthesiologist.

CHASE MEDICAL, LP v. CHF TECHNOLOGIES, INC. and ENDOSCOPIC TECHNOLOGIES, INC.; U.S. District Court for the Northern District of Texas, Dallas Division (Civil Action No. 304 CV 2570 M); trial testimony September 12, 2007; testified as to the reasonable royalty and lost profits in a patent infringement and trademark infringement case involving a cardiovascular surgical procedure and device.

In re: CDX CORPORATION: CDX LIQUIDATING TRUST by the CDX LIQUIDATING TRUSTEE, vs. VENROCK ASSOCIATES, et al.; U.S. Bankruptcy Court, Northern District of Illinois, Eastern Division (Case No. 02-23467; Adversary Case No. 04A03018); deposition testimony August 30, 2007; testified as to the fairness of various non-arm's-length transactions and bridge loans involving the debtor corporation.

In re Parmalat Securities Litigation (Master Docket No. 04-MD-1653 (LAK)); In the United States District Court for the Southern District of New York; deposition testimony August 16 and 17, 2007; testimony regarding market efficiency and reliance, loss causation, and damages relating to securities fraud claims involving common stock, preferred stock and bonds.

Exhibit A: VITAE OF SCOTT D. HAKALA, PH.D., CFA

In re. Xcelera.Com Securities Litigation.; United States District Court, District of Massachusetts, Boston, Massachusetts (Civil Action No. 00- CV-11649(RWZ)); deposition testimony August 9, 2007; hearing testimony April 25, 2008; testified as to loss causation and damages in a securities fraud case.

iValue Group, Inc. a/k/a Explore, Inc. v. M&A Technology, Inc. et al.; v. Julian Ross (Cause No. 02- 09794-B); In the 44th Judicial District Court, Dallas County, Texas; trial testimony August 2, 2007; testimony regarding errors in opposing expert's valuation analysis and speculative value of a failing dot.com enterprise.

Peter Kaltman, et al.; vs. Key Energy Services, Inc., et al.; (Case No. MO-04-CV-082); In the United States District Court for the Western District of Texas, Midland-Odessa Division; deposition testimony August 6, 2007; testimony regarding market efficiency, reliance, and loss causation relating to a motion for class certification in securities fraud case.

Thomas G. Ong for Thomas G. Ong IRA and Thomas G. Ong, Individually and on behalf of all others similarly situated, v. Sears, Roebuck & Co., Sears Roebuck Acceptance Corp., et al.; (Case No. 03 C 4142); In the United States District Court for the Northern District of Illinois, Eastern Division; deposition testimony July 26, 2007; testimony regarding market efficiency and reliance relating to a motion for class certification involving debt and preferred securities.

In re Credit Suisse-AOL Securities Litigation (Civ. Action No. 02-15146-NG); In the United States District Court for the District of Massachusetts; deposition testimony July 10, 2007; testimony regarding market efficiency and reliance relating to a motion for class certification.

RICHARD WAGNER, MURIEL P. ENGELMAN, PHILIP SCHECHTER, IRA GAINES, and C.H. SMITH, Individually and on Behalf of all Other. Similarly Situated vs. BARRICK GOLD CORP., RANDALL OLIPHANT, JOHN K. CARRINGTON, and JAMIE C. SOKALSKY, (Case Nos. 1:03CV4302; 1:03CV5059; 1:03CV5104; 1:03CV5856;1:03CV6089); In the United States District Court For the Southern District of New York; deposition testimony June 27, 2007, testimony regarding market efficiency and loss causation related to a motion for class certification in a class action securities case; deposition testimony November 20, 2008, regarding market efficiency, loss causation and damages.

Suzanne Coates and 2055 Incorporated vs. Robert Coates, 101st Judicial District Court, Dallas Texas (Cause No. 05-02456); trial testimony October 2007; testified as a fact witness on June 13, 2007, regarding a preliminary valuation analysis prepared for a company owned by a couple preparing for a divorce in 2002.

In re Worldcom, Inc., et al.; (Abbott Litigation Claims) (Chapter 11 Case No.02-13533 (AJG)); In the United States Bankruptcy Court for the Southern District of New York; deposition testimony May 24, 2007; testimony regarding damages and insolvency associated with the merger of WorldxChange with World Access, Inc. in 2000.

Matt Brody, On Behalf of Himself and All Others Similarly Situated, vs. Zix Corporation, et al.; (Civ. Action No. 3:04-CV-1931-K ECF); In the United States District Court for the Northern District of Texas-Dallas Division; deposition testimony May 17, 2007 and October 30, 2007; testimony regarding market efficiency and loss causation related to a motion for class certification in a class action securities case.

Exhibit A: VITAE OF SCOTT D. HAKALA, PH.D., CFA

Oscar Munoz, et al.; vs. AT&T Corp. (Civil Action No. 06-cv-01205-PSF-MJW); In the United States District Court for the District of Colorado; deposition testimony May 7, 2007; testimony regarding the valuation of AT&T Wireless stock options vested and held by the Plaintiff, Oscar Munoz.

In re Flag Telecom Holdings, Ltd. Securities Litigation (Case No. 02-Civ. 3400 (WCC)); In the United States District Court for the Southern District of New York; deposition testimony May 2, 2007; testimony regarding market efficiency, tracing of shares to an offering and loss causation related to a motion for class certification in a class action securities case.

156 Alliance Partners, Ltd. V. Susan Bonner Mead, Amy Col Griffin, and Don Cole, as Trustees for the M.T. Cole Trust No. 2, and M.T. Cole Trust No. 3 (Cause No. 2003-10038-16); 16th Judicial District, Denton County, Texas; deposition testimony April 18, 2007; hearing testimony May 8, 2008; testimony regarding the calculation of damages associated with claims of breach of contract and fraud involving a real estate transaction.

Harvey Lapin vs. Goldman Sachs Group, Inc. et al.; (No. 1:04-CV-02236-KMK); In the United States District Court for the Southern District of New York; deposition testimony April 5, 2007; testimony regarding market efficiency, materiality, and loss causation.

ESTATE OF MARJORIE deGREEFF LITCHFIELD, DECEASED, GEORGE B. SNELL AND PETER deGREEFF JACOBI, CO-EXECUTORS, v. COMMISSIONER TO INTERNAL REVENUE (Docket No. 15882-05); United States Tax Court; trial testimony April 12 and 13, 2007; testified as to the discounts for built-in capital gains, lack of control and lack of marketability of two corporations (with equity investments and agricultural real estate and operations representing the primary assets of the corporations).

In re JDS Uniphase Corporation Securities Litigation (Master File No. C-02-1486 CW (EDL)); In the United States District Court for the Northern District of California, Oakland Division; deposition testimony March 12 and 13, 2007; additional deposition testimony regarding supplemental report October 20, 2007; trial testimony November 1, 2 and 16, 2007; testimony regarding materiality, loss causation, and damages in a class action securities case.

In re Enron Corporation Securities, Derivative and "ERISA" Litigation; LAMKIN et al.; vs. UBS PAINE WEBBER, INC., and UBS WARBURG LLC, and, GIANCARLO vs. UBS FINANCIAL SERVICES, INC., UBS SECURITIES, L.L.C., and UBS AG (MDL Docket No. 1446; Civil Action Nos. H-02-CV- 0851 & H-03-4359, respectively); In the United States District Court For the Southern District of Texas, Houston Division; deposition testimony October 26, 2006; testimony regarding materiality, loss causation, solvency and damages in two class action securities cases involving customers and counter-parties of the defendants and Enron employees awarded stock options.

F. L. Motheral Company d/b/a Motheral Printing Company vs. MLP, U.S.A., Incorporated, Mitsubishi & Company, (U.S.A.), Incorporated; American Arbitration Association, Fort Worth, Texas (Arbitration No. 71 181 Y 00094 05); deposition testimony August 25 and September 20, 2006; testified regarding economic losses relating to allegedly defective printing equipment.

In re Rhythms Securities Litigation; (Case No. 02-K-35); In the United States District Court for the District of Colorado; deposition testimony July 21, 2006; testimony regarding materiality, loss causation, inflation per share and damages in a class action securities case.

Exhibit A: VITAE OF SCOTT D. HAKALA, PH.D., CFA

Rose Johnson, Individually and as Personal Representative of the Estate of Jay Johnson, and Thelma Johnson, Jason Johnson and Kindra Johnson, Individually v. Journeyman Construction, L.P.; Austex Concrete Construction, et al.; (Cause No. GN-303431) 126th Judicial District, Travis County, Texas; deposition testimony July 11, 2006; testified as to the lost income associated with the death of Jay Johnson.

In re Enron Corporation Securities Litigation; Mark Newby, et al.; vs. Enron Corp., et al.; (MDL Docket No. 1446; Civil Action No. H-01-3624); In the United States District Court For the Southern District of Texas, Houston Division; deposition testimony May 8 and 9, 2006; testimony regarding materiality, loss causation, solvency and damages in a class action securities case in rebuttal to a number of expert reports for defendants.

Thomas J. O'Neil, et al.; (Plaintiffs) v. Texas American Communications Network, Inc., et al.; (Defendants); (Cause No. 67-210728-05) 17th Judicial District, Tarrant County, Texas; trial testimony May 3, 2006; testified as to the fair value of a small Internet service provider in a case involving breach of fiduciary duty, wrongful termination and destruction of business.

Jeffrey H. Winokur, Individually and on Behalf of all Other Similarly Situated, vs. Direct General Corporation, et al.; (Civil Action No. 3:05-0077); In the United States District Court, Middle District of Tennessee; deposition testimony April 7, 2006; testimony regarding materiality, loss causation and damages in a class action securities case.

WRS Group, Ltd. And SJS Partnership v. United States (Civil Action WA:05-CV-166); In the United States District Court, Western District of Texas, Waco Division; deposition testimony April 4, 2006; testified in rebuttal to and regarding the valuation of equity interests of a medical education company and relating allocation issues in an income tax dispute.

Jules Adrian Carmack vs. John Dee Carmack II, Kevin Wayne Cloud and Id Software, Inc.; 134th Judicial District, Dallas County, Texas; deposition testimony March 31, 2006; testified as to valuation of a computer game design company and related issues in a shareholder dispute regarding a buy-sell agreement, allegations of oppression and issues of fair value.

In re Williams Sec. Litig. (Case No. 02-CV-75-H(M)); In the United States District Court, Northeastern District of Oklahoma; deposition testimony March 22, 2006; testimony regarding materiality, loss causation and damages in a class action securities case.

James Kelsoe, et al.; v. Texas United Excavators, L.L.C. and Leslie Lynn Cox; (Cause No. 67-209655-05) Judicial District, Tarrant County, Texas; deposition March 9, 2006; testified as to lost household income and other support in a wrongful death case.

In re Cigna Corporation Sec. Lit. (Master File No. 2:02CV8088); In the United States District Court, Eastern District of Pennsylvania; deposition testimony March 7, 2006; testified as to issues of loss causation and damages.

Windscape Holdings, Ltd. And Live Oak Holdings, Ltd. v. Wes Lochridge & Associates General Contractors, Inc. (Cause No. 04-8259); 101st Judicial District, Dallas County, Texas; deposition February 27, 2006; testified in rebuttal to and regarding claims of lost rental income in apartments as result of alleged paint peeling.

Exhibit A: VITAE OF SCOTT D. HAKALA, PH.D., CFA

Joseph D. Martinec, Chapter 11 Trustee of WSNET Holdings, Inc. v. Ceberus Capital Management L.P., et al.; 200th Judicial District, Travis County, Texas; deposition testimony December 15, 2005; testified as to valuation of a digital cable/satellite television provider.

Vitamin Village, Inc. v. Commissioner of Internal Revenue (Docket No. 8745-02) and *Universal Marketing, Inc. v. Commissioner of Internal Revenue* (Docket No. 8744-02); United States Tax Court; trial testimony December 9, 2005; testified as to issues related to reasonable compensation of two affiliated companies.

Estate of Frederic C. Kohler v. Commissioner of Internal Revenue; (Docket No. 4646-03); United States Tax Court; trial testimony December 7, 2005; valuation of minority shares of Kohler Inc.

In the Matter of the Marriage of Pamela Elaine White and Jeffrey Alan White; 401st Judicial District, Collin County, Texas; deposition testimony November 8, 2005, trial testimony November 17, 2005; testified as to personal goodwill and business valuation.

In re Calpine Corporation Securities Litigation; In the United States District Court, Northern District of California (N.D. Cal. Case No. C-02-1200 SBA(WDB)); deposition testimony October 6 and 7, 2005; testified as to Section 11 damages involving issued debt securities related to allegations of omissions regarding manipulation of the California energy markets in 2000 and 2001.

In re Omnicom Group Inc. Securities Litigation; In the United States District Court, Southern District of New York (Case No. 02 Civ. 4483); deposition testimony September 14, 2005; and April 25, 2007; testified as market efficiency in relation to a motion for class certification in the first deposition and testified as to materiality, loss causation and damages in the second deposition.

In re: Metris Companies Inc. Securities Litigation; In the United States District Court, District of Minnesota (Civil Action No. 02-CV-3677 JMR/FLN); deposition testimony August 15, 2005; testified as to materiality, inflation per share and aggregate damages in a class action securities case involving a subprime credit card lender.

Federal Home Loan Mortgage Corp. v. Commissioner, United States Tax Court (Docket Nos. 3941-99, 15626-99 and 5829-02); trial testimony June 8 and 9, 2005; testified as to allocation of purchase price, valuation of intangible assets and favorable financing.

David Graben and Frank Strickler v. Western Reserve Life Assurance Company of Ohio; Intersecurities, Inc. and Timothy Hutton; State District Court, 271st Judicial District, Wise County, Texas; deposition testimony March 29, 2005; trial testimony May 18, 2005; testified as to economic losses and prudent investment management involving the management of investment portfolios for two retired individuals.

Wechsler & Co., Inc. v. Commissioner of Internal Revenue, United States Tax Court (Docket No. 9667-04); trial testimony March 24, 2005; prepared a written report and rebuttal report as testimony in a matter involving the determination of the reasonable compensation of a Chief Executive Officer of a broker-dealer specializing in trading convertible debt securities as a dealer and on its own account.

Exhibit A: VITAE OF SCOTT D. HAKALA, PH.D., CFA

Stephen T. Davis, Individually and as Owner of Lone Star Phones v. Dobson Cellular Systems Inc. d/b/a CellularOne and Dobson Communications Corporation and Kelly Lane; In the United States District Court for the Northern District of Texas, Dallas Division (Case No. 3-04-CV-0465 B); deposition testimony February 25, 2005; testified as to lost income associated with allegations of a breach of contract and wrongful termination of a dealership agreement.

In re: PE Corporation Securities Litigation; In the United States District Court, District of Connecticut (Master File No. 3:00CV705(CFD)); deposition testimony February 23, 2005; testified as to materiality, inflation per share and aggregate damages in a class action securities case involving allegations of inadequate and misleading disclosures relating to a secondary offering of tracking shares.

Alpine International Corp. v. Texas Health Resources; State District Court, 101st Judicial District, Dallas County, Texas; deposition testimony February 21, 2005; supplemental deposition October 3, 2005; trial testimony November 23, 2005; testified as to lost profits associated with a breach of a non-solicitation provision in a contract.

Michael Gloster and Victoria Gloster, t/a Gloster Marketing v. Relios, Inc., H. William Pollack, III, and Carolyn Pollack; In the United States District Court, Eastern District of Pennsylvania (Cause No. 02-CV-7140); deposition testimony February 11, 2005; testified as to issues of valuation and profits involving claims of trademark and copyright infringement.

In re: Clarent Corporation Securities Litigation; In the United States District Court, Northern District of California, San Francisco Division (Master File No. C-0103361CRB(JCS)); deposition testimony January 11, 2005; trial testimony January 31 and February 9, 2005; testified as to materiality, inflation per share and aggregate damages in a class action securities case involving allegations of accounting fraud against former officers of the company and the accounting firm for its audit.

In re: DQE, Inc. Securities Litigation; In the United States District Court, Western District of Pennsylvania (Master File No. 01-1851); deposition testimony November 23, 2004; testified as to materiality, inflation per share and aggregate damages in a class action securities case.

In re: Worldcom, Inc. ERISA Securities Litigation; In the United States District Court, Southern District of New York (Master File No. 02 Civ. 4816 (DLC)); deposition testimony November 15, 2004; testified as to discounts related to block size and information effects associated with the possible sale of shares of Worldcom and MCI tracking stock in the first half of the 2002.

Adele Brody, et al.; on behalf of themselves and all others similarly situated, vs. Peter S. Hellman, et al.; District Court, City and County of Denver, State of Colorado; deposition testimony September 3, 2004, and May 27, 2005; hearing testimony November 30, 2004; testified as to the ability to measure damages to a class of shareholders via a plan of allocation.

In re: Broadcom Corp. Securities Litigation; In the United States District Court, Central District of California, Southern Division (No. SACV 01-275 GLT (MLGx)); deposition testimony August 27 and 29, September 10, December 1 and 2, 2004, and January 21, 2005; testimony during hearings April 21 and May 25, 2005; testified as to materiality, valuation of customer contracts, valuation, inflation per share and aggregate damages in a securities class action and damages in a related private action.

Exhibit A: VITAE OF SCOTT D. HAKALA, PH.D., CFA

Burt L. Schmidt, Individually and d/b/a Diamond S Trucking vs. Navistar Financial Corporation; State District Court, Hamilton County, Texas; deposition testimony July 28, 2004; trial testimony August 30, 2004; testified in rebuttal as to claims of lost profits associated with the repossession of tractor trucks by the defendant in 2001.

Basic Management Inc, et al.; vs. United States of America, et al.; In the United States District Court, District of Nevada (No. CV-S-02-0884-RCJ-(RJ)); deposition testimony July 22 and 23, 2004; testified in rebuttal as to appropriate assumptions and methods (including discount rates and appreciation rates) for a real estate development company in Nevada.

In re. JTS Corporation, Suzanne L. Decker, Trustee, vs. Roger W. Johnson, et al.; In the United States Bankruptcy Court, Northern District of California, (No. 98-59752 MM; A.P. No. 00-5423); deposition testimony July 15, 2004; trial testimony April 11, 2005; testified in rebuttal to trustee's expert as to economic losses to creditors and reasonable value associated with certain business decisions.

Randy S. Myers, Individually and on Behalf of all others Similarly Situated, vs. Progressive Concepts, Inc. d/b/a Hawk Electronics; 352nd Judicial District, Tarrant County, Texas (Cause No. 352-201156-03); deposition testimony July 2, 2004; testified as to the appropriate measure of damages involving allegations of improper billing involving cell phone services.

OnSite Technology LLC vs. Duratherm, Inc. et al.; In the United States District Court for the Southern District of Texas (Civil Action No. H-02-2624); trial testimony June 10, 2004; testified as to lost profits and reasonable royalties as a result of allegations of patent infringement.

ATS Telecommunications Systems, Inc. and ATS Liquidating, Inc. f/k/a Advanced Telecommunications Systems, Inc., by and through its Plan Agent H. Malcolm Lovett, Jr. vs. Philip R. Lacerte and Four LC Trust vs. Stan M. Gorman, Sr., and D. Scott Pool; 113th Judicial District, Harris County, Texas (Cause No. 2001-00997); deposition testimony May 25, 2004; testified as to reasonable and customary terms and consideration for the provision of performance guarantees, reasonable start-up and operating expenses, and issues of fraud and breach of fiduciary duty.

ISG State Operations, Inc. vs. National Heritage Insurance Company, Inc.; 250th Judicial District, Travis County, Texas (Cause No. 95-11014); deposition testimony May 11, 2004; trial testimony April 25, 2005; testified as to appropriate measures for calculation lost profits in a breach of contract claim involving data processing.

Xperex Corporation, et al.; vs. Viasystems Technologies Corp., LLC; Court of Chancery, New Castle County, State of Delaware (Civil No. 20582-NC); deposition testimony April 23, 2004; testified as to the valuation of intangible assets and business related to allegations of fraudulent conveyance and breach of fiduciary duty to creditors

Richard Marcoux, on behalf of himself and all others similarly situated, v. Billy D. Prim, Andrew J. Filipowski, et al.; County of Forsyth, State of North Carolina (No. 04 CvS 920); deposition testimony April 12, 2004; testified as to errors in a fairness opinion issued in a proposed acquisition of a public company.

Exhibit A: VITAE OF SCOTT D. HAKALA, PH.D., CFA

Houston Saba, L.P. vs. Nick Hernandez and Boyd Page Inc. d/b/a Boyd Page & Associates; 280th Judicial District, Harris County, Texas (Cause No. 2003-07457); deposition testimony March 31, 2004; testified as lost profits associated with disruption of a restaurant due to street repairs and construction.

Autoland of New Jersey, Inc., et al.; v. Commissioner of Internal Revenue; U.S. Tax Court (Docket number 12639-02); testified in trial February 19, 2004; testified as to issues related to the reasonable compensation of executives in the auto retail business.

Soils Control International, Inc. vs. Martin Marietta Magnesia Specialties, L.L.C. and Midwest Industrial Supply, Inc; United States Court, District of Massachusetts (Civil Action No. A-03-CA-531 H); deposition testimony January 30, 2004; testified as to lost profits in a dispute relating to allegations of deceptive trade practices.

In re Raytheon Company Securities Litigation; United States Court, District of Massachusetts (Civil Action No. 99-12142 (PBS)); deposition testimony January 27, 2004; testimony in hearings May 3 and 7, 2004; testified as to materiality, causation, inflation per share and aggregate damages.

In re: AT&T Corp Securities Litigation; United States District Court of New Jersey (MDL No. 1399, Civil Action No. 01-1883 (GEB)); Consolidation Class Action on Behalf of the Purchasers of AT&T Wireless Tracking Stock Shares between April 27 and May 1, 2000; deposition testimony January 16, 2004; testified as to materiality, causation, inflation per share and aggregate damages.

Robert Rodgers vs. Johnson Health Tech. Co., Ltd., Epix, Inc. d/b/a Vision Fitness, et al.; United States District Court for the Western District of Texas, Austin Division (Civil Action No. A 02 CA 731 SS); deposition testimony January 7, 2004; testified as to reasonable royalties and damages for alleged patent infringement.

In re. Xcelera.Com Securities Litigation.; United States District Court, District of Massachusetts, Boston, Massachusetts (Civil Action No. 00- CV-11649(RWZ)); hearing testimony November 20 and 21, 2003; testified as to materiality, reliance and market efficiency in a hearing on class certification.

C. F. Jordan, L.P. v. Argosy Gaming Company, Laneco Construction Systems, and Louisiana Glass, AAA Arbitration (Case Number 71 110 01059 01); deposition testimony November 18, 2003; testified in rebuttal to allegations of lost income from hotel construction and remediation activities.

ELIZABETH M. KURECKA, Individually and as Representative of the estate of Edward Kurecka, Deceased, MICHAEL KURECKA, TIM KURECKA, and MELANIE KURECKA POWELL v. DAVID H. AMMONS, M.D., GARY R. GODSIN, M.D., and MICHAEL PETTIBON, M.D.; 342nd Judicial District, Tarrant County, Texas; deposition testimony September 2003; testified as to the loss of income to the survivors in a wrongful death case.

Betsy Gross v. David Halbert and AdvancePCS; 352nd Judicial District, Tarrant County, Texas (Cause No. 352-196123-02); deposition testimony August 26, 2003; testified at trial November 10 and 11, 2004; testified as to the valuation of executive stock options.

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Michael Aldridge, Individually and on Behalf of All Other Similarly Situated, vs. A. T. Cross Corporation; Bradford R. Boss; Russell A. Boss; et al.; United States District Court, District of Rhode Island (C.A. No. 00-203 (ML)); deposition testimony August 19, 2003; testified as to materiality, causation and damages in a securities class action.

In Re Broadcom Corp. Securities Litigation; United States District Court, Central District of California, Southern Division (Master File No. SACV 01-275 GLT (Eex)); deposition testimony July 29 and 30, 2003; testified as to the market efficiency of the trading of Broadcom shares and aggregate damages calculations relating to class certification.

J. Bryan Pickens vs. John T. Pickens, J. Michael Tiner, Michael K. Pickens, C. Robert Milner, Jr., Pickens Financial Group, L.L.C., Pickens Resource Corp., and Pickens, Ltd.; 298th Judicial District, Dallas County, Texas (Cause No. 02-01105); deposition testimony July 11, 2003; testified as to the overall financial performance of certain companies and the fairness (or benefits to the plaintiff) of certain transactions involving the defendant companies and affiliated trusts.

In re Arthur Franklin Tyler, Jr., Debtor; Arthur Franklin Tyler, Jr., v. Tywell Manufacturing Corporation; U.S. Bankruptcy Court, Northern District of Texas, Dallas Division (Case No. 01-80343-SAF-13; Adversary No. 02-3530); trial testimony July 1, 2003; testified as to net asset value under various assumptions in an involuntary shareholder foreclosure/shareholder oppression dispute.

FFP Partners, L.P. v. Jack J. Ceccarelli, Restructure Petroleum Marketing Services, Inc. f/k/a E-Z Serve Petroleum Marketing Company and Environmental Corporation of America, Inc.; American Arbitration Association (Case No. 71-Y-198-00167-02); hearing testimony May 19, 2003; testified as to the value of gas-only operations related to allegations of breach of contract, breach of fiduciary duty and theft of business opportunities.

RadioShack Corporation, and TE Electronics, L.P. vs. Fried, Frank, Harris, Shriver & Jacobson and Harvey Pitt; United States District Court, Northern District of Texas, Ft. Worth Division (Civil Action No. 4:02-CV-0639-TV); deposition testimony May 9, 2003; testified as to causation and damages as a result of allegations of legal malpractice.

Printwrap, Inc. v. Printwrap Sales, Inc. and Maxine Ammon; 134th Judicial District, Dallas County, Texas (Cause No. 02-5064-G); deposition testimony May 6, 2003; testified as to the valuation and economic losses of a purchase of a specialty printing business as a result of allegations of material misrepresentations on the part of the seller.

In re Theragenics Corp. Securities Litigation; United States District Court, Northern District of Georgia, Atlanta Division (Civil Action No. 1:99-CV-141-TWT); deposition testimony April 2, 2003, and August 14, 2003; testified as to materiality, causation, inflation per share and damages as a result of allegations of securities fraud (violations of the Securities Exchange Act of 1934, Rule 10b-5).

Teleplus, Inc., v. Avantel, S.A.; United States District Court, Western District of Texas, San Antonio Division (Civil No. SA-98-CA-0849 FB); deposition testimony March 26, 2003; trial testimony September 25, 26 and 29, 2003; testified as to the valuation of a reseller and marketer of long-distance telephone services (primarily for domestic and international service in Mexico).

Exhibit A: VITAE OF SCOTT D. HAKALA, PH.D., CFA

Russell Grigsby vs. ProTrader Group Management, L.L.C., et al.; American Arbitration Association (Cause No. 70-180-00648-02); deposition testimony March 7, 2003; arbitration hearing testimony October 17 and November 3, 2003; testified in a fraud and shareholder oppression case as to the fair value of a brokerage firm with specialization in day trading.

Donald P. Williams vs. Peter O. Holliday, III, MD, and Open MRI of Decatur; Circuit Court of Morgan County, Alabama (Case Number: CV-00-974); testified at trial March 4, 2003; testified as to the value of loan guarantees and the value of a business operating an MRI in a shareholder oppression lawsuit.

Menard, Inc. v. Commissioner of Internal Revenue; U.S. Tax Court; testified in trial February 27, 2003; testified as to the compensation of executives in comparable and guideline companies and the proper valuation of incentive compensation benefits.

Richard Strauss, Sovereign Texas Homes, Ltd., et al.; vs. Wallace Sanders & Company, et al.; 191st Judicial District, Dallas County, Texas (Cause No. 02-2562-J); deposition testimony February 14 and 20, 2003; testified as to materiality, causation, and damages as a result of allegations of improper accounting.

Paul Dzera, Phillip J. Gund and Stephen Marotta v. Zolfo Cooper, L.L.C.; American Arbitration Association (Arbitration no. 18Y180143301), Newark, New Jersey; hearing testimony February 11, 2003; testified as to measures of economic loss associated with claims brought by defendant.

In re VISIONAMERICA, INC. SECURITIES LITIGATION; United States District Court, Middle District of Tennessee, Nashville Division (Master File No. 3-00-0279); deposition testimony December 12, 2002; testified as to materiality, causation, inflation per share and damages as a result of allegations of securities fraud involving accounting misstatements (violations of the Securities Exchange Act of 1934, Rule 10b-5).

In re National Golf Properties, Inc. Shareholder Litigation; (Masseo Investment Partners, Ltd., Anne Marie Rouleau, Thomas Felman, IRA and Robert Lewis, On Behalf of Themselves and All Others Similarly Situated, vs. James M. Stanich, et al.; Superior Court of the State of California, County of Los Angeles (Lead Case No. BC268215); deposition testimony November 22, 2002; testified as to fairness and problems with a fairness opinion involving a proposed acquisition of the public REIT, including process, disclosure and allocations of proceeds problems.

Ralph R. Unstead, Jr., On behalf of Himself and All Other Similarly Situated, v. Intellect Communications, Inc., et al.; U.S. District Court for the Northern District of Texas, Dallas Division (No. 3:99-CV-2604-M); deposition testimony October 31, 2002; testified as to materiality, causation and damages in a class action securities case.

Physicians Resource Group, Inc. and EyeCorp, Inc., vs. Dr. David Meyer, et al.; U.S. Bankruptcy Court, Northern District of Texas, Dallas Division; deposition testimony October 22, 2002; trial testimony February 7, 2002; testified as to issues of solvency and reasonably equivalent damages as a result of certain transactions between the defendants and the plaintiffs prior to bankruptcy.

Maximlcer, L.L.C., vs. PepsiCo, Inc.; U.S. District Court for the Eastern District of Texas, Marshall Division (No. 2-01-CV-132(tjw)); deposition testimony October 21, 2002; trial testimony December 10, 2002; testified as to damages arising from claims of commercial defamation and other causes.

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HALCYON INVESTMENTS INC., f/k/a B.A.S.S., Inc., et al.; vs. B.A.S.S., LLC, f/k/a LIVEWELL ACQUISITION, LLC, B.A.S.S. (IP), et al.; AAA Arbitration (File No. 30 E 181 00434 02); deposition testimony October 10, 2002; testified as to due diligence, disclosures and economic damages estimates involving an agreement to sell a business between the parties (subject to confidentiality agreement).

Jerry Krlm, et al.; v. pcOrder.com, Inc., et al.; U.S. District Court for the Western District of Texas, Austin Division (Master File No. A:00-CA-776-SS); hearing testimony September 20, 2002; testified in a class certification hearing on the trading of shares and source of shares purchased by proposed lead plaintiffs.

APA EXCELSIOR III L.P., APA EXCELSIOR III OFFSHORE, L.P., APA/FOSTIN PENNSYLVANIA VENTURE CAPITAL FUND, CIN VENTURE NOMINEES LIMITED, STUART A. EPSTEIN and DAVID EPSTEIN, v. PREMIERE TECHNOLOGIES, INC., BOLAND T. JONES, PATRICK G. JONES, GEORGE W. BAKER, SR., and RAYMOND H. PIRTLE, JR.; U.S. District Court for the Northern District of Georgia (Civil Action No. 1:99-CV-1377-JOF); deposition testimony September 4, 2002; testified as to the materiality of certain representations and damages related to claims of securities fraud.

Microtune, L.P. v. Broadcom Corporation; U.S. District Court for the Eastern District of Texas, Sherman Division (Civil Action No. 4:01-CV-023); deposition testimony August 29, 2002; testified as to the reasonable royalty in a patent infringement case.

John F. Havens, On Behalf of Himself and All Others Similarly Situated, vs. James L. Pate, et al.; and Howard Lasker, On Behalf of Himself and All Others Similarly Situated, vs. James L. Pate, et al.; 295th Judicial District, Harris County, Texas (Cause No. 2002-16085); deposition testimony July 15, 2002; hearing testimony July 18, 2002; testified as to the materiality of certain information omitted from a proxy to Pennzoil-Quaker State shareholders, issues with respect to the fairness opinion analysis by Pennzoil's financial advisor, the determination of fairness and issues with respect to mergers and acquisitions.

Lawrence D. Poliner, M.D. v. Texas Health Systems, et al.; U.S. District Court, Northern District of Texas, Dallas Division (Civil Action No. 3:00CV1007-P); deposition testimony May 20, 2002; testified as to certain anti-competitive issues involving a specialist medical practice.

In re: Chartwell Health Care, Inc.; John H. Litzler, Chapter 7 Trustee, vs. Irving D. Boyes, et al.; U.S. Bankruptcy Court, Northern District of Texas, Dallas Division (Case No. 398-38546-SAF-7); deposition testimony April 25, 2002; testified as to solvency and economic losses of a nursing home operator.

Leonard Sauls, Jr., v. The Estate of William Lee Hatch, Jr., Deceased, et al.; In the Probate Court Number One, Travis County, Texas (Cause No. 75278-A); deposition testimony March 22, 2002; testified as to the measurement of lost future earning capacity, case settled before issuance of deposition transcript.

Leland Stenovich, et al., vs. Spencer F. Eccles, et al.; Third Judicial District Court, Salt Lake County, State of Utah (Class Action, Case No. 000907870); deposition testimony February 5 and 6, 2002; testified as to standards of practice, fairness and adequacy of consideration in a class action lawsuit relating to the acquisition of First Security Corporation by Wells Fargo.

Exhibit A: VITAE OF SCOTT D. HAKALA, PH.D., CFA

In re Computer Associates Class Action Securities Litigation; U.S. District Court for the Eastern District of New York (Master File No. 98-CV-4839); deposition testimony January 23 and 24, 2002; testified as to materiality, causation and damages in a securities fraud lawsuit.

Pamela Graham Reeves vs. VJJ, Inc. d/b/a National Utilities Co./NUCO and Greer Industries, Inc.; U.S. District Court for the Northern District of Texas-Fort Worth Division (Case No. 400=CV-1671- BE); trial testimony January 9, 2002; testified as to market wages, current job market and likelihood of employment for an individual alleged to have been wrongfully terminated.

Patricia E. Vincent and James R. Vincent v. Bank of America Texas, N.A.; In the 68th Judicial District Court, Dallas County, Texas (Cause No. DV99-00745); testimony in hearing in December 2000 and trial testimony December 18, 2001; testified as to the proper calculation of interest on a home mortgage and common standards and practices for calculating mortgage interest.

Joan C. Howard and Charles A. Anderson, on behalf of themselves and all others similarly situated vs. Everex Systems, Inc., and Steven L.W. Hui, et al.; U.S. District Court for the Northern District of California (Case No. C 92 3742 CAL); deposition testimony November 19 and 20 and December 17, 2001; testified as to materiality, causation and damages in a securities fraud lawsuit.

Reinsurance International Services Company, L.L.C. v. Lambert Fenchurch Group Limited, et al.; In the 98th Judicial District Court, Travis County Texas (Civil Action No. 99-00745); deposition testimony September 20, 2001; testified as to lost profits and lost business value experienced by a reinsurance broker relating to allegations of misrepresentations and breach of duty.

Robert Alpert, James Ventures, L.P., Markus Investments, Inc. and James Investments, Inc. vs. Innovative Valve Technologies, Inc., et al.; U.S. District Court for the Southern District of Texas, Houston Division (Civil Action No. H-01-076); deposition testimony September 19, 2001; testified as to materiality, causation and damages in a securities fraud lawsuit.

Premier Lifestyles International Corporation vs. Electronic Clearing House, Inc.; XpresscheX, Inc., et al.; Superior Court for the State of California, County of Los Angeles (Case No. BC230691); deposition testimony September 17 and 27, 2001; trial testimony November 27 and 28, 2001; testified as to lost business opportunities and damages arising from various causes of action.

In re Phycor Corporation Securities Litigation; U.S. District Court for the Middle District of Tennessee, Nashville Division (Civil Action No. 3-98-0834); deposition testimony August 9 and November 6, 2001; testified as to materiality, causation and damages in a securities class action lawsuit.

Ben Higbee and Bridgestone Healthcare Management, Inc., vs. Bridgestone Healthcare Management, Inc., and David E. Sones; 101st Judicial District, Dallas County, Texas (Cause No. 00-7365-3); deposition testimony June 21, 2001; testified as to preliminary findings as to fairness of certain transactions involving a workers' compensation and rehabilitation business.

Auto Wax Co., Inc. v. Mark V Products, Inc.; U.S. District Court for the Northern District of Texas, Dallas Division (Civil Action No. 3-99 CV 0982-T); deposition testimony April 25, 2001; trial testimony June 29, 2001; testified as to the reasonable royalty and lost profits in a patent infringement and trademark infringement case.

EXHIBIT H-2

Exhibit B-1

List of Documents Considered

- APR
- Appraisals
- D4 Emails
- Restricted Appraisal Report - Bellweather Ridge 5-15-23.pdf
- Restricted Appraisal Report - Parc At Windmill Farms 5-15-23.pdf
- Baron Properties Financial History - inception thru date 202304.xlsx
- BELWETHER-23.pdf
- DHDS LLC 2021 FS (Bellweather).pdf
- DHDS LLC 2022 FS.pdf
- DHDS LLC 5 2020.pdf
- DHR, LLC 12-31-2022 FS.pdf
- DHR, LLC 2020 FS.pdf
- DHR, LLC 2021 5 (Parc at Windmill Farms).pdf
- PANCIINGLESIDE-23.pdf
- PARCOPELIKA-23.pdf
- PARCOWINDMILL-23.pdf
- SFC 2022.09.30 Consolidated IFRS FS final (revised).pdf
- SFC 2022.09.30 Consolidated.pdf
- SFC 2022.12.31 IFRS EN Consolidated Financial statements - as filed (revised).pdf
- SFC Board Report Ch A 2022 Q4 (FINAL).pdf
- SFC Board Report Ch B 2022 Q4 (FINAL).pdf
- SFC Board Report Ch D 2022 Q4 (FINAL).pdf
- SFC Board Report Ch E 2022 Q4 (FINAL).pdf
- SFC IFRS Cons FS 12.31.21 EN (2021).pdf
- SFC IFRS Cons FS 12.31.21 EN.pdf
- Appendix in Support of Bellweather Ridge Agreement Motion.pdf
- Appendix Vol 1.pdf
- Appendix Vol 2.pdf
- Appendix Vol 3-2.pdf
- Appendix Vol 3.pdf
- Appendix Vol 4.pdf
- Appendix Vol 5.pdf
- Bellweather Ridge Appraisal - 2022.12.01 - Colliers 2023.03.16.pdf
- Casham Dec.pdf
- Crozier Dec.pdf
- Graham Dec.pdf
- Kyles Dec.pdf
- Microsoft Word - Appendix BCO Receiver's Motion for Appointment of Appraisers. doc re Approval of Sale of Parc at Windmill Farms.48644994-1166 v.1.pdf
- Muti Dec.pdf
- Order Appointing Receiver.pdf
- Order Granting Stipulation to Recevshp Order.pdf
- Order re Recevshp Administration.pdf
- Parc at Windmill Farms Appraisal - 2022.12.01 - Colliers 2023.03.16.pdf
- Receiver's Appendix 1.pdf
- Receiver's Appendix 2.pdf
- Receiver's Appendix 3.pdf
- Receiver's Appendix 4.pdf
- Receiver's Appendix 5.pdf
- Receiver's Appendix 6.pdf
- Receiver's Brief in Support of MS.pdf
- Receiver's Motion for Appointment of Appraisers, Approval of Appraisals and Setting Hearing re Approval of Sale of Bellweather Ridge.pdf
- Receiver's Motion for Appointment of Appraisers, Approval of Appraisals and Setting Hearing re Approval of Sale of Parc at Windmill F_4856-0647-6540 v.4.pdf
- SEC - Complaint (FINAL)92977.docx
- SEC Chart Document Indefinite
- SEC Convertible IFRS FY report 12.31.22 final.pdf
- SEC Response to Motion-filied version.pdf

Exhibit B-2
List of Documents with Details in Documents

Bellwether Ridge Appraisal – 2022 12 01 – Colliers 2023 03 16	Appraisal Report	PDF
Parc at Windmill Farms Appraisal–2022 12 01- Colliers 2023 03 16	Appraisal Report	PDF
Receiver’s Brief in Support of MSJ	Court Brief	PDF
Canham Dec	Court Declaration	PDF
Crozier Dec	Court Declaration	PDF
Graham Dec	Court Declaration	PDF
Kyles Dec	Court Declaration	PDF
Miuth Dec	Court Declaration	PDF
SPC Client Document Index	Court Doc Index	Word
Order Granting Supplement to Receivership Order	Court Order	PDF
Order re Receivership Administration	Court Order	PDF
Order Appointing Receiver	Court Order	PDF
Receiver’s Motion for Appointment of Appraisers, Approval of Appraisals and Setting Hearing re Approval of Sale of Bellwether Ridge	Motion to Court	PDF
Receiver’s Motion for Appointment of Appraisers, Approval of Appraisals and Setting Hearing re Approval of Sale of Parc at Windmill F_ 4856-0667	Motion to Court	PDF
SPC Response to Motions–filed version	Motion to Court	PDF
SPC Convertible loans FV report 12-31-22-final	Valuation Report	PDF

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List of Documents with Details in Documents

Receiver's Appendix 1	Appendix - Support of Motion for Summary Judgement Court Motion - Exhibits	A - Declaration of Courtney C. Thomas A-1 - Not for Parc at Windmill Farms Apts A-2 Borrowers Oath - Parc at Windmill Farms A-3 - Deed of Trust - parc at windmill farms A-4 - Loan agreement from Southern Properties to JMU Development A-5 First Amendment to loan agreement A-6 Second amendment to loan agreement A-7 Promissory note b/w Sother Properties and JMU Development A-8 First amendment to Promissory note A-9 Rescission of First amendment to Promissory note A-10 Second amendment to Promissory note A-11 Third amendment to Promissory note A-12 Fourth amendment to Promissory note A-13 Amended and Restated Pledge and Security Agreement A-14 First Amendment to Amended and Restated Pledge and Security Agreement A-15 Amended and Restated Pledge and Security Agreement A-16 First Amendment to Amended and Restated Pledge and Security Agreement A-17 Amended and Restated Pledge and Security Agreement A-18 First Amendment to Amended and Restated Pledge and Security Agreement A-19 Texas UCC Initial Filing Acknowledgment A-20, 21, 22, 23 UCC Financing Statement A-24 Exercise Notice for Conversion Option for Parc at Windmill Farms A-25 Purchase Agreement b/w Southern Properties and D4FR A-26 Management Agreement b/w D4FR and Sunridge for Parc at Windmill Farms A-27 US HUD regulatory agreement for multi-family projects A-28 Civil Action; Parc at Windmill Farms A-29 Note on Bellweather ridge apts A-30 Deed of Trust - Bellweather Ridge Apts A-31 Promissory Note - JMU Development and Southern Properties Capital A-32 Amended and Restated Pledge and Security Agreement A-33 Amended and Restated Pledge and Security Agreement A-34 Amended and Restated Pledge and Security Agreement A-35 Assignment of Pledge and Security Agreement A-36 - 39, 41 UCC Financing Statement A-40 Texas UCC Initial Filing Acknowledgment A-42 Exercise Notice for Conversion Option for Bellweather Ridge A-43 Purchase Agreement b/w Southern Properties and D4DS A-44 First Amendment to Purchase Agreement
Receiver's Appendix 2	Court Motion - Exhibits	PDF PDF

Exhibit B-2
List of Documents with Details in Documents

Receiver's Appendix 3	Court Motion - Exhibits	PDF	<p>A-45 Management Agreement b/w D4FR and Sunridge for Bellwether Ridge A-46 US HUD regulatory agreement for multi-family projects - Bellwether A-47 Note for Parc at Ingleside A-48 Borrower's Oath A-49 Deed of Trust - parc at ingleside A-50 Promissory note b/w JMIAV and Southern Properties A-51 First amendment to Promissory note A-52 Rescission of First amendment to Promissory note A-53 Pledge and Security Agreement A-54 Exercise Notice for Conversion Option for Parc at Ingleside A-55 Purchase Agreement b/w Southern Properties and D4IN A-56 US HUD regulatory agreement for multi-family projects A-57 Civil Action; Parc at Ingleside A-58 Membership Cert A-59 Assignment of Membership Interest A-60 Assignment of Membership Interest A-61 Parc at Ingleside ownership Interest A-62 VOD Loan Agreement b/w Southern Properties and D4IN A-63 Note for HUD Project: Parc at Opelika A-64 Statutory Warranty Deed in favor of AL Opelika McCoy St A-65 Borrower's Oath A-66 Promissory Note b/w D4OPM LLC, One MF D4 LLC and Southern Properties A-67 Pledge and Security Agreement with Assignment of Rights b/w D4OPM LLC, One MF D4 LLC and Southern Properties A-68 US HUD regulatory agreement for multi-family projects A-69 Civil Action; Parc at Opelika A-70 Multifamily Accelerated Processing MAP Guide A-71 Borrower's Oath</p>
Receiver's Appendix 4	Court Motion - Exhibits	PDF	<p>A-72 Amended Regulations of D4IN, LLC A-73 Amendment to Pledge and Security Agreement - JMIAV Enoch and Southern Properties A-74 Letter for civil action against Bellwether Ridge A-75 and A-76 UCC Financing Statement A-77 Multifamily Assignment of Leases and Rents and Security Agreement</p>
Receiver's Appendix 5	Court Motion - Exhibits	PDF	<p>Table of Contents and Exhibits 5 to 28</p>
Receiver's Appendix 6	Court Motion - Exhibits	PDF	<p>Table of Contents and Exhibits 29 to 42</p>
Appendix Vol 2	Appendix - Support of Motion for Intervention Court Motion - Exhibits	PDF	<p>Table of Contents and Exhibits 43 to 45</p>
Appendix Vol 3	Appendix - Support of Motion for Intervention Court Motion - Exhibits	PDF	
Appendix Vol 4	Appendix - Support of Motion for Intervention Court Motion - Exhibits	PDF	

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List of Documents with Details in Documents

Appendix Vol 1	Appendix - Support of Motion for Intervention Court Motion - Exhibits	PDF	Table of Contents and Exhibits 1 to 4
Appendix Vol 5	Appendix - Support of Motion for Intervention Court Motion - Exhibits	PDF	Table of Contents and Exhibits 45 to 47
SEC - Complaint (FINAL).9.23.22		Word	
FILE NAME	FINANCIAL INFORMATION/EXHIBITS		
Appendix Vol 4	Transcontinental Realty Investors, Inc. 2019, 2020 and 2021 10-K		
Appendix Vol 5	Transcontinental Realty Investors, Inc. 2017, 2018 and 2019 10-K		
Bellwether Ridge Appraisal - 2022 12 01 - Colliers	Bellwether's Rent Roll		
Parc at Windmill Farms Appraisal - 2022 12 01 - Co	Operating Historicals 2020 - 2023 (pg 78)		
Appendix Vol 3	Financial Exhibits (pg 86 onwards)		
	Southern Properties Capital Ltd. - Consolidated Financial Statements 2020 and 2021		
	Southern Properties Capital Ltd. - Interim Financial Statements (year ending Sep 2022)		

Southern Properties Capital LLC
Financial Statement AnalysisSchedule A.1
Date: September 30, 2022

Historical Income Statements - SPC

All figures are in thousands

	For twelve months ending:			
	31-Dec-19 Actual	31-Dec-20 Actual	31-Dec-21 Actual	31-Dec-22 Actual
Revenue (Rental)	\$ 44,935	\$ 52,191	\$ 40,012	\$ 36,531
Property operating expenses	21,203	22,659	19,135	18,112
Gross profit	23,732	29,532	20,877	18,419
General and administrative expense	5,154	5,057	6,505	5,439
Share of Income (loss) from joint ventures	38,993	(472)	100,399	199,900
Earnings before interest, taxes, depreciation & amortization (EBITDA)	57,571	24,003	114,771	212,880
Depreciation expense	-	-	-	-
Amortization expense	-	-	-	-
Earnings before interest & taxes (EBIT)	57,571	24,003	114,771	212,880
Other income (expense)	(10,557)	-	(29,600)	-
Revaluation of Investments	11,845	1,489	22,273	(7,727)
Interest Income (expense)	(14,556)	(6,322)	14,653	2,925
Foreign currency gain (loss)	(15,108)	(13,378)	(6,175)	20,067
Other Income, net	(28,376)	(18,211)	1,151	15,265
Pretax Income (EBT)	29,195	5,792	115,922	228,145
Provision (benefit) for Income taxes	-	-	-	-
Total	29,195	5,792	115,922	228,145

Southern Properties Capital LLC
Financial Statement AnalysisSchedule A.2
Date: September 30, 2022

Historical Balance Sheets - SPC

All figures are in thousands

	As of:		
	31-Dec-20 Actual	31-Dec-21 Actual	31-Dec-22 Actual
Current Assets			
Cash and cash equivalents	\$ 33,871	\$ 50,739	\$ 67,371
Short-term investments	-	16,002	119,787
Restricted and designated cash	35,071	8,572	101,985
Total cash and cash equivalents	68,942	75,313	289,143
Receivables and other assets	3,828	6,761	2,199
Due from joint venture	2,356	-	-
Property held for sale	-	26,750	-
Total Current Assets	75,126	108,824	291,342
Non-Current Assets			
Investment properties	513,779	387,925	595,369
Investment in joint venture	289,725	352,673	20,904
Total Investment	803,504	740,598	616,273
Loan receivable	14,117	7,472	6,998
Notes receivable	47,850	79,507	93,605
Advances for acquisition of real estate	11,548	13,878	13,287
Accounts receivable	30,742	38,095	42,432
Restricted and designated cash	16,484	11,678	6,741
Other assets	120,741	150,630	163,063
Total Assets	999,371	1,000,052	1,070,678
Current Liabilities			
Current portion of mortgages notes payable	14,979	43,854	10,903
Current portion of bonds payable	44,775	46,286	107,453
Accounts payable	29,459	14,640	12,372
Tenant deposits	1,414	878	1,285
Related party payable	2,356	-	-
Liabilities attributed to property held for sale	-	13,697	-
Total Current Liabilities	92,983	119,355	132,013
Non-Current Liabilities			
Mortgages notes payable	207,269	118,416	169,640
Bonds payable	193,113	143,166	21,765
Other long-term liabilities	2,813	-	-
Total Non-Current Liabilities	403,195	261,582	191,405
Total Liabilities	496,178	380,937	323,418
Common stock	304,208	304,208	304,208
Additional paid-in capital	-	-	-
Retained earnings	198,985	314,907	443,052
Treasury stock	-	-	-
Total Equity	503,193	619,115	747,260
Total Liabilities & Equity	999,371	1,000,052	1,070,678

Southern Properties Capital LLC
Financial Statement Analysis

Schedule A.3
Date: December 31, 2022

Historical Income Statements - D4DS

All figures are in thousands

	For twelve months ending:		
	31-Dec-20 Actual	31-Dec-21 Actual	31-Dec-22 Actual
Revenue (Rental)	\$ 2,329	\$ 2,490	\$ 2,664
Property operating expenses	910	1,116	1,189
Gross profit	1,419	1,374	1,475
General and administrative expense	296	300	306
Earnings before interest, taxes, depreciation & amortization (EBITDA)	1,123	1,074	1,170
Depreciation expense	523	523	523
Amortization expense	-	-	-
Earnings before interest & taxes (EBIT)	600	551	647
Other Income (expense)	208	255	234
Interest Income (expense)	(714)	(728)	(720)
Foreign currency gain (loss)	-	-	-
Other Income, net	(506)	(472)	(486)
Pretax Income (EBT)	93	78	161
Provision (benefit) for income taxes	-	-	-
Total	93	78	161

Southern Properties Capital LLC
Financial Statement AnalysisSchedule A.4
Date: December 31, 2022

Historical Balance Sheets - D4DS

All figures are in thousands

	As of:		
	31-Dec-20 Actual	31-Dec-21 Actual	31-Dec-22 Actual
Current Assets			
Cash and cash equivalents	\$ 532	\$ 295	\$ 278
Accounts receivables (tenants)	16	9	9
Misc. prepaid expenses	53	56	59
Total Current Assets	601	360	346
Tenant Deposits Held in Trust	71	71	47
Restricted Deposits	966	1,487	1,641
Non-Current Assets			
Fixed assets, net	20,750	20,227	19,704
Other assets	14	14	14
Total Assets	22,403	22,160	21,752
Current Liabilities			
Current portion of mortgages notes payable	219	227	236
Current portion of bonds payable	2	-	-
Accounts payable	-	-	-
Accrued expenses	593	695	763
Unearned income	8	24	17
Total Current Liabilities	821	946	1,016
Tenant deposits held in trust	67	55	46
Non-Current Liabilities			
Mortgages notes payable	17,653	17,436	17,212
Other loans and notes payable	148	-	-
Other long-term liabilities	-	-	-
Total Non-Current Liabilities	17,801	17,436	17,212
Total Liabilities	18,689	18,437	18,273
Common stock	3,714	3,723	3,479
Total Equity	3,714	3,723	3,479
Total Liabilities & Equity	22,403	22,160	21,752

Southern Properties Capital LLC
Financial Statement AnalysisSchedule A.5
Date: December 31, 2022

Historical Income Statements - D4FR

All figures are in thousands

	For twelve months ending:		
	31-Dec-20 Actual	31-Dec-21 Actual	31-Dec-22 Actual
Revenue (Rental)	\$ 1,469	\$ 4,302	\$ 4,638
Property operating expenses	552	1,553	1,824
Gross profit	918	2,749	2,814
General and administrative expense	211	423	427
Earnings before interest, taxes, depreciation & amortization (EBITDA)	706	2,325	2,387
Depreciation expense	507	1,030	1,030
Amortization expense	-	-	-
Earnings before interest & taxes (EBIT)	200	1,296	1,357
Other Income (expense)	111	432	330
Interest income (expense)	(702)	(1,493)	(1,474)
Foreign currency gain (loss)	-	-	-
Other Income, net	(591)	(1,061)	(1,145)
Pretax Income (EBT)	(391)	235	213
Provision (benefit) for Income taxes	-	-	-
Total	(391)	235	213

Southern Properties Capital LLC
Financial Statement AnalysisSchedule A.6
Date: December 31, 2022

Historical Balance Sheets - DAFR

All figures are in thousands

	As of:		
	31-Dec-20 Actual	31-Dec-21 Actual	31-Dec-22 Actual
Current Assets			
Cash and cash equivalents	\$ 248	\$ 695	\$ 639
Accounts receivables (tenants)	10	31	10
Misc. prepaid expenses	45	48	54
Total Current Assets	302	774	703
Tenant Deposits Held in Trust	143	146	139
Restricted Deposits	2,584	2,798	2,895
Non-Current Assets			
Fixed assets, net	41,540	40,511	39,481
Other assets	1	1	1
Total Assets	44,571	44,230	43,219
Current Liabilities			
Current portion of mortgages notes payable	397	412	429
Current portion of bonds payable	2	-	-
Accounts payable	3	11	3
Accrued expenses	577	1,022	1,047
Unearned income	14	35	8
Total Current Liabilities	992	1,481	1,487
Tenant deposits held in trust	137	143	134
Non-Current Liabilities			
Mortgages notes payable	35,142	34,739	34,320
Other loans and notes payable	148	-	-
Other long-term liabilities	-	-	-
Total Non-Current Liabilities	35,290	34,739	34,320
Total Liabilities	36,419	36,363	35,941
Common stock	8,152	7,867	7,278
Total Equity	8,152	7,867	7,278
Total Liabilities & Equity	44,571	44,230	43,219

EXHIBIT H-3

Southern Properties Capital LLC
Financial Statement Analysis

Schedule B,1
 Date: April 30, 2023

Historical Income Statements - Bellwether

All figures are in thousands

	For twelve months ending:		For 4 months ending:		For 12 months ending:	
	31-Dec-19 Unaudited	31-Dec-20 Unaudited	31-Dec-21 Unaudited	31-Dec-22 Unaudited	30-Apr-23 Unaudited	31-Dec-23 Projected
Revenue (Rental)	\$ 594	\$ 2,251	\$ 2,375	\$ 2,584	\$ 885	\$ 2,785
Other income	50	157	175	123	51	132
Property operating expenses	560	1,004	1,099	1,198	384	1,146
Gross profit	84	1,404	1,451	1,509	552	1,771
General and administrative expense	28	39	36	31	9	34
Net Operating Income	56	1,365	1,415	1,477	544	1,737
Replacements	(44)	(26)	(106)	(73)	(49)	(76)
Net Reserve Activity	(8)	(45)	(45)	(45)	(15)	(15)
Total debt service	(153)	(914)	(943)	(946)	(313)	(940)
Net Cashflow	(149)	381	322	413	167	707

Southern Properties Capital LLC
Financial Statement Analysis

Schedule B.2
 Date: April 30, 2023

Historical Income Statements - Parc at Windmill

All figures are in thousands

	For twelve months ending:		For 4 months ending:		For 12 months ending:	
	31-Dec-19 Unaudited	31-Dec-20 Unaudited	31-Dec-21 Unaudited	31-Dec-22 Unaudited	30-Apr-23 Unaudited	31-Dec-23 Projected
Revenue (Rental)	\$ 17	\$ 1,928	\$ 4,265	\$ 4,567	\$ 1,515	\$ 5,027
Other income	5	119	262	210	45	223
Property operating expenses	154	1,013	1,618	1,740	582	1,819
Gross profit	(132)	1,035	2,909	3,038	978	3,431
General and administrative expense	10	53	51	51	16	53
Net Operating Income	(142)	982	2,858	2,987	962	3,378
Replacements	(11)	(62)	(145)	(290)	(71)	(172)
Net Reserve Activity	-	(54)	(82)	(82)	(27)	(61)
Debt Service	-	(848)	(1,880)	(1,835)	(597)	(1,791)
Net Cashflow	(153)	17	751	779	267	1,354

Southern Properties Capital LLC
Financial Statement Analysis

Schedule B.3
Date: April 30, 2023

Historical Income Statements - Parc at Ingleside

All figures are in thousands

	For twelve months ending:			For 4 months ending:		For 12 months ending:	
	31-Dec-20	31-Dec-21	31-Dec-22	30-Apr-23	31-Dec-23	31-Dec-23	31-Dec-23
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Projected	
Revenue (Rental)	\$ -	\$ 519	\$ 1,750	\$ 882	\$ 2,615		
Other income	-	54	115	42	111		
Property operating expenses	19	574	922	355	1,019		
Gross profit	(19)	(2)	943	570	1,707		
General and administrative expense	5	40	47	16	42		
Net Operating Income	(25)	(42)	897	554	1,665		
Replacements	-	(28)	(111)	(18)	(54)		
Net Reserve Activity	-	-	(48)	(16)	(48)		
Debt Service	-	-	(1,244)	(417)	(1,251)		
Net Cashflow	(25)	(70)	(507)	103	312		

Southern Properties Capital LLC
Financial Statement Analysis

Schedule B.4

Date: April 30, 2023

Historical Income Statements - Parc at Opelika

All figures are in thousands

	For 12-months ending:		For 4 months ending:		For 12 months ending:	
	31-Dec-22	30-Apr-23	31-Dec-23	30-Apr-23	31-Dec-23	Projected
	Unaudited	Unaudited	Unaudited	Unaudited	Projected	Projected
Revenue (Rental)	\$ 423	\$ 510	\$ 2,399			
Other income	86	43	101			
Property operating expenses	273	265	774			
Gross profit	236	288	1,727			
General and administrative expense	21	14	28			
Net Operating Income	216	274	1,699			
Replacements	(44)	(22)	(15)			
Net Reserve Activity	(4)	(14)	-			
Debt Service	(141)	(356)	NA			
Net Cashflow	27	(118)	1,684			

EXHIBIT H-4

**Schedule C.1
Bellwether Net Proceeds and Interest Savings Calculations**

Value of Property	Net from Immediate Sale - no Prepayment Penalty	Net Proceeds from Sale w 15-Year HUD Assumption		Net Proceeds from Sale w/ Ten Year HUD Assumption		PV 15-Year Interest Savings	PV 10-Year Interest Savings	Assumed Selling Costs @ 1.5%
		\$	\$	\$	\$			
\$ 31,200,000	\$ 13,284,885	\$ 15,811,964.18	\$ 15,285,000.88	\$ 15,285,000.88	\$ 15,285,000.88	\$ 2,527,079.18	\$ 2,000,115.88	\$ 468,000
Apprise								
Receiver Net \$ 5,100,000.00								
Payoff SPC \$ 3,797,759.00								
Receiver Proceeds \$ 8,897,759.00 \$ 8,897,759.00 \$ 8,897,759.00								
Shortfall \$ 4,387,126.00 \$ 6,914,205.18 \$ 6,387,241.88								
Loss to SPC \$ 9,955,126.00 \$ 12,482,205.18 \$ 11,955,241.88								

**Schedule C.1
Bellwether Net Proceeds and Interest Savings Calculations**

Month	No.	Loan Balance	Payment	Interest	Principal	Assumed Alt.		Interest Savings	Present Value Factor	PV Interest Savings
						Rate (Colliers)	Principal			
		\$ 17,447,115.00		3.70%		5.50%			6.50%	
Jan-23	1	\$ 17,422,613.27	\$ 78,297.00	\$ 53,795.27	\$ 24,501.73	\$ 79,965.94	\$ 24,501.73	\$ 26,170.67	99.48%	\$ 26,033.69
Feb-23	2	\$ 17,398,036.00	\$ 78,297.00	\$ 53,719.72	\$ 24,577.28	\$ 79,853.64	\$ 24,577.28	\$ 26,133.92	98.96%	\$ 25,861.06
Mar-23	3	\$ 17,373,382.94	\$ 78,297.00	\$ 53,643.94	\$ 24,653.06	\$ 79,741.00	\$ 24,653.06	\$ 26,097.05	98.44%	\$ 25,689.41
Apr-23	4	\$ 17,348,653.87	\$ 78,297.00	\$ 53,567.93	\$ 24,729.07	\$ 79,628.01	\$ 24,729.07	\$ 26,060.07	97.92%	\$ 25,518.73
May-23	5	\$ 17,323,848.55	\$ 78,297.00	\$ 53,491.68	\$ 24,805.32	\$ 79,514.66	\$ 24,805.32	\$ 26,022.98	97.41%	\$ 25,349.03
Jun-23	6	\$ 17,298,966.75	\$ 78,297.00	\$ 53,415.20	\$ 24,881.80	\$ 79,400.97	\$ 24,881.80	\$ 25,985.77	96.90%	\$ 25,180.30
Jul-23	7	\$ 17,274,008.23	\$ 78,297.00	\$ 53,338.48	\$ 24,958.52	\$ 79,286.93	\$ 24,958.52	\$ 25,948.45	96.39%	\$ 25,012.52
Aug-23	8	\$ 17,248,972.76	\$ 78,297.00	\$ 53,261.53	\$ 25,035.47	\$ 79,172.54	\$ 25,035.47	\$ 25,911.01	95.89%	\$ 24,845.70
Sep-23	9	\$ 17,223,860.09	\$ 78,297.00	\$ 53,184.33	\$ 25,112.67	\$ 79,057.79	\$ 25,112.67	\$ 25,873.46	95.39%	\$ 24,679.84
Oct-23	10	\$ 17,198,669.99	\$ 78,297.00	\$ 53,106.90	\$ 25,190.10	\$ 78,942.69	\$ 25,190.10	\$ 25,835.79	94.89%	\$ 24,514.92
Nov-23	11	\$ 17,173,402.23	\$ 78,297.00	\$ 53,029.23	\$ 25,267.77	\$ 78,827.24	\$ 25,267.77	\$ 25,798.00	94.39%	\$ 24,350.94
Dec-23	12	\$ 17,148,056.55	\$ 78,297.00	\$ 52,951.32	\$ 25,345.68	\$ 78,711.43	\$ 25,345.68	\$ 25,760.10	93.90%	\$ 24,187.89
Jan-24	13	\$ 17,122,632.72	\$ 78,297.00	\$ 52,873.17	\$ 25,423.83	\$ 78,595.26	\$ 25,423.83	\$ 25,722.08	93.41%	\$ 24,025.78
Feb-24	14	\$ 17,097,130.51	\$ 78,297.00	\$ 52,794.78	\$ 25,502.22	\$ 78,478.73	\$ 25,502.22	\$ 25,683.95	92.92%	\$ 23,864.59
Mar-24	15	\$ 17,071,549.66	\$ 78,297.00	\$ 52,716.15	\$ 25,580.85	\$ 78,361.85	\$ 25,580.85	\$ 25,645.70	92.43%	\$ 23,704.32
Apr-24	16	\$ 17,045,889.94	\$ 78,297.00	\$ 52,637.28	\$ 25,659.72	\$ 78,244.60	\$ 25,659.72	\$ 25,607.32	91.95%	\$ 23,544.97
May-24	17	\$ 17,020,151.10	\$ 78,297.00	\$ 52,558.16	\$ 25,738.84	\$ 78,127.00	\$ 25,738.84	\$ 25,568.83	91.46%	\$ 23,386.52
Jun-24	18	\$ 16,994,332.90	\$ 78,297.00	\$ 52,478.80	\$ 25,818.20	\$ 78,009.03	\$ 25,818.20	\$ 25,530.23	90.99%	\$ 23,228.99
Jul-24	19	\$ 16,968,435.09	\$ 78,297.00	\$ 52,399.19	\$ 25,897.81	\$ 77,890.69	\$ 25,897.81	\$ 25,491.50	90.51%	\$ 23,072.35
Aug-24	20	\$ 16,942,457.43	\$ 78,297.00	\$ 52,319.34	\$ 25,977.66	\$ 77,771.99	\$ 25,977.66	\$ 25,452.65	90.04%	\$ 22,916.61
Sep-24	21	\$ 16,916,399.68	\$ 78,297.00	\$ 52,239.24	\$ 26,057.76	\$ 77,652.93	\$ 26,057.76	\$ 25,413.69	89.56%	\$ 22,761.76
Oct-24	22	\$ 16,890,261.58	\$ 78,297.00	\$ 52,158.90	\$ 26,138.10	\$ 77,533.50	\$ 26,138.10	\$ 25,374.60	89.10%	\$ 22,607.80
Nov-24	23	\$ 16,864,042.88	\$ 78,297.00	\$ 52,078.31	\$ 26,218.69	\$ 77,413.70	\$ 26,218.69	\$ 25,335.39	88.63%	\$ 22,454.72
Dec-24	24	\$ 16,837,743.35	\$ 78,297.00	\$ 51,997.47	\$ 26,299.53	\$ 77,293.53	\$ 26,299.53	\$ 25,296.06	88.17%	\$ 22,302.51
Jan-25	25	\$ 16,811,362.72	\$ 78,297.00	\$ 51,916.38	\$ 26,380.62	\$ 77,172.99	\$ 26,380.62	\$ 25,256.62	87.70%	\$ 22,151.18
Feb-25	26	\$ 16,784,900.76	\$ 78,297.00	\$ 51,835.04	\$ 26,461.96	\$ 77,052.08	\$ 26,461.96	\$ 25,217.04	87.25%	\$ 22,000.71
Mar-25	27	\$ 16,758,357.20	\$ 78,297.00	\$ 51,753.44	\$ 26,543.56	\$ 76,930.80	\$ 26,543.56	\$ 25,177.35	86.79%	\$ 21,851.11
Apr-25	28	\$ 16,731,731.80	\$ 78,297.00	\$ 51,671.60	\$ 26,625.40	\$ 76,809.14	\$ 26,625.40	\$ 25,137.54	86.33%	\$ 21,702.36
May-25	29	\$ 16,705,024.31	\$ 78,297.00	\$ 51,589.51	\$ 26,707.49	\$ 76,687.10	\$ 26,707.49	\$ 25,097.60	85.88%	\$ 21,554.47
Jun-25	30	\$ 16,678,234.47	\$ 78,297.00	\$ 51,507.16	\$ 26,789.84	\$ 76,564.69	\$ 26,789.84	\$ 25,057.54	85.43%	\$ 21,407.42

**Schedule C.1
Bellwether Net Proceeds and Interest Savings Calculations**

Month	No.	Loan Balance	Payment	Interest	Principal	Assumed Alt.		Interest Savings	Present	
						(Colliers)	Principal		Value Factor	PV Interest Savings
Jul-25	31	\$ 16,651,362.03	\$ 78,297.00	\$ 51,424.56	\$ 26,872.44	\$ 76,441.91	\$ 26,872.44	\$ 25,017.35	84.99%	\$ 21,261.22
Aug-25	32	\$ 16,624,406.72	\$ 78,297.00	\$ 51,341.70	\$ 26,955.30	\$ 76,318.74	\$ 26,955.30	\$ 24,977.04	84.54%	\$ 21,115.86
Sep-25	33	\$ 16,597,368.31	\$ 78,297.00	\$ 51,258.59	\$ 27,038.41	\$ 76,195.20	\$ 27,038.41	\$ 24,936.61	84.10%	\$ 20,971.33
Oct-25	34	\$ 16,570,246.53	\$ 78,297.00	\$ 51,175.22	\$ 27,121.78	\$ 76,071.27	\$ 27,121.78	\$ 24,896.05	83.66%	\$ 20,827.63
Nov-25	35	\$ 16,543,041.12	\$ 78,297.00	\$ 51,091.59	\$ 27,205.41	\$ 75,946.96	\$ 27,205.41	\$ 24,855.37	83.22%	\$ 20,684.76
Dec-25	36	\$ 16,515,751.83	\$ 78,297.00	\$ 51,007.71	\$ 27,289.29	\$ 75,822.27	\$ 27,289.29	\$ 24,814.56	82.78%	\$ 20,542.71
Jan-26	37	\$ 16,488,378.40	\$ 78,297.00	\$ 50,923.57	\$ 27,373.43	\$ 75,697.20	\$ 27,373.43	\$ 24,773.63	82.35%	\$ 20,401.48
Feb-26	38	\$ 16,460,920.57	\$ 78,297.00	\$ 50,839.17	\$ 27,457.83	\$ 75,571.73	\$ 27,457.83	\$ 24,732.57	81.92%	\$ 20,261.06
Mar-26	39	\$ 16,433,378.07	\$ 78,297.00	\$ 50,754.51	\$ 27,542.49	\$ 75,445.89	\$ 27,542.49	\$ 24,691.38	81.49%	\$ 20,121.44
Apr-26	40	\$ 16,405,750.66	\$ 78,297.00	\$ 50,669.58	\$ 27,627.42	\$ 75,319.65	\$ 27,627.42	\$ 24,650.07	81.07%	\$ 19,982.63
May-26	41	\$ 16,378,038.05	\$ 78,297.00	\$ 50,584.40	\$ 27,712.60	\$ 75,193.02	\$ 27,712.60	\$ 24,608.63	80.64%	\$ 19,844.62
Jun-26	42	\$ 16,350,240.01	\$ 78,297.00	\$ 50,498.95	\$ 27,798.05	\$ 75,066.01	\$ 27,798.05	\$ 24,567.06	80.22%	\$ 19,707.41
Jul-26	43	\$ 16,322,356.25	\$ 78,297.00	\$ 50,413.24	\$ 27,883.76	\$ 74,938.60	\$ 27,883.76	\$ 24,525.36	79.80%	\$ 19,570.98
Aug-26	44	\$ 16,294,386.51	\$ 78,297.00	\$ 50,327.27	\$ 27,969.73	\$ 74,810.80	\$ 27,969.73	\$ 24,483.53	79.38%	\$ 19,435.34
Sep-26	45	\$ 16,266,330.54	\$ 78,297.00	\$ 50,241.03	\$ 28,055.97	\$ 74,682.60	\$ 28,055.97	\$ 24,441.58	78.97%	\$ 19,300.49
Oct-26	46	\$ 16,238,188.05	\$ 78,297.00	\$ 50,154.52	\$ 28,142.48	\$ 74,554.01	\$ 28,142.48	\$ 24,399.50	78.55%	\$ 19,166.41
Nov-26	47	\$ 16,209,958.80	\$ 78,297.00	\$ 50,067.75	\$ 28,229.25	\$ 74,425.03	\$ 28,229.25	\$ 24,357.28	78.14%	\$ 19,033.10
Dec-26	48	\$ 16,181,642.51	\$ 78,297.00	\$ 49,980.71	\$ 28,316.29	\$ 74,295.64	\$ 28,316.29	\$ 24,314.94	77.73%	\$ 18,900.56
Jan-27	49	\$ 16,153,238.91	\$ 78,297.00	\$ 49,893.40	\$ 28,403.60	\$ 74,165.86	\$ 28,403.60	\$ 24,272.46	77.33%	\$ 18,768.79
Feb-27	50	\$ 16,124,747.73	\$ 78,297.00	\$ 49,805.82	\$ 28,491.18	\$ 74,035.68	\$ 28,491.18	\$ 24,229.86	76.92%	\$ 18,637.78
Mar-27	51	\$ 16,096,168.70	\$ 78,297.00	\$ 49,717.97	\$ 28,579.03	\$ 73,905.09	\$ 28,579.03	\$ 24,187.12	76.52%	\$ 18,507.53
Apr-27	52	\$ 16,067,501.55	\$ 78,297.00	\$ 49,629.85	\$ 28,667.15	\$ 73,774.11	\$ 28,667.15	\$ 24,144.25	76.12%	\$ 18,378.02
May-27	53	\$ 16,038,746.01	\$ 78,297.00	\$ 49,541.46	\$ 28,755.54	\$ 73,642.72	\$ 28,755.54	\$ 24,101.25	75.72%	\$ 18,249.27
Jun-27	54	\$ 16,009,901.81	\$ 78,297.00	\$ 49,452.80	\$ 28,844.20	\$ 73,510.92	\$ 28,844.20	\$ 24,058.12	75.32%	\$ 18,121.26
Jul-27	55	\$ 15,980,968.68	\$ 78,297.00	\$ 49,363.86	\$ 28,933.14	\$ 73,378.72	\$ 28,933.14	\$ 24,014.85	74.93%	\$ 17,993.99
Aug-27	56	\$ 15,951,946.33	\$ 78,297.00	\$ 49,274.65	\$ 29,022.35	\$ 73,246.11	\$ 29,022.35	\$ 23,971.45	74.54%	\$ 17,867.46
Sep-27	57	\$ 15,922,834.50	\$ 78,297.00	\$ 49,185.17	\$ 29,111.83	\$ 73,113.09	\$ 29,111.83	\$ 23,927.92	74.15%	\$ 17,741.66
Oct-27	58	\$ 15,893,632.91	\$ 78,297.00	\$ 49,095.41	\$ 29,201.59	\$ 72,979.66	\$ 29,201.59	\$ 23,884.25	73.76%	\$ 17,616.59
Nov-27	59	\$ 15,864,341.27	\$ 78,297.00	\$ 49,005.37	\$ 29,291.63	\$ 72,845.82	\$ 29,291.63	\$ 23,840.45	73.37%	\$ 17,492.24
Dec-27	60	\$ 15,834,959.33	\$ 78,297.00	\$ 48,915.05	\$ 29,381.95	\$ 72,711.56	\$ 29,381.95	\$ 23,796.51	72.99%	\$ 17,368.62
Jan-28	61	\$ 15,805,486.78	\$ 78,297.00	\$ 48,824.46	\$ 29,472.54	\$ 72,576.90	\$ 29,472.54	\$ 23,752.44	72.61%	\$ 17,245.71

Schedule C.1
Bellwether Net Proceeds and Interest Savings Calculations

Month	No.	Loan Balance	Payment	Interest	Principal	Assumed Alt.		Interest Savings	Present Value Factor	PV Interest Savings
						Rate (Colliers)	Principal			
Feb-28	62	\$ 15,775,923.37	\$ 78,297.00	\$ 48,733.58	\$ 29,563.42	\$ 72,441.81	\$ 29,563.42	\$ 23,708.23	72.23%	\$ 17,123.51
Mar-28	63	\$ 15,746,268.80	\$ 78,297.00	\$ 48,642.43	\$ 29,654.57	\$ 72,306.32	\$ 29,654.57	\$ 23,663.89	71.85%	\$ 17,002.02
Apr-28	64	\$ 15,716,522.79	\$ 78,297.00	\$ 48,551.00	\$ 29,746.00	\$ 72,170.40	\$ 29,746.00	\$ 23,619.40	71.47%	\$ 16,881.24
May-28	65	\$ 15,686,685.07	\$ 78,297.00	\$ 48,459.28	\$ 29,837.72	\$ 72,034.06	\$ 29,837.72	\$ 23,574.78	71.10%	\$ 16,761.16
Jun-28	66	\$ 15,656,755.35	\$ 78,297.00	\$ 48,367.28	\$ 29,929.72	\$ 71,897.31	\$ 29,929.72	\$ 23,530.03	70.73%	\$ 16,641.77
Jul-28	67	\$ 15,626,733.35	\$ 78,297.00	\$ 48,275.00	\$ 30,022.00	\$ 71,760.13	\$ 30,022.00	\$ 23,485.13	70.36%	\$ 16,523.08
Aug-28	68	\$ 15,596,618.78	\$ 78,297.00	\$ 48,182.43	\$ 30,114.57	\$ 71,622.53	\$ 30,114.57	\$ 23,440.10	69.99%	\$ 16,405.08
Sep-28	69	\$ 15,566,411.35	\$ 78,297.00	\$ 48,089.57	\$ 30,207.43	\$ 71,484.50	\$ 30,207.43	\$ 23,394.93	69.62%	\$ 16,287.76
Oct-28	70	\$ 15,536,110.78	\$ 78,297.00	\$ 47,996.43	\$ 30,300.57	\$ 71,346.05	\$ 30,300.57	\$ 23,349.62	69.26%	\$ 16,171.13
Nov-28	71	\$ 15,505,716.79	\$ 78,297.00	\$ 47,903.01	\$ 30,393.99	\$ 71,207.17	\$ 30,393.99	\$ 23,304.17	68.89%	\$ 16,055.18
Dec-28	72	\$ 15,475,229.09	\$ 78,297.00	\$ 47,809.29	\$ 30,487.71	\$ 71,067.87	\$ 30,487.71	\$ 23,258.58	68.53%	\$ 15,939.90
Jan-29	73	\$ 15,444,647.38	\$ 78,297.00	\$ 47,715.29	\$ 30,581.71	\$ 70,928.13	\$ 30,581.71	\$ 23,212.84	68.17%	\$ 15,825.29
Feb-29	74	\$ 15,413,971.37	\$ 78,297.00	\$ 47,621.00	\$ 30,676.00	\$ 70,787.97	\$ 30,676.00	\$ 23,166.97	67.82%	\$ 15,711.34
Mar-29	75	\$ 15,383,200.78	\$ 78,297.00	\$ 47,526.41	\$ 30,770.59	\$ 70,647.37	\$ 30,770.59	\$ 23,120.96	67.46%	\$ 15,598.07
Apr-29	76	\$ 15,352,335.32	\$ 78,297.00	\$ 47,431.54	\$ 30,865.46	\$ 70,506.34	\$ 30,865.46	\$ 23,074.80	67.11%	\$ 15,485.45
May-29	77	\$ 15,321,374.69	\$ 78,297.00	\$ 47,336.37	\$ 30,960.63	\$ 70,364.87	\$ 30,960.63	\$ 23,028.50	66.76%	\$ 15,373.49
Jun-29	78	\$ 15,290,318.59	\$ 78,297.00	\$ 47,240.91	\$ 31,056.09	\$ 70,222.97	\$ 31,056.09	\$ 22,982.06	66.41%	\$ 15,262.18
Jul-29	79	\$ 15,259,166.74	\$ 78,297.00	\$ 47,145.15	\$ 31,151.85	\$ 70,080.63	\$ 31,151.85	\$ 22,935.48	66.06%	\$ 15,151.52
Aug-29	80	\$ 15,227,918.84	\$ 78,297.00	\$ 47,049.10	\$ 31,247.90	\$ 69,937.85	\$ 31,247.90	\$ 22,888.75	65.72%	\$ 15,041.51
Sep-29	81	\$ 15,196,574.59	\$ 78,297.00	\$ 46,952.75	\$ 31,344.25	\$ 69,794.63	\$ 31,344.25	\$ 22,841.88	65.37%	\$ 14,932.14
Oct-29	82	\$ 15,165,133.69	\$ 78,297.00	\$ 46,856.10	\$ 31,440.90	\$ 69,650.97	\$ 31,440.90	\$ 22,794.86	65.03%	\$ 14,823.41
Nov-29	83	\$ 15,133,595.86	\$ 78,297.00	\$ 46,759.16	\$ 31,537.84	\$ 69,506.86	\$ 31,537.84	\$ 22,747.70	64.69%	\$ 14,715.31
Dec-29	84	\$ 15,101,960.78	\$ 78,297.00	\$ 46,661.92	\$ 31,635.08	\$ 69,362.31	\$ 31,635.08	\$ 22,700.39	64.35%	\$ 14,607.84
Jan-30	85	\$ 15,070,228.16	\$ 78,297.00	\$ 46,564.38	\$ 31,732.62	\$ 69,217.32	\$ 31,732.62	\$ 22,652.94	64.01%	\$ 14,501.01
Feb-30	86	\$ 15,038,397.69	\$ 78,297.00	\$ 46,466.54	\$ 31,830.46	\$ 69,071.88	\$ 31,830.46	\$ 22,605.34	63.68%	\$ 14,394.80
Mar-30	87	\$ 15,006,469.09	\$ 78,297.00	\$ 46,368.39	\$ 31,928.61	\$ 68,925.99	\$ 31,928.61	\$ 22,557.60	63.35%	\$ 14,289.21
Apr-30	88	\$ 14,974,442.03	\$ 78,297.00	\$ 46,269.95	\$ 32,027.05	\$ 68,779.65	\$ 32,027.05	\$ 22,509.70	63.01%	\$ 14,184.24
May-30	89	\$ 14,942,316.23	\$ 78,297.00	\$ 46,171.20	\$ 32,125.80	\$ 68,632.86	\$ 32,125.80	\$ 22,461.66	62.68%	\$ 14,079.88
Jun-30	90	\$ 14,910,091.37	\$ 78,297.00	\$ 46,072.14	\$ 32,224.86	\$ 68,485.62	\$ 32,224.86	\$ 22,413.47	62.36%	\$ 13,976.14
Jul-30	91	\$ 14,877,767.15	\$ 78,297.00	\$ 45,972.78	\$ 32,324.22	\$ 68,337.92	\$ 32,324.22	\$ 22,365.14	62.03%	\$ 13,873.00
Aug-30	92	\$ 14,845,343.27	\$ 78,297.00	\$ 45,873.12	\$ 32,423.88	\$ 68,189.77	\$ 32,423.88	\$ 22,316.65	61.70%	\$ 13,770.47

Schedule C.1

Bellwether Net Proceeds and Interest Savings Calculations

Month	No.	Loan Balance	Payment	Interest	Principal	Assumed Alt.		Interest Savings	Present Value Factor	PV Interest Savings
						Rate (Colliers)	Principal			
Sep-30	93	\$ 14,812,819.41	\$ 78,297.00	\$ 45,773.14	\$ 32,523.86	\$ 68,041.16	\$ 32,523.86	\$ 22,268.01	61.38%	\$ 13,668.54
Oct-30	94	\$ 14,780,195.27	\$ 78,297.00	\$ 45,672.86	\$ 32,624.14	\$ 67,892.09	\$ 32,624.14	\$ 22,219.23	61.06%	\$ 13,567.21
Nov-30	95	\$ 14,747,470.54	\$ 78,297.00	\$ 45,572.27	\$ 32,724.73	\$ 67,742.56	\$ 32,724.73	\$ 22,170.29	60.74%	\$ 13,466.47
Dec-30	96	\$ 14,714,644.90	\$ 78,297.00	\$ 45,471.37	\$ 32,825.63	\$ 67,592.57	\$ 32,825.63	\$ 22,121.21	60.42%	\$ 13,366.32
Jan-31	97	\$ 14,681,718.06	\$ 78,297.00	\$ 45,370.16	\$ 32,926.84	\$ 67,442.12	\$ 32,926.84	\$ 22,071.97	60.11%	\$ 13,266.77
Feb-31	98	\$ 14,648,689.69	\$ 78,297.00	\$ 45,268.63	\$ 33,028.37	\$ 67,291.21	\$ 33,028.37	\$ 22,022.58	59.79%	\$ 13,167.79
Mar-31	99	\$ 14,615,559.48	\$ 78,297.00	\$ 45,166.79	\$ 33,130.21	\$ 67,139.83	\$ 33,130.21	\$ 21,973.03	59.48%	\$ 13,069.40
Apr-31	100	\$ 14,582,327.13	\$ 78,297.00	\$ 45,064.64	\$ 33,232.36	\$ 66,987.98	\$ 33,232.36	\$ 21,923.34	59.17%	\$ 12,971.59
May-31	101	\$ 14,548,992.30	\$ 78,297.00	\$ 44,962.18	\$ 33,334.82	\$ 66,835.67	\$ 33,334.82	\$ 21,873.49	58.86%	\$ 12,874.36
Jun-31	102	\$ 14,515,554.69	\$ 78,297.00	\$ 44,859.39	\$ 33,437.61	\$ 66,682.88	\$ 33,437.61	\$ 21,823.49	58.55%	\$ 12,777.69
Jul-31	103	\$ 14,482,013.99	\$ 78,297.00	\$ 44,756.29	\$ 33,540.71	\$ 66,529.63	\$ 33,540.71	\$ 21,773.33	58.24%	\$ 12,681.60
Aug-31	104	\$ 14,448,369.86	\$ 78,297.00	\$ 44,652.88	\$ 33,644.12	\$ 66,375.90	\$ 33,644.12	\$ 21,723.02	57.94%	\$ 12,586.07
Sep-31	105	\$ 14,414,622.00	\$ 78,297.00	\$ 44,549.14	\$ 33,747.86	\$ 66,221.70	\$ 33,747.86	\$ 21,672.55	57.64%	\$ 12,491.11
Oct-31	106	\$ 14,380,770.09	\$ 78,297.00	\$ 44,445.08	\$ 33,851.92	\$ 66,067.02	\$ 33,851.92	\$ 21,621.93	57.33%	\$ 12,396.71
Nov-31	107	\$ 14,346,813.80	\$ 78,297.00	\$ 44,340.71	\$ 33,956.29	\$ 65,911.86	\$ 33,956.29	\$ 21,571.16	57.03%	\$ 12,302.86
Dec-31	108	\$ 14,312,752.81	\$ 78,297.00	\$ 44,236.01	\$ 34,060.99	\$ 65,756.23	\$ 34,060.99	\$ 21,520.22	56.74%	\$ 12,209.57
Jan-32	109	\$ 14,278,586.79	\$ 78,297.00	\$ 44,130.99	\$ 34,166.01	\$ 65,600.12	\$ 34,166.01	\$ 21,469.13	56.44%	\$ 12,116.82
Feb-32	110	\$ 14,244,315.44	\$ 78,297.00	\$ 44,025.64	\$ 34,271.36	\$ 65,443.52	\$ 34,271.36	\$ 21,417.88	56.14%	\$ 12,024.63
Mar-32	111	\$ 14,209,938.41	\$ 78,297.00	\$ 43,919.97	\$ 34,377.03	\$ 65,286.45	\$ 34,377.03	\$ 21,366.47	55.85%	\$ 11,932.98
Apr-32	112	\$ 14,175,455.39	\$ 78,297.00	\$ 43,813.98	\$ 34,483.02	\$ 65,128.88	\$ 34,483.02	\$ 21,314.91	55.56%	\$ 11,841.87
May-32	113	\$ 14,140,866.04	\$ 78,297.00	\$ 43,707.65	\$ 34,589.35	\$ 64,970.84	\$ 34,589.35	\$ 21,263.18	55.27%	\$ 11,751.31
Jun-32	114	\$ 14,106,170.04	\$ 78,297.00	\$ 43,601.00	\$ 34,696.00	\$ 64,812.30	\$ 34,696.00	\$ 21,211.30	54.98%	\$ 11,661.27
Jul-32	115	\$ 14,071,367.07	\$ 78,297.00	\$ 43,494.02	\$ 34,802.98	\$ 64,653.28	\$ 34,802.98	\$ 21,159.26	54.69%	\$ 11,571.77
Aug-32	116	\$ 14,036,456.78	\$ 78,297.00	\$ 43,386.72	\$ 34,910.28	\$ 64,493.77	\$ 34,910.28	\$ 21,107.05	54.40%	\$ 11,482.81
Sep-32	117	\$ 14,001,438.86	\$ 78,297.00	\$ 43,279.08	\$ 35,017.92	\$ 64,333.76	\$ 35,017.92	\$ 21,054.69	54.12%	\$ 11,394.36
Oct-32	118	\$ 13,966,312.96	\$ 78,297.00	\$ 43,171.10	\$ 35,125.90	\$ 64,173.26	\$ 35,125.90	\$ 21,002.16	53.83%	\$ 11,306.45
Nov-32	119	\$ 13,931,078.76	\$ 78,297.00	\$ 43,062.80	\$ 35,234.20	\$ 64,012.27	\$ 35,234.20	\$ 20,949.47	53.55%	\$ 11,219.05
Dec-32	120	\$ 13,895,735.92	\$ 78,297.00	\$ 42,954.16	\$ 35,342.84	\$ 63,850.78	\$ 35,342.84	\$ 20,896.62	53.27%	\$ 11,132.17
Jan-33	121	\$ 13,860,284.10	\$ 78,297.00	\$ 42,845.19	\$ 35,451.81	\$ 63,688.79	\$ 35,451.81	\$ 20,843.60	52.99%	\$ 11,045.81
Feb-33	122	\$ 13,824,722.98	\$ 78,297.00	\$ 42,735.88	\$ 35,561.12	\$ 63,526.30	\$ 35,561.12	\$ 20,790.43	52.72%	\$ 10,959.96
Mar-33	123	\$ 13,789,052.21	\$ 78,297.00	\$ 42,626.23	\$ 35,670.77	\$ 63,363.31	\$ 35,670.77	\$ 20,737.08	52.44%	\$ 10,874.62

Schedule C.1
Bellwether Net Proceeds and Interest Savings Calculations

Month	No.	Loan Balance	Payment	Interest	Principal	Assumed Alt. Rate		Interest Savings	Present Value	
						(Colliers)	Principal		Factor	Savings
Apr-33	124	\$ 13,753,271.45	\$ 78,297.00	\$ 42,516.24	\$ 35,780.76	\$ 63,199.82	\$ 35,780.76	\$ 20,683.58	52.17%	\$ 10,789.79
May-33	125	\$ 13,717,380.37	\$ 78,297.00	\$ 42,405.92	\$ 35,891.08	\$ 63,035.83	\$ 35,891.08	\$ 20,629.91	51.89%	\$ 10,705.46
Jun-33	126	\$ 13,681,378.63	\$ 78,297.00	\$ 42,295.26	\$ 36,001.74	\$ 62,871.33	\$ 36,001.74	\$ 20,576.07	51.62%	\$ 10,621.64
Jul-33	127	\$ 13,645,265.88	\$ 78,297.00	\$ 42,184.25	\$ 36,112.75	\$ 62,706.32	\$ 36,112.75	\$ 20,522.07	51.35%	\$ 10,538.31
Aug-33	128	\$ 13,609,041.78	\$ 78,297.00	\$ 42,072.90	\$ 36,224.10	\$ 62,540.80	\$ 36,224.10	\$ 20,467.90	51.08%	\$ 10,455.48
Sep-33	129	\$ 13,572,706.00	\$ 78,297.00	\$ 41,961.21	\$ 36,335.79	\$ 62,374.77	\$ 36,335.79	\$ 20,413.56	50.81%	\$ 10,373.15
Oct-33	130	\$ 13,536,258.17	\$ 78,297.00	\$ 41,849.18	\$ 36,447.82	\$ 62,208.24	\$ 36,447.82	\$ 20,359.06	50.55%	\$ 10,291.30
Nov-33	131	\$ 13,499,697.97	\$ 78,297.00	\$ 41,736.80	\$ 36,560.20	\$ 62,041.18	\$ 36,560.20	\$ 20,304.39	50.28%	\$ 10,209.94
Dec-33	132	\$ 13,463,025.04	\$ 78,297.00	\$ 41,624.07	\$ 36,672.93	\$ 61,873.62	\$ 36,672.93	\$ 20,249.55	50.02%	\$ 10,129.07
Jan-34	133	\$ 13,426,239.03	\$ 78,297.00	\$ 41,510.99	\$ 36,786.01	\$ 61,705.53	\$ 36,786.01	\$ 20,194.54	49.76%	\$ 10,048.68
Feb-34	134	\$ 13,389,339.60	\$ 78,297.00	\$ 41,397.57	\$ 36,899.43	\$ 61,536.93	\$ 36,899.43	\$ 20,139.36	49.50%	\$ 9,968.77
Mar-34	135	\$ 13,352,326.40	\$ 78,297.00	\$ 41,283.80	\$ 37,013.20	\$ 61,367.81	\$ 37,013.20	\$ 20,084.01	49.24%	\$ 9,889.34
Apr-34	136	\$ 13,315,199.07	\$ 78,297.00	\$ 41,169.67	\$ 37,127.33	\$ 61,198.16	\$ 37,127.33	\$ 20,028.49	48.98%	\$ 9,810.38
May-34	137	\$ 13,277,957.27	\$ 78,297.00	\$ 41,055.20	\$ 37,241.80	\$ 61,028.00	\$ 37,241.80	\$ 19,972.80	48.73%	\$ 9,731.90
Jun-34	138	\$ 13,240,600.64	\$ 78,297.00	\$ 40,940.37	\$ 37,356.63	\$ 60,857.30	\$ 37,356.63	\$ 19,916.94	48.47%	\$ 9,653.88
Jul-34	139	\$ 13,203,128.82	\$ 78,297.00	\$ 40,825.19	\$ 37,471.81	\$ 60,686.09	\$ 37,471.81	\$ 19,860.90	48.22%	\$ 9,576.33
Aug-34	140	\$ 13,165,541.47	\$ 78,297.00	\$ 40,709.65	\$ 37,587.35	\$ 60,514.34	\$ 37,587.35	\$ 19,804.69	47.96%	\$ 9,499.25
Sep-34	141	\$ 13,127,838.22	\$ 78,297.00	\$ 40,593.75	\$ 37,703.25	\$ 60,342.07	\$ 37,703.25	\$ 19,748.31	47.71%	\$ 9,422.63
Oct-34	142	\$ 13,090,018.72	\$ 78,297.00	\$ 40,477.50	\$ 37,819.50	\$ 60,169.26	\$ 37,819.50	\$ 19,691.76	47.46%	\$ 9,346.47
Nov-34	143	\$ 13,052,082.62	\$ 78,297.00	\$ 40,360.89	\$ 37,936.11	\$ 59,995.92	\$ 37,936.11	\$ 19,635.03	47.22%	\$ 9,270.76
Dec-34	144	\$ 13,014,029.54	\$ 78,297.00	\$ 40,243.92	\$ 38,053.08	\$ 59,822.05	\$ 38,053.08	\$ 19,578.12	46.97%	\$ 9,195.51
Jan-35	145	\$ 12,975,859.13	\$ 78,297.00	\$ 40,126.59	\$ 38,170.41	\$ 59,647.64	\$ 38,170.41	\$ 19,521.04	46.72%	\$ 9,120.71
Feb-35	146	\$ 12,937,571.03	\$ 78,297.00	\$ 40,008.90	\$ 38,288.10	\$ 59,472.69	\$ 38,288.10	\$ 19,463.79	46.48%	\$ 9,046.36
Mar-35	147	\$ 12,899,164.87	\$ 78,297.00	\$ 39,890.84	\$ 38,406.16	\$ 59,297.20	\$ 38,406.16	\$ 19,406.36	46.23%	\$ 8,972.46
Apr-35	148	\$ 12,860,640.30	\$ 78,297.00	\$ 39,772.43	\$ 38,524.57	\$ 59,121.17	\$ 38,524.57	\$ 19,348.75	45.99%	\$ 8,899.00
May-35	149	\$ 12,821,996.94	\$ 78,297.00	\$ 39,653.64	\$ 38,643.36	\$ 58,944.60	\$ 38,643.36	\$ 19,290.96	45.75%	\$ 8,825.98
Jun-35	150	\$ 12,783,234.43	\$ 78,297.00	\$ 39,534.49	\$ 38,762.51	\$ 58,767.49	\$ 38,762.51	\$ 19,233.00	45.51%	\$ 8,753.40
Jul-35	151	\$ 12,744,352.40	\$ 78,297.00	\$ 39,414.97	\$ 38,882.03	\$ 58,589.82	\$ 38,882.03	\$ 19,174.85	45.27%	\$ 8,681.26
Aug-35	152	\$ 12,705,350.49	\$ 78,297.00	\$ 39,295.09	\$ 39,001.91	\$ 58,411.62	\$ 39,001.91	\$ 19,116.53	45.04%	\$ 8,609.55
Sep-35	153	\$ 12,666,228.32	\$ 78,297.00	\$ 39,174.83	\$ 39,122.17	\$ 58,232.86	\$ 39,122.17	\$ 19,058.03	44.80%	\$ 8,538.28
Oct-35	154	\$ 12,626,985.52	\$ 78,297.00	\$ 39,054.20	\$ 39,242.80	\$ 58,053.55	\$ 39,242.80	\$ 18,999.34	44.57%	\$ 8,467.44

Schedule C.1
Bellwether Net Proceeds and Interest Savings Calculations

Month	No.	Loan Balance	Payment	Interest	Principal	Assumed Alt.		Interest Savings	Present Value Factor	PV Interest Savings
						(Colliers) Rate	Principal			
Nov-35	155	\$ 12,587,621.73	\$ 78,297.00	\$ 38,933.21	\$ 39,363.79	\$ 57,873.68	\$ 39,363.79	\$ 18,940.48	44.33%	\$ 8,397.02
Dec-35	156	\$ 12,548,136.56	\$ 78,297.00	\$ 38,811.83	\$ 39,485.17	\$ 57,693.27	\$ 39,485.17	\$ 18,881.43	44.10%	\$ 8,327.03
Jan-36	157	\$ 12,508,529.65	\$ 78,297.00	\$ 38,690.09	\$ 39,606.91	\$ 57,512.29	\$ 39,606.91	\$ 18,822.20	43.87%	\$ 8,257.46
Feb-36	158	\$ 12,468,800.61	\$ 78,297.00	\$ 38,567.97	\$ 39,729.03	\$ 57,330.76	\$ 39,729.03	\$ 18,762.79	43.64%	\$ 8,188.31
Mar-36	159	\$ 12,428,949.08	\$ 78,297.00	\$ 38,445.47	\$ 39,851.53	\$ 57,148.67	\$ 39,851.53	\$ 18,703.20	43.41%	\$ 8,119.58
Apr-36	160	\$ 12,388,974.68	\$ 78,297.00	\$ 38,322.59	\$ 39,974.41	\$ 56,966.02	\$ 39,974.41	\$ 18,643.42	43.19%	\$ 8,051.27
May-36	161	\$ 12,348,877.01	\$ 78,297.00	\$ 38,199.34	\$ 40,097.66	\$ 56,782.80	\$ 40,097.66	\$ 18,583.46	42.96%	\$ 7,983.37
Jun-36	162	\$ 12,308,655.72	\$ 78,297.00	\$ 38,075.70	\$ 40,221.30	\$ 56,599.02	\$ 40,221.30	\$ 18,523.32	42.73%	\$ 7,915.88
Jul-36	163	\$ 12,268,310.41	\$ 78,297.00	\$ 37,951.69	\$ 40,345.31	\$ 56,414.67	\$ 40,345.31	\$ 18,462.98	42.51%	\$ 7,848.80
Aug-36	164	\$ 12,227,840.70	\$ 78,297.00	\$ 37,827.29	\$ 40,469.71	\$ 56,229.76	\$ 40,469.71	\$ 18,402.47	42.29%	\$ 7,782.12
Sep-36	165	\$ 12,187,246.21	\$ 78,297.00	\$ 37,702.51	\$ 40,594.49	\$ 56,044.27	\$ 40,594.49	\$ 18,341.76	42.07%	\$ 7,715.85
Oct-36	166	\$ 12,146,526.55	\$ 78,297.00	\$ 37,577.34	\$ 40,719.66	\$ 55,858.21	\$ 40,719.66	\$ 18,280.87	41.85%	\$ 7,649.99
Nov-36	167	\$ 12,105,681.34	\$ 78,297.00	\$ 37,451.79	\$ 40,845.21	\$ 55,671.58	\$ 40,845.21	\$ 18,219.79	41.63%	\$ 7,584.52
Dec-36	168	\$ 12,064,710.19	\$ 78,297.00	\$ 37,325.85	\$ 40,971.15	\$ 55,484.37	\$ 40,971.15	\$ 18,158.52	41.41%	\$ 7,519.45
Jan-37	169	\$ 12,023,612.71	\$ 78,297.00	\$ 37,199.52	\$ 41,097.48	\$ 55,296.59	\$ 41,097.48	\$ 18,097.07	41.19%	\$ 7,454.77
Feb-37	170	\$ 11,982,388.52	\$ 78,297.00	\$ 37,072.81	\$ 41,224.19	\$ 55,108.22	\$ 41,224.19	\$ 18,035.42	40.98%	\$ 7,390.49
Mar-37	171	\$ 11,941,037.22	\$ 78,297.00	\$ 36,945.70	\$ 41,351.30	\$ 54,919.28	\$ 41,351.30	\$ 17,973.58	40.76%	\$ 7,326.60
Apr-37	172	\$ 11,899,558.41	\$ 78,297.00	\$ 36,818.20	\$ 41,478.80	\$ 54,729.75	\$ 41,478.80	\$ 17,911.56	40.55%	\$ 7,263.10
May-37	173	\$ 11,857,951.72	\$ 78,297.00	\$ 36,690.31	\$ 41,606.69	\$ 54,539.64	\$ 41,606.69	\$ 17,849.34	40.34%	\$ 7,199.99
Jun-37	174	\$ 11,816,216.74	\$ 78,297.00	\$ 36,562.02	\$ 41,734.98	\$ 54,348.95	\$ 41,734.98	\$ 17,786.93	40.13%	\$ 7,137.26
Jul-37	175	\$ 11,774,353.07	\$ 78,297.00	\$ 36,433.33	\$ 41,863.67	\$ 54,157.66	\$ 41,863.67	\$ 17,724.33	39.92%	\$ 7,074.92
Aug-37	176	\$ 11,732,360.33	\$ 78,297.00	\$ 36,304.26	\$ 41,992.74	\$ 53,965.78	\$ 41,992.74	\$ 17,661.53	39.71%	\$ 7,012.95
Sep-37	177	\$ 11,690,238.11	\$ 78,297.00	\$ 36,174.78	\$ 42,122.22	\$ 53,773.32	\$ 42,122.22	\$ 17,598.54	39.50%	\$ 6,951.36
Oct-37	178	\$ 11,647,986.01	\$ 78,297.00	\$ 36,044.90	\$ 42,252.10	\$ 53,580.26	\$ 42,252.10	\$ 17,535.36	39.29%	\$ 6,890.15
Nov-37	179	\$ 11,605,603.63	\$ 78,297.00	\$ 35,914.62	\$ 42,382.38	\$ 53,386.60	\$ 42,382.38	\$ 17,471.98	39.09%	\$ 6,829.31
Dec-37	180	\$ 11,563,090.57	\$ 78,297.00	\$ 35,783.94	\$ 42,513.06	\$ 53,192.35	\$ 42,513.06	\$ 17,408.41	38.88%	\$ 6,768.85

**Schedule C.2
Windmill Farms Net Proceeds and Interest Savings Calculation**

	Net from Immediate Sale - no Prepayment	Net Proceeds from Sale w 15- Year HUD	Net Proceeds from Sale w/ Ten Year HUD	PV 15-Year Interest Savings	PV 10-Year Interest Savings	Assumed Selling Costs @ 1.5%
Value of Property	\$ 57,800,000.00	\$ 22,613,293.00	\$ 27,172,633.73	\$ 4,559,340.73	\$ 3,569,663.46	\$ 867,000
		Penalty	Assumption			
Receiver Net	\$ 7,500,000.00		\$ 26,182,956.46			
Payoff SPC	\$ 7,885,547.00		\$ 15,385,547.00			
Receiver Proceeds	\$ 15,385,547.00		\$ 15,385,547.00			
Shortfall	\$ 7,227,746.00		\$ 11,787,086.73			
Loss to SPC	\$ 15,594,746.00		\$ 20,154,086.73			

**Schedule C.2
Windmill Farms Net Proceeds and Interest Savings Calculation**

Month	No.	Loan Balance	Payment	Interest	Principal	Assumed Alt. Rate (Colliers)	Principal	Interest Savings	Present Value Factor	PV Interest Savings
		\$ 34,319,707.00								
Jan-23	1	\$ 34,281,990.05	\$ 149,256	\$ 111,539.05	\$ 37,716.95	\$ 157,298.66	\$ 37,716.95	\$ 45,759.61	99.48%	\$ 45,520.10
Feb-23	2	\$ 34,244,150.52	\$ 149,256	\$ 111,416.47	\$ 37,839.53	\$ 157,125.79	\$ 37,839.53	\$ 45,709.32	98.96%	\$ 45,232.07
Mar-23	3	\$ 34,206,188.00	\$ 149,256	\$ 111,293.49	\$ 37,962.51	\$ 156,952.36	\$ 37,962.51	\$ 45,658.87	98.44%	\$ 44,945.66
Apr-23	4	\$ 34,168,102.12	\$ 149,256	\$ 111,170.11	\$ 38,085.89	\$ 156,778.36	\$ 38,085.89	\$ 45,608.25	97.92%	\$ 44,660.84
May-23	5	\$ 34,129,892.45	\$ 149,256	\$ 111,046.33	\$ 38,209.67	\$ 156,603.80	\$ 38,209.67	\$ 45,557.47	97.41%	\$ 44,377.61
Jun-23	6	\$ 34,091,558.60	\$ 149,256	\$ 110,922.15	\$ 38,333.85	\$ 156,428.67	\$ 38,333.85	\$ 45,506.52	96.90%	\$ 44,095.97
Jul-23	7	\$ 34,053,100.16	\$ 149,256	\$ 110,797.57	\$ 38,458.43	\$ 156,252.98	\$ 38,458.43	\$ 45,455.41	96.39%	\$ 43,815.89
Aug-23	8	\$ 34,014,516.74	\$ 149,256	\$ 110,672.58	\$ 38,583.42	\$ 156,076.71	\$ 38,583.42	\$ 45,404.13	95.89%	\$ 43,537.38
Sep-23	9	\$ 33,975,807.92	\$ 149,256	\$ 110,547.18	\$ 38,708.82	\$ 155,899.87	\$ 38,708.82	\$ 45,352.69	95.39%	\$ 43,260.43
Oct-23	10	\$ 33,936,973.29	\$ 149,256	\$ 110,421.38	\$ 38,834.62	\$ 155,722.45	\$ 38,834.62	\$ 45,301.08	94.89%	\$ 42,985.03
Nov-23	11	\$ 33,898,012.46	\$ 149,256	\$ 110,295.16	\$ 38,960.84	\$ 155,544.46	\$ 38,960.84	\$ 45,249.30	94.39%	\$ 42,711.16
Dec-23	12	\$ 33,858,925.00	\$ 149,256	\$ 110,168.54	\$ 39,087.46	\$ 155,365.89	\$ 39,087.46	\$ 45,197.35	93.90%	\$ 42,438.83
Jan-24	13	\$ 33,819,710.50	\$ 149,256	\$ 110,041.51	\$ 39,214.49	\$ 155,186.74	\$ 39,214.49	\$ 45,145.23	93.41%	\$ 42,168.02
Feb-24	14	\$ 33,780,368.56	\$ 149,256	\$ 109,914.06	\$ 39,341.94	\$ 155,007.01	\$ 39,341.94	\$ 45,092.95	92.92%	\$ 41,898.72
Mar-24	15	\$ 33,740,898.76	\$ 149,256	\$ 109,786.20	\$ 39,469.80	\$ 154,826.69	\$ 39,469.80	\$ 45,040.49	92.43%	\$ 41,630.93
Apr-24	16	\$ 33,701,300.68	\$ 149,256	\$ 109,657.92	\$ 39,598.08	\$ 154,645.79	\$ 39,598.08	\$ 44,987.87	91.95%	\$ 41,364.64
May-24	17	\$ 33,661,573.91	\$ 149,256	\$ 109,529.23	\$ 39,726.77	\$ 154,464.29	\$ 39,726.77	\$ 44,935.07	91.46%	\$ 41,099.84
Jun-24	18	\$ 33,621,718.02	\$ 149,256	\$ 109,400.12	\$ 39,855.88	\$ 154,282.21	\$ 39,855.88	\$ 44,882.10	90.99%	\$ 40,836.52
Jul-24	19	\$ 33,581,732.61	\$ 149,256	\$ 109,270.58	\$ 39,985.42	\$ 154,099.54	\$ 39,985.42	\$ 44,828.96	90.51%	\$ 40,574.68
Aug-24	20	\$ 33,541,617.24	\$ 149,256	\$ 109,140.63	\$ 40,115.37	\$ 153,916.27	\$ 40,115.37	\$ 44,775.64	90.04%	\$ 40,314.30
Sep-24	21	\$ 33,501,371.49	\$ 149,256	\$ 109,010.26	\$ 40,245.74	\$ 153,732.41	\$ 40,245.74	\$ 44,722.16	89.56%	\$ 40,055.39
Oct-24	22	\$ 33,460,994.95	\$ 149,256	\$ 108,879.46	\$ 40,376.54	\$ 153,547.95	\$ 40,376.54	\$ 44,668.50	89.10%	\$ 39,797.92
Nov-24	23	\$ 33,420,487.19	\$ 149,256	\$ 108,748.23	\$ 40,507.77	\$ 153,362.89	\$ 40,507.77	\$ 44,614.66	88.63%	\$ 39,541.90
Dec-24	24	\$ 33,379,847.77	\$ 149,256	\$ 108,616.58	\$ 40,639.42	\$ 153,177.23	\$ 40,639.42	\$ 44,560.65	88.17%	\$ 39,287.31
Jan-25	25	\$ 33,339,076.27	\$ 149,256	\$ 108,484.51	\$ 40,771.49	\$ 152,990.97	\$ 40,771.49	\$ 44,506.46	87.70%	\$ 39,034.15
Feb-25	26	\$ 33,298,172.27	\$ 149,256	\$ 108,352.00	\$ 40,904.00	\$ 152,804.10	\$ 40,904.00	\$ 44,452.10	87.25%	\$ 38,782.41
Mar-25	27	\$ 33,257,135.33	\$ 149,256	\$ 108,219.06	\$ 41,036.94	\$ 152,616.62	\$ 41,036.94	\$ 44,397.56	86.79%	\$ 38,532.09
Apr-25	28	\$ 33,215,965.02	\$ 149,256	\$ 108,085.69	\$ 41,170.31	\$ 152,428.54	\$ 41,170.31	\$ 44,342.85	86.33%	\$ 38,283.16
May-25	29	\$ 33,174,660.91	\$ 149,256	\$ 107,951.89	\$ 41,304.11	\$ 152,239.84	\$ 41,304.11	\$ 44,287.95	85.88%	\$ 38,035.64

**Schedule C.2
Windmill Farms Net Proceeds and Interest Savings Calculation**

Month	No.	Loan Balance	Payment	Interest	Principal	Rate (Colliers)	Principal	Interest Savings	Present Value Factor	PV Interest Savings
Jun-25	30	\$ 33,133,222.56	\$ 149,256	\$ 107,817.65	\$ 41,438.35	\$ 152,050.53	\$ 41,438.35	\$ 44,232.88	85.43%	\$ 37,789.51
Jul-25	31	\$ 33,091,649.53	\$ 149,256	\$ 107,682.97	\$ 41,573.03	\$ 151,860.60	\$ 41,573.03	\$ 44,177.63	84.99%	\$ 37,544.75
Aug-25	32	\$ 33,049,941.39	\$ 149,256	\$ 107,547.86	\$ 41,708.14	\$ 151,670.06	\$ 41,708.14	\$ 44,122.20	84.54%	\$ 37,301.38
Sep-25	33	\$ 33,008,097.70	\$ 149,256	\$ 107,412.31	\$ 41,843.69	\$ 151,478.90	\$ 41,843.69	\$ 44,066.59	84.10%	\$ 37,059.37
Oct-25	34	\$ 32,966,118.02	\$ 149,256	\$ 107,276.32	\$ 41,979.68	\$ 151,287.11	\$ 41,979.68	\$ 44,010.80	83.66%	\$ 36,818.72
Nov-25	35	\$ 32,924,001.90	\$ 149,256	\$ 107,139.88	\$ 42,116.12	\$ 151,094.71	\$ 42,116.12	\$ 43,954.82	83.22%	\$ 36,579.42
Dec-25	36	\$ 32,881,748.91	\$ 149,256	\$ 107,003.01	\$ 42,252.99	\$ 150,901.68	\$ 42,252.99	\$ 43,898.67	82.78%	\$ 36,341.47
Jan-26	37	\$ 32,839,358.59	\$ 149,256	\$ 106,865.68	\$ 42,390.32	\$ 150,708.02	\$ 42,390.32	\$ 43,842.33	82.35%	\$ 36,104.86
Feb-26	38	\$ 32,796,830.51	\$ 149,256	\$ 106,727.92	\$ 42,528.08	\$ 150,513.73	\$ 42,528.08	\$ 43,785.81	81.92%	\$ 35,869.58
Mar-26	39	\$ 32,754,164.21	\$ 149,256	\$ 106,589.70	\$ 42,666.30	\$ 150,318.81	\$ 42,666.30	\$ 43,729.11	81.49%	\$ 35,635.63
Apr-26	40	\$ 32,711,359.24	\$ 149,256	\$ 106,451.03	\$ 42,804.97	\$ 150,123.25	\$ 42,804.97	\$ 43,672.22	81.07%	\$ 35,402.99
May-26	41	\$ 32,668,415.16	\$ 149,256	\$ 106,311.92	\$ 42,944.08	\$ 149,927.06	\$ 42,944.08	\$ 43,615.15	80.64%	\$ 35,171.66
Jun-26	42	\$ 32,625,331.51	\$ 149,256	\$ 106,172.35	\$ 43,083.65	\$ 149,730.24	\$ 43,083.65	\$ 43,557.89	80.22%	\$ 34,941.63
Jul-26	43	\$ 32,582,107.83	\$ 149,256	\$ 106,032.33	\$ 43,223.67	\$ 149,532.77	\$ 43,223.67	\$ 43,500.44	79.80%	\$ 34,712.90
Aug-26	44	\$ 32,538,743.68	\$ 149,256	\$ 105,891.85	\$ 43,364.15	\$ 149,334.66	\$ 43,364.15	\$ 43,442.81	79.38%	\$ 34,485.46
Sep-26	45	\$ 32,495,238.60	\$ 149,256	\$ 105,750.92	\$ 43,505.08	\$ 149,135.91	\$ 43,505.08	\$ 43,384.99	78.97%	\$ 34,259.30
Oct-26	46	\$ 32,451,592.13	\$ 149,256	\$ 105,609.53	\$ 43,646.47	\$ 148,936.51	\$ 43,646.47	\$ 43,326.98	78.55%	\$ 34,034.42
Nov-26	47	\$ 32,407,803.80	\$ 149,256	\$ 105,467.67	\$ 43,788.33	\$ 148,736.46	\$ 43,788.33	\$ 43,268.79	78.14%	\$ 33,810.80
Dec-26	48	\$ 32,363,873.16	\$ 149,256	\$ 105,325.36	\$ 43,930.64	\$ 148,535.77	\$ 43,930.64	\$ 43,210.41	77.73%	\$ 33,588.45
Jan-27	49	\$ 32,319,799.75	\$ 149,256	\$ 105,182.59	\$ 44,073.41	\$ 148,334.42	\$ 44,073.41	\$ 43,151.83	77.33%	\$ 33,367.35
Feb-27	50	\$ 32,275,583.10	\$ 149,256	\$ 105,039.35	\$ 44,216.65	\$ 148,132.42	\$ 44,216.65	\$ 43,093.07	76.92%	\$ 33,147.49
Mar-27	51	\$ 32,231,222.75	\$ 149,256	\$ 104,895.65	\$ 44,360.35	\$ 147,929.76	\$ 44,360.35	\$ 43,034.11	76.52%	\$ 32,928.88
Apr-27	52	\$ 32,186,718.22	\$ 149,256	\$ 104,751.47	\$ 44,504.53	\$ 147,726.44	\$ 44,504.53	\$ 42,974.96	76.12%	\$ 32,711.51
May-27	53	\$ 32,142,069.05	\$ 149,256	\$ 104,606.83	\$ 44,649.17	\$ 147,522.46	\$ 44,649.17	\$ 42,915.62	75.72%	\$ 32,495.36
Jun-27	54	\$ 32,097,274.78	\$ 149,256	\$ 104,461.72	\$ 44,794.28	\$ 147,317.82	\$ 44,794.28	\$ 42,856.09	75.32%	\$ 32,280.43
Jul-27	55	\$ 32,052,334.92	\$ 149,256	\$ 104,316.14	\$ 44,939.86	\$ 147,112.51	\$ 44,939.86	\$ 42,796.37	74.93%	\$ 32,066.72
Aug-27	56	\$ 32,007,249.01	\$ 149,256	\$ 104,170.09	\$ 45,085.91	\$ 146,906.54	\$ 45,085.91	\$ 42,736.45	74.54%	\$ 31,854.21
Sep-27	57	\$ 31,962,016.57	\$ 149,256	\$ 104,023.56	\$ 45,232.44	\$ 146,699.89	\$ 45,232.44	\$ 42,676.33	74.15%	\$ 31,642.91
Oct-27	58	\$ 31,916,637.12	\$ 149,256	\$ 103,876.55	\$ 45,379.45	\$ 146,492.58	\$ 45,379.45	\$ 42,616.02	73.76%	\$ 31,432.80
Nov-27	59	\$ 31,871,110.19	\$ 149,256	\$ 103,729.07	\$ 45,526.93	\$ 146,284.59	\$ 45,526.93	\$ 42,555.52	73.37%	\$ 31,223.89

**Schedule C.2
Windmill Farms Net Proceeds and Interest Savings Calculation**

Month	No.	Loan Balance	Payment	Interest	Principal	Rate (Colliers)	Principal	Savings	Present Value Factor	PV Interest Savings
Dec-27	60	\$ 31,825,435.30	\$ 149,256	\$ 103,581.11	\$ 45,674.89	\$ 146,075.92	\$ 45,674.89	\$ 42,494.81	72.99%	\$ 31,016.15
Jan-28	61	\$ 31,779,611.97	\$ 149,256	\$ 103,432.66	\$ 45,823.34	\$ 145,866.58	\$ 45,823.34	\$ 42,433.91	72.61%	\$ 30,809.59
Feb-28	62	\$ 31,733,639.71	\$ 149,256	\$ 103,283.74	\$ 45,972.26	\$ 145,656.55	\$ 45,972.26	\$ 42,372.82	72.23%	\$ 30,604.20
Mar-28	63	\$ 31,687,518.03	\$ 149,256	\$ 103,134.33	\$ 46,121.67	\$ 145,445.85	\$ 46,121.67	\$ 42,311.52	71.85%	\$ 30,399.97
Apr-28	64	\$ 31,641,246.47	\$ 149,256	\$ 102,984.43	\$ 46,271.57	\$ 145,234.46	\$ 46,271.57	\$ 42,250.02	71.47%	\$ 30,196.90
May-28	65	\$ 31,594,824.52	\$ 149,256	\$ 102,834.05	\$ 46,421.95	\$ 145,022.38	\$ 46,421.95	\$ 42,188.33	71.10%	\$ 29,994.98
Jun-28	66	\$ 31,548,251.70	\$ 149,256	\$ 102,683.18	\$ 46,572.82	\$ 144,809.61	\$ 46,572.82	\$ 42,126.43	70.73%	\$ 29,794.21
Jul-28	67	\$ 31,501,527.52	\$ 149,256	\$ 102,531.82	\$ 46,724.18	\$ 144,596.15	\$ 46,724.18	\$ 42,064.34	70.36%	\$ 29,594.57
Aug-28	68	\$ 31,454,651.48	\$ 149,256	\$ 102,379.96	\$ 46,876.04	\$ 144,382.00	\$ 46,876.04	\$ 42,002.04	69.99%	\$ 29,396.07
Sep-28	69	\$ 31,407,623.10	\$ 149,256	\$ 102,227.62	\$ 47,028.38	\$ 144,167.15	\$ 47,028.38	\$ 41,939.54	69.62%	\$ 29,198.69
Oct-28	70	\$ 31,360,441.87	\$ 149,256	\$ 102,074.78	\$ 47,181.22	\$ 143,951.61	\$ 47,181.22	\$ 41,876.83	69.26%	\$ 29,002.43
Nov-28	71	\$ 31,313,107.31	\$ 149,256	\$ 101,921.44	\$ 47,334.56	\$ 143,735.36	\$ 47,334.56	\$ 41,813.92	68.89%	\$ 28,807.29
Dec-28	72	\$ 31,265,618.91	\$ 149,256	\$ 101,767.60	\$ 47,488.40	\$ 143,518.41	\$ 47,488.40	\$ 41,750.81	68.53%	\$ 28,613.25
Jan-29	73	\$ 31,217,976.17	\$ 149,256	\$ 101,613.26	\$ 47,642.74	\$ 143,300.75	\$ 47,642.74	\$ 41,687.49	68.17%	\$ 28,420.32
Feb-29	74	\$ 31,170,178.59	\$ 149,256	\$ 101,458.42	\$ 47,797.58	\$ 143,082.39	\$ 47,797.58	\$ 41,623.97	67.82%	\$ 28,228.48
Mar-29	75	\$ 31,122,225.67	\$ 149,256	\$ 101,303.08	\$ 47,952.92	\$ 142,863.32	\$ 47,952.92	\$ 41,560.24	67.46%	\$ 28,037.74
Apr-29	76	\$ 31,074,116.91	\$ 149,256	\$ 101,147.23	\$ 48,108.77	\$ 142,643.53	\$ 48,108.77	\$ 41,496.30	67.11%	\$ 27,848.08
May-29	77	\$ 31,025,851.79	\$ 149,256	\$ 100,990.88	\$ 48,265.12	\$ 142,423.04	\$ 48,265.12	\$ 41,432.16	66.76%	\$ 27,659.49
Jun-29	78	\$ 30,977,429.80	\$ 149,256	\$ 100,834.02	\$ 48,421.98	\$ 142,201.82	\$ 48,421.98	\$ 41,367.80	66.41%	\$ 27,471.98
Jul-29	79	\$ 30,928,850.45	\$ 149,256	\$ 100,676.65	\$ 48,579.35	\$ 141,979.89	\$ 48,579.35	\$ 41,303.24	66.06%	\$ 27,285.54
Aug-29	80	\$ 30,880,113.22	\$ 149,256	\$ 100,518.76	\$ 48,737.24	\$ 141,757.23	\$ 48,737.24	\$ 41,238.47	65.72%	\$ 27,100.16
Sep-29	81	\$ 30,831,217.58	\$ 149,256	\$ 100,360.37	\$ 48,895.63	\$ 141,533.85	\$ 48,895.63	\$ 41,173.48	65.37%	\$ 26,915.83
Oct-29	82	\$ 30,782,163.04	\$ 149,256	\$ 100,201.46	\$ 49,054.54	\$ 141,309.75	\$ 49,054.54	\$ 41,108.29	65.03%	\$ 26,732.55
Nov-29	83	\$ 30,732,949.07	\$ 149,256	\$ 100,042.03	\$ 49,213.97	\$ 141,084.91	\$ 49,213.97	\$ 41,042.88	64.69%	\$ 26,550.32
Dec-29	84	\$ 30,683,575.15	\$ 149,256	\$ 99,882.08	\$ 49,373.92	\$ 140,859.35	\$ 49,373.92	\$ 40,977.27	64.35%	\$ 26,369.12
Jan-30	85	\$ 30,634,040.77	\$ 149,256	\$ 99,721.62	\$ 49,534.38	\$ 140,633.05	\$ 49,534.38	\$ 40,911.43	64.01%	\$ 26,188.96
Feb-30	86	\$ 30,584,345.41	\$ 149,256	\$ 99,560.63	\$ 49,695.37	\$ 140,406.02	\$ 49,695.37	\$ 40,845.39	63.68%	\$ 26,009.83
Mar-30	87	\$ 30,534,488.53	\$ 149,256	\$ 99,399.12	\$ 49,856.88	\$ 140,178.25	\$ 49,856.88	\$ 40,779.13	63.35%	\$ 25,831.72
Apr-30	88	\$ 30,484,469.62	\$ 149,256	\$ 99,237.09	\$ 50,018.91	\$ 139,949.74	\$ 50,018.91	\$ 40,712.65	63.01%	\$ 25,654.62
May-30	89	\$ 30,434,288.14	\$ 149,256	\$ 99,074.53	\$ 50,181.47	\$ 139,720.49	\$ 50,181.47	\$ 40,645.96	62.68%	\$ 25,478.54

Schedule C.2
Windmill Farms Net Proceeds and Interest Savings Calculation

Month No.	Loan Balance	Payment	Interest	Principal	Rate (Colliers)	Principal	Interest Savings		Present Value	
							Assumed Alt.	Rate (Colliers)	Factor	Savings
Jun-30 90	\$ 30,383,943.58	\$ 149,256	\$ 98,911.44	\$ 50,344.56	\$ 139,490.49	\$ 50,344.56	\$ 40,579.05	62.36%	\$ 25,303.46	
Jul-30 91	\$ 30,333,435.40	\$ 149,256	\$ 98,747.82	\$ 50,508.18	\$ 139,259.74	\$ 50,508.18	\$ 40,511.92	62.03%	\$ 25,129.37	
Aug-30 92	\$ 30,282,763.06	\$ 149,256	\$ 98,583.67	\$ 50,672.33	\$ 139,028.25	\$ 50,672.33	\$ 40,444.58	61.70%	\$ 24,956.29	
Sep-30 93	\$ 30,231,926.04	\$ 149,256	\$ 98,418.98	\$ 50,837.02	\$ 138,796.00	\$ 50,837.02	\$ 40,377.02	61.38%	\$ 24,784.19	
Oct-30 94	\$ 30,180,923.80	\$ 149,256	\$ 98,253.76	\$ 51,002.24	\$ 138,562.99	\$ 51,002.24	\$ 40,309.23	61.06%	\$ 24,613.08	
Nov-30 95	\$ 30,129,755.80	\$ 149,256	\$ 98,088.00	\$ 51,168.00	\$ 138,329.23	\$ 51,168.00	\$ 40,241.23	60.74%	\$ 24,442.95	
Dec-30 96	\$ 30,078,421.51	\$ 149,256	\$ 97,921.71	\$ 51,334.29	\$ 138,094.71	\$ 51,334.29	\$ 40,173.01	60.42%	\$ 24,273.78	
Jan-31 97	\$ 30,026,920.38	\$ 149,256	\$ 97,754.87	\$ 51,501.13	\$ 137,859.43	\$ 51,501.13	\$ 40,104.56	60.11%	\$ 24,105.59	
Feb-31 98	\$ 29,975,251.87	\$ 149,256	\$ 97,587.49	\$ 51,668.51	\$ 137,623.39	\$ 51,668.51	\$ 40,035.89	59.79%	\$ 23,938.36	
Mar-31 99	\$ 29,923,415.44	\$ 149,256	\$ 97,419.57	\$ 51,836.43	\$ 137,386.57	\$ 51,836.43	\$ 39,967.00	59.48%	\$ 23,772.09	
Apr-31 100	\$ 29,871,410.54	\$ 149,256	\$ 97,251.10	\$ 52,004.90	\$ 137,148.99	\$ 52,004.90	\$ 39,897.89	59.17%	\$ 23,606.77	
May-31 101	\$ 29,819,236.62	\$ 149,256	\$ 97,082.08	\$ 52,173.92	\$ 136,910.63	\$ 52,173.92	\$ 39,828.55	58.86%	\$ 23,442.39	
Jun-31 102	\$ 29,766,893.14	\$ 149,256	\$ 96,912.52	\$ 52,343.48	\$ 136,671.50	\$ 52,343.48	\$ 39,758.98	58.55%	\$ 23,278.96	
Jul-31 103	\$ 29,714,379.55	\$ 149,256	\$ 96,742.40	\$ 52,513.60	\$ 136,431.59	\$ 52,513.60	\$ 39,689.19	58.24%	\$ 23,116.47	
Aug-31 104	\$ 29,661,695.28	\$ 149,256	\$ 96,571.73	\$ 52,684.27	\$ 136,190.91	\$ 52,684.27	\$ 39,619.17	57.94%	\$ 22,954.90	
Sep-31 105	\$ 29,608,839.79	\$ 149,256	\$ 96,400.51	\$ 52,855.49	\$ 135,949.44	\$ 52,855.49	\$ 39,548.93	57.64%	\$ 22,794.27	
Oct-31 106	\$ 29,555,812.52	\$ 149,256	\$ 96,228.73	\$ 53,027.27	\$ 135,707.18	\$ 53,027.27	\$ 39,478.45	57.33%	\$ 22,634.55	
Nov-31 107	\$ 29,502,612.91	\$ 149,256	\$ 96,056.39	\$ 53,199.61	\$ 135,464.14	\$ 53,199.61	\$ 39,407.75	57.03%	\$ 22,475.76	
Dec-31 108	\$ 29,449,240.40	\$ 149,256	\$ 95,883.49	\$ 53,372.51	\$ 135,220.31	\$ 53,372.51	\$ 39,336.82	56.74%	\$ 22,317.87	
Jan-32 109	\$ 29,395,694.43	\$ 149,256	\$ 95,710.03	\$ 53,545.97	\$ 134,975.69	\$ 53,545.97	\$ 39,265.65	56.44%	\$ 22,160.89	
Feb-32 110	\$ 29,341,974.44	\$ 149,256	\$ 95,536.01	\$ 53,719.99	\$ 134,730.27	\$ 53,719.99	\$ 39,194.26	56.14%	\$ 22,004.82	
Mar-32 111	\$ 29,288,079.86	\$ 149,256	\$ 95,361.42	\$ 53,894.58	\$ 134,484.05	\$ 53,894.58	\$ 39,122.63	55.85%	\$ 21,849.64	
Apr-32 112	\$ 29,234,010.11	\$ 149,256	\$ 95,186.26	\$ 54,069.74	\$ 134,237.03	\$ 54,069.74	\$ 39,050.77	55.56%	\$ 21,695.35	
May-32 113	\$ 29,179,764.65	\$ 149,256	\$ 95,010.53	\$ 54,245.47	\$ 133,989.21	\$ 54,245.47	\$ 38,978.68	55.27%	\$ 21,541.95	
Jun-32 114	\$ 29,125,342.88	\$ 149,256	\$ 94,834.24	\$ 54,421.76	\$ 133,740.59	\$ 54,421.76	\$ 38,906.35	54.98%	\$ 21,389.43	
Jul-32 115	\$ 29,070,744.25	\$ 149,256	\$ 94,657.36	\$ 54,598.64	\$ 133,491.15	\$ 54,598.64	\$ 38,833.79	54.69%	\$ 21,237.79	
Aug-32 116	\$ 29,015,968.17	\$ 149,256	\$ 94,479.92	\$ 54,776.08	\$ 133,240.91	\$ 54,776.08	\$ 38,760.99	54.40%	\$ 21,087.03	
Sep-32 117	\$ 28,961,014.06	\$ 149,256	\$ 94,301.90	\$ 54,954.10	\$ 132,989.85	\$ 54,954.10	\$ 38,687.96	54.12%	\$ 20,937.13	
Oct-32 118	\$ 28,905,881.36	\$ 149,256	\$ 94,123.30	\$ 55,132.70	\$ 132,737.98	\$ 55,132.70	\$ 38,614.69	53.83%	\$ 20,788.09	
Nov-32 119	\$ 28,850,569.47	\$ 149,256	\$ 93,944.11	\$ 55,311.89	\$ 132,485.29	\$ 55,311.89	\$ 38,541.18	53.55%	\$ 20,639.92	

Schedule C.2

Windmill Farms Net Proceeds and Interest Savings Calculation

Month	No.	Loan Balance	Payment	Interest	Principal	Rate (Colliers)	Assumed Alt.	Principal	Savings	Interest Savings	Present Value Factor	PV Interest Savings
Dec-32	120	\$ 28,795,077.82	\$ 149,256	\$ 93,764.35	\$ 55,491.65	\$ 132,231.78	\$ 55,491.65	\$ 38,467.43	53.27%	\$ 20,492.60		
Jan-33	121	\$ 28,739,405.83	\$ 149,256	\$ 93,584.00	\$ 55,672.00	\$ 131,977.44	\$ 55,672.00	\$ 38,393.44	52.99%	\$ 20,346.13		
Feb-33	122	\$ 28,683,552.90	\$ 149,256	\$ 93,403.07	\$ 55,852.93	\$ 131,722.28	\$ 55,852.93	\$ 38,319.21	52.72%	\$ 20,200.50		
Mar-33	123	\$ 28,627,518.44	\$ 149,256	\$ 93,221.55	\$ 56,034.45	\$ 131,466.28	\$ 56,034.45	\$ 38,244.74	52.44%	\$ 20,055.72		
Apr-33	124	\$ 28,571,301.88	\$ 149,256	\$ 93,039.43	\$ 56,216.57	\$ 131,209.46	\$ 56,216.57	\$ 38,170.02	52.17%	\$ 19,911.77		
May-33	125	\$ 28,514,902.61	\$ 149,256	\$ 92,856.73	\$ 56,399.27	\$ 130,951.80	\$ 56,399.27	\$ 38,095.07	51.89%	\$ 19,768.65		
Jun-33	126	\$ 28,458,320.04	\$ 149,256	\$ 92,673.43	\$ 56,582.57	\$ 130,693.30	\$ 56,582.57	\$ 38,019.87	51.62%	\$ 19,626.36		
Jul-33	127	\$ 28,401,553.58	\$ 149,256	\$ 92,489.54	\$ 56,766.46	\$ 130,433.97	\$ 56,766.46	\$ 37,944.43	51.35%	\$ 19,484.89		
Aug-33	128	\$ 28,344,602.63	\$ 149,256	\$ 92,305.05	\$ 56,950.95	\$ 130,173.79	\$ 56,950.95	\$ 37,868.74	51.08%	\$ 19,344.24		
Sep-33	129	\$ 28,287,466.59	\$ 149,256	\$ 92,119.96	\$ 57,136.04	\$ 129,912.76	\$ 57,136.04	\$ 37,792.80	50.81%	\$ 19,204.40		
Oct-33	130	\$ 28,230,144.86	\$ 149,256	\$ 91,934.27	\$ 57,321.73	\$ 129,650.89	\$ 57,321.73	\$ 37,716.62	50.55%	\$ 19,065.38		
Nov-33	131	\$ 28,172,636.83	\$ 149,256	\$ 91,747.97	\$ 57,508.03	\$ 129,388.16	\$ 57,508.03	\$ 37,640.19	50.28%	\$ 18,927.15		
Dec-33	132	\$ 28,114,941.90	\$ 149,256	\$ 91,561.07	\$ 57,694.93	\$ 129,124.59	\$ 57,694.93	\$ 37,563.52	50.02%	\$ 18,789.73		
Jan-34	133	\$ 28,057,059.46	\$ 149,256	\$ 91,373.56	\$ 57,882.44	\$ 128,860.15	\$ 57,882.44	\$ 37,486.59	49.76%	\$ 18,653.10		
Feb-34	134	\$ 27,998,988.90	\$ 149,256	\$ 91,185.44	\$ 58,070.56	\$ 128,594.86	\$ 58,070.56	\$ 37,409.41	49.50%	\$ 18,517.27		
Mar-34	135	\$ 27,940,729.61	\$ 149,256	\$ 90,996.71	\$ 58,259.29	\$ 128,328.70	\$ 58,259.29	\$ 37,331.99	49.24%	\$ 18,382.22		
Apr-34	136	\$ 27,882,280.99	\$ 149,256	\$ 90,807.37	\$ 58,448.63	\$ 128,061.68	\$ 58,448.63	\$ 37,254.31	48.98%	\$ 18,247.96		
May-34	137	\$ 27,823,642.40	\$ 149,256	\$ 90,617.41	\$ 58,638.59	\$ 127,793.79	\$ 58,638.59	\$ 37,176.37	48.73%	\$ 18,114.47		
Jun-34	138	\$ 27,764,813.24	\$ 149,256	\$ 90,426.84	\$ 58,829.16	\$ 127,525.03	\$ 58,829.16	\$ 37,098.19	48.47%	\$ 17,981.76		
Jul-34	139	\$ 27,705,792.88	\$ 149,256	\$ 90,235.64	\$ 59,020.36	\$ 127,255.39	\$ 59,020.36	\$ 37,019.75	48.22%	\$ 17,849.82		
Aug-34	140	\$ 27,646,580.71	\$ 149,256	\$ 90,043.83	\$ 59,212.17	\$ 126,984.88	\$ 59,212.17	\$ 36,941.06	47.96%	\$ 17,718.65		
Sep-34	141	\$ 27,587,176.09	\$ 149,256	\$ 89,851.39	\$ 59,404.61	\$ 126,713.49	\$ 59,404.61	\$ 36,862.11	47.71%	\$ 17,588.24		
Oct-34	142	\$ 27,527,578.42	\$ 149,256	\$ 89,658.32	\$ 59,597.68	\$ 126,441.22	\$ 59,597.68	\$ 36,782.90	47.46%	\$ 17,458.58		
Nov-34	143	\$ 27,467,787.05	\$ 149,256	\$ 89,464.63	\$ 59,791.37	\$ 126,168.07	\$ 59,791.37	\$ 36,703.44	47.22%	\$ 17,329.68		
Dec-34	144	\$ 27,407,801.35	\$ 149,256	\$ 89,270.31	\$ 59,985.69	\$ 125,894.02	\$ 59,985.69	\$ 36,623.72	46.97%	\$ 17,201.53		
Jan-35	145	\$ 27,347,620.71	\$ 149,256	\$ 89,075.35	\$ 60,180.65	\$ 125,619.09	\$ 60,180.65	\$ 36,543.74	46.72%	\$ 17,074.13		
Feb-35	146	\$ 27,287,244.48	\$ 149,256	\$ 88,879.77	\$ 60,376.23	\$ 125,343.26	\$ 60,376.23	\$ 36,463.49	46.48%	\$ 16,947.46		
Mar-35	147	\$ 27,226,672.02	\$ 149,256	\$ 88,683.54	\$ 60,572.46	\$ 125,066.54	\$ 60,572.46	\$ 36,382.99	46.23%	\$ 16,821.54		
Apr-35	148	\$ 27,165,902.70	\$ 149,256	\$ 88,486.68	\$ 60,769.32	\$ 124,788.91	\$ 60,769.32	\$ 36,302.23	45.99%	\$ 16,696.35		
May-35	149	\$ 27,104,935.89	\$ 149,256	\$ 88,289.18	\$ 60,966.82	\$ 124,510.39	\$ 60,966.82	\$ 36,221.20	45.75%	\$ 16,571.89		

**Schedule C.2
Windmill Farms Net Proceeds and Interest Savings Calculation**

Month No.	Loan Balance	Payment	Interest	Principal	Rate (Colliers)	Assumed Alt. Principal	Interest Savings	Present Value Factor	PV Interest Savings
Jun-35 150	\$ 27,043,770.93	\$ 149,256	\$ 88,091.04	\$ 61,164.96	\$ 124,230.96	\$ 61,164.96	\$ 36,139.91	45.51%	\$ 16,448.15
Jul-35 151	\$ 26,982,407.19	\$ 149,256	\$ 87,892.26	\$ 61,363.74	\$ 123,950.62	\$ 61,363.74	\$ 36,058.36	45.27%	\$ 16,325.13
Aug-35 152	\$ 26,920,844.01	\$ 149,256	\$ 87,692.82	\$ 61,563.18	\$ 123,669.37	\$ 61,563.18	\$ 35,976.54	45.04%	\$ 16,202.84
Sep-35 153	\$ 26,859,080.75	\$ 149,256	\$ 87,492.74	\$ 61,763.26	\$ 123,387.20	\$ 61,763.26	\$ 35,894.46	44.80%	\$ 16,081.25
Oct-35 154	\$ 26,797,116.76	\$ 149,256	\$ 87,292.01	\$ 61,963.99	\$ 123,104.12	\$ 61,963.99	\$ 35,812.11	44.57%	\$ 15,960.38
Nov-35 155	\$ 26,734,951.39	\$ 149,256	\$ 87,090.63	\$ 62,165.37	\$ 122,820.12	\$ 62,165.37	\$ 35,729.49	44.33%	\$ 15,840.21
Dec-35 156	\$ 26,672,583.99	\$ 149,256	\$ 86,888.59	\$ 62,367.41	\$ 122,535.19	\$ 62,367.41	\$ 35,646.60	44.10%	\$ 15,720.75
Jan-36 157	\$ 26,610,013.88	\$ 149,256	\$ 86,685.90	\$ 62,570.10	\$ 122,249.34	\$ 62,570.10	\$ 35,563.45	43.87%	\$ 15,601.98
Feb-36 158	\$ 26,547,240.43	\$ 149,256	\$ 86,482.55	\$ 62,773.45	\$ 121,962.56	\$ 62,773.45	\$ 35,480.02	43.64%	\$ 15,483.91
Mar-36 159	\$ 26,484,262.96	\$ 149,256	\$ 86,278.53	\$ 62,977.47	\$ 121,674.85	\$ 62,977.47	\$ 35,396.32	43.41%	\$ 15,366.53
Apr-36 160	\$ 26,421,080.82	\$ 149,256	\$ 86,073.85	\$ 63,182.15	\$ 121,386.21	\$ 63,182.15	\$ 35,312.35	43.19%	\$ 15,249.84
May-36 161	\$ 26,357,693.33	\$ 149,256	\$ 85,868.51	\$ 63,387.49	\$ 121,096.62	\$ 63,387.49	\$ 35,228.11	42.96%	\$ 15,133.83
Jun-36 162	\$ 26,294,099.83	\$ 149,256	\$ 85,662.50	\$ 63,593.50	\$ 120,806.09	\$ 63,593.50	\$ 35,143.59	42.73%	\$ 15,018.50
Jul-36 163	\$ 26,230,299.66	\$ 149,256	\$ 85,455.82	\$ 63,800.18	\$ 120,514.62	\$ 63,800.18	\$ 35,058.80	42.51%	\$ 14,903.84
Aug-36 164	\$ 26,166,292.13	\$ 149,256	\$ 85,248.47	\$ 64,007.53	\$ 120,222.21	\$ 64,007.53	\$ 34,973.73	42.29%	\$ 14,789.86
Sep-36 165	\$ 26,102,076.58	\$ 149,256	\$ 85,040.45	\$ 64,215.55	\$ 119,928.84	\$ 64,215.55	\$ 34,888.39	42.07%	\$ 14,676.54
Oct-36 166	\$ 26,037,652.33	\$ 149,256	\$ 84,831.75	\$ 64,424.25	\$ 119,634.52	\$ 64,424.25	\$ 34,802.77	41.85%	\$ 14,563.90
Nov-36 167	\$ 25,973,018.70	\$ 149,256	\$ 84,622.37	\$ 64,633.63	\$ 119,339.24	\$ 64,633.63	\$ 34,716.87	41.63%	\$ 14,451.91
Dec-36 168	\$ 25,908,175.01	\$ 149,256	\$ 84,412.31	\$ 64,843.69	\$ 119,043.00	\$ 64,843.69	\$ 34,630.69	41.41%	\$ 14,340.58
Jan-37 169	\$ 25,843,120.58	\$ 149,256	\$ 84,201.57	\$ 65,054.43	\$ 118,745.80	\$ 65,054.43	\$ 34,544.23	41.19%	\$ 14,229.90
Feb-37 170	\$ 25,777,854.72	\$ 149,256	\$ 83,990.14	\$ 65,265.86	\$ 118,447.64	\$ 65,265.86	\$ 34,457.49	40.98%	\$ 14,119.88
Mar-37 171	\$ 25,712,376.75	\$ 149,256	\$ 83,778.03	\$ 65,477.97	\$ 118,148.50	\$ 65,477.97	\$ 34,370.47	40.76%	\$ 14,010.50
Apr-37 172	\$ 25,646,685.97	\$ 149,256	\$ 83,565.22	\$ 65,690.78	\$ 117,848.39	\$ 65,690.78	\$ 34,283.17	40.55%	\$ 13,901.76
May-37 173	\$ 25,580,781.70	\$ 149,256	\$ 83,351.73	\$ 65,904.27	\$ 117,547.31	\$ 65,904.27	\$ 34,195.58	40.34%	\$ 13,793.67
Jun-37 174	\$ 25,514,663.24	\$ 149,256	\$ 83,137.54	\$ 66,118.46	\$ 117,245.25	\$ 66,118.46	\$ 34,107.71	40.13%	\$ 13,686.21
Jul-37 175	\$ 25,448,329.90	\$ 149,256	\$ 82,922.66	\$ 66,333.34	\$ 116,942.21	\$ 66,333.34	\$ 34,019.55	39.92%	\$ 13,579.39
Aug-37 176	\$ 25,381,780.97	\$ 149,256	\$ 82,707.07	\$ 66,548.93	\$ 116,638.18	\$ 66,548.93	\$ 33,931.11	39.71%	\$ 13,473.19
Sep-37 177	\$ 25,315,015.76	\$ 149,256	\$ 82,490.79	\$ 66,765.21	\$ 116,333.16	\$ 66,765.21	\$ 33,842.37	39.50%	\$ 13,367.62
Oct-37 178	\$ 25,248,033.56	\$ 149,256	\$ 82,273.80	\$ 66,982.20	\$ 116,027.16	\$ 66,982.20	\$ 33,753.35	39.29%	\$ 13,262.67
Nov-37 179	\$ 25,180,833.67	\$ 149,256	\$ 82,056.11	\$ 67,199.89	\$ 115,720.15	\$ 67,199.89	\$ 33,664.04	39.09%	\$ 13,158.35

**Schedule C.2
Windmill Farms Net Proceeds and Interest Savings Calculation**

Month	No.	Loan Balance	Payment	Interest	Principal	Assumed Alt. Rate (Colliers)	Principal	Interest Savings	Present Value Factor	PV Interest Savings
Dec-37	180	\$ 25,113,415.38	\$ 149,256	\$ 81,837.71	\$ 67,418.29	\$ 115,412.15	\$ 67,418.29	\$ 33,574.44	38.88%	\$ 13,054.63

**Schedule C.3
Ingleside Net Proceeds and Interest Savings Calculations**

Min. Est. Value of Property	Net from Immediate Sale - no Prepayment Penalty	Net Proceeds from Sale w 15-Year HUD Assumption	Net Proceeds from Sale w/ Ten Year HUD Assumption	PV 15-Year Interest Savings	PV 10-Year Interest Savings	Assumed Selling Costs @ 1.5%
\$ 31,263,860	\$ 4,416,873	\$ 9,877,234.76	\$ 9,040,530.89	\$ 3,897,168.66	\$ 3,060,464.79	\$ 468,958

5.00% cap rate 2023 projected
5% Discount

Receiver Net	\$ 657,709.10
Payoff SPC	\$ 3,759,164.00
Receiver Proceeds	\$ 4,416,873.10
Shortfall	\$ 1,563,193.00
Loss to SPC	\$ 2,220,902.10
	\$ 4,416,873.10
	\$ 5,460,361.66
	\$ 4,623,657.79
	\$ 6,587,028.66
	\$ 5,750,324.79

**Schedule C.3
Ingleside Net Proceeds and Interest Savings Calculations**

Month	No.	Loan Balance	Payment	Interest	Principal	Assumed Alt. Rate (Colliers)	Principal	Interest Savings	Present Value Factor	PV Interest Savings
		\$ 24,814,836.00								
Jan-23	1	\$ 24,784,832.72	\$ 104,241	\$ 74,237.72	\$ 30,003.28	\$ 113,734.67	\$ 30,003.28	\$ 39,496.95	99.48%	\$ 39,290.21
Feb-23	2	\$ 24,754,739.68	\$ 104,241	\$ 74,147.96	\$ 30,093.04	\$ 113,597.15	\$ 30,093.04	\$ 39,449.19	98.96%	\$ 39,037.31
Mar-23	3	\$ 24,724,556.61	\$ 104,241	\$ 74,057.93	\$ 30,183.07	\$ 113,459.22	\$ 30,183.07	\$ 39,401.29	98.44%	\$ 38,785.83
Apr-23	4	\$ 24,694,283.24	\$ 104,241	\$ 73,967.63	\$ 30,273.37	\$ 113,320.88	\$ 30,273.37	\$ 39,353.25	97.92%	\$ 38,535.77
May-23	5	\$ 24,663,919.30	\$ 104,241	\$ 73,877.06	\$ 30,363.94	\$ 113,182.13	\$ 30,363.94	\$ 39,305.07	97.41%	\$ 38,287.14
Jun-23	6	\$ 24,633,464.53	\$ 104,241	\$ 73,786.23	\$ 30,454.77	\$ 113,042.96	\$ 30,454.77	\$ 39,256.74	96.90%	\$ 38,039.90
Jul-23	7	\$ 24,602,918.64	\$ 104,241	\$ 73,695.11	\$ 30,545.89	\$ 112,903.38	\$ 30,545.89	\$ 39,208.26	96.39%	\$ 37,794.07
Aug-23	8	\$ 24,572,281.37	\$ 104,241	\$ 73,603.73	\$ 30,637.27	\$ 112,763.38	\$ 30,637.27	\$ 39,159.65	95.89%	\$ 37,549.63
Sep-23	9	\$ 24,541,552.45	\$ 104,241	\$ 73,512.08	\$ 30,728.92	\$ 112,622.96	\$ 30,728.92	\$ 39,110.88	95.39%	\$ 37,306.58
Oct-23	10	\$ 24,510,731.59	\$ 104,241	\$ 73,420.14	\$ 30,820.86	\$ 112,482.12	\$ 30,820.86	\$ 39,061.97	94.89%	\$ 37,064.90
Nov-23	11	\$ 24,479,818.53	\$ 104,241	\$ 73,327.94	\$ 30,913.06	\$ 112,340.85	\$ 30,913.06	\$ 39,012.91	94.39%	\$ 36,824.59
Dec-23	12	\$ 24,448,812.99	\$ 104,241	\$ 73,235.46	\$ 31,005.54	\$ 112,199.17	\$ 31,005.54	\$ 38,963.71	93.90%	\$ 36,585.64
Jan-24	13	\$ 24,417,714.69	\$ 104,241	\$ 73,142.70	\$ 31,098.30	\$ 112,057.06	\$ 31,098.30	\$ 38,914.36	93.41%	\$ 36,348.05
Feb-24	14	\$ 24,386,523.35	\$ 104,241	\$ 73,049.66	\$ 31,191.34	\$ 111,914.53	\$ 31,191.34	\$ 38,864.86	92.92%	\$ 36,111.81
Mar-24	15	\$ 24,355,238.70	\$ 104,241	\$ 72,956.35	\$ 31,284.65	\$ 111,771.57	\$ 31,284.65	\$ 38,815.22	92.43%	\$ 35,876.91
Apr-24	16	\$ 24,323,860.45	\$ 104,241	\$ 72,862.76	\$ 31,378.24	\$ 111,628.18	\$ 31,378.24	\$ 38,765.42	91.95%	\$ 35,643.34
May-24	17	\$ 24,292,388.34	\$ 104,241	\$ 72,768.88	\$ 31,472.12	\$ 111,484.36	\$ 31,472.12	\$ 38,715.48	91.46%	\$ 35,411.09
Jun-24	18	\$ 24,260,822.07	\$ 104,241	\$ 72,674.73	\$ 31,566.27	\$ 111,340.11	\$ 31,566.27	\$ 38,665.38	90.99%	\$ 35,180.17
Jul-24	19	\$ 24,229,161.36	\$ 104,241	\$ 72,580.29	\$ 31,660.71	\$ 111,195.43	\$ 31,660.71	\$ 38,615.14	90.51%	\$ 34,950.56
Aug-24	20	\$ 24,197,405.93	\$ 104,241	\$ 72,485.57	\$ 31,755.43	\$ 111,050.32	\$ 31,755.43	\$ 38,564.75	90.04%	\$ 34,722.25
Sep-24	21	\$ 24,165,555.51	\$ 104,241	\$ 72,390.57	\$ 31,850.43	\$ 110,904.78	\$ 31,850.43	\$ 38,514.20	89.56%	\$ 34,495.24
Oct-24	22	\$ 24,133,609.79	\$ 104,241	\$ 72,295.29	\$ 31,945.71	\$ 110,758.80	\$ 31,945.71	\$ 38,463.51	89.10%	\$ 34,269.51
Nov-24	23	\$ 24,101,568.51	\$ 104,241	\$ 72,199.72	\$ 32,041.28	\$ 110,612.38	\$ 32,041.28	\$ 38,412.66	88.63%	\$ 34,045.08
Dec-24	24	\$ 24,069,431.37	\$ 104,241	\$ 72,103.86	\$ 32,137.14	\$ 110,465.52	\$ 32,137.14	\$ 38,361.66	88.17%	\$ 33,821.92
Jan-25	25	\$ 24,037,198.08	\$ 104,241	\$ 72,007.72	\$ 32,233.28	\$ 110,318.23	\$ 32,233.28	\$ 38,310.51	87.70%	\$ 33,600.03
Feb-25	26	\$ 24,004,868.37	\$ 104,241	\$ 71,911.28	\$ 32,329.72	\$ 110,170.49	\$ 32,329.72	\$ 38,259.21	87.25%	\$ 33,379.40
Mar-25	27	\$ 23,972,441.93	\$ 104,241	\$ 71,814.56	\$ 32,426.44	\$ 110,022.31	\$ 32,426.44	\$ 38,207.75	86.79%	\$ 33,160.02
Apr-25	28	\$ 23,939,918.49	\$ 104,241	\$ 71,717.56	\$ 32,523.44	\$ 109,873.69	\$ 32,523.44	\$ 38,156.14	86.33%	\$ 32,941.90
May-25	29	\$ 23,907,297.74	\$ 104,241	\$ 71,620.26	\$ 32,620.74	\$ 109,724.63	\$ 32,620.74	\$ 38,104.37	85.88%	\$ 32,725.02
Jun-25	30	\$ 23,874,579.41	\$ 104,241	\$ 71,522.67	\$ 32,718.33	\$ 109,575.11	\$ 32,718.33	\$ 38,052.45	85.43%	\$ 32,509.37

Schedule C.3

Ingleside Net Proceeds and Interest Savings Calculations

Month	No.	Loan Balance	Payment	Interest	Principal	Rate (Colliers)	Principal	Interest Savings	PV Interest Savings	Present	
										Value	Factor
Jul-25	31	\$ 23,841,763.19	\$ 104,241	\$ 71,424.78	\$ 32,816.22	\$ 109,425.16	\$ 32,816.22	\$ 38,000.37	\$ 32,294.96	84.99%	\$ 32,294.96
Aug-25	32	\$ 23,808,848.80	\$ 104,241	\$ 71,326.61	\$ 32,914.39	\$ 109,274.75	\$ 32,914.39	\$ 37,948.14	\$ 32,081.76	84.54%	\$ 32,081.76
Sep-25	33	\$ 23,775,835.94	\$ 104,241	\$ 71,228.14	\$ 33,012.86	\$ 109,123.89	\$ 33,012.86	\$ 37,895.75	\$ 31,869.78	84.10%	\$ 31,869.78
Oct-25	34	\$ 23,742,724.32	\$ 104,241	\$ 71,129.38	\$ 33,111.62	\$ 108,972.58	\$ 33,111.62	\$ 37,843.21	\$ 31,659.01	83.66%	\$ 31,659.01
Nov-25	35	\$ 23,709,513.63	\$ 104,241	\$ 71,030.32	\$ 33,210.68	\$ 108,820.82	\$ 33,210.68	\$ 37,790.50	\$ 31,449.44	83.22%	\$ 31,449.44
Dec-25	36	\$ 23,676,203.59	\$ 104,241	\$ 70,930.96	\$ 33,310.04	\$ 108,668.60	\$ 33,310.04	\$ 37,737.64	\$ 31,241.07	82.78%	\$ 31,241.07
Jan-26	37	\$ 23,642,793.90	\$ 104,241	\$ 70,831.31	\$ 33,409.69	\$ 108,515.93	\$ 33,409.69	\$ 37,684.62	\$ 31,033.89	82.35%	\$ 31,033.89
Feb-26	38	\$ 23,609,284.26	\$ 104,241	\$ 70,731.36	\$ 33,509.64	\$ 108,362.81	\$ 33,509.64	\$ 37,631.45	\$ 30,827.89	81.92%	\$ 30,827.89
Mar-26	39	\$ 23,575,674.37	\$ 104,241	\$ 70,631.11	\$ 33,609.89	\$ 108,209.22	\$ 33,609.89	\$ 37,578.11	\$ 30,623.07	81.49%	\$ 30,623.07
Apr-26	40	\$ 23,541,963.93	\$ 104,241	\$ 70,530.56	\$ 33,710.44	\$ 108,055.17	\$ 33,710.44	\$ 37,524.62	\$ 30,419.42	81.07%	\$ 30,419.42
May-26	41	\$ 23,508,152.64	\$ 104,241	\$ 70,429.71	\$ 33,811.29	\$ 107,900.67	\$ 33,811.29	\$ 37,470.96	\$ 30,216.93	80.64%	\$ 30,216.93
Jun-26	42	\$ 23,474,240.20	\$ 104,241	\$ 70,328.56	\$ 33,912.44	\$ 107,745.70	\$ 33,912.44	\$ 37,417.14	\$ 30,015.60	80.22%	\$ 30,015.60
Jul-26	43	\$ 23,440,226.30	\$ 104,241	\$ 70,227.10	\$ 34,013.90	\$ 107,590.27	\$ 34,013.90	\$ 37,363.17	\$ 29,815.42	79.80%	\$ 29,815.42
Aug-26	44	\$ 23,406,110.64	\$ 104,241	\$ 70,125.34	\$ 34,115.66	\$ 107,434.37	\$ 34,115.66	\$ 37,309.03	\$ 29,616.38	79.38%	\$ 29,616.38
Sep-26	45	\$ 23,371,892.92	\$ 104,241	\$ 70,023.28	\$ 34,217.72	\$ 107,278.01	\$ 34,217.72	\$ 37,254.73	\$ 29,418.49	78.97%	\$ 29,418.49
Oct-26	46	\$ 23,337,572.83	\$ 104,241	\$ 69,920.91	\$ 34,320.09	\$ 107,121.18	\$ 34,320.09	\$ 37,200.26	\$ 29,221.72	78.55%	\$ 29,221.72
Nov-26	47	\$ 23,303,150.07	\$ 104,241	\$ 69,818.24	\$ 34,422.76	\$ 106,963.88	\$ 34,422.76	\$ 37,145.64	\$ 29,026.09	78.14%	\$ 29,026.09
Dec-26	48	\$ 23,268,624.33	\$ 104,241	\$ 69,715.26	\$ 34,525.74	\$ 106,806.10	\$ 34,525.74	\$ 37,090.85	\$ 28,831.57	77.73%	\$ 28,831.57
Jan-27	49	\$ 23,233,995.30	\$ 104,241	\$ 69,611.97	\$ 34,629.03	\$ 106,647.86	\$ 34,629.03	\$ 37,035.89	\$ 28,638.17	77.33%	\$ 28,638.17
Feb-27	50	\$ 23,199,262.67	\$ 104,241	\$ 69,508.37	\$ 34,732.63	\$ 106,489.15	\$ 34,732.63	\$ 36,980.78	\$ 28,445.88	76.92%	\$ 28,445.88
Mar-27	51	\$ 23,164,426.13	\$ 104,241	\$ 69,404.46	\$ 34,836.54	\$ 106,329.95	\$ 34,836.54	\$ 36,925.49	\$ 28,254.69	76.52%	\$ 28,254.69
Apr-27	52	\$ 23,129,485.37	\$ 104,241	\$ 69,300.24	\$ 34,940.76	\$ 106,170.29	\$ 34,940.76	\$ 36,870.04	\$ 28,064.59	76.12%	\$ 28,064.59
May-27	53	\$ 23,094,440.08	\$ 104,241	\$ 69,195.71	\$ 35,045.29	\$ 106,010.14	\$ 35,045.29	\$ 36,814.43	\$ 27,875.58	75.72%	\$ 27,875.58
Jun-27	54	\$ 23,059,289.95	\$ 104,241	\$ 69,090.87	\$ 35,150.13	\$ 105,849.52	\$ 35,150.13	\$ 36,758.65	\$ 27,687.66	75.32%	\$ 27,687.66
Jul-27	55	\$ 23,024,034.66	\$ 104,241	\$ 68,985.71	\$ 35,255.29	\$ 105,688.41	\$ 35,255.29	\$ 36,702.70	\$ 27,500.82	74.93%	\$ 27,500.82
Aug-27	56	\$ 22,988,673.89	\$ 104,241	\$ 68,880.24	\$ 35,360.76	\$ 105,526.83	\$ 35,360.76	\$ 36,646.59	\$ 27,315.05	74.54%	\$ 27,315.05
Sep-27	57	\$ 22,953,207.34	\$ 104,241	\$ 68,774.45	\$ 35,466.55	\$ 105,364.76	\$ 35,466.55	\$ 36,590.31	\$ 27,130.35	74.15%	\$ 27,130.35
Oct-27	58	\$ 22,917,634.69	\$ 104,241	\$ 68,668.35	\$ 35,572.65	\$ 105,202.20	\$ 35,572.65	\$ 36,533.86	\$ 26,946.71	73.76%	\$ 26,946.71
Nov-27	59	\$ 22,881,955.61	\$ 104,241	\$ 68,561.92	\$ 35,679.08	\$ 105,039.16	\$ 35,679.08	\$ 36,477.24	\$ 26,764.12	73.37%	\$ 26,764.12
Dec-27	60	\$ 22,846,169.80	\$ 104,241	\$ 68,455.18	\$ 35,785.82	\$ 104,875.63	\$ 35,785.82	\$ 36,420.45	\$ 26,582.59	72.99%	\$ 26,582.59
Jan-28	61	\$ 22,810,276.92	\$ 104,241	\$ 68,348.12	\$ 35,892.88	\$ 104,711.61	\$ 35,892.88	\$ 36,363.49	\$ 26,402.09	72.61%	\$ 26,402.09

Schedule C.3

Ingleside Net Proceeds and Interest Savings Calculations

Month	No.	Loan Balance	Payment	Interest	Principal	Rate (Colliers)	Assumed Alt. Rate (Colliers)	Principal	Interest Savings	Present Value Factor	PV Interest Savings
Feb-28	62	\$ 22,774,276.67	\$ 104,241	\$ 68,240.75	\$ 36,000.25	\$ 104,547.10	\$ 104,547.10	\$ 36,000.25	\$ 36,306.36	72.23%	\$ 26,222.64
Mar-28	63	\$ 22,738,168.71	\$ 104,241	\$ 68,133.04	\$ 36,107.96	\$ 104,382.10	\$ 104,382.10	\$ 36,107.96	\$ 36,249.06	71.85%	\$ 26,044.22
Apr-28	64	\$ 22,701,952.73	\$ 104,241	\$ 68,025.02	\$ 36,215.98	\$ 104,216.61	\$ 104,216.61	\$ 36,215.98	\$ 36,191.59	71.47%	\$ 25,866.82
May-28	65	\$ 22,665,628.41	\$ 104,241	\$ 67,916.68	\$ 36,324.32	\$ 104,050.62	\$ 104,050.62	\$ 36,324.32	\$ 36,133.94	71.10%	\$ 25,690.45
Jun-28	66	\$ 22,629,195.41	\$ 104,241	\$ 67,808.00	\$ 36,433.00	\$ 103,884.13	\$ 103,884.13	\$ 36,433.00	\$ 36,076.13	70.73%	\$ 25,515.09
Jul-28	67	\$ 22,592,653.42	\$ 104,241	\$ 67,699.01	\$ 36,541.99	\$ 103,717.15	\$ 103,717.15	\$ 36,541.99	\$ 36,018.14	70.36%	\$ 25,340.74
Aug-28	68	\$ 22,556,002.11	\$ 104,241	\$ 67,589.69	\$ 36,651.31	\$ 103,549.66	\$ 103,549.66	\$ 36,651.31	\$ 35,959.97	69.99%	\$ 25,167.39
Sep-28	69	\$ 22,519,241.15	\$ 104,241	\$ 67,480.04	\$ 36,760.96	\$ 103,381.68	\$ 103,381.68	\$ 36,760.96	\$ 35,901.64	69.62%	\$ 24,995.05
Oct-28	70	\$ 22,482,370.21	\$ 104,241	\$ 67,370.06	\$ 36,870.94	\$ 103,213.19	\$ 103,213.19	\$ 36,870.94	\$ 35,843.13	69.26%	\$ 24,823.70
Nov-28	71	\$ 22,445,388.97	\$ 104,241	\$ 67,259.76	\$ 36,981.24	\$ 103,044.20	\$ 103,044.20	\$ 36,981.24	\$ 35,784.44	68.89%	\$ 24,653.34
Dec-28	72	\$ 22,408,297.09	\$ 104,241	\$ 67,149.12	\$ 37,091.88	\$ 102,874.70	\$ 102,874.70	\$ 37,091.88	\$ 35,725.58	68.53%	\$ 24,483.96
Jan-29	73	\$ 22,371,094.25	\$ 104,241	\$ 67,038.16	\$ 37,202.84	\$ 102,704.70	\$ 102,704.70	\$ 37,202.84	\$ 35,666.54	68.17%	\$ 24,315.56
Feb-29	74	\$ 22,333,780.10	\$ 104,241	\$ 66,926.86	\$ 37,314.14	\$ 102,534.18	\$ 102,534.18	\$ 37,314.14	\$ 35,607.33	67.82%	\$ 24,148.13
Mar-29	75	\$ 22,296,354.33	\$ 104,241	\$ 66,815.23	\$ 37,425.77	\$ 102,363.16	\$ 102,363.16	\$ 37,425.77	\$ 35,547.93	67.46%	\$ 23,981.66
Apr-29	76	\$ 22,258,816.59	\$ 104,241	\$ 66,703.26	\$ 37,537.74	\$ 102,191.62	\$ 102,191.62	\$ 37,537.74	\$ 35,488.36	67.11%	\$ 23,816.16
May-29	77	\$ 22,221,166.55	\$ 104,241	\$ 66,590.96	\$ 37,650.04	\$ 102,019.58	\$ 102,019.58	\$ 37,650.04	\$ 35,428.62	66.76%	\$ 23,651.62
Jun-29	78	\$ 22,183,403.87	\$ 104,241	\$ 66,478.32	\$ 37,762.68	\$ 101,847.01	\$ 101,847.01	\$ 37,762.68	\$ 35,368.69	66.41%	\$ 23,488.03
Jul-29	79	\$ 22,145,528.22	\$ 104,241	\$ 66,365.35	\$ 37,875.65	\$ 101,673.93	\$ 101,673.93	\$ 37,875.65	\$ 35,308.58	66.06%	\$ 23,325.38
Aug-29	80	\$ 22,107,539.26	\$ 104,241	\$ 66,252.04	\$ 37,988.96	\$ 101,500.34	\$ 101,500.34	\$ 37,988.96	\$ 35,248.30	65.72%	\$ 23,163.67
Sep-29	81	\$ 22,069,436.65	\$ 104,241	\$ 66,138.39	\$ 38,102.61	\$ 101,326.22	\$ 101,326.22	\$ 38,102.61	\$ 35,187.83	65.37%	\$ 23,002.90
Oct-29	82	\$ 22,031,220.05	\$ 104,241	\$ 66,024.40	\$ 38,216.60	\$ 101,151.58	\$ 101,151.58	\$ 38,216.60	\$ 35,127.19	65.03%	\$ 22,843.07
Nov-29	83	\$ 21,992,889.11	\$ 104,241	\$ 65,910.07	\$ 38,330.93	\$ 100,976.43	\$ 100,976.43	\$ 38,330.93	\$ 35,066.36	64.69%	\$ 22,684.15
Dec-29	84	\$ 21,954,443.51	\$ 104,241	\$ 65,795.39	\$ 38,445.61	\$ 100,800.74	\$ 100,800.74	\$ 38,445.61	\$ 35,005.35	64.35%	\$ 22,526.16
Jan-30	85	\$ 21,915,882.88	\$ 104,241	\$ 65,680.38	\$ 38,560.62	\$ 100,624.53	\$ 100,624.53	\$ 38,560.62	\$ 34,944.16	64.01%	\$ 22,369.08
Feb-30	86	\$ 21,877,206.90	\$ 104,241	\$ 65,565.02	\$ 38,675.98	\$ 100,447.80	\$ 100,447.80	\$ 38,675.98	\$ 34,882.78	63.68%	\$ 22,212.92
Mar-30	87	\$ 21,838,415.21	\$ 104,241	\$ 65,449.31	\$ 38,791.69	\$ 100,270.53	\$ 100,270.53	\$ 38,791.69	\$ 34,821.22	63.35%	\$ 22,057.65
Apr-30	88	\$ 21,799,507.47	\$ 104,241	\$ 65,333.26	\$ 38,907.74	\$ 100,092.74	\$ 100,092.74	\$ 38,907.74	\$ 34,759.48	63.01%	\$ 21,903.29
May-30	89	\$ 21,760,483.33	\$ 104,241	\$ 65,216.86	\$ 39,024.14	\$ 99,914.41	\$ 99,914.41	\$ 39,024.14	\$ 34,697.55	62.68%	\$ 21,749.83
Jun-30	90	\$ 21,721,342.44	\$ 104,241	\$ 65,100.11	\$ 39,140.89	\$ 99,735.55	\$ 99,735.55	\$ 39,140.89	\$ 34,635.44	62.36%	\$ 21,597.26
Jul-30	91	\$ 21,682,084.46	\$ 104,241	\$ 64,983.02	\$ 39,257.98	\$ 99,556.15	\$ 99,556.15	\$ 39,257.98	\$ 34,573.14	62.03%	\$ 21,445.57
Aug-30	92	\$ 21,642,709.03	\$ 104,241	\$ 64,865.57	\$ 39,375.43	\$ 99,376.22	\$ 99,376.22	\$ 39,375.43	\$ 34,510.65	61.70%	\$ 21,294.76

**Schedule C.3
Ingeside Net Proceeds and Interest Savings Calculations**

Month	No.	Loan Balance	Payment	Interest	Principal	Rate (Colliers)	Assumed Alt.	Principal	Savings	Factor	PV Interest Savings
Sep-30	93	\$ 21,603,215.80	\$ 104,241	\$ 64,747.77	\$ 39,493.23	\$ 99,195.75	\$ 39,493.23	\$ 34,447.98	61.38%	\$ 21,144.83	
Oct-30	94	\$ 21,563,604.42	\$ 104,241	\$ 64,629.62	\$ 39,611.38	\$ 99,014.74	\$ 39,611.38	\$ 34,385.12	61.06%	\$ 20,995.78	
Nov-30	95	\$ 21,523,874.54	\$ 104,241	\$ 64,511.12	\$ 39,729.88	\$ 98,833.19	\$ 39,729.88	\$ 34,322.07	60.74%	\$ 20,847.58	
Dec-30	96	\$ 21,484,025.79	\$ 104,241	\$ 64,392.26	\$ 39,848.74	\$ 98,651.09	\$ 39,848.74	\$ 34,258.83	60.42%	\$ 20,700.26	
Jan-31	97	\$ 21,444,057.84	\$ 104,241	\$ 64,273.04	\$ 39,967.96	\$ 98,468.45	\$ 39,967.96	\$ 34,195.41	60.11%	\$ 20,553.78	
Feb-31	98	\$ 21,403,970.31	\$ 104,241	\$ 64,153.47	\$ 40,087.53	\$ 98,285.27	\$ 40,087.53	\$ 34,131.79	59.79%	\$ 20,408.17	
Mar-31	99	\$ 21,363,762.86	\$ 104,241	\$ 64,033.54	\$ 40,207.46	\$ 98,101.53	\$ 40,207.46	\$ 34,067.99	59.48%	\$ 20,263.39	
Apr-31	100	\$ 21,323,435.11	\$ 104,241	\$ 63,913.26	\$ 40,327.74	\$ 97,917.25	\$ 40,327.74	\$ 34,003.99	59.17%	\$ 20,119.47	
May-31	101	\$ 21,282,986.72	\$ 104,241	\$ 63,792.61	\$ 40,448.39	\$ 97,732.41	\$ 40,448.39	\$ 33,939.80	58.86%	\$ 19,976.38	
Jun-31	102	\$ 21,242,417.32	\$ 104,241	\$ 63,671.60	\$ 40,569.40	\$ 97,547.02	\$ 40,569.40	\$ 33,875.42	58.55%	\$ 19,834.12	
Jul-31	103	\$ 21,201,726.56	\$ 104,241	\$ 63,550.23	\$ 40,690.77	\$ 97,361.08	\$ 40,690.77	\$ 33,810.85	58.24%	\$ 19,692.70	
Aug-31	104	\$ 21,160,914.05	\$ 104,241	\$ 63,428.50	\$ 40,812.50	\$ 97,174.58	\$ 40,812.50	\$ 33,746.08	57.94%	\$ 19,552.10	
Sep-31	105	\$ 21,119,979.46	\$ 104,241	\$ 63,306.40	\$ 40,934.60	\$ 96,987.52	\$ 40,934.60	\$ 33,681.12	57.64%	\$ 19,412.32	
Oct-31	106	\$ 21,078,922.39	\$ 104,241	\$ 63,183.94	\$ 41,057.06	\$ 96,799.91	\$ 41,057.06	\$ 33,615.97	57.33%	\$ 19,273.36	
Nov-31	107	\$ 21,037,742.50	\$ 104,241	\$ 63,061.11	\$ 41,179.89	\$ 96,611.73	\$ 41,179.89	\$ 33,550.62	57.03%	\$ 19,135.21	
Dec-31	108	\$ 20,996,439.42	\$ 104,241	\$ 62,937.91	\$ 41,303.09	\$ 96,422.99	\$ 41,303.09	\$ 33,485.07	56.74%	\$ 18,997.86	
Jan-32	109	\$ 20,955,012.76	\$ 104,241	\$ 62,814.35	\$ 41,426.65	\$ 96,233.68	\$ 41,426.65	\$ 33,419.33	56.44%	\$ 18,861.32	
Feb-32	110	\$ 20,913,462.18	\$ 104,241	\$ 62,690.41	\$ 41,550.59	\$ 96,043.81	\$ 41,550.59	\$ 33,353.40	56.14%	\$ 18,725.58	
Mar-32	111	\$ 20,871,787.29	\$ 104,241	\$ 62,566.11	\$ 41,674.89	\$ 95,853.37	\$ 41,674.89	\$ 33,287.26	55.85%	\$ 18,590.63	
Apr-32	112	\$ 20,829,987.72	\$ 104,241	\$ 62,441.43	\$ 41,799.57	\$ 95,662.36	\$ 41,799.57	\$ 33,220.93	55.56%	\$ 18,456.47	
May-32	113	\$ 20,788,063.10	\$ 104,241	\$ 62,316.38	\$ 41,924.62	\$ 95,470.78	\$ 41,924.62	\$ 33,154.40	55.27%	\$ 18,323.10	
Jun-32	114	\$ 20,746,013.05	\$ 104,241	\$ 62,190.96	\$ 42,050.04	\$ 95,278.62	\$ 42,050.04	\$ 33,087.67	54.98%	\$ 18,190.51	
Jul-32	115	\$ 20,703,837.21	\$ 104,241	\$ 62,065.16	\$ 42,175.84	\$ 95,085.89	\$ 42,175.84	\$ 33,020.74	54.69%	\$ 18,058.69	
Aug-32	116	\$ 20,661,535.19	\$ 104,241	\$ 61,938.98	\$ 42,302.02	\$ 94,892.59	\$ 42,302.02	\$ 32,953.61	54.40%	\$ 17,927.65	
Sep-32	117	\$ 20,619,106.61	\$ 104,241	\$ 61,812.43	\$ 42,428.57	\$ 94,698.70	\$ 42,428.57	\$ 32,886.28	54.12%	\$ 17,797.38	
Oct-32	118	\$ 20,576,551.11	\$ 104,241	\$ 61,685.49	\$ 42,555.51	\$ 94,504.24	\$ 42,555.51	\$ 32,818.74	53.83%	\$ 17,667.87	
Nov-32	119	\$ 20,533,868.29	\$ 104,241	\$ 61,558.18	\$ 42,682.82	\$ 94,309.19	\$ 42,682.82	\$ 32,751.01	53.55%	\$ 17,539.12	
Dec-32	120	\$ 20,491,057.78	\$ 104,241	\$ 61,430.49	\$ 42,810.51	\$ 94,113.56	\$ 42,810.51	\$ 32,683.07	53.27%	\$ 17,411.12	
Jan-33	121	\$ 20,448,119.19	\$ 104,241	\$ 61,302.41	\$ 42,938.59	\$ 93,917.35	\$ 42,938.59	\$ 32,614.93	52.99%	\$ 17,283.88	
Feb-33	122	\$ 20,405,052.15	\$ 104,241	\$ 61,173.96	\$ 43,067.04	\$ 93,720.55	\$ 43,067.04	\$ 32,546.59	52.72%	\$ 17,157.39	
Mar-33	123	\$ 20,361,856.26	\$ 104,241	\$ 61,045.11	\$ 43,195.89	\$ 93,523.16	\$ 43,195.89	\$ 32,478.04	52.44%	\$ 17,031.64	

Schedule C.3

Ingleside Net Proceeds and Interest Savings Calculations

Month	No.	Loan Balance	Payment	Interest	Principal	Assumed Alt. Rate (Colliers)	Principal	Interest Savings	Present Value Factor	PV Interest Savings
Apr-33	124	\$ 20,318,531.15	\$ 104,241	\$ 60,915.89	\$ 43,325.11	\$ 93,325.17	\$ 43,325.11	\$ 32,409.29	52.17%	\$ 16,906.62
May-33	125	\$ 20,275,076.42	\$ 104,241	\$ 60,786.27	\$ 43,454.73	\$ 93,126.60	\$ 43,454.73	\$ 32,340.33	51.89%	\$ 16,782.35
Jun-33	126	\$ 20,231,491.69	\$ 104,241	\$ 60,656.27	\$ 43,584.73	\$ 92,927.43	\$ 43,584.73	\$ 32,271.16	51.62%	\$ 16,658.80
Jul-33	127	\$ 20,187,776.57	\$ 104,241	\$ 60,525.88	\$ 43,715.12	\$ 92,727.67	\$ 43,715.12	\$ 32,201.79	51.35%	\$ 16,535.98
Aug-33	128	\$ 20,143,930.67	\$ 104,241	\$ 60,395.10	\$ 43,845.90	\$ 92,527.31	\$ 43,845.90	\$ 32,132.21	51.08%	\$ 16,413.89
Sep-33	129	\$ 20,099,953.60	\$ 104,241	\$ 60,263.93	\$ 43,977.07	\$ 92,326.35	\$ 43,977.07	\$ 32,062.42	50.81%	\$ 16,292.51
Oct-33	130	\$ 20,055,844.96	\$ 104,241	\$ 60,132.36	\$ 44,108.64	\$ 92,124.79	\$ 44,108.64	\$ 31,992.43	50.55%	\$ 16,171.85
Nov-33	131	\$ 20,011,604.36	\$ 104,241	\$ 60,000.40	\$ 44,240.60	\$ 91,922.62	\$ 44,240.60	\$ 31,922.22	50.28%	\$ 16,051.90
Dec-33	132	\$ 19,967,231.41	\$ 104,241	\$ 59,868.05	\$ 44,372.95	\$ 91,719.85	\$ 44,372.95	\$ 31,851.80	50.02%	\$ 15,932.66
Jan-34	133	\$ 19,922,725.71	\$ 104,241	\$ 59,735.30	\$ 44,505.70	\$ 91,516.48	\$ 44,505.70	\$ 31,781.18	49.76%	\$ 15,814.12
Feb-34	134	\$ 19,878,086.87	\$ 104,241	\$ 59,602.15	\$ 44,638.85	\$ 91,312.49	\$ 44,638.85	\$ 31,710.34	49.50%	\$ 15,696.29
Mar-34	135	\$ 19,833,314.48	\$ 104,241	\$ 59,468.61	\$ 44,772.39	\$ 91,107.90	\$ 44,772.39	\$ 31,639.29	49.24%	\$ 15,579.14
Apr-34	136	\$ 19,788,408.14	\$ 104,241	\$ 59,334.67	\$ 44,906.33	\$ 90,902.69	\$ 44,906.33	\$ 31,568.03	48.98%	\$ 15,462.70
May-34	137	\$ 19,743,367.46	\$ 104,241	\$ 59,200.32	\$ 45,040.68	\$ 90,696.87	\$ 45,040.68	\$ 31,496.55	48.73%	\$ 15,346.93
Jun-34	138	\$ 19,698,192.04	\$ 104,241	\$ 59,065.57	\$ 45,175.43	\$ 90,490.43	\$ 45,175.43	\$ 31,424.86	48.47%	\$ 15,231.86
Jul-34	139	\$ 19,652,881.46	\$ 104,241	\$ 58,930.42	\$ 45,310.58	\$ 90,283.38	\$ 45,310.58	\$ 31,352.96	48.22%	\$ 15,117.46
Aug-34	140	\$ 19,607,435.33	\$ 104,241	\$ 58,794.87	\$ 45,446.13	\$ 90,075.71	\$ 45,446.13	\$ 31,280.84	47.96%	\$ 15,003.74
Sep-34	141	\$ 19,561,853.24	\$ 104,241	\$ 58,658.91	\$ 45,582.09	\$ 89,867.41	\$ 45,582.09	\$ 31,208.50	47.71%	\$ 14,890.70
Oct-34	142	\$ 19,516,134.79	\$ 104,241	\$ 58,522.54	\$ 45,718.46	\$ 89,658.49	\$ 45,718.46	\$ 31,135.95	47.46%	\$ 14,778.32
Nov-34	143	\$ 19,470,279.56	\$ 104,241	\$ 58,385.77	\$ 45,855.23	\$ 89,448.95	\$ 45,855.23	\$ 31,063.18	47.22%	\$ 14,666.61
Dec-34	144	\$ 19,424,287.14	\$ 104,241	\$ 58,248.59	\$ 45,992.41	\$ 89,238.78	\$ 45,992.41	\$ 30,990.19	46.97%	\$ 14,555.56
Jan-35	145	\$ 19,378,157.13	\$ 104,241	\$ 58,110.99	\$ 46,130.01	\$ 89,027.98	\$ 46,130.01	\$ 30,916.99	46.72%	\$ 14,445.17
Feb-35	146	\$ 19,331,889.12	\$ 104,241	\$ 57,972.99	\$ 46,268.01	\$ 88,816.55	\$ 46,268.01	\$ 30,843.57	46.48%	\$ 14,335.44
Mar-35	147	\$ 19,285,482.69	\$ 104,241	\$ 57,834.57	\$ 46,406.43	\$ 88,604.49	\$ 46,406.43	\$ 30,769.92	46.23%	\$ 14,226.36
Apr-35	148	\$ 19,238,937.43	\$ 104,241	\$ 57,695.74	\$ 46,545.26	\$ 88,391.80	\$ 46,545.26	\$ 30,696.06	45.99%	\$ 14,117.92
May-35	149	\$ 19,192,252.91	\$ 104,241	\$ 57,556.49	\$ 46,684.51	\$ 88,178.46	\$ 46,684.51	\$ 30,621.98	45.75%	\$ 14,010.13
Jun-35	150	\$ 19,145,428.74	\$ 104,241	\$ 57,416.82	\$ 46,824.18	\$ 87,964.49	\$ 46,824.18	\$ 30,547.67	45.51%	\$ 13,902.98
Jul-35	151	\$ 19,098,464.48	\$ 104,241	\$ 57,276.74	\$ 46,964.26	\$ 87,749.88	\$ 46,964.26	\$ 30,473.14	45.27%	\$ 13,796.47
Aug-35	152	\$ 19,051,359.72	\$ 104,241	\$ 57,136.24	\$ 47,104.76	\$ 87,534.63	\$ 47,104.76	\$ 30,398.39	45.04%	\$ 13,690.59
Sep-35	153	\$ 19,004,114.03	\$ 104,241	\$ 56,995.32	\$ 47,245.68	\$ 87,318.73	\$ 47,245.68	\$ 30,323.41	44.80%	\$ 13,585.34
Oct-35	154	\$ 18,956,727.01	\$ 104,241	\$ 56,853.97	\$ 47,387.03	\$ 87,102.19	\$ 47,387.03	\$ 30,248.21	44.57%	\$ 13,480.72

Schedule C.3
Ingleside Net Proceeds and Interest Savings Calculations

Month	No.	Loan Balance	Payment	Interest	Principal	Assumed Alt. Rate (Colliers)	Principal	Interest Savings	Present	
									Value	PV Interest Savings
Nov-35	155	\$ 18,909,198.22	\$ 104,241	\$ 56,712.21	\$ 47,528.79	\$ 86,885.00	\$ 47,528.79	\$ 30,172.79	44.33%	\$ 13,376.72
Dec-35	156	\$ 18,861,527.24	\$ 104,241	\$ 56,570.02	\$ 47,670.98	\$ 86,667.16	\$ 47,670.98	\$ 30,097.14	44.10%	\$ 13,273.34
Jan-36	157	\$ 18,813,713.64	\$ 104,241	\$ 56,427.40	\$ 47,813.60	\$ 86,448.67	\$ 47,813.60	\$ 30,021.26	43.87%	\$ 13,170.58
Feb-36	158	\$ 18,765,757.00	\$ 104,241	\$ 56,284.36	\$ 47,956.64	\$ 86,229.52	\$ 47,956.64	\$ 29,945.16	43.64%	\$ 13,068.43
Mar-36	159	\$ 18,717,656.89	\$ 104,241	\$ 56,140.89	\$ 48,100.11	\$ 86,009.72	\$ 48,100.11	\$ 29,868.83	43.41%	\$ 12,966.89
Apr-36	160	\$ 18,669,412.88	\$ 104,241	\$ 55,996.99	\$ 48,244.01	\$ 85,789.26	\$ 48,244.01	\$ 29,792.27	43.19%	\$ 12,865.96
May-36	161	\$ 18,621,024.54	\$ 104,241	\$ 55,852.66	\$ 48,388.34	\$ 85,568.14	\$ 48,388.34	\$ 29,715.48	42.96%	\$ 12,765.63
Jun-36	162	\$ 18,572,491.44	\$ 104,241	\$ 55,707.90	\$ 48,533.10	\$ 85,346.36	\$ 48,533.10	\$ 29,638.46	42.73%	\$ 12,665.90
Jul-36	163	\$ 18,523,813.14	\$ 104,241	\$ 55,562.70	\$ 48,678.30	\$ 85,123.92	\$ 48,678.30	\$ 29,561.22	42.51%	\$ 12,566.76
Aug-36	164	\$ 18,474,989.21	\$ 104,241	\$ 55,417.07	\$ 48,823.93	\$ 84,900.81	\$ 48,823.93	\$ 29,483.74	42.29%	\$ 12,468.22
Sep-36	165	\$ 18,426,019.22	\$ 104,241	\$ 55,271.01	\$ 48,969.99	\$ 84,677.03	\$ 48,969.99	\$ 29,406.02	42.07%	\$ 12,370.27
Oct-36	166	\$ 18,376,902.73	\$ 104,241	\$ 55,124.51	\$ 49,116.49	\$ 84,452.59	\$ 49,116.49	\$ 29,328.08	41.85%	\$ 12,272.91
Nov-36	167	\$ 18,327,639.30	\$ 104,241	\$ 54,977.57	\$ 49,263.43	\$ 84,227.47	\$ 49,263.43	\$ 29,249.90	41.63%	\$ 12,176.12
Dec-36	168	\$ 18,278,228.49	\$ 104,241	\$ 54,830.19	\$ 49,410.81	\$ 84,001.68	\$ 49,410.81	\$ 29,171.49	41.41%	\$ 12,079.92
Jan-37	169	\$ 18,228,669.85	\$ 104,241	\$ 54,682.37	\$ 49,558.63	\$ 83,775.21	\$ 49,558.63	\$ 29,092.85	41.19%	\$ 11,984.30
Feb-37	170	\$ 18,178,962.96	\$ 104,241	\$ 54,534.10	\$ 49,706.90	\$ 83,548.07	\$ 49,706.90	\$ 29,013.97	40.98%	\$ 11,889.25
Mar-37	171	\$ 18,129,107.35	\$ 104,241	\$ 54,385.40	\$ 49,855.60	\$ 83,320.25	\$ 49,855.60	\$ 28,934.85	40.76%	\$ 11,794.77
Apr-37	172	\$ 18,079,102.60	\$ 104,241	\$ 54,236.25	\$ 50,004.75	\$ 83,091.74	\$ 50,004.75	\$ 28,855.50	40.55%	\$ 11,700.85
May-37	173	\$ 18,028,948.25	\$ 104,241	\$ 54,086.65	\$ 50,154.35	\$ 82,862.55	\$ 50,154.35	\$ 28,775.90	40.34%	\$ 11,607.50
Jun-37	174	\$ 17,978,643.85	\$ 104,241	\$ 53,936.60	\$ 50,304.40	\$ 82,632.68	\$ 50,304.40	\$ 28,696.08	40.13%	\$ 11,514.72
Jul-37	175	\$ 17,928,188.96	\$ 104,241	\$ 53,786.11	\$ 50,454.89	\$ 82,402.12	\$ 50,454.89	\$ 28,616.01	39.92%	\$ 11,422.49
Aug-37	176	\$ 17,877,583.13	\$ 104,241	\$ 53,635.17	\$ 50,605.83	\$ 82,170.87	\$ 50,605.83	\$ 28,535.70	39.71%	\$ 11,330.81
Sep-37	177	\$ 17,826,825.90	\$ 104,241	\$ 53,483.77	\$ 50,757.23	\$ 81,938.92	\$ 50,757.23	\$ 28,455.15	39.50%	\$ 11,239.69
Oct-37	178	\$ 17,775,916.82	\$ 104,241	\$ 53,331.92	\$ 50,909.08	\$ 81,706.29	\$ 50,909.08	\$ 28,374.36	39.29%	\$ 11,149.11
Nov-37	179	\$ 17,724,855.44	\$ 104,241	\$ 53,179.62	\$ 51,061.38	\$ 81,472.95	\$ 51,061.38	\$ 28,293.33	39.09%	\$ 11,059.08
Dec-37	180	\$ 17,673,641.29	\$ 104,241	\$ 53,026.86	\$ 51,214.14	\$ 81,238.92	\$ 51,214.14	\$ 28,212.06	38.88%	\$ 10,969.60

Schedule C.4

Opelika Estimated Net Proceeds and Interest Savings Calculations

Min. Est. Value of Property	Net from Immediate Sale - no Prepayment Penalty	Net Proceeds from Sale w 15- Year HUD Assumption		Net Proceeds from Sale w/ Ten Year HUD Assumption		PV 10-Year Interest Savings	PV 15-Year Interest Savings	Assumed Selling Costs @ 1.5%
		Year HUD Assumption	Year HUD Assumption	Year HUD Assumption	Year HUD Assumption			
\$ 36,819,048	\$ 12,388,772	\$ 18,859,755.75	\$ 17,847,582.35	\$ 4,630,031.43	\$ 3,617,858.03	\$ 552,286		

5.25% cap rate Sep-Dec 2023 projected
5% Discount

Receiver Net	\$ 9,199,112.04
Payoff SPC	\$ 3,189,659.90
Receiver Proceeds	\$ 12,388,771.94
Shortfall	\$ 1,840,952.38
Loss to SPC	\$ 9,199,112.04
	\$ 12,388,771.94
	\$ 6,470,983.81
	\$ 5,458,810.41
	\$ 16,222,381.57
	\$ 15,210,208.17

Schedule C.4
Opelika Estimated Net Proceeds and Interest Savings Calculations

Month	No.	Loan Balance	Est. Payment	Interest	Principal	Assumed Alt. Rate (Colliers)	Principal	Interest Savings	Present Value Factor	PV Interest Savings
Jan-23	1									
Feb-23	2									
Mar-23	3									
Apr-23	4	\$ 22,062,229.32								
May-23	5	\$ 22,037,037.58	\$ 80,163	\$ 54,971.72	\$ 25,191.74	\$ 101,003.09	\$ 25,191.74	\$ 46,031.37	97.41%	\$ 44,839.24
Jun-23	6	\$ 22,011,783.07	\$ 80,163	\$ 54,908.95	\$ 25,254.51	\$ 101,003.09	\$ 25,254.51	\$ 46,094.14	96.90%	\$ 44,665.36
Jul-23	7	\$ 21,986,465.64	\$ 80,163	\$ 54,846.03	\$ 25,317.43	\$ 100,887.34	\$ 25,317.43	\$ 46,041.31	96.39%	\$ 44,380.66
Aug-23	8	\$ 21,961,085.12	\$ 80,163	\$ 54,782.94	\$ 25,380.52	\$ 100,771.30	\$ 25,380.52	\$ 45,988.36	95.89%	\$ 44,097.59
Sep-23	9	\$ 21,935,641.37	\$ 80,163	\$ 54,719.70	\$ 25,443.76	\$ 100,654.97	\$ 25,443.76	\$ 45,935.27	95.39%	\$ 43,816.13
Oct-23	10	\$ 21,910,134.21	\$ 80,163	\$ 54,656.31	\$ 25,507.15	\$ 100,538.36	\$ 25,507.15	\$ 45,882.05	94.89%	\$ 43,536.30
Nov-23	11	\$ 21,884,563.50	\$ 80,163	\$ 54,592.75	\$ 25,570.71	\$ 100,421.45	\$ 25,570.71	\$ 45,828.70	94.39%	\$ 43,258.06
Dec-23	12	\$ 21,858,929.08	\$ 80,163	\$ 54,529.04	\$ 25,634.42	\$ 100,304.25	\$ 25,634.42	\$ 45,775.21	93.90%	\$ 42,981.42
Jan-24	13	\$ 21,833,230.79	\$ 80,163	\$ 54,465.16	\$ 25,698.30	\$ 100,186.76	\$ 25,698.30	\$ 45,721.59	93.41%	\$ 42,706.37
Feb-24	14	\$ 21,807,468.46	\$ 80,163	\$ 54,401.13	\$ 25,762.33	\$ 100,068.97	\$ 25,762.33	\$ 45,667.84	92.92%	\$ 42,432.89
Mar-24	15	\$ 21,781,641.94	\$ 80,163	\$ 54,336.94	\$ 25,826.52	\$ 99,950.90	\$ 25,826.52	\$ 45,613.95	92.43%	\$ 42,160.98
Apr-24	16	\$ 21,755,751.07	\$ 80,163	\$ 54,272.59	\$ 25,890.87	\$ 99,832.53	\$ 25,890.87	\$ 45,559.93	91.95%	\$ 41,890.64
May-24	17	\$ 21,729,795.69	\$ 80,163	\$ 54,208.08	\$ 25,955.38	\$ 99,713.86	\$ 25,955.38	\$ 45,505.78	91.46%	\$ 41,621.84
Jun-24	18	\$ 21,703,775.64	\$ 80,163	\$ 54,143.41	\$ 26,020.05	\$ 99,594.90	\$ 26,020.05	\$ 45,451.49	90.99%	\$ 41,354.59
Jul-24	19	\$ 21,677,690.76	\$ 80,163	\$ 54,078.57	\$ 26,084.89	\$ 99,475.64	\$ 26,084.89	\$ 45,397.06	90.51%	\$ 41,088.87
Aug-24	20	\$ 21,651,540.87	\$ 80,163	\$ 54,013.58	\$ 26,149.88	\$ 99,356.08	\$ 26,149.88	\$ 45,342.50	90.04%	\$ 40,824.68
Sep-24	21	\$ 21,625,325.84	\$ 80,163	\$ 53,948.42	\$ 26,215.04	\$ 99,236.23	\$ 26,215.04	\$ 45,287.81	89.56%	\$ 40,562.01
Oct-24	22	\$ 21,599,045.48	\$ 80,163	\$ 53,883.10	\$ 26,280.36	\$ 99,116.08	\$ 26,280.36	\$ 45,232.97	89.10%	\$ 40,300.85
Nov-24	23	\$ 21,572,699.64	\$ 80,163	\$ 53,817.62	\$ 26,345.84	\$ 98,995.63	\$ 26,345.84	\$ 45,178.00	88.63%	\$ 40,041.19
Dec-24	24	\$ 21,546,288.16	\$ 80,163	\$ 53,751.98	\$ 26,411.48	\$ 98,874.87	\$ 26,411.48	\$ 45,122.90	88.17%	\$ 39,783.02
Jan-25	25	\$ 21,519,810.87	\$ 80,163	\$ 53,686.17	\$ 26,477.29	\$ 98,753.82	\$ 26,477.29	\$ 45,067.65	87.70%	\$ 39,526.34
Feb-25	26	\$ 21,493,267.60	\$ 80,163	\$ 53,620.20	\$ 26,543.26	\$ 98,632.47	\$ 26,543.26	\$ 45,012.27	87.25%	\$ 39,271.13
Mar-25	27	\$ 21,466,658.20	\$ 80,163	\$ 53,554.06	\$ 26,609.40	\$ 98,510.81	\$ 26,609.40	\$ 44,956.75	86.79%	\$ 39,017.40
Apr-25	28	\$ 21,439,982.50	\$ 80,163	\$ 53,487.76	\$ 26,675.70	\$ 98,388.85	\$ 26,675.70	\$ 44,901.09	86.33%	\$ 38,765.12
May-25	29	\$ 21,413,240.33	\$ 80,163	\$ 53,421.29	\$ 26,742.17	\$ 98,266.59	\$ 26,742.17	\$ 44,845.30	85.88%	\$ 38,514.30
Jun-25	30	\$ 21,386,431.52	\$ 80,163	\$ 53,354.66	\$ 26,808.80	\$ 98,144.02	\$ 26,808.80	\$ 44,789.36	85.43%	\$ 38,264.92
Jul-25	31	\$ 21,359,555.92	\$ 80,163	\$ 53,287.86	\$ 26,875.60	\$ 98,021.14	\$ 26,875.60	\$ 44,733.29	84.99%	\$ 38,016.98
Aug-25	32	\$ 21,332,613.36	\$ 80,163	\$ 53,220.89	\$ 26,942.57	\$ 97,897.96	\$ 26,942.57	\$ 44,677.07	84.54%	\$ 37,770.47
Sep-25	33	\$ 21,305,603.66	\$ 80,163	\$ 53,153.76	\$ 27,009.70	\$ 97,774.48	\$ 27,009.70	\$ 44,620.72	84.10%	\$ 37,525.38

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Opelika Estimated Net Proceeds and Interest Savings Calculations

Month	No.	Loan Balance	Est. Payment	Interest	Principal	Assumed Alt. Rate (Colliers)	Principal	Interest Savings	Present Value Factor	PV Interest Savings
Oct-25	34	\$ 21,278,526.66	\$ 80,163	\$ 53,086.46	\$ 27,077.00	\$ 97,650.68	\$ 27,077.00	\$ 44,564.22	83.66%	\$ 37,281.70
Nov-25	35	\$ 21,251,382.20	\$ 80,163	\$ 53,019.00	\$ 27,144.46	\$ 97,526.58	\$ 27,144.46	\$ 44,507.58	83.22%	\$ 37,039.43
Dec-25	36	\$ 21,224,170.10	\$ 80,163	\$ 52,951.36	\$ 27,212.10	\$ 97,402.17	\$ 27,212.10	\$ 44,450.81	82.78%	\$ 36,798.56
Jan-26	37	\$ 21,196,890.19	\$ 80,163	\$ 52,883.56	\$ 27,279.90	\$ 97,277.45	\$ 27,279.90	\$ 44,393.89	82.35%	\$ 36,559.08
Feb-26	38	\$ 21,169,542.32	\$ 80,163	\$ 52,815.58	\$ 27,347.88	\$ 97,152.41	\$ 27,347.88	\$ 44,336.83	81.92%	\$ 36,320.98
Mar-26	39	\$ 21,142,126.30	\$ 80,163	\$ 52,747.44	\$ 27,416.02	\$ 97,027.07	\$ 27,416.02	\$ 44,279.63	81.49%	\$ 36,084.25
Apr-26	40	\$ 21,114,641.97	\$ 80,163	\$ 52,679.13	\$ 27,484.33	\$ 96,901.41	\$ 27,484.33	\$ 44,222.28	81.07%	\$ 35,848.90
May-26	41	\$ 21,087,089.16	\$ 80,163	\$ 52,610.65	\$ 27,552.81	\$ 96,775.44	\$ 27,552.81	\$ 44,164.79	80.64%	\$ 35,614.90
Jun-26	42	\$ 21,059,467.70	\$ 80,163	\$ 52,542.00	\$ 27,621.46	\$ 96,649.16	\$ 27,621.46	\$ 44,107.16	80.22%	\$ 35,382.25
Jul-26	43	\$ 21,031,777.41	\$ 80,163	\$ 52,473.17	\$ 27,690.29	\$ 96,522.56	\$ 27,690.29	\$ 44,049.39	79.80%	\$ 35,150.95
Aug-26	44	\$ 21,004,018.13	\$ 80,163	\$ 52,404.18	\$ 27,759.28	\$ 96,395.65	\$ 27,759.28	\$ 43,991.47	79.38%	\$ 34,920.99
Sep-26	45	\$ 20,976,189.68	\$ 80,163	\$ 52,335.01	\$ 27,828.45	\$ 96,268.42	\$ 27,828.45	\$ 43,933.40	78.97%	\$ 34,692.36
Oct-26	46	\$ 20,948,291.90	\$ 80,163	\$ 52,265.67	\$ 27,897.79	\$ 96,140.87	\$ 27,897.79	\$ 43,875.20	78.55%	\$ 34,465.05
Nov-26	47	\$ 20,920,324.60	\$ 80,163	\$ 52,196.16	\$ 27,967.30	\$ 96,013.00	\$ 27,967.30	\$ 43,816.84	78.14%	\$ 34,239.06
Dec-26	48	\$ 20,892,287.61	\$ 80,163	\$ 52,126.48	\$ 28,036.98	\$ 95,884.82	\$ 28,036.98	\$ 43,758.35	77.73%	\$ 34,014.37
Jan-27	49	\$ 20,864,180.77	\$ 80,163	\$ 52,056.62	\$ 28,106.84	\$ 95,756.32	\$ 28,106.84	\$ 43,699.70	77.33%	\$ 33,790.99
Feb-27	50	\$ 20,836,003.89	\$ 80,163	\$ 51,986.58	\$ 28,176.88	\$ 95,627.50	\$ 28,176.88	\$ 43,640.91	76.92%	\$ 33,568.90
Mar-27	51	\$ 20,807,756.81	\$ 80,163	\$ 51,916.38	\$ 28,247.08	\$ 95,498.35	\$ 28,247.08	\$ 43,581.97	76.52%	\$ 33,348.10
Apr-27	52	\$ 20,779,439.34	\$ 80,163	\$ 51,845.99	\$ 28,317.47	\$ 95,368.89	\$ 28,317.47	\$ 43,522.89	76.12%	\$ 33,128.58
May-27	53	\$ 20,751,051.32	\$ 80,163	\$ 51,775.44	\$ 28,388.02	\$ 95,239.10	\$ 28,388.02	\$ 43,463.66	75.72%	\$ 32,910.33
Jun-27	54	\$ 20,722,592.56	\$ 80,163	\$ 51,704.70	\$ 28,458.76	\$ 95,108.99	\$ 28,458.76	\$ 43,404.28	75.32%	\$ 32,693.34
Jul-27	55	\$ 20,694,062.90	\$ 80,163	\$ 51,633.79	\$ 28,529.67	\$ 94,978.55	\$ 28,529.67	\$ 43,344.76	74.93%	\$ 32,477.62
Aug-27	56	\$ 20,665,462.14	\$ 80,163	\$ 51,562.71	\$ 28,600.75	\$ 94,847.79	\$ 28,600.75	\$ 43,285.08	74.54%	\$ 32,263.15
Sep-27	57	\$ 20,636,790.13	\$ 80,163	\$ 51,491.44	\$ 28,672.02	\$ 94,716.70	\$ 28,672.02	\$ 43,225.26	74.15%	\$ 32,049.92
Oct-27	58	\$ 20,608,046.67	\$ 80,163	\$ 51,420.00	\$ 28,743.46	\$ 94,585.29	\$ 28,743.46	\$ 43,165.29	73.76%	\$ 31,837.93
Nov-27	59	\$ 20,579,231.59	\$ 80,163	\$ 51,348.38	\$ 28,815.08	\$ 94,453.55	\$ 28,815.08	\$ 43,105.16	73.37%	\$ 31,627.17
Dec-27	60	\$ 20,550,344.72	\$ 80,163	\$ 51,276.59	\$ 28,886.87	\$ 94,321.48	\$ 28,886.87	\$ 43,044.89	72.99%	\$ 31,417.64
Jan-28	61	\$ 20,521,385.87	\$ 80,163	\$ 51,204.61	\$ 28,958.85	\$ 94,189.08	\$ 28,958.85	\$ 42,984.47	72.61%	\$ 31,209.33
Feb-28	62	\$ 20,492,354.86	\$ 80,163	\$ 51,132.45	\$ 29,031.01	\$ 94,056.35	\$ 29,031.01	\$ 42,923.90	72.23%	\$ 31,002.22
Mar-28	63	\$ 20,463,251.52	\$ 80,163	\$ 51,060.12	\$ 29,103.34	\$ 93,923.29	\$ 29,103.34	\$ 42,863.18	71.85%	\$ 30,796.33
Apr-28	64	\$ 20,434,075.66	\$ 80,163	\$ 50,987.60	\$ 29,175.86	\$ 93,789.90	\$ 29,175.86	\$ 42,802.30	71.47%	\$ 30,591.62
May-28	65	\$ 20,404,827.10	\$ 80,163	\$ 50,914.91	\$ 29,248.55	\$ 93,656.18	\$ 29,248.55	\$ 42,741.27	71.10%	\$ 30,388.12
Jun-28	66	\$ 20,375,505.67	\$ 80,163	\$ 50,842.03	\$ 29,321.43	\$ 93,522.12	\$ 29,321.43	\$ 42,680.10	70.73%	\$ 30,185.79
Jul-28	67	\$ 20,346,111.18	\$ 80,163	\$ 50,768.97	\$ 29,394.49	\$ 93,387.73	\$ 29,394.49	\$ 42,618.77	70.36%	\$ 29,984.64

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Opelika Estimated Net Proceeds and Interest Savings Calculations

Month	No.	Loan Balance	Est. Payment	Interest	Principal	Assumed Alt. Rate (Colliers)	Principal	Interest Savings	Value Factor	PV Interest Savings
Aug-28	68	\$ 20,316,643.45	\$ 80,163	\$ 50,695.73	\$ 29,467.73	\$ 93,253.01	\$ 29,467.73	\$ 42,557.28	69.99%	\$ 29,784.67
Sep-28	69	\$ 20,287,102.29	\$ 80,163	\$ 50,622.30	\$ 29,541.16	\$ 93,117.95	\$ 29,541.16	\$ 42,495.65	69.62%	\$ 29,585.86
Oct-28	70	\$ 20,257,487.53	\$ 80,163	\$ 50,548.70	\$ 29,614.76	\$ 92,982.55	\$ 29,614.76	\$ 42,433.86	69.26%	\$ 29,388.21
Nov-28	71	\$ 20,227,798.97	\$ 80,163	\$ 50,474.91	\$ 29,688.55	\$ 92,846.82	\$ 29,688.55	\$ 42,371.91	68.89%	\$ 29,191.71
Dec-28	72	\$ 20,198,036.44	\$ 80,163	\$ 50,400.93	\$ 29,762.53	\$ 92,710.75	\$ 29,762.53	\$ 42,309.81	68.53%	\$ 28,996.36
Jan-29	73	\$ 20,168,199.76	\$ 80,163	\$ 50,326.77	\$ 29,836.69	\$ 92,574.33	\$ 29,836.69	\$ 42,247.56	68.17%	\$ 28,802.15
Feb-29	74	\$ 20,138,288.73	\$ 80,163	\$ 50,252.43	\$ 29,911.03	\$ 92,437.58	\$ 29,911.03	\$ 42,185.15	67.82%	\$ 28,609.07
Mar-29	75	\$ 20,108,303.17	\$ 80,163	\$ 50,177.90	\$ 29,985.56	\$ 92,300.49	\$ 29,985.56	\$ 42,122.59	67.46%	\$ 28,417.12
Apr-29	76	\$ 20,078,242.90	\$ 80,163	\$ 50,103.19	\$ 30,060.27	\$ 92,163.06	\$ 30,060.27	\$ 42,059.87	67.11%	\$ 28,226.28
May-29	77	\$ 20,048,107.73	\$ 80,163	\$ 50,028.29	\$ 30,135.17	\$ 92,025.28	\$ 30,135.17	\$ 41,996.99	66.76%	\$ 28,036.57
Jun-29	78	\$ 20,017,897.47	\$ 80,163	\$ 49,953.20	\$ 30,210.26	\$ 91,887.16	\$ 30,210.26	\$ 41,933.96	66.41%	\$ 27,847.96
Jul-29	79	\$ 19,987,611.94	\$ 80,163	\$ 49,877.93	\$ 30,285.53	\$ 91,748.70	\$ 30,285.53	\$ 41,870.77	66.06%	\$ 27,660.46
Aug-29	80	\$ 19,957,250.95	\$ 80,163	\$ 49,802.47	\$ 30,360.99	\$ 91,609.89	\$ 30,360.99	\$ 41,807.42	65.72%	\$ 27,474.05
Sep-29	81	\$ 19,926,814.30	\$ 80,163	\$ 49,726.82	\$ 30,436.64	\$ 91,470.73	\$ 30,436.64	\$ 41,743.92	65.37%	\$ 27,288.73
Oct-29	82	\$ 19,896,301.82	\$ 80,163	\$ 49,650.98	\$ 30,512.48	\$ 91,331.23	\$ 30,512.48	\$ 41,680.25	65.03%	\$ 27,104.50
Nov-29	83	\$ 19,865,713.31	\$ 80,163	\$ 49,574.95	\$ 30,588.51	\$ 91,191.38	\$ 30,588.51	\$ 41,616.43	64.69%	\$ 26,921.34
Dec-29	84	\$ 19,835,048.59	\$ 80,163	\$ 49,498.74	\$ 30,664.72	\$ 91,051.19	\$ 30,664.72	\$ 41,552.45	64.35%	\$ 26,739.26
Jan-30	85	\$ 19,804,307.46	\$ 80,163	\$ 49,422.33	\$ 30,741.13	\$ 90,910.64	\$ 30,741.13	\$ 41,488.31	64.01%	\$ 26,558.24
Feb-30	86	\$ 19,773,489.73	\$ 80,163	\$ 49,345.73	\$ 30,817.73	\$ 90,769.74	\$ 30,817.73	\$ 41,424.01	63.68%	\$ 26,378.29
Mar-30	87	\$ 19,742,595.22	\$ 80,163	\$ 49,268.95	\$ 30,894.51	\$ 90,628.49	\$ 30,894.51	\$ 41,359.55	63.35%	\$ 26,199.39
Apr-30	88	\$ 19,711,623.72	\$ 80,163	\$ 49,191.97	\$ 30,971.49	\$ 90,486.89	\$ 30,971.49	\$ 41,294.93	63.01%	\$ 26,021.54
May-30	89	\$ 19,680,575.06	\$ 80,163	\$ 49,114.80	\$ 31,048.66	\$ 90,344.94	\$ 31,048.66	\$ 41,230.15	62.68%	\$ 25,844.73
Jun-30	90	\$ 19,649,449.03	\$ 80,163	\$ 49,037.43	\$ 31,126.03	\$ 90,202.64	\$ 31,126.03	\$ 41,165.20	62.36%	\$ 25,668.96
Jul-30	91	\$ 19,618,245.45	\$ 80,163	\$ 48,959.88	\$ 31,203.58	\$ 90,059.97	\$ 31,203.58	\$ 41,100.10	62.03%	\$ 25,494.22
Aug-30	92	\$ 19,586,964.12	\$ 80,163	\$ 48,882.13	\$ 31,281.33	\$ 89,916.96	\$ 31,281.33	\$ 41,034.83	61.70%	\$ 25,320.50
Sep-30	93	\$ 19,555,604.84	\$ 80,163	\$ 48,804.19	\$ 31,359.27	\$ 89,773.59	\$ 31,359.27	\$ 40,969.40	61.38%	\$ 25,147.81
Oct-30	94	\$ 19,524,167.43	\$ 80,163	\$ 48,726.05	\$ 31,437.41	\$ 89,629.86	\$ 31,437.41	\$ 40,903.81	61.06%	\$ 24,976.13
Nov-30	95	\$ 19,492,651.69	\$ 80,163	\$ 48,647.72	\$ 31,515.74	\$ 89,485.77	\$ 31,515.74	\$ 40,838.05	60.74%	\$ 24,805.46
Dec-30	96	\$ 19,461,057.42	\$ 80,163	\$ 48,569.19	\$ 31,594.27	\$ 89,341.32	\$ 31,594.27	\$ 40,772.13	60.42%	\$ 24,635.79
Jan-31	97	\$ 19,429,384.43	\$ 80,163	\$ 48,490.47	\$ 31,672.99	\$ 89,196.51	\$ 31,672.99	\$ 40,706.05	60.11%	\$ 24,467.12
Feb-31	98	\$ 19,397,632.52	\$ 80,163	\$ 48,411.55	\$ 31,751.91	\$ 89,051.35	\$ 31,751.91	\$ 40,639.80	59.79%	\$ 24,299.45
Mar-31	99	\$ 19,365,801.49	\$ 80,163	\$ 48,332.43	\$ 31,831.03	\$ 88,905.82	\$ 31,831.03	\$ 40,573.38	59.48%	\$ 24,132.76
Apr-31	100	\$ 19,333,891.15	\$ 80,163	\$ 48,253.12	\$ 31,910.34	\$ 88,759.92	\$ 31,910.34	\$ 40,506.80	59.17%	\$ 23,967.05
May-31	101	\$ 19,301,901.31	\$ 80,163	\$ 48,173.61	\$ 31,989.85	\$ 88,613.67	\$ 31,989.85	\$ 40,440.06	58.86%	\$ 23,802.32

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Opelika Estimated Net Proceeds and Interest Savings Calculations

Month	No.	Loan Balance	Est. Payment	Interest	Principal	Assumed Alt. Rate (Colliers)	Principal	Interest Savings	Present Value Factor	PV Interest Savings
Jun-31	102	\$ 19,269,831.75	\$ 80,163	\$ 48,093.90	\$ 32,069.56	\$ 88,467.05	\$ 32,069.56	\$ 40,373.14	58.55%	\$ 23,638.55
Jul-31	103	\$ 19,237,682.29	\$ 80,163	\$ 48,014.00	\$ 32,149.46	\$ 88,320.06	\$ 32,149.46	\$ 40,306.06	58.24%	\$ 23,475.76
Aug-31	104	\$ 19,205,452.72	\$ 80,163	\$ 47,933.89	\$ 32,229.57	\$ 88,172.71	\$ 32,229.57	\$ 40,238.82	57.94%	\$ 23,313.92
Sep-31	105	\$ 19,173,142.84	\$ 80,163	\$ 47,853.59	\$ 32,309.87	\$ 88,024.99	\$ 32,309.87	\$ 40,171.41	57.64%	\$ 23,153.04
Oct-31	106	\$ 19,140,752.47	\$ 80,163	\$ 47,773.08	\$ 32,390.38	\$ 87,876.90	\$ 32,390.38	\$ 40,103.82	57.33%	\$ 22,993.10
Nov-31	107	\$ 19,108,281.38	\$ 80,163	\$ 47,692.37	\$ 32,471.09	\$ 87,728.45	\$ 32,471.09	\$ 40,036.07	57.03%	\$ 22,834.11
Dec-31	108	\$ 19,075,729.39	\$ 80,163	\$ 47,611.47	\$ 32,551.99	\$ 87,579.62	\$ 32,551.99	\$ 39,968.16	56.74%	\$ 22,676.06
Jan-32	109	\$ 19,043,096.29	\$ 80,163	\$ 47,530.36	\$ 32,633.10	\$ 87,430.43	\$ 32,633.10	\$ 39,900.07	56.44%	\$ 22,518.94
Feb-32	110	\$ 19,010,381.88	\$ 80,163	\$ 47,449.05	\$ 32,714.41	\$ 87,280.86	\$ 32,714.41	\$ 39,831.81	56.14%	\$ 22,362.75
Mar-32	111	\$ 18,977,585.95	\$ 80,163	\$ 47,367.53	\$ 32,795.93	\$ 87,130.92	\$ 32,795.93	\$ 39,763.38	55.85%	\$ 22,207.49
Apr-32	112	\$ 18,944,708.31	\$ 80,163	\$ 47,285.82	\$ 32,877.64	\$ 86,980.60	\$ 32,877.64	\$ 39,694.78	55.56%	\$ 22,053.14
May-32	113	\$ 18,911,748.75	\$ 80,163	\$ 47,203.90	\$ 32,959.56	\$ 86,829.91	\$ 32,959.56	\$ 39,626.01	55.27%	\$ 21,899.70
Jun-32	114	\$ 18,878,707.06	\$ 80,163	\$ 47,121.77	\$ 33,041.69	\$ 86,678.85	\$ 33,041.69	\$ 39,557.07	54.98%	\$ 21,747.18
Jul-32	115	\$ 18,845,583.05	\$ 80,163	\$ 47,039.45	\$ 33,124.01	\$ 86,527.41	\$ 33,124.01	\$ 39,487.96	54.69%	\$ 21,595.55
Aug-32	116	\$ 18,812,376.50	\$ 80,163	\$ 46,956.91	\$ 33,206.55	\$ 86,375.59	\$ 33,206.55	\$ 39,418.68	54.40%	\$ 21,444.83
Sep-32	117	\$ 18,779,087.21	\$ 80,163	\$ 46,874.17	\$ 33,289.29	\$ 86,223.39	\$ 33,289.29	\$ 39,349.22	54.12%	\$ 21,294.99
Oct-32	118	\$ 18,745,714.97	\$ 80,163	\$ 46,791.23	\$ 33,372.23	\$ 86,070.82	\$ 33,372.23	\$ 39,279.59	53.83%	\$ 21,146.04
Nov-32	119	\$ 18,712,259.59	\$ 80,163	\$ 46,708.07	\$ 33,455.39	\$ 85,917.86	\$ 33,455.39	\$ 39,209.79	53.55%	\$ 20,997.98
Dec-32	120	\$ 18,678,720.84	\$ 80,163	\$ 46,624.71	\$ 33,538.75	\$ 85,764.52	\$ 33,538.75	\$ 39,139.81	53.27%	\$ 20,850.80
Jan-33	121	\$ 18,645,098.53	\$ 80,163	\$ 46,541.15	\$ 33,622.31	\$ 85,610.80	\$ 33,622.31	\$ 39,069.66	52.99%	\$ 20,704.48
Feb-33	122	\$ 18,611,392.44	\$ 80,163	\$ 46,457.37	\$ 33,706.09	\$ 85,456.70	\$ 33,706.09	\$ 38,999.33	52.72%	\$ 20,559.04
Mar-33	123	\$ 18,577,602.36	\$ 80,163	\$ 46,373.39	\$ 33,790.07	\$ 85,302.22	\$ 33,790.07	\$ 38,928.83	52.44%	\$ 20,414.46
Apr-33	124	\$ 18,543,728.10	\$ 80,163	\$ 46,289.19	\$ 33,874.27	\$ 85,147.34	\$ 33,874.27	\$ 38,858.15	52.17%	\$ 20,270.74
May-33	125	\$ 18,509,769.43	\$ 80,163	\$ 46,204.79	\$ 33,958.67	\$ 84,992.09	\$ 33,958.67	\$ 38,787.30	51.89%	\$ 20,127.87
Jun-33	126	\$ 18,475,726.14	\$ 80,163	\$ 46,120.18	\$ 34,043.28	\$ 84,836.44	\$ 34,043.28	\$ 38,716.27	51.62%	\$ 19,985.85
Jul-33	127	\$ 18,441,598.03	\$ 80,163	\$ 46,035.35	\$ 34,128.11	\$ 84,680.41	\$ 34,128.11	\$ 38,645.06	51.35%	\$ 19,844.67
Aug-33	128	\$ 18,407,384.89	\$ 80,163	\$ 45,950.32	\$ 34,213.14	\$ 84,523.99	\$ 34,213.14	\$ 38,573.68	51.08%	\$ 19,704.34
Sep-33	129	\$ 18,373,086.49	\$ 80,163	\$ 45,865.07	\$ 34,298.39	\$ 84,367.18	\$ 34,298.39	\$ 38,502.11	50.81%	\$ 19,564.84
Oct-33	130	\$ 18,338,702.64	\$ 80,163	\$ 45,779.61	\$ 34,383.85	\$ 84,209.98	\$ 34,383.85	\$ 38,430.37	50.55%	\$ 19,426.17
Nov-33	131	\$ 18,304,233.12	\$ 80,163	\$ 45,693.93	\$ 34,469.53	\$ 84,052.39	\$ 34,469.53	\$ 38,358.45	50.28%	\$ 19,288.33
Dec-33	132	\$ 18,269,677.70	\$ 80,163	\$ 45,608.05	\$ 34,555.41	\$ 83,894.40	\$ 34,555.41	\$ 38,286.35	50.02%	\$ 19,151.30
Jan-34	133	\$ 18,235,036.19	\$ 80,163	\$ 45,521.95	\$ 34,641.51	\$ 83,736.02	\$ 34,641.51	\$ 38,214.08	49.76%	\$ 19,015.10
Feb-34	134	\$ 18,200,308.36	\$ 80,163	\$ 45,435.63	\$ 34,727.83	\$ 83,577.25	\$ 34,727.83	\$ 38,141.62	49.50%	\$ 18,879.70
Mar-34	135	\$ 18,165,494.00	\$ 80,163	\$ 45,349.10	\$ 34,814.36	\$ 83,418.08	\$ 34,814.36	\$ 38,068.98	49.24%	\$ 18,745.12

Schedule C.4

Opelika Estimated Net Proceeds and Interest Savings Calculations

Month	No.	Loan Balance	Est. Payment	Interest	Principal	Assumed Alt. Rate (Colliers)	Principal	Interest Savings	Present Value Factor	PV Interest Savings
Apr-34	136	\$ 18,130,592.90	\$ 80,163	\$ 45,262.36	\$ 34,901.10	\$ 83,258.51	\$ 34,901.10	\$ 37,996.16	48.98%	\$ 18,611.33
May-34	137	\$ 18,095,604.83	\$ 80,163	\$ 45,175.39	\$ 34,988.07	\$ 83,098.55	\$ 34,988.07	\$ 37,923.16	48.73%	\$ 18,478.35
Jun-34	138	\$ 18,060,529.59	\$ 80,163	\$ 45,088.22	\$ 35,075.24	\$ 82,938.19	\$ 35,075.24	\$ 37,849.97	48.47%	\$ 18,346.16
Jul-34	139	\$ 18,025,366.95	\$ 80,163	\$ 45,000.82	\$ 35,162.64	\$ 82,777.43	\$ 35,162.64	\$ 37,776.61	48.22%	\$ 18,214.75
Aug-34	140	\$ 17,990,116.69	\$ 80,163	\$ 44,913.21	\$ 35,250.25	\$ 82,616.27	\$ 35,250.25	\$ 37,703.06	47.96%	\$ 18,084.14
Sep-34	141	\$ 17,954,778.61	\$ 80,163	\$ 44,825.37	\$ 35,338.09	\$ 82,454.70	\$ 35,338.09	\$ 37,629.33	47.71%	\$ 17,954.30
Oct-34	142	\$ 17,919,352.47	\$ 80,163	\$ 44,737.32	\$ 35,426.14	\$ 82,292.74	\$ 35,426.14	\$ 37,555.41	47.46%	\$ 17,825.24
Nov-34	143	\$ 17,883,838.06	\$ 80,163	\$ 44,649.05	\$ 35,514.41	\$ 82,130.37	\$ 35,514.41	\$ 37,481.31	47.22%	\$ 17,696.96
Dec-34	144	\$ 17,848,235.17	\$ 80,163	\$ 44,560.56	\$ 35,602.90	\$ 81,967.59	\$ 35,602.90	\$ 37,407.03	46.97%	\$ 17,569.44
Jan-35	145	\$ 17,812,543.56	\$ 80,163	\$ 44,471.85	\$ 35,691.61	\$ 81,804.41	\$ 35,691.61	\$ 37,332.56	46.72%	\$ 17,442.68
Feb-35	146	\$ 17,776,763.02	\$ 80,163	\$ 44,382.92	\$ 35,780.54	\$ 81,640.82	\$ 35,780.54	\$ 37,257.90	46.48%	\$ 17,316.69
Mar-35	147	\$ 17,740,893.33	\$ 80,163	\$ 44,293.77	\$ 35,869.69	\$ 81,476.83	\$ 35,869.69	\$ 37,183.06	46.23%	\$ 17,191.45
Apr-35	148	\$ 17,704,934.26	\$ 80,163	\$ 44,204.39	\$ 35,959.07	\$ 81,312.43	\$ 35,959.07	\$ 37,108.04	45.99%	\$ 17,066.96
May-35	149	\$ 17,668,885.60	\$ 80,163	\$ 44,114.79	\$ 36,048.67	\$ 81,147.62	\$ 36,048.67	\$ 37,032.82	45.75%	\$ 16,943.22
Jun-35	150	\$ 17,632,747.11	\$ 80,163	\$ 44,024.97	\$ 36,138.49	\$ 80,982.39	\$ 36,138.49	\$ 36,957.42	45.51%	\$ 16,820.21
Jul-35	151	\$ 17,596,518.58	\$ 80,163	\$ 43,934.93	\$ 36,228.53	\$ 80,816.76	\$ 36,228.53	\$ 36,881.83	45.27%	\$ 16,697.95
Aug-35	152	\$ 17,560,199.78	\$ 80,163	\$ 43,844.66	\$ 36,318.80	\$ 80,650.71	\$ 36,318.80	\$ 36,806.05	45.04%	\$ 16,576.42
Sep-35	153	\$ 17,523,790.48	\$ 80,163	\$ 43,754.16	\$ 36,409.30	\$ 80,484.25	\$ 36,409.30	\$ 36,730.08	44.80%	\$ 16,455.63
Oct-35	154	\$ 17,487,290.47	\$ 80,163	\$ 43,663.44	\$ 36,500.02	\$ 80,317.37	\$ 36,500.02	\$ 36,653.93	44.57%	\$ 16,335.56
Nov-35	155	\$ 17,450,699.50	\$ 80,163	\$ 43,572.50	\$ 36,590.96	\$ 80,150.08	\$ 36,590.96	\$ 36,577.58	44.33%	\$ 16,216.21
Dec-35	156	\$ 17,414,017.37	\$ 80,163	\$ 43,481.33	\$ 36,682.13	\$ 79,982.37	\$ 36,682.13	\$ 36,501.05	44.10%	\$ 16,097.57
Jan-36	157	\$ 17,377,243.84	\$ 80,163	\$ 43,389.93	\$ 36,773.53	\$ 79,814.25	\$ 36,773.53	\$ 36,424.32	43.87%	\$ 15,979.66
Feb-36	158	\$ 17,340,378.68	\$ 80,163	\$ 43,298.30	\$ 36,865.16	\$ 79,645.70	\$ 36,865.16	\$ 36,347.40	43.64%	\$ 15,862.45
Mar-36	159	\$ 17,303,421.66	\$ 80,163	\$ 43,206.44	\$ 36,957.02	\$ 79,476.74	\$ 36,957.02	\$ 36,270.29	43.41%	\$ 15,745.95
Apr-36	160	\$ 17,266,372.56	\$ 80,163	\$ 43,114.36	\$ 37,049.10	\$ 79,307.35	\$ 37,049.10	\$ 36,192.99	43.19%	\$ 15,630.15
May-36	161	\$ 17,229,231.14	\$ 80,163	\$ 43,022.04	\$ 37,141.42	\$ 79,137.54	\$ 37,141.42	\$ 36,115.50	42.96%	\$ 15,515.04
Jun-36	162	\$ 17,191,997.19	\$ 80,163	\$ 42,929.50	\$ 37,233.96	\$ 78,967.31	\$ 37,233.96	\$ 36,037.81	42.73%	\$ 15,400.64
Jul-36	163	\$ 17,154,670.45	\$ 80,163	\$ 42,836.73	\$ 37,326.73	\$ 78,796.65	\$ 37,326.73	\$ 35,959.93	42.51%	\$ 15,286.92
Aug-36	164	\$ 17,117,250.71	\$ 80,163	\$ 42,743.72	\$ 37,419.74	\$ 78,625.57	\$ 37,419.74	\$ 35,881.85	42.29%	\$ 15,173.89
Sep-36	165	\$ 17,079,737.74	\$ 80,163	\$ 42,650.48	\$ 37,512.98	\$ 78,454.07	\$ 37,512.98	\$ 35,803.58	42.07%	\$ 15,061.54
Oct-36	166	\$ 17,042,131.29	\$ 80,163	\$ 42,557.01	\$ 37,606.45	\$ 78,282.13	\$ 37,606.45	\$ 35,725.12	41.85%	\$ 14,949.87
Nov-36	167	\$ 17,004,431.14	\$ 80,163	\$ 42,463.31	\$ 37,700.15	\$ 78,109.77	\$ 37,700.15	\$ 35,646.46	41.63%	\$ 14,838.88
Dec-36	168	\$ 16,966,637.05	\$ 80,163	\$ 42,369.37	\$ 37,794.09	\$ 77,936.98	\$ 37,794.09	\$ 35,567.60	41.41%	\$ 14,728.55
Jan-37	169	\$ 16,928,748.80	\$ 80,163	\$ 42,275.20	\$ 37,888.26	\$ 77,763.75	\$ 37,888.26	\$ 35,488.55	41.19%	\$ 14,618.90

Schedule C.4
Opelika Estimated Net Proceeds and Interest Savings Calculations

Month	No.	Loan Balance	Est. Payment	Interest	Principal	Assumed Alt.		Interest Savings	Present Value Factor	PV Interest Savings
						Rate (Colliers)	Principal			
Feb-37	170	\$ 16,890,766.14	\$ 80,163	\$ 42,180.80	\$ 37,982.66	\$ 77,590.10	\$ 37,982.66	\$ 35,409.30	40.98%	\$ 14,509.90
Mar-37	171	\$ 16,852,688.83	\$ 80,163	\$ 42,086.16	\$ 38,077.30	\$ 77,416.01	\$ 38,077.30	\$ 35,329.85	40.76%	\$ 14,401.57
Apr-37	172	\$ 16,814,516.66	\$ 80,163	\$ 41,991.28	\$ 38,172.18	\$ 77,241.49	\$ 38,172.18	\$ 35,250.21	40.55%	\$ 14,293.90
May-37	173	\$ 16,776,249.37	\$ 80,163	\$ 41,896.17	\$ 38,267.29	\$ 77,066.53	\$ 38,267.29	\$ 35,170.36	40.34%	\$ 14,186.87
Jun-37	174	\$ 16,737,886.73	\$ 80,163	\$ 41,800.82	\$ 38,362.64	\$ 76,891.14	\$ 38,362.64	\$ 35,090.32	40.13%	\$ 14,080.50
Jul-37	175	\$ 16,699,428.50	\$ 80,163	\$ 41,705.23	\$ 38,458.23	\$ 76,715.31	\$ 38,458.23	\$ 35,010.08	39.92%	\$ 13,974.77
Aug-37	176	\$ 16,660,874.45	\$ 80,163	\$ 41,609.41	\$ 38,554.05	\$ 76,539.05	\$ 38,554.05	\$ 34,929.64	39.71%	\$ 13,869.68
Sep-37	177	\$ 16,622,224.34	\$ 80,163	\$ 41,513.35	\$ 38,650.11	\$ 76,362.34	\$ 38,650.11	\$ 34,849.00	39.50%	\$ 13,765.23
Oct-37	178	\$ 16,583,477.92	\$ 80,163	\$ 41,417.04	\$ 38,746.42	\$ 76,185.19	\$ 38,746.42	\$ 34,768.15	39.29%	\$ 13,661.42
Nov-37	179	\$ 16,544,634.96	\$ 80,163	\$ 41,320.50	\$ 38,842.96	\$ 76,007.61	\$ 38,842.96	\$ 34,687.11	39.09%	\$ 13,558.23
Dec-37	180	\$ 16,505,695.22	\$ 80,163	\$ 41,223.72	\$ 38,939.74	\$ 75,829.58	\$ 38,939.74	\$ 34,605.86	38.88%	\$ 13,455.68